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Homework Assignment: #26
PMGT501
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ePortfolio Matrix Correlation: e.g. B12, C12

Discuss the statement of work created as an output of “Plan Procurements.”

Project procurements actions can be for products, services or information and can be made from a variety of sources, including contractors, subcontractors, vendors, service providers and suppliers. A procurement statement of work must be developed for each procurement that is not for a Commercial-Off-the-Shelf (COTS) item. Instructions should be given to the supplier specifying exactly what is being procured and when it must be delivered. There must be sufficient detail in the SOW to clearly identify all deliverables and to generate an accurate price.

The level of detail can vary depending on the complexity, size and uniqueness of the procurement. A SOW does not need to be complicated or difficult to write, but it should always be written with the idea in mind that it becomes a legally binding document. If you assume or verbally agree that some scope will be covered, but it is not included in the SOW, the supplier is not obligated to provide it without additional cost to you.

As the products and services being procured become more complicated, the SOW becomes more and more important. Remember that the supplier you are engaging will consider your work a project, and the SOW will form the basis of their requirements, WBS and scope baseline. Make it easy for them by writing your SOW with this in mind. To do this, write a clear, concise introduction that includes:

- Product/Services/Data overall description (one paragraph at the most)

- Acceptance criteria, including quality standards
- Clearly list, at a bulleted top level, each deliverable
- Delivery dates
- Limits and exclusions

After the introduction, describe in as much detail as possible, each of the deliverables you listed in the introductory bullet list. Make it detailed; remember if you don't put it in the SOW you won't get it. This will become the basis of the supplier's requirements and WBS documentation. If the procurement contract is going to involve milestone payments based on technical progress, those milestones, along with success criteria, should be clearly identified in this section.

Following this should be any schedule details relevant to the procurement. If the deliverables are delivered in stages, clearly identify which deliverables will be delivered when. Also include any milestone events that might affect or depend on the procurement, such as project design reviews, tests, demonstrations, training and so on. If there are review periods for the items being procured be sure to specify the duration of those reviews. This may affect pricing from the supplier. The statement of work will often be used by the supplier to establish schedule milestones around which a project schedule will be built. Give them as much information as you can. Also consider that payments are often tied to schedule milestones. Those milestones should be clearly tied to projected dates.

Following schedule considerations, quality standards should be clearly identified. These will tie in closely with acceptance criteria. Identify any standards you require.

If there are any limits and exclusions that need explaining do this in the last section. Often there will be items or activities that will be carried out by the procuring organization. If you plan to do any particular work or provide any customer-furnished-equipment to the supplier state that clearly in this section. Other limitations that often come into play are travel and work location. If necessary, those requirements should be referred to in the scope and, if necessary, amplified on in this section.

In summary, a procurement statement of work should be written as if it will become a project scope baseline, a schedule framework of milestones, and a quality control guide.

1. Introduction

- a. One-paragraph procurement description
- b. Acceptance criteria, including quality metrics
- c. A clear description of each deliverable (products, services, data)
- d. Delivery dates
- e. Limits and exclusions

2. Deliverable details

- a. Requirements and (functional, operations, system, etc...)
- b. Deliverable descriptions

3. Schedule considerations

- a. Period of performance (start date, end date)
- b. Staged delivery dates of different deliverables
- c. Buyer's schedule constraints

- d. Event dates and durations affecting supplier (review, test, training and demonstration periods, for example)

4. Quality Metrics and other acceptance criteria

Knowledge Areas	Project Management Process Groups				
	A Initiating Process Group	B Planning Process Group	C Executing Process Group	D Monitoring & Controlling Process Group	E Closing Process Group
4. Project Integration Management	4.1 Develop Project Charter	4.2 Develop Project Management Plan	4.3 Direct and Manage Project Execution	4.4 Monitor and Control Project Work 4.5 Perform Integrated Change Control	4.6 Close Project or Phase
5. Project Scope Management		5.1 Collect Requirements 5.2 Define Scope 5.3 Create WBS		5.4 Verify Scope 5.5 Control Scope	
6. Project Time Management		6.1 Define Activities 6.2 Sequence Activities 6.3 Estimate Activity Resources 6.4 Estimate Activity Durations 6.5 Develop Schedule		6.6 Control Schedule	
7. Project Cost Management		7.1 Estimate Costs 7.2 Determine Budget		7.3 Control Costs	
8. Project Quality Management		8.1 Plan Quality	8.2 Perform Quality Assurance	8.3 Perform Quality Control	
9. Project Human Resource Management		9.1 Develop Human Resource Plan	9.2 Acquire Project Team 9.3 Develop Project Team 9.4 Manage Project Team		
10. Project Communications Management	10.1 Identify Stakeholders	10.2 Plan Communications	10.3 Distribute Information 10.4 Manage Stakeholder Expectations	10.5 Report Performance	
11. Project Risk Management		11.1 Plan Risk Management 11.2 Identify Risks 11.3 Perform Qualitative Risk Analysis 11.4 Perform Quantitative Risk Analysis 11.5 Plan Risk Responses		11.6 Monitor and Control Risks	
12. Project Procurement Management		12.1 Plan Procurements	12.2 Conduct Procurements	12.3 Administer Procurements	12.4 Close Procurements