

THE ROLE AND VALUE OF PUBLIC SECTOR PROCUREMENT

The procurement workforce, including contract management, in the public sector is comprised of a distinctive, knowledge-based job family. The description below highlights key attributes embedded in the role and value delivered by a robust public sector procurement workforce, noting that many of these requirements are also present in the private sector.

Evolution of the procurement profession has seen a defining shift



From

Work was often transactional in nature and purchasing staff with little experience solved the specific business request, within the allocated budget, with value determined on price.



Work is now more strategic in nature. Procurement staff are expected to:

- · Identify and engage with Risk
- Comply with complex public sector and business law obligations, such as contract law, privacy, modern slavery or disability requirements
- Engage with Industry in order to identify and build respectful supplier relationships, including across the supply chain, and seek supplier innovation
- Governance and Assurance to deliver accountability and certainty in decision making and outcomes

Contemporary Public Sector Procurement is highly valued

—— The shift in public sector ——

- Is increasingly leveraged to overcome budget challenges while Planning in order to maintaining and improving understand and manage the service delivery to the business demand and community quantify the specific
- Procurement services are business requirement delivered in an increasingly Sourcing solutions that align complex context of to the relevant strategic increasing public demand, business objectives legislation, public policy and · Evaluation and Negotiation risk management in order to identify, select
 - · The government context requires a strategic approach to respond to the procurement environment
 - Procurement activities are outcomes - based with increasing scale and scope embedded in the desired outcome

Economic, environmental, governance and social outcomes are embedded in the procurement strategy in response to public sector policy objectives

procurement

- Increased demand for greater procurement capability to achieve a myriad of outcomes requiring staff to compete for career advancement and investment in career development
- Increased awareness of formal transportable Australian Qualification Framework (AQF) qualifications complimented by international professional certifications

Value is determined in a different way now



Government has largely adopted a strategic approach to establishing the procurement function, with a:

Strategic alignment of the

procurement function is vital

- Clear alignment to strategic objectives of the business
- More efficient category approach to spend management
- Organisational placement of procurement to give procurement leaders access to business executive
- Procurement risk (including the recent impacts of COVID-19 on supply chains) is understood, assessed and managed
- Innovation is sought through building collaborative, non-traditional relationships with strategic suppliers

and negotiate effective

procurement outcomes

Management, including

contract administration

Contract Development and

activities, to ensure value is

delivered under the contract

- Systems and data capture enable procurement staff to shape business decision making by providing evidenced-based procurement solutions and strategic procurement guidance
- · Adopts a strong focus on the end user of government services and their strategic requirements
- Responds to increased complexity when developing the market strategy and the determination of a compliant value for money outcome
- Economic outcomes to consider what is delivered by who, how it is delivered, and where it is delivered, including increased opportunities to work with regional suppliers
- Environmental outcomes from procurement practices sees consideration of net

- zero emissions, enhanced use of alternative energy sources, and environmentally accredited products
- Increased levels of governance and assurance to deliver demonstrable compliance, accountability and public value across the decision-making process used to achieve outcomes
- Embeds social outcomes in the sourcing strategy, ie employment for disadvantaged groups and reducing the risk of modern slavery in the supply chain

- Spectrum of services offered in the discipline:

Specialised Procurement Service Sectors (Categories)

- · General Goods and Services
- ICT procurement
- · Building construction and infrastructure procurement
- Social and Human Services

Governance and Assurance

- · Determining Procurement Function and Project Governance and Assurance Strategy, including systems, policies and frameworks, such as systems architecture and support, procurement workflow systems, reporting, auditing, etc
- · Identifying and managing procurement capability (with a focus on skills development)

Planning

- Procurement strategy development supported by market and demand research and analysis (such as trend analysis, forecasting and modelling)
- Establishing probity plans, identifying the requirement, and stakeholder management

Sourcing

- · Implementing Procurement Strategy
- · Developing documentation (notably performance metrics)
- · Approaching the market
- · Managing industry engagement during the request period

Evaluations and Negotiations

- Evaluation
- (including pricing and cost analysis)
- Negotiation with a focus on maximising value

Contract Development and Management

- · Selection and award
- · Benefits realisation
- · Performance management, including contract administration
- Contract change and value improvement
- Supplier relationship management
- · Contract closure, transitioning and disposal

The public sector procurement discipline now needs increased capability:

Building strategic procurement expertise draws on a capability development continuum defined by four proficiency levels: Awareness, Foundation (vocational), Practitioner (undergraduate) and Expert (postgraduate).

