

Requisition Definition

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Purpose

This paper is part of the Red-Bag philosophy on handling technical data in the process industry.

The purpose of this document is to provide an outline of how a data sheet with technical specifications fits within a procurement document for example a purchase order and what other technical documentation is attached to complete a technical requisition in an inquiry or order document.

Content and definition of a purchase order

The content of a purchase order is as follows:

Commercial section

Purchase Order (Contract or Subcontract):

- Price with reference to requisition
- Milestones related to payments
- Variations to the contract
- Unit rates for variations
- Detail commercial terms and conditions
- General commercial terms and conditions
- Table of contents, order of precedence

Technical section

Requisition:

- General requisition description
- General project (environment) description
- *Datasheets or technical specification*
- *Detail drawings*

- *Detail specifications*
- Technical quality and inspection requirements
- Detail order execution requirements/deliverables
- Definition 'work complete' and hand-over
- Reference to General Technical Specifications

General technical specifications:

- Index of general technical specifications
- List of applicable paragraphs per specification
- General technical specifications

Summary Explanation

The purpose of this breakdown is also to separate information according the intended use and origin of information:

1. There is a division possible between commercial and technical information, this can be useful to keep confidential information separate from the technical information
2. The general specifications can be separated from the detail requisition information. This will reduce unnecessary in-house document distribution.
3. The data sheet (or technical specification) including the detail drawings and detail specification *should define the work and/or item* ordered following the FMDI principle.

There is a logical order of sequence and relation between the documents that can be expanded if required:

- price, which is the value, corresponds with the full requisition, which is the scope of work
- the variation to contract procedure is not a common document to be found in orders, but the variations (or changes) lead usually to misunderstandings, discussions and to possible disputes. It is therefore advised to discuss the possible variations by defining a procedure related to the type variation. It needs also a definition that certain process variations can be absorbed during the very early phases of the project but they will be very costly later in the project. A marked-up schedule is a good starting point. The schedule impact needs more explanation and definition than the cost impact. Cost is more easy to understand than schedule impact. The scope is consisting of many dependent activities and a thorough schedule investigation is required to see how much float in the schedule will be used or if no float is possible to identify what the schedule impact will be.
- the remainder of the commercial section is related to the common commercial part of a contract. The detail terms and conditions can be used to add but also to overrule the company general terms and conditions.
- The technical section is divided in a general part to provide insight of the purpose of the order contained in the larger part (the project), the definition of the core (in italics) of the scope of work and the information of the requirements how to arrive at the end result which is additionally defined in the 'work complete'. The link to the general specification is provided in the last part, reference to general technical specifications
- The general technical specifications are usually company standard documents consisting of many pages. Large parts of the technical specifications can be used but it is advised to explicitly indicate in the list of applicable paragraphs which part of the specification is applicable. It is common knowledge that in case of large specifications some suppliers might not read the specification at all if no specific indication is made for the project.