



The College for Adult Learning

LEARNER ASSESSMENT PACK

BSBPRC502 Manage Supplier Relationships

Assessment Tasks

For this unit you are required to complete the following assessments:

Assessment Task 1 – Manage Supplier Agreements

Assessment Task 2 – Resolve Disagreements with Suppliers

Assessment Task 3 – Review Supplier Performance

At the end of this Learner Assessment Pack (once you have completed the above Assessment Tasks) you will be required to submit your work online where you will agree to the required student declarations.

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Contents

Assessment Description.....	4
Introduction.....	4
Assessment Task 1 – Manage Supplier Agreements	6
Task Description.....	6
Task 1 Specifications.....	7
Procedure.....	8
Part A Setting up your team.....	8
Part B Assessing suppliers	11
Assessment Task 2: Resolve Disagreements with Suppliers	15
Task Description.....	15
Task 2 Specifications.....	17
Procedure.....	17
Assessment Task 3: Monitor and Review Supplier Performance	20
Task Description.....	20
Task 3 Specifications.....	21
Procedure.....	21

Assessment Description

This assessment pack requires the learner to manage supplier relationships. To complete this comprehensive assessment, the learner must complete 3 assessment tasks. For an assessment to be considered satisfactory, all elements of it must be complete. On completion of the 3 assessments, the learner will demonstrate that they can:

- Manage supplier agreements
- Resolve disagreements with suppliers
- Finalise agreements
- Review performance of suppliers

Introduction

Before you commence this Learner Assessment Pack, you must ensure that you have a good understanding of this subject by completing all of the learning materials, learning activities and quiz included in this unit. You must also make sure that you understand the assessment requirements – by reading this document carefully.

All students who have nominated a third party for their course must provide a completed third-party evidence collection form for this unit. You can nominate a third party [here](#).

All documents submitted for this assessment must:

- be correctly named
- be professionally presented and typed
- have your name in the footer of each page of the document
- include a bibliography and in text citations using the Author Date method for more information click [here](#).

We recommend that you submit all assessment documents in a zipped folder and all learning journal activity documents in a separate zipped folder. Click on the Assessments tab within the unit and use the Assessment Submission field to attach your two zipped folders.

Note: This assessment must be undertaken only using the John Readings case study organisation and cannot be undertaken based on your workplace.

All students must nominate a third party and must provide a completed third-party evidence collection form for this unit.

Assessment Task 1 – Manage Supplier Agreements

Task Description

For this assessment you are required to manage and monitor supplier agreements for:

- [John Readings](#) (Case Study)

Assessment Task 1	Assessment Task 2	Assessment Task 3	Submit your Assessment
Manage Supplier Agreements	Resolve Disagreements with Suppliers	Monitor and Review Supplier Performance	

NOTE: The work completed for this assessment task provides the basis for completing Assessment Tasks 2 and 3. Ensure you keep a copy of this completed assessment for future use.

This task is to be completed in your own time and once you have completed the program of learning for this unit. The answers and all relevant documents must all be submitted for assessment.

It is recommended that you create an assessment folder for all of the documents required for this assessment. When saving files be sure to clearly identify the related task for example:

- BSBPRC502__Task_1_Manage Supplier Agreements

You must answer all questions correctly to demonstrate knowledge performance and/or complete all tasks satisfactorily to demonstrate task application.

Scenario

You have recently been appointed to a new position at John Readings as the Manager of Supplier Relationships. Up until your appointment, the Manager of Logistics has taken responsibility for suppliers however, with the business growth (both online and in the retail sector) along with planned expansions throughout South East Asia and beyond, it has become a full-time job working with and managing suppliers.

The company recently developed its strategic partner program which is due to be rolled out globally (see John Readings Strategic Partner Program) and you're the person selected to roll it out.

The current team in place to support you comprises:

- 0.5 EFT Legal/Contract Approvals (shared role with the head office legal team)
- 3 equivalent full-time (EFT) workers

It is recommended that you access and study the following documents to gain an understanding of the case study company and what it does.

- Organisational chart
- JR Vision and Mission
- An Overview of the Company
- JR Expansion Strategy
- JR Strategic Partnership Program

The supplier partner agreement is in place but, there's still a lot to do to ensure it delivers the outcomes the company demands.

