



New South Wales

# GATEWAY REVIEW TOOLKIT 2014



0

Initiation/  
Justification

1

Strategic

2

Business  
Case

3

Pre-Tender

4

Tender  
Evaluation

5

Pre-  
Commissioning

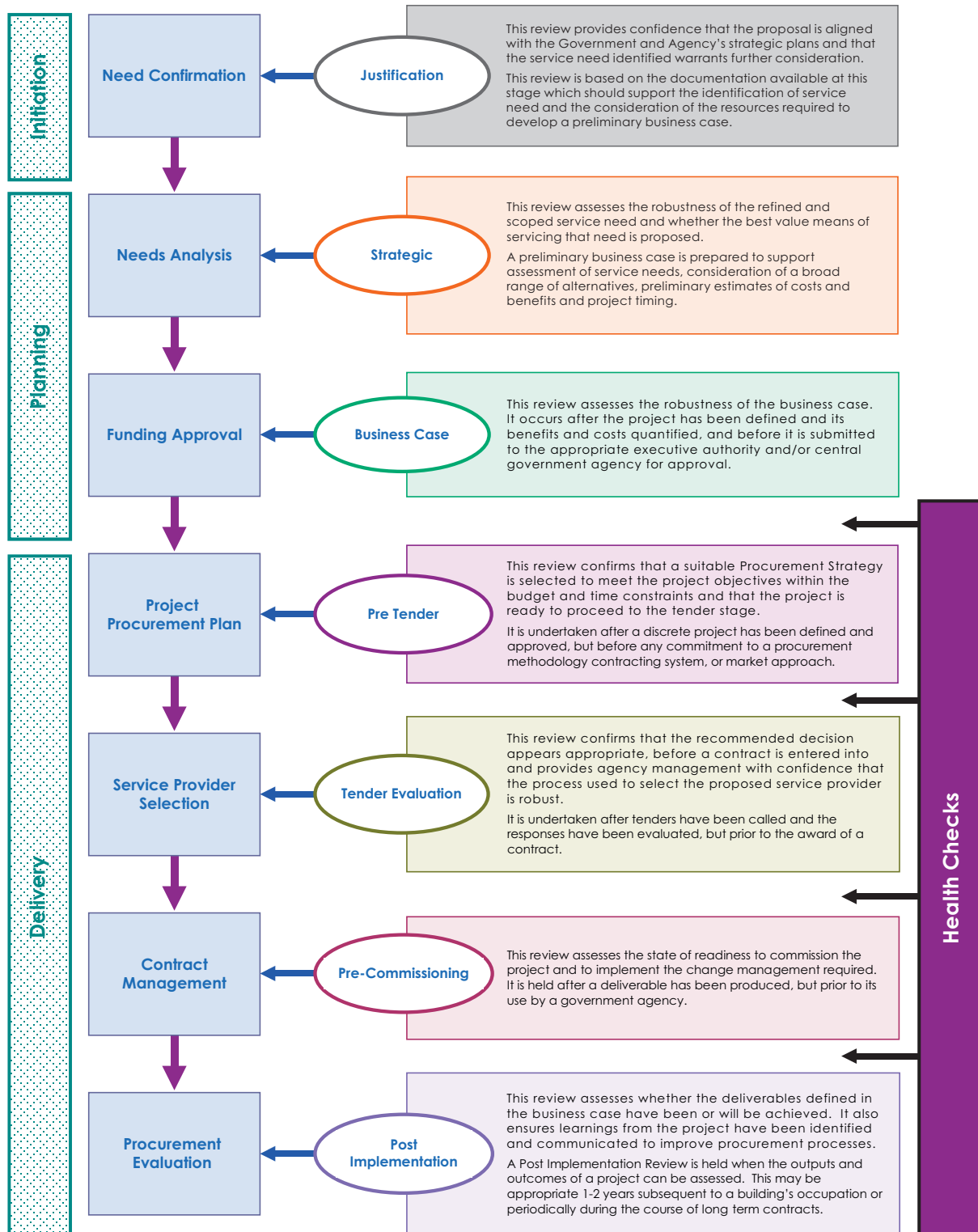
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Post  
Implementation



# Procurement Cycle and Review Gates

## 2014





# Tools and Aids to navigate through Gateway

## **Risk Assessment Tool**

Web based rating tool designed to identify the potential risks that can occur on government programs or projects.

<https://www.asset.gov.com.au/risk/>

## **Project Sponsor's Checklist**

A guide to assist in deciding when a project is ready for a Gateway review

## **Preliminary Business Case Aid**

A guide to what needs to be included in a preliminary business case

## **Business Case Aid**

A guide to what needs to be included in a business case

## **Procurement Strategy Aid**

A guide to what needs to be included in a Procurement Strategy

## **Mapping a Gateway Review**

A step by step map to the review process, including critical timelines and agency responsibilities



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# 1 Gateway at a Glance

## What is a Gateway Review?

Gateway Reviews are reviews of major procurement projects by independent people at defined decision points in projects.

Interviews with significant project stakeholders are held and the examination of project documents undertaken.

Gateway is not an audit, a detailed technical review or an inquiry, but a review by experienced 'peers' to provide a 'fresh' view of the project.

Gateway Reviews are conducted at six decision points (or gates) in the procurement cycle.

## Gateway Requirements

NSW Government mandates Gateway at specific thresholds.

The policy is applied on a whole of Government basis to all government departments, statutory authorities, trusts and other government entities.

It is important to refer to the current NSW Treasury Policy before initiating a Gateway Review.

A Gateway Review consists of four distinct steps:

- 1 Organise preliminary meeting between a Gateway Manager and the Project Sponsor to discuss the application of Gateway to the project
- 2 Select Reviewers who meet with the Gateway Manager and Review Leader to plan the Review
- 3 Conduct Review (interviews with project participants and stakeholders, examination of project documentation)
- 4 Present Report to the Project Sponsor.

The Review Panel usually consists of three to four Reviewers (independent from the project), who examine project documentation and interview project team members and stakeholders. Reviewers are selected for their relevant experience and come from both the public and private sectors.

Reviewers assess Agency's project proposals for robustness and contribution to improved performance.

