

# 31272 Project Management and the Professional

**Lecture 11:** HR, Procurement and Project Closure

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# Objectives and Topics

## Human Resources and Organisation Structures

- Types of Structures

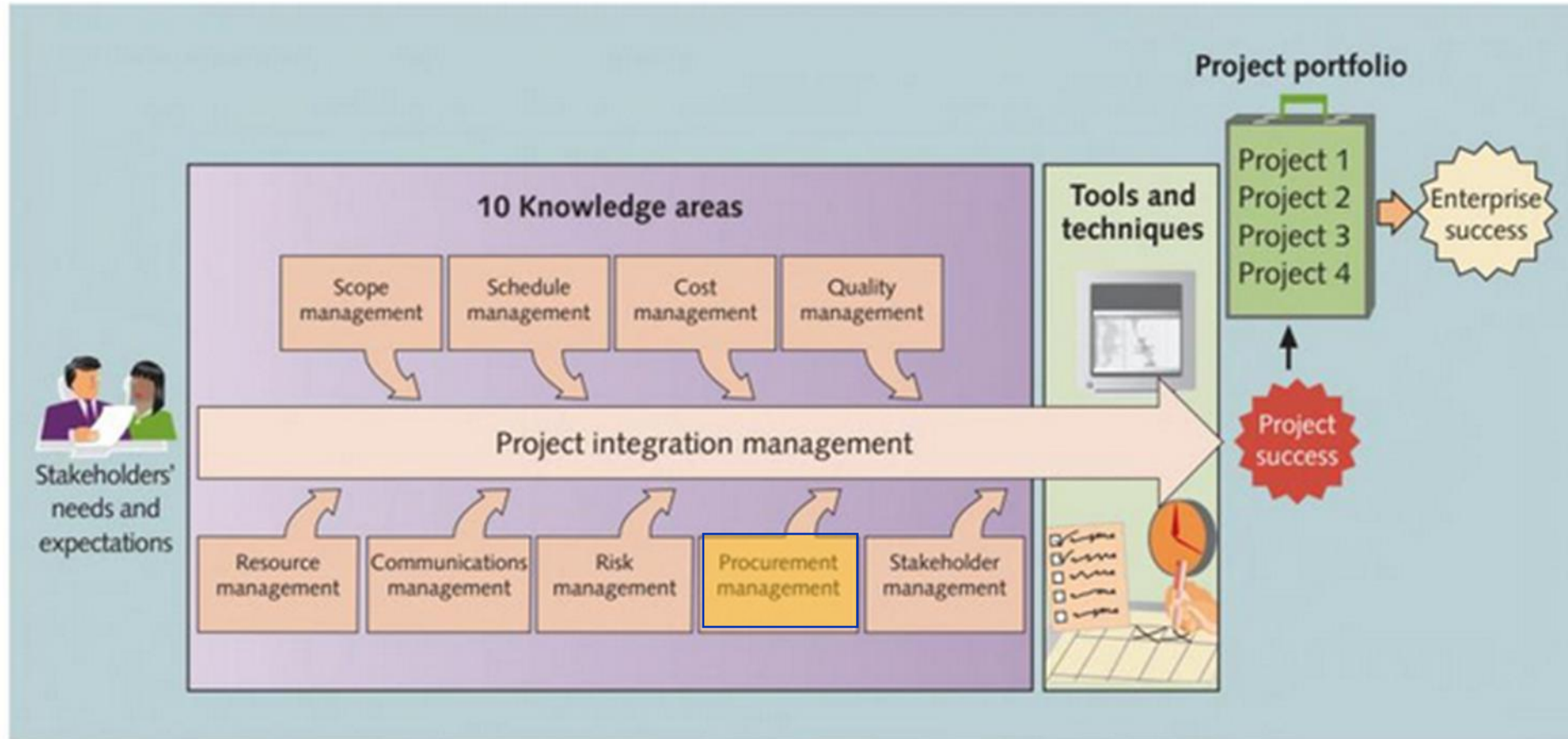
