

# Lab Work: Project AI Procurement Management Plan

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

**Note:**

1. Create your company logo
2. Replace your **COMPANY NAME**, **PROJECT NAME** and other information according to your company requirements.
3. Descriptions are the guideline for your documentation and should be replaced 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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## Automotive Vehicles Engine Health Project

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## Revision History



Date	Version	Description	Author (s)
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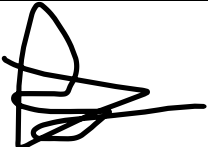
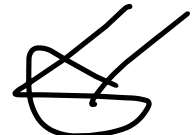
The reviewer signoff shall signify the recommendation for acceptance of this document.

Reviewed By (Customer)	Signature	Date



## Sign Off

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## 1 Introduction

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 should be in compliance with the State Central Procurement Office (CPO) rules and regulations. The Procurement Management Plan should define the following:

- a) Introduction
- b) Procurement Management Approach
- c) Procurement definition
- d) Contract type – firm-fixed price, time and materials (T&M), cost-reimbursable
- e) Procurement Approval Process -- custom development, custom off the self (COTS), software as service
- f) Decision Criteria - weighting of requirements
- g) Vendor Management

This Procurement Management Plan sets the procurement framework for Automotive Vehicles Engine Health Project. 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, and decision criteria. The importance of coordinating procurement activities, establishing firm contract deliverables, and metrics in measuring procurement activities is also included.

## 2 Procurement Management Approach

The Procurement Management Plan should be defined enough to clearly identify the necessary steps and responsibilities for procurement from the beginning to the end of a project. The Senior Project Director must ensure that the plan facilitates the successful completion of the project and does not become an overwhelming task in itself to manage. The Senior Project Director will work with the project team, CPO, and other key players to manage the procurement activities.

The Senior Project Director will provide oversight and management in concert with appropriate agency procurement and management staff for all procurement activities under Automotive Vehicles Engine Health Project. The Senior Project Director will work with the



project team to identify all items to be procured for the successful completion of the project. The Senior Project Director will then review the procurement list with the Project Steering Committee (PSC) for approval. The process involves determining whether to acquire outside support and, if so what to acquire, how to acquire it, how much is needed, and when to acquire it.

### 3 Procurement Definition

The purpose of procurement definition is to describe, in specific terms, what items will be procured and under what conditions. Sometimes items which must be procured for a project can be developed internally by an organization. Additionally, procurement deadlines are usually affected by the project schedule and are needed by certain times to ensure timely project completion. This section is where these items must be listed, justified, and the conditions must be set. Any important technical information should also be included. Individuals may also be listed with authority to approve purchases.

The following procurement items and/or services have been determined to be essential for completion and success of Automotive Vehicles Engine Health Project. The following list of items/services, justification, and timeline are pending PSC review for submission to the CPO:

Item/Service	Justification	Category	Needed By
Item A; 3" x ¾" tool	Needed for manufacturing widget type 1; we do not make this item	Software	Nabil Syazani
Item B; 4" x ½" tool	Needed for building tool type 2; we make this item but do not know the cost comparison vs. purchasing it	Hardware	Muhammad Fakhru Hazwan
Item C	Needed for transferring data to new operating system; we do not make this item	Services	Saiful Adli



Item D	Hosting will be included or outsourced	Hosting	Muhammad Fakhrol Hazwan
Item E	Software Maintenance will be included or outsourced	Software Maintenance	Saiful Adli
Item F	Responsibilities for working with IV&V vendor	Independent Verification and Validation (IV&V)	Muhammad Fakhrol Hazwan
Item G	Resources needed to staff project team	IT Pro Resources	Muhammad Fakhrol Hazwan

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:

<u>Name</u>	<u>Role</u>
Nabil Syazani	Senior Project Director
Muhammad Fakhrol Hazwan	Lead Engineer
Saiful Adli	Design Technician

## 4 Contract type

The purpose of this section is to describe the type of contract to be used so the Senior Project Director and project team can proceed accordingly. There are many different types of contracts such as: firm-fixed price, time and materials (T&M), cost-reimbursable, and others. Different procurement items may also require different contract types.

All items and services to be procured for Automotive Vehicles Engine Health Project will be solicited under firm-fixed price contracts. The project team will work with the Agency Fiscal



Office and Procurement staff to define the item types, quantities, services and required delivery dates. The Request for Proposal (RFP) Coordinator 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 firm fixed price contract once the vendor is selected.

## 5 Procurement Approval Process

The purpose of this section is to define the process through which procurements and their resulting contracts must be approved. It is important to define the process within the organization and understand 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 in some cases may be approved by the Agency. This section should clearly identify the rules for all procurements within your organization. Seek approval from the CPO regarding the latest procurement requirements.

The Senior Project Director along with Agency staff will meet with the CPO office to determine the type of procurement model that best meets the needs of the project. If necessary, a Request for Information (RFI) may be released as a first procurement step to gather information. Based on the Vendor responses to the RFI, the CPO office and the Agency will determine the procurement process that must be followed, such as non-competitive contract request, competitive negotiation, alternative procurement, RFP cost only or RFP.

The procurement documents must be submitted for OIR endorsement for all technology projects, the Department of Human Resources must approve training for State employees, and the CPO and Comptroller offices must provide the final approval.

## 6 Decision Criteria

The purpose of this section is to define the criteria used by the CPO 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.



The criteria for the selection and award of procurement contracts under this project will be based on the following decision criteria:

- 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
- Ability of the vendor to provide all items by the required delivery date
- Software Demonstration and/or 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**

The purpose of this section is to describe the roles and actions the project team and purchasing and contracts department will take to ensure that the selected vendors provide all of the products/services agreed upon and that the appropriate levels of quality are maintained.

The Project Director is ultimately responsible for managing vendors. In order to ensure the timely delivery and high quality of products from vendors, the Project Director or his/her designer will meet weekly 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 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 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.



## Appendix