

Procurement Planning—Activity Definition

The University procurement process supersedes this document.

Purpose:

The objective of this activity is to identify how project needs can best be met by procuring products and/or services outside the organization. It identifies the procurement strategies that will be used, outlines the scope of products and/or services to be procured, and identifies responsibilities for the full procurement lifecycle.

Participants:

The Project Manager prepares the Procurement Plan.

Inputs:

Work Plan [1], Resource Plan [4]

Process:

1. Identify the items that will be procured and under what conditions.
2. Define who within the team will be allowed to enter into contract agreements.
3. If applicable, describe the ability (or inability) of products available in the organization to meet the project's requirements. Quantitative supporting information should be presented.
4. List the evaluation criteria for vendors.
5. Identify any constraints that may affect the procurement process.
6. Identify the method(s) by which new products may be obtained. i.e. Lease/Purchase, Bid process, etc.
7. Identify the officials who must approve any purchases.
8. Provide schedule information for all the relevant procurement activities.
9. Identify any hardware/software compatibility issues that may impact the procurement process.
10. List the required capabilities of the software. The capabilities should be determined before evaluating the vendors.
11. Estimate the volumes of data that will be handled after the system is running for several years.
12. Identify the manuals that will be necessary for proper installation and operation of the software.
13. Describe the potential vendor's method (support) of handling errors or bugs in the software, as well as the Department's method (if applicable). Revisions or updates to the software, and access to backup copies, should be considered. Determine who will retain ownership of the code and product.

Outputs:

Procurement Plan

Procurement Planning—Guidelines

1. Decide which items will be procured and under what conditions. Determine if the same product is present in the organization. If so, explain with supporting documentation why the current product will not be able to support project needs.
2. Decide who from the project team and organization unit can interface with the vendors and who can sign the contract. Also, note that there might be organization-level rules regarding procurement that might need to be adhered to. In contracts over a certain value it might be necessary to involve the Legal department and the Purchase department.
3. List the evaluation criteria. This is a very important step as it ensures that the vendor is selected on the basis of pre-set criteria and that a single person or group does not influence the decision. The criteria could include the following:
 - a. Technical capability,
 - b. Quality of work,
 - c. Previous experience in similar projects, etc.
4. Identify constraints, if any. e.g. it might be an organizational policy to work with vendors who offer 60 days credit. This will limit the number of vendors one can choose from.
5. Identify the method(s) by which new products will be obtained. i.e. Lease/Purchase, Bid process, etc. Factors like time available might be important in determining the method to be used.
6. Identify the officials who must approve any purchases. This might include someone from the Purchase department of the organization.
7. Provide schedule information for all the relevant procurement activities right at the beginning. This is important, as the vendor should have resources available in order to meet the timeline set.
8. Identify any hardware/software compatibility issues. It is necessary to ensure that the development platform that the vendor is using is compatible with what is being used for the rest of the project.
9. List the required capabilities of the software. This can be part of the evaluation criteria. A detailed statement of requirements should be part of the contract. e.g. the system should be able to support 1000 simultaneous users.
10. Estimate the volumes of data that will be handled after the system is running for several years. e.g. after 5 years the system should support 2.7 million records.

11. Identify the manuals that will be necessary for proper installation and operation of the software. An installation manual may need to be supplied by the vendor at the time of delivery.
12. Describe the potential vendor's method (support) of handling errors or bugs in the software, as well as the Department's method, if applicable. If a bug is reported after the product has gone live, describe how the vendor will manage the problem. Revisions or updates to the software, and access to backup copies, should be considered. These points should be considered when signing the contract and should be included in the contract if possible. Determine who retains ownership of the code and the product.