**Task 1.2 - Provide a Detailed Project Costing**

**[goal]**

You are a UK-based tech start-up called Zen Cycle. Zen Cycle provides an artificial intelligence software programme called ZenAI. Zen Cycle is looking to apply its ZenAI software to improve the inventory management of bicycle shops in the UK, Oxfordshire area. You are a project manager planning a piece of funded work to test ZenAI in a real life use case.

**[Context]**

Through this work you are attempting to get grant funding from a UK based organisation that supports the development of Artificial intelligence tools for local businesses. This is a component task of a larger submission that is outlined in the associated attachment called 'INITIAL REQUIREMENTS\_Funding Competition' (this provides the overall requirements necessary for the project). This specific task outlines part of this overall submission and specifically describes the calculation of specific costing information that will be used to plan and manage the project. If successfully funded, this project will run for 6 months in duration and the planning output provided from this task (and the costs it describes) will provide important information for ongoing planning and the production of reporting outputs, that will be shared with project stakeholders and governance auditors responsible for assessing the efficiency and accountability of the project.

**[deliverable ask]**

Please complete a ‘Total Project Costs’ spreadsheet that determines the key financial costs for the proposed ZenAI project application. These costs will include - a) the total personnel costs for the full project b) The associated material costs for the full project c) The total travel and expenses costs for the full project d) the total project overhead cost and e) the total final project cost.

To produce the ‘Total Project Costs’ spreadsheet please use the following input documents, which will provide all the necessary data for the valuations required to address the costs specified as follows.

Input 6 - Project Plan - Zen AI POC Project plan (manpower estimates) - this input provides the full number of personnel/manpower required to undertake the project, and this is used to calculate a) the total personnel costs for the project.

Input 7 - Project Plan - Zen Cycle daily rate charges, materials costs, travel and expenses and overhead costs

Using the two input files supplied, produce an output spreadsheet that provides a) the ‘Total personnel costs’ for the full project. ‘Total personnel costs’ are determined by multiplying the Zen Cycle personnel daily rates (contained in Input 7) by the days worked for the project for each team member (contained in Input 6) and providing the total figure for all of the role costs combined. Please note, for the purpose of this calculation, 1 day’equates to 8 hours.

b) The associated material costs for the full project (determined by multiplying the monthly costs of materials (contained in input 7) by the project duration in months (contained in input 6). c) The total travel and expense costs for the full project (determined by multiplying the monthly cost for travel and expenses (contained in input 7) by the project duration in months (contained in input 6). d) The total overhead project cost (determined by taking the overhead rate specified in the Input 7 and multiplying it by total project spend (calculated by combining the calculations for a, b and c)). Finally, provide the final project cost as the most prominent visual figure and calculate this by adding all of the figures from calculations a, b, c and d into one figure (e).

Use colour to differentiate the subheadings and the main headings in the output spreadsheet. Orange is suggested as a highlight colour for the main subheadings and yellow as the highlight colour for the Total Final Project Cost figure (this is the most important figure for future reports). Please apply these colours to fill the relevant rows that contain these figures - such highlighting will enable the key figures to be discerned by the reader more easily.

**[Introduction to the deliverable]**

Please find attached a spreadsheet that outlines information relating to the project costs for the ZenAI project at Bob’s Bikes.

The most important calculation for ongoing planning is the Total Final Project Cost, this can be found labelled as 5.1 Total Final Project Cost and it is highlighted in yellow.

A number of other associated costs (used to calculate the Total Final Project Cost) are also included under the following headings (and highlighted in orange). Please note, the may not be directly relevant to ongoing planning, but are included to provide the background working and data on how costs have been calculated.

1.1 Total Personnel Cost (full project)

2.1 Associated material costs (full project)

3.1 Total Travel and expenses costs (full project)

4.1 Total Project Overhead Cost (calculated at the industry standard of 30%)

To help with ongoing planning and understanding the project duration is also expressed as a total number of months (6). This figure has been used to calculate the figures provided in sections 2.1 and 3.1.

In addition, the second and third tabs of this spreadsheet supply copies of the total expected manpower utilisation (tab 2) and a breakdown of the rates and costs on a daily and monthly basis (tab 3).