## Why a Gateway Review?

Gateway Reviews independently assess whether an appropriate level of discipline is applied through the procurement cycle. The benefits of Gateway Reviews can include:

- More accurate project scoping and estimates
- Reduced time and cost overruns
- Improved alignment of service delivery with available funds

- Improved procurement discipline
- Improved risk management
- Improved agency responsibility and accountability.

### Identify the Right Gate

It is important that each Gateway review be undertaken at the most appropriate stage in the life of the project. If the review is applied too early or too late the review may not be as beneficial.

Identifying the right Gate will be made easier by using the aids and tools within this toolkit.

### Planning a Gateway Review?

When planning a Gateway Review, it is important to remember three elements – participants, documents, and time to enable the review process to be completed.

A typical Gateway Review requires the collective contribution of representatives from the Project Sponsor, the Gateway Team, and the Reviewers.

Planning is essential to ensure that the required project activities can be conducted effectively, and that the objectives of the Review are achieved.

### Who Participates in a Gateway Review?

Three different teams working together are essential for a successful Gateway Review:

- the Sponsoring Agency Project Team
- the Treasury Gateway Team
- the Review Team.

### How to Arrange for a Gateway Review?

- 1 Refer to the Sponsor's Checklist to determine if the project is ready for review.
- 2 Undertake a risk assessment using the online Risk Assessment Tool.
- 3 Complete the Gateway Review Notification Form as part of the risk assessment tool. Once completed, the Notification and risk profile is emailed to the Treasury Gateway Team.
- 4 The Gateway Team will contact you to organise the review.



## What Documents are Needed?

The Review Team reviews all relevant project documentation. This includes documentation that covers the context, planning and delivery priorities of the project. Include business cases, economic and financial appraisals and any studies that support the project.

The Gateway Review Workbooks contain examples of the types of documents that Reviewers will refer to during the review process.

## Who is Interviewed?

The Review Team, in consultation with the Project Sponsor, determines who will be interviewed. Generally, interviewees include:

- Project Team members
- Business Users of the Project
- Stakeholders
- Personnel involved in the project.

## Reporting

The Review Team makes an assessment of the project through:

- its review of the project documentation
- its understanding of industry
- interviews with project stakeholders

and then provides recommendations in a report that is presented to the Project Sponsor.

## Debriefings and Follow Up

A debriefing by the Reviewers to the Project Sponsor is held after the review. This can occur immediately after the report is written or in the preceding days following the review – approximately 7 days. The role of the debrief is to advise the project sponsor on the review outcomes.

The Project Sponsor, after receiving the Review Report, determines what action should be taken. This may range from fine-tuning the project details to undertaking further planning or analysis.

## Funding Approvals

Agencies seeking funding from Government will need to include with their funding bids a copy of the Gateway Report and a response outlining the work that was undertaken to address any actions and/or recommendations made by Reviewers. The report and response are considered part of the bid assessment process.

Holding a review at the early planning stages in the procurement process gives Agency management independent and experienced advice about the robustness of the proposal being put forward. It also provides the Agency with the opportunity to address potential weaknesses in their procurement planning prior to submission for funding approval.

## 2 Gateway Review System and Success Factors

This table relates the procurement project activities and milestones to the seven review gates. The Sponsor’s Checklist should be consulted to confirm readiness for each review.

A project is assessed against seven established success factors. The table on the following pages outlines the key questions asked in relation to the success factors at each Gate.

- ▶ **Service need – determine if the project aligns with Government & Agency priorities and whether the service need identified has merit and warrants further consideration. Are there sufficient governance processes and resources available to support development of a preliminary business case.**

**0 INITIATION/JUSTIFICATION REVIEW:** An Initiation/Justification Review occurs after a service need has been identified and at the earliest point in the development of the proposed service or service change and when appropriate analysis has been undertaken to allow the review to occur.  
The Review should take place at the concept or project stage before any significant funds are expended and prior to developing a preliminary business case.

- ▶ **Business strategy – determine the need to be met and whether the procurement provides the optimal solution. Establish the key business objectives and outcomes. If a business need is identified – develop a program or project brief.**

**I STRATEGIC REVIEW:** The Strategic Review assesses whether the proposal is aligned with Government and the Agency’s strategic plans. It demonstrates the best value means of servicing community needs. The Strategic Review occurs after a service need has been identified (but prior to developing a detailed project definition in a business case) and preliminary justification for procurement has been developed.

- ▶ **Develop options – determine the scope of the required project. Identify and appraise the options. Identify if affordability and value for money has been established.**

**2 BUSINESS CASE REVIEW:** The Business Case Review assesses whether project options have been fully explored and assessed. Before proceeding, it helps ensure that the recommended option provides the best value. The Business Case Review is undertaken after a project has been defined and its benefits and costs quantified. The Review will not be conducted unless accompanied by a financial/economic appraisal. The review occurs before the Business Case for a project is submitted to the relevant funding authority to allow the project team to incorporate any recommendations from a review into the submission.

- ▶ **Develop procurement plans – determine the strategy for approaching the market. Specify requirements, confirm supplier capability and project budget, update business case.**

**3 PRE-TENDER REVIEW:** The Pre-Tender Review is undertaken after a project has been defined and approved, yet before a commitment is made to a procurement methodology and contracting system. The Pre -Tender Review confirms that the best procurement strategy is selected to deliver the project within budget, time and supplier or market constraints and assesses whether the project is ready to proceed to the tender stage.

- ▶ *Competitive Procurement – Evaluate bids, select or confirm Supplier, update Business Case.*

**4 TENDER EVALUATION:** The Tender Evaluation Review confirms that the recommended decision appears appropriate before a contract is entered into. The Review aims to provide the agency with confidence that the process used to select the proposed service provider is adequate. The Tender Evaluation Review is undertaken after tenders have been called and responses evaluated, but prior to the award of a contract.

- ▶ *Award and implement contract – Determine if the service provider has delivered the procurement.*

**5 PRE-COMMISSIONING:** The Pre-Commission Review assesses the state of readiness to commission the project and to implement the change management required for service delivery to achieve its objectives.

