

Procurement Plan

RFID Implementation for Fresh Foods

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Approval of the Procurement Plan indicates an understanding of the purpose and content described in this deliverable. By signing this deliverable, each individual agrees work should be initiated on this project and necessary resources should be committed as described herein.

Approver Name	Title	Signature	Date

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Type of Contract to be used

The purpose of this section is to describe the type of contract to be used so the contracts and purchasing department can proceed accordingly. There are many different types of contracts like firm-fixed price, time and materials (T&M), cost-reimbursable, and others. Different procurement items may also require different contract types. A well defined product may be a firm-fixed price while a product which will require a research and development effort may be a T&M contract.

All items and services to be procured for this project will be solicited under firm-fixed price contracts. The project team will work with the contracts and purchasing department to define the item types, quantities, services and required delivery dates. The contracts and purchasing department 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.

Decision Criteria

The purpose of this section is to define the criteria used by the contract review board 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:

- Ability of the vendor to provide all items by the required delivery date
- Quality
- Cost
- Expected delivery date
- Comparison of outsourced cost versus in-sourcing
- Past performance

These criteria will be measured by the contracts review board and/or the Project Manager. The ultimate decision will be made based on these criteria as well as available resources.

Performance Metrics for Procurement Activities

This section describes the metrics to be used for procurement activities associated with the project. These metrics may be used to ensure the project stays on schedule regarding procurement activities. They may also be used to compile data on the performance of various vendors in order to assist with future procurement activities' vendor selection criteria.

While the purchasing and contracts department has their own internal metrics for procurement, the following metrics are established for vendor performance for this project's procurement activities. Each metric is rated on a 1-3 scale as indicated below:

Vendor	Product Quality	On Time Delivery	Documentation Quality	Development Costs	Development Time	Cost per Unit	Transactional Efficiency
Vendor #1							
Vendor #2							

- 1 – Unsatisfactory
- 2 – Acceptable
- 3 - Exceptional

In addition to rating each vendor, actual values will be noted in order to build a past-performance data base for selecting vendors for future procurement activities.

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