BSBPMG533

ASSESSOR GUIDE

MANAGE PROJECT COST

Assessment 2 of 7

Project and role-play: Project 1

CBSA Conference Project

Version 1

Assessment Details

Task overview

This assessment task is divided into two (2) parts:

- Part A – Conduct a consultation session (assessor observation)
- Part B – Develop project budget (project)

Read the case study and complete each part.

Additional resources and supporting documents

To complete this assessment, you will need:

- CBSA policies and procedures
- CBSA Business Plan
- IM010 Procurement policy and procedures
- TM018 Project budget template (provided below)
- CBSA Conference Project brief (provided below)

Assessment Information

Submission

You are entitled to three (3) attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

a. the processes for conducting the assessment (e.g. allowing additional time)
b. the evidence gathering techniques (e.g. oral rather than written questioning, use of a scribe, modifications to equipment)

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.

Please consider the environment before printing this assessment.

Task instructions (for the student) Part A: Conduct a consultation session

Case study: You work as Evan Pierce, Project Officer for Complete Business Solutions.

Read the:

- e-mail from Gavin Stead to determine the project requirements and costs for the annual strategic planning day and leadership development conference
- CBSA Conference Project Brief to review the conference requirements and costings information.

	To:	Evan Pierce (Evan.pierce@cbsa.com.au)
	CC:	Chief Finance Officer
	From:	Gavin Stead (gavin.stead@cbsa.com.au)
	Date/time:	Wednesday 10:05 a.m.
	Subject:	Determine Project Costs: CBSA Conference Project
	Attachments:	CBSA Conference Plan Brief.docx; Project Budget Template.docx; CBSA Project Cost Management Plan Template.docx

To Evan,

The board of directors and senior management of CBSA want to incorporate the annual strategic planning day with the annual leadership development conference. The plan is to run both events over three consecutive days. I have attached the conference brief and require you to determine project costs as outlined in the brief. This year's conference will be slightly different as we will be inviting clients of CBSA to attend days two and three of the conference for the leadership development component. We will charge the clients a 2-day conference fee, and you will need to factor this into the project budget as income.

Please use the following documents to assist you and for further reference:

- IM010 Procurement Policy and Procedures (accessible via the CBSA website)

- TM018 Project Budget Template (accessible via the CBSA website)

- Project Budget template (attached)

- Cost Management template (attached)

I am pleased to advise that we have approved the budget for staffing costs for you as a project officer and an administrative assistant for a four-week period to undertake the necessary planning for the conference. I would like you to also develop a cost-management plan for the program finances according to the scope of responsibility. Please ensure that you meet the requirements outlined in the conference brief.

I would appreciate it if you could please provide the information by close of business next Tuesday.

Kind regards,

Gavin Stead

Managing Director

300 Fictional Way, Sydney, NSW 2000

Phone: 1800 111 222

www.cbsa.com.au

ATTACHMENTS BELOW:

- *CBSA Conference Plan Brief.docx*

CBSA Conference Plan Brief

The following information reflects notes from the Board of Directors and the Senior Management Team about the proposed conference.

Conference purpose, style and outcomes

- Purpose of the conference:
    - To provide a conference that focuses on strategic planning for CBSA.
    - To provide leadership skills, knowledge and trends for days two and three for CBSA management staff, the board of directors and CBSA clients.
- Desired outcomes:
    - Develop a five-year strategic plan for CBSA.
    - Promote Management and client Networks, and provide professional development for staff and clients.
- Conference theme: Leading the way in leadership.
- Conference style: formal with a balance of conference elements to ensure that outcomes are achieved. The conference will be a three-day event, with day one focused on the CBSA board of directors and managers for a strategic planning day. Days two and three are open to all CBSA managers and clients with a maximum capacity of 250 attendees. Days two and three will include at least one keynote speaker each day, four sessions each day and breaks. Each day is scheduled from 9:00 a.m. to 4:00 p.m.