## Procurement Management

- What is a Contract?
- Types of Contract
- Contract Closure

## Project Closure

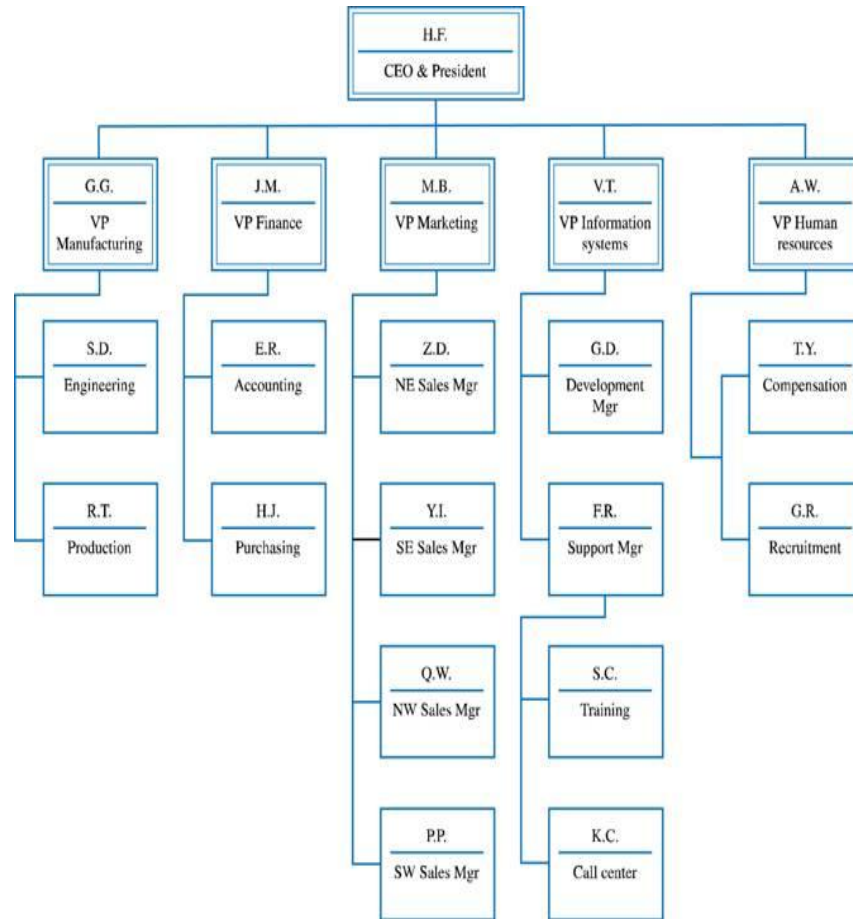
- Implementation
- Closure activities
- Lessons learned

# Project Management Planning



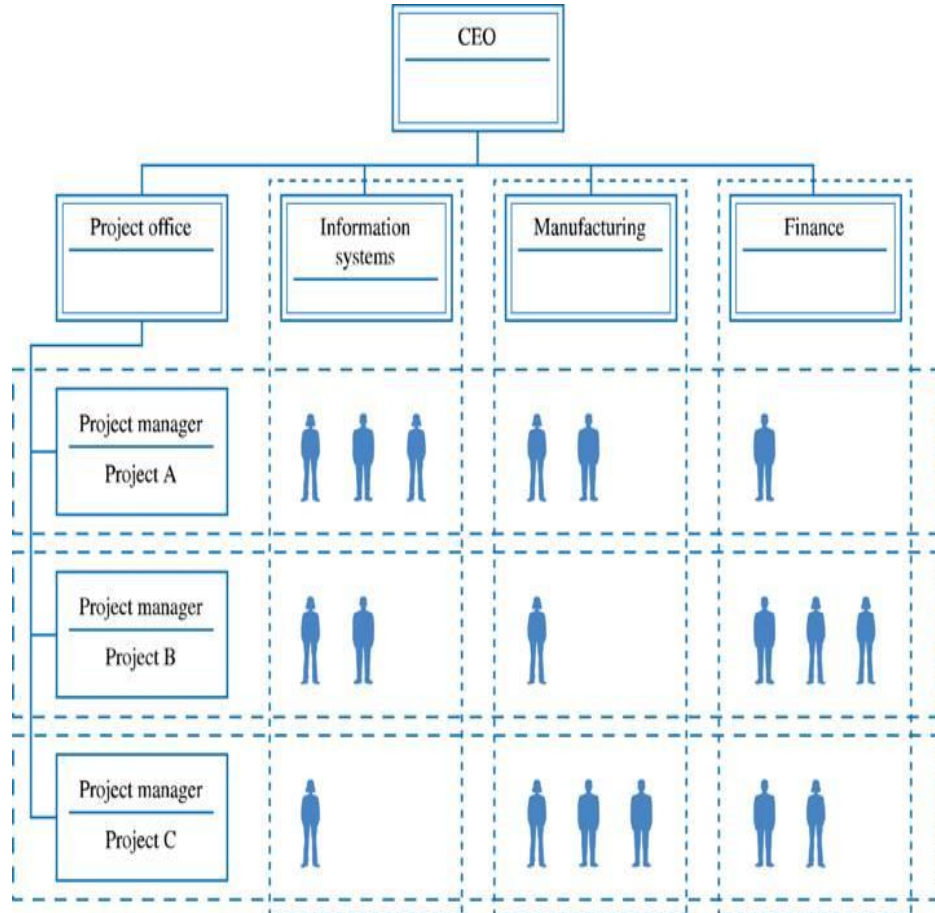
Schwalbe (2018)

