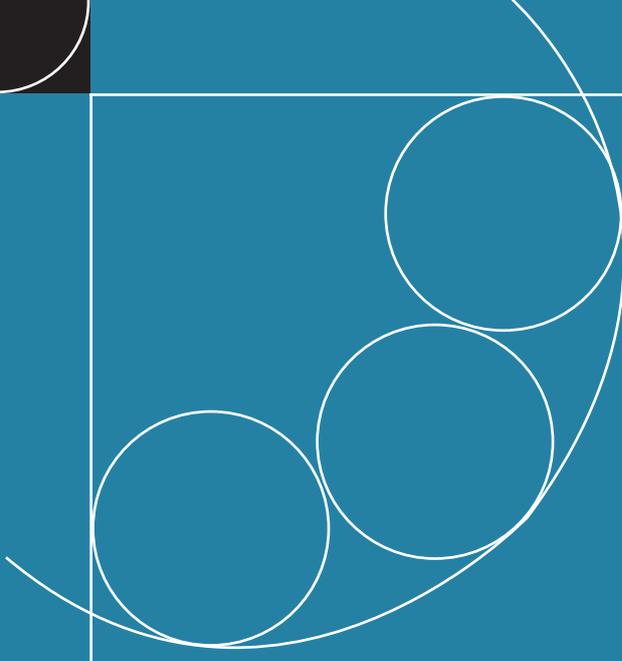
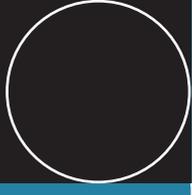


Australian Procurement and Construction Council

BUILDING GOVERNMENT PROCUREMENT CAPABILITIES

MAY 2008





Australian Procurement and Construction Council
Building Government Procurement Capabilities

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Foreword

The imperative to build government procurement capability

The evolution of government procurement as a critical major economic activity of government in recent years has seen the emergence of an unprecedented demand for highly capable procurement people.

The value of procurement by governments in Australia now exceeds \$100 billion per year. In New Zealand the figure is between NZD\$14 billion and NZD\$20 billion per year. Action is needed to secure the benefits that accrue from a strategic approach to procurement led by trained and experienced professionals.

Until recently, procurement professionalism in Australia and New Zealand has not been clearly recognised or defined. Too often, public procurement has been undertaken without professional support and procurement people have focused on the process rather than the desired outcome.

To ensure that public sector agencies are able to deliver on their objectives and to mitigate the potential risk of poorly executed procurement and lost opportunities, urgent action is needed to attract and develop procurement capabilities across government.

The governments of Australia and New Zealand agreed to implement collaborative strategies to build a larger and more capable pool of professional talent. Under the auspices of the Australian Procurement and Construction Council (APCC), the public sectors in Australia and New Zealand have recognised that the delivery of better quality procurement outcomes requires investment in the enhancement of skills and professionalism of procurement staff.

Strategies have been identified that seek to attract people into procurement as a career and to develop the competencies and experience of existing procurement staff.

In November 2006 the APCC published *Developing the Government Procurement Profession*, which set out an aspirational standard describing the characteristics required of those government professionals charged with delivering value for money through procurement.

This guide, *Building Government Procurement Capabilities*, builds on the previous publication. It recognises that, while a focus on strategic procurement thinking by procurement professionals is critical in improving government procurement capabilities, we must also take into consideration the important role of procurement practitioners and government buyers in the process. These practitioners and buyers also need to be supported by training and development programs.

The capability standards described in this guide are deliberately aspirational and set a target benchmark for Australian and New Zealand public sector procurement workforces.

Since the release of the professional procurement standard in November 2006, a better understanding has evolved of the issues associated with developing procurement capability, both at the local and national level. A number of projects are starting to address these issues (including this guide and the projects listed in the Appendix). The Chartered Institute of Purchasing and Supply (Australia) is working with the APCC on some of these projects.

Introduction

In September 2007 the Australian Procurement and Construction Ministerial Council (APCCMC) acknowledged the urgent need to meet the demand for enhanced professional procurement capabilities.

The APCC state and territory members have produced this guide to provide direction on the development of public sector procurement capabilities and professionalism.

This guide outlines the various public sector procurement roles and an aspirational capabilities standard for these roles. The aspiration is based on the established approach by other professionals, such as accounting and engineering. In using this guide, agencies should be able to set goals and targets for raising procurement capability and providing a career path to new professional procurement positions.

A number of aligned projects being undertaken by the APCC underpin this initiative.

This guide acts as a tool to actively raise procurement capability and articulates the journey that individuals may take to further their careers and position them at a leading level within the public sector. The guide consists of three sections as follows.

Part 1 – Government procurement people

This section discusses the roles, responsibilities, qualifications and attributes for buyers, procurement practitioners and procurement professionals.

Procurement is an activity that influences most parts of an agency and is likely to be initiated by people whose main function is not procurement. They are referred to as *buyers* in the guide.

Procurement projects involving a tendering process are likely to be managed by people whose primary function is procurement. This guide refers to *procurement practitioners* who focus on the process of procurement and *procurement professionals* who focus on strategies to deliver the required outcome at best value for money.

Part 2 – Career pathways to professional procurement

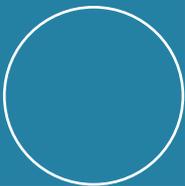
This section discusses four pathways into the professional procurement stream.

Part 3 – Training, development and accreditation

This section is an overview of training, development and accreditation programs.

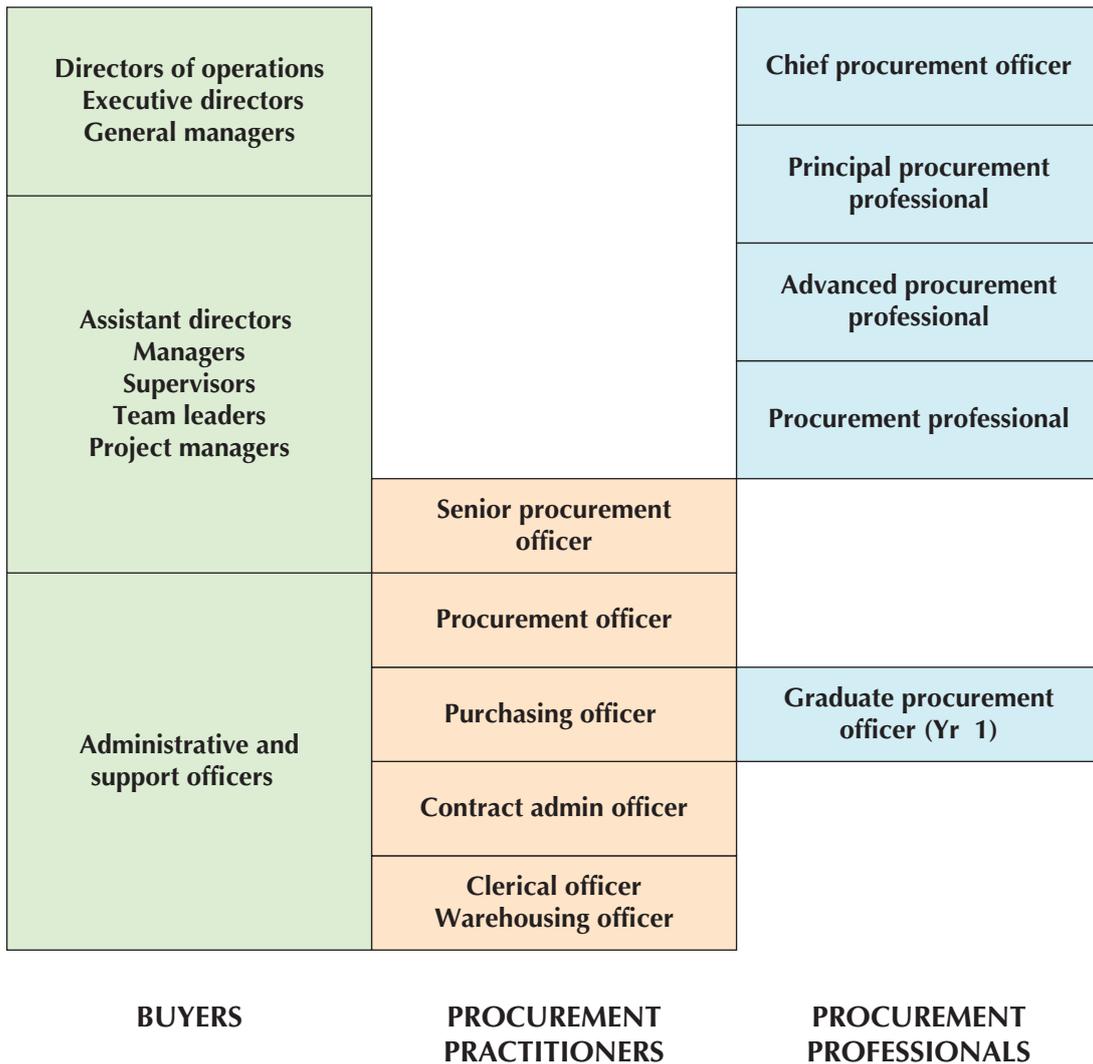
There are various training programs in procurement that have been developed by APCC members in Australia, of which most are based on standards of competency within the Australian Qualifications Framework (AQF). In addition, Australian universities are progressively introducing degree-level and postgraduate procurement programs.

