

HEALTH CO.

# Project Management Plan

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## GRAPEFRUIT CAFÉ

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This report is the authorized work plan of the project managers for the project named Grapefruit Café by Health Co. Only stakeholders are allowed to examine this document, strictly confidential.

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### *Description:*

The project Grapefruit Cafe is a self-service healthy drink cafe mostly works with juices but takes customer requests too. It will be located at the Özyeğin University and operate in a container which will be implemented according to schedule of the project. It is the first project of the healthy catering firm Health Co. which is an enterprise of the entrepreneur partners Ezgi Yurtsever and Nur Celtek. The investor of this project is Ayfer Başar. This project will be led by three project managers assigned by the company and confirmed by the sponsor; Ali Aydemir, Ozan Dengiz, Kerem Kobal. The project will continue under the authorization of Özyeğin University, Health Co. and Ayfer Başar.

Health Co. is a new company and because of that the project won't have any Lessons Learned documents. But the company has the organizational structure as projectized meaning it is based on projects and every single project will be efficiently done with effective management process. The reason of implementing this project is the need of a healthy beverage store or café in the university. The topic of lack of healthy food or drink sales in the university is a long time criticized topic among both the students and university personnel. Since there is a new area of containers that operates as restaurants or cafes between the Business Faculty and Student Center and there is room for one more container in that area, the opportunity was captured.

This report puts together all the works of the project managers during the project in five sections which can be seen in the contents. Every aspect of the project will be given under the related title. The integration parts were mainly used to describe of that section while others were explaining their area in more detail. Since the project hasn't started to execute some areas may include hypothetical information or assumptions.

# INITIATING

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## Integration

### *Project Charter:*

This charter formally authorizes the Project Grapefruit Café crew to build a container between Business Faculty Building and Student Center. Also to sale healthy products that include food and drink will be authorized when the circumstances are ready. For an approval from Özyeğin University, a project plan will be developed and submitted. Project, schedule, scope, quality, cost, HR, communications, risk management plans; Work Breakdown Structure and Performance Reports as project control, will included in the Project Plan. The investor Ayfer Başar will be assigned for all necessary resources.

To create a healthy food and drink area in Özyeğin University is the bedrock of this project. In the University there are full of fast-food and junk-food areas but no healthy spots for to eat or drink healthy nutrition. With Grapefruit Cafe, Özyegin University will have a healthy place which anyone in the university could be reached to organic, hand maid, healthy food and drink. Also they can write requests about new green products that they want see in Grapefruit Café. First part of this unique project is to build a structure for to open Grapefruit Café. The gap between FEAS and Student Center buildings which, is using two of unhealthy food area, has one more empty spot for the Grapefruit Café that can be the only healthy eating area of the University. The main goal of this report is to bring in a healthy, organic and green food area for Özyeğin University and to offer people in the university a different choice instead of un-healthy junk-foods.

A container will be built in selected area between FEAS and Student Center buildings. The container will accommodate up to 12 persons inside and 10 persons outside, will include a table, chair, juice and food bar, equipment's for preparation of the products, and will have free Wi-Fi provided by the University. Construction will be done during night time to not disturb university life. Once that is done, the next step will be doing painting the container, finish inside decoration, installing indoor/outdoor tables and chairs, setting up the equipment.

The Project Managers, Ali Aydemir, Ozan Dengiz, Kerem Kobal, are hereby authorized to interface with management as required, negotiate for resources, delegate responsibilities within the framework of the project, and to communicate with all contractors and management, as required, to ensure successful and timely completion of the project. The Project Managers are responsible for developing the project plan, monitoring the schedule, cost, and scope of the project during implementation, and maintaining control over the project by measuring performance and taking corrective action.

The project plan will be submitted and approved in accordance with the milestone schedule below. Upon approval of the project plan resources will be assigned to the project and work will commence within 3 business days. The Project Sponsor must approve any schedule changes which may impact milestones. A detailed schedule will be included in the project plan. The high level milestone schedule is:

- Dec 15, 2016 – Transfer of the container
- Dec 16, 2016 – Painting the container
- Dec 18, 2016 – Drying time for the painting
- Dec 20, 2016 – Implementing heating system
- Dec 22, 2016 – Building the Sign
- Dec 26, 2016 – Set up Equipment
- Jan 2, 2017 – Setting up the decoration
- Jan 4, 2017 – Grapefruit Café Opening and Project Completion

The budget for the project is \$50,000. It is to be funded through Health Co. and Ayfer Başar.

## Stakeholders

The main stakeholders of this project are listed below. Notice that every project manager has prior area, yet every one of them is responsible for the management of every aspect.

- Sponsor: Ayfer Başar
- Customer: Özyeğin University
- Employers: Ezgi Yurtsever, Nur Celtek
- Project Managers: Ali Aydemir, Ozan Dengiz, Kerem Kobal
- Integration Management Team Leader: Kerem Kobal
- Scope Management Team Leader: Kerem Kobal
- Time Management Team Leader: Ali Aydemir
- Cost Management Team Leader: Ali Aydemir
- Quality Management Team Leader: Ozan Dengiz
- Human Resources Management Team Leader: Ozan Dengiz
- Communication Management Team Leader: Kerem Kobal
- Risk Management Team Leader: Kerem Kobal
- Procurement Management Team Leader: Ali Aydemir
- Stakeholders Management Team Leader: Ali Aydemir
- Reporting: Ozan Dengiz

# PLANNING

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## Integration

The Project Manager, Kerem Kobal, has the overall authority and responsibility for integration, scope, communication and risk managements. He will have a main role of creating, performing and controlling on these areas and also he will describe his work during, plan scope management, collect requirement, define scope, WBS, plan communication management, plan risk management, identify risks, risk analysis, plan risk responses, direct and manage project work, manage communications, monitor and control project work, control communication and risk, finally close project.

The Project Manager Ozan Dengiz, has the overall authority and responsibility for Quality, hr and final editing. He will have a main role of creating, performing and controlling on these areas and also he will describe his work during, plan quality management, plan human resource management, perform quality assurance, acquire, develop, manage project team and control quality.

The Project Manager Ali Aydemir, has the overall authority and responsibility for time, cost, procurement and stakeholders. He will have a main role of creating, performing and controlling on these areas and also he will describe his work during, plan schedule management, define activities, sequence activities, estimate activity resources, durations, develop schedule, plan cost management, estimate cost, determine budget, plan procurement, plan stakeholder management, conduct procurements, manage stakeholder engagement, control schedule, costs, procurements, stakeholder engagement and finally, close procurements.

The project team will consist of personnel from the construction group, quality control/assurance group, technical group, and testing group. The project managers will work with all resources to perform project planning. All project and subsidiary management plans will be reviewed and approved by the project sponsor, Ayfer Başar. All funding decisions will also be made by the project sponsor. Any delegation of approval authority to the project manager should be done in writing and be signed by both the project sponsor and project managers.

