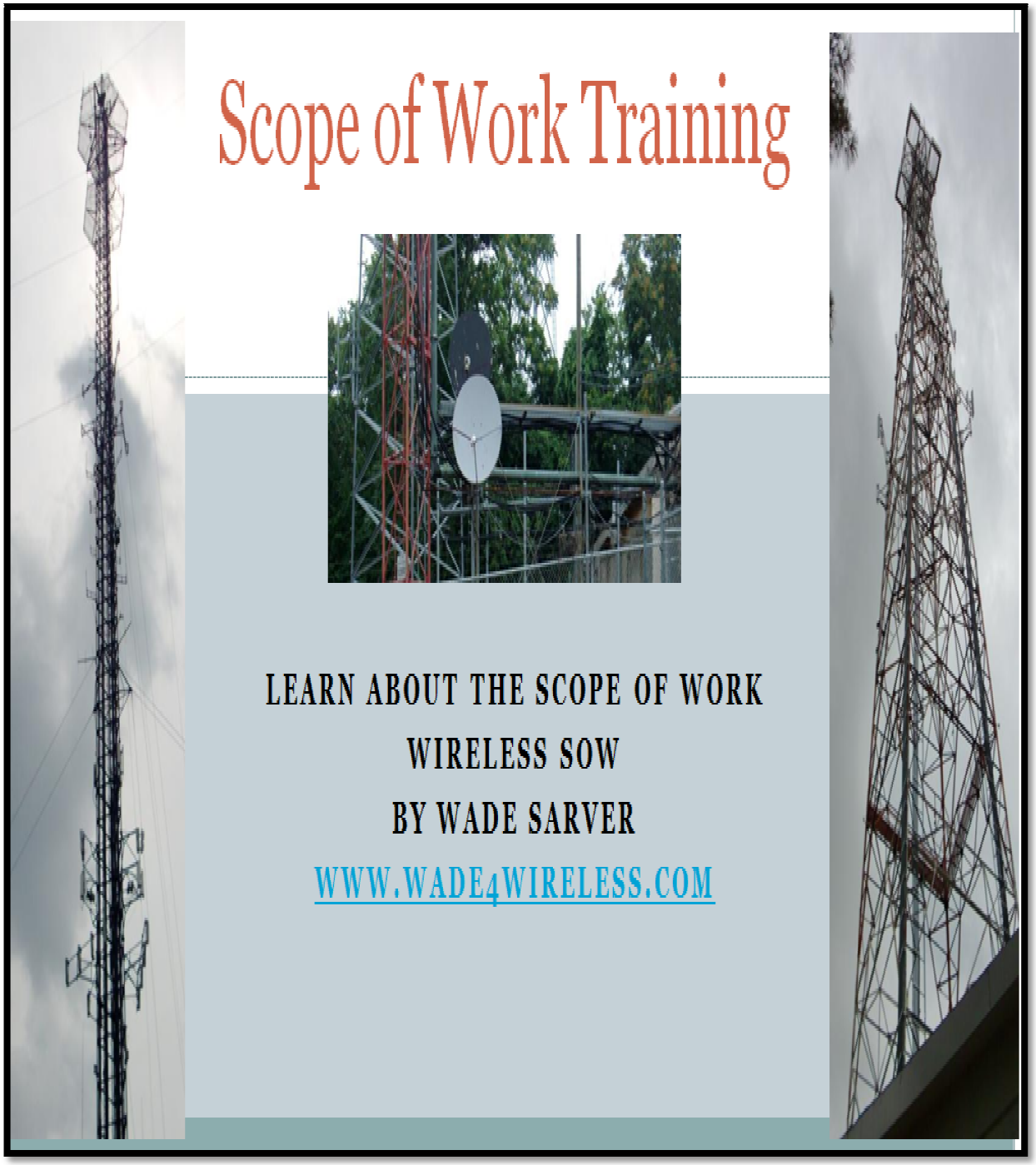
Scope of Work Overview



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Introduction

This is a SOW (Scope of Work) overview to show the reader a few things. The SOW is not only the guide you follow to complete the job, but it also defines how and when you get paid for the services and equipment. You need to understand the importance of the SOW because it affects getting paid. You will need to understand what to pull out of it and if you are writing one you need to know what to put in it. Understanding each SOW may be different, even if you are working for the same customer. You need to know what the deliverables are so you get paid. Understanding the entrance criteria is important so the job is done properly. No matter what your role is at the job site or in the company you should understand what to look for in the SOW. It matters because if it's done wrong then you may not get paid for the work.

