



## Scenario ACA – Project Cost Management & Administration

### Summary

The Scenario Advantage suite of products is designed to provide solutions covering the corporate enterprise, projects, sites (eg. mine site, power station) as well as joint ventures.

### Project Cost Management

Regardless of the size or complexity of your projects, setting them up quickly and easily is important. The cost management system suits a wide range of projects from the smallest maintenance job to major projects, and a diverse range of project based organisations including:

- Commercial and industrial building
- Civil contracting
- Engineering
- Utilities – power, water
- Asset management / facilities management
- For a more complete listing, please refer to the brochure "Who Uses Scenario Advantage".

Scenario Advantage includes comprehensive budgeting, cost recording, forecast final cost preparation, internal valuation, bill of quantities and extensive cost reporting and inquiry components.

Cost information recorded on a 'current or live' basis as well as by financial period. Cost control structures can match each project's specific needs, or can use a standard template and be copied into new projects at the setup time.

### Project Administration

Once your projects are under way, keeping them on track is vital. To assist in this process, Scenario provides a range of tools to assist in the project contract administration tasks.

Project Cost Management	Project Contract Administration
<input type="checkbox"/> Project information <input type="checkbox"/> Cost control structures <input type="checkbox"/> Budgets – Original, Adjustments, Revised <input type="checkbox"/> Bill of Quantities – Lump Sum, Remeasured , PC & Provisional Sums	<input type="checkbox"/> Contract Adjustments/ Variations <input type="checkbox"/> Forecasts <input type="checkbox"/> Progress Payment Applications <input type="checkbox"/> Internal Valuations (or Earned Value)
Reports	
<input type="checkbox"/> A wide variety of standard reports covering all aspects of project cost management and administration <input type="checkbox"/> Ability to add new reports to meet specific customer requirements	

The screenshot shows the 'Projects' window in the Scenario Advantage software. It includes fields for 'Bus. Entity' (ABC), 'Project No' (CIVIL99001), 'Name' (Sample Civils Project), and 'Status' (Active). Below these are tabs for 'Setup', 'Financials', 'Contractuals', etc. The 'Style of Project Required' section has radio buttons for External, Internal, Overhead, Asset Management, and Template. The 'Project Financial Period' is set to FEB01. There are dropdown menus for 'Project Type' (F. Type 6) and 'Project Class' (Class 4). A 'Contract Configuration Flags' section contains several checkboxes, some of which are checked, such as 'Contract value locked', 'Budget taken from Bill Items', 'Resources mandatory', 'Use FCC Forecasting Method', 'Use Incurred Cost Method', and 'Use Committed Cost Method'. A 'Perform Actions' section contains buttons for 'Copy Structures...', 'Load Budget from Estimate...', 'Request Credit Auth...', 'Change Status', and 'Lock Cost Code Budgets...'.

## Project Cost Management

### Project Setup Information

- Key contract amounts defined
- Budget setup method selected
- Forecasting method selected
- Define various project parameters (e.g. resource codes mandatory)
- Provides a database for extensive project information on dates, contacts, addresses
- Define client
- Accept GL costing defaults or specify for the project
- Define GL revenue accounts and options
- Define contractual terms & conditions
- Supports monetary amounts to thousands of billions to suit international currencies
- Supports project specific exchange rates, in addition to rates defined for corporate use
- Ability to copy from a standard template
- Ability to load budgets from third party estimating packages

### Cost Structures

The cost control structure forms the basis of cost reporting. Budgeting, cost recording, forecasting and internal valuations are key processes that are centred on this key setup item.

