



**Australian Government**

# **PSPPCM026 Establish the strategic procurement context**

**Release: 1**

# PSPPCM026 Establish the strategic procurement context

## Modification History

Release	Comments
1	<p>This unit was released in PSP Public Sector Training Package release 1.0 and meets the Standards for Training Packages.</p> <p>This unit supersedes and is equivalent to PSPPROC705A Establish the strategic procurement context.</p> <ul style="list-style-type: none"> <li>• Unit code updated</li> <li>• Content and formatting updated to comply with new standards</li> <li>• All PC transitioned from passive to active voice</li> </ul>

## Application

This unit describes the skills required to establish the broad context in which strategic procurement takes place. It includes undertaking environmental analysis; analysing, developing and monitoring procurement capability; influencing and developing strategic industries; and establishing and managing risk exposure. It also includes understanding the government and political context for strategic procurement.

This unit applies to those working in roles involved in procurement.

The skills and knowledge described in this unit must be applied within the legislative, regulatory and policy environment in which they are carried out. Organisational policies and procedures must be consulted and adhered to.

Those undertaking this unit would work autonomously consulting others as required, performing sophisticated tasks in a range of familiar contexts.

No licensing, legislative or certification requirements apply to unit at the time of publication.

## Competency Field

Procurement

## Elements and Performance Criteria

ELEMENTS	PERFORMANCE CRITERIA
Elements describe	Performance criteria describe the performance needed to demonstrate

the essential outcomes	achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions section.
<b>1. Analyse the procurement environment</b>	<p>1.1 Apply knowledge of the legal, political and financial environment to establish strategic context.</p> <p>1.2 Define the relationship between the organisation and its procurement environment.</p> <p>1.3 Identify existing and potential stakeholders and their strengths and weaknesses.</p> <p>1.4 Identify strengths, weaknesses, opportunities and threats using information that is up to date, reflects emerging and predicted trends, and takes account of the possible future procurement interests and activities of the organisation and government directions.</p> <p>1.5 Adjust the organisation's procurement strategies and plans with respect to information gathered, and identify comparative targets.</p> <p>1.6 Support any case for possible collaboration with other organisations with evidence, analysed for risks, and consistent with organisational plans and future directions.</p>
<b>2. Analyse procurement capability</b>	<p>2.1 Consider organisation's strengths, weaknesses, opportunities and threats in light of internal and/or external factors and organisation's strategic procurement goals.</p> <p>2.2 Analyse organisational capability taking into account possible future procurement interests and activities of the organisation, its strategic industries, collaborators, requirements of government and other organisations.</p> <p>2.3 Make suggestions for improvements to existing organisational structures and procurement systems that are realistic and achievable and will aid achievement of the procurement mission statement and strategies drawn from both internal and external stakeholders.</p> <p>2.4 Consult on proposed improvements with those affected, in time for their views to be taken into account.</p> <p>2.5 Justify proposed improvements on the basis of known internal and external factors, and take into account stakeholder needs and expectations.</p>
<b>3. Develop and monitor procurement capability</b>	<p>3.1 Implement improvements to develop procurement capability to meet new circumstances.</p> <p>3.2 Define practical requirements for implementing improvements.</p> <p>3.3 Identify difficulties associated with implementing improvements as early as possible in order to minimise their effect.</p> <p>3.4 Monitor, review and modify implemented improvements to organisational structures and procurement systems as required to assist achievement of procurement outcomes.</p>

<b>4. Influence and develop strategic industries</b>	<p>4.1 Monitor strategic industries and take opportunities to influence key opinion formers and decision makers to change, encourage and nurture industry capability.</p> <p>4.2 Identify problems, limitations and new opportunities in strategic industries in response to internal and external factors, based on quantitative and qualitative data.</p> <p>4.3 Influence strategic industries remaining sensitive to procurement policies and the values and practices of key opinion formers and decision makers.</p>
<b>5. Establish and manage risk exposure</b>	<p>5.1 Define and monitor total organisational risk to minimise loss and maximise opportunity.</p> <p>5.2 Establish and implement a risk management system.</p> <p>5.3 Monitor performance of risk management system, and modify to reflect procurement opportunities and current and emerging trends.</p>

## Foundation Skills

Foundation skills are embedded within the elements and performance criteria of this unit.

## Unit Mapping Information

This unit supersedes and is equivalent to PSPPROC705A Establish the strategic procurement context.

## Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=bebbece7-ff48-4d2c-8876-405679019623>

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