Project Cost

RFID Implementation for Fresh Foods

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Approval of the Cost Management Plan indicates an understanding of the purpose and content described in this deliverable. By signing this deliverable, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.

Approver Name	Title	Signature	Date

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Forecast Costs

This section identifies the known and calculable costs, which should be encountered within the scope of the project.

1.1   Labor

Name	Role	Std. Rate
Jim Hansen	Supply Chain Manager	$45.00/hr
Gail Browne	Purchasing Manager	$40.00/hr
Sharon Metcalf	Accounting Manager	$55.00/hr
Barry Wilson	Human Resource Manager	$40.00/hr
Joe Greene	Customer Service Manager	$30.00/hr
Helmut Kohl	Lead Systems Analyst	$75.00/hr
Tim Winger	System Analyst 1	$60.00/hr
Paul Johnson	General Contractor	$200.00/hr
Helen Fields	Lead Electrician	$75.00/hr
Pete Jones	Electrician 1	$55.00/hr
Larry Folger	Lead Carpenter	$50.00/hr
Shirley Hemlin	Lead Designer - Interior	$60.00/hr
Paula Robertson	Lead Engineer	$100.00/hr
Mike Kim	Engineer - RFID	$90.00/hr
Will Modlin	Engineer - Software	$80.00/hr
Rita Morales	RFID Systems Trainer	$40.00/hr
Harvey Tran	Product Labeling Team	$20.00/hr
John Tinson	Project Manager	$200.00/hr

| Al Greene | Assistant Project Manager | $125.00/hr |
| Bob Knowles | Project Sponsor | $200.00/hr |

1.2   Equipment

Item	Unit Cost
RFID Tags (passive) @ .29 - .38 * 100,000	$ 38,000
RFID Readers Motorola Symbol XR450 @ $ 2,195 * 10	21,950
Handheld Inventory RFID Readers @ $ 1,000 * 15	15,000
Printers (writes to RFID chips) @ $ 5,000 * 3	15,000
Middleware API (approx.)	5,000
Cart Scales @ $ 500 * 10	5,000
Payment Terminal @ 800 * 10	8,000
Plasma Readout Screens @ $ 200 * 10	2,000
Theft / RFID Disabler @ $ 1,000 * 2	2,000

1.3   Materials

Item	Unit Cost
Stationary	$ 300 / Month
Computer Consumables	$ 500 / Month
Test RFID Tags	$ 290 / Thousand

1.4   Administration

Item	Unit Cost
Lending Fees (Based on 8 % APR)	$ 746.34 / Month
Legal Fees (RFID)	$ 300 / Hr
Legal Fees (Contract Law)	$ 300 / Hr

1.5   Other

Item	Unit Cost
Disposal Fee – Old Equipment (Approx.)	$ 2,000

1.6   Contingency

Below is the financial plan adjusted based on the following accuracy rating. Further adjustments may be made at each phase of the project.

Criteria Confidence	% Adjustment
High	+/- 15%
Medium	+/- 20%
Low	+/- 45%

2   Financial Plan

2.1   Labor Estimation

The project labor estimation was developed using the following guidelines:

- Project Manager: Working at 50%, hours are a minimum
- Team Members: 75% max productivity

2.2   Schedule

- Total cost of the project per month and per quarter
- Total cost of the project per cost type