The team members will work only for this project and they will report to their project manager throughout the duration of the project.

## Scope

The Scope Management Plan provides the scope framework for the Grapefruit Cafe project. This plan documents the scope definition, collect requirements, work breakdown structure, validate scope and scope control. Any project communication which pertains to the project's scope will be adhered in the Scope Management Plan.

This project is for constructing, and creating a new food area in Özyeğin University which can be used for healthy eating and drinking. External resources or outsourcing are anticipated for this project, such as the supply certain materials from subcontractors.

Kerem Kobal will be the main responsible manager for scope management. The scope for this project is defined by the Scope Statement and Work Breakdown Structure. The Project Managers, sponsor and stakeholders will create and approve documentation for measuring the scope that has deliverable quality checklists and work performance measurements.

The scope for this project was defined by requests of the students and personnel of Özyeğin University. Main request was to have a new food area in the campus by an analysis and research performed on the campus. In the light of these progresses, the project team developed the project requirements documentation to accomplish our goals.

The project description and deliverables were developed based on the requirements collection process.

### *Collect Requirements:*

The Collect Requirements process involves more detailed input on what's required from all stakeholders. The stakeholder's information will be given in stakeholder register and stakeholder management plan.

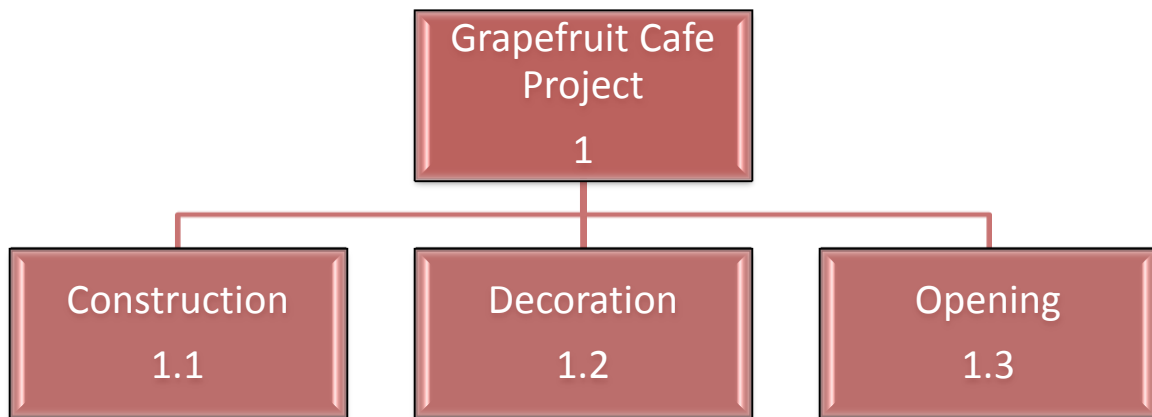
The project managers gather the requests with the aid of, interviews, questionnaires and surveys, observation and mind maps. Collected requirements controlled with group decision making. During these process all necessary techniques are been performed by project managers.

Stakeholders, project managers, or any member of the project team may make the proposed scope changes and all change requests will be send to Ozan Dengiz who will then evaluate the requested scope change. Request will go to Change Control Board and Project Sponsor for approval. Upon acceptance of scope changes, will update all project documents and communicate with all stakeholders about the scope change. With the aid of feedback and inputs, the project sponsor is responsible for the approval of the final project deliverables and project scope.



*Work Breakdown Structure:*

To effectively manage the work required to complete this project, it will be subdivided into individual work packages which will not exceed 20 hours of work. This will allow the Project Managers to manage more effectively the project's scope as the project team works on the tasks necessary for project completion. The project is broken down into three phases: the construction; the decoration; and the opening. The raining of staff is not a part of this structure since it is a simultaneous and different part of the project. Also the training won't have any cost because of the benefits of certificates of Health Co.



You can find the WBS Dictionary created for to define work more clearly in the next page. The WBS Dictionary includes a detailed description of work for each element and the deliverables, budget and resource needs for that element.

Level	WBS Code	Description of Work	Deliverables	Budget
1.1	1.1.1	Buying and Transferring of the container	A truck is hired	\$ 20.000
	1.1.2	Construction of container	Progress on the area	\$ 2.000
	1.1.3	The painting	painters	\$ 1.000
	1.1.3.4	Drying time for painting	-	\$ 0
1.2	1.2.1	Setting up the interior design	The Designer	\$ 1.000
	1.2.1.1	Placing inside structures and equipment	Hired workers, purchased structures and equipment	\$ 10.000
	1.2.2	Implementing heating system	-	\$ 4.000
	1.2.3	Setting up the outdoor design	The Designer	\$ 1.000
	1.2.3.4	Placing outside structures and equipment	Hired workers, purchased structures and equipment	\$ 7.000
1.3	1.3.1	Purchase of Wi-fi	-	\$ 3,000
	1.3.2	Set up Internet	I.T guy	\$ 1.000
	1.3.3	Opening and Project Completion	Publicity	\$ 0

**Table 1.2, WBS Dictionary**

## Time

### *Schedule:*

The project schedule is a guideline for how the project will be executed. Schedules are an important part of any project as they provide the project team, sponsor, and every stakeholder an outlook of the project's status at any time. Other than that schedule plan provides an approach the project team will use in creating the project schedule. This plan includes how the team will work on the project schedule and manage changes during processes. This includes identifying, analyzing, documenting, prioritizing, approving or rejecting, and publishing all schedule-related changes.

Project schedules will be created using MS Project 2013 starting with the deliverables determined in the project's WBS. Activity sequencing will be used to define the order of work packages and assign relationships between project activities. Activity duration estimating will be used to calculate the number of work periods required to complete work packages. Resource estimating will be used to assign resources to work packages in order to complete schedule plan.

Once an initial schedule has been developed, it will be reviewed by the project team and any resources temporarily assigned to project tasks. The project team and resources must agree to the proposed work package assignments, durations, and schedule. After this sponsors will check the schedule and approve it.

The following will be signified as milestones for the project schedule:

- Transfer of the container
- Painting the container
- Drying time for the painting
- Implementing heating system
- Building the Sign
- Set up Equipment
- Setting up the decoration
- Grapefruit Café Opening and Project Completion

Schedule development is a process that everyone should have a role or responsibility. The project manager will be responsible for defining the work package, sequencing, and estimating duration and resources with the project team. The project team is responsible for participating in work package definition, sequencing, and duration and resource estimating. The project team will also review the schedule and perform assigned activities once the schedule is approved. The project sponsor and university management will participate in reviews of the proposed schedule and approve the final schedule before it is baselined.

