



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC706A Evaluate and improve strategic procurement performance

Revision Number: 2

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Modification History

PSPPROC706A Release 2: Layout adjusted. No changes to content.

PSPPROC706A Release 1: Primary release.

Unit Descriptor

This unit covers the ability to evaluate an organisation's strategic approach to procurement and the achievement of government policies and objectives for procurement. It includes determining evaluation measures and criteria; evaluating organisational achievement, procurement plans, and strategic procurement goals and policies; and implementing continuous improvement in procurement performance.

In practice, evaluating and improving strategic procurement performance may overlap with other public sector or local government generalist and specialist work activities, such as providing strategic direction, influencing strategic policy, leading and influencing ethical practice in the public sector or local government, and undertaking strategic risk management. 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

ELEMENT	PERFORMANCE CRITERIA
1. Determine evaluation measures and criteria	1.1. Measures for evaluation are determined to provide value for money and make optimum use of existing <i>sources of data</i> and means of data gathering. 1.2. Government policy and objectives for strategic procurements are reflected in evaluation <i>measures and criteria</i>. 1.3. Nature and character of the organisation and its values and policies are reflected in evaluation criteria. 1.4. Sufficient information is provided in measures and criteria to make judgements about progress towards government objectives, strategic goals and implementation of procurement policies.
2. Evaluate organisational achievement	2.1. Evaluation is undertaken against strategic procurement goals, policies, plans and codes/standards of behaviour and takes into account evidence from procurement activities. 2.2. Conclusions from evaluation are detailed against agreed criteria, supported by evidence, and structured to provide a complete picture of performance in respect to strategic goals and policies of government and organisation procurement. 2.3. Where performance fails to meet the agreed criteria, possible reasons are offered and discussed with <i>stakeholders</i>. 2.4. Consultation is undertaken with stakeholders prior to publication of any report on performance that may affect the interests of stakeholders. 2.5. Reports are provided according to organisational policy and procedures in time to enable effective response.
3. Evaluate procurement plans and their implementation	3.1. Causes of success and failure in procurement plans and their implementation are identified. 3.2. Explanations of causes of success or failure are presented logically and comprehensively and supported by evidence. 3.3. Where alternative explanations are available, these are reported, along with reason for preferring any explanation. 3.4. Where it is likely to be difficult to find a remedy for the cause, explanations are offered to counter possible objections.

- 3.5. Lessons to be drawn from success or failure are made available to those who could learn from them and are used in the future planning of procurement.
- 3.6. **Feedback** is provided to those whose performance is examined.
- 4. **Evaluate strategic procurement goals, policies and performance**
 - 4.1. Possible **strengths and weaknesses** in strategic procurement goals, policies and performance are identified.
 - 4.2. Recommendations are formulated for building on strengths and addressing weaknesses.
 - 4.3. Comments, analysis and recommendations are made available for the review and reformulation of the procurement strategic goals and policies based on performance.
- 5. **Implement continuous improvement in procurement performance**
 - 5.1. Recommendations for improvement in organisational achievement in procurement performance are implemented according to organisational requirements.
 - 5.2. Lessons learnt from the evaluation of procurement plans and their implementation, are used to continuously improve procurement performance.
 - 5.3. Review and reformulation of strategic procurement goals and policies are built into the cycle of continuous improvement of strategic procurement.
 - 5.4. Ongoing monitoring, measurement and management of procurement performance are undertaken to continuously improve procurement outcomes.

Required Skills and Knowledge

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

Required skills

- communication skills to:
 - consult and negotiate with stakeholders at the highest levels of organisations and the community
 - engage in strategic networking, within probity boundaries, with key stakeholders
 - build and manage effective working relationships
 - convey complex ideas to a wide range of audiences
 - persuade and influence, within probity boundaries, stakeholders and decision makers
 - read, write and approve business cases, plans, reports, submissions and other high level complex documents
- teamwork skills to:
 - provide leadership within the organisation
 - manage strategic relationships
 - manage teams of expert negotiators in functions such as finance, legal, technical and engineering
 - respond to diversity
 - refer issues to the correct person
- problem-solving skills to:
 - apply decision-making processes or methodologies
 - identify and resolve strategic procurement issues
 - apply understanding of supplier issues and supply chain management in the context of strategic procurement
- initiative and enterprise skills to:
 - manage procurement performance and identify, assess and implement opportunities for performance improvement
 - apply OHS, environmental, sustainability and corporate social responsibility practices in the context of strategic procurement
- planning and organising skills to:
 - undertake research and business analysis relating to strategic procurement and high level business issues
 - manage financial and other resources
 - manage strategic procurement systems, processes and policies
- self-management skills to apply codes of conduct and standards of individual behaviour
- learning skills to keep up-to-date with:
 - best practice examples in strategic procurement