- ▶ *Manage Contract: Service delivered, benefits achieved, performance and value for money maintained / improved.*

**6 POST IMPLEMENTATION:** The Post Implementation Review assesses whether the deliverables defined in the Business Case have been achieved. It ensures that the learnings from the project have been identified and communicated to improve procurement processes. The Review is held when the outputs and outcomes of a project can be assessed. The timing will vary depending on the scope of the project.

- ▶ *Gateway Health Check.*

A Gateway Health Check complements the Gate Reviews by providing a 'point in time' insight into areas of concern which may impact completion of the next Gate or project outcomes.

Gateway Health Checks are conducted, for example, On an interval basis (in particular where there is a long gap between Gates); when there is a material change in operating environment or staff; or, at the specific request of the Project Sponsor of Government (Treasury or INSW).

Gateway Health Checks does not replace the need for review at each Gate nor is it a substitute for robust project governance.



KEY SUCCESS FACTORS							
REVIEWS	Service Delivery	Affordability and value for money	Sustainability	Governance	Risk Management	Stakeholder Management	Change Management
<p><b>Initiation/Justification Gate</b> Asks – Has a legitimate service need been identified which is aligned with Government &amp; Agency priorities? Does the project warrant proceeding to development of a preliminary business case? Is there a resource plan in place to achieve this? Does this plan have Sponsor approval?</p>	<ul style="list-style-type: none"> <li>What service need will the project address?</li> <li>Would addressing the service need align with Government priorities and Agency plans?</li> </ul>	<ul style="list-style-type: none"> <li>Does the project appear to offer value for money?</li> <li>Can the estimated cost be justified by the anticipated improvement in services?</li> </ul>	<ul style="list-style-type: none"> <li>Is the project expected to have social, economic and environmental impacts?</li> <li>Are these understood, aligned with sustainability policies and manageable?</li> </ul>	<ul style="list-style-type: none"> <li>Has an appropriate sponsor for the project been identified?</li> <li>Does the Agency have the capacity and capability to deliver the project?</li> <li>Have appropriate governance processes been established?</li> </ul>	<ul style="list-style-type: none"> <li>Has the NSW Treasury Risk Assessment Tool been applied?</li> <li>Have the major risks been identified?</li> <li>Has a framework for dealing with risks been developed?</li> </ul>	<ul style="list-style-type: none"> <li>Have stakeholders affected by the proposed project been identified?</li> <li>Have engagement processes been considered within the preliminary business case development plan?</li> </ul>	<ul style="list-style-type: none"> <li>Is the likely extent of change understood?</li> <li>Have the people who will be impacted by the change been identified?</li> <li>Have sufficient resources been allocated to investigate the scale and scope of the change as part of preliminary business case development?</li> </ul>
<p><b>Strategic Review</b> Asks – Does the project suit the service needs identified?</p>	<ul style="list-style-type: none"> <li>What service need will the project address?</li> <li>Do the proposed outcomes align with Government priorities and agency plans?</li> </ul>	<ul style="list-style-type: none"> <li>Is the project affordable?</li> <li>Can the cost be justified by the anticipated improvement in services?</li> </ul>	<ul style="list-style-type: none"> <li>Is the project expected to have social, economic and environmental benefits?</li> </ul>	<ul style="list-style-type: none"> <li>Has a project team with the appropriate skills and experience been established?</li> <li>Has a realistic budget and program been agreed?</li> </ul>	<ul style="list-style-type: none"> <li>Have the major risks been identified?</li> <li>Has a framework for dealing with the risks been developed?</li> </ul>	<ul style="list-style-type: none"> <li>Have stakeholders affected by the proposed project been identified?</li> <li>Are they in favour of the project?</li> </ul>	<ul style="list-style-type: none"> <li>Has consideration been given to the implications of the proposed project on existing infrastructure, processes and people that will be affected?</li> </ul>
<p><b>Business Case Review</b> Asks – Is the project ready for funding?</p>	<ul style="list-style-type: none"> <li>Will the proposed project, on completion, achieve the service objectives and fulfil the identified need(s), which are consistent with Government policy and the agency's strategic services plan?</li> </ul>	<ul style="list-style-type: none"> <li>Are there sufficient resources (financial, physical and human) to deliver the project and will the expenditure of these resources provide value for money over the project's life?</li> </ul>	<ul style="list-style-type: none"> <li>Have the social, economic and environmental impacts of the project been identified and dealt with?</li> </ul>	<ul style="list-style-type: none"> <li>Have the activities required to ensure a successful project, including resource allocation, time management and process management been addressed?</li> </ul>	<ul style="list-style-type: none"> <li>Have major project or procurement risks been identified and an outline risk management plan been developed?</li> <li>Does it include the risk of the project not being funded (either in part or in full)?</li> </ul>	<ul style="list-style-type: none"> <li>Have the stakeholders been identified and their views considered in the development of the project?</li> </ul>	<ul style="list-style-type: none"> <li>Have the changes that are necessary to achieve the project's service outcomes been identified and a plan outlined to assure their realisation?</li> </ul>

