Writing Clear and Effective Statements of Work

OVERVIEW

The Statement of Work (SOW) is a detailed description of what is required of the contractor to satisfactorily perform the work. It is very important as it forms the basic framework for the resulting contract and details the work requirements for projects and programs that have products, deliverables and/or services performed. Your planning work serves as the foundation for the Statement of Work.

The success or failure of a contract can usually be linked to the adequacy of the planning, analysis and thoroughness of the SOW. Therefore, it is very important that the SOW:

- Secure the best economic advantage using best value;

- Be clearly defined;

- Be contractually sound;

- Be unbiased and non-prejudiced toward respondents;

- Encourage innovative solutions to the requirements described, if appropriate; and

- Allow for free and open competition to the maximum extent reasonably possible.

SPECIFICATIONS

A specification is a description of a product or service a user seeks to procure, and is also a description of what a bidder must offer to be considered for an award. Specifications are the primary means of communication between an agency and a vendor. Specifications control:

- The quality level of the product;

- The amount of completion;

- The suitability of the product or service for the job to be done; and

- The method of evaluation used in making an award and in determining the best value bid for the purchase.

An effective specification is:

SIMPLE: Avoid unnecessary detail, but be complete enough to ensure that requirements will satisfy their intended purpose.

CLEAR: Use terminology that is understandable to the agency and bidders. Use correct spelling and appropriate sentence structure to eliminate confusion. Avoid legalese type language and jargon whenever possible.

ACCURATE: Use units of measure that are compatible with industry standards. All quantities and packing requirements should be clearly identified.

COMPETITIVE: Identify at least two commercially available brands, makes, or models (whenever possible) that will satisfy the intended purpose. Avoid unneeded "extras" that could reduce or eliminate competition and increase costs.

FLEXIBLE: Avoid totally inflexible specifications which prevent the acceptance of a bid that could offer greater performance for fewer dollars. Use approximate values such as dimensions, weight, speed, etc. (whenever possible) if they will satisfy the intended purpose. If approximate dimensions are used, it should be within a 10 percent rule of thumb unless otherwise stated.

PERFORMANCE BASED SPECIFICATIONS VS. DESIGN SPECIFICATIONS

There are three major types of SOWs: level of effort, where the deliverable is a certain number of hours of work; performance based and design based.

Performance based specifications focus on outcomes or results rather than process, and the required goods and services rather than how the goods and services are produced. It gives the contractor the freedom to determine how to meet your requirements.

- Performance based specifications allow respondents to bring their own expertise, creativity and resources to the bid process without restricting them to predetermined methods or detailed processes. This allows the respondents to provide the product or service at less cost and shifts some of the risk to the contractors.

- Agencies must ensure that performance specifications are reasonable and measurable, and that the specification clearly outlines how the results will be measured.
- Consider including performance incentives to reward outstanding performance which exceeds the goals contained in the contract.
- Performance based specifications allow respondents maximum flexibility when satisfying the requirements of a solicitation. In particular, use performance based specifications for **a new installation of an entire system provided by one vendor**.

Design specifications outline exactly how the contractor must perform the service or how the product is made.

- A faulty specification can result in a product that does not work correctly. When design specifications are used, the fault then rests with the state. This is a drawback of design specifications

- Design specifications are appropriate for simple purchases of goods such as paper, pens, furniture, and services such as temporary staff. Usually these purchases are accomplished by defining specific quantities and specifications for the goods or services, price per unit, as well as requirements for the time, place and manner for delivery and acceptance.

- Use design specifications for **a new installation of a system provided by various suppliers**, as the agency may need to ensure that all of the characteristics of the system will work together; and for the **expansion of an existing installation,** as the new equipment must connect and integrate with the existing system.