### *Changes and Thresholds:*

If any member of the project team determines that a change to the schedule is needed, the project manager and team will meet to evaluate the change. The project managers and project team must determine which tasks will be impacted and any alternatives or variance resolution activities they may employ to see how they would affect the scope, schedule, and resources. If the project managers determine that any change will exceed the established boundary conditions, then a schedule change request must be submitted.

Submittal of a schedule change request to the project sponsor for approval is required if either of the two following conditions is true:

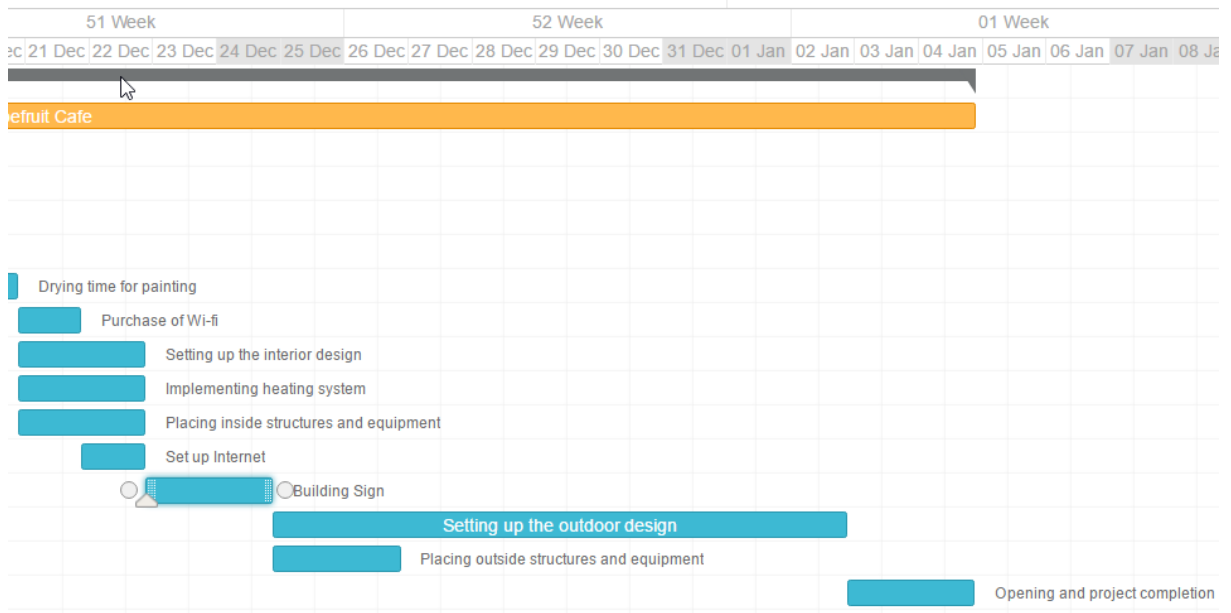
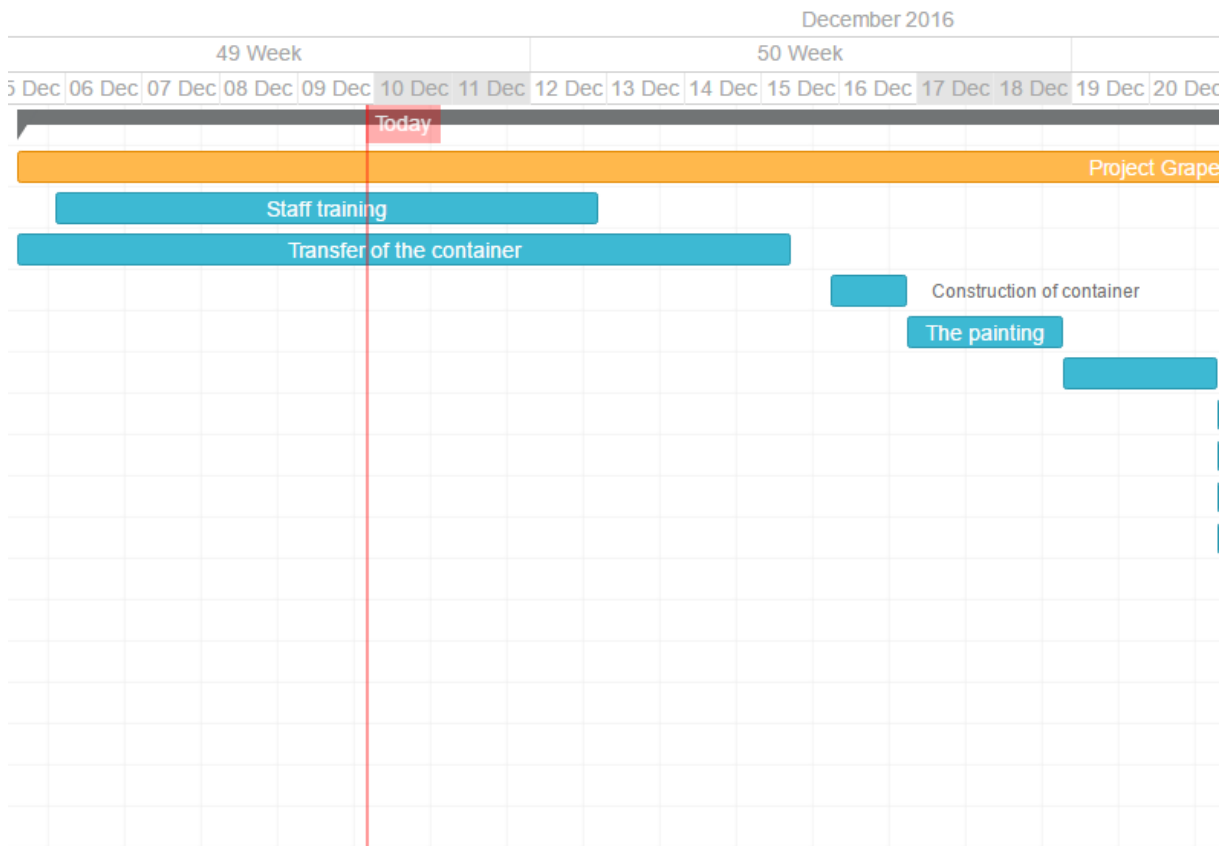
- The proposed change is estimated to reduce the duration of an individual work package by 10% or more, or increase the duration of an individual work package by 10% or more.
- The change is estimated to reduce the duration of the overall baseline schedule by 10% or more, or increase the duration of the overall baseline schedule by 10% or more.

Any change requests that do not meet these thresholds may be submitted to the project manager for approval.

Once the change request has been approved the project manager is responsible for adjusting the schedule and communicating all changes to the project sponsor and the university management. The project manager must also be sure that all change requests are archived.

Any changes in the project scope, which have been approved by the project sponsor, will require the project team to evaluate the effect of the scope change on the current schedule. If the project manager determines that the scope change will significantly affect the current project schedule, she may request that a re-baseline in schedule. The project sponsor must review and approve this request.

