**[Insert Department Name]**

**Procurement Management Plan**

**[Insert Project Name]**

Version History

| Version # | Date | Author | Key Differences |
| --- | --- | --- | --- |
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Introduction to the Procurement Management Plan Template

The Procurement Management Plan sets the procurement framework for a project. The plan serves as a guide for managing procurement throughout the life of the project and is revised as acquisition needs change. The plan identifies and defines the products and/or services to be acquired, the types of contracts to be used to support the 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 included. Other items included in the Procurement Management Plan are procurement risks and procurement risk management considerations; how costs will be determined; how standard procurement documentation will be used and procurement constraints.

The Procurement Management Plan is created during the Planning Process Phase of the project. The intended audience is the Project Manager, project team, Project Sponsor, and any key Stakeholders whose support is needed to carry out the plan.

The following template provides the suggested structure for the Procurement Management Plan along with instructions and descriptions to guide the reader in understanding how to complete it.

Template style conventions are as follows:

| Style | Convention |
| --- | --- |
| Normal text | Indicates placeholder text that can be used for any project. |
| [Instructional text in brackets] | Indicates text that is be replaced/edited/deleted by the user] |
| *Example text in italics* | *Indicates text that might be replaced/edited/deleted by the user* |

As you complete the template, please remember to delete all instructional text (including this section) and update the following items, as applicable:

* title page
* version history
* table of contents
* headers
* footers

Update the document to a minor version (e.g., 1.1, 1.2) when minimal changes are made and a major version (e.g., 2.0, 3.0) when significant changes are made.

**Project Sample Library:**

The CA-PMF has a Project Sample Library that contains real-world project artifacts from approved projects that you can reference to help you complete CA-PMF templates. Visit the [CA-PMF website](http://capmf.cio.ca.gov/) to access the Project Sample Library.

# Introduction

## High-Level Work Flows and Activities

[Describe the workflows and activities that apply to managing procurements. Describe review activities, including review objectives, responsibilities, timing, and procedures.]

[This section should identify the list of processes, activities and tasks that will be defined and implemented to manage procurements. The following activities are examples:

* *Procurement Statement of Work*
* *Capture Procurement Requirements*
* *Verify Procurement Requirements*
* *Make or Buy Analysis*
* *Create Procurement Documents*
* *Manage Change*
* *Update Procurement Documents*
* *Conduct or Perform Procurements*
* *Control Procurements*
* *Communications*
* *Close Procurements*]

[The sample table below represents a way to identify and document the various workflows and activities for capturing procurement requirements.]

| Procurement Management Activity | Date(s) Administered | Participant Roles | Name of Facilitator(s)/ Decision Maker(s) |
| --- | --- | --- | --- |
| *Procurement Statement of Work* | *xx/xx/xxxx* | *Project Manager* | *Shawn Patton* |
| *Capture Procurement Requirements* | *xx/xx/xxxx* | *Project Sponsor and Project Manager* | *Jeremy Brooks*  *Shawn Patton* |
|  |  |  |  |

## Tools and Environment

[Describe the computing environment and software tools to be used to in fulfilling the Procurement Management functions throughout the project lifecycle.]

[This section should describe the tools and procedures used to control the versioning of procurement items generated throughout the project lifecycle. Tools may include commercial software packages for the procurement repository. If a tool has not been selected, provide the requirements for selecting it.]

[Note: Procurement Management is facilitated using a procurement repository that has the capability to support the necessary activities. A controlled procurement repository is critical for Procurement Management and Change Control Management activities. Project procurement requirements may change. The proven method to fully track and develop an understanding of the impact of change is to maintain a firmly controlled procurement repository. Without a controlled procurement repository, changes cannot be managed.]

[Typically the procurement repository is a database, spreadsheet, file system, or other data storage system that is created through the use of a tool and the repository is where the project procurement documents are maintained.]

[The repository must also be auditable in order to be able to identify if any procurement requirement has changed and be capable of identifying the impacts of a change to the project.]

