

STATEMENT OF WORK (SOW) TRAINING

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Writing an Effective Statement of Work Part 1

Presenters

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Part 1

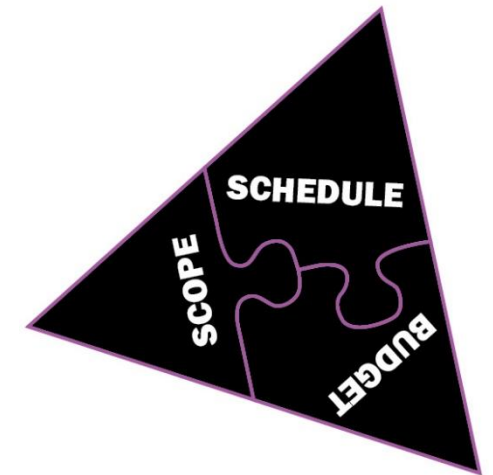
- Planning the Statement of Work
 - Project Methodologies
 - Waterfall and Agile
- Building the Statement of Work
 - Standard elements of an SOW
 - Agile Template Overview
- Questions

Part 2

- Part 1 Recap
- Agency SOW Review Requirements
 - SB 533 Threshold Requirements
- SOW Submission Process
- Managing the SOW
- Common Findings
- Questions

Statement of Work Defined

- Statements of Work are legally enforceable agreements to transact business in a combination of scope, schedule and budget
- A clear scope, schedule and budget are core to good planning and effective management of the Statement of Work



SOW Lifecycle

PLAN

- Define need
- Assess project risk
- Develop SOW elements necessary to manage the contract

SELECT

- Submit SOW to appropriate vendors
- Review responses
- Initiate work with the selected vendor

MANAGE

- Develop tools necessary to manage the vendor
- Document vendor performance

Planning the Statement of Work

Planning the Statement of Work

Getting to the right scope involves:

- Stakeholder engagement - Contract, Program, Legal, IT Security representation to participate in the SOW process
- Team Collaboration to collectively build a solid Business Requirement Document that describes how requirements will be executed, analyzed, and managed

Project Scope

In developing the project scope, key questions to ask are:

- What methodology best supports the project scope?
- Who needs to be on the team to make this succeed?
- Can we identify risks in order to mitigate them?
- How will we measure success?

Identifying SMART* Objectives

SMART

- *To grow* online registration by 5%, by fiscal year end
- *To reduce* licensure wait time to less than 2 minutes, by the end of June
- *To double* our capacity to deliver benefit disbursements by November 1

NOT SO (SMART)

- Maximize potential of agency website traffic
- Improved operational performance management through increased automation
- Website optimization through user friendly interfaces

SMART* (Specific, Measurable, Achievable, Realistic, and Timely)

Approach

What methodology best supports the project scope, goals and objectives?

- Waterfall works well with projects that have “assured predictability”
- Agile intended for projects that require significant software design and development.

PLAN

Selecting the Appropriate Project Methodology for your SOW



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Waterfall vs. Agile

Fixed: Scope

- Process and tools
- Comprehensive Documentation
- Contract negotiation
- Following a plan

