



**Australian Government**

# **LGAGCM710A Manage contracts and contractors**

**Revision Number: 2**

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## **Modification History**

LGAGCM710A Release 2: Layout adjusted.

LGAGCM710A Release 1: Primary release.

## **Unit Descriptor**

This unit covers the skills and knowledge required of senior managers responsible for overseeing the development of tenders and the subsequent management of contracts and contractors.

Effective and efficient management of external contracts is now a major component of many managers' roles. The need for high levels of accountability and transparency while managing commercial relationships is addressed in this unit.

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

## **Application of the Unit**

This unit supports the attainment of skills and knowledge required for competent workplace performance in councils of all sizes. Knowledge of the legislation and regulations that provide the boundaries for the operation of councils is essential. The unique nature of councils, as a tier of government, directed by elected members and reflecting the needs of local communities must be appropriately reflected.

This unit may also be contextualised to other public or private sectors as long as the essential outcomes of the unit are not changed.

## **Licensing/Regulatory Information**

Not applicable.

## **Pre-Requisites**

Not applicable.

## **Employability Skills Information**

This unit contains employability skills.

## Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a Unit of Competency

Performance criteria describe the required performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in Range Statement. Assessment of performance is to be consistent with the Evidence Guide.

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<p><b>1. Scope council process and service requirements</b></p>	<p>1.1 <i>Council procedures and protocols for management of tenders and contracts</i> are identified, considered and used.</p> <p>1.2 Council's strategic and operational plans are reviewed and considered to determine scope and nature of project or service to be contracted.</p> <p>1.3 Size and scope of <i>project or service to be contracted</i> are determined and documented.</p> <p>1.4 Process to manage tender and contract is documented and appropriate sign-off is secured in line with standard operating procedures.</p>
<p><b>2. Ensure tender process is planned and managed effectively</b></p>	<p>2.1 Anticipated expense levels of tender are identified and justified.</p> <p>2.2 Tender objectives, including quality, quantity, location, time frame requirements and price limits are clearly defined and documented.</p> <p>2.3 Processes for letting of tender are put in place in line with standard operating procedures.</p> <p>2.4 <i>Selection processes</i> are developed that comply with legislative requirements, council policies and procedures.</p> <p>2.5 Choice of contractor is justifiable, agreed upon and recorded according to council policies.</p> <p>2.6 Contract is negotiated and agreement reached to maximise benefits for council and following appropriate legal scrutiny and advice.</p> <p>2.7 Contract is drafted and signed according to legislative and organisational requirements and project objectives, reflecting agreement outcomes.</p>
<p><b>3. Manage contract to achieve desired outcomes</b></p>	<p>3.1 Management plan is developed to ensure effective management of contract.</p> <p>3.2 Performance of contractual obligations is managed in accordance with agreed contract and management plan.</p> <p>3.3 Performance by contractor is reviewed using agreed processes, with any variances analysed and agreed changes implemented to ensure project objectives are met within legal framework of contract.</p> <p>3.4 <i>Reports of project progress</i> and outcomes are prepared and presented in accordance with management plan and standard organisational procedures.</p> <p>3.5 Contracts are concluded in line with management plan and contractual requirements.</p>

<b>ELEMENT</b>	<b>PERFORMANCE CRITERIA</b>
<b>4. Manage relationships with contractors</b>	<p>4.1 Code of conduct is used and communicated to contractors to ensure relationship between parties is managed ethically, transparently and in accordance with legal requirements and council policies and procedures.</p> <p>4.2 Regular and formalised communication processes with contractors are established and rigorously applied.</p> <p>4.3 Sound business relationships with contractors are established and maintained to ensure effective communication and the early identification of potential service delivery problems.</p> <p>4.4 Contractual disputes that arise are managed in accordance with contractual requirements and using established mediation mechanisms.</p>
<b>5. Plan for improved contract management and service delivery processes</b>	<p>5.1 Effectiveness and benefits of contracting process and related service delivery are analysed.</p> <p>5.2 Opportunities for process and service delivery improvements are identified and communicated to appropriate senior personnel within council.</p>

## Required Skills and Knowledge

This describes the essential skills and knowledge and their level, required for this unit

### Required Skills

- tender management
- high-level negotiation
- literacy and numeracy skills to manage contracts
- project management
- high-level written and oral communication
- analysis of organisational systems, processes and activities
- developing a range of possible options in solving problems
- time management

### Required Knowledge

- legal and council requirements for letting and managing tenders
- council code of conduct for the management of relationships with contractors

## Evidence Guide

<b>Overview of assessment requirements</b>	A person who demonstrates competency in this unit will be able to perform the outcomes described in the elements to the required performance level detailed in the performance criteria. The unit's skill and knowledge requirements must also be demonstrated. The candidate will demonstrate the capacity to manage contracts and contractors effectively, ethically and leading to the attainment of stated council objectives.
<b>Critical aspects of evidence to be considered</b>	The demonstrated ability to: <ul style="list-style-type: none"> <li>• manage contracts and contractors within council</li> </ul>
<b>Context of assessment</b>	Assessment of performance requirements in this unit should be undertaken with the context of the local government framework. Competency is demonstrated by performance of all stated criteria, including the range of variables applicable to the workplace environment.
<b>Method of assessment</b>	The following assessment methods are suggested: <ul style="list-style-type: none"> <li>• preparation of a major workplace project report/portfolio (that may incorporate assessment of related units) as a key form of assessment that enables candidates to integrate the learning and assessment project into their regular work responsibilities, which enables integrated and holistic assessment of the complex skills and knowledge addressed in this unit</li> <li>• observation of the learner performing a range of workplace tasks over sufficient time to demonstrate his/her handling of a range of contingencies</li> <li>• written and oral questioning to assess knowledge and understanding</li> <li>• completion of workplace documentation</li> <li>• third-party reports from experienced practitioner</li> <li>• completion of self-paced learning materials, including personal reflection and feedback from trainer, coach or supervisor</li> </ul>
<b>Evidence required for demonstration of consistent performance</b>	Evidence should be gathered over a period of time in a range of actual or simulated management environments.
<b>Resource implications</b>	Access to a workplace or simulated case study that provides the following resources: <ul style="list-style-type: none"> <li>• relevant council documents, such as strategic and operational plans</li> </ul>

- relevant local government legislation and regulations

## 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 in the Performance Criteria is detailed below.

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| <p><b><i>Council procedures and protocols for the management of tenders and contracts</i></b> may include:</p> <p><b><i>Contracts</i></b> may cover provision of:</p> <p><b><i>Project or service to be contracted</i></b> may relate to any sphere of council operation but typically may include:</p> <p><b><i>Tender selection processes</i></b> may include:</p> <p><b><i>Reports of project progress</i></b> may include:</p> | <ul style="list-style-type: none"> <li>• codes of conduct for transparent and accountable management of contracts and contractors</li> <li>• tendering procedures</li> <li>• reporting requirements</li> <li>• short-term, one-off services</li> <li>• lengthy and complex relationships with external service providers offering services to the community</li> <li>• capital works</li> <li>• parks and gardens maintenance</li> <li>• provision of community care services, such as family care, disability services or child care</li> <li>• provision of waste and recycling service</li> <li>• advertising period</li> <li>• use of selective tenders, tender panels and 'open' tenders for contracts of differing values</li> <li>• establishment of weighted selection criteria</li> <li>• establishment of a selection panel with complementary expertise</li> <li>• compliance with required timelines</li> <li>• indicators of service levels and quality</li> <li>• actual cost against budgeted cost</li> <li>• customer satisfaction</li> </ul> |
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## Unit Sector(s)

Common