



BSBPRC401

Plan procurement

Assessment 1 of 3

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
- CBSA Procurement Policy Document

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

Describe how procurement differs from purchasing.

[Approximate word count: 30 - 50 words]

Assessor instructions: Students must be able to describe the key differences between procurement and purchasing. The student may describe the steps of procurement, from planning to market research to stakeholder consultation, request for quotes and contract award. This is acceptable in the response so long as they are also able to describe the way that this process is different from purchasing. The differentiation must be clear to the assessor.

Procurement is the systematic process of planning, sourcing, and obtaining goods or services. Purchasing refers only to the act of buying or paying for goods or services. Purchasing is one part of the procurement process.

Question 2

Access the CBSA Procurement Policy Document.

- a) Identify two of the policy objectives listed, and, in your own words, describe what they mean for the company and how policy translates into practice by giving an example of how it might be applied.

[Approximate word count: 100 – 150 words]

Assessor instructions: There are four policy objectives listed in the CBSA procurement policy document. The student needs to be able to identify and describe two of them. Answers should include the following notions:

- *Obtain value in the expenditure for goods and services – The student can describe the concept that value goes beyond price and relates to one or more of the purchasing evaluation criteria: quality, sustainability, value for money/price. In practice, this relates to creating evaluation criteria that is clearly defined and communicated with all stakeholders involved.*
- *Ensure ethical and fair treatment of participants – The student can describe aspects of fair trade as related to procurement, including transparency, probity and integrity. They may mention concepts of inclusion and reciprocity here. In practice, this relates to upholding company values and ensuring that all parties involved in procurement have a clear understanding of what is expected of them in terms of behaviour and deliverables.*
- *Ensure probity, accountability and transparency in purchasing operations – The student can describe what probity is – the concept of uprightness and integrity of action. The student can identify that transparency and accountability in practice relate to the procurement process being clearly structured and communicated with stakeholders.*
- *Ensure sustainability forms part of the selection process – The student can describe the dimensions of sustainability and how in practice, they relate to procurement. This looks like the ability to assess the supplier against defined criteria that meet sustainability standards.*

- b) Identify the five [5] key procedures for preparing and evaluating supplier offers.

[Approximate word count: 70 - 100 words]

Assessor instructions: Student answers must include five [5] of the following points.

- *For purchases over \$200, a procurement management plan must be completed and approved by the general manager.*
- *Minimum of three quotes to be obtained.*
- *At least one quote should be from a local supplier (if possible).*
- *Request for quote template should be used.*
- *Evaluation should be documented in the Procurement Evaluation Template using the following selection criteria:*
 - *Quality (Technical capability)*
 - *Sustainability – appropriate warranty, fit for commercial use.*
 - *Value for money/price.*
- *The Goods and Service Contract Template should be used for the contractual agreement between CBSA and the supplier.*
- *Warranties for all items must be greater than 12 months for parts and six months for labour.*
- *When conducting an evaluation before obtaining quotations, ensure potential suppliers are made aware that CBSA will evaluate multiple suppliers, and following, a minimum of three potential suppliers will be invited to provide a quotation.*

Question 3

List the following:

- Five [5] steps you would take to plan procurement,
- Four [4] documents you would create/complete and
- One [1] internal and one [1] external stakeholder you would work with to complete this task

Assessor instructions: Students must answer the question using the information provided in their learning material. Their responses must come from the lists provided below.

Procurement Planning Steps:

The student must list all five steps (as described in the learning material):

1. *Identify the goods and/or services to be procured.*
2. *Evaluate specifications of procurement.*
3. *Identify market approach – who are the suppliers you will request quotes from.*
4. *Manage the procurement plan.*
5. *Manage the goods or services fulfilment process.*

Documents:

Students' responses must come from the list below:

- *Procurement Policy and Procedures*
- *Procurement Management Plan*
- *Request for Quote Template*
- *Procurement Evaluation Template*

- *Procurement Fulfilment Plan.*

Stakeholders:

Students' responses must come from the list below:

Internal Stakeholders:

- *Finance staff*
- *Senior management*
- *Operations staff*
- *Project staff*
- *IT staff*

External Stakeholders:

- *Technical experts*
- *Consultants.*

Question 4

List and describe the six (6) key features covered in the organisational policy frameworks for procurement that ensure procurement aligns with the organisational strategic goals.

[Approximate word count: 200 - 220 words]

Assessor instructions: Students must answer the question using the information provided in their learning material. Students' responses must reflect the content in the sample answer provided below.

An organisation will typically have a procurement policy document. The policy document will generally include the following key features to ensure it aligns with the organisational strategic goals:

1. OBJECTIVES OF PROCUREMENT

A detailed list of what procurement processes aim to achieve.

2. VALUES

What are the important aspects that the organisation would like to reflect in the procurement outcomes. This can be related to sustainability, priority for local sourcing or ethical standards in procurement.

