**Procurement Management Plan**

**<Project Name>**

**Company Name**

**Address**

**Date**

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# Introduction (Cess)

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 Risks (Cess)

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 (Dale)

The South Signal Village Barangay Web App Project’s Procurement Risk Management Plan is outlined in this section. A particular risk management approach is essential given the special issues that procurement presents.

1. **Risk Identification**

The team identify possible risks by conducting periodic risk evaluations with the project team, particularly those involved in procurement.

1. **Risk Analysis**

Each risk will be examined with consideration of how it can impact project cost, schedule, and quality. To precisely assess risk probability and potential impact, both qualitative and quantitative risk analysis methodologies will be used.

1. **Risk Monitoring**

Throughout the duration of the project, all risks will be continuously monitored, along with any related mitigation plans. With this strategy, any changes in the state of the risk are immediately detected and addressed.

1. **Risk Reporting**

Key stakeholders will receive regular reports on procurement risks, their status, and any notable changes, providing transparency and group decision-making.

# Cost Determination (Jake)

Cost analysis is a crucial step in the procurement process for the Barangay South Signal Village Web Application project, ensuring the choice of reliable and affordable vendors. The project team will use a comprehensive cost determination process, which includes defining the purpose of cost determination, estimating costs, issuing a Request for Proposal (RFP), developing Cost Evaluation Criteria, executing cost analysis and negotiation, and documenting and reporting costs.

Cost Determination in the Procurement Management Plan for the Barangay South Signal Village Web App Project includes the following:

1. **Purpose** - This section describes the process and factors that should be considered when calculating costs for the Procurement Management Plan. It involves evaluating expenses for acquiring products and services from other vendors, particularly for the Barangay South Signal Village Web App Project.
2. **Cost Estimation** - The project team will work together to estimate the costs of obtaining the necessary goods and services for the web app project. Various cost estimation techniques will be used based on available information and project requirements. Accurate cost estimates will be developed incorporating previous information, industry benchmarks, and expert opinion.
3. **Request for Proposal (RFP)** - Vendors will be encouraged to submit requests in response to the RFP, which will contain full information about their goods or services along with cost breakdowns. The RFP will clearly define the cost components that must be included in vendor proposals, which will include hardware, software, licensing fees, development services, maintenance, and other relevant costs. Vendors will be obliged to submit thorough breakdowns to encourage transparency and effective evaluation.
4. **Cost Evaluation Criteria** - Costs, along with quality, experience, and delivery schedules, will be important consideration in the vendor selection process. The Procurement Team is going to create an evaluation procedure to emphasize cost in relation to other assessment factors. The cost evaluation will consider both the initial and ongoing costs associated with the goods or services.
5. **Cost Analysis and Negotiation** - The Procurement Team will examine the cost breakdowns provided after receiving vendor proposals. Any errors, shortcomings, or areas requiring clarification in the cost bids will be recognized and corrected through discussions with the suppliers. Cost analysis may be performed again to ensure accuracy, reasonableness, and alignment with the project's budget and objectives.
6. **Cost Reporting and Documentation** - Accurate cost reporting and documentation will be maintained throughout the procurement process. Cost reports will provide an overview of estimated costs, vendor proposals, cost analysis findings, negotiation outcomes, and final agreed-upon costs. These reports will serve as a reference for stakeholders, promoting transparency and accountability in the procurement process.

The Barangay South Signal Village Web App Project aims to procure goods and services at optimal costs while meeting project requirements and maintaining financial control by implementing effective cost-determination processes within the Procurement Management Plan.

# Procurement Constraints (Carl)

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, 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 (Rark)

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 (Kins)

The criteria in deciding the contracts to award are the following:

1. Performance
2. Quality
3. Cost

These criteria will both be measured by the team with the project sponsor.

# Performance Metrics for Procurement Activities (Carl)

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.

# Sponsor Acceptance

Approved by the Project Sponsor:

Date:

<Project Sponsor>

<Project Sponsor Title>

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