



Australian Government

Department of Education, Employment and Workplace Relations

ICAP6040B Develop contracts and manage contracted performance

Release: 1

ICAP6040B Develop contracts and manage contracted performance

Modification History

Not Applicable

Unit Descriptor

Unit descriptor	<p>This unit defines the competency required to negotiate and document contractual arrangements between clients, vendors and service providers and to monitor and manage performance against agreed contractual obligations.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of publication.</p>
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Application of the Unit

Application of the unit	
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Licensing/Regulatory Information

Refer to Unit Descriptor

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the required skills and knowledge section and the range statement. Assessment of performance is to be consistent with the evidence guide.
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Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish contract	1.1. Determine boundaries of the contract 1.2. Document contract details and provide a copy to the <i>client</i> and vendor for review 1.3. Obtain <i>client</i> and vendor feedback to clarify problems and misunderstandings 1.4. Facilitate negotiations to resolve problems and misunderstandings 1.5. Seek agreement from <i>stakeholders</i>
2. Monitor contract	2.1. Monitor performance against contractual obligations to ensure desired level of quality is maintained 2.2. Ascertain <i>client</i> satisfaction with contractual performance 2.3. Identify and take action to address unsatisfactory performance 2.4. Provide recommendations for contractual variations, if required 2.5. Forward recommendations to the <i>appropriate person</i> for approval

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE
<p>This section describes the skills and knowledge required for this unit.</p>
<p>Required skills</p>
<ul style="list-style-type: none"> • Negotiation skills in relation to contracting equipment and services, such as negotiating extensive client support contracts • Evaluation and report writing skills involving analysis, such as identifying, service expectations and boundaries of service provision • Group facilitation and presentation skills in relation to transferring and collecting information and gaining consensus on concepts and gaining the trust and confidence of colleagues, clients and suppliers • Broad strategic planning skills for planning resource use to achieve contract obligations • Planning and analysis skills for reviewing objectives and performance measures against contract outcomes • Basic financial skills in relation to monitoring the finances related to contracts

REQUIRED SKILLS AND KNOWLEDGE

- Time management skills in relation to planning the management of services and monitoring satisfactory service
- Organising and presenting information in relation to business report writing requirements, such as preparing information on client support performance outcomes and agreed quality standards

Required knowledge

- Broad knowledge of methods for evaluating and forecasting vendor and technology trends
- Analysis and planning approaches to technical problems or management requirements, taking into account organisational values and purpose in the context of formulating client support contracts
- Contracting requirements in relation to IT; IT purchasing of equipment and services, such as negotiating extensive client support contracts
- Industry standards in relation to service and product agreements

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Competency is demonstrated by negotiating and formulating extensive client support contracts by:

- Accessing and analysing relevant information on resources and budgets
- Analysing current and future client support requirements
- Monitoring resource utilisation, cost efficiency and effectiveness against contractual obligations
- Reviewing objectives and performance measures

To demonstrate competency in this unit the learner will require access to:

- Detailed information relating to business strategic plan
- Budget constraints
- A timeframe for the strategic plan
- Business objectives
- Information on a range of IT business solutions
- Access to the outcomes of a business analysis process (separate to this unit of competency)

Context of and specific resources for assessment

Action to promote client satisfaction is in line with organisational policy and values.

Organisational policy and procedures relating to contracting arrangements for IT are employed, monitored and evaluated.

Client requirements for support service delivery are satisfied within quality, time and cost parameters.

The purpose of most contracts is to specify the nature of agreement between two parties about the supply and

EVIDENCE GUIDE	
	<p>receipt of goods or services.</p> <p>It is essential that the contract take into consideration those variables that may impact upon agreed deliverables. These variables may include timing of the work or production of the item(s), the quality of production, the cost, the warranty and after-sales service.</p> <p>Additionally, there is an obligation to ensure that conditions of the contract are actually fulfilled. This requires constant monitoring of whether the contract is still suitable and whether subsequent events have rendered the contract untenable to either party. This unit focuses on the process of constant review as a way of achieving this goal.</p> <p>The breadth, depth and complexity involving analysis, design, planning, execution and evaluation across a range of technical and/or management functions including development of new criteria or applications or knowledge or procedures would be characteristic.</p> <p>Assessment must ensure:</p> <ul style="list-style-type: none"> • application of a significant range of fundamental principles and complex techniques across a wide and often unpredictable variety of contexts in relation to either varied or highly specific functions. Contribution to the development of a broad plan, budget or strategy may be involved and accountability and responsibility for self and others in achieving the outcomes may also be characteristic. • Applications involve significant judgement in planning, design, technical or leadership/guidance functions related to products, services, operations or procedures would be common.
Method of assessment	<p>The purpose of this unit is to define the standard of performance to be achieved in the workplace. In undertaking training and assessment activities related to this unit, consideration should be given to the implementation of appropriate diversity and accessibility practices in order to accommodate people who may have</p>

EVIDENCE GUIDE	
	<p>special needs. Additional guidance on these and related matters is provided in ICA05 Section 1.</p> <ul style="list-style-type: none"> • Competency in this unit should be assessed using summative assessment to ensure consistency of performance in a range of contexts. This unit can be assessed either in the workplace or in a simulated environment. However, simulated activities must closely reflect the workplace to enable full demonstration of competency. • Assessment will usually include observation of real or simulated work processes and procedures and/or performance in a project context as well as questioning on underpinning knowledge and skills. The questioning of team members, supervisors, subordinates, peers and clients where appropriate may provide valuable input to the assessment process. The interdependence of units for assessment purposes may vary with the particular project or scenario.
Guidance information for assessment	<p>Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:</p> <ul style="list-style-type: none"> • ICAI5088B Evaluate and negotiate vendor offerings <p>An individual demonstrating this competency would be able to:</p> <ul style="list-style-type: none"> • Demonstrate understanding of specialised knowledge with depth in some areas • Analyse, diagnose, design and execute judgement across a broad range of technical or management functions • Generate ideas through the analysis of information and concepts at an abstract level • Demonstrate a command of wide-ranging, highly specialised technical, creative or conceptual skills • Demonstrate accountability for personal outputs within broad parameters • Demonstrate accountability for personal and group outcomes within broad parameters • Maintain knowledge of industry products and services

Range Statement

RANGE STATEMENT	
<p>The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Italicised wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.</p>	
<p><i>Boundaries of the contract</i> may include:</p>	<ul style="list-style-type: none"> • organisational policy • budget • time constraints • resources
<p><i>Client</i> may include but is not limited to:</p>	<ul style="list-style-type: none"> • internal departments • external organisations • clubs • individual people • internal employees
<p><i>Stakeholders</i> may include:</p>	<ul style="list-style-type: none"> • sponsors • users • development team • project team
<p><i>Appropriate person</i> may include:</p>	<ul style="list-style-type: none"> • supervisor • teacher • authorised business representative • client

Unit Sector(s)

Unit sector	Strategy Planning
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Co-requisite units

Co-requisite units	
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Co-requisite units		

Competency field

Competency field	
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