

# PM-C Project Procurement Management Plan

**Description:** The Project Procurement Management Plan defines how the procurement needs of the project will be addressed.

## Project Procurement Plan

The Project Procurement Plan consists of:

1. **Make-or-Buy Analysis:** is it more practical to create the product/service internally or to outsource it? In every case, our procurement needs for the PM-C can be best served by outsourcing these services.
2. **Procurement needs** for:
  - a. Conference facilities
  - b. Keynote speaker(s): Professional service contract
  - c. Social Event
    - i. Social event venue
    - ii. Social event catering
  - d. Registration web site
    - i. On-line registration
    - ii. On-line payment processing
  - e. Audio-Visual Systems
  - f. Marketing brochure or web site for conference marketing (to be discussed by team since marketing plan has not yet been determined).

**Table 1: Contract Scope of Work (from Scope and WBS)**

| Activity              | Scope of Work  |
|-----------------------|--|
| Conference Facility   | The conference location will have appropriate meeting rooms, food and beverage service, and an A/V equipment service provider. No guest hotel rooms are needed (attendees will be local). The conference location will be in St. Louis.                |
| Keynote Speaker       | The keynote presentation should highlight challenges, issues, and emerging trends in project management. The timeframe will be 35 – 40 minutes with 10 – 15 additional minutes for questions and answers.  |
| Social Event Venue    | The social event is scheduled for the evening of the first day of the 2-day conference. The social event will include a cocktail reception, not a sit-down dinner.   |
| Social Event Catering | The social event will be a reception featuring cocktails and appetizers.   |
| Registration Web Site | A software system for online registration and fee payment processing will be contracted or purchased, not developed in-house. The web site should also provide links to the conference program, hotel information, and social event venue information. |
| A-V Systems           | The conference A-V systems will be outsourced to an A-V system provider.   |

### 3. Procurement documentation

- a. Request for Quote
- b. Request for Information
- c. Request for Proposal
- d. Invitation to Bid

Note: The Procurement Documentation will be covered in the seminar materials and will be included in the Procurement section of the Notebook.

**Table 2: Procurement Documentation for Activities Planned**

| Activity                             | Procurement Documentation |              |
|--------------------------------------|---------------------------|--------------|
| Conference Facility                  | Request for Quote         | Appendix A-1 |
| Keynote Speaker—Professional Service | Request for Quote         | Appendix B-1 |
| Social Event Venue                   | Request for Quote         | Appendix C-1 |
| Social Event Catering                | Request for Quote         | Appendix D-1 |
| Registration Web Site                | Request for Quote         | Appendix E-1 |
| A-V Systems                          | Request for Quote         | Appendix F-1 |

### 4. Contract types

- a. Purchase Order (PO)
- b. Fixed Price (FP) also Lump Sum
- c. Time and Materials (T&M)
- d. Cost Plus Fixed Fee (CPFF)
- e. Cost Plus Incentive Fee (CPIF)

Note: The contract types will be covered in the seminar materials and will be included in the Project Procurement Section of the Notebook.

**Table 3: Contract Types for PM-C Project**

| Activity                             | Contract Type |
|--------------------------------------|---------------|
| Conference Facility                  | Fixed Price   |
| Keynote Speaker—Professional Service | Fixed Price   |
| Social Event Venue                   | Fixed Price   |
| Social Event Catering                | Fixed Price   |
| Registration Web Site                | Fixed Price   |
| A-V Systems                          | Fixed Price   |

## 5. Identifying pre-qualified sellers

The pre-qualified sellers provide the services which are needed.

**Table 4: Pre-Qualified Sellers**

| Activity              | Supplier   |
|-----------------------|--|
| Conference Facility   | Hyatt Union Station<br>St. Louis Hilton at the Ballpark<br>Sheraton Westport Chalet  |
| Registration Web Site | <a href="http://www.siue.edu/business/roundtable">www.siue.edu/business/roundtable</a><br><a href="http://www.regonline.edu">www.regonline.edu</a> |
| A-V Systems           | Swank Audio Visual (internal provider in hotels)   |

