

# WRITING EFFECTIVE STATEMENTS OF WORK

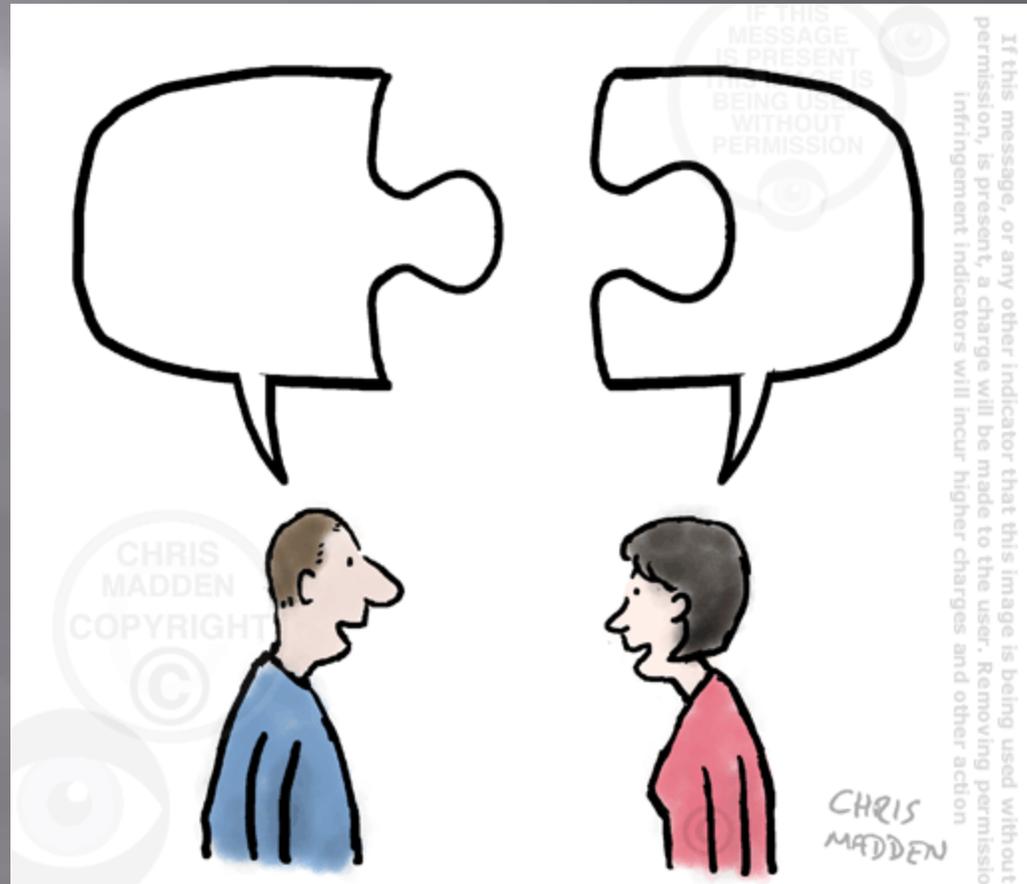
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# SOW's are exercises in communication



# Statements of work are exercises in communication

- ▣ Communication with users
- ▣ Communication with vendors
- ▣ Communication to contract administrators

# Which of these has real meaning?

- ❑ No savings and loan holding company, directly or indirectly, or through one or more transactions, shall....acquire control of an uninsured institution or retain, for more than one year after other than an insured institution or holding company thereof, the date any insured institution subsidiary becomes uninsured, control of such institution.
- ❑ “Spouse” is defined as the person to whom the cardholder is legally married or the person with whom the cardholder is cohabitating as husband and wife and has been cohabitating for at least two years provided that where there is a legally undissolved marriage and the cardholder is cohabitating with a person as husband and wife and has been cohabitating for at least two years, the spouse is the person with whom the cardholder has been cohabitating.
- ❑ The 911 provider shall not impose, or fail to impose, on Company any requirement, service, feature, standard, or rate that is not required of the incumbent local exchange company

# SOW Should Include Communication Among:

- ▣ Requestor
- ▣ Contracting Services
- ▣ Respondents
- ▣ Recipients of the Service
- ▣ Agreement Administrators

# Who reads statements of work?

- ▣ Buyers
- ▣ Sellers
- ▣ Sub-contractors
- ▣ Attorneys
- ▣ Judges
- ▣ Finance
- ▣ User clients