- Alpha numeric cost code structure
- Lengthy description field with additional comments or notes field
- Reporting level codes with support for headings
- Reference quantity facility
- Cost code level reporting codes
- Cost centre reporting codes for standardised corporate level reporting
- Controlled distribution of budget at setup
- Flags to control locked budgets, financial posting and work complete codes
- Tracking of original budget versus revised budget versus forecast final cost
- Budget build up can be simple or very detailed to match each projects specific needs
- Budgets can be built including resource codes – these can

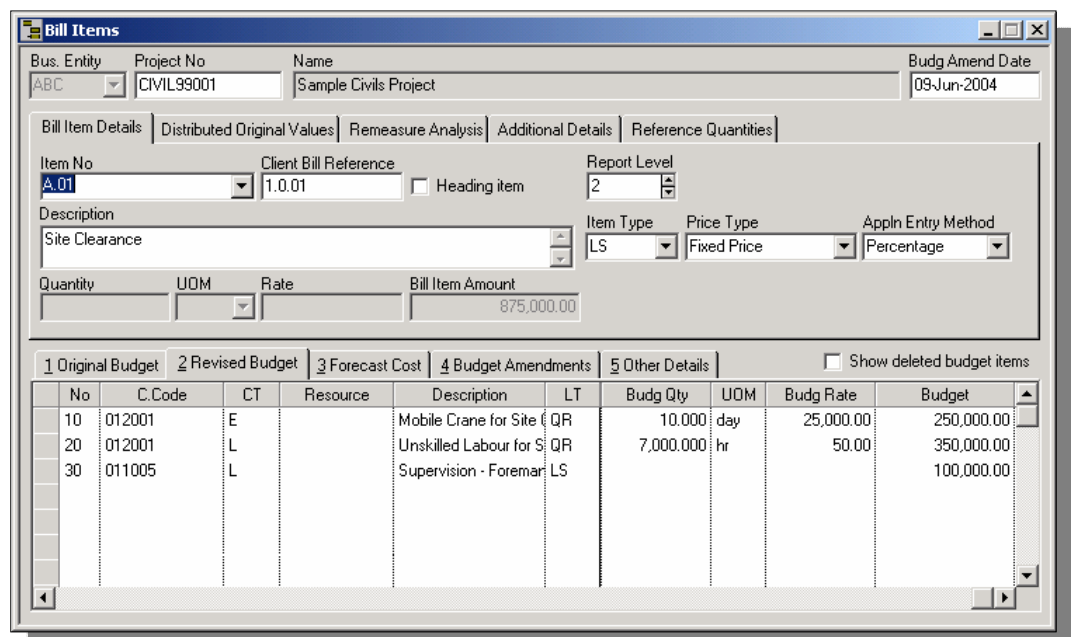
then be used to report on budgets by resource codes. Forecasts can be prepared using resource codes.

- Flexible line types for budget entry including production rate based entries
- Can include operation codes
- Can include subcontract/work package codes
- Quick reference to budget source and latest budget amendments
- Multiple user defined classes of budget adjustments.

### Bill of Quantities

A bill of quantities (BQ) is used in some countries as the basis of progress payment applications to the client. The BQ also provides one definition of the project scope of works, and is often used by estimating departments to prepare the project budget. The estimate project budget can be imported into Scenario using the Scenario Integration Manager.

- Alpha numeric client BQ reference code
- Alpha numeric sequence code
- Lengthy description field with additional comments or notes field
- Reporting level codes with support for headings
- Flexible BQ amounts definition
- Support for fixed price, remeasured, provisional and prime cost items
- Support for remeasurement (or quantity adjustments for rate based items)
- Remeasurement analysis
- Definition of default progress payment application entry method
- Can be used for budget setup
- Controlled distribution of contract value and budget at setup
- Supports 'hidden bill items'



The screenshot shows the 'Bill Items' window with the following details:

- Bus. Entity: ABC
- Project No: CIVIL99001
- Name: Sample Civils Project
- Budg Amend Date: 09-Jun-2004
- Item No: A.01
- Client Bill Reference: 1.0.01
- Description: Site Clearance
- Item Type: LS
- Price Type: Fixed Price
- Appln Entry Method: Percentage
- Quantity: [blank]
- UOM: [blank]
- Rate: [blank]
- Bill Item Amount: 875,000.00

