**Cost Estimation**

**Project name** : AskAMech

**Project start date** : 01 December 2019

**Project end date** :

**Total Estimate** : R 115,300

To keep a project under budget the following cost were calculated. this cost will also help to determine if the scope of the project needs to change in order to fit the in allocated budget or not. The success of the project relies on whether all expenses fit into the budget.

**Direct cost**

|  |  |
| --- | --- |
| **Task** | **Amount** |
| **System Analysis** |  |
| Develop project plan | R 5000 |
| **Design** |  |
| Design System architecture | R2500 |
| **Development** |  |
| Team Salaries | R 40000 |
| Software licensing | R 5000 |
| System development | R 25000 |
| Travel to client | R 800 |
| Internet connection | R 500 |
| Equipment | R 1000 |
| **Testing** |  |
| Develop test cases | R 1000 |
| **Other** |  |
| hosting | R 500 |
| **Total estimate** | **R 81300** |

**overhead** **cost**

|  |  |
| --- | --- |
| **Task** | **Amount** |
| **Development** |  |
| Renting an office space | R 10000 |
| Project managers Salaries | R 15000 |
| **Testing** |  |
| User training | R 5000 |
| **Other** |  |
| Utility (Electricity and Printer) | R500 |
| **Total estimate** | **R 30500** |

**Contingency cost**

Their situation that may need funds during the development of the product. Some extra resources may be needed to cover those situations e.g. load shedding can cause risk in the project and that can lead to unexpected cost.

|  |  |  |
| --- | --- | --- |
| **Risks** | **Probability** | **Amount** |
| Extra training | 10% | R 2000 |
| Load Shedding | 30% | R 20000 |
| Changes in software licenses | 5% | R 500 |
| Total | | R 3500 |

**The total direct, overhead and Contingency** **cost is R 115,300.**