**Procurement & Vendor Management Plan**

**Project:** Odoo ERP Integration for Safaricom Telecom  
**Version:** 1.0  
**Date:** [Insert Date]

**A. Purpose**

To define the approach for acquiring goods and services—including third-party software, cloud infrastructure, and API licenses—ensuring timely delivery, cost control, quality, and vendor relationship management aligned with project goals.

**B. Procurement Scope**

| **Procurement Category** | **Description** | **Examples** | **Procurement Method** |
| --- | --- | --- | --- |
| **Third-Party Software** | ERP add-ons, integration middleware | Odoo custom modules, middleware tools | Request for Proposal (RFP) / Direct Purchase |
| **Cloud Infrastructure** | Hosting, storage, network services | AWS, Azure, Google Cloud | Service Agreement / Subscription |
| **API Licenses & Access** | Mobile Money APIs, OSS/BSS integration licenses | M-PESA API, OSS/BSS vendor APIs | License Agreements / Subscription |
| **Professional Services** | Consulting, customization, integration support | Implementation partners, consultants | Contractual Service Agreements |
| **Hardware (if any)** | Servers, networking equipment (if applicable) | On-premise servers, network switches | Purchase Order (PO) |

**C. Vendor Selection Process**

1. **Needs Analysis:** Define procurement requirements and specifications.
2. **Market Research:** Identify potential vendors and evaluate capabilities.
3. **Request for Proposal (RFP) / Quotation:** Issue RFPs or RFQs detailing scope, timelines, SLAs, and evaluation criteria.
4. **Vendor Evaluation:** Assess proposals based on cost, technical fit, experience, compliance, and support.
5. **Negotiation:** Finalize terms, pricing, SLAs, and payment conditions.
6. **Contract Award & Signing:** Formalize agreements with selected vendors.
7. **Onboarding:** Integrate vendors into project governance and communication channels.

**D. Vendor Management**

| **Activity** | **Description** | **Frequency** | **Owner** |
| --- | --- | --- | --- |
| **Performance Monitoring** | Track delivery against SLAs and milestones | Monthly / Milestone-based | Vendor Manager |
| **Relationship Management** | Maintain communication, address concerns, and foster collaboration | Ongoing | Vendor Manager |
| **Issue & Escalation Management** | Document and resolve vendor-related issues | As needed | Project Manager |
| **Change Management** | Manage vendor scope changes through formal change process | As needed | Change Manager |
| **Payment Processing** | Verify invoices against deliverables and approve payments | According to contract | Finance Manager |
| **Compliance & Security** | Ensure vendor adherence to data security and regulatory policies | Quarterly | Security Officer |
| **Vendor Audits** | Periodic audits of vendor compliance and performance | Annually or as required | PMO / Compliance Team |

**E. Procurement Timeline & Milestones**

| **Milestone** | **Target Date** | **Description** | **Responsible** |
| --- | --- | --- | --- |
| Procurement Plan Approval | [Insert Date] | Finalize procurement strategy and budget | Project Manager |
| RFP Release | [Insert Date] | Issue RFPs for key software and services | Procurement Lead |
| Vendor Selection & Contracts | [Insert Date] | Award contracts to selected vendors | Procurement Lead |
| Vendor Kickoff | [Insert Date] | Onboard vendors into project governance | Vendor Manager |
| Contract Renewal/Review Dates | [Insert Dates] | Scheduled contract reviews and renewals | Vendor Manager |

**F. Risk Management in Procurement**

| **Risk** | **Mitigation Strategy** | **Owner** |
| --- | --- | --- |
| Vendor delivery delays | Include penalty clauses; monitor progress closely | Vendor Manager |
| Cost overruns | Fixed-price contracts where possible; contingency budget | Finance Manager |
| Vendor non-compliance | Regular audits and SLA monitoring | Security Officer |
| Data security breaches | Enforce strict security requirements in contracts | Security Officer |
| Scope changes affecting contracts | Manage through Change Control Board process | Change Manager |

**G. Key Performance Indicators (KPIs)**

| **KPI** | **Target** | **Measurement Method** | **Frequency** |
| --- | --- | --- | --- |
| On-time delivery | ≥ 95% milestones met on schedule | Project milestone tracking | Monthly |
| Quality of deliverables | ≤ 5% defects or issues in vendor deliverables | QA reports and audits | Monthly |
| Vendor responsiveness | Response to queries/issues within 24 hours | Communication logs | Ongoing |
| Compliance adherence | 100% compliance with security and legal requirements | Audit results | Quarterly |
| Contractual cost adherence | Costs within approved budgets | Financial reports | Monthly |