A.P. SHAH INSTITUTE OF TECHNOLOGY
PARSHWANATH CHARITABLE TRUST'S
Department of Computer Science and Engineering
Data Science
CSE DATA SCIENCE

Semester: VIII   Subject: Project Management   Academic Year: 2024-2025

✦ Cost-Estimating Process:-

① Determine Estimate Basis:-

- It obtains project information including project scope, schedule details & data form which a cost estimation can be prepared.

② Prepare Base Estimate:-

- It develops cost estimation for all components of a project, excluding future increase in cost.

- This process uses different cost estimation techniques depending on the level of scope & the size & complexity of the project.

③ Review Base Estimate:-

- It is necessary to ensure that
  i) all assumptions & basis are proper for the project.
  ii) Base cost estimation is an accurate reflection of the project's scope.
  iii) Scope, Schedule & costs are calculated properly.

④ Determine Risks & Set Contingency:-

- It is part of a risk management plan & project management planning.
- Here, the cost impact of project risks (favorable or unfavorable) must be included to derive a total project cost.

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5) <u>Determine Estimate Communicat Approach:-</u>

- Cost estimate data is communicated to both internal & external parties.

- This approach determines:
  i) what estimate informat should be communicated
  ii) who should receive this informat
  iii) How the informat should be communicated
  iv) when the information should be communicated.

6) <u>Conduct Indepent Review:&Obtain Mgmt.</u>
   <u>Endorsement</u>

- Estimates are key products of the project management process & are fundamental documents upon which mgmt. decisions are based.

- sq All estimates should be reviewed independently & then they should be reconciled & revised as per the reviewer comments.

- Once, the reviews are revised, then estimate should be presented to mgmt staff for approval.