

Procurement Plan From PMGT614

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WBS 5.5 Procurement Management Plan

by

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Procurement Management Plan

This procurement plan will cover the bicycle build that will utilize firm fixed price contracts with the suppliers throughout the 2016 year. If building is to continue into the 2017 year, contracts must be renegotiated to ensure that the firm fixed price contracts are reinstated. To finalize procurement decisions, we will use the make-or-buy analysis, expert judgement and market research to agree on a supplier and contract for the bicycle build. We will be using multiple suppliers for the different components of the bicycle. Managing these suppliers will be reviewed as the deliverables start to inspect and accepts components prior to the build.

Procurement Items		
The following items are essential for the successful completion of the bicycle build:		
Items	Justification	Needed by
Frame Set	These items are initial needed to begin the build of the bicycle. These items will be bought from the same supplier (Sunlite Cycling) to ensure risk is minimized by receiving all parts on the same day. This supplier is local allowing a carrier service for any missed items. Carrier service is free same day delivery if the error resides on the supplier.	11/22/16
Crank Set		11/22/16
Wheels		11/22/16
Braking System	Both the braking system and shifting system will be purchased for a secondary supplier (B2B Mit.) These items are packaged and delivered 3 business days in advanced to allow internal company inspection. Free next day delivery for errors or defects in shipment. Inspection must occur the day of delivery to ensure the build stays on track.	11/23/16
Shifting System		11/23/16
Smartphone Docking Station	A third supplier (Bambuz) will be utilized to supply the smartphone docking station. Shipment will arrive 3 business days in advanced. Next day shipping is available by purchase but is not provided within the contract.	11/23/16
Training Wheels	Training Wheels will be bought from the same supplier (Sunlite Cycling) that provides the wheels. This late incorporation resulted in an upgrade in the wheel purchase.	11/23/16

Source Selection					
There are three suppliers being considered for this build:					
Supplier	Delivery Method	Risk	Warranty	Past Performance	Cost
Sunlite Cycling	Same day delivery with free carrier services	No risk	Full warranty and fast shipment for defects/ errors	Highly recommended in the industry	\$862.65
B2B Mit	3 business day delivery	Must order on time to ensure it received in adequate time.	Full warranty and next day delivery for shipments with defects/ errors.	Proven ability for quality and on time delivery	\$321.99
Bambuz	3 business day delivery	If components have defects, additional shipping costs will be added. Additional feature on bicycle is new, minimal performance evaluations available.	Warranty on the product but shipping and handling is not covered for returns.	Newly build company for new enhancements to bikes.	\$84.99

Procurement Statement of Work:

I. Scope of work:

- a. Frame, crank, wheel sets, training wheels, braking and shifting systems, and the smartphone docking stations will be shipped in sets with all components required for the build. These will be unpacked, inspected and then assembled before installing to the bicycle frame.

II. Location of work:

- a. Once shipment has arrived the work will be completed at the company’s warehouse for building.

III. Period of Performance:

- a. The start of the project will begin on 11/7/16 and conclude on 11/29/16. The actual building will begin on 11/25/16.

IV. Deliverable Schedule:

- a. Frame set, crank set, and wheels will begin work on 11/22/16. Frame and crank set will be completed same day while the wheels will be completed on 11/23/16.

- b.** Braking and shifting system as well as the smart phone dock will begin on 11/23/16. The braking and shifting system will be completed same day while the smart phone dock will be completed on 11/25/16.
- V. Special Requirements:** Ensure that they Braking and Shifting system is ordered at least 4 business days in advance to ensure that it is delivered on time.