

VPS procurement capability framework

This framework provides a starting point for managers to articulate the capabilities needed in procurement roles, and align them with the capabilities required more broadly across the VPS.

Message from the Australasian and Procurement Construction Council

The Australasian and Procurement Construction Council (APCC) welcomes the Victorian Government Purchasing Board's (VGPB) commitment to developing government procurement capability. This commitment aligns with the APCC's 2012-17 strategic goals, which include building procurement capability and promoting procurement as a strategic function, critical to government and organisational service delivery.

The APCC recognises the *VPS Procurement Capability Framework* as a critical tool to support delivery of the VGPB's procurement reform objectives. The Framework provides an important opportunity to not only influence recognition of procurement as a profession, but also set appropriate standards for procurement specific skills and general skill sets required to manage procurement activity effectively, from junior staff entering the profession through to strategic decision makers. The APCC notes that the also framework is consistent with the APCC's *Building Government Procurement Capabilities Guide*:

http://www.apcc.gov.au/ALLAPCC/APCC%20PUB_Building%20Government%20Procurement%20Capabilities%20Guide%20-%20May%202008.pdf

The APCC commends the VGPB on its procurement capability development initiatives, and the opportunity to continue our strategic alliance to promote the procurement profession and improve procurement outcomes for government.



Teresa Scott
Executive Director
Australasian Procurement and Construction Council Inc

Message from the Victorian Government Purchasing Board

I am pleased to present the VPS Procurement Capability Framework, which underpins the Victorian Government Purchasing Board's (VGPB) strategic priority to develop procurement capability across government. The Framework has been developed by the State Services Authority, in consultation with the VGPB. It provides a consistent outline of the knowledge, skills and attributes required by procurement practitioners in the Victorian Public Service (VPS) to operate at a level that ensures the following VGPB policy objectives are met:

- focus on upfront strategic planning of procurement activity, embedding procurement in organisational business planning;
- procurement decisions based on an assessment of complexity and the capability of the organisation to conduct the procurement. Complexity assessments informed by thorough market analysis; and
- greater supplier engagement, and application of alternative paths to market and delivery models to drive value-for-money outcomes.

The Framework recognises that each organisation has its own, unique procurement profile, and is therefore adaptable according to the procurement workforce planning needs of each organisation. The Framework also informs the development of position descriptions for recruitment of procurement VPS staff, and performance plan development.

The VGPB strongly encourages adoption of the framework by all Victorian Government entities to ensure procurement capability is underpinned by robust analysis of procurement resource needs to support the achievement of organisational and government objectives that comprise procurement activity.



(Dr) Lynne Williams

Chair, Victorian Government Purchasing Board

A capability describes a combination of knowledge, skills and attributes that an individual or organisation has the ability to deliver or perform with relative ease and with a high level of predictability in terms of quality and timeliness.

Who is the framework for?

The Framework is designed to assist people who work in procurement functions and manage or supervise others to:

- analyse job requirements by providing a range of skills that describe a role and its desired outcomes;
- develop position descriptions by helping outline the knowledge, skills and attributes necessary for a procurement role;
- guide performance management discussions, especially in preparing or reviewing performance plans, by providing clear signposts for what success in a role looks like;
- plan learning and development interventions for procurement staff;
- develop workforce plans and succession plans within procurement functions; and
- guide career planning conversations through providing a pathway for increasing capability.

What is included in the framework?

The Framework nominates four areas in which capability is examined. These areas correspond to stages in the procurement process through which all areas of government, no matter the volume or cost of their procurement activities, will go through. The procurement stages are:

Planning: Setting and driving a coordinated and integrated approach to enable improvements in value-for-money and service delivery outcomes

Sourcing: Engaging with the market to identify suppliers and ensure organisational and government procurement objectives are met

Category Management: Strategic management of a supply category to meet organisational procurement objectives

Contract Management: Proactive and disciplined management of contracts to ensure supplier performance meets government service delivery objectives and value-for-money outcomes are achieved.

The Framework then goes on to describe the capabilities relevant to each stage of the procurement process and includes:

- descriptions of the capabilities required to operate effectively at each stage of the procurement process;
- maps those capabilities against the VPS Employment Capability Framework Card set used across the VPS, outlining the requisite knowledge and skills (KS) and personal qualities (PQ); and
- aligns the capabilities against a sample of the VPS Value Range Descriptors found in the VPS Enterprise Bargaining Agreement.