You can find the scope chart at the next page.



# Cost

The project managers will be responsible for managing and reporting on the project’s cost throughout the whole project. During the weekly project status meeting, the project manager Ali Aydemir will meet with management to present and review the project’s cost performance for the preceding week. Project managers will be responsible for keeping track of earned value of the project, for accounting cost deviations and for keeping the project sponsors informed. Also, project manager has responsibility to present options to getting project to project sponsor. Project sponsor has the authority to make changes in the budget of the project.

Costs for this project will be managed with the Work Breakdown Structure (WBS). Control Accounts (CA) will also be created to track costs. Earned Value calculations for the CA’s will keep track how well the project is doing. Level of accuracy will be controlled parallel to the WBS. Credit for work will be assigned at the work package level.

Cost variances in range of +/- 0.1 will be stated as cautionary and changed to yellow. If cost variances go up to +/- 0.2 they will be stated as alert stage and those values will be denoted as red. Corrective actions will be made by Project manager and Project Sponsor accordingly.

### Measuring Costs:

Performance of the project will be measured using Earned Value Management. The following Earned Value metrics will be used to measure to projects cost performance:

- Schedule Performance Index (SPI)
- Cost Performance Index (CPI)

If the Schedule Performance Index or Cost Performance Index has a variance of between 0.1 and 0.2 the project manager must report the reason for the exception. If the SPI or CPI has a variance of greater than 0.2 the project manager must report the reason for the exception and provide management a detailed corrective plan to bring the projects performance back to acceptable levels.

Performance Measure	Yellow	Red
Schedule Performance Index (SPI)	Between 0.9 and 0.8 or Between 1.1 and 1.2	Less Than 0.8 or Greater than 1.2
Cost Performance Index (CPI)	Between 0.9 and 0.8 or Between 1.1 and 1.2	Less Than 0.8 or Greater than 1.2

Reports for cost management will include weekly project status report. This report will include Earned Value Metrics. All cost variances other than stated before will be reported in detail as these will be given to the sponsors and project manager. Parallel to these corrective actions will be made. Change requests which are triggered with project cash overruns will be identified in this report.

#### *Cost Variance Response Process:*

Project manager and the sponsors are in charge of response process. According to the given CPI and SPI values project managers and sponsors will decide what kind of actions will be made in order to keep the project in designed track. Red areas (which is urgent) will be taken care of with a higher priority. Yellow areas are not that urgent but again will be taken care of to make sure that project is going as planned. Manager will present the Project Sponsor with a formal Cost Variance Corrective Action Plan. According to this Correction Plan it will be understood the effectiveness of the project. It will reflect whether the project is doing good or not.

#### *Project Budget:*

The budget for this project is detailed below. Costs for this project are presented in categories. The cost change control process will follow the established project change request process. Approvals for project budget and cost changes must be approved by the project sponsor.

- Fixed Costs: \$37,000.00
- Material Costs: \$12,000.00
- Contractor Costs: \$1,000.00
- Total Project Cost: \$50,000.00
- Management Reserve: \$60,000.00

## **Quality**

Health Co.'s strict policy of quality and high level of customer satisfaction persistence forces every single stakeholder to check their work at least twice before delivery. Since the company's name suggests our main goal is to make our work as healthy as possible. The products and projects made by Health Co. will have a twelve different health certificate from various institutions that is valid in European Union, China, Russia and Turkey.

The company procedure on raw material possession is just-in-time (jit) meaning we find that holding raw materials in inventory is too expensive and is unnecessary. Instead, we have our suppliers deliver raw materials just when we need them or just before they are

needed, thus decreasing inventory to close to the amount of 0. This system forces attention on quality in the project.

The purpose of the quality management is to make sure the project outcome achieves a certain level of quality. Since we are bounded with several certificates and inspections for each of them, it's easy to assure an improvement on quality in time.

The environmental factors for the quality management are almost doesn't exist since we will be using simple organizational assets. After the delivery of container with an air conditioner installed the relation with the environment will be limited and handle by the cleaning staff. We also take the requirements documentation as an input for quality management. We will be accepting certain changes unless it affects the schedule or decreases the quality even if it lowers the cost since the inspections, from various firms, will be strict.

The project will not have any cost of warranty or lost business and will use students or e-mail to make surveys. These are the few advantages of the contract made with the university. Our only cost of quality will be training the first crew of the Café, after that the works will be taught from employee to employee. There will be also separate quality inspection training for the elected head of staff when the project concludes.

The managers will have their own checksheets with certain restrictions of every element. There is also a list for all the stakeholders to make them understand the process. The checklist below is created for the managers to make sure quality work is done properly:

- Schedule
- Input documents & resources
- Cleaning of the selected area for container
- Installing the container to selected area properly
- Installing AC and other heavy equipments into the container
- Cleaning, isolation and preparing the container completely
- Inspection of Health Co. and Özyeğin University
- Inspection from related certificate institutions
- Training of the first staff
- Regular supply the foods and drinks
- Last inspection before opening
- Opening
- Regular inspections and cleanings

Even though the quality control charts seems perfect and limitations are very easy to achieve, every project may come across to some unexpected problems. The project managers will be using Pareto diagrams and Histograms to make sure to detect the most important roots of problems that are worth the effort. A scatter diagram may be used during the process if necessary too.



## Human Resources

The first essential necessity to manage the human resources is managing the material resources for the project. This is why the project managers are responsible for every stage of resource management. They will determine what are the resources needed, how important they are for the project and confirm their ability. One of the project managers will negotiate with the university about how large of an area we can get and one of them will be doing the negotiations with the sponsor while the last one will be assisting on the company side of this step. They will use the resource histogram for these which was given to both the university and the sponsor in advance.

The second part is to create job descriptions for not just team members but every stakeholder individually. The sponsor will also be informed about her duties for the project such as providing the necessary funding and other requirements. If the sponsor wants to be more into the project she is always welcome to join the management team. Since the company is working as a projectized base company there are no functional manager. Also notice that this is the first project of the company and it's not possible to have a program or portfolio manager.

After the project is complete the job descriptions of every individual will be given by their executive. The main project team directory is shown below:

- *Stakeholders*: Keeping tabs on every stage of the project they are related to.
- *Sponsor*: Funding and resource supply, management if required.
- *Project managers*: Implementation, control and update of the management report. Determine and confirm the resources after negotiations with the relevant executive. Manage the training, needs and rewards of the team members.
- *Knowledge area leaders*: make sure every work is done according to the plan, examine the process as a whole and evaluate the relevant change requests.
- *Managers who aren't the leader at the area*: Support the manager that leads the knowledge area and assemble data to make his job easier.
- *Construction crew*: Preparing the area of the container, implementation and preparation of the container.
- *Suppliers*: Supply and install necessary equipment into the container.
- *Caterers*: Supply fresh and health catering.
- *Staff*: Get trained until the opening of the Cafe; learn how to use and clean equipment.
- *Cleaning crew*: Clean the area in and out daily.
- *Inspectors (all)*: Inspect the Cafe regularly.

