



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC507A Plan for procurement outcomes

Revision Number: 2

PSPPROC507A Plan for procurement outcomes

Modification History

PSPPROC507A Release 2: Layout adjusted. No changes to content.

PSPPROC507A Release 1: Primary release.

Unit Descriptor

This unit covers advanced planning for complex procurement within established guidelines, policies and procedures. It includes applying and managing procurement governance arrangements, developing procurement and market strategies, and undertaking analysis to support achievement of procurement outcomes through definition of requirements aligned to business needs, consultation with stakeholders, establishment of tender evaluation panels, and documentation of detailed procurement planning.

In practice, planning for procurement outcomes may overlap with other public sector and local government generalist and specialist work activities, such as acting ethically, complying with legislation, providing client service, providing leadership, developing policy, and undertaking negotiations.

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

Application of the Unit

This unit applies to those in specialist procurement and contracting.

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

- | | |
|---|--|
| 1. Establish, apply and manage procurement governance arrangements | 1.1. Contribution is made to forward procurement planning in accordance with jurisdictional requirements and in alignment with organisational goals and objectives.
1.2. Organisational financial and budgetary framework is effectively applied to procurement.
1.3. Organisational objectives , policies and goals are researched and applied.
1.4. Relevant interacting legislative, policy and probity requirements are identified and applied to the proposed procurement activity.
1.5. Procurement needs are developed and/or assessed, aligned to organisational objectives, business plan and appropriate justification of estimated procurement expenditure.
1.6. Alternatives to procurement action are proposed where appropriate.
1.7. Probity principles are applied and managed when planning procurement activities. |
| 2. Identify, consult with and manage procurement stakeholders | 2.1. Internal and external stakeholders for procurement activities are identified.
2.2. Strategies are developed to effectively gather information from and distribute information to procurement stakeholders throughout the procurement process.
2.3. Stakeholders are informed and educated on the concept of value for money .
2.4. Strategies are developed for the ongoing consideration and management of key stakeholders. |
| 3. Conduct market research and develop appropriate strategies to approach the market | 3.1. Market research and analysis are conducted.
3.2. Strengths and weaknesses of the market are identified.
3.3. Appropriate procurement options and procurement methods are determined for approaching the market, taking into account relevant jurisdictional and organisational policy requirements. |
| 4. Identify, source and manage resources to conduct procurement processes | 4.1. Financial and budgetary resources required to effectively conduct procurement processes are identified, sourced and managed.
4.2. Technical and procurement expertise required to effectively conduct procurement processes is identified, sourced and managed, including the establishment of |

tender evaluation panel or working group.

4.3. Appropriate structures and processes to the conduct of the procurement are determined and applied, including operation of the tender evaluation panel or working group.

4.4. Appropriate lead times for conducting procurement processes are planned and communicated to stakeholders.

5. Define procurement specifications and requirements

5.1. Procurement requirements are aligned with organisational objectives and business plans and are realistic in terms of the capacity of the market to supply.

5.2. Statements of requirements and specifications that meet business needs of the organisation are developed and/or critically assessed.

5.3. Previous procurements are reviewed and stakeholders consulted to inform and define the specifications.

5.4. Viability of specifications are explored to ensure **risks** and **whole-of-life costs and benefits** are identified and to support value for money.

6. Undertake detailed procurement planning

6.1. Stakeholders are assisted to make meaningful contributions to procurement plans.

6.2. Procurement **risk** assessments are conducted and appropriate risk management strategies determined.

6.3. Jurisdictional and organisational **legislative, policy and probity requirements** are addressed.

6.4. Procurement process is designed that achieves a value for money outcome, including consideration of **whole-of-life costs and benefits**.

6.5. Detailed procurement **plans and sub-plans** are documented for the various activities that will be conducted throughout the procurement process, including evaluation and **reporting requirements**.

6.6. Timely execution of financial delegations and other approvals are planned in accordance with legislation and jurisdictional and organisational policy and procedures.

6.7. Procurement activity is undertaken in line with jurisdictional, organisational and best practice requirements for accountability and transparency, including record keeping and reporting regimes.

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
 - network, within probity boundaries, with contractors and stakeholders
 - write a business case
 - read complex documents, such as contracts, legislation and guidelines
 - provide feedback
- teamwork skills to:
 - model effective team management approaches
 - respond to diversity
 - refer issues to the correct person
- problem-solving skills to:
 - resolve complicated procurement issues
 - develop options for inclusion in a business case
- initiative and enterprise skills to:
 - apply the content of complex documents, such as contracts, legislation and guidelines
 - apply OHS, environmental, sustainability and corporate social responsibility practices in the context of planning for procurement outcomes
- planning and organising skills to:
 - undertake research and business analysis
 - plan procurement processes in alignment with business and organisational goals
 - document procurement planning decisions and expected outcomes
 - manage and update the procurement plan and sub-plans
- 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 management, including environmental purchasing and corporate social responsibility guidance
 - such as OHS and equity and diversity

- organisational procurement policies, practices and approval processes
- procurement planning for a range of complex procurement requirements/outcomes in alignment with business and organisational goals
- probity principles and issues
- codes of conduct, codes of practice and standards of individual behaviour relating to the procurement process
- government procurement environment
- legal requirements of government procurement
- implications of particular procurement arrangements
- whole-of-life considerations
- financial and accounting issues relevant to the procurement
- cultural issues relating to complex procurement and industry development in certain industry sectors
- relationship management
- equal employment opportunity relevant to the procurement
- OHS requirements relevant to the procurement
- environmental, sustainability and corporate social responsibility principles relevant to the 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 plan for procurement outcomes 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:

- contribute effectively to forward planning of procurement activities, including developing key documents, such as business case, long-term plans and/or approval documents
- align planned procurement activities with the organisation's business direction
- identify, consult with and manage procurement stakeholders
- plan and conduct market research for procurement activities
- use the results of stakeholder consultation and market research to inform procurement planning
- define more complex procurement specifications and requirements to satisfy stakeholder needs
- work within organisational processes to secure the resources needed to conduct procurement processes
- act within own delegation and promptly refer matters outside own delegation to correct authority
- uphold probity standards applicable to the procurement process.