Using this guide

This guide accompanies the Victorian Government Purchasing Board's (VGPB) supply policy framework and the State Services Authority's (SSA) employment capabilities framework. For more information, visit the Procurement Victoria website at www.procurement.vic.gov.au and the SSA website at www.ssa.vic.gov.au

How can I use the Framework?

This section provides examples and tips on how the Framework can be used.

Job analysis

Job analysis will assist you in deciding whether a role is required, and if so, what you want to achieve through filling it. It will help you develop the accountabilities and selection criteria which then feed into the position description.

Through aligning the tasks you want a staff member to undertake against the Framework, you can more accurately map the contribution the role can be expected to make in the team and at what level the job can be classified. This will be helpful when you're considering roles that are not solely procurement, since the Framework will help you align the procurement tasks with the broader expectations of VPS staff, as outlined in the Value Range Descriptors.

Undertaking a job analysis whenever you have a vacancy will help you to align the roles of all team members, particularly in a changing environment.

Developing position descriptions

The Framework will help identify and develop job descriptions through assistance in setting out the knowledge, skills and abilities needed for a position. It will support you in developing job descriptions that align with the capability levels expected across all levels in the VPS. It will also assist in developing job descriptions that not only describe current job requirements but contain an element of future focus to assist with staff development.

Performance management

The Framework will assist managers in performance management by setting out a set of transparent and consistent capability definitions. This will provide structure to performance management conversations through bringing a standardised and clear set of expectations for success in procurement roles.

The capabilities described in the Framework will set the groundwork for performance analysis and then discussion on expectations, capability and development areas. The linkages back to the broader VPS Capability Framework and the value range descriptors in the Enterprise Bargaining Agreement (EBA) will assist in this process.

Career planning

Staff working in procurement areas, or those who have a significant proportion of procurement in their duties, will find the consistent descriptions of capabilities in the Framework a useful tool for career planning.

Learning and development

By aligning procurement capabilities with VPS capabilities, staff working in procurement will be able to relate those duties to the broader capabilities required across the VPS, and also provide a way to map a development pathway.

Workforce planning

The Framework provides managers with a basis for making decisions on their workforce through identifying the skills, knowledge and abilities required by their workforce. This will assist in addressing retirement projections and succession risks through helping to clarify the capabilities most at risk of loss.

Capability	Capability description
Planning	<ul style="list-style-type: none"> • Applies understanding of relevant government processes, policies and objectives to the development of strategies that deliver value-for-money procurement outcomes • Develops and positions procurement strategies to deliver organisational and government objectives • Ensures procurement activities are subject to established government and financial protocols • Implements appropriate governance arrangements commensurate with the procurement activity • Takes action to ensure procurement strategies, capabilities and processes support organisational and government objectives to improve service delivery outcomes • Identifies how procurement can improve government service delivery
Sourcing	<ul style="list-style-type: none"> • Designs and delivers innovative procurement processes and practices to enhance competition, minimise risk and deliver value for money • Uses understanding of market characteristics and drivers to inform an appropriate market engagement model • Applies knowledge of procurement to deliver organisational and government objectives in the short, medium and long term • Applies appropriate probity protocols when selecting the path to market, managing the supplier selection process and establishing contractual arrangements • Identifies and manages potential sourcing risks
Category management	<ul style="list-style-type: none"> • Develops and implements a category management strategy • Promotes and maintains productive and collaborative relationships with internal and external stakeholders • Applies knowledge of category management principles and processes, and the main benefits/issues with this kind of approach • Applies understanding of the characteristics of the market and the supply chain from which goods and services are procured • Develops and uses financial data and analytics to understand cost drivers • Identifies and manages potential risks with a category
Contract management	<ul style="list-style-type: none"> • Manages supplier performance against procurement contracts to ensure value-for-money outcomes are being delivered • Manages stakeholder relationships • Monitors service levels and contractual obligations • Applies negotiation skills and expertise to ensure benefits are realised and continuous service delivery improvements are identified and implemented • Identifies and manages risks to contract performance

