**Cost Management Plan**

**BARANGAY SOUTH SIGNAL VILLAGE WEB-APP**

**Barangay South Signal Village**

**128 Col. Ballecer St Cor. Gen. Espino St. Zone 6**

**South Signal Village, Taguig City**

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# Introduction

The Cost Management Plan for the Barangay South Signal Village Web App project is designed to ensure that all costs associated with the project are effectively managed throughout its lifecycle. The plan outlines the format and standards by which the project costs will be measured, reported, and controlled.

1. **Cost management responsibilities**

* The Project Manager will be responsible for overall cost management of the project and will be the primary point of contact for all cost-related issues.
* The Finance Team will be responsible for monitoring project costs and ensuring that they are within the approved budget.

1. **Cost change approval**

* All cost changes must be approved by the Project Manager before they are implemented.
* If the cost change exceeds 10% of the total project budget, it must be approved by the Project Sponsor before it can be implemented.

1. **Cost measurement and reporting**

* Costs will be measured and reported monthly, using a cost performance index (CPI) and a schedule performance index (SPI).
* Reports will be presented to the Project Sponsor on a monthly basis.

1. **Budget format and standards**

* The budget will be presented in a clear and concise format, using a spreadsheet format such as Excel.
* The budget will be broken down into individual line items, with detailed cost estimates for each item.
* The budget will be updated on a monthly basis, with any changes clearly highlighted.

Overall, the Cost Management Plan for the Barangay South Signal Village Web App project is designed to ensure that all costs associated with the project are effectively managed and controlled, so that the project can be completed within the approved budget. This will help ensure that the project is completed successfully and on time.

# Cost Management Approach

The cost management approach for the Barangay South Signal Village Web App will be based on the following principles:

1. **Cost Estimating:**

The project team will use a bottom-up approach to estimate the costs associated with developing and launching the web app. This approach involves breaking down the project into smaller tasks and estimating the cost of each task based on the resources required. The team will use historical data from similar projects, industry benchmarks, and expert judgment to estimate costs accurately.

1. **Budget Development**

Based on the cost estimates, the project team will develop a comprehensive project budget that covers all the costs associated with developing and launching the web app. The budget will be reviewed and approved by the project sponsor or steering committee before it is finalized.

1. **Cost Control**

Throughout the project, the project team will monitor actual costs against the approved budget to ensure that the project is on track financially. Any deviations from the approved budget will be documented and analyzed to determine the root cause. If necessary, corrective action will be taken to bring the project back in line with the budget.

1. **Change Management**

Any changes to the project scope, timeline, or resources may have an impact on the project budget. Therefore, all changes will be reviewed by the project sponsor or steering committee to assess their impact on the budget. If the changes are approved, the project budget will be updated accordingly.

1. **Reporting**

Regular cost reports will be produced and distributed to the project team, stakeholders, and the project sponsor or steering committee. These reports will show actual costs to date, compared to the approved budget, and any deviations from the budget. The reports will also include an analysis of the causes of any deviations and any corrective actions taken.

By following this Cost Management Approach, we aim to ensure that the Barangay South Signal Village Web App project is completed within the approved budget, while still meeting the project objectives and delivering a high-quality product that satisfies the needs of the community.

# Measuring Project Costs

The performance of the Barangay South Signal Village Web App project will be evaluated using Earned Value Management (EVM). Earned Value Management (EVM) is a system for measuring project progress and performance in terms of cost and schedule. It combines the project's scope, schedule, and cost to offer a full overview of the project's performance. The EVM technique compares the quantity of work accomplished to the amount of planned work and the related expenses, allowing project managers to track project progress and make required modifications to guarantee the project's success. As a result, the EVM method will be used to assess the performance of the Barangay South Signal Village Web App project.

The following Earned Value metrics will be used to evaluate the project's cost performance:

1. **Schedule Variance (SV) –** this metricmeasures the schedule performance of the project by getting the difference between the Planned Value (PV) and the Earned Value (EV) according to the project’s schedule.

|  |  |  |
| --- | --- | --- |
| Computation | Acceptance Level | Critical Level |
| SV = EV – PV | SV > 0  When the SV value is positive, it means the project is doing better than the planned work, putting it ahead of schedule and providing more value than expected. | SV < 0  When the SV value is negative, it indicates that the project is less value than the planned work, indicating that it is behind schedule. |

1. **Cost Variance (CV)** – this metric measures the budget performance of a project by subtracting the Earned Value (EV) and Actual Costs (AC) of a project.

|  |  |  |
| --- | --- | --- |
| Computation | Acceptance Level | Critical Level |
| CV = EV – AC | CV > 0  When the CV value is positive, it means the project is earning better than the planned work, indicating that the project is under budget. | CV < 0  When the CV value is positive, it means the project is earning lesser than the planned work, indicating that the project is over budget. |

1. **Schedule Performance Index (SPI)** – this metric is used to measure the progress of the project achieved in relation to the planned schedule. It is calculated by dividing the Earned Value (EV) by the Planned Value (PV) of the project. When the SPI is greater than 1, it indicates that the project is progressing ahead of schedule. And when the SPI is greater than 1, it indicates that the project is progressing ahead of schedule.