Waterfall

Plan Driven

Planned: Schedule

Planned: Budget

Fixed: Schedule

Fixed: Budget

Agile

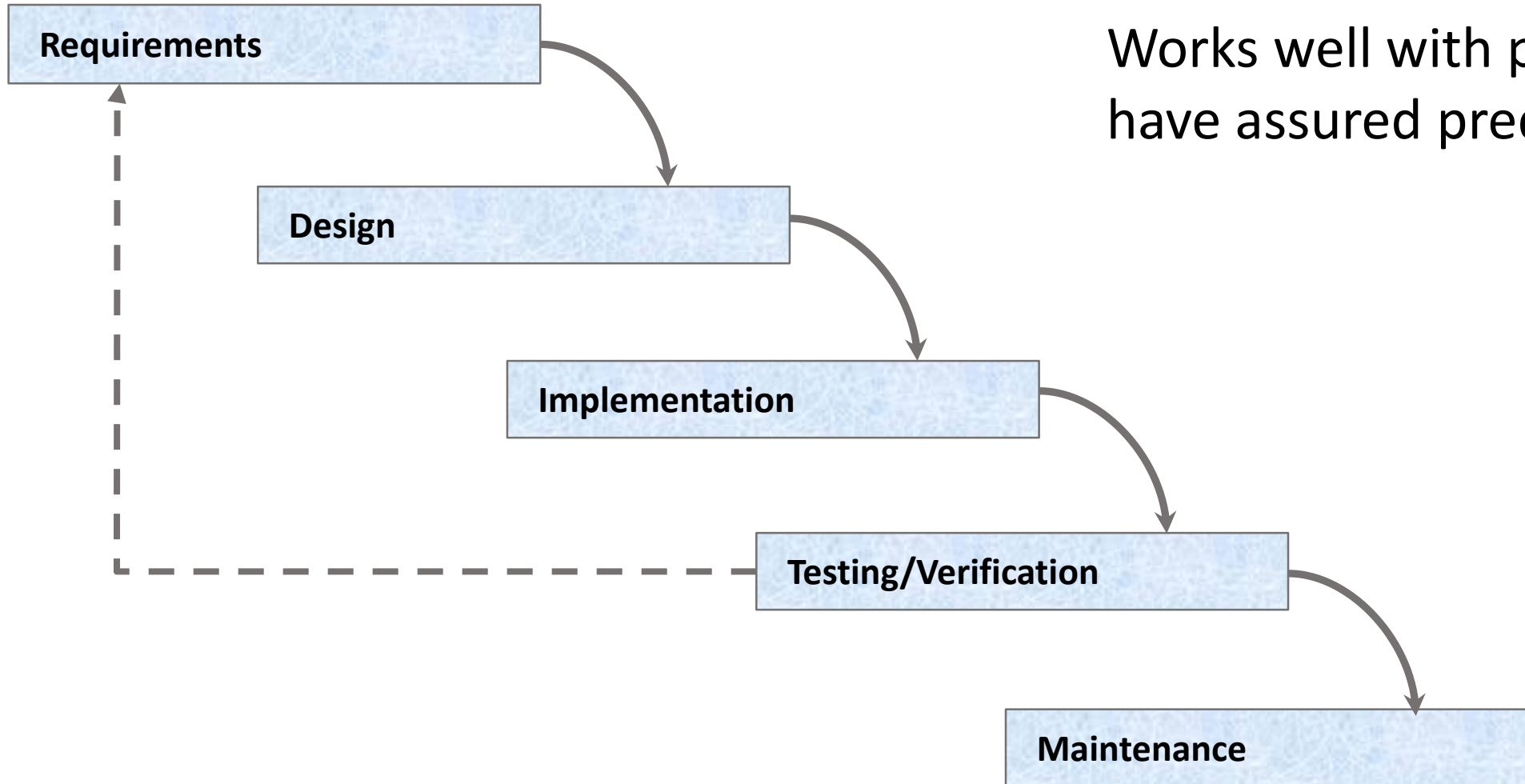
Value Driven

- Individuals and Interactions
- Working product
- Team Collaboration
- Responding to change

Planned: Scope

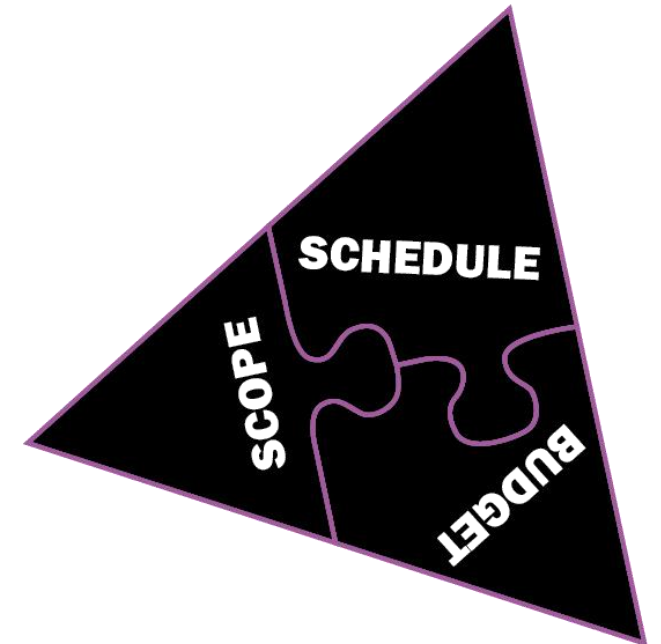
The waterfall methodology adheres to strict scope definition and delivers to plan, rather than value.