# SOW AND THE CONTRACT

- ▣ The statement of work is the heart of the contract. It generally prevails over the terms and conditions
- ▣ The terms and conditions should be reviewed so that they support the SOW

# Purpose of a statement of work cont'd

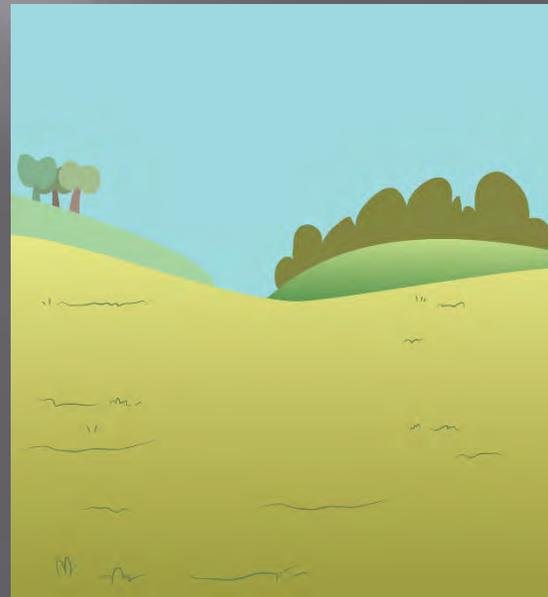
- ▣ Describes the work to be done by each party to the contract
- ▣ Describes what is expected and needed
- ▣ Is the guideline for contract enforcement
- ▣ Is used to resolve claims and disputes
- ▣ Provides for an accurate assessment of project progress
- ▣ Ensures that contract objectives are met

# Things to include in the SOW

- ▣ Background information
- ▣ Mission statement
- ▣ Mutual responsibilities
- ▣ Minimum qualifications
- ▣ Description of work
- ▣ Deliverables
- ▣ Schedule
- ▣ Price, payment method
- ▣ Acceptance
- ▣ Constraints
- ▣ Risks
- ▣ Quality expectations

# Background information

- ▣ Can be important because it gives additional information that could be critical for a contractor to determine if it is capable of performing the work



# Schedule

An SOW should specify, for instance, that the end user requirements are due two months after the contract is signed--- wording that still gets the project moving forward while accommodating potential problems such as delay in signing the contract.

# Qualifications

Offerors must submit a statement of relevant experience. The documentation submitted must thoroughly describe how services have been supplied for similar contracts as the one being offered through this solicitation.

# Acceptance

The purpose of this provision is to ensure that the product or service is in accordance with the contract requirements

# Some acceptance provisions

- ▣ “buyer shall perform benchmark testing to test for certain characteristics prior to installation”
- ▣ “during a sixty period following benchmark certification, buyer shall operate equipment in accordance with its normal operating practices to determine conformity and reliability”

# Identify risks and constraints

- ▣ Identify any risks that the contractor might run into, e.g. issues with site conditions “soil may be soft in spots with sinkholes.”
- ▣ Identify any constraints that might hamper the contractor, e.g. “the working hours are limited to 9 AM to 3 PM
- ▣ Identifying risk and constraints can help with liability issues

- ▣ Describe quality expectations
- ▣ Determine how deliverables will be monitored

# Who writes Statements of Work?

- ▣ The entity desiring the service (project manager or designee)
- ▣ People who receive the service
- ▣ The contracting party (professional contracting staff)
- ▣ Others with expertise

# The work statement team

- ▣ Must come up with a scope statement
- ▣ Must determine what is involved in that scope
- ▣ Must assign roles and responsibilities
- ▣ Must come up with a project plan and schedule

# Market research

- ▣ Determine the availability of offerors to meet your needs
- ▣ Determine standard warranty terms
- ▣ Determine standard terms and conditions
- ▣ Determine typical market pricing
- ▣ Determine product reliability

# There are resources that can help in developing a good SOW

- ▣ Talk to potential beneficiaries
- ▣ Talk to other municipalities
- ▣ Talk to vendors
- ▣ Professional outsourcing web sites
- ▣ **Look at the work currently being carried out**
- ▣ Do an RFI
- ▣ Assemble an industry panel

