



Australian Government

FBPPPL4005 Manage supplier agreements and contracts

Release: 1

FBPPPL4005 Manage supplier agreements and contracts

Modification History

Release	Comments
Release 1	This version released with FBP Food, Beverage and Pharmaceutical Training Package Version 1.0.

Application

This unit of competency describes the skills and knowledge required to manage internal and external agreements for the supply of goods and/or services.

The unit applies to individuals with an understanding of supply chain relationships and arrangements who are responsible for the evaluation and management of new and existing contractual arrangements.

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

Pre-requisite Unit

Nil

Unit Sector

People, Planning and Logistics (PPL)

Elements and Performance Criteria

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
1. Establish contractual arrangements	1.1 Document and agree specifications for the delivery of goods and/or services according to workplace procedures 1.2 Develop and document criteria for selection of suppliers according to workplace procedures 1.3 Identify and assess potential suppliers against selection criteria 1.4 Select preferred supplier according to the selection criteria and workplace procedures

Elements	Performance Criteria
<i>Elements describe the essential outcomes.</i>	<i>Performance criteria describe the performance needed to demonstrate achievement of the element.</i>
	1.5 Negotiate, agree and document supply contracts with parties 1.6 Develop contingency plans in the event of supplier failure to deliver
2. Administer and evaluate delivery of goods and/or services against agreements	2.1 Assess the quality of goods and services supplied against specifications 2.2 Determine and document non-compliance and implement corrective action within the terms of contractual arrangements 2.3 Manage relationships with suppliers to support effective delivery according to workplace procedures 2.4 Review and renegotiate vendor agreements as required to ensure timely delivery and cost-effective supply of quality goods and services

Foundation Skills

This section describes those language, literacy, numeracy and employment skills that are essential for performance in this unit of competency but are not explicit in the performance criteria.

Skill	Description
Reading	Analyses and consolidates information and data from a range of sources, against defined criteria and requirements, and checks for accuracy and completeness
Writing	Accurately records information, prepares contracts and correspondence using clear language and organisational formats and protocols
Numeracy	Applies modelling skills to identify, analyse and evaluate costings, production scheduling, time durations and human resource allocations for contract development and monitoring
Oral communication	Uses collaborative and inclusive techniques including active listening, questioning and verbal and non-verbal signals to convey and clarify information and to confirm understanding during negotiations
Navigate the world of work	Takes responsibility for following explicit and implicit policies, procedures and legislative requirements for contract development
Interact with others	Implements strategies for a diverse range of colleagues and clients

Skill	Description
	in order to build rapport and foster strong relationships
Get the work done	• Monitors progress of production plans and schedules, and reviews and manages them to meet new demands and priorities • Applies systematic and analytical decision-making processes for complex and non-routine situations • Investigates new and innovative ideas as a means to develop contacts through negotiation and analytical thinking

Unit Mapping Information

Code and title current version	Code and title previous version	Comments	Equivalence status
FBPPPL4005 Manage supplier agreements and contracts	FDFPPL4007A Manage supplier agreements and contracts	Updated to meet Standards for Training Packages Minor changes to Performance Criteria for clarity	Equivalent unit

Links

Companion Volumes, including Implementation Guides, are available at VETNet - <https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=78b15323-cd38-483e-aad7-1159b570a5c4>

Assessment Requirements for FBPPPL4005 Manage supplier agreements and contracts

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Performance Evidence

An individual demonstrating competency must satisfy all of the elements and performance criteria in this unit.

There must be evidence that the individual has managed internal and external agreements for the supply of goods and/or services on at least two separate occasions, including:

- determining resource requirements for work area
- establishing contractual conditions and determining most suitable supplier
- monitoring supply against agreements and contracts, and promptly identifying and acting on variances
- establishing supply contingencies
- maintaining relationships with suppliers to support service.

Knowledge Evidence

An individual must be able to demonstrate the knowledge required to perform the tasks outlined in the elements and performance criteria of this unit. This includes knowledge of:

- approaches to supply chain management, including:
 - customer-led models and efficient consumer response (ECR)
 - contrast between independent company operations versus chain partnership arrangements
 - the implications of a supply chain approach for the nature of the relationships between the company and its suppliers, including level of information sharing and cooperation
- the company's approach to supply chain management, and related systems and documentation in place to support internal management and supplier relationship management, including levels of authority
- appropriate technical knowledge to determine capacity of a supplier to deliver and to assess quality of goods/service supplied
- legal rights and responsibilities of both the company and the supplier
- the role of benchmarking in determining appropriate criteria for supplier selection and contract management

- appropriate measures of contract delivery and relative importance/weighting given by the company
- induction and duty of care responsibilities for contractors working on-site where relevant.

Assessment Conditions

Assessment of skills must take place under the following conditions:

- physical conditions:
 - a workplace or an environment that accurately represents workplace conditions
- resources, equipment and materials:
 - sample agreements and documents
 - technical support and advice as appropriate
- specifications:
 - workplace procurement policies and related documentation and systems
 - relevant legislation, codes of practice and agreements
 - information management systems, including planning, recording and reporting systems
- relationships (internal and/or external):
 - access to suppliers of goods and services.

Assessors of this unit must satisfy the requirements for assessors in applicable vocational education and training legislation, frameworks and/or standards.

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