



Building professionalism in project management.™

Project Management Institute

Eastern Iowa Chapter

# 100's NUGGET

2005 Issue

October 2005

P.O. Box 1811  
Cedar Rapids, IA 52406-1811

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**Check out the  
new training  
courses being  
offered by the  
chapter.**

**See page 5.**

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## Our Next Chapter Meeting - October 11th

Rich Smith will be presenting "Identifying Project Goals and Objectives" at our October 11th program. The program will be at the Quality Inn (formerly the Highlander Inn) On Dodge Street (Exit 246) and I-80 in Iowa City

Rich is President of Priority Management Services, Inc., a member of the Five Seasons Toastmasters Club, a former member of our PMI chapter, facilitator of Working Sm@rt courses, and regular contributor to "the edge", a monthly publication of the Gazette.

Cost: \$20.00

Please RSVP by Friday, October 7th via email to

[ProgramRegistration@pmieasterniowa.org](mailto:ProgramRegistration@pmieasterniowa.org).

Program

5:45 - 6:15 Registration and social time

6:15 - 6:50 Dinner

6:50 - 7:00 Opening and announcements by Bob Sanders

7:00 - 8:00 Presentation and Wrap-Up.



## President's Corner - by Bob Sanders, PMP

International Project Management Day: November 3, 2005

A day has been set aside to recognition many project managers and project teams in every industry including non profit organizations and health care who contribute their time, energy, creativity, innovation, and countless hours to deliver products, services, facilities, and provide emergency and disaster recovery services in every city and community around the world.

The goal is to increase the awareness of the value of project management within the large business, government, small business, and social communities and promote project management as a true profession and key business strategy. I would like to see and encourage local businesses and managers to recognize project managers and project teams for their contributions. Suggested events can include internal company meetings, presentations about the value of project management, recognition breakfasts, lunches or receptions honoring project teams, local government recognition or proclamation, coordinated Project Management professional association events (PMI, IPMA, AIPM, etc.) or recognition at a previously scheduled project management

event.

The international project management day is intended to encourage project based organizations worldwide or organizations who utilize project management methodologies to schedule some type of recognition event within their organizations or coordinated locally with others to truly demonstrate appreciation for the achievements of project managers and their teams.

Sincerely,  
Bob Sanders, PMP  
President, PMI Eastern Iowa Chapter



## September Program Recap - by: Stephen Schmitz

PMI Fun Night really was fun, with 22 in attendance at New Horizons Learning Center. Attendees enjoyed a plentiful variety of hors d'oeuvres, catered by LJ's in Marion, and a scavenger hunt activity. Participants rotated through five training rooms ("the hunt"), in search of answers to 40 questions ranging from PMI facts and statistics, chapter history, Iowa history, and miscellaneous trivia. Do YOU know how much a butterfly weighs? Answers could be published in the November newsletter. The scavenger hunt grand prize winner was

Sandra Van Wyk, PMP, with 23 correct answers. Sandra received a New Horizons training package valued at \$1,000. Steve Sawyer, PMP and Tim Wendt, received certificates from the Eastern Iowa Chapter, to be redeemed for a one-year PMI membership or \$149 from the PMI Bookstore. Everyone in attendance received a door prize selecting from polo shirts, chapter mugs, briefcases, and key chains, to reference books on project management topics.



Date	Time	Location	Topic
Oct 11th	6:00 - 8:00 pm	Quality Inn Iowa City	Identifying Project Goals and Objectives
Nov 8th	6:00 - 8:00 pm	TBD	TBD

## Web Site Statistics - by Darin A. Hart, PMP

August web site statistics are included below.

