

-SQA- SCOTTISH QUALIFICATIONS AUTHORITY

HIGHER NATIONAL UNIT SPECIFICATION

GENERAL INFORMATION

-Unit Number- **6550125**
-Superclass- **VC**
-Title- **INTRODUCTION TO PURCHASING OPERATIONS**

-DESCRIPTION-

GENERAL COMPETENCE FOR UNIT: Analysing the procedures and processes of the purchasing function within different business organisations.

OUTCOMES

1. explain the role of the purchasing function within different business organisations;
2. explain the procedures used in purchasing activities;
3. evaluate techniques used in the selection and on-going monitoring of external sources of supply.

CREDIT VALUE: 1 HN Credit

ACCESS STATEMENT: Access to this unit is at the discretion of the centre. However, it would be beneficial if candidates had achieved successful completion of relevant National Certificate modules.

For further information contact: Committee and Administration Unit, SQA, Hanover House, 24 Douglas Street, Glasgow G2 7NQ.

Additional copies of this unit may be purchased from SQA (Sales and Despatch section). At the time of publication, the cost is £1.50 (minimum order £5).

HIGHER NATIONAL UNIT SPECIFICATION

STATEMENT OF STANDARDS

UNIT NUMBER: 6550125

UNIT TITLE: INTRODUCTION TO PURCHASING OPERATIONS

Acceptable performance in this unit will be the satisfactory achievement of the standards set out in this part of the specification. All sections of the statement of standards are mandatory and cannot be altered without reference to SQA.

OUTCOME

1. EXPLAIN THE ROLE OF THE PURCHASING FUNCTION WITHIN DIFFERENT BUSINESS ORGANISATIONS

PERFORMANCE CRITERIA

- (a) The scope and objectives of the purchasing function are correctly identified in relation to the objectives of differing business sectors.
- (b) Professional relationships with other people and functions within an organisation are correctly identified and are in accordance with the Chartered Institute of Purchasing and Supply (CIPS) Code of Practice.
- (c) The contribution of Health and Safety legislation to the working environment of the purchasing function is correctly identified.

RANGE STATEMENT

Business sectors: industrial; retail.

EVIDENCE REQUIREMENTS

Oral or written evidence that the candidate can describe the role of the purchaser within two sectors of industry in accordance with the requirements on all performance criteria and the range statement.

OUTCOME

2. EXPLAIN THE PROCEDURES USED IN PURCHASING ACTIVITIES

PERFORMANCE CRITERIA

- (a) The elements within the purchasing cycle are correctly identified and are in accordance with 'best practice'.
- (b) Explanation of procedures appropriate to dealing with non-standard situations is accurate and in accordance with current 'best practice'.
- (c) Explanation of the role of information technology in purchasing and stores operations is accurate and in accordance with 'best practice'.
- (d) Procedures in the management of stock are identified correctly and relate to 'best practice'.

RANGE STATEMENT

Purchasing and stores operations: purchasing information; management of materials.

EVIDENCE REQUIREMENTS

Oral or written evidence to cover all the performance criteria and the range statement.

OUTCOME

3. EVALUATE TECHNIQUES USED IN THE SELECTION AND ON-GOING MONITORING OF EXTERNAL SOURCES OF SUPPLY

PERFORMANCE CRITERIA

- (a) Analysis of source selection is accurate in terms of meeting organisational goals.
- (b) Evaluation of pricing is accurate and in accordance with pricing principles in purchasing practice.
- (c) The scope and techniques of negotiation are correctly analysed with respect to the achievement of stated objectives in accordance with the duration of the contract.
- (d) The scope and objectives of a system of Quality Assurance are evaluated correctly with respect to organisational goals and current developments in the business environment.
- (e) The scope and objectives of a system of quality control are evaluated correctly with respect to organisational goals and current developments in the business environment.

RANGE STATEMENT

Duration of contract: short-term; long-term.

EVIDENCE REQUIREMENTS

Written or oral evidence to cover all the performance criteria and the range statement.

MERIT A pass with merit may be awarded to a candidate who has successfully achieved all outcomes and in so doing has consistently demonstrated superior performance with respect to some or all of the following:

- (a) coping with unusual or unexpected situations;
- (b) using an integrative approach to suggest solutions to complex or non-standard problems;
- (c) making the best use of time and resources;
- (d) relating purchasing activities to other aspects of the work of an organisation;
- (e) quality of advice given.

ASSESSMENT

In order to achieve this unit, candidates are required to present sufficient evidence that they have met all the performance criteria for each outcome within the range specified. Details of these requirements are given for each outcome. The assessment instruments used should follow the general guidance offered by the SQA assessment model and an integrative approach to assessment is encouraged. (See references at the end of support notes.)

