



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC410A Administer contracts

Release: 1

PSPPROC410A Administer contracts

Modification History

Unit Descriptor

This unit covers the administration of contracts by officers who administer contracts as part of their role, rather than as their primary role. They are not specialist contract managers.

Specialist contract managers are catered for by the units PSPPROC501A - 504A, added to the **Procurement&Contract Management** Competency field of the Training Package in 2004, which address in depth the aspects of contract management performed by specialist contract managers.

NB: **PSPPROC404A Manage contracts** (from PSP99) is equivalent to the three units: PSPPROC502A Establish contract management arrangements + PSPPROC503A Manage contract performance + PSPPROC504A Finalise contracts

This unit includes undertaking preparations, establishing and maintaining contract administration arrangements, monitoring and maintaining contract performance, and completing and reviewing contracts.

In practice, administration of contracts overlaps with other public sector generalist and specialist work activities such as acting ethically, complying with legislation, applying government processes, working with diversity, using resources, etc.

This is a new unit of competency added to the **Procurement&Contract Management** Competency field of the Training Package in 2004.

Application of the Unit

Licensing/Regulatory Information

Pre-Requisites

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency.

Together, performance criteria specify the requirements for competent performance. Text in **bold italics** is explained in the Range Statement following.

Elements and Performance Criteria

Elements and Performance Criteria

Element	Performance Criteria
1 Prepare to administer a contract	<p>1.1 Contract requirements, approvals and funding arrangements are confirmed and clarified where necessary, and obligations and limits of authority as contract administrator are identified in line with contractual and organisational requirements</p> <p>1.2 Operational elements of the contract are confirmed and contact is made with specialists to clarify and assist with contract administration issues</p> <p>1.3 Key contract clauses are identified and their content is clarified as necessary to ensure contract requirements are understood</p> <p>1.4 The process, timings, and key performance indicators are identified from the contract and confirmed with stakeholders</p> <p>1.5 Risks are confirmed and a risk management plan is developed in line with contract requirements and organisational policy and procedures</p> <p>1.6 A contract administration strategy is developed or obtained and key details are entered from the contract</p>
2 Establish and maintain contract administration arrangements	<p>2.1 Start-up or transition arrangements are confirmed and implemented in accordance with contract requirements and organisational procedures</p> <p>2.2 Communication/information strategies are established to meet contractor and organisational needs</p> <p>2.3 Risks management plan is monitored for effectiveness and adapted as necessary during the life of the contract</p> <p>2.4 Relationship with contractor is established and managed in accordance with organisational policy and procedures</p> <p>2.5 Specialist expertise is obtained as necessary for progress meetings and for advice on/resolution of</p>

- contract issues
- 2.6 Contract information/documentation is maintained for organisational purposes in accordance with organisational policy and procedures
- 3 **Monitor and maintain the performance of a contract**
- 3.1 Obligations to the contractor are met in accordance with contractual arrangements and the organisation's financial management requirements
- 3.2 Performance of the contract is monitored against performance indicators to ensure all obligations under the agreement are being met
- 3.3 Contract **variations** are managed in accordance with the contract and organisational policy and procedures
- 3.4 **Disputes/complaints** are investigated and **resolved** or referred in accordance with contractual requirements
- 3.5 **Negotiation** of issues relating to the contract is managed and approvals are obtained in accordance with stipulations in the contract proper
- 3.6 Communication/reporting on the performance of the contract is maintained with all stakeholders in accordance with organisational protocols and public sector standards
- 4 **Complete and review contract**
- 4.1 Contracts are finalised, amended, cancelled or terminated in accordance with contractual arrangements
- 4.2 Strategies to manage close-out, renewal of the contract or transition to a new contract meet organisational guidelines and public sector standards
- 4.3 **Review** is undertaken of contract administration, contractor performance relevant to measures at each stage of the contract, user satisfaction and audit results, when necessary
- 4.4 Where measures or outcomes are not met in full, variances are documented and explained
- 4.5 Information from the review (and audit) is used to report on contractor performance, to review

contract administration practice and make recommendations for improvement

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Skill requirements

Look for evidence that confirms skills in:

using communication and negotiation with contractors and other stakeholders involving oral and written exchanges

networking with diverse clients, contractors and end users

responding to diversity, including gender and disability

reading and applying complex documents such as contracts, legislation and guidelines

applying occupational health and safety and environmental requirements in the context of contract administration

