



Australian Government

PSPPCM022 Negotiate strategic procurement

Release: 1

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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 PSPPROC606B Negotiate strategic procurement.</p> <ul style="list-style-type: none"> • Unit code updated • Content and formatting updated to comply with new standards • All PC transitioned from passive to active voice

Application

This unit describes the skills required to negotiate strategic procurement agreements within established guidelines, policies and procedures. It includes planning and preparing for negotiation, and undertaking and finalising the negotiation process for strategic procurement.

This unit applies to those working in a role that requires negotiation of strategic 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 will be working independently aided by consultation in a team environment, while performing complex tasks in familiar context.

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 the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions section.

1. Plan and prepare for strategic procurement negotiations	<p>1.1 Seek input and advice from key stakeholders and identify the procurement and negotiating context.</p> <p>1.2 Gather information on suppliers and develop a best alternative to negotiating an agreement.</p> <p>1.3 Determine objectives, targets and bottom line position for negotiations.</p> <p>1.4 Determine composition of negotiating team and limits on negotiators' authority.</p> <p>1.5 Determine negotiation process, timeframes and strategies to suit complexity of procurement and supplier characteristics.</p> <p>1.6 Develop a negotiation plan or directive that identifies negotiation roles of team members, lead negotiator, negotiating styles, tactics and limits of authority to suit the procurement activity.</p> <p>1.7 Seek authorisation of negotiation plan.</p>
2. Undertake strategic procurement negotiations	<p>2.1 Open negotiations, identify supplier tactics, and identify mutually compatible interests.</p> <p>2.2 Negotiate concessions to terms and conditions on minor and major issues to improve overall value for money of the procurement.</p> <p>2.3 Implement concessions such that agreements remain consistent with original intentions and with procurement, organisational objectives and probity requirements.</p> <p>2.4 Use appropriate tactics to break negotiation deadlocks and continue negotiations according to negotiation plan.</p> <p>2.5 Conduct negotiations and make an offer.</p>
3. Finalise strategic procurement negotiations	<p>3.1 Finalise negotiations and agreements according to procurement guidelines.</p> <p>3.2 Keep communication channels open and seek additional support, arguments and supporting evidence where agreement is not possible immediately.</p> <p>3.3 Terminate negotiations and pursue the best alternative, where agreement is not possible in a way that preserves the relationship with the supplier for possible future business and deters the possibility of legal liability.</p> <p>3.4 Consider where agreements may have wider implications for procurement and the organisation, and carry out necessary consultation.</p> <p>3.5 Document details and outcomes of negotiations.</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 PSPPROC606B Negotiate strategic procurement.

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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