



Australian Government

BSBPUR402 Negotiate contracts

Release: 1

BSBPUR402 Negotiate contracts

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

Application

This unit describes the skills and knowledge required to negotiate terms of contracts with suppliers, and prepare and finalise contracts.

It applies to individuals who negotiate contracts as part of a broad purchasing role but are not specialist legal practitioners. They are required to negotiate and formalise complex purchasing arrangements involving significant risk and/or significant expenditure and detailed legal and documentation arrangements and are typically guided by organisational contract negotiation guidelines. They work under minimal supervision of a senior purchasing manager or in consultation with senior management.

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

Unit Sector

Administration – Purchasing 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. Negotiate terms of contracts with suppliers	1.1 Offer advice and undertake negotiations without prejudice 1.2 Advise suppliers of the organisation's intent to accept their offers 1.3 Negotiate issues with suppliers 1.4 Determine desired outcomes, negotiation plans and schedules for negotiations 1.5 Undertake negotiations and reach agreements with suppliers in accordance with plans

ELEMENT	PERFORMANCE CRITERIA
	1.6 Negotiate and document contract requirements to the satisfaction of the organisation and suppliers
2. Prepare contracts	2.1 Draft required contracts using legal expertise if required 2.2 Distribute draft contracts to relevant personnel and suppliers 2.3 Ensure any discrepancies or disagreements are clarified and resolved to the satisfaction of all parties 2.4 Ensure checks of the legality and validity of draft contracts are made 2.5 Obtain approvals to sign contracts
3. Finalise contracts	3.1 Ensure contracts are signed and exchanged between the organisation and suppliers 3.2 Ensure contracts and related documents are stored and safeguarded 3.3 Advise relevant personnel of contract requirements 3.4 Advise unsuccessful suppliers of non-acceptance of offers

Foundation Skills

This section describes language, literacy, numeracy and employment skills incorporated in the performance criteria that are required for competent performance.

Skill	Performance Criteria	Description
Reading	1.5, 2.1, 2.4	Interprets and analyses textual information from a range of sources and identifies relevant key information to assist in the negotiation process
Writing	1.2, 1.6, 2.1, 2.3, 2.5, 3.3, 3.4	Develops material to convey explicit information and results using clear and detailed language appropriate to audience and context
Oral Communication	1.1-1.3, 1.5, 1.6, 2.5, 3.3	- 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	1.5, 1.6, 2.1, 2.4	- 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	1.1-1.3, 1.5, 1.6, 2.2, 2.3, 2.5, 3.1, 3.3, 3.4	• 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	1.4, 2.2, 2.3, 3.1, 3.2	• 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
BSBPUR402 Negotiate contracts	BSBPUR402B Negotiate contracts	Updated to meet Standards for Training Packages	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 BSBPUR402 Negotiate contracts

Modification History

Release	Comments
Release 1	This version first released with BSB Business Services Training Package Version 1.0.

Performance Evidence

Evidence of the ability to:

- produce a documented agreement of terms with suppliers
- draft and complete a contract with a supplier for goods and services
- produce a document to inform successful and unsuccessful suppliers.

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

Knowledge Evidence

To complete the unit requirements safely and effectively, the individual must:

- identify and provide an overview of key provisions of relevant legislation, codes of practice and national standards that affect purchasing
- outline organisation practices, policies and procedures for purchasing
- explain purchasing and 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 – purchasing and contracting field of work and include access to:

- organisation policies and procedures
- purchasing strategies and relevant purchasing records
- office equipment and supplies
- case studies and, where possible, real situations.

Assessors must satisfy NVR/AQTF assessor requirements.

Links

Companion Volume implementation guides are found in VETNet -

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