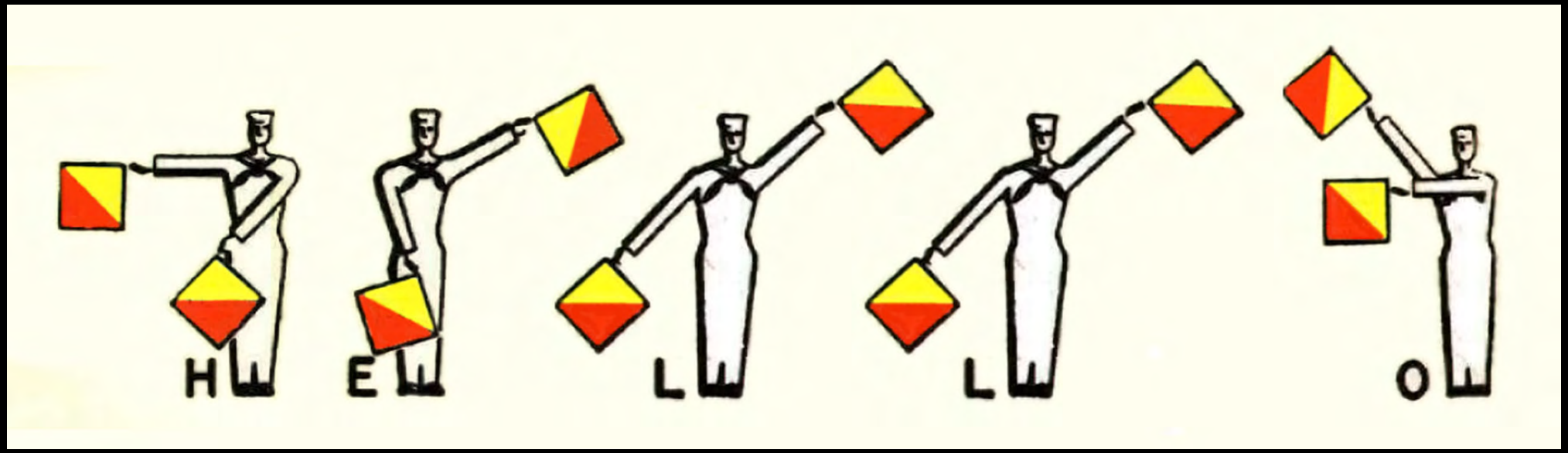

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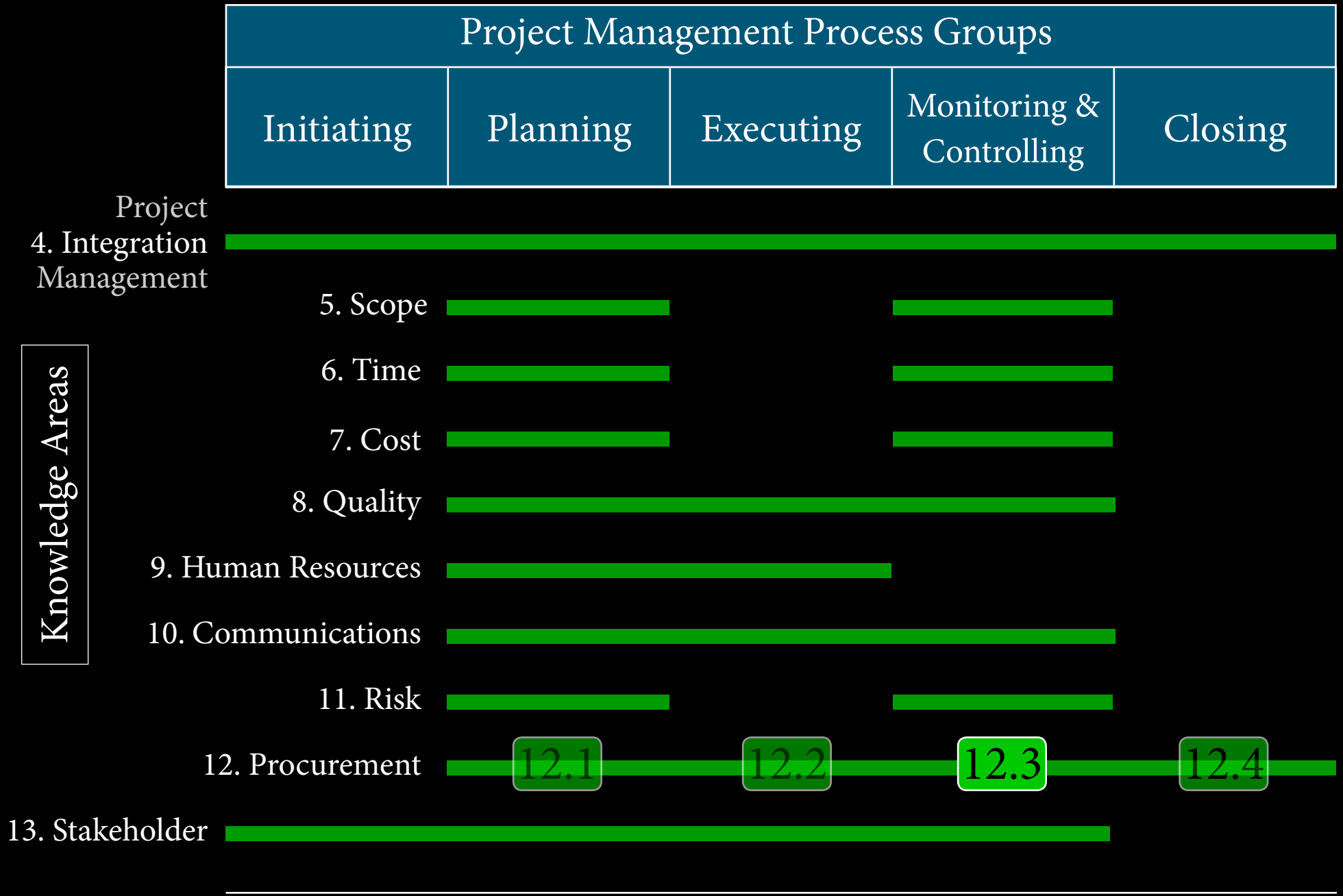

12.3 Control Procurements

12.3 Control Procurements

Initiating Process Group

Planning Process Group

12.1 Plan Procurement Management: define the processes

Executing Process Group

12.2 Conduct Procurements: quotes & contracts

Monitoring & Controlling Process Group

12.3 Control Procurements: relationships & performance

Closing Process Group

12.4 Close Procurements: completing the procurement

Outputs

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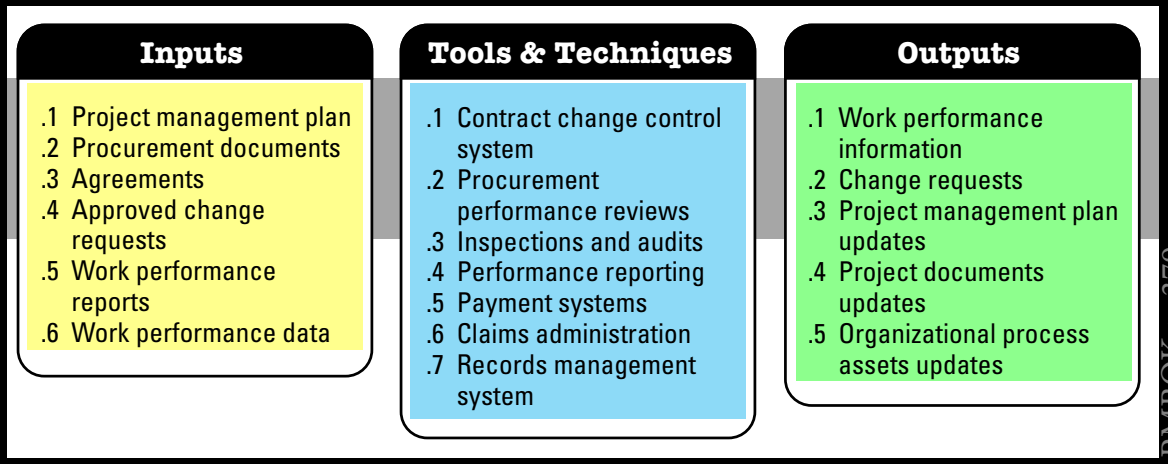
12.3 Control Procurements



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What & Why?

