

## **SPECIFICATIONS for BIDS**

**What is a specification?** A specification is a clear, concise, and complete description of the item or commodity to be acquired.

**Who should write a specification?** The ASU department seeking to make the purchase is responsible for writing the specifications for bid. **Why?** The end user department is the home of the subject matter experts – the persons who know the most about the needed commodity or service.

**All specifications for bid must be submitted with an accompanying PeopleSoft requisition to verify that funding is available for the procurement.**

### **Types of Specifications**

There are many types of specifications, and the list below is provided as an example of those most commonly used at ASU.

- **DESIGN SPECIFICATIONS** – Contains the essential physical characteristics that an item must possess. A design specification focuses on how a product is made rather than what it does, and is the most traditional and restrictive type of specification.
- **PERFORMANCE SPECIFICATION** - A specification setting out performance requirements that have been determined to be necessary for the item involved to perform and last as required. Performance specifications are based on the expected result or the minimum level of performance that is acceptable. This type of specification ensures compliance with requirements and, in case of failure, the responsibility lies with the contractor.
- **COMBINATION SPECIFICATIONS** – Combination design-performance specifications are the most common type used in bidding.

### **Benefits of a Quality Specification:**

- Ensures that the user receives the item and quality required to accomplish the job at hand.
- Eliminates rewriting and confusion—work involved for the user department will actually be reduced.
- Avoids unnecessary questions.
- Enables the purchasing process to proceed in a timelier manner.
- Promotes common understanding among the requesting department, the Purchasing staff, and the vendors.
- Allows vendors to determine quickly what is needed, if his/her firm can provide it, to calculate the most reasonable price that can be offered.
- Broadens the base of available bidders to increase competition.
- Guarantees that the procurement function is conducted with openness and fairness.
- Minimizes the possibility that no responsive bid is received.
- Minimizes the need to cancel a bid or to reject bid responses.

### **Attributes of a Quality Specification:**

- Communicates the same understanding to the user department, Purchasing staff, and the vendor.
- Clearly describes what the user needs.
- Uses performance requirements and design criteria rather than brand names.
- Is as broad and generic as possible to promote competition.
- Describes the proper quality, suitability, and minimum requirements.
- Highlights any unique or critical features.
- Describes the quantity, description, and delivery date needed.
- Is simple, clear, reasonable, and complete.
- Is not unduly restrictive.

## **Questions to consider when developing / preparing a specification:**

These questions should be viewed as a checklist for user departments to start the process and are not meant to be all inclusive. Not all questions will apply to every situation.

### **A. Goods or Commodities**

Every element of the equipment specification must be met for the vendor's bid to be considered responsive. Ensure that any feature specified has a detailed description and is identified as a mandatory requirement if applicable.

#### **1. Needs identification – What is the Task/Use?**

- a. What is the nature of the work, the result, the purpose to which the equipment will be used?
- b. What are the necessary requirements; ensure that any unique features are actually essential?
- c. Are all requirements mandatory or could some of them be non-essential or desired features?
- d. Is the item needed covered by an existing description/specification?
- e. Is this a replacement part or a component of a larger system?
- f. Is the replacement part or component available from only one source?
- g. Must the replacement part be manufactured by the original equipment manufacturer (OEM)?
- h. Does the equipment needed require special certification, permits or licenses?
- i. Do industry or trade standards exist?
- j. If you call out brand name (i.e. manufacturer's model number), is an equivalent product acceptable? Have you identified the specific features and characteristics of importance?
- k. Is local service support and parts availability critical?
- l. Will acceptance testing be required? If so, what will be the criteria?