Labor	Jul '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec' 09	Jan' 10	Feb '10	Mar '10	April '10	May '10	Total
Project Manager	-	3,200	3,200	-	-	5,066	534	-	-	2,266	7,334	$ 21,800
Assistant Project Manager	3,174	11,334	-	15,200	5,200	-	17,000	4,800	-	3,400	11,000	$ 71,233
Project Sponsor	3,174	11,334	4,800	-	-	7,600	800	-	-	3,400	11,000	$ 42,308
Lead Engineer	-	-	9,200	26,400	5,200	-	-	-	-	3,400	17,000	$ 61,300
Engineer - RFID	-	2,426	18,106	11,200	-	-	17,000	18,200	800	-	5,040	$ 72,862
Engineer - Software	-	-	-	-	-	11,200	-	6,200	12,400	-	-	$ 29,880
General Contractor	-	-	-	14,200	-	-	23,200	17,800	-	3,400	11,000	$ 69,800
Lead Electrician	-	-	-	-	-	-	-	12,000	-	-	-	$ 12,075
Electrician 1	-	-	-	-	-	-	6,200	5,800	-	-	-	$ 12,055
Lead Carpenter	-	-	-	-	-	-	6,200	1,000	-	-	-	$ 7,250
Lead Designer - Interior	-	-	-	14,200	-	-	-	-	-	-	-	$ 14,260
Supply Chain Manager	4,600	-	-	-	15,306	374	-	-	-	-	-	$ 20,325
Purchasing Manager	4,600	-	-	-	-	-	-	-	-	-	-	$ 4,640
Accounting Manager	4,600	7,200	9,200	-	16,400	11,600	-	-	7,000	-	-	$ 56,055
Human Resource Manager	-	-	-	-	-	-	-	-	9,200	14,600	-	$ 23,840
Lead Systems Analyst	-	2,600	13,600	11,200	16,400	19,200	800	-	-	3,400	11,000	$ 78,275
System Analyst 1	-	7,200	9,200	-	15,306	374	-	6,200	7,800	-	-	$ 46,140
Product Labeling Team	-	-	-	-	-	-	-	-	4,800	-	-	$ 4,820
RFID Systems Trainer	-	-	-	-	-	-	-	-	9,200	14,600	-	$ 23,840
Customer Service Manager	14,906	16,734	4,800	14,200	-	-	-	-	13,800	23,000	4,800	$ 92,270

Equipment	Jul '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec' 09	Jan' 10	Feb '10	Mar '10	April '10	May '10	Total
RFID Tags	-	-	38,000	-	-	-	-	-	-	-	-	$ 38,000
RFID Readers	-	-	21,950	-	-	-	-	-	-	-	-	$ 21,950
Handheld RFID Readers	-	-	15,000	-	-	-	-	-	-	-	-	$ 15,000
Printers	-	-	15,000	-	-	-	-	-	-	-	-	$ 15,000
Middleware API	-	-	5,000	-	-	-	-	-	-	-	-	$ 5,000
Cart Scales	-	-	5,000	-	-	-	-	-	-	-	-	$ 5,000
Payment Terminal	-	-	8,000	-	-	-	-	-	-	-	-	$ 8,000
Plasma Readout Screens	-	-	2,000	-	-	-	-	-	-	-	-	$ 2,000
Theft / RFID Disabler	-	-	2,000	-	-	-	-	-	-	-	-	$ 2,000

Materials												
Stationary	300	300	300	300	300	300	300	300	300	300	300	$ 3,300
Computer Consumables	500	500	500	500	500	500	500	500	500	500	500	$ 5,500
Test RFID Tags	-	-	290	-	-	-	-	-	-	-	-	$ 290
Administration												
Lending Fees (8 % APR)	746	746	746	746	746	746	746	746	746	746	746	$ 8,210
Legal Fees (RFID)	-	-	9,000	9,000	9,000	-	-	-	-	-	-	$ 27,000
Legal Fees (Contract Law)	-	-	9,000	9,000	9,000	-	-	-	-	-	-	$ 27,000
Other												
Disposal Fee (Old Equipment)	-	-	-	-	-	-	2,000	-	-	-	-
Overall Total	$ 36,600	$ 63,574	$ 203,892	$ 126,146	$ 93,358	$ 56,960	$ 75,280	$ 73,546	$ 66,546	$ 73,012	$ 79,720	**$ 950,278**

2.3   Usage

Work Breakdown Structure	Month / Year											
Activity	Jul '09	Aug '09	Sept '09	Oct '09	Nov '09	Dec' 09	Jan' 10	Feb '10	Mar '10	April '10	May '10	Total
Initiation	$34,049											$34,049
Identify value added to co.	$3,580											$3,580
Design Customer Surveys	$5,633											$5,633
Survey Customers	$2,240											$2,240
Evaluate Feedback		$22,597										$22,597
Project Execution - Research		$145,197										$145,197
Measure as-is system		$3,335										$3,335
Measure RFID system		$9,590										$9,590
Weigh results			$13,640									$13,640
Compare requirements			$7,000									$7,000
Define RFID machinery			$20,030									$20,030
Define architectural redesign				$43,540								$43,540
Define information processes					$19,152							$19,152
Develop self-payment process						$11,760						$11,760
Develop pilot process						$17,150						$17,150
Project Execution – Implem.							$109,510					$109,510
Acquire RFID Machinery							$35,275					$35,275
Construction of aisles							$42,000					$42,000
Implement RFID software								$14,875				$14,875
Enable self-payment cards									$2,530			$2,530
Tag stock									$480			$480
Align pilot prog. prod. crew									$14,350			$14,350
Close out project										$65,988		$65,988
Final project report										$40,000		$40,000
Lessons learned report											$20,000	$20,000
RFID general support											$5,988	$5,988

