

Management Memorandum

DATE: December 23rd, 2011

TO: John Berry, CEO, Big Kola Company

FROM: Special Task Force - Fantastic 4: Super Juice

SUBJECT: Super Juice Project Baseline Costs

Dear John,

This memo concerns progress on the Super Juice project, where we are working to produce a new pomegranate drink. This document outlines the baseline costs and cost distribution for the project.

This project is projected to cost **\$1,728,000**.

The most expensive activity is Equipment Rehab at \$528,000. This is one of the longest tasks, spanning 30 days and using 30 resources (10 ENG at \$100/hr and 20 PROD at \$60/hr).

The earlier phases of the project (activities 1.1 and 1.2) are the least expensive, making January and February the least costly months. Production-related activities (1.3.1 through 1.3.5) are the most costly over the course of the project, with a total cost of \$1,034,400. These activities are driving the most costly months of the project – March and April. May, June, and July are all fairly even with each other and contain mostly activities 1.4 and 1.5.