Statement of Work Template:

Professional/Specialized Services

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Statement of Work:

Professional/Specialized Services

**1.0 Title – Must be included**. This broad statement describes the requirement.

**Insert title here.**

**2.0 Objectives – Must be included.** Clearly state the project objectives (could be a short paragraph).

For example: The primary objective of the project is to **[complete the sentence].**

**3.0 Background Statement – Optional, but recommended.** Provide a historical overview of why these services are necessary.

**Insert Background Statement here.**

**4.0 Scope – Must be included.** Give a detailed description of the work.

**Insert Scope here.**

**5.0 Tasks – Optional.** Tasks must link to deliverables and outcomes.

For example: The Contractor shall…

**6.0 Contract Period – Must be included.** The services can take place any time during this period.

**Insert Contract Period here.**

**7.0 Phases – Optional.** Used for complex, multi-year, high-value services.

**Insert Phases here.**

**8.0 Level of Effort – Optional.**

**Insert Level of Effort here.**

**9.0 Constraints – Optional.**

**Insert Constraints here.**

**10.0 Client Support/Key Stakeholders – Optional.**

**Insert information on Client Support / Key Stakeholders here.**

**11.0 Reference Documentation – Optional.** Used when bidders should review documents for bid preparation.

**Insert Reference Documentation (links, titles) here.**

**12.0 Deliverables, milestones and schedule – Must be included.** State what the outcomes of the work will be (reports, training package, etc.)

**Insert information on Deliverables, milestones and schedule here.**

**13.0 Work Location – Optional.** Used when the contractor must work on site or provide services in various locations.

**Insert Work Location here.**

**14.0 Performance and Monitoring – Optional.** How will you judge the results as satisfactory. May be included in milestones.

**Insert information on Performance and Monitoring here.**

Additional Guidance by Template Section for Writing a

Professional / Specialized Services Statement of Work

# Guidance Section 2.0 – Objectives

**This section must be included**. Describe what the contract aims to achieve. Why? This is a clear statement describing the objectives of the work.

**Questions:**

* How does the service required support the departmental mandate and program objectives?
* What will be achieved through the professional services sought?
* Why are we undertaking this work and what will be the critical outcomes?
* How does the requirement align with departmental priorities?

# Guidance Section 3.0 - Background Statement

**This section is optional**, but is recommended as it may provide key information necessary to complete the work. The section provides a statement outlining the situation leading to the requirement.

The background section should outline:

* The reasons/needs that led to the contract;
* Previous work, other studies, audits, etc. that have been done before the SOW was developed and the contract planned;
* The bigger picture of which the contract is part: the organizational mandate and mission, historical background, culture, structure, etc.; and
* Existing/affected data, systems, components (if technical and numerous, put in annexes).

**Questions:**

* Why do we need this service, and what are the critical drivers for the requirement?
* What is the history of this requirement? Are there any future requirements that will be associated with this purchase or related purchases that we should consider during this purchase?
* Does the in-house capacity exist? Why are in-house employees not being used to undertake this work? Is there a longer-range HR strategy in place to address the current gap?
* What would happen if this service were not purchased?

# Guidance Section 4.0 – Scope

**This section must be included**. The scope provides an overall description of the work to be performed, its ranges, extent and bounds. You may also include a general statement about the level of effort and complexity in terms of what the work involves, leading into the tasks or items to process.

There are two main ways to articulate the work in a SOW. One is a “task-based SOW.” It specifies professional service requirements in detail and outlines how the professional service is to be performed.

The second is a “performance-based SOW.” It describes the work in terms of the results or expected outcomes that the department wishes to achieve, rather than the “how to get there.” Performance-based SOWs are particularly useful in the following scenarios:

* Department is seeking innovative solutions to a business requirement, where there may be several acceptable solutions
* The private sector is in a better position to determine how the project should unfold
* Alternative Service Delivery contracts

For example, when writing a SOW for socio-economic research services to conduct a study and produce a report, a “task-based SOW” would dictate how the external researcher would conduct the research (what method of survey, what data to consider, how many interviews to conduct etc.). A performance-based SOW would outline what the end report must include and what the research must entail, versus how the research should be undertaken. The performance-based SOW allows innovative solutions to be provided for unique and specialized problems.