Recruitment staff need to understand these proficiency levels to effectively recruit new staff with the right attributes to both entry level roles and more skilled roles

» Entry Level Recruits: Awareness/Foundation core procurement capabilities and

generic business skills. » Lateral Entry Recruits:

Practitioner/Expert Level core procurement capabilities and generic business skills, with a focus on senior management and leadership skills.

An appropriately skilled Lateral Entry recruit to procurement at the Practitioner / Expert level will:

- » Achieve organisational objectives by driving economic, environmental, governance and social outcomes that deliver effective procurement strategy and services
- » Deliver compliant value for money procurements that resolve the business issue and address the challenges of maintaining service delivery standards
- » Respond to high operational tempo amidst tight budget constraints
- » Identify and manage complex risks across the procurement life cycle and the supply chain whilst building strong supplier relationships
- » Effectively manage the contract to deliver and improve value
- » Develop, coach and mentor current staff
- » Lead and upskill the procurement

» Vocational training is seen as a

and Contracting)

minimum entry level requirement

(ie. Certificate IV in Procurement

» The four proficiency levels are the

vocational, undergraduate, and

complemented by professional

postgraduate procurement

development program,

certifications

basis of a fit-for-purpose integrated

Expectation that formal qualifications are held:

- » Applicants with relevant qualifications and/or professional certifications are well placed to compete for procurement roles, for example, law, project management, logistics and management
- » Expectation that ALL ENTRY level staff will have formal qualifications and/or certifications in procurement or a related discipline or be attained within 6-12 months

Core procurement capabilities:

- » Skills to deliver services across the procurement life cycle:
- · Governance and Assurance
- Planning
- Sourcina
- · Evaluating and negotiating
- · Contract design, development and award, and contract management.
- » Deliver compliant value for money » Focus on risk, business law and
- industry engagement (supplier relationship management)

Generic business skills:

- » Ability to establish credibility as a trusted business partner
- » Data and digital literacy
- » Decision making
- » Leadership » Financial management
- » Ability to manage innovation and
- develop and implement policy
- » Project management expertise
- » Effective intra- and inter-personal attributes when working with others, with a focus on relationships and systems thinking
- » Workforce management
- » Working with Government

Public policy expectations of the procurement function are to:

- » Achieve organisational objectives by considering opportunities for economic, environmental, governance and social outcomes, such as new jobs creation, supporting small business, sustaining regional economic health, etc
- » Deliver public value
- » Comply with legislation and mandatory policy
- » Solve the business problem
- » Enable continued service delivery outcomes







LOOKING FOR THE RIGHT ATTRIBUTES AND SKILLS WHEN RECRUITING FOR PROCUREMENT

Procurement related skills are required at various levels of proficiency (Awareness, Foundation, Practitioner and Expert), as determined relevant for each job role. An effective recruiter seeking to place a candidate in an advertised role needs to know their enduring behavioural attributes, existing skillsets and qualifications. Recruiting those new to procurement, who may not have all the core procurement capabilities, should be selected sequentially on:

1. SKILLS: (a) their business skills and attributes (ability to learn); (b) any relevant procurement-related

transferable skills; and then (c) any core procurement capabilities.

2. TRAINING GAPS: Where otherwise competitive candidates lack core procurement capabilities,

an identification of which skills need to be developed on the job.

	an
	Awareness / Foundation Skills
	Self-Leadership – Recognises wider procurement priorities and plans their work to meet team and agency objectives while seeking guidance as needed.
	Decision Making — Can make operational procurement decisions about their own work while operating within agreed procedures and they display sound judgement.
	 Accountability – Can undertake basic procurement tasks but would require oversight regarding compliance with approved processes.
Attributes	Autonomy – Has some autonomy to apply knowledge of basic procurement practices but would require oversight on policy compliance.
Personal Attributes	Qualifications – Certificate IV in Procurement and Contracting (or higher) or attained within 6-12 months.
_	Displays organisational awareness Achieves results Supports productive working relationships Displays personal drive and integrity Communicates with clarity

Practitioner Level Skills

requirements.