The Chartered Institute of Purchasing and Supply (CIPS) provides an internationally recognised accreditation framework with its Member of the Chartered Institute of Purchasing and Supply (MCIPS) accreditation at the professional procurement standard. APCC is working with CIPS (Australia) to help grow the capability and professionalism of government procurement.



Part 1 Government procurement people

AUSTRALIAN PROCUREMENT AND CONSTRUCTION COUNCIL



Types of government procurement people

A wide range of people working within government are involved in procurement. They range from those who occasionally make low-value purchases using a purchasing card to those accountable for very high-value contracts.

This guide provides a model in which procurement people are divided into three groups.

1. Buyers – may be individuals who undertake transactional procurement and exercise purchasing responsibilities only for easily-secured goods and services at low values and low risk. Often these are purchased from contracts established by others, or from simple single use agreements for low-level sourcing that they establish themselves. Buyers may also include managers and senior executives who are the prime value-for-money decision-makers for major procurement projects that are facilitated by specialist procurement staff. Buyers do not have procurement as their single focus.

2. Procurement practitioners – are individuals who specialise in procurement as a major function of their position. They typically hold a vocational qualification in procurement. Procurement practitioners are skilled and experienced in facilitating the process of procurement. Practitioners focus on compliance to procurement policy and the operational aspects of developing and managing contracts efficiently and effectively.

3. Procurement professionals – are individuals who specialise in strategic procurement. They typically hold a university qualification in strategic procurement or a related field. Procurement professionals are generally involved in tactical and strategic projects. They exercise responsibilities that focus on delivering the best value-for-money outcomes; lead project teams in the development and management of complex procurements; and may be responsible for the formation, management and development of procurement teams.

1. Buyers

Position titles	Roles
Directors of operations Executive directors General managers	<p>1. Strategic decision-makers</p> <ul style="list-style-type: none"> Responsible for leading the development and implementation of procurement strategy and programs usually relating to the delivery of strategic outcomes defined by government. They own the business case for major procurement projects.
Assistant directors Managers Supervisors Team leaders Project managers	<p>2. Operational decision-makers</p> <ul style="list-style-type: none"> Responsible for low-value/low-risk to high-value/high-risk contracts. They manage or participate in procurement planning and develop a wide range of briefs, specifications and commercial documentation. They are active in the process of evaluating tender responses and awarding contracts including participating with, or leading, the evaluation panel. Responsible for the day-to-day management of programs of work, project delivery, resulting contracts and post-delivery services.
Administrative and support officers	<p>3. Transactional buyers</p> <ul style="list-style-type: none"> Responsible for undertaking basic procurement tasks. This includes managing tendering and quotation processes for low-value, low-risk purchases and buying from established contracts.

Types of buyers

Buyers are central to the procurement process. They are the value-for-money decision-makers and may be the end-users of the procurement process. Buyers need to understand the fundamentals of procurement to do their jobs well.

For our purposes, buyers can be divided into three groups.

1. Strategic decision-makers

This group of buyers is responsible for making decisions on significant and high-risk procurement programs, up to hundreds of millions of dollars, which often relate to strategic outcomes for government. These include senior executives of government agencies such as directors of operations or executive directors. These senior buyers are informed clients who are likely to have a critical sense of the business risks. However, they need professional procurement advice plus support from operational decision-makers and procurement practitioners to achieve the best procurement outcomes. Their procurement training requirements are similar to those for the senior managers. However, their participation in the procurement process involves them leading the development of strategy and programs and may be in the role of overseeing a number of high-value/high-risk projects that are implemented by their management team.

2. Operational decision-makers

The next group of buyers is responsible for making decisions on the large majority of procurement projects – covering low to high-risk procurement. They need to possess the same basic skills and knowledge of transactional buyers, as well as an understanding of procurement processes by which contracts are formed and managed. They are called upon to manage and participate in project planning, sourcing strategy, preparing briefs, preparation of tender documentation, tendering and tender award processes (sometimes as the chairperson), and they may be responsible for the management of the contract. They are likely to be responsible for supply chain and client relationship management functions and tasks. Their training should prepare them to participate in the procurement process in this capacity. Buyers in this group include team leaders, assistant directors, project and other senior managers.

3. Transactional buyers

In government agencies, administration and support officers are considered to be transactional buyers. Training for transactional buyers needs to focus on awareness of the basic issues relating to government procurement policies and processes. This entails an awareness of government contracting strategies including panel contracts and an understanding of how to purchase from them and other established contracts. Transactional buyers should be able to conduct tendering and quotation processes, to administer basic contracts and to make direct purchases using a government purchasing card, as policy allows.

2. Procurement practitioners

Position title	Roles
Senior procurement officer	Specialises in procurement as major position function – an experienced procurement officer.
Procurement officer	Specialises in procurement as major position function, facilitating the process of developing and managing contracts.
Purchasing officer	Specialises in receiving requisitions from buyers and arranging purchase orders. May aspire to be a procurement officer.
Contract administration officer	Specialises in providing clerical and administrative support to procurement practitioners and professionals, by processing contract payments, record-keeping etc.
Clerical officer Warehousing officer	Specialises in providing services related to the procurement process such as warehousing and the administrative side of supply chain management.

Types of procurement practitioners

Procurement practitioners are individuals who specialise in procurement as a major or dedicated function of their position.

The key point of difference between procurement practitioners and procurement professionals (see page 14) is that procurement practitioners tend to focus on the operational and process issues of procurement to ensure compliance to procurement policy. Procurement professionals focus on strategic procurement. Procurement practitioners usually work with a team led by either a buyer with responsibility for the procurement activity or a procurement professional.

In this guide, procurement officers are defined as practitioners who facilitate the process of developing and managing contracts. Typically, procurement officers hold vocational qualifications in procurement. The career path for procurement officers can lead to a senior procurement officer role that may extend to facilitating the process of high-value, high-risk procurement. The tables on the following pages detail the characteristics expected for a person in a procurement officer and a senior procurement officer role.

Procurement practitioners in purchasing, contract administration and warehousing roles assist buyers and procurement officers in their activities. These people provide an essential support function in the procurement process.

The training programs that support the career progression for procurement practitioners are described in Part 3: Training, development and accreditation.

Procurement Officer

The characteristics of the procurement officer include:

Role	Specialises in procurement as major position function – focuses on the process of procurement.
Management and leadership responsibility	Workgroup member – does not usually supervise.
Decision-making	No delegation level to award client agency contracts.
Accountability	Facilitates low to medium-risk procurements and participates in discrete deliverables in higher-risk procurements.
Supervision received	Activities assigned by senior procurement officer or a senior manager responsible for the procurement function.
Public sector context	<p>Basic knowledge of business and machinery of government.</p> <p>Demonstrates working knowledge of government procurement framework, policy and legislation, and tender and contracting procedures.</p> <p>Good knowledge and understanding of code of practice for procurement.</p>
Personal attributes and desirable qualifications	<p>Behaves as an individual who has good knowledge of procurement practice, and is focusing on policy compliance.</p> <p>Preferably would have vocational training programs in procurement to AQF certificate IV, and would pursue diploma-level training.</p> <p>Eligible for certificate member of CIPS.</p>

Senior Procurement Officer

The characteristics of the senior procurement officer include:

Role	Specialises in procurement as major position function – experienced procurement officer.
Management and leadership responsibility	May supervise procurement officers and other support staff.
Decision-making	Responsible for branch operational procurements only and usually has no delegation to award client agency contracts.
Accountability	Facilitates procurements of any risk or value.
Supervision received	Activities assigned by procurement professional or senior manager with functional responsibility for procurement.
Public sector context	<p>Sound knowledge of business and machinery of government.</p> <p>Sound working knowledge of government procurement framework, policy and legislation, and tender and contracting procedures.</p> <p>Sound knowledge and understanding of code of practice for procurement.</p>
Personal attributes and desirable qualifications	<p>Behaves as an individual with extensive experience and sound knowledge in procurement practice, and is focusing on policy compliance.</p> <p>Preferably would have completed an AQF diploma in procurement.</p> <p>Eligible for diploma member of CIPS.</p> <p>May pursue qualification to achieve MCIPS.</p>

3. Procurement professionals

Position title	Roles
Chief procurement officer	Leads procurement strategy at the most senior level. Accountable for achieving a government agency's procurement outcomes.
Principal procurement professional	Typically a manager for a large team of procurement professionals and practitioners. Typically has responsibility for significant to high-risk procurement projects.
Advanced procurement professional	Typically a manager for a small agency team of procurement professionals and practitioners. Typically has responsibility for medium to significant-risk procurement projects.
Procurement professional	First-level professional – focuses on delivering the required procurement outcomes. Typically has responsibility for low to medium-risk procurement projects.
Graduate procurement officer (Yr 1)	A new recruit (with a university degree) on a professional development program. Aspiration to achieve the procurement professional status within a few years – through qualifications in strategic procurement and experience as a procurement officer.