PRELIMINARY PLANNING FOR THE STATEMENT OF WORK

Some additional planning, focused on the nature of the procurement, can help ensure an effective SOW. Questions that should be considered include:

- Do you need a SOW or a statement of objectives (SOO) which states basic, top level objectives?
- Will your SOW be framed in a manner that allows more potential bidders to compete?
- How will your SOW function as part of the legal contract (see more below on writing clear SOWs)?
- That type of SOW should this be? Level of effort? Performance based? Design based?
- What needs to be accomplished? Can you enumerate the tasks that must be completed to achieve the final results?
- What performance standards (e.g., completion of milestones, cost control measures) should be outlined for bidders?
- What are the deliverables, and what is their expected delivery timeline?
- Who will perform each task (e.g., event managers, writers, IT personnel, graphic designers, subject matter experts)?
- What is the process for overseeing work? Testing? Monitoring?
- What resources are required (e.g., equipment, facilities)?

ORGANIZATION OF THE STATEMENT OF WORK

A statement of work should contain several elements that include the following:

1. An **introduction** or brief description of the project and **background** of how the project came to be
2. The **scope** of the work to be performed, which defines the "what" or the work that is being done
3. **Objectives** specific to the SOW and consistent with the scope*[1]
4. **References***
5. **Requirements** including tasks, deliverables and schedule* (see also **10 Best Practices in Writing Requirements**)
   a. **Tasks** in sequential order including methodology, specs or performance requirements, standards, etc.*
   b. **Deliverables**, including work products and acceptance criteria* (see also **Recommended Practices in Defining Deliverables**)
   c. The **schedule** including periods of performance and milestones*
   d. Any **assumptions***
6. How **progress monitoring** will occur, including reports, meetings, reviews, etc.
7. Any **notes** or **clarifications**[2]

---

[1] Items marked with an asterixis are discussed in detail below.
[2] This might include the project's governance process, along with how often governing committees will meet. What resources are required for the project, what facilities will be used and whose equipment will be needed, as well as testing requirements.

You may also wish to include a **service level agreement** or service level expectation, and a section on **compensation,*** though the latter can be addressed in a separate contract exhibit.

Another way of organizing the statement of work is to divide each of the general contracting objectives into logical parts. Contracts, like projects, are often divided into phases, such as planning, development, implementation and operation or planning, equipment, installation, testing, operation and maintenance. The specific phases should support the subject matter and purpose of the contract. Phases can be further divided into small components of work (segments) and deliverables can be defined within each segment.

OBJECTIVES

Objectives define the "why". The objective section states the business objectives of the project, and a high-level overview of the solution. This ensures that clarity as to why the agency is performing this work. This step may seem obvious, but **when a contract fails, it often fails because the expectations were not met and there was not a true meeting of the minds.**

A clear understanding of the project objectives is essential to success. Typically, a contract will be part of a larger organizational project or program. **Agencies must carefully consider how the objectives, assumptions and constraints integrate into the larger organizational project.** Identify and document potential integration risks so that a strategy for mitigating or managing those risks will be developed later.

> *Tip: You can use a subset of the objectives you developed in your scope during CONCEPT to define the objectives of the contracted work.*

Well-formed objectives will help guide and keep the contracted work focused and on track. The following questions can help clarify objectives

- What does your agency specifically need?

- What will fulfilling this need do for your agency?

- How will your agency know when the need has been met?

Each sourcing event is different and, as a result, the description of the objective, assumptions and constraints will vary. A good measure of the quality of the statement of work is whether the reader can answer the three questions?

> *Tip: Brainstorming these questions with the project team, stakeholders and your steering committee can help narrow and clarify the objectives.*

The objectives should also clarify for all parties what constitutes success or failure. Adequately describe what the work is and the criteria for how you will agree that something is successfully completed. Adding detail helps avoid scope creep and misunderstand (e.g. vendor will produce user requirements versus vendor must interview specific user groups and have them approve the requirements).

The definition of success depends on the project, Project leaders need to specify whether successful implementation is defined by speed, response time, ease of use or all three and then quantify them in the SOW.

REFERENCES

Include references to keep the body of the statement of work to a manageable length. Reference only the minimal specifications and standards by tailoring what is really needed. This may include drawings and illustrations, charts, photographs, tables, etc. The referenced documents should only be included if they clearly improve the communication in describing the objectives and requirements.