# HR Structures: Functional Hierarchy Structure



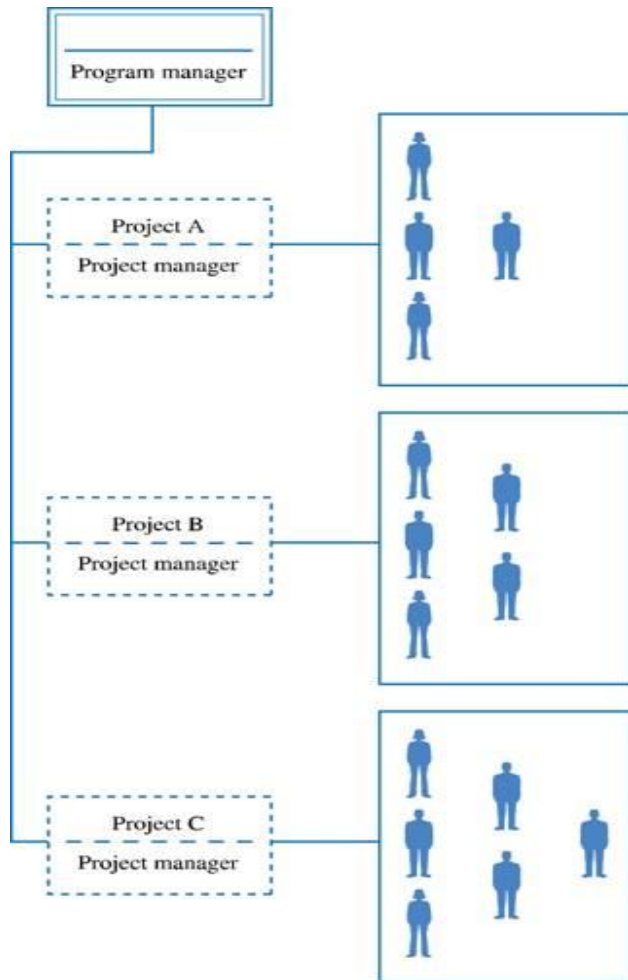
Advantages	Disadvantages
Simple reporting structure	PM has reduced authority
Only one boss to deal with	Can be difficult to access external resources
Can be good for department level projects	Teams have allegiance to dept more than the project
	Lack of integration
	Duplication of effort across silos (i.e. resource waste)

