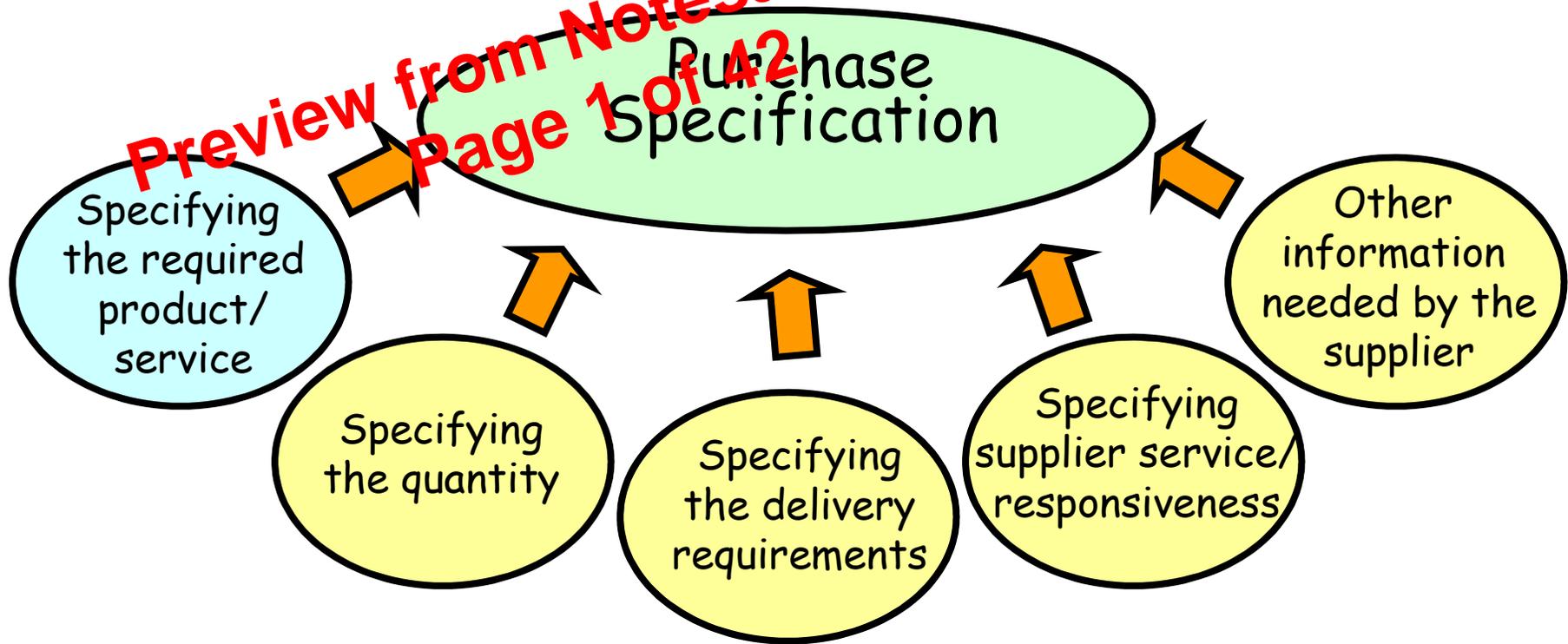
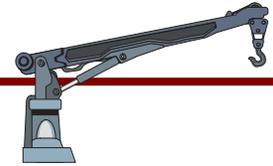


The Purchase Specification



Functional and performance specs.

- Functional specifications indicate the basic function
- Performance specifications also indicate "how well" the function is to be performed



When used Advantages

- When what is to be achieved is more important than how it is achieved
- Can include levels and quality of output, capacity, use of energy, maximum operating costs, etc. (e.g., boilers, pumps..)
- Suppliers can innovate for optimum solution
- The risk is borne by the supplier
- Requires less effort than a technical specification

Disadvantages

- May be difficult to assess the supplier's quotation
- Comparing suppliers' offers can be lengthy and complex

Specifying testing and inspection requirements:



WHEN ?

- When the consequences of failure are significant
- When the supplier's quality performance is unknown or possibly insufficient
- Review and/or approval at design stage
- In-process inspection
- Testing at end of production prior to shipment or delivery
- Testing at the time of receipt, installation or commissioning

In each case you must specify the method and the evaluation criteria

Standards

Advantages

- ❖ Promote competition and lower prices
- ❖ Remove uncertainty as to what is required
- ❖ Often reduce lead-times
- ❖ Do not need to write a detailed specification
- ❖ Make comparing quotes easier

Disadvantages

- ❖ Sometimes the standard is not enough to meet the need
- ❖ Standards do not always reflect the latest technology or practices
- ❖ Suppliers may not be familiar with all standards



Using standards

- Standard No.1:
Benefits:

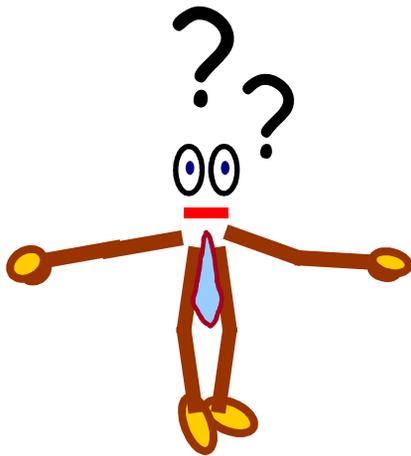
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Page 25 of 42**

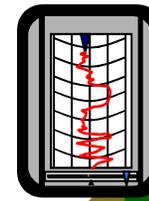
- Standard No. 2:
Benefits

- Standard No. 3:
Benefits

Internal standardisation

- It means reducing the number of different purchase specifications to the extent possible
- Too many different specifications are often used because:
 - Engineers and designers often prefer to develop their own designs & specifications or are not aware of existing standards
 - Sometimes it is not easy to determine which designs & specifications are already in use by the company





Value analysis

/engineering

4. The Speculation Phase

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Page 38 of 42
Review the functions in order of costs and ask yourself / brainstorm on:

- Is this function necessary?
- Is its cost proportional to its usefulness?
- What else achieves the same function?
- Can it be sourced for less?
- Can it be made or done in a different way?
- Can a standard product do the same job?
- Etc...