Two key reference documents that should be included for a statement of work that results in a business process change are the current and future process states. The existing business process and a definition of the desired future state is integral in communicating the scope of intended work to a potential bidder.

Sometimes the future state is referred to as a business model. The business model should represent a high -evel view of how the intended business transaction is expected to work. The business model may include plans relating to a contract strategy, contract management, and contractor performance monitoring approach, as well as financial assumptions and limitations.

Understanding the business process current state is essential to developing your objectives and requirements as it provides potential bidders with an understanding of the organization as it is today. The future state shows where the organization wishes to be and the objectives and requirements should contain a description of how the agency sees the procurement supporting attainment of that objective. Additionally, comparison between the current and future state shows potential bidders the gap that will need to be closed as part of the project work and helps them better target the offering to the actual needs of the agency.

REQUIREMENTS (SEE ALSO 10 BEST PRACTICES IN WRITING REQUIREMENTS)

Business requirements are the critical activities that must be performed to meet the organizational objectives while remaining solution independent. A business requirements document details the business solution for a project including the documentation of customer needs and expectations. It also provides a foundation to communicate to a technology/service provider what the solution needs to do to satisfy the customer's and business' needs, provides input into the next phase of the project, and describes what not how the customer/business needs will be met by the solution. Business requirements are the foundation for all subsequent project deliverables, describing what inputs and outputs are associated with each process function. It describes what the system would look like from a business perspective.

The success of many contracts is dependent upon how well business requirements are documented, communicated and understood by the contractor community. Do not assume that the contractor community understands the business of your agency.

Business requirements distinguish between the business solution and the technical solution. When examining the business solution, the business requirements should answer the question, "What does the business want to do. The technical solution should then support the business solution. Business requirements can also be used to list a number of project details – constraints, assumptions and dependencies, business rules, scope, measurements reporting and other topics critical to the project.

The business requirements documentation should have a logical flow and be easy to follow. High-level sections might include:

- Current state assessment and systems overview including:

- Future process map and detail

- Overall project business rules and constraints

- Functional requirements describing "what" the system is to accomplish rather than the "how."

- Data to be held

Developing business requirements is a lengthy process that should commence in conjunction with the business process analysis. Business partners should be active participants in the development of the business requirements and be engaged for a final review and sign-off. Best practices in the development of business requirements suggests that using the "I want/need to be able to…" level of detail provides the potential bidder with the most flexibility to offer a product with minimum customizations and lower costs.

If the proposed solution implements, changes or supports an agency's statutory duties, it is useful to identify existing statutory requirements, agency rules, policies and business processes that will be impacted. Agencies should assess how these duties or processes will be changed or impacted and should document any concerns or risks identified by the assessment, so that the changes and risks can be managed or mitigated in the contract.

Good business requirements will reduce changes during the project while poor business requirements mean the system developed will not meet business requirements. Creating successful business requirements requires planning and coordination.

TASKS

This section contains the tasks that support the deliverables, as well as which side -- the agency or the service provider -- will perform those tasks. When listing tasks, use verbs that accurately describe, at an appropriate level of detail, the tasks to be performed. Verbs that correctly describe work requirements include the following:

> Track, document, refine, create, coordinate, install, verify, define, develop, perform, integrate, conduct, assist, provide, resolve, monitor, acquire, test, revise, record, conduct, maintain, inform, identify, use, install, implement, etc.

DELIVERABLES (SEE ALSO RECOMMENDED PRACTICES IN DEFINING DELIVERABLES)

Deliverables define the "what". Therefore, it is important to state exactly what deliverables are being produced, including the details that accurately describe each deliverable including the description, size (either expressed as approximate number of pages or number of designs, and should be expressed using the terms "up to" so that if you produce less, that you are still fulfilling the contract).

Do not include tasks in deliverables (e.g. presentations and status reports) and ensure that the deliverables are described in a definitive, unambiguous manner. Include acceptance criteria as well so that the contractor will know the expectations surrounding the quality of deliverables.

