

Hospital Scheduling Project

Choose the Best Estimate Solution

You add the information provided by the vendors to a spreadsheet (see [Bestestimate Solution.pdf](#)).

Since vendor 3's system does not provide much built-in functionality or customization, you suspect that the system won't meet the COO's requirements for scheduling. Because of that, you decide to use only the two higher-end systems in your estimate.

First, you calculate the average value for the typical duration and cost for vendor 1 and vendor 2. The average duration for a typical implementation is 10.5 months. The average cost for a typical implementation is \$825,000.

Next, you calculate the average value for the extensive customization duration and cost for vendor 1 and vendor 2. The average duration is 12.5 months, and the average cost is \$1,050,000.

The next step is to calculate the duration halfway between the typical and worst-case average values. This provides an 86% probability of delivering at or below these values. The duration is 11.5 months and the cost is \$937,500.

Because the grants have a hard expiration deadline, you decide to increase your estimated duration to 12 months. You also decide to round the cost to \$950,000. These final estimates give you 1.5 months and \$125,000 that you can use for contingency.