#### **2. Drafting Specification**

- a. Is delivery time or place critical?
- b. Describe the parameters of the equipment in terms of performance.
- c. Include specifications and tolerances actually needed; be as flexible as prudent to achieve the desired result.
- d. If you refer to a specific make and model, have you clearly indicated whether you intend it as a bid standard with the use of "or approved equal" or as a sole source or proprietary purchase? If it is an "approved equal" specification, the end user is responsible for verifying that the product submitted by bid meets specifications.
- e. State any warranty or technical support requirements. Ensure that it does not exceed industry standards.
- f. Will there be a need to purchase additional units?
- g. Is parts availability a crucial issue?
- h. Has optional equipment beyond the minimum specified requirements been requested?

#### **3. Reviewing the Specification/Testing the Resulting Draft**

- a. Does the specification describe what is needed to perform the task identified?
- b. Have you written a description that the Purchasing Buyer and the Vendor will understand without question?
- c. Have you included a statement clearly indicating the consequences if equipment does not continue to perform to your requirements?
- d. Can requirements be checked? Have you identified test methods or performance criteria? (Industry standards available?) How are you going to ensure that the item complies with your requirements during and after contract award?
- e. Are all the requirements necessary? Can something with similar or equal features accomplish the same task?

### **B. Services**

Every mandatory element of the Scope of Services or Statement of Work must be met for the vendor's proposal to be considered. The writer should ensure that any requirement included is so critical that the vendor's omission would warrant rejection of a proposal, or perhaps all proposals.

## 1. Identifying the Need

- a. Clearly define the scope of services required.
- b. Are references required?
- c. Is experience for projects similar in size and scope critical?
- d. State any security or surety requirements. Example: background check, bonding, etc.
- e. If known, state required licenses, permits, certificates or other credentials.
- f. State the period of time over which the services will be required.
- g. Safety requirements to protect workers and the public.

## 2. Drafting the Specification

- a. What are ASU's obligations to support the vendor? For example, response times for repairs, service, staff support or hours of availability.
- b. Is it necessary to specify the number and type of contractor's employees that must be available? What about back-up equipment?
- c. Is a pre-proposal conference or on-site inspection required?
- d. Is bonding necessary?
- e. Insurance and liability requirements will be determined by the Purchasing Department.
- f. Will the solicitation result in an ASU Agency Contract? If so, options to renew the contract must be included in the specifications.
- g. Are there any special provisions or obligations for either the vendor or ASU? Example: Is a party to the contract required to provide office space, phone, etc.?
- h. Have you specified criteria for monitoring the vendor's performance? This is important for both contract renewal and vendor accountability.

## 3. Reviewing the Specification/Testing the Resulting Draft

- a. Have billable or reimbursable expenses been addressed? Note: Consultant or contractor travel expenses are subject to state per diem limits if included as a separately billed item.
- b. Have you specified the method of payment? Monthly, annually, progress payments at predetermined project milestones? This applies in most instances to RFPs. Passing final acceptance testing is a criteria for payment.
- c. Have non-performance penalties been established if appropriate? How will they be assessed and enforced?
- d. Have you designated an ASU staff member as point of contact and one to monitor/evaluate performance? This person is usually the designated departmental contract administrator.
- e. All ASU contracts contain provisions for contract termination. Any contract may be terminated for convenience with thirty (30) days written notice to the vendor. The using department is responsible for documenting contract performance and must provide valid justification for terminating a contract due to contractor performance.

### **SMART Specifications for Services Contracts:**

Contract Management begins during the solicitation development phase. These areas require careful consideration to guarantee that a bid will result in a contract that can be monitored and enforced.

- **Specific** – Specifications should be clear and concise so all parties understand the requirement.
- **Measurable** – Whenever possible, there should be some quantifiable way to measure the degree to which a contractor is fulfilling the requirements of the contract.
- **Attainable** – The Statement of Work should be realistic. A contractor cannot be held accountable for failing to perform work according to impossible standards.
- **Results-Oriented** – The Statement of Work should focus on the required result so that all parties understand what needs to be accomplished during the contract.
- **Target dates** – Any target, or deadline, dates should be identified in the Statement of Work, or prior to contract execution. This lets the contractor know when certain segments of the contract should be completed; and allows ASU to monitor progress.