Procurement Capability Framework: Goods and Services

Find out about the skills and behaviours needed in procurement roles and functions

**What is the procurement capability framework?**

The procurement capability framework is a resource for agencies and buyers. It describes the skills and behaviours needed in procurement roles and functions.

This is not an assessment tool. It is a framework that helps identify and increase procurement capability. It provides an opportunity for agencies and buyers to work towards:

* identifying learning opportunities
* increasing workforce skills

**Who is this framework for?**

The framework is for buyers who:

* work in a role that is procurement or contract management focused, and want to develop their capability
* want a career in procurement

# How to use the procurement capability framework

There are different ways to use this framework,

* for buyers
* for managers

**For buyers in a procurement role or people who aspire to work in a procurement focused role.**

A buyer whose main role in procurement can use this framework to identify:

* what they are currently doing
* what they should be doing
* what they do well
* what capability gaps exist in relation to their current role
* what direction they want their procurement career to take

Review each capability and determine which are relevant to the role.

Review the columns with descriptors:

* knowledge, skill and ability and
* expected behaviours and evidence of achievement

Determine the relevant skill level for the selected capabilities:

* foundation
* adept
* advanced.

Use the framework as a conversation starter with a manager or mentor, to help verify or identify strengths and areas for development.

It is not unusual to display different skill levels across the capabilities. For example, an experienced contract manager may rate:

* advanced for contract management
* foundation for policy development

**For buyers whose role is to manage a procurement team or function**

Buyers who manage a procurement team or function can use the framework to:

* identify current capability level and gaps across the agency/team, and develop actions to address those gaps
* identify the various role requirements within their own team against the capability of their people
* develop position descriptions
* manage and carry out workforce planning and resourcing, and
* work on promoting government procurement careers and attracting people to procurement roles

Managers and team members can use the capability framework for performance conversations.

Use role relevant statements to establish base expectations or a performance benchmark for all team members. The statements in the ‘behaviour’ columns are useful to highlight what they see people do, now and in the future.

A manager may decide a team needs people with foundation level procurement skills and behaviours across all capabilities. This capability level supports an agency’s known procurement needs. When more complex procurement activities arise, they may need a more experienced practitioner or a procurement expert. For example, the manager may need to lead the project and have others shadow or support them while they learn.

When developing position descriptions, the procurement capability framework allows you to pick and choose the most relevant descriptors for a role. The descriptors are relevant to procurement. They do not align directly with the classification descriptors in Schedule E of the *Victorian Public Service Enterprise Agreement 2016.*

**For agency use**

The level of capability within an agency needs to align with the level of complexity of the procurement activities its conducts or plans to conduct.

Use this capability framework to identify individual or team capability.

Use the [agency capability assessment tool](https://www.buyingfor.vic.gov.au/capability-goods-and-services-procurement-guide) (or equivalent) in addition to an agency’s internal frameworks and policies.

Capability may vary across people and teams. The results from the agency capability assessment will help the agency to develop appropriate policies, processes and resources to support people managing procurement activities.

**The procurement capability framework**

The procurement capabilities, the capability levels and corresponding descriptors are explained in the following tables**.**

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## Legislative and policy context

Knowledge of legislative requirements and political priorities, how to implement them and their implications for procurement practice and outcomes. Legislative and policy context capability applies to every stage of the procurement process.

