

Software Product Scope of Work

Project Title:

Project Overview

Mention the purpose and objective of the software product.

Project Objectives

The specific goals and outcomes the project aims to achieve.

Scope Description

1. Project Deliverables:

- All the deliverables expected from the project, such as software modules, documentation, reports, etc.

2. Functional Requirements:

- The specific functionalities and features the software product should include.

3. Non-functional Requirements:

- The performance, security, scalability, and other non-functional requirements.

4. Technical Specifications:

- Any technical details or specifications that is essential for the project's success.

5. User Acceptance Criteria:

- The criteria that must be met for the client to accept the final product.

Project Timeline

- **Phase 1:** [Start Date] - [End Date]
 - Milestone 1: [Description] - [Due Date]
 - Milestone 2: [Description] - [Due Date]
- **Phase 2:** [Start Date] - [End Date]
 - Milestone 3: [Description] - [Due Date]

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- Milestone 4: [Description] - [Due Date]

Roles and Responsibilities

- **Client Responsibilities:**

1. **Clear Project Objectives:** The client should provide clear and detailed project objectives, including scope, goals, and deliverables. This sets the foundation for the project and helps the service provider understand what is expected.
2. **Timely Communication:** Clients should maintain open and timely communication with the service provider. This includes responding to emails, phone calls, and requests for information promptly to avoid delays.
3. **Access to Resources:** The client should ensure that the service provider has access to any necessary resources, such as data, equipment, facilities, or personnel, as outlined in the project agreement.
4. **Approval and Feedback:** Clients are responsible for reviewing and approving project deliverables and providing feedback in a timely manner. Delays in providing feedback can lead to project delays and additional costs.
5. **Payment:** Clients are responsible for making timely payments as per the payment schedule outlined in the contract. Failure to do so can result in project interruptions or even termination.
6. **Change Requests:** If the client wishes to make changes to the project scope, requirements, or other aspects of the project, they should follow the established change request process and be prepared to discuss potential impacts on the project timeline and budget.
7. **Compliance with Terms:** Clients should adhere to all terms and conditions outlined in the project agreement, including confidentiality, intellectual property rights, and dispute resolution procedures.
8. **Testing and Acceptance:** Clients are often responsible for participating in testing and quality assurance processes to ensure that the project meets their requirements and standards before final acceptance.
9. **Approvals and Permits:** If the project requires any regulatory approvals, permits, or licenses, the client should ensure that these are obtained in a timely manner.
10. **Risk Management:** Clients should collaborate with the service provider to identify and mitigate risks that could impact the project's success.

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11. **Project Closure:** At the end of the project, clients should participate in project closure activities, which may include final documentation, handover of deliverables, and an evaluation of the project's success.
- **Termination:** In case the project needs to be terminated prematurely for any reason, clients should follow the termination provisions outlined in the project agreement, including any compensation or liability clauses.
 - **Termination of Convenience:** Either party may terminate this agreement for any reason with 20 days' written notice.
 - **Termination for Cause:** Termination is allowed if one party materially breaches the contract and fails to remedy it within 20 days of written notice.
 - **Termination of Non-Payment:** The Company may terminate the agreement if the client fails to make payments as per the agreed schedule and does not rectify it within 10 days of notice.
 - **Force Majeure:** Either party may terminate the contract without liability if performance is hindered due to unforeseeable events beyond their control.
 - **Intellectual Property Ownership upon Termination:** Upon termination, the client will receive partial deliverables or source code.
 - **Termination Costs and Liabilities:** Termination will not prevent the client from paying for work completed up to the termination date and reimbursing any agreed-upon expenses.
 - **Transition and Data Handover:** Upon termination, the developer shall facilitate the orderly transfer of assets, data, and documentation to the client.
 - **Dispute Resolution:** Any disputes arising from termination shall be resolved through [mediation/arbitration/litigation] as per the dispute resolution clause.
 - **Notice Period:** Termination notices must be in writing and delivered in accordance with the notice provisions.
 - **Survival Clauses:** Clauses related to confidentiality, indemnification, and warranties shall survive termination.
- **Developer Responsibilities**
 1. **Project Scope:** Developers should have a clear understanding of the project scope and objectives as defined in the agreement. They must work within the defined boundaries and seek clarification if any aspects are unclear.
 2. **Timely Execution:** Developers are responsible for completing their work within the agreed-upon timelines and milestones. They should adhere to project schedules and deadlines.

