

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Negotiate contracts
Code	LOSAPD504B
Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of applying knowledge of contract management to negotiate contracts.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of contract management</p> <ul style="list-style-type: none"> • Know about the principles of contract management • Understand company policy and procedures • Understand the operational practices in logistics related industries <p>2. Negotiate contract with suppliers</p> <ul style="list-style-type: none"> • Document requirements of the contract clearly • Clarify and resolve areas of ambiguity/concern • Undertake negotiations with selected suppliers for the contracting of required goods/services on a 'without prejudice' basis • Agree to terms and conditions for service and/or supply of goods/services with suppliers including the determination of key performance indicators • Negotiate with alternative suppliers if an agreement cannot be reached with the preferred supplier • Ensure contract negotiations are conducted <p>3. Complete contract negotiations</p> <ul style="list-style-type: none"> • Draft contract documentation • Seek technical support in the drafting of contracts where required • Sign and exchange contract documentation between the two contractual parties <p>4. Complete contract requirements</p> <ul style="list-style-type: none"> • Establish documentation systems to ensure traceability of orders and financial transactions • Identify and establish workplace systems that require interaction with suppliers • Initiate quality assurance procedures for supplied goods/services • Complete and file contract and related documentation
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of negotiating contract with contractors/suppliers; • Capable of completing contract negotiations; and • Capable of completing contract requirements
Remark	