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| --- | --- | --- | --- | --- | --- | --- |
| **Legislative and policy context** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Awareness and/or knowledge of policies and legislation relevant to procurement activities, for example, Victorian Government Purchasing Board supply policies, construction ministerial directions and relevant tools and templates. |  |  | Identifies and applies relevant legislation, policies, tools and templates to procurement activities. |  |  |
|  | Understands government and organisational processes, and how they impact procurement activities. |  |  | Researches specific legislative, policy and process information that affects a procurement activity. |  |  |
|  | Applies procurement legislation, policy knowledge, tools and templates to manage transactional procurement activities. |  |  | Follows procurement processes to complete tactical activities within the specified framework(s), using the relevant tools and templates. |  |  |
|  | Can communicate procurement-related legislation, policies and processes to stakeholders. |  |  | Gives appropriate tactical procurement information and advice/direction to stakeholders on legislation, policies, tools and templates. |  |  |
|  |  |  |  | Guides others to interpret the intent of procurement-related legislation, policies, tools and templates. |  |  |
| Adept | Understands government procurement legislation and organisational procurement policies, processes and framework |  |  | Identifies, interprets and applies relevant legislation, policy and processes to procurement activities. |  |  |
|  | Applies government principles, policies and legislation in leading, managing and undertaking procurement activities. |  |  | Contributes to public procurement policy, frameworks and processes by making recommendations, and adapts organisational policy and processes to business requirements, including developing or updating policy, tools and templates. |  |  |
|  | Can effectively communicate the intent and application of procurement legislation, policies and processes. |  |  | Reviews, identifies and manages issues and risks related to procurement legislation, policies and processes to ensure compliance. |  |  |
|  | Can influence others to apply appropriate procurement legislation, policies and practices, tools and templates. |  |  | Supports others to identify and treat risks; and helps them apply appropriate procurement practices, tools and templates. |  |  |
| Advanced | Understands how legislation and organisational policy and process applies and can be adapted to achieve the required procurement outcome. |  |  | Interprets and effectively applies the intent underpinning public legislation, state government and organisation-specific tools, templates, policies and processes to a variety of procurement activities. |  |  |
|  | Can interpret procurement legislation and policy to provide expert direction and ensure appropriate application. |  |  | Gives advice and leadership to challenge and drive legislative, policy and process change to shape the government procurement framework. |  |  |
|  | Understands and applies procurement legislation knowledge to develop and implement strategic organisational policies and processes. |  |  | Proactively identifies, manages and resolves issues and risks, and prepares for emerging government priorities to ensure compliance with the intent of legislation and policy. |  |  |
|  | Can develop and implement strategies to effectively communicate and influence others to adopt pertinent procurement practices. |  |  | Provides leadership to develop and implement strategies to effectively influence senior stakeholders, including implementing legislation and policies consistently. |  |  |
|  | Can identify and work with relevant stakeholders to update and govern the procurement process to apply best practice procurement processes across the organisation. |  |  |  |  |  |

## Commercial acumen and negotiation

Commercial skills such as understanding cost drivers, profit margins and benchmarking, as shown by achieving commercial outcomes from implementing the procurement process. This includes knowledge of own business and supplier markets. Commercial acumen and negotiation capability apply to every stage of the procurement process.

