



Australian Government

Department of Education, Employment and Workplace Relations

TLIR5014A Manage suppliers

Release: 1

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Modification History

Not Applicable

Unit Descriptor

Unit Descriptor

This unit involves the skills and knowledge required to manage suppliers. It includes assessing suppliers and building a productive relationship with them; evaluating delivery of goods/services; negotiating arrangements and resolving disagreements with suppliers; and reviewing supplier performance. Licensing, legislative, regulatory or certification requirements are applicable to this unit.

Application of the Unit

Application of the Unit

Work may be undertaken in various contexts within the transport and distribution industry.

The unit generally applies to those who provide leadership of others individually or in teams.

This unit is normally packaged at AQF V or above.

Licensing/Regulatory Information

Refer to Unit Descriptor

Pre-Requisites

Not Applicable

Employability Skills Information

Employability Skills 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 required performance needed to demonstrate achievement of the element. Assessment of performance is to be consistent with the evidence guide.

Elements and Performance Criteria

ELEMENT

PERFORMANCE CRITERIA

- | | |
|--|---|
| 1 Assess suppliers and build productive relationship | <ul style="list-style-type: none">1.1 Criteria to enable an effective evaluation of supplier services are developed and documented1.2 Existing suppliers are assessed against criteria1.3 Availability and suitability of alternate suppliers who can meet the service support requirements within legislative requirements are identified1.4 Terms and conditions of suppliers to achieve service requirements are established and communicated1.5 Cooperative relationships are developed with supplier according to organisational policies and procedures |
| 2 Evaluate delivery of goods and/or services against agreements | <ul style="list-style-type: none">2.1 The quality of goods and services supplied is assessed against criteria2.2 Non-compliance is identified, documented and corrective action is implemented within the terms of contractual arrangements2.3 Contingency plans are developed in the event of supplier failure to deliver2.4 Relationships with suppliers are managed to support effective delivery |
| 3 Negotiate arrangements with suppliers | <ul style="list-style-type: none">3.1 Arrangements with suppliers are negotiated and implemented according to organisational policies and procedures3.2 Market factors that may affect the supply of goods and services are identified and communicated to relevant personnel3.3 Immediate corrective action is taken in consultation with the supplier where potential or actual problems are indicated |
| 4 Resolve disagreements with suppliers | <ul style="list-style-type: none">4.1 Disagreements with suppliers are investigated to identify validity and causes4.2 Disagreements are negotiated and resolved4.3 Amendments to agreements as a consequence of the resolution of disagreements are documented4.4 Approval is sought and obtained for amendments4.5 Approved amendments are communicated to suppliers and relevant personnel |
| 5 Review performance of suppliers | <ul style="list-style-type: none">5.1 Suppliers are continuously reviewed in regard to quality, profitability, service, delivery status and other relevant performance indicators5.2 Supplier performance is evaluated against the requirements of purchasing agreements5.3 Suppliers are informed of evaluation outcomes as required5.4 Recommendations about future use of suppliers are made to relevant personnel |

ELEMENT**PERFORMANCE CRITERIA**

5.5 Suppliers are deleted from supplier shortlist according to criteria

Required Skills and Knowledge

REQUIRED KNOWLEDGE AND SKILLS

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

Required knowledge:

- Relevant sections of national and state or territory regulatory requirements and codes of practice related to procurement
- Relevant OH&S and environmental procedures and regulations
- Organisational policies, procedures, plans, guidelines and code of conduct relevant to procurement and supply contracts
- Procurement approval procedures
- Procedures for receipt and payment of goods and services
- Organisational procedures for monitoring the performance of suppliers
- Contract performance and dispute policies and procedures
- Procedures for operating electronic communications equipment
- Suppliers in the marketplace
- Common use arrangements
- Financial accountability requirements
- Operation of recording, reporting and statistical analysis systems and resources
- Requirements for completing relevant documentation
- Steps involved in planning the work activities
- Code of practice for working collaboratively with others
- Probity requirements and ethical issues

Required skills:

- Communicate effectively with others when managing suppliers
- Read and interpret instructions, procedures, information and signs relevant to the management of suppliers
- Interpret and follow operational instructions and prioritise work
- Complete documentation related to work activities
- Operate electronic communication equipment to required protocol

Required skills:

- Work collaboratively with others
- Adapt appropriately to cultural differences in the workplace, including modes of behaviour and interactions with others
- Promptly report and/or rectify any identified problems, faults or malfunctions in accordance with regulatory requirements and workplace procedures
- Implement contingency plans for unplanned events
- Apply precautions and required action to minimise, control or eliminate hazards that may exist during work activities
- Modify activities depending on differing operational contingencies, risk situations and environments
- Monitor work activities in terms of planned schedule

Evidence Guide**EVIDENCE GUIDE**

The evidence guide provides advice on assessment and must be read in conjunction with the performance criteria, required knowledge and skills, the range statement and the assessment guidelines for this Training Package.

Critical aspects for assessment and evidence required to demonstrate competency in this unit

- The evidence required to demonstrate competency in this unit must be relevant to and satisfy all of the requirements of the elements and performance criteria of this unit and include demonstration of applying:
 - the underpinning knowledge and skills
 - relevant legislation and workplace procedures
 - other relevant aspects of the range statement

Context of and specific resources for assessment

- Performance is demonstrated consistently over a period of time and in a suitable range of contexts
- Resources for assessment include:
 - a range of relevant exercises, case studies and/or other simulated practical and knowledge assessment, and/or
 - access to an appropriate range of relevant operational situations in the workplace
- In both real and simulated environments, access is required to:
 - relevant and appropriate materials and equipment, and
 - applicable documentation including workplace

EVIDENCE GUIDE

	procedures, regulations, codes of practice and operation manuals
Method of assessment	• Assessment of this unit must be undertaken by a registered training organisation • As a minimum, assessment of knowledge must be conducted through appropriate written/oral tests • Practical assessment must occur: • through activities in an appropriately simulated environment at the registered training organisation, and/or • in an appropriate range of situations in the workplace

Range Statement

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.

Recommendations may include:	• renew agreement for further purchasing • seek new sources of supply • file relevant supplier details for future reference
Disagreements can be about:	• delivery schedules • costs, fees and prices • quality of goods or services, including OH&S performance standards • interpretations of specifications detailed in documents on which agreements are based • interpretations of terms and conditions detailed in agreement
Consultative processes may involve:	• other employees and supervisors • suppliers of equipment • relevant authorities and institutions • management and union representatives • industrial relations and OH&S specialists
Communication in the work area may include:	• phone • electronic data interchange (EDI) • fax • email • internet

RANGE STATEMENT

- Depending on the organisation concerned, workplace procedures may be called:
- RF systems
 - oral, aural or signed communications
 - standard operating procedures (SOPs)
 - company procedures
 - enterprise procedures
 - organisational procedures
 - established procedures
- Documentation and records may include:
- organisation's policies, procedures, strategies, methods and instructions relevant to procurement and supplier management
 - relevant OH&S and environmental protection regulations
 - lists of approved suppliers and relevant personnel to consult
 - proformas and instructions used when evaluating suppliers and their performance
 - quality assurance procedures
 - technical instructions
 - relevant Australian Standards
- Applicable legislation and regulations may include:
- relevant sections of national and state or territory regulatory requirements and codes of practice related to procurement
 - relevant state/territory OH&S and environmental protection legislation
 - workplace relations regulations

Unit Sector(s)

Not Applicable

Competency Field

Competency Field R - Contract Procurement