Task 1 Specifications

You must submit:

- Supplier Management Guide
- Procedure review document
- Contract Selection Criteria template
- Completed checklist for existing supplier

- Alternative suppliers document
- Request for Tender proposal
- Contingency Plan
- Email to current supplier with meeting agenda
- Simulation with your Assessor
- Email to Manager
- Email to supplier
- Email to all stakeholders
- Email to Manager
- Email to stakeholders
- Email to Manager

Procedure

NOTE: There are TWO parts to be completed in this assessment task.

Part A Setting up your team

1. Your manager has asked you to create a Supplier Management Guide. This guide needs to contain the information you and your team need to know in order to effectively manage the company's supplier agreements.

Your guide must include:

- a. A statement about the Company's Strategic Partnership Program, its objectives and outcomes.
- b. Develop a Code of Practice for the team for working collaboratively with others and include a statement about the importance of transparency and trust in the supplier relationship along with some suggestions to build same
- c. Discuss probity and ethics in relation to supplier and contract management
- d. Discuss the risks associated with supplier management
- e. Provide a risk assessment tool
- f. Develop a procedure for monitoring and controlling risks

- g. Outline the national and state/territory legislation, regulations and codes of practice which you and your team need to be aware of when working with suppliers. Ensure that you include EEO and anti-discrimination, confidentiality, intellectual property, contract, trade practices and commercial law.
- h. Provide a communication strategy for supplier and contract management
- i. Describe the processes that will facilitate the supplier relationship and day to day operations from commencement to finalisation of the contract including disposal considerations and common use arrangements
- j. Discuss performance management in contract compliance including how to monitor, review and evaluate supplier performance
- k. Describe ten common performance issues and disagreements might you anticipate with suppliers of the company and how these should be resolved.
- l. Outline financial management processes relating to contracts including the negotiation of price variations during the life of the contract
- m. Outline the procedures for accepting goods and services
- n. Outline the procurement approval process
- o. Discuss best practice procurement negotiation practices including the legal compliance and ethical requirements
- p. Develop a contract evaluation process
- q. Develop a list of key performance indicators for your team. When developing these measures, you need to check that each one:
 - i. Has a clear link to the company's strategy,
 - ii. Is realistic i.e. it can be brought to life so make sure you spell it out in enough detail that you know exactly how to calculate it, how often and from which data etc.,
 - iii. Can be tracked regularly and over time,
 - iv. Can be understood by your users,
 - v. Inspires the right behaviour.

2. Create a document titled Procedure Review document. Review and provide an overview of each of the following John Readings procedures and how each relates to managing supplier relationships:
 - r. Code of Conduct
 - s. Ethical work practices
 - t. Procurement
 - u. Tendering for contracts
 - v. Managing contracts
 - w. Operating electronic communications equipment

Scenario

John Readings is an Australian book publisher, distributor and retail business with stores located throughout Australia and New Zealand and a large online business.

They have decided to commence the procurement process for the appointment of a contract cleaning company to clean all offices, shared work areas and bathrooms at each of its worksites nationally. The current contractor, [Spotless](#), is also to be included in the selection process.

The organisation has been using Spotless to undertake this function for the past year. You have established a good working relationship with their representative, however, there have been a wide variety of issues during the last month including:

- Water usage that is above the targeted quarterly amount
- Occurrences of unsafe disposal of chemicals and waste
- Unconfirmed reports that the contractor may be employing refugees for below award-rates
- A reported observation of cleaners handling chemicals with no availability of personal protective equipment
- Reports of money missing from office desk drawers after the weekend when cleaning has been conducted (and no one else has had access to the worksite during this timeframe)

The current contract with Spotless has another three months before it is finalised so you will need to address the issues raised.

The organisation intends to negotiate a contract with a supplier that fulfils all required deliverables including a competitive price, consistent and reliable quality of service and compliance with all relevant legislation. As a member of the procurement team, you have been asked by the Procurement Manager to manage the procurement and resulting contract.