Pages-URL (Top 20) - Full list - Entry - Exit						
50 different pages-url	Viewed	Average size	Entry	Exit		
/index.htm	269	4.43 KB	189	85		
/Dendurent.htm	91	3.61 KB	72	62		
/courses.htm	81	7.93 KB	13	24		
/calendar.htm	73	15.25 KB	16	24		
/pdu.htm	61	24.26 KB	30	36		
/newsletter.htm	54	8.76 KB	3	14		
/Dixon.htm	46	9.23 KB	38	39		
/TestTips.htm	42	2.47 KB	4	6		
/contacts.htm	40	3.68 KB	1	12		
/Membership.htm	33	15.58 KB	4	6		

## Membership Update - by Darren Benzing, PMP

The PMI Eastern Iowa Chapter membership stands at **257**, with 97 **PMP®s**. Our top companies by member count are Pearson (107), Rockwell Collins (20), Inter-mec (16), and Aegon (15), and Perot Systems (5).

**New PMP®s:** Nitin Gupta, Holly Harrison-Hosford, Charleen Jones, Suzanne Prymek, Molly Rausch, Brad Russell, Joel Thompson, Sandra Van Wyk, Anna Warner, and Ron Weathers

**New Members:** We welcome: Sarah Gorsh and Brian Irwin from Rockwell Collins, Holly Harrison-Hosford, Paul Jones, and Brian Thorn from Pearson, Darwin Hochstedler from Siemens VDO, Scott Rogers from Square D Company, Jason Schroeder from United Fire Group, Carol Erban, and Randy Witte. We are glad to have you in the PMI Eastern Iowa Chapter!

**Renewing Members:** Monojit Banerjee, Larry Ehret, Barry Ehrig, Andrew Malik, Michael O'Donell, Jimmy Offen, Christopher Railsback, Scott Riek, Benjamin Robertson, and James Tully. Thank you for renewing your membership for another year.

Want to join PMI and/or our Chapter: Check out: <http://www.pmieasterniowa.org/Membership.htm>

Chapter transfers: If you have a need to transfer to another chapter because you have moved or relocated due to changes in employment or work locations, please contact [componenttransfer@pmi.org](mailto:componenttransfer@pmi.org).



## Questions from the September Monthly Meeting

No.	Question
1.1	PMI chapters exist in how many countries?
1.2	What is a SIG, and how many are there today?
1.3	To prepare for the PMP Exam, a candidate should study knowledge areas from what resource?
1.4	Who was the first African-American Republican elected to the Iowa House of Representatives, in 1966
1.5	What is the circumference of the earth
1.6	What is the corporate url for New Horizons?
1.7	What type of testing center is New Horizons - CR?
BONUS 1.8	How much does a butterfly weigh
2.1	What was the title of the 2003 Fun Night activity?
2.2	How many courses is the Eastern Iowa Chapter currently offering?
2.3	How many knowledge areas are tested, on the PMP Exam?
2.4	What is the average distance in miles to the moon
2.5	How many birthdays occur each day?
2.6	When is the next MS Project class available at New Horizons - Cedar Rapids, IA
2.7	What year was New Horizons founded?
BONUS 2.8	Where was the worlds largest cucumber grown and how much did it weigh?
3.1	Project Management Institute in the beginning - when and where was the first meeting held?
3.2	The Project Management Institute has 15 members on the board of directors. How many does the Eastern Iowa chapter have?
3.3	PMI has two certifications. Which exam requires contact hours in formal PM education?
3.4	The Panama Canal has been referred to as Teddy Roosevelt's Big Ditch. What city will benefit from the 22-year, \$14.6 billion project nicknamed The Big Dig?
3.5	What is the population of Iowa?
3.6	What is the New Horizons - CR mission statement?
3.7	What New Horizons' class teaches you how to view and access project information located on the server, as well as report progress on assigned project tasks?
BONUS 3.8	According to PMI, the phrase "project management" began to emerge when?
4.1	Currently how many chartered and potential chapters are there in the world?
4.2	How many chapters exist in Iowa?
4.3	Who gave a presentation to the chapter on the Kinnick Stadium Renovation Project?
4.4	What is the average number of words spoken per day for women and men?
4.5	Google history - when and where did Google get started?
4.6	What year did New Horizons - CR earn the "Global Center of the Year" award?
4.7	What is the scheduled lunch break for classroom 4?
BONUS 4.8	Name 2 resources for project management reference material.
5.1	PMI has two certifications. What are they?
5.2	How many publications does PMI put out?
5.3	The PMI Knowledge & Wisdom Center was named for what long-time contributor to the organization and the profession?
5.4	Average person walks this far in a lifetime?
5.5	What are the top four flavors of ice cream?
5.6	What PMI accredited certification class is available at New Horizons?
5.7	What 3 learning modalities does New Horizons offer?
BONUS 5.8	How much does a Livestrong™ Cycling Jersey, men's cost?

