



TOPIC GUIDE: SPECIFICATIONS

Introduction

The product or service to be purchased must be described so that the supplier can respond to the buyer's request without ambiguity. This is called a "specification", or "scope of work".

Summary

The specification is the first step in the procurement cycle. Specifications should be expressed, as far as is possible, in performance or function terms rather than in detailed design.

You should also aim to provide a clear, simple statement. Standards should be employed wherever possible in the order:

1. International/European Standards
2. British Standards
3. Company or Industry Standards

Specifications are most important in achieving best value for money and also in avoiding problems with contracts when they are in place. They are the heart of contracts.

The Role of Specifications

Because the specification describes what is required, it is vital to the operation of contracts and is the first step in that process. A checklist for the preparation of specifications is set out at the end of this topic guide.

The content and the format of a specification must be very carefully thought out in order that there is no ambiguity nor that any part of the necessary description is omitted. It must be prepared using words which the supplying profession or trade will understand.

It may be advisable to have an arms length discussion with a potential contractor. Co-operation at this stage may be useful in suggesting ways in which you can exploit advances. Of course you will need to be on your guard against allowing a particular supplier/customer to modify the specification in such a way as to give him a competitive advantage over others. The specification forms a major part of the contract.

Performance versus Design Specifications

It is always best to specify requirements in “performance” terms rather than “design” terms. This practice gives potential suppliers the opportunity to respond flexibly and innovatively, using their experience, and perhaps investment in research and development, to offer optimum (in value for money terms) solutions to the customer’s requirement. Performance specifications are also far simpler and place the risk where it is best able to be managed.

Basically a “performance” specification is one which focuses on meeting the function of the product or service required: it builds the specification around a description of what is to be done rather than a fixed description of exactly how it should be done. The latter is the approach used in a “Design” specification. As the terms implies, such a specification starts with a preconceived solution to the requirement, then setting out the characteristics of this solution in detailed and fixed terms - for example, exact dimensions, the materials to be used, the manufacturing or production processes required and so on. For some products and staff a design specification may be unavoidable: the nature of the requirement makes it essential to narrow options for the solution through the specification.

The use of a sample may avoid a lengthy written specification and for naturally variable products, such as wood and some chemicals, it may be the only satisfactory method of description. The same may apply to what may be regarded as subjective attributes, such as the colour of fabrics.

Standards

The benefit of making use of a standard is that, first of all, it represents the views of the whole of the market, secondly, it represents a specification which because of its commonality entails no unusual means of production or design; and thirdly, a developed specification based on past experience will ensure that the product or service will be a mature one based on usage.

It also provides the best “back-to-back” method of meeting customers’ requirements. Standards may define a range of grades of material or items and need to be qualified. Therefore it may be insufficient just to quote the relevant standard by name.

Simplification and variety reduction

Omit unessential details. Variety reduction entails the purchase of the smallest possible number of different types, sizes, grades of products. At its simplest this might be seen as the reduction in the number of colours in which an item is purchased, or in the sizes of envelopes which are purchased or kept in stock.

Challenging Specifications

Procurement staff should assist in writing specifications and question end-user's specifications where they believe that better value for money when buying may be achieved.

Preparation of Specifications - Checklist

Which end user is responsible for drawing up specifications?

Background Information

Are previous (similar or related) specifications available? Is there an in-house "standards committee" which will feed back user experience in to specifications?

Are specifications referenced, filed and readily available when required in Procurement files?

Presentation of Specifications

Are specifications accurate, complete, unambiguous, succinct and in a terminology used by the relevant suppliers?

Points in Specifications

Are limits and tolerances reasonable and easy to check?

Do specifications conform (where necessary) to relevant industry, national, european or international standards?

Specifications should, wherever feasible, be presented in performance terms rather than as detailed design.

Specifications should take into account value for money implications; over specification, ie, specifications of performance beyond the need, should be avoided. This is often called "gold plating" the specifications. There is a tendency to specify a "Rolls Royce" when a "Lada" will do. Seek to avoid this when buying as it will lead to extra costs.

For more information on how we can work with you to deliver significant cost reduction and supply chain efficiency improvements, contact the **Buying Support Agency** on **0845 555 3344** or by email **info@buyingsupport.co.uk**