

ITT Technical Institute
PM342
Project Procurement and Contract
Management
Onsite Course

SYLLABUS

Credit hours: 4

Contact/Instructional hours: 40 (40 Theory Hours)

Prerequisite(s) and/or Corequisite(s):

Prerequisite: PM333 Project Communication and Documentation or equivalent.

Course Description:

This course examines project contracts and procurement processes and explores the stages of contracting and procurement in the project environment. The course will include skills and techniques designed to develop a procurement plan, contract statement of work, contract evaluation criteria, request for proposals, project management plans. The course also includes the processes of contract administration and closure.

Syllabus: Project Procurement and Contract Management

Instructor:	_____
Office hours:	_____
Class hours:	_____

Major Instructional Areas

1. Procurement management
 - a. Planning of purchases and acquisitions
 - b. Bidding processes
 - c. Procurement decision analysis
2. Plan contracting
 - a. Contract statement of work
 - b. Standard forms and templates
 - c. Evaluation criteria
 - d. Procurement management plan
3. Contract administration and change control
 - a. Contract management plan
 - b. Communication and relationships
 - c. Ethics
 - d. Change management
4. Contract closure
5. Logistics

Course Objectives

1. Analyze the relationship of the procurement management and other project management knowledge areas.
2. Analyze when and how to plan procurement for a project on the basis of the process outlined in *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.
3. Analyze the procurement documents for completeness and accuracy.
4. Implement the process for requesting seller responses and selecting sellers as described in *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.
5. Implement the process for contract administration and closure as described in *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.
6. Analyze the logistics of procurement.
7. Analyze the ethical considerations associated with procurement management in a project.

SCANS Objectives

SCANS is an acronym for Secretary's Commission on Achieving Necessary Skills. The committee, created by the National Secretary of Labor in the early 1990s, created a list of skills and competencies that the committee feels are necessary for employees to function in a high-tech job market.

1. Identify relevant details, facts, and specifications.
2. Analyze information and derive conclusions.
3. Propose options or solutions based on research.
4. Synthesize information and create detailed supporting documents.
5. Evaluate documents and proposals.

6. Validate content in a document or a proposal.
7. Communicate appropriate verbal and nonverbal messages.

Course Outline

Note: All graded activities, except the Course Project and Mid Term Exam, are listed below in the pattern of <Unit Number>. <Assignment Number>. For example, Analyses 1.1 refers to the 1st Analysis assignment in Unit 1.

Unit	Activities
1—Procurement Management and Other Project Management Areas	<ul style="list-style-type: none"> • Content Covered: <ul style="list-style-type: none"> <i>The Procurement and Supply Manager's Desk Reference:</i> <ul style="list-style-type: none"> ○ Chapter 1, "Procurement and Best Business Practices" <ul style="list-style-type: none"> ▪ Section 1.1, "Understanding Procurement" ▪ Section 1.2, "Understanding and Conveying Requirements" ▪ Section 1.3, "Creating Strategic Plans and Tactics" ▪ Section 1.4, "Finding Innovative Methods and Exploring Alternatives" ▪ Section 1.6, "Accepting Orders" ▪ Section 1.7, "Placing Orders" ▪ Section 1.8, "Mastering Procurement and Business Tactics" ▪ Section 1.9, "Budgets and Expense Allocation" ▪ Section 1.10, "Internal Control Systems" ○ Chapter 10, "Procurement's Internal Relationships," Section 10.1, "Understanding Key Departmental Roles" • Analyses: 1.1
2—Purchases and Acquisitions Planning	<ul style="list-style-type: none"> • Read from <i>The Procurement and Supply Manager's Desk Reference:</i> <ul style="list-style-type: none"> ○ Chapter 12, "Financial Decisions for Sourcing" <ul style="list-style-type: none"> ▪ Section 12.1, "Performing Make-or-Buy Analysis" ▪ Section 12.2, "Performing Lease-or-Buy Analysis" ○ Chapter 17, "The Procurement Organization" <ul style="list-style-type: none"> ▪ Section 17.1, "Planning Procurement Strategies and Objectives" ▪ Section 17.2, "Developing Departmental Goals and Objectives" • Read from <i>A Guide to the Project Management Body of Knowledge (PMBOK® Guide)</i>, 4th ed.: <ul style="list-style-type: none"> ○ Chapter 12, "Project Procurement Management," Section 12.1, "Plan Procurements" • Quizzes: 2.1 • Writing Assignments: 2.1 • Analyses: 2.1
3—Contracting	<ul style="list-style-type: none"> • Read from <i>The Procurement and Supply Manager's Desk Reference:</i>

