



BSBPMG427

# Apply project procurement procedures

Assessment 1 of 5

Short Answer Questions



## Assessment Instructions

### Task overview

This assessment task is divided into nine [9] questions. Read each question carefully before typing your response in the space provided.

### Additional resources and supporting documents

To complete this assessment, you will need:

- Learning material



## Assessment Information

### Submission

You are entitled to three [3] attempts to complete this assessment satisfactorily. Incomplete assessments will not be marked and will count as one of your three attempts.

All questions must be responded to correctly to be assessed as satisfactory for this assessment.

Answers must be typed into the space provided and submitted electronically via the LMS. Hand-written assessments will not be accepted unless previously arranged with your assessor.

### Reasonable adjustment

Students may request a reasonable adjustment for assessment tasks.

Reasonable adjustment usually involves varying:

- the processes for conducting the assessment [e.g. allowing additional time]
- the evidence gathering techniques [e.g. oral rather than written questioning, use of a scribe, modifications to equipment]

However, the evidence collected must allow the student to demonstrate all requirements of the unit.

Refer to the Student Handbook or contact your Trainer for further information.



Please consider the environment before printing this assessment.

### Question 1

Explain what a procurement-management policy, process and procedures using your own words in the space provided below is.

[Approximate word count: 90 - 100 words]

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Defining Procurement. Students' words will vary, but their answer needs to reflect the content in the sample answer provided below.

Procurement is a formal procedure used to source and purchase goods and services from an external provider.

Many large organisations, including federal and state government departments, have clearly defined procurement policies and procedures that outline the process that should be undertaken when sourcing an external provider of various materials, goods and services.

The procurement process of a particular project may use the same policies and procedures that are currently in place and as outlined by the organisation, or the project manager may request the development of project-specific procurement processes.

### Question 2

Provide four (4) examples of procurement documentation requirements in the space below.

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Project Procurement Requirements. Their responses must come from the list provided below.

Procurement documentation requirements examples:

- Assets and disposal actions
- Contract planning, formation and negotiation
- Administration records
- Procurement logs and registers
- Quotes, invoices and receipts
- Supplier lists
- Test and acceptance results.

### Question 3

Provide seven (7) components of contractual documentation.

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Agreed Terms and Conditions. Their responses must come from the list provided below.

Components:

- Project name
- Program of works, supplies or materials to be provided
- Key performance indicators
- Quality standards
- Target performance measures

- Timeframes, including a completion date and any extensions of time
- Tender price, any potential price variations and final and fixed cost
- Health and safety management system, health and safety records and requirements
- Quality system to be used
- Project management tools to be used, including program software
- Environmental management system
- The materials, equipment, human resources, facilities and intellectual property that the supplier or tenderer will use on the project
- Details of any part of the project supplier that will use subcontractors
- Reporting and recording systems
- Any guarantees, returns policy from the supplier or tenderer
- Complaints and resolution process.

#### Question 4

Explain where the legal obligations of all the parties involved in the procurement process must be included and what happens in case the legal obligations are not met in the space provided below.

[Approximate word count: 40 - 50 words]

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Defining Procurement. Students' words will vary, but their answer needs to reflect the content in the sample answer provided below.

The terms that regulate each party's legal obligations must be specified clearly in the contractual agreement.  
If one of the parties involved fails to fulfil the obligations as specified, it is considered a breach of contract and may result in legal action.

#### Question 5

Provide eight [8] examples of selection evaluation criteria that can be used to determine the potential suppliers or contractors.

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Evaluating Potential Suppliers. Students' responses must come from the list below.

- Price
- Financial Stability
- Relevant and proven experience
- Knowledge of the task, service or good requirements
- Quality of goods, materials or services
- Results from past performance
- Management
- Technical skills and ability
- Resources
- Management systems
- Methodology
- Quality systems or quality accreditation
- Previous relationships with clients

Or other potential mandatory set criteria:

- GST registered
- An Australian company [not a sole trader]
- Public and professional indemnity insurance [with a specified minimum value]
- In business for over five years

### Question 6

List the six [6] steps of the process used to evaluate and select preferred suppliers/contractors.

**Assessor instructions:** Students must answer the question using the information provided in their learning material under the subtopic Evaluating Potential Suppliers [diagram]. Students' responses must come from the list below.

Steps:

1. Evaluate potential suppliers against project requirements
2. Recommendations and selection of preferred suppliers
3. Establishing terms and conditions with preferred suppliers
4. Establishing and checking relevant stakeholders' roles and agreed on the term
5. Guidelines and process for monitoring
6. Contractual documentation

### Question 7

Access the following link:

[Best Procurement Tools and Technologies in 2023 | Cflow \[cflowapps.com\]](https://www.cflowapps.com/)

Imagine that you need to choose two [2] of the top 5 procurement tools for your own business. Access the websites to find out more about each tool.

