

PMP® Bootcamp Student Worksheet: Executing & Controlling Procurements

Student Name: _____ Date: _____

Welcome back! In our last session, you created your procurement plan and made the crucial "make-or-buy" decision. You've decided to "**buy**." So, what's next? Now you need to go out into the market, select the right seller, sign a contract, and then manage that seller to ensure they deliver exactly what you paid for. Let's dive in!

References: PMBOK® Guide 7th Edition, Rita Mulcahy's PMP® Exam Prep 11th Edition

Part 1: From Planning to Action

Before you can select a seller, you need your planning documents ready. These are the key **artifacts** from the Plan Procurement Management process.

Artifact	Its Purpose (in simple terms)
Procurement Management Plan	The "rulebook" for how you will conduct all procurement activities.
Procurement Statement of Work (SOW)	A detailed description of the specific work you need the seller to do. This must be crystal clear!
Bid Documents	The package you give to potential sellers. Includes the SOW, instructions on how to bid, and the required contract terms. (e.g., RFP, RFQ, RFI).
Source Selection Criteria	The scorecard you will use to rate sellers. You create this <i>before</i> you see the proposals to ensure fairness.

Noncompetitive Forms of Procurement

Sometimes, you don't hold a competition. This is rare but important to know.

- **Sole Source:** There is only ONE seller who can provide what you need (e.g., they hold a patent for the product). You have no choice.
- **Single Source:** There are multiple sellers available, but you *choose* to go with one specific seller without a competition (e.g., you've worked with them before and trust them implicitly). This requires a strong business justification.

Your Turn: Your company requires a specific piece of diagnostic software that is only made and sold by one company, "DignostiCorp." Is this a sole source or single source procurement?

Part 2: Conduct Procurements (Selecting the Seller)

This is the process where you get proposals, choose your seller, and award the contract.

- **Core Question:** "Who are we going to hire?"

Methods for Conducting Procurements

1. **Advertising:** Placing ads in newspapers, trade publications, or online to attract a wide range of potential sellers.
2. **Bidder Conferences (or Pre-Bid Conferences):** A meeting held with all potential sellers *before* they submit their proposals.
 - **Purpose:** To ensure all sellers have a clear and common understanding of the procurement (the SOW, technical requirements, etc.). All questions and answers are shared with everyone to ensure fairness.
3. **Proposal Evaluation:** The buyer's evaluation committee uses the pre-defined **Source Selection Criteria** to rate the proposals. This is a formal, structured process to select the best seller based on the criteria, not just on price.

What Do You Need to Have a Legal Contract?

A simple handshake isn't enough. For a contract to be legally binding, it must have:

- **Offer:** One party makes an offer.
- **Acceptance:** The other party accepts the offer.
- **Consideration:** Something of value is exchanged (e.g., money for services).
- **Legal Purpose:** The work must be legal.
- **Competent Parties:** Both parties must be legally capable of entering into a contract (e.g., not minors).

Artifacts and Results of Conduct Procurements

- **THE BIG ONE: Agreements (The Signed Contract):** This is the formal, signed legal document that binds you and the seller. This is the main goal of this process.

- **Selected Sellers:** The official list of who you have chosen to work with.
- **Project Document Updates:** The risk register, lessons learned, and other documents are updated.

Rita's PMP® Exam Tip: The PMP exam will assume that all procurements are done from the **buyer's perspective**. You are always the one buying the service, not selling it.

Part 3: Control Procurements (Managing the Work)

The contract is signed. Your job is not over—it has just begun! Now you must manage the relationship and monitor the seller's performance.

- **Core Question:** "Are we getting what we paid for, and is everyone following the contract?"

Methods for Controlling Procurements

1. **Contract Change Control System:** This is the single most important tool. It's the formal system for how any changes to the contract are requested, reviewed, approved, and documented. **Verbal agreements are not enough!** Any change must go through this system.
2. **Performance Reviews:** You and the seller meet to review their progress against the contract. Are they on schedule? Is the quality acceptable? This is like a "report card" meeting.
3. **Inspections and Audits:** You physically inspect the work the seller is doing to verify it meets the specifications in the contract.
4. **Claims Administration:** A **claim** is a disagreement or dispute. This is the process for documenting, processing, and resolving these disputes.

Contract Interpretation and Managing Conflict

Disagreements will happen. It's your job to manage them professionally.

- **The Problem:** The seller interprets a clause in the contract one way, and you interpret it another way.
- **The Process:**
 1. First, try to resolve it through **negotiation** between you and the seller's project manager. Most issues are solved here.
 2. If that fails, use the dispute resolution process outlined in the contract, which may involve **mediation** (a neutral third party helps you find a solution) or **arbitration** (a neutral third party makes a binding decision).

3. The absolute last resort is **litigation** (going to court). This is a sign of failure in project management.

Artifacts of Control Procurements

- **Closed Procurements:** This is the formal, written notice from the buyer that the contract is complete. The seller has delivered everything, all payments have been made, and any disputes have been resolved. This is the goal!
- **Work Performance Information:** Data on how well the seller is performing.
- **Change Requests:** Approved changes that have gone through the change control system.
- **Lessons Learned Register Updates:** What did we learn about working with this seller? What would we do differently next time?

Your Turn (Scenario): You are managing a contracted seller. During a performance review, you realize their work is falling behind schedule and is not meeting the quality standards defined in the SOW. What is the *first* thing you should do?

Final Thought: Controlling procurements is about proactive management, not just passive observation. It requires clear communication, a firm understanding of the contract, and a commitment to ensuring both the buyer and the seller succeed together.