**Questions:**

* What is the service that you wish to purchase?
* Outline what it is you want the service provider to accomplish. What work is required to meet the business need?
* What are the key capabilities that the service provider must possess to meet the current gaps in capacity?
* What are the technical skills that the service provider must possess to meet the business need?
* Is the work to meet the desired outcomes reasonable, considering all operating constraints?
* Ongoing requirements: Will this procurement lead to ongoing requirements in this area? What is the plan to address these requirements? Is a phased approach workable? What are the longer-term plans to meet the requirements (HR strategy, for example)? Is there a need for a knowledge transfer component in the contract to address current capability gaps in the Department?
* If knowledge transfer elements are included in the requirement, how will you demonstrate that the service provider has completed the work? What indicators will you expect to see to ensure knowledge transfer has taken place?
* Security and Privacy considerations. (For example: Does the work entail access to private and personal information or classified information? What security clearance is required?)
* Accessibility considerations. (For example: Will the end product/service be distributed to a broad audience or to the public? Does the end product/service need to be designed in an accessible way?)
* Liability considerations.

# Guidance Section 5.0 – Tasks

**This section is optional** and should only be included if the SOW is task-based. Indicate all tasks that the Contractor will have to carry out within the contract to reach the objective. If you know the sequence of the tasks or milestones, include it.

The Contractor shall:

(Ensure you select a verb that properly expresses the Contractor’s involvement, i.e. defines explicitly the total nature of the work requirement in terms of what is to be done OR specifies the task that must be completed.)

# Guidance Section 6.0 – Contract Period

**This section must be included**. The section outlines the proposed start and end date, as well as any proposed options.

# Guidance Section 7.0 – Phases

**This section is optional** and if applicable, outlines the project phases and timeframes for each phase and for completion.

# Guidance Section 8.0 – Level of Effort

**This section is optional** and outlines the estimated level of effort expected of the contractor, if known.

# Guidance Section 9.0 – Constraints

**This section is optional** and outlines the constraints related to the requirement. These constraints could include government policies and standards, current and proposed related activities, security, sensitivity to other interests, employment equity, accessibility, protection of the environment, access to human and other resources and other relevant restrictions.

**Questions:**

* Constraints – what are some of the key constraints that could prevent the desired outcome?
* Dependencies – what are some of the key interdependencies that may affect the desired outcome?

# Guidance Section 10.0 – Client Support and Key Stakeholders

**This section is optional**,andoutlines what will be needed in terms of client support related to the requirements (example: training for new software). This section may also be used to highlight the other key stakeholders that either will benefit directly or indirectly, or be affected by, the delivery of the professional services outlined in the scope section. You may wish to consult key stakeholders and end users during the development of your requirement to ensure that you adequately address their needs.

**Questions:**

* Which functional authorities relate to this service and are required to help address your business need?
* Who are the key players, managers and technical personnel that should be consulted on the development of the requirement?
* Who are the end users?

# Guidance Section 11.0 – Reference Documentation

**This section is optional.** It relates to Section 3.0 – Background Statement, and outlines in detail the availability of relevant existing studies or other resource material. Again, if there is background or other relevant information available it is important to include it so that the work draws on all necessary resources. This includes the documents that the supplier should have access to to prepare a quality bid (example: language training needs assessment).

This section should include information about departmental standards that will affect the work activities of the contractor (for example: documentation standards, project management methodologies).

# Guidance Section 12.0 – Deliverables (Milestones and Schedule)

**This section must be included;** however, the “Schedule” portion depends on whether you require specific delivery dates for any deliverables. The “Milestones” portion is available if you choose to use milestones.

Describe what is to be delivered and the quality acceptance criteria. Define the key dates for each deliverable and any other milestone or progress date(s). (Note: Best practice should be in days or weeks from contract award, rather than specific calendar dates.)

