



Australian Government

Department of Education, Employment and Workplace Relations

BSBPMG509A Manage project procurement

Release: 1

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Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit describes the performance outcomes, skills and knowledge required to undertake procurement and contract management within projects. It covers determining procurement requirements, establishing agreed procurement processes, conducting contracting and procurement activities, and managing finalisation processes. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
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Application of the Unit

Application of the unit	This unit applies to an individual who is clearly and solely responsible for the management and leadership of a complex project, either as an employee of an organisation or an external consultant. In the context of this unit a complex project is defined as a project which involves: • the need for a comprehensive and multi faceted project plan • the need for a formal internal or external communications strategy • a dedicated and diverse project budget • multiple administrative components • multiple operational components • a wide range of stakeholders • a project operations team. The functions performed by a program manager to manage procurement within multiple projects are addressed in BSBPMG609A Direct procurement and contracting for a project program.
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Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units	

Employability Skills Information

Employability skills	This unit contains employability skills.
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Elements and Performance Criteria Pre-Content

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

ELEMENT	PERFORMANCE CRITERIA
1. Determine procurement requirements	1.1. Identify procurement requirements with input from stakeholders as the basis for procurement planning and contracts 1.2. Establish and maintain, within delegated authority, an agreed procurement management plan and strategies to ensure clarity of understanding between stakeholders and achievement of project objectives
2. Establish agreed procurement processes	2.1. Obtain information from established sources capable of fulfilling procurement requirements to determine how project objectives can be met 2.2. Adopt established selection processes and selection criteria, including occupational health and safety (OHS) requirements, and communicate to stakeholders and prospective contractors or suppliers to ensure fair competition 2.3. Obtain approvals for procurement processes to be used for the project from higher project authority to enable formal discussions to be conducted
3. Conduct contracting and procurement activities	3.1. Communicate agreed proposals and/or specifications to prospective contractors or suppliers to ensure clarity of understanding of project objectives 3.2. Evaluate responses and select preferred contractors or suppliers in accordance with current legal requirements and agreed selection processes 3.3. Conduct negotiations with preferred contractor or supplier, with guidance of higher project authority if necessary, to agree on contract terms and conditions, establish common goals and minimise uncertainty
4. Implement contract and/or procurement	4.1. Implement established procurement management plan and make modifications with higher project authority approval, to ensure a common approach to achievement of objectives 4.2. Review progress and manage agreed changes to ensure timely completion of tasks, resolution of conflicts and achievement of project objectives within the legal framework of the contract 4.3. Identify and report procurement management problems to higher project authority and implement agreed remedial actions to ensure project objectives are met
5. Manage contract and	5.1. Conduct finalisation activities to ensure contract

ELEMENT	PERFORMANCE CRITERIA
procurement finalisation procedures	deliverables meet contractual requirements 5.2. Review project outcomes using available <i>procurement records and information</i> to determine effectiveness of contracting and procurement processes and procedures 5.3. Document lessons learned and recommended improvements, and pass on to higher project authority for application in future projects

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

This section describes the skills and knowledge required for this unit.

Required skills

- problem-solving skills to resolve contractual and logistic issues
- negotiation skills to obtain required agreement in procurement and contracting discussions
- planning and organisational skills to identify procurement and contract requirements and to adjust and sequence these appropriately
- literacy and numeracy skills to produce and work with a range of procurement and contract documentation
- technology skills to use procurement and financial management software.

Required knowledge

- contracts and legal obligations as they relate to project management
- procurement options, procedures and documentation
- relevant legislation, codes and national standards relevant.

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, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Evidence of the following is essential:

- demonstrated experience in managing procurement and contracting processes in multiple complex projects
- knowledge of contracts and legal obligations as they relate to project management.

Context of and specific resources for assessment

Assessment must ensure:

- access to workplace documentation in the area of procurement and contracts
- consideration of evidence from stakeholders as to how procurement was managed.

Method of assessment

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

- direct questioning combined with review of portfolios of evidence and third party workplace reports of on-the-job performance by the candidate
- oral or written questioning to assess knowledge of strategies for managing project procurement and their application to different situations
- analysis of responses in addressing case studies and scenarios which present project procurement and contract management issues and problems
- review of procurement management plan
- review of communication of agreed proposals and/or specifications to prospective contractors or suppliers
- assessment of evaluation of responses and selection processes for preferred contractors or suppliers
- review of identification and reporting of procurement management problems.

Guidance information for assessment

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

EVIDENCE GUIDE

- other units in the Diploma of Project Management.

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, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

Delegated authority refers to planning and activities that may:

- be conducted routinely or as changing circumstances dictate
- be done independently within broad guidance or by taking the lead of a team
- involve consultation with other project members, teams and internal stakeholders
- involve the selection, use and supervision of appropriate procurement management methods, tools and techniques
- take into account internal organisational change and external environmental change

Procurement management plan identifies and outlines:

- how procurement arrangements are communicated to stakeholders
- processes to be used for procurement of resources
- process for monitoring and evaluating procurement related to the project
- procurement objectives, strategies and time lines
- resources to be obtained against a time line and budget
- responsibilities for staff/team members

Modifications may be made:

- in consultation with project team members, section heads, project manager and stakeholders
- independently or with higher project authority endorsement if necessary
- regularly throughout the project life cycle
- taking into account internal organisational change and external environmental change

Procurement records and information may include:

- contract change proposals and approvals
- contract discharge and asset disposal register
- contract documentation
- contract negotiation documentation

RANGE STATEMENT

	• contractor selection criteria, processes and recommendations • procurement management plan • product specifications • test and acceptance procedures and documentation
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Unit Sector(s)

Unit sector	
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Competency field

Competency field	Management and Leadership - Project Management
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Co-requisite units

Co-requisite units		