The table below shows the budget breakdown:

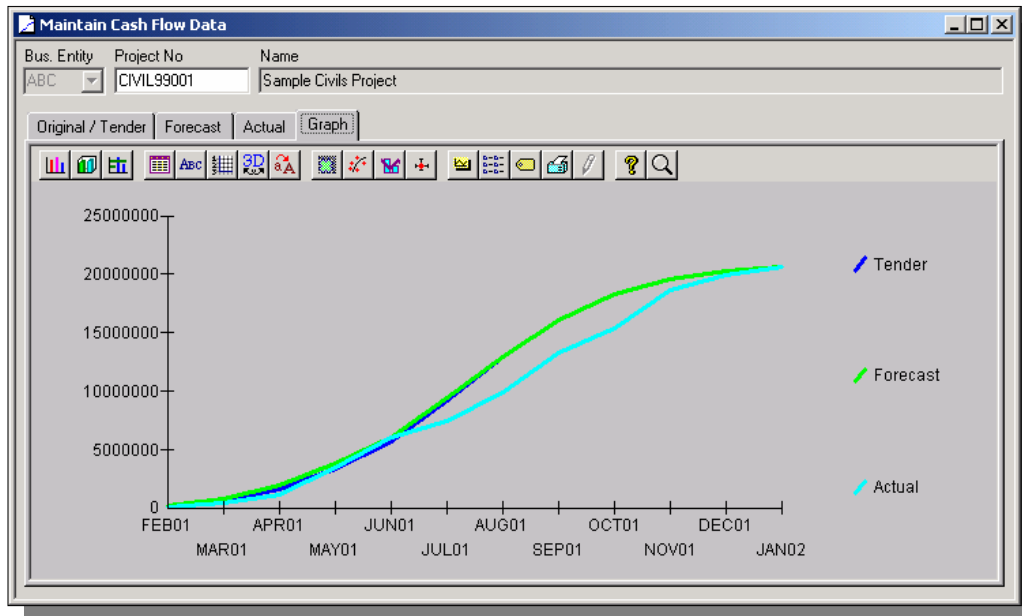
No	C.Code	CT	Resource	Description	LT	Budg Qty	UOM	Budg Rate	Budget
10	012001	E		Mobile Crane for Site	QR	10.000	day	25,000.00	250,000.00
20	012001	L		Unskilled Labour for Site	QR	7,000.000	hr	50.00	350,000.00
30	011005	L		Supervision - Foreman	LS				100,000.00

- Tracking of original budget versus revised budget versus forecast cost to complete by BQ item
- Budget build up can be simple or very detailed to match each projects specific needs
- Budgets can be built including resource codes – these can then be used to report on budgets by resource codes. Forecasts can be prepared using resource codes.
- Flexible line types for budget entry including production rate based entries
- Can include operation codes
- Can include subcontract/work package codes
- Quick reference to budget source and latest budget amendments
- Ability to have revenue drivers
- Ability to have different revenue accounts for BQ Items
- Project cost accruals that reverse automatically in the next financial period
- Project cost provisions
- Site stock for use by the Work In Progress (WIP) module
- Posting can be controlled by finance department or direct by project assigned staff.

### Project Stages and Liquidated Damages

Setup provided to allow definition of each project stage with associated information.

- Contract duration
- Forecast duration
- Liquidated Damages to date, Liquidated Damages recoverable from subcontractors
- Liquidated Damages forecast liability
- Included in certain key senior management reports.



### Cash Flow

Project cash flow and the integration into the corporate cash flow is a key feature.

- Cash in and cash out can be defined by financial period and payment application
- Original / tender position
- Latest forecast position
- Actual achieved.

