

Purchasing Specifications

Why Specifications are so Important

Specifications are used throughout our lives, in ways you probably never thought about. A recipe for a cake or a cookie is a form of specification. All well written specifications are the product of concentrated group effort and are worth preserving. They represent the fruits of lengthy deliberation and study, combined with past experiences, and are essential to any efficient purchasing program.

Specification Definition

A specification (part of a request for bid (RFB) or request for proposal (RFP)) is a concise description of a good or service that an entity seeks to buy, and the requirements the vendor must meet to be considered for the award. A specification may include requirements for testing, inspection or preparing an item for delivery, or preparing or installing it for use, requirements for samples, descriptive literature, warranty, and packing. The specification is the total description of the purchase.

Specification Purpose

The purpose of any specification is to provide purchasing personnel with clear guidelines to purchasing, and to provide vendors with firm criteria of minimum product or service acceptability. Success of the purchasing activity relies on the specification being a true and accurate statement of the buyer's requirements.

Characteristics of a Good Specification – A good specification has four (4) characteristics:

1. It should set the minimum acceptability of the good or service. The vendor must know the minimum standard to determine what to provide. A standard that is too high means money may be wasted. Conversely, a standard which is too low means the goods or services will not meet the expectations of the user.
2. It should promote competitive bidding. The maximum number of responsive, responsible vendors should be able to bid to the specification. Restrictive specifications decrease competition.
3. In some cases, it should contain provisions for reasonable tests and inspections for acceptability for the good or service. The specification should permit tendered goods or services to be evaluated against defined criteria by examination, trial, test or documentation. The methods and timing of testing and inspecting must be indicated in the specification.
4. It should provide for an equitable award to the lowest responsive bidder. The buyer obtains goods or services that will perform to expectations, and the vendor is able to provide the goods or services at an equitable agreed upon price.

Types of Purchasing Specifications

There are several types of specifications that are commonly used. The following are some of the most common forms:

- Performance Specification – A type of specification in which the goods and/or services are described in terms of required performance. They may include such details as required power, strength of material, test methods, and standards of acceptability and recommended practices. Performance specifications define the task or desired result by focusing on what is to be achieved. (e.g. truck, equipment)
- Design Specification – These are detailed descriptions of a good or service, including such things as details of construction or production, dimensions, chemical composition, physical properties, materials, ingredients and other details needed for the provider to produce an item of minimum acceptability. Design specifications are usually required for construction projects and custom produced items and for many services. Architects and engineers typically prepare design specifications for construction and manufactured products (e.g. buildings, infrastructure projects).
- Combination Specifications – This type of specification includes elements of both design and performance specifications.
- Brand Name or Equal – This type of specification is used to describe a commodity of a common nature. It states a detailed description and a manufacturer and catalog or model number which meets the description and has been determined to be acceptable. Competition among brands is usually attained by specifying “brand A or equal” in the specification.
- Industry Standard – In this type of specification, all goods made to an industry standard are identical, regardless of manufacturer, and will result in acquisition of goods of uniform quality. An example is the UIL standard for electrical products.

Purchasing Specification Development Tips

- Information Gathering – Valuable information and advice may be obtained through discussions with other departments, agencies, companies, and purchasing personnel. The more complex the project, the greater need for additional expertise.
- Specification Writing Tips:
 - Use simple, clear language.
 - Define terms, symbols and acronyms (include a glossary of terms).
 - Be concise
 - Do not explain the same requirement in more than one section.
 - Adopt a user-friendly format.
 - Number the sections and paragraphs.
 - Discuss the draft and refine it.