



PSPPCM007

Manage contracts

Assessment 1 of 5

Short Answer Questions



Assessment Instructions

Task overview

This assessment task is divided into five (5) 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

a) Explain the Commonwealth guidelines provided in the table below.

[Approx. word count per explanation: 30 – 50 words]

Assessor instructions: Students must explain Commonwealth guidelines provided in the table below.

Students' responses must come from the sample answer provided below.

Commonwealth Guidelines	Explanation
Commonwealth Environmental Purchasing Guidelines	These guidelines provide guidance on how to incorporate environmental considerations into procurement activities. They outline the principles of environmentally sustainable procurement and provide tools and resources to help government entities implement them.
Corporate Social Responsibility (CSR) in Government Procurement	This policy requires government entities to consider the social and ethical implications of their procurement activities. It provides guidance on how to incorporate CSR principles into procurement activities and promotes the use of suppliers that demonstrate good CSR practices.

b) List and explain:

- Four [4] Commonwealth legislation, policies, practices and guidelines relating to contract management provided in the table below. Note: You cannot use the two [2] identified in question 1a.
- Four [4] state or territory legislation, policies, practices and guidelines relating to contract management provided in the table below.
- Four [4] local government legislation, policies, practices and guidelines relating to contract management provided in the table below.

[Approx. word count per explanation: 40 – 50 words]

Assessor instructions: Students must be able to list and explain two [2] Commonwealth, state or territory, and local government legislation, policies, practices and guidelines relating to contract management provided in the table below.

Students' responses must come from the sample answer provided below.

Commonwealth	
Commonwealth Procurement Guidelines (CPGs)	These guidelines provide the framework for procurement in the Australian Government. They outline the principles and rules that must be followed by all government entities when purchasing goods and services.
Australian Government Procurement Contract Management Guide	This guide provides best practice guidance for managing contracts in a procurement context. It covers topics such as contract planning, risk management, performance monitoring, and dispute resolution.
Commonwealth Contracting Suite (CCS)	The CCS is a set of standardised contract templates that can be used by government entities for procurement contracts. These templates are designed to simplify the procurement process

	and reduce the time and cost associated with developing contracts.
Australian Standard for Sustainable Procurement	This standard provides guidance on how to integrate sustainability principles into procurement activities. It covers areas such as environmental management, social responsibility, and economic sustainability.
Indigenous Procurement Policy	This policy aims to increase the participation of Indigenous businesses in government procurement activities. It requires government entities to set targets for Indigenous procurement and provides support and incentives for Indigenous businesses to participate.
State or Territory	
New South Wales (NSW) Government Procurement Policy Framework	This framework sets out the NSW government's policies and principles for procurement. It provides guidance on how to manage procurement activities, including contract management, and promotes sustainable procurement practices, such as environmental purchasing and corporate social responsibility.
Victorian Government Purchasing Board (VGPB) Policies and Guidelines	The VGPB provides guidance on how to manage procurement activities, including contract management, for Victorian government entities. It also promotes sustainable procurement practices, such as environmental purchasing and social procurement, which include promoting the inclusion of disadvantaged groups in procurement activities.
Queensland Government Procurement Policy	This policy provides guidance on how to manage procurement activities, including contract management, for Queensland government entities. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
South Australian (SA) Industry Participation Policy	This policy promotes local industry participation in government procurement activities in SA. It requires government entities to consider local suppliers when procuring goods and services and encourages the use of sustainable procurement practices, such as environmental purchasing and corporate social responsibility.
Western Australian (WA) Government Procurement Policy	This policy provides guidance on how to manage procurement activities, including contract management, for WA government entities. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
ACT Government Procurement Policy	This policy provides guidance on how to manage procurement activities, including contract management, for ACT government entities. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.

