



**Australian Government**

**Department of Education, Employment and Workplace Relations**

# **CPCBC6003A Establish, maintain and review contract administration procedures and frameworks**

**Release: 1**

## **CPCBC6003A Establish, maintain and review contract administration procedures and frameworks**

### **Modification History**

Not Applicable

### **Unit Descriptor**

#### **Unit descriptor**

This unit of competency specifies the outcomes required to manage the establishment, maintenance and review of contract administration procedures and frameworks of a building or civil work contract in an organisation involved in either residential or commercial projects. It supports the establishment of a soundly based contract management system necessary to produce accurate and successful project outcomes in accordance with organisational guidelines.

### **Application of the Unit**

#### **Application of the unit**

This unit of competency supports builders, project managers and related construction industry professionals responsible for coordinating and managing building or construction projects.

### **Licensing/Regulatory Information**

Not Applicable

## **Pre-Requisites**

**Prerequisite units** Nil

## **Employability Skills Information**

**Employability skills** This unit contains employability skills.

## **Elements and Performance Criteria Pre-Content**

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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.

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Establish and implement contract administration procedures and frameworks.	<ul style="list-style-type: none"><li>1.1. Contracts administration team is established comprising persons of wide experience and knowledge in the building and construction industry.</li><li>1.2. Overview of the organisation's current legal and administrative climate is developed and communicated to contracts administration team.</li><li>1.3. Strategic plan is developed for construction contract administration procedures and frameworks.</li><li>1.4. Information gathering mechanisms that draw strategic performance advice from all parts of the organisation are established.</li><li>1.5. <i>Quality assurance measures</i> are developed and implemented as part of the contracts administration process.</li><li>1.6. Reporting and feedback structures through which advice and action instructions can be conveyed to employees and subcontractors are developed and established.</li><li>1.7. Benchmarks for contract performance are established and a management framework is introduced for achieving, maintaining and exceeding those parameters.</li><li>1.8. Measures are developed and introduced through which contract defaulters can be managed back into contract compliance.</li></ul>
2. Maintain contract administration procedures and frameworks.	<ul style="list-style-type: none"><li>2.1. Policy and administrative guideline documentation is introduced that supports the contract administration process.</li><li>2.2. Evaluation and review methods are developed and implemented to ensure administration procedures and frameworks are effective.</li><li>2.3. Internal feedback systems and methods are initiated to ensure that difficulties with administration of contracts are resolved within organisational guidelines.</li><li>2.4. Measures which ensure the safety and security of contract administration documentation are introduced.</li><li>2.5. Overall corporate contract administration framework comprising employees, subcontractors, client and management is maintained.</li></ul>
3. Review contract administration	<ul style="list-style-type: none"><li>3.1. Review, recording and evaluation system is developed, implemented and managed to ensure probity and effectiveness of the contract</li></ul>

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>
procedures.	administration system. 3.2. Regular scheduled and unscheduled reviews of contract administration procedures are implemented and managed. 3.3. Formal evaluation of the contract and administration system is undertaken regularly in consultation with organisation's legal advisors. 3.4. Operating procedures are reviewed and clarified. 3.5. Contract documentation processes are reviewed and feedback is provided to those preparing contracts.

## **Required Skills and Knowledge**

### **REQUIRED SKILLS AND KNOWLEDGE**

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

#### **Required skills**

Required skills for this unit are:

- communication skills to:
  - communicate with team
  - consult with legal advisors
  - enable clear and direct communication, using questioning to identify and confirm requirements, share information, listen and understand
  - provide and seek feedback and information
  - read and interpret documents from a variety of sources
  - use and interpret non-verbal communication
  - use language and concepts appropriate to cultural differences
- written skills to:
  - develop a strategic plan
  - document relevant information
- conceptualisation and envisaging of unique solutions to complex problems and situations
- facilitation skills to implement new and modified contract administration systems
- interpret mathematical information, including benchmarking
- interpret strategic and often ambiguous information to ensure logical and practical decisions
- management skills, including the ability to delegate tasks within specific functional guidelines and direct the activities of personnel involved in contracts administration process

## **REQUIRED SKILLS AND KNOWLEDGE**

- supervisory skills to monitor and oversee the performance of contract administration systems and individuals involved in the process
- technological skills to facilitate use of the organisation's software and office equipment.

### **Required knowledge**

Required knowledge for this unit is:

- appropriate sector of the building and construction industry and nature of the contracts upon which its activities are based
- factors to be considered in assessing the risk inherent in different types of building and construction projects
- financial and business administration principles commensurate with organisational needs
- human resource practices and the industry's industrial relations climate and practices
- legislative, regulatory, and administrative obligations incumbent on the building and construction industry for OHS, environmental, employment and financial practices.

