



Australian Government

Department of Education, Employment and Workplace Relations

PSPPROC504A Finalise contracts

Release: 1

PSPPROC504A Finalise contracts

Modification History

Unit Descriptor

This unit covers finalisation processes for contracts. The unit is for officers whose primary role is contract management.

PSPPROC410A Administer contracts is the appropriate unit for officers undertaking contract management as a minor part of their work role.

The unit 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 acting ethically, complying with legislation, providing client service, providing leadership, developing policy, undertaking negotiations etc.

This is one of 4 units of competency in the **Procurement&Contract Management** Competency field that address the requirements of contract management performed by specialist contract managers.

Related units are:

PSPPROC501A Manage contract risk
PSPPROC502A Establish contract management arrangements
PSPPROC503A Manage contract performance

The superseded unit **PSPPROC404A Manage contracts** is equivalent to the three units:
PSPPROC502A Establish contract management arrangements
PSPPROC503A Manage contract performance

PSPPROC504A Finalise contracts

Equivalence may be claimed for EITHER:

PSPPROC410A Administer contracts OR PSPPROC502A - 504A inclusive, but not both.

This is a new unit of competency, added to the **Procurement&Contract Management** Competency field of the Training Package in 2004.

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 Complete contracts	1.1 Contracts due to expire are reviewed to determine future requirements, and options for those requirements to be met 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 in accordance with organisational guidelines and public sector standards 1.3 Contracts are finalised, amended, cancelled or terminated in accordance with contractual arrangements 1.4 Consultation is undertaken with the contractor, and a contract completion report is issued addressing the performance of the contractor and the contract manager in accordance with organisational requirements and public sector guidelines
2 Implement contract review strategy	2.1 Timing of the review is determined to ensure a smooth transition to post-contract arrangements 2.2 Review is undertaken of 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 A 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

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:

consulting with contractor and stakeholders involving often complex oral and written exchanges

reading and applying complex documents such as contracts, legislation and guidelines

writing review report/s and recommendations requiring precision of expression

responding to diversity, including gender and disability

applying occupational health and safety and environmental requirements in the context of contract finalisation

Knowledge requirements

Look for evidence that confirms knowledge and understanding of:

Commonwealth/State/Territory Government legislation, policies, practices and guidelines relating to contract finalization and review, including environmental purchasing guidance

contract finalization 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

information, knowledge management and recordkeeping for official/historical records

equal employment opportunity, equity and diversity principles

financial and accounting issues relevant to the contract

public sector legislation including occupational health and safety and environment

aspects contract law, trade practices law and commercial law relevant to the finalization of contracts relating to complex procurement

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:

PSPETHC501B Promote the values and ethos of public service

PSPGOV505A Promote diversity

PSPGOV507A Undertake negotiations

PSPGOV508A Manage conflict

PSPGOV511A Provide leadership

PSPGOV512A Use complex workplace communication strategies

PSPLEGN501B Promote compliance with legislation in the public sector

PSPPROC501A Manage contract risk

PSPPROC502A Establish contract management arrangements

PSPPROC503A Manage contract performance

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)

finalisation and review of contracts in a

Resources required to carry out assessment

range of (3 or more) contexts (or occasions, over time)

These resources include:

legislation, policy, procedures and protocols relating to contract administration

Procurement guidance - confidentiality of contractors' commercial information (Commonwealth Department of Finance and Administration)

case studies and workplace scenarios to capture the range of contract finalisation 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 finalising contracts, including coping with difficulties, irregularities and breakdowns in routine

finalisation and review of contracts in a range of (3 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

demonstration

observation

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.

Contracts may include

- simple contract
- memoranda of understanding/memoranda of agreement
- in-house option directives
- common use arrangements/standing offers/deeds of standing offer
- inter/intra-government agreements
- letters of intent
- licensing

Timing of the review may include

- periodically throughout the contract
- when issues of performance arise
- prior to completion of the contract
- concurrently with contract renewal process
- after the contract is completed

Contract review strategy may include

- planning process
- evaluation considerations at each stage of the 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 contracts

Unit Sector(s)

Competency field

Procurement&Contract Management