Venue

- Conference facilities: we require a centrally located venue in Sydney with a conference room that can accommodate up to 250 people. We may also want to accommodate staff and speakers there, so will need to be rooms for speakers either within the conference venue or in nearby hotels; accommodation for approximately 35 people.
- Venues must be able to provide the required conference equipment. Need to be able to access audio-visual equipment, including microphones, projectors and screens for projecting. Also, we need lecterns and an electronic whiteboard.
- Conference catering should be on-site and include high-quality morning tea, lunch and afternoon tea.
- You will need to look at venues and their costs to calculate the price.

Draft Conference Program

The conference program must include key sessions with timing included based on the timing advised in the brief plus the number of speakers. The program will consist of networking sessions mixed with formal sessions and frequent breaks.

Recommended Speakers

- Speakers: should be well-known. Focus on Australian speakers only.
- Arrange two keynote speakers for days two and three and six speakers/facilitators for breakout sessions. Fees to be paid include $2,000 per keynote speaker plus travel costs depending on their location and $1,200 for breakout session speakers/facilitators.

Participant Profile

Target Participant Group:

- Day 1: CBSA board of directors, executive managers and senior managers
- Days 2 and 3: All CBSA managers and CBSA clients in all industries.

Proposed Budget Allocation and Timeline

- Budget: Projected numbers will be 200 people, and we want to make at least 30% profit after costs. Registration costs should be determined based on this. You will need to develop a preliminary budget based on estimated costs and proposed registration fees for CBSA clients. This will include identifying all the possible expenses and estimated costs and then calculating the registration fee required to make at least a 30% profit.
- Budget variances of up to 10% can be accommodated but must be reported.
- Timelines: the conference is to be conducted six months from today.

- Conference timing: not during public holidays, school holidays, late December, early January, or weekends.

Conference Action Plan [Work breakdown structure]

Task	When	Who

1. Venue
   • Get quotes
   • Decide venue
   • Book venue and equipment
   • Arrange catering
	Six months prior to the conference	Project Officer

2. Speakers
   • Decide topics
   • Identify speakers
   • Arrange speakers
   • Brief speakers
	Six months prior to the conference	Project Officer

3. Marketing
   • Decide marketing communication strategies
   • Develop promotional materials
   • Implement marketing communications
	Commencing on finalisation of venue and speakers	Project Officer
		Sales and Marketing Manager

4. Registration
   • Prepare conference materials
   • Create a registration process
   • Process registrations
	Two months prior to the conference	Project Officer

Promotion

- Digital marketing communication: for example, social media channels (such as Facebook, Twitter, and LinkedIn) for existing clients and organisation-sponsored websites.
- Direct marketing using several types of media, for example, e-mail marketing, to reach existing clients and encourage them to purchase or take some form of immediate response.
- Use database marketing to promote the conference to existing customers.
- Sales promotion, for example, using price reductions, contests or sweepstakes to encourage CBSA clients to attend.

Registration

- Each attendee must register separately.
- Early registration payments must be received by DATE, for the early registration fees to apply.
- If payment is not received by this deadline, no early bird payment is due.
- On the event days, print the official confirmation of registration e-mail and bring it with you to the on-site registration desk.

You will complete a role-play activity with your Assessor or another student who will act as Tina Hughes, Sales and Marketing Manager.

In this role-play, you will consult with Tina to:

- review the marketing activities
- identify the required resources for completing marketing activities

Steps

Consult with Tina to:

1. Review the work breakdown structure to identify the resources requirements for tasks
2. Ask open and closed questions to confirm requirements and seek guidance

Your assessor will observe your skills and check that you demonstrate the following skills:

- Speak clearly and concisely

- Use non-verbal communication to assist with understanding.

- Ask open and closed questions to gather information, confirm requirements and seek guidance

- Listen without interrupting

- Use appropriate vocabulary and tone

- Recognise the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.

- Collaborate with Tina to achieve goals

You will use the information gained from Part A to complete **task B,** which will require you to complete:

- the **CBSA Project Budget template** to record the resource requirements for individual tasks in the breakdown structure
- the **CBSA Project Cost Management Plan** to develop a cost management plan for the conference.