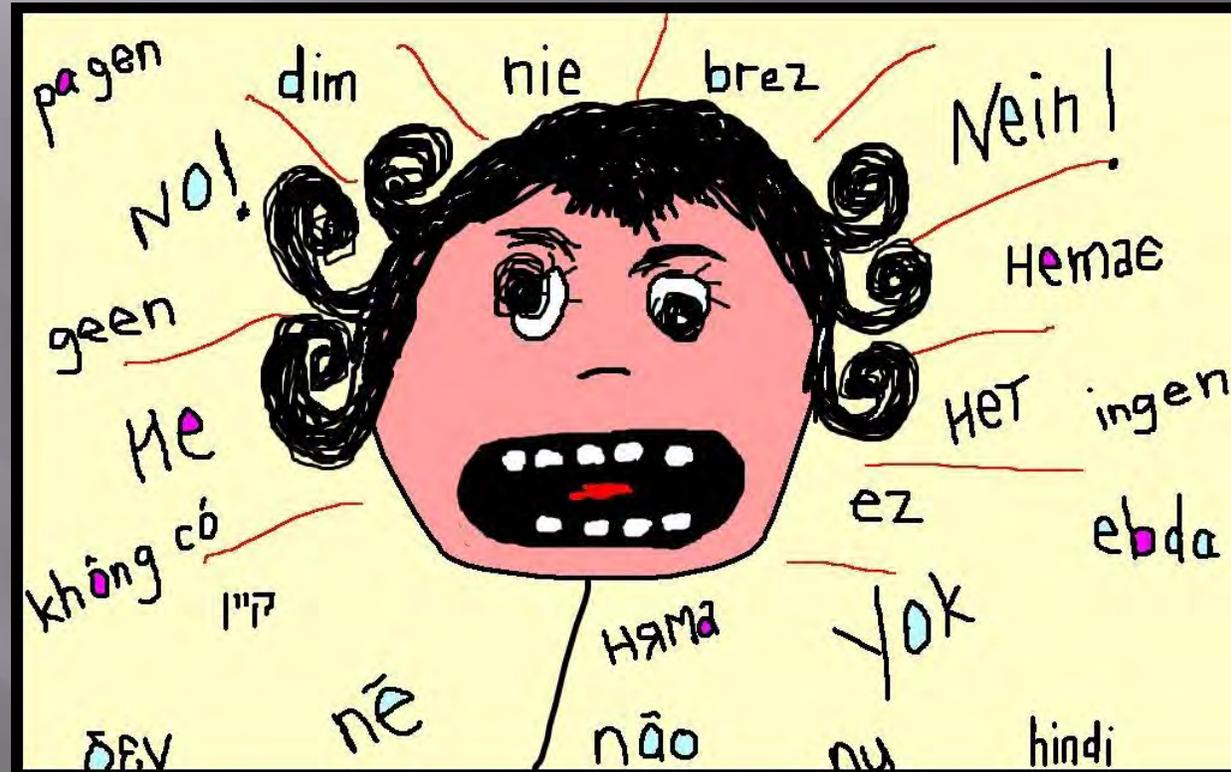
# Look at the work as it's currently being done

- ▣ What are the issues with current service?
- ▣ What improvement could be made?

# Steps to preparing an SOW

- ▣ Establish preliminary scope statement
- ▣ List the tasks to be performed
- ▣ Group related and similar tasks together in a logical order
- ▣ Identify deliverables –particular those that are time sensitive
- ▣ Describe quality expectations
- ▣ Determine how deliverables will be monitored

# Language is critical



Readers should be able to understand the requirements without having to interpret, extrapolate, or otherwise guess at the SOW's meaning.

- ▣ A successful scope statement should be concise and clear. It should be general in the description of process but specific in outcome.

For example, “the catalog will feature 100 products” is better than “the catalog will feature many products” or “The project will be completed within 6 months” is preferable to “The project will be completed over a period of time.”

# Real life scope statement

University X wants to upgrade its facilities to include WI-FI technologies accessible anywhere on campus. This project will offer students, faculty, and staff the ability to be productive from anywhere on campus. The project will take place over a time period in which measurable results will be achieved.

This project will consist of creating a marketable game based upon the *Bouncy Bunny Count Money* on our website. The project will be completed by December 2010. Modules of the game will include a simple shopping game, a way for Bouncy Bunny to earn money, and a way to motivate players to continue to play.

# You choose

- ▣ Utilize 18 personnel to properly process receipts which should be done within 24 hours

Or

- ▣ Process receipts in accordance with all regulatory requirements

# You choose

- ▣ Contractor shall provide documentation such as cleaning frequency or quality control inspection sheets upon the request of the contracting officer

Or

- ▣ Contractor shall ensure sufficient quality measures are in place

# You choose

- ▣ Contractor shall provide a minimum of six (6) lbs of ice per day per employee. The number of employees requiring ice will vary from 1,000 to 1,500 per day

Or

- ▣ Contractor will provide at least six(6) lbs of ice per day per employee. Contractor will ensure the process is adequately supervised.

