



Australian Government

PSPPCM022 Negotiate strategic procurement

Release: 1

PSPPCM022 Negotiate strategic procurement

Modification History

Release	Comments
1	This unit was released in PSP Public Sector Training Package release 1.0 and meets the Standards for Training Packages. This unit supersedes and is equivalent to PSPPROC606B Negotiate strategic procurement. • Unit code updated • Content and formatting updated to comply with new standards • All PC transitioned from passive to active voice

Application

This unit describes the skills required to negotiate strategic procurement agreements within established guidelines, policies and procedures. It includes planning and preparing for negotiation, and undertaking and finalising the negotiation process for strategic procurement.

This unit applies to those working in a role that requires negotiation of strategic procurement.

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 will be working independently aided by consultation in a team environment, while performing complex tasks in familiar context.

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

Competency Field

Procurement

Elements and Performance Criteria

ELEMENTS	PERFORMANCE CRITERIA
Elements describe the essential outcomes	Performance criteria describe the performance needed to demonstrate achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions section.

1. Plan and prepare for strategic procurement negotiations	1.1 Seek input and advice from key stakeholders and identify the procurement and negotiating context. 1.2 Gather information on suppliers and develop a best alternative to negotiating an agreement. 1.3 Determine objectives, targets and bottom line position for negotiations. 1.4 Determine composition of negotiating team and limits on negotiators' authority. 1.5 Determine negotiation process, timeframes and strategies to suit complexity of procurement and supplier characteristics. 1.6 Develop a negotiation plan or directive that identifies negotiation roles of team members, lead negotiator, negotiating styles, tactics and limits of authority to suit the procurement activity. 1.7 Seek authorisation of negotiation plan.
2. Undertake strategic procurement negotiations	2.1 Open negotiations, identify supplier tactics, and identify mutually compatible interests. 2.2 Negotiate concessions to terms and conditions on minor and major issues to improve overall value for money of the procurement. 2.3 Implement concessions such that agreements remain consistent with original intentions and with procurement, organisational objectives and probity requirements. 2.4 Use appropriate tactics to break negotiation deadlocks and continue negotiations according to negotiation plan. 2.5 Conduct negotiations and make an offer.
3. Finalise strategic procurement negotiations	3.1 Finalise negotiations and agreements according to procurement guidelines. 3.2 Keep communication channels open and seek additional support, arguments and supporting evidence where agreement is not possible immediately. 3.3 Terminate negotiations and pursue the best alternative, where agreement is not possible in a way that preserves the relationship with the supplier for possible future business and deters the possibility of legal liability. 3.4 Consider where agreements may have wider implications for procurement and the organisation, and carry out necessary consultation. 3.5 Document details and outcomes of negotiations.

Foundation Skills

Foundation skills are embedded within the elements and performance criteria of this unit.

Unit Mapping Information

This unit supersedes and is equivalent to PSPPROC606B Negotiate strategic procurement.

Links

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=bebbece7-ff48-4d2c-8876-405679019623>

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Assessment Requirements for PSPPCM022 Negotiate strategic procurement

Modification History

Release	Comments
1	These Assessment Requirements were released in PSP Public Sector Training Package release 1.0 and meet the Standards for Training Packages. • Assessment Requirements created drawing upon specified assessment information from superseded unit

Performance Evidence

Evidence required to demonstrate competence must satisfy all of the requirements of the elements and performance criteria. If not otherwise specified the candidate must demonstrate evidence of performance of the following on at least one occasion.

- achieving negotiation outcomes
- networking within probity boundaries, with stakeholders
- writing complex documents
- managing teams of expert negotiators in functions modelling effective management and leadership approaches
- identifying and applying strategies and tactics for breaking deadlocks during a negotiation
- applying understanding of supplier issues and supply chain management in the context of strategic procurement
- identifying and assessing negotiation approaches to yield results
- managing financial and procurement projects
- operating organisational IT systems and electronic procurement templates

Knowledge Evidence

Evidence required to demonstrate competence must satisfy all of the requirements of the elements and performance criteria. If not otherwise specified the depth of knowledge demonstrated must be appropriate to the job context of the candidate.

- Commonwealth, state or territory, and local government legislation, policies, practices and guidelines relating to strategic procurement, including environmental purchasing guidance
- organisational procurement policies, practices and approval processes
- aspects of law of contract, trade practices law, and commercial law relating to negotiation of strategic procurement arrangements
- probity principles and issues

- codes of conduct, codes of practice and standards of individual behaviour relating to negotiation
- government procurement environment
- legal requirements of government contracting
- financial rules and regulations
- implications of particular contracting arrangements
- whole-of-life considerations
- cultural issues relating to strategic procurement and industry development
- relationship management at all personnel levels
- environmental, sustainability and corporate social responsibility principles relevant to strategic procurement

Assessment Conditions

This unit contains no specific industry-mandated assessment conditions. Guidance on suggested and recommended conditions and methods can be found in the Implementation Guide.

Assessors must satisfy the NVR/AQTF mandatory competency requirements for assessors.

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