### Project Cost Adjustments

The primary input of costs occurs within the financial area. However, sometimes costs are incorrectly allocated or there is a need to enter additional accruals or provisions to complete project reports. Depending on client security settings, Scenario supports the following functions to be performed by project staff.

- Cost transfers between projects and cost centres

### Project Revenue and Cost Provisions

Provides facility for senior management to adjust the forecasts from project staff to include both additions and reductions in revenue and cost.

- Defined by project
- Allows management to see the movement from 'speculation' to 'actual'
- Included in certain key senior management reports
- Amounts included in Work In Progress (WIP) module.

## Project Administration

### Contract Adjustments / Variations

The contract sum will usually vary during the life of a project. These changes can already be a standard part of the contract (e.g. provisional sum adjustment) or may result from unexpected work (e.g. contractual claim).

- User defined types by company and project, e.g. main contract variations, engineers instructions, escalation/fluctuation, provisional sum adjustments, contractual claims
- Linked to user defined budget adjustment classes
- Tracked through various stages from initial identification and notification to acceptance or rejected
- Ability to define when impact reflected on project revenue and budget
- Ability to define what amount to include in project revenue and budget
- Provides ability to define simple to detailed build up of revenue and budget
- Supports new bill of quantities sections for each variation if issued by client
- Links to associated subcontract adjustments
- Support for digital images.

### Budget Transfers

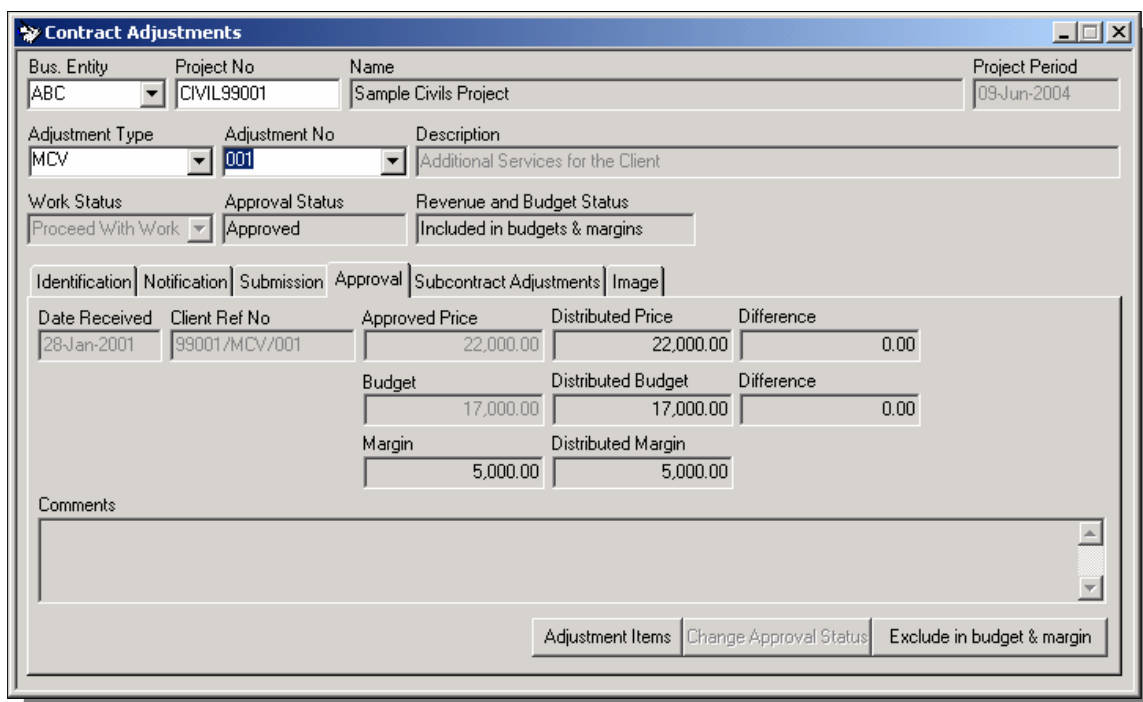
Sometimes the original estimate created does not match the work actually occurring on the project. To ensure the budgets are allocated to the correct cost centres, users may be required to move budgets from one cost centre to another.