The project managers are the only ones who can assign roles to the team members. No executive should directly give any work to the team members before debating with the

managers. This doesn't mean that the managers shouldn't inform the executives. Instead, the managers are expected to consult when they have an alteration to the plan.

The project managers will use several ways to record roles and responsibilities such as simple position descriptions and RACI chart. In the chart one team member will be responsible and any other one will be accountable while the one they inform is knowledge area leader; other managers will be working as consultants.

Staffing management process will be done by the HR management leader. The staff will be chosen from Taşdelen if possible to reduce cost. Since this is a small project and the schedule is tight, the construction crew and suppliers will be working together while the staff trains for the job. Managers and cleaning crew will be working daily. The managers have authority to give reward to the team members that works above the average excluding the university staff. There will be no monthly recognition system; the rewards will be given when it seems appropriate. The company has several rewards for team members as in holiday checks, cash, coupons, theatre tickets and a place in the next project. Safety precautions will be taken as the Özyeğin University declared at the contract.

## Communication

The Project Manager Kerem Kobal will be the main responsible with the organization of communication area. He will create a schedule and manage all persons. The schedule will be created by the available times for the stakeholders, customers and sponsors. End of each step will require a meeting with project managers.

Initiating	Planning	Executing	Monitoring & Controlling	Closing
Kerem Kobal will manage meetings before & during the processes.	Kerem Kobal will do the meetings.	Kerem Kobal will do the meetings & manages the meetings	-	-
Ozan Dengiz will do the meetings.	-	-	Ozan Dengiz will do the meetings & manages the meetings.	Ozan Dengiz will manage meetings before & during the processes.
-	Ali Aydemir will manage meetins during the process.	-	-	Ali Aydemir will do meetings.

## Risk

The project managers, sponsor, team, and customer will be involved in the Plan Risk Management process to define how risk management will be structured and performed. During that processes, the probability that a risk event will occur, the range of possible outcomes, expected timing for it to occur in the project life cycle, the anticipated frequency of risk events from that source will be considered.

In the project Grapefruit Cafe the risk management is an integral part of planning; risks are being considered in meetings before they happen and if a risk happens, project managers will create a plan to over-come to it. The needed time will be spent on risk management for not allowing any mistakes or minimizing the negative risk effects based on the needs of the project. The project managers and the team will classify risks under these headlines of *External, Interneal, Technical and Unforeseeable*.

Project managers will perform necessary process to deal with them. They will search risk potential risk areas such as; customer, suppliers, resistance to change, cultural differences, schedule, cost, quality, scope, resources, customer / stakeholder satisfaction.

### Identify Risks:

In this process, risks for the project are identified with stakeholders. Also, our core team will begin the process them, then other team members will become involved for the rest of the process, making Identify Risks an iterative process.

Name of Risk	Impact of the Risk	Solution of the risk	Second Solution of the risk	Possible delay time
Failing the transfer of the container	It will delay project, may accrue cost problem	Taking backups for transfer products	Make transfer before the transfer day	1-3 days
Construction fail	Construction time will delayed and cost	Extra hours of work	Replacement in construction part	1 or 2 days
Unexpected event in school area	Delay, cost	Extra hours of work	-	1 day
Equipment fails	Cost	Repair man	Backup materials	-
Problems at opening	Delay, cost, reputation loss	Over check all possible risks	-	1 day
Money problems	Cost, cancelation of the project	Budget plans	Backup budget plans	Cancelation

### *Qualitative Risk Analysis:*

In this process, the project manager and a team responsible for risk management will determine what they are going to do about risks. They are going to analyze the risks, with their probability and potential impact on the Grapefruit Café project to choose which ones of them requires a response.

During this process, analysis will be performing and a short list of the identified risks will be creating by the team which may then be further analyzed in the Perform Quantitative Risk Analysis process; or they may move into the Plan Risk Responses process. We can absorb possible risk ratings in the following table.

<b>Number of the Risk</b>	<b>Rating of the Risk</b>
Number 1	6
Number 2	5
Number 3	3
Number 4	4
Number 5	3
Number 6	10

*The Number of the Risk is in the same order which is given in identify risk table.*

The meanings of the ratings are as given;

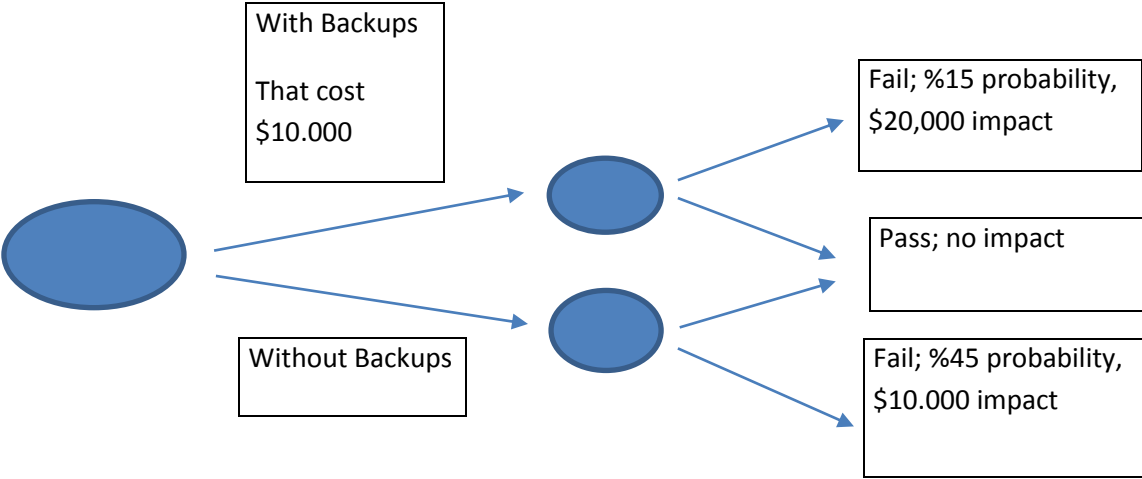
- 3; Medium reduction of cost or time
- 4; Large reduction of cost or time
- 5; Slightly over budget
- 6; Over budget and time by %10 or %20 percent
- 10; Cancellation of the project

### *Quantitative Risk Analysis:*

The project managers and the team will numerically analyze the probability and impacts of risks moved forward from qualitative risk analysis.

They decided to do quantitative risk analysis on Risk Number; 6, 1 and 2.