# HR Structures: Matrix Structure



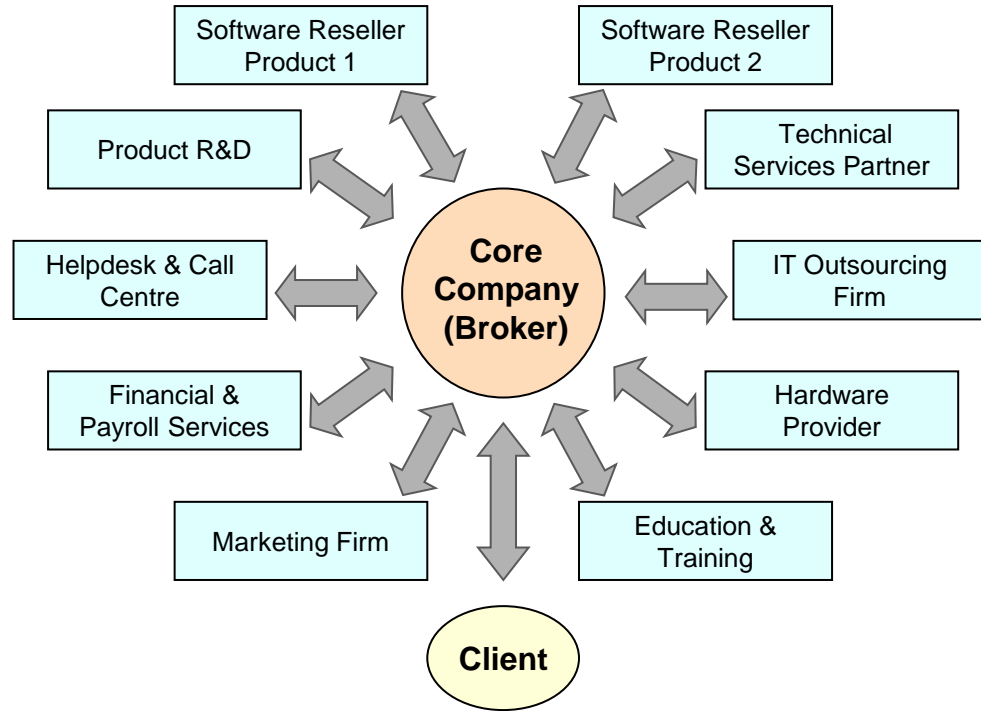
Advantages	Disadvantages
High level of integration	High potential for conflict
Improved communication	Poor response times (compared to functional)
Increased project focus	Team members can be reallocated unexpectedly
Agile development	Can be highly political
	Increased individual workloads

# HR Structures: Project-Based Structure



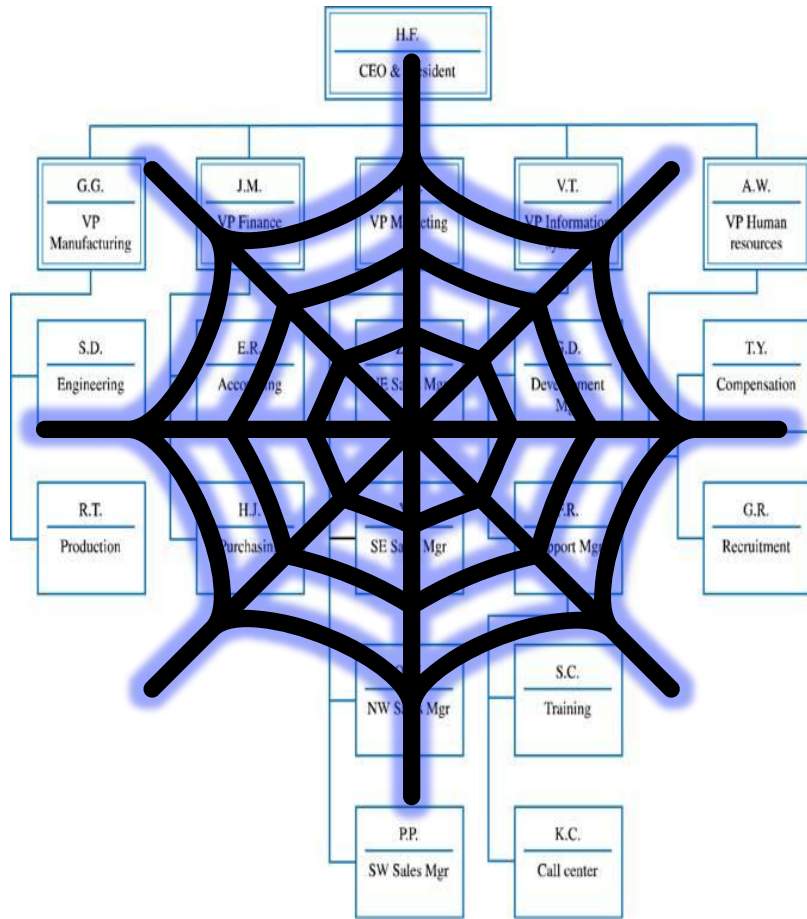
Advantages	Disadvantages
Clear lines of authority and responsibility	Resources not easily shared across projects
High level of integration	Project can become isolated
High communication, quick decision making	Vulnerable to <i>projectitis</i>
Resources are readily available	Teams can become idle while waiting (i.e. waste)
Team becomes a 'family'	Teams identify with each other more than the company

