



**Australian Government**

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

# **PSPPROC413A Select providers and develop contracts**

**Revision Number: 3**

## PSPPROC413A Select providers and develop contracts

### Modification History

Release	TP Version	Comments
3	PSP12V1	Layout adjusted. No changes to content.
2	PSP04V4.2.	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

### Unit Descriptor

This unit covers the ability to select preferred providers as a result of a formal request for offer process. It includes evaluating offers, selecting preferred providers, obtaining approvals, developing and formalising contractual arrangements, and debriefing the market and other stakeholders.

In practice, selecting providers overlaps with other generalist and specialist public sector and local government work activities, such as upholding and supporting the values and principles of public service, identifying and treating risks, exercising delegations, applying government processes, encouraging compliance with legislation in the public sector or local government, planning procurement, developing and distributing requests for offers and managing contracts.

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

### Application of the Unit

The unit applies to those who undertake the selection of providers, including those who specialise in procurement.

### 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 performance needed to demonstrate achievement of the element. Where ***bold italicised*** text is used, further information is detailed in the range statement. Assessment of performance is to be consistent with the evidence guide.

## Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Select preferred providers	<p>1.1. Evaluation panel is formed and coordinated.</p> <p>1.2. <i>Offers</i> are <i>evaluated</i> according to evaluation plan and organisational <i>probity requirements</i> which relate to managing conflicts of interest and adherence to public sector standards.</p> <p>1.3. Specialist expertise is obtained where necessary to assist with evaluation of offers.</p> <p>1.4. Clarification and negotiation of matters contained in offers are undertaken with bidders according to organisational guidelines and public sector standards.</p> <p>1.5. Preferred providers are selected and recommendations for <i>allocation of business</i> are developed, justified and documented against selection criteria according to policy, procedures and governance requirements.</p> <p>1.6. Approvals are obtained for the recommended offers.</p> <p>1.7. Successful providers are notified in line with organisational protocols.</p>
2. Develop and formalise contractual arrangements	<p>2.1. Approvals are obtained to enter negotiations, when required, and negotiation of the final wording of <i>contract</i> is conducted according to organisational policy and procedures and defined probity frameworks as set out in the evaluation plan.</p> <p>2.2. Approvals to enter into contracts are obtained according to policy and procedures.</p> <p>2.3. Commitments are not made and contractors do not commence until contracts are signed.</p> <p>2.4. Contracts are structured to capture and address identified risks, protect both parties, provide the basis for due performance, and outline expected standards of behaviour.</p> <p>2.5. Contracts are entered into that are valid and legally binding to the parties.</p>
3. Debrief market and other stakeholders	<p>3.1. Advice on the contractual arrangements is provided to internal stakeholders according to organisational policy and procedures.</p> <p>3.2. Unsuccessful bidders are informed and debriefed upon request with constructive feedback on their proposals.</p> <p>3.3. Details of successful providers are made public according to probity requirements, organisational protocols and public sector standards.</p>

## Required Skills and Knowledge

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

### Required skills

- communication skills to:
  - consult and negotiate with contractors and stakeholders, involving complex oral and written exchanges of information
  - network within probity boundaries with diverse stakeholders and contractors
  - read complex documents, such as contracts, legislation and guidelines
  - provide feedback
- teamwork skills to:
  - work independently or under direction as appropriate to the situation
  - model team leadership approaches if appropriate
  - respond to diversity
  - refer issues to the correct person
- problem-solving skills to apply probity requirements in evaluating offers, formalising contracts and debriefing stakeholders
- initiative and enterprise skills to:
  - apply the content of complex documents, such as contracts, legislation and guidelines
  - apply OHS, environmental, sustainability and corporate social responsibility practices in the context of selecting providers and developing contracts
- planning and organising skills to analyse and compare written information to ensure key elements from the specification and the procurement plan are captured in the written contract
- learning skills to keep up-to-date with relevant procurement legislation, policies and procedures
- technology skills to:
  - operate organisational IT systems
  - use electronic procurement templates