If you include milestones, this section outlines the results the contract must achieve in return for a fixed fee, paid only upon successful completion of the work.

Also include in this section the format of the deliverables, will they be in English, French or bilingual, etc.

# Guidance Section 13.0 – Work Location

**This section is optional**, and is only required if the contractor, due to the nature of the service, has to work on site or to provide services at various locations. The section outlines when the work will be carried out and where, as well as any travel requirements.

# Guidance Section 14.0 – Performance and Monitoring

**This section is optional;** however, given the nature of professional services contracts it is highly recommended. If you consider how the contract will be managed right now, when you write the SOW, it will certainly help ensure the successful delivery of the contract.

This section applies particularly to contracts of higher risk and complexity, and outlines the progress reporting requirements, progress review meetings and other control procedures that will be required throughout the course of the work.

**Questions:**

* What are the key performance considerations to ensure that the Department obtains value for money with this service? (How will you know that the Department receives quality service?)
* What reporting and monitoring mechanisms could you have in place to ensure that the contractor meets performance standards?

# Other Questions to consider when drafting Sections 6.0 to 14.0:

* Who will benefit from the deliverables? If it is a First Nation community, are there opportunities to use an aboriginal firm ([Procurement Strategy for Aboriginal Business](http://www.aadnc-aandc.gc.ca/eng/1100100032802/1100100032803))?
* Are there opportunities to address green/sustainable procurement through this procurement?
* Where will the work take place? If in a Comprehensive Land Claim area, what measures must be taken?
* Is accessibility addressed ([Standard on Web Accessibility](https://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=23601))? For more information about accessibility in procurement, consult the [Procurement Innovations Centre of Expertise](http://iservice.prv/eng/finance/purchasing/procurement_innovations_centre.shtml#accessibility)
* What are the start and end dates? If you are not using a specific date, rather days from contract award, you must specify business OR calendar days.
* Should this requirement be considered under the umbrella of a larger project?
* What are the criteria you will put in place to determine whether the service you require has been obtained/delivered?

Other Information for Writing a

Professional / Specialized Services Statement of Work

# Background Information: What makes professional services different?

Professional services are unique custom requirements not directly available in the marketplace. Customization or creation introduces complexity and risk, which must be addressed properly in the planning and the tailoring of purchasing, and contract administration processes so the right quality service is delivered at the right time to meet program outcomes.

The [Treasury Board Contracting Policy](http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=14494&section=text#appA) defines consulting and professional services as follows: “services provided by individuals with significant training, qualifications and expertise in a professional, scientific, technical or managerial field. For example, the term "professional" has legal connotations for certain professions; for other occupations it denotes an accepted as evident degree of competence. Consulting and professional usually include research and scientific studies including interpretation, architectural and engineering services, planning and development, data collection, auditing and certain aspects of electronic data processing. This listing is not exhaustive and contracting authorities should interpret each situation on a case by case basis.”

The need for professional services often links to the need to bring global expertise and perspective to the Department, to innovate and to provide external expert advice. Professional services are often used to fill a gap in the Department’s internal capacity, to ramp up for increased workloads or transfer knowledge from external resources to departmental employees.

The nature of professional services always requires program managers to consider the current need in a broad, long-term context. This enables longer-term strategies through the procurement process. (Examples: future phases of work, knowledge transfer, ongoing departmental use of materials developed under the contract, associated HR strategy to address capacity issues.)

**Purpose of the Statement of Work**

A Statement of Work (SOW) describes the work required and the deliverables and services required to fulfil the contract. It defines the contract services in clear, concise and meaningful terms, as well as the deliverables, and the performance standards associated with providing the service.

In his book, Contracting for Services, John R. Miller stated, “the clarity, accuracy and completeness of the SOW determines whether the objectives of the contract will be achieved. Satisfactory performance by the contractor is a direct function of the quality, clarity and completeness of the SOW. The SOW also impacts the administration of the contract. It defines the scope of the effort, that is, what the contractor does and what the buyer receives.”

