

Unit of Competency**Functional Area: Sales and Merchandising**

Title	Formulate procurement plans
Code	105283L4
Range	This unit of competency is applicable to practitioners in the import and export industry to estimate procurement requirements, establish purchasing guidelines, and inventory control principles.
Level	4
Credit	5 (for reference only)
Competency	<p>Performance Requirement</p> <ol style="list-style-type: none"> 1. Possess knowledge of procurement <ul style="list-style-type: none"> • Use relevant techniques to estimate procurement requirements • Develop series of steps to acquire goods from requisition to receipt 2.1. Estimate the procurement requirements <ul style="list-style-type: none"> • Estimate the number of items to be procured • Estimate the quantity to be procured 2.2. Formulate procurement plans <ul style="list-style-type: none"> • Determine the quality standards of the items to be procured • Determine the constraints (e.g., delivery schedule and lead time) • List steps to prepare the request for proposal and/or request for quotation • Provide guideline to search for suppliers and determine supplier selection criteria • Conduct value analysis to identify and select the potential suppliers • Determine bottom line and tactics to negotiate with potential suppliers on prices and other terms • Establish guidelines to make the purchase • Develop procedure for contract administration • Set inventory control principles • List steps to receive goods, inspect goods, and process invoice and payment 2.3. Review procurement plans <ul style="list-style-type: none"> • Review the procurement procedures on a regular basis • Compare the quality of goods received against standards • Evaluate the capability of suppliers to meet the pre-determined constraints • Identify the gap between actual performance against standard • Provide recommendations and make adjustments on procurement plans
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable of estimating procurement requirements • Capable of formulating procurement plans • Capable of reviewing procurement plans
Remark	