Planning

Sets and drives a coordinated and integrated approach to enable improvements in value-for-money and service delivery outcomes **Alignment to VPS and Victorian Public Employment Capability framework**

Applies understanding of relevant government processes, policies and objectives to the development of strategies that deliver value-for-money procurement outcomes

KS 7 Organisation and planning
 KS 11 Strategic planning
 KS 13 Environmental scanning
 KS 17 Project management

Develops and positions procurement strategies to deliver organisational and government objectives

KS 7 Organising and planning
 KS 11 Strategic planning
 KS 12 Organisational awareness

Ensures procurement activities are subject to established government and financial protocols

KS 7 Organising and planning
 KS 17 Project management
 KS 16 Problem solving

Implements appropriate governance arrangements commensurate with the procurement activity

KS 9 Leadership
 KS 17 Project management
 KS 19 People leadership

Takes action to ensure procurement strategies, capabilities and processes support organisational and government objectives to improve service delivery outcomes

KS 9 Leadership
 PQ 7 Developing others
 KS 19 People leadership

Identifies how procurement can improve government service delivery

KS 11 Strategic planning
 KS 14 Systems thinking
 KS 17 Project management
 KS 26 Consultancy

VPS grades

Sample applications to VPS grades

Grades 2 and 3	<ul style="list-style-type: none"> • Develops knowledge of established techniques and organisational processes • Applies understanding of inter relationships between stakeholders and/or other work units to achieve objectives
Grade 4	<ul style="list-style-type: none"> • Applies sound theoretical and practical expertise in development of policy options • Researches and develops recommendations in a specific field of expertise
Grade 5	<ul style="list-style-type: none"> • Contributes to strategic business planning • Provides leadership in the application of concepts to strategy development
Grade 6	<ul style="list-style-type: none"> • Participates in strategic planning and contributes to strategic decision-making processes • Uses knowledge of structures, processes and culture of government, the sector and the Department to develop procurement strategies, programs and initiatives
Executive Officer	<ul style="list-style-type: none"> • Builds awareness and understanding of economic and political trends that may affect the organisation • Uses strategic relationships and knowledge to predict and prepare for the impact of events on the organisation • Develops practical solutions to complex problems • Provides advice in area of expertise

Sourcing

Engages with the market to identify suppliers and ensure organisational and government procurement objectives are met	Alignment to VPS and Victorian Public Employment Capability framework
Designs and delivers innovative procurement processes and practices to enhance competition, minimise risk and deliver value for money	KS 11 Strategic planning KS 14 Systems thinking KS 23 Service excellence
Uses understanding of market characteristics and drivers to inform an appropriate market engagement model	KS 14 Systems thinking
Applies knowledge of procurement to deliver organisational and government objectives in the short, medium and long term	KS 16 Problem solving KS 18 Stakeholder management KS 26 Consultancy
Applies appropriate probity protocols when selecting the path to market, managing the supplier selection process and establishing contractual arrangements	KS 7 Organising and planning KS 16 Problem solving
Applies negotiation skills and expertise to deliver value-for-money outcomes	KS 10 Influence and negotiation
Identifies and manages potential sourcing risks	KS 12 Organisational awareness KS 13 Environment scanning

VPS grades	Sample applications to VPS grades
Grades 2 and 3	<ul style="list-style-type: none"> • Conducts routine procurement procedures and data collection and analysis • Determines operational service delivery plans based on accepted standards
Grade 4	<ul style="list-style-type: none"> • Prepares reports requiring factual analysis • Provides specialist administrative and corporate expertise
Grade 5	<ul style="list-style-type: none"> • Prepares complex reports requiring in-depth factual analysis • Applies complex concepts to policy development or research • Provides leadership and guidance to other specialists in procurement
Grade 6	<ul style="list-style-type: none"> • Subject matter expert who conceptualises, initiates, implements, promotes and evaluates complex and innovative technical programs • High level procurement expertise
Executive Officer	<ul style="list-style-type: none"> • Continually liaises with key stakeholders to ensure full understanding of the issues • Formulates potential courses of action to achieve objectives based on an in-depth understanding of the business environment and its systems • Encourages new and different procurement approaches and solutions that will deliver benefits beyond client or stakeholder expectations