|  |  |  |
| --- | --- | --- |
| Computation | Acceptance Level | Critical Level |
| SPI = | Between 0.9 and 0.8 or Between 1.1 and 1.2 | Less Than 0.8 or Greater than 1.2 |

1. **Cost Performance Index (CPI)** – this metric is used to measure the value of the completed work in relation to its cost. It is calculated by dividing the Earned Value (EV) by the Actual Cost (AC) of the completed task in the project. When the CPI is equal to 1, it indicates that the project is on the budget. And when the CPI is less than 1, it indicates that the project is over budget. Lastly, when the CPI is more than 1, it indicates that the project is under budget.

|  |  |  |
| --- | --- | --- |
| Computation | Acceptance Level | Critical Level |
| CPI = | Between 0.9 and 0.8 or Between 1.1 and 1.2 | Less Than 0.8 or Greater than 1.2 |

# Reporting Format

The project team will generate a Monthly Project Status Report to update stakeholders on the cost status of the project. This report will include a "Cost Management" section that will highlight the Earned Value Metrics (EVM) previously mentioned, such as Schedule Variance (SV), Cost Variance (CV), Schedule Performance Index (SPI), and Cost Performance Index (CPI), to evaluate the project's progress and cost performance. In case the project's cost exceeds the predefined thresholds, the report will include details of the issue along with the planned corrective actions. The report will also monitor any change requests resulting from cost overruns to ensure that they align with the project budget. These updates will be shared with stakeholders on a monthly basis to maintain transparency and ensure timely decision-making.

# Cost Variance Response Process

Develop a corrective action plan to address the cost variance. The plan should include specific actions to reduce or eliminate the cost variance, as well as timelines and responsibilities for each action. Communicate with stakeholders to keep them informed about the cost variance and the corrective action plan. Be transparent about the impact on the project's budget, schedule, and scope. Re-evaluate the project plan to ensure that it is still feasible given the cost variance. Consider whether any adjustments need to be made to the project's schedule, scope, or quality to bring it back in line with the budget.

The Control Thresholds for this project are a CPI or SPI of less than 0.8 or greater than 1.2. If the project reaches one of these Control Thresholds a Cost Variance Corrective Action Plan is required. The Project Manager will present the Project Sponsor with options for corrective actions within five business days from when the cost variance is first reported. 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. The Cost Variance Corrective Action Plan will detail the actions necessary to bring the project back within budget and the means by which the effectiveness of the actions in the plan will be measured. Upon acceptance of the Cost Variance Corrective Action Plan it will become a part of the project plan and the project will be updated to reflect the corrective actions.

# Cost Change Control Process

The South Signal Village Barangay Web Application project aims to create a comprehensive digital platform that consolidates essential information and services for the residents, enhancing community engagement and service delivery efficiency in the barangay.

**Project Deliverables**:

1. A fully functional South Signal Village Barangay Web Application, including a. A user-friendly dashboard for barangay announcements, news, and updates. b. A repository for important documents such as barangay resolutions, ordinances, and certificates. c. An integrated online services system for barangay clearance, ID issuance, and permit processing. d. A reporting module for residents to communicate concerns and complaints to barangay officials. e. A scheduling module to display the availability of barangay officials and facilitate appointments.
2. A secure account creation and management system, including a. Identity verification using government-issued IDs. b. Robust security measures to prevent unauthorized access and protect user data.
3. Documentation for the design, development, and implementation processes.
4. User manuals and training materials for barangay officials and residents.
5. Ongoing maintenance and support services as required.

**Project Work Breakdown**:

1. Web Application Development: a. Design a responsive and accessible web application interface. b. Develop the dashboard, document repository, and online services modules. c. Implement the reporting and scheduling modules.
2. User Account Management and Security: a. Develop a secure account creation and management system. b. Integrate identity verification features using government-issued IDs. c. Implement security measures to protect user data and prevent unauthorized access.
3. Testing and Deployment: a. Conduct thorough web application testing for functionality, usability, and security. b. Deploy the web application and provide Training to barangay officials and residents.
4. Documentation and Training: a. Create documentation of the design, development, and implementation processes. b. Develop user manuals and training materials for barangay officials and residents.

# Project Budget

The projected budget for this project is detailed below. Costs for this project are presented in various:

Direct Costs:

1. Manpower Cost

* 1. Project Manager **₱ 607,260.00**
  2. Product Owner **₱ 702,000.00**
  3. Scrum Master / Developer x 2 **₱ 954,000.00**
  4. Scrum Member / Laravel Junior Developer **₱ 960,000.00**
  5. Documentation Manager  **₱ 492,708.00**

1. Maintenance (Yearly after project closure)
   1. Managed SSL Services **₱ 4,999.00**
   2. Website Security (Premium) **₱ 9,588.00**
   3. Website Backup **₱ 1,188.00**
   4. System Administrator  **₱ 360,000.00**
2. Hosting and DNS (Every 3 years after project closure)
   1. Hosting w/ DNS protection (36 months) **₱ 12,992.72**

Indirect Costs:

1. Utilities
2. Equipment
3. Administrative Roles

**Sponsor Acceptance**

Approved by the Project Sponsor:

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Hon. Michelle Odevilas

Barangay Captain