



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC504B Finalise contracts

Release 3

PSPPROC504B Finalise contracts

Modification History

Release	TP Version	Comments
3	PSP12V1	Layout adjusted. No changes to content.
2	PSP04V4.2.	Layout adjusted. No changes to content.
1	PSP04V4.1	Primary release.

Unit Descriptor

This unit covers the ability to finalise processes for contracts. It includes completing contracts and implementing a contract review strategy.

In practice, finalising contracts may overlap with other public sector generalist and specialist work activities, such as promoting the values and ethos of public service and local government, undertaking negotiations, promoting compliance with legislation in the public sector or local government, managing contract performance, managing procurement risk, planning to manage a contract, planning for procurement outcomes and making procurement decisions.

PSPPROC414A Manage contracts is the appropriate unit for people undertaking contract management as a minor part of their work role.

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

Application of the Unit

The unit applies to those whose primary role is contract management.

Licensing/Regulatory Information

Not applicable.

Pre-Requisites

Not applicable.

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements describe the essential outcomes of a unit of competency.

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 statement. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT	PERFORMANCE CRITERIA
1. Complete contracts	1.1. Contracts due to expire are reviewed to determine future requirements, and options for meeting those requirements are canvassed in sufficient time for decision making and transition to occur. 1.2. Strategies are implemented to manage closure, renewal of contracts, or transition to a new contract according to organisational guidelines, probity requirements and public sector standards. 1.3. Contracts are finalised, amended, cancelled or terminated according to contractual arrangements. 1.4. Consultation is undertaken with contractor, and a contract completion report is issued addressing the performance of contractor and contract manager according to organisational requirements and public sector standards.
2. Implement contract review strategy	2.1. Timing of contract review is determined to ensure a smooth transition to post-contract arrangements. 2.2. Contract review is undertaken covering contract management, contractor performance relevant to measures at each stage of the contract, user satisfaction and audit results. 2.3. Where measures or outcomes are not met in full, variances are documented and explained. 2.4. Review report is prepared documenting outcomes against plans, final costs, user satisfaction, lessons learnt and any shortcomings in contract planning, management policies and procedures. 2.5. Recommendations for improvement are made and supported with evidence, as a result of lessons learnt.

Required Skills and Knowledge

This section describes the skills and knowledge required for this unit.

Required skills

- communication skills to:
 - consult and negotiate with contractors and stakeholders, involving complex oral and written exchanges of information
 - write review and closure reports
 - make recommendations about improvements to the contract management process
 - provide feedback
- teamwork skills to:
 - model effective team management approaches
 - respond to diversity
 - refer issues to the correct person
- problem-solving skills to finalise outstanding issues so the contract can be closed
- initiative and enterprise skills to identify improvements to the contract management process of contract management
- planning and organising skills to:
 - manage contract closure documentation
 - plan and organise contract closure meetings, reports and reviews
- learning skills to keep up-to-date with:
 - best practice examples in procurement practice
 - relevant procurement legislation, policies and procedures
- technology skills to:
 - operate organisational IT systems
 - use electronic procurement templates

Required knowledge

- commonwealth, state or territory, and local government legislation, policies, practices and guidelines:
 - relating to contract finalisation and review, including environmental purchasing and corporate social responsibility guidance
 - such as OHS and equity and diversity
- organisational procurement policies, practices and approval processes
- contract finalisation and review for a range of contractual situations
- privacy and confidentiality issues, including the requirement to appropriately classify information to ensure transparency as well as to treat bids as commercial-in-confidence
- probity principles and issues
- codes of conduct, codes of practice and standards of individual behaviour relating

to finalising contracts

- information, knowledge management and record keeping for official or historical records
- equal employment opportunity
- financial and accounting issues relevant to the contract
- aspects of contract law, trade practices law and commercial law relevant to the finalisation of contracts relating to complex procurement

Evidence Guide

The Evidence Guide provides advice on assessment and must be read in conjunction with the performance criteria, required skills and knowledge, range statement and the Assessment Guidelines for the Training Package.

Overview of assessment Competency must be demonstrated in the ability to finalise contracts consistently in accordance with legislative and organisational requirements.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

Assessment must confirm the ability to:

- develop and implement an appropriate review strategy for contracts that are ending
- complete relevant contract closure processes
- ensure appropriate records have been kept
- apply contract review techniques
- make written recommendations for improvements to the procurement process based on review results
- uphold probity standards in all dealings with contractors.

Consistency in performance

Competency should be demonstrated by providing evidence of undertaking a range of relevant work tasks in an actual or simulated procurement environment on at least two separate occasions.

Context of and specific resources for assessment

The unit of competency is to be assessed in the workplace or a simulated workplace environment.

Access may be required to:

- legislation, policy, procedures and protocols relating to procuring goods and services, and managing and finalising contracts
- codes of conduct and codes of practice
- workplace scenarios and case studies relating to a range of procurement activities associated with finalising contracts
- case studies that incorporate dilemmas, and probity requirements relating to finalising contracts.

Method of assessment

The following assessment methods are suggested:

- questions to assess understanding of relevant legislation and procedures
- review of strategies and approaches adopted for finalising contracts
- review of contract management plans, contracts, contract variations, contractor performance reports, contract closure plans, transition plans, risk assessments and other contract finalisation documentation prepared by the candidate in a range of contexts

- review of stakeholder engagement approaches adopted by the candidate.

In all cases, practical assessment should be supported by questions to assess underpinning knowledge and those aspects of competency which are difficult to assess directly. Questioning techniques should suit the language and literacy levels of the candidate.

Guidance information for assessment

Evidence must be gathered over time in a range of contexts to ensure the person can achieve the unit outcome and apply the competency in different situations or environments.

Holistic assessment with other units relevant to the industry sector, workplace and job role is recommended, for example:

- PSPETHC501B Promote the values and ethos of public service
- PSPGOV507A Undertake negotiations
- PSPLEGN501B Promote compliance with legislation in the public sector
- PSPPROC503B Manage contract performance
- PSPPROC505A Manage procurement risk
- PSPPROC506A Plan to manage a contract
- PSPPROC507A Plan for procurement outcomes
- PSPPROC508A Make procurement decisions.

Range Statement

The range statement relates to the unit of competency as a whole. It allows for different work environments and situations that may affect performance. ***Bold italicised*** wording, if used in the performance criteria, is detailed below. Essential operating conditions that may be present with training and assessment (depending on the work situation, needs of the candidate, accessibility of the item, and local industry and regional contexts) may also be included.

- Contracts*** may include:
- formal written contracts
 - standing offers (panels)
 - multi-use lists and similar arrangements
 - inter and intra-government agreements
 - letters of intent
 - memoranda of understanding and memoranda of agreement
 - licensing agreements
 - in-house option directives.
- Timing of contract review*** may include:
- periodically throughout the contract
 - when performance issues arise
 - prior to contract completion
 - concurrently with contract renewal process
 - after the contract is completed.
- Contract review*** may include:
- planning process
 - evaluation considerations at each stage of contract
 - sources and methods of gathering data
 - role of audit trails
 - measuring outputs
 - key performance indicators and their review
 - meeting client needs
 - innovation
 - strategies for continuous improvement.
- Variances*** may include:
- change of scope
 - negotiation of new terms and conditions
 - strategies for dealing with contractor performance
 - dissolution of contract.

Unit Sector(s)

Not applicable.

Competency field

Procurement and Contract Management.