This is my whitepaper to promote my SOW training program. Go to http://wadesarver.com/scope-work-training/ for the website. I have created a video to go over the SOW creation and what to look for in a SOW. I cover the sections to help you understand what is expected of the parties doing the work. I created a SOW training program that would help you understand SOW creation and how important the SOW is to your business.

What is a SOW?

A SOW is a document outlining the work that will be agreed upon by both parties for a specific job or project. This may or may not include the expected result for the job. If it is larger it may include the milestones. It should outline the work to be done, have any associated work documents attached to it, and it should explain the work to be performed. One of the most important parts of the SOW is defining the work completion that will allow your billing and compensation.

While this document may not be the actual legal agreement, it may be attached to the agreement between the two parties, customer and contractor. Please remember that you need understand what the completion information will be to get paid or to pay.

This document will define the work, the pay, and the timeline expected for each job, maybe even each task.

Why do I need this training?

Knowing what is in the SOW is going to really help your business define the work separating the work you are being paid for from the change orders that you can request from the customer. You will be asked to do extra work, and you may do it but there comes a point where you should get paid for it.

- If you are reading the SOW then you need to know how to interpret the SOW for the job you are doing.
- If you are bidding on a SOW then you should understand what you're being asked to do.
- If you are writing the SOW you should understand what to put in it to protect yourself and your company from overages or missing items. You will need to set expectations.
- Customers need to know what the expectations are from the contractors.
- Contractors need to know what to expect from the customer.
- Both parties need to know the handoff points, the pay points, and define the work in a way that both parties will understand.
- If you need to make sure both parties understand when the payments will happen.

Who will work with a SOW?

This training was created for the deployment people and companies in the wireless industry. You may be the customer or the contractor or the subcontractor, you need to understand how the SOW affects your business. If you are in one of these groups then this should really help you out.

- **Project Managers** who lead and manage wireless deployments.
- **Wireless Installers** doing work out at tower sites or roof tops.
- **Wireless Field Engineers** working on deployments.
- Installers who will be on site.
- **Tower climbers, tower technicians, and tower hands** who will be working wireless deployments.
- **Technicians and engineers** who will be doing the onsite wireless work.
- **Logistics and supply chain** that will be responsible for the wireless equipment. This includes anyone who may be responsible for the warehouse, suppliers and distributors. Who will be supporting the wireless deployment? Remember that without the hardware and equipment, where would you be?
- **Vendor managers** issuing the Request for Pricing (RFP). You will need to understand how to write and issue the SOW.
- **Deployment estimators** will need to know what is expected of their teams if the customer writes the SOW and how to revise the SOW to match align the work with the customer's expectations.

What if the SOW is missing something?

If there is work to be done that is not included in the SOW should it be a change order for any “one-off” issues? Do they update the entire SOW for a mass change for all work moving forward? Will the BOM be affected? Is this something that will affect the MOP? This should be outlined in the SOW.

SOW Breakdown

A Sow generally includes the following information.

- **Overview and introduction.** This may explain the project from a very high level as well as introduce the company bidding the work. It may have a high level outline of the project and the history of the company on it.
- **Terms**. The terms of the contract. This is going to review the timeline and expectations from a high level in the SOW. It is put there to reference the project and point to specific sections in the SOW. It may have the start and finish dates in this section.
- **Termination**. This is going to explain how the project will be terminated. This may mean completing the project or if either party wants out there will be details to explain that. That could mean one party backs out or a party cannot complete some criteria outlines in the project. Termination of the contract or SOW may be defined in here.
- **Timeline.** This could be listed in Terms but this is the expected time line of the project. It should have an expected start date and the time to do the project and or task. If there are milestones in the project that need to be completed by set dates then this should be listed in here from a high level. This is generally just the time and dates and maybe the passage of time expected. It generally does not include compensation that should be in the compensation section.
- **Renewal terms.** If this is an ongoing maintenance SOW then it may have renewal terms. This will be the terms need to renew the contract and/or SOW.
- **Services**. This is going to outline the services expected for the work required in the contract. Here is where the actual work is outlines. You may have attachments for the details but here is where the expectations lie for the expected work. It may include what the contractor will need to purchase and what the customer is required to provide. The customer may need to provide not only hardware or equipment, but also access to specific locations including tower sites and warehouses and offices. It may also cover access to log into equipment. The contractor may be required to provide a warehouse along with the services needed to get the over task completed. This should cover the expected work by both parties.
- **Deliverables**. Here is where the deliverables are defines. This is where the customer will define what they expect to see and/or have to pay the contractor. This