Analysis on Number 1;



Analysis on Number 2;

With Extra Work	Without Extra Work
Will cost about \$4.000	Will cost about \$4.000
None time delay	Time delay

Analysis on Number 6;

- The team and project manager calculated their maximum budget. According to this information they analyze that, if go over %40 percent of our regular budget, the project will fail.

*Risk Responses:*

The project manager and the team mentioned possible solutions to the risks in the identify risk table so that they can eliminate the threats before they happen, make sure the opportunities happen or decrease the probability and/or impact of threats for the remaining threats that cannot be eliminated.

During this process, they went over each risk and analyze all over again and they create secondary way of solution which is also in the table to overcoming the risks.

# Procurement

Procurement Management Plan sets the procurement system for this project. It will serve as a guide for overseeing procurement for the duration of the life of the project and will be redesigned as obtaining needs change. This arrangement recognizes and characterizes the things to be secured, the sorts of agreements to be utilized as a part of support of this project, the agreement endorsement process, and choice criteria. The significance of organizing procurement exercises, setting up firm contract deliverables, and measurements in measuring procurement exercises is incorporated. Different things incorporated into the procurement management arrange include: procurement risks and procurement risk management contemplations; how expenses will be resolved; how standard procurement documentation will be utilized; and procurement requirements.

The Project Manager will give oversight and management to all procurement exercises under this project. The Project Manager will work with the project group to distinguish all things to be obtained for the fruitful culmination of the project. The Project Manager will then audit the procurement list preceding submitting it to the contracts and acquiring office. The contracts and acquiring office will survey the procurement things, figure out if it is worthwhile to make or purchase the items, and start the merchant choice, buying and the contracting procedure.

The following procurement items and/or services have been determined to be essential for project completion and success. The following list of items/services, justification, and timeline are pending for submission to the contracts and purchasing department:

Item/Service	Justification	Needed By
Heating System	Needed for setting up the interior design; we do not make this item	20 December 2016
WiFi/Internet Setup	Needed for building tool to provide better service; we do not make this item	22 December 2016
Painting	Needed for construction and outdoor design; we can provide this service but do not know the cost comparison vs. purchasing it	15 December 2016

In addition to the above list of procurement items, the following individuals are authorized to approve purchases for the project team:

Name	Role
Ali Aydemir	Project Manager
Ozan Dengiz	Project Manager
Kerem Kobal	Project Manager

### *Contract Type:*

All items and services to be procured for this project will be requested under firm-fixed price contracts. The project team will work with the contracts and buying department to characterize the thing types, quantities, services and required conveyance dates. The contracts and acquiring office will then request offers from different sellers keeping in mind the end goal to procure the items inside the required time allotment and at a sensible cost under the firm fixed price contract once the merchant is chosen. This contract will be granted with one base month.

### *Procurement Risks & Management:*

All procurement activities carry some potential for risk which must be managed to ensure project success. While all risks will be managed in accordance with the project's risk management plan, there are specific risks which pertain specifically to procurement which must be considered:

- Unrealistic schedule and cost expectations for vendors
- Manufacturing capacity capabilities of vendors
- Conflicts with current contracts and vendor relationships
- Configuration management for upgrades and improvements of purchased technology
- Potential delays in shipping and impacts on cost and schedule
- Questionable past performance for vendors
- Potential that final product does not meet required specifications

These risks are not all-inclusive and the standard risk management process of identifying, documenting, analyzing, mitigating, and managing risks will be used.

As already expressed, project risks will be managed as per the project's risk management plan. Be that as it may, for risks related particularly to obtainment, there must be extra thought and inclusion. Project acquirement endeavors include outside associations and possibly influence present and future business connections and interior store network and seller management operations. In light of the affectability of these connections and operations the project group will incorporate the project sponsor and an assigned delegate from the contracting department in all project meetings and status surveys.

Moreover, any choices with respect to acquirement activities must be affirmed by the project sponsor or, in his absence, the Vice President of Contracts before implementation. Any issues concerning procurement activities or any recently distinguished risks will quickly be imparted to the project's contracting department purpose of contact and in addition the project sponsor.

### *Cost Determination:*

For this project we will issue a Request for Proposal (RFP) keeping in mind the end goal to request proposals from different merchants which depict how they will meet our prerequisites and the cost of doing as such. All proposals will incorporate vendor support for items A, B, and C (from procurement definition paragraph) and in addition the base and out-month costs. The sellers will outline how the work will be refined, who will play out the work, vendors' involvement in giving these merchandise, client tributes, foundations and resumes of representatives playing out the work, and a detail breakdown of all costs included. Moreover, the sellers will be required to submit work breakdown structures (WBSs) and work schedules to demonstrate their comprehension of the work to be performed and their capacity to meet the project schedule.

All data must be incorporated into every proposal as the proposals will be utilized as the establishment of our selection criteria. Proposals which exclude requested data or contain deficient data will be disposed of from thought.

### *Procurement Documentation:*

The procurement management process comprises of many strides and continuous management of all procurement exercises and contracts. In this dynamic and sensitive environment, our objective must be to simplify procurement management by every fundamental mean keeping in mind the end goal to encourage effective culmination of our agreements and project. To help in rearranging these assignments, we will utilize standard documentation for all means of the procurement management process.

Project manager keeps up a segment on the organization's shared drive which contains standard project management and procurement documentation that will be utilized for this project. The accompanying standard reports will be utilized for project procurement exercises:

- Standard Request for Proposal Template
  - Background
  - Proposal guidelines, process and timelines
  - Proposal formats and media
  - Source selection criteria
  - Pricing forms
  - Statement of work
  - Terms and Conditions
- Internal source selection evaluation forms
- Non-disclosure agreement
- Letter of intent
- Firm fixed price contract
- Procurement audit form
- Procurement performance evaluation form



### *Procurement Constraints:*

There are several constraints that must be considered as part of the project's procurement management plan. These constraints will be included in the RFP and communicated to all vendors in order to determine their ability to operate within these constraints. These constraints apply to several areas which include schedule, cost, scope, resources, and technology:

➤ **Schedule:**

Project schedule is not flexible and the procurement activities, contract administration, and contract fulfillment must be completed within the established project schedule.

➤ **Cost:**

Project budget has contingency and management reserves built in; however, these reserves may not be applied to procurement activities. Reserves are only to be used in the event of an approved change in project scope or at management's discretion.

➤ **Scope:**

All procurement activities and contract awards must support the approved project scope statement. Any procurement activities or contract awards which specify work which is not in direct support of the project's scope statement will be considered out of scope and disapproved.

➤ **Resources:**

All procurement activities must be performed and managed with current personnel. No additional personnel will be hired or re-allocated to support the procurement activities on this project.

➤ **Technology:**

Parts specifications have already been determined and will be included in the statement of work as part of the RFP. While proposals may include suggested alternative material or manufacturing processes, parts specifications must match those provided in the statement of work exactly.