## 6. Evaluation criteria and selection process

**Table 5: Evaluation criteria for selection process**

| Activity                                 | Evaluation Criteria                                     | Weight |
|--|---|--------|
| Conference Facility                      | Service   | 25%    |
|  | Convenience   | 25%    |
|  | Cost  | 25%    |
|  | Overall satisfaction                                    | 25%    |
| Keynote Speaker—<br>Professional Service | Timeliness of topic                                     | 20%    |
|  | Reputation (ability to draw an audience)                | 50%    |
|  | Credentials (record of success in making presentations) | 30%    |
| Social Event Venue                       | Service quality   | 30%    |
|  | Uniqueness  | 20%    |
|  | Cost  | 30%    |
|  | Overall satisfaction                                    | 20%    |
| Social Event Catering                    | Service quality   | 30%    |
|  | Food quality  | 30%    |
|  | Cost  | 20%    |
|  | Overall satisfaction                                    | 20%    |
| Registration Web Site                    | Reliability   | 50%    |
|  | Security  | 25%    |
|  | Ease of Use   | 25%    |
| A-V Systems                              | Service Quality   | 30%    |
|  | Reliability   | 30%    |
|  | Tech support availability                               | 15%    |
|  | Tech support response                                   | 15%    |
|  | Cost  | 10%    |

## 7. Qualifying sellers

**Table 6: Qualifying Sellers**

| Activity              | Qualifying Sellers   |
|-----------------------|--|
| Conference Facility   | Hyatt Union Station, Hilton at the Ballpark, The Mayfair Hotel   |
| Keynote Speaker       | Brigadier General Schwartz, U.S. Transcom speaking on: "Managing the War in Iraq."<br>James McNerney, CEO, Boeing, speaking on "Managing in the Aerospace Industry in 2010." |
| Social Event Venue    | City Museum  |
| Social Event Catering | Butler's Pantry, Orlando Gardens, La Chef Catering   |
| Registration Web Site | <a href="http://www.siue.edu/business/projectmanagement">www.siue.edu/business/projectmanagement</a>   |
| A-V Systems           | Swank Audio-Visual   |

**Example of Weighted Factor Analysis:  
Selection of Social Event Venue**

| Criteria for Evaluation |        | City Museum |                | Gateway Arch |                | Science Center |                |
|-------------------------|--------|-------------|----------------|--------------|----------------|----------------|----------------|
|                         | Weight | Score       | Weighted Score | Score        | Weighted Score | Score          | Weighted Score |
| Service Quality         | 30%    | 75          | 22.5           | 75           | 22.5           | 99             | 29.7           |
| Uniqueness              | 20%    | 95          | 19.0           | 85           | 17.0           | 78             | 15.6           |
| Cost                    | 30%    | 85          | 25.5           | 65           | 19.5           | 70             | 21.0           |
| Overall Assessment      | 20%    | 75          | 15.0           | 79           | 15.8           | 75             | 15.0           |
|                         | 100%   |             | <b>82.0</b>    |              | 74.8           |                | 81.3           |

8.

## 9. Contract development

- a. Handling lead times required to acquire items from sellers and coordinating them with project schedule development
- b. Setting scheduled dates in each contract for contract deliverables and coordinating with schedule development and control processes
- c. Establishing direction to the sellers in developing and maintaining a contract work breakdown structure
- d. Establishing a form and format to be used for the contract statement of work

**Table 7: Scheduled dates for Contract Deliverables**

| Contract Deliverable  | Lead Time | Scheduled date |
|-----------------------|-----------|----------------|
| Conference Facility   | 12 months | 10/26/2008     |
| Keynote Speaker       | 12 months | 10/26/2008     |
| Social Event Venue    | 8 months  | 10/26/2008     |
| Social Event Catering | 6 months  | 10/26/2008     |
| Registration Web Site | 3 months  | 10/12/2008     |
| A-V Systems           | 1 month   | 4/15/2009      |

## 10. Contract administration

- a. Constraints and assumptions
- b. Which actions can the project management team take on its own
- c. Scheduling and payments

**Table 8: Contract Administration**

| Contract Deliverable  | Constraints/assumptions                                  | Payment schedule                        | Proj Team resp. |
|-----------------------|--|---|-----------------|
| Conference Facility   | Alignment with conference budget plan                    | Upon invoicing                          | yes             |
| Keynote Speaker       | Within budget—includes honorarium + travel               | Upon presentation                       | yes             |
| Social Event Venue    | Same: estimate is \$20/person cost                       | Invoice for deposit due + final invoice | yes             |
| Social Event Catering | Same: estimate is \$50/person cost                       | Invoice for deposit due + final invoice | yes             |
| Registration Web Site | Use an off-the-shelf solution--not internally developed. | Fee per transaction                     | yes             |
| A-V Systems           | Alignment with conference budget plan                    | Invoiced at completion                  | yes             |