## Collaboration – The Foundation of Great Teams! - by: Paula K. Martin CEO and Cathy Cassidy

Collaboration is the act of working together to achieve a common goal. Among high-performing project teams, collaboration is the means by which they not only achieve their goal but propels them forward, through the stages of team development.

Here are five ways you can facilitate collaboration with your team:

### 1. Use collaborative tools and techniques.

Just because someone on a team announces that the project will be run collaboratively, doesn't make it so. In order for collaboration to work, you need to use team-based tools and methods that require participation by everyone in attendance. For example, make sure that the project management methodology you use requires everyone to participate in the planning process and the decision making and problem solving methods you use firmly place the responsibility for the decision or the problem on the shoulders of the team.

### 2. Use proactive versus reactive accountability.

Reactive accountability is about assigning accountability after the job is done. Teams that use reactive accountability often find themselves with team members who do not take action to get things done because they are worried about being blamed when something goes wrong. Proactive accountability is about defining who will be accountable for what before action is taken. At the end of the project you ask if that accountability was fulfilled or not. There are no ifs, ands or buts. The team or person either fulfilled their accountability or they did not. If not, they are subject to consequences that are typically minor the first time around, but escalate each time they fail to learn from their mistakes. To facilitate collaboration using proactive accountability ensure that a) everyone knows what proactive accountability means, b) everyone on the team knows who is assigned to produce which deliverable, by when c) the entire team has a common goal leading to team accountability, and d) you communicate the consequences upfront if one doesn't fulfill his or her accountability.

### 3. Always work towards consensus.

A decision based on consensus is a decision that everyone can live with. They may not think it's the best decision, but they can support it and not criticize it later. To facilitate collaboration when making a decision, document the groups thinking as they brainstorm various options for the decision and then analyze the options identified and then use the multi-voting tool, ask the question, "Is there anyone who can't live with this decision?" or ask for a show of hands to check that you have it.

### 4. Develop a team contract.

Have your team develop a set of guidelines that everyone agrees to follow. Include in it a set of commitments to the project that each team member agrees to, guidelines on team participation, decision-making, conflict resolution and meeting procedures. Keeping in line with proactive accountability, get the team to come to consensus, upfront, on the consequences everyone will be subject to, if they don't abide by the guidelines.

### 5. Act as a facilitator, not a director.

Your role as project leader is not about being the expert in a particular technical process (although you may be that as well); it's about being the expert at leading and facilitating the project management methodology to ensure the goal(s) of the project are met. When considering your role as facilitator, remember these three important rules for facilitating: 1) Honor individual differences. Every member of the team is an individual first. They use different sensory modes (auditory, visual and kinesthetic) to take in and process information. They use different methods for making decisions and completing their work. Therefore, it is your job to make sure everyone is able to get the information in their preferred sensory mode, use their own process for making decisions and complete their work in the best way for the team. 2) Enforce the team contract. Hold people accountable if they break the rules. Hold yourself accountable if you break the rules. 3) Make sure everyone has an equal opportunity to participate.

Collaboration accelerates the path to high-performance and drives better results. But it doesn't happen automatically. It needs a facilitator (you), methods and techniques that are collaborative in nature and it is enhanced with proactive accountability. Also, in our experience, when teams work collaboratively, there are fewer political battles to fight and there is less rework and fewer changes during execution. So, given that all of your work is completed by teams, you'll be best served by working collaboratively which will deliver results your customers will accept and you can be proud of!