KEY SUCCESS FACTORS							
REVIEWS	Service Delivery	Affordability and value for money	Sustainability	Governance	Risk Management	Stakeholder Management	Change Management
<p><b>Pre-Tender Review</b> Asks – Is the estimate robust? Has scope been managed? Is supplier market understood?</p>	<ul style="list-style-type: none"> <li>Does the identified service need still exist?</li> <li>Are the project requirements clear and unambiguous?</li> <li>Is the proposed Procurement Strategy appropriate?</li> </ul>	<ul style="list-style-type: none"> <li>Is funding available to complete the project?</li> <li>Is the proposed Procurement Strategy cost-effective?</li> </ul>	<ul style="list-style-type: none"> <li>Does the proposed Procurement Strategy maximise the benefits of the project and minimise its negative impacts?</li> </ul>	<ul style="list-style-type: none"> <li>Does the project team have sufficient expertise for the procurement system selected?</li> <li>Is the project program achievable?</li> </ul>	<ul style="list-style-type: none"> <li>Has the risk management plan been updated?</li> <li>Does the risk assessment favour proceeding with the project in view of market factors?</li> </ul>	<ul style="list-style-type: none"> <li>Do stakeholders support the Procurement Strategy?</li> <li>Is there a plan for future stakeholder communication?</li> </ul>	<ul style="list-style-type: none"> <li>Are the impacts of the project on infrastructure, resources and processes understood?</li> <li>Does the managing agency accept the need for change management?</li> </ul>
<p><b>Tender Evaluation Review</b> Asks – Has the evaluation plan been followed? Has the best offer been identified?</p>	<ul style="list-style-type: none"> <li>Has the service need changed as a result of events or circumstances external to the project?</li> <li>Will the recommended proposal meet the present service need?</li> </ul>	<ul style="list-style-type: none"> <li>Is funding available for the life of the project?</li> <li>Does the recommended proposal offer best value for money?</li> </ul>	<ul style="list-style-type: none"> <li>Does the recommended proposal offer the social, economic and environmental benefits identified in the project planning stages?</li> </ul>	<ul style="list-style-type: none"> <li>Have the agreed tender processes been followed?</li> <li>Are adequate resources with the required expertise available to manage the project?</li> </ul>	<ul style="list-style-type: none"> <li>Has the risk management plan been updated to include the recommended proposal?</li> </ul>	<ul style="list-style-type: none"> <li>Have stakeholder concerns been addressed?</li> <li>Is a plan for communication in place?</li> </ul>	<ul style="list-style-type: none"> <li>Do affected organisations accept that change will occur and understand its extent? Are there draft plans for managing change?</li> </ul>
<p><b>Pre-Commissioning Review</b> Asks – Is the project ready for work?</p>	<ul style="list-style-type: none"> <li>Does the identified service need still exist?</li> <li>Will the project, if successfully commissioned, meet that need?</li> </ul>	<ul style="list-style-type: none"> <li>Is funding available for project realisation, including commissioning, anticipated operating and maintenance costs and the cost of necessary change?</li> </ul>	<ul style="list-style-type: none"> <li>Will the anticipated social, economic and environmental benefits be achieved?</li> <li>Are plans in place to manage any negative impacts?</li> </ul>	<ul style="list-style-type: none"> <li>Are there enough people with the necessary expertise available to manage commissioning and operation?</li> <li>Are there plans in place to manage the on-going relationship with the provider?</li> </ul>	<ul style="list-style-type: none"> <li>Are there shared plans for managing risk and contingency plans if things should go wrong?</li> </ul>	<ul style="list-style-type: none"> <li>Are stakeholders up to date with developments and do they support project realisation?</li> </ul>	<ul style="list-style-type: none"> <li>Is the affected organisation(s) ready for the new service and the associated change?</li> <li>Are agreed change management plans in place?</li> </ul>
<p><b>Post Implementation Review</b> Asks – Has the project provided the services needed?</p>	<ul style="list-style-type: none"> <li>Is the project delivering the anticipated benefits and level of service?</li> <li>Have strategies been developed for renewal or discontinuation of the service in the future?</li> </ul>	<ul style="list-style-type: none"> <li>Did the procurement project meet the approved budget?</li> <li>Is funding available to complete project realisation?</li> </ul>	<ul style="list-style-type: none"> <li>Did the procurement project meet its social, economic and environmental objectives?</li> <li>Are negative impacts being managed?</li> </ul>	<ul style="list-style-type: none"> <li>Were the issues raised at Gateway reviews addressed?</li> <li>Is feedback being provided to assist in improving future procurement processes?</li> </ul>	<ul style="list-style-type: none"> <li>Was the risk management process effective?</li> </ul>	<ul style="list-style-type: none"> <li>Are stakeholders satisfied with the outcomes of the project and the level of consultation?</li> </ul>	<ul style="list-style-type: none"> <li>Has the change management process been effective?</li> <li>Are there issues that should be considered more carefully in the future?</li> </ul>



### 3 Roles, Responsibilities and Relationships



### 3

#### Treasury Gateway Team

NSW Treasury manages the Gateway Review process by:

- providing Gateway Managers to co-ordinate the reviews
- maintaining a panel of Reviewers
- maintaining and continually improving the Gateway Review System
- communicating the requirements of Gateway to Government Agencies and guiding them in their use of Gateway
- providing familiarisation, briefing and professional development training for agency personnel.

#### Gateway Manager

The Gateway Manager guides the implementation of the Gateway Review. The Manager facilitates the Review, but does not participate in the Review. Although there may be a need to explore some technical matters in understanding the project, the Gateway Manager needs to ensure that Reviewers maintain their focus on the processes used to develop the project without becoming unnecessarily distracted by the project's technical aspects.

The Gateway Manager may intervene in interviews if facilitation is needed to achieve a productive review.

On the organisation side, the Gateway Manager is responsible for ensuring that the Review Team is assembled on time and that they receive documentation at least 5 days before the Planning Meeting.

In cases where review participants are unfamiliar with the Gateway process, the Gateway Manager arranges for a briefing.

The Gateway Manager ensures that the Review Co-ordinator is aware of their role and that all necessary arrangements have been made. The Gateway Manager needs to facilitate communications and relationships with the Project Team, the Project Sponsor and other participants.

An important part of this is 'expectation management' to ensure all review participants understand the function of Gateway.

The Gateway Manager:

- liaises with the Project Sponsor regarding Review Team selection
- prepares a program for implementation of the review
- briefs the Project Team about the requirements of a review
- organises and chairs the Planning Session
- ensures that the procedural requirements for a Gateway Review are met
- provides an assessment of the review and performance of the Review Team.

## Agency Project Team

The Project Team is the primary point of contact for information during the review.

The Project Team:

- provides a summary of the project to the Review Team at the Planning Meeting. This includes:
  - the project's origin
  - the outcomes it seeks to achieve
  - how those outcomes link to the agency's service and/or asset strategy
  - the means by which the project has been developed
  - how the impact of the project is planned to be handled.
- makes available all requested documentation for the Review
- attends interviews with the Review Team.

## Project Sponsor

The Project Sponsor is the senior responsible executive from the agency managing the project.

The Sponsor may not be a member of the project team but should have the authority to make decisions affecting the progress of the project.

The Project Sponsor:

- determines whether a Gateway Review is required, based on Policy requirements

- participates in the interview process
- determines what action is required to address the Gateway Review findings
- develops a response to the Review Report.

### Review Coordinator

The Review Coordinator assists the Project Sponsor to arrange the Gateway Review. For a successful review, the Review Team needs to have appropriate support, including documentation supplied in sufficient time. Interviewees should turn up on time and have been briefed as to the purpose of the review.

