



Australian Government

PSPPCM026 Establish the strategic procurement context

Release: 1

PSPPCM026 Establish the strategic procurement context

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 PSPPROC705A Establish the strategic procurement context. • 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 establish the broad context in which strategic procurement takes place. It includes undertaking environmental analysis; analysing, developing and monitoring procurement capability; influencing and developing strategic industries; and establishing and managing risk exposure. It also includes understanding the government and political context for strategic procurement.

This unit applies to those working in roles involved in 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 would work autonomously consulting others as required, performing sophisticated tasks in a range of familiar contexts.

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	Performance criteria describe the performance needed to demonstrate

the essential outcomes	achievement of the element. Where bold italicised text is used, further information is detailed in the range of conditions section.
1. Analyse the procurement environment	1.1 Apply knowledge of the legal, political and financial environment to establish strategic context. 1.2 Define the relationship between the organisation and its procurement environment. 1.3 Identify existing and potential stakeholders and their strengths and weaknesses. 1.4 Identify strengths, weaknesses, opportunities and threats using information that is up to date, reflects emerging and predicted trends, and takes account of the possible future procurement interests and activities of the organisation and government directions. 1.5 Adjust the organisation's procurement strategies and plans with respect to information gathered, and identify comparative targets. 1.6 Support any case for possible collaboration with other organisations with evidence, analysed for risks, and consistent with organisational plans and future directions.
2. Analyse procurement capability	2.1 Consider organisation's strengths, weaknesses, opportunities and threats in light of internal and/or external factors and organisation's strategic procurement goals. 2.2 Analyse organisational capability taking into account possible future procurement interests and activities of the organisation, its strategic industries, collaborators, requirements of government and other organisations. 2.3 Make suggestions for improvements to existing organisational structures and procurement systems that are realistic and achievable and will aid achievement of the procurement mission statement and strategies drawn from both internal and external stakeholders. 2.4 Consult on proposed improvements with those affected, in time for their views to be taken into account. 2.5 Justify proposed improvements on the basis of known internal and external factors, and take into account stakeholder needs and expectations.
3. Develop and monitor procurement capability	3.1 Implement improvements to develop procurement capability to meet new circumstances. 3.2 Define practical requirements for implementing improvements. 3.3 Identify difficulties associated with implementing improvements as early as possible in order to minimise their effect. 3.4 Monitor, review and modify implemented improvements to organisational structures and procurement systems as required to assist achievement of procurement outcomes.

4. Influence and develop strategic industries	4.1 Monitor strategic industries and take opportunities to influence key opinion formers and decision makers to change, encourage and nurture industry capability. 4.2 Identify problems, limitations and new opportunities in strategic industries in response to internal and external factors, based on quantitative and qualitative data. 4.3 Influence strategic industries remaining sensitive to procurement policies and the values and practices of key opinion formers and decision makers.
5. Establish and manage risk exposure	5.1 Define and monitor total organisational risk to minimise loss and maximise opportunity. 5.2 Establish and implement a risk management system. 5.3 Monitor performance of risk management system, and modify to reflect procurement opportunities and current and emerging trends.

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 PSPPROC705A Establish the strategic procurement context.

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 PSPPCM026 Establish the strategic procurement context

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.

- networking, consulting and negotiating with stakeholders at the highest levels of organisations and the community
- conveying complex ideas to a wide range of audiences
- persuading and influencing, within probity boundaries, stakeholders and decision makers
- reading, writing and approving business cases, plans, reports, submissions and other high level complex documents
- providing leadership within the organisation
- managing strategic relationships
- managing teams of expert negotiators in different functions
- referring issues to the correct person
- applying decision-making processes or methodologies
- identifying and resolving strategic procurement issues
- applying understanding of supplier issues and supply chain management in the context of strategic procurement
- managing procurement performance and identify, assess and implement opportunities for performance improvement
- undertaking research and business analysis relating to strategic procurement and high level business issues
- managing financial and other resources
- managing strategic procurement systems, processes and policies
- maintaining currency of best practice examples in strategic procurement and relevant procurement legislation, policies and procedures
- operating organisational IT systems

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
- government procurement environment
- codes of conduct, codes of practice and standards of individual behaviour relating to strategic procurement
- risk management systems
- financial rules and regulations relating to strategic procurement
- legal requirements of government procurement and contracting
- competition theory as it relates to strategic procurement
- strategic procurement planning processes
- delegation authorities
- organisational procurement performance

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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