\*\*\*\*\*

Paula Martin is the CEO and Cathy Cassidy is the VP of Business Development of Martin Training Associates (MTA), which specializes in project management, change accountability and meeting management. See our website for information on our new Quick Guide series, the first of which is titled: *Sponsoring a Project*. For more information call 866-922-3122.

## Chapter Sponsored Professional Development

The following chapter sponsored professional development opportunities are available.

- Proactive Risk Management Workshop (C100-1200)
- Project Planning and Execution using MS Project (C100-1300)
- Pipeline planning and Resource Management using MS Project (C100-2300)
- OPM3 for Organizational Execution (C100-1400)

Date	Course ID	PDUs	Location	Title
10/17/05	C100-1200	4	Kirkwood	Proactive Risk Management Workshop
10/24/05	C100-1300	4	Kirkwood	Project Planning and Execution using MS Project
11/07/05	C100-2300	4	Kirkwood	Pipeline Planning and Resource Management using MS
12/12/05	C100-1400	4	Kirkwood	OPM3 for Organizational Execution

Please find more details on our website at <http://www.pmieasterniowa.org/course.htm> or send questions to [ProfessionalDevelopment@pmieasterniowa.org](mailto:ProfessionalDevelopment@pmieasterniowa.org)

## Priority Management Training schedule

The following Priority Management sponsored professional development opportunities are available.

- PROJECT MANAGEMENT BREAKTHROUGHS
- WORKING SMART WITH MS PROJECT
- PRIORITY MANAGER

Date	Course ID	PDUs	Location	Title
10/12/05	N/A	7	Web workshop at your desk	PRIORITY MANAGER
12/06/05 – 12/08/05	N/A	21	Cedar Rapids, IA	PROJECT MANAGEMENT BREAKTHROUGHS
12/09/05	N/A	7	Cedar Rapids, IA	WORKING SMART WITH MS PROJECT

Please find more details on our website at [http://www.prioritymanagement.com/rsmith/workshop\\_schedule/](http://www.prioritymanagement.com/rsmith/workshop_schedule/) or send questions to [rsmith@prioritymanagement.com](mailto:rsmith@prioritymanagement.com).

## New Horizons Training schedule

The following courses are available at New Horizons Cedar Rapids in the coming months.

- Microsoft Project Management Scheduling Seminar Series: I of III
- Project Management for Professionals
- Project 2003- L1
- Project 2003- L2

Date	Course ID	PDUs	Location	Title
10/10-10/14		35	New Horizons	Project Management for Professionals
11/17/05		2	New Horizons	Microsoft Scheduling Seminar Series: I of III
11/17/05		6.5	New Horizons	Project 2003- L1
11/18/05		6.5	New Horizons	Project 2003- L2

Please find more details on our website at <http://www.newhorizonscr.com> or send questions to [Events.cedarrapids@newhorizons.com](mailto:Events.cedarrapids@newhorizons.com)





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# WBS TASK 1: Review the Project Management Basics

BY: DOUGLAS WILLIAMS, PMP

EMAIL DKWILLIAMS@WITSYSTEMS.COM

## Opening Dialogue

### Important Terms

Contract  
Counsel  
Selection  
Solicitation  
Vendor

In today's fast-paced business climate, project managers are often burdened with an onslaught of business practice, process and culture change, which is sometimes made more interesting by an abundance of supportive technology change. Project managers (and their support teams) are often wooed by the intensity of change and sometimes overcome by its mob-like excitement. Project management teams are easily distracted by resulting chaotic workflows and are sometimes lured away from simple project management standards and basics, the ones that are the foundation to the PMI® PMBOK®.

This column continues the intention to present ideas, concepts, tools, and definitions to help you learn (or reaffirm) many project management standards and basics that make project management tasks easier. These writings are presented within the simple PMBOK® phase context: initiating, planning, executing, controlling and closing. Most are presented with industry independence in mind, but some may include industry specific references to improve overall clarity. Your comments and thoughts are always welcome to the email address listed above.

