**Cost Management Plan**

**RAMS E-CAF:**

**A WEB-BASED CAFETERIA MANAGEMENT SYSTEM**

**FOR THE**

**ASIA PACIFIC COLLEGE**

**Asia Pacific College Cafeteria**

**Humabon 3**

**Makati City, Kalakhang Maynila**

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# Introduction

In broader terms, the Rams E-Caf project's cost management plan is created to make sure that all project expenses are efficiently handled and kept under control, allowing the project to be finished within the allocated budget. This will make it more likely that the project will be successfully and promptly finished.

Cost Management Responsibilities

* The Project Manager oversees the project's overall cost management and serves as the point of contact for any potential costing problems.
* The finance team oversees making sure that the project's approved budget is being monitored.

Cost Measurement and Reporting

* Using a cost performance index (CPI) and a schedule performance index (SPI), costs will be tracked and reported.

Cost Change Approval

* Before making and putting into effect the following adjustments to the cost management, the project manager must give his or her approval.
* The Project Sponsor must be consulted and given approval before any changes to the costing or budget are made.

**Budget Format and Standards**

* A spreadsheet will be used to present the budgets and plot them in depth.
* If there are updates or adjustments to the costings, the budgets will be noted.

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# Cost Management Approach

The following guiding concepts will serve as the foundation for the Rams E-Caf project's cost management strategy:

1. Costs are defined clearly:

To properly identify and document project costs, including labor, materials, equipment, and other expenses, the project team will collaborate closely with stakeholders.

1. Budget creation and monitoring:

Costs will be tracked and reported in real time, and a thorough project budget will be created and frequently updated throughout the project.

1. Cost projections:

To make sure that the project budget is precise and reasonable, the project team will employ a range of cost estimation approaches.

1. Cost variance analysis:

The project team will do variance analysis to find and rectify any cost overruns or savings while keeping a tight eye on expenses throughout the project.

1. Cost management roles and responsibilities:

All project team members will be informed of the precise roles and duties for cost management.

1. Approval process for changes:

A formal procedure for approving adjustments to the project's budget will be developed and put into place.

1. Reporting and communication:

Regular cost reports will be created and distributed to all parties involved, such as the project sponsor, project team, and management.

# Measuring Project Costs

A specific method for applying Earned Value Management (EVM) to measure project costs will be included in the Cost Management Plan for the Rams E-Caf project. A specific method for applying Earned Value Management (EVM) to measure project costs will be included in the Cost Management Plan for the Rams E-Caf. This will entail keeping track of and releasing numerous Earned Value signs, including:

1. The budgeted expenses of the work that was anticipated to be finished at a particular period are measured using the terms Budgeted Cost of Work Scheduled (BCWS) or Planned Value (PV).

The total labor expense for the TESTING WBS must be multiplied by the percentage of completion for the WBS to determine the BCWS or Planned Value:

BCWS = Total labor cost of TESTING WBS x Percentage of completion

= (PHP 84,317.25) x 33.71%

= PHP 28,423.34

As a result, the Planned Value (PV) or Budgeted Cost of Work Scheduled (BCWS) for the TESTING WBS Is PHP 28,423.34

1. Earned Value (EV) or Budgeted Cost of Work Performed (BCWP) is a measure of the estimated price of the work that has been finished at a particular period.

Example:

The proportion of work completed for each job or WBS element is necessary to determine the Budgeted Cost of Work Performed (BCWP) or Earned Value (EV). Assuming that each Testing phase task has been completed to a certain percentage:

Week 40: Testing Phase 1 - 100%

Week 41: Testing Phase 2 - 75%

Week 42: Testing Phase 3 - 50%

Week 43: Testing Phase 4 - 25%

The Budgeted Cost of Work Performed (BCWP) or Earned Value (EV) can then be determined as follows:

EV = BCWS (\*) % of work completed

EV = (₱ 84,317.25 x 33.71%) + (₱28,059 x 8.43% x 0.75) + (₱ 28,059 x 8.43% x 0.50) + (₱28,059 x 8.43% x 0.25)

EV = ₱28,423.34+ ₱1,774.03+ ₱1,182.69+ ₱591.34

EV = ₱ 31971.4

As a result, the Earned Value (EV) or Budgeted Cost of Work Performed (BCWP) is ₱31971.4

The testing phase of the web app was based on this article (<https://www.getastra.com/blog/security-audit/penetration-testing-cost/#:~:text=The%20average%20cost%20of%20penetration,usually%20between%20%24400%20and%20%242000>.)

# Reporting Format

A thorough spreadsheet or table would likely be the best reporting format for the expense management strategy of the Rams E-Caf service project. The project's budget, actual costs incurred, expected costs, and any variations or inconsistencies ought to all be included in this format.

The project team, stakeholders, and management should all be able to access the format and understand it without difficulty. To give the expense information a visual representation, a bar chart or Gantt chart can also be used. The following components would be part of the reporting format for the Rams E-Caf project's cost management plan:

* Executive Summary:

An outline of the project's overall budget, any significant cost issues or variations, and any steps taken to address them is included in the cost management plan.

* Budget Overview:

A thorough financial breakdown includes the project's overall cost, the price of each phase or deliverable, and the price of each project resource (such as personnel, supplies, equipment, etc.).

* Cost Variance Analysis:

A thorough examination of discrepancies between the project's estimated and actual costs. This should thoroughly justify the deviations' causes, their effects on the project, and any steps taken to address them.

* Budget Forecast:

A forecast of the project's foreseeable costs, considering any probable cost variations and their potential influence on the undertaking.

* Approval and Sign-off:

The part where the cost management strategy is reviewed, approved, and signed off on by the project's manager and other major stakeholders.

* Appendices:

Any more records or materials, including invoices, change request forms, and comprehensive cost breakdowns.

# Cost Variance Response Process

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 following steps will be part of the cost change control process:

Identification of the cost change:

1. A cost change request form must be used to identify and record any suggested modifications to the project's costs or budget.
2. Analysis of the cost change:

The project team will evaluate the proposed modification and determine its possible impact on the project's budget, resources, and timeline.

1. Approval of the cost change:

The project sponsor and other relevant stakeholders are going to review and authorize the request for a cost change.

1. Implementation of the cost change:

Upon approval, the cost adjustment will be carried out in accordance with the project's budget and schedule.

1. Tracking and monitoring of the cost change:

The project team will keep tabs on how the cost change will affect the project's budget and schedule and make any required adjustments to keep things on track.

1. Reporting on the cost change:

The project status report will include the cost change, any pertinent financial data, and any corrective actions that were implemented.

The expense change control procedure will be implemented to make sure that any alterations to the project budget or expenses are quickly found, assessed, and approved. By doing this, you may lessen the effect of cost fluctuations on the project's budget and schedule and help to keep it on pace to achieve its goals.

# Project Budget

The budget for this project is detailed below. Costs for this project are presented in various categories based on the summary budget of the project charter.

Material Costs PHP 32,354.00~

Hosting Costs PHP 894.9 per month~  
Payment Gateway PHP 0.00 (Registration Fee)  
Electricity Cost PHP 11.3168 kwh / 3395.04 per month

Total Project Cost PHP 36,598.94

Price Reference:

* https://aws.amazon.com/ec2/pricing/
* <https://www.amazon.com/Microsoft-Sufrace-QL2-00015-i5-4300U-Keyboard/dp/B071VXYBJH>
* <https://paynamics.biz/>

**Sponsor Acceptance**

Approved by the Project Sponsor:

Date:

Bernadette Sison

Staff at APC Center