# HR Structures: Network/Cellular Structure



Advantages	Disadvantages
Flexibility	Requires orchestration not just management
Scalability	Less team face to face
Can take advantage of local conditions	Prone to organisational amputation
Adapts to wide geography	Weakened organisational (and team) identity
	Technologically dependent

# HR Structures: Formal vs. Informal



## Formal organisational structure

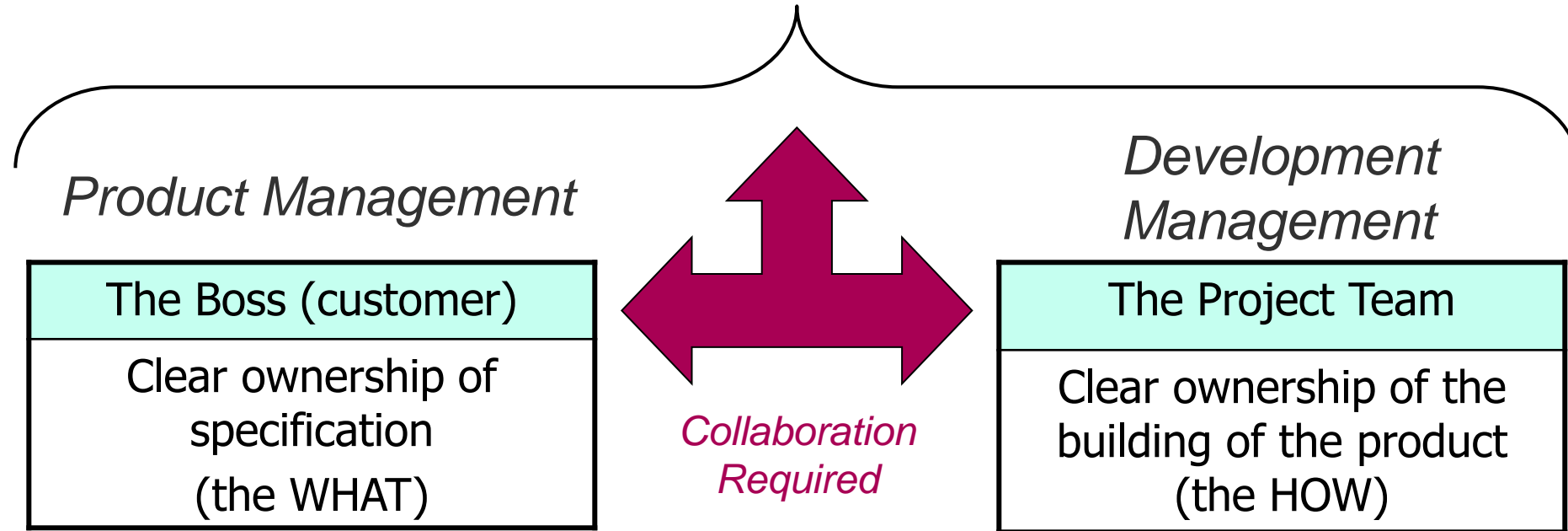
- Tells us how individuals or groups within a company should relate to one another, it does not tell us how they actually relate to one another

## Informal organisation structure

- Bypasses formal lines of communication & authority
- Power is determined by how well one is connected in the informal network (i.e. influence)

# HR and Procurement: Management Relationships

## *Project Management*



# HR and Procurement: Contracts

*A contract is:*

- A legal record of agreement
- Legally enforceable

*It requires:*

- Reaching same understanding about something
- Clearly expressing that understanding in writing

