



# Developing the Specification/ Statement of Work



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Master Agreements & Contracts

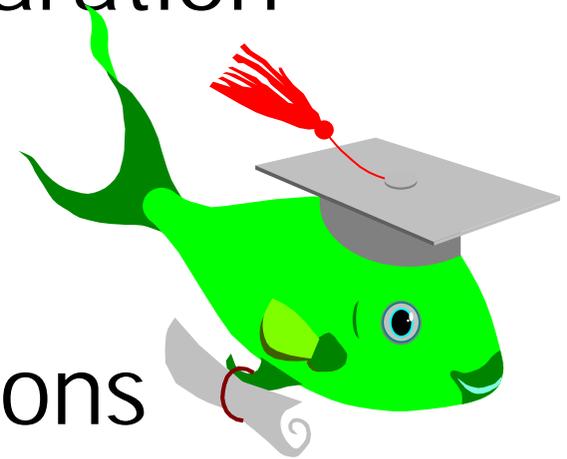
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# Objectives

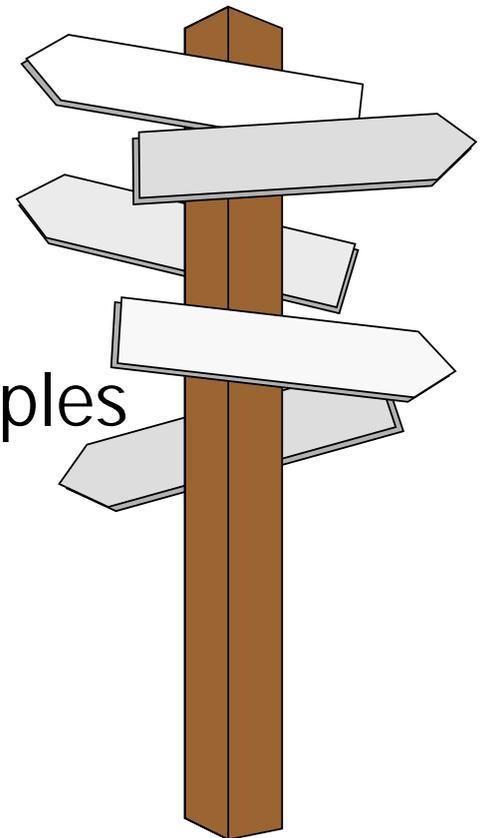
- By the end of the presentation, using the draft procedure, you will understand:
  - General principles of preparation
  - Common terminology
  - Types of specifications
  - Format of SOW/specifications





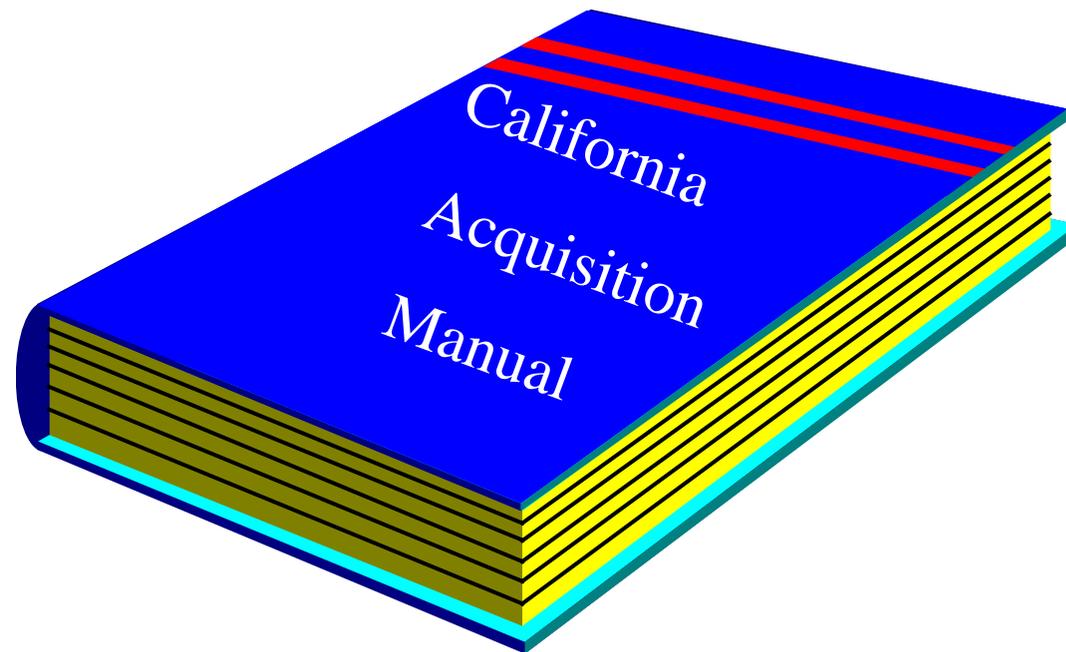
# Approach

- Draft CA Acquisition Manual (CAM) Procedure
- Definitions/Terminology
- General Principles
- Statement of Work
  - Planning Questions, Format & Samples
- Specifications
  - Types
  - How to prepare a Bid Specification
- Resources





