Specification of Competency Standards
for the Banking Industry
Unit of Competency

Functional Area - 6. Technology Management
(Key Function – 6.3 Applications Design, Development and Maintenance)

Title	Select vendor and manage vendor performance
Code	109382L5
Range	Selection and management of vendor performance in Procurement of technological systems, tools and related services. This applies to procurement of different kinds of tools and services for system development and maintenance.
Level	5
Credit	4 （For Reference Only）

Competency	Performance Requirements
	1. Knowledge in the Subject Area
	
	    Be able to:
	• Understand the values of the bank and apply the knowledge to develop vendor selection strategies which help identify suitable vendors whose services are in alignment with the bank's principles;
	• Possess knowledge in the bank's vendor services procurement policies and based on that to analyse benefits of acquiring external service providers and the corresponding risks in order to make the decision.
	
	2. Applications
	
	    Be able to:
	• Establish guidelines and selection criteria on acquisition of technological services and solutions from technology service providers;
	• Measure potential security threats over bank's data entrusted to external service providers against the established security standards in order to identify an appropriate vendor;
	• Decide acquisition of technology infrastructure and solutions from technology service providers after analysing services quality of different vendors and cost-effectiveness of different alternatives;
	• Establish pricing and terms which are comparable with service providers of the market under required service level agreement;
	• Evaluate the cost-effectiveness of purchasing solutions from external vendors after comparing the pros and cons of different alternatives;
	• Monitor due diligence on the products or services provided by the vendors and measure their performance based on the establish service level agreement to ensure timely service.
	
	3. Professional Behaviour and Attitude
	
	    Be able to:
	• Negotiate with technology service providers in formulating the best solutions for the bank's users;
	• Monitor cooperative relationship with technology service providers (e.g. handling and reviewing contracts of the technological facilities, etc.);
	• Assign internal responsible parties or authorized independent third parties to undertake IT security reviews of suppliers' products, systems and facilities; communicate with them on identified IT security control weaknesses.

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Assessment Criteria	The integral outcome requirements of this UoC are: • Provision on guidelines on acquiring services from external vendors based on the analysis on the benefits and risks; • Decision on acquisition of services from technology service providers. The decision should contain comparison of the pros and cons of in-house development and acquisition from the market; • Monitoring performance of service providers and conducting regular review to ensure user requirements are fully met.
Remark	