Option 1: Industry Peers OR Student participant/s

Role play instructions

The role-play/meeting must include one (1) participant/s, must not exceed ten minutes duration and must address all elements of the Observation Checklist below.

In this task, you will participate in a role/play meeting with others. These may be resourced using one of the following options:

1. Peer/s who you are already working with, in the industry your qualification relates to.
2. Fellow student/s who will play the role of a team member. Please contact your fellow student/s via the Discussion Forum and coordinate your role play with them directly.

If you are unable to find a participant/s to play the role of the other team member/s, contact your assessor via the Discussion Forum, who will discuss options for pairing up with another student/s to complete this task.

Option 1: Peer/s participant

Should you complete this task with your Peer/s, you must fully brief all participant/s, providing them with the context of the role play/meeting, a role outline to play and a copy of the observation checklist so that they can prepare for the recording.

Peer/s will need to state their name and job title at the start of the recording to inform consent. The peer will need to be provided with the script from the assessor to prepare for their role.

Option 2: Fellow student/s participant

Fellow student/s participating in the recording must be provided with context to their role and responsibilities in the session and have reviewed the assessment activity and observation checklist so that they can prepare for the recording.

Student/s will need to state their name and that they are a student (as their job title) at the start of the recording to inform consent. The student will need to be provided with the script from the assessor to prepare for their role.

Recording instructions

Your role play must be recorded with all participant/s captured in a virtual room using a system such as Zoom, Skype or Teams.

Consent to participate in the recording must be captured for all participant/s at the start of the meeting. This is achieved by the student reading the following statement at the start of the recording, with all participants replying with their name and job title to inform consent.

"This session/presentation is being recorded for assessment purposes for my course with Swinburne Open Education. This session will be recorded and submitted through my course online learning platform to my assessor for grading. All participant/s in this session indicate their consent to be included in this recording by stating their name and job title."

The time taken to capture consent at the start of the recording does not count towards the recording time limit.

Include this recording as part of your assessment submission.

Submission instructions

Submit a recording of your role play/observation via the LMS.

Assessor instructions Part A: Conduct a consultation session

There is no submission due date for this task. Students may submit this task when they are ready.

Review all evidence and mark using the assessment checklist and assessment marking criteria.

Purpose of task

This part is designed to ensure that the student can consult with relevant stakeholders and identify resource requirements for individual tasks identified in the work breakdown structure.

Guidance to assessor about the task

There is no submission due date for this task.

The assessor is to organise the consultation session with each student. Students can also be organised in groups of two, one playing the role of the Sales and Marketing Manager and the other playing the role of the Project Officer and the assessor to observe the role-play. Where the assessor is involved in the role-play, the assessor will role-play Tina, the CBSA's Sales and Marketing Manager. The assessor will need to provide the person playing Tina Hughes with the following role-play instructions.

Role of Tina Hughes – role play instructions

The role of Tina Hughes is a managerial role, and the assessor or student will play this role in a professional, business-like manner.

During the role-play, Tina will complete the following:

- Confirm the following tasks to be conducted for the CBSA Conference Project:
  - Digital marketing communication: for example, social media channels (such as Facebook, Twitter, and LinkedIn) for existing clients and organisation-sponsored websites.
  - Direct marketing using several types of media, such as e-mail marketing, to reach existing clients and encourage them to purchase or take some form of immediate response.
  - Use database marketing to promote the conference to existing customers.
  - Sales promotion, for example, using price reductions, contests or sweepstakes to encourage CBSA clients to attend.
- Express the following resources requirements:
  - Tasks can be performed with one project staff paid $45 p/hour.
  - Materials to be used by the Project staff member are estimated to cost $400
  - Products used by Project staff are estimated to cost $800
  - Venue costs – researched costs on the internet and showed the budget cost of the cheapest venue
  - Marketing promotional materials are estimated to cost $600.
- Express the following ideas during the consultation:
- Some technologies are low-cost or free; for example, WhatsApp is free and easy to use. WhatsApp can be downloaded on a SMART phone to facilitate team coordination.