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3. **Quality Assurance:** Developers must ensure the quality and functionality of their work. They are responsible for testing their code or deliverables and addressing any defects or issues promptly.
4. **Communication:** Developers should maintain open and effective communication with the client or project manager. This includes providing regular updates on project progress, reporting any challenges, and seeking guidance or clarification when needed.
5. **Documentation:** Developers are often required to document their work, including code comments, technical documentation, and user guides, as specified in the project agreement.
6. **Compliance with Standards:** Developers should follow industry best practices and standards relevant to the project. This may include coding standards, security protocols, and data protection regulations.
7. **Change Management:** If the client requests changes to the project scope or requirements, developers should follow the established change request process and be prepared to discuss the impact on timelines and costs.
8. **Confidentiality:** Developers are often required to sign confidentiality agreements and must ensure that they handle the client's sensitive information and project details with the utmost care.
9. **Intellectual Property:** This agreement specifies intellectual property rights. Developers may be required to transfer ownership of code or deliverables to the client upon completion, or there may be licensing arrangements in place.
10. **Risk Mitigation:** Developers should work collaboratively with the client to identify and address project risks that could affect the project's success.
11. **Project Closure:** At the end of the project, developers should participate in project closure activities, which may include providing documentation, assisting with deployment, and conducting a post-project review.
12. **Termination:** If the project needs to be terminated for any reason, developers should follow the termination provisions outlined in the agreement, including any compensation or liability clauses.

Change Management

1. **Change Request Process:** There should be a formal process for submitting change requests. This should include details of the change request and should be sent by any authorized official (Business Analyst) documented and signed. It should be sent to the services provider's company email id.

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2. **Change Request Form:** The format for a change request must include information such as the reason for the change, its impact on scope, schedule, and budget, and any supporting documentation.
3. **Change Evaluation:** The change requests will be evaluated. This might involve assessing the feasibility, impact, and urgency of the proposed change. Criteria for evaluating changes shall be outlined.
4. **Change Impact Analysis:** The impact of a change on project scope, schedule, budget, and resources will be assessed. Include criteria for determining whether a change is feasible and acceptable.
5. **Approval Authority:** After the evaluation of the change request the committee or individuals responsible will investigate approval or denial of change requests. This can include the client, project manager, steering committee, or other relevant parties.
6. **Documentation and Tracking:** All approved change requests will be documented, tracked, and communicated to relevant stakeholders. This may involve maintaining a change log or repository.
7. **Budget and Cost:** The changes affecting project costs will be managed, including procedures for revising the project budget, obtaining additional funding (if necessary), and tracking financial impacts.
8. **Timeline and Schedule:** The changes will be integrated into the project schedule, including any adjustments to milestones or deadlines.
9. **Priority and Ranking:** There shall be a method for prioritizing and ranking change requests if multiple changes are submitted simultaneously. The higher priority issue shall be implemented first. This helps ensure that changes are addressed in order of importance.
10. **Scope Control:** The changes will be managed to prevent scope creep. For example – Change of entire module might change the scope of the project. This will violate the rules. The Technical team shall review and confirm that changes align with project objectives and do not excessively expand the project's scope.
11. **Documentation Updates:** The project documentation, such as the project plan, requirements document, and other relevant documents, will be updated to reflect approved changes.
12. **Escalation:** The escalation procedures for unresolved or contentious change requests. This might involve higher-level management or dispute resolution mechanisms.
 - **Negotiation:** The disputes shall be resolved through informal negotiations between the parties involved. Project managers, team members, and stakeholders may engage in

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discussions to find mutually acceptable solutions. Negotiation is often the first step in resolving disputes and can be less adversarial than other methods.

- **Mediation:** Mediation involves the appointment of a neutral third party, known as a mediator, to help the disputing parties reach a mutually agreeable solution. The mediator facilitates communication, assists in identifying common ground, and guides the parties toward a resolution. Mediation is a voluntary process, and any resulting agreement is typically non-binding unless specified otherwise.

13. **Audit Trail:** The comprehensive record of all change management activities is maintained for future reference and audit purposes.

Quality Assurance

The Quality assurance and testing processes aim to confirm that the software product complies with the specified standards and is devoid of any defects.