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| --- | --- | --- | --- | --- | --- | --- |
| **Commercial Acumen and negotiation** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Understands organisational objectives, strategy and priorities in relation to procurement activities. |  |  | Develops procurement solutions aligned with organisational strategy and priorities. |  |  |
|  | Aware of industry and supplier markets related to organisational procurement activities. |  |  | Incorporates industry and supplier market information into procurement planning and outcomes. |  |  |
|  | Understands business needs and how to develop requirements that industry can respond to. |  |  | Supports and helps internal stakeholders to develop business requirements by assessing business needs against the supply market and providing guidance to internal stakeholders. |  |  |
|  | Acts with integrity, builds rapport, trust and confidence with internal and external stakeholders to successfully deliver tactical procurement, and support or manage negotiations. |  |  | Negotiates basic contract and supply terms and conditions including variations and changes. |  |  |
|  | Understands key procurement processes including offer, acceptance, performance, contract terms and conditions. |  |  | Interacts professionally with internal and external stakeholders to carry out or support negotiation activities. |  |  |
|  | Understands innovative contracting approaches such as agile and performance-based contracting. | ☐ | ☐ | Ensures contract clauses are consistent with procurement acquisition strategy. | ☐ | ☐ |
| Adept | Translates organisational strategies and priorities into procurement activities and outcomes |  |  | Develops commercial procurement strategies that meet organisational objectives and lead to improved business outcomes |  |  |
|  | Analyses and aligns business needs with market capability to deliver value-for-money outcomes. |  |  | Assesses business requirements and market capability to inform procurement decisions and advise stakeholders. |  |  |
|  | Analyses accurately and interprets and identifies appropriate commercial opportunities that align with business objectives to deliver business outcomes. |  |  | Works collaboratively to develop specifications that meet business objectives and align with market capability. |  |  |
|  | Has the ability, knowledge and confidence to clarify business requirements with internal stakeholders. Knows when it is appropriate to challenge the status quo. |  |  | Conducts negotiations with professionalism and integrity, ensures clarity of business requirements and contract obligations. |  |  |
| Adept (cont) | Builds rapport, trust and confidence with internal and external stakeholders to lead moderately complex negotiations successfully. |  |  | Communicates clearly, actively listens, manages emotions, clarifies, documents and leads moderately complex negotiations. |  |  |
|  | Understands motivations and priorities of internal and external stakeholders and successfully negotiates required outcomes. |  |  | Negotiates on complex elements such as escalation, warranty, indemnity, intellectual property, insurance and service levels or key performance indicators to optimise value-for-money outcomes. |  |  |
|  | Understands procurement processes, contract terms and conditions, develops negotiation priorities and identifies appropriate concessions. |  |  | Maintains a flexible approach to respond effectively to challenging situations. |  |  |
|  |  |  |  | Works with all VGPB template agreements and consults commercial lawyers to deliver focused, leveraged and moderately complex contracts. |  |  |
|  |  |  |  | Uses innovative contracting approaches such as agile and performance and outcome-based contracting. |  |  |
| Advanced | Translates and influences organisational strategies, priorities and business objectives to optimise the impact of procurement activities and outcomes. |  |  | Skilfully delivers complex commercial outcomes. |  |  |
|  | Applies business, market and procurement evidence-based knowledge to solve problems and create opportunities for change. |  |  | Maintains ongoing, collaborative working knowledge of the business and supply markets to identify evidence-based opportunities and drivers for change. |  |  |
|  | Knows when and how to effectively challenge the status quo to influence procurement decisions and change processes. |  |  | Demonstrates the benefits associated with partnering with commercial entities to deliver value to stakeholders. |  |  |
|  | Can lead and influence stakeholders to adopt and successfully implement innovative procurement processes to deliver value-for-money outcomes. |  |  | Leads complex negotiations with professionalism and integrity, ensures clarity of business requirements and contract obligations. |  |  |
|  | Anticipates stakeholder drivers, priorities and actions to leverage negotiation outcomes. |  |  | Instigates and creates opportunity to resolve problems, create solutions and progress mutually beneficial outcomes. |  |  |
|  | Understands establishment and use of complex contracts, terms and conditions. |  |  | Influences the development and delivery of complex contracts/agreements in consultation with commercial lawyers. |  |  |
|  | Develops negotiation priorities and identifies appropriate concessions to deliver value-for-money outcomes. |  |  | Gathers and applies leading edge procurement negotiation thinking and practice to deliver strategic outcomes. |  |  |
|  | Can shape the procurement / negotiation strategy to deliver outcomes that solve problems and mitigate risk. |  |  | Astutely assesses and applies a ‘best alternative to a negotiated outcome’ when a mutually beneficial solution cannot be reached. |  |  |
| Advanced (cont) | Can identify and appropriately implement a ‘best alternative to a negotiated outcome’. |  |  | Demonstrates resilience, persistence and discipline to implement negotiation strategy. |  |  |

## Relationship management (internal and external) and communication

Developing strategic relationships with internal and external stakeholders through effective communication, influence and leadership. Relationship management (internal and external) and communication capability applies to every stage of the procurement process.