## Evidence Guide

### EVIDENCE GUIDE

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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

This unit of competency could be assessed by demonstration of the effective establishment, maintenance and review of an organisation's contract administration procedures.

This unit of competency can be assessed in the workplace or a close simulation of the workplace environment, provided that simulated or project-based assessment techniques fully replicate construction workplace conditions, materials, activities, responsibilities and procedures.

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

A person who demonstrates competency in this unit must be able to provide evidence of the ability to:

- implement effective contract administration procedures and frameworks supported and directed by strong and decisive leadership
- manage practices that result in a high level of staff productivity
- interact effectively with personnel both within and external to the organisation
- develop conceptual and strategic problem solving and systems
- communicate effectively both verbally and in writing with senior management, employees, clients, regulatory authorities and legal representatives.

#### Context of and specific resources for assessment

This competency is to be assessed using standard and authorised work practices, safety requirements and environmental constraints.

Assessment of essential underpinning knowledge will usually be conducted in an off-site context.

Assessment is to comply with relevant regulatory or Australian standards' requirements.

Resource implications for assessment include:

- documentation that should normally be available in either a building or construction office

## EVIDENCE GUIDE

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- relevant codes, standards and regulations
- office equipment, including calculators, photocopiers and telephone systems
- computers with appropriate software to view 2-D CAD drawings, run costing programs and print copies
- a technical reference library with current publications on measurement, design, building construction and manufacturers' product literature
- copies of appropriate awards and workplace agreements
- a suitable work area appropriate to the construction process.

Reasonable adjustments for people with disabilities must be made to assessment processes where required. This could include access to modified equipment and other physical resources, and the provision of appropriate assessment support.

### Method of assessment

Assessment methods must:

- satisfy the endorsed Assessment Guidelines of the Construction, Plumbing and Services Training Package
- include direct observation of tasks in real or simulated work conditions, with questioning to confirm the ability to consistently identify and correctly interpret the essential underpinning knowledge required for practical application
- reinforce the integration of employability skills with workplace tasks and job roles
- confirm that competency is verified and able to be transferred to other circumstances and environments.

Validity and sufficiency of evidence requires that:

- competency will need to be demonstrated over a period of time reflecting the scope of the role and the practical requirements of the workplace
- where the assessment is part of a structured learning experience the evidence collected must relate to a number of performances



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assessed at different points in time and separated by further learning and practice, with a decision on competency only taken at the point when the assessor has complete confidence in the person's demonstrated ability and applied knowledge

- all assessment that is part of a structured learning experience must include a combination of direct, indirect and supplementary evidence.

Assessment processes and techniques should as far as is practical take into account the language, literacy and numeracy capacity of the candidate in relation to the competency being assessed.

Supplementary evidence of competency may be obtained from relevant authenticated documentation from third parties, such as existing supervisors, team leaders or specialist training staff.

## Range Statement

### RANGE STATEMENT

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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.

***Contract administration procedures and frameworks*** include:

- Australian standard contracts, including the AS2124 and AS4000 series
- authorised courses of action
- contracts include:
  - Construction Industry Contract (CIC) suite
  - dispute resolution procedures
  - document and contract distribution
  - individual organisational contracts
  - in-house rules about document preparation, completion and handling
  - internal and external communication

## RANGE STATEMENT

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models

- Joint Contracts Committee (JCC) suite
- Master Builders Association (MBA) and Housing Industry Association (HIA) contracts
- organisation administration models
- progress and contract performance reviews.
- response times
- Simple Building Works (SBW), including series 1 and series 2 (SBW2 Lump Sum)
- staff roles and organisational procedures.

*Quality assurance measures* include:

- distributing information
- establishing performance benchmarks for system
- maintaining a quality dialogue with all parties to the construction process
- managing within organisational policy
- monitoring internal expenditures and funding allocations
- obtaining adequate feedback from clients, subcontractors and suppliers
- providing feedback and developing remediation procedures
- responding to external legislation and regulation requirements.

*Measures which ensure the safety and security of contract administration documentation* include:

- confidentiality in contract handling
- documentation security identification
- limitations on contract access
- limitations on contract circulation
- limitations on document distribution
- security in contract and document filing and storage.

## Unit Sector(s)

Unit sector

Construction

## **Co-requisite units**

**Co-requisite units** Nil

## **Functional area**

**Functional area**