

# Quiz mohammad essay sample

[Business](#), [Management](#)



Question 1. 1. (TCO B) All of the below would be considered good selection criteria for a buyer to use to select a seller, except (Points : 10) managerial approach of seller, capacity of seller to do the work, and buyer's ability to create a WBS. proprietary rights of buyer, life cycle cost of product, and warrantee offered by seller. past work done by seller, intellectual property rights, and references associated with a given seller. technical capability of seller, understanding of work by seller, and business type of seller.

Question 2. 2. (TCO A) According to the PMBOK® Guide, there are four processes in the procurement area. Describe and explain these four processes in the procurement management process for the buyer. (Points : 30)

1)Plan Procurement Management: This is simply the process of all the decisions that are made in project procurement in which all approach specifications and all potential sellers are documented. 2)Conduct Procurements: This is simply the process of getting and obtaining all the sellers responses and selecting the best one that the best could help our project. Here the contract is being awarded as well. 3)Control Procurements: This basically is the process of managing the procurement relationships and monitoring all the activities and contract performances to see if there is a need for any changes or correction in the contract. 4)Close Procurements: This is the process of completing each project procurement according the way they were planned.

All these four process interact with each other and with other process in other knowledge areas in a project.

Question 3. 3. (TCO C) Compare and contrast a firm fixed-price contract to a time and materials contract. When would each be appropriate for a given project? (Points : 30)

**Fixed-Price Category:** This is considered as the standard business pricing arrangement, which includes two basic types of contracts, Firm-Fixed-Priced (FFP), and Fixed-Price with economic price adjustment (FP/EPA) In FFP contracts, the seller agrees to provide specific quantity of goods or renders a defined service for the return of specific price. In FP/EPA contracts, there are some different clauses for adjusting prices based on specified contingencies. These clauses may be upward adjustments, downward adjustments, or both. Firm Fixed Price Contracts (FFP), it is appropriate for most commercial transactions, example: Software package that can be bought for \$1, 500 regardless of the seller's cost.

**Time-and-Material Category:** in such contracts, the parties negotiate hourly rates for a defined type of labor and would agree on the seller gets reimbursed for parts and materials at cost. These types of contracts resemble cost-reimbursable contracts in that they can be left open ended and may be subject to a cost increase for the buyer. The full value of the agreement and the exact quantity of items to be delivered may not be defined by the buyer at the time of the contract award. **TIME AND MATERIAL CONTRACTS (T&M)** It is often used to obtain a wide variety of professional services, such as information technology services, acquisition support services, equipment repair services, and etc. example: Business consultant to an hourly rate of \$150.

Question 4. 4. (TCO D) What are the three types of procurement statements of work? When is each the appropriate for a given contract? (Points : 30)

Basically, there are three main types of SOW, which are as follows: 1.

**Design/Detail Statement of Work (SOWs):** This type of SOW indicates to the supplier on how to do the work. The statement of work defines buyer requirements that control the processes of the supplier. For instance, this might include exact measurements, tolerances, materials, quality control requirements etc. In this type the buyer will accept the risk simply because the buyer asks the contractor to follow the buyers way of conducting the tasks and activities and or making of the equipment.

2. **Level of Effort or Time & Materials or Unit Rate SOW:** Generally speaking, this type of SOW could be written for almost any type of service. The real deliverable under this type of contract is an hour of work and the material required to perform the service, research repair, development etc. 3.

**Performance Based Statement of Work (SOW):** This statement of work defines those contracts where a performance based statement of work structures all aspects of an acquisition around the purpose of the work to be performed or equipment to be supplied and does not dictate how the work is to be accomplished. This is the most preferred method among these three, which states the needs in a statement of work.

The formats of a statement of work generally include three parts: 1. **Scope:** This simply includes a statement about what the SOW covers. 2. **Applicable Documents:** All the documents invoked in the requirements of the SOW must be listed in this section by document number and title. 3. **Requirements:** The

arrangement of technical tasks and sub tasks within the Requirements section will be dictated by program requirements.