Role of Project Officer (student conducting consultation)

The student must consult with Tina to:

- Review the work breakdown structure to identify the resources requirements for tasks
- Ask open and closed questions to confirm requirements and seek guidance

The assessor will check that the student demonstrates the following skills:

- Speak clearly and concisely
- Use non-verbal communication to assist with understanding.
- Ask open and closed questions to gather information, confirm requirements and seek guidance

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- Listen without interrupting
- Use appropriate vocabulary and tone
    - Recognise the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.
    - Collaborate with Tina to achieve goals

Review all evidence and mark using the assessment checklist and marking criteria listed below.

Marking criteria Part A: Conduct a consultation session

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part A: Conduct a consultation session		
1.	Role play video evidence – Tina Hughes, Sales and Marketing Manager, not exceeding 10 minutes	☐

Observation checklist

The assessor observed the student's skills and satisfactorily [S] covered the following criteria or not yet satisfactory [NYS] and requires re-assessment.

	MARKING CRITERIA / OBSERVATION CHECKLIST [To be completed by the Assessor when they watch the video or observe the assessment in real-time as they conduct the assessment]	Satisfactory [S]	Not Yet Satisfactory [NYS]
1.	Consulted with Tina to review the work breakdown structure to identify the resources requirements for tasks	☐	☐
2.	Ask open and closed questions to gather information, confirm requirements and seek guidance	☐	☐
3.	Speak clearly and concisely	☐	☐
4.	Used non-verbal communication to assist with understanding. For example: nodding in agreement, open body language, appropriate gestures	☐	☐
5.	Listened without interrupting	☐	☐
6.	Used appropriate vocabulary and tone	☐	☐
7.	Recognised the importance of taking audience, purpose and contextual factors into account when deciding what to communicate to whom, why and how.	☐	☐
8.	Collaborated with Tina to achieve goals	☐	☐

Task instructions (for the student) Part B: Develop project budget

Refer to the conference brief and information you gathered from the Sales and Marketing Manager in Part A.

Steps

Complete the following steps based on the information you gathered from the Sales and Marketing Manager, e-mail and conference brief in Part A.

1. Complete the **CBSA Project Budget template** (attachment) to record the resource requirements for individual tasks in the work breakdown structure.

   Tip: Refer to the CBSA Conference Plan Brief to find the relevant information to complete this task. The Conference Action Plan includes a work breakdown structure that can be used in the project budget template.

2. Complete the **CBSA Project Cost Management Plan** (attachment) to estimate the costs within agreed tolerances and develop a cost management plan for the conference

Submission instructions

Submit your assessment via the LMS.

Assessor instructions Part B: Develop project budget

Purpose of task

This part is designed to ensure that the student can demonstrate their theoretical knowledge and skills to estimate project costs for the project budget within agreed tolerances and develop a project budget and a cost-management plan.

Guidance to the assessor about the task

There is no submission due date for this task. Students may submit this task when they are ready.

The student must use the Project Budget Template provided to complete the Project Budget Details.

The student must use the information provided in the Conference Brief and information gained from Part A role-play to complete the project cost budget template, including:

- Project staff
    - o Tasks can be performed with one project staff paid $45 p/hour.
    - o Materials to be used by the Project staff member are estimated to cost $400
    - o Products used by Project staff are estimated to cost $800
- Venue costs –shows the cheapest venue's budget. Costs will vary for each student depending on the research conducted. Research for each venue does not need to be provided.
- Speaker costs have been identified as $2,000 per speaker plus travel costs
- Marketing promotional materials are estimated to cost $600.

