

# SOP: Proposal Development and Contract Finalization

This SOP details the process of **proposal development and contract finalization**, covering the preparation of comprehensive project proposals, stakeholder collaboration, budgeting and resource allocation, review and approval workflows, negotiation strategies, and finalizing contractual agreements. It aims to ensure clarity, accuracy, and mutual agreement between parties to facilitate successful project initiation and execution.

## 1. Purpose

To establish a standardized approach for developing project proposals and finalizing contracts that ensures clear communication, comprehensive planning, accurate budgeting, and legal compliance.

## 2. Scope

This procedure applies to all departments and personnel involved in proposal creation, review, approval, negotiation, and contract execution for projects with external stakeholders or clients.

## 3. Responsibilities

Role	Responsibility
Project Lead	Coordinate proposal development, compile inputs, and oversee communication with stakeholders.
Finance Team	Prepare budget estimates and review financial compliance.
Legal Advisor	Review terms, ensure regulatory compliance, and advise during negotiations.
Management	Approve final proposals and contracts.

## 4. Procedure

- Proposal Preparation**
  - Receive or identify the project opportunity.
  - Gather requirements from stakeholders and clients.
  - Develop the project scope, objectives, and deliverables.
  - Prepare timelines and milestones.
- Budgeting and Resource Allocation**
  - Estimate costs and resources needed for the project.
  - Document all budget assumptions and contingencies.
- Internal Collaboration & Review**
  - Circulate the proposal draft for internal feedback.
  - Review by finance, legal, and management.
  - Incorporate revisions as needed.
- Submission & External Review**
  - Submit the proposal to the client or external stakeholder.
  - Address any inquiries or requests for clarification.
- Negotiation**
  - Engage in discussions to address terms, scope, pricing, and deliverables.
  - Document negotiation points and proposed amendments.
- Contract Drafting & Finalization**
  - Prepare and review the draft contract referencing the agreed proposal.
  - Ensure legal compliance and risk mitigation.
  - Circulate the contract for final approvals internally and externally.
- Execution & Archiving**
  - Obtain authorized signatures from all parties.
  - Distribute fully executed documents to all relevant parties.
  - Archive the final contract and supporting materials securely.

## 5. Documentation

- Proposal documents and supporting materials

- Budget spreadsheets and cost breakdowns
- Internal review comments and approval emails
- Negotiation meeting notes
- Final contract and any amendments
- Approval and signature records

## **6. Review and Revision**

This SOP shall be reviewed annually or as required based on process changes or regulatory requirements.

## **7. References**

- Company Policy Manual
- Legal and Regulatory Guidelines
- Project Management Standards (e.g., PMBOK)