Unit	Activities
	<ul style="list-style-type: none"> ○ Chapter 2, "Sourcing Management," Section 2.3 (b), "Statement of Work" ○ Chapter 17, "The Procurement Organization," Section 17.9, "Working with Operational Forms" ● Quizzes: 3.1 ● Writing Assignments: 3.1
4—Seller Response Solicitation	<ul style="list-style-type: none"> ● Read from <i>The Procurement and Supply Manager's Desk Reference</i>: <ul style="list-style-type: none"> ○ Chapter 1, "Procurement and Best Business Practices," Section 1.13, "Keeping Supplier Information" ○ Chapter 2, "Sourcing Management" ○ Chapter 15, "Providing Value to the Organization," Section 15.1, "Standardizing Purchased Materials" ● Read from <i>A Guide to the Project Management Body of Knowledge (PMBOK® Guide)</i>, 4th ed.: <ul style="list-style-type: none"> ○ Chapter 12, "Project Procurement Management," Section 12.2, "Conduct Procurements" ● Quizzes: 4.1 ● Writing Assignments: 4.1 ● Analyses: 4.1 ● Course Project Part 1
5—Seller Selection	<ul style="list-style-type: none"> ● Read from <i>The Procurement and Supply Manager's Desk Reference</i>: <ul style="list-style-type: none"> ○ Chapter 3, "Selecting Suppliers and Measuring Performance" ○ Chapter 7, "Negotiations" ● Quizzes: 5.1 ● Writing Assignments: 5.1 ● Analyses: 5.1
6—Seller Relationship Management	<ul style="list-style-type: none"> ● Read from <i>The Procurement and Supply Manager's Desk Reference</i>: <ul style="list-style-type: none"> ○ Chapter 11, "Supplier Relationship Management" ● Mid Term Exam ● Analyses: 6.1 ● Course Project Part 2
7—Contract Administration	<ul style="list-style-type: none"> ● Read from <i>The Procurement and Supply Manager's Desk Reference</i>: <ul style="list-style-type: none"> ○ Chapter 4, "Contract Administration" ○ Chapter 5, "Administering Contracts for Optimum Supplier Performance" ● Read from <i>A Guide to the Project Management Body of Knowledge (PMBOK® Guide)</i>, 4th ed.: <ul style="list-style-type: none"> ○ Chapter 12, "Project Procurement Management," Section 12.3, "Administer Procurements" ● Quizzes: 7.1 ● Writing Assignments: 7.1 ● Analyses: 7.1
8—Contract	<ul style="list-style-type: none"> ● Read from <i>The Procurement and Supply Manager's Desk</i>

Unit	Activities
Closure	<p><i>Reference:</i></p> <ul style="list-style-type: none"> ○ Chapter 6, "Project Management," section 6.7 (v), "Contract Closure," p.144 • Read from <i>A Guide to the Project Management Body of Knowledge (PMBOK® Guide)</i>, 4th ed.: <ul style="list-style-type: none"> ○ Chapter 12, "Project Procurement Management," Section 12.4, "Close Procurement" • Quizzes: 8.1 • Writing Assignments: 8.1 • Course Project Part 3
9—The Procurement Logistics	<ul style="list-style-type: none"> • Read from <i>The Procurement and Supply Manager's Desk</i> <i>Reference:</i> <ul style="list-style-type: none"> ○ Chapter 14, "Logistics" <ul style="list-style-type: none"> ▪ Section 14.1, "The Logistics Process" ▪ Section 14.2, "Modes of Transportation" ▪ Section 14.3, "Traffic Management" ▪ Section 14.4, "Customs" ▪ Section 14.5, "Logistics in the Context of International Trade" ▪ Section 14.6, "Government Organizations and Roles, Regulations, and Controls" • Quizzes: 9.1 • Writing Assignments: 9.1
10—Ethical Considerations	<ul style="list-style-type: none"> • Read from <i>The Procurement and Supply Manager's Desk</i> <i>Reference:</i> <ul style="list-style-type: none"> ○ Chapter 2, "Sourcing Management" <ul style="list-style-type: none"> ▪ Section 2.10 (d), "Enable Fair and Ethical Bidding Processes," p. 43 ▪ Section 2.10 (e), "Hold an Open Prebid Conference" ○ Chapter 4, "Contract Administration," Section 4.3 (b), "Ethical Principles," p. 96 • Quizzes: 10.1 • Writing Assignments: 10.1 • Analyses: 10.1 • Course Project Part 4
11—Course Review and Project Presentation	<ul style="list-style-type: none"> • Course Project Part 5