· Leadership and Management -Understands need to support co-workers to ensure team objectives are delivered and prioritises own and any team workload, whilst aligning with overall management

- **Decision Making -**Considers broad operational issues and takes effective input from others on team issues. Displays consistently sound judgement.
- Accountability -To facilitate the process of developing and managing contracts and may be responsible for low value/low risk to high value/low risk contracts.
 - Autonomy -Requires little supervision and has knowledge to work independently with the autonomy to apply good knowledge of procurement practices whilst ensuring policy compliance.
- Qualifications -Relevant undergraduate qualification. such as Management, or equivalent professional certification

Senior Practitioner Level Skills

- Leadership and Management -An effective team player who prioritises workload across a number of procurement teams or business areas. Routinely monitors progress against agreed deliverables and contributes to continuous improvement.
- Decision Making -Applies analytical techniques to decision making process and resolves more complex issues that cross multiple work groups. Displays consistently reliable judgement in complex contexts.
- Accountability -Typically requires no supervision, and often supervises or directs others to achieve procurement outcomes. Routinely provides sound advice to
- **Autonomy** Recognised as a procurement professional, articulating procurement outcomes. Plans and flexibly responds to procurement challenges and contributes to the explicit procurement body of knowledge.
- Qualifications -Relevant undergraduate qualification (such as management, law, logistics or project management etc) or

procurement professional certification.

Qualifications -

Expert

Level Skills

Leadership and Management -

procurement function to agency

Will be a key decision maker in

the agency, making internal policy

decisions within legislative scope

while displaying excellent judgement.

Typically takes direction from a Chief

procurement function. Can represent

Develops agency culture to deliver

services. Inspires others to reach

and achieve professional

to the procurement body of

effective procurement outcomes and

performance outcomes. Contributes

Procurement Officer (CTO)

for overall success of the agency

agency externally at high levels.

business strategy and how to

champion required change.

meet agreed outcomes.

Decision Making -

Accountability -

Autonomy -

knowledge.

Fully understands alignment of the

Proactive performance management

while adapting the strategic plan to

- Relevant postgraduate qualification or professional certification in procurement and/or leadership.
- Displays organisational awareness Achieves results
- Supports and builds productive working relationships in agency and across government
- Displays personal drive and integrity Communicates with influence in the business and when negotiating and preparing contracts
- Focuses on customer and other significant stakeholders
- Demonstrates interpersonal excellence
- Self-manages time and is committed to self-directed learning
- Plans for procurement

Mindset

of a candidate seeking a public sector procurement role



Actively seeks to understand the broader objectives of the employing agency and government generally



Is an active listener who seeks to understand customer needs and keeps stakeholders informed



Committed to achieving overall value for money for the business and government in the context of public sector governance



Engages with risk while understanding the significance of due process in a public sector procurement environment



Committed to action and willing to take the lead when required to guide the business through the process



Can make decisions, using relevant decision-making models — within the scope of their role



Can harness information and business intelligence



Collaborative, partnering approach to problem solving



Can embrace the public sector approach to integrity and due process in delivering procurement outcomes



Can interpret data for insight and apply those insights to procurement planning activities



Seeks out connections and networks within the business, and more broadly with others in the discipline across government, to learn and share ideas



Has commercial acumen, ie. a good understanding of the needs of government and the general business drivers of those wanting to supply to government



Responds positively to a changing policy environment and can work with ambiguity



A lifelong learner who leverages opportunities for continuing professional development



Committed to achieving service delivery outcomes



Can adopt a balanced approach to work



Professional and truthful



Confident negotiator



- ctive working
- al drive and integrity
- Communicates with clarity Focuses on the customer

Critcical Skills

- · Displays organisational awareness
- Achieves results
- Supports productive working relationships and networks with
- Displays personal drive and integrity Communicates with clarity and can influence customers
- Focuses on customer/stakeholder
- Displays organisational awareness
- Achieves results
- Supports and builds productive working relationships in agency and across government
- Displays personal drive and integrity Communicates with influence in the business and when negotiating and preparing contracts
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WHY A CAREER CHANGE TOWARDS PROCUREMENT MAKES SENSE

Why would a professional in another discipline be interested in a change in career direction?

Often when you ask an established procurement practitioner how they started out in procurement, the answer is invariably 'not by design' or 'they fell into procurement', or 'they stepped into it when others saw their potential'. Once these people started in procurement, and experienced what it had to offer, they have made procurement their career-of-choice.