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| **Relationship management and communication** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Identifies and engages with appropriate internal and external stakeholders relevant to the procurement activity. |  |  | Investigates stakeholder networks to identify relevant stakeholders for collaboration. |  |  |
|  | Develops constructive and collaborative relationships with internal and external stakeholders. |  |  | Develops, maintains and implements stakeholder matrixes and procurement activity engagement plans. |  |  |
|  | Addresses conflict and facilitates effective working relationships between internal and external stakeholders. |  |  | Manages effective communication processes and uses appropriate channels. |  |  |
|  | Communicates effectively with internal and external stakeholders using a range of processes and channels. |  |  | Keeps internal and external stakeholders informed. |  |  |
|  | Can actively listen and clarify understanding in discussions and in writing. |  |  | Communicates clearly, actively listens, manages emotions, clarifies, documents and validates information. |  |  |
|  | Identifies and shares appropriate information with relevant stakeholders (including manager), consistent with probity principles |  |  | Recognises, respects and incorporates the diversity of stakeholder views and perspectives |  |  |
|  | Aware of own biases, and recognises and mitigates their potential impacts |  |  | Acts with integrity and professionalism, in line with probity principles, when engaging with stakeholders |  |  |
| Adept | Able to build constructive relationships with internal and external stakeholders including senior leaders/management, portfolio leaders, steering committees and project boards. |  |  | Establishes and maintains strategic/cross-functional relationships relevant to a moderately complex procurement activity. |  |  |
|  | Identifies and engages with more distantly impacted stakeholders, such as unions, industry bodies and associations |  |  | Develops and implements structured stakeholder engagement strategies and plans to manage relationships. |  |  |
|  | Able to effectively manage moderately complex issues in stakeholder meetings |  |  | Effectively interacts with project boards and stakeholders on moderately complex procurement activities. |  |  |
|  | Communicates effectively with internal and external stakeholders using a broad range of processes and channels. |  |  | Exemplifies integrity and professionalism when engaging with all stakeholders, consistent with probity principles. |  |  |
|  | Productively manages conflict and facilitates strong working relationships. |  |  | Engages stakeholders early to set and align expectations and create a productive working relationship. |  |  |
|  | Leverages relevant relationships and communicates effectively to achieve organisational objectives, in alignment with probity principles. |  |  | Adjusts interpersonal style and approach to deliver key messages. |  |  |
|  | Continuously drives internal and external stakeholder relationships to create mutually beneficial opportunities. |  |  | Encourages diversity of stakeholder contributions, views and perspectives and integrates these into procurement activities and outcomes. |  |  |
|  | Identifies and adapts communication style to maximise impact and influence. |  |  | Maintains, builds and effectively leverages a network of stakeholder relationships. |  |  |
| Adept (cont) | Identifies and shares appropriate data and insights with relevant stakeholders to build and strengthen relationships. |  |  | Provides advice to help less experienced practitioners. |  |  |
| Advanced | Able to build and maintain strategic relationships with internal and external stakeholders from diverse backgrounds including board members, senior leaders, managers and executives. |  |  | Proactively maintains and leverages an ongoing network of diverse strategic relationships, builds trust and influence. |  |  |
|  | Able to strategically and respectfully leverage relationships to gain market intelligence, address issues, advance mutual interests and share information. |  |  | Works with strategic, high impact stakeholders to align interests and advance relationships to deliver procurement outcomes. |  |  |
|  | Uses sound judgement to manage and develop relationships while effectively balancing stakeholder and organisational priorities and build government reputation for being a partner of choice. |  |  | Partners with relevant government and industry bodies, such as industry and community associations. |  |  |
|  | Communicates clearly and effectively in challenging, complex situations. Able to clearly identify common ground, objectives, issues, needs and wants to facilitate outcomes. |  |  | Manages complex, sensitive or difficult relationships with professionalism, respect and integrity. |  |  |
|  |  |  |  | Anticipates and develops strategic plans to address and influence stakeholder issues. |  |  |
|  |  |  |  | Aligns interpersonal style, recognising and respecting diversity, culture and business norms to communicate more effectively and advance stakeholder relationships. |  |  |
|  |  |  |  | Leads and promotes probity principles and integrity in all direct and indirect interactions with stakeholders. |  |  |

## Procurement planning and analysis

Developing procurement strategies and plans that leverage market and supply and demand knowledge to appropriately balance opportunities with risk to maximise value-for-money outcomes.