Types of procurement professionals

Until recently, procurement professionalism in Australia and New Zealand has not been clearly recognised or defined. Too often, public procurement is undertaken without professional support which results in sub-optimal value-for-money decisions and unnecessary high prices paid for goods and services.

The development of professional capability in public procurement will help ensure optimum value-for-money decisions and mitigate the risk of poor outcomes.

Procurement professionals specialise in procurement as their only function or as the major function of their position.

Procurement professionals focus on strategic procurement issues and delivery of the required business outcomes at best value for money. They lead project teams in the development and management of contracts and they provide advice and support to buyers in meeting their business needs. Typically, procurement professionals are supported by procurement officers in the operational and process aspects of procurement. Procurement professionals usually hold university qualifications in strategic procurement or a related field.

The tables on the following pages detail the characteristics expected for procurement professionals as they progress through their career path to a chief procurement officer. Progression through levels of procurement professionalism is associated with increasing levels of procurement complexity, risk, managerial responsibility and leadership. The roles described support the aspiration to create the capabilities required to professionally manage strategic procurement.

Currently there is a shortfall in professional procurement capacity within many government agencies. The role descriptions provide guidance to agencies for the selection of the appropriate level of procurement professional required to meet their business needs, taking into consideration the varied size and complexity of procurement activities within each agency. Large agencies will need a full-time principal procurement professional, whereas in a smaller agency, the appointment of an advanced procurement professional may be more appropriate. Large agencies also need to appoint a chief procurement officer as a full-time role, whereas small agencies will need to incorporate the key responsibilities of a chief procurement officer into another senior position.

Procurement Professional

The characteristics of the procurement professional include:

Role	<p>First level of professional.</p> <p>A fully qualified procurement professional responsible for procurement assignments.</p> <p>Has working knowledge of procurement systems, policy and procedures.</p>
Management and leadership responsibility	Typically supervises procurement practitioners.
Decision-making	<p>Typically would not have delegations to award contracts other than for operational procurements.</p> <p>Makes recommendations for contract awards.</p>
Accountability	Typically accountable for leading low to medium-value and risk procurements or discrete elements within high-value and risk procurements.
Supervision received	Typically activities are assigned by an advanced procurement professional and reviewed through the individual's performance management plan.
Public sector context	<p>Understands the business and machinery of government.</p> <p>Demonstrates political awareness.</p> <p>Demonstrates working knowledge of strategy, policy and legislation.</p>
Personal attributes and desirable qualifications	<p>Behaves as a procurement professional and articulates procurement outcomes.</p> <p>Behaves in accordance with codes of ethics and conduct.</p> <p>Typically would have studied at university in strategic procurement.</p> <p>Several years' relevant procurement experience with capacity to manage stakeholder relationships.</p> <p>Eligible for full member of CIPS (MCIPS).</p>

Advanced Procurement Professional

The characteristics of the advanced procurement professional include:

Role	Experienced at leading the delivery of the required procurement outcomes – typically for a small government agency.
Management and leadership responsibility	Typically supervises a small team of procurement professionals and procurement practitioners. Mentors and coaches procurement professionals and procurement practitioners.
Decision-making	Ability to commit for low to medium risk projects. Makes recommendations for discrete elements of significant and high-risk projects.
Accountability	Typically accountable for leading medium-significant risk procurement projects.
Supervision received	Typically activities are assigned by a principal procurement professional (or a senior manager responsible for the procurement function) in terms of organisational objectives. Undertakes activities with minimal supervision.
Public sector context	Operates and contributes to policy at the tactical level. Contributes to public procurement policy, typically preparing ministerial-level submissions.
Personal attributes and desirable qualifications	Articulates procurement outcomes. Capacity to deliver procurement training and information seminars. Contributes to the procurement body of knowledge. Typically would pursue higher awards of postgraduate study in strategic procurement.

Principal Procurement Professional

The characteristics of the principal procurement professional include:

Role	Very experienced at leading the delivery of the required procurement outcomes – typically for a large government agency.
Management and leadership responsibility	Typically responsible for the procurement capacity through multiple teams engaged in high-value and high-risk procurements. Leads innovations within procurement.
Decision-making	Ability to commit for significant risk procurement projects. Makes recommendations on high-risk procurements.
Accountability	Typically accountable for leading high-risk procurement projects. Accountable for the formulation of strategic KPIs and monitoring of benefits realised.
Supervision received	Activities are assigned at a strategic level and operate independent of direct supervision. Performance managed through outcome KPIs.
Public sector context	Influences government procurement strategy and makes recommendations on ministerial-level considerations.
Personal attributes	Represents the agency/jurisdiction at national and international levels and to CEOs, ministers and suppliers. Understands and positively influences the agency's culture and advancement of the procurement profession. Actively participates in knowledge-sharing.

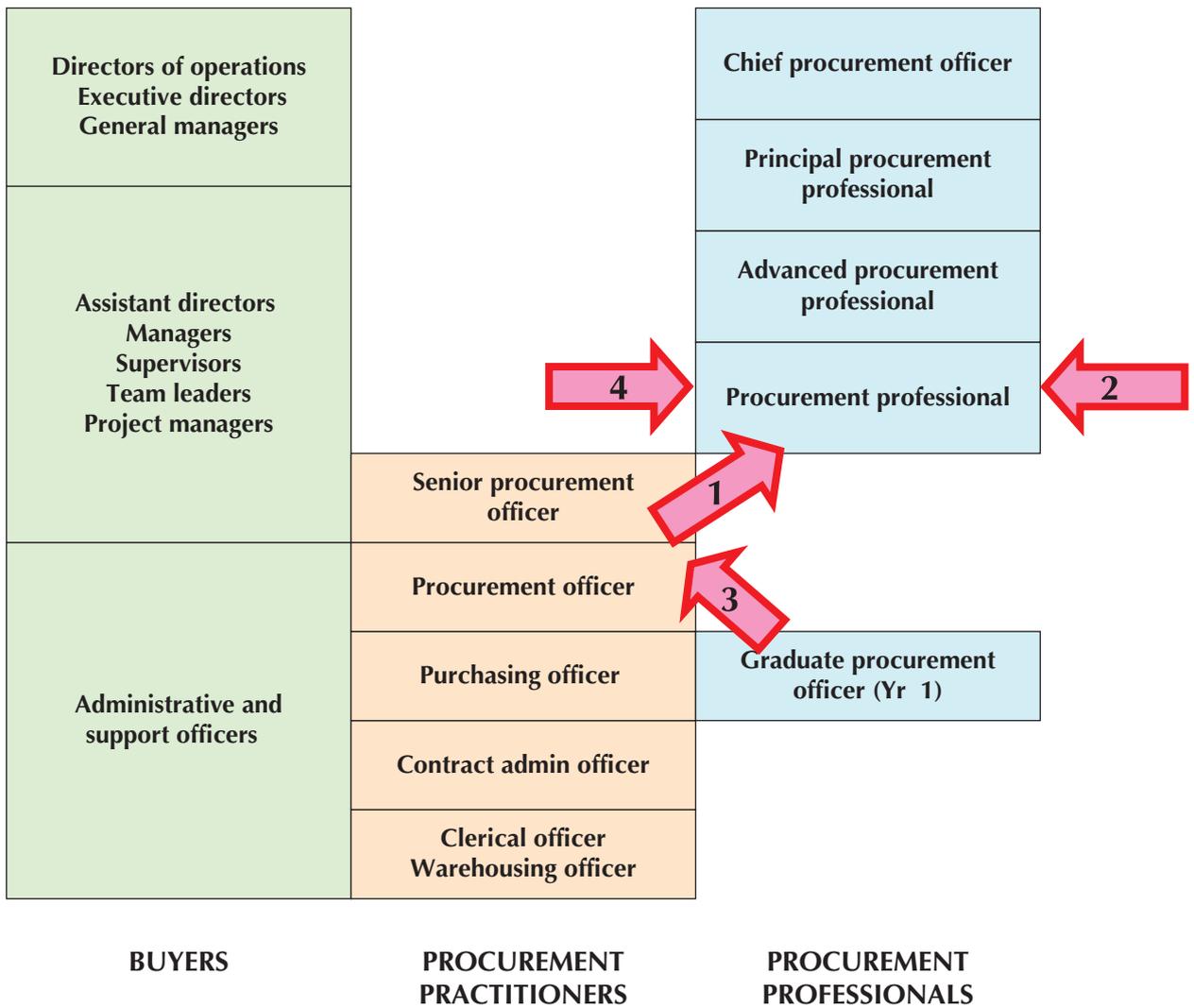
Chief Procurement Officer

The characteristics of the chief procurement officer include:

Role	<p>The most senior procurement professional for a government agency – leads procurement strategy.</p> <p>Establishes the agency's procurement goals and is accountable for achieving outcomes.</p>
Management and leadership responsibility	<p>Leads the agency's procurement capacity.</p> <p>Facilitates government procurement innovation and practice.</p> <p>Typically a member of procurement-focused government boards/committees.</p>
Decision-making	<p>Able to commit at the highest delegation level for government procurement.</p>
Accountability	<p>Responsible for delivering agency's procurement outcomes.</p> <p>Establishes and manages procurement governance arrangements in the agency.</p>
Supervision received	<p>Typically reports to the CEO and receives executive government direction.</p> <p>Performance managed by results-based KPIs contained in performance management agreement.</p>
Public sector context	<p>Excellent knowledge and understanding of machinery of government, government procurement framework, policy and legislation.</p> <p>Shapes procurement strategy and policy, and influences ministerial decisions.</p> <p>Models behaviour according to government procurement code of practice.</p>
Personal attributes	<p>Shapes the future of procurement in government.</p> <p>Positions procurement in the external environment and whole-of-government context.</p> <p>Innovates and inspires others to the procurement profession ideal.</p> <p>Contributes to the procurement body of knowledge.</p> <p>Represents the agency and jurisdiction at national and international levels and to CEOs, ministers and suppliers.</p> <p>May be eligible for fellow of CIPS (FCIPS).</p>

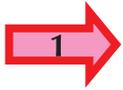
Part 2

Career pathways to professional procurement



Four major pathways

Inspiring individuals to a professional career path in government procurement can be encouraged through four major pathways, as outlined below.

