

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Execute purchasing procedures
Code	LOSAPD302B
Range	The unit of competency is applicable to logistics service providers. Practitioners should be capable of performing purchasing processes with reference to relevant purchasing requirements
Level	3
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of purchasing</p> <ul style="list-style-type: none"> • Know about business operations of logistics related industries • Know about the market trend and development • Know about the total cost calculation of purchasing including administrative cost, warehouse cost, purchasing of substitutions and cross functional products and multifunctional products • Know about the re-cycle, environmental and related policy and regulation requirement. • Know about the negotiation skills and relationship with the current and potential suppliers • Understand the market reputation and background information of every current and potential suppliers • Know about relevant principles of purchasing • Understand company policy and procedures <p>2. Identify purchasing requirements</p> <ul style="list-style-type: none"> • Identify purchasing requirements from orders and instructions • Determine and confirm quantities, quality of goods, price limitations and delivery requirements in consultation with appropriate personnel • Introduce substitutions with optional and multifunctional products • Compare all options on their budget and projections <p>3. Source purchase</p> <ul style="list-style-type: none"> • Identify materials sources from preferred supplier lists or through networks and knowledge of local and/or overseas suppliers • Provide advice to the supplier/vendor on the purchasing requirements and specifications of products/services to be procured • Confirm availability of supply • Report difficulties in sourcing suppliers (if any) <p>4. Check cost suppliers</p> <ul style="list-style-type: none"> • Contact alternative suppliers to check the different costing • Compare actual costs to estimated costs • Communicate recommendations regarding alternative suppliers to appropriate personnel following workplace procedures • Maintain all records/reports <p>5. Purchase goods/services</p> <ul style="list-style-type: none"> • Check capacity of supplier to meet price, quality and delivery expectations • Place order with supplier and confirm delivery schedules

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	<ul style="list-style-type: none"> • Exchange appropriate orders and invoices • Check/inspect materials on receipt <p>6. Purchase review</p> <ul style="list-style-type: none"> • Review service and products on their durability • Review the after sales service of suppliers • Review price quarantine of suppliers • Compare the effectiveness, reputation, terms and condition and packing of suppliers to ensure they have reached the lowest cost of purchasing • Compare the competence of suppliers according to company and general purchasing review standards
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of identifying purchasing requirements from order and instructions; • Capable of sourcing suppliers to supply the required products/services; • Capable of checking costing with suppliers; • Capable of placing order with suppliers and inspect goods/services upon receipt; and • Capable of reviewing the performance of suppliers and comparing the effectiveness, reputation, terms and condition and packing of suppliers to ensure they have reached the lowest cost of purchasing
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