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| **Procurement planning and analysis** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Can carry out tactical procurement planning, including data analysis, and contribute to more complex procurement planning and category management. |  |  | Develops documentation for tactical procurements, which justifies decisions, applies analytical reasoning, details the strategy and gives options and recommendations. |  |  |
|  | Undertakes desktop market analysis and research to support tactical, or project-specific procurements including financial cost–benefit and risk management analyses. |  |  | Supports procurement project planning and contributes to developing a business case that reflects the strategy/ needs/requirements for more complex procurements. |  |  |
|  | Supports developing options, solutions, recommendations and strategies, and plans activities to deliver value for money, and seeks advice on more complex procurements. |  |  | Documents options, plans, solutions, recommendations and risks to support more complex procurements. |  |  |
|  | Undertakes project-specific risk analysis, to mitigate and manage project risks associated with tactical procurement (resourcing, timeframe, specifications, budget). |  |  | Collaborates with stakeholders to identify opportunities and manage commercial, (contractual, operational, financial, reputational, ethical and supply chain) risks. |  |  |
|  | Aware of basic planning and analysis tools such as SWOT (strengths, weaknesses, opportunities and threats) and how they apply to procurement activities. |  |  | Uses basic analysis and planning tools when developing procurement strategy, options and recommendations. |  |  |
|  | Understands and applies probity principles, confidentiality and conflict of interest management in procurement projects. |  |  | Applies probity principles to specific tactical procurement activities. |  |  |
|  | Aware of their role in relation to implementing the organisational procurement strategy. |  |  | Creates appropriate purchase processes, ensures that stakeholders can effectively use the contract and ensures supplier onboarding occurs. |  |  |
|  | Understands procurement technology and the implications of operationalising the procurement to ensure timely and accurate order and payment processes. |  |  |  |  |  |
| Adept | Undertakes comprehensive, credible external research, including interacting with the market, to develop the benefit, risk and financial analysis for planning moderately complex procurements and categories. Contributes to complex procurement plans and strategies. |  |  | Develops comprehensive, well-researched business cases and/or briefs that reflect the needs/requirements and justifies recommendations with appropriate evidence, including data analysis. |  |  |
|  | Applies a variety of planning and analysis tools to develop innovative procurement strategies and market approaches for moderately complex procurements. Uses economic principles to inform decisions. |  |  | Influences decision-making in relation to procurement plans and strategies, including organisational and category plans. |  |  |
| Adept (cont) | Leverages technology and identifies innovative options, solutions, recommendations, strategy and plans activities to deliver benefits and value-for-money outcomes, accounting for risks associated with moderately complex procurements. |  |  | Gives sound advice and guidance on procurement planning and strategies and delivers innovative solutions. |  |  |
|  | Identifies and addresses strategic implications of changing supply and demand on organisational procurement strategies. |  |  | Collaborates with stakeholders to develop plans to shape procurement activities and mitigate commercial, contractual, operational, financial, reputational, ethical and supply chain risks. |  |  |
|  | Develops and plans appropriate risk allocation between contracting parties. |  |  | Implements and incorporates risk management and allocation as part of strategy development and planning. |  |  |
|  | Anticipates, identifies and manages potential probity issues such as conflicts of interest as part of planning all procurement activities. |  |  | Adjusts procurement plans to align with current or predicted supply and demand conditions. |  |  |
|  |  |  |  | Incorporates probity mitigation strategies in planning procurement activities. |  |  |
| Advanced | Leads research and development of the benefit, risk and financial analysis of strategic and complex procurement activities. |  |  | Leads, develops and advises on complex, strategic business cases and briefs, based on credible and relevant evidence. |  |  |
|  | Skilfully applies complex planning and analysis tools, strategic insight and emerging trends and technology solutions to develop innovative strategies, market approaches and plans for strategically complex procurements. |  |  | Determines and articulates procurement strategies taking into account ambiguities, challenges, changing circumstances and consequences. |  |  |
|  | Interprets supply and demand dynamics to inform procurement plans and decisions for complex categories or procurements. |  |  | Encourages innovative thinking and develops innovative solutions for complex and strategic procurement activities and associated risks, using innovative tools like game theory. |  |  |
|  | Anticipates potential strategy and category risks and integrates mitigation strategies into procurement plans. |  |  | Uses good judgement to evaluate the feasibility of innovative strategies, plans and solutions and takes appropriate action. |  |  |
|  | Develops organisational forward procurement plans and leverages aggregation opportunities. |  |  | Encourages and influences the development of comprehensive risk mitigation and procurement plans. |  |  |
|  | Anticipates probity risks and develops solutions for complex, strategic probity issues associated with strategically complex procurement activities. |  |  | Incorporates probity mitigation strategies in strategically complex procurement activities. |  |  |