### Required knowledge

- commonwealth, state or territory, and local government legislation, policies, practices and guidelines:
  - relating to award of contracts, including environmental purchasing and corporate social responsibility guidance
  - such as OHS and equity and diversity
- organisational procurement policies, practices and approval processes
- probity principles and issues
- codes of conduct, codes of practice and standards of individual behaviour relating to receipt and selection of offers

- aspects of law of contract, laws of tort, trade practices law, commercial law and other legislation relating to receipt and evaluation of offers, negotiation and award of contracts
- equal employment opportunity

## 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

Competency must be demonstrated in the ability to select providers and develop contracts consistently in accordance with legislative and organisational requirements.

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

Assessment must confirm the ability to:

- apply recognised offer evaluation methodologies to select a preferred provider
- make provider selections in accordance with the offer evaluation plan, procurement plan and relevant policy and legislation
- work with subject matter experts, such as legal, financial, commercial and technical
- adhere to probity requirements
- make written recommendations about suppliers to delegates and higher management
- act within the scope of own delegations
- keep appropriate records
- debrief relevant stakeholders about their performance.

### Consistency in performance

Competency should be demonstrated by providing evidence of undertaking a range of relevant work tasks in an actual or simulated procurement environment on at least two separate occasions

### Context of and specific resources for assessment

The unit of competency is to be assessed in the workplace or a simulated workplace environment.

Access may be required to:

- legislation, policy, procedures and protocols relating to selecting providers and developing contracts
- codes of conduct and codes of practice
- workplace scenarios and case studies relating to a range of procurement activities associated with selecting providers and developing contracts
- case studies that incorporate dilemmas, and probity requirements relating to selecting providers and developing contracts

### Method of assessment

The following assessment methods are suggested:

- questions to assess understanding of relevant legislation and procedures

- review of strategies and approaches adopted for selecting providers and developing contracts
- review of selection reports, approvals and sign-offs, negotiation plans, draft contracts, final contracts, risk assessments and other documentation prepared by the candidate in a range of contexts
- review of stakeholder engagement approaches adopted by the candidate

In all cases, practical assessment should be supported by questions to assess underpinning knowledge and those aspects of competency which are difficult to assess directly. Questioning techniques should suit the language and literacy levels of the candidate.

**Guidance information  
for assessment**

Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments.

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- PSPETHC401A Uphold and support the values and principles of public service
- PSPGOV417A Identify and treat risks
- PSPGOV421A Exercise delegations
- PSPLEGN401A Encourage compliance with legislation in the public sector
- PSPPROC411A Plan procurement
- PSPPROC412A Develop and distribute requests for offers
- PSPPROC414A Manage contracts.

## 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.

***Offers*** may include:

- delivery of goods for use or into store
- provision of services
- maintenance agreements
- leasing agreements
- consultancies
- research and development
- infrastructure assets

***Evaluation:***

- must include:
  - processing offers
  - determining value for money
  - checking and investigating
  - collating information
  - comparative statements
  - accountability
- may include staged procurement

***Probity requirements:***

- may include:
  - accountability
  - transparency
  - confidentiality
  - managing conflict of interest
  - impartiality
- are maintained to:
  - encourage conformity to processes
  - facilitate accountability
  - ensure proponents are treated in a fair and equitable manner
  - encourage commercial completion
  - preserve public and private sector confidence in government processes

***Allocation of business*** may include:

- single successful contractor
- multiple successful contractors
- standing offer (panel)
- multiple contracts as a result of a single request for offer

***Contracts*** may include:

- memoranda of understanding and memoranda of agreement
- in-house option directives
- common use arrangements and standing offers
- inter and intra-government agreements
- service level agreements
- deeds of agreement

## **Unit Sector(s)**

Not applicable.

## **Competency field**

Procurement and Contract Management.