## WBS TASK 1.2: Project Definition - Planning

### WBS Task 1.2.6 Understand Vendor Management Processing Needs.

Scenario: Your project has been “humming” along on auto-pilot for months. During a recent budget reconciliation cycle, the accounting department comes to you, the project manager, for approval of a vendor's invoice. The invoice indicates both approved (budgeted) costs and unapproved (change related) costs. You question the unapproved costs and ask the vendor for an explanation. They pull out an email indicating your approval. Since nothing was in place to formally process this event as a project change request, you now need to seek approval from your project sponsor, a tyrant when it comes to budget overruns. Upon reflection from the aftermath of project sponsor's questions and responses, you ponder what could have been done differently.

Review the following sections to help understand the vendor management processes that should be considered for larger projects within the Project Definition – Planning context.

### Coming Up Next

### PLANNING

- Balancing project manager optimism and pessimism

## Some Google Strings For More Information

Go to Google's advanced search engine [http://www.google.com/advanced\\_search](http://www.google.com/advanced_search) and try the following search strings with special settings to obtain additional information.

project “vendor management” - choose last six months

“evaluation matrix” “vendor management” - choose last six months

“evaluation matrix” “vendor management” filetype:xls

“evaluation matrix” “vendor management” filetype:doc

® PMI and PMBOK are registered in the U.S. Patent and Trademark Office by the Project Management Institute.



## WBS TASK 1.2: Project Definition - Planning (continued)

### WBS Task 1.2.6 Understand Vendor Management Processing Needs.

Vendors can be a project's savior or can become a project's failure trigger. Engaged with careful planning and oversight, vendors can be used to provide essential products or services. Products can be tools or supplies. Services can be specific to off-loading project obstacles like skills gaps, unrealistic schedule demands, workload overflows, or specific project delivery risks. Engaged without good planning however, vendors can become ineffective suppliers, and perhaps with growing risks to the project's quality, scope, cost, or schedule.

Careful vendor planning and oversight requires a specific vendor management discipline. As described within the PMI® PMBOK®, vendor related scope, cost and schedule management should always be planned prior to beginning to engage any vendor, and regardless of vendor need or size. To obtain this level of planning, one needs to understand how to perform vendor specific needs analysis, solicitation, selection, contract set-up, contract execution, contract performance monitoring, contract change management, and contract close-out. The following sections provide fundamental vendor management concepts to consider while performing the project's Project Definition – Planning phase work.

#### *Understand a project's general vendor management process objectives*

One first needs to consider some objectives while establishing a project's vendor management practices and guidelines.

- Develop a standard procurement approach so that vendors can be added or removed as needed.
- Formalize vendor solicitation and evaluation practices so that vendor selection is more objective.
- Establish vendor contract management practices to protect the project commitments (scope, cost, and schedule).
- Formalize vendor change management practices to reduce the opportunity for unintended scope, cost, or schedule changes, delivery errors or miscommunications.
- Implement a formal project management integration approach so that specific vendor work results, either through product or services delivery, are more smoothly integrated to the overall project delivery.

#### *Understand vendor procurement planning*

Vendor procurement planning seems very similar to project planning. At the generic view, the vendor process aligns to an expected project management structure of initiating, planning, executing, controlling and closing. Its performance drivers reveal that one needs to know what is to be delivered, when it is to be delivered, why it is to be delivered, and who is to deliver. Based on a need for structure, vendor procurement planning is best performed based on the outline listing below.

- Vendor solicitation planning
- Vendor solicitation execution
- Vendor selection execution
- Vendor contract set up
- Vendor contract execution and monitoring
- Vendor contract close out

Regardless of project vendor need or size, this type of structure allows the project to engage the right vendor for the right job at the right time. Without it, the project increases the risk of giving vendors an opportunity to simply take the project's money.