## Market knowledge – approach, evaluation and selection

Developing and implementing appropriate market approaches to successfully execute procurement strategy and plans

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| --- | --- | --- | --- | --- | --- | --- |
| **Market knowledge** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Has a solid working knowledge of market engagement tools and templates, and evaluation, execution and approval processes and procedures. |  |  | Uses market approach tools and templates to develop well-structured and concise market engagement documentation and materials, including specifications. |  |  |
|  | Maintains an understanding of current market factors. |  |  | Adapts specifications to be practical to ensure accurate market interpretation and meet organisational needs. |  |  |
|  | Can match organisational needs with market capability. |  |  | Ensures endorsement of market approach and evaluation plans to enable timely market engagement. |  |  |
|  | Can select appropriate procurement methods and market approaches to deliver value-for-money (incl. social) outcomes for tactical procurements. |  |  | Facilitates and manages the evaluation process, including supplier due diligence checks, completing reporting and recommending preferred supplier. |  |  |
|  | Able to successfully execute and implement tactical procurement strategies and plans, in accordance with probity principles. |  |  | Clearly documents benefits and rationale for selection decisions. |  |  |
|  | Can facilitate a fair and equitable selection process to deliver value for money including social outcomes for tactical procurements. |  |  | Manages the release of market approach documents, the out-to-market process, receipt of responses and compliance review, in accordance with probity principles. |  |  |
|  | Able to manage the implementation of tactical procurement project plans and to incorporate subsequent changes. |  |  |  |  |  |
| Adept | Has knowledge and can apply a broader range of market engagement approaches including alternative paths to market, agile, reverse e-auctions, early market engagement and category management. |  |  | Adapts, modifies or acquires tools, templates and processes to implement more diverse market engagement approaches. |  |  |
|  | Considers a diverse range of financial and non-financial benefits to be delivered through the procurement and benefit realisation process. |  |  | Influences decision-makers to endorse innovative market approaches and evaluation plans to deliver value-for-money outcomes |  |  |
|  | Understands more complex evaluation processes and procedures, involving multifunctional evaluation teams. |  |  | Manages and implements more complex evaluations, including assessing alternative proposals, undertaking clarification, negotiation, conditioning, sensitivity and/or uncertainty analysis, to improve decision-making. |  |  |
|  | Can successfully execute and implement moderately complex procurement strategies and plans including evaluation processes. |  |  | Adjusts moderately complex procurement project plans and processes for changes occurring during the market engagement or evaluation stages. |  |  |
|  | Can manage the implementation of moderately complex procurement project plans, amending strategy to address market dynamics and risk during the sourcing process. |  |  | Delivers well-structured, documented rationale for selection decisions in moderately complex procurement processes and provides advice to others on how to fairly evaluate value-for-money proposals. |  |  |
| Adept (cont) | Able to design and deliver a fair and equitable selection process to deliver value for money, including social outcomes for moderately complex procurements. |  |  | Initiates and completes due diligence including financial, probity, director, referee, background checks, as required to address supplier risks. |  |  |
|  | Knows when to engage a probity adviser/auditor, seek advice and address potential integrity issues and risks involving the procurement process, evaluation or supplier selection. |  |  | Manages moderately complex market engagements including hosting supplier briefings and responding to more complex questions, in accordance with probity principles |  |  |
| Advanced | Keeps abreast of advances in knowledge and trends of innovative and strategic market engagement approaches. |  |  | Implements innovative, strategic market engagement approaches, applying procurement best practice processes, guiding and supporting colleagues and peers to improve organisational capability. |  |  |
|  | Applies and champions contemporary procurement ‘best practice’ processes including innovative alternative paths to market. |  |  | Develops new tools, templates and processes to implement more diverse, non-standard market engagement approaches. |  |  |
|  | Identifies and delivers strategic and innovative value-for-money benefits, in sensitive situations, through skilful market engagement and ethical evaluation processes. |  |  | Manages and influences challenging stakeholders and decision-makers to support strategic and innovative value-for-money and social benefit outcomes, while maintaining project schedules. |  |  |
|  | Able to apply sensitivity analysis to evaluation processes, manage diverse, complex multifunctional evaluation teams and stakeholders with diverging interests. |  |  | Champions innovative evaluation approaches and processes, including the assessment of alternative proposals involving complex procurements. |  |  |
|  | Able to anticipate and address issues, resolve more difficult process problems with integrity, to successfully execute and implement complex procurement strategies with possible state-wide implications. |  |  | Modifies complex procurement project plans and strategies to anticipate or address emerging or existing strategic issues and risks. |  |  |
|  | Anticipates and is agile in managing risk and implementing complex market approach plans that create and maximise opportunities in dynamic project environments. |  |  | Prepares and conducts strategic or sensitive briefings that could involve reputational risk or attract a high level of political or media attention. Able to manage multiple perspectives and respond to political concerns. |  |  |
|  | Knows the best approach to take to effectively seek probity advice/audit to address high complexity, high-risk, strategic issues. |  |  |  |  |  |