### *Contract Approval Process:*

The initial phase in the agreement approval process is to figure out what items or administrations will require procurement from outside vendors. This will be controlled by leading a cost examination on items or administrations which can be furnished inside and contrasted and buy costs from vendors. When cost investigations are finished and the rundown of items and administrations to be obtained remotely is concluded, the buying and contracts office will convey requesting to outside vendors. When sales are finished and proposals have been gotten by all vendors the approval process starts. The initial step of this process is to lead an audit of all vendor proposals to figure out which meet the criteria built up by the project group and the obtaining and contracts office. Purchases less than \$3,000 only require the approval of the Lead Project Manager; whereas, purchases greater than \$3,000 must be approved by the all three Project Managers.

### *Decision Criteria:*

The criteria for the selection this project will be based on the following:

- Ability of the vendor to provide all items by the required delivery date
- Quality
- Cost
- Outsourced cost vs in-sourcing
- Past performance

These criteria will be measured by the Project Manager and definitive choice will be made based on these criteria and existing resources.

# EXECUTING

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## Integration

To direct and manage the work done the project manager integrated all the executing work into one coordinated effort to accomplish the project management plan and produce the deliverables. In the aid of completed and approved; changes, corrective actions, prevent actions and defect repair. The Project managers control, perform and follow work performance data of every single work being held and done, all requesting changes, and completing the work resulting from approved change requests during this process.

## Quality

The managers are responsible for quality assurance. One of the project managers will be providing an audit before noon according to the quality management plan while other two managers take care of other areas. It will contain several questions regarding the schedule, cost, organizational policies, results and requirements of the current process to ensure the team is following organizational policies, standards, and processes as planned to produce the project's deliverables. If it's possible, the manager might improve the quality by following the procedures determined by the company.

The physical measurements of the area and requirements that wasn't delivered will be reported to the managers. Every team member will work in harmony since they were all informed about their roles. This will quicken the quality assurance process.

The quality analysis of the managers will be used to identify improvement necessities and opportunities. Change requests and recommendations will be collected and considered, updates will be implemented swiftly to the management plan, standards and any document that is necessary.

## Human Resources

### *Acquire project team:*

Project managers will discuss the resource management process once again when the team assembles since they are the one who is executing the work. The HR management plan including roles and responsibilities of the team members, environmental factors which are limited and organizational assets defined in advance will all be using as inputs for this phase.

Risk management process and availability will also be considered to know every possibility about resources. This phase may need to update the HR management plan and resource calendars.

The aim is to have dedicated team members as most of them will be working full-time and exclusively on the project until their work is done according to the schedule. There will be no rating in sight for the workers to prevent halo effect but project managers will have a hidden agenda to reward the ones working above average. The individual assignments will be given by the executives under the consultation of knowledge are leaders.

#### *Develop project team:*

This process is aiming to decrease turn-over and improve individual skills along with the teamwork quality. Project managers will work as leaders and encourage members with rewards which will be given according to the team performance assessments. Honesty will be the key element and every comment and data will be shared with everybody unless it's classified for various reasons. Other than this every ground rule will be decided with the team members at the orientation.

Before the start of the work of a team, members will have a half a day orientation one day before which will include basic team building activities. Same schedule with a full day program will be planned at the center of the team's schedule for improvement. There will be a celebration for each milestone such as free catering or a dinner from the company with executives. At the end of the whole work process there will be a collective evaluation and brunch afterwards for each team. Notice that every team will have separate office but no individual will have a cubicle since the team communication is the key element of creating a team culture.

#### *Manage project team:*

This phase will be working better when not just the HR management but also communication management plan is under consideration. Since the teams will be working new crews from different organizations such as the suppliers or construction workers, project managers are going to take responsibility of keeping them communicated and solve any problem caused by any conflict among them. This makes the managers the leaders of the teams.

As mentioned before the company policy allows giving reward to good workers and encourages the managers to have a reward power system as much as possible. Of course we realize this may not be case in a matter of conflict. The project managers will act formal rather than using their penalty power to solve the problem. Conflicts are inevitable and they are beneficial to the project if they are managed properly.

The project managers decide the project constraints, project charter, all the key decisions and changes. They are aware that the main reason of conflict is schedule problems, different priorities and resources. Every single one of these is the outputs of planning process and won't be a huge problem even if starts a conflict. Other than these technical opinions or procedures will be dealt with the most profitable way to the project. Any conflict about cost will be negotiated only with the executives by managers. Personal issues or simple disagreements that can't be handled by them will be resolves by the relevant knowledge area leader. The project managers are allowed to solve conflicts by any technique as long as it resolves the problem without any damage to the project. Any stakeholder should remember that conflict is best resolved by those involved in the conflict.

The company believes in the motivation theory of Herzberg when asking about what people really wants. Poor hygiene factors may destroy motivation and since the company's biggest claim is to provide healthy product this is very important for us. The working conditions and relationships at work will be constantly controlled by the managers. The security however will be handling by the authorized personnel of the university. However under most circumstances these will not be enough to improve motivation. There are motivating agents like responsibility, recognition, self-growth etc. which is the main reason why the managers care so much about team development and company works with the reward system.

## **Procurement**

This process involves procurement statement of work (SOW) and other procurement documents created in the Procurement Management Plan process to prospective sellers, answering the sellers' questions, having sellers submit responses and reviewing the responses to select a seller according to the Procurement Management Plan.

After advertising to finding more possible sellers, procurement documents are sent to a select list of sellers prequalified by the organization. It is decided that for heating systems, bidder conferences are made and all the sellers' question are answered. For WiFi/internet setup and painting, organization had already an existing agreement with a Özyeğin University. After negotiations, seller's proposals are recieved and the buyer uses decision criteria identified in the Procurement Management Plan process to assess the potential sellers' ability to provide the requested products/services. For this process weighting system was used (see tables below).

In conclusion, it is decided that Siterm Isı Sanayi is best choice for this job and a contract was signed. It is agreed on there will not be change requests, resource calanders for contracted resources were set and project documents with project management plan will be updated.

Seller : Çukurova Isı Sistemleri

	A	B	C
Criteria	Weight	Rating for this catagory (1 to 100)	Catagory score
Number of years in business	5 percent	80	4
Understanding of need	25 percent	80	20
Price or life cycle cost	10 percent	90	9
Technical ability	25 percent	80	20
Ability to complete work in time	20 percent	50	10
Project management ability	15 percent	33	5
Total score for this seller			68

Seller : Siterm Isı Sanayi

	A	B	C
Criteria	Weight	Rating for this category (1 to 100)	Category score
Number of years in business	5 percent	80	4
Understanding of need	25 percent	60	15
Price or life cycle cost	10 percent	80	8
Technical ability	25 percent	60	15
Ability to complete work in time	20 percent	90	18
Project management ability	15 percent	66	10
Total score for this seller			70

# MONITORING & CONTROLLING

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## Integration

Analyzing and tracking risks, performing quality control activities, assessing possible outcomes across the project that is been achieved by using analytical techniques, also, reviewed changes and corrective actions are which taken to bring expected future project performance in line with the project management plan. This part involves dealing with actual deviations from the performance measurement baseline or other metrics, made during the project to see if they were effective. Then, creating work performance reports and additional change requests will be taken, and updating the project plan and project documents accordingly to that.

