Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC602A Direct the management of contracts

Release: 1

INDUSTRY SKILLS COUNCILS
Creating Australia's Future

PSPPROC602A Direct the management of contracts

Modification History

Not applicable.

Unit Descriptor

This unit covers strategic management of contracts to effectively minimise risks and achieve value for money to meet an organisation's core objectives.
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Application of the Unit

Not applicable.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

Not applicable.

Elements and Performance Criteria Pre-Content

Not applicable.

Elements and Performance Criteria

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Element		Performance Criteria
1	Manage the transition to a new contract	1.1 The requirements of the contract are discussed, clarified, and agreed by all parties
		1.2 Responsibilities for establishing and carrying out

       Government Skills Australia

			procedures are assigned to achieve contract outcomes
		1.3	Transition arrangements are confirmed and implemented
		1.4	Effective communication strategies and processes are established and implemented to assist ongoing communication between stakeholders and suppliers
		1.5	Effective performance measures are established
		1.6	Risk management plan is updated in accordance with organisational policy and procedures
2	Manage the performance of the contract	2.1	Progress of the contract is monitored against set targets and performance measures to ensure success of the procurement activity
		2.2	Should monitoring find that set targets and performance measures are not being met, action is taken to rectify performance in a timely manner
		2.3	Advice and support are provided to solve problems, make improvements and maintain progress
		2.4	Opportunities to improve procurement outcomes are sought and negotiated with suppliers
		2.5	Any contract variation is negotiated in accordance with the terms of the contract and organisational policy and procedures
		2.6	Contract variations agreed between the parties are documented and approvals gained
		2.7	Opportunities are provided for stakeholders and suppliers to have input to and receive feedback on progress during the performance of the contract
3	Manage the evaluation of the contract	3.1	Evaluation of contract performance is undertaken relative to planned performance measures and in consultation with stakeholders and suppliers
		3.2	Conclusions are detailed against agreed criteria and provide a complete picture of performance of the supplier, the organisation's procurement processes and value for money
		3.3	Evaluation outcomes are documented in

accordance with organisational requirements to assist improvement in future procurement activities

3.4 Suppliers and stakeholders are advised of evaluation outcomes in a timely manner in accordance with organisational guidelines

Required Skills and Knowledge

Not applicable.

Evidence Guide

This Evidence Guide must be read in conjunction with the Assessment Guidelines for the National Public Services Training Package.

Critical aspects of evidence

integrated demonstration of all elements and their related performance criteria; and transition, performance and evaluation of contracts

relevant legislation and procedures applied to the procurement process

Interdependent assessment of units

Pre-requisite units: Nil

Co-requisite units: Nil

Co-assessed units: This unit may be co-assessed with any of the generalist public sector specific units at Diploma level or above. It is recommended that co-assessment occurs with some or all of the following units: PSPETHC501A Promote the Values and Ethos of Public Service; PSPLEGN501A Promote Compliance with Legislation in the Public Sector; PSPPOLI501A Manage Policy Implementation; PSPGOV501A Apply Knowledge of Government Systems; and PSPMNGT605A Manage Diversity

Underpinning knowledge

Commonwealth, State/Territory, Local Government procurement guidelines

procurement policies and practices

government procurement environment

financial rules and regulation requirements

legal requirements of government contracting

implications of particular contracting agreements

whole-of-life considerations

disposals considerations

procurement approval processes

strategic planning processes

procurement management processes

Law of contract

Trade practices law

Commercial law and relevant legislation

equal employment opportunity, equity and diversity principles

financial and accounting issues relevant to the contract

Underpinning skills

project management skills

financial and other resources management skills

communication skills, orally and in writing

cross-cultural competency, including gender and disability

research skills

analytical skills

problem solving using conceptual and reasoning skills

networking skills with clients, suppliers, stakeholders and end users

Resource implications

assessment may involve reports from supervisors and/or managers, reports from team members and references from clients

Consistency of performance

evidence to be gathered over time across a range of variables

Context/s of assessment
this competency may be assessed on-the-job or in a simulated work environment; holistic assessment; assessment by way of documented information and/or examples of personal work
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Range Statement

The Range of Variables provides information about the context in which the unit of competency is carried out. It allows for differences between States and Territories and the Commonwealth, and between organisations and workplaces. It allows for different work requirements, work practices, and knowledge. The Range of Variables also provides a focus for assessment and relates to the unit as a whole.

Stakeholders may include:

end users, customers or clients and sponsors

potential providers or suppliers

current providers/suppliers

technical or functional experts or advisers

federal, state/territory and/or local government

the organisation

other public sector organisations

employees

unions or staff associations

industry bodies

local communities and society as a whole

lobby groups, special user groups

Monitoring may involve:

progress meetings

visits to the supplier's premises

provision of samples

regular progress reports from the supplier

independent audit

end user feedback

Evaluation of supplier performance may include:

strengths and weaknesses

client acceptance of service delivery (client satisfaction)

achievements in meeting delivery and completion dates

compliance with other contractual requirements

performance in relation to relevant policy objectives such as industry development, care for the environment, occupational health and safety, and affirmative action

achievement of the supplier in developing Australian and New Zealand supply networks

general relationships including effectiveness of communication at all levels

performance of key technical personnel

acceptability and cost of whole of life technical support including lead times and availability of spares and maintenance services

achievements in innovation and quality improvement programs

acceptability and suitability for future agreements including potential status as an approved supplier

Evaluation of the organisation's procurement processes may focus on:

effectiveness of project management including the project plan and the responsibilities and accountabilities set out in it

quality of the business case, as indicated by the achievement of planned outcome and the contribution to program objectives

effectiveness of supplier qualification processes

value obtained in bid clarification and post-tender negotiation

effectiveness of project management systems focusing particularly on management information

effectiveness of risk management

methods for controlling variations in cost, time, quality and performance from the initial planning to completion

adequacy of safeguards against fraud, error and impropriety

incidence of material losses due to waste or inefficiency

overall performance in terms of cost, time, service and quality

Contract variation may include:

modification of targets, performance measures, procurement plans, resourcing, monitoring and evaluation processes

Value for money must reflect:

whole of life program benefits

residual values

costs of parts

servicing and maintenance

industry benchmarks

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Unit Sector(s)

Not applicable.