Part B Assessing suppliers

1. Develop a template titled Contract Selection Criteria and detail the included criteria which must be addressed in the contract for this contracted service.
2. Assess and document the existing supplier against the criteria and complete the checklist.
3. Create a document titled Alternative Suppliers. Provide weblinks to three alternative suppliers and outline the services that they provide. Explain how each supplier meets the legal and organisational requirements
4. Develop a Request for Tender proposal to provide the current and potential suppliers including costings for the contract.
5. Develop a contingency plan in the event that the suppliers fail to deliver.
6. Draft an email to the current supplier inviting them to a meeting to address the non-compliances and evaluate their performance. Prepare and attach a meeting agenda, a template is provided [here](#). You will also need to complete all relevant documentation (e.g. checklists and forms) in preparation for this meeting.

NOTE: You must submit the Part B Questions 1 to 6 to your assessor as a pre-assessment submission at least three days prior to your simulation call. On the

Assessments tab of this unit attach your documents in the Pre-Assessment Submission portal.

7. Book an appointment with your Assessor to undertake the meeting at John Readings (as a role play).

You must now undertake a meeting with the current supplier (as a role play) to discuss the non-compliances which have been raised by stakeholders. You will need to negotiate and resolve the issues and seek to amend the existing agreement to ensure that performance standards can be met. The Assessor will play the role of the supplier during the role play.

To prepare for the role play:

You must review documentation developed in Questions 1 through to Question 6 and ensure you understand the requirements for the contract as this will be the basis for the meeting in addressing the non-compliances.

Review the Assessor Observation Report to ensure that you understand and address all the criteria listed. Your assessor will complete the Observation Report during the role play.

Ensure the meeting with the assessor is **30 minutes in duration**.

During the role play you will need to demonstrate that you have:

- a. Identified and discussed the performance issues you identified
- b. Negotiated with the supplier to establish the amendments for the contract to address the performance issues
- c. Demonstrated appropriate negotiation skills to build trust with the supplier, resolve the issue and reach an agreement

- d. Applied effective communication skills to ensure all contractual obligations are clearly understood and clarify any questions from the supplier.

When you are ready to complete this task, schedule a simulation call appointment with your Assessor using the link [here](#).

A follow-up interview may also be required (at the discretion of the assessor).

Once you have completed your role-play, continue working through this Learner Assessment Pack.

8. Draft an email to your Manager attaching the draft amendment to the agreement and seeking endorsement and sign off.
9. Follow up after your meeting by drafting an email to the supplier and providing meeting minutes, evaluation documents and outlining the corrective actions required in the form of a contract amendment document. You need to seek and obtain approval for the amendments.
10. Draft an email to all stakeholders communicating the approved amendment.
11. Draft an email to your Manager discussing the market factors which may affect the contracted cleaning services.
12. Based on your meeting with the current supplier, draft an email to your stakeholders making recommendations about the future use of suppliers for this contracted service.
13. Based on your evaluation of potential suppliers, draft an email to your Manager suggesting any potential suppliers who should not be considered and outlining the reasons for this recommendation.

Now that you have completed your first assessment task, save your work and continue on with Assessment Task 2.

Assessment Task 2: Resolve Disagreements with Suppliers

Task Description

For this assessment task you are required to prepare for negotiation with a supplier regarding a disagreement or other supplier issue for:

- [John Readings](#) (Case Study)

Assessment Task 1	Assessment Task 2	Assessment Task 3	Submit your Assessment
Manage Supplier Agreements	Resolve Disagreements with Suppliers	Monitor and Review Supplier Performance	

NOTE: The work you complete for this assessment task provides the basis for Assessment Task 3. Ensure you keep a hard copy of this completed assessment for future use.

This task is to be completed in your own time and once you have completed the program of learning for this unit. The answers and all relevant documents must all be submitted for assessment.

It is recommended that you create an assessment folder for all of the documents required for this assessment. When saving files be sure to clearly identify the related task for example:

- BSBPRC502_Task_2_Resolve Disagreements with Suppliers

You must answer all questions correctly to demonstrate knowledge performance and/or complete all tasks satisfactorily to demonstrate task application.

