



Template Guide

What is a Statement of Work?

A Statement of Work (SOW) is a document which defines the procurement requirements of the project in sufficient detail to enable potential suppliers to determine if they are able to meet those requirements. The following list provides examples of types of requirements a project may have for potential suppliers and their products:

- Company (size, industry)
- Product (type, number of years available)
- Training (level required)
- Documentation (provided with product)
- Support (available for product).

The SOW also outlines the expectations of the supplier in terms of the:

- Materials and Equipment (to be provided)
- Deliverables Schedule (and process for acceptance)
- Payments (of invoices)
- Confidentiality (of sensitive information).

When to use a Statement of Work

An SOW should be used whenever a formal Tender Management Process is undertaken (i.e. whenever a product is required from outside the project and a preferred supplier has not yet been chosen). It is critical to the tender process to clearly outline, in simple terms, the procurement requirements within the SOW. If this is not achieved, it is less likely that the actual procurement requirements of the project will be fully satisfied, thereby placing the project at risk.

The SOW is the first document created as part of the Tender Management Process. It forms the basis upon which the tender documents (RFI, RFP) are formed and is the core document against which supplier responses are evaluated. The SOW is, typically, written by the Procurement Manager and approved by the Project Manager. It is released to suppliers along with the tender documentation and updated throughout the Tender Management Process.

How to use this template

This document provides a guide on the topics usually included in a Statement of Work. Sections may be added, removed or redefined at your leisure to meet your particular business circumstance. Example tables, diagrams and charts have been added (where suitable) to provide further guidance on how to complete each relevant section.