

Project – bathroom renovation

FOR THIS ASSESSMENT, I USED MY PERSONAL BATHROOM RENOVATION PROJECT THAT IS BEING PLANNED (NOT INITIATED YET)

SBBPMG514 – MANAGE PROJECT COST

1 Determine project costs
Seek input from stakeholders and guidance from others when determining resource requirements for tasks identified in the work breakdown structure. The following stakeholders would be consulted when determining the resource requirements: • Sponsors (Nigel & Leanne) • Project Manager (Leanne) • Head building contractor who would discuss and get pricing from other trades (tiler, painter, plumber, cabinet maker)
Estimate project costs to prepare project budget within agreed tolerances. The estimated project cost is \$24 276 excluding the electrical fittings and labour (those costs would be covered by the sponsors separately). This is within the budget.
Develop a project budget. The maximum project budget is \$25 000 excluding the electrical fittings and labour (those costs would be covered by the sponsors separately).
Within delegated authority, develop a cost-management plan to ensure ongoing management of project finances. See document titled “Cost Management Plan
2 Monitor and control project costs
Implement agreed financial-management processes and procedures to monitor actual expenditure against budget. A spreadsheet would be used to monitor actual expenditure against budget – with all outgoings being recorded. It is not expected that there would be great variation between the 2 figures due to the project being fixed price.
Select and use cost-analysis methods and tools to identify cost variations and evaluate alternative actions. The spreadsheet above would be the primary tool for identifying cost variations. If any variations were detected, me, as the project manager, would consult with the building contractor to identify ways to bring the costs back into alignment with the project plan.
Implement and monitor agreed actions to maintain financial objectives. Any actions needed to be implemented to maintain and achieve financial objectives would be updated in the project plan (depending on the actions) and Change Register (if necessary) and monitored on the spreadsheet. All invoices are to be paid promptly after being checked against the contract to confirm accuracy
Provide accurate and timely financial reports. For this project, formal financial reports would not be a requirement. However, if I was working as a project manager (not the owner and the project manager), the preparation of accurate financial reports in a timely manner, would certainly be part of my duties. I would predominantly use spreadsheets for financial reporting due to the ease of use.
3 Complete cost-management processes
Conduct appropriate activities to signify financial completion. To show financial completion: • An audit would need to be carried out to ensure all tasks/phases have been physically completed, then. • All invoices would need to be paid in a timely manner and in accordance with the agreed terms of the contract.
Use available records to review project outcomes and determine effectiveness of project cost management. I would review the project outcomes in the project plan and the cost comparisons (actual Vs budget) to determine the effectiveness of the project cost management.
Review cost-management issues and document improvements. Given that this is a fixed cost project, there are not expected to be many, if any issues that affect the project manager or sponsor.