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

Commonwealth/State/Territory Government legislation, policies, practices and guidelines relating to contract administration, including environmental purchasing guidance

contract performance management

privacy and confidentiality issues

probity principles and issues

whole-of-life considerations

equal employment opportunity, equity and diversity principles

financial and accounting issues relevant to the contract

public sector legislation including occupational health and safety and environment

Evidence Guide

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together

Pre-requisite units that **must** be achieved **prior** to this unit: **Nil**

Co-requisite units that **must** be assessed **with** this unit: **Nil**

Co-assessed units that **may** be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:

PSPETHC401A Uphold and support the values and principles of public service

PSPGOV404B Develop and implement work unit plans

PSPGOV408A Value diversity

PSPGOV411A Deal with conflict

PSPGOV412A Use advanced workplace communication strategies

PSPGOV422A Apply government processes

PSPLEGN401A Encourage compliance with legislation in the public sector

PSPPOL404A Support policy implementation

Overview of evidence requirements

In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms:

the knowledge requirements of this unit

the skill requirements of this unit

application of the Employability Skills as they relate to this unit (see Employability Summaries in Qualifications Framework)

administration of contracts in a range of (3 or more) contexts (or occasions, over time)

Resources required to carry out assessment

These resources include:

legislation, policy, procedures and protocols relating to contract administration

case studies and workplace scenarios to capture the range of contract administration situations likely to be encountered

Where and how to assess evidence

Valid assessment of this unit requires:

a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when administering contracts, including coping with difficulties, irregularities and breakdowns in routine

administration of contracts in a range of (3 or more) contexts (or occasions, over time)

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

people with disabilities

people from culturally and linguistically diverse backgrounds

Aboriginal and Torres Strait Islander people
women

young people

older people

people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

case studies

portfolios

questioning

scenarios

authenticated evidence from the workplace and/or training courses

For consistency of 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

Range Statement

RANGE STATEMENT

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in **italics** in the Performance Criteria is explained here.

Contracts may also include

- memoranda of understanding/memoranda of agreement
- in-house option directives
- common use arrangements/standing offers
- inter/intra-government agreements
- letters of intent
- licensing agreements

Specialists may include

- procurement and/or contracting area
- corporate finance area
- outsourced procurement/contracting advisers
- legal advisers
- functional/business area
- business owner of the contract
- appropriate cross-government department experts

Key contract clauses may include

- variation
- insurances
- notices
- disputes
- intellectual property
- privacy
- confidentiality
- milestones
- payments
- breaches
- penalties

Risks might include

contractor inability to meet agreements
end user or buyer inability to meet obligations
limited number of suppliers

Contract administration strategy may include

formal contract administration plan
contract administration check list
setting up routines
checking quality assurance systems
transfer of legal responsibility
avoiding implied acceptance of varied conditions through non-enforcement of contractual obligations

Contract administration strategy may be obtained from

procurement/contracting area
specialist contract managers
central agencies such as state supply boards, contract and management services
finance area
legal advisers
outsourced providers of contracting services

Effective communication strategies may include

setting regular times to talk, meet or check on progress
protocols for dealing with other stakeholders
emergency contact arrangements
a diary system to monitor milestones, timeframes, receipt of deliverables etc
strategies for ensuring information flow at critical stages of the contract

Variation to agreements may include

change of scope
negotiation of new terms and conditions
dissolution of contracts
in writing
verbal variations, confirmed in writing
variations by action/inaction

Disputes may include

disputes over:

- requirements
- delivery schedules
- price changes
- additional tasking
- payment schedules
- complaints from third parties

Techniques available to resolve disputes include

- conference
- negotiation
- mediation
- arbitration
- resort to contractual agreements
- legal considerations

Negotiation of issues may include

- contract variations
- continuous improvement
- innovations
- non-compliance
- consequences

Review may include

- planning process
- evaluation considerations at each stage of the contract
- sources and methods of gathering data
- role of audit trails, where applicable
- measuring outputs
- meeting client needs
- innovation
- strategies for continuous improvement

Unit Sector(s)

Competency field

Procurement&Contract Management