The project budget must be identical to the above figures where provided. Costs of venues and travel costs may vary and may include the following:

Project Budget Details

Project Name	*Planning and Leadership Conference*
Project Lead	*Gavin Stead – MD CBSA*
Start Date	*May 20??*

Total Budget	$79,848 [must match total in the budget breakdown]

Budget Breakdown

WBS level	Task	Labour		Physical resources		Budget	Actual [to be completed in task 3, Part A]	Difference [to be completed in task 3, Part A]
		Hr	Rate	Materials	Products			
1.	**Project Staff** *Assign Project officer and admin staff x 4 weeks. Engage staff*	*PO $45p/h* *Admin $29 p/h*	*PO $6,840* *Admin $4,408*	$400	$800	$12,448		
2.	**Venue** *Get 3 quotes -decide* *Book venue, equipment, arrange catering*	*Covered in row 1*	*Covered in row 1*	$0	$0	$30,000 + $15,000		
3.	**Speakers** *Decide topics* *Identify speakers* *Arrange speakers* *Brief speakers*	*Covered in row 1*	*Covered in row 1*	$0	$0	$4,000 + $7,200 + $4,500		
4.	**Marketing** *Decide marketing strategies* *Develop promotional materials* *Implement marketing communications*	*Covered in row 1*	*Covered in row 1*	$600	$600 [$800]	$1,200		
5.	**Registration** *Prepare conference materials* *Create registration process* *Process registrations*	*Covered in row 1*	*Covered in row 1*	$3,000 $500	$2,000	$5,500		
					Totals	$79,848		

The student must use the Project Cost Management Plan Template to complete the Project Cost Management Details. The student must use the information provided in the conference brief to complete the project cost management budget template. The project budget will vary depending on the proposed amounts.

An example is provided below:

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Project Cost Management Plan

Project Name	*Planning and Leadership Conference*

Introduction
 	
Outline the purpose of the cost management plan in relation to the project
	The student outlined the purpose of the cost management plan in relation to the project.
	
	For example:
	
	• *It provides the details of how the project costs will be estimated, tracked, and controlled; or*
	
	• *The cost management plan states the estimating, budgeting and controlling of costs throughout the project life cycle, with the objective of keeping expenditures within the approved budget; or*
	
	• *This Cost Management Plan has been developed to ensure effective and efficient cost management of the conference:*
	
	   – *outlines the costs of the project*
	
	   – *describes factors that could increase costs*
	
	   – *describes cost control procedures.*

Resource requirements Identify the major resources requirements identified in the CBSA Project Budget	*The student identified the major resource requirements to assist with cost estimation. This must include WBS task resources, including:* • *Project staff* • *Venue, equipment, catering* • *speakers and associated materials* • *registration software and processing* • *marketing promotions costs – digital marketing and printed materials* • *Conference materials*

Major project costs Outline the budget for the project using the following table	**Projected costs**	
	Project staff PO and Admin	$12,448
	Venue and equipment hire	$30,000
	Catering	$15,000
	Speaker fees – keynote x 2	$4,000
	Speakers/facilitators x 6	$7,200
	Speakers travel	$4,500
	Marketing Promotions	$1,200
	Set up the conference registration process	$5,500
	TOTAL	**$79,848**