# Important features of good technical writing

- ▣ Clarity
- ▣ Descriptiveness
- ▣ Accuracy
- ▣ Correctness
- ▣ Format

# Language tips

- ▣ Minimize acronyms
- ▣ Minimize jargon
- ▣ Keep sentences short and simple
- ▣ Use an active voice
- ▣ Avoid ambiguous words and phrases
- ▣ Avoid imprecise words
- ▣ Be consistent use of terms
- ▣ Watch “should” “must” “may” etc.
- ▣ Watch “and/or”
- ▣ Pronouns can be ambiguous
- ▣ Plurals
- ▣ Do not repeat things in the contract
- ▣ Be careful with lists

# Can you identify these acronyms and abbreviations?

▣ AARP

▣ MOU

▣ COLA

▣ FEMA

▣ CORN

▣ DOCS

▣ CDBG

▣ FIRST

▣ LEA

▣ LUP

▣ EIR

# Minimize Jargon-Can you define?

- ▣ Scalable
- ▣ Legacy system
- ▣ Enterprise system
- ▣ Robust
- ▣ Seamless
- ▣ Transparency
- ▣ Scuzzy
- ▣ POP
- ▣ Analog
- ▣ Asynchronous communication
- ▣ Telephony
- ▣ Link rot

# More language tips

- ▣ “Any”
- ▣ “Capable of”
- ▣ Syntactic ambiguity
- ▣ Contextual ambiguity
- ▣ Teiring specifications

# Avoid subjective phrases

- ▣ The system must be compatible with *most* common software suites
- ▣ Create a website which is *intuitive and user friendly*
- ▣ The system must be configured with sufficient capacity to handle peak updates and inquiry activity loads from *multiple locations*

# Punctuation

How punctuation can make a difference

“A woman without her man is nothing”

“A woman, without her, man is nothing”

# Words to avoid

- ▣ Facility – why not just say “jail, hospital, school, etc.”
- ▣ Finalize – what does it mean? Terminate? Put in to final form?
- ▣ Methodology – is it different than method?

# What do these words really mean?

- ▣ Develop
- ▣ Determine
- ▣ Fabricate
- ▣ Formulate
- ▣ Generate
- ▣ Review
- ▣ Mitigate



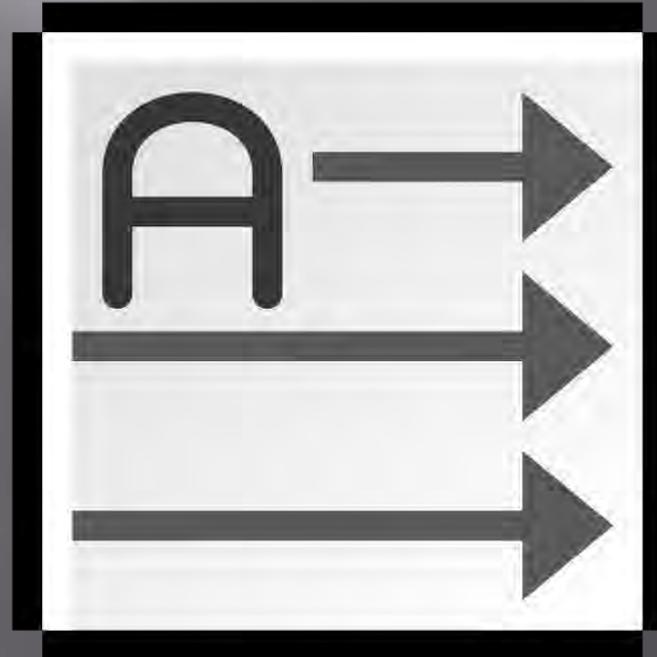
# Other wording tips

- ▣ Be careful with “as applicable,” “as required.” “as necessary”
- ▣ Avoid qualifying phrases “as approved by,” “to the satisfaction of,” “in so far as possible,”
- ▣ Avoid “best commercial practices,” “good workmanship,” “reasonable care.”
- ▣ Do not use “may include, but not limited to.”