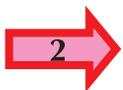


Practitioner to professional

- The traditional career pathway has focused on developing the procurement practitioner. There are some high-performing procurement practitioners who clearly aspire to the professional role – and these people need to be nurtured and supported with their own development program. Some government agencies have a prime focus in this area and are advancing the development of a procurement practitioner through vocational training programs.

However, the APCC has concluded that the public sector need for outcome-focused strategic procurement people is too great, and for many existing practitioners, the gap is too wide. So there is an imperative to pursue other recruitment initiatives.

Other career pathways to procurement professional status include:



Recruitment of professionals from the private sector

- Recruiting ready-made procurement professionals into government from the private sector. The focus of their development would be on the public sector context. The current tight labour market means significant challenges for this option.



Graduate to professional

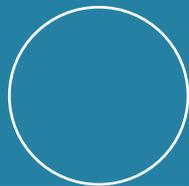
- Most jurisdictions are now focusing on the recruitment of recent university graduates. These are bright, innovative, young people who will make an impact on the future of procurement. They need to gain knowledge of procurement policies and procedures, experience in the public sector context, and gain professional acumen. They will have the capacity to move very quickly through the procurement practitioner roles to entry-level procurement professional – probably within a few years.



Lateral recruitment

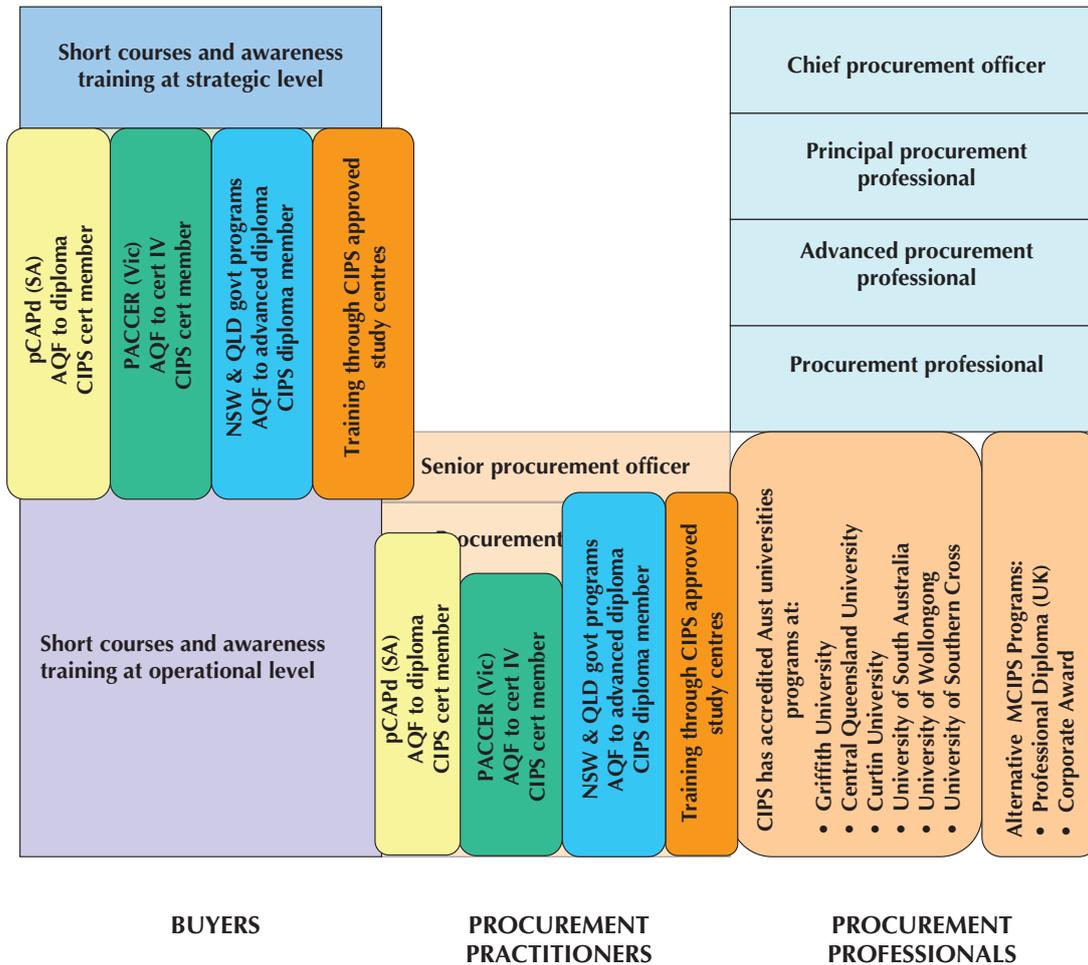
- Lateral recruitment focuses on the large pool of people within government who may have never considered strategic procurement as a career path. These people have been working in their own profession for many years, understand the government environment, and are typically good risk managers and good project managers. They already know about many of the strategic procurement needs. They need to extend their knowledge of procurement policies and procedures, and experience. They should have the capacity to quickly move into a procurement professional role after an intensive development program focusing on the procurement process.

The APCC has initiated four projects to support the development of these career pathways and the professionalism of procurement. They are outlined in the Appendix.



Part 3

Training, development and accreditation



The model that categorises government procurement people into the three groups (buyers, procurement practitioners and procurement professionals) is used here to outline a range of training programs now available in Australia. It sets an aspiration of the desirable training achieved at the various entry points to roles. This is outlined in more detail in the supplement.

The Australian Qualifications Framework (AQF) underpins most of the training programs provided in Australia tying vocational competency training to the advance diploma level to the academic learning program offered by universities. The state programs are based on a selection of the 19 specific procurement competencies available. Not all programs address all 19 competencies – so they have different qualification levels.

The Chartered Institute of Purchasing and Supply (CIPS) has also accredited most of the programs identified in the diagram.

Overview of training programs

This section outlines the current aspirational training programs for the full range of procurement people covered by our model.

In Australia most vocational training and development programs are based with the AQF – this provides a nationally consistent framework for Australian qualifications in education and training. Industry bodies use the AQF to design competency standards for their professional area.

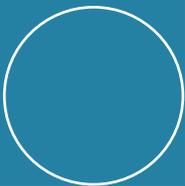
Government Skills Australia (previously PSETA) is the owner, developer and industry skills council for the Australian National Public Services Training Package (NPSTP). NPSTP represents the performance standards and competency in the Australian public sector work environment. These standards are expressed as units of competency within the AQF. Under NPSTP, nineteen procurement competency units contained in qualifications ranging from certificate III to advanced diploma. Most of the training programs for public sector procurement in Australia have been based on these units of competency. While none of the programs in themselves offer a full qualification, successful completion of the units will provide credit transfers and articulate towards either a vocational or university qualification, eg towards a Certificate IV, Diploma or Advanced Diploma in Government (Procurement) or relevant degree course.

For the development of professional procurement capabilities, the APCC has a strong preference for degree-level programs delivered by the university sector – to ensure there is a focus on strategic procurement. The rationale for this is outlined in some detail in this section.