may be where the milestones are outlined with dates or it may have the final expected results of the projects. If the milestones are listed here then it should have the milestone for each section or region.

- **Guidelines**. In some SOWs they list the guidelines for conduct and work and communication between parties. This actually can be very important because no matter what side you are on you will need a contact on the other side. Communication will be essential. Guidelines showing the standards are a good idea if you are a customer so the contractor understands how to complete the project in a fashion you will sign off on.
- **Tasks**. This is where the expected tasks are outlines. Here is the meat of the SOW! The customer will outline the items that they expect to be completed either one by one or they will have an overview of the project and have the details attached in an appendix. This is where everyone working the project will need to review. If the tasks are realistic with realistic timelines then you should be OK. If they are something that is not realistic then both parties need to hammer down the details. It is common that expectations and assumptions are added to the SOW.
- **Deliverables**. This is what may be added in the tasks section or the compensation section. The deliverables are what the customer is going to pay for. The task is the work to be performed, but the deliverable is what the customer is paying for. You need to understand the difference. For example, if you are hanging up 2 dishes to complete a microwave link, the customer may outline the task of hanging the dishes but they will not pay the contractor until the microwave link is up, aligned, working, and meeting specific KPIs before the customer will pay the contractor. This section is very important because it completes the contract or milestones.
- **Responsibilities**. This section will outline the responsibilities of both parties.
- **Exclusions**. This section will outline the exclusions. There should be a section for exclusion of both the customer and the contractor.
- **Assumptions**. This section will determine the assumptions made by both parties. It may include entrance criteria, what you expect to be completed before you begin, and exit criteria, what you are expected to complete so the next step can be completed.
- **Contingencies**. This is something that may need to be added when the work relies on another task in the project to be completed. In wireless work, weather and site acquisition play a big part on how the project can move ahead. This will go back to the entrance criteria in the assumptions section.
- **Schedule**. There will be a section that has an expected schedule. This may be in another section but it should be outline what the expectations are. It may have start and completion dates listed. If they are hard dates then they may have assumptions that would push out the completion. There may be a bonus for completing early and

a penalty for missing a deadline. It is very important to understand the schedule and the assumptions around the schedule.

- **Compensation**. This is something that will be very important. This should include the money that changes hands. It may have miles stone payments. It may explain that there is a down payment prior to the start of work. It may explain that for maintenance service you get paid prior to starting. This is going to be so important! This section is the one that most people quickly look at.

SOW Creation

The SOW normally will be created by the customer; this is how they get a price for the work. This isn't always the case because the SOW could be created by the contractor and the customer could agree to it. It will be tied to payment terms. The two parties will outline the work, the timeline, the pay, and the terms.

The SOW should have the basic company information in it. If you are the one writing the contents of the SOW then you will need to understand the audience.

If it is a high level system SOW then the audience may be project managers, estimators, bidders, and customers. If it is a site specific SOW then the audience will be the installers and engineers.

All the other information will be in there except maybe for the work detail. The work will include the tasks and deliverables. For instance, if you are installing something on the tower it should have an explanation of what you're mounting and how to mount it.

Billing is a big part of the SOW because if you are hanging cell arrays then you may be able to bill per tower or cluster as they are tested. If you are hanging dishes then you probably can't bill until the link or a line of links are completed and operational. The deliverable will determine when you have completed the site but the billing or compensation section will determine when you can bill or get paid for completion.

What will the SOW do for you?

This depends who you are. Each person who is determining the work will need to understand the part that applies to them.