Income registration to meet profit margin target (considering project variance)	Income registrations 200 x $A = $B $B – [expenditure] $C = $D $D is E% profit of C$ E% – 10% [project variance] >= 30% profit *Income registrations 200 x $570.00 = $114,000* *minus expenditure $79,848 = $34,152 which is 42% profit allow for 10% project variance gives 32% profit.*
Potential causes of increases in costs List **three** potential costs that could increase and the reason for the increase in cost.	*The student must list three potential costs that could increase and the reason for the cost increase.* *Any three of the following are acceptable:* • *Air travel, car travel, accommodation, marketing cost charges, and printing costs increased by the supplier* • *Speakers' fees, e.g., speakers decline the $2,000 fee offered and seek higher fees.* • *Marketing promotions are higher than anticipated.* • *Outside contractors are required to assist with the conference effort.* • *Registration software is higher than expected.* • *Additional items are added to the conference program.*
Project cost control procedures Describe cost control management processes that will be followed.	*Source: https://www.ecosys.net/knowledge/project-cost-management/ [accessed 13 November 2020].* *1. Project Resource Planning* *Resource planning is the process of identifying the resources required to execute a project and take it to completion. Examples of resources are people [such as employees and contractors] and equipment [such as infrastructure, large construction vehicles and other specialised equipment in limited supply].* *Resource planning is done at the beginning of a project before any actual work begins.* *To get started, project managers first need to have the work breakdown structure [WBS] ready. They need to look at each subtask in the WBS and ask how many people, what kind of skills are needed to finish this task, and what sort of equipment or material is required to finish this task.* *By adopting this task-level approach, it becomes possible for project managers to come up with an accurate and complete inventory of all resources, which is then fed as input into the next step of estimating costs.* *2. Cost Estimation* *Cost estimation is the process of quantifying the costs associated with all the resources required to execute the project. To perform cost calculations, we need the following information:* • *resource requirements [output from the previous step]* • *price of each resource [e.g., staffing cost per hour, vendor hiring costs, server procurement costs, material rates per unit, etc.]* • *the duration that each resource is required* • *list of assumptions* • *potential risks* • *past project costs and industry benchmarks, if any* • *insight into the company's financial health and reporting structures.*

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3. Cost Budgeting

Cost budgeting can be viewed as part of estimation or as its own separate process. Budgeting is the process of allocating costs to a certain chunk of the project, such as individual tasks or modules, for a specific time period. Budgets include contingency reserves allocated to manage unexpected costs.

4. Cost Control

Cost control is the process of measuring cost variances from the baseline and taking appropriate action, such as increasing the budget allocated or reducing the scope of work, to correct that gap. Cost control is a continuous process done throughout the project lifecycle. The emphasis here is as much on timely and clear reporting as measuring.

Along with the cost baseline, the cost management plan is an essential input for cost control. This plan contains details such as how project performance will be measured, what is the threshold for deviations, what actions will be done if the threshold is breached, and the list of people and roles who have the executive authority to make decisions.

OR

Project costs will be controlled as follows:

Costs will be monitored on a weekly basis.

Variation rate	Action
0–5%	*Report variance and explanation of the cause*
5–20%	*Further commitment to additional costs must be approved by the project manager*
20–45%	*Further commitment to additional costs must be approved by the senior management team*
45% plus	*The project must be stopped and reconsidered*

Where a cost variation is considered, the project cost management plan is to be updated.

Complete the table below to show allowable variations in costs and approval requirements.

Cost variation	Approval requirements
Increase the cost of interstate travel	*Gain approval from the managing director if over $200.00*
Increase the cost of catering	*Lock in price with the venue in agreement* *Gain approval from the managing director if over $200.00*
Increase the cost of accommodation	*Get an agreed price in writing* *Book in advance to lock in the price*
Speakers cost increase	*Get an agreed price in writing*

		Book in advance to lock in the price
	Printing costs	*Get an agreed price in writing*
		Book in advance to lock in the price
		Seek alternative printers

Review all evidence and mark using the assessment checklist and assessment marking criteria.

Marking criteria Part B: Develop project budget

Assessment submission checklist

Students must have completed all tasks within this assessment before submitting. This includes:

Part B: Develop project budget		
1	CBSA Project Budget	☐
2	CBSA Project Cost Management Plan	☐

Assessment marking criteria

Assessor instructions: All sections must be completed. Refer to the template for sample answers and benchmarks.

The evidence submitted demonstrates that the student has satisfactorily [S] covered the following criteria, or the evidence is not yet satisfactory [NYS] and requires resubmission.

MARKING CRITERIA	Satisfactory [S]	Not Yet Satisfactory [NYS]
1. The student developed a project budget using the **CBSA Project budget** and included the following: • resource requirements for individual tasks in the work breakdown structure	☐ S	☐ NYS
2. The student developed a cost management plan using **the CBSA Project Cost Management Plan** including: • estimated project costs for the project budget prepared within agreed variations • developed according to the scope of responsibility using the CBSA template	☐ S	☐ NYS

Congratulations, you have reached the end of Assessment 2!