

Key Considerations In The Development Of A Scope Of Work

1. A scope of work (SoW) sets forth requirements for performance of work to achieve project objectives and the allocation of responsibilities for accomplishing the work.
2. An inadequate SOW will lead to problems with contract administration and project execution that may result in costly contract amendments.
3. The SoW must be clear, accurate and complete. It has to be read and interpreted by persons of varied backgrounds, including contractors, suppliers, project managers, construction managers, and the contracting officer, and in the work cases, by the courts. Therefore, every effort should be made to craft the SoW to eliminate ambiguity and duplication.
4. The SOW is the basis of any commercial proposals and eventual agreements. Don't assume that the contractor already understands what you want, or that you can give the contractor more information following contract award. Any misunderstanding, changes or supplemental information can add costs or risk to completion
5. The SOW is only part of the process; it's meant to be a communication tool to describe the technical requirements of the work, and to be read in conjunction with the other parts of the Contract. A SOW itself should not include provisions dealing with legal, financial, or contract administration related issues (cost estimates, designation of key personnel, options to extend, methods of payment, degree of confidentiality, types of contracts). These matters are to be discussed separately under the commercial terms or terms terms and conditions or separate contract appendices/schedules.
6. SOW overview - should be short and succinct. This section shall clearly summarize the work to be done: what's needed? Why is it needed? What will it be used for? Are there any key requirements or constraints that the contractor needs to be aware of?
7. Definitions / acronyms - all technical terminology specific to the project shall be described and reviewed in conjunction with the contractual terms and & conditions to avoid conflicts or ambiguity.
8. SOW breakdown / tasks / responsibilities - the “**Specific Sections**” below are meant to describe the “**what**” of the Scope. For all sections below, the following should be considered:
 - Have the boundaries associated with the work been clearly identified?
 - Is there a clear breakdown of “who does what” for the Owner and each and every contractor associated with the project?
 - Are the owner’s responsibilities within the Scope clearly identified?
 - Do the contractor’s tasks follow proper logic? Should they?
 - If a result is expected from a task, is there a proper definition of the acceptance criteria for completion of the task?
 - Are the tasks aligned with the provided documents/references?

SCOPE ELEMENTS

A. Engineering

This section describes engineering requirements to be performed by the contractor. It could simply refer to the list of deliverables, but it could also describe specific requirements such as:

- a. Special design considerations
- b. Document review requirements
- c. Approval requirements .
- d. Studies/options to be assessed
- e. Design subcontractors or interfaces
- f. Owner's required software and systems for execution

It is important that repetition is avoided, for example, if a Basis of Design is provided, this section should not describe design parameters.

B. Procurement & Contracting

This section describes all procurement related activities to be performed by the contractor. The activities should be consistent with the Terms and Conditions basis of "Independent Contractor" or "Agent on Behalf of Owner" with regards to procurement functions

It is not meant to include any commercial aspects that the SOW belongs to.

Examples of procurement activities include:

- a. Subcontractor pre-qualification requirements.
- b. Review and approval of procurement activities (RFQs, bid evaluations, etc).
- c. Expediting
- d. Supplier quality
- e. Traffic and logistics
- f. Receiving and materials management
- g. Subcontract formation and administration

C. Construction

The Construction section must address all of the functions required to install, test and turn over the permanent facilities within the project. It also needs to address all temporary installations and services required to facilitate the construction efforts, from supply of construction utilities to site logistics relative to construction personnel.

It is vital to clarify any Owner-supplied materials, services and utilities versus those materials and services to be provided by Contractor as part of its scope. Lack of clarity in the areas of bulk materials, camp services, fuel and utilities can have huge commercial impacts on the final contract value.

D. **Commissioning and Start-up**

The interface and reporting requirement vis-a-vis Contractor and Owner representative must be clearly detailed. Supplemental requirements such as responsibilities for identification of start-up systems, systems sequencing and training of Owner's resources should also be detailed.

E. **Schedules / Milestones**

Beyond requesting a contractor schedule, this section also explains the project's schedule in relation to the SOW. In addition, if milestones are to be used to monitor contractor performance and progress these should be:

- clear and unambiguous
- contain a proper definition of each milestone
- a clear deliverable or measurable practical achievement
- a measurable value to the project, as well as to the Owner and Contractor

If there is a specific progress measurement methodology to be applied it should be also be incorporated

F. **Deliverables**

This section could simply reference an attachment with a list of deliverables, however, all deliverables should:

- Be clear and unambiguous
- Provide a clear level of expectation where applicable
- Clearly identify the expected timing to be provided: e.g., 30/60/90 day deliverables, final deliverables, etc.
- Identify Owner reviews, approvals and associated timing Specify requirements for final turnover and acceptance – format / content / quantity / etc

G. **Interfaces**

This section identifies all other internal or external interfaces pertinent to the SOW and how these are to be managed. Things to consider include:

- Have all interfaces been identified? (These should include the whole project and not just the boundaries of the Scope of work)
- Is there a proper definition of interface management for each one?
- Is an interface matrix applicable to better describe these within the SOW?
- Work priorities and access conflict resolution (mainly applicable for construction works)

H. **Completion / Acceptance**

This section discusses the requirements to define the job completion and acceptance by the Owner. It should tie in to the deliverables list where required.

Clear definition of when the Work is complete should be provided. The deliverable or certificate endorsed by the Owner demonstrating that completion has been achieved and thus the contract/work order completed from both a technical and commercial perspective should also be defined.

If there is a need for partial turnovers, the considerations for acceptance and transfer of care, custody and control to the Owner or third-parties should be highlighted here

I. **Other**

The sections below describe the “**How**” of the Scope.

In many instances, these may re-direct the Contractor to a specific attachment (such as Corporate Guidelines), however, these should always be considered to ensure no additional requirements are expected.

As applicable, the same thought process used in the other sections should be applied for the following subsections, unless they are covered elsewhere in the Contract: Labour Relations; QA/QC.;HSSE ;IT; Document Management; Reporting / Project Controls (Cost estimating / Cost Control) ; Change Management - if a particular MOC procedure applicable i.e. for engineering changes out with the commercial impacts of such changes.; Risk Management ; Key Performance Indicators – if applicable but will often be detailed as part of a commercial incentive program.