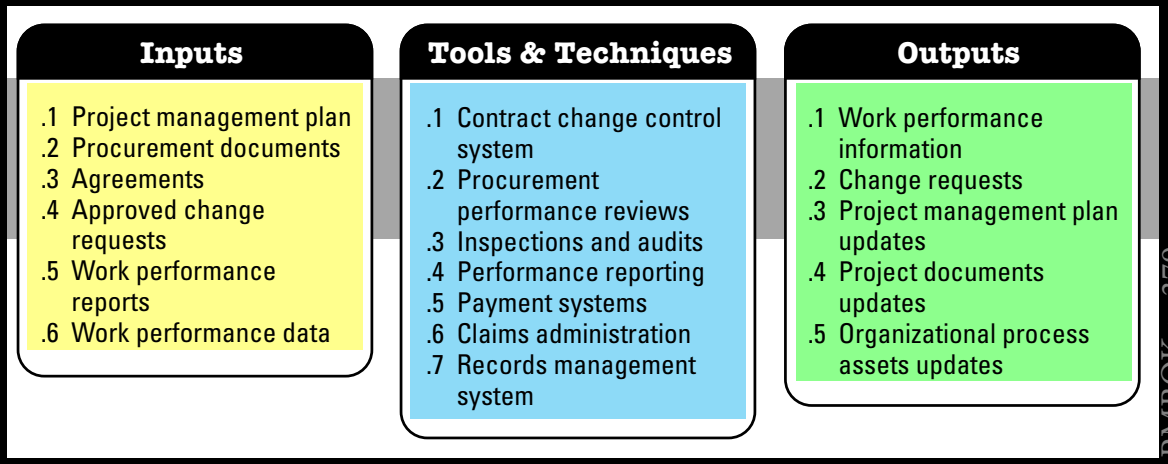
To manage procurement relationships

To make sure the performance meets requirements

Document seller performance and make changes or corrections as required

Be aware of the legal implications of action taken when controlling procurement

12.3 Control Procurements



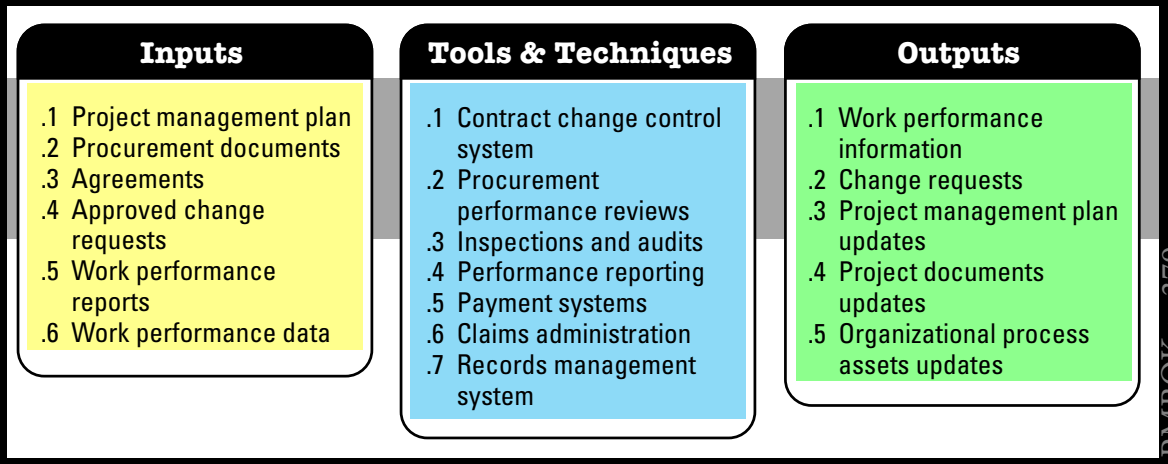
What & Why?

For financial management purposes:

To monitor & approve payments to the seller
- compensation is linked to progress (payment terms)

Contract administration may be separate from the PMO

12.3 Control Procurements



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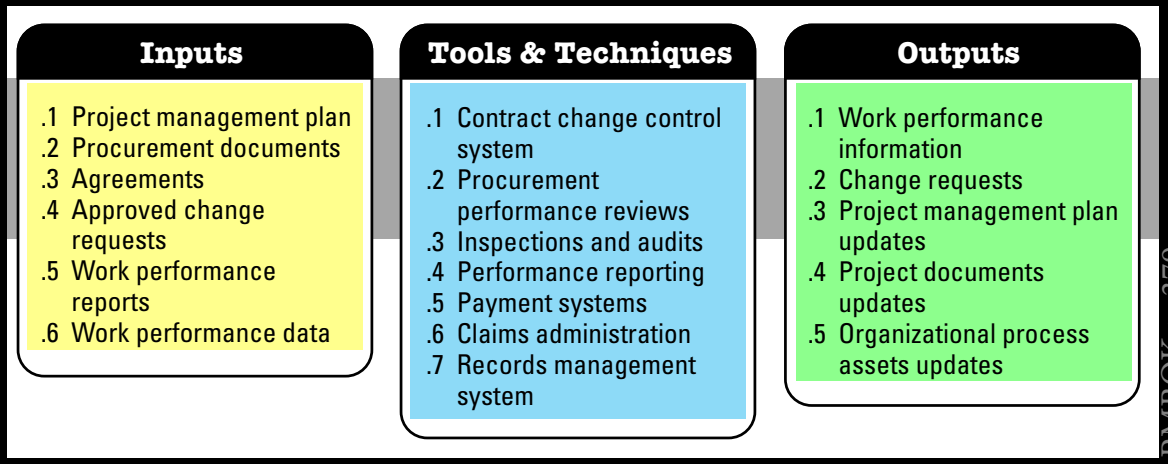
What & Why?

To document details for managing any early terminations of the contracted work (for cause, convenience or default)

Agreements can be amended at any time prior to contract closure by mutual consent as per the terms of the contract

A seller's performance may be used as a measure of competency for future work

12.3 Control Procurements



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What & Why?

Processes that may be applied:

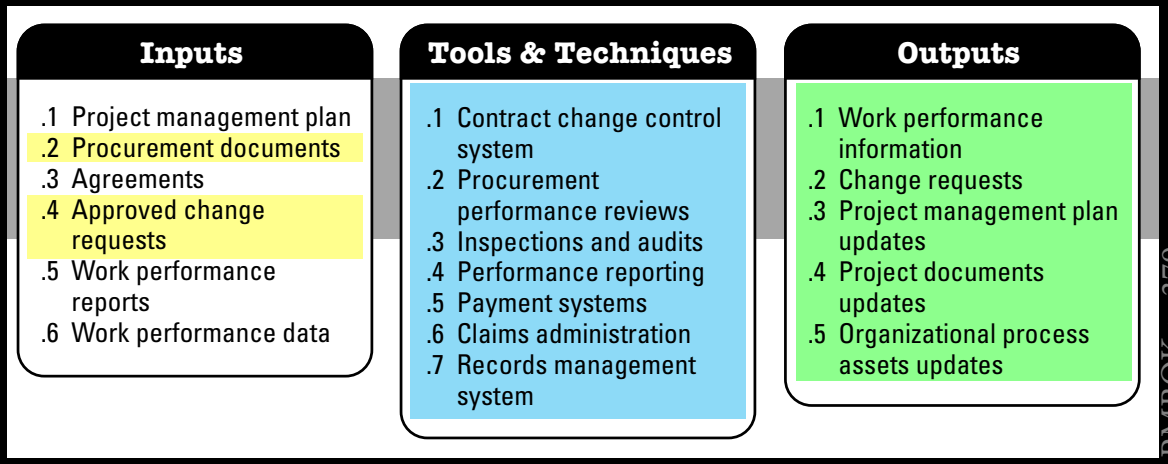
Direct and Manage Project Work

Control Quality - to inspect and verify the product

Perform Integrated Change Control - assure that changes are properly approved and communicated

Control Risks - mitigate

12.3 Control Procurements



Procurement Documents:

Including the contract, statement of work and any supporting materials

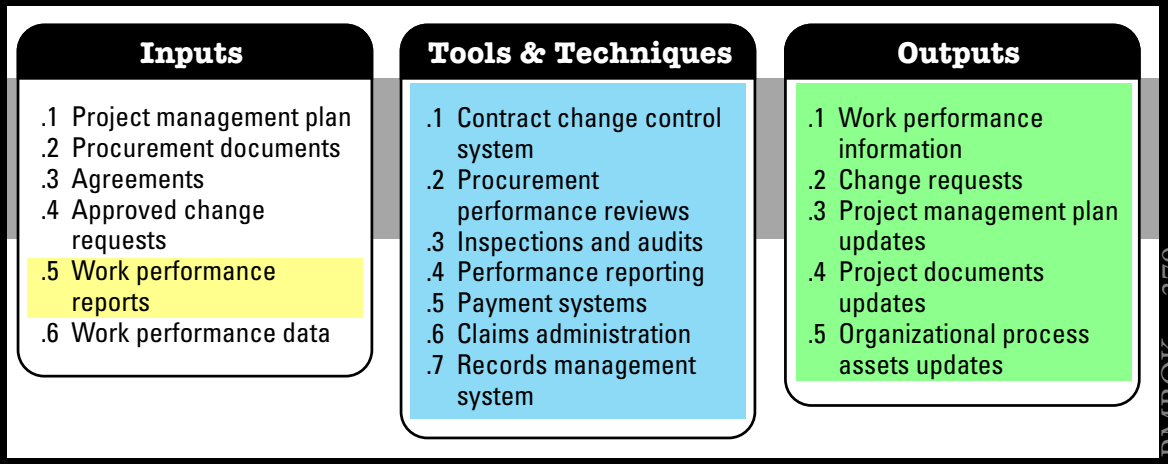
Approved Change Requests, for:

The terms and conditions of the contract

The statement of work

Pricing and descriptions of the product, services or results

12.3 Control Procurements



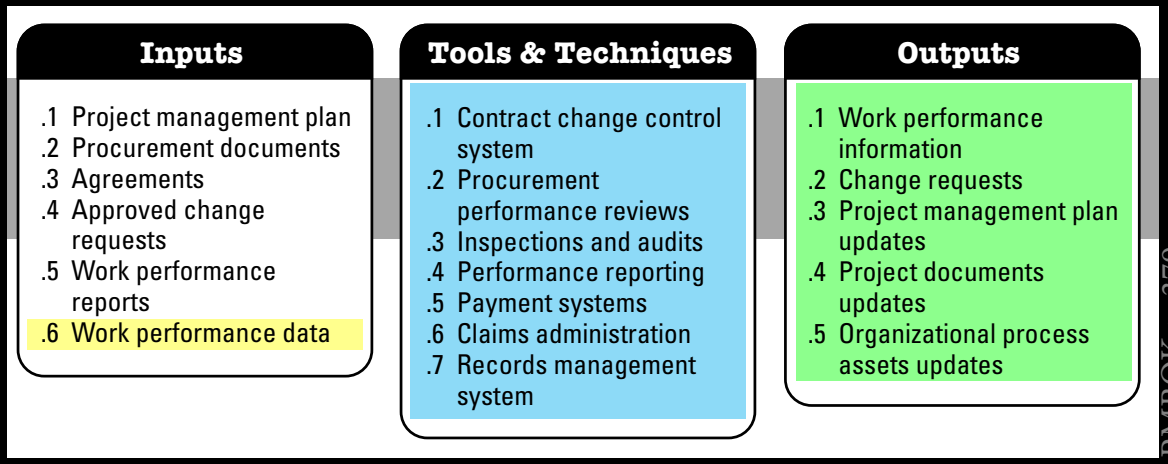
Work Performance Reports, such as:

Seller performance information

Technical documentation and other information required within the terms of the contract

Work performance information indicating which deliverables have been completed and which have not

12.3 Control Procurements

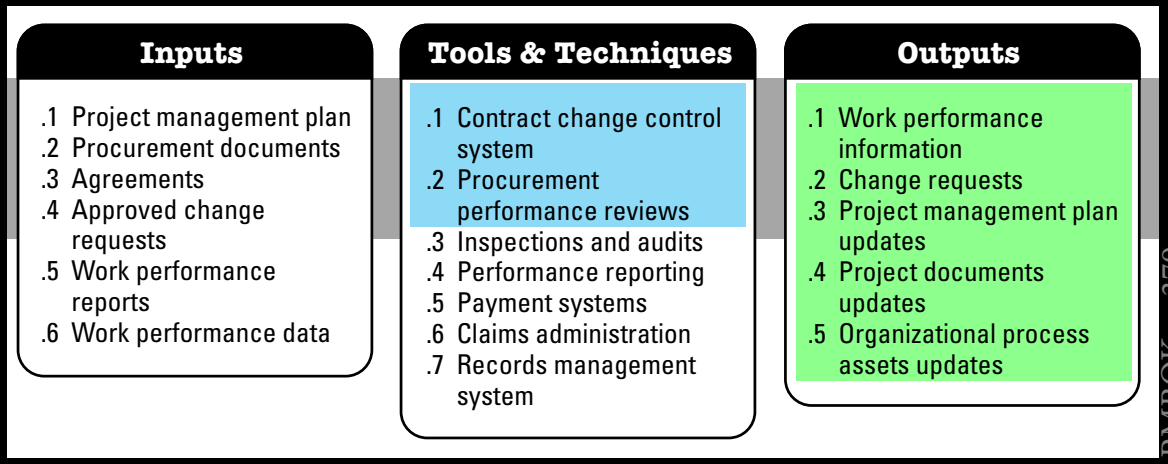


Work Performance Data, collected as part of project execution and used to determine:

The extent to which quality standards are being satisfied

The costs that have been incurred or committed

12.3 Control Procurements



Contract Change Control System, how can the procurement be modified?

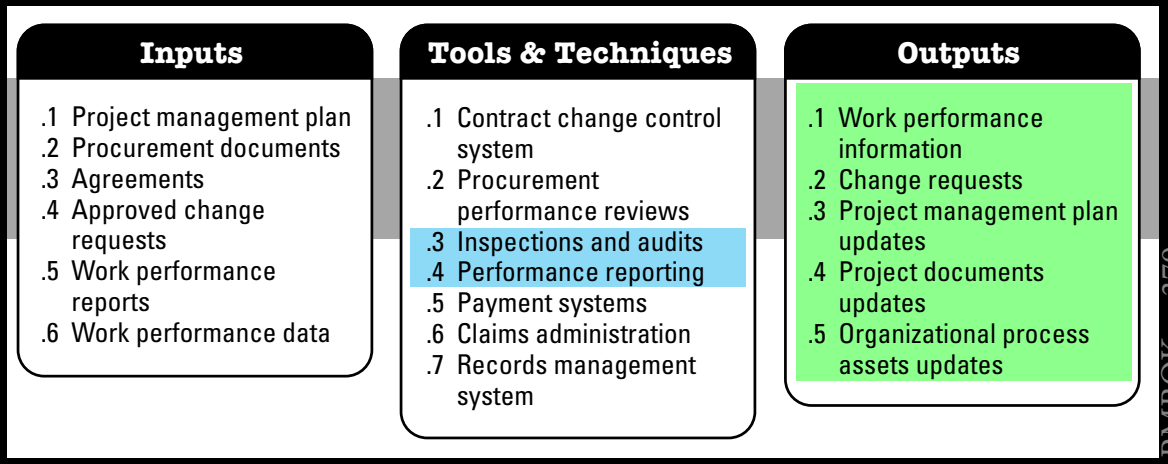
The paperwork, tracking systems, dispute resolution procedures, and approval levels necessary to authorize change

Procurement Performance Reviews:

A review of the seller's scope, quality, cost and schedule progress

To identify: performance success or failures, overall progress and contract compliance