## 11. Procurement metrics to be used to manage contracts and evaluate sellers

**Table 9: Procurement Metrics**

| <b>Contract Deliverable</b> | <b>Metric</b>   | <b>Specific Measures</b>   |
|-----------------------------|---|--|
| Conference Facility         | Service<br>Convenience<br>Cost<br>Overall satisfaction          | # complaints<br><br>Actual vs. planned cost<br>User satisfaction (evaluation form) |
| Keynote Speaker             | Timeliness of topic<br>Reputation<br>Credentials                | Feedback from speaker evaluation   |
| Social Event Venue          | Service quality<br>Uniqueness<br>Cost<br>Overall satisfaction   | # complaints<br><br>Actual vs. planned cost<br>User satisfaction (evaluation form) |
| Social Event Catering       | Service quality<br>Food quality<br>Cost<br>Overall satisfaction | # complaints<br><br>Actual vs. planned cost<br>User satisfaction (evaluation form) |
| Registration Web Site       | Reliability<br>Security<br>Ease of Use                          | Response time<br># security issues<br>User satisfaction                            |
| A-V Systems                 | Service quality<br>Reliability<br>Tech support response<br>Cost | # complaints<br>% downtime<br>Response time<br>Actual vs. planned cost             |

## APPENDICIES

### Appendix A-1: Requests for Quote: Conference Facility

Request for Quote  
Project Management Conference  
May 15, 16, 2009

Meeting Specifications

This is a Request for a Quote for facilities for a 2-day Project Management Conference in St. Louis, May 15 and 16, 2009. The conference location will have appropriate meeting rooms, food and beverage service, and an A/V equipment service provider. No guest hotel rooms are needed (attendees will be local).

**Meeting Facility Requirements are:**

| Day/Date          | Time               | Event                 | # People | Type           |
|-------------------|--------------------|-----------------------|----------|----------------|
| Thurs. 5/15, 2009 | 7:30 am – 8:30 am  | Continental Breakfast | 100      |                |
|                   | 8:00 am—10:00 am   | Meeting               | 100      |                |
|                   | 10:00 am – 5:00 pm | Meeting               | 50       | Classroom      |
|                   | 10:00 am – 5:00 pm | Meeting               | 50       | Classroom      |
|                   | Noon – 1:00 pm     | Lunch                 | 100      | Buffet         |
|                   | AM & PM Breaks     |                       | 100      |                |
|                   |                    |                       |          |                |
| Fri. 5/16/2009    | 7:30am – 8:30am    | Continental Breakfast | 100      |                |
|                   | 8:00am – 10:00 am  | Meeting               | 100      |                |
|                   | 10:00am – 5:00pm   | Meeting               | 50       | Classroom      |
|                   | 10:00am – 5:00pm   | Meeting               | 50       | Classroom      |
|                   | 11:30am – 1:30pm   | Luncheon              | 100      | Speaker/Podium |
|                   | AM & PM Breaks     |                       | 100      |                |
|                   |                    |                       |          |                |

Please respond to the Chair, Selection Committee, by 9/26/2008.

The members of the Selection Committee are:

|                             |               |
|-----------------------------|---------------|
| Project Originator:         | Bob L. Head   |
| Conference Project Manager: | Ima Lerner    |
| Treasurer:                  | Penny Pinchot |
| Arrangements:               | Sue Scholl    |

## **Appendix B-1: Request for Quote: Letter to Keynote Speaker**

The letter will be designed to:

- (1) explain the purpose of the conference;
- (2) to suggest possible topics; and
- (3) to describe timeframes, locations, and logistics.

The letter will be signed by the Project Originator, Bob Head, and the Program Chair, David Litterman. The letter will be sent out by September 15, 2008.

## **Appendix C-1: Request for Quote: Social Event Venue**

Request for Quote  
Project Management Conference Social Event  
Thursday, May 15, 2009

Social Event Venue Specifications

The social event is for the evening of the first day of the 2-day conference. The social event will include a cocktail/appetizer reception (not a sit-down dinner) in a unique and entertaining venue.

- Estimated 100 participants.
- Time is between 6:00 and 9:00 p.m.
- Interesting venue which facilitates networking.
- Ability to use external caterers for cocktails and food service.
- Shuttle service or public transportation available from the conference hotel.
- Parking available at no additional cost.
- Building security.

Please respond to the Chair, Selection Committee, by 9/26/2008.