The unique and customized nature of the professional services the Department requires make it critical to put time and effort into writing the SOW. This time and effort should be tailored to the risks, complexity and value of the services being purchased. This way, the Department meets the objective of the contract (receives the services required) and mitigates against risks, additional costs, questions of interpretation and contract disputes.

# Key Principles in Developing Statements of Work

* Written in the active person and words used with care. For example, “shall” represents a binding (mandatory) requirement, whereas “should” is not binding;
* Use clear, unambiguous language;
* Include deliverables and acceptance criteria;
* Use language that is understood by the target audience of potential respondents (contractors);
* Avoid acronyms, or explain them when they first occur;
* Do not use non-quantifiable (qualitative) words, such as “excellent”, “excessive”, or “appropriate”;
* Do not make SOWs overly restrictive, which can preclude competition;
* Define work in terms of clear outputs or performance requirements that facilitate competition as appropriate;
* Do not make reference to those elements usually found in employment situations, such as place of work, hours of work or benefits (e.g. rest periods, higher remuneration for longer periods of duty);
* Consider the type of industry, the service required, the effect of the competitive process and the different legal liabilities created when determining whether to define a requirement for professional services in prescriptive (task-based) terms or in terms of performance.
* Ensure that your document are accessible eg. use clear headings, provide text alternatives for graphics, use a font size between 12 and 18 points for body text. For more information on accessible content, refer to the [**Accessibility Centre of Excellence (ACE).**](http://iservice.prv/eng/imit/ace/index.shtml)

**Elements that are not to be included in the SOW, but that constitute important information that must accompany the requisition process in a separate attachment:**

* Information regarding the available budget and Fiscal Year budgetary constraints;
* Any available costing information;
* Information regarding payment;
* Details of any pre-contractual arrangements;
* When sole source, the sole source justification;
* When competitive, proposed evaluation criteria and contractor selection method;
* Details concerning the ownership of Intellectual Property; and,
* Branch, contact name, telephone number

**Questions to help determine the cost:**

* What is the estimated level of effort (# of days) and associated estimated cost? You can refer to previous contracts and rates and their estimated level of effort to estimate the cost.
* Is there a previous procurement that could help source and justify prices?
* Is the funding adequate?

# Evaluation Criteria – What to think About When Developing Your SOW

Just as requirements definition work flows into the creation of the SOW, an effective SOW forms the basis for creating effective evaluation criteria. When you are crafting the SOW, especially sections 4.0, 12.0 and 14.0, you should think how you will evaluate and compare the suppliers against the business requirements that you are outlining. For each aspect of your business requirement, ask yourself: How will I evaluate this requirement? For more information, read the detailed document [Writing Bid Evaluation Criteria and the Contractor Selection Process](http://iservice.prv/eng/finance/purchasing/tools.shtml).

**There are three main types of evaluation methods**:

* **Mandatory criteria** - Identify the minimum requirements essential to successful completion. Used for low- to medium-complexity requirements, where requirements can be clearly defined, or where responsiveness to price and minimum criteria are governing factors.
* **Point-rated criteria** - Establishes a set of criteria/characteristics to determine the relative merit of each technical proposal. Used for medium- to high-complexity requirements, where different approaches to the work may be considered; permits the evaluation of intangibles, while focusing on technical merit.
* **Combination** - Mix of mandatory and point-rated criteria. Used for services contracts especially, and represents a reasonable and balanced approach – preference is given to proposals that exceed the minimum requirements.

The two that are most applicable and that should be used for professional services are the point-rated and combination methods of evaluation.