Instructional Methods

This course explores the need and nuances of project procurement and contracting. It aims to enable you as a project manager to successfully carry out procurement management responsibilities whenever there is a need for the same in your projects.

The course uses the following teaching and assessment strategies:

Teaching Strategies

The textbook for the course, *The Procurement and Supply Manager's Desk Reference*, covers the procurement and contract management concepts from the perspective of a procurement manager. It is important for project managers to understand this perspective because they may often have to play the role of a procurement manager for their own project. To add the project management perspective, however, the course is designed to follow the structure of the chapter "Project Procurement Management" in *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*.

Assessment Strategies

All assignments required in this course are specifically designed to stress the contribution of procurement to a project's success. You will practice creating various project procurement and contract administration documents and use these. You will also reinforce your communication skills through the use of scenarios and a presentation. Your work will be evaluated both in terms of the quality of the communication and the content.

The writing assignments will be assigned as homework and help you build on the ideas and concepts covered in classroom sessions. These assignments will provide you enough opportunities to create and analyze important plans, documents, and reports that a project manager often needs to create. The complexity of the assignments should challenge you to produce well thought-out documents that indicate that you have given sufficient time and attention to the subject.

Discussion assignments are based primarily on the procurement and logistics aspects of project management. These discussion questions will give the class an opportunity to explore topics in more depth, think independently, and build on the comments of others. However, there are only a few discussion questions and these are ungraded. This enables your instructor to discuss only those questions that he or she deems appropriate, and useful class time is saved for learning and clarifying concepts.

To prepare you for the decision making involved in the day-to-day life of a project manager, this course includes some use cases or case studies-based assignments. Most of these assignments need you to analyze the given situation and make a decision based on important parameters.

The course project is a series of assignments in which each assignment builds upon previous work. The aim of the course project is to give the students an understanding of the procurement issues that arise in real world projects. The end result will be a procurement management plan and a presentation that might be given to a project sponsor. Project assignments are assigned in Units 2, 4, 6, 8, and 10 with their submissions due in Units 4, 6, 8, 10, and 11, respectively. The project presentation is due in Unit 11.

Instructional Materials and References

Student Textbook Package

Sollish, Fred B., and John Semanik. *The Procurement and Supply Manager's Desk Reference*. Hoboken, New Jersey: John Wiley & Sons, 2007.

Other Required Resources

In addition to the student textbook package, the following is also required in this course:

Project Management Institute, Inc. *A Guide to the Project Management Body of Knowledge (PMBOK® Guide)*. 4th ed. Newtown Square, PA: PMI Publications, 2008.

References

ITT Tech Virtual Library

Log on to the ITT Tech Virtual Library at <http://library.itt-tech.edu> to access online books, journals, and other reference resources selected to support ITT Tech curricula.

Books

You may click “Books” or use the “Search” function on the home page to find the following books.