12.3 Control Procurements



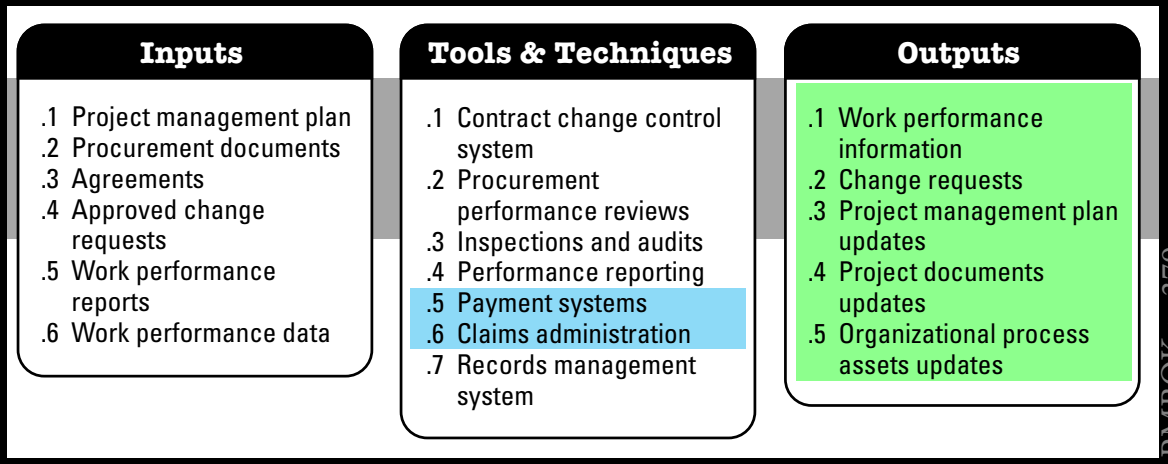
Inspections and Audits:

As specified in a contract and conducted during execution to verify compliance in the seller's work processes or deliverables

Performance Reporting:

Informatoin supplied by the seller to indicate of how effectively they are achieving the objectives of the contract

12.3 Control Procurements



Payment Systems or processes:

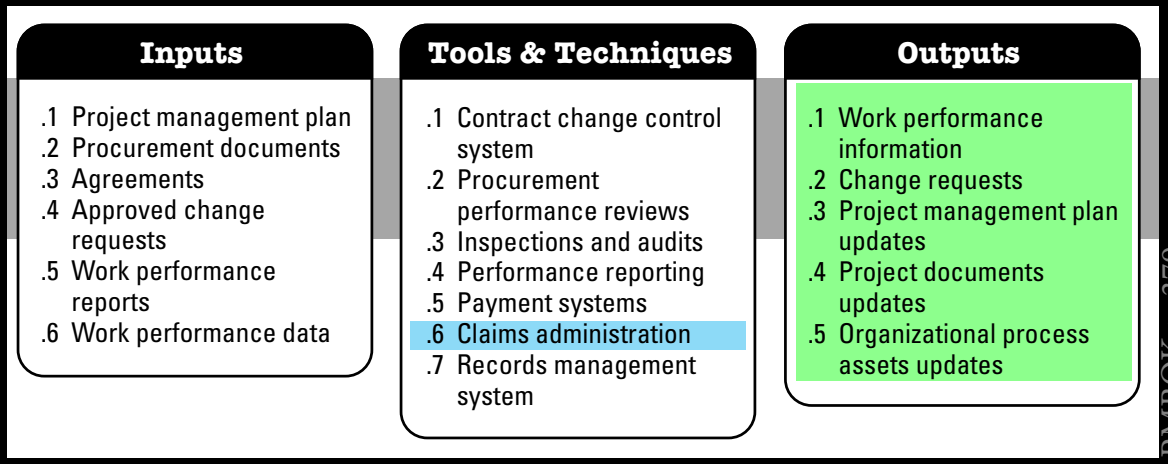
Payments are typically processed by the accounts payable department after the approval of work

Claims Administration for disputes or appeals:

Contested changes are those where the buyer and seller cannot reach an agreement on compensation for a change or even if a change has occurred within the terms of the contract

All change must be documented, processed, monitored and managed throughout the contract

12.3 Control Procurements



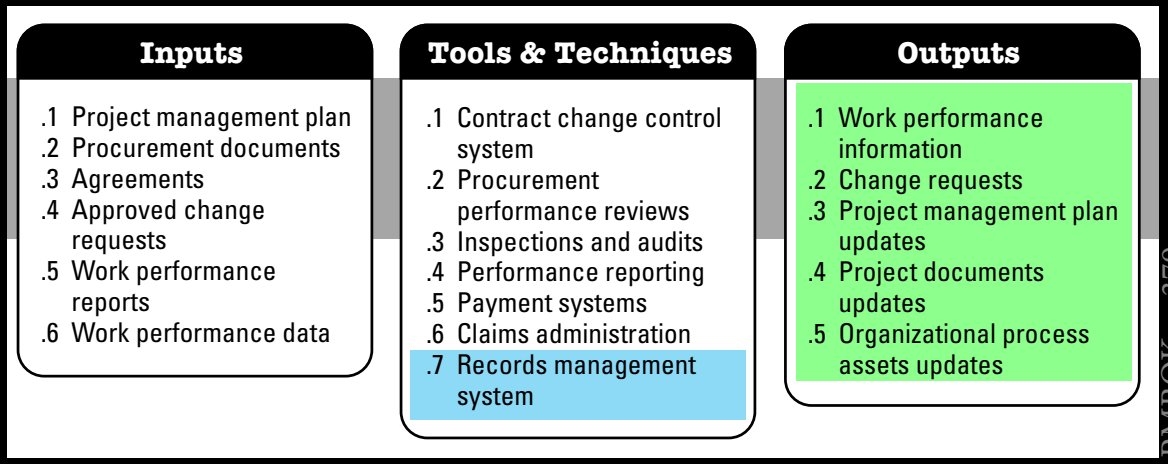
Claims Administration (2), for disputes or appeals:

Negotiation is the preferred way to settle all claims and disputes

If the parties cannot resolve a claim it may need to be settled with alternative dispute resolution (ADR)

Documentation is vital

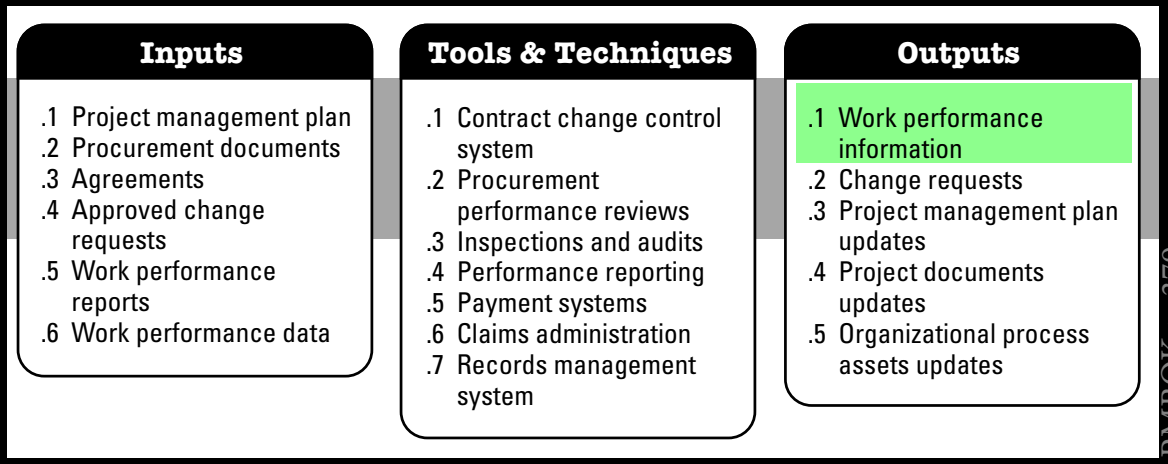
12.3 Control Procurements



Records Management System:

The system of record keeping used to manage contract and procurement documentation

