



Australian Government

Department of Education, Employment and Workplace Relations

BSBPUR401B Plan purchasing

Revision Number: 1

BSBPUR401B Plan purchasing

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	<p>This unit describes the performance outcomes, skills and knowledge required to prepare invitations to offer, identify suppliers, issue invitations to offer, and prepare purchase recommendations.</p> <p>No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.</p>
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Application of the Unit

Application of the unit	<p>This unit applies to individuals who are required to prepare for complex purchasing agreements up to and including the point at which the organisation selects, without prejudice, a supplier. This is done with strict adherence to legal requirements and the organisation's purchasing strategies, and traditionally by a purchasing officer working under supervision of a purchasing manager or in consultation with senior management.</p> <p>The purchasing role addressed in this unit involves significant risk and/or significant expenditure and detailed legal and documentation arrangements.</p>
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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

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. Prepare invitations to offer	1.1. Obtain specifications for goods and services to be purchased from <i>relevant personnel</i> and clarify as required 1.2. Select <i>purchasing methods</i> most appropriate to particular purchases 1.3. Prepare <i>invitations to offer</i> 1.4. Obtain approval of invitations to offer
2. Identify suppliers	2.1. Review organisation's records for potential suppliers 2.2. Identify sources of supply 2.3. Invite suppliers 2.4. Evaluate sources of supply against requirements of <i>purchasing strategies</i>
3. Issue invitations to offer	3.1. Distribute invitations to offer 3.2. Conduct briefings as required 3.3. <i>Clarify issues</i> arising with suppliers in line with purchasing strategies
4. Prepare recommendations to purchase	4.1. Receive offer documents from suppliers 4.2. Assess offer documents against requirements of purchasing strategies 4.3. Seek <i>further information</i> from suppliers as required 4.4. Obtain specialist expertise to assist with evaluation as required 4.5. Evaluate offers against requirements of purchasing strategies 4.6. Prepare shortlists of suppliers that make offers and who meet purchasing criteria 4.7. Select preferred offers 4.8. Make recommendations about preferred offers and seek approval by relevant personnel 4.9. Obtain approval for recommended offers

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- communication skills to negotiate and liaise with potential suppliers and relevant personnel involved in purchasing planning
- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- information technology skills to use software relevant to conducting purchasing planning activity
- information management skills to ensure all aspects of purchasing planning are conducted in sufficient detail
- literacy skills to write tender or quotation documents and written reports containing complex concepts
- organisational and time management skills to sequence tasks and meet timelines.

Required knowledge

- identification and overview knowledge of key provisions of relevant legislation from all levels of government that affects business operations, codes of practice and national standards, such as:
 - consumer protection legislation
 - contract law
 - import of goods and services, where relevant
 - sale of goods legislation
 - Trade Practices Act
- organisational practices, policies and procedures for purchasing
- product knowledge about the goods and services being supplied
- purchasing and procurement principles for:
 - accountability
 - probity and transparency
 - risk management
 - value for money.

Evidence Guide

EVIDENCE GUIDE	
<p>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.</p>	
Overview of assessment	
Critical aspects for assessment and evidence required to demonstrate competency in this unit	<p>Evidence of the following is essential:</p> <ul style="list-style-type: none"> • documents containing preparations to offer • evaluation of suppliers • issuing of an invitation to offer • formation of recommendation to purchase.
Context of and specific resources for assessment	<p>Assessment must ensure:</p> <ul style="list-style-type: none"> • access to an actual workplace or simulated environment • access to office equipment and resources • organisation's purchasing strategies and relevant purchasing records.
Method of assessment	<p>A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:</p> <ul style="list-style-type: none"> • analysis of responses to case studies and scenarios • assessment of written reports documenting the procurement planing process • direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate • observation of preparation and issuing of invitations to offer • oral or written questioning to assess knowledge • review testimony from team members, colleagues, supervisors or managers.
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"> • other purchasing 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. 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.

<i>Relevant personnel</i> may include:	<ul style="list-style-type: none"> • CEO • coordinators • internal users of purchased goods and services • leaders • managers • other persons authorised to commit the organisation to purchases • owner and Board • specialist personnel involved in purchasing, asset maintenance and finance • supervisors
<i>Purchasing methods</i> may include:	<ul style="list-style-type: none"> • direct negotiations • direct purchases using supply agreements • electronic trading • invitation of open or select tenders • written quotations
<i>Invitations to offer</i> may include:	<ul style="list-style-type: none"> • criteria for selection of suppliers from offers received • delivery schedules • draft contracts and agreements • quality requirements • required supplier capacity • requirements for off-site storage and warehousing • specifications of goods and/or services required
<i>Purchasing strategies</i> may include:	<ul style="list-style-type: none"> • criteria for evaluating purchasing performance • different policies, procedures and strategies for different dollar values of purchases • limits of authority to approve purchases • methodology for evaluating purchasing performance • organisational and industry codes of conduct and ethics

RANGE STATEMENT	
	<ul style="list-style-type: none"> • requirements for fairness and transparency in purchasing • the organisation's documented strategies for things such as: <ul style="list-style-type: none"> • purchasing • covering policies • procedures, guidelines and documentation formats for purchasing from suppliers including entities owned by the organisation, partners, alliance members and local and distant suppliers
<i>Clarify issues</i> may include:	<ul style="list-style-type: none"> • requests for further information about specifications not responded to, misinterpretations of specifications and supplementary/add on products or services
<i>Further information</i> may include:	<ul style="list-style-type: none"> • requests about specifications not responded to, misinterpretations of specifications and supplementary/add on products or services • supplier briefings and presentations

Unit Sector(s)

Unit sector	
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Competency field

Competency field	Administration - Purchasing and Contracting
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Co-requisite units

Co-requisite units	

