

M&LE15 Procure supplies

Overview

What this Unit is about

This Unit is about procuring supplies — either products or services — from external suppliers.

In larger organisations there are often specialist departments which handle the supply-chain management and procurement functions across the organisation, working to specialist supply-chain management standards.

However, in many smaller organisations, non-specialist managers are required to procure the products and services necessary for the activities for which they are responsible — the function described in this Unit. To do so effectively, managers need a good understanding of their organisation's procurement policy and procedures (where these exist) and the relevant statutory and sector-specific requirements. They also need the cognitive skills to be able to assess which supplies and suppliers are likely to provide the best value for money and the interpersonal skills to negotiate with suppliers and maintain effective working relationships with them over time.

Who is the Unit for?

The Unit is for non-specialist managers who are required to procure supplies from external suppliers. It is **not** intended for purchasing and supply-chain management specialists, for whom specialist supply-chain management standards are available.

Links to other Units

This Unit is linked to Unit **E16. Select Suppliers Through a Tendering Process** and **E17. Outsource Business Processes** in the overall suite of National Occupational Standards for Management and Leadership.

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Skills

Listed below are the main generic 'skills' that need to be applied in procuring supplies. These skills are explicit/implicit in the detailed content of the Unit and are listed here as additional information.

- ◆ Assessing
- ◆ Communicating
- ◆ Consulting
- ◆ Decision-making
- ◆ Evaluating
- ◆ Influencing
- ◆ Monitoring
- ◆ Negotiating
- ◆ Problem-solving
- ◆ Thinking strategically

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Performance Criteria

*You must be able
to:*

- 1 Comply with relevant organisational procedures and legal and ethical requirements when procuring supplies.
- 2 Seek support from colleagues or procurement or legal specialists on any aspect of procuring supplies about which you are unsure.
- 3 Consult with others involved to identify your requirements for supplies, drawing up detailed specifications, where necessary.
- 4 Source supplies which meet your requirements, where possible identifying a diverse range of supplies and/or suppliers so you can compare alternatives.
- 5 Select supplies and suppliers which offer the optimal mix of quality, costs, timeliness and reliability.
- 6 Negotiate with selected suppliers to reach an agreement which offers good value for money and is acceptable to both parties.
- 7 Agree a contract which clearly states
 - ◆ quality and quantity of supplies
 - ◆ timescales and costs
 - ◆ terms and conditions
 - ◆ consequences if either party fails to comply with the contract.
- 8 Monitor the performance of suppliers in terms of the quality, timeliness and reliability of supplies, and take prompt action to resolve any problems, in line with the terms of the contract.

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Behaviours

You will exhibit the following behaviours:

- 1 You listen actively, ask questions, clarify points and rephrase others' statements to check mutual understanding.
- 2 You present information clearly, concisely, accurately and in ways that promote understanding.
- 3 You comply with, and ensure others comply with, legal requirements, industry regulations, organisational policies and professional codes.
- 4 You act within the limits of your authority.
- 5 You show integrity, fairness and consistency in decision-making.
- 6 You confront performance issues and resolve them directly with the people involved.
- 7 You clearly agree what is expected of others and hold them to account.
- 8 You work towards win-win solutions.
- 9 You make best use of available resources and proactively seek new sources of support when necessary.
- 10 You take timely decisions that are realistic for the situation.

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Knowledge and Understanding

You need to know and understand:

General knowledge and understanding

- 1 The importance of following relevant organisational procedures and legal and ethical requirements when procuring supplies.
- 2 The importance of consulting with others involved to identify your requirements for supplies, drawing up detailed specifications where necessary.
- 3 How to draw up detailed specifications for procuring supplies.
- 4 How to source supplies which meet your requirements, where possible identifying a diverse range of supplies and/or suppliers so you can compare alternatives.
- 5 How to select supplies and suppliers which offer the optimal mix of quality, costs, timeliness and reliability.
- 6 How to negotiate with selected suppliers to reach an agreement which offers good value for money and is acceptable to both parties.
- 7 The importance of agreeing a contract, and how to do so which clearly states quality and quantity of supplies, timescales and costs, terms and conditions, and consequences if either party fails to comply with the contract.
- 8 How to monitor the performance of suppliers in terms of the quality, timeliness and reliability of supplies.
- 9 The importance of taking prompt action to resolve any problems with the performance of suppliers, in line with the terms of the contract, and how to decide what action should be taken and when.

