

# Writing procurement specifications guideline

This guideline is a recommended course of action under the operational policy framework. Any edits to this page must follow the process outlined on the [creating, updating and deleting operational policies](#) page.

## Overview

This guideline outlines the process for developing a specification for the procurement of goods, services, and consultancies.

## Scope

The guideline applies to all employees, school governing councils, preschool management committees, education offices and public authorities operating within the department's procurement framework.

In this document 'school and preschool' includes all schools, special purpose schools, special schools, preschools, and children's services centres as defined by the *Education and Children's Services Act 2019*. Business unit is a catch-all term to refer to all non-school, corporate, and ancillary functions within the department.



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# Detail

## What is a specification and what should it contain?

A specification is a detailed description of the goods or services required. Specifications form part of acquisition plans and market approach documentation.

The success of the procurement relies on the specification clearly and accurately identifying the procurement objective, and what is required from the successful supplier. Specifications should reflect the needs of end users. The level of detail in the specification should be commensurate with the procurement objectives and outcomes sought.

Specifications form a part of the resulting contract and are an essential contract management document to ensure the supplier provides what was negotiated during the sourcing stage.

The content of the specification must:

- not restrict competition by including bias that favours a particular supplier
- not act as a barrier to the introduction of alternative products for new and advanced technology
- encourage suppliers to offer innovative options or solutions which contribute to the department's ability to carry out its business in a more cost-effective manner
- support standardisation of the end product.

The Procurement and Contracting Unit must be involved to provide guidance in the development of the specification and its incorporation into the market approach documentation. For more information on the process, see the Department of Treasury and Finance's [developing a specification guideline](#).

## The importance of a clear specification

A specification should include clear and concise requirements. It should accurately define what is expected of the supplier. It should provide enough information for suppliers to be able to appropriately determine and cost the goods or services that they will offer, and to what level of quality.

Ambiguity in the specification may result in inappropriate or incomplete responses from potential suppliers. A poor description of requirements may mean that the product or service is not delivered as required. The content of the specification should encourage suppliers to offer innovative options or solutions which contribute to achieving [value for money](#).

## Types of specifications

### Functional

The functional specification nominates what goods and services are broadly required to do. These are referred to as outcomes based. They define the procurement outcome by focusing on what is to be achieved rather than how it is to be achieved. This enables suppliers to provide innovative solutions to a defined problem.

## Performance

Performance specifications describe the required performance characteristics of goods and services. They define the desired outcome in terms of how effectively it will perform, in capability or performance terms. They do not describe the method of achieving the desired result, rather focusing on what is to be achieved.

## Technical

Technical specifications define the technical and physical characteristics of goods and services, including design specifics, physical properties, dimensions, processes, and maintenance and operational requirements. These can be used when functional and performance characteristics are not able to fully define the requirement.

All three types of specification may be combined to form one specification document. Functional and performance specifications are preferred as they allow suppliers to offer innovative solutions. Technical characteristics may be required to define the need more clearly. Focusing on outcomes should result in achieving better value for money.

# Specification development process

There are 7 stages in developing a specification:

1. Identifying the need
2. Collaboration and information gathering
3. Writing the specification
4. Setting evaluation criteria
5. Approving the specification
6. Issuing the specification
7. Managing any amendments to the specification

## Identifying the need

Undertake planning and analysis before writing the specification. This will provide a better understanding of the objective of the procurement. Breaking down the requirement into [function](#) and [performance](#) goals and defining these will help to clarify and discover any conflicts within the requirement.

Identifying the need is particularly important when developing complex requirements. The specification becomes a key aspect of the contract, so it is important that it clearly defines the required outcomes from the goods and services.

## Collaboration and information gathering

Consulting with the end users of the proposed good or service to be procured will ensure that their requirements are incorporated into the specification. The level of collaboration and information gathering should be commensurate with the complexity, risk profile, and value of the procurement.