3. RISK MANAGEMENT

How procurement process must avoid or minimise risks.

4. FINANCIAL THRESHOLDS

Depending on the value of the procurement, what process is to be used. This will usually be represented in terms of price brackets or expressed as 'purchases below \$200' or 'purchases above \$200'.

5. REFERENCE TO ANY POLICY OR LEGAL FRAMEWORKS THAT MAY SUPERSEDE OR INFLUENCE THE PROCUREMENT OF THE ORGANISATION

- This may reference local or federal regulations or otherwise applicable laws that the company will be required to follow in its procurement process.

- An example might be Australian consumer law or tax law related to invoicing, GST or declarations.

6. MANAGEMENT OF RECORDS, CONTRACTS AND OTHER DOCUMENTATION RELATED TO PROCUREMENT. This should cover, who is responsible, how documents are to be shared and stored, confidentiality, transparency, etc.

Question 5

Describe two methods to solicit quotations from suppliers. Give an example for each method and of when you might expect to use it.

[Approximate word count: 70 - 90 words]

Assessor instructions: Students must answer the question using the information provided in their learning material. Students' responses must include both points below.

- *Open tender process – typically used in larger projects, like construction. The purpose is to solicit competitive bids and try to get the lowest price possible through a process of open and competitive bidding.*
- *Closed tender process – typically used for procurement of goods and services where the procurement team has done some market research and identified a short list of potential suppliers. The process is best suited for smaller tenders, specific items or services that are common in the marketplace.*

Question 6

Explain why buy-in from multiple stakeholders in the organisation is important to the success of procurement. In the course of your explanation, give an example of how lack of stakeholder buy-in or consultation could hinder the procurement process.

[Approximate word count: 120 – 150 words]

Assessor instructions: Students must answer the question using the information provided in their learning material. Students' responses must include references to the points in the sample answer provided below.

- *The student must identify that multiple stakeholder input is valuable to ensure that the procurement process meets its goals and organisational needs. Input from several sources ensures that procurement is fulfilling the actual needs and requirements of the organisation.*
- *The student must identify one example of how lack of stakeholder buy-in or input can hinder the process. This could be related to another department in the organisation – like finance, IT, project staff, or senior management – or it could be related to external stakeholders – like potential suppliers who can give expert advice on the product/service. They will be able to identify that without buy-in or consultation, the procurement process may result in purchasing inadequate goods or services.*
- *A real example of this is required. For example, procurement didn't check with IT about the size of the computer monitors required for the project, and they purchased 20 x 21" monitors where IT required 20 x 27" monitors. This cost the company time and money as a consequence.*

Question 7

Describe a procurement scenario where it would be necessary to include safety procedures in the procurement plan and/or contract. Consider the industry you have described, its activities and generally, what types of safety procedures might be needed.

(Approximate word count: 30 – 50 words)

Assessor instructions: The student must clearly identify that safety in procurement relates to risk management.

The scenario they describe may come from any industry. There are many possible answers here, and at a minimum, the student must name the industry, the safety concern and how the procurement process can include an action to mitigate risk.

Sample answers are provided below.

- Considering procurement of IT equipment, a safety procedure would be to secure adequate warranties and/or products that are easy to service. This alleviates the risk for the company if the equipment is faulty or breaks.
- Considering a construction company that procures a large amount of materials for building houses, procurement will want to consider the safety standard of the materials by assessing the certifications or safety certificates of the supplier and materials.

Question 8

Under the Commonwealth Procurement Rules [CPRs], what are the six rules that have been set out and what is the purpose of these rules?

Assessor instructions: Students must answer the question using the information provided in their learning material. Their answer must include the following points:

The purpose of the Commonwealth Procurement Rules [CPRs] is to provide officials with a set of rules that must be followed when the procure goods and services. In addition, these rules are good practice and processes according to their organisation's needs.

The CPRs six rules are:

1. Value for money
2. Encouraging competition
3. Efficient, effective, economical and ethical procurement
4. Accountability and transparency in procurement
5. Procurement risk
6. Procurement method.

Question 9

Case Study

You work for a landscaping company. There are eight landscape employees, and each one operates a vehicle and a range of tools to carry out residential landscaping jobs.

In addition to the landscapers, there is one [1] admin employee that keeps stock of all the equipment, the finance manager and the company director.

Imagine that the company hired two extra landscape employees and you will need to organise the procurement.

Based on the case study described above, list the steps you will take to determine and agree on the organisation's need for goods to be procured.

Assessor instructions: Students must answer the question using the information provided in the case study and their learning material.

Students' responses must reflect the content in the sample answer below.

A sample answer is provided below.

1. Identify the need: two new employees will require a vehicle and a range of tools each to carry out residential landscaping jobs
2. Consult with relevant stakeholders: the admin employee, the finance manager and the director to
3. Agree on the organisation's need to procure the goods and move to the next step of planning the procurement activities: all landscaping employees need to have vehicles and tools to perform their duties

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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