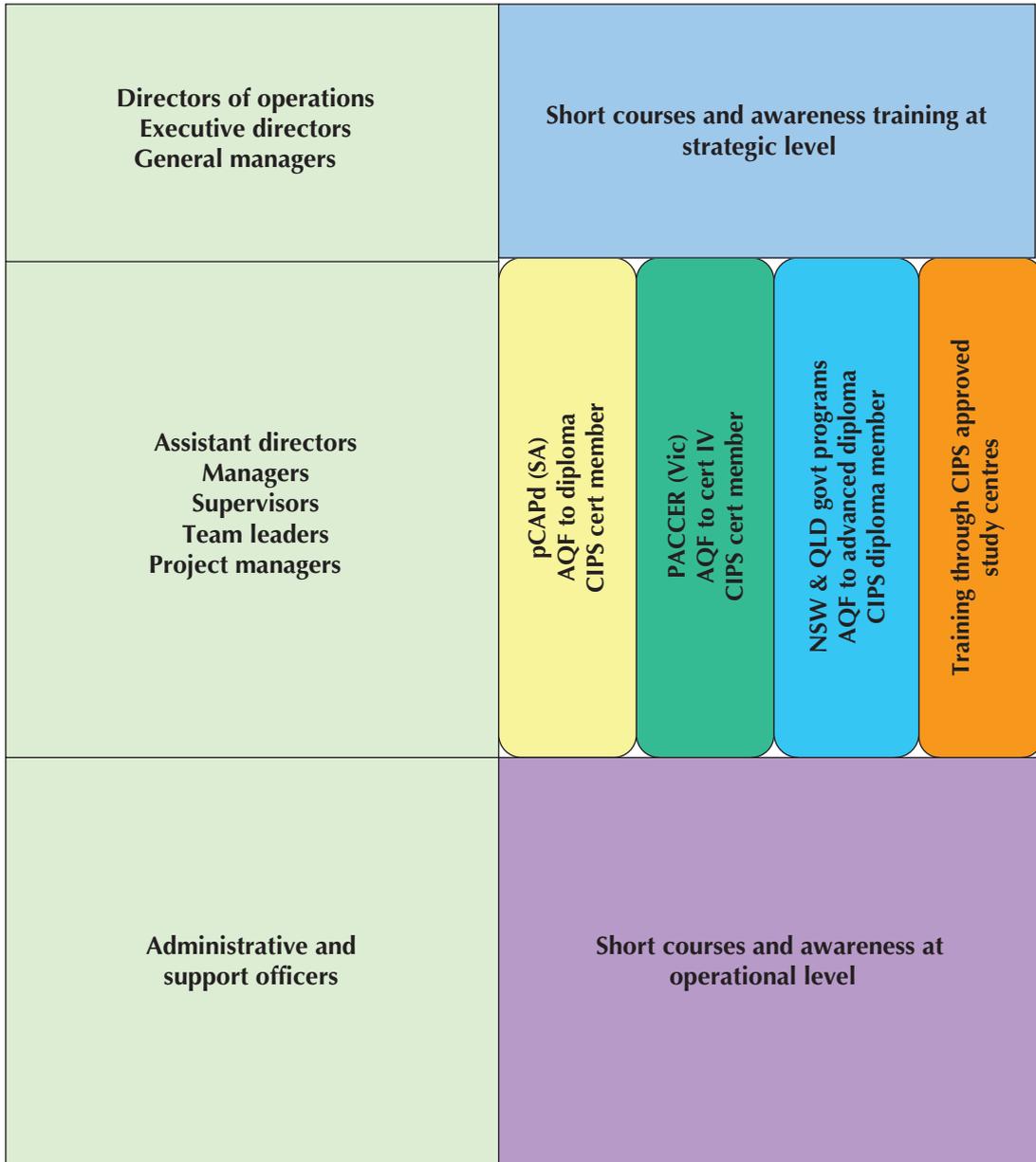
This section also provides an insight into AQF-based programs that APCC members have established.

Nearly all of the procurement training programs run by APCC members have been accredited by the CIPS towards the various levels of CIPS-member status. This accreditation is outlined further in this section. CIPS (Australia) is also arranging procurement training programs delivered through CIPS-approved study centres – based on the approach used in the United Kingdom.

The challenge now is to develop a more comprehensive and consistent framework that delivers a nationally recognised training and development program for use by all public sector agencies, and which addresses their strategic procurement as well as operational needs.



Buyers



Buyers: Training programs

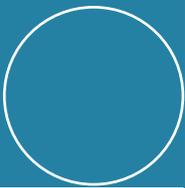
The procurement training currently run by most APCC members has an operational focus and therefore meets many of the needs of government buyers, particularly for the operational decision-makers.

Accredited training programs available for buyers include the following.

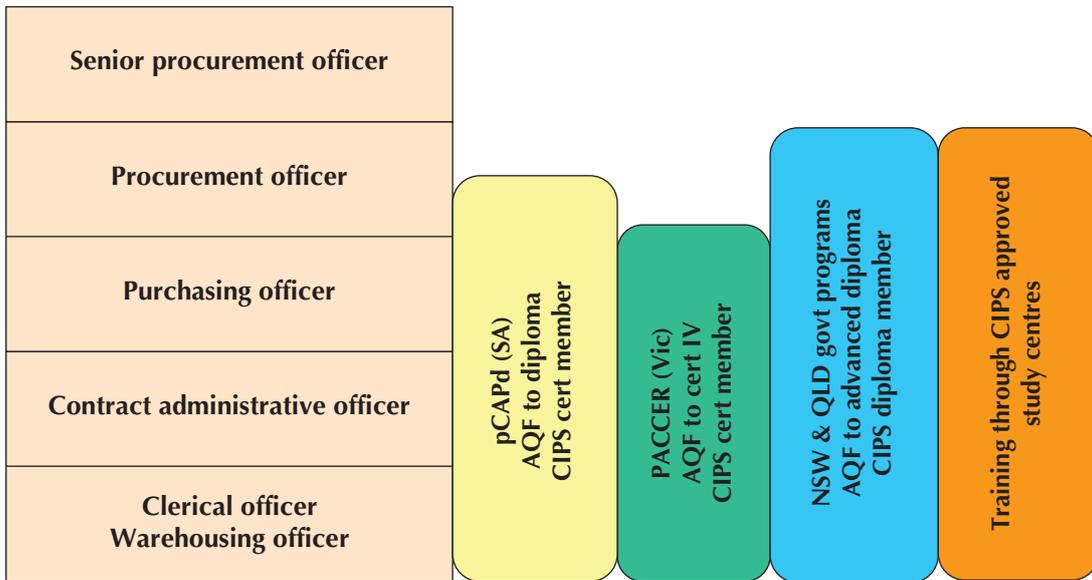
- The Procurement and Contracting Centre for Education and Research program (PACCER) was established in 1997 as an initiative of the Victorian Government Purchasing Board and the Office of Public Employment. PACCER specialises in procurement and contract management training. It has competencies to AQF certificate III and IV – and has a CIPS-accreditation to certificate member.
- The Queensland Government Chief Procurement Office’s procurement certification program was developed in consultation with two Queensland universities. It provides government officers with the ability to develop operational capabilities in procurement from basic to strategic level which are aligned to the 19 national competencies. The successful completion of the certification courses provide partial completion of a range of qualifications from certificate III to advanced diploma level. The vocational certification program has a CIPS-accreditation to diploma member and the university program has CIPS-accreditation to full member.
- The NSW Department of Commerce has developed its Procurement Certification Training Program based on the Queensland program (under license). With TAFE NSW, a model has been developed to provide recognition for students under the AQF (and CIPS-accreditation is planned). University partners are being sought to provide further professional procurement qualification at graduate certificate, graduate diploma and masters levels.
- The Procurement Capability Development (pCAPd) program for the South Australian Government State Procurement Board was established in 2004. The program is offered to state and local government officers wishing to develop competency in procurement. It has competencies to AQF certificate III, IV and diploma levels and has CIPS-accreditation to certificate member (and an accelerated entry to CIPS diploma member).
- ACT uses the AQF framework to deliver procurement training at certificate IV, diploma and advanced diploma levels.

There is also a wide range of non-accredited training and awareness programs, primarily run in-house by APCC members that aim to support buyers’ understanding of the fundamentals (procurement policy, purchasing cards, panel contracts etc). These are essential programs that apply to transactional buyers and they need to continue.

A need has been identified to develop further short courses and awareness programs to augment the existing training for senior decision-makers. For example, new programs could focus on strategic and high-risk issues such as public and private partnerships or alliance contracting. These programs would be suitable for the executive tier of the buyers group who are not served well by the existing training.



Procurement practitioners



Procurement practitioners: Training programs

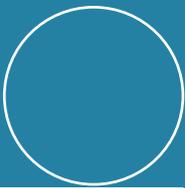
Procurement practitioners specialise in procurement as a dedicated function of their position.

The training available for the procurement practitioner is the same as that on offer to the more senior buyers (as outlined in the previous section).

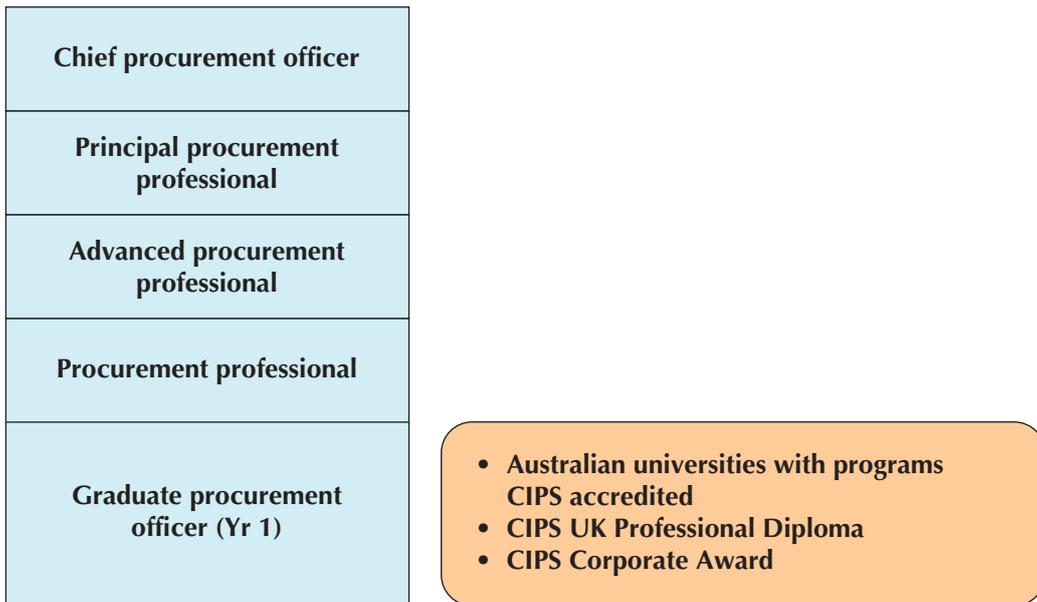
- The Procurement and Contracting Centre for Education and Research (PACCER) program in Victoria.
- The Queensland Government Procurement Certification framework.
- The NSW Government Procurement Certification Training program.
- The Procurement Capability Development (pCAPd) program in South Australia.