The members of the Selection Committee are:

|                             |               |
|-----------------------------|---------------|
| Project Originator:         | Bob L. Head   |
| Conference Project Manager: | Ima Lerner    |
| Treasurer:                  | Penny Pinchot |
| Arrangements:               | Sue Scholl    |



## Appendix D-1: Request for Quote: Social Event Catering

Request for Quote  
Project Management Conference Social Event  
Thursday, May 15, 2009

Event Specifications

The social event will be a reception featuring cocktails and appetizers. This is not a sit-down dinner. We would like to have estimates for food and drink based upon:

- Estimated 100 participants.
- Event being held in the Vault Room at the City Museum from 6:00 to 9:00pm, Thursday, May 15, 2009.
- Cocktails to include beer and wine (cash bar).
- Appetizers to be a mix of upscale hot and cold appetizers + some dessert items.
- Staff needed: bartender, service staff.
- China, glassware, tablecloths, utensils (no paper or plastic, please).

Please respond to the Chair, Selection Committee, by 9/26/2008.

The members of the Selection Committee are:

|                             |               |
|-----------------------------|---------------|
| Project Originator:         | Bob L. Head   |
| Conference Project Manager: | Ima Lerner    |
| Treasurer:                  | Penny Pinchot |
| Arrangements:               | Sue Scholl    |

## Appendix E-1: Request for Quote: Registration Web Site

Request for Quote  
Project Management Conference Registration Web Site  
Conference Dates: May 15, 16, 2009

System Specifications

The Project Management Conference needs to provide registrants with access to a web-based registration and payment processing system. The system will be contracted, not developed in-house, with these specs:

- Available for registration and payment processing by October 30, 2008.
- Active through May 16, 2009.
- The web site should also provide links to the conference program, hotel information, and social event venue information.
- Provides web-based registration:
  - Early-bird registration (prior to April 15, 2009).
  - Regular rate registration
  - Discounted registration for multiple participants from one organization.
  - Discounted registration for members of the St. Louis Chapter of PMI.
- Ability to request PDU's for PM-Conference registration.
- Payment processing by:
  - Credit card (MasterCard, Visa, American Express).
  - Purchase order
  - Personal check
- Other characteristics should include:
  - A per transaction processing fee
  - Reliability
  - Ease of use
  - Security for credit card transactions

Please respond to the Chair, Selection Committee, by 9/12/2008.

The members of the Selection Committee are:

|                             |               |
|-----------------------------|---------------|
| Project Originator:         | Bob L. Head   |
| Conference Project Manager: | Ima Lerner    |
| Treasurer:                  | Penny Pinchot |

## Appendix F-1: Request for Quote: Audio-Visual Systems

Request for Quote  
Project Management Conference Audio-Visual Systems  
May 15, 16, 2009

Audio-Visual Specifications

The Project Management Conference will need A-V systems for Thursday, May 15 and Friday, May 16, 2009 between 8:00 a.m. and 5:00 p.m. The A-V systems requirements include computer-based projection systems, laptop computers, screens, and backup systems, with these specific requirements:

- Two tripod screens, one in each conference room to accommodate room size.
- Two laptop computers + one backup laptop.
- Two computer-based projection systems + a backup projection system.
- Necessary cables and power cords, etc.
- Set-up and testing of all A-V equipment.
- On-site technical support.

Please respond to the Chair, Selection Committee, by March 15, 2009.

The members of the Selection Committee are:

|                             |               |
|-----------------------------|---------------|
| Project Originator:         | Bob L. Head   |
| Conference Project Manager: | Ima Lerner    |
| Treasurer:                  | Penny Pinchot |
| Arrangements:               | Sue Scholl    |

## Supplementary Documentation: Outsourcing Contracts

Materials for distribution

1. Facility
  - a. Hotel Meeting Room Floor Plan
  - b. Sample Hotel Agreement
2. Keynote Speaker—Professional Services
  - a. Letter of invitation to keynote speaker
  - b. Professional Services Contract
3. Food (hotel-provided)
  - a. Hotel Food/Beverage Estimates
  - b. Estimated Bill
4. Social Event Venue
  - a. Rental Contract (City Museum)
  - b. Invoice (City Museum)
5. Social Event Catering
  - a. Client Proposal (Butler's Pantry)
  - b. Invoice (Butler's Pantry)
6. Audio-Visual Services
  - a. Swank Rental Agreement
  - b. Swank Client Proposal