Then, in the table below, list the two [2] procurement management tools you would choose, explain the reason for your choice and list the features of each tool.

**Assessor instructions:** Students must fill out the table below, choosing two different tools from the link provided in the instructions. The students will need to provide an explanation as to why they chose each tool. Their explanation needs to be relevant to the tool they chose, describing a positive reason that justifies the selection. Students also need to provide a list of the features of each chosen tool.

All tools have been provided in the table below, as well as their features.

Name of the tool	Reason for choosing it [Approx. word count: 20 – 30 words]	Features
Pecoro	Students' explanations will vary, but they will need to meet the criteria described in the assessor's instructions.	Key features include: <ul style="list-style-type: none"> <li>• Purchase order creation and delivery</li> <li>• Spend data analytics</li> <li>• Approval workflows</li> <li>• Vendor management</li> <li>• Three-way matching</li> <li>• Real-time budgeting</li> <li>• Catalog management</li> </ul>

		<ul style="list-style-type: none"> <li>• Freeform creation</li> </ul>
<b>Purchase Control</b>		<p>Key Features:</p> <ul style="list-style-type: none"> <li>• You can create departmental budgets</li> <li>• Set spending limits for each department, pre-approved vendors and purchases,</li> <li>• Set delivery instructions.</li> <li>• It is a low-code software that can be used by almost anyone in the process.</li> </ul>
<b>Coupa</b>		<p>Key Features:</p> <ul style="list-style-type: none"> <li>• Purchase orders</li> <li>• Approval Workflow</li> <li>• Three-way matching</li> <li>• Seamless integration with business tools</li> <li>• Inventory management</li> </ul>
<b>Promena-E-Sourcing</b>		<p>Key Features:</p> <ul style="list-style-type: none"> <li>• Approval workflow</li> <li>• Bid management</li> <li>• Purchase orders</li> <li>• Budget Management</li> <li>• Invoice processing</li> </ul>
<b>Cflow</b>		<p>Key Features:</p> <ul style="list-style-type: none"> <li>• Easy and quick visual form creation</li> <li>• Automated PR, PO, and budget creation, review, validation, and approval</li> <li>• Hassle-free invoice processing</li> <li>• Unlimited public form creation</li> <li>• No login approvals</li> <li>• Seamless integration with business tools</li> </ul>

## Question 8

Access the following link to find out more about procurement methods/techniques:

[6 Procurement Methods You Need to Know - Udemy Blog](#)

Using your own words, describe each method in the table provided below.

**Assessor instructions:** Students must explain each procurement method/technique in the table provided below using their own words. The description must correspond to each technique accurately based on the information provided in the link and include references to the points in the sample answer.

A sample answer is provided below.

Procurement Method/Technique	Description (Approx. Word count: 20 - 80 words per section)
Open Tendering	<ul style="list-style-type: none"><li>• Open tendering is shorthand for competitive bidding. It allows companies to bid on goods in an open competition or open solicitation manner.</li><li>• The open tendering method of procurement encourages effective competition to obtain goods with an emphasis on value for money.</li></ul>
Restricted Tendering	<ul style="list-style-type: none"><li>• Restricted tendering only limits the number of tenders requests that can be sent by a supplier or service provider.</li><li>• The competition is limited to agencies invited by the procuring team.</li><li>• This method is selective to find the best-suited and most qualified agencies to procure goods and services from.</li></ul>
Request for Proposals (RFP)	<ul style="list-style-type: none"><li>• RFP is used when suppliers or service providers propose their goods or service to a procurement team for review.</li><li>• The agencies writing the RFPs should submit a two-envelope proposal to the procurement manager. The two-envelope process allows the procurers to review the proposal through and through without knowing the financial component. The financial proposal is sealed in the second envelope and should only be opened after the content of the first-envelope proposal is approved or rejected.</li><li>• This eliminates any persuasion by cost.</li></ul>
Two Stage Tendering	<ul style="list-style-type: none"><li>• Two procedures are used under the two-stage tendering method. Each one of the procedures has a two-stage process.</li><li>• The first procedure is very similar to the RFP method.</li><li>• The second procedure is much like the above; however, instead of the bidder submitting a fully-completed technical proposal, a partial proposal is submitted. This allows room for even more customisation and discussion.</li></ul>
Request for Quotations	<ul style="list-style-type: none"><li>• This procurement method is used for small-valued goods or services. Request for quotation is the least complex procurement method available.</li><li>• There is no formal proposal drafted from either party in this method.</li></ul>

