Riordan Manufacturing Project Management Plan

Scope Statement

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| **Project Title: China Relocation**  **Date:** **Prepared by:** |
| **Project Justification:**  This project plan involves the location of Riordan Manufacturing’s China operations in Hangzhou. The major driving force for this decision is the fact that the company’s Chinese partners already have the necessary facilities in place. In addition, another reason for this is that the Hangzhou city is proximal to the Qiantang River. Consequently, Qiantang River is significant since the access to the river is responsible for Hangzhou Bay, which is big enough to handle the company’s shipping needs. The project is also justified by the fact that there has been an increase in the volume of production from the China plant and therefore, if container shipping companies for instance the China Shipping Container Lines are utilized. The ports in Shanghai and Hong Kong are utilized by container shipping companies. However, Shanghai port, which is 180 kilometers away from the current location, results in extra logistical steps. The products of the company are transported to a port located on Qiantang River before being loaded into containers for shipping. The shipping containers are then loaded onto barges and taken to Shanghai port. At Shanghai, the shipping containers are offloaded and transported to another place of port where final loading takes place before delivery to final destinations. The other option is to use the truck to transport the products to the Shanghai port. There, they will be loaded into shipping containers and onto the ships directly for delivery into their final destinations. However, trucking companies charge the same price as local shipping companies. Therefore, if the China operations are relocated to the city of Shanghai, there will be great cost savings. Besides, there will be more sufficient urban infrastructure, putting the company in a better market position and the company’s Chinese products can be shipped throughout Europe and Asia. |
| **Project Characteristics and Requirements:**   1. Increased shipping destinations 2. Cost Saving 3. Time reduction 4. Simplicity of operation 5. Flexibility – ability to expand and adapt |
| **Summary of Project Deliverables**  **Project management-related deliverables:** business case, charter, team contract, scope statement, WBS, schedule, cost baseline, status reports, final project presentation, final project report, lessons-learned report, and any other documents required to manage the project.  **Product-related deliverables:** research reports, design documents, software code, hardware, etc.   1. Structural documents   These include the documents highlighting the main features of the way the port will be structured to manage many operations.   1. Structural Layout/ drawings/ schematics   This refers to the mapping of the whole project, the different locations, offshore and on land locations and the layout of the same. |
| **Project Success Criteria:**  The success of the project can be based on some criteria. One of the criteria is whether the project was accomplished within the planned time and cost. The other criterion concerns the output. In this case, if the output matches the expected in terms of the amount of cost saving. If the project generates the required amount, then it was successful. |

Project Charter

**Project Title**: Chinese Relocation

**Projected Start Date:** 11/25/2013 **Projected Finish Date:** 12/23/2018

**Project Objectives:**

* One of the objectives of the project is to ensure that there is significant cost saving upon the implementation of the project. This is through the reduction of the logistical costs.
* The other objective is to ensure that more Chinese products are shipped to Asia and Europe.
* The third objective is to ensure that there is reduction of time used in trucking and shipping activities.

**Approach:**

The work will be broken down into a number of main activities, under which the expected deliverables are to be obtained. Among these categories are the structural part, the project initiation part, project planning part and project execution part.

Details listed in Final Project Schedule.

**Communication Plan**

**Project Name: Riordan Chinese Operations Relocation**

**Project Team Members Names and Sign-off:**

|  |  |
| --- | --- |
| **Name** | **Sign-off on Team Contract** |
| Project manager |  |
| Consultant |  |
| Electrical Engineer |  |
| Mechanical Engineer |  |
| Structural Engineer |  |
| Contractor |  |

**Code of Conduct:** As a project team, we will:

* Be considerate since other people will use our work and we will also depend on others as well.
* Be respectful while treating each other since we are all able to make valuable contribution to the project. Disagreement should not result in poor manners and poor behaviors.
* Be collaborative, meaning that individuals should work with others in teams.

**Participation:** We will:

* All take part in decision making and implementation of the same decisions.
* Contribute in the project planning and project execution processes.
* Offer our time to take part in any of the project’s activity when called upon to do so.

**Communication:** We will:

* Provide valid email addresses or contact information so that direct responses can be made
* Avoid the use of repetitive arguments and personal attacks while communicating.
* Attend any of the project meetings we are called upon to so as to get information regarding the project.

**Problem Solving:** We will:

* Seek to find the root cause of the particular problem affecting the project.
* Come up with solutions that are sensible.
* Come up with workable plans for the implementation of the solutions.

**Meeting Guidelines:** We will:

* Stick to the guidelines agreed upon by the project team.
* Ensure that we accomplish a planned task in time.
* Ensure that we meet the expectations of the tasks assigned to us.