Scenario

After a long and exhaustive process, you have finally selected a supplier to provide the specialised packing required for unique and expensive books. It has been hard to find the right supplier for these materials as the demand for hard-copy books has decreased and the expense of purchasing a rare or first edition book means the market is small.

However, with John Readings global online expansion, it is anticipated that demand for these collector books will increase and so the supply of the specialist packaging will also increase.

It has taken months to search for and locate a suitable supplier who can provide the packaging at a reasonable price, so you want to keep the supplier happy and engaged with John Readings. Your plan is to build a long-term relationship with the supplier so that the contract increases overtime which makes it worthwhile for the supplier and for John Readings. You hope that this will also encourage innovation so that, over time, the supplier may design more efficient and effective ways to pack and transport this valuable cargo. With the move to a fully global online business, you think the need to successfully pack and transport items of high value will grow, giving the supplier a steadily increasing business return. It is a win/win and you are very aware of how lucky you've been to find them.

Now, with the contract about to be signed and deliveries to commence, the supplier has rung you to let you know that they are not happy with the payment terms that have come directly to them via the finance department. They were not what you and he had discussed and, when you spoke to a representative from finance, they were very unhelpful, simply restating the company policy.

When you investigate it, it seems the Finance Manager has reviewed the contract and approved standard supplier payment terms (30 days) without checking the contract or contacting you to double check. To make it even worse, a junior member of the finance team spoke to your (soon to be supplier) and was intractable. No attempt at appeasement or offer to check it out was suggested so your supplier felt his contract was not valued as he had received such poor service. Not surprisingly, the supplier is not happy with the payment terms nor the service received. He is now demanding payment upon delivery along with some form of recognition as a valued supplier.

Task 2 Specifications

You must submit:

- Email to Finance Manager
- Simulation with Assessor
- Contract variation form and Supplier Negotiation Outcomes report
- Email to stakeholders

Procedure

1. Draft an email to the Finance Manager investigating the issues which have been raised.
2. Book an appointment with your Assessor to undertake the meeting at John Readings (as a role play).

It is now time to meet and negotiate with the supplier. The negotiation needs to include opportunities for two-way interaction and discussion, rather than the delivery of one-way information to an audience. Your goal is to negotiate effectively with someone who holds an opposing position or view, to achieve a mutually beneficial resolution. You are required to use the relevant tools and checklists which you have previously developed. The Assessor will play the role of the supplier the role play.

To prepare for the role play:

You must review the case study documentation.

Review the Assessor Observation Report to ensure that you understand and address all the criteria listed. Your assessor will complete the Observation Report during the role play.

Ensure the meeting with the assessor is **30 minutes in duration**.

During the role play you will need to demonstrate that you have:

- a. Negotiated with the supplier to establish the arrangements which will be included in the contract

- b. Demonstrated appropriate negotiation skills to build trust with the supplier, and reach an agreement
- c. Applied effective communication skills to ensure all contractual obligations are clearly understood by all in attendance and clarify any questions from the supplier.

When you are ready to complete this task, schedule a simulation call appointment with your Assessor using the link [here](#).

A follow-up interview may also be required (at the discretion of the assessor).

Once you have completed your role-play, continue working through this Learner Assessment Pack.

3. Once you have conducted the negotiation and achieved an agreed outcome (or not), you will need to review and evaluate the outcomes and then document them, along with any amendments to contract.

You must complete the Contract Variation form which you have developed and make sure it is signed and dated.

Attach to a written report for your manager titled Supplier Negotiation Outcomes. For tips on writing and presenting your report click [here](#).

Your report must include:

- a. What was the outcome of the negotiation?
- b. How effective was the negotiation? Make a list of the positives and negatives of the negotiation.
- c. What would you change if you repeated this negotiation? How could you improve?
- d. Explain the documentation and approval process undertaken after the negotiation.

- e. Make a list of the people to whom you should also communicate the approved amendments and briefly outline why, then, describe how you would communicate with these stakeholders.
-
4. Draft an email to the stakeholders informing them of the amendments which were discussed and request approval to implement the changes to ensure that the relationship is maintained with the supplier.

Now that you have completed your second assessment task, save your work and continue on with Assessment Task 3.

