

Scenario 2 - Schedule Management

Important Note:

Some questions may contain Additional Information over and above information provided in the scenarios. Use that Additional Information to answer respective questions.

ABC Company, awarded the Initiation contract to Franklin Consultants. The initiation contract consisted of 8,00,000 USD (initial estimate) cost reimbursable contract with a fixed fee of 7 % of initial estimated cost. ABC Company also included an incentive clause stating that if there is cost saving in the project then it will be shared as 70:30 with Franklin Consultants (30% of savings would be given to Franklin Consultants).

The Project Manager of Franklin Consultants prepared the list of activities, estimated the costs and durations, and identified the dependencies.

The data was as follows:

Activity	Preceding Activity	Duration in weeks	Estimated Cost in USD
Create a detailed design	--	10	40,000
Specification of the new hardware and software solution	--	7	20,000
Create request for tender	"Create a detailed design"	3	30,000
Evaluate proposals	"Specification of the new hardware and software solution"	4	30,000
Prepare a contract	"Specification of the new hardware and software solution"	6	20,000
Select supplier and agree contract	"Create request for tender" AND "Evaluate proposals"	5	15,000

Use Precedence Diagramming Method to draw the network diagram and answer the questions based on this data.