#### *Understand vendor solicitation planning*

Solicitation planning requires that the project first know precisely what the vendor need is. The project's work-breakdown-structure (WBS) practice may be the simplest planning input. For human resources, the WBS may reveal partial or whole activities categories needing vendor support. For physical resources, the WBS may provide a listing of hard product needs.

## WBS TASK 1.2: Project Definition - Planning (continued)

For example, the work activity “nail down shingles” reveals resource needs for at least shingle handlers, nail handlers, shingles, hammers, and nails. At the detailed view, the project manager may be interested in obtaining varied vendor support for all of these. However, if the entire WBS category “build roof” were outsourced, the project manager would only be concerned with the “build roof” category, leaving the details to being the vendor’s concern.

When performing vendor solicitation planning, it is important to consider other project planning aspects. Consider the project planning process impact areas listed below.

- Overall scope, cost and schedule management and integration where vendor deliveries can be correctly blended
- Requirements management where vendor requirements can be managed with non-vendor project requirements
- Project issue, risk, and change management regardless of who (vendor or non-vendor) is doing the work
- Build and buy analysis to compare internally supplied (to be) results with vendor supplied (also to be) results
- Vendor evaluation criteria and practices to compare vendors competing to meet the project’s vendor needs
- Vendor communications management so that the vendor had less project participants to engage

The results of the vendor solicitation planning should be a concisely documented, vendor needs reference.

### ***Understand vendor solicitation planning***

By this point, the project manager knows the project’s vendor supportable needs. This detail should have been translated into a concisely stated and organized product / service requirements format, which is the documentation needed by the project to see which vendors are interested in assisting. Without this documentation, either the vendor, the project, or both will unintentionally establish a foundational flaw into the project vendor management practice.

Having the documentation allows the project manager, or delegate, to define related high-level acceptance criteria. These help the vendor determine performance expectation levels. Not defining the acceptance criteria simply raises the risk of the requirements not being met, either partially or entirely.

Having the documentation also allows the project manager, or a delegate, to research and identify potential vendors capable of fulfilling the needs. This preliminary research helps the teams focus on relevant vendors instead of wasting time on irrelevant vendors. This research occasionally surfaces special contract terms or vendor requirements that may need to be accommodated within the project.

For larger efforts, it is often helpful to generate multiple vendor evaluation criteria. This criteria allows the vendors to compete based on objective vendor fulfillment rules. This evaluation construct may vary by size of the vendors participating and/or the size of the project’s decision. For example, the simple decision linked to buying a hammer may be a price and warranty judgment. As another example, a more complex “building a roadway” decision may be best served by using indexed/scored judgments collected from varied stakeholders and combined into an evaluation matrix.

Once the requirements, acceptance criteria, vendor list and evaluation criteria are formed, the project manager, or delegate, may work towards the end of solicitation planning. On small projects, setting up phone calls or composing email inquiries may suffice. On larger projects, the formal methods listed at right may be more appropriate. Regardless of approach, this step aligns the requirements with the capable and interested vendors.

It is important to set some response rules like planning and response format guidelines. On larger efforts when many vendors exist, the project manager, or delegate, should always determine a standard response medium, which will most likely result in aligning the responses for “an apples to apples” comparison paradigm. A tailored response which does not conform to the expected format is also an excellent future results predictor. A missed deadline during the proposal process is an excellent predictor of future vendor performance — if they are late early on, they will likely be late with the project work.

### **Common Solicitation Documents:**

- Invitation to bid (IFB)
- Request for proposal (RFP)
- Request for quotation (RFQ)
- Invitation for negotiation
- Contractor initial response

*State and Federal agencies often post live examples on their Internet sites.*

## WBS TASK 1.2: Project Definition - Planning (continued)

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### *Understand vendor solicitation execution*

Performing vendor solicitation execution simply follows the solicitation planning topics: communicate with the vendors, expect responses, receive the responses and prepare the responses for vendor selection.

When a many vendors “to call on” situation occurs, a more effective communication step may include adding a vendor “bidders” conference. The bidders conference allows the project to consolidate the otherwise time consuming and iterative communication processes that would otherwise be involved with answering common questions across the multiple vendors. The bidders conference is best held prior to any final proposal submissions have occurred.