# Format

Make it reader friendly

- ▣ Short sentences
- ▣ Short paragraphs
- ▣ White space



# Proofreading

- ▣ Proofread headers and sub-headers
- ▣ Read the SOW aloud
- ▣ Read it with your finger
- ▣ Start at the end of the document

- ▣ Use drawings, charts, pictures, graphs, if they lend clarity



# Contract interpretation guidelines

- ▣ Contracts are interpreted as a whole
- ▣ Words are given their ordinary meaning
- ▣ There are rules of statements
- ▣ Industry standards are used
- ▣ History of dealing is used
- ▣ Contracts are interpreted against the drafter

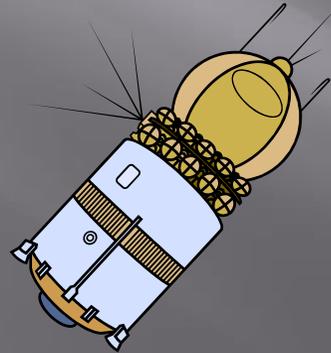
# Statement of work

- ▣ **Know what are you trying to accomplish**
- ▣ Be thorough
- ▣ Be clear
- ▣ Put yourself in the seller's shoes



# Know what your mission or value proposition is

Develop a mission statement or statement of objectives



# Know your purpose

A good scope statement will identify the reasons for the project



# Jefferson's instructions to Merriwether Lewis

The object of your mission is to explore the Missouri river and such principal stream of it, as, by its course may offer the most direct and practicable water communication across this continent for the purposes of commerce

Beginning at the mouth of the Missouri, you will take observations of latitude and longitude, at all remarkable points on the river and especially at the mouth

# Jefferson's instructions cont'd

The commerce which may be carried on with the people inhabiting the line you will pursue. You will endeavor to make yourself acquainted with the names of their nations and their numbers; the extent of their possessions; their relations with other tribes; their language, traditions and monuments; their ordinary occupations;

## Jefferson's instructions cont'd

And the implements for these; their food, clothing and domestic accommodations; the diseases prevalent among them and the remedies they use; moral and physical circumstances, particularities of their laws, customs and dispositions and articles of commerce they may need or furnish

# Jefferson's instructions

Endeavor to inform yourself by inquiry, the character and extent of the country watered by the Missouri branches, especially the southern side

Two copies of your notes at least should be made and confided to the care of he must trusty of your attendants

# Jefferson's instructions

Some account too of the path of the Canadian traders

In all your intercourse with the natives, treat them in the most friendly and conciliatory manner which their own conduct will admit

# Determining value

- ▣ How do we decide value?
- ▣ How will we describe it?
- ▣ How will we rate it?



# What is value?

- ▣ Increasing functionality
- ▣ Increasing life span
- ▣ Increasing attractiveness
- ▣ Increasing environmental friendliness
- ▣ Increasing ability to solve a problem
- ▣ Decreasing life cycle cost
- ▣ Decreasing energy/water usage
- ▣ Decreasing obsolescence

# Life cycle cost/total cost of ownership looks at.....

The total cost of acquiring, operating, maintaining, supporting and disposing of an item



# Elements that tend to drive costs

- ▣ Vendor furnished property or material
- ▣ Schedule, cost, quality ---triple constraints
- ▣ Other contract requirements



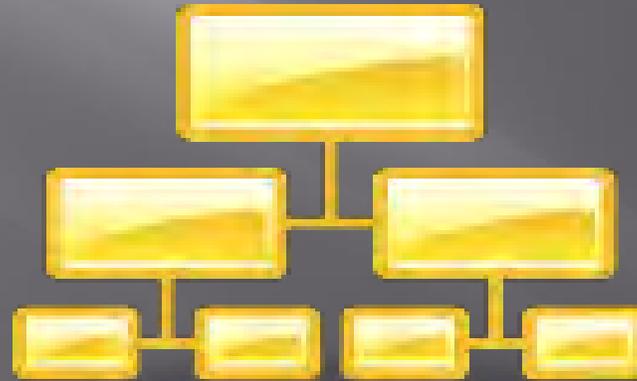
# Specific costs (cont'd)