The preventive actions that, is dealing with anticipated or possible deviations from the performance measurement baseline and other metrics, has been taken. With the aid of corrective and preventive actions, doing defect repair process is not needed. The detailed control processes will be given under each knowledge area during the report.

## Scope

The Project Managers, done frequent, planned meetings with the customer and sponsor to gain formal acceptance of deliverables during project monitoring and controlling. With processes like verified deliverables, scope baseline, requirements traceability matrix, requirements documentation, scope management plan and work performance data the managers done validate scope that is been approved by the Özyeğin University at the end of each phase these process performed.

The Project Manager and the project team will work together to control of the scope of the project. The project team will leverage the WBS Dictionary and ensure that they perform only the work described in the WBS dictionary and generate the defined deliverables for each WBS element. The project team will be followed and over watched by The Project Managers.

The process for recommending changes to the scope of the project must be carried out if a change to the project scope is needed. All change requests must be submitted to the Project Managers in the form of a project change request document. The Project Managers will then review the suggested change to the scope of the project. The Project Managers will then either deny the change request, if it does not apply to the intent of the project, or convene a change control meeting between the project team and Sponsor to review the change request further and perform an impact assessment of the change. If the change request receives initial approval by the Project Managers and Sponsor one of the Project Managers will formally



submit the change request to the Change Control Board. If the Change Control Board approves the scope change the Project Sponsor will then formally accept the change by signing the project change control document. Upon acceptance of the scope change by the Change Control Board and Project Sponsor the Project Managers will update all project documents and communicate the scope change to all project team members and stakeholders.

**Time**

The project schedule will be examined and updated as necessary on a weekly basis with actual start, actual finish, and completion percentages which will be provided by the responsible team members. The project manager is responsible for holding weekly schedule updates; detects impacts of schedule variances; submitting schedule change demand; and reporting schedule status in convenience with the project’s communications plan. The project team is responsible for participating in weekly schedule reviews and detecting schedule variances; communicating any changes to actual start/finish dates to the project manager. The project sponsor will be aware of the project status and approve the changes in schedule.

**Cost**

<b>Project: Grapefruit Cafe</b>						<b>Date: 04/01/2017</b>	
<b>WBS Element</b>	<b>Planned Value (PV)</b>	<b>Earned Value (EV)</b>	<b>Actual Cost (AC)</b>	<b>Schedule Variance (SV)</b>	<b>Cost Variance (CV)</b>	<b>Schedule Performance Index (SPI)</b>	<b>Cost Performance Index (CPI)</b>
Product Planning	\$25,000	\$25,000	\$26,000	\$0	(\$1,000)	1.00	0.96
Product Design	\$7,000	\$6,700	\$6,400	(\$300)	\$300	0.96	1.04
Product Build	\$18,000	\$17,500	\$17,500	(\$500)	\$0	0.97	1
<b>Totals:</b>	<b>\$50,000</b>	<b>\$49,200</b>	<b>\$49,900</b>	<b>(\$800)</b>	<b>(\$700)</b>	<b>0.98</b>	<b>0.98</b>

To date the Grapefruit Cafe project has been highly successful. All project team members’ assigned tasks and all activities and milestones to date have been met. Throughout the phases of the Grapefruit Cafe Project we have a cumulative schedule variance of -\$800 and a cost variance of -\$700 (see table above). Our cumulative SPI is 0.98 with a cumulative CPI of 0.98.

## Quality

The team will ensure a certain level of quality in a deliverable as the managers control them. Every team member will be measuring products, results, or services to determine whether they meet the defined quality standards before delivery. Since we do not have a separate quality department, the project managers will be making sure that everything is acceptable with the requirements of the customers.

The tools used with the quality management plan will be used again to control the quality level and inspections will be done with statistical sampling on the activities of Café. The managers will have the measurements and verified deliverables with this process. The changes, both approved and denied, the updates and their reasons will be monitored.

## Communication

Under the name of leader of communication area, project manager Kerem Kobal will follow all communications step and make sure that they being done properly and in time. If there will be any changes in planned schedule, new management plan and dates for the new meetings, they will be created by him mainly.

## Risk

The project managers look up for the occurrence of risk triggers and monitor residual risks. Luckily, during the process new risks won't show up. According to our evaluation on effectiveness of the risk management plan, the risks are eliminated properly. So the team doesn't show up with new risk responses. Also, during this process, managers will have meeting with sponsors and University to give information on risks and take response from them.

The leader manager is ensuring proper risk management procedures are being followed and revisit the check list to be sure every process is being held properly. While the work performance information is being created, managers will be updating to previous parts of risk management properly and closing of risks that are no longer applicable. After each processes, lessons learned file is being created, for the first time for our company. Change Requests, Recommended Preventive and Corrective Actions are created after the process under the control of project manager and the plan for the management plan will updated.

## Procurement

The Control Procurement process involves managing the relationship between the buyer and seller and ensuring that both parties perform as required by the contract. The impacts of contract changes are then negotiated by the two parties.

As a project manager, vendor's performance was monitored during process and some conflicts were found by Ali Aydemir. In addition to that, changes were approved by other project managers and corrective actions were taken. All conditions and additional systems/items were paid and services were delivered on time with expected quality. Buyer and seller relationship were controlled by project managers only. Change requests did not create negative constraints such as time-cost, schedule, budget, risk. In terms of performance, seller company were qualified sellers list for 1 year. As last, project plan was updated.

# CLOSING

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## **Integration**

The work related to project will be officially over after this phase. The project managers will confirm the work is done and gain the final acceptance from stakeholders. After completing financial closure the project managers will take feedback from both the sponsor and University management.

As we mentioned before project managers are responsible for team members and their actions. While closing the project, managers will be giving last reviews and rewards to the related members. After the evaluation managers will hand over the written performance reviews to related executives.

Last part of this section is to prepare final reports including index, records, lessons learned etc. for the archive of related organizations.

## **Procurement**

Closing procurements consists of verifying that all work and deliverables are accepted, finalizing open claims, and paying for each of the procurements on the project.

Created all documents were collected, indexed and filed as a part of contract. For lessons learned, procurement audits were performed which is all processes, documents and communication were compared against contract terms, schedules and cost plans. Also, there were a few issues between seller and buyer, issue settlements are resolved by negotiation. Since all agreements were met, financial closure was fulfilled.

After completing closure, seller had received formal sign-off from buyer that products of procurement are acceptable.