The Waterfall (Traditional) Method



Waterfall Methodology Features

- Scope determined and fixed
- Complete project planned up front
- The final product is delivered to customer for approval



Waterfall Methodology Challenges

- Projects become rigid and resistant to change
- Focus is sometimes more about the process than the product of service being delivered
- Significant amount of up-front analysis
- Early sign off on requirements that might not be fully understood
- Cost can be high due to extra effort spent fixing defects and having to rework design

- Ability to respond to change is high.
- Working product is the primary measure of progress.
- Working product with progressively increasing functionality can be shared with customer after each iteration.
- Inspect and Adapt is an agile best practice used to capture the idea of discovering emergent requirements

Agile Project Management

An adaptive-based approach to project management that is incremental and iterative and focuses on customer value and team empowerment.

- | | |
|--------------------------------|------------------------------------|
| • Individuals and Interactions | Over Process and Tools |
| • Working Products or Services | Over Comprehensive Documentation |
| • Customer Collaboration | Over Contract/Customer Negotiation |
| • Responding to Change | Over Following a Plan |

“While there is value in the items to the right, there is more value in the items on the left”

- Changing the team structure can negatively impact the project
- Organizational buy in to the methodology
- Changes in scope probable
- Need for subject matter experts (SME) on the project team
- Contracting

Agile Definitions

User Story: A requirement, feature, or business value that speaks from a specific user's perspective. Stories describe work that must be done to create and deliver a feature for a product.

Epic: A very large user story that is eventually broken down into smaller stories. Epics are often used as placeholders for new ideas that have not been thought out fully

Product Backlog: A collection of user stories the Sprint team will work on at some point in the future.

Scrum: An Agile framework for the iterative development of complex products, particularly software. Scrum is comprised of a series of short iterations – called sprints – each of which ends with the delivery of an increment of working software. The framework is comprised of: Three roles: Product Owner, ScrumMaster, (Scrum) Team

Sprint: Scrum is comprised of a series of short iterations – called sprints – each of which ends with the delivery of an increment of working software.