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 contracts
- codes of conduct and codes of practice
- workplace scenarios and case studies relating to a range of procurement activities associated with planning for procurement outcomes
- case studies that incorporate dilemmas, and probity requirements relating to planning for procurement outcomes.

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 planning for procurement outcomes
- review of business cases, procurement terms of reference, procurement plans, market analyses, budgets, resource requests, transition plans, approvals and sign-offs, risk assessments, procurement specifications and other 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
- PSPPROC504B Finalise contracts
- PSPPROC505A Manage procurement risk
- PSPPROC506A Plan to manage a contract
- 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.

- | | |
|---|---|
| <p><i>Forward procurement planning</i> may include:</p> | <ul style="list-style-type: none"> • annual procurement planning • business plans • strategic plans • budget plans |
| <p><i>Financial and budgetary framework</i> may include:</p> | <ul style="list-style-type: none"> • financial management legislation • chief executive instructions • financial delegations • budget cycles and reporting processes • financial management systems |
| <p><i>Organisational objectives</i> may include and be contained in:</p> | <ul style="list-style-type: none"> • political directives • commonwealth, and state or territory government needs • responses to government strategic papers, such as White Papers, for example on long-term capability of the public sector to deliver government policy objectives • organisational strategic and business plans |
| <p><i>Legislative, policy and probity requirements</i> may include:</p> | <ul style="list-style-type: none"> • commonwealth or state and territory legislation • equal employment opportunity and anti-discrimination law • free trade and other international agreements • commonwealth, state or territory, and local government procurement policy guidelines • probity principles and issues that relate to procurement processes, systems, structures and delegations • code of conduct and standards of individual behaviour relating to procurement process and function • environmental and sustainable procurement • OHS legislation and policies • corporate social responsibility policies • organisational policies and practices |
| <p><i>Alternatives</i> may include:</p> | <ul style="list-style-type: none"> • providing services in-house • leasing • consolidation services rather than direct purchases (e.g. hotel and rental cars) • funding arrangements • public private partnerships |

- Probity principles:***
- may include:
 - accountability
 - transparency
 - confidentiality
 - management of conflict of interests
 - impartiality
 - are maintained to:
 - ensure conformity to processes
 - facilitate accountability
 - ensure proponents are treated in a fair and equitable manner
 - encourage commercial completion
 - preserve public and private sector confidence in government processes
- Stakeholders* may include:**
- end users, customers or clients, and sponsors
 - potential providers or suppliers
 - current providers or suppliers
 - technical or functional experts or advisers
 - commonwealth, state or territory, and local government
 - international governments
 - the buying organisation
 - other public sector organisations
 - employees, unions and staff associations
 - industry bodies
 - local communities
 - lobby groups and special user groups
- Value for money* may include:**
- benefits versus cost
 - fitness for purpose
 - whole-of-life costs, such as maintenance, warranty and operating costs
 - market considerations
 - government policy objectives, e.g. industry development and employment creation
 - strategic partnerships
 - quality
 - risks
 - supplier capacity
 - climate change, environmental considerations and energy conservation
 - disposal value
- Aspects of *market***
- capacity of the market to supply

- research and analysis** may include:
- maturity/life cycle placement of the goods and services
 - new technologies
 - structure of the market and key players
- Procurement options** may include:
- whole of government arrangements
 - existing agency and departmental agreements
 - leasing arrangements
 - alliance and partnership arrangements
 - memoranda of understanding and memoranda of agreement
 - contracts
 - standing offers
 - deeds of agreement
 - inter and intra-government agreements
 - outsourcing arrangements
 - in-house agreements
- Procurement methods** may include:
- open tender or proposal
 - select (restricted) tender
 - direct (sole) source
 - staged procurement
- Tender evaluation panel** may include:
- tender evaluation working groups
 - selection panels
 - expert advisory sub-panels
 - subject and technical experts
 - users
 - past and present contract managers
 - probity experts
- Risks** may include:
- risk identified during market research
 - criticality of the procurement to the organisation
 - supplier-related risk
 - product-related risk
 - organisation-related risk
 - market-related risk
 - national security risk
 - political risk
 - corruption risk
 - probity risk
- Whole-of-life costs and benefits** may include:
- maintenance and support arrangements
 - warranty
 - firm or variable pricing regimes
 - industry development
 - environmental sustainability
 - transition costs (establishing and renewing/extending)

- Plans and sub-plans*** may include:
- return on investment
 - calculations of volume discounts
 - operating costs
 - disposal
 - offer evaluation plan
 - contract negotiation plan
 - risk management plan
 - contingency plan
 - probity plan
 - communication/public relations plan
 - human resource management plan
 - disposal plan
 - contract review plan
 - environmental sustainability plan
 - industry policy plan
 - business continuity plan
- Procurement ***reporting requirements*** may include:
- public notification of business opportunities
 - public notification of contracts and other agreements to supply (e.g. AusTender or similar)
 - annual or other forward procurement plans
 - annual reports
 - senate/parliament reports
 - internal reports

Unit Sector(s)

Not applicable.

Competency field

Procurement and Contract Management.