SCHEDULE

The timetable or schedule should include all of the client and client's partner touch points. Use language that allows some flexibility rather than a fixed date on the calendar. A SOW should also designate specific times for formal reviews, so all involved can confirm that they're on track. Be sure that the schedule includes when major deliverables are expected and that the work is set out in a logical and chronological order.

ASSUMPTIONS

Assumptions that are not related to the scope are included here. Any scope-related assumptions should have been already included in the scope section. Do not repeat assumptions as this will lead to errors. Instead use this section to document any general assumptions that are not stated elsewhere.

COMPENSATION

The pricing section needs to include the price including both time of staff and outside expenses. It should also discuss the pricing assumptions such as is this fixed fee or time and materials, how outside expenses are handled, payment terms including a payment schedule, and if payments are based on a milestone/deliverable or a schedule (if you are an agency, you generally want date-based, if you are a client, you want milestone/deliverable-based).

Another key component to keeping work on track is setting specific milestones in the SOW and tying payment to successful completion. Consider retaining a portion of the pay until the vendor proves that all the deliverables work together.

ADDITIONAL TIPS AND BEST PRACTICES

Use language everyone can understand. The SOW should be understandable to end users, service providers, management and to a judge. To enhance readability, make sure that the SOW is proofread carefully from different perspectives. It should tell a story, make sure that the solution is actually solving the client's problem, and not overcommit. Be definitive and precise, don't use unnecessary narrative and avoid redundancy.

Write in clear, understandable sentences and use simple sentence structure. Because contract values can be in the tens and hundreds of millions of dollars, it is very important that your statement of work is written in a clear and easy-to-read format and that all the requirements be clearly outlined. If it is not, problems may arise; no bidder wants to accidentally sign up for more work than it is getting paid to perform. These problems range from protests of the solicitation prior to award, failed negotiations during the bidding process to proceedings in

the Court of Federal Claims, to requests for equitable adjustments and claims – which isn't good for the agency, the contractor, or end user.

Use an active voice This seems like a minute detail, but passive voice can really jumble up sentences. This is even worse when sentences have complicated lists in them or the reader has to peruse 30 pages. Active voice means that the subject comes before the verb, which has a huge impact on clarity.

Use clear terminology and avoid ambiguity. This includes words like ensure, assure, best, all, detailed, certify, as required, adequate, average, equal, to the extent necessary, any, properly assembled, as directed, and subject to approval. Additionally, support, and engineering and technical services are ambiguous and should be clarified. Define terms as needed and acronyms the first time they are used in the SOW. Avoid elegant variations and use the same term for a particular item consistently. Don't use either, any or "and/or" and avoid pronouns when the applicable noun can be used. Last, avoid words with multiple interpretations.

Provide the contractor explicit instructions. Specify the contract or response format when needed. Ensure there are no conflicts or inconsistencies between the SOW and contractual terms and conditions. Provide expectations related to contactor and agency responsibilities, building and IT security, work and schedule requirements (holidays, overtime, weekends), award evaluation factors and key personnel. If there are any specific skill requirements needed to successfully complete the work, these should be included. The methods for measuring the contractor's performance to do the work (e.g., agreed upon dates; deliverables to be received, adherence to applicable budgets, development of quality assurance documents, and an outlined schedule for reports/presentations) should also be include, Last, the quality plan should be appended as a reference as it indicates performance/acceptance standards and explains any method of surveillance or inspection.

If something is missing, never assume that the reader will "get it." Your SOW is the end-all guide for everything involving the project that is up for award. The people reading it won't be as experienced with the material as you. Regardless of the reason, the reader can't be expected to do your work for you. You should fully detail the scope of work, as well as everything else in the SOW. If details are left out, it will fall on you. Don't make assumptions and ask, repeatedly "what is missing. Look specifically for loopholes and make sure they are filled.

Remember postproduction needs and include postproduction requirements in the SOW. Spell out the testing and support you'll need from the vendor, If you plan to have internal staff support the system after installation, the SOW should address whether the vendor will train your staff