12.3 Control Procurements

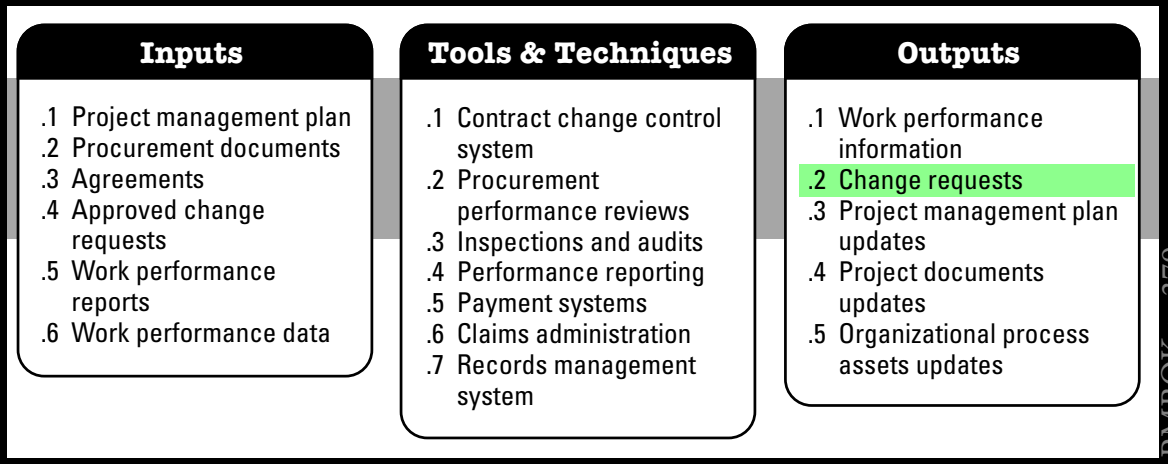


Work Performance Information:

Used to identify current or potential problems (and support later claims or new procurements)

Used to improve forecasting, risk management and overall decision making

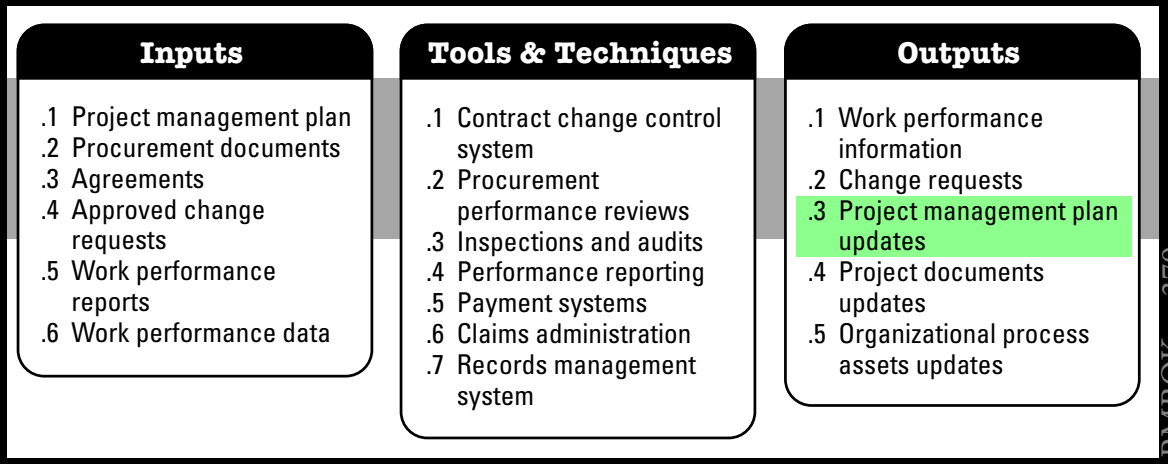
12.3 Control Procurements



Change Requests:

Changes which may be disputed and lead to a claim need to be identified and documented

12.3 Control Procurements



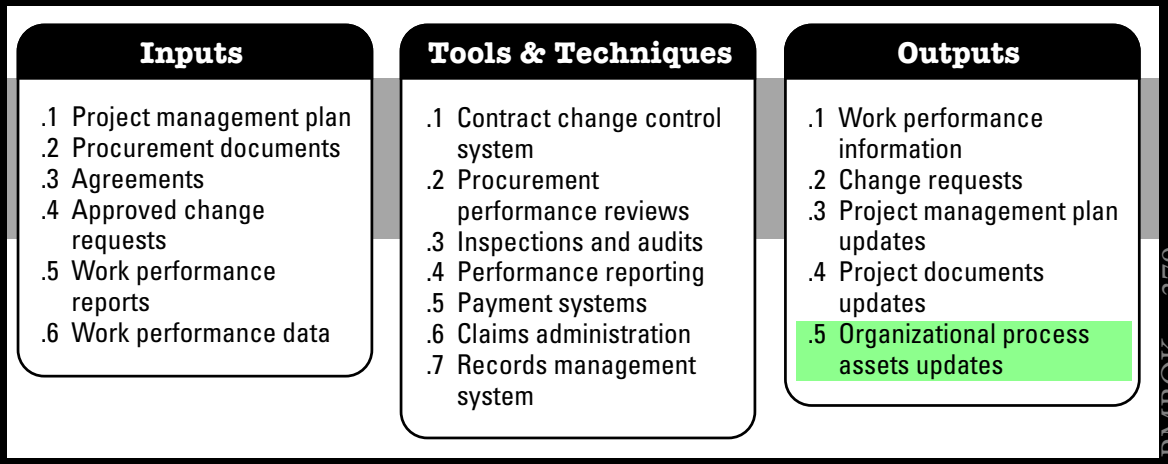
Project Management Plan Updates:

Procurement management plan - to reflect approved change requests

Schedule baseline - if there are slippages that impact project performance

Cost baseline - if there are changes that impact the overall project costs

12.3 Control Procurements



Organizational Process Assets Updates:

Note or update correspondence processes for when:

- warnings of unsatisfactory performance are needed
- requests for contract changes or clarification are required

Seller evaluation - document the seller's performance to inform a qualified sellers list

12.3 Control Procurements

Initiating Process Group

Planning Process Group

12.1 Plan Procurement Management: define the processes

Outputs

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Executing Process Group

12.2 Conduct Procurements: quotes & contracts

Outputs

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- .3 Resource calendars
- .4 Change requests
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- .6 Project documents updates

Monitoring & Controlling Process Group

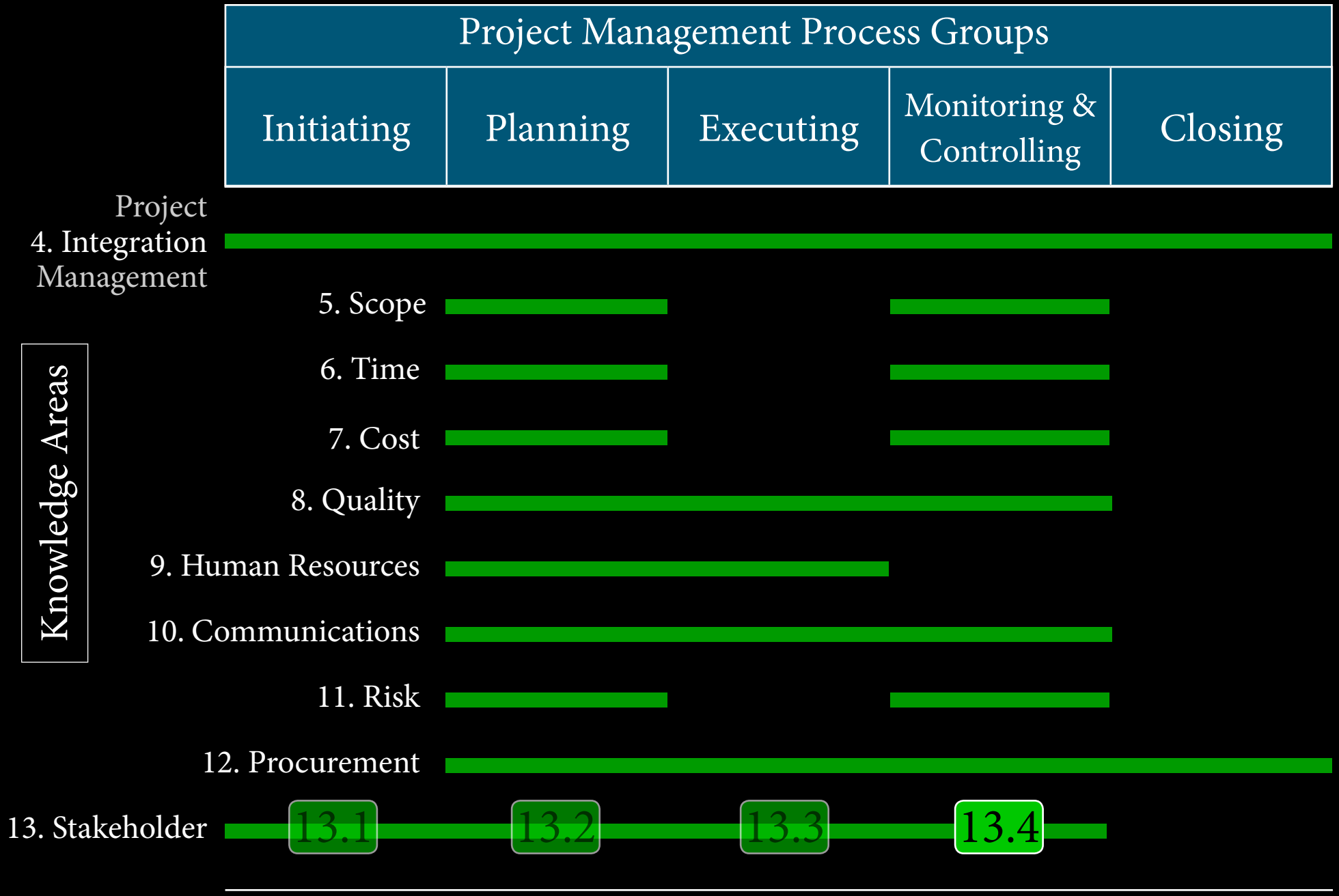
12.3 Control Procurements: relationships & performance