- Ability to reallocate budgets

## Forecasts

Many companies use a regular and controlled forecasting approach to obtain the latest project position for management cost reporting. Depending on project nature, staffing and management needs, forecast may be done monthly, quarterly or as required, or may involve update to key items each report followed by a major forecast.

- Process to initiate the project forecast for a nominated financial period
- Provides worksheet centre to review the process showing current and previous forecasts and net change
- Ability to forecast by time periods such as daily, weekly, monthly – particularly useful for preliminary or indirect cost items
- Supports both cost to complete and final cost method along with multiple methods for the starting point
- Supports duration base forecasting method
- Ability to review cost codes/ centres in table view
- Support for baseline cost method
- Financial summary tab
- Ability to add management adjustments
- History of forecasts retained
- Able to support simple cost centres, preliminary (or indirect cost) cost centres, through to complex build ups
- Able to forecast by common resources
- Linked to Work In Progress module
- Security task permissions to lock and unlock forecasts
- Extensive backup and cost management reports
- Text tab for user comments on each valuation



**Contract Adjustments**

Bus. Entity: ABC | Project No: CIVIL99001 | Name: Sample Civils Project | Project Period: 09-Jun-2004

Adjustment Type: MCV | Adjustment No: 001 | Description: Additional Services for the Client

Work Status: Proceed With Work | Approval Status: Approved | Revenue and Budget Status: Included in budgets & margins

Identification | Notification | Submission | **Approval** | Subcontract Adjustments | Image

Date Received	Client Ref No	Approved Price	Distributed Price	Difference
28-Jan-2001	99001/MCV/001	22,000.00	22,000.00	0.00
		Budget	Distributed Budget	Difference
		17,000.00	17,000.00	0.00
		Margin	Distributed Margin	
		5,000.00	5,000.00	

Comments

Adjustment Items | Change Approval Status | Exclude in budget & margin

## Internal Valuations

Internal valuations represent a key means of measuring the physical progress versus cost to date on a project. The method, sometimes referred as earned budget, is a method particularly suited to projects where primary resources such as labour, materials, and plant represent sizeable parts of the budget.

- Process to initiate the project valuation for a nominated financial period
- Provides worksheet centre to review the process showing current and previous valuations and net change
- Data can be entered by cost code, contract adjustment and bill of quantity item
- History of valuations
- Data entered by cost code or at budget resource line level – will handle simple cost centres, preliminary cost centres where a draw down schedule used, through to complex build ups used in engineering projects
- Supports turnover valuation (or earned income)
- Linked to Work In Progress depending on WIP setup options
- Security task permissions to lock and unlock valuations
- Text tab for user comments on each valuation

- Submissions based on quantities or lump sum.

## Interim Valuations

An interim valuation provides a simpler valuation, or earned budget approach. It can be used for prepare the cost centre valuation and can be linked to certain forecasting methods to derive a forecast final cost.

- Based on cost code reference quantities
- Simple table entry method like Excel
- Ideally suited to value preliminaries against executed or direct work (i.e. value indirect cost budget items based on direct cost budget items)

## Progress Payment Applications

A bill of quantities or similar list is often agreed with the client as the basis for the progress payment applications.

- Supports use of the BQ or a user defined list
- Each application is stored in detail for the life of the project and is available on-line for inquiry
- Application covers original works, contract adjustments, materials on site, retention
- Support for advance payments and discounts in setup
- Fully integrated with financials
- Supports certification process
- Support accrued revenue approach - ability to define by project (beneficial in countries where consumption taxes applicable)
- Industry standard business process supported in the operational steps
- Text tab for user comments on each application
- Extensive backup reports and application submissions to clients

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