

**Specification of Competency Standards**  
**for the Logistics Industry**  
**Unit of Competency**

Functional Area - Planning and Design of Logistics Solutions

Title	Manage contracts
Code	LOSAPD505B
Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of identifying the contract requirements, establish contract management system, and monitor contract.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Knowledge of contract management</p> <ul style="list-style-type: none"> <li>• Know about principles of contract management</li> <li>• Know about relevant legislative requirements</li> <li>• Understand the business practice of logistics related industries</li> <li>• Understand company policy and procedures</li> </ul> <p>2. Identify contract requirements</p> <ul style="list-style-type: none"> <li>• Consult relevant parties to identify their requirements of the contract</li> <li>• Identify special provisions needed</li> <li>• Identify the clarity of the contract and check whether legal advice is needed to protect company interest</li> <li>• Identify outcomes and measurements required in the key performance areas based on contract specifications</li> <li>• Maintain relationship with supplier</li> </ul> <p>3. Establish contract management system</p> <ul style="list-style-type: none"> <li>• Establish effective communication and information exchange strategies</li> <li>• Establish dispute and complaint system</li> <li>• Maintain consistent and accurate records of the contract's progress</li> <li>• Document the contract management strategy, and monitor its effectiveness during the life of the contract</li> </ul> <p>4. Monitor contract</p> <ul style="list-style-type: none"> <li>• Review the contract services regularly to ensure compliance with specifications</li> <li>• Conduct progress meetings regularly to ensure problems are identified and resolved early and document the identified problems and recommended solutions</li> <li>• Identify and document the variations between the specified scope of services and the contract, and notify relevant personnel without delay</li> <li>• Monitor contract costs on a regular basis to ensure the process is carried out within financial and contractual requirements</li> <li>• Authorise payments for contract services in accordance with the terms and conditions of the contract and the company's contract administrative system</li> </ul>
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> <li>• Capable of identifying contract requirements;</li> <li>• Capable of establishing contract management system; and</li> <li>• Capable of monitoring contract</li> </ul>
Remark	