1. **Quality Control Processes:** The specific quality control processes that will be implemented to monitor and verify the quality of work throughout the project. This may involve regular inspections, reviews, and testing.
2. **Quality Assurance:** The teams, project managers, quality assurance professionals, or third-party auditors shall be responsible for quality assurance.
3. **Acceptance Criteria:** The criteria that will be used to determine whether project deliverables are accepted or rejected may include specific metrics, test results, or client approvals.
4. **Testing and Validation:** The testing and validation processes to be followed to ensure that the project's components or deliverables meet the specified quality standards. The types of testing that will be conducted is as follows:
 - Functional Testing
 1. Unit Testing
 2. System Testing
 3. Regression Testing
 - Non – Functional Testing
 1. Performance Testing
 2. Usability Testing
5. **Continuous Improvement:** We highlight the commitment to continuous improvement by addressing any identified quality issues promptly and implementing corrective and preventive actions.

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6. **Performance Metrics:** The key performance indicators (KPIs) or metrics will be used to measure the project's quality. These metrics can include defect rates, error rates, compliance with specifications, and customer satisfaction.
7. **Acceptance Testing:** The process for acceptance testing shall include meeting the business requirements as mentioned in the requirement document including the change requests by both the parties (end-users and clients).
8. **Confidentiality of Quality Data:** The quality-related data and reports are treated with the same level of confidentiality as other project information, especially if they contain sensitive or proprietary information.

Deployment and Support

The information about the deployment plan includes –

- Application Hosting Space:
- Application Hosting Server:
- Cloud or Local Storage:
- Domain Name:
- Security:
- Maintenance:

Project Budget

The project budget includes estimated costs for –

- Development:
- Testing:
- Deployment:
- Maintenance:

Terms and Conditions:

Payment Terms

1. **Payment Amount:** The total amount to be paid for the project can be a fixed fee, an hourly rate, a retainer.

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2. **Payment Schedule:** The schedule for payments shall include details about when payments are due, how many payments will be made, and the amount of each payment. Common payment schedules include:
 - **Upfront payment:** 40% of the total project cost paid before work begins.
 - **Milestone payments:** Payments made at specific project milestones or upon completion of predefined deliverables.
 1. Milestone 1: The client shall make an upfront payment of 40% of the total project cost as the first milestone payment.
 2. Milestone 2: The client agrees to make a 20% payment of the total project cost, upon successful completion of the 2nd milestone.
 3. Milestone 3: The client agrees to make a 20% payment of the total project cost, upon successful completion of the 3rd milestone.
 4. Milestone 4: The client agrees to make a 20% payment of the total project cost, upon successful completion of the 4th milestone.
 - **Monthly or periodic payments:** Regular payments made at set intervals, such as monthly or quarterly for maintenance.
 - **Final payment:** The remaining balance due upon project completion or acceptance.
3. **Invoicing:** The invoice shall be submitted which includes details about the information of the client, and the preferred method of delivery (e.g., email).
4. **Late Payment Penalties:** The penalties or interest charges shall be applied if payments are not made on time. The percentage of the penalty shall depend on how much it was delayed.
5. **Currency and Payment Method:**
6. **Adjustments:** The payments may be adjusted based on changes in project scope, additional work, or unforeseen circumstances which includes provisions for change orders and associated payment adjustments.
7. **Taxes:** The taxes, such as sales tax or value-added tax (VAT), are excluded in the payment amount.
8. **Dispute Resolution:** The procedure for resolving payment-related disputes includes mediation, arbitration, or legal action if necessary.
9. **Termination and Refunds:**
 - **Payment for Work Completed:** The client shall compensate the development team for work completed up to the termination date based on the agreed-upon rates.

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- **Reimbursement of Expenses:** The client is responsible for reimbursing the development team for documented project-related expenses incurred up to the termination date.
 - **Partial Payments for Deliverables:** If project milestones or deliverables are completed before termination, the client is obligated to pay for those completed milestones or deliverables.
 - **Final Invoice:** The development team shall submit a final invoice detailing the work completed and any outstanding payments owed by the client.
 - **Return of Advance Payments:** Upfront or advance payments made by the client may be refunded or retained by the development team depending upon the project completed up to the termination date.
 - **Retention of Intellectual Property:** The client retains ownership of completed work and deliverables, including intellectual property, up to the termination date.
 - **Dispute Resolution:** Any payment disputes upon termination shall be resolved through the dispute resolution process outlined in the contract, such as mediation, arbitration, or litigation.
10. **Currency Exchange Rates:** The currency exchange rate from one currency to another can fluctuate based on market forces.
11. **Billing and Payment Contact Information:**
12. **Confidentiality of Financial Information:** The financial information related to payments and fees will be treated confidentially.
13. **Invoice Tracking and Records:** The Invoices, receipts and payments confirmation records shall be tracked and maintained a soft copy of the transactions.

