



Australian Government

BSBPMG518A Manage project procurement

Release 1

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Modification History

Release	Comments
Release 1	This version first released with <i>BSB07 Business Services Training Package Version 8.0</i>. Replaces BSBPMG509A Manage project procurement.

Unit Descriptor

This unit describes the performance outcomes, skills and knowledge required to undertake procurement in projects. It involves determining procurement requirements, establishing agreed procurement processes, conducting contracting and procurement activities, and managing finalisation processes.

Application of the Unit

This unit applies to those responsible for managing and leading a project in an organisation, business or as a consultant.

The project manager operates within assigned authority levels, and is responsible for own performance and the performance of others.

The project manager may undertake the work in the context of an organisational program and/or portfolio of projects.

This unit has generic application for projects in a range of industries, organisations and contexts.

In the context of this unit a project is defined as involving:

- a comprehensive, detailed and integrated project management plan
- a formal communications plan
- a dedicated and project-based budget
- formal and planned engagement with a wide range of stakeholders
- a documented risk, issues and change-management methodology
- a quality plan with assurance and control processes
- a project team-based environment.

Licensing/Regulatory Information

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

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Element	Performance Criteria
<i>Elements describe the essential outcomes of a unit of competency.</i>	<i>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.</i>

Elements and Performance Criteria

1. Determine procurement requirements	1.1 Identify procurement requirements with input from stakeholders as the basis for procurement planning 1.2 Establish and maintain, within delegated authority, an agreed procurement-management plan
2. Establish agreed procurement processes	2.1 Obtain information from suppliers capable of fulfilling procurement requirements 2.2 Determine or adopt established selection processes and selection criteria and communicate them to vendors to ensure transparency 2.3 Obtain relevant approvals for procurement processes to be used for the project
3. Conduct procurement activities	3.1 Identify and act according to probity and project-governance constraints 3.2 Communicate agreed proposals and/or specifications to prospective vendors to ensure clarity of understanding of project objectives 3.3 Solicit vendor responses according to proposal requirements 3.4 Evaluate responses and select preferred vendors according to current legal requirements and agreed selection criteria 3.5 Negotiate with preferred contractor or supplier, to agree on terms and conditions of supply
4. Implement and monitor procurement	4.1 Implement established procurement-management plan and make modifications in line with agreed delegations 4.2 Review progress and manage agreed variations to ensure timely completion of tasks and resolution of conflict within the legal framework of the supply agreement 4.3 Identify and report procurement-management issues and implement agreed remedial actions to ensure project objectives are met
5. Manage procurement finalisation procedures	5.1 Conduct finalisation activities to ensure vendor deliverables meet contracted requirements 5.2 Review project outcomes using available procurement records and information to determine effectiveness of procurement processes and procedures 5.3 Document lessons learned and recommended improvements for application to future projects

Required Skills and Knowledge

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

Required skills

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

Required knowledge

- contracts and legal obligations as they relate to project procurement
- ethical and behavioural expectations in the project and industry context
- general conditions of contracts
- legislation, codes and national standards relevant to types of contracts and associated procurement processes
- procurement options, procedures and documentation.

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: - managing procurement and contracting processes for a project of sufficient complexity to demonstrate the full range of performance requirements - applied 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 that present issues and problems in project procurement and contract management - 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	Holistic assessment with other units relevant to the industry sector,

for assessment	workplace and job role is recommended, for example: • other units in the Diploma of Project Management.
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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.

<i>Procurement requirements</i> may include:	• analysis of work breakdown structure • budget review • organisational procurement policy and procedures • resource analysis • resource types • service level agreements • specifications and performance requirements for goods and services • statement of work • vendor supply options available, including: • formal tender contract • heads of agreement • preferred supplier agreement • request for proposal • request for quotation • simple quotation and purchase.
<i>Delegated authority</i> refers to planning and activities that may:	• be conducted routinely or as changing circumstances dictate • be done independently within broad guidance • involve consultation with other project members, teams and internal stakeholders • involve taking a lead role in a team where required • involve the selection, use and supervision of appropriate procurement-management methods, tools and techniques • take into account internal organisational change and external environmental change.
<i>Procurement-management plan</i> identifies and outlines:	• how procurement arrangements are communicated to stakeholders • process 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.

Suppliers may include:	• assigned internal resources • consultant • contractor • vendor • volunteers.
Selection criteria may include:	• adherence to specification • availability • experience • financial stability • industry and professional certifications • membership of a pre-qualified panel of suppliers • skill levels • sustainability • value for money • work health and safety (WHS).
Probity and project-governance constraints may include:	• ethical behaviours • limits of authority • organisational policy and procedures • prescribed decision escalation.
Modifications may be made:	• in consultation with project team members, section heads, project manager and stakeholders • independently or with endorsement of relevant authority 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, including contract negotiation documentation • contractor selection criteria, processes and recommendations • procurement-management plan • product specifications • test and acceptance procedures and documentation.

Unit Sector(s)

Management and Leadership – Project Management