Agile Definitions

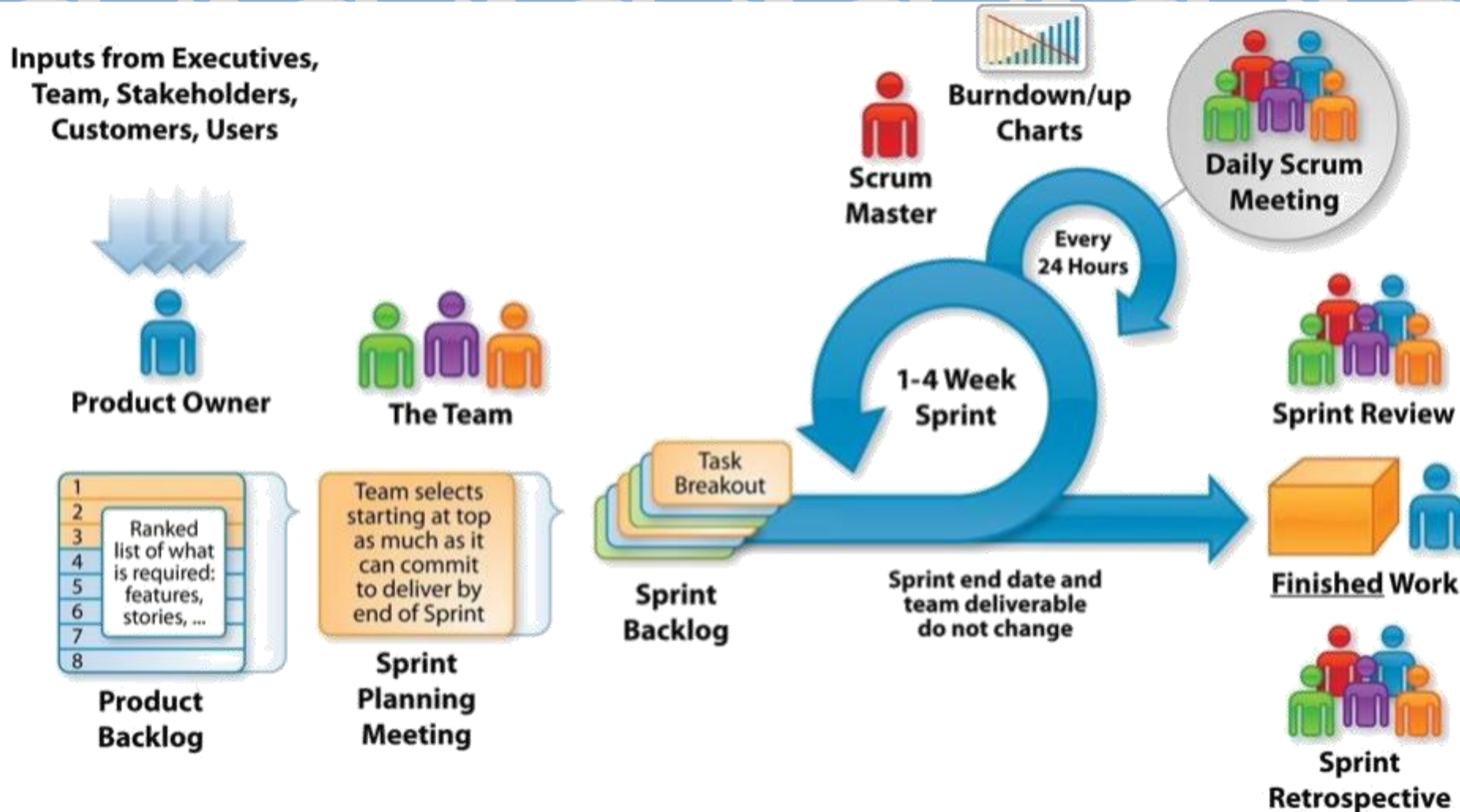
Scrum Planning Meeting: Each sprint begins with a sprint planning meeting, The meeting is a review of the product backlog. This is when the product owner describes prioritizes the stories in the backlog. The Scrum Team then decides how the work will be done, and which items of the backlog can be completed in the next sprint.

Sprint Review: A meeting held at the end of each sprint in which the Scrum team shows what they accomplished during the sprint; typically this takes the form of a demo of the new features.

Retrospective: The retrospective is key to an Agile team's ability to "inspect and adapt" in the pursuit of "continuous improvement." One outcome of a retrospective is to identify one or two high-priority action items the team wants to work on in the next sprint. The emphasis is on actionable items.

User Acceptance Tests: User acceptance tests describe the tests that must be successfully executed in order to validate that a specific piece of functionality meets the needs of the user as outlined in the customer requirements (user stories).

Agile Methodology



The Agile Methodology is based on iterative development, where requirements and solutions evolve through collaboration between self-organizing, cross-functional teams.

Building the Statement of Work

Standard Elements of a Statement of Work

While a Statement of Work is unique for each project, SOW elements are generally consistent across projects:

- Scope of Project
- Roles and Responsibilities
- Deliverables
- Period of Performance/Schedule
- Service Levels
- Acceptance Criteria
- Pricing and Payment Schedules/Milestones
- Assumptions



Additional SOW Elements:

- Introduction
- Background
- Submission/Format
- Confidentiality
- Security
- Background Checks
- Reports and Meetings
- Customer Furnished Equipment and Workspace
- Accessibility Requirements
- Additional Terms and Conditions

SOW Template Review - Agile

Appendix C
STATEMENT OF WORK (SOW)
(Agile)