# Contracts – Changing Times – evolving requirements & customer needs

*Equal opportunity - discrimination*

*Work from home*

*Force Majeure*

*Cyber crime*

*Security of data*

*Disaster Recovery Plan*

*Police clearance*

*Green Sustainability*

*Incident reporting*

# HR and Procurement: Management Process

<i>Process Phase</i>	<i>Output</i>
1. Plan the acquisition	<ul style="list-style-type: none"><li>■ Procurement management plan</li><li>■ Project Statement of Work (Scope or SoW)</li></ul>
2. Plan contracting	<ul style="list-style-type: none"><li>■ Documented bid invitation, RFI/RFP</li><li>■ Evaluation criteria</li></ul>
3. Request provider responses	<ul style="list-style-type: none"><li>■ Qualified vendors list</li><li>■ Issue of RFI/RFP</li></ul>
4. Select provider	<ul style="list-style-type: none"><li>■ Proposal evaluation checklist</li><li>■ Project contract</li></ul>
5. Contract administration	<ul style="list-style-type: none"><li>■ Reports: performance compliance, change control, risk management</li></ul>
6. Contract closure	<ul style="list-style-type: none"><li>■ Contract termination</li><li>■ Post implementation review</li><li>■ Knowledge capture</li></ul>

# HR and Procurement: Contract Types

- **Fixed-Price or Lump-Sum Contracts**
  - A fixed price is set as total and final price for a product or service
  - Can include performance incentives or penalties for objectives
- **Cost-Reimbursable Contracts (Cost-plus contracts)**
  - Payment made to the vendor to cover their actual direct (labor, materials, etc.) and indirect costs (admin, rent, utilities, etc.)
  - Plus a negotiated fee (\$ or %) on top of the costs
- **Time and Materials (T&M) Contracts**
  - A hybrid of cost-reimbursable and fixed-price contracts
  - Customer pays vendor for time and materials to complete the work (pay as you go)
  - Open ended (costly on long projects)

# HR and Procurement: Contract Closure

- Give consideration to disengagement
  - Contracts do not go on for ever
  - Usually have defined periods/phases
  - Renegotiation points and triggers (upgrades, environment changes, SOW)
- Disengagement triggers
  - Termination for non performance
  - Termination due to merger
  - Termination due to acquisition
  - Termination without cause