The CIPS has also arranged the delivery of procurement training programs through CIPS-approved study centres across Australia. The completion of these programs and relevant on-the-job experience lead to CIPS-accreditation at various membership grades (from level 3 to level 6 – see page 31).

In addition to these accredited training programs that focus on the technical aspects of procurement, there is also a need to support procurement practitioners with niche training programs covering other key skills. Short courses in negotiation and facilitation are two important examples. Collaboration by APCC members and CIPS (Australia) in arranging these short courses has the potential to deliver an improved national training program.



Procurement professionals



Procurement professionals: Training programs

The APCC's primary objective in building government procurement capabilities is to inspire individuals to choose procurement as a profession by providing career pathways to advanced professional levels.

Central to APCC's vision is a framework for university education in strategic procurement.

The preferred aspirational university model would allow undergraduates to major in strategic procurement, probably as part of a business or commerce degree. The desired postgraduate course would start with a graduate diploma in strategic procurement. The pinnacle would be a recognised qualification such as Masters of Strategic Procurement or Masters in Business Administration with a major in strategic procurement.

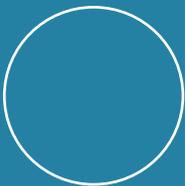
CIPS offers several pathways to full membership. This includes granting CIPS-accreditation to approved Australian university programs, a United Kingdom-based professional diploma through CIPS-approved study centres and a corporate award program customised for agencies. Currently there are no tertiary institutes offering this route in New Zealand. However, the Government Procurement Development Group is leading discussions with tertiary agencies with a view to introducing a similar university model in New Zealand in the next five years.

People who successfully complete these programs and evidence three years of procurement-related work experience will be recognised as full members of CIPS (also known as MCIPS).

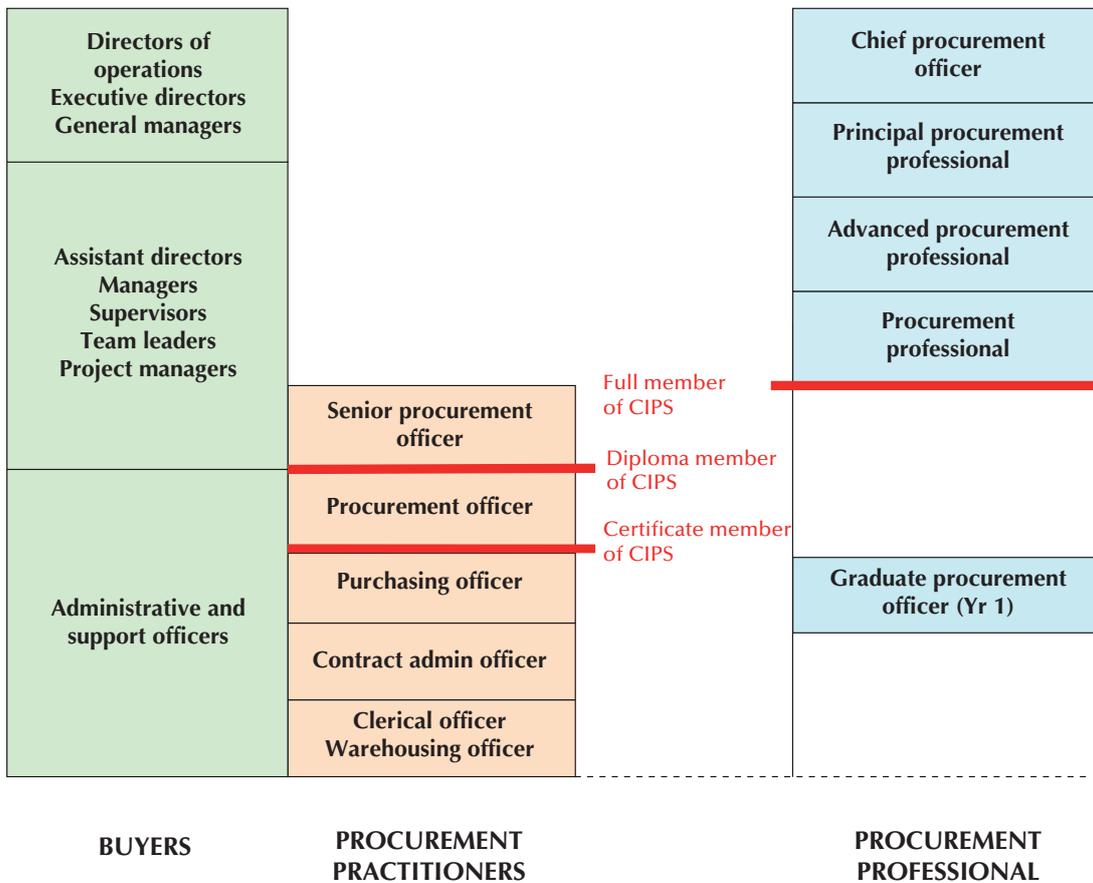
Significant benefits are associated with the university pathway:

- Students not only gain important strategic procurement skills, they will achieve a university qualification and also receive MCIPS recognition once they meet the experience criteria.
- Key to the development of any profession is the cultivation of a community of peers. University students get the rich experience in networking with other upcoming professionals.
- University acknowledgement will help to promote and enhance the reputation and status of the procurement profession in Australia.

Hence the APCC strongly supports the university pathway.



Building the professional standing of procurement



The model that categorises government procurement people into the three groups (buyers, procurement practitioners and procurement professionals) is used here to set an aspiration for the progression of procurement people according to the CIPS membership framework.

Chartered Institute of Purchasing and Supply (CIPS) accreditation framework

The APCC is working with the CIPS (Australia) to associate the CIPS membership framework from the government procurement development framework in Australia.

As noted in the section on training courses, CIPS-accreditation and membership grades cover a spectrum of needs. The completion of various courses results in achieving a series of accreditations from CIPS.

- Certificate member – has achieved CIPS Level 2 (Introductory Certificate in Purchasing and Supply) and CIPS Level 3 (Certificate in Purchasing and Supply) or another CIPS-accredited training program (such as PACCER).
- Diploma member – has successfully completed the CIPS Level 4 (Foundation Diploma in Purchasing and Supply) or another CIPS-accredited certification program (such as Queensland Government programs).
- Associate member – is the grade for people who are developing their careers towards MCIPS status, those who achieved the CIPS Level 5 Advanced Diploma in Purchasing and Supply or are working towards MCIPS through the Personal Development Plan (PDP).
- Full member (MCIPS) – is recognised internationally for his/her professional accomplishment. People can achieve this through a range of study options, most notably through the CIPS Level 6 in Purchasing and Supply (which is seen in the UK context as a degree-level qualification). In the Australian context, the university pathway is also available through CIPS-accredited programs, e.g. Griffith University, Curtin University and Wollongong University. For very experienced procurement people who have not undertaken a CIPS-accredited training program, there is also a pathway to MCIPS through the Personal Development Plan (PDP).

The aspiration of progression through the various CIPS membership grades is more relevant to the career path for procurement practitioners (as outlined on page 21).

For those on the ‘graduate to professional’ and ‘lateral recruitment’ career paths – the achievement of MCIPS would be their prime aspiration, through university-level qualifications.

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Appendix: APCC Projects

The APCC is advancing four projects to address the urgent need to enhance procurement capability across government.

- Project 1: University Qualification for Procurement Professionals
- Project 2: Continuous Professional Development
- Project 3: Retro-fit MCIPS to Existing Government Professionals
- Project 4: Core Competencies and Role Statements

An overview for each of these projects appears in the following pages.