- ▣ Risk costs
- ▣ Opportunity costs
- ▣ Time value of money



# Build a work breakdown structure

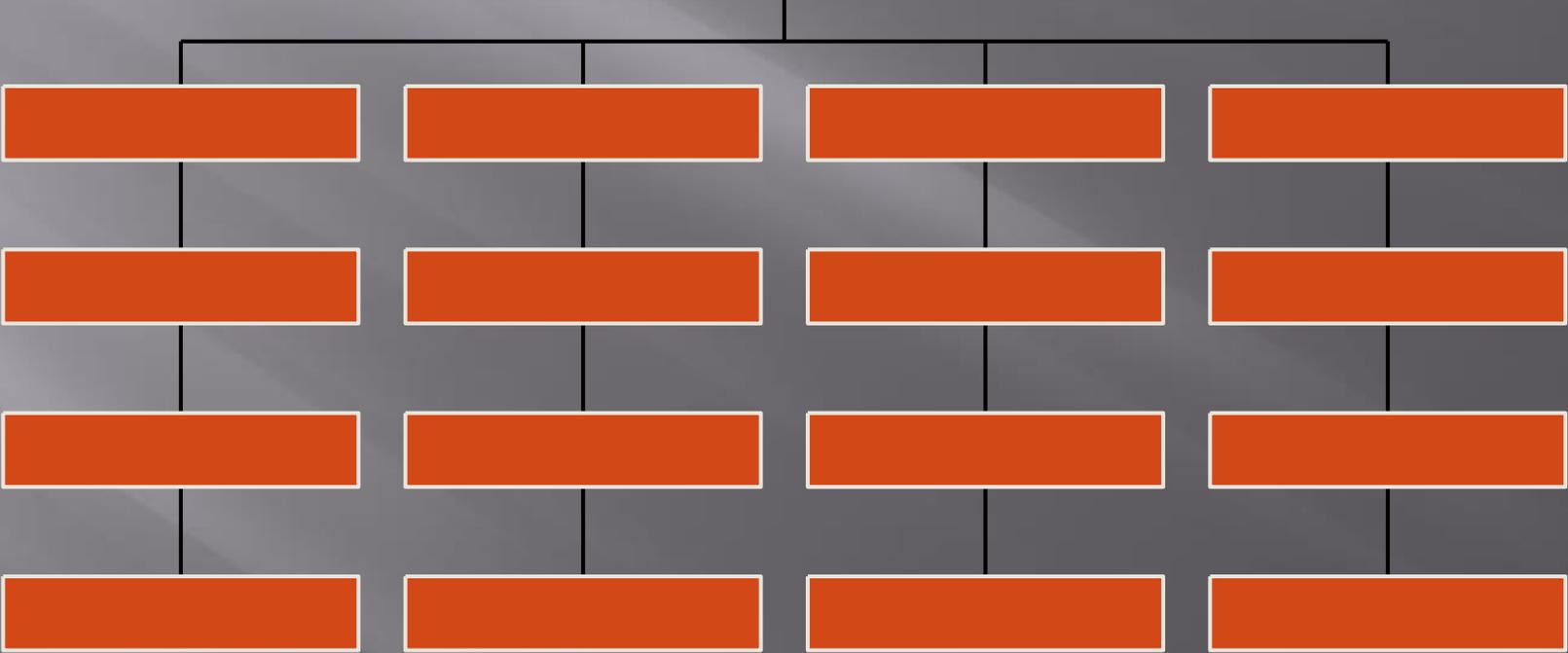
- ▣ Detail units of work that need to be done
- ▣ Detail deliverables



# Work Breakdown structure



work breakdown structure



# Do an analysis of the WBS

- Has all required work been included?
- Is there an opportunity for eliminating un-necessary work?
- Is there work that can be more appropriately done by the city?
- How long should the work take?
- How often should the work be done?
- What risks are associated with doing the work?
- What costs are associated with the work?
- Is there work that should be added?
- What level of quality is required?
- What does value analysis suggest?

# More WBS questions

- ▣ Can the work be monitored? How?
- ▣ What resources will the entity need?
- ▣ What the degree to which things need to be done?

*How fast do reports need to be processed?*

*How clean is clean?*

# SOW types

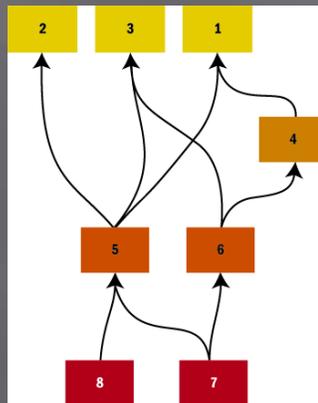
- ▣ Design –focuses on how the work will be performed
- ▣ Functional –describes function to be performed, performance requirements, or essential physical characteristics
- ▣ Performance- focuses on performance outcomes and how they will be measured
- ▣ Level of effort (time and material) –obtains contactors time and effort rather than an end product
- ▣ Combination – Includes elements from different kinds

# Performance work statement questions

- ▣ Will constraints prevent efficient performance?
- ▣ Are commercial standards being utilized?
- ▣ Have quantity, quality, and timeliness been adequately addressed?
- ▣ Are performance objectives easy to measure?
- ▣ Will assessments be quantitative or qualitative?

