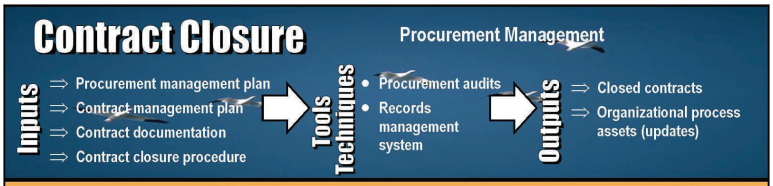
PMP®
Lunchtime Lecture Series
with Eric Nielsen, PMP

Companion ReviewSheet
Series Lecture 44

Applying the Contract Closure Process

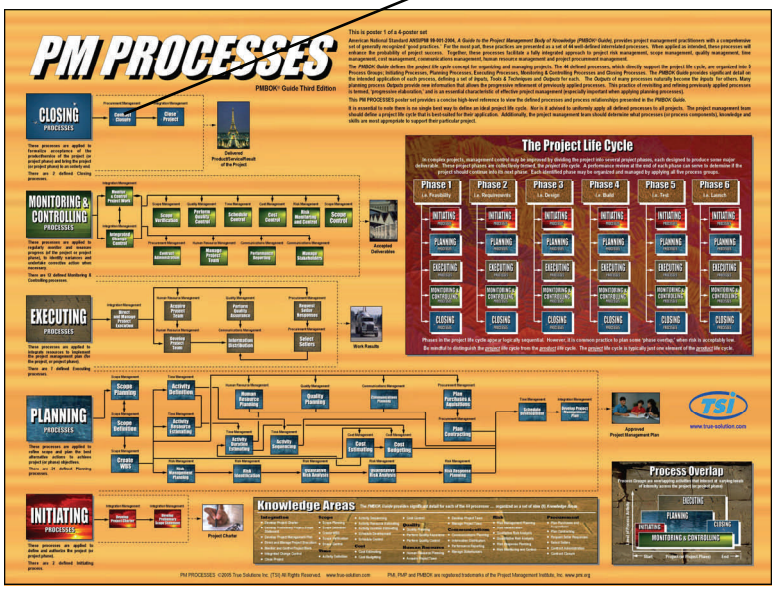
Contract Closure is the procurement process of formally accepting and closing contracted work. Like other procurement processes, Contract Closure is applied only if services/supplies are contracted/ purchased to support the project.

Contract Closure is performed by verifying that contracted work was completed correctly and contract terms and conditions were satisfied. Formal acceptance is then documented and contract records are archived.



CONTRACT CLOSURE completes and settles the project (buyer) and supplier (seller) contract.

Procurement management plan. Describes how the project procurement processes is managed.
Contract management plan. The formal plan to administer the contract (typically only in larger procurements).
Contract documentation. Contract, schedules, contract changes, performance reports, payment records, etc.
Contract closure procedure. Step-by-step methodology to satisfy required contract completion criteria.
Procurement audits. Structured lessons learned-type reviews of the project's procurement process(es).
Records management system. Used by the project manager to manage contract documentation and records.
Closed contracts. Formal, documented notifications (to the seller) of contract completion.
Organizational process assets (updates). Contract-related lessons learned and contract files.



Contract Closure Must Know Concepts

1. "Contract Closure is the procurement process of formally accepting and closing contracted work."
2. "The primary deliverable (*Output*) of the Contract Closure process is closed contracts."
3. "Contract Closure is performed by verifying that contracted work was completed correctly and contract terms and conditions were satisfied. Formal acceptance is then documented and contract records are archived."
4. "Contract Closure is applied only if services/supplies are contracted/purchased to support the project."

ULTIMATE PMP® Exam Prep™
PMP Exam Preparation Course

www.true-solution.com

PMP Lunchtime Lecture Series ©2005 True Solutions Inc. (TSI) All Rights Reserved
PMI, PMP and PMBOK are registered trademarks of the Project Management Institute, Inc.