## Contract design and management

Designing fit for purpose contracts. Developing and applying contract management methodologies to effectively manage supplier and buyer obligations and deliver value-for-money outcomes, while resolving contract issues and ensuring delivery of goods and services in line with contract terms.

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| **Contract design and management** | **Knowledge, skill, ability** | **Current** | **Future** | **Behaviours and evidence of achievement** | **Current** | **Future** |
| Foundation | Able to incorporate the negotiated or agreed outcome into a workable contract document and organises execution of tactical contracts. |  |  | Engages with relevant stakeholders to complete contracting processes, validates final offer and reflects agreed outcome in the contract. |  |  |
|  | Knows how to develop and apply effective tactical implementation and transition plans, where required, to enter and exit contracts. |  |  | Develops and implements contract management and transition plans where applicable. |  |  |
|  | Able to effectively conduct supplier debriefs and provide constructive feedback, in accordance with probity principles. |  |  | Notifies and skilfully debriefs unsuccessful suppliers. |  |  |
|  | Knows how to manage the supplier to ensure that the contractual benefits are realised. |  |  | Ensures that benefits are monitored and realised over the contract term. |  |  |
|  | Identifies and monitors performance indicators and implements appropriate corrective actions in collaboration with the supplier. |  |  | Administers contracts fairly, conducts supplier performance reviews and provides relevant feedback with integrity. |  |  |
|  | Knows when to vary a contract and how to efficiently, effectively implement changes. |  |  | Manages and maintains contracts effectively to deliver value throughout their term. |  |  |
|  | Prepares contract completion reviews and gathers relevant information to support continuous improvement. |  |  | Prepares contract completion reports in a timely manner. |  |  |
| Adept | Skilled in developing well-structured contracts and collaborating with stakeholders to manage the execution of contract documents. |  |  | Collaborates with relevant stakeholders to resolve complex contract matters to complete and execute contracts. |  |  |
|  | Knows how to develop and apply complex contract implementation and transition plans to manage risks and effectively enter and exit contracts. |  |  | Designs and implements contract management strategies and processes, reflecting the contract objectives and adopts a collaborative supplier relationship management approach. |  |  |
|  | Skilfully prepares and effectively delivers complex supplier debriefs in a way that builds future supplier capability and maintains relationships. |  |  | Champions the use of effective governance structures, supplier debriefs and contract management plans with relevant stakeholders and guides others towards best practice. |  |  |
|  | Develops effective benefit tracking mechanisms and works with the supplier to ensure the realisation of mutual contractual benefits. |  |  | Leads contract review meetings with suppliers, providing evidence-based feedback and evidence to address contract performance and risk. |  |  |
|  | Develops and implements complex contract performance reviews and collaborates with the supplier to develop improvement plans and address issues. |  |  | Collaborates with stakeholders to address issues, enhance contract performance and realise benefits. |  |  |
| Adept (cont) | Knows when and how to negotiate contract variations and changes consistent with the contract intent, to deliver mutual benefits and enhance outcomes. |  |  | Manages and adjusts complex strategic contracts to meet the intent of the business need and to deliver mutual benefit. |  |  |