- **Customer**. You will need to define the work expected, the start and possibly the completion dates, milestones, compensation terms, defined tasks, outline of tasks. You will create a SOW to for the following reasons. You will want to outline the tasks and end result to avoid any confusion upon completion of the project. This could be a physical act of installation or it could be having a software package made or engineering tasks that will require improved KPIs to improve system performance.

- **Contractor**. This will determine the work that you will need to do to get paid. You may bid on a job based on a SOW in the RFP or RFP or RFI. The customer may create the SOW but you may want to revise the SOW to make the terms
- **Installer**. Installers will need to look at the entrance criteria and the tasks and the deliverables. They will be the ones that will be responsible for getting the work completed on an installation. It may include the handoff to the next group who in this case may turn up the system. There may be a clause where the installers will need to come back to the site or wait at the site for the system to be powered up, tested, or a microwave link aligned.
- **Project Manager**. The PM will be responsible for the project. They will look at the entrance criteria and the schedule and the deliverables. In the end they will be responsible for the project being completed and being completed on time. They will be held to the fire for the deliverables to meet the customer's expectations.
- **Engineer/Technician**. The technical staff will be the ones who may come out after the installation and complete the commissioning of the equipment. You may need to have the installers on site to do tower or electrical work so they can complete the installation. If they find a problem, then someone will need to come out and correct it. Remember that the deliverable will be a working and tested device no matter what that is. There may be line sweeps or testing that will find problems prior to power up.
- **Supply chain**. The supply chain will be made up of distributors, equipment manufacturers, warehouses, and delivery. Most of this is considered logistics. The section they will be concerned with is the schedule. They will need to have their equipment ready for delivery. They will need to be sure that the hardware is in the warehouse for pickup.

Why is the SOW critical?

The SOW matters because it defines how the compensation will happen. If you are the customer you want to know what you're paying for and if you are the contractor you want to know what you need to do to get paid.

Remember that the US Department of Labor, specifically OSHA, has required that the tower worker on site understands the scope of work. They put this requirement in TIRAP to make it clear that each worker understands the job at hand.

It goes deeper than that though. What happens when something needs to be done that is outside of the SOW? If a SOW is loosely written then the contractor may need to add addition labor or hardware to get paid. If the customer does not define the exact deliverable then they may have to pay for the hours worked regardless of the outcome.

Many times the wireless deployment PM will ask the crew to do extra tasks knowing full well they are outside of the SOW. This will test the relationship between the crew and the PM. The crews will need to know what the cost will be. Will it be an extra hardware cost or will it be extra time. Whether way they will need to know if they can absorb it into the project without taking a major hit. The hours worked cost money as well as the additional hardware. So to get extra work done for free is a big deal if it is eating into the schedule and overhead. What you do is up to you, but you should weigh the cost and return. If doing this one favor helps the relationship grow and leads to future work then by all means, do it. Relationships must be taken into account. However, there are so many customers that will push this to the limit with multiple requests affecting your schedule and budgeted hours.

When things go out to bid and the lowest bidder always wins, then doing extra work for free may not be worth it. In that case you may want to create a change order for any and all extra work. A relationship should flow both ways. Some customers really appreciate a good contractor while others just want to squeeze blood from a turnip.

Want to learn more about the wireless deployment SOW?

I created a training video so that the wireless worker can create and read a SOW when doing this work. I created a video to help you through the process. This $24.99 product is going to help you understand the SOW creation and how to follow the essentials.

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Definitions

KPI – Key performance indicators
SOW – Scope of Work
BOM – Bill of Materials
Compensation – payment from one party to another based on agreed upon terms
Terms – agreement in writing defining the requirements of completing the contract
Milestones – a specific event that triggers the completion of a portion of work that may or may not result in partial payment
Task – a specific job
RFI – Request for Information – generally issued by a company to gain input from contractors prior to issuing a RFQ or RFP

RFQ – Request for Quote, issued by the customer to request pricing from multiple contractors for a job or project.
RFP – Request for Pricing, issued by the customer to request pricing from multiple contractors for a job or project.
PM – Project manager
PMO – Project manager organization
SA – Solution Architect
OEM – Original Equipment Manufacturer
Staging – the preparation of hardware for a site or region in a designated area, usually a warehouse. This is where the equipment will be put together for a specific site.