



Australian Government

BSBPRC402 Negotiate contracts

Release: 1

BSBPRC402 Negotiate contracts

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 3.0.

Application

This unit describes the skills and knowledge required to participate in the negotiation of contracts to procure goods and/or services.

It applies to individuals who undertake activities such as cost and market analysis, using information to support the planning of negotiations with suppliers to achieve best value. Individuals are required to plan, prepare and undertake effective contract negotiations while demonstrating high levels of personal effectiveness.

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

Unit Sector

Administration – Procurement and Contracting

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Prepare for contract negotiation with suppliers	1.1 Prepare for contract negotiation and research supplier organisation information, regulatory constraints and unique category considerations 1.2 Undertake market analysis to support contract negotiations and inform negotiation strategy 1.3 Seek legal advice on implications for procurement of goods and/ or services that may impact contract negotiations 1.4 Identify risks associated with contract negotiations
2. Establish negotiation	2.1 Determine the objectives and establish strategies for contract

ELEMENT	PERFORMANCE CRITERIA
processes	negotiation meeting 2.2 Establish resourcing requirements with organisation stakeholders 2.3 Access legal expertise to determine the legal requirements for the organisation and ensure they are compliant 2.4 Recognise the use and the content of contractual terms for procured goods and/ or services
3. Undertake contract negotiation	3.1 Establish the bargaining position with stakeholders to determine strength and weaknesses of organisational procurement capability 3.2 Define and evaluate the attributes of a good negotiator and apply them to effective negotiations 3.3 Employ a range of persuasive techniques and tactics to navigate difficult circumstances and achieve desired contract outcome 3.4 Use verbal and non-verbal communications in negotiation situations including reducing the potential for conflict
4. Finalise contracts	3.1 Ensure contracts are signed and exchanged between the organisation and suppliers 3.2 Develop and discuss the legalities and commercial considerations linked to the contract in accordance with organisational requirements 3.3 Ensure contracts and related documents are stored and safeguarded 3.4 Advise relevant stakeholders of contract requirements 3.5 Advise unsuccessful suppliers of non-acceptance of offers

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential to performance but not explicit in the performance criteria.

Skill	Description
Reading	Interprets and analyses textual information from a range of sources and identifies relevant key information to assist in the negotiation process
Writing	Develops material to convey explicit information and results using clear and detailed language appropriate to audience and

	context
Oral Communication	• Uses clear language and suitable features to provide information to a variety of individuals • Uses active listening and questioning techniques to convey and clarify information
Navigate the world of work	• Monitors adherence to implicit and explicit organisational procedures and policies • Recognises the implications of legal and regulatory responsibilities related to own work and is beginning to recognise some general legal principles applicable across work contexts
Interact with others	• Selects the appropriate form, channel and mode of communication for a specific purpose relevant to own role • Collaborates and negotiates with others as part of familiar routine activities
Get the work done	• Takes responsibility for planning, sequencing and prioritising tasks for efficient and effective outcomes • Implements standard procedures to make routine decisions • Recognises and takes responsibility for addressing predictable problems in familiar work contexts • Understands the importance of secure information in relation to own work

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
BSBPRC402 Negotiate contracts Release 1	BSBPUR402 Negotiate contracts Release 1	Updates to elements, performance criteria and assessment requirements	Equivalent unit

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=11ef6853-ceed-4ba7-9d87-4da407e23c10>

Assessment Requirements for BSBPRC402 Negotiate contracts

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Performance Evidence

Evidence of the ability to:

- prepare and conduct contract negotiations for the procurement of goods and/or services in accordance with organisational policies and procedures, including:
- using market analysis to evaluate suppliers
- determining objectives for contract negotiation
- arranging contract documentation and ensuring compliance
- using a range of effective and persuasive negotiation techniques
- demonstrating personal effectiveness in contract negotiation processes.

Note: If a specific volume or frequency is not stated, then evidence must be provided at least once.

Knowledge Evidence

The candidate must be able to demonstrate the following knowledge to effectively complete the tasks outlined in the elements and performance criteria of this unit, and to manage tasks and reasonably foreseeable contingencies in the context of the work role:

- key provisions of relevant legislation, codes of practice and national standards that affect procurement of goods and/or services
- key principles of procurement contracts, including:
- organisational policies, procedures and relevant documentation for contract negotiation
- key legal requirements for the acquisition of goods and/ or services
- organisation practices, policies and procedures for procurement
- procurement principles for:
 - accountability
 - probity and transparency
 - risk management
 - value for money.

Assessment Conditions

Assessment must be conducted in a safe environment where evidence gathered demonstrates consistent performance of typical activities experienced in the administration – procurement and contracting field of work and include access to:

- organisation policies and procedures
- procurement strategies and relevant procurement records
- sample contracts
- office equipment and supplies
- case studies and, where possible, real situations in the workplace.

Assessors of this unit must satisfy the assessor requirements in applicable vocational education and training legislation, frameworks and/or standards.

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