|  | Able to anticipate, address and mediate potential sources of contract risk, disputes and issues to minimise the risk of disruption, delay or delivery of contract outcomes. |  |  | Anticipates issues and risks and identifies ways of managing these before they affect the contract (for example, health and safety or resource retention). |  |  |
|  |  |  |  | Engages suppliers in identifying additional opportunities and works with them to maximise value-for-money outcomes. |  |  |
| Advanced | Expert in setting up well-structured contracts and managing risks for complex, strategic projects. |  |  | Collaborates with and influences strategic stakeholders to resolve complex contract matters to finalise and execute the contract. |  |  |
|  | Able to develop and implement complex contract transition plans and influence stakeholders to effectively manage change |  |  | Leads the transition of high-risk contracts that could involve political or reputational risk. |  |  |
|  | Uses sound judgement to drive contract governance, performance, deliverables and outcomes to realise mutual contractual benefits associated with complex, strategic contracts. |  |  | Encourages and coaches stakeholders to work together to realise mutual contract benefits and outcomes for complex strategic contracts. |  |  |
|  | Able to influence stakeholders and re-negotiate terms, where required, to turn-around an underperforming contract and deliver outcomes. |  |  | Develops and implements contract plans to enhance contract performance and the delivery of outcomes for complex strategic contracts including renegotiating terms and establishing new performance measures. |  |  |
|  | Has a thorough understanding of contract dispute and conflict resolution processes including negotiation, mediation, arbitration and legal processes. |  |  | Leads the resolution or negotiation of complex contract issues to avoid escalation and disruption. |  |  |
|  |  |  |  | Provides guidance and leadership to internal stakeholders in developing and managing challenging contracts. |  |  |

## Building procurement capability

The public sector procurement workforce has an important role in helping to deliver government priorities through procurement and by ensuring all procurement activities are conducted in line with the principles of probity and integrity.

Individuals can build their own capability by:

* taking on more challenging tasks, projects and secondments,
* reading books and articles that discuss emerging issues
* participating or presenting in webinars, conferences and group discussions
* participating in job shadowing to observe others managing challenging projects or situations e.g. contract negotiation.
* undertaking coaching
* being mentored and
* completing formal or informal courses

Formal education can contribute to an increase in capability. Yet people also need exposure to situations relevant to these capabilities. They need opportunities in the workplace to apply what they learn. Implementing operational and process changes encourages people to respond differently and develop new skills.

## Using this framework

The descriptors in this framework are from the Victorian Government Procurement Capability Framework 2020, available to Internal staff via the Innovation Network Community of Practice.

## Other capability frameworks

This capability framework sits alongside other capability frameworks. These include the:

* Victorian Public Sector Commission Leadership Capability Framework;
* Victorian Public Sector Commission Capability Dictionary;
* Office of Projects Victoria Commercial Capability Framework;
* organisation-specific capability frameworks; and
* Chartered Institute of Purchasing and Supply Global Standard for Procurement and Supply.

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