Northern Territory (NT) Government Procurement Policy	This policy provides guidance on how to manage procurement activities, including contract management, for NT government entities. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
Local Government	
Local Government Act 1993 (NSW)	This act provides the legislative framework for local government in NSW. It includes provisions related to procurement and contract management for local government entities.
Procurement Policy and Guidelines for Local Government (QLD)	This policy provides guidance on how to manage procurement activities, including contract management, for local government entities in Queensland. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
Procurement Policy and Guidelines for Local Government (VIC)	This policy provides guidance on how to manage procurement activities, including contract management, for local government entities in Victoria. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
Procurement Policy and Procedures (WA)	This policy provides guidance on how to manage procurement activities, including contract management, for local government entities in Western Australia. It promotes sustainable procurement practices, such as environmental purchasing and social procurement, and requires government entities to consider the economic, social, and environmental impacts of their procurement activities.
Sustainable Procurement Policy (City of Sydney, NSW)	This policy outlines the City of Sydney's commitment to sustainable procurement practices, including environmental purchasing and social procurement. It requires contractors to comply with the city's sustainability requirements and to report on their sustainability performance.
Sustainable Procurement Policy (City of Melbourne, VIC)	This policy outlines the City of Melbourne's commitment to sustainable procurement practices, including environmental purchasing and social procurement. It requires contractors to comply with the city's sustainability requirements and to report on their sustainability performance.

Question 2

Explain what contract performance management is and list and describe the five (5) steps for conducting contract performance management.

Assessor instructions: Students must be able to explain what contract performance management is and list and describe the five (5) steps for conducting contract performance management.

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

<p>What is contract performance management? [Approx. word count: 60 – 80 words]</p>
<p>Contract performance management is the process of monitoring and evaluating a contractor's compliance with the terms and conditions of a contract, as well as their overall performance in delivering goods or services. The aim is to ensure that the contractor is meeting the agreed-upon standards and expectations and to identify and address any issues or concerns that may arise during the contract period.</p>
<p>Contract performance management steps [Approx. word count: 200 - 220 words]</p>
<ol style="list-style-type: none"> 1. Establish performance metrics: Before monitoring and evaluating the contractor's performance, you need to establish clear performance metrics that will be used to measure their performance. These metrics should be based on the terms and conditions of the contract and should be measurable and achievable. 2. Collect performance data: Once performance metrics have been established, you need to collect data on the contractor's performance. This can be done through various methods, such as site visits, inspections, progress reports, and customer feedback. 3. Analyse performance data: After collecting performance data, you need to analyse it to assess the contractor's performance. This involves comparing their performance against the established metrics, identifying any trends or patterns, and identifying areas where they may be falling short. 4. Provide feedback: Once you have analysed the performance data, you need to provide feedback to the contractor on their performance. This can include both positive feedback for areas where they are performing well and constructive feedback for areas where they need to improve. 5. Take corrective action: If the contractor is not meeting the performance metrics or failing to deliver the agreed-upon goods or services, you need to take corrective action. This can include imposing penalties, issuing warnings, or terminating the contract if necessary.

Question 3

List and explain three [3] privacy and confidentiality issues that can arise in the context of contract management.

Assessor instructions: Students must be able to list and explain three [3] privacy and confidentiality issues that can arise in the context of contract management.

Students' responses must come from the sample answer provided below.

Privacy and Confidentiality Issue	Explanation
	[Approx. word count: 20 - 40 words per explanation]
Disclosure of confidential information	One of the most significant privacy and confidentiality issues in contract management is the disclosure of confidential information. This could include sensitive information about the parties to the contract, as well as proprietary information about the goods or services being provided.
Inadequate security measures	Inadequate security measures in contract management can lead to unauthorised access or theft of sensitive information. This could

	include failing to secure documents containing sensitive information or using weak passwords, or insufficient encryption measures.
Misuse of confidential information	Misuse of confidential information can occur when sensitive information is used inappropriately or for personal gain. This could include using confidential information to solicit business from a client or sharing confidential information with a competitor.
Breach of confidentiality obligations	Contract management agreements often contain confidentiality clauses that require the parties to keep certain information confidential. A breach of these obligations can result in significant legal and financial consequences.
Failure to comply with privacy regulations	Contract management processes may also be subject to privacy regulations, such as data protection laws or industry-specific regulations. Failure to comply with these regulations can result in significant legal and financial consequences.

Question 4

List and explain three (3) probity principles in the context of contract management in the table below and provide an example of an issue that can arise for each one of them.

Assessor instructions: Students must be able to list and explain four (4) probity principles in the context of contract management in the table below and provide an example of an issue that can arise for each one of them.

