



Australian Government

Department of Education, Employment and Workplace Relations

AHCBUS503A Negotiate and monitor contracts

Release: 1

AHCBUS503A Negotiate and monitor contracts

Modification History

Not Applicable

Unit Descriptor

Unit descriptor	This unit covers the negotiation and monitoring of contracts and defines the standard required to: establish agreements with sources external to the enterprise; complete contract documentation; monitor the performance of contracts.
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Application of the Unit

Application of the unit	This unit applies to those whose work involves negotiating contracts with clients and others.
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Licensing/Regulatory Information

Not Applicable

Pre-Requisites

Prerequisite units		

Employability Skills Information

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

Not Applicable

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA

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1. Establish agreements with sources external to the enterprise	<p>1.1. The enterprise requirements of a business relationship with external sources are identified and defined.</p> <p>1.2. The ranges of acceptable outcomes from a negotiation are established.</p> <p>1.3. Contact is made with individuals, bodies or corporations, the appropriate individual is identified, and requirements of an agreement are discussed and mutually acceptable terms agreed.</p> <p>1.4. Sound practice and procedure for business meetings are maintained and all agreements are documented.</p>
2. Complete contract documentation	<p>2.1. Requirements of the contract are clearly documented and understood by the relevant parties.</p> <p>2.2. Areas of ambiguity or concern are clarified and resolved.</p> <p>2.3. Conditions for service or supply are agreed between the parties including the determination of key performance indicators.</p> <p>2.4. Alternative processes are undertaken where agreement is unable to be reached in accordance with enterprise procedures.</p> <p>2.5. Negotiations conform to established enterprise requirements and relevant legislation.</p> <p>2.6. Contract documentation is signed and exchanged between the relevant parties.</p>
3. Monitor the performance of contracts	<p>3.1. The rights and obligations of parties to a contract are identified, and appropriate methods of addressing non-performance are implemented.</p> <p>3.2. Professional and regulatory bodies available to support commercial grievance processes are identified and consulted when required.</p> <p>3.3. Completion of contract against key performance indicators is monitored.</p> <p>3.4. Issues in respect to non-compliance are advised to the other party in writing.</p>

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- establish agreements with sources external to the enterprise
- complete contract documentation
- monitor the performance of contracts
- use literacy skills to fulfil job roles as required by the organisation. The level of skill may range from reading and understanding documentation to completion of written reports
- use oral communication skills/language competence to fulfil the job role as specified by the organisation including questioning, active listening, asking for clarification, negotiating solutions and responding to a range of views
- use numeracy skills to estimate, calculate and record complex workplace measures
- use interpersonal skills to work with others and relate to people from a range of cultural, social and religious backgrounds and with a range of physical and mental abilities.

Required knowledge

- contract/commercial law applicable to the type of agreement
- processes of formulation and negotiation of contracts
- enterprise business policies and plans including procedures for maintenance of confidentiality
- selection and appropriate application of technology, information systems and procedures.

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	<p>The evidence required to demonstrate competency in this unit must be relevant to workplace operations and satisfy holistically all of the requirements of the performance criteria and required skills and knowledge and include achievement of the following:</p> <ul style="list-style-type: none"> • establish agreements with sources external to the enterprise • complete contract documentation • monitor the performance of contracts.
Context of and specific resources for assessment	Competency requires the application of work practices under work conditions. Selection and use of resources for some worksites may differ due to the regional or enterprise circumstances.

Range Statement

RANGE STATEMENT	
The range statement relates to the unit of competency as a whole.	
Contract requirements may include:	<ul style="list-style-type: none"> • quality or enterprise work specifications and procedures • manufacturer's specifications and/or supplier's handling and storage advice • workplace operating procedures and policies • supplier and/or client instructions • legal and contract documentation • Materials Safety Data Sheets (MSDSs) • communications technology equipment • personal and work area work procedures and practices • relevant State, Territory and Commonwealth legislative

RANGE STATEMENT

	<ul style="list-style-type: none"> • framework concerning contracts and trade practices • Occupational Health and Safety (OHS) in terms of duties of employers, employees, suppliers and contractors contracts • hazardous substances and dangerous goods • environment protection • equal opportunity • equal employment opportunity • affirmative action standards • certification requirements • license, patent or copyright arrangements • quality assurance procedures • emergency procedures.
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Unit Sector(s)

Unit sector	Business
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Co-requisite units

Co-requisite units	

Competency field

Competency field	
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