- **Documentation:** Documents need to be provided at least 5 days prior to the Planning Meeting to give Reviewers sufficient time to understand the project and its background.
- **Interviewees:** Should be prepared for the interview and be briefed on the Gateway process.
- **Venue:** The Review needs a medium sized meeting room (to comfortably accommodate six people) with facilities for data projection, computer teleconferencing and or video conference.

### Interviewees

Interviewees include the Agency's staff, consultants and stakeholders involved in or affected by the project. The main role of the interviews is to help the project sponsor get the best possible review. The Interviewee should:

- become familiar with the Gateway Review Process
- provide documents and relevant information as requested by the Project
- meet with the Review Team, providing information as necessary.

### Review Team

Typically, three to four reviewers are involved, and are 'external' to the project.

The common practice is to have one reviewer with financial or economic expertise; one with relevant project management/technical management expertise; and one with expertise related to the business of the project. The 'business' expertise may be generic, such as IT systems management, property or construction.

Reviewers need access to relevant project documentation. They will interview project stakeholders, some at quite senior levels, and require the assistance of the Agency in providing project briefing, meeting venues and other forms of support.

Reviewers may be probing in their questioning in order to explore issues in some detail.

Interviews are intended to be quite conversational. Be prepared to explore matters to make issues as clear as required.



## Review Leader

The Review Leader chairs the Review.

The Review Leader's responsibilities focus on:

- Leading and delivering the Review
- Ensuring that Reviewers maintain their focus
- Exploring all matters that will assist the team in making their assessment
- Protecting the confidentiality of the Review Process
- Completing the Review in the specified time
- Leading the drafting of the review report
- Leading the debrief with the Project Sponsor

Acting as Chair during Interviews:

- welcoming the Interviewee and outlining the Gateway Review's intention (the Gateway Manager can assist here)
- introducing the Reviewers to the Interviewee
- leading the interview (usually by asking an open question to encourage discussion)
- closing the interview, and thanking the Interviewee.
- Ensuring the report is prepared and circulated to all Reviewers and that it is completed and provided to the Project Sponsor.

The Review Leader's role is essential to the success of a Gateway Review and in ensuring the Project Sponsor comes to an understanding of the project's readiness to proceed to the next stage.

## Reviewers

The Gateway Reviewers' role includes:

- identifying review documentation and stakeholders for interview
- considering project material relevant to the Review and forming an opinion on its adequacy against the seven key success factors
- participating in the discussion and assessment of the project
- contributing to the development of the Gateway Review Report
- debriefing the project sponsor.

## 4 Managing a Gateway Review

### Gateway Meetings

A successful Gateway Review is underpinned by thorough planning. Throughout the process, various meetings are held. The main meetings are:

#### 1. Project Sponsor and Gateway Manager

The Project Sponsor and the Gateway Manager meet to discuss the review schedule. The sponsor provides the Gateway Manager with a full description of the project for review, including discussions about:

- reviewers background, skills, capability and expertise
- documentation required for review
- logistics of review
- suitable interviewees

#### 2. Preliminary Review Leader and Gateway Manager Meeting

Following the selection of the Review Leader, and Review Team the Gateway Manager meets with the team one to two weeks before the Planning Meeting to discuss and plan the review. This meeting allows Reviewers an opportunity to meet each other (in some instances for the first time) and discuss a strategy for conducting the review.

Discussions will include:

- project background
- scheduling of interviewees
- logistics of review
- documentation available for review.

#### 3. Planning Meeting

A Planning Meeting is held one week before the Interviews. The meeting allows the Project Sponsor to more fully brief the Review Team about the project, including:

- the policy, service, legal, governance and/or contractual context of the project
- the service or demand requirements that lead to the project being created
- the relationship of the project with Government policy, legislation and the agency's (or agencies) Results and Services Plan (RSP)
- the options considered in developing the project brief or definition and how the project as it stands was selected
- the service results the project will be expected to deliver and how these might be measured
- the project's status, progress to date and planned work
- the project plan including an outline of the resource, funding and programming arrangements

- the effects of the project on the agency, its staff and prominent stakeholders; customers; clients or communities and how these will be managed
- the risks associated with the project and how they will be managed.

The Planning Meeting also provides Reviewers and the Project Sponsor with an opportunity to discuss the review agenda, confirm that documentation for review has been received and that all stakeholders identified for interview have been informed of their responsibilities and have a scheduled time for their interview.

#### 4. Site Visits

Site visits are often conducted for construction and property development projects. A site visit provides the review team with the opportunity to tour the project and learn first hand the objectives of the project.

#### 5. Gateway Review Interviews

The Gateway Review Interviews are conducted over 2–4 days. A typical review would consist of the first hour being dedicated to interview preparation, with the remaining time dedicated to the interviews. Interviews are scheduled one hour apart with appropriate time allocated for meal breaks. Interviews are typically conducted in person, but telephone or video conferences can be useful. This is especially helpful when interviewees are located in regional areas.

It is important to remember that the purpose of a Gateway Review is to provide the Project Sponsor with a 'snapshot' of the project's readiness and an assessment of the robustness of the process applied to the project.

#### 6. Debrief Meeting

The debrief meeting is held one week after the Interviews. The Project Sponsor will have been provided with a draft copy of the report. The debrief is an opportunity for the Review Team to advise the Project Sponsor on their recommendations and conclusions.

### Documentation

Project documents are essential for a meaningful Gateway Review. They enable Reviewers to understand the project, its genesis and expected outcomes.

Some projects will produce volumes of documentation. Reviewers will carefully select the information they require to appropriately conduct the review.

It is preferable that documentation be submitted in electronic form.

## Review Report

Upon completion of the interviews, Reviewers draft the report rating the project against seven factors. Typically for a Business Case Review this will include:

- **Service Delivery:** Will proposed project achieve service objectives and fulfil identified needs? Are they consistent with Government policy and the Agency's strategic services plan?
- **Affordability and Value for Money:** Are there sufficient resources to deliver the project? Will it provide value for money over the project's life?
- **Sustainability:** Have social, economic and environmental impacts of the project been identified and dealt with?
- **Governance:** Have all activities to ensure a successful project been addressed (ie resource allocation, time and process management)?
- **Risk Management:** Have major project/ procurement risks been identified? Has an Outline Risk Management Plan been developed? Does it include risk if project is not being funded?
- **Stakeholder Management:** Have stakeholders been identified and their views considered in the development of the project?
- **Change Management:** Have necessary changes (to achieve project's service outcome) been identified? Has a plan been outlined to assure their realisation?

