

TLIR507A**Manage a contract****Unit Descriptor**

This unit involves the skills and knowledge required to manage a contract. It includes confirming contract requirements; establishing a contract management system; and monitoring and evaluating the contract.

Employability Skills

The required outcomes described in this unit of competency contain applicable facets of Employability Skills. The Employability Skills Summary of the qualification in which this competency is packaged will assist in identifying employability skill requirements.

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.

Competency Field

R – Contract Procurement

ELEMENT

Elements describe the essential outcomes of a unit of competency.

PERFORMANCE CRITERIA

Performance criteria describe the required performance needed to demonstrate achievement of the element. Assessment of performance is to be consistent with the evidence guide.

1 Confirm contract requirements

1.1 Consult relevant parties to identify their requirements of the contract

1.2 Identify special provisions needed

1.3 Identify whether the contract is straightforward or whether specialist legal advice is needed and obtain advice where required

1.4 Contract specifications clearly identify the outcomes and measures required in the key performance areas

1.5 Relationship with contractor is managed in accordance with organisational policy and procedures

2 Establish contract management system

2.1 Effective communication/information strategies are established

2.2 Dispute and complaint system is established according to organisational policy and procedures

2.3 Consistent and accurate records of contract progress are maintained

2.4 Management strategy is documented, monitored for effectiveness and adapted as necessary during the life of the contract

- 3 Monitor contract**
- 3.1 Regular inspections of contract services are undertaken to ensure compliance with specifications
 - 3.2 Regular planned progress meetings are conducted and documented between all contract personnel to ensure problems are identified and resolved early and documented
 - 3.3 Variations between the specified scope of services and the contract are identified and documented and relevant personnel are notified without delay
 - 3.4 Contract costs are monitored on a regular basis to ensure that the service is carried out within financial and contractual requirements
 - 3.5 Payments for contract services are authorised in accordance with the conditions of contract and organisation's contract administrative system
- 5 Evaluate the contract**
- 5.1 Evaluation of contract performance is undertaken relative to planned performance measures and in consultation with stakeholders and suppliers
 - 5.2 Conclusions are detailed against agreed criteria and a complete picture of performance of the supplier, the organisation's procurement processes and value for money is provided
 - 5.3 Evaluation is documented in accordance with organisational requirements to assist improvement in future procurement activities
 - 5.4 Relevant parties are advised of evaluation outcomes in a timely manner in accordance with organisational guidelines

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, including law of contract, trade practices law and commercial law to a level sufficient to be able to manage the performance of a contractor
- Purchasing policies and practices of the organisation
- Whole-of-life considerations
- Disposals considerations
- Procedures for acceptance of goods or services
- Procurement approval processes
- Sufficient knowledge of finance to be able to manage a contract including negotiating price variations during the contract
- Performance management to be able to identify and manage compliance with the contract
- Confidentiality issues in relation to contracted services such as intellectual property
- Negotiation practice in procurement, including legal aspects

- Ethical issues
- Equal employment opportunity and anti-discrimination law
- Financial and accounting issues relevant to the contract.
- Procedures for operating electronic communications equipment
- Requirements for completing relevant documentation
- Code of practice for working collaboratively with others

Required skills:

- Communicate effectively with others when managing a contract
- Read and interpret instructions, procedures, information and the contract itself
- Interpret and follow operational instructions and prioritise work
- Complete documentation related to contract management, including reports relevant to deliverables of stages and completion
- Operate electronic communication equipment to required protocol
- Work collaboratively with others
- Adapt appropriately to cultural differences in the workplace, including modes of behaviour and interactions with others
- Negotiate solutions to problems as they arise during the management timeframe of the contract
- Modify activities depending on differing operational contingencies, risk situations and environments and negotiate those modifications where necessary with the contractor or agent
- Monitor work activities in terms of planned schedule

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.

Disputes and complaints may include disputes over:

- requirements
- delivery schedules
- price changes
- extensions to scope
- additional tasking
- payment schedules

Depending on the organisation concerned, workplace procedures may be called:

- standard operating procedures (SOPs)
- company procedures
- enterprise procedures
- organisational procedures
- established procedures

Communication in the work area may include:

- phone
- electronic data interchange (EDI)
- fax
- email
- internet
- RF systems
- oral, aural or signed communications

Consultative processes may involve:

- other employees and supervisors
- relevant authorities
- legal or other expert advisers

Documentation and records may include:

- relevant legislation, regulations and codes of practice related to procurement and contracted services
- relevant OH&S and environmental protection regulations, if applicable
- organisation's policies and procedures on procurement and contracted services
- contract schedules, specifications and related documentation
- quality assurance procedures
- relevant Australian Standards and certification requirements where these apply to the contracted services

Applicable legislation and regulations may include:

- relevant sections of national and state or territory regulatory requirements and codes of practice related to procurement, including trade practices law, law of contract, commercial law and fair trading legislation

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 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/or equipment, and/or
 - applicable documentation including workplace 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 appropriately simulated activities at the registered training organisation, and/or
 - in an appropriate range of situations in the workplace