

RTC4905A
Unit Descriptor
Unit Sector

Cost a project
Cost a project
No sector assigned

ELEMENT	PERFORMANCE CRITERIA
1. Obtain current prices for project resources	1.1 Project objectives, required work activities and available finance are identified and interpreted according to the project plan and enterprise guidelines. 1.2 Resources required for project works are identified according to the project plan. 1.3 Factors affecting resource costs are identified using available information. 1.4 Add-on costs are taken into consideration according to enterprise guidelines. 1.5 Appropriate tools and equipment are selected and used for the calculation and documentation of project costs.
2. Calculate individual itemised costs of the project	2.1 Unit and total cost for each resource item is calculated according to enterprise guidelines. 2.2 Total itemised resource costs are evaluated against the financial schedule for the project. 2.3 Adjustments are made where required to reconcile resource costs with project schedules in strict adherence to enterprise guidelines for costing a project.
3. Prepare a summary of the cost of the project	3.1 Resource costs are collated and scheduled according to the project plan and enterprise guidelines. 3.2 Total project costs are accurately calculated and recorded according to enterprise guidelines. 3.3 Financial summary is collated, organised and submitted to management for approval.

KEY COMPETENCIES

What processes should be applied to this competency standard? There are a number of processes that are learnt throughout work and life, which are required in all jobs. They are fundamental processes and generally transferable to other work functions. Some of these are covered by the key competencies, although others may be added. The questions below highlight how these processes are applied in this competency standard. Following each question a number in brackets indicates the level to which the key competency needs to be demonstrated where 0 = not required, 1 = perform the process, 2 = perform and administer the process and 3 = perform, administer and design the process.

Key Competency	Example of Application	Performance Level
Communicating ideas and information	Results of research and calculations should be communicated with the manager orally and in writing. There is likely to be negotiation between the trainee and the manager to achieve effective costing of the project.	1
Collecting analysing and organising information	Pricing information will be gathered from various sources and analysed and adjusted against the project plan. Costing of the project should be organised and presented as a financial summary.	1
Planning and organising activities	The costing process should proceed in an orderly and efficient manner. Timely and appropriate information needs to be available for calculation and reconciliation. Project costing should reflect the requirements of the project works.	1
Working with others and in teams	Costing a project may involve working with other members of a team to achieve an effectively costed project.	1
Using mathematical ideas and techniques	Mathematical concepts will be required to calculate, reconcile and summarise project costs.	1
Solving problems	Problems associated with availability of resources and pricing issues may arise during costing of the project and require the application of problem solving skills.	1
Using technology	Technology will be required to record, store and communicate ideas and information. It will also be used to research relevant information, obtain and calculate data and produce a financial summary of the costs of the project.	1

RANGE STATEMENT

What work activities may be relevant to project costing?

Work activities may include activities to implement the project plan, identifying and minimising OHS and environmental hazards, and monitoring, recording and reporting the project plan.

What enterprise guidelines may be referred to when costing a project?	Enterprise guidelines may include the business, production, marketing, financial and human resource management plans, and enterprise policies and procedures.
What resources may be required for project works?	Resources may include materials, tools, equipment and machinery, labour hours, staffing levels, technical skills and management requirements, consultant time and contracted services.
What factors may affect resource costs?	Factors may include the lead time before the project can be completed, the repair and servicing requirements of tools, equipment and machinery, hire and purchasing options, material, consultancy and service supply and pricing issues, work hours and staffing levels required, individual hourly rates, and other conditions in contractual and enterprise agreements.
What sources may be consulted for available information?	Sources may include the supervisor, enterprise records, employment agencies, State and Federal awards, individual enterprise agreements, manufacturers, repairers, suppliers, contractors and consultants, catalogues and journals, industry Codes of Practice and legal guidelines.
What add-on costs may need to be considered?	• Labour add-on costs may include State and Federal charges and taxes, training requirements, workers compensation levies, award-based penalty rates for work done out of regular hours, work with specified substances and in specified locations, leave entitlements and public holiday implications. • Resource add-on costs may include costs associated with materials quantities, ordering schedules and issues associated with urgency, imminence or duration of consultancy or contracted work to be provided.
What tools and equipment may be needed to cost a project?	Tools and equipment may include calculators, computer hardware, accounting or project management software, and telecommunication equipment.
What adjustments may be made to resource costs?	Adjustments may include identification of alternative resources, scheduling of resources and alternative resource quantities and pricing structures.
How may resource costs be recorded?	Costs may be recorded on printed schedules, in a project report and against the project plan.
What items may be included in the financial summary?	Items may include unit and itemised costs, total project costs, reconciliation with available finance, and financial justification for the selection and scheduling of individual resource items.

EVIDENCE GUIDE

What specific knowledge is needed to achieve the performance criteria?

Knowledge and understanding are essential to apply this standard in the workplace, to transfer the skills to other contexts and to deal with unplanned events. The knowledge requirements for this competency standard are listed below:

- Relevant State and Federal legislation, awards, enterprise agreements and management policies relating to labour hire and employment terms, and OHS.
- Current pricing structures and options for material supplies, services, contractors and consultants.
- Enterprise and industry standards and practices for formatting, organising and presenting financial and quantitative information.

What specific skills are needed to achieve the performance criteria?

To achieve the performance criteria, appropriate literacy and numeracy levels as well as some complementary skills are required. These include the ability to:

- Communicate and negotiate orally and in writing with staff, management, contractors, suppliers, manufacturers and consultants.
- Research and evaluate information.
- Accurately complete financial calculations, collate and organise quantitative and financial information.
- Comply with legislative requirements.
- Document financial summaries for the understanding of staff, managers and contractors.

Are there other competency standards that could be assessed with this one?

This competency standard could be assessed on its own or in combination with other competencies relevant to the job function.

Essential Assessment Information

There is **essential information about assessing this competency standard for consistent performance and where and how it may be assessed**, in the Assessment Guidelines for this Training Package. All users of these competency standards must have **access** to both the **Assessment Guidelines** and the relevant **Sector Booklet**.