

IWFM Level 4 Qualification Specification

Unit FM4.21: Understanding procurement and contract management in facilities management

The assessment criteria form part of the unit and specify the standard that a learner is expected to meet to demonstrate that the learning outcomes within the unit have been achieved. The additional guidance, which is shown in brackets and italics alongside the assessment criteria, does not technically form part of the unit, in that it is not included in the reference version of the unit shown by the Register of Regulated Qualifications. The additional guidance is provided to illustrate how the assessment criteria might be interpreted. The IWFM will generally expect assessors to interpret the assessment criteria as described, or to an equivalent level of demand.

Aim of the unit:

This unit enables learners to develop their understanding of the principles, processes and scope of procurement, contracts and contract management

Title:	Understanding procurement and contract management in facilities management	
Level:	4	
Credit value:	3	
Learning outcomes	Assessment criteria	
<i>A learner when awarded credit for this unit will:</i>	<i>Assessment of this learning outcome will require a learner to demonstrate that they can:</i>	
1. Understand procurement	1.1 Describe the basic principles of procurement <i>(including the rights and responsibilities of the buyers and of the sellers)</i> 1.2 Explain the processes and stages of the procurement of goods and services to support the facilities management function <i>(including agreeing requirements defining specifications, agreeing adjudication criteria, sourcing suppliers, issuing tenders, receiving and adjudicating tenders, short listing, negotiating, awarding contracts and declining other bids, initiating contracts, monitoring provision)</i>	

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	<p>1.3 Explain the tendering and bid processes <i>(including the use of spend analysis, supplier/market analysis, expressions of interest, pre-qualification, approved tenderer lists, schedules, adjudication criteria, invitations to tender, responses to tenderers' questions, supplier open days, e-auctions, formal opening of tenders, adjudication processes, short listing, presentations, negotiations)</i></p> <p>1.4 Explain how to select appropriate contracts and service specifications <i>(including the influence of factors such as the types of goods or services to be purchased, commodities or bespoke, input or output specification, value and duration of contract, lease or buy, purchase order, call off contract, JCT forms 2005 (replacing JCT 1998) for building contracts)</i></p> <p>1.5 Explain how the management of the procurement process should be organised <i>(including the definition of roles, (specifier, user, buyer, budget holder), separation of powers, levels of authority, keeping of records)</i></p> <p>1.6 Explain the principles of relevant legislation <i>(including the Find a Tender Service (FaTS), open competition, Office of Government Commerce (OGC), public procurement policy, environmental standards, employment (Working Time Directive, Right to Work, Discrimination), Sale of Goods Act 1979, Supply of Goods and Services Act 1982, Unfair Contract Terms Act 1979, Public Procurement Bill 2022)</i></p>
<p>2. Understand different types of contract</p>	<p>2.1 Explain the different types of contracts <i>(including verbal contracts, purchase orders, call off contracts (enabling or framework contracts), industry standard forms, e.g.; JCT forms 2016, NEC 4, PFI (The UK Government</i></p>

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	<p><i>ceased awarding PFI contracts in 2018, but as legacy contracts still exist the model is still currently applicable))</i></p> <p>2.2 Explain the advantages and disadvantages of different types of contracts for a range of goods and services <i>(relating the different types of contract explained for the previous assessment criterion to different types of goods and services)</i></p> <p>2.3 Explain how to select the most appropriate procurement option that suits the contract type <i>(supporting the explanation with example/s from the learner's own experience or case studies)</i></p> <p>2.4 Explain how to select the most appropriate contract type that suits the procurement of a particular good or service <i>(supporting the explanation with example/s from the learner's own experience or case studies)</i></p>
<p>3. Understand the use of specifications and terms and conditions in the procurement of goods and services</p>	<p>3.1 Explain how specifications are drafted and used for procurement of goods and services <i>(no additional guidance)</i></p> <p>3.2 Explain the benefits of writing well defined specifications. <i>(no additional guidance)</i></p> <p>3.3 Explain how standard terms and conditions are used in the procurement of goods and services <i>(no additional guidance)</i></p> <p>3.4 Explain the advantages and disadvantages of the standard terms and conditions <i>(including factors such as ease of management, dispute resolution, availability, time, familiarity, flexibility, clarity, precedent, equitable)</i></p>
<p>4. Understand procurement costs</p>	<p>4.1 Explain the elements which may make up the cost of goods or services <i>(including raw</i></p>

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	<i>material, labour, manufacture, packaging, transport, consumables, cost of sales, excise duty, insurance, overheads, profit)</i>	
	4.2 Explain the factors to consider when evaluating a procurement decision (<i>including cost, reliability, capacity, reputation, cost, time, quality, compliance</i>)	
Unit expiry date		
Unit reference number	T/601/1736	
Link to National Occupational Standards	FM414	
FM Professional Standards reference	FM functional area:	FM functional area component:
	Business Continuity and Compliance	Compliance
	Procurement and Contract Management	Procurement
		Contract Management

Resources

Purchasing and Supply Chain Management by Dr Kenneth Lysons and Dr Brian Farrington
 Strategic Purchasing and Supply Chain Management by Mr Malcolm Saunders
 Procurement, Principles and Management by Peter Baily, Prof David Farmer, Barry Crocker, and Prof David Jessop
 Supply Management and Procurement Best Practices by Fred Sollish C.P.M. and John Semanik C.P.M.
 Project Procurement Management: A Guide to Structured Procurements by Stephen Guth
 The Wiley Guide to Project Technology, Supply Chain, and Procurement Management (The Wiley Guides to the Management of Projects) by Peter Morris and Jeffrey K. Pinto
 Management of Procurement by Denise Bower
 The Aqua Group Guide to Procurement, Tendering and Contract Administration by Mark Hackett, Ian Robinson, and Gary Statham
 Logistics and Supply Chain Management (Financial Times Series) by Prof Martin Christopher
 Procurement, Principles and Management by Peter Baily, Prof David Farmer, Barry Crocker, and Prof David Jessop
 Legal Aspects of Purchasing and Supply Chain Management by Ian Longdin
 IWFM Good Practice Guide - www.IWFM.org.uk