Reviewers will report against each factor as follows:

R E D	It is the Gateway Review Team's opinion that this aspect poses a significant risk to the project and must be clarified or addressed before further consideration of the project is made.
A M B E R	It is the Gateway Team's opinion that this aspect indicates a minor risk to the project and must be clarified or addressed as part of proceeding to the next stage of the project.
G R E E N	It is the Gateway Team's opinion that this aspect has been given adequate consideration as not to jeopardise the success of progressing to the next stage of the project.

Reviewers need to come to an understanding of the project's origin, the outcomes it seeks to achieve, how those outcomes link to the Agency's service and/or asset strategy, the means by which the project has been developed and how the impact of the project is planned to be handled.

The Review Report is confidential and supplied only to the Sponsor, although Reviewers may retain a copy for their private records. Treasury extracts from the report, the ratings for aggregating and reporting purposes.

## 5 Risk Assessment Tool

Refer to:

<https://www.asset.gov.com.au/risk/>

The Risk Assessment Tool is a web based rating tool designed to identify the potential risks that can occur on government programs or projects. The tool uses a standard set of criteria to develop a high level risk profile, which includes:

- project's definition and scope
- impact the project will have on Government services
- impact the project will have on the public/community
- capability and capacity of the agency to deliver the project.



### Determining a Risk Profile

The Tool (an easy to use on-line tool) contains a series of multiple-choice questions which should take no more than 15 to 30 minutes to answer. Once completed the Tool will generate a risk profile based on traffic light system.

<b>RED</b>	High Risk
<b>AMBER</b>	Medium Risk
<b>GREEN</b>	Low Risk


The risk assessment assists agencies in determining, at the early stage of a project, the resources and controls that will be needed to manage the project. It is important to remember that the output of the tool is not a replacement for a detailed project assessment management plan or risk study.

## 6 Project Sponsor's Checklist to the Gateway Review Process

<b>SERVICE NEED</b> 	<i>Identify the key service needs. If a service need is identified, then develop program or project brief.</i>
<p style="font-size: 2em; font-weight: bold; margin: 0;">0</p> <p style="margin: 0;">Initiation/ Justification</p>	<ul style="list-style-type: none"> <li>Why do we have to address this service need and does it have to be done now?</li> <li>How does it contribute to our organisation's strategy?</li> <li>If we must proceed, is it a project or a program of projects and are other organisations involved?</li> <li>Do we understand the scope and what will constitute success?</li> <li>Is it supported by users and stakeholders?</li> <li>What is our track record for managing similar programs and projects?</li> <li>Are we confident about our leadership, skills and capability to achieve success?</li> <li>The proposal has been identified in the Agency's TAM submission to the Treasury or the TAM Plan has been modified accordingly</li> </ul>
<b>BUSINESS STRATEGY</b> 	<i>Identify key business objectives and outcomes by initially establishing a need. If a business need is identified, then develop a preliminary business case.</i>
<p style="font-size: 2em; font-weight: bold; margin: 0;">1</p> <p style="margin: 0;">Strategic Review</p>	<ul style="list-style-type: none"> <li>Why do we have to address this need and does it have to be done now?</li> <li>How does it contribute to our organisation's strategy?</li> <li>If we must proceed, is it a project or a program of projects and are other organisations involved?</li> <li>Do we understand the scope and what will constitute success?</li> <li>Is it supported by users and stakeholders?</li> <li>What is the timetable and how will we know we are on track?</li> <li>What is our track record for managing similar programs and projects?</li> <li>Have we identified the main program risks and arrangements to manage them?</li> <li>Are we confident about our leadership, skills and capability to achieve success?</li> <li>Is the budget affordable for the overall project or program and the work to be done through to Business Case justification?</li> </ul>

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<p><b>DEVELOP OPTONS</b> ↓</p>	<p><i>Options identified and appraised: affordability, achievability and value for money established.</i></p>
<p><b>2</b> Business Case Review</p>	<ul style="list-style-type: none"> <li>• Is the high-level Business Case complete? Does it meet the business need? Is it affordable, achievable, with a wide enough range of options explored and likely to achieve value for money?</li> <li>• Have we taken account of internal and external business and technical drivers and strategies, including central initiatives and wider changes (where applicable)?</li> <li>• Have the critical success factors and benefits been agreed with key stakeholders?</li> <li>• Has the feasibility study been completed satisfactorily, with a preferred action plan?</li> <li>• Do we have internal or external authority and stakeholder support for the project?</li> <li>• Have we identified the major risks and do we have outline risk management plans?</li> <li>• Are the scope, scale and requirements realistic, definitive and unambiguous?</li> <li>• Can we confirm our planning assumptions, including time periods and effects of related projects?</li> <li>• Is there a clearly defined and agreed project structure with key roles and responsibilities?</li> </ul>
<p><b>DEVELOP PROCUREMENT PLANS</b> ↓</p>	<p><i>Develop procurement plan; specify requirements; confirm supplier capability and project budget; update business case.</i></p>
<p><b>3</b> Pre-Tender Review</p>	<ul style="list-style-type: none"> <li>• Is the specification of requirements clear and unambiguous?</li> <li>• Are we being realistic about our ability to achieve a successful outcome?</li> <li>• Can we confirm that the Business Case still meets the business need and is complete?</li> <li>• Have we explored all the procurement options?</li> <li>• Have we devised trade off criteria, contingency fund management?</li> <li>• Is the procurement strategy legal, robust, appropriate and understood by suppliers?</li> <li>• Is there a realistic project plan through to completion, with the right people allocated?</li> <li>• Do we have adequate financial controls, funding and resourcing? Can we confirm funding availability for the whole project?</li> <li>• Are we taking the right approach to development and delivery – broken down into small enough components?</li> <li>• Do we have enough commercial expertise to understand the current supplier market capability and track record?</li> <li>• Are the issues relating to business change understood?</li> <li>• Can we confirm that funding is secured for the procurement?</li> </ul>