# Avoid inappropriate dependencies

Avoid statements or clauses that make contractor performance dependent upon your entity or on things you can't control.



# Have statements of work reviewed

- ▣ By those who will be impacted by it
- ▣ By those who must approve it
- ▣ By those with expertise
- ▣ By those who will carry it out



# Thing to consider when writing SOW's



# In consulting agreements

- ▣ Description of services
- ▣ Fees and expenses
- ▣ Standards of performance
- ▣ Ownership of data
- ▣ Warranties and remedies
- ▣ Non-disclosure
- ▣ Errors and omissions
- ▣ Licenses and permits

# In maintenance agreements

- ▣ Equipment to be maintained
- ▣ Full description of the service
- ▣ Response times
- ▣ Price
- ▣ Warranties
- ▣ Buyer responsibilities
- ▣ Spare parts

# Software license agreements

- ▣ What are you permitted to do?
- ▣ Is the license irrevocable?
- ▣ What are the acceptance provisions?
- ▣ Is training included?
- ▣ Is maintenance included?
- ▣ What are termination rights?

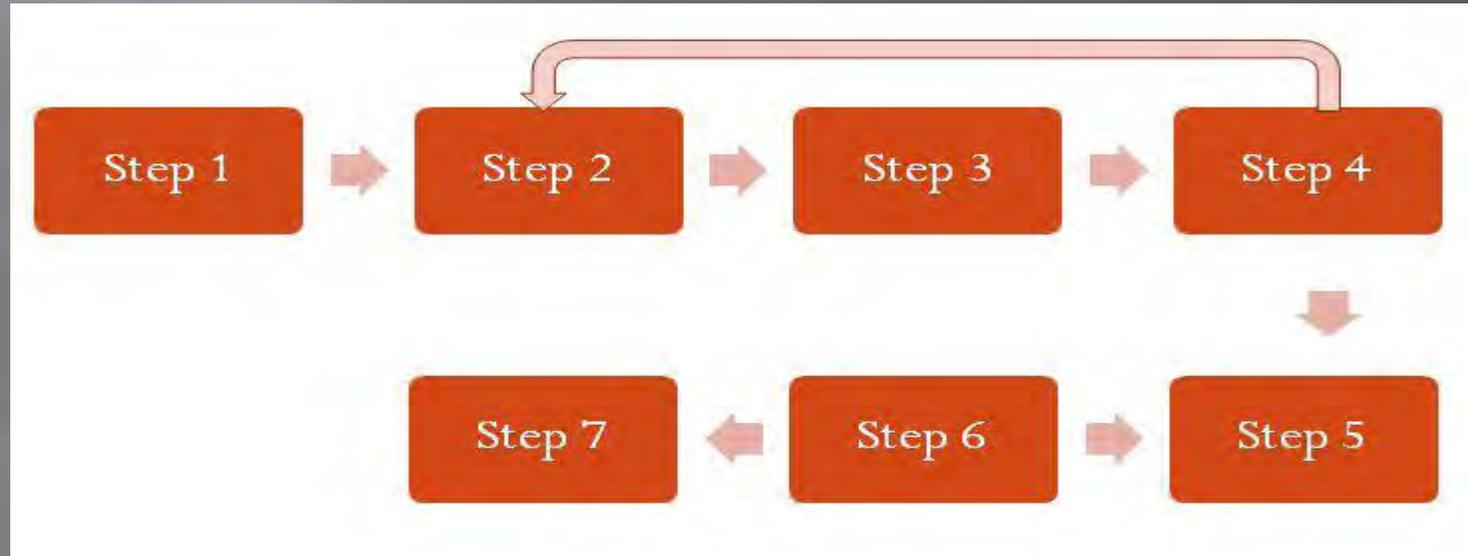
# Preparing for a software license SOW

- ▣ Be clear on what you want and need
- ▣ – A list of issues or problems with the way you are currently performing a function or operation
- ▣ – The end-goal of the system or solution you seek
- ▣ – Detailed functionality and capabilities you need to achieve your
- ▣ - End-goal of the system or solution you require