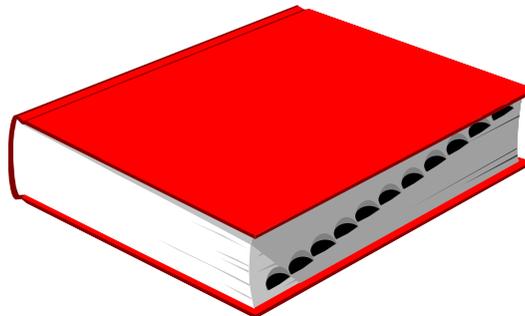
# CAM 3.3.4, Developing the Specification/SOW





# Definitions

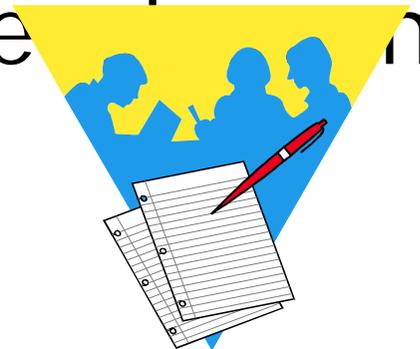
- **Specification** - A document that describes the essential technical requirements for goods or services and includes the acceptance test procedures to determine whether the requirements have been met





# Definitions, cont'd.

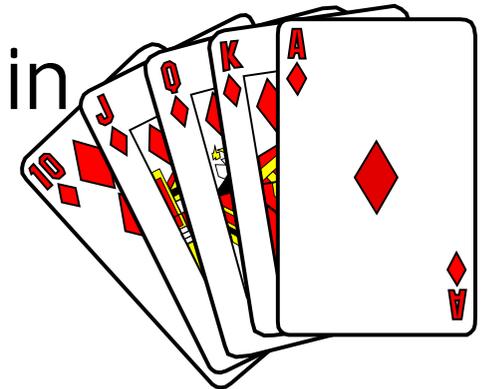
- **Statement of Work (SOW)** - A document that specifies the requirements for a project or program. It is used in conjunction with specifications and standards to determine whether the contractor meets stated performance requirements.





# Definitions

- **Bid Opening** - A poker game in which the losing hand wins
- **Low Bidder** - A wild guess carried out to two decimal points
- **Engineer's Estimate** - The cost of construction in heaven
- **Completion date** - The point at which liquidated damages begin





Good SOW

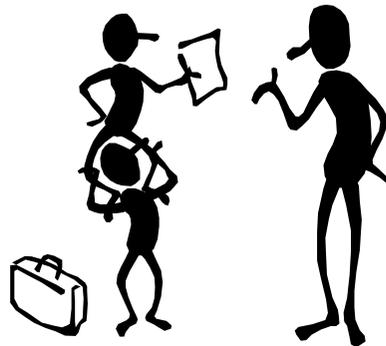
Good Specifications

GOOD  
RESULTS!



# Terminology

- The following words that are used interchangeably are:
  - ☞ Contract = Purchase Order = Award = Agreement
  - ☞ Supplier = Contractor = Sub-Contractor = Vendor = Developer = Seller





# General Principles

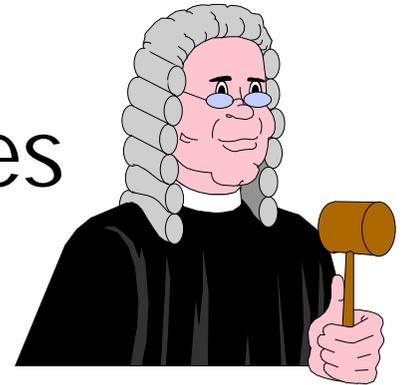
- The SOW/specification is the heart of the solicitation and resulting contract
- Must include features of the goods or services required and detailed tasks





