



Australian Government

Department of Education, Employment and Workplace Relations

BSBPUR501B Develop, implement and review purchasing strategies

Revision Number: 1

BSBPUR501B Develop, implement and review purchasing strategies

Modification History

Not applicable.

Unit Descriptor

Unit descriptor	This unit specifies the outcomes required to develop, implement and evaluate an organisation's purchasing strategies, and implement improvements to those strategies. No licensing, legislative, regulatory or certification requirements apply to this unit at the time of endorsement.
------------------------	--

Application of the Unit

Application of the unit	This unit applies to individuals who develop strategies detailing the organisation's policies, guidelines and procedures for purchasing. The unit is typically undertaken by a senior purchasing officer or purchasing manager. While they may work closely with other staff members in the organisation, they have individual responsibility and autonomy to develop, communicate and implement organisational purchasing strategies. Individuals undertaking this unit support the work of other employees carrying out purchasing activities.
--------------------------------	---

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Prerequisite units		

Employability Skills Information

Employability skills	This unit contains employability skills.
-----------------------------	--

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.
---	--

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Determine purchasing objectives	1.1. Research and analyse the suitability of industry benchmarks for purchasing for the organisation 1.2. Analyse organisation's purchasing data and information 1.3. Undertake consultations with relevant stakeholders and personnel to inform development of purchasing objectives 1.4. Draft purchasing objectives in line with organisation's goals 1.5. Gain approval from relevant personnel for purchasing objectives
2. Develop purchasing strategies	2.1. Develop purchasing strategies , taking into account legal requirements and purchasing objectives 2.2. Include five rights in purchasing criteria 2.3. Develop human resource, financial and other plans to support implementation of purchasing strategies 2.4. Make changes resulting from feedback from relevant personnel about purchasing plans and strategies 2.5. Gain approval for plans to implement purchasing plans and strategies
3. Implement purchasing strategies	3.1. Communicate purchasing strategies to relevant personnel and stakeholders 3.2. Access resources needed to implement purchasing strategies 3.3. Provide support to implement purchasing strategies 3.4. Monitor implementation of purchasing strategies by the organisation 3.5. Identify and address problems and issues arising during implementation of purchasing strategies 3.6. Provide reports to relevant personnel and stakeholders on the implementation of purchasing strategies
4. Evaluate purchasing strategies and implement improvements	4.1. Review implementation of purchasing strategies 4.2. Identify improvements to purchasing strategies from review process 4.3. Gain approval to implement improvements to purchasing strategies 4.4. Communicate improvements to relevant stakeholders and provide support to implement

ELEMENT	PERFORMANCE CRITERIA
	improvements 4.5. Monitor and review implementation of improvements to determine their effectiveness

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Required skills

- culturally appropriate communication skills to relate to people from diverse backgrounds and people with diverse abilities
- communication and negotiation skills to liaise with suppliers and relevant stakeholders and negotiate agreement appropriate purchasing strategies
- literacy skills to write purchasing policies and procedures and reports containing complex concepts
- financial management skills to create and manage a budget framework for conducting purchasing activities
- technology skills to operate software relating to online purchasing.

Required knowledge

- identification and overview knowledge of key provisions of relevant legislation from all levels of government that affects business operations, codes of practice and national standards, such as:
 - consumer protection legislation
 - contract law
 - import of goods and services, where relevant
 - sale of goods legislation
 - Trade Practices Act
- information about industry benchmarks for purchasing, including information from:
 - peak bodies and industry associations
- Australian Standards organisation policies and procedures related to:
 - business terms and conditions for purchasing, tendering and contracting
 - contracting and tendering
 - ethical behaviour
 - purchasing
- product knowledge related to goods and services required by the organisation
- range of software programs used in online purchasing.

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:

- development of purchasing objectives and strategies for an organisation
- implementation of those purchasing strategies in an organisation
- evaluation and implementation of improvements to purchasing strategies in an organisation.

Context of and specific resources for assessment

Assessment must ensure:

- access to an actual workplace or simulated environment
- access to office equipment and resources
- organisation's purchasing strategies and relevant purchasing records.

Method of assessment

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

- analysis of responses to case studies and scenarios
- assessment of documented purchasing objectives and strategies
- 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
- review testimony from team members, colleagues, supervisors or managers
- review of authenticated documents from the workplace or training environment.

Guidance information for assessment

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

- other purchasing units.

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.

<i>Relevant stakeholders</i> may include:	• clients • contractors • customers • suppliers • tenderers
<i>Personnel</i> may include:	• Board members • CEOs • coordinators • internal users of purchased goods and services • leaders • managers • owners • relevant staff in other work sections • staff in own work section, team members and colleagues • supervisors
<i>Purchasing strategies</i> may include:	• criteria for evaluating purchasing performance • different policies, procedures and strategies for different dollar values of purchases • key performance indicators for purchasing • limits of authority to approve purchases • methodology for evaluating purchasing performance • organisational and industry codes of conduct and ethics • policies, procedures, guidelines and documentation formats for purchasing from suppliers including entities owned by the organisation, partners, alliance members and local and distant suppliers • requirements for fairness and transparency in purchasing
<i>Legal requirements</i> may include	• access and equity

RANGE STATEMENT	
issues in relation to:	• accreditation, licence, patent and copyright • codes of practice • data collection, storage and retrieval • ethical conduct and governance • industrial relations • insurance • occupational health and safety • operation, maintenance and service of tools, equipment, plant and machinery • planning • privacy and confidentiality • professional development • standards (Australian and international) • warranties
<i>The five rights</i> are:	• right supplier: • demonstrable expertise and experience • due diligence requirements • ethical conduct requirements • evidence of past legal compliance • requirements to use organisations linked by ownership, partnership, alliance or other arrangements • right price: • cost/price analysis • value-for-money • right quantity: • supply guarantees • right quality: • confidentiality and probity requirements • key performance indicators • measures to manage risk • quality accreditation • right time: • supply guarantees
<i>Resources</i> may include human, physical and other resources such as:	• documentation required for purchasing, such as proformas, order forms, standard tender documentation and basic standard contracts • software systems for inventory management or online purchasing • staff to undertake or assist with purchasing

RANGE STATEMENT**Support** may include:

- information sessions and briefings
- training programs
- written information including procedures and internet or intranet-based information

Unit Sector(s)**Unit sector****Competency field****Competency field**

Administration - Purchasing and Contracting

Co-requisite units**Co-requisite units**
