



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC704A Influence and define strategic procurement

Revision Number: 2

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Modification History

PSPPROC704A Release 2: Layout adjusted. No changes to content.

PSPPROC704A Release 1: Primary release.

Unit Descriptor

This unit covers the ability to formulate an organisation's strategic procurement goals and take action to gain support for strategic procurement directions. It includes ensuring that the organisation's strategic procurement direction is aligned with that of the government.

In practice, influencing strategic procurement directions may overlap with other public sector or local government generalist and specialist work activities, such as providing strategic direction, influencing strategic policy, leading and influencing ethical practice in the public sector or local government, and undertaking strategic risk management.

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

Application of the Unit

This unit applies to those in specialist procurement and contracting.

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. Formulate strategic procurement goals	<p>1.1. <i>Procurement direction is determined</i> through open and ethical consultation with organisation's governing body and <i>stakeholders</i>.</p> <p>1.2. Strategic procurement goals are formulated that are consistent with organisation's business plan, strategic direction, mission and values, and take into account the requirements, expectations and interests of organisation's governing body and stakeholders.</p> <p>1.3. Strategic procurement goals are developed that support the ethos of the organisation and accurately reflect its role in its environment.</p> <p>1.4. Strategic procurement <i>goals are developed</i> that support and align with the policy expectations of government for the organisation.</p> <p>1.5. Strategic procurement goals are reviewed to ensure that opportunities and current and emerging trends are reflected.</p> <p>1.6. Strategic procurement goals are used to guide procurement processes that deliver best <i>value for money</i>.</p>
2. Gain support for strategic procurement direction	<p>2.1. Strategic procurement goals are presented to stakeholders in such a way as to gain their support.</p> <p>2.2. Where stakeholder interests are in conflict, realistic and rational compromises are found that balance interests and acknowledge concerns.</p> <p>2.3. Where less than full support is obtained, consequences for the organisation are identified and steps are taken to minimise potential problems.</p> <p>2.4. Ongoing consultation with stakeholders is maintained to ensure support for and ownership of the organisation's strategic procurement goals.</p> <p>2.5. Outcomes of the consultation process are recorded and considered before procurement decisions are reached.</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 stakeholders at the highest levels of organisations and the community
 - engage in strategic networking, within probity boundaries, with key stakeholders
 - build and manage effective working relationships
 - convey complex ideas to a wide range of audiences
 - persuade and influence, within probity boundaries, stakeholders and decision makers
 - read, write and approve business cases, plans, reports, submissions and other high level complex documents
- teamwork skills to:
 - provide leadership within the organisation
 - manage strategic relationships
 - manage teams of expert negotiators in functions such as finance, legal, technical and engineering
 - respond to diversity
 - refer issues to the correct person
- problem-solving skills to:
 - apply decision-making processes or methodologies
 - identify and resolve strategic procurement issues
 - apply understanding of supplier issues and supply chain management in the context of strategic procurement
- initiative and enterprise skills to:
 - identify, assess and implement opportunities for performance improvement
 - apply OHS, environmental, sustainability and corporate social responsibility practices in the context of strategic procurement
- planning and organising skills to:
 - undertake research and business analysis relating to strategic procurement and high level business issues
 - manage financial and other resources
 - manage strategic procurement systems, processes and policies
- learning skills to keep up-to-date with:
 - best practice examples in strategic procurement
 - 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 strategic procurement, including environmental purchasing guidance
 - such as OHS and equity and diversity
- organisational procurement policies, practices and approval processes
- government procurement environment
- probity principles and issues
- codes of conduct, codes of practice and standards of individual behaviour relating to strategic procurement
- financial rules and regulations relating to strategic procurement
- legal requirements of government procurement and contracting
- competition theory as it relates to strategic procurement
- supply chain principles
- strategic industry development
- strategic procurement planning processes
- procurement best practice standards
- equal employment opportunity
- environmental, sustainability and corporate social responsibility principles relevant to strategic procurement

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 influence and define strategic procurement 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:

- formulate strategic procurement goals in line with organisation's business direction and government policy imperatives
- reflect the organisation's ethos in its strategic procurement goals
- encourage wide input into the development of strategic procurement goals and direction
- encourage consideration of innovation and new opportunities in procurement direction for the organisation
- publicise organisation's strategic procurement goals and direction
- work effectively with disagreement between stakeholders
- use recognised approaches to gain support for the strategic procurement direction established for the organisation
- demonstrate effective implementation of goals even when full support is not gained.

Candidates for this qualification must demonstrate a high level of understanding of underpinning knowledge and the ability to apply this to practical workplace situations.

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 procuring goods and services and managing contracts at the strategic level
- codes of conduct and codes of practice
- long-term government policy papers, such as White Papers
- strategic procurement plans and direction statements
- published performance audits or similar relating to strategic procurement issues
- workplace scenarios and case studies relating to a range of strategic procurement activities.

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 influencing strategic procurement direction
- preparation of formal written papers covering strategic procurement issues
- review of strategic plans, strategic procurement plans, long-term budgets, forward procurement plans, industry engagement plans, responses to performance audits covering strategic procurement issues and other documentation prepared or reviewed 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

Sufficient evidence must be gathered 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:

- BSBFIM701A Manage financial resources
- BSBINN801A Lead innovative thinking and practice
- BSBREL701A Develop and cultivate collaborative partnerships and relationships
- PSPETHC701A Lead and influence ethical practice in the public sector
- PSPMNGT703A Lead and influence change
- PSPMNGT704A Undertake enterprise risk management
- PSPPROC705A Establish strategic procurement context
- PSPPROC706A Evaluate and improve strategic procurement performance.

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.

Determining procurement

direction may be influenced by:

- stakeholder needs and intentions
- end user requirements
- government policies
- Australian industry involvement requirements
- potential provider/supplier base
- industry development requirements
- disposal of assets
- probity requirements
- environmental, sustainability and corporate social responsibility issues

Stakeholders may include:

- end users
- customers or clients
- sponsors
- potential providers or suppliers
- current providers or suppliers
- technical or functional experts or advisers
- commonwealth, state or territory, and local government
- the organisation
- other public sector organisations
- employees, unions and staff associations
- industry bodies
- local communities
- lobby groups and special user groups

Developed goals:

- are challenging, realistic, achievable and measurable
- encourage members of the organisation to be creative and innovative within procurement guidelines

Value for money may include:

- fitness for purpose
- whole-of-life costs
- fair and reasonable market prices
- timely delivery
- post-delivery support
- effective warranties
- price basis
- disposal options

- whole of government perspective
- effects of government buying on market structure and sustainability
- market competitiveness and sophistication

Unit Sector(s)

Not applicable.

Competency field

Procurement and Contract Management.