



Project Budgeting & Cost Control

Overview

This seminar will focus on the Capital Project Cost Control process. The seminar covers the approaches, methods, techniques, and tools suitable to plan, monitor, control, and assess project performance in alignment with the AACE International Total Cost Management (TCM) Framework. The seminar is intended to cover both owner and contractor issues, a variety of project types, and all phases of the project lifecycle.

A combination of lecture, examples, and interactive sessions will be utilized; providing the attendees with an opportunity to engage in discussions and to participate in an effective learning experience.

Who Should Attend

This seminar will be beneficial to those involved in one or more functions related to managing and controlling capital projects; including project management, project controls, cost engineering, estimating, scheduling, etc.

Learning Objectives

The objective of the course is for each participant in the capital project process to understand the TCM Cost Control Process. The course is organized to match the TCM concepts of Plan-Do-Check-Assess. Each participant will gain an understanding of the skills, methods, best practices and tools that support effective planning, monitoring, and control of capital project costs.

Course Outlines – 5 Days:

- **Project Control Overview**
 - Objectives
 - Roles and Responsibilities
 - The Total Cost Management – **TCM** - Project Control Process
 - Plan - Do - Check - Assess
- **TCM - Project Cost Control - Plan**
 - Planning
 - What - Where - Who - How - When - How Much?
 - Project Definition
 - Decomposition
 - Work Breakdown Structure
 - Organization Breakdown Structure
 - Cost Breakdown Structure
 - Scheduling
 - Timeline and Sequencing of Activities
 - Duration Estimating
 - Resources/Resource Loading
 - Schedule Analysis
 - Schedule Reporting
 - Schedule Review
 - Schedule Baseline
 - Estimating
 - Cost Estimating Classification
 - Cost Estimating Methods
 - Cost Estimate Reporting
 - Cost Estimate Review
 - Cost Estimate Baseline
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- Risk Analysis
 - Risk Management Process
 - Cost Risk Analysis
 - Schedule Risk Analysis
- Budgeting
 - Accounting Budget vs. Project Budget
 - Original Budget vs. Current Budget
 - Conversion of Cost Estimate Budget to Baseline Project Control Budget
 - Time-Phase (Cash Flow) Budgeting
- **TCM - Project Cost Control - Do**
 - Cost Accounting
 - Original Budget
 - Approved Scope Change
 - Budget Shift
 - Current Budget
 - Commitment
 - Expenditure
 - Accrual
 - Incurred Cost
 - Currency Issues
 - Performance Measurement and Earned Value
 - Physical Progress Measure
 - Physical Progress Measurement Methods
 - Units Completed
 - Weighted Units Completed
 - Start-Finish
 - Incremental Milestone
 - Level of Effort
 - Judgement
- **TCM - Project Cost Control - Check**
 - Performance Analysis
 - Variance Analysis
 - Cost Variance
 - Schedule Variance
 - Performance Indicies
 - Cost Performance Index
 - Schedule Performance Index
 - Determination of Cause for Variance
 - Performance Reporting
- **TCM - Project Cost Control - Assess**
 - Forecasting
 - Forecast at Completion (Estimate at Completion)
 - Forecast Calculation Methods
 - Assume Performance to Date
 - Assume Budgeted Performance
 - Calculate Estimate to Complete
 - Hybrid Methods



- **Change Management**
 - Change Management Principals
 - Identification of Change
 - Categorization of Change
 - Determining Impact of Change
 - Determining Impact of Cumulative Change
 - Change Management Procedures
 - Change Management Monitoring and Reporting

- **TCM - Project Cost Control - Assess (continued)**
 - Risk Fund Management
 - Contingency Drawdown
 - Escalation Drawdown
 - Reserve Management
 - Project Recovery
 - Determination of Root Cause of Variance
 - Cost-Driven versus Schedule-Driven Project
 - Brainstorming Recovery Options
 - Target CPI Analysis

- **Cost Reporting Examples**