Outputs

- .1 Work performance information
- .2 Change requests
- .3 Project management plan updates
- .4 Project documents updates
- .5 Organizational process assets updates

Closing Process Group

12.4 Close Procurements: completing the procurement



13.4 Stakeholder Engagement

Project Stakeholder Management

Initiating Process Group

13.1 Identify Stakeholders: get 'em in a register!

Outputs

.1 Stakeholder register

Planning Process Group

13.2 Plan Stakeholder Management: strategies to engage

Outputs

.1 Stakeholder management plan
.2 Project documents updates

Executing Process Group

13.3 Manage Stakeholder Engagement: needs & expectations

Outputs

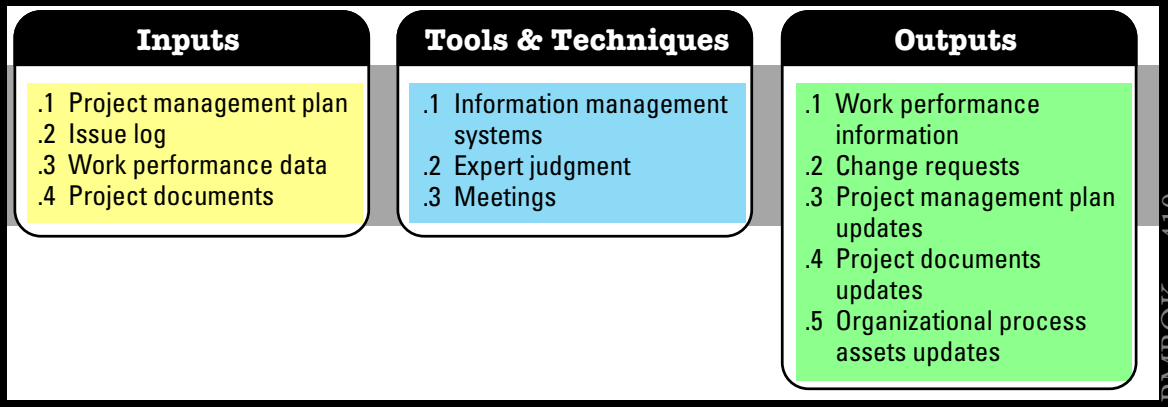
.1 Issue log
.2 Change requests
.3 Project management plan updates
.4 Project documents updates
.5 Organizational process assets updates

Monitoring & Controlling Process Group

13.4 Control Stakeholder Engagement: monitoring relationships

Closing Process Group

13.4 Control Stakeholder Engagement



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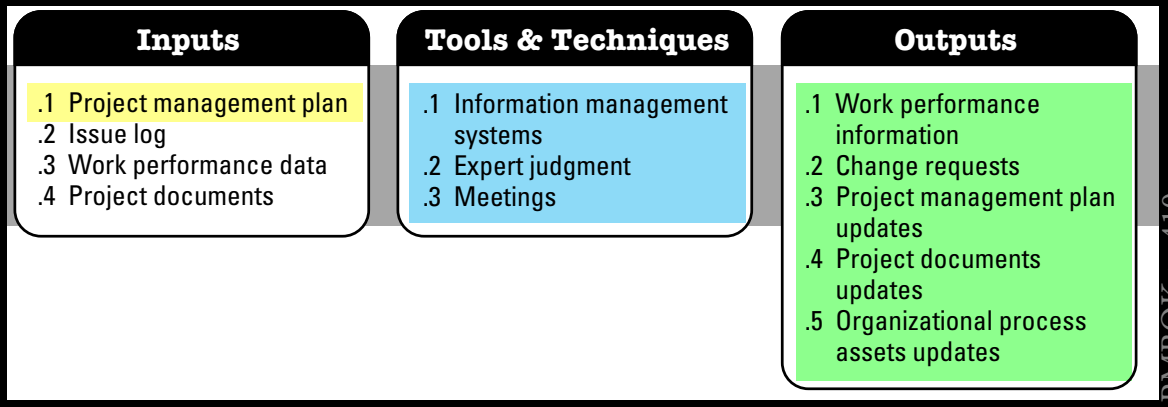
What & Why?

To monitor stakeholder relationships

To adjust strategies and plans for engaging stakeholders

To maintain or increase the efficiency and effectiveness of stakeholder engagement

13.4 Control Stakeholder Engagement



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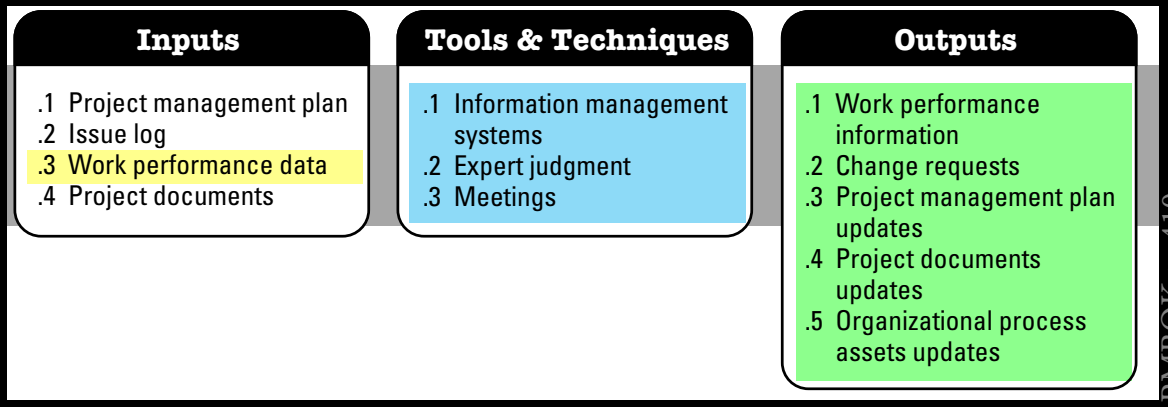
Project Management Plan, defines many things including:

- The processes applied to each phase of a project
- How human resources requirements will be met
- How staff management will be addressed and structured
- How change will be monitored and controlled
- The needs for stakeholder communication