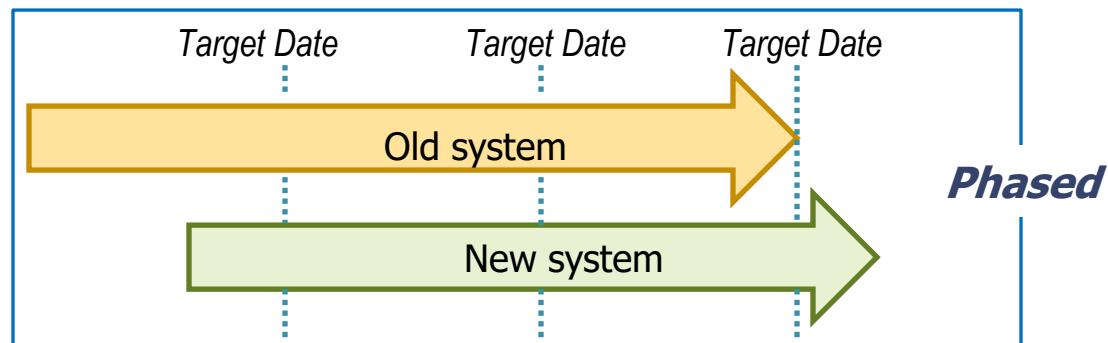
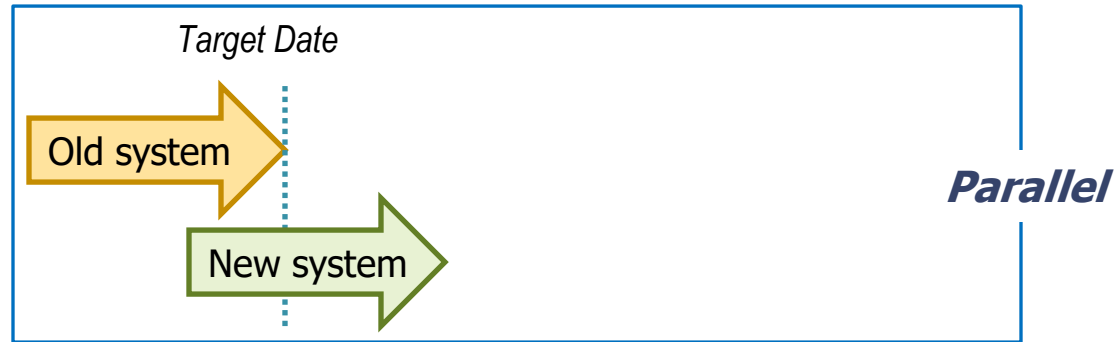
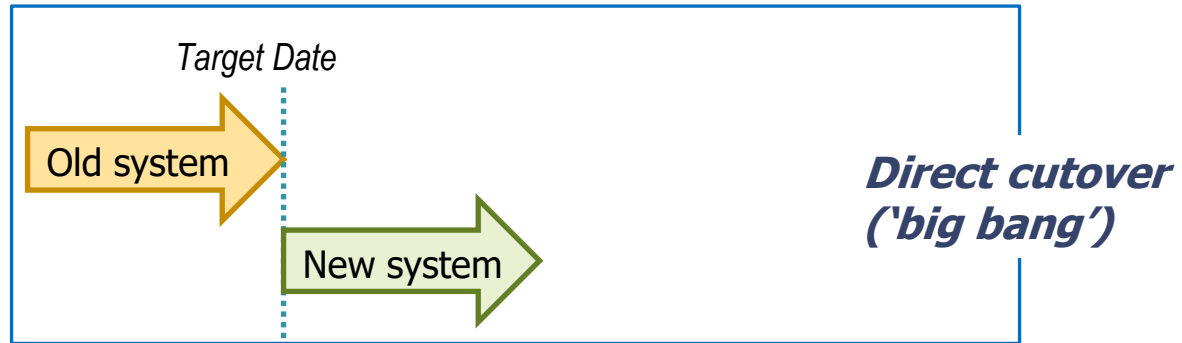
# Project Closure

