

## Lab 9 : Project AI Procurement Management Plan

Based on your AI Project, prepare an **AI Procurement Management Plan** for your company using the following **Procurement Management Plan** template. Submit **AI Project Procurement Management Plan** to Ulearn.

**Note:**

1. Create your company logo
2. Replace your **COMPANYNAME**, **PROJECTNAME** and other information according to your company requirements.
3. Descriptions in the **blue text** are the guideline for your documentation and should be removed after you completed your **AI Project Procurement Management Plan**
4. If you require, please provide Figures, Tables and Appendixes to support your **Procurement Management Plan**.



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# Procurement Management Plan

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## Bank Loan Approval Prediction System

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## Revision History

Date	Version	Description	Author (s)
12/10/2020	0.1	Main Version	Jeyshalini Tevosha Previna Munuganan Shivedhassen Balasingam Vishwareeta Vanoo

Reviewed By (Customer)	Signature	Date

The reviewer signoff shall signify the recommendation for acceptance of this document.

## Sign Off

Prepared By	Acknowledged By
	
Shivedhassen Balasingam	Jeyshalini Tevosha
Title: Procurement Manager	Title: Project Manager
Asgard Inc.	Asgard Inc.
Date: 15/10/2020	Date: 15/10/2020

Accepted By	Accepted By
<Name>	<Name>
Title: <Position>	Title: <Position>
Gringotts National Bank	Gringotts National Bank
Date:	Date:

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## 1 Introduction

This Procurement Management Plan sets the procurement framework for Bank Loan Approval Prediction System. It will serve as a guide for managing the procurements throughout the life of the project and will be updated as acquisition needs change. This plan identifies and defines the items to be procured, the types of contracts to be used in support of this project, the contract approval process, decision criteria, and planned delivery dates. The procurement management plan, like all other management plans, becomes a subsidiary of the project management plan. Procurement management plan is important because it allows planners to determine if expectations of the requesting entities are realistic.

## 2 Procurement Management Approach

The Project Manager will provide monitoring and oversight for all acquisition operations under the Bank Loan Approval Prediction System in coordination with appropriate agency procurement and management staff. The Project Manager will work with the project team to identify all items to be procured for the successful completion of the project. The Project Manager will then review the procurement list with the The Project Management Office (PMO) for approval before submitting it to the contracts and purchasing departments. The process includes deciding if external assistance can be sought and if so, what to acquire, how to acquire it, how much it is required, and when to acquire it.

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### 3 Procurement Definition

The following procurement items and services have been determined to be essential for completion and success of the Bank Loan Approval Prediction System. The following list of items, justification, and timeline are pending PMO review :

Item/Service	Justification	Needed By
Desktops	Needed for programming, debugging and documentation; we already owned this item	26 October 2020
Electricity	Resources needed for project team	26 October 2020
Wi-Fi Connection	Resources needed for project team	26 October 2020
Mobile Data	Resources needed for project team	26 October 2020

***Table 1 Procurement items***

In addition to the above list of procurement items, the following individuals are authorized to approve purchases for the project team:

<b><u>Name</u></b>	<b><u>Role</u></b>
Jeyshalini Tevosha	Project Manager
Previna Munuganan	Quality Manager
Shivedhassen Balasingam	Procurement Manager
Vishwareeta Vanoo	Administrative Manager

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## 4 Contract type

All items and services to be procured for Bank Loan Approval Prediction System will be solicited under Fixed price contracts. The project team will work with the Procurement Manager and Procurement staff to define the item types, quantities, services and required delivery dates. The Financial Analyst and independent project oversight will then solicit bids from various vendors in order to procure the items within the required time frame and at a reasonable cost under the Fixed Price Contract once the vendor is selected. A cost reimbursable contract will be solicited considering the risks associated with the works, emergency change in requirement that might be in need of extra Time and Material and unwanted natural disasters that might cause extra recovery cost.

## 5 Procurement Approval Process

The Project Director , Project Manager along with the Procurement Manager will meet with the CPO office to determine the type of procurement model that best meets the needs of the project. Based on the Vendor responses to the RFI, the CPO office and the Procurement Manager will determine the procurement process that must be followed. The procurement documents must be submitted for OIR endorsement for all technology projects, and the Legal Counsel and Project Director must provide the final approval.

## 6 Decision Criteria

The following decision criteria are to be used to select and award procurement contracts under this project:

- Comparison of outsourced cost versus in house sourcing
- Mandatory Requirements
- Vendor financial documentation
- General Qualifications & Experience (vendor and proposed staff)
- Past performance Technical Qualifications
- Quality

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- Ability of the vendor to provide all items by the required delivery date
  - Software Demonstration/Oral Presentation
  - System Infrastructure Impact
  - Cost
  -

These criteria will be measured by the Agency Evaluators, Agency RFP Coordinator, and Subject Matter Experts (SME), and the Senior Project Director. The final decision will be made based on these criteria as well as available resources.

## 7 Vendor Management

Vendor management is wholly the Project Director's responsibility. Vendor management includes activities such as selecting vendors, negotiating contracts, controlling costs, reducing vendor-related risks and ensuring delivery. In order to ensure the timely delivery and high quality of products from vendors, the Project Director or his/her designee will conduct weekly meetings with the purchasing and contracts department along with each vendor to discuss the progress for each procured item. The purpose of these meetings is to review all documented specifications for each product as well as to review the quality test findings. This forum will provide an opportunity to review each item's development or the service provided in order to ensure it complies with the requirements established in the project specifications. It also serves as an opportunity to ask questions or modify contracts or requirements ahead of time in order to prevent delays in delivery and schedule. The Project Director will be responsible for scheduling this meeting on a weekly basis until all items are delivered and are determined to be acceptable.

Criteria to be considered when carrying out vendor management:

- share information and priorities
- balance commitment and competition
- allow key vendors to help strategize
- build partnerships for the long term
- seek to understand vendor's business too

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- negotiate to a win-win agreement
  - come together on value
  - use vendor management best practices



*Figure 1 Vendor Management Process*

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## Appendix