Books24x7

- An, Chae, and Hansjörg Fromm, eds. *Supply Chain Management on Demand: Strategies, Technologies, Applications*. New York: Springer, 2005.
- Assaf, Michael, Cynthia Bonincontro, and Stephen Johnsen. *Global Sourcing & Purchasing Post 9/11: New Logistics Compliance Requirements and Best Practices*. Fort Lauderdale, Florida: J. Ross Publishing, Inc., 2006.
- Hines, Tony. *Supply Chain Strategies: Customer Driven and Customer Focused*. Burlington, MA: Butterworth-Heinemann, 2004.
- Kendrick, Tom. *The Project Management Tool Kit: 100 Tips and Techniques for Getting the Job Done Right*. New York: AMACOM, 2004.
- Kerzner, Harold. *Project Management: A Systems Approach to Planning, Scheduling, and Controlling*. 8th ed. Hoboken, NJ: John Wiley & Sons, Inc., 2003.
- Kezsbom, Deborah S., and Katherine A. Edward. *The New Dynamic Project Management: Winning Through the Competitive Advantage*. 2nd ed. Hoboken, NJ: John Wiley & Sons, Inc., 2001.
- Morris, Peter W. G., and Jeffrey K. Pinto, eds. *The Wiley Guide to Project Technology, Supply Chain & Procurement Management*. Hoboken, NJ: John Wiley & Sons, Inc., 2007.
- Poirier, Charles C., and Michael J. Bauer. *E-Supply Chain: Using The Internet To Revolutionize Your Business*. San Francisco, CA: Berrett-Koehler Publishers, 2001.
- Rushton, Alan, Phil Croucher, and Peter Baker. *A Handbook of Logistics and Distribution Management*. 3rd ed. Pentonville Road, London: Kogan Page, 2006.
- Smock, Douglas A., Robert A. Rudzki, and Stephen C. Rogers. *On-Demand Supply Management: World Class Strategies, Practices and Technology*. Fort Lauderdale, FL: J. Ross Publishing, Inc., 2007.
- Wincel, Jeffrey P. *Lean Supply Chain Management: A Handbook for Strategic Procurement*. New York: Productivity Press, 2004.

Ebrary

- Simchi-Levi, David, Philip Kaminsky, and Edith Simchi-Levi. *Managing the Supply Chain*. New York: McGraw-Hill Professional, 2003.
- Frazelle, Edward H. *Supply Chain Strategy*. New York: McGraw-Hill Education Group, 2001.
- Paquette, Larry. *Sourcing Solution: A Step-by-Step Guide to Creating a Successful Purchasing Program*. New York: AMACOM, 2004.
- Rudzki, Robert A. *Straight to the Bottom Line: An Executive's Roadmap to World Class Supply Management*. Fort Lauderdale, Florida: J. Ross Publishing, Inc., 2005.

NetLibrary

- Anklesaria, Jimmy. *Supply Chain Cost Management: The AIM & DRIVE Process for Achieving Extraordinary Results*. New York: AMACOM, 2008.
- Bolstorff, Peter, and Robert Rosenbaum. *Supply Chain Excellence: A Handbook for Dramatic Improvement Using the SCOR Model*. 2nd ed. New York: AMACOM, 2007.

School Of Study

You may click “School Of Study” or use the “Search” function on the home page to find the following resources.

School of Information Technology> Professional Organizations

- Project Management Institute

Other References

The following resources may be found **outside** of the ITT Tech Virtual Library, whether online or in hard copy.

Book

- Fleming, Quentin W. *Project Procurement Management: Contracting, Subcontracting, Teaming*. Vienna, VA: FMC Press, 2003.

Web site

- Max’s Project Management Wisdom

<http://www.maxwideman.com/> (accessed June 2, 2009).

This Web site contains material related to project management in general.

All links to Web references outside of the ITT Tech Virtual Library are always subject to change without prior notice.

Course Evaluation and Grading

Evaluation Criteria Table

The final grades will be based on the following categories:

CATEGORY	WEIGHT
Quizzes	15%
Writing Assignments	20%
Mid Term Exam	10%
Analyses	25%
Course Project	30%
Total	100%

Note: Students are responsible for abiding by the Plagiarism Policy.

Grade Conversion Table

The final grades will be calculated from the percentages earned in the course, as follows:

A	90–100%	4.0
B+	85–89%	3.5
B	80–84%	3.0
C+	75–79%	2.5
C	70–74%	2.0
D+	65–69%	1.5
D	60–64%	1.0

F	<60%	0.0
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