Students' responses must come from the sample answer provided below.

Probity Principle	Explanation and Issue
	[Approx. word count: 50 – 70 words per explanation]
Conflict of interest	<p>Conflict of interest occurs when an individual or organisation has a personal or financial interest that could influence their decision-making. In the context of contract management, this could include individuals or organisations involved in the procurement process who have a financial interest in the outcome.</p> <p>Example: A procurement officer who has a financial interest in a company being awarded a contract.</p>
Bias and discrimination	<p>Bias and discrimination occur when individuals or organisations are treated unfairly based on their race, gender, ethnicity, or other personal characteristics. In the context of contract management, this could include biased or discriminatory evaluation criteria or selection processes.</p> <p>Example: A company is excluded from consideration for a contract based on its owner's race or ethnicity.</p>
Transparency and disclosure	Transparency and disclosure refer to the obligation to be open and honest about the procurement process and the factors that

	<p>influence decision-making. This includes disclosing conflicts of interest and providing clear and understandable information about the evaluation criteria and selection process.</p> <p>Example: A procurement officer discloses any financial interests they may have in a company being awarded a contract.</p>
Fairness and equity	<p>Fairness and equity refer to the obligation to ensure that all parties involved in the procurement process are treated fairly and equitably. This includes providing equal opportunities to all potential suppliers and evaluating proposals based on objective criteria.</p> <p>Example: All potential suppliers are given equal access to information and opportunities to submit proposals.</p>
Confidentiality and security	<p>Confidentiality and security refer to the obligation to protect sensitive information and data throughout the procurement process. This includes ensuring that all information and data are stored and transmitted securely and only accessible to authorised individuals.</p> <p>Example: Sensitive information, such as pricing or proprietary information, is only accessible to authorised individuals involved in the procurement process.</p>

Question 5

List and explain three [3] financial and accounting issues that can arise in the context of a contract and provide a potential resolution for each one of them in the table below.

Assessor instructions: Students must be able to List and explain three [3] financial and accounting issues that can arise in the context of a contract and provide a potential resolution for each one of them in the table below.

Students' explanations must reflect the content in the sample answer provided below.

Students' resolutions may vary, but they must relate to the financial or accounting issue they explain.

Financial or Accounting issue	Explanation [Approx. word count: 20 - 30 words]	Resolution [Approx. word count: 30 - 40 words per explanation]
Payment terms	Payment terms are a common financial issue in contracts, particularly if the payment terms are complex or unclear. This can lead to disputes between parties and delays in payments.	To avoid disputes, it's important to ensure that payment terms are clearly specified in the contract. This should include the payment amount, payment schedule, and any penalties for late payment.
Accounting standards	Accounting standards can vary between organisations, and this can cause issues if the standards used by each party are not aligned.	It's important to ensure that accounting standards are agreed upon before the contract is signed. This will ensure that both parties are using the

		same standards, which will help to avoid confusion and disputes.
Budgeting	Budgeting can be an issue if the budget for the contract is not clearly defined or if unexpected costs arise.	It's important to establish a clear budget for the contract and to factor in any potential additional costs. If unexpected costs do arise, it's important to communicate this to the other party as soon as possible and work together to find a solution.
Auditing	Auditing is important to ensure that both parties are complying with the terms of the contract and that financial transactions are being accurately recorded.	It's important to include an auditing clause in the contract, which specifies when and how audits will be conducted. This will ensure that both parties are aware of the auditing requirements and that the audits are conducted in a timely and efficient manner.
Currency fluctuations	If the contract involves payments in multiple currencies, currency fluctuations can cause issues.	It's important to factor in potential currency fluctuations when budgeting for the contract. Additionally, including a currency conversion clause in the contract can help to mitigate the impact of currency fluctuations.

Assessment checklist:

Students must have completed all five [5] questions within this assessment before submitting. This includes:

1	Five [5] short answer questions are to be completed in the spaces provided.	<input type="checkbox"/>
---	---	--------------------------



Congratulations, you have reached the end of Assessment 1!

© UP Education Online Pty Ltd 2021

Except as permitted by the copyright law applicable to you, you may not reproduce or communicate any of the content on this website, including files downloadable from this website, without the permission of the copyright owner.