Total		$45,502	$180,719	$40,670	$43,540	$19,152	$28,910	$186,785	$14,875	$17,360	$105,988	$25,988	**$709,489**

2.4   Assumptions

This cost plan makes the following assumptions:

- Fresh Foods will have cash on hand when needed for the project
- The quantity of equipment required will not change during the project

2.5   Risks

- Contingency used for Financial Planning will be exceeded by project expenses
- Equipment required can't be found "off the shelf" and must be custom manufactured
- Additional labor is required due to unforeseen construction issues
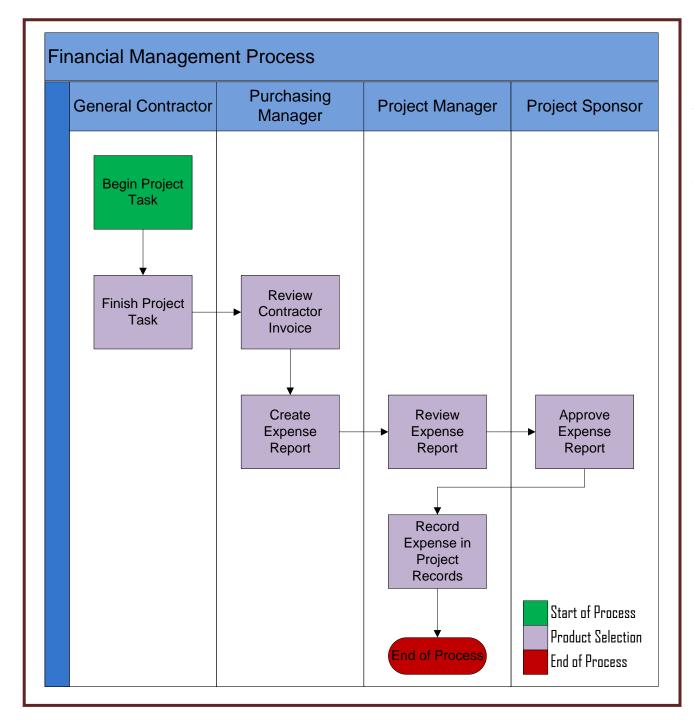
3   Financial Process

3.1   Purpose

The Financial Management Process is designed to track expenditures for the project in easy to understand, accurate and auditable fashion.

3.2   Responsibilities

The following individuals will be responsible for creating, submitting and approving the financial expenditures to support the project.

- General Contractor – Fill out Time Tracking Sheet and submit to PM
- Purchasing Manager – Fill out expense report and submit to PM
- Project Manager – Review and submit expense report to PS
- Project Sponsor – Approve project expense account

Financial Management Process

General Contractor	Purchasing Manager	Project Manager	Project Sponsor
Begin Project Task			
Finish Project Task	Review Contractor Invoice		
	Create Expense Report	Review Expense Report	Approve Expense Report
		Record Expense in Project Records	
		End of Process	

Legend:
- Start of Process
- Product Selection
- End of Process

3.3 Procedures:

See process flowchart for procedure for approval of project expenses.

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4   Expense Report

The 'Expense Report' records the activities undertaken within the project, which incurred a direct financial expense, as well as the method of approval of the expense, by the Project Manager.

Expense Report

For Office Use

Project Name: Fresh Foods RFID Technology   **Project Manager:**   **PAY PERIOD:** From
To

Date	Account	Description	Labor	Equipment	Materials	Administration	Other	Contingency	Misc.	Total
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
										$ -
			$ -	$ -	$ -	$ -	$ -	$ -	$ -	
									Subtotal	$ -

Approved By (Name):   **Date:**   **Advances**

Signature: **Total** $ -

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5   Templates

The following table will be used for time charging purposes.

Time Sheet

Employee Name:		Position:	
Department:		Week Ending:	

	Shift 1		Shift 2		Shift 3		Shift 4		Total Hours	Supervisor Initials
	Start	End	Start	End	Start	End	Start	End		
Sunday										
Monday										
Tuesday										
Wednesday										
Thursday										
Friday										
Saturday										

I hearby certify that the above times are correct.

Employee Signature:

Supervisor/Manager Signature:

Date:

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