Valuable information and advice can also be gathered through consultation with:

- procurement officers
- technical/subject matter experts
- project officers
- contract managers/owners

Market research should be undertaken to determine what is available to meet the need, likely costings, and timeframes. Sources of information can include:

- industry associations or particular companies
- peak bodies, special interest groups, sector representatives
- external customers, beneficiaries of goods or services
- other departments
- Standards Australia
- learnings from previous procurements for similar goods or services

Market research can be done by making general enquiries or by placing formal advertisements for an [invitation for expressions of interest](#). For support with this process, submit a request through [edProcure](#).

If engaging with the market, make it clear that the interaction is for market research and do not assume any pre-offer negotiations. For complex and strategic projects, industry engagement training is mandatory for any employees undertaking market research. The [Industry Engagement Guideline](#) provides further guidance for employees in planning and meeting probity requirements when engaging with the market.

## Writing the specification

A specification should describe:

- **why** the supplier is required to do it (the outcome)
- **what** the supplier is required to do
- **when** the supplier is required to do it
- **how much**: what quantity or volume is required
- **how well**: what quality and performance standards apply

A specification should contain a level of detail appropriate to the level of complexity of the item being procured, for instance, inexpensive off-the-shelf items such as general stationery items would require a minimum descriptor. For more complex requirements, the specification should be more descriptive. The basic structure of a specification may contain:

- an introduction
- the scope and context
- procurement objectives and outcomes

- mandatory and quality requirement(s)
- technology, systems, and management techniques
- contract management
- records management
- timeframes and transition requirements
- performance
- occupational health, safety, and welfare
- security measures relevant to the requirement
- glossary and attachments.

For procurements utilising an [invitation to supply](#) market approach, the specification documentation is included as the 'invitation to supply' or [invitation for expression of interest](#) – Part B. For procurements utilising a [request for quote](#), the specification is included in the RFQ documents.

Some tips for writing a specification:

- use simple, clear, and concise language without jargon
- define industry specific terms and acronyms in a glossary of terms
- ensure product terminology is generic where possible
- use Australian, international or industry standards wherever applicable
- define each aspect of the requirement in one or two paragraphs where possible
- number all sections and paragraphs
- seek feedback on the draft from someone unfamiliar with the requirement and refine based on feedback.

Specifications should not include:

- conditions of tender or conditions of contract
- bias favouring a supplier, or aspects which may lead to discrimination either directly or indirectly to particular suppliers
- questionnaires used by tenderers to submit offers
- disclosure of allocated budgets.

## Setting the evaluation criteria

It is important when spending public money that all purchases are undertaken in an accountable and transparent manner. Part of this process includes setting [evaluation criteria](#) to ensure that all offers are evaluated on the same conditions. This means determining what your school, preschool or business unit requires from prospective suppliers, and how important each of those requirements are.

Compliance with the specification will be used as part of the criteria to evaluate the offers that suppliers submit. Evaluating the compliance of offers to the specification should be considered when writing the specification. The specification will affect the criteria, and the criteria will in turn affect the decision on the selection of the solution offered by suppliers.

It is best practice to seek offers from suppliers using a template for them to complete or in a structured format, as this ensures that the information provided by each supplier is complete and in a consistent format. For procurements using a public market approach process, this would be included in the response schedule, either as a [request for quote](#) or an [invitation to supply](#) for more complex requirements.

Schools, preschools, and business units may be required to undertake this process for simple procurements. For more complex or higher value procurements, the Procurement Unit should be involved and will assist in setting the criteria as part of the process.

The evaluation criteria included in the response schedule may address such issues as:

- compliance with the department's terms and conditions (separate to the specification)
- the advantages of the goods and services being offered
- the ability of the supplier to meet the requirements, including:
  - technical and management competence
  - financial viability
  - risk and insurance requirements
  - relevant skills
  - experience and availability of key personnel
- whole-of-life costs
- an assessment of the risks or constraints associated with the offer.

## Mandatory and desirable requirements

The specification must clearly identify whether each requirement is mandatory or desirable, on a clause-by-clause basis. Mandatory requirements are typically prefixed with words such as must, will or shall, while desirable requirements should be prefixed with may or could.

