

COMP313 - Exercise 10

Project Procurement Management

1. Assume you can lease an item you need for a project for \$800/day; but to purchase the item, the cost is \$12,000 plus a daily operational cost of \$400/day. How long will it take for the purchase cost to be the same as the lease cost?

If you expect to use the item for 20 days, which option (buy or make) you should take based on the analysis?

2. As a project manager, if you have no experience in handling the similar kind of project and you really want the seller to deliver service to you within schedule or earlier, which type of procurement contract you should choose? Describe the type of contract and explain why you choose this type of contract?
3. You as a project manager receive a number of proposals from 3 suppliers for developing a computer network system. You need to ensure the quality requirements to be met. Comparatively, the cost and timeliness are less important. You devise some criteria for evaluating the proposal for choosing the best without violating the criteria mentioned above. Illustrate your evaluation process using a necessary tool with an example.