



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC406A Procure goods and services

Release: 1

Modification History

Not Available

INTRODUCTION

Unit Descriptor This unit covers the expenditure of public monies for simple procurement of low value/low risk goods and services using contractual arrangements that include simple tendering and requests for quotation.

The unit requires analysis and decision making in the procurement process which is undertaken under limited supervision. It includes planning and undertaking procurement, managing contractors and completing contractual arrangements.

In practice, procuring goods and services overlaps with other public sector generalist and specialist work activities such as acting ethically, complying with legislation, applying government processes, working with diversity, using resources, etc.

This unit replaces and is equivalent to the superseded unit PSPPROC301A Procure goods or services.

Employability Skills This unit contains employability skills.

Unit Sector Procurement & Contract Management

ELEMENT

PERFORMANCE CRITERIA

- | | |
|--|---|
| 1. Plan for procurement of goods or services | <ul style="list-style-type: none">1.1 A market assessment is used to identify, evaluate and select options for procuring goods and services in accordance with business plan requirements, legislation, policy and procedures1.2 A commercial strategy is identified to achieve the procurement outcome set out in the business plan, achieve value for money and meet legal and probity requirements1.3 Risk planning is conducted for the procurement activity in accordance with procedures, delegations and guidelines1.4 Process and criteria for evaluation of offers from suppliers or service providers are identified to meet public sector probity requirements, and are recorded in a tender evaluation plan1.5 A procurement plan is developed to manage procurement process and contractual arrangements in accordance with legislation, policy and procedures |
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2. Undertake procurement
 - 2.1 Method of requesting and receiving offers is chosen to suit the procurement activity and comply with organisational policy and procedures
 - 2.2 Specialist expertise is used to assist in evaluation of offers as required
 - 2.3 Evaluation and selection of the offer are made in accordance with tender evaluation plan, organisational policy and procedures
 - 2.4 Notification of successful and unsuccessful suppliers/providers is undertaken in accordance with procurement plan, organisational policy and procedures
 - 2.5 No commitment or payment is made and contractors do not commence until contractual arrangements are formalised
 - 2.6 Contractual arrangements are negotiated suitable to the procurement activity, are legally binding to all parties and are formalised and reported in accordance with policy and procedures
3. Manage contractors
 - 3.1 Communication strategies are established to build and maintain relationship with contractor/s
 - 3.2 Performance is monitored against contract performance indicators for quality assurance of the goods or services and to ensure compliance with contract specifications
 - 3.3 Contract performance indicators are regularly reviewed to ensure relevance
 - 3.4 Approvals are obtained for any contract variations in accordance with organisational and contractual requirements
 - 3.5 Disputes/complaints are investigated, documented and resolved or referred in accordance with contractual provisions
 - 3.6 Contractual obligations to contractors are met
 - 3.7 Records are maintained in accordance with organisational and legal requirements to provide an audit trail and for other organisational purposes
4. Complete contractual arrangements
 - 4.1 Goods and services received are confirmed as meeting contractual specification and required outcome, and accounts are processed for payment in accordance with organisational procedures
 - 4.2 Contracts are finalised, cancelled or terminated in accordance with contractual arrangements
 - 4.3 Contract performance, outcomes and management processes are evaluated, and lessons learnt are recorded and used to inform ongoing contract management practices

REQUIRED SKILLS AND KNOWLEDGE

This describes the essential skills and knowledge and their level, required for this unit.

Required skills:	Look for evidence that confirms skills in: • evaluating procurement options and selecting best fit • writing procurement specifications in unambiguous terms • using effective consultation and negotiation with providers involving oral and written exchanges of information • writing or reading and signing contractual agreements that may include complexity of language and style • engaging in ongoing communication with contractor/s that may involve explanation or clarification of written and oral information, note-taking at meetings, active listening, checking for understanding etc • responding to diversity, including gender and disability • managing contractor performance against contractual requirements, making payments and managing financial arrangements • assessing goods or service provision against specifications • applying occupational health and safety and environmental requirements in the context of basic procurement activities
Required knowledge:	Look for evidence that confirms knowledge and understanding of: • Commonwealth/State/Territory Government procurement guidelines including environmental purchasing guidelines • organisation's code of conduct/code of ethics • procurement options/methods • probity and ethical issues • procedures for receipt and payment of goods or services • common use arrangements • procurement approval procedures • financial accountability requirements • equal employment opportunity, equity and diversity principles • public sector legislation and guidelines including occupational health and safety and environment

RANGE STATEMENT

The Range Statement provides information about the context in which the unit of competency is carried out. The variables cater for differences between States and Territories and the Commonwealth, and between organisations and workplaces. They allow for different work requirements, work practices and knowledge. The Range Statement also provides a focus for assessment. It relates to the unit as a whole. Text in italics in the Performance Criteria is explained here.