Project 1: University Qualification for Procurement Professionals

Directors of operations Executive directors General managers		Chief procurement officer			
		Principal procurement professional			
Assistant directors Managers Supervisors Team leaders Project managers		Advanced procurement professional			
		Procurement professional			
	Senior procurement officer	Griffith University (QLD) Central QLD University	Curtin University (WA)	University of South Australia	University of Wollongong Southern Cross University (NSW)
Procurement officer					
Purchasing officer					
Contract admin officer					
Clerical officer Warehousing officer					
Administrative and support officers					

BUYERS

PROCUREMENT PRACTITIONERS

PROCUREMENT PROFESSIONALS

This model shows all the CIPS-accredited university programs in Australasia. While some of these programs have been developed in collaboration with the public sector and fully meet the current government needs, several of these university programs have a strong focus on supply chain management and logistics, and on meeting the needs of major corporations in resource development and manufacturing businesses. In reviewing the suitability of these university programs for their professional development needs, public sector agencies may find that their students will need to add 'strategic procurement' electives into their choice of units to ensure their qualification incorporates the more holistic 'outcomes focus' approach now required within many government professional procurement roles. The addition of these elective units may occur within these universities when there is a suitable demand from public sector students, or it may be achieved now through other universities. The APCC will be working with CIPS (Australia) and the university sector to address the shortfall in these programs.

University Qualification for Procurement Professionals

Vision: In Project 1, the APCC is working with CIPS (Australia) in a coordinated approach to the university sector to promote strategic procurement programs and to encourage universities to include procurement-based subjects in their undergraduate and postgraduate business programs.

The APCC believes that the lack of university graduates (either through their first degree or through postgraduate diploma or masters programs) who have had exposure to strategic procurement concepts, can only be overcome by collaboration with private sector strategic employers seeking similar graduates.

Should the public and private sectors seek different skill sets from university graduates, they will make it difficult for universities to respond. Another key reason for this focus on the Australian university sector is to help grow business and community understanding of the procurement profession.

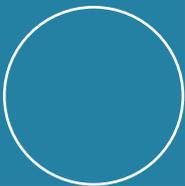
A growth in the number of people with a university qualification in strategic procurement, combined with the body of procurement knowledge expanding through university research programs, will help the profession gain more recognition.

Objective: To develop the procurement university-level education model that will meet both government and private sector needs at the MCIPS standard.

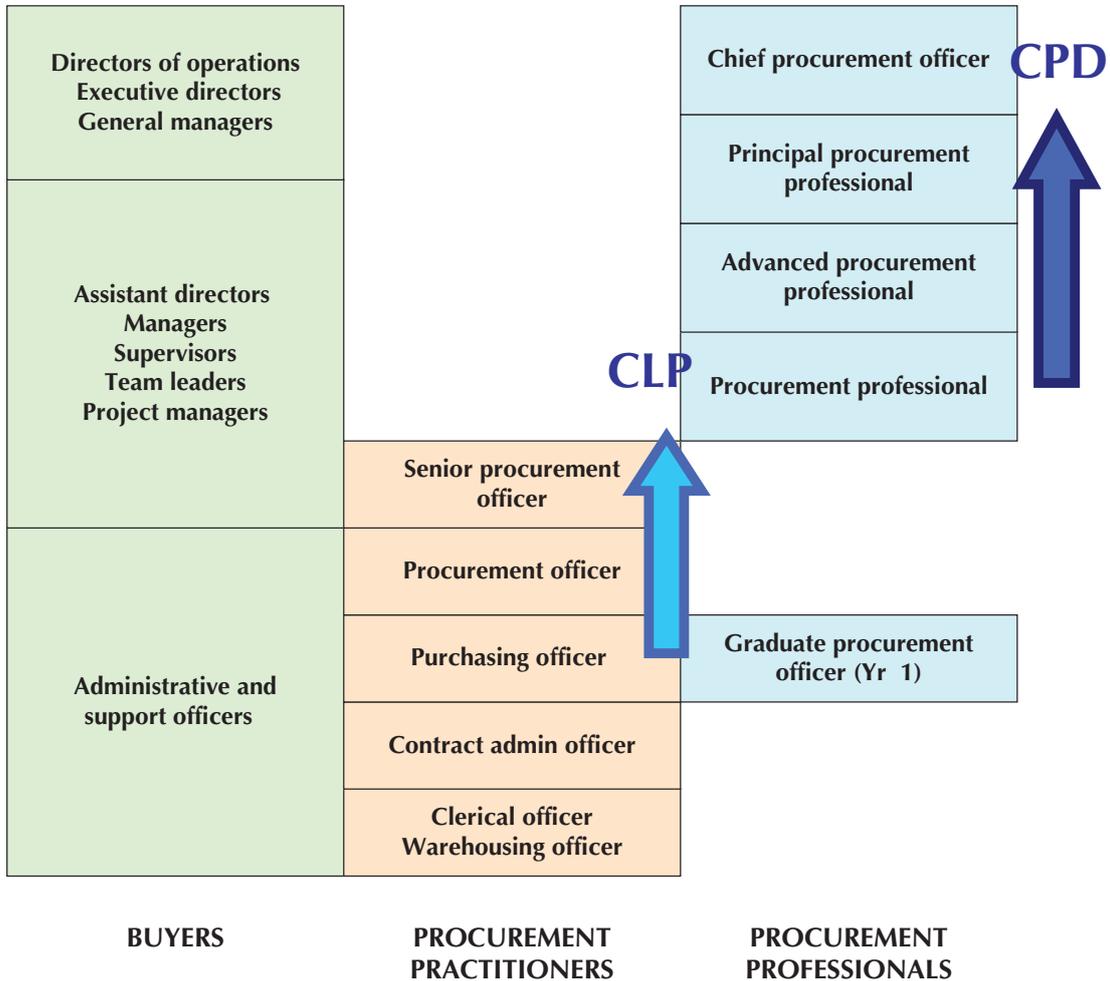
Target: A degree level 'strategic procurement' program suitable for the public sector will be delivered by a university in at least four jurisdictions in 2010 and in at least six jurisdictions by 2012.

The working group will:

1. develop a partnership model between APCC and CIPS (Australia) for communicating with selected universities
2. develop the value proposition for presentation to universities
3. establish a visitation program and a presentation pack for discussion with universities
4. support and encourage a model of collaboration across universities that have strategic procurement programs.



Project 2: Continuous Professional Development



Note: The CPD should not be confused with the Continuing Learning Program (CLP) that is used by CIPS to advance the skills and accreditation of procurement practitioners. The CLP focuses on the pathway to full membership of CIPS.

The CPD focuses on professional development *beyond* MCIPS.

Continuous Professional Development

Vision: Project 2 aims to establish a structured Continuing Professional Development program (CPD) that supports an individual's standing and progress as a professional in government procurement.

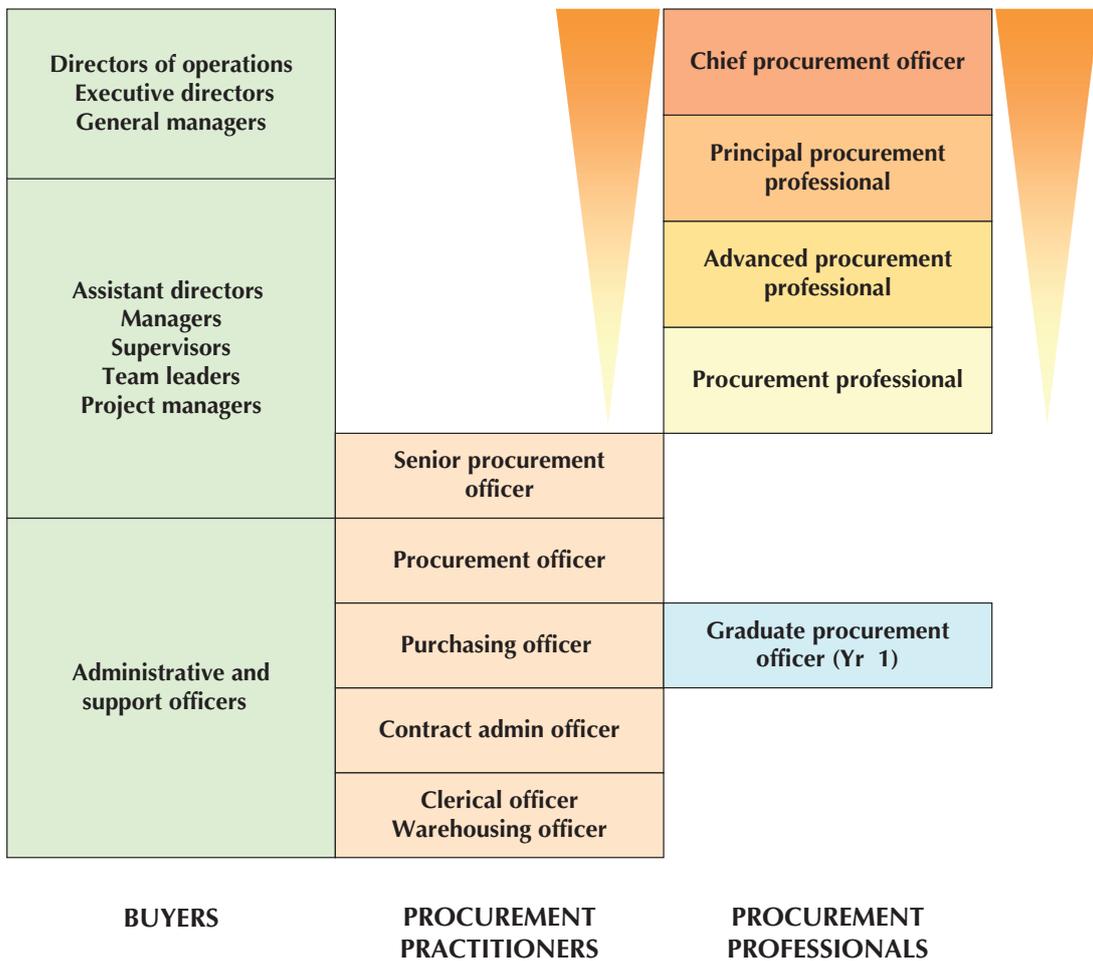
As in other professions (eg accounting and engineering), CPD initiatives and benchmarks are designed to maintain the necessary professional competence to enable the continued provision of high-quality services to clients as an individual advances in his/her professional career.

