**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:

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

2. 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.

3. 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.

4. 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)

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.

# Procurement Constraints (Carl)

The purpose of this section is to outline the constraints that must be considered during the procurement management process for the Barangay South Signal Village Web App project. These constraints may impact various aspects such as schedule, cost, scope, resources, technology, and buyer/seller relationships. It is essential to identify and address these constraints throughout the procurement activities to ensure project success. Identifying constraints early in the project lifecycle is crucial, as late identification may significantly impact the project's likelihood of success.

The following constraints have been identified for the Barangay South Signal Village Web App project:

1. **Budget Constraints:** The project has a predefined budget that must be adhered to during the procurement process. All procurement activities, including vendor selection, contract negotiation, and purchasing decisions, must be aligned with the approved budget.
2. **Timeline Constraints:** The project has specific timelines and milestones that must be met. Procurement activities should be planned and conducted in a way that aligns with the project schedule to avoid delays in the overall development and deployment of the web app.
3. **Scope Constraints:** The project has well-defined scope boundaries that should be considered during the procurement process. Procurement activities should focus on acquiring goods and services that align with the project's scope and requirements, avoiding unnecessary purchases or scope creep.
4. **Resource Constraints:** The availability of internal resources, such as procurement specialists or contract administrators, may be limited. This constraint should be considered when planning and executing procurement activities. External resources may need to be engaged to supplement the internal team if necessary.
5. **Technological Constraints:** The procurement of technology-related components, such as software licenses, hardware, or cloud services, may have specific constraints or compatibility requirements. The procurement team should ensure that the selected vendors and solutions align with the project's technological infrastructure and are compatible with the existing systems.
6. **Buyer/Seller Relationships:** The project may have established relationships with preferred vendors or suppliers that need to be considered during the procurement process. If there are existing contracts or agreements with specific suppliers, they should be reviewed to determine if they align with the project's requirements and if any amendments or renewals are necessary.

These constraints should be thoroughly considered and incorporated into the procurement management process for the Barangay South Signal Village Web App project. Careful planning, proactive risk management, and effective communication with stakeholders will help navigate these constraints and ensure successful procurement outcomes while meeting the project's objectives.

# Contract Approval Process (Rark)

The contract approval process for a web application development project involves the steps and procedures to ensure that the contractual agreements between the client and the development team are carefully reviewed, approved, and executed. It is important to note that the contract approval process may vary depending on the organization's internal procedures, legal requirements, and project complexity. It is advisable to involve legal experts, project managers, and relevant stakeholders in each step of the contract approval process to ensure compliance, clarity, and effective risk management.

1. **Contract Drafting:** The contract is usually drafted by the client’s legal team or the development team’s legal representatives. The contract should clearly outline the scope of the work, deliverables, payment terms, project timelines, intellectual property rights, confidentiality clauses, dispute resolution mechanisms, and any other relevant terms and conditions.

1. **Internal Review:** The development team’s legal representative and relevant stakeholders, like the project managers and senior management, should conduct an internal review before presenting the contract to their client. The review is important because this ensures that the contract aligns with the project requirements, legal considerations, and company policies.

1. **Client Review:** Since the draft contract is shared with the client for their review, the client may involve their legal team or internal stakeholders to assess the terms and conditions. This will allow the client to review the proposed agreement, provide feedback, and request changes if there are any.
2. **Negotiation and Amendments:** A negotiation process takes place between the development team and the client when the client requests a change or raises a concern about the specific clauses. Both parties will work together and address their concerns, propose amendments, and reach a mutually acceptable agreement. Take note that this may involve multiple rounds of discussions and revisions until both parties are satisfied.

1. **Legal Approval:** Once the negotiations and amendments are finalized, the contract will be sent to the legal teams of both the client and the development team for final review and approval.

1. **Senior Management Approval:** Following legal approval, the finalized contract is presented to the senior management or executive of the client and the development team for final approval.

1. **Execution and Signatures:** The contract is prepared for execution once it obtains the required approvals. After that, the authorized representatives of both the client and the development team will sign the contract to make it legally binding. Signatures may be physical or electronic depending on the jurisdiction and organizational practices.

1. **Documentation and Filing:** It should be properly documented and filed for future reference once the contract is signed. The team should maintain copies of the executed contract in a secure and accessible location. This is important because the documentation serves as a reference point throughout the project lifecycle and can be used in case of any disputes or clarifications.

# Decision Criteria (Kins)

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.

# Performance Metrics for Procurement Activities (Carl)

This section outlines the metrics to be used for measuring the performance of procurement activities associated with the Barangay South Signal Village Web App project. These metrics serve two primary purposes: to ensure that procurement activities stay on schedule and to compile data on vendor performance to assist with future procurement activities and vendor selection criteria.

The following performance metrics will be utilized for procurement activities:

1. **Procurement Schedule Adherence:** This metric measures the extent to which procurement activities adhere to the defined schedule. It tracks the timeliness of key milestones, such as vendor selection, contract negotiation, and purchase order issuance. Any deviations from the schedule will be identified and addressed promptly to prevent delays in the overall project timeline.
2. **Vendor Response Time:** This metric evaluates the time it takes for vendors to respond to requests for information (RFIs), requests for proposals (RFPs), and other inquiries. It ensures that vendors are responsive and provides insights into their efficiency and commitment to the procurement process.
3. **Vendor Performance Evaluation:** This metric assesses the performance of selected vendors based on predefined criteria, such as quality, adherence to contractual obligations, on-time delivery, and customer satisfaction. It provides data on vendor performance that can be used to evaluate their suitability for future procurement activities and assists in the development of vendor selection criteria.
4. **Cost Variance:** This metric measures the variance between the planned procurement costs and the actual costs incurred. It helps identify any deviations from the budget and enables the project team to take appropriate corrective actions if necessary.
5. **Quality of Procured Goods and Services:** This metric evaluates the quality of goods and services acquired through the procurement process. It assesses whether the procured items meet the defined quality standards and specifications.
6. **Contract Compliance:** This metric examines the extent to which vendors adhere to the terms and conditions specified in the contracts. It ensures that vendors fulfill their contractual obligations, including delivery timelines, payment terms, and performance requirements.

By using these performance metrics, the project team can monitor and evaluate the effectiveness of procurement activities. The data collected will provide valuable insights for improving future procurement processes, vendor selection, and contract management. Regular performance reviews and analysis of these metrics will help identify areas for improvement, ensure accountability, and optimize procurement practices for the Barangay South Signal Village Web App project.

# Sponsor Acceptance

Approved by the Project Sponsor:

Date:

<Project Sponsor>

<Project Sponsor Title>

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