



Template Guide

What is a Procurement Plan?

A Procurement Plan describes which products will be acquired from external suppliers to the project, as well as when and how they will be acquired. More specifically, the plan includes:

- A breakdown of the products to be acquired from external suppliers, including a detailed description of each product and the justification for procuring them externally rather than building / providing them internally
- An overview of the external supply market to provide confidence that the products do actually exist in the market and that suitable suppliers can readily provide the products within time and budget constraints
- A plan outlining the timeframes for acquiring the products
- A tender process describing how the preferred suppliers will be chosen
- A procurement process describing how the product will be acquired from the preferred supplier and how the supplier relationship will be managed to ensure continued delivery.

It is important to note that the term “Products” includes goods (e.g. computer hardware, raw materials and equipment) and services (e.g. raw labor, technical services, consultancy and management).

When to use a Procurement Plan

A Procurement Plan should be produced for any project which involves the acquisition of product from an external supplier. Whether it involves one or more products or suppliers, a clear plan for the acquisition of product should be documented in the form of a Procurement Plan. This document is formed early in the project lifecycle (during the Planning phase) and relies heavily on the definition of deliverables in the Project Plan and Quality Plan to determine which product should be acquired externally rather than within the organization.

Without a formal Procurement Plan in place, it will not be clear which product will be sourced externally, from whom and when. This may lead to procurement difficulties and hence increase the overall risk to the project.

How to use this template

This document provides a guide on the topics usually included in a Procurement Plan. Sections may be added, removed or redefined at your leisure to meet your particular business circumstance. Example tables, diagrams and charts have been added (where suitable) to provide further guidance on how to complete each relevant section.