Objective: To develop an enhanced CPD program for the government procurement profession. The CPD program is to operate from the entry level of the profession through to the most senior position of the government procurement profession. The public sector program should have flow-on possibilities for procurement professionals in the private sector.

The working group will:

1. compare the CPD programs of CIPS with that of other professions and seek to develop an appropriate CPD model for the procurement profession
2. establish appropriate benchmarks for maintaining and developing competencies in the government procurement profession
3. pilot an enhanced CPD program with CIPS, including an appropriate recording mechanism for professional development undertaken, and then seek to establish a viable, ongoing CPD program suitable for both the public and private sectors.

Project 3: Retro-fit MCIPS to Existing Government Professionals



Retro-fit MCIPS to Existing Government Professionals

Vision: A key anticipated outcome for the APCC working with CIPS is to help develop the procurement profession in Australia and New Zealand. The goal of Project 3 is for the APCC to seek recognition of the status of existing procurement staff – by seeking a new pathway to MCIPS.

With CIPS still only a fairly new organisation in the Australian and New Zealand contexts, there is a unique opportunity to retro-fit the MCIPS accreditation standard for established procurement professionals.

If leaders of procurement across Australasia proudly promote the MCIPS status, their developing staff should aspire to the same status. This will help CIPS establish itself as the recognised professional body in Australia and New Zealand for procurement. This window of opportunity will only last for a few years.

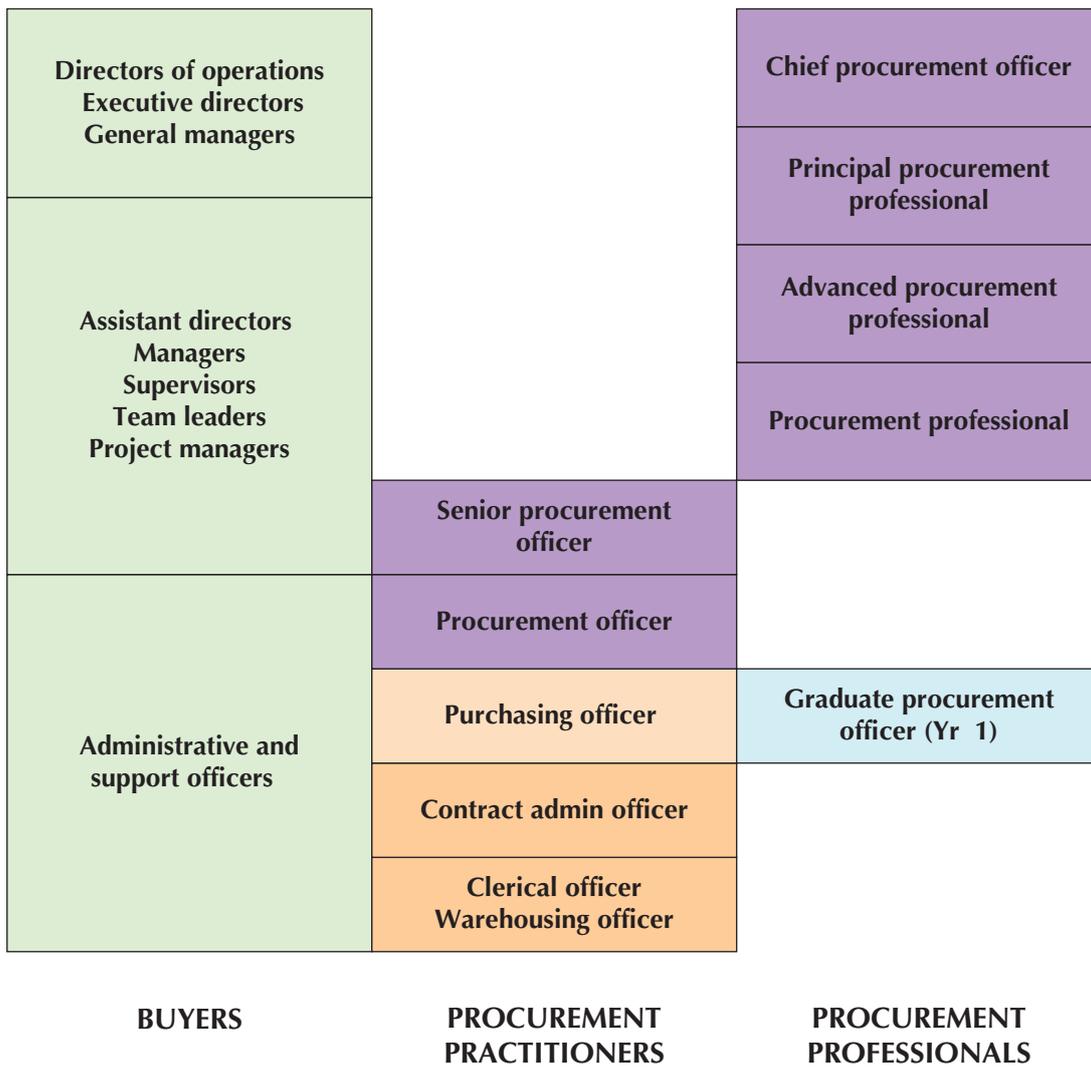
Objective: To streamline the CIPS Professional Development route to MCIPS accreditation for senior government staff with substantial management and procurement experience. This would see key leaders apply for, be accredited, and then proudly sponsor the MCIPS status.

The approach should have similar flow-on possibilities for key procurement leaders in major private sector agencies.

The working group will:

1. pilot a group approach to the PDP application process and investigate opportunities to streamline this pathway to MCIPS
2. encourage CIPS to consider a new pathway to MCIPS that recognises the benefits of a ‘retro-fit’ for key procurement leaders in Australia and New Zealand
3. promote the sponsorship of MCIPS status among senior government procurement leaders
4. promote a similar approach among private sector agencies.

Project 4: Core Competencies and Role Statements



In this project we are focusing on both procurement practitioners and procurement professionals (the positions are shaded in purple).

Core Competencies and Role Statements

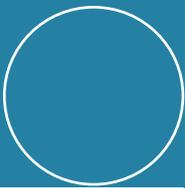
Vision: In Project 4 the APCC is working towards developing a generic set of core competencies for the top two levels of procurement practitioners and all four levels of the procurement professional. Establishing benchmark competencies and attributes expected for the various roles will help define the structure of the government procurement profession and further develop the career pathways and development programs.

Objective: To develop a framework of core competencies for procurement roles that will facilitate the comparison of procurement positions between agencies and across jurisdictions. The framework should also support training and development program planning. The framework will address technical and non-technical competencies and will seek to provide national consistency and comparability. These can also be used within the jurisdictions to develop their own role statements.

The working group have:

1. reviewed the existing arrangements across the jurisdictions
2. identified procurement technical and non-technical competencies
3. published a guide setting out the agreed standard.

The first edition of the guide is shown in the supplement. As APCC state and territory members implement the guide, it will be updated by the working group. Please refer to the APCC website for the most current edition.



About the APCC

Founded in 1967 the Australian Procurement and Construction Council Inc (APCC) is the peak council of departments responsible for procurement, construction and asset management policy for the Australian, state and territory governments. New Zealand is an associate member. The APCC reports to the Australian Procurement and Construction Ministerial Council (APCMC), comprising ministers with direct responsibilities for procurement and construction matters.

The APCC has established itself as a national reference point for both government and industry on best practices, principles and emerging issues in procurement, construction and asset management disciplines.

The Council provides leadership in these disciplines to improve and implement new and evolving procurement practices in ways that will deliver service benefits to the Australian community.

The APCC forum is a catalyst for knowledge sharing, intelligence gathering and has the information networks to draw on for formulating solutions. The APCC collective continues to strengthen relationships with government partners and other stakeholders to promote a consistent and coordinated national approach to government procurement.

Acknowledgement

This document is the outcome from the work of the Australian Procurement and Construction Council’s Procurement Skills Action Team, which comprises representatives from the following APCC member authorities:

New South Wales	Department of Commerce
Victoria	Department of Treasury and Finance
Queensland	Department of Public Works
South Australia	Department of Treasury and Finance
Western Australia	Department of Treasury and Finance
Northern Territory	Department of Corporate and Information Services
Australian Capital Territory	Department of Treasury
New Zealand	Ministry of Economic Development

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