Suppliers should not be considered if they have failed to:

- meet a requirement identified in the specification as mandatory
- demonstrate an alternative means of providing the outputs and outcomes required.

Mandatory requirements should be yes or no scenarios and be kept to a minimum.

## Approving the specification

Prior to seeking approval, it is useful to have the specification vetted by someone other than the author to ensure its readability, simplicity of meaning, clarity, and logic.

After vetting has been completed, the specification should be endorsed by the appropriate delegate. This will confirm that the requirement:

- meets the business need
- is effectively defined in the specification
- is free from bias.

## Issuing and managing amendments to the specification

Approaching the market should only commence after all requirements are clear and well-defined.

This is to ensure that all potential suppliers have a clear guideline to follow, firstly when quoting on goods or services, and secondly, when carrying out their contractual agreement if they are the successful supplier.

Any amendments to the specification during the advertising period must be approved by the appropriate delegate. This should be prepared and released as addenda as soon as is practicable when changes are made to the specification.

For further guidance on changes to specifications during an advertising period, see Department of Treasury and Finance's [sourcing policy](#).

## Using external consultants

It may sometimes be necessary to engage an external consultant who can provide technical expertise to help users define their requirements. A consultant would normally only be required where complex technical issues are involved. A consultant engaged to develop specifications is normally excluded from tendering for those goods or services and should not be used to make management decisions. Undertake close monitoring and management of identified conflicts of interest and confidentiality requirements.

For further information regarding the engagement of external consultants refer to the [procurement governance policy](#).

## Roles and responsibilities

### Schools, preschools and business units

Draft the specification and obtain advice from Procurement and Contracting regarding the style, structure, and content of the specification, when required.

Endorse and approve the specification.

### Procurement and Contracting Unit

Support schools, preschools, and business units in the development of the specifications by providing advice on the structure, content, and style of the specification.

Evaluate specifications as part of the procurement planning process.



Monitor and evaluate the effectiveness of the procedure and conduct periodical reviews as required.

## Managers

Ensure employees undertaking any procurement processes within their role are sufficiently informed about relevant procurement procedures and guidelines.

Managers include executive directors, directors, assistant directors, principals, and supervisors.

## Employees

Ensure procurements undertaken on behalf of their school, preschool or business unit are conducted in compliance with relevant legislation, government, and department procurement requirements.

## Definitions

### school and/or preschool

Includes all government schools, special purpose schools, special schools, preschools, and children's services centres as defined by the *Education and Children's Services Act 2019*.

### business unit

Is a catch-all term to refer to all non-school, corporate, and ancillary functions within the department.

### specification

A statement of requirements which clearly and accurately describes what the department is procuring and what the supplier is required to provide.

### value for money

the achievement of a desired procurement outcome at the best possible price based on a balanced judgement of financial and non-financial factors relevant to the procurement.

### evaluation criteria

the criteria used to evaluate compliance of suppliers' offers. Will be either mandatory, weighted, or non-weighted, and provides a standard against which the department will evaluate the financial and non-financial elements of suppliers' offers to identify the best value for money solution.

## request for quote

a formal request inviting offers to supply goods or services from suppliers. It is generally used for lower value and risk procurements. A standard template is available on the intranet.

## invitation to supply

a formal request inviting offers to supply goods and/or services from suppliers. A standard template is available on the intranet.

## invitation for expressions of interest

a formal request inviting suppliers to express interest in supplying goods and/or services, and the first step in a multi-stage procurement process. This may be used to shortlist suppliers based on capability and capacity for the second stage, and/or to obtain further information from suppliers on the goods and services being sought to inform the second stage.

# Supporting information

## Related legislation

[Public Finance and Audit Act 1987](#)

## Related policies

[Procurement governance policy](#)

[Procurement procedure \(PDF 231KB\)](#)

[DTF procurement governance policy](#)

[DTF procurement planning policy](#)

[DTF sourcing policy](#)

[DTF contract management policy](#)

[DTF developing a specification guideline](#)

## Related policies

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## Contact

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[Ask your question or lodge a request through edProcure.](#)