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Knowledge and Understanding

You need to know and understand:

Industry/sector specific knowledge and understanding

- 1 Industry/sector requirements for procuring supplies.

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Knowledge and Understanding

You need to know and understand:

Context specific knowledge and understanding

- 1 Relevant organisational procedures and legal and ethical requirements for procuring supplies.
- 2 Sources of advice, guidance and support from colleagues or procurement or legal specialists on any aspect of procuring supplies about which you are unsure.
- 3 The limits of your own knowledge, skills and competence.
- 4 Who to consult with to identify your requirements for supplies, drawing up detailed specifications where necessary.
- 5 Sources of supplies and/or suppliers which meet your requirements.

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Evidence Requirements

| PC | Evidence of Outcomes: ◆ possible examples of evidence | Behaviours | Knowledge and Understanding | | |
|---|---|-------------------------------|-----------------------------|-------------------|------------------|
| | | | General | Industry specific | Context specific |
| Records of your actions to procure supplies: | | | | | |
| | ◆ copies of policies, organisational policies and your notes or other records of legal requirements relating to procurement | 3 | 1 | 1 | 1 |
| | ◆ notes, reports, e-mails and memos recording your meetings with or requests for help from colleagues or specialists in relation to procuring supplies | 1, 2, 4, 9 | - | 1 | 2, 3 |
| | ◆ notes of meetings or conversations, e-mails, memos and letters consulting with colleagues to identify your requirements for supplies | 1, 2, 4, 9 | 2 | 1 | 2, 3, 4 |
| PC1 | ◆ specifications you have drawn up for the purpose of procuring supplies | 2 | 2, 3 | 1 | 4 |
| PC2 | ◆ examples of supplies you have sourced meeting your requirements | 5 | 4 | 1 | 5 |
| PC3 | ◆ notes, reports, e-mails and records of meetings showing that supplies and suppliers selected offer the optimal mix of quality, costs, timeliness and reliability | 5, 10 | 5 | 1 | 5 |
| PC4 | ◆ notes, reports, e-mails and records of meetings showing the negotiation process with suppliers, reaching an agreement which offers good value for money and is acceptable to both parties | 1, 2, 5, 8 | 1, 6 | 1 | 1 |
| PC5 | ◆ notes, reports, e-mails and records of meetings showing the negotiation process with suppliers, reaching an agreement which offers good value for money and is acceptable to both parties | 1, 2, 5, 8 | 1, 6 | 1 | 1 |
| PC6 | ◆ notes, reports, e-mails and records of meetings showing the negotiation process with suppliers, reaching an agreement which offers good value for money and is acceptable to both parties | 1, 2, 5, 8 | 1, 6 | 1 | 1 |
| PC7 | ◆ notes, reports, e-mails and records of meetings showing the negotiation process with suppliers, reaching an agreement which offers good value for money and is acceptable to both parties | 1, 2, 5, 8 | 1, 6 | 1 | 1 |
| PC8 | ◆ copies of contracts drawn up with suppliers | 2, 7 | 1, 7 | 1 | 1 |
| | ◆ notes, reports, e-mails and records of meetings reviewing performance of suppliers in terms of the quality, timeliness and reliability of supplies | 1, 7 | 8 | 1 | - |
| | ◆ notes, reports, e-mails and records of meetings showing actions you have taken to resolve any problems with suppliers | 1, 6, 8, 10 | 9 | 1 | - |
| | ◆ personal statement (reflections on your role in procuring supplies) | 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 | 1, 2, 3, 4, 5, 6, 7, 8, 9 | 1 | 1, 2, 3, 4, 5 |
| | ◆ witness statements (comments from others on your role in procuring supplies) | - | - | - | - |