	<ul style="list-style-type: none"> <li>• The procurement entity selects a minimum of three suppliers or service providers from whom they wish to get quotes.</li> <li>• A comparison of quotes is analysed, and the best selection determined by requirement compliance is chosen.</li> </ul>
Single-Source	<ul style="list-style-type: none"> <li>• Single-source procurement is a non-competitive method that should only be used under specific circumstances.</li> <li>• Single-source procurement occurs when the procuring entity intends to acquire goods or services from a sole provider.</li> <li>• This method should undergo a strict approval process from management before being used.</li> </ul>

### Question 9

Access the following link to find out more about complying with procurement policy and legislation:

[Complying with procurement policy and legislation | Australian Taxation Office \[ato.gov.au\]](#)

List and explain the six (6) legal obligations that all parties involved in the procurement process need to comply with using your own words.

**Assessor instructions:** Students must list and explain all six (6) legal obligations that need to be followed in Australia.

Student's response needs to reflect the content in the sample answer provided below.

Legal Obligations	Explanation
Commonwealth Procurement Rules	<p>[Approx. Word count: 80 - 100 words]</p> <p>The <a href="#">Commonwealth Procurement Rules External Link (CPRs)</a> outline the rules surrounding procurement contracts for Australian Government agencies. The CPRs provide guidelines that we and any potential or current supplier must follow. Understanding these responsibilities and relevant guidelines can also assist you in writing a targeted tender response.</p> <p><b>Supplier diversity</b></p> <p>The CPRs contain rules to promote equal opportunity within underrepresented groups. These groups include registered Indigenous businesses and Australian Disability Enterprises. You can gain an understanding of your participation requirements and our responsibilities regarding procurements by referring to our <a href="#">Supplier diversity</a> page.</p>
Digital services	<p>[Approx. Word count: 80 - 100 words]</p> <p>While the CPRs set out rules, we must comply with when procuring goods and services; there are additional rules and guidelines that</p>



	<p>must be followed for procurements with businesses within the Information and Communications Technology (ICT) goods and services sector.</p> <p>The Digital Transformation Agency (DTA) <a href="#">ICT procurement page External Link</a> provides further information on the rules and guidelines, which aim to make it easier and less expensive for businesses to contract with the Australian Government and deliver better government services at a lower cost.</p>
Modern slavery	<p>[Approx. Word count: 30 – 50 words]</p> <p>The <i>Commonwealth Modern Slavery Act 2018</i> establishes a national modern slavery reporting requirement for certain large businesses and other entities in the Australian market to report on risks of modern slavery in their operations and supply chains.</p> <p>See also: <a href="#">Modern slavery reporting requirements</a></p>
Statement of tax record	<p>[Approx. Word count: 80 - 100 words]</p> <p>Businesses tendering for Commonwealth Government procurements that are undertaken through open tenders and have an estimated total value of over \$4 million (including GST) must obtain a statement of tax record (STR) showing satisfactory engagement with the tax system. First-tier subcontractors undertaking work individually valued at over \$4 million (including GST) for the prime contractor are also required to have a satisfactory tax record.</p> <p>Visit our <a href="#">Statement of tax record</a> page for more information on STRs, including how to apply or what happens if your STR is unsatisfactory.</p>
Senate order	<p>[Approx. Word count: 100 - 130 words]</p> <p>The Senate Order on departmental and agency contracts requires agencies to publish details of procurement contracts valued at \$100,000 or more (including GST) that:</p> <ul style="list-style-type: none"> <li>• have been entered into in the previous 12 months</li> <li>• have not been fully performed.</li> </ul> <p>From 1 July 2015, reports are generated by the Department of Finance and published on <a href="#">AusTender External Link</a>.</p> <p>The ATO report is available on AusTender from the 'Senate Order menu.</p> <p>The ATO assures that the listed contracts do not contain any inappropriate, confidential provisions.</p> <p>The cost of compliance with the Senate order is estimated at \$2,600 on the basis of full direct costs – that is, the cost of salaries for the time spent by staff on data collection, quality assurance, management and administrative support relating to the production of the Senate order.</p>
<i>Government Procurement (Judicial Review) Act 2018</i> [Cth]	<p>[Approx. Word count: 30 – 40 words]</p>

	<p>The Act establishes an independent complaint mechanism for government procurement processes and applies to contraventions or proposed contraventions of relevant Commonwealth Procurement Rules for relevant procurements.</p> <p>See also: <a href="#">Procurement related complaints</a></p>
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**Assessment checklist:**

Students must have completed all eight (8) questions within this assessment before submitting. This includes:

1	Nine (9) short answer questions are to be completed in the spaces provided.	<input type="checkbox"/>
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**Congratulations, you have reached the end of Assessment 1!**

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