Market assessment may include	• structure of the market • number and quality of providers • factors/conditions which may affect supply of goods or provision of services • potential impact of intended procurement activity
Evaluation of options may include	• stakeholder consultation • confirmation that procurement is necessary • development of a business case • comparison of internal versus outsourced provision
Procurement of goods and services includes	• only simple procurement of goods and services
Legislation, policy and procedures may include	• Commonwealth or State/Territory legislation • equal employment opportunity and anti-discrimination law • Commonwealth/State/Territory Government procurement guidelines including environmental purchasing guidelines • organisational policies and practices • financial management requirements
Key elements of a commercial strategy may include	• consultation with key stakeholders • expenditure budget meets organisational requirements for probity and accountability • procurement process agreed by users, documented, and meets legal and probity requirements • approvals obtained • contractual arrangements that capture and address identified risks, protection of all parties, and include performance indicators which provide the basis for due performance
Contractual	• verbal and written orders

- arrangements may include
- purchase order
 - government credit card
 - petty cash
 - memoranda of understanding/memoranda of agreement
 - in-house service level agreements
 - contracts
 - standing offers
 - inter/intra-government agreements
- Methods for requesting and receiving offers may include
- request for proposal
 - request for quotation
 - direct purchases using existing supply agreements such as standing offers
 - oral quotations
 - written quotations
 - direct purchase from retail or wholesale outlets
 - electronic commerce
- Reporting may include
- gazettals
 - public notification
 - Gazette Publishing System (GaPS)
 - electronic
 - verbal
 - annual reports
 - internal and/or external
 - statistical reports
- Records may include
- purchase requests and orders
 - simple procurement submissions and proposals
 - invoices and payment requests
 - statements and petty cash vouchers
 - offer and contract documents
 - evaluation process documentation
 - records of authorised officers' decisions
 - corporate credit card transaction statements
 - records of supplier performance
 - gazettal notices
 - financial statements
 - asset registers

- records of conversation

Organisational purposes
may include

- reports and other documents
- future procurement planning and contract management
- accountability requirements
- Ministerials

EVIDENCE GUIDE

The Evidence Guide specifies the evidence required to demonstrate achievement in the unit of competency as a whole. It must be read in conjunction with the Unit Descriptor, Performance Criteria, the Range Statement and the Assessment Guidelines for the Public Sector Training Package.

Units to be assessed together

- Pre-requisite units that must be achieved prior to this unit :Nil
- Co-requisite units that must be assessed with this unit :Nil
- Co-assessed units that may be assessed with this unit to increase the efficiency and realism of the assessment process include, but are not limited to:
 - PSPETHC401A Uphold and support the values and principles of public service
 - PSPGOV403B Use resources to achieve work unit goals
 - PSPGOV406B Gather and analyse information
 - PSPGOV408A Value diversity
 - PSPGOV422A Apply government processes
 - PSPLEGN401A Encourage compliance with legislation in the public sector
 - PSPPOL404A Support policy implementation

Overview of evidence requirements

In addition to integrated demonstration of the elements and their related performance criteria, look for evidence that confirms:

- the knowledge requirements of this unit
- the skill requirements of this unit
- application of the Employability Skills as they relate to this unit (see table following for examples)
- exercise of responsible care in the use of public monies
- procurement of goods and services in a range of (3 or more) contexts (or occasions, over time) using a range of (3 or more) procurement methods

Resources required to carry out assessment

These resources may include:

- legislation, policy, procedures and protocols relating to simple procurement of goods and services
- codes of conduct/codes of ethics
- workplace scenarios and case studies relating to a range of simple procurement activities

- ethical issues and probity requirements relating to simple procurement

Where and how to assess evidence

Valid assessment of this unit requires:

- a workplace environment or one that closely resembles normal work practice and replicates the range of conditions likely to be encountered when procuring goods and services, including coping with difficulties, irregularities and breakdowns in routine
- procurement of goods and services in a range of (3 or more) contexts (or occasions, over time) using a range of (3 or more) procurement methods

Assessment methods should reflect workplace demands, such as literacy, and the needs of particular groups, such as:

- people with disabilities
- people from culturally and linguistically diverse backgrounds
- Aboriginal and Torres Strait Islander people
- women
- young people
- older people
- people in rural and remote locations

Assessment methods suitable for valid and reliable assessment of this competency may include, but are not limited to, a combination of 2 or more of:

- case studies
- demonstration
- portfolios
- projects
- questioning
- scenarios
- authenticated evidence from the workplace and/or training courses

For consistency of 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