

#12 Project Procurement

Part 1

PMBOK 6 Ed. – DEI-

Procurement



Acquiring goods and services from an outside source.

It can also called outsourcing or purchasing

A photograph of three business professionals in an office setting. On the left, a man in a dark suit and blue tie is shaking hands with a woman in a white shirt on the right. A woman with dark hair is visible in the background, looking towards the handshake. The background shows a modern building with a blue grid pattern. A red banner is overlaid across the middle of the image, containing the title 'Procurement Term'. Below the banner, a dark grey area contains a bulleted list of procurement roles.

Procurement Term

- **Suppliers, vendors, contractors, subcontractors, service providers or sellers**
- **Buyer**



Why company choose outsourcing?

- **Cheaper**
- **Cost saving**
- **Shortage qualified personal**
- **Close to the target market**



IT Offshoring

- Atlanta-based Delta Air Lines created 1,000 call-center jobs in India in 2003
- **saving \$25 million → cost saving 70-90%**

Centralized
VS
Decentralized

Centralized Contracting

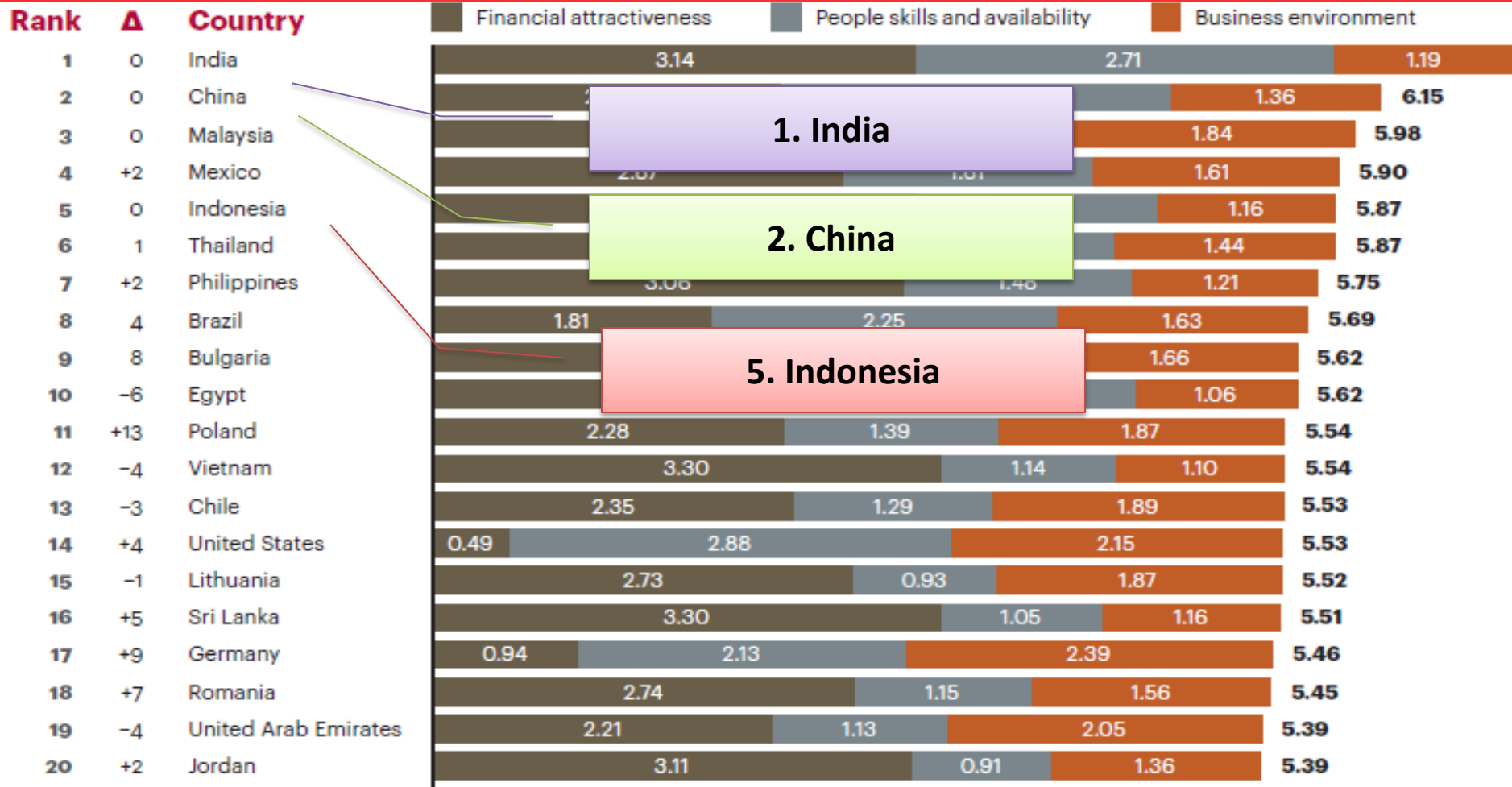
Advantages

- Part of department focusing procurement
- Higher level of expertise
- Standardized document
- Lesson learned sharing
- Clear career path
- Continuous improvement, training

Disadvantages

- Attention is divided
- Likely to forget important detail of project
- Likely difficult to help the PM for contracting activities

IT outsourcing destination

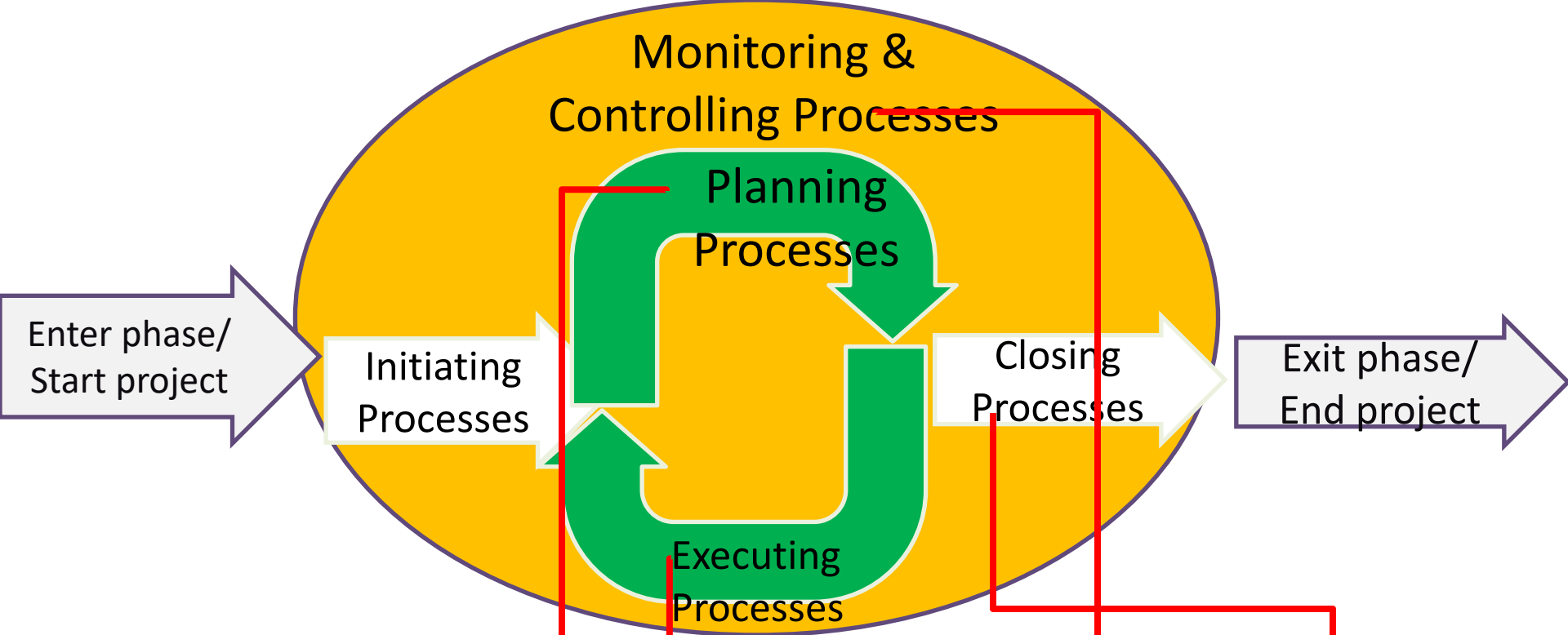


Kearney, 2014

Project Procurement Management



the processes necessary to purchase or acquire products, services or result needed from outside the project team



Knowledge Area	Process				
	Initiating	Planning	Executing	Monitoring & Contol	Closing
Procurement		Plan Procurement	Conduct Procurement	Control Procurement	Close Procurement

Procurement Process



Plan Procurement

Conduct Procurements

Control Procurements