# Procurement Document From PMGT614

By

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PMGT 690

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## WBS 5.5 Procurement Document

by

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Submitted to ERAU Worldwide
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Master Science Degree Course
PMGT 614

Embry-Riddle Aeronautical University Worldwide Online Campus November 2016 November 17, 2016 Company PMGT 614 'Team 4' New York, NY, 10001

Bicycle parts supplier,

We sincerely appreciate the effort that you have put in submitting such a comprehensive proposal for our company. As recently discussed we must make some changes to the submitted bicycle design. The original bicycle design did not include training wheels. The customer has requested training wheels be added to appeal to a broader group of buyers.

This change will affect the scope, schedule and budget. The scope will change to include a significant design addition, the training wheels. The schedule will be impacted as the build will be increased by .5 hours. Fifteen minutes (.25 hours) will be required to unpack the training wheels and 15 minutes (.25 hours) will be required to install them. The remainder of the project will follow comparative start time but commence 15 minutes later, if the task is not already scheduled to be performed in parallel comparative to start date. The completion date will stay November 29<sup>th</sup>, 2016.

The budget will change as the cost will increase by \$112.71. The training wheels will be purchased for \$106.71 each from Sunlite Cycling and installed at .5 hours (\$6) cost during the "wheels" task, ultimately increasing the overall budget by \$112.71. After the WBS 1.8 Smartphone docking station has been installed, please immediately incorporate WBS 1.9 Training Wheels.

Attached in this procurement correspondence letter, the signed change request. Please feel free to contact our team should you have any questions or concerns before beginning the project.

Looking forward to hearing from you by 20 November 2016.

Best Regards Ron Howze Contract Specialist Contracts Department Name of Project: Bicycle Build

Change Request #: 2

**Change Requested By: Customer** 

Project Manager: Marilyn Villegas Change Request Date: 11/15/2016 Current Project Phase: Frame Set

#### **Description of Change:**

The original bicycle design did not include training wheels. Customer has requested training wheels be added to appeal to a broader group of buyers.

To meet this request the project team requests a change to the work breakdown structure, budget, schedule, and scope. The training wheels will be purchased for \$106.71 each from Sunlite Cycling and installed during the "wheels" task. The scope will change to include a significant design addition. An addition of .5 hour of labor will be required.

# **Scope Impact:**

The scope of the bicycle build will change to include the training wheels. This new design will make the bicycle suitable for riders from beginner to advanced.

## **Schedule Impact:**

The schedule for the build will be increased by .5 hours. Fifteen minutes (.25 hours) will be required to unpack the training wheels and 15 minutes (.25 hours) will be required to install them. The remainder of the project will follow comparative start time but commence a 15 minutes later, if the task is not already scheduled to be performed in parallel. comparative start date. The completion date will stay November 29<sup>th</sup>, 2016.

## **Cost Impact:**

The EAC for this project before the requested addition of the training wheels is \$16,869.92. The revised EAC will be \$16,982.63, which includes labor at .5 hours (\$6) and supply cost of \$106.71.

The total added cost will be \$112.71.

## **Quality Impact:**

Preexisting quality standards remain in place.

#### **Possible Risks:**

Negative risk(s): the addition of \$112.71 to the budget

the addition of .5 hours to the schedule

Positive risk(s): higher sales potential from appealing to a larger pool of potential customer

Reviewed By: Position: Date: 11/15/16

**Project Team** 

Recommended Action Approve or Reject? APPROVE