



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC407A Establish procurement need

Release: 1

PSPPROC407A Establish procurement need

Modification History

Unit Descriptor

This unit covers the establishment, justification and approval of procurement requirements to achieve required outcome. It includes defining and justifying the need, researching potential impact and risks, and securing organisational support to proceed with procurement activity. The unit is suitable for any personnel who identify the need for procurement, and would not necessarily apply to procurement specialists whose role would typically begin as a result of procurement need being established and approved (including approval of appropriation).

In practice, establishment of procurement need may overlap 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 **PSPPROC401A Plan procurement**. The units are not equivalent, as overlap between PSPPROC401A and PSPPROC402A has been removed, and the unit is more tightly focused on pre-procurement planning.

There is multi-unit equivalence between new and superseded units. The combination of:

PSPPROC401A Plan procurement + PSPPROC402A Request and receive offers+

PSPPROC403A Award contracts

is equivalent to the combination:

PSPPROC408A Develop requests for offersPSPPROC409A Receive and select offers

Application of the Unit

Licensing/Regulatory Information

Pre-Requisites

Employability Skills Information

This unit contains employability skills.

Elements and Performance Criteria Pre-Content

Elements are the essential outcomes of the unit of competency.

Together, performance criteria specify the requirements for competent performance. Text in **bold italics** is explained in the Range Statement following.

Elements and Performance Criteria

Elements and Performance Criteria

Element	Performance Criteria
1 Define and justify procurement need	1.1 Consultation is undertaken with stakeholders and experts to determine whether viable alternatives to procurement exist to address identified procurement need 1.2 A representative sampling of clients, experts and suppliers is consulted to define and clarify requirements 1.3 Procurement need is justified through consultation and negotiation with stakeholders and experts 1.4 Other issues and opportunities are investigated for integration into procurement activity
2 Research potential procurement impact and risks	2.1 Options are developed and the impacts, risks and costs of each are determined 2.2 Recommendation is made and justified 2.3 Identification and assessment of risks are undertaken using risk analysis tools that meet policy guidelines 2.4 Stakeholder input is obtained and taken into account in the development of the procurement requirement 2.5 Procurement requirement is developed which contains risk analysis, outcome measures, responsibilities and timelines 2.6 Procurement requirement is outlined from transition to close-out, and meets legislative, policy and probity requirements
3 Secure organisational support for procurement	3.1 Constraints or limitations of authority and approval requirements are identified 3.2 Resource allocations and appropriation are confirmed for whole-of-life 3.3 Approvals are obtained in accordance with procedures, guidelines and delegations

- 3.4 Procurement requirement is conveyed to procurement specialists for development of procurement planning and implementation
- 3.5 Value for money criteria are defined for assessment and measurement of performance

Required Skills and Knowledge

REQUIRED SKILLS AND KNOWLEDGE

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

Skill requirements

Look for evidence that confirms skills in:

- undertaking research, planning and analysis of issues relating to procurement need
- making comparisons, justifying a point of view and providing supporting evidence
- consulting with stakeholders involving oral and written exchanges of sometimes complex information
- responding to diversity, including gender and disability
- writing a procurement requirement that may require complexity of language and style, yet still be expressed in unambiguous terms
- applying occupational health and safety and environmental requirements in the context of establishing procurement needs

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

- Commonwealth/State/Territory Government legislation, policies, practices and guidelines relating to contract management, including environmental purchasing guidelines
- procurement policies, practices and approval processes
- probity principles and issues
- ethical issues relating to procurement
- life cycle costs
- whole-of-life considerations
- technical knowledge
- aspects of law of contract, laws of tort, trade practices law, commercial law and other legislation relating to receipt and evaluation of offers, negotiation and award of contracts
- equal employment opportunity, equity and diversity principles
- public sector legislation including occupational health and safety and environment

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

PSPGOV406B Gather and analyse information

PSPGOV422A Apply government processes

PSPLEGN401A Encourage compliance with legislation in the public sector

PSPPOL404A Support policy implementation

PSPPROC408A Develop requests for offers

PSPPROC409A Receive and select offers

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 Employability Summaries in Qualifications Framework)

exercise of responsible care in planning the use of public monies

establishment of procurement need in a range of (2 or more) contexts (or occasions, over time)

Resources required to carry out assessment

These resources include:

legislation, policy, procedures and protocols relating to establishment of procurement needs

case studies and workplace scenarios to capture the range of situations likely to be encountered

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 establishing procurement need, including coping with difficulties, irregularities and breakdowns in routine

establishment of procurement need in a range of (2 or more) contexts (or occasions, over time)

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

portfolios

projects

questioning

scenarios

simulation or role plays

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

Range Statement

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.

Stakeholders may include

end users, customers or clients and sponsors
potential providers or suppliers
current providers/suppliers
technical or functional experts or advisers
Federal, State/Territory and/or Local Government
the organisation
other public sector organisations
employees, unions or staff associations
industry bodies
local communities and society as a whole
lobby groups, special user groups

Suppliers may include

commercial organisations
other government organisations
commercialised or privatised government organisations
non-profit organisations

Experts may include

legal, functional, technical, financial
scientific and research
human resource
commercial or business practices
consultants
other relevant organisations including foreign governments

Issues and opportunities may include

risk sharing
cost sharing

	cost escalation
	intellectual property rights
	knowledge management
	corporate knowledge
	libraries, archives - historical value of public sector work
	capital equipment/asset ownership
	value engineering
	value management
	innovation
	continuous improvement
	future organisational requirements
	quality
	whole-of-life considerations
	organisational integration and cooperation
Legislative, policy and probity requirements may include	Commonwealth or State/Territory legislation
	equal employment opportunity and anti-discrimination law
	Commonwealth/State/Territory Government procurement guidelines including environmental purchasing, access and equity, social justice guidelines
	organisational policies and practices
	security/confidentiality
	risk management
Resource requirements may include	facilities
	information technology
	personnel
	budget support equipment
	use of contractor staff
	professional service providers
	risk assessment
Appropriations may require	Ministerial authorisation
	compliance with instructions or finance

circulars
confirmation by chief financial officer
special consideration if they concern:
long-term travel deals
long-term computer deals
long-term lease deals
issuing of indemnities

Unit Sector(s)

Competency field

Procurement&Contract Management