- 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 strategic procurement, including environmental purchasing guidance
 - such as OHS and equity and diversity
- organisational procurement policies, practices and approval processes
- government procurement environment
- financial rules and regulations relating to strategic procurement
- legal requirements of government procurement and contracting
- strategic procurement planning processes
- standards of organisational procurement performance obtained
- procurement and probity best practice standards
- performance measurement, monitoring and continuous improvement cycles in the context of evaluating and improving procurement performance
- equal employment opportunity
- OHS requirements relevant to strategic procurement
- environmental, sustainability and corporate social responsibility principles relevant to strategic 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 evaluate and improve strategic procurement performance 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:

- use recognised techniques to establish evaluation criteria for reviewing procurement performance across the whole procurement cycle
- undertake evaluation of procurement plans and their implementation to review the performance of the buying organisation
- undertake evaluation of strategic procurement goals and direction to ensure compliance with government and organisational expectations
- use evaluation findings to make recommendations for improvement to procurement processes, systems, goals and directions
- provide feedback to key stakeholders about procurement performance and the need for procurement improvements
- implement recommendations for procurement improvement within the organisation.

Candidates for this qualification must demonstrate a high level of understanding of underpinning knowledge and the ability to apply this to practical workplace situations.

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 at the strategic level
- codes of conduct and codes of practice
- long-term government policy papers, such as White Papers
- strategic procurement plans and direction statements
- published performance audits or similar relating to strategic procurement issues
- workplace scenarios and case studies relating to a range of strategic procurement activities.

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 evaluating and improving strategic procurement performance
- preparation of formal written papers covering strategic procurement issues
- review of strategic plans, strategic procurement plans, long-term budgets, risk assessments, internal issues papers, responses to performance audits covering strategic procurement issues and other documentation prepared or reviewed 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. Candidates for this qualification must demonstrate a high level of understanding and practical workplace application of underpinning knowledge. Questioning techniques should suit the language and literacy levels of the candidate.

Guidance information for assessment

Sufficient evidence must be gathered 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:

- BSBFIM701A Manage financial resources
- BSBINN801A Lead innovative thinking and practice
- BSBREL701A Develop and cultivate collaborative partnerships and relationships
- PSPETHC701A Lead and influence ethical practice in the public sector
- PSPPROC704A Influence and define strategic procurement direction
- PSPPROC705A Establish strategic procurement context
- PSPMNGT703A Lead and influence change
- PSPMNGT704A Undertake enterprise risk management.

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.

Sources of data may include:

- supply publications
- industry source books
- advice provided from organisations specialising in investigative procedures
- past performance data
- financial management information systems
- results of research of financial viability, capability and performance
- organisational records and reports about procurements, contractors and performance
- internal audits and reviews
- results of procurement review processes
- external audits and reviews.

Measures and criteria may include:

- specified performance measures and outputs in such things as:
 - financial plans
 - budgets
 - procurement plans
 - human resource development and human resource management plans
 - risk management plans
 - marketing plans
- specifically determined review objectives or terms of reference
- government policy and objectives for strategic procurement.

Stakeholders may include:

- end users
- customers or clients
- sponsors
- current or potential providers or suppliers
- technical or functional experts or advisers
- probity advisers
- probity auditors
- commonwealth, state or territory, and local government
- the organisation

- Feedback** may include:
- other public sector organisations
 - employees, unions and staff associations
 - industry bodies
 - local communities
 - lobby groups and special user groups.
 - formal feedback, including reports and reviews with a right of reply
 - informal feedback, including discussions
 - performance management information in performance improvement feedback
 - recognition of strong performance.
- Identification of **strengths and weaknesses** takes account of:
- evaluation of performance and achievement
 - overall assessment of achievement of value for money
 - stakeholder interests and views
 - vision and values of the organisation
 - trends in the external environment
 - internal strengths and weaknesses.

Unit Sector(s)

Not applicable.

Competency field

Procurement and Contract Management.