



Australian Government

DEFPBC001 Employ the fundamentals of a Performance Based Contract

Release: 2

DEFPBC001 Employ the fundamentals of a Performance Based Contract

Modification History

Release 2. This is the second release of this unit of competency in the DEF Defence Training Package.

Application

This unit describes the skills required to establish and operate the various elements of a Performance Based Contract (PBC).

This unit applies to those working as administrators or managers working within the contract management field in Defence but may be applicable to any individual in this field of work.

The skills and knowledge described in this unit must be applied within the legislative, regulatory and policy environment in which they are carried out. Organisational policies and procedures must be consulted and adhered to.

Those undertaking this unit would work within a team or as a supervisor under limited direction, while performing complex tasks in a range of contexts.

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

Pre-requisite Unit

Not applicable.

Competency Field

Performance based contract

Unit Sector

Not applicable.

Elements and Performance Criteria

ELEMENTS

Elements describe the essential outcomes.

PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

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| 1 Define a PBC | 1.1 Main elements of the Performance Based Contract (PBC) are defined for employment within contract management practice |
| | 1.2 Goals of the PBC are defined to meet identified key contractual outcomes |
| | 1.3 Method of application required for the key elements of a PBC is identified and defined |
| 2 Describe the establishment of a PBC | 2.1 Key stakeholder benefits are described within the PBC |
| | 2.2 Limitations and associated risks are identified and described within the PBC |
| | 2.3 PBC creation processes are applied and incorporate any risk mitigation measures identified |
| 3 Describe the design of a PBC | 3.1 Performance measure types are described in the PBC and are used to improve contract performance management |
| | 3.2 PBC reward and remedy types are described within the contract in conjunction with risk mitigation measures |
| | 3.3 PBC design principles are applied to maximise supplier motivation and encompass strategic contract management benefits |

Foundation Skills

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

Range of Conditions

Range is restricted to essential operating conditions and any other variables essential to the work environment.

Non-essential conditions may be found in the Companion Volume Implementation Guide.

Unit Mapping Information

No equivalent unit.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=6bdbab1e-11ed-4bc9-9cba-9e1a55d4e4a9>

Assessment Requirements for DEFPBC001 Employ the fundamentals of a Performance Based Contract

Modification History

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Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria on at least one occasion and include:

- applying relevant risk mitigation measures within the Performance Based Contract (PBC) framework
- applying the principles of PBC to the management of strategic contracts
- defining the goals, benefits and limitations of a PBC in accordance with strategic business requirements
- defining the two key elements of a PBC to meet strategic contract management requirements
- defining the types of rewards and remedies and relevant performance measures used in a PBC to achieve strategic outcomes
- describing the process for creating a PBC
- identifying contract risks
- understanding how a PBC motivates the supplier and applying this in managing a PBC.

Knowledge Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria and include knowledge of:

- communication techniques to effectively communicate decisions
- complex strategic contractual provisions
- contract strategy and construction
- Defence business units that incorporate PBC methodologies
- government procurement processes and options
- PBC design principles
- PBC features in comparison with a standard contract and key performance indicators
- PBC reward and remedy types
- strategic contract management benefits
- theory and benefits of PBC management.

Assessment Conditions

Assessors must hold credentials specified within the Standards for Registered Training Organisations current at the time of assessment.

Assessment must satisfy the Principles of Assessment and Rules of Evidence and all regulatory requirements included within the Standards for Registered Training Organisations current at the time of assessment.

Assessment must occur in workplace operational situations. Where this is not appropriate, assessment must occur in simulated workplace operational situations that reflect workplace conditions.

Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.

Resources for assessment must include access to:

- a range of relevant exercises, case studies and/or simulations
- acceptable means of simulation assessment
- applicable documentation, including workplace procedures, regulations, codes of practice and operation manuals
- relevant materials, tools, equipment and PPE currently used in industry.

Links

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