

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Planning and Design of Logistics Solutions

Title	Formulate purchasing plans
Code	LOSAPD507B
Range	This unit of competency is applicable to logistics service providers. Practitioners should be capable of applying the concept of supply chain management to formulate purchasing plan.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> 1. Posses the relevant knowledge of developing purchasing plan <ul style="list-style-type: none"> • Know about the principles of purchasing, supplier management and supply chain management • Understand the business operations in logistics related industries • Understand company policy and procedures 2. Prepare invitations to offers <ul style="list-style-type: none"> • Obtain and clarify specifications for goods and services to be purchased • Select the most appropriate purchasing methods • Develop the selection criteria for evaluating offers, and document the criteria • Prepare invitations to offer in line with the selection criteria • Check the invitations to ensure they are in compliance with the company's policies and procedures • Seek approval for invitations to be offered 3. Identify potential suppliers <ul style="list-style-type: none"> • Review the company's records for potential suppliers • Evaluate sources of supply against requirements of purchasing strategies • Identify potential suppliers • Establish criteria to evaluate the risks of potential suppliers 4. Issue invitations to offers <ul style="list-style-type: none"> • Distribute invitations to offers • Conduct briefings as required • Clarify issues with suppliers in accordance with purchasing strategies 5. Provide recommendations to purchase <ul style="list-style-type: none"> • Receive quotations from suppliers • Assess quotations according to documented criteria and requirements of purchasing strategies • Identify and evaluate potential risks of suppliers against established criteria (e.g., financial background of the suppliers, and provision of references) • Seek further information from suppliers where appropriate • Obtain specialist/expertise advice to assist where appropriate • Evaluate offers against requirements of purchasing strategies • Prepare a shortlist of suppliers who meet the purchasing criteria • Select the most suitable offers • Prepare recommendations about selected offers for approval by relevant personnel • Obtain approval from relevant personnel for recommended offers

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Assessment Criteria	The integrated outcome requirements of this unit of competency are: <ul style="list-style-type: none">• Capable of preparing and issuing invitations to offers;• Capable of identifying suppliers and assessing the potential risks of suppliers; and• Capable of preparing recommendations to purchase
Remark	