



Australian Government

MSTGN6004 Negotiate and manage contracts to produce finished design products

Release: 1

MSTGN6004 Negotiate and manage contracts to produce finished design products

Modification History

Release 1. Supersedes and is equivalent to LMTGN6004B Negotiate and manage contracts to produce finished design products

Application

This unit of competency covers the skills and knowledge required to negotiate and manage design production contracts.

The unit of competency applies to contracts which may include local or overseas supply or production of materials, components, complete products or accessories, used to produce finished design products. It may also be applied to contracts providing distribution and transportation or sales and marketing services.

This unit of competency is applicable to all sectors of the textiles, clothing and footwear (TCF) industry.

Work includes establishing performance standards and monitoring procedures to ensure contract specifications are achieved.

Work may be conducted in small to large scale enterprises and may involve individual and team activities.

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

Pre-requisite Unit

Nil

Competency Field

Generic

Unit Sector

Not applicable

Elements and Performance Criteria

Elements describe the essential outcomes.

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

1 **Establish**

1.1 Identify contract requirements in collaboration with

	contract requirements		appropriate personnel and workplace procedures
		1.2	Establish key criteria to define contract parameters
		1.3	Preview previous contracts to guide preparation of contract and selection of contractors
		1.4	Prepare contract detailing required products and/or services and advertise or circulate in relevant media
2	Confirm contract agreement	2.1	Review and shortlist contract applications according to ability to provide goods or services to required standards
		2.2	Select contract supplier and negotiate and confirm contract agreement
		2.3	Confirm quality and performance standards
		2.4	Confirm documentation, communication and performance monitoring processes with contract supplier
		2.5	Develop risk management plan
		2.6	Complete procurement documentation
3	Implement and manage contract agreement	3.1	Monitor performance to ensure standards and targets are being achieved
		3.2	Identify and address inconsistencies and missed targets to re-establish required performance levels
		3.3	Consult appropriate personnel to assist in monitoring performance of contract suppliers
		3.4	Identify and implement improvement opportunities, where possible
		3.5	Update documentation, as required, throughout implementation of contract
		3.6	Manage supplier payments according to contract agreement
4	Evaluate contract implementation	4.1	Evaluate implementation and effectiveness of contract in meeting contract requirements and assess quality

and maintain records

outcomes

- 4.2 Identify and record any improvements to contracting procedures for later use
- 4.3 Provide feedback to supplier
- 4.4 Prepare records and maintain reports

Foundation Skills

This section describes those required skills (language, literacy and numeracy) that are essential to performance.

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

Range of Conditions

This field allows for different work environments and conditions that may affect performance. Essential operating conditions that may be present (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) are included.

Workplace procedures include one or more of the following:

- requirements prescribed by legislation, awards, agreements and conditions of employment
- standard operating procedures (SOPs)
- work instructions
- oral, written and visual communication
- quality practices, including responsibility for maintenance of own work quality and contribution to quality improvement of team or section output
- housekeeping
- tasks related to environmental protection, waste disposal, pollution control and recycling
- WHS practices

Australian Standards include:

- the relevant industry or Australian Standards that are current at the time this unit is being undertaken

Contract requirements include, but are not limited to, one or more of the following:

- supply of goods or components
- production of goods or components
- sales and marketing services
- transport and distribution services

Appropriate personnel include, but are not limited to, one or more of the following:

- business development staff
- management
- specialist personnel, such as operations managers, marketing executives and procurement officers
- production personnel
- designers
- quality assurance officers

Key criteria includes, but is not limited to, three or more of the following:

- domestic or overseas suppliers
- technology requirements
- product specification
- process specification
- quantity specifications
- quality specifications
- stakeholder interests
- timing
- budget
- transportation and shipping
- other special requirements

Unit Mapping Information

Release 1. Supersedes and is equivalent to LMTGN6004B Negotiate and manage contracts to produce finished design products

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=a203ec5c-de7d-406b-b3e1-8f1a9b76e92e>

Assessment Requirements for MSTGN6004 Negotiate and manage contracts to produce finished design products

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Performance Evidence

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

- reading and following work instructions, standard operating procedures (SOPs), safe work practices
- applying relevant standards
- communicating within the workplace, including liaising with other departments and, where relevant, overseas personnel to establish contract criteria
- determining contract and quality requirements and advertising or circulating in relevant media
- reviewing and selecting contractor and preparing contract detailing required products and/or services
- monitoring performance of contractor and suppliers and applying methods to eliminate causes of unsatisfactory performance
- evaluating implementation and effectiveness of contract in meeting contract requirements and assessing quality outcomes
- evaluating and assessing effectiveness of contract process and identifying improvements to contracting process
- preparing report and maintaining accurate records.

Knowledge Evidence

Evidence must be provided that demonstrates knowledge of:

- safe work practices and procedures and use of personal protective equipment (PPE)
- relevant Australian Standards
- principles of quality management, their application and delegation of responsibilities within a contract
- documentation procedures for contracts
- research techniques
- workplace procurement practices and procedures
- legal requirements for contracting
- performance monitoring and management methods
- strategic planning
- financial and accounting issues

- quality standards and practices
- work health and safety (WHS) practices, including hazard identification and control measures
- workplace procedures
- recording and reporting practices.

Assessment Conditions

- Assessors must:
 - satisfy the assessor competency requirements that are in place at the time of the assessment, as set by the VET regulator
 - have vocational competency in negotiating and managing contracts to produce finished design products, at least to the level being assessed, with relevant industry knowledge and experience.
- Assessment should occur in operational workplace situations. Where this is not possible, or where personal safety or environmental damage are limiting factors, assessment must occur in a sufficiently rigorous simulated environment reflecting realistic operational workplace conditions. This must cover all aspects of workplace performance, including environment, task skills, task management skills, contingency management skills and job role environment skills.
- 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.
- Conditions for assessment must include access to all tools, equipment, materials and documentation required, including relevant workplace procedures, product and manufacturing specifications associated with this unit.
- The unit is applicable to all TCF sectors and assessment must ensure it is delivered to suit the industry it is being applied to.

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