

**COST MANAGEMENT PLAN**  
**PROJECT TRACKING AND MONITORING SYSTEM**

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## **INTRODUCTION**

The Cost Management Plan for Tracking Activity and Project Management (TAPM) is to outline the approach that the project team will take to manage costs throughout the project. The plan outlines the methods that will be used to monitor and manage costs, such as budgeting, cost reporting, and cost estimations.

Cost management responsibilities:

- The Project Manager is responsible for developing and implementing the cost management plan.
- The project Team is responsible for following the cost management plan and reporting any cost increase or problems.

Cost change approval:

- Submitted suggestions must be approved first by the Project Manager before executing.

## **COST MANAGEMENT APPROACH**

The cost management approach for the tracking activity and project management system project will be based on these approaches including:

- a. Cost Estimates:
  - The team will develop cost estimates for the various activities and tasks that can help to detect potential cost overruns and give a starting point for monitoring actual costs as the project moves forward.
- b. Resource Allocation:
  - Properly distributing resources can contribute to cost reduction by ensuring that resources are being used effectively and efficiently.
- c. Budgeting:
  - Making a budget that aligns with cost estimates can ensure that the project remains financially on course.
- d. Risk Management:
  - Managing risks that could impact project costs is another salient aspect of cost management. This involves developing an approach to risk management as well as maintaining updated on prospective risks throughout the project lifecycle.
- e. Cost Reporting:
  - The project team will report regularly the project costs and progress within the budget, which can assist in identifying problems early on and give the project team the knowledge they need to make wise decisions regarding cost management.

By adopting these approaches, the project team may efficiently manage expenses for a project that concentrates on tracking activity and project management by implementing these measures, ensuring that the project remains on track financially.

## **MEASURING PROJECT COSTS**

The Project Tracking and Monitoring System (TAPM) cost almost nothing and involved the creation of software using Laravel and Visual Studio, as well as GitHub, we will use Man-hours and hourly rate to measure and control our project costs.

To estimate the cost of the project based on the given information, you can use the following formula:

$$\text{Total Cost} = \text{Number of Man-Hours} * \text{Hourly Rate}$$

Assuming a junior programmer salary of 375 Pesos per hour, the cost of the project can be estimated as follows:

$$\text{Total Number of Man-Hours} = 40 \text{ hours/week} * 13 \text{ weeks} = 520 \text{ Hours}$$

$$\text{Total Cost} = 520 \text{ Hours} * 375/\text{hour} = 195000$$

So, the estimated cost of the project based on man-hours and junior programmer salary is 195000 Pesos. However, please note that this is only an estimate, and the actual cost may vary based on factors such as project complexity, resource utilization, and unforeseen events.

To forecast future project costs, we will review cost performance over time and across work packages or schedule activities. This will help us identify any potential cost overruns or deviations from our project plan. By measuring and monitoring our project costs, we can ensure that we stay on track and deliver our project within budget.

## **REPORTING FORMAT**

The ideal reporting format at the cost management plan for the Project Tracking and Monitoring System would be a financial report using a spreadsheet, excel, or table. This will include all the technical, maintenance, and for the hourly work of each member, information for the project budget that will be incurred.

In addition to that there are format that are easily understandable and helpful for the stakeholders and the project team, reporting is especially needed in seeing how much the expected cost and amount of a project, some helpful infographic can also be used upon reporting. The following formats can be used for the project Tracking and Monitoring System:

- Executive Summary
- Budget Overview
- Cost Variance Analysis

- Budget Forecast
- Cost Management Metrics
- Approval Sign off
- Appendices

## **COST VARIANCE RESPONSE PROCESS**

Cost variable response for project TAPM is in the following:

- Control Thresholds
  - The Control Threshold for the TAPM project is a cost variance of more than 10% or less than -10%. If the project reaches one of these Control Thresholds, a Cost Variance Corrective Action Plan is required.
- Reporting
  - The project team must report any cost variances to the Project Manager within two business days of detection.
- Options for Corrective Action: Upon escalation, the Project Manager will present the
  - Increasing the budget for the project
    - Reducing scope or quality
    - Revising the project schedule
    - Changing resource allocation
- Selection of Corrective Action:
  - Within three business days from when the Project Sponsor selects a corrective action option, the Project Manager will present the Project Sponsor with a formal Cost Variance Corrective Action Plan.
- Cost Variance Corrective Action Plan:
  - The Cost Variance Corrective Action Plan will detail the actions necessary to bring the project back within budget and how the effectiveness of the actions in the plan will be measured. The plan will include:
    - A description of the corrective actions to be taken
    - A timeline for implementation of the actions
    - A budget for the actions

## **COST CHANGE CONTROL PROCESS**

The cost change control process for a project that focuses on tracking activity and project management includes:

1. Identifying and documenting the change:
  - Suggested changes to the budget of the project must be documented on a cost change request form.

2. Evaluating the impact of the change:
  - The project team will evaluate the change request's effect on the project's cost after it has been documented. The cost estimate, budget, and resource allocation plan may need to be reviewed again to see if any adjustments are required.
3. Approving of the change:
  - The change request must be reviewed by the stakeholders, including the project sponsor. After approval, the change must be documented and shared with the project team.
4. Updating the project plan:
  - The project plan should be updated to reflect the change after it has been approved.
5. Reporting on the cost change:
  - The project team needs to keep updated on the cost of the project and report on any changes. This can help spot problems early and keep the project's finances on track.

The cost change control process will be implemented to ensure that any changes that have an impact on the project's cost are correctly assessed and documented by creating an effective cost change control approach. This can reduce the possibility of excess costs and guarantee that the project is completed within the budget

## PROJECT BUDGET

In the context of the Tracking Activity Project Management project, a budget has been developed to ensure that all project costs are accounted for and managed throughout the project's life cycle. This budget will serve as a baseline for monitoring the project's financial performance and ensuring that it remains on track to meet its objectives within the approved budget. Although we the project team mainly focused on producing the application with not much expenditures there are some possibilities of cost such as:

Total Project Cost: PHP 195,000.00

Category	Duration/Frequency and Trigger	Total Cost in PHP
Manpower Cost	13 weeks	PHP 195,000.00
Training Cost	One-time purchase	N/A
Contingency Cost	6 months	N/A
Total Direct Costs		PHP 195,000.00

Category	Duration/Frequency and Trigger	Total Cost in PHP
Equipment	One-time purchase	N/A
Total Miscellaneous Costs		N/A

## **SPONSOR ACCEPTANCE**

Approved by the Project Sponsor:

\_\_\_\_\_  
Jayvee M. Cabardo  
Project Development Director

Date: 5/3/2023 \_\_\_\_\_

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