

Appendix 1 Indicative Price Quality Ratio

Table 1

Indicative Price Quality Ratio Goods & Supplies		
Type of Good/ Service	Description of product/ State of Market	Price : Quality
Routine	Low Spend High Volume, Many sources of supply	10:90/ 30:70
Leverage	High Spend Many sources of supply	40:60 / 30:70
Strategic	High Spend Necessary for operation Few sources of supply Specification may be complex	60:40
Bottleneck	Few sources of supply Few alternatives available Complex specification If supply fails impact on the organisation will be significant	90:10 / 70:30

Table 2

Indicative Price Quality Ratio Consultancy Services <sup>1</sup>		
Type of Good/ Service	Description of Service	Price : Quality
Consultancy Services	Feasibility studies/option appraisal	20:80 / 10:90
	Innovative projects	30:70 / 15:85
	Complex Projects	40:60 / 20:80
	Straightforward projects	70:30 / 40:60
		90:10 / 70:30

<sup>1</sup> Procuring Goods and Service for Audit Scotland December 2014