# Roles and Responsibilities

[Describe who, and in what role, is going to be responsible for performing the various activities described in the Plan and the relationship of all involved.]

| Name | Role | Responsibility |
| --- | --- | --- |
| Jeremy Brooks | Project Sponsors | * Provides overall business leadership to ensure the procurement requirements are met. * Ensures requests for procurement changes have followed the approved Change Control Management Process, and that approved changes have been incorporated into procurement documents in a timely manner. * Reviews and approves procurement documents prior to sending to control agencies. |
| Shawn Patton | Project Manager | * Ensures the overall Procurement Management effort is being executed in accordance with the Plan. * Ensures the entire project team, state and vendor (if applicable) are following this Plan and for ensuring all of the other project processes that interact or provide input to the Procurement Management effort are being adhered to. * Ensures there are sufficient resources to execute this Plan and that the Procurement Management activities are being performed in a timely manner. |
| Gill Peterson | Procurement Manager and/or Contract Manager | * If assigned, reports to the Project Manager * Overall responsibility for managing processes and activities outlined in the Procurement Management Plan. * Responsible for the overall Procurement Management effort and the Procurement repository containing the Procurement documents. * Ensures the Procurement process is organized, managed, and controlled and that any and all issues are identified and resolved in a timely manner in order to minimize rework. * Contributes to the development of Procurement documents. |
| [Insert Name] | Procurement Analyst(s) and/or Acquisition Specialist | * Assists the Project Manager and Procurement Manager in the capturing, verifying, and communicating project procurement requirements. * Handles procuring a contract by performing the following: * Solicitations. * Contacting prospective contractor. * Developing or reviewing the solicitation packages, including the Statement of Work (SOW). * Coordinating the encumbrance of funds for the contract. * Distributing copies of the signed executed contract to the appropriate parties. * Coordinates final approval of the contracts with the Procurement/Contract Manager, and advises the project of new or modified state procurement policies and regulations. |
| [Insert Name] | Department Budget Office | * Responsible for receiving and coordinating approvals of invoices and processing invoice disputes. When all approvals are received, the office staff creates a request for payment and sends the request to the State Controller's Office (SCO). * Verifies the encumbrance funds versus the fund availability and verifies the PCA codes. |
| [Insert Name] | Department of Technology | * The Statewide Technology Procurement Division (STPD) reviews and provides feedback on the procurement process and documents. It may undertake the conduct of the procurement itself, depending on the scale of the contract and the sponsoring entity’s delegated authority for procurements. * IT Project Oversight Division (ITPOD) reviews and monitors the procurement process. * STPD assists project teams in resolving any procurement issues that may arise. * ITPOD oversees process activities, provides feedback and formally reports on progress and results. |
| [Insert Name] | Department of General Services | * Has a role similar to STPD for non-IT procurements. * Oversees procurements based on Leveraged Procurement Agreements. |
| [Insert Name] | Department of Finance | * Determines procurement authority. * Audits procurements as necessary. |
| [Insert Name] | State Controller’s Office (SCO) | * Responsible for receiving check requests for invoice payment from the OSI, writing the associated check for payment, and mailing the check to the contractor. |

# Procurement Management Processes

[Define the Procurement Management Plan clearly enough to identify the necessary steps, activities, and responsibilities for procurement for the entire project lifecycle. The Project Manager must ensure the plan facilitates project success and does not become an overwhelming task and impact to the project.]

## Procurement Scope

[Specifically describe what items will be procured and under what conditions or provide a reference to documentation (such STPD documents) containing the information.]

[The project schedule and the need to complete the project by a certain time usually affects procurement deadlines. This is the section where items are either referenced or listed, justified, and conditions are set. Other items that may be part of this section include listing important technical information and/or individuals who have authority to approve purchases. The STPD also has an Excel spreadsheet template for listing procurement items.]

*Example:*

*The project procurement items can be found in the Excel workbook called “Project XXX Procurement Workbook.” Please complete the workbook according to the instructions in the first workbook tab. Contact the Statewide Technology Procurement Division (STPD) as necessary for additional assistance.*

## Contract Type

[Describe the type of contract the project will use and, if necessary for the type of project, reference contract documentation. In general, state IT development projects are structured as deliverables-based firm fixed price contracts. However, the contract type may vary depending on the nature of the work that is being contracted. For some work, Leveraged Procurements Agreements may be used, and those contracts are usually structured on a time and materials basis. For larger projects, there may be multiple procurements using multiple contract types.]

