Australian Government

Department of Education, Employment and Workplace Relations

SIRWINV001A Process purchases

Revision Number: 1

INDUSTRY SKILLS COUNCILS
Creating Australia's Future

SIRWINV001A Process purchases

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to purchase and procure products and services for a wholesale operation.

Application of the Unit

Application of the unit	This unit requires the team member to understand and consistently implement specific business policy and procedures for completing purchases, completing and recording orders and liaising with suppliers to procure products and services for a wholesale operation.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	Nil

Employability Skills Information

Employability skills	The required outcomes described in this unit contain applicable facets of employability skills. The Employability Skills Summary of the qualification in which this unit is packaged will assist in identifying employability skills requirements.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.	Performance criteria describe the required performance needed to demonstrate achievement of the element. Where **bold italicised** text is used, further information is detailed in the required skills and knowledge and/or the range statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT		PERFORMANCE CRITERIA	
1	Apply purchasing and procurement procedures.	1.1	Define **indicators for success** of procurement and purchasing activities.
		1.2	Detail purpose, impact and functions of purchasing in a wholesale business.
		1.3	Apply appropriate process for purchasing decisions.
		1.4	Apply procedures for processing competitive bids for goods or services.
		1.5	Identify types of standards or specifications guiding product or service procurement processes.
		1.6	Source and review procedures and guidelines for completing relevant purchasing activities.
2	Complete purchasing and procurement activities.	2.1	**Process** purchasing orders according to business procedures.
		2.2	Determine scope of delegation to initiate purchase orders.

ELEMENT	PERFORMANCE CRITERIA

	2.3	Complete, report and store *information relating to purchases* according to business policy and procedures.
	2.4	Ensure *purchase methods* conform to business ordering cycle and relevant procedures.
	2.5	Ensure purchased product or services conform to initial purchase order or standards.
3 Capture and record purchasing data.	3.1	Determine source of different types of procurement information accurately.
	3.2	Identify type and range of procurement information.
	3.3	Confirm *valid information sources*.
	3.4	Store and administer records of completed purchasing tasks according to confidentiality, security and established *business policy and procedures*.
4 Liaise with suppliers to complete procurement processes.	4.1	Contact *suppliers* to complete purchases according to business procedures and available technology.
	4.2	Utilise technology to accelerate and accurately confirm purchasing and *supply arrangements*.
	4.3	Maintain interface with suppliers to ensure the accuracy of *communication relating to purchases*.

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

The following skills must be assessed as part of this unit:

- safe use of available business technology
- application of standards applicable to purchasing processes
- interpersonal communication skills to:
  - conduct interface with suppliers and workplace team in a facilitative manner through clear and direct communication
  - ask questions to identify and confirm requirements
  - use language and concepts appropriate to cultural differences
  - use and interpret non-verbal communication
- planning and prioritising work schedule
- literacy and numeracy skills in regard to:
  - purchasing reports and documentation
  - processing purchases
  - maintaining records
  - maintaining stock ordering and recording systems.

The following knowledge must be assessed as part of this unit:

- scope of job role or function
- steps involved in completing a purchase
- procurement process and its impact on the business
- business policy and procedures in relation to:
  - decision-making or approval processes for purchase and procurement
  - procurement standards
  - confidentiality and security in record keeping
  - inventory control
- purpose, impact and functions of purchasing
- purchasing and ordering cycle
- basic legal and ethical obligations governing purchasing operations
- OHS aspects of job.

Evidence Guide

EVIDENCE GUIDE

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, the range statement and the Assessment Guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit	Evidence of the following is essential: • processes purchasing data and information in a satisfactory and timely manner according to business policy and procedures • processes routine purchase orders in an accurate and timely manner • captures and records purchase data or information • processes routine purchase data according to business policy and procedures • successfully liaises with business and direct customers to secure purchasing data required for processing orders and procurement • understands and consistently performs the full range of purchasing and procurement transactions to nominated performance standards, within scope of job role and responsibilities.

Context of and specific resources for assessment	Assessment must ensure access to:
	
	• a wholesale work environment
	• relevant documentation, such as:
	   • policy and procedures for procurement and purchase of goods
	   • supplier information
	   • purchasing records

EVIDENCE GUIDE

Methods of assessment	A range of assessment methods should be used to assess practical skills and knowledge. The following examples are appropriate for this unit:

- observation of performance in the workplace
- third-party reports from a supervisor
- review of portfolio of evidence
- written or verbal questioning to assess knowledge and understanding.

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

Assessing employability skills	Employability skills are integral to effective performance in the workplace and are broadly consistent across industry sectors. How these skills are applied varies between occupations and qualifications due to the different work functions and contexts.

Employability skills embedded in this unit should be assessed holistically in the context of the job role and with other relevant units that make up the skill set or qualification.

Range Statement

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 in the performance criteria is detailed below.

Indicators for success of procurement and purchasing activities may include:	- customer relationships - supplier relationships - time management - profit and loss statements - loss prevention - inventory control.

RANGE STATEMENT

Processing may involve:	• physical means • electronic means.
Information relating to purchases may include:	• requisitions • tenders • competitive bids • production schedules • electronic data interchange (EDI) records • purchase orders • bills of materials • stock and supply agreements.
Purchase methods may include:	• electronic data interchange (EDI) • credit card • cheques • standing offers • cash • agreed means.
Valid information sources may include those:	• accessed using existing electronic systems • confirmed by supervisors and management • covered in enterprise procedural and operational manuals.
Business policy and procedures may relate to:	• procurement and purchasing activities • stock control system • recording procedures • data security and privacy • inventory control.
Suppliers may include:	• commercial companies • public agencies or organisations • governments • community and not-for-profit organisations • internal.

RANGE STATEMENT

Supply arrangements may include:	- delivery of products - provision of services - maintenance and support agreements - leasing agreements and consultancies - research and development.
Communication relating to purchases may include:	- open or restricted tendering and contracting - expressions of interest - request for proposal - request for quotation - request for tender - request for offer - direct purchases using existing supply agreements, such as standing offers - common use arrangements - verbal quotations - written quotations - direct purchase from retail or wholesale outlets - electronic commerce.

Unit Sector(s)

Sector   Wholesale

Competency field

Competency field   Inventory