



## Case 13.1

## Tree Trimming Project

Wil Fence is a large timber and Christmas tree farmer who is attending a project management class in the spring, his off season. When the class topic came to earned value, he was perplexed. Isn't he using EV?

Each summer Wil hires crews to shear fields of Christmas trees for the coming Holiday season. Shearing entails having a worker use a large machete to shear the branches of the tree into a nice, cone-shaped tree.

Wil describes his business as follows:

- A. I count the number of Douglas Fir Christmas trees in the field (24,000).
  - B. Next, I agree on a contract lump sum for shearing with a crew boss for the whole field (\$30,000).
  - C. When partial payment for work completed arrives (5 days later), I count or estimate the actual number sheared (6,000 trees). I take the actual as a percent of the total to be sheared, multiply the percent complete by total contract amount for the partial payment [(6,000/\$30,000 = 25%), (.25 × \$30,000 = \$7500)].
1. Is Wil over, on, or below cost and schedule? Is Wil using earned value?
  2. How can Wil set up a scheduling variance?



## Case 13.2

## Shoreline Stadium Status Report Case

You are an assistant to Percival Young, president of G&L Construction. He has asked you to prepare a brief report on the status of the Shoreline Stadium project.

Shoreline stadium is a 47,000-seat professional baseball stadium. Construction started on April 3, 2018, and the stadium is schedule to be completed on March 25, 2020. The project is estimated to cost \$310,000,000. There is a \$35 million management reserve to deal with unexpected problems and delays.

The stadium must be ready for the 2020 major league season. G&L would accrue a \$250,000 per day penalty for not meeting the April 3, 2020 deadline.

G&L expects to make more than \$3 million on the project. The stadium is one of several major projects G&L has under way in North America, including a professional soccer stadium and another baseball stadium, which broke ground last month.

It is 8/8/2019 the day after the key milestone "Start Installing Seats" was to occur.

Tables C13.1 and C13.2 contain information submitted by your counterpart at the Shoreline site from which you are to prepare your report. Use the appropriate indexes/information to prepare a report informing Mr. Young on the overall status of the Shoreline project in terms of costs and schedule. Note: Mr. Young is not interested in specifics, but just how well the overall project is doing and if there is a need to take corrective action.