**Central Procurement Office Specification Guide**

**Purpose of this Guide**

The purpose of this guide is to provide information and practical advice about developing written requirements (specifications/scope of works) for Public Procurement in the Cayman Islands.

**What is a specification?**

A specification can be understood as a statement of needs. It states what the procuring entity is looking to buy and what the supplier is required to provide.

A successful procurement project relies on the specifications being an accurate statement of what needs to be procured.

As per the Procurement Regulations section 11, here are some key features of what a good specification should include:

1. the specifications are not written in a manner that unduly restricts suppliers from bidding;
2. the specifications are written in a manner that encourages open, fair and transparent competition
3. the specifications are generic and non-branded unless established through a formal standard-setting exercise as prescribed by the policy established by the Central Procurement Office, except that where there is no other way to describe a specification, trademarks or brands may be employed by way of reference, but shall not be used as the specification itself
4. any specific requirement for contract performance security, if such security is necessary
5. the specifications contain all information that goes to a bidder’s decision to submit a bid or calculate proposed pricing in the competition document, for example, specific site restrictions or conditions, engineering reports or any other factors that a bidder should know prior to submitting a bid
6. the specifications contain any legal requirements including any indemnification, insurance requirements or any other legal requirements affecting the delivery of the goods or services in the competition document

**Types of Specifications**

There are three types of specifications; *functional*, *performance* and *technical*.

**Functional specifications**

These are specifications that define the function, duty or role of the goods or services. It nominates what the goods or services are broadly required to do. Functional specifications define the task or desired result by focusing on what is to be achieved rather than how it is to be done. They do not describe the method of achieving the intended result. This enables suppliers to provide solutions to defined problems. For example, a specification for “an accessible device capable of conveying children from their school to their homes” does not limit responses to bus operators alone.

**Performance specifications**

These are specifications that define the purpose of the goods or services in terms of how effectively it will perform, that is, in capability or performance terms. Performance is a logical extension of function. Performance specifications define the task or desired result by focusing on what is to be achieved. They do not describe the method of achieving the desired result. This enables suppliers to provide solutions to defined problems. For example, a specification could be written: “An accessible vehicle is required to convey at least 30 children every afternoon of the school week from their school in a safe manner to their homes within a radius of the school of 15 miles. The vehicle shall be capable of achieving this within 1 hour. The vehicle shall be capable of maintaining a comfortable environment for the children at an average temperature of 70 degrees Fahrenheit in all types of weather. The vehicle should allow equitable access by all children”. Such a specification does not limit offers to one type of transportation or one type of user.

**Technical specifications**

These are specifications that define the technical and physical characteristics and/or measurements of a product, such as physical aspects (for example, dimensions, color, and surface finish), design details, material properties, energy requirements, processes, maintenance requirements and operational requirements. They are used when functional and performance characteristics are insufficient to define the requirement.

There are no fixed rules on formats and structures because each specification reflects a different requirement or need. A specification should list the functional, performance and technical characteristics separately.

**Brand Name usages**

Unless there is no other way to describe a specification, trademarks or brands may be employed by way of reference, but shall not be used as the specification itself. Where an entity needs to specify a brand as a mandatory requirement, it must be preceded by a formal standard-setting exercise as prescribed by the policy established by the Central Procurement Office.

**Steps to Developing a Specification**

1. Understanding the objective
   1. What is the objective of the good or service being procured?
   2. What does the deliverable enable you to do? (Information like this should already be mentioned in your business case)
2. Develop specification/scope of works(services)
   1. Use clear language to state what you are trying to procure
3. Match your specification to your objective
   1. Ensure that what you are trying to procure will allow you to achieve your objective as you intended.
4. Vetting the specification and obtaining approvals
   1. After writing the specification, ask a colleague who is unfamiliar with the requirement to critique it from a potential supplier’s view.
5. Managing amendments to the specification
   1. If there are changes that need to be made to the specification or scope of works, the amendments should be authorized by the project manager. The changes should be communicated via a public notice to all suppliers and they must be given a reasonable opportunity to make a proposal based on these changes.

**Information that should not be included in specifications**

Excluding unnecessary information is as important to preparing an effective specification as including relevant information. These decisions can be difficult to make so consult with procurement officers to resolve uncertainties about what information belongs in the specification.

**Evaluation criteria**

Whatever methods are used to define the goods or services, there must be criteria to evaluate compliance of offers with the specification, legislative requirements or associated standards. Such evaluation criteria should be developed at the same time as developing the specification. They may be combined with other criteria, for example, price, accessibility, delivery, warranty, to give an overall assessment of the value for money represented by each offer. On the other hand, compliance may be a “pass” or “fail” to meet the mandatory requirements. Value for money may then be assessed on other variables. For further information on this please review the “Setting Evaluation Criteria & Minimum Scoring Thresholds” section of the Procurement Policy which can be found using this link <https://www.procure.gov.ky/procurement-policy> .