

*<PROJECT NAME>*

Procurement Management Plan

Version ***<1.0>***

**<mm/dd/yyyy>**

AGENCY:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

CONTACT:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

VERSION HISTORY

[Provide information on how the development and distribution of the **Procurement Management Plan** was controlled and tracked. Use the table below to provide the version number, the author implementing the version, the date of the version, the name of the person approving the version, the date that particular version was approved, and a brief description of the reason for creating the revised version.]

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| **Version #** | **Implemented**  **By** | **Revision**  **Date** | **Approved**  **By** | **Approval**  **Date** | **Reason** |
| 1.0 | *<Author name>* | *<mm/dd/yy>* | *<name>* | *<mm/dd/yy>* | *<reason>* |
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***Note to the Author***

**This template has been provided by the Georgia Technology Authority Enterprise Portfolio Management Office. Questions should be directed to epmo@gta.ga.gov**

[This document is a template of a **Procurement Management Plan** document for a project. The template includes instructions to the author, boilerplate text, and fields that should be replaced with the values specific to the project.

* Blue italicized text enclosed in square brackets ([text]) provides instructions to the document author, or describes the intent, assumptions and context for content included in this document.
* Blue italicized text enclosed in angle brackets (<text>) indicates a field that should be replaced with information specific to a particular project.
* Text and tables in black are provided as boilerplate examples of wording and formats that may be used or modified as appropriate to a specific project. These are offered only as suggestions to assist in developing project documents; they are not mandatory formats.

When using this template for your project document, it is recommended that you follow these steps:

1. Replace all text enclosed in angle brackets (e.g., <Project Name>) with the correct field values. These angle brackets appear in both the body of the document and in headers and footers. To customize fields in Microsoft Word (which display a gray background when selected):
   1. Select File>Properties>Summary and fill in the Title field with the Document Name and the Subject field with the Project Name.
   2. Select File>Properties>Custom and fill in the Last Modified, Status, and Version fields with the appropriate information for this document.
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2. Modify boilerplate text as appropriate to the specific project.
3. To add any new sections to the document, ensure that the appropriate header and body text styles are maintained. Styles used for the Section Headings are Heading 1, Heading 2 and Heading 3. Style used for boilerplate text is Body Text.
4. To update the Table of Contents, right-click and select “Update field” and choose the option- “Update entire table”
5. Before submission of the first draft of this document, delete this “Notes to the Author” page and all instructions to the author, which appear throughout the document as blue italicized text enclosed in square brackets.]

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# INTRODUCTION

# [*The purpose of the Procurement Management Plan is to define the procurement requirements for the project and how it will be managed from developing procurement documentation through contract closure. The Procurement Management Plan defines the following]:*

* *Items to be procured with justification statements and timelines*
* *Type of contract to be used*
* *Risks associated with procurement management*
* *How procurement risks will be mitigated through contract performance metrics, insurance, or other means*
* *Determining costs and if/how they’re used as evaluation criteria*
* *Any standardized procurement templates or documents to be used*
* *How multiple suppliers will be managed if applicable*
* *Contract approval process*
* *Decision criteria*
* *Establishing contract deliverables and deadlines*
* *How procurement and contracts are coordinated with project scope, budget, and schedule*
* *Any constraints pertaining to procurement*
* *Direction to sellers on baseline requirements such as contract schedules and work breakdown structures (WBSs)*
* *Vendor Management*
* *Identification of any prequalified sellers if applicable*
* *Performance metrics for procurement activities]*

# Procurement Management Approach

*[The Procurement Management Plan should be defined enough to clearly identify the necessary steps and responsibilities for procurement from the beginning to the end of a project. The project manager must ensure that the plan facilitates the successful completion of the project and does not become an overwhelming task in itself to manage. The project manager will work with the project team, contracts/purchasing department, and other key players to manage the procurement activities.]*

# Procurement Definition

*[The purpose of procurement definition is to describe, in specific terms, what items will be procured and under what conditions. Sometimes items which must be procured for a project can be made internally by an organization. Additionally, procurement deadlines are usually affected by the project schedule and are needed by certain times to ensure timely project completion. This section is where these items must be listed, justified, and the conditions must be set. Any important technical information should also be included. Individuals may also be listed with authority to approve purchases in addition to or in the absence of the project manager.]*

|  |  |  |
| --- | --- | --- |
| Item/Service | Justification | Needed By |
| Item A |  |  |
| Item B |  |  |
| Item C |  |  |