# General Principles, cont'd.

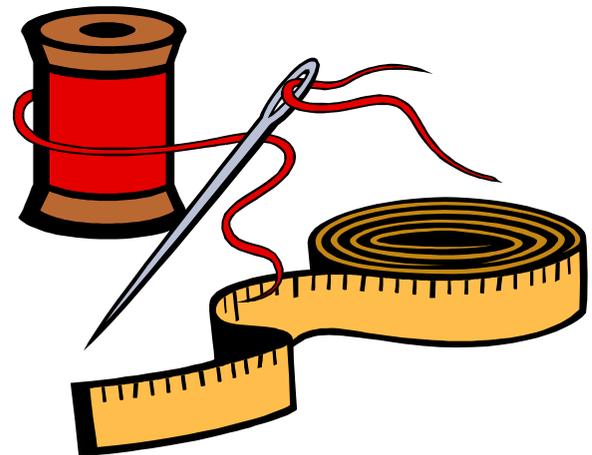
- Basis for judging:
  - Acceptability of goods/services
  - Responsiveness of Proposals
  - Selecting Responsible Contractor
- Defines expected quality, required quantity, timeliness, and performance measurements





# General Principles, cont'd.

- Must be:
  - current
  - applicable
  - tailored to Program's business needs
- Clarity
- Competition





# Restricting Competition

- Reminder - Public Contract Code 10318 requires specifications may not be written to limit competition directly or indirectly to any one bidder
- SAM requires, to limit bidding, prepare a written justification explaining why





# General Principles, cont'd.

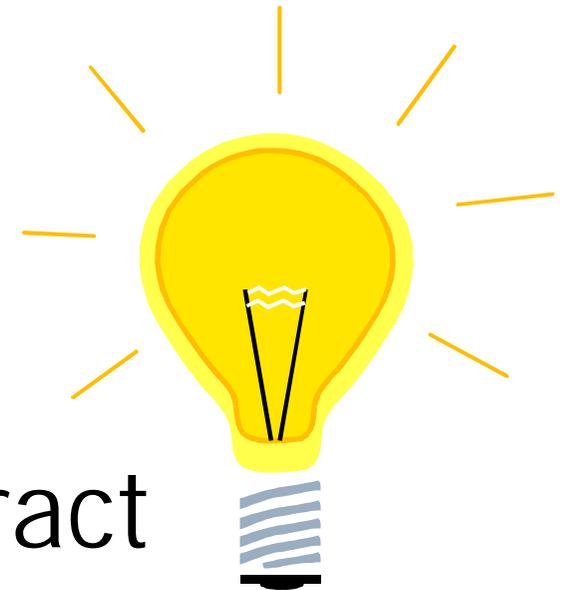
- Stakeholder participation
- Available documents
- Consistency with law & policies
- Political directives
- Acceptance criteria
- Brand name/unique features





# General Principles, cont'd.

- The non-essentials/obsolete requirements
- Performance vs. fixed requirements
- Basis of successful contract
- Standard/commercial item
- Special requirements





# General Principles, cont'd.

- Inadequate goods/services
- Omissions





# Writing Tips

- Understandable by lay person
- Peer review recommended
- Edit, edit, edit!
- Eliminate redundancies
- Replace stock phrases
- Shorten sentences





# Writing Tips

- Tighten writing style
- Active vs. passive voice
- Avoid acronyms
- Avoid "any", "either", "and/or" or "never"



# Do's and Don'ts

- DO solicit input from program folks/end users
- DO prepare SOW for desired results
- DO tell bidder how results/performance are measured
- DO structure SOW for complete solution
- DON'T tell contractor how to do the job
- DO understand range of problem to make SOW comprehensive



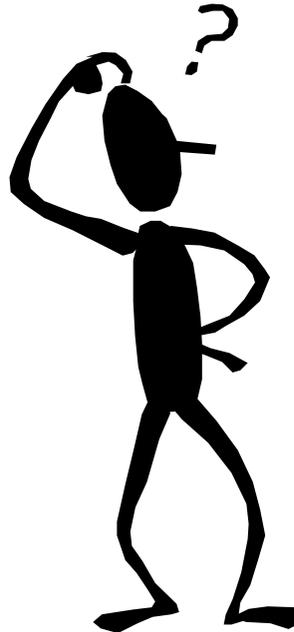
# Do's and Don'ts

- DO decide requirements to meet needs
- DO determine minimum requirements
- DO distinguish between “must have” and “nice to have”
- DO determine how “nice to have” is evaluated
- DO determine value of extras and quantify
- DO write new SOW for each procurement



# Do's and Don'ts

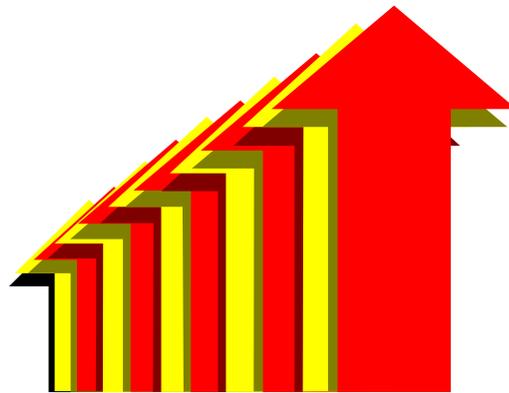
- DON'T cobble together standard phrases from prior buys
- DO review SOW even if you bought it before...things may have changed