Warranties

1. **Quality and Workmanship Warranty:** This warranty assures the client that the work will be performed in a professional and efficient manner and will meet industry standards for quality and craftsmanship.
2. **Performance Warranty:** The service provider guarantees that the delivered product or service will meet the specified performance criteria and will perform its intended function effectively.
3. **Title Warranty:** The service provider warrants that they have clear and unencumbered title to any intellectual property, materials, or deliverables provided and that the client's use of these items will not infringe on third-party rights.

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4. **Non-Infringement Warranty:** The service provider assures that the work or deliverables provided will not infringe on any patents, copyrights, trademarks, or other intellectual property rights of third parties.
5. **Warranty Period:** Specify the duration of the warranty period during which the service provider is responsible for rectifying defects or issues. This period typically starts from the completion or acceptance of the project.
6. **Exclusions:** Clearly state any exclusions or limitations to the warranties, such as defects or issues resulting from misuse, modifications by the client, or force majeure events.
7. **Notification and Claims:** Please note that the timeline for notifications and claims may vary and is contingent upon factors such as project size, time requirements, and budget considerations, with a typical range of 3 to 6 months.
8. **Governing Law:** The governing law and authority of both the parties shall resolve any legal disputes related to the warranty claims.

Confidentiality Agreement

1. **Definition of Confidential Information:** The confidential information includes project plans, design documents, financial data, proprietary software, customer lists, or any other sensitive information. The client agrees not to share any of this information with a third hand-party.
2. **Obligations of Parties:** The project manager or service provider agrees not to disclose or use the confidential information of the client for any purpose other than the project. The client agrees to share this information with the understanding that it will be kept confidential.
3. **Duration of Confidentiality:** The duration for which confidentiality obligations will be in effect will be the duration of the project, a specified number of years for which it is under maintenance with the service provider or indefinitely, depending on the nature of the information.
4. **Permitted Disclosures:** The circumstances under which the recipient of confidential information is permitted to disclose it would include common exceptions like disclosures required by law, with the consent of the disclosing party, or to employees or contractors with a legitimate need to know for project purposes.
5. **Return or Destruction of Information:** What should happen to confidential information once the project is completed, or the agreement is terminated?

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- **Return of Materials:** Upon project completion or termination, the development team agrees to promptly return all client-provided physical materials and assets.
 - **Data Ownership:** All project-related data remains the property of the client, and the development team shall provide it upon project completion or termination.
 - **Destruction of Copies:** The development team commits to destroying any duplicate copies of project-related data or materials, except where legal or regulatory retention is required.
 - **Data Transfer:** The development team will assist in the smooth transfer of project-related data, files, and code repositories to the client or their designated representative.
 - **Confidentiality Obligations:** Confidentiality obligations persist beyond project completion or termination to prevent unauthorized use or disclosure of client information.
 - **Certificates of Destruction:** Upon request, the development team will provide certificates confirming the proper disposal of project-related materials and data.
 - **Retention for Legal or Regulatory Compliance:** Data retention, if necessary for legal or regulatory purposes, will be specified in compliance with applicable laws.
 - **Access to Documentation:** The client retains access to project documentation, including source code and technical documents, post-project completion or termination.
 - **Liabilities for Data Breach:** The contract outlines liabilities in case of data breaches or unauthorized disclosure of project-related information.
 - **Dispute Resolution:** Disputes related to the return or destruction of information shall be resolved as per the contract's dispute resolution process.
6. **Consequences of Breach:** Both the parties shall face consequences of a breach of the confidentiality agreement, if any. This may include legal remedies, such as injunctions or damages, to compensate for any harm caused by the breach.
7. **Legal Authority:** The governing law and authority of both the parties shall resolve any legal disputes related to the agreement.
8. **Exclusions:** The information that is already officially known or becomes public through no fault of the recipient, such information shall not be covered by the confidentiality agreement.
9. **Third-Party Recipients:** If the project involves subcontractors or third-party vendors, the confidentiality will be extended to these parties either through separate agreements or within the main project confidentiality agreement.

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10. **Mutual vs. Unilateral:** The confidentiality obligations are mutual (both parties are bound by confidentiality) or unilateral (only one party has access to confidential information).

Signatures:

By signing below, both parties acknowledge and agree to the terms and conditions outlined in this Scope of Work.

Client's Signature: _____ **Date:** _____

Client's Name: _____

Developer's Signature: _____ **Date:** _____

Developer's Name: _____