

## Statement of Work (SoW)

A Statement of Work (SOW) is a formal document that captures and defines the work activities, deliverables and timeline a vendor will execute against in performance of specified work for a client. The SOW typically forms part of a purchase order or contract. Therefore, if the project is being performed under contract for an external client, the work to be performed is likely to be defined in a SOW issued by the client (The *Project Statement of Work*). If the project needs to procure goods or services from external subcontractors and suppliers, their requirements are defined in a SOW issued by the project (a *Procurement Statement of Work*).

### Contract documents defining the project's scope of work:

There are a number of interrelated documents that describe the overall scope of work in a project. Whilst the use of these terms varies by application area, the general intent of the documents should be consistent:

- **Project scope:** An overall statement of the work needed to be accomplished to achieve the delivery of the product, service or result (product scope); including objectives, constraints and other relevant items. The **Project Scope Statement** is a narrative description of these requirements including the major deliverables, assumptions, constraints, and a description of the work to provide a basis for understanding and agreement with stakeholders.
- **Product scope:** The features and functions that characterise the product, service or result – the deliverable.
- **Specification:** A document that defined in a complete, precise and verifiable manner, the technical attributes (features) of the product service or result to be created and (usually) how they will be achieved and tested or measured. Specifications are usually for a designated part of the overall project such as a 'Design specification', 'Manufacturing Specification' and 'Test Specification'.
- **Statement of work:** A concise description of a deliverable to be supplied (usually included in a contract or purchase order).

### Elements of a typical Statement of Work (SOW):

Areas that are typically addressed by a SOW are as follows:

- **Purpose:** Why are we doing this project? The objectives<sup>1</sup> the contract/subcontract is expected to achieve.
- **Scope of Work:** This describes the work to be done in appropriate detail.
- **Location:** This describes where the work is to be performed and (if needed) where the deliverables are to be installed or handed over to the client.
- **Period of Performance:** This specifies the allowable time for the work, such as start and finish time, number of hours that can be billed per week or month, where work is to be performed and anything else

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<sup>1</sup> For more on objectives and benefits see:

[http://www.mosaicprojects.com.au/WhitePapers/WP1042\\_Outputs\\_Outcomes\\_Benefits.pdf](http://www.mosaicprojects.com.au/WhitePapers/WP1042_Outputs_Outcomes_Benefits.pdf)

that relates to scheduling.

- **Deliverables Schedule:** This lists the specific deliverables, describing what is due and when.
  - **Applicable Standards:** This describes any industry specific standards that need to be adhered to in fulfilling the contract including quality, safety and environmental constraints.
  - **Acceptance Criteria:** This specifies how the buyer or receiver of goods will determine if the product or service is acceptable, what objective criteria will be used to state the work is acceptable.
  - **Special Requirements:** This specifies any special requirements, such as degrees or certifications for personnel, travel requirements, and anything else not covered in the contract specifics.
  - **Type of Contract/Payment Schedule:** The payments breakdown whether up front or phased and a reference to the overarching contract.
  - **Miscellaneous:** There are usually a few other elements that need to be added or referenced....
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