

Contract and Procurement Management Lecture # 3

Conduct Procurement

by

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Chapter Description

- **Aims**
 - This chapter has discussed the conduct procurement process along-with its tools and outputs.
- **Expected Outcomes**
 - Understanding the processes
 - Inputs required
 - Tools and techniques that applied in the process
 - Outputs
 - Best Practise
- **Other related Information**
 - Study Guide: Project Management Body of Knowledge (PMBOK)
- **References**
 - Ashworth, Allan. Contractual procedures in the construction industry. Pearson Prentice Hall 2006.
 - Broome, Jon. Procurement routes for partnering: a practical guide. Thomas Telfor, 2002.
 - Bockrath, Joseph T. Contracts and the legal environment for engineers and architects. McGraw-Hill Science, 2000.

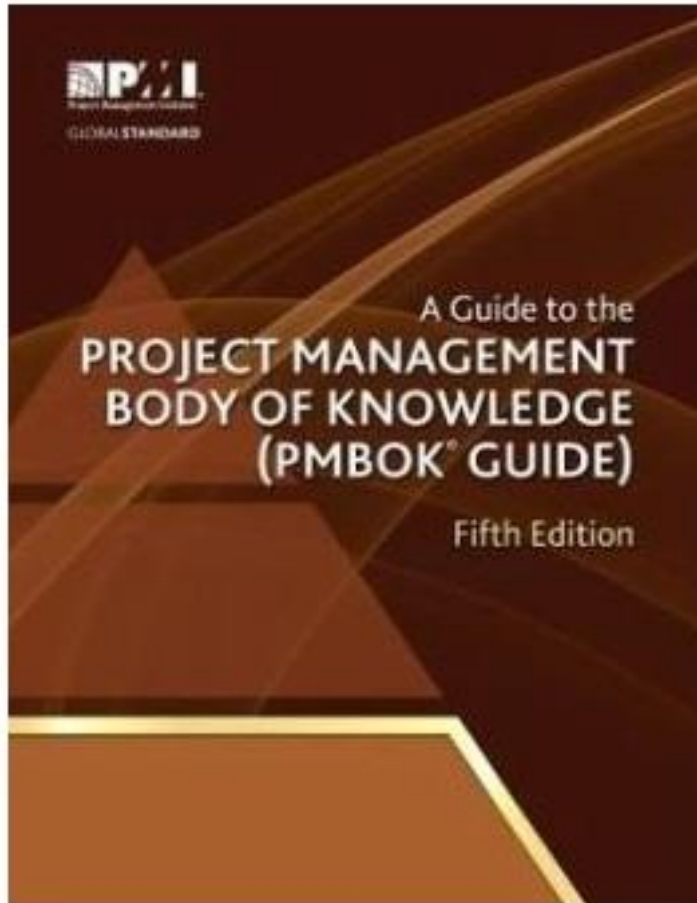


Content #1

- Buying and selling concept
- Conduct procurement Inputs
- Conduct procurement tools and techniques
- Conduct procurement outputs



CONDUCT PROCUREMENT



- “Conduct Procurements is defined as the the ***procedure of receiving bids from potential suppliers, evaluating them and select a best evaluated bid for contract award***”

Ref: PMI PMBOK

CONDUCT PROCUREMENT

Based on the best and final offer, the plans are reviewed to confirm that the objectives can be achieved. If there are no problems, the contract is awarded to the successful bidder whose bid is substantially responsive and to be the best evaluated bid. The bidder is then asked to sign a contract agreement with the client which incorporates all the agreements between the two parties. The contract agreement is a formal document that defines the working relationship between the client and the contractor