Project Name
Technology Category

Agency Name

Date

Table of Contents

1.Introduction

2.Background

3.Scope

4.Deliverables

4.1.Sample Content

4.2.Sample Delivery Schedule

5.Reports and Meetings

6.Service Level Agreement

7.Period of Performance

8.Invoices

9.Agency/Vendor-Furnished Equipment and
Work Space

10.Additional Agency Terms and Conditions

11.Vendor Response

11.1.Staff Capabilities

11.2.Service Capabilities

11.3.Project Work Plan

11.4.Additional Considerations

11.5.Pricing

12.Schedule of Events and Response

Guidelines:

12.1.Question and Answers:

12.2.Point of Contact:

13.Response Evaluation Criteria

14.Response Submission Requirements

3. Scope

The vendor will work in a team-based Agile environment. The Agency will create and maintain system roadmaps, project plans, and product and release backlogs that will be the basis for the vendor's work. The Product Owner will specify high-level requirements to the Agile team. As in typical Scrum-based Agile processes, the Agency Product Owner will work together with the team to develop and estimate user stories and establish acceptance criteria. These acceptance criteria will specify expected functionality for a user story, as well as any non-functional requirements that must be met in the development of the story. The Agency Product Owner, supported by SMEs and business analysts, will determine whether acceptance criteria have been satisfied.

The goal of this SOW is (agency should create a high-level list of what the SOW will accomplish). The scope may include, but not limited to, the following activities:

Product Backlog

Functional Requirements, translated into Epics and User Stories that will be used to populate the Product Backlog may include, but are not limited to:

- Initial application design and implementation
- System configuration to support business processes
- Integration for input and output methods
- Workflow design and implementation
- Overall collaboration of applications
- Enhancements, patches, and updates to applications, data, or cloud systems
- Data import of records collected from legacy systems
- Automated testing
- Training of end users on the systems

4. Deliverables

- Create Baseline effort. Define and agree to mutually agreed sprint capacity.
- The vendor shall develop or configure, test, stage, and release business applications by applying iterative processes utilizing the proposed Agile methodology and a frequent release cycle.
- Deliverables must be provided on the dates specified. Any changes to the delivery date must have prior approval (in writing) by the Agency contract manager or designate.
- All deliverables must be submitted in a format approved by the Agency contract manager.
- If the deliverable cannot be provided within the scheduled timeframe, the Vendor is required to contact the Agency contract manager in writing with a reason for the delay and the proposed revised schedule. The request for a revised schedule must include the impact on related tasks and the overall project.
- A request for a revised schedule must be reviewed and approved by the Agency contract manager before placed in effect. Contract Terms and Conditions may dictate remedies, costs, and other actions based on the facts related to the request for a revised schedule.
- The Agency will complete a review of each submitted deliverable within specified working days for the date of receipt.
- A kickoff meeting will be held at a location and time selected by the Agency where the Vendor and its staff will be introduced to the Agency