# For SOW- think business processes

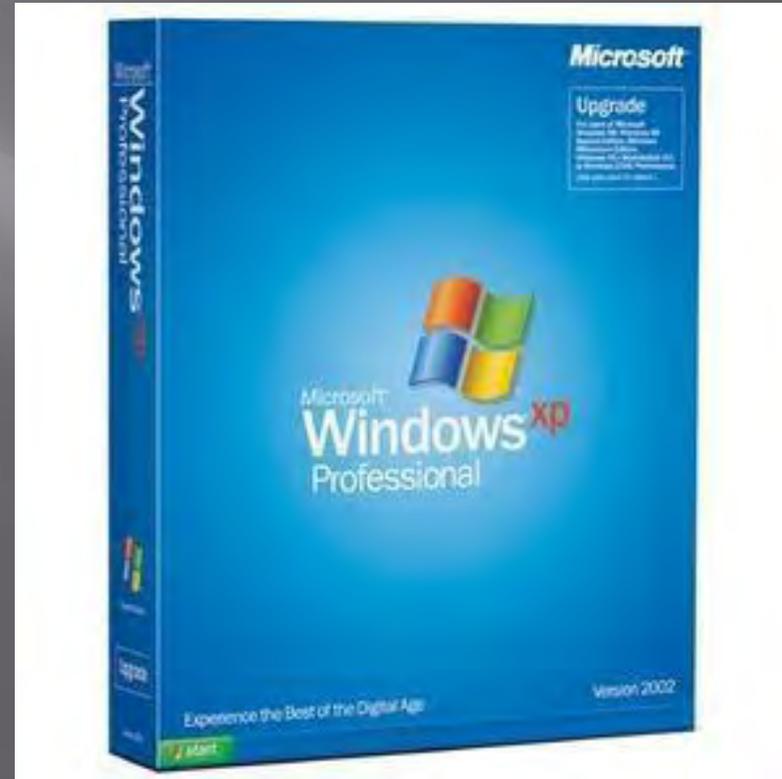
Examples:

- ▣ Reporting
- ▣ Tracking
- ▣ Accounting
- ▣ Processing



# Software license agreements

- ▣ What is licensor's liability?
- ▣ Is virus protection included?



# Software maintenance and warranty

- ▣ Address what you would like the warranty to cover and what the remedies are
- ▣ Delay the start of the warranty until the software is fully operational and in use

# Specific issues to include in cloud license SLA

- ▣ Ownership of data
- ▣ Risk of loss for things in transit
- ▣ Requirements for data back up
- ▣ Confidentiality issues
- ▣ Provisions for access to data
- ▣ Rights to audit facilities
- ▣ Business continuity program
- ▣ Key contact information – people, contact info, and times

# Gartner's 9 things to watch

- ▣ Uptime guarantees
- ▣ Service level agreement penalties
- ▣ Service level agreement exclusions
- ▣ Security guarantees
- ▣ Business continuity and disaster recovery plans
- ▣ Data privacy
- ▣ Suspension of service
- ▣ Termination
- ▣ Liability

# Determine contract type

- ▣ Fixed price
- ▣ Fixed price with incentive
- ▣ Cost reimbursement
- ▣ Time and Material
- ▣ Level of effort



# Include performance standards

- ▣ Develop performance standards or acceptance criteria expressed in :
  - ▣ -quality
  - ▣ -quantity
  - ▣ -time
  - ▣ -appearance
- ▣ Should include elements such as “what, when, where, and how many times
- ▣ Criteria should be appropriate contact and
- ▣ Necessary
- ▣ Realistic
- ▣ Objective and measurable

# Make performance measures tangible –see, hear, verify

- ▣ -floors must be free of all visible dirt and refuse
- ▣ -each wastebasket must contain a clear plastic liner and be empty of refuse
- ▣ -system availability shall be greater than or equal to 99.5%

# Navy QA plan for cab service contract

- ▣ Outcome –pick up Navy personnel at their home and take them to Pentagon
- ▣ Standards – Be at the home after notification. Pick up within 5 minutes of agreed upon time
- ▣ Acceptable quality level – On time (not later than 10 minutes of noted time) 90% of the time
- ▣ Surveillance Method – Customer Surveys, cab company logs
- ▣ Incentive, disincentives – A bonus of 5% will be paid for achieving better than acceptable quality level, a penalty of 5% will be invoked for not achieving the level.

# Statement of Work checklist

- ▣ Does the statement include only essentials?
- ▣ Has extraneous material been eliminated?
- ▣ Is the SOW sufficiently detailed to allow a vendor to estimate costs?
- ▣ Are mutual responsibilities clearly set out?
- ▣ Do all tasks contribute to the results?
- ▣ Have constraints been identified?
- ▣ Are outcomes measurable?