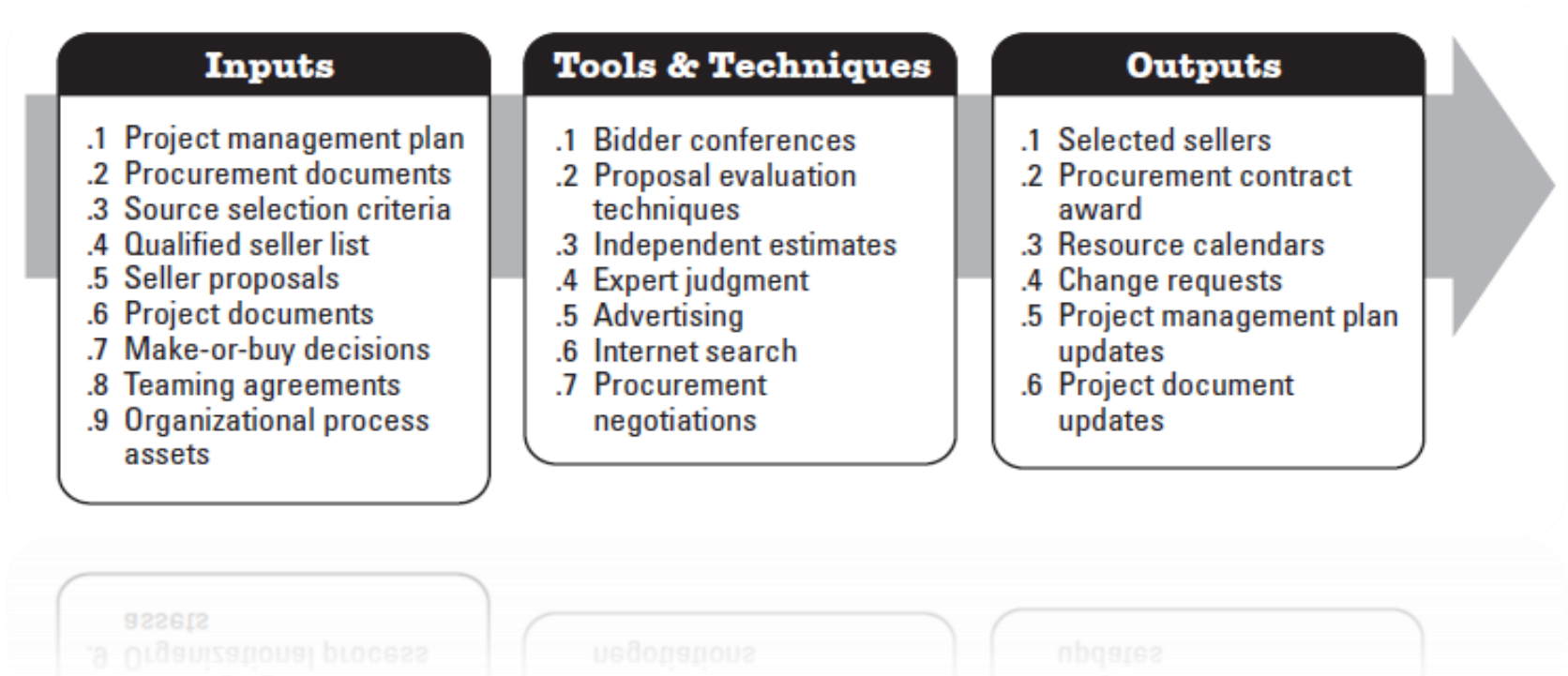


CONDUCT PROCUREMENT

SAMPLE BID EVALUATION SHEET

Criteria	Weight	Proposal 1		Proposal 2		Proposal 3	
		Rating	Score	Rating	Score	Rating	Score
Technical Approach	30%						
Management Approach	30%						
Past Performance	20%						
Price	20%						
Total Score	100%						

CONDUCT PROCUREMENTS: INPUTS, TOOLS & TECHNIQUES, AND OUTPUTS



Ref: PMI PMBOK

CONDUCT PROCUREMENTS – TOOLS & TECHNIQUES

Tools & Techniques

- .1 Bidder conferences
- .2 Proposal evaluation techniques
- .3 Independent estimates
- .4 Expert judgment
- .5 Advertising
- .6 Internet search
- .7 Procurement negotiations

CONDUCT PROCUREMENTS – OUTPUTS

Outputs

- .1 Selected sellers
- .2 Procurement contract award
- .3 Resource calendars
- .4 Change requests
- .5 Project management plan updates
- .6 Project document updates

CONDUCT PROCUREMENTS – OUTPUTS: SELECTION OF SELLERS



Conclusion of The Chapter

- **Conclusion #1**
 - Every effort must be made to select the best supplier of goods and services.
- **Conclusion #2**
 - Contract document must be comprehensive and incorporate all necessary information required for the successful execution of projects.



Author Information

Other relevant information (if any)

#author may apply your own creativity and innovation where it is appropriate