# Principles -- Bottom Line

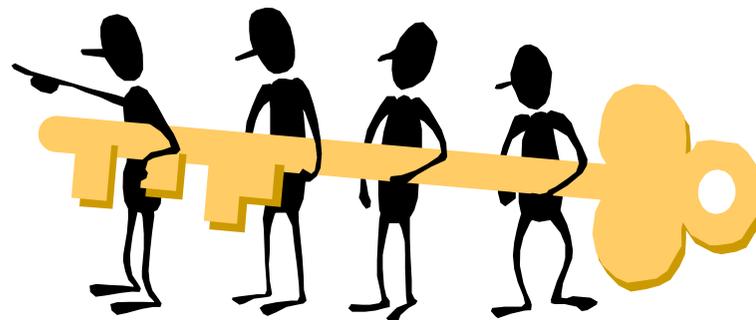
The specification should be a clear and accurate description of the technical requirements and include the procedure to determine whether the requirements are met





# Golden Rule

# Never Over Specify!





# Statement of Work (SOW) Format

1. Description of goods/services
2. Period of performance
3. Delivery requirements
4. Equipment
5. Software
6. Tasks to be accomplished
7. Systems integration
8. Data handling





# SOW Format, cont'd.

9. Outsourcing computer operations
10. Transition to new contractor
11. Training
12. Installation
13. Test and acceptance
14. Maintenance/preventative maintenance
  - 14.1 Software Maintenance
  - 14.2 Preventive Maintenance



# SOW Format, cont'd.

15. Warranty
16. Technology refreshment
17. Security requirements
- 17.1 Special qualifications (agency specific)
18. Compatibility and interface
19. Performance measurements
20. Quality control/assurance



# SOW Format, cont'd.

19. Payment methodology
20. Cost or pricing data
21. Unilateral changes
22. Quality control/quality assurance
23. Performance measurement



# Other

- Personnel
  - Future needs
  - Life cycle costs
  - Lease or buy
  - Included costs
  - Contract type: fixed price/cost reimbursement
  - Performance incentives/penalties
- Select priced line items
  - Travel/other reimbursable expenses
  - Who finances--State or Contractor? Progress payments?
  - When do you pay-- Completion/ Milestones/ Delivery/ Acceptance?

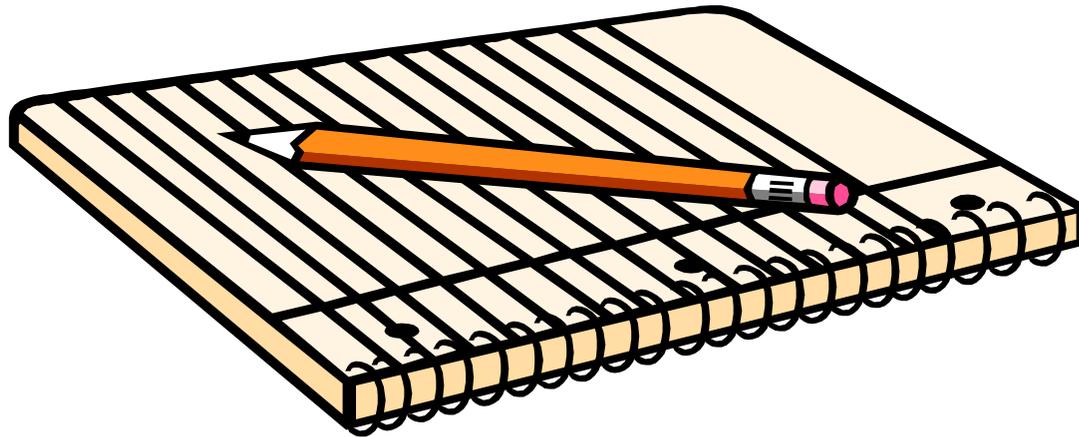


# Market Research

- Industry
- Standard terms
- Potential risks



# SPECIFICATIONS





# Types of Specifications

- Bid description
- Bid specification
- Design specification
- Performance specification
- Commodity standard
- Formal state specification



## Types, cont'd.

- Design Specification - tells contractor "how to do it"
- Performance Specification - focus on results, allows for unique solutions



# Advantages of Performance Specifications

- Not prescriptive; promotes creativity
- Burden on contractor for good quality
- No state design defense
- Better results



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