**Part E) Project Budget**

Our project focuses on building 216 units by October 15th. Since, all the condos are already sold, we have used bottom approach and allotted resources to the activities necessary to complete the project on time.

**Baseline Cost:**



$1,548,600.00 is the total expense of the project based on the tasks describe above. We have carefully analyzed the budget and various aspects to make sure that we are maximizing our profit and efficiently using our resources to complete the construction before October 15th to avoid paying rebates.

**Baseline Project Profit:**



Based on our calculation, we can notice that our total profit comes as $63,251,400.00. This is a baseline profit after excluding baseline cost. Neither the cost nor the profit includes contingency cost and rebate cost.

We have carefully curated our baseline budget to not exceed 2.5% of the overall profit. However, as you can see part B2, despite using our best resources, there is still chances for the project to not be completed on time. The cost of the delay in project is represented below:

**Impact of rebate on profit:**

Comparing the baseline profit and profit our rebate, we are facing a loss of $4,320,000.00 in our overall profit. This is not a preferred scenario, and we know that by utilizing our resources and optimizing our time we not only control our budget but also avoid the rebate which is much higher than our current project budget.

**Part D)**

While we know that projects can be unpredictable and sometime unforeseen circumstances can delay even the most planned projects. With that in mind we have calculate the impact of spending $25,000.00 for additional legal assistance that will reduce to most likely time to attain permits by 2 days.



After the calculations, we can see that there is only $14,050.00 increase in project cost, which is still lower than the $4,320,000.00 profit loss after issuing rebates for late construction.

Since, getting permits on time can be hard, since it goes out of our organization’s control to another institution, we have decided to move forward with the legal assistance and try to shorten our project duration.

**Legal cost impact on profit:**



To reiterate our point further, we can see that having legal assistance does have minor impact on our profit as compared to profit our rebate. There is only $14,050.00 decrease in the baseline profit, which still works in the favor of our profit maximization strategy.

Through these comparisons we can confidently say that adding legal assistance we provide more benefit than loss. Hence we have included legal assistance as part of our budget to reach our construction goals.