# Type of Contract to be used

*[The purpose of this section is to describe the type of contract to be used so the contracts and purchasing department can proceed accordingly. There are many different types of contracts like firm-fixed price, time and materials (T&M), cost-reimbursable, and others. Different procurement items may also require different contract types. A well-defined product may be a firm-fixed price while a product which will require a research and development effort may be a T&M contract.]*

# Procurement Risks

*[The purpose of this section is to identify any potential risks associated with procurement for the project. Depending on the contract type, items or services being purchased, vendor history, or uncertainties in the project’s scope, schedule, or budget, potential risks may require more detailed planning and mitigation strategies. For instance, if an organization has a close relationship to a particular vendor but there is a chance that vendor will no longer to be able to provide goods or services needed; this represents a significant risk to the project’s procurement activities that must be managed.]*

# Procurement Risk Management

*[The purpose of this section is to describe how risks related specifically to procurement activities will be managed. All projects should have an independent and thorough risk management plan. However, much like there are risks which pertain only to procurement, there are risk management considerations which may also be unique and apply only to procurement. This may include involvement of specific personnel in managing procurement risks or obtaining approval on mitigation steps from a particular management level within the organization.]*

# Cost Determination

*[The purpose of this section is to describe how costs will be determined and if/how they will be used as part of the selection criteria. For procurements seeking goods and/or services from an outside vendor, costs are usually provided in response to a Request for Quote (RFQ), Request for Proposal (RFP) or a Request for Bid (RFB). Vendors submit quotes, proposals, or bids which describe the costs of the good or service in detail to aid the customer in their decision making. Costs are almost always used as part of the procurement decision criteria but may be prioritized differently depending on the organization.]*

# Standardized Procurement Documentation

*[The purpose of this section is to describe what standard procurement documentation will be used as part of the procurement. For large complex projects, standardization makes work across all project process areas easier to manage. When organizations utilize standard forms, templates, and formats, there is commonality across different projects as well as different groups within the organization.]*

# Procurement Constraints

*[The purpose of this section is to describe any constraints which must be considered as part of the project’s procurement management process. These constraints may be related to schedule, cost, and scope, resources, technology, or buyer/seller relationships. As constraints are identified, they must be considered every step of the way as procurement activities are planned and conducted. Every effort must be made to identify all constraints prior to any project or procurement planning as constraints identified later in the project lifecycle can significantly impact the project’s likelihood of success.]*

# Contract Approval Process

*[The purpose of this section is to define the process through which contracts must be approved. This process may vary greatly from company to company but it is important to define the process within your organization and who is involved in the decision-making. Typically large purchases follow an established bidding process and follow a formal selection and approval process. Smaller purchases can be less formal and can be approved by the Project or Program Manager. This section should clearly identify the rules for all procurements within your organization.]*

# Decision Criteria

*[The purpose of this section is to define the criteria used by the contract review board to decide on what contract(s) to award. Again, these criteria may vary between organizations but must be defined as part of the Procurement Management Plan.]*

# Vendor Management

*[The purpose of this section is to describe the roles and actions the project team and purchasing and contracts department will take to ensure that the selected vendors provide all of the products/services agreed upon and that the appropriate levels of quality are maintained.]*

# Performance Metrics for Procurement Activities

*[This section describes the metrics to be used for procurement activities associated with the project. These metrics may be used to ensure the project stays on schedule regarding procurement activities. They may also be used to compile data on the performance of various vendors in order to assist with future procurement activities’ vendor selection criteria.]*

*While the purchasing and contracts department has their own internal metrics for procurement, the following metrics are established for vendor performance for this project’s procurement activities. Each metric is rated on a 1-3 scale as indicated in the sample below:*

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Vendor | Product Quality | On Time Delivery | Documentation Quality | Development Costs | Development Time | Cost per Unit | Transactional Efficiency |
| Vendor #1 |  |  |  |  |  |  |  |
| Vendor #2 |  |  |  |  |  |  |  |

*1 – Unsatisfactory*

*2 – Acceptable*

*3 - Exceptional*

# Sponsor Acceptance

*[The undersigned acknowledge they have reviewed and approve the procurement management plan for the Sample Project. Changes to this procurement management plan will be coordinated with and approved by the undersigned or their designated representatives].*

|  |  |  |  |
| --- | --- | --- | --- |
| Signature: |  | Date: |  |
| Print Name: |  |  |  |
| Title: |  |  |  |
| Role: |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| Signature: |  | Date: |  |
| Print Name: |  |  |  |
| Title: |  |  |  |
| Role: |  |  |  |