Stakeholder Analysis

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| --- | --- | --- | --- | --- |
| **Stakeholder** | **What Information** | **When** | **How** | **Responsible Person** |
| **Project Manager** | Project Status | Weekly | Face to Face/Email | Project Team Leads, Consultant, Contractor |
| **Project Team Leads** | Project Status | Weekly/As Needed | Face to Face/Email | Project Manager; Project Team |
| **Contractor** | When to execute desired service; Community concerns; port requirements/restrictions ;permit needs | As Needed before executing desired work/Weekly once work has begun | Face to Face/Email | Project Manager |
| **Consultant** | Assessments/Survey (Preliminary and Final) Findings | As Completed | Face to Face/Email | Project Manager |
| **Project Team** | Project Status | Weekly | Email | Project Team Leads, Project Manager |

Project Budget

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| --- | --- | --- |
| **Cost Element** | **Activity** | **Cost Estimate**  **($ Millions)** |
| **Port Design** | Electrical Requirements | $4 |
| Structural Requirements | $3.5 |
| Mechanical Requirements | $4.5 |
| **System Design** | Hardware | $1.5 |
| Software | $1.0 |
| **Project management** |  | $5 |
| **Pre-commissioning of the port** |  | $5.5 |
| **Hook up** |  | $4.5 |
| **Commissioning** |  | $5.5 |
| **Total** |  | $35 |

Risk Management Plan

Risk is an uncertain event (either positive or negative) or condition that, if it occurs, has an effect on at least one of the project objectives (scope, schedule, cost and/or quality). As risk can be a significant factor in the success of a project, the project team will incorporate risk identification, quantitative and qualitative risk assessment and mitigation as part of routine project activities. The PM will initiate periodic risk assessment reviews and maintain a risk register which will document the identified risks, the probability of occurrence, impact of a risk event, and potential risk response strategies.

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| --- | --- | --- | --- | --- |
| Risk | Response | Contingency Plan | Probability of Risk | Who is Responsible |
| Missed In-Service/Go Live Date | Monitor Construction Progress by milestone | Revise target date based on early milestones met dates | Medium | Project/Construction Manager |
| Delay or Denial of construction permitting | Verify that all required documents have been filed to get permits issued on time | Begin work on areas of the project that do not require permitting until permits are issued | Low | Contractor |
| Political, Cultural and Economic Factors | Review economic and political policies and principles; create amicable local presence | Execute plans to employ locals; contribute to community; familiarize outsiders of local customs and traditions | Medium | Stakeholders, Shareholders, Construction/Project Manager, Consultant, Sub-Contractors/Contractors, Field workers, etc.. (all involved with project) |
| Over Budget | Monitor spending weekly; Require PO issued for all purchases | Propose budget +20% to allow for unexpected expense | Medium | Project Manager |
| Inclement Weather | Frequently review forecast | Factor make-up days in schedule | Low | Project/Construction Manager |

Project Execution Plan

The project manager must direct and coordinate various technical and organizational interfaces of the project. Performance against the baseline must be monitored so corrective actions can be taken as required. During this process, the project manager should exercise general management skills and product skills and knowledge. The latter may be provided through the project team. General management skills include: leadership, communication, negotiation, problem solving, and ways to influence the organization using both power and politics. As far as Riordan project is concerned, there should be a work authorization system. A work authorization system is a formal procedure that sanctions the project work to ensure it is done at the right time and in the proper sequence. The Riordan project should also use status review meetings. These status review meetings should be held regularly to exchange information on the project (Bruce & Langdon, 2000).

Project Organization and Staffing

Riordan Manufacturing is responsible for overall management of the China Relocation project as well as providing scope clarification and technical guidance to the engineering, construction, and design development effort. In addition, Riordan will take overall responsibility for the following activities:

* Land Acquisition
* Permitting
* Construction Supervision
* Commissioning

Change Control Plan

Change requests serve to expand or contract project scope, to modify costs, or schedule, and estimates.

For each change the following process will be applicable. Logging will occur at various points in the process, e.g. after evaluation and after the decision, not detailed in the diagram below.

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| SUBMIT CHANGE REQUEST |  | RECORD CHANGE |  | REVIEW CHANGE/ SUGGEST ACTION |  | INITIATE CHANGE? |  | INCORPORATE CHANGE IN PROJECT DOCUMENTS |  | COMMUNICATE CHANGE TO PROJECT TEAM |

Measure and Reporting

Riordan’s Project Controls Team will provide objective measurement of the project’s performance and progress through the use of Earned Value Management. Earned Value is the measure of how much progress has been accomplished on project deliverables at a given time compared to how much should have been accomplished at that same given time (Actual vs. Budgeted). Progress is measured by comparing the earned value to the planned (budgeted) value.

For this project, Earned Value Reporting shall commence at commencement of the detailed design stage. Earned Value Management provides a means to forecast future performance based on past performance.

Closure Process

The retrospective in this case is the other name for postmortem. In respect to Riordan project, there will be a formal evaluation of the project performance in the end of the project to include

* Lessons Learned opportunities
* Invoice reconciliation
* Transfer of Client documents

In addition, three measures of success will be used in Riordan Project. These measures are mainly process based and they include whether the project came on scheduled time, whether the project came on cost or budget and whether the outcomes or results were met.