



Australian Government

Department of Education, Employment and Workplace Relations

LMTGN6004B Negotiate and manage contracts to produce finished design products

Revision Number: 1

LMTGN6004B Negotiate and manage contracts to produce finished design products

Modification History

Not applicable.

Unit Descriptor

Unit descriptor This unit covers the skills and knowledge to negotiate and manage design production contracts.

Application of the Unit

Application of the Unit

The unit applies to contracts which may include local or overseas supply or production of materials, components, complete products or accessories used to produce finished design products. It may also be applied to contracts providing distribution and transportation or sales and marketing services.

The application of this unit includes the establishment of performance standards and monitoring procedures to ensure contract specifications are achieved.

Work may be conducted in small to large scale enterprises and may involve individual and team activities.

The application of this unit is according to OHS practices of the enterprise and workplace practices, which may include:

- requirements prescribed by legislation, awards, agreements and conditions of employment
- standard operating procedures
- work instructions
- oral, written and visual communication
- quality practices, including responsibility for maintenance of own work quality and contribution to quality improvement of team or section output
- housekeeping
- tasks related to environmental protection, waste disposal, pollution control and recycling

This unit requires the application of skills associated with communication to collaborate with personnel, analyse information, prepare contracts, negotiate contractual arrangements and present, report and document contractual information. Initiative and enterprise, problem solving and planning and organising are required to establish contract parameters, select suppliers, develop risk management plans, monitor performance, identify issues and required improvements and ensure quality and performance standards are maintained.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisites

Employability Skills Information

Employability Skills This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1 Establish contract requirements	<p>1.1 <i>Contract requirements</i> are identified in collaboration with <i>appropriate personnel</i> in the workplace.</p> <p>1.2 <i>Key criteria</i> are established to define contract parameters.</p> <p>1.3 Previous contracts are reviewed to guide preparation of contract and selection of contractors.</p> <p>1.4 Contract is prepared and advertised.</p>
2 Confirm contract agreement	<p>2.1 Applications for contract provision are reviewed and shortlisted.</p> <p>2.3 Contract supplier is selected according to ability to provide goods or services to required standards.</p> <p>2.4 Contract agreement is negotiated and confirmed.</p> <p>2.5 Quality and performance standards are confirmed.</p> <p>2.6 Documentation, communication and performance monitoring processes are agreed upon with contract supplier.</p> <p>2.7 Risk management plan is developed.</p> <p>2.8 Procurement documentation is completed.</p>
3 Implement and manage contract agreement	<p>3.1 Performance is monitored to ensure standards and targets are being achieved.</p> <p>3.2 Inconsistencies and missing of targets are identified and addressed to reestablish required performance levels.</p> <p>3.3 Appropriate personnel are consulted to assist in monitoring performance of contract suppliers.</p> <p>3.4 Improvement opportunities are identified and implemented as possible.</p> <p>3.5 Documentation is updated throughout implementation of contract.</p> <p>3.6 Supplier payments are managed according to contract agreement.</p>
4 Evaluate contract implementation	<p>4.1 Implementation of contract is evaluated and its effectiveness in meeting contract requirements and quality outcomes assessed.</p> <p>4.2 Improvements to contracting procedures are identified and recorded for later use.</p> <p>4.3 Feedback is provided to supplier.</p>
5 Maintain records	<p>5.1 Records are maintained and reports prepared.</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level

Demonstrates knowledge of:

- principles of quality management; their application and delegation of responsibilities within a contract
- documentation procedures for contracts
- research techniques
- workplace procurement practices and procedures
- legal requirements for contracting
- performance monitoring methods
- strategic planning
- financial and accounting issues
- quality standards and practices
- OHS practices, including hazard identification and control measures
- workplace practices
- recording and reporting practices

Demonstrates skills to:

- establish contract criteria
- negotiate and communicate
- monitor performance
- investigate and apply methods to eliminate causes of unsatisfactory performance
- assess results
- prepare reports
- communicate within the workplace, including liaising with other departments and possibly overseas personnel
- establish or interpret procedures, where required
- determine report requirements and present information in appropriate formats
- read, interpret and follow information on work specifications, standard operating procedures and work instructions, and other reference material
- maintain accurate records
- sequence operations
- meet specifications
- clarify and check task-related information
- carry out work according to OHS practices

Evidence Guide

The Evidence Guide provides advice on assessment and must be read in conjunction with the Performance Criteria, Required Skills and Knowledge, the Range Statement and the Assessment Guidelines for the Training Package.

Critical aspects of evidence	Demonstrates skills and knowledge to: <ul style="list-style-type: none">• ensure appropriate personnel are aware of contract implementation• monitor quality performance of suppliers and ensure compliance• negotiate contract requirements• determine quality requirements• implement performance monitoring strategies• evaluate and assess effectiveness of contract• maintain accurate records
Consistency in performance	Consistently applies skills and knowledge when: <ul style="list-style-type: none">• organising work• completing tasks according to instructions• working systematically with attention to detail• identifying improvements and avoiding damage• using workplace practices• using OHS practices• recording and reporting accidents and incidents• assessing operational readiness of equipment• recognising and adapting to cultural differences in the workplace, including modes of behaviour and interactions
Resource implications	Access is required to real or appropriately simulated situations, including work areas, materials and equipment, and to information on workplace practices and OHS practices.
Context for assessment	Assessment may occur on the job or in an appropriately simulated environment.
Interdependent assessment	This unit may be assessed independently or in combination with other relevant units.

Range Statement

RANGE STATEMENT

The Range Statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. Bold italicised wording, if used in the Performance Criteria, is detailed below. Add any 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.

Legislative/regulatory requirements All work must comply with relevant Federal and State or Territory legislative or regulatory requirements.

Contract requirements may include:

- supply of goods or components
- production of goods or components
- sales and marketing services
- transport and distribution services

Appropriate personnel may include:

- business development staff
- management
- specialist personnel such as operations managers, marketing executives, procurement officers
- production personnel
- designers
- quality assurance officers

Key criteria may include:

- quantity specifications
- quality specifications
- stakeholder interests
- timing
- budget
- transportation
- other special requirements

OHS practices OHS practices include hazard identification and control, risk assessment and implementation of risk reduction measures specific to the tasks described by this unit, and may relate to:

- manual handling techniques
- standard operating procedures
- personal protective equipment
- safe materials handling
- taking of rest breaks
- ergonomic arrangement of workplaces
- following marked walkways
- safe storage of equipment
- housekeeping
- reporting accidents and incidents
- environmental practices

Unit Sector(s)

Sector All