Assessment Task 3: Monitor and Review Supplier Performance

Task Description

Now that you have the contract agreement in place and can resolve disagreements and finalise agreements, the next and final step in managing the supplier's relationship is to review their performance for:

- [John Readings](#) (Case Study)

Assessment Task 1	Assessment Task 2	Assessment Task 3	Submit your Assessment
Manage Supplier Agreements	Resolve Disagreements with Suppliers	Monitor and Review Supplier Performance	

NOTE: Ensure you keep a copy of this completed assessment for future use.

This task is to be completed in your own time and once you have completed the program of learning for this unit. The answers and all relevant documents must all be submitted for assessment.

It is recommended that you create an assessment folder for all of the documents required for this assessment. When saving files be sure to clearly identify the related task for example:

- BSBPRC502_Task_3_Monitor and Review

You must answer all questions correctly to demonstrate knowledge performance and/or complete all tasks satisfactorily to demonstrate task application.

Scenario: Help Desk

Before you were appointed to your new role, a help desk function for services to staff had been contracted out to a supplier.

The contract specified expected resolution times for calls logged with the help desk. The monthly performance indicators showed satisfactory performance, but the biannual staff satisfaction survey showed a marked drop in satisfaction with resolution times. The existing agreement clearly states that the turnaround time should be 24 hours.

When you investigated you found that the contractor was using the contractually specified measure of resolution time, based on when the call was logged in a register by the help desk. However, the contractor had been encouraging staff to log requests to an e-mail address. When the help desk was busy, there could then be a long delay before the emails were entered into the help desk register. The automated reporting system used the date of entry to the register as the start time, not the time the email had actually arrived. This meant delays experienced by the help desk clients were not properly reflected in reports on performance.

Task 3 Specifications

You must submit:

- Monitoring Plan
- Email to Manager
- Email to team
- Supplier Performance Monitoring Report
- Two business letters

Procedure

1. Draw up a Monitoring Plan for this supplier that addresses delivery, pricing, customer service and the product and covers:
 - a. Key timelines,
 - b. Critical deliverables,

- c. Performance reporting priorities,
 - d. The record keeping arrangements,
 - e. Meetings schedule.
2. Draft an email to your Manager explaining how you would categorise this performance issue and why, along with the corrective actions you plan to undertake with this supplier.

Scenario: Packaging

A two-year contract for the supply of packaging to John Readings Warehouse to be used in the packing and distribution of online retail book sales. The contract requires weekly deliveries plus 'top-up' deliveries where additional supplies are required due to unforeseen circumstances. The contract has a 2 x 2 x 2 option clause whereby it can be rolled over if all parties agree.

3. Draft an email to your team, attach the monitoring plan and outline the performance measurement verification actions they should be using for this contract and explain why performance measuring of contracts is such an important and necessary activity for John Readings and the packaging supplier in this agreement.

Case Study Scenario: John Readings (Continued)

Although the 'underperformance' issue identified in the Helpdesk scenario was dealt with, you were never really satisfied with the service provided because the staff survey results still indicated dissatisfaction with the wait-time for help from the service desk (despite all performance measures being regularly achieved). Therefore, at the end of the five-year contract, you decide to retender the service rather than exercise the option to roll-over the current supplier agreement.

Conversely, the agreement with the packaging supplier is going well with the supplier achieving and, at time exceeding all the performance measures you have put in place.

Both agreements have now reached their end date and you need to de-brief with the suppliers, report to management and recommend the next steps.

4. Write a report to management titled, Supplier Performance Monitoring Report, summarising the performance of both suppliers, the agreement/contract end dates and options for rollover and make at least one recommendation for each supplier contracts.
5. Write a letter to each supplier outlining your decision to re-tender one (and thereby not exercise your option to rollover the agreement) and roll-over the other. In each letter you will need to be clear on what the decision is and what the next actions are.

**Now that you have completed all THREE assessment tasks, you are ready to
SUBMIT ALL your work for assessment.**

Assessment Task 1	Assessment Task 2	Assessment Task 3	Submit your Assessment
Manage Supplier Agreements	Resolve Disagreements with Suppliers	Review Supplier Performance	