Accurate records should be made of the assessment instruments used showing how evidence is generated for each outcome and giving marking schemes and/or checklists, etc. Records of candidates' achievements should also be kept. These records will be required for external verification.

SPECIAL NEEDS

Proposals to modify outcomes, range statements or agreed assessment arrangements should be discussed in the first place with the external verifier.

© Copyright SQA 1995

Please note that this publication may be reproduced in whole or in part for educational purposes provided that:

- (i) no profit is derived from the reproduction;
- (ii) if reproduced in part, the source is acknowledged.

HIGHER NATIONAL UNIT SPECIFICATION**SUPPORT NOTES**

UNIT NUMBER: 6550125

UNIT TITLE: INTRODUCTION TO PURCHASING OPERATIONS

SUPPORT NOTES: This part of the unit specification is offered as guidance. None of the sections of the support notes is mandatory.

NOTIONAL DESIGN LENGTH: SQA allocates a notional design length to a unit on the basis of the time estimated for achievement of the stated standards by a candidate whose starting point is as described in the access statement. The notional design length for this unit is 40 hours. The use of notional design length for programme design and timetabling is advisory only.

PURPOSE The purpose of the unit is to provide the candidate with an entry point to gain formal qualification in the purchasing function. The candidate is one who is likely to have no purchasing experience and who wishes to develop a career in the purchasing and supply function or who has limited experience but has no relevant formal qualifications in the area of purchasing and supply. The unit attempts to incorporate the substance of the elements of competence incorporated into the SVQ standards of Purchasing and Supply at levels II and III.

CONTENT/CONTEXT Corresponding to outcomes:

1. It would be appropriate to consider the role from the perspective of purchasing within materials management; logistics management; physical distribution. Within these differing perspectives will be the chance to examine the interaction between departments. Health and safety issues should concentrate on the awareness of current legislation (Health and Safety at Work, Offices Shops and Railway Premises, Control of Substances Hazardous to Health (COSHH) and Reporting of Injuries, Diseases and Dangerous Occurrences Regulation 1985 (RIDDOR) and the individual's role within the organisation.
2. Definition, description and transmission of need. Supplier selection through an examination of a variety of sources of information and the subsequent preparation of the order.

The use of manual and electronic systems (Electronic Data Interchange (EDI), Electronic Fund Transfer Point of Sale (EFTPOS), Electronic Point of Sale (EPOS), Material Requisition Planning (MPP1), Demand Requisition Planning (DRP1) for the following if appropriate: emergency orders; small value ordering; telephone ordering; blanket ordering. Methods of progressing. Receipt and inspection methods of differing stocks. Payments methods.

3. Developing of suppliers; partnerships; the role of the supplier in specification setting/development of the product or service. Number of suppliers (single, dual, multi). Local suppliers; global sourcing.

Cost/price analysis; life cycle costing, the role of the learning curve in pricing.

Phases of negotiation. Styles of negotiation (hard, soft, principled, pragmatic).

APPROACHES TO GENERATING EVIDENCE The approach to teaching should be at its most structured in the early stages of the unit. Candidates should be encouraged to investigate the role and activities that the function of purchasing can be involved in and its importance to different organisations. Such investigations may be by way of assignments as specified by the tutor/trainer which involved materials provide and augmented by directed library searches. These searches could be developed to become more sophisticated by the use of information technology. This would be particularly appropriate in Outcomes 2 and 3.

ASSESSMENT PROCEDURES

- | | |
|-----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Outcome 1 | Restricted response questions which covers all performance criteria and range statement. |
| Outcome 2 | Case study with associated questions. The centre may find it useful to use the format adopted by the lead body (CIPS) in its examination papers where the use of a mini-case study is accompanied by questions which in this case would cover the performance criteria and range statement. |
| Outcome 3 | There is an opportunity here to assess the candidates' abilities in the use of I.T., in, for example, supplier evaluation if it was required in preparation for a negotiation simulation. Such an exercise could be constructed to cover all PCs and the range statement. |

PROGRESSION Successful completion of this unit will qualify the candidate to study for the two credit unit 6550135 Purchasing Operations Practice. The successful completion of the two units would form a significant part of a Higher National Certificate course in Purchasing and Supply.

REFERENCES

1. Guide to unit writing.
2. For a fuller discussion on assessment issues, please refer to SQA's Guide to Assessment.
3. Information for centres on SQA's operating procedures is contained in SQA's Guide to Procedures.
4. For details of other SQA publications, please consult SQA's publications list.

© Copyright SQA 1995

Please note that this publication may be reproduced in whole or in part for educational purposes provided that:

- (i) no profit is derived from the reproduction;
- (ii) if reproduced in part, the source is acknowledged.