



PROCESS
INDUSTRY
PRACTICES

November 2024

Project Engineering

PEEPJ006
Scope of Work

PURPOSE AND USE OF PROCESS INDUSTRY PRACTICES

This Practice has been prepared by harmonizing technical requirements from existing standards of major industrial operators, contractors, and standards development organizations. While this Practice is intended to incorporate the majority of requirements, individual applications may have requirements which take precedence over this Practice. Determinations concerning fitness for purpose or application of this Practice to specific project or engineering situations should not be made solely on information contained in this Practice. All Practices are intended to be consistent with applicable laws and regulations. Should this Practice conflict with applicable laws or regulations, such laws or regulations must be followed. Consult an appropriate professional before applying or acting on any material contained in or suggested by this Practice.

Use of trade names should not be viewed as an expression of preference. Other brands having the same specifications are equally correct and may be substituted for those named.

This Practice is subject to revision at any time. For more information refer to PIP ADG001, *Specification for Developing Practices*.

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1. Scope

This practice defines the purpose and requirements of a project Scope of Work (SOW) document. The practice provides key considerations to the development of the SOW document that enables the project team to utilize it to properly plan for project execution.

The designation “Project,” as delineated within this document, encompasses a spectrum of work scopes that may be as small as engagement of a third-party entity for completing a small design study or may be as large as executing complete engineering, procurement, and construction activities for a greenfield facility.

This practice is not meant to provide the format, structure, or style for the development of the Scope of Work but provides considerations to customize and use as project needs dictate.

2. References

Applicable parts of the following Practices and industry codes and standards shall be considered an integral part of this Practice

2.1 Process Industry Practices (PIP)

- PIP PEEPJ001 - *Guideline for Project Engineering*
- PIP PEEPJ003 - *Project Estimating*

2.2 Industry Codes and Standards

- Association for the Advancement of Cost Engineering (AACE)
- AACE 37R-06 - *Schedule Levels of Detail*
 - AACE 27R-03 - *Schedule Classification System*

3. Purpose of the Scope of Work Document

A Scope of Work document outlines what a project aims to achieve and what the project team needs to execute. The SOW is typically produced by the project-initiating entity or company (owner) and used by the project-execution entity or contractor. The project-execution entity may be a part of the company or may be a separate group in form of a contracted entity.

A well-defined SOW document will result in:

- a. Increased predictability of cost and schedule
- b. Reduced probability of project failures
- c. Improved operational performance
- d. Better achievement of business goals
- e. Better definition of risks
- f. Fewer scope changes
- g. Better definition of project scope division or responsibilities