## *A Project*

A **temporary** endeavor undertaken to accomplish a unique purpose

*At some point (hopefully) the project ends*

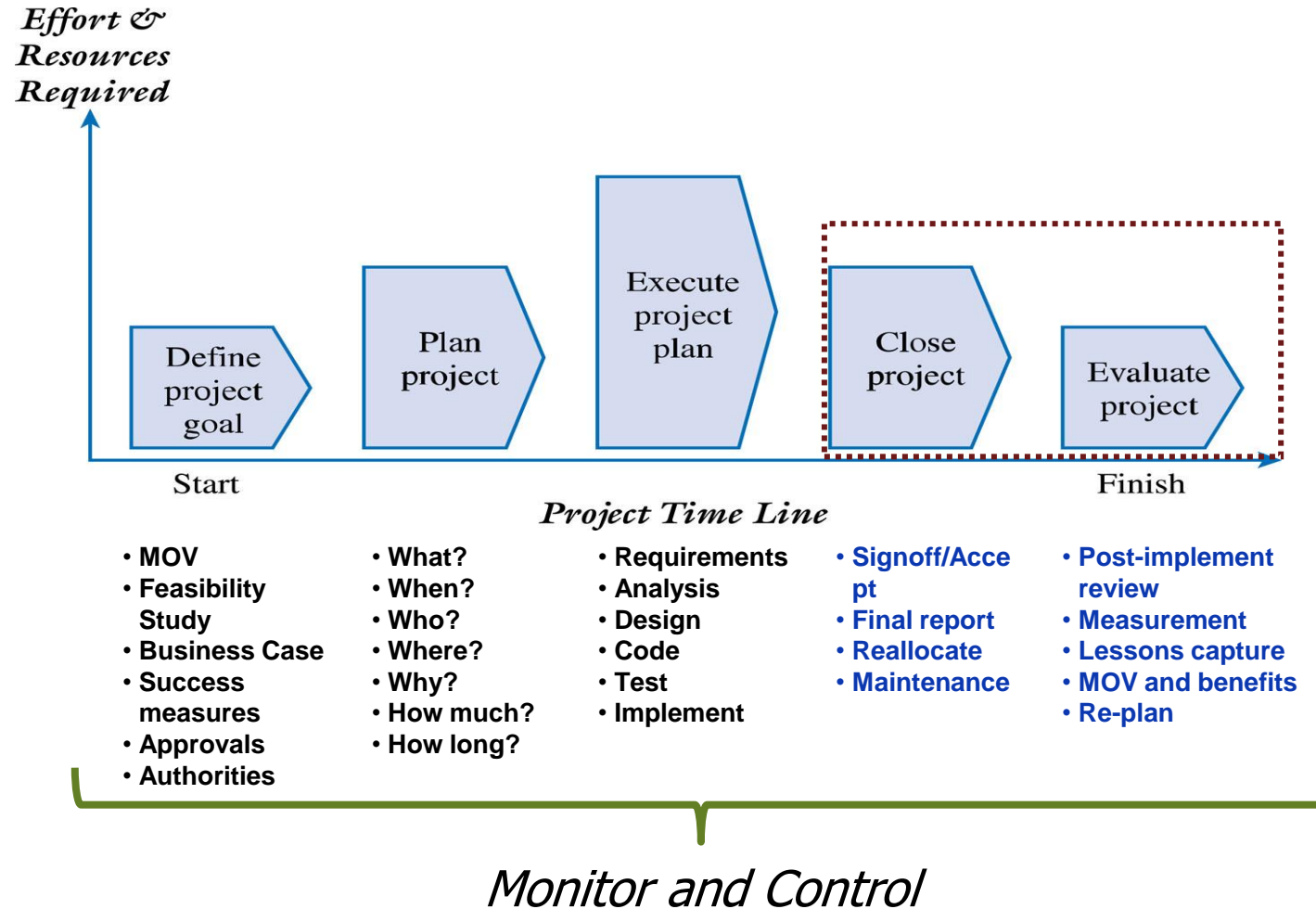
# Project Closure: Implementation Methods



## Implementation Potential Outcomes

- Normal
- Premature
- Perpetual
- Failed
- Cancelled

# Generic Project Lifecycle



# Types of project closure

## **Normal**

The most common circumstance for project closure is simply a completed project.

## **Premature**

The premature ending of a project could arise for any number of reasons—for example, due to a change of management, a change of businesses strategy, a faltering/slowdown of the economy, the sponsor moving onto other priorities, or the project failing to progress through a gateway review because the Business Case is no longer valid.

# Types of project closure (2)

## Phase (or stage)

Although this chapter discusses steps towards closing a project at its ultimate end, it should be noted that most elements of project closure can also be applied at the end of each stage of the project life cycle, or at particular phases in the project design.

## Perpetual

Some projects never seem to end! A major characteristic of this kind of project is constant add-ons, suggesting the presence of a poorly conceived project scope and a poorly applied project management approach. Organisations should regularly review all project activity and ensure no perpetual projects exist, and if identified, bring them to a swift close via the formal project closure steps.

# Types of project closure (3)

## **Failed project**

Failed projects are usually easy to identify and are easy for a review group to close. However, every effort should be made to communicate the reasons for termination of the project.

## **Changed priority**

Organisation priorities often change, and their strategies will therefore shift in direction. For example, during the 2008–13 global financial crisis (GFC), many organisations shifted their focus away from money-making projects towards cost-saving projects.

## **Conditional**

Release of team with conditions assigned



# Student Feedback Surveys



Please share your feedback – either in the official survey or even in an email



If someone or a program really helped you – they'd love to hear it



**IMPORTANT:**  
please include your  
tutor's name



Don't forget your teachers are human beings – words can and do hurt



If something wasn't great – how could it be better?

# References

- Marchewka, J.T. (2012) *Information Technology Project Management*, 4th ed., John Wiley & Sons, Hoboken, NJ
- Schwalbe, K. (2018) *An Introduction to Project Management*, 9th ed., Course Technology, Boston