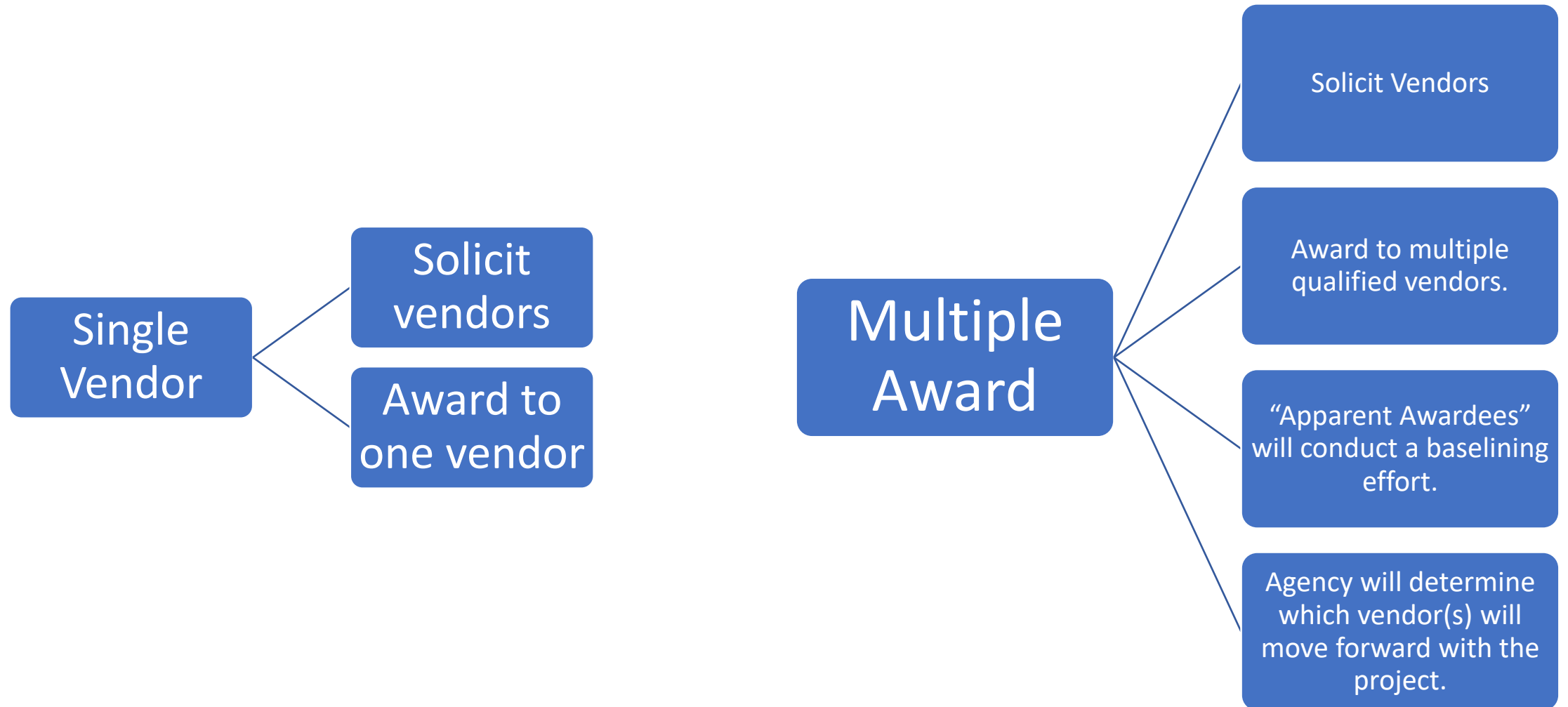
Project Work Plan

11.3 Project Work Plan

Vendor shall provide a draft high-level project work plan addressing the tasks specified in the SOW, which shall include: (customer details)

Deliverable No.	Deliverable Descriptions	SOW Section Ref	Sprint (Iterations)	Estimated Due Date
1	Kickoff		0	
	Baselining Effort		1	
2	Development Run 1		2	
	Development Run 2		3	
	Development Run 3		5	
3	Implementation		6	
4	Transition		7	
5	Training		8	
6	Maintenance and Support		9	

Two ways to agile your contract!



11.5 Pricing

Deliverable No.	Deliverable Descriptions	SOW Section Ref	Sprint (Iterations)	Estimated Due Date	Unit	Unit Price	Extended Amount
1	Kickoff		0				\$10K
1	Baselining Effort		1				
2	Development Run 1		2				\$100K
2	Development Run 2		3				
2	Development Run 3		5				
3	Implementation		6				
4	Transition		7				
5	Training		8				\$30K
6	Maintenance and Support		9				\$50K

Agile Alternate Pricing

Item No	Services	Quantity	Unit	Unit Price	Amount
00001	Baselining effort	100	Day	\$	\$
00002	Sprints/Iterations	TBD	Sprint/Iteration	\$	NTE \$500,000.

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Questions



Useful links

SOW page

<https://dir.texas.gov/View-Contracts-And-Services/Pages/Content.aspx?id=42>

DBITS page

<https://dir.texas.gov/View-Contracts-And-Services/Pages/Content.aspx?id=41>

Legacy Modernization Strategy:

<https://dir.texas.gov/View-Resources/Pages/Content.aspx?id=50>

QAT:

<https://dir.texas.gov/View-Resources/Pages/Content.aspx?id=16>

EIR Accessibility:

<https://dir.texas.gov/View-Resources/Pages/Content.aspx?id=36>

Security:

<https://dir.texas.gov/View-About-DIR/Information-Security/Landing.aspx>

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