



Australian Government

Assessment Requirements for SIRRMRM007 Negotiate and establish supply arrangements

Release: 1

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Modification History

Not applicable.

Performance Evidence

Evidence of the ability to complete tasks outlined in elements and performance criteria of this unit in the context of the job role, and:

- develop supplier selection criteria for the supply of merchandise and use these criteria to document an evaluation of three different suppliers
- conduct negotiations with one supplier to agree on supply arrangements:
 - supply specifications
 - cost
 - logistics
 - performance indicators
- document the above agreements in a supplier contract and ensure:
 - compliance with legal and trading requirements
 - alignment with organisational policies and procedures related to supplier engagement
- evaluate the performance of one supplier against performance indicators and prepare a supplier performance report.

Knowledge Evidence

Demonstrated knowledge required to complete the tasks outlined in the elements and performance criteria of this unit:

- key aspects of supplier evaluation criteria
- key aspects of legal and ethical compliance requirements as related to the supply of merchandise:
 - Trade Practices Act
 - ethical sourcing
 - environmental sustainability
 - contract law:
 - terms and obligations of contract
 - methods of contractual agreement
 - exclusion clauses
 - dispute resolution
 - termination of contracts

- other legal requirements that impact negotiations and agreements in the relevant industry sector including consumer protection
- supply chain and logistic considerations as related to supply arrangements:
 - customers
 - duties
 - taxes
 - freight
 - third-party arrangements
 - processes
 - factory locations and access
- critical path and its role in supply arrangements:
 - launch and promotional dates
 - sample due dates
 - supplier holidays
 - freight timing
 - order due date
- strategies and techniques for use in supplier negotiations
- key aspects of supplier negotiations:
 - supply specifications
 - cost
 - logistics
 - performance indicators
- supplier contract formats and inclusions
- promotional-based supply arrangements in the retail industry
- performance indicators for supplier evaluation:
 - level of service and responsiveness
 - reputation
 - financials
 - product quality
 - speed
 - delivery in-full and on-time
 - accuracy
 - ethical practices
- techniques for measuring supplier performance against performance indicators.

Assessment Conditions

Skills must be demonstrated in a retail environment. This can be:

- an industry workplace
- a simulated industry environment.

Assessment must ensure access to:

- relevant documentation:
 - organisational policies and procedures related to supplier engagement
- sources of supplier information
- supplier contract templates
- suppliers with whom the individual can interact. These can be:
 - suppliers in an industry workplace, or
 - suppliers who participate in role plays or simulated activities set up for the purpose of assessment, in a simulated industry environment.

Assessors must satisfy the Standards for Registered Training Organisations' requirements for assessors, and:

- have worked in the retail industry for at least three years where they have applied the skills and knowledge within this unit of competency.

Links

Companion Volume Implementation Guide -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=ca051b1b-5101-4ec2-ac1c-49699303188d>