**Some useful tips to keep in mind when designing evaluation criteria are as follows:**

* Criteria should be relevant to the requirement
* Mandatory criteria must be essential to fulfilling the operational requirement
* Rating scales should be based on quantitative measures to the extent possible
* Subjective criteria should be kept to a minimum
* Objective criteria should be used, to the extent possible
* Relative importance of criteria should be clearly defined
* Criteria should be weighted thoughtfully
* Socio-economic factors may only be included in evaluation criteria if relevant policy applies (example: PSAB, CLCAs etc.)
* Adjectives should be avoided unless they are defined (examples: similar, in-depth, recent) and define what comparators mean (example: projects of similar scope and size)
* When asking bidders to provide information on experience, specify which details you would like all bidders to provide
* Determine if experience should be recent or if experience acquired further in the past would be acceptable (example: if looking for global leading edge practices, experience that is greater than 3 years old may no longer be relevant)

# Contractual documents: How elements of the SOW link to contractual terms and conditions

When writing the SOW, it is important to think about how you will enforce the performance, monitoring and acceptance criteria that you outline in the document. One of the key areas of the contract is the terms and conditions. You should understand the terms and conditions, which you can review with the Procurement Specialist, to ensure you have the proper terms to enforce your SOW. This will help you to manage the contract after award.

**Here are some examples of issues/questions you can ask that we can address in the terms and conditions of the contract:**

* If replacement personnel is/are required, how will you ensure that the replacements is/are equal or better to the resource initially bid?
* How will the department be protected against escalation and mark up?
* Who will own the Intellectual Property?
* What are the key liability and risk considerations associated with the contract?
* What are the security requirements associated with the contract?
* What is the status of the contractor (independent contractor, corporation, partnership etc.)?
* Is the individual contractor a former public servant in receipt of a pension?
* What types of arrangements do you feel comfortable allowing under the contract – for example, standard subcontracting, teaming, non-disclosure of arrangement?
* How will data and privacy be protected?
* What are the remedies and penalties for non-performance?
* What happens if the department has to terminate the contract? What termination clauses are included and upon what basis can the department terminate the contract? (Common examples include for convenience and default.)
* Will the Department pay travel and living expenses as part of the contract? If so, how will approvals take place?
* Would performance payments and incentives apply, and increase the value to the department?
* What are the acceptance criteria for the work?
* How will invoicing be handled?

# How does the SOW link to contract management?

* Measure vendor performance against the schedule outlined at Section 12.0. This is particularly important if the requirement is associated with a larger project or if program delivery is dependent on the professional service provided.
* Will it be clear whether the parties are fulfilling their commitments as outlined in the contract? This is why articulating the roles and responsibilities of all parties is important at Section 10.0 of the SOW.
* Service level agreement performance – if specific service delivery standards are required in support of the business need, then those service standards must be included in the SOW and actively managed over the course of the contract. Remedies and termination clauses must also be included, in case the service provider becomes non-compliant.
* When a program is outsourced to a supplier, the transactions and processes that the vendor will be responsible for must be contained in the SOW and actively monitored throughout the course of the contract.
* Compliance with the terms and conditions of the contract
* Processing payments against the terms and conditions of the contract, ensuring that acceptance criteria is met before payments made – this is time consuming but critical in ensuring that the Crown receives what it is paying for under the contract.

# Risks and Risk Mitigation Strategies Associated with Professional Services

The nature of professional services means that there are risks and particular considerations that may be relevant to the requirement. These should be mitigated, through the structure and wording of the SOW, the evaluation criteria, and the terms and conditions of the contract.

**Common Risks and Key Considerations:**

1. Creating an employer-employee relationship – Does the SOW use language that is more like an employment contract than a proper SOW? Perhaps there is a need to revisit the choice of instrument and hiring staff may better meet the requirement, if the work can only be defined in employment terms.
2. Conflict of Interest – several areas of conflict of interest exist. The contractor could have been involved in drafting the SOW; the contractor could have other clients with competing or opposing interests to the department; a contractor could have been involved in earlier phases of work, which may create a conflict (contractor proposes a solution in phase one that only it can deliver in subsequent phases); or a bidder could have had access to proprietary information.
3. Former Public Servants in Receipt of a Pension.
4. Choice of Instrument – is a crown procurement contract the best way to meet the business need?
5. Liability Issues.
6. Intellectual Property – must consider future use of any Intellectual Property created under the contract and adequately address the requirement in the contractual clauses.