*Example:*

*All products and services for this project will be solicited under firm fixed-price contracts. The project team will work with STPD to define the items, types, quantities, services and required delivery dates. Once approved by the project Sponsor and STPD, the request for proposal (RFP) will solicit bids from vendors to procure the required items, with the required time frame, and at the best value to the state under the firm-fixed price contract with the selected vendor. The contract will be awarded for two (2) years of Design, Development and Implementation (DD&I) and four (4) optional years of maintenance and operations.*

## Procurement Risk and Risk Management

[Identify any potential risks associated with procurements for the project. Depending on factors such as contract type, products or services being acquired, supplier performance history, and other project risk factors from scope, schedule and budget, potential procurement risks may require more detailed planning and mitigation strategies. Describe how procurement risks will be managed. This may involve specific staff in managing procurement risk or obtaining approval on mitigation steps from the Project Sponsor or organizational leadership.]

Example:

*To ensure project success, potential procurement risks must be managed. While all risks will be managed according to the project Risk Management Plan, there are specific procurement risks which must be considered, such as:*

* Unrealistic vendor schedule and cost expectations
* Possible conflicts with current contracts
* Configuration management for upgrades and improvement of already purchased technology
* Potential delays in the procurement process
* Potential shipping delays
* Potential final product does not meet specified requirements

*These risks are not all-inclusive and the standard risk management process defined in the Risk Management Plan will be used to identify, document, analyze, manage and mitigate risks.*

## Cost Determination

[Describe how costs will be determined and how they will be used as part of the selection criteria. Costs are usually provided in response to a Request for Quote (RFQ), Request for Proposal (RFP), or Request for Bid (RFB). Bidders submit detailed responses describing the cost of goods and services. Costs may be the determining factor in procurements where the selection is primarily based on the lowest bid. However, an alternative approach may be more appropriate, such a best value, when the quality of the proposed approach should be a primary consideration in the selection of a vendor. For more information about cost determination, reference the CA-PMF Planning chapter, Procurement Management section.]

## Procurement Document Preparation

[Describe what procurement documents will be prepared. These could include Requests for Offer, Requests for Proposal or other vehicles. The preparation of these documents will require participation of program staff and legal staff to make sure that the there is agreement on requirements, contract terms, and evaluation criteria.]

[The procurement management process must include clear roles and responsibilities for the preparation of the procurement vehicle so that it includes all the required elements. This requires scheduling of project team members and staff from the sponsoring entity to participating the drafting and review of the content of these documents.]

## Procurement Constraints and Assumptions

[Describe any constraints and assumptions which are considered as part of the project’s procurement management process. Constraint and assumption examples may be related to scope, schedule, cost, resources, technology and/or supplier performance. Every effort should be made to identify constraints and assumptions as early as possible.]

Example:

Several project constraints exist that must be considered as part of the project’s Procurement Management Plan. These constraints will be included in the RFP and communicated to all vendors in order to determine their ability to operate within these constraints. These constraints apply to several areas which include:

* ***Schedule*** *– The project schedule is not flexible and the procurement activities, contract administration, and contract fulfillment must be completed within the established project schedule.*
* ***Cost*** *– The project budget has contingency and management reserves built in. However, these reserves may not be applied to procurement activities. Reserves are only to be used in the event of an approved change in project scope or at management’s discretion.*
* ***Scope*** *– All procurement activities and contract awards must support the approved project scope statement. Any procurement activities or contract awards which specify work which is not in direct support of the project’s scope statement will be considered out of scope and disapproved.*
* ***Resources*** *– All procurement activities must be performed and managed with current staff. No additional staff will be hired or re-allocated to support the procurement activities on this project.*
* ***Technology –*** *Parts specifications have already been determined and will be included in the statement of work as part of the RFP. While proposals may include suggested alternative material or manufacturing processes, parts specifications must match those provided in the statement of work exactly.*

## Vendor Management

[Describe the approach to be used for vendor management activities. Metrics may also be used to compile vendor performance data to assist in the management of vendor performance. California Department of Technology has a Contractor Evaluation Performance Scorecard that may be helpful in this analysis. There may also be contractual terms that require ongoing rating of vendor performance relative to quality or schedule. The details of the approach may be documented in a separate Contract Management Plan. A Contract Management Plan template is available as part of the CA-PMF tools.]