- 12.1 Plan procurements
  - What goods/services do we need to buy. Creating the proc. documents
  - Assess what to purchase [MoB]
    - Make or Buy decision
      - Make
        - You have workforce
        - You want to retain ctrl.
        - Special knowledge/processes
      - Buy
        - Costs for procurement must be considered
        - Decrease risk for Project
  - Determine how you will do planning
    - Create procurement mgmt. plan
      - How procurement process will be planned / executed / ctrl'd.
  - Prepare procurements documents
    - Create procurement SoW
      - What work the seller needs to do
      - Clear / complete / concise
      - Contains P Mgmt. parts
      - Becomes part of the contract
      - Types
        - Performance
          - What the final product can accomplish
        - Functional
          - Conveys the end purpose
        - Design
          - Conveys precisely what has to be done [dwg]
    - Determine procurement type of contract (proc. dept.)
    - Determine type of procurement document (proc. dept.)
      - RFP
        - Detailed Proposal
        - How work will be done
        - Who will do work
        - Company experience
        - Price
      - IFB / RFB
        - Total price to do the work
      - RFQ
        - Price per unit/hour/etc
      - PMBOK: RFI
      - include...
        - Information for sellers
          - Background Information
          - Procedures
          - Guidelines
          - Format of response
          - Source selection criteria
          - Pricing forms
          - Legal requirements
        - Proc. SoW
        - Terms & Conditions
        - [Contract]
    - Determine Source Selection Criteria
    - Finalize Proc. mgmt. plan / Proc. SoW
  - Determine all roles & responsibilities
  - Go Back - iterations
  - Finalize the "how to execute & ctrl" parts of all mgmt. plans
  - Develop realistic & final PP & perf. measurement baseline
  - Terms
    - Incentives
      - Bonus of the seller
      - Used to bring sellers objectives in line with buyer [Project]
      - Buyer provides additional fee if seller meets cost/schedule/performance objectives
      - Designed to motivate sellers effort
      - Discourage sellers inefficiency
      - Seller has to look for ways to improve performance
    - Price
      - Amount seller charges the buyer
    - Profit / Fee
      - Planned into Price
    - Costs
      - seller to create
      - Buyers costs are sellers price
    - Target Price
      - Compare final price with expected price
      - = target cost + target fee
    - Sharing ratio
      - Describes how cost over- under run will be shared
      - 1st number = buyer
    - Ceiling Price
      - highest price buyer will pay
    - Point of Total Assumption [PTA]
      - Only relates to FPIF contracts
      - Point where seller bears all costs overrun
      - Due to mismgmt.
    - Nondisclosure Agreement
    - Joint Venture / Teaming Agreement
    - Standard Contract
    - Special Provisions / Special Conditions
      - Adaption by PM to Project
    - Terms & Conditions
    - Letter of Intent
      - Used if material is needed but no proc. contract has been signed yet
    - Privity
  - Tools/Techniques
    - MoB-Analysis
    - Expert Judgement
    - Contract Types
  - Input
    - Scope Baseline
    - Req's Documentation
    - Teaming Agreement
    - Risk Register
    - Activity Resource Req's
    - Project Schedule
    - Activity Costs Estimates
    - Cost Performance Baseline
    - EEF
    - OPA
  - Output
    - Proc. Mgmt. Plan
    - Proc. SoW
    - MoB Decision
    - Proc. Doc's
    - Source Selection Criteria
    - Change Requests