The Need To Buy

- Is a purchase essential?
- Do we really need to acquire new products?
- Have alternative options been considered where appropriate e.g. re-using existing equipment, refurbishing equipment

The Procurement Hierarchy adopts similar principles to the waste hierarchy – the first stage is to **re-think** the need.

Re-thinking the need to purchase is best done collaboratively with heads of service, service users, budget-holders, technical specialists as well as procurement.

Considerations

- Is it a repeat purchase?
- Available budget?
- Robust and approved business case
- Are there opportunities to do things differently?
- Can the market offer alternative ways of achieving the result you are seeking?
- Is the requirement available to buy through an existing collaborative contract?
- Level of risk associated with delivery of the requirement

Importance of Identifying Requirements

Everything SDS purchases can have positive or negative impacts on people, the environment and the economy. Identifying requirements is an appropriate way to help SDS by:

- Delivering Value for Money
- Delivering our corporate objectives
- Being open and transparent in how we purchase
- Comply with legislative requirements – The General Duty under the Procurement Reform (Scotland) Act 2014 requires that public money is spent in accordance with principles of: equal treatment, non-discrimination, transparency and proportionality.
- Contribute to the triple bottom line of the economy, community and environment
- Promoting innovative solutions.

Early Engagement

Early engagement with Procurement is key in identifying and defining requirements for a potential purchasing activity. Early engagement with your Procurement Business Partner will allow for a number of benefits:

- Make savings
- Avoid over-specifying
- Avoid risk
- Sustainable purchasing
- Identifying relevant costs

Stakeholders

A range of stakeholders will need to be involved in identifying and defining requirements. It is important to consider all stakeholders influences and interests. You should engage with your Procurement Business Partner to identify potential stakeholders who will be involved within this exercise. This is key to identifying and defining requirements of a potential procurement exercise.
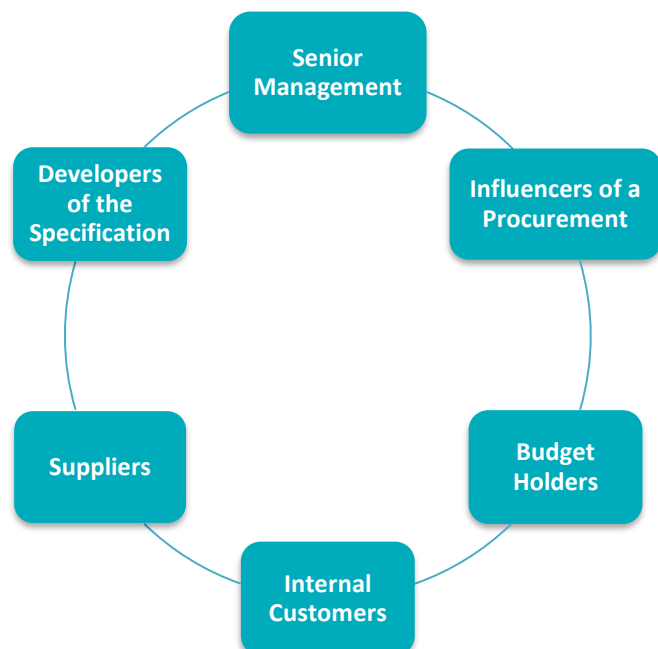
Writing a Specification / Statement of Requirements

The specification for goods, works or services is a description of what is required. It should be clear, concise and jargon free and written in line with procurement legislation. You should use the specification to set out explicitly what you want the supplier to do.

Think about what kind of specification to use;
- outcome (functional)
- output (performance)
- input (technical)

In reality the specification will probably be a combination of all three because there will be certain parameters you have to lay down. Generally, specifying outcomes and outputs is better than inputs as it allows for more innovative responses.

An incorrect specification can result in:
- A breach of procurement rules
- Failure by SDS to meet objectives
- Wasted money
- Unsuitable tenderers / bids
- Misinterpretation of requirements
- Claims of unfair treatment

Be clear in your specification about which of your requirements is mandatory. There is also the option to use discretionary requirements to encourage innovation. However, these requirements must then be reflected in the evaluation criteria developed for your purchase – it is important that you understand what an excellent response should look like.

Do's	Dont's
Write the specification in "performance" terms	Specify a particular material/brand or source to a particular process
Focus on the function of the product or output of the service	Refer to trademarks, patents, types, origins or means of production
Ensure you are aware of how products and services are developing in the market	Use acronyms
Build the specification around a description of what is to be achieved, rather than a fixed method of how it should be done	Over/under-specify
Assess demand regularly e.g. is it more cost effective to have a fixed term appointment than having an interim	

Further Information

There are various useful sources of information on Identifying and Defining Requirements

Further information can be found at:

- SDS Academy Module – Identifying and Defining Requirements – which can be found here