It is important to remember to enforce deadlines and response conformance rules, which would have already been set during planning and then communicated during the solicitation.

### *Understand vendor selection execution*

Performing the vendor selection execution simply follows the solicitation planning topics: evaluate the vendor responses, pick the best vendor, and communicate selection to the vendors.

Notably, decision processes will likely vary by the project size or number of vendors involved. Small projects or singular vendor decisions may be a simple yes/no step performed by the project manager or by another decision maker. Larger projects may involve multiple evaluation and approval layers.

The project manager, or delegate, should always formally announce the vendor selection. For small projects, a letter or email to confirm agreement is appropriate. For larger projects, formal responses should be composed to explain the selection process, the decision to proceed, and any next steps. For vendor competitive/combatative situations, formal responses to the losing bidders is often helpful.

### *Understand vendor contract set up*

Once a vendor product or service is selected, the project manager, or delegate, should always work out contract details prior to the vendor work being started. The project manager should ensure appropriate contract definition, language, and agreement is obtained. Counsel should ALWAYS be retained to write and/or guide the contract/agreement. Key elements to be described within the contract/agreement should include some of the following:

- Define scope of services or products needed or being supplied
- Define time, schedule, completion dates, and other deadlines
- Define terms of payment and invoicing requirements
- Define change, assignment, delay, and termination clauses
- Define warranty, liability, indemnity, patent, and insurance clauses
- List the approving parties, their titles, and the signature dates
- Describe any special details normally found outside a formal contract or agreement

Remember, the project manager must assign no project work or product delivery with the vendor unless a signed contract/agreement is in place!

### *Understand contract execution and monitoring*

Once the signed vendor contract/agreement is in place, the project manager, or delegate, must govern vendor performance and vendor change management. For larger projects and especially with many vendors, the project should assign a separate vendor manager, an extension of the project manager, so that better vendor monitoring can be a result. In the least, the project manager, or assigned vendor manager, should carry out the following duties in order to monitor the vendor contract/agreement.

- Recognize the legal implications of actions taken by the vendor or by the project team as they would come up against the written contract/agreement commitments

## WBS TASK 1.2: Project Definition - Planning (continued)

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- Review contractor costs, schedules and performance levels as they relate to the contract/agreement commitments
- Determine appropriate performance reviews needed for payments and hold-backs
- Implement appropriate vendor contract/agreement change controls and processes
- Disseminate contract/agreement changes to appropriate project participants
- Document the achievement of contract/agreement performance expectations
- Maintain documentation of any contract/agreement correspondence (email, phone, letter, facsimile, etc.)
- Integrate overall contract administration within other project management controls

### ***Understand vendor contract close out***

Once all work is done and all payments have been made, it is imperative for the project manager to remember to close out the vendor contract/agreement. The project manager needs to ensure final payment (or final settlement of advanced funds) is performed. The project manager should send an official “we are done” letter to the vendor so that the contract/agreement is formally terminated as satisfied (in whole or with exceptions). The project manager should also clean up any vendor related work artifacts and archive them with other project artifacts.

### ***Understand some more obvious vendor management pitfalls and obstacles***

Consider the points below for some obvious vendor management pitfalls or obstacles.

- Vendor solicitation planning is often shortened because of the desire to get something going
- Vendor solicitation planning sometimes lacks a quality level needed to perform subsequent vendor management steps
- Vendor solicitation planning sometimes lacks the research needed to obtain a “more robust” vendor candidate listing
- Vendor selection execution is sometimes compromised by subjective preferences
- Vendor contract set up is sometimes done without counsel (thus without legal experience)
- Vendor contract set up is sometimes compromised by the rush imposed by a vendor to get something started
- Vendor contract performance is sometimes not monitored correctly to limit accidental scope creep
- Vendor contract close out is not performed resulting in an open door for the vendor to bill additional activities