



**Australian Government**

# **TLIR5006 Develop, implement and review purchasing strategies**

**Release: 1**

# TLIR5006 Develop, implement and review purchasing strategies

## Modification History

Release 1. This is the first release of this unit of competency in the TLI Transport and Logistics Training Package.

## Application

This unit involves the skills and knowledge required to develop, implement and review an organisation's purchasing strategies in various contexts within the transport and logistics industry.

It includes determining, developing, implementing and evaluating purchasing objectives and strategies, and implementing improvements.

The unit generally applies to those who lead individuals or teams.

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

## Pre-requisite Unit

Not applicable.

## Competency Field

R – Contract Procurement

## Unit Sector

Not applicable.

## Elements and Performance Criteria

### ELEMENTS

Elements describe the essential outcomes.

#### 1 Determine purchasing objectives

### PERFORMANCE CRITERIA

Performance criteria describe the performance needed to demonstrate achievement of the element.

- 1.1 Industry benchmarks for purchasing are researched and analysed for organisational suitability
- 1.2 Organisation's purchasing data and information are analysed
- 1.3 Consultations are undertaken with relevant stakeholders and personnel to inform development

of purchasing objectives

1.4 Purchasing objectives are drafted in line with organisational goals

1.5 Approval is gained from relevant personnel for purchasing objectives

## **2 Develop purchasing strategies**

2.1 Purchasing strategies are developed, taking into account legal requirements and purchasing objectives

2.2 Five Rights are included in purchasing criteria

2.3 Human resources, financial and other plans are developed to support the implementation of purchasing strategies

2.4 Approval is gained to implement plans and purchasing strategies

2.5 Changes resulting from approval processes are made to plans and strategies, as required

## **3 Implement purchasing strategies**

3.1 Purchasing strategies are communicated to relevant personnel and stakeholders

3.2 Resources needed to implement purchasing strategies are identified and accessed

3.3 Support is provided to implement purchasing strategies

3.4 Implementation of purchasing strategies by the organisation is monitored

3.5 Problems and issues arising during implementation are identified and addressed

3.6 Reports are provided to relevant personnel and stakeholders on implementation of purchasing strategies

## **4 Evaluate purchasing strategies and implement improvements**

4.1 Implementation of purchasing strategies is reviewed

4.2 Improvements to purchasing strategies are identified from review process

4.3 Approval is gained to implement improvements to purchasing strategies

- 4.4 Improvements are communicated to relevant stakeholders and support is provided to implement improvements
- 4.5 Implementation of improvements is monitored and reviewed to determine effectiveness of improvements

## **Foundation Skills**

Foundation skills essential to performance are explicit in the performance criteria of this unit of competency.

## **Range of Conditions**

Range is restricted to essential operating conditions and any other variables essential to the work environment.

Non-essential conditions can be found in the Companion Volume Implementation Guide.

## **Unit Mapping Information**

This unit replaces and is equivalent to TLIR5006A Develop, implement and review purchasing strategies.

## **Links**

Companion Volume implementation guides are found in VETNet -

<https://vetnet.gov.au/Pages/TrainingDocs.aspx?q=df441c6e-213d-43e3-874c-0b3f7036d851>

# Assessment Requirements for TLIR5006 Develop, implement and review purchasing strategies

## Modification History

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## Performance Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria on at least one occasion and include:

- applying relevant legislation and workplace procedures
- communicating effectively with others when developing, implementing and reviewing purchasing strategies, including consulting and negotiating with stakeholders, writing policies and procedures, and supporting staff to implement strategies
- developing human resources, financial and other plans when developing, implementing and reviewing purchasing strategies
- identifying and addressing problems relating to developing, implementing and reviewing purchasing strategies
- monitoring, reviewing and evaluating purchasing strategies
- planning and prioritising work activities, and researching and analysing data
- preparing reports appropriate to developing, implementing and reviewing purchasing strategies
- reading and interpreting instructions, procedures and information relevant to work activities.

## Knowledge Evidence

Evidence required to demonstrate competence in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria and include knowledge of:

- concept of the 'Five Rights':
  - right price
  - right quality
  - right quantity
  - right supplier
  - right time
- information about industry benchmarks for purchasing, including information from peak bodies, industry associations and Australian standards

- organisational policies and procedures related to purchasing; contracting and tendering; business terms and conditions for purchasing, tendering and contracting; and ethical behaviour
- product knowledge related to goods and services required by the organisation
- relevant legislation, codes of practice, national and international standards, such as Trade Practices Act, contract law, sale of goods legislation, and legislation related to the import of goods and services.

## Assessment Conditions

As a minimum, assessors must satisfy applicable regulatory requirements, which include requirements in the Standards for Registered Training Organisations, current at the time of assessment.

As a minimum, assessment must satisfy applicable regulatory requirements, which include requirements in the Standards for Registered Training Organisations, current at the time of assessment.

Assessment must occur in workplace operational situations where it is appropriate to do so; where this is not appropriate, assessment must occur in simulated workplace operational situations that replicate workplace conditions.

Assessment processes and techniques must be appropriate to the language, literacy and numeracy requirements of the work being performed and the needs of the candidate.

Resources for assessment include:

- a range of relevant exercises, case studies and/or other simulations
- relevant and appropriate materials, tools, equipment and personal protective equipment currently used in industry
- applicable documentation including workplace procedures, regulations, codes of practice and operation manuals.
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## Links

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