Procurement offers them:



Involvement in delivering critical government priorities



Enhanced, high-level negotiation experience



An appreciation of the role of **supply markets**



Opportunity to deliver public good through government procurement practices



Opportunity to be an important part of shaping the future of the public sector



Opportunity to increase commercial and leadership skills



Increased quantitative and qualitative analytical skills



Increased **exposure** across the breadth of the business



Opportunity to work on major infrastructure, construction and ICT projects



Stimulating and ever-changing variety of work



Opportunity to develop new skills that will support further career advancement



Opportunity to be a member of a growing profession that is increasingly recognised for the value it delivers

What is lateral entry into procurement?

Lateral entry into procurement is movement from a similar discipline into procurement. Lateral recruitment is a viable opportunity to address skills shortages that cannot be fully met through the routine advertising of government positions. Lateral entry is a useful tool when ideal candidates are difficult to find. It offers a response to a tightening labour market for when:

1) Awareness/Foundation

procurement skills are required, ie. entry level roles into public sector procurement; or

 Leadership and Strategic Management expertise are the primary focus of the procurement role.

Responding to a limited labour market for entry level procurement roles – therefore seeking Generic Transferable Skills

As the entry level labour market continues to tighten, recruitment agencies can put forward candidates who display the following attributes:

Qualifications

· University graduate and/or

Organisation (RTO)

· Open to completing Certificate

in Procurement and Contracting

through an Registered Training

Suitable entry level candidate attributes



Self Leadership

- Can recognise wider priorities
- Will seek guidance
- Plans work to meet team and agency objectives

Autonomy

- Can learn and undertake basic procurement tasks
- · Accepts direction and guidance

Accountability

 Can apply new knowledge of basic procurement practices

Others

- · Displays personal drive and integrity and willingness to learn
- Displays organisational awareness
- · Focuses on the customer and stakeholder
- · Achieves results
- · Supports productive working relationships
- · Communicates with clarity

Responding to a limited labour market for strategic procurement roles – therefore seeking Generic Leadership and Management Skills

As recruiters compete for candidates with deep procurement expertise, an ideal candidate is not always available. Taking a lateral entry approach to sourcing candidates may then prove helpful.

The recruiter could consider candidates with relevant personal attributes, qualifications, and leadership and management skills from other professional disciplines (such as law, management, industry policy, project management, logistics, etc), to enable them to propose otherwise competitive applicants even though they may lack many of the core procurement capabilities.

For example, strategic procurement roles often have a reduced focus on operational procurement skills.

By analysing the advertised role for:
(a) breadth of expertise required;
(b) specific business skills required;
(c) relevant transferable skills; and
(d) core procurement capabilities,
the recruiter can identify those roles
largely focused on management and
leadership and then source a
suitable pool of candidates to put
forward.

Ideal candidates for this lateral entry to procurement are established performers in related areas of employment. Some attributes and skills to look for would include those below:

Suitable candidate for a strategic procurement role where the focus is on Leadership and Management

Leadership and Management

- Fully understands alignment of procurement to agency business strategy
- Proactive performance management against guidelines
- Adapts strategic plan to meet agreed outcomes
- Manages change within the procurement function

Decision Making

- Experienced in being a key decision maker in the agency
- Oversees development of internal policy decisions
- · Leads within legislative scope
- · Displays excellent judgement

Qualifications

 Relevant undergraduate and postgraduate qualifications in commercial law, project management, business, and/or leadership. Likely to hold a Professional Certifications in their current field

Autonomy

- Influences and develops agency culture towards the procurement profession and its services
- Inspires others to reach and achieve professional performance outcomes
- Contributes to insights that will inform the procurement body of knowledge

Accountability

- Typically takes direction from a Chief Procurement Officer for overall success of the agency procurement function
- Can represent agency at high levels externally

Others

- Demonstrated experience in shaping strategic direction and can guide the vision and purpose of the function
- Demonstrated experience in responding to challenges with strategic agility
- Demonstrated experience in achieving results through quality decisions and strong network
- Demonstrated expertise in cultivating productive working relationships
- Communicates with influence ie. in strategic planning or engaging the business on procurement matters
- Exemplifies personal drive and integrity
- Experience in commercial negotiations
- Demonstrates evidence of strong interpersonal excellence
- Strong written and analytical skills
- Seeks opportunities through innovation and commercial acumen
- Some experience in procurement
- Strong commercial acumenStrategic governance and
- assurance experience
- Procurement experience
- Experience in workforce upskilling