<b>COMPETITIVE PROCUREMENT</b> 	<i>Evaluate bids; select or confirm supplier or partner; update project management plan.</i>
<p style="font-size: 2em; color: #FF69B4;">4</p> <p style="color: #FF69B4;">Tender Evaluation Review</p>	<ul style="list-style-type: none"> <li>• Can we confirm the Business Case and benefits realisation plan now that we have the bid information?</li> <li>• Have we followed the agreed procurement strategy and has everything been done properly – statutory and procedural requirements – so there is no possibility of a challenge?</li> <li>• Have draft contracts been agreed?</li> <li>• Is the recommended contract decision likely to deliver what we need on time, within budget and to achieve value for money?</li> <li>• Do we have continuing stakeholder support for the project?</li> <li>• Is the business ready for the change (where there are new processes), and for implementation, transition and operation of new services or facilities?</li> <li>• Do we have sound plans for managing implementation, risk and change? Are the plans understood across the supply chain?</li> <li>• Have we addressed the technical implications, such as “buildability” for construction projects and/or IT issues?</li> <li>• Have we addressed budget contingency management?</li> <li>• Do we have the expertise and resources to manage the supplier relationship?</li> </ul>
<b>AWARD AND IMPLEMENT CONTRACT</b> 	<i>Award of contract/statement of work or transition to new contract; asset or service ready for delivery.</i>
<p style="font-size: 2em; color: #9932CC;">5</p> <p style="color: #9932CC;">Pre-Commissioning Review</p>	<ul style="list-style-type: none"> <li>• Is the Business Case still valid and unaffected by internal and external events or changes?</li> <li>• Is the original project’s business benefit likely to be achieved?</li> <li>• Can we confirm that our plans for managing implementation and operation are achievable and that we have the resources we need?</li> <li>• Is an agreed change control mechanism in place?</li> <li>• Do we have shared plans for managing risks and contingency plans if things go wrong?</li> <li>• Has full user and system testing/commissioning been done to our satisfaction so that we can approve implementation?</li> <li>• Is the business ready to implement the services and the business change?</li> <li>• Do we have client-side plans for managing the working relationship, reciprocated on the supplier side?</li> <li>• Are lessons for future projects being identified, recorded and incorporated into standing procedures?</li> </ul>



<b>MANAGE CONTRACT</b> ↓	<i>Service delivered; benefits achieved; performance and value for money maintained/ improved.</i>
<b>6</b> <b>Post Implementation Review</b>	<ul style="list-style-type: none"><li>• Was the Business Case justification for the project at the Tender Evaluation gate realistic and are the expected benefits being delivered?</li><li>• Have we done a post-implementation review or equivalent review of business benefits?</li><li>• Do we have enough resources to manage the contract successfully and with continuity of personnel?</li><li>• If we have made agreed changes, can we be sure that they do not compromise the original business need?</li><li>• Does the business need still exist? If circumstances have changed, is the service delivery adapting to the new conditions?</li><li>• Are we actively seeking to improve performance and value for money?</li><li>• Are we ready for the future, with plans for future service provision?</li><li>• Are the exit strategies and arrangements for recompetition still appropriate?</li><li>• Are we actively learning from experience and setting appropriate new targets?</li></ul>



# 7 Preliminary Business Case Aid

A preliminary business case outlines the proposed project or program and details how the strategic assessment supports the service need or opportunity. The preliminary business case considers a broad range of alternative service delivery options and contains a framework and logical argument for the:

- service need and objectives
- alignment with government strategic priorities
- major risks, sustainability issues and costs and benefits relevant to these alternatives
- a range of alternative solutions and recommended options
- project governance
- plans for managing risk, stakeholders and change

Early project planning is essential as it assists in determining if the rationale for the service need is consistent with Government objectives and priorities. The preliminary business case is assessed at the Strategic Gate.

## Setting the Scene

Include	Describe	Issues to Consider
<b>Executive Summary</b>	The high level aspects of the project that gives an overview of the proposal.	<ul style="list-style-type: none"> <li>• The big picture</li> <li>• Concise summary</li> </ul>
<b>Gateway factors</b>		
<i>Service delivery</i>	The strategic assessment that identified the current unmet service need	<ul style="list-style-type: none"> <li>• Outline of service need</li> <li>• Outline of service drivers</li> </ul>
<i>Affordability and value for money</i>		
<i>Sustainability</i>	The anticipated outcomes	
<i>Governance</i>	How proposed service delivery fits with government's priorities	<ul style="list-style-type: none"> <li>• Government policy</li> </ul>
<i>Risk management</i>		
<i>Stakeholder management</i>		<ul style="list-style-type: none"> <li>• Key beneficiaries</li> </ul>
<i>Change management</i>	The project delivery time and cost	<ul style="list-style-type: none"> <li>• Key stakeholders</li> <li>• Funding sources</li> </ul>
	Key project risks	<ul style="list-style-type: none"> <li>• Service delivery risks</li> <li>• Project delivery risks</li> </ul>
	The project management framework to develop the final business case	<ul style="list-style-type: none"> <li>• Project governance structure</li> <li>• Processes used to prepare final business case.</li> </ul>
	The service changes and economic benefits that the proposal will bring	<ul style="list-style-type: none"> <li>• The service delivery changes</li> </ul>
	The key anticipated social, economic and environmental benefits	<ul style="list-style-type: none"> <li>• Positive and negative sustainability impacts</li> <li>• Strategies to capitalise on benefits and mitigate negative issues</li> </ul>

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## Case for Change and Project Management

