

Unit 39: Procure Products and/or Services

Unit reference number: M/506/1928

QCF level: 3

Credit value: 5

Guided learning hours: 35

Unit summary

This unit focuses on procurement requirements, selection of suppliers and the ability to purchase goods and services.

In this unit you will learn about procurement, which is far more than simply buying goods or services. An organisation cannot deliver its goals without procuring goods and services from suppliers outside the organisation and the amounts of money involved can be very large with many organisations spending more with suppliers than they do on employing their workforce.

You will firstly learn how to identify procurement requirements, a part of the initial preparation process and seen within organisations as having considerable strategic importance. You will then learn how to select appropriate suppliers, taking into consideration their track record and their and your own ethical stance. You will lastly be able to make the formal arrangements to buy the required products and/or services within the guidelines set out by your organisation, deal with any problems arising and agree end receipt of goods and approval of payment.

Learning outcomes and assessment criteria

To pass this unit, the learner needs to demonstrate that they can meet all the learning outcomes for the unit. The assessment criteria outline the requirements the learner is expected to meet to achieve the unit.

| Learning outcomes | Assessment criteria |
|---|--|
| <p>1 Be able to identify procurement requirements</p> | <p>1.1 Explain current and likely future procurement requirements</p> <p>1.2 Decide whether the purchase of products and/or services offers the organisation best value</p> <p>1.3 Evaluate ethical and sustainability considerations relating to procurement</p> <p>1.4 Justify the decision to buy products and/or services with evidence of an analysis of risk, costs and benefits</p> |
| <p>2 Be able to select suppliers</p> | <p>2.1 Explain the factors to be taken into account in selecting suppliers</p> <p>2.2 Explain organisational procurement policies, procedures and standards</p> <p>2.3 Explain the effect of supplier choice on the supply chain</p> <p>2.4 Use appropriate media to publicise procurement requirements</p> <p>2.5 Confirm the capability and track record of suppliers and their products and/or services</p> <p>2.6 Select suppliers that meet the procurement specification</p> |
| <p>3 Be able to buy products and/or services</p> | <p>3.1 Explain the action to be taken in the event of problems arising</p> <p>3.2 Agree contract terms that are mutually acceptable within their own scope of authority</p> <p>3.3 Record agreements made, stating the specification, contract terms and any post-contract requirements</p> <p>3.4 Adhere to organisational policies and procedures, legal and ethical requirements</p> |

Information for tutors

Suggested resources

Books

Baily P, et al – *Procurement, Principles and Management* (10th Edition) (FT Prentice Hall, 2008) ISBN 9780273713791

Websites

www.cips.org – Chartered Institute of Purchasing & Supply (CIPS): promotes best practice in the procurement and supply profession. It provides a wide range of services. Membership is required for full access

Other

Supply Management, Redactive Media Group – a magazine for procurement and supply chain professionals globally. Published monthly on behalf of the Chartered Institute of Purchasing & Supply, the publication features the latest news, views and analysis for those working in the procurement profession

Assessment

To pass this unit the evidence that the learner presents for assessment must demonstrate that they have met the required standard specified in the learning outcomes and assessment criteria and the requirements of the Assessment Strategy.

To ensure that the assessment tasks and activities enable learners to produce valid, sufficient, authentic and appropriate evidence that meet the assessment criteria, centres should apply the *Unit assessment guidance* provided and the requirements of the Assessment Strategy given below.

Wherever possible, centres should adopt a holistic approach to assessing the units in the qualification. This gives the assessment process greater rigour and minimises repetition, time and the burden of assessment on all parties involved in the process.

Unit assessment requirements

This unit must be assessed in the workplace in accordance with the Skills CFA Assessment Strategy for Business Administration, Customer Service and Management and Leadership in *Annexe A*. Simulation is not allowed for this unit. All evidence of occupational competence should be generated through performance under workplace conditions; this includes evidence of achievement for knowledge-based learning outcomes and associated assessment criteria.

Unit assessment guidance

This guidance supports assessors in making decisions about how best to assess each unit and the evidence needed to meet the assessment requirements of the unit. Centres can adapt the guidance for learners and the particular assessment context, as appropriate.

Evidence to demonstrate achievement of learning outcome 1 is likely to come from a combination of a review of the learner's work products, witness testimony and a reflective account by the learner. The learner's work products could include minutes/notes from relevant meetings with colleagues or procurement or legal specialists, draft product/service specifications or documented risk analysis or cost benefit analysis (AC1.2 and AC1.4). These work products should be reviewed by the assessor and could be used to support the reflective account, which will provide further evidence of the learner's competence as well as evidence to meet the requirements of AC1.1 and AC1.3. In the reflective account, the learner could use the outcomes of their risk or cost benefit analysis to justify their decisions to the buy products and/or services and could comment on the usefulness of these analyses in making the buying decision (AC1.4). In order to satisfy the requirements for AC1.3, the learner should evaluate the ethical and sustainability considerations in relation to the products/services to be procured and in the context of their organisation's ethical requirements. Witness testimony from colleagues and the line manager could also be used to confirm that the learner has consistently met the requirements over a period of time, as well as met organisational requirements.

Evidence to demonstrate the achievement of learning outcomes 2 and 3 is likely to come from a combination of a review of the learner's work products, professional discussion and witness testimony. For learning outcome 2, work products could include a short list of suppliers, evidence of the publicised procurement requirements (e.g. advertisement) and the findings/notes from the review of the capability and track record of suppliers and their products and/or services (AC2.4, AC2.5 and AC2.6). The professional discussion should provide the evidence satisfy the requirements of AC2.1, AC2.2 and AC2.3; the learner's explanations for these assessment criteria should be in the context of their particular organisational requirements and should be of a sufficient breadth and depth to meet the requirements of an explanation. To provide further evidence to support achievement of AC2.4, AC2.5 and AC2.6, the professional discussion could also cover the rationale for the choice of media, the collection and use of information to confirm the capability and track record of suppliers and the criteria used in the selection of suppliers. Witness testimony could also provide evidence to satisfy the requirements of AC2.4, AC2.5 and AC2.6.

For learning outcome 3, work products could include minutes/notes from meetings with suppliers and contracts with suppliers, if not commercially sensitive (AC3.2 and AC3.3). The professional discussion could be used to support the evidence from these products by focusing on the basis for the agreed terms of contract and how the learner ensured compliance with organisational policies and procedures and ethical and legal requirements. It should also include an explanation of the actions taken to deal with any problems experienced, or how they would deal with potential problems in the future, if none were actually experienced (AC3.1). Witness testimony could also support the learner's ability to adhere to policies (AC3.4).

The use of a reflective account is a suitable alternative to professional discussion in the assessment of learning outcomes 2 and 3; this would allow the learner to provide a reflective account on their performance and learning of the unit as a whole.

Evidence of Recognition of Prior Learning (RPL) can also be used within the unit to confirm competence. Wherever possible, the learning outcomes in this unit should be assessed holistically across the qualification.