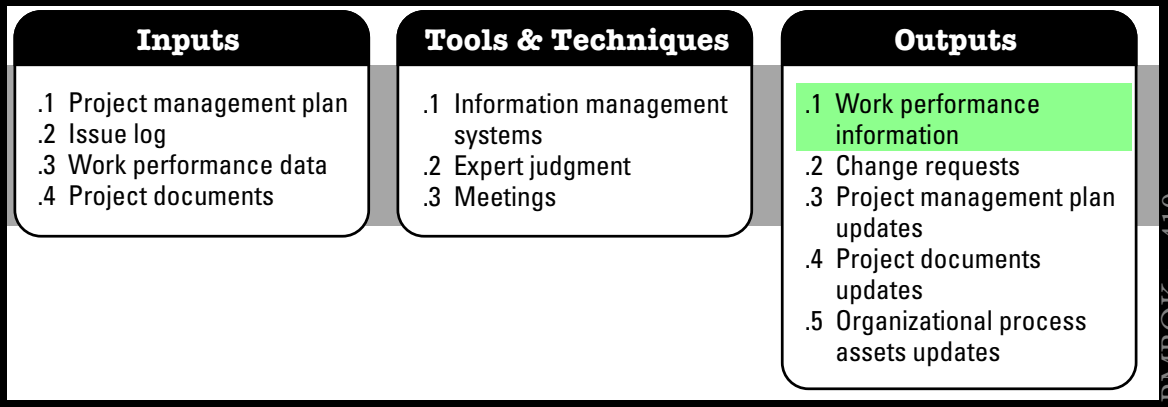
13.4 Control Stakeholder Engagement



Work Performance Data, as defined by PMI: "the primary observations and measurements identified during activities being performed to carry out the project work" such as:

- Percentage of work completed
- Technical performance measures
- Start and finish dates of schedule activities
- Number of change requests
- Number of defects
- Actual costs & durations

13.4 Control Stakeholder Engagement



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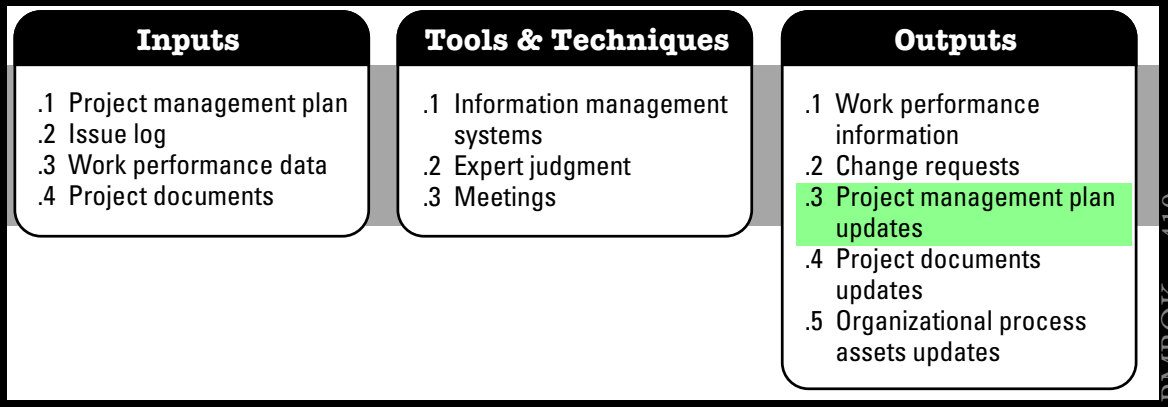
Work Performance Information:

The analyzed and integrated data collected from various controlling processes

Remember: work performance data is transformed into work performance information

13.4 Control Stakeholder Engagement



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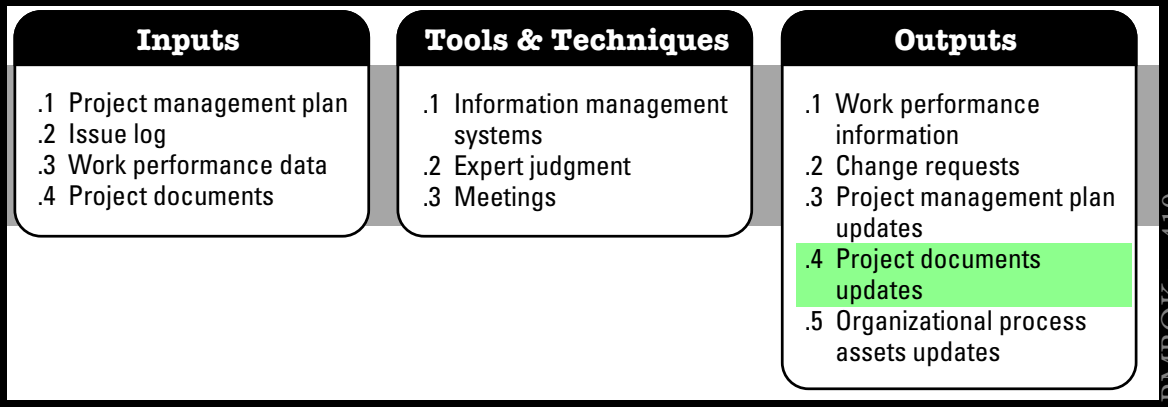
Project Management Plan Updates, changes to:

- Change management plan
- Communications management plan
- Cost management plan
- Human resource management plan
- Procurement management plan
- Quality management plan
- Requirements management plan
- Risk management plan
- Schedule management plan
- Scope management plan
- Stakeholder management plan

13.4 Control Stakeholder Engagement



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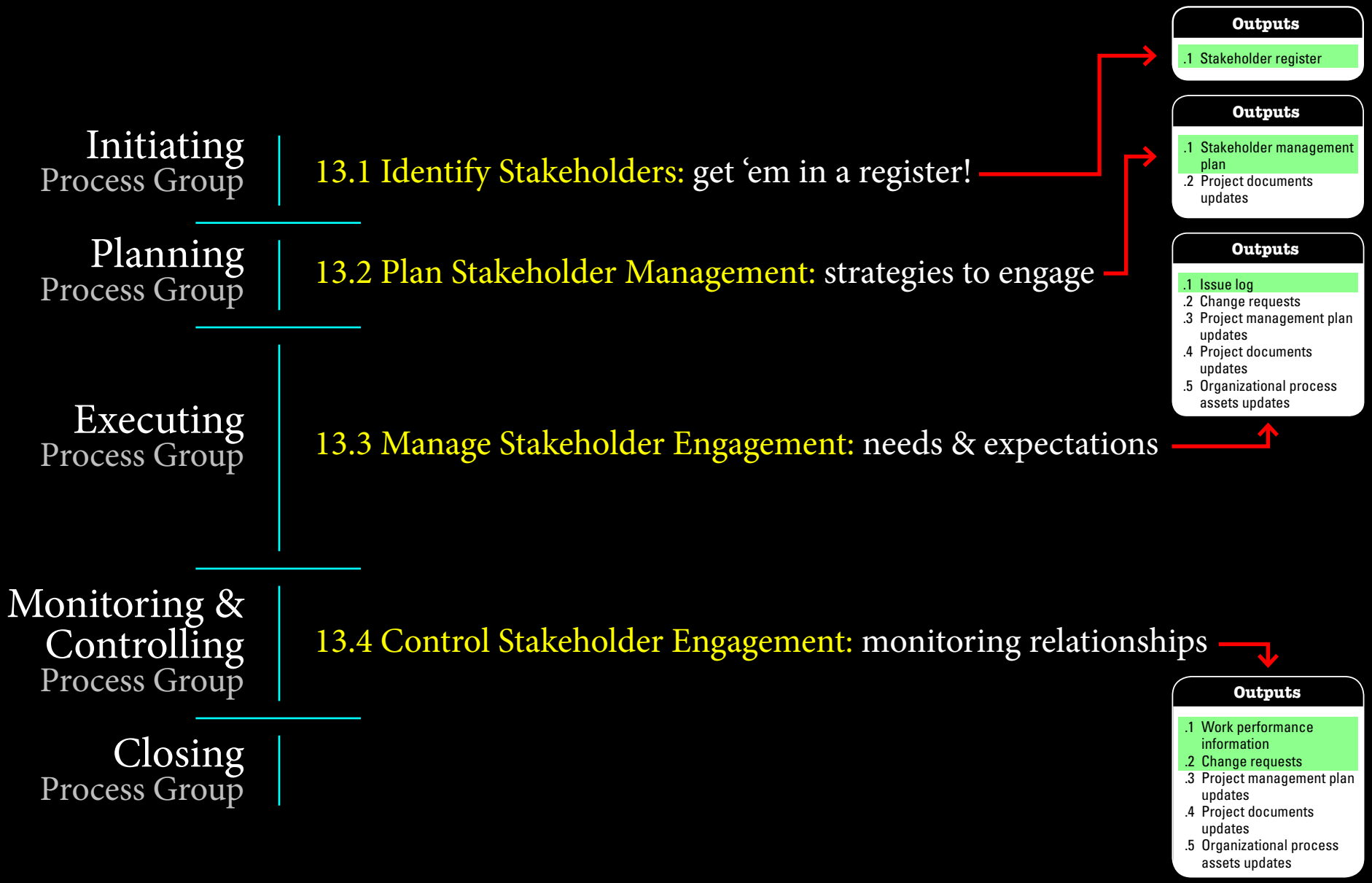
Project Documents Updates:

Focusing on the stakeholder register and issue log

Project Stakeholder Management



Q&A

Question

3. Assuming that the ends of a range of estimates are +/- 3 sigma from the mean, which of the following range estimates involves the LEAST risk?