Include	Describe	Issues to Consider
<b>Service need for the project</b> <b>Gateway factors</b> <i>Service delivery</i> <i>Change management</i> <i>Stakeholder management</i>	The need for the project and reason for change	<ul style="list-style-type: none"> <li>Client, user and stakeholder needs, wants and expectations</li> </ul>
	The service need and the drivers for change	<ul style="list-style-type: none"> <li>How service needs will be established</li> <li>Changes that will be derived from the project</li> </ul>
	How project contributes to state/agency priorities	<ul style="list-style-type: none"> <li>Scope and timing of change</li> <li>Cross agency involvement</li> </ul>
	The benefits of the service	<ul style="list-style-type: none"> <li>Social environmental and economic benefits</li> </ul>
<b>Project Governance</b> <b>Gateway factors</b> <i>Governance</i>	Stakeholder impacts	<ul style="list-style-type: none"> <li>Outcomes and objectives</li> </ul>
	The governance structure and arrangements in place or planned to ensure project successfully develops to final business case	<ul style="list-style-type: none"> <li>The project governance structure for both planning and delivery stages</li> </ul>
	The Business Case Development Plan	<ul style="list-style-type: none"> <li>Consultation required to complete the final business case</li> </ul>
	The project management principles	<ul style="list-style-type: none"> <li>How the project will be delivered</li> </ul>

## Financial and Economic Analysis

Include	Describe	Issues to Consider
<b>Objectives</b> <b>Gateway factors</b> <i>Affordability and value for money</i> <i>Sustainability</i>	The strategic objectives of the proposal	<ul style="list-style-type: none"> <li>Priority of proposal</li> </ul>
	How proposed alternative options could deliver the service.	<ul style="list-style-type: none"> <li>The different options for meeting the need including:                             <ul style="list-style-type: none"> <li>other than by procurement</li> <li>do nothing option</li> <li>non capital solutions</li> <li>provision of alternative services</li> <li>aggregated services</li> </ul> </li> <li>Benefits of the options</li> </ul>
<b>Options analysis</b> <b>Gateway factors</b> <i>Service delivery</i> <i>Affordability and value for money</i> <i>Change management</i>	<div style="border: 1px solid #006633; padding: 5px; margin-bottom: 10px;"> <b>Useful tools at this stage</b> <ul style="list-style-type: none"> <li>Demand Management</li> <li>Value management</li> </ul> </div>	
	Outline the possible effects the options will have on the existing business, systems, service and recipients	<ul style="list-style-type: none"> <li>Project alignment with SBI and agency's TAM planning</li> <li>Outcomes and measures</li> <li>The preliminary social, economic and environmental impacts of the project</li> <li>Indicative capital and recurrent costs</li> <li>Level of certainty with cost estimate</li> </ul>
	<div style="border: 1px solid #006633; padding: 5px;"> <b>Useful tools at this stage</b> <ul style="list-style-type: none"> <li>Economic and Financial Appraisal Guidelines</li> <li>Benefits management study</li> </ul> </div>	



## Stakeholder and Risk Management

Include	Describe	Issues to Consider
<b>Stakeholder Engagement</b> <b>Gateway factors</b> <i>Stakeholder management</i> <i>Risk management</i> <i>Governance</i>	<p>How all major stakeholders have been identified</p> <p>How stakeholder issues have been integrated into service scope or why they have been excluded</p> <p>How relevant issues will be managed</p> <p>How stakeholder management will be planned</p>	<ul style="list-style-type: none"> <li>• Who the major stakeholders are</li> <li>• Their relationships to the project</li> <li>• Cross agency sign off</li> <li>• Expected training needs</li> </ul>
<b>Project Risk Assessment</b> <b>Gateway factors</b> <i>Risk management</i> <i>Stakeholder management</i>	<p>How risks, stakeholders and resources are to be managed</p> <p>The major risks inherent in each option</p> <p>The high level impacts and likelihood of risks occurring</p> <p>The strategy for developing a risk management plan</p>	<ul style="list-style-type: none"> <li>• Outcomes of the risk assessment</li> <li>• Preliminary major planning and project delivery risks</li> <li>• How uncertainties in quantified costs and benefits will be resolved</li> </ul>

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## Supporting Information

Include	Describe	Issues to Consider
<b>Supporting Information</b> <b>Gateway factors</b> <i>Service delivery</i> <i>Affordability and value for money</i> <i>Sustainability</i> <i>Governance</i> <i>Risk management</i> <i>Stakeholder management</i> <i>Change management</i>	<p>How other studies and documents support the project</p>	<ul style="list-style-type: none"> <li>• The State Plan</li> <li>• People First</li> <li>• Project Strategic Plan</li> <li>• Statement of Business Intent</li> <li>• Agency Corporate Plan</li> <li>• Relevant Policy and Legislation</li> <li>• Demographics, demand analysis, feasibility studies, utilisation studies</li> <li>• Preliminary Economic and Financial appraisals</li> <li>• Value management studies</li> <li>• TAM planning</li> </ul>

## 8 Business Case Aid

A Business Case describes how a project will address a service need or opportunity. It should contain a logical argument justifying the case to spend funds and should show that the project will provide benefits to the agency and the community, which in economic terms outweigh the cost of the proposal over its life.

In essence the Business Case addresses achieving beneficial service outcomes, along with procurement of services or infrastructure. In it agencies typically consider:

- Service outcomes sought for the community
- The costs and economic benefits estimated to flow from the project
- The best procurement strategy with which to approach the market
- The preferred option
- How value for money will be achieved
- Detailed implementation of the proposal
- Evidence of the agency's capability to implement

The business case is assessed at the Business Case Gate

### Setting the Scene

Include	Describe	Issues to Consider
<b>Executive Summary</b>	The high level aspects of the project that gives an overview of the proposal.	<ul style="list-style-type: none"> <li>• The big picture</li> <li>• Concise summary</li> </ul>
<b>Gateway factors</b>		
<i>Service delivery</i>	The strategic assessment that identified the current unmet service need.	<ul style="list-style-type: none"> <li>• Outline of service need</li> <li>• Outline of service drivers</li> </ul>
<i>Affordability and value for money</i>	The anticipated outcomes	
<i>Sustainability</i>	How proposed service delivery fits with government's priorities	<ul style="list-style-type: none"> <li>• Government policy</li> </ul>
<i>Governance</i>		
<i>Risk management</i>	The project delivery time and cost	<ul style="list-style-type: none"> <li>• Key beneficiaries</li> <li>• Key stakeholders</li> <li>• Funding sources</li> </ul>
<i>Stakeholder management</i>	Key project risks	<ul style="list-style-type: none"> <li>• Service delivery risks</li> <li>• Project delivery risks</li> </ul>
<i>Change management</