Category management

Engages with the market to identify suppliers and ensure organisational and government procurement objectives are met	Alignment to VPS and Victorian Public Employment Capability framework
Develops and implements a category management strategy	KS 11 Strategic thinking KS 14 Systems thinking
Promotes and maintains productive and collaborative relationships and partnerships with internal and external stakeholders across the category	KS 10 Influence and negotiation KS 18 Stakeholder management KS 23 Service excellence
Applies understanding of the characteristics of the market and the supply chain from which goods and services are procured	KS 13 Environmental scanning KS 14 Systems thinking KS 24 Commercial skills
Applies knowledge of category management principles and processes	KS 18 Stakeholder management KS 23 Service excellence KS 24 Commercial skills
Develops and uses financial data and analytics to understand cost drivers	KS 16 Problem solving KS 21 Resource management PQ 1 Conceptual and analytical ability
Identifies and manages potential risks with category	KS14 Systems thinking KS 24 Commercial Skills

VPS grades	Sample applications to VPS grades
Grades 2 and 3	<ul style="list-style-type: none"> Assesses corporate needs and implements appropriate service delivery from a range of accepted options Determine operational service plans based on accepted standards
Grade 4	<ul style="list-style-type: none"> Participates in the development of strategies to represent the organisation involving complex and challenging problems Keeps immediate manager up to date with workload progress in order to meet service delivery priorities
Grade 5	<ul style="list-style-type: none"> Manages a discrete function with limited budget or staff responsibilities Modifies and applies concepts to new situations that may impact beyond the immediate work area
Grade 6	<ul style="list-style-type: none"> Subject matter expert who conceptualises, initiates, implements, promotes and evaluates complex and innovative strategies Responsible for operational procurement policy or service development impacting on a major functional area Manages procurement activities with significant budget management and staff responsibilities, and are of strategic importance
Executive Officer	<ul style="list-style-type: none"> Establishes and uses references and networks to gather strategic information from local, interstate and overseas sources Establishes an integrated perspective of the organisation's procurement needs and identifies the leverage points where intervention will add value Evaluates implemented courses of action and makes adjustments as required Focuses on activities and projects that will bring the best long-term return for the organisation

Contract management

	Alignment to VPS and Victorian Public Employment Capability framework
Manages supplier performance against procurement contracts to ensure value-for-money outcomes	KS 10 Influence and negotiation KS 14 Systems thinking KS 24 Commercial skills KS 25 Contract management
Manages stakeholder relationships	KS 6 Interpersonal skills PQ 13 Relationship building
Monitors service levels and contractual obligations	KS 12 Organisational awareness KS 14 Systems thinking
Applies negotiation skills and expertise to ensure benefits are realised and continuous service delivery improvement are identified and implemented	KS 9 Leadership KS 10 Influence and negotiation PQ 13 Relationship building
Identifies and manages risks to contract performance	KS 14 Systems thinking KS 22 Conflict management KS 24 Commercial skills KS 25 Contract management
Identifies and manages potential risks with category	KS14 Systems thinking KS 24 Commercial Skills

VPS grades	Sample applications to VPS grades
Grades 2 and 3	<ul style="list-style-type: none"> • Liaises with stakeholders and external providers of goods and services • Assist with planning and facilitating consultative processes in a range of settings involving routine issues
Grade 4	<ul style="list-style-type: none"> • Conveys specialist concepts and policies to stakeholders • Prepares reports, briefs and correspondence on complex issues that impact on programs or at the organisational level
Grade 5	<ul style="list-style-type: none"> • Makes decisions in situations where there is some, but not definitive, precedent about the application of an organisational framework • Provides specialist professional services or advice , including leadership and guidance to other procurement specialists
Grade 6	<ul style="list-style-type: none"> • Provides and receives highly complex contentious or sensitive information where high levels of negotiation, communication and interpersonal skills are required • High level of contract management and subject matter expertise • Identifies and responds to new and emerging strategic issues impacting on the operating environment
Executive Officer	<ul style="list-style-type: none"> • Oversees the management of contracts to ensure timelines, budgets and other objectives • Develops long-term, complex and multi-phased plans to influence others • Uses understanding of individuals to get the best outcomes for the person and organisation • Effectively negotiates with clients/stakeholders to achieve desired outcomes