   A. 30 days, plus or minus 5 days
   B. 22 to 30 days
   C. Optimistic = 26 days, most likely = 30 days, pessimistic = 33 days
   D. Mean of 28 days

Answer

3. **Answer** C
Explanation This one drove you crazy, didn't it? Reread the question! A mean of 28 days is not a range estimate, and so must be eliminated as a possible answer. When you look at the ranges of each of the other choices, you will see that 30 days, plus or minus 5 days = a range of 10 days. The range of 22 to 30 days = a range of 8 days. An optimistic estimate of 26 days, most likely estimate of 30 days, and pessimistic estimate of 33 days represents a range of 7 days. The estimate with the smallest range is the least risky, and therefore the correct choice. Did you realize the words +/- 3 sigma are extraneous? Practice reading questions that are wordy and have extraneous data.

Question

4. Which of the following risk events is MOST likely to interfere with attaining a project's schedule objective?

   A. Delays in obtaining required approvals
   B. Substantial increases in the cost of purchased materials
   C. Contract disputes that generate claims for increased payments
   D. Slippage of the planned post-implementation review meeting

Answer

4. **Answer** A
Explanation Cost increases and contract disputes for payments will not necessarily interfere with schedule. If a "post-implementation" review meeting slips, it may not interfere with the project schedule. Delays in obtaining required approvals is the only choice that always causes a time delay, and is therefore the most likely to threaten the project schedule.

Question

5. If a risk has a 20 percent chance of happening in a given month, and the project is expected to last five months, what is the probability that this risk event will occur during the fourth month of the project?

   A. Less than 1 percent
   B. 20 percent
   C. 60 percent
   D. 80 percent

Answer

5. **Answer** B
Explanation No calculation is needed. If there is a 20 percent chance in any one month, the chance in the fourth month must therefore be 20 percent.

Question

6. If a risk event has a 90 percent chance of occurring, and the consequences will be US $10,000, what does US $9,000 represent?

   A. Risk value
   B. Present value
   C. Expected monetary value
   D. Contingency budget

Answer

6. **Answer** C
Explanation Expected monetary value is calculated by multiplying the probability times the impact. In this case, EMV = 0.9 × $10,000 = $9,000.

Question

7. Most of the risks will be identified during which risk management processes?

   A. Perform Quantitative Risk Analysis and Identify Risks
   B. Identify Risks and Control Risks
   C. Perform Qualitative Risk Analysis and Control Risks
   D. Identify Risks and Perform Qualitative Risk Analysis

Answer

7. **Answer** B
Explanation This is a tricky question. Although risks can be identified at any time throughout the project, most risks are identified during the Identify Risks process. Newly emerging risks are identified in the Control Risks process.

Question

8. What should be done with risks on the watch list?

   A. Document them for historical use on other projects.
   B. Document them and revisit during project monitoring and controlling.
   C. Document them and set them aside because they are already covered in your contingency plans.
   D. Document them and give them to the customer.

Answer

8. **Answer** B
Explanation Risks change throughout the project. You need to review risks at intervals during the project to ensure noncritical risks on the watch list have not become critical.

Question

9. All of the following are ALWAYS inputs to the risk management process EXCEPT:

   A. Historical information.
   B. Lessons learned.
   C. Work breakdown structure.
   D. Project status reports.

Answer

9. **Answer** D
Explanation Project status reports can be an input to risk management. However, when completing risk management for the first time, you would not have project status reports. Therefore, project status reports are not always an input to risk management.

Question

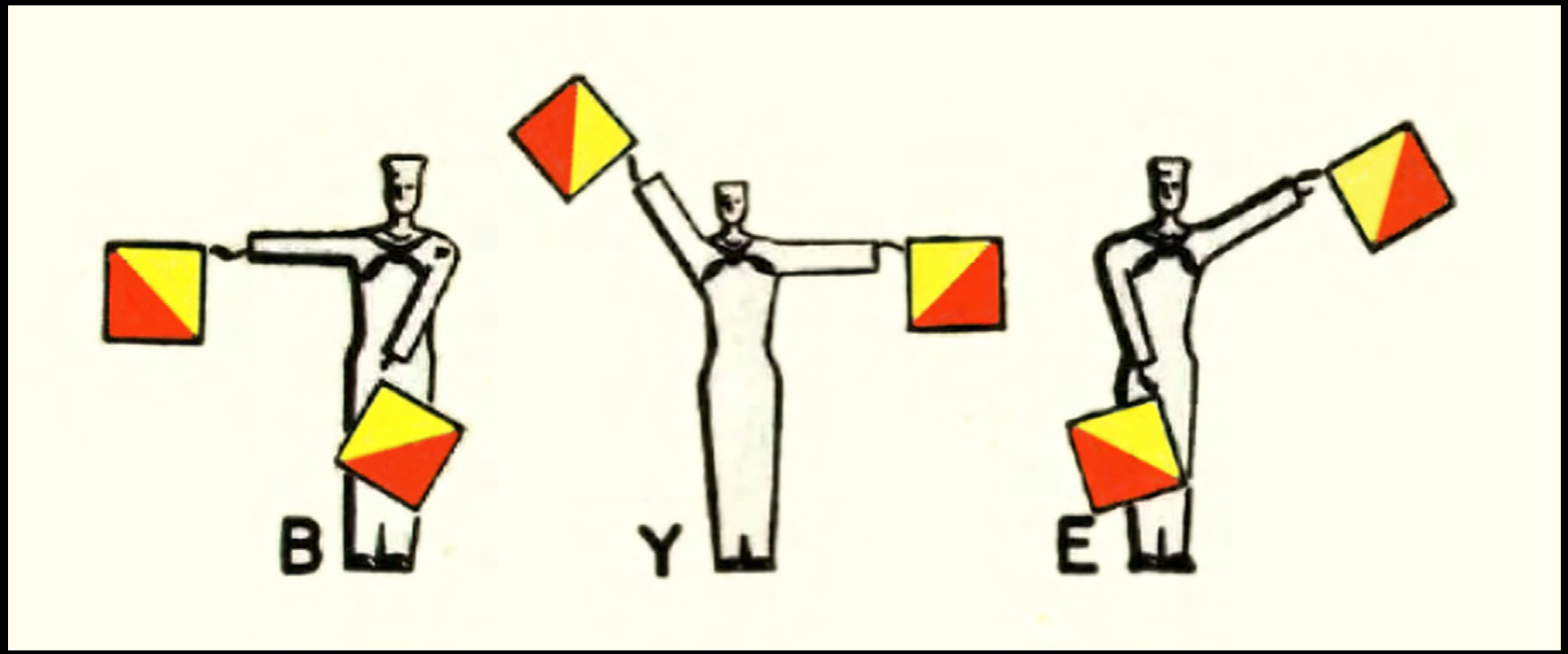
10. Risk tolerances are determined in order to help:

A. The team rank the project risks.
B. The project manager estimate the project.
C. The team schedule the project.
D. Management know how other managers will act on the project.

Answer

10. **Answer** A

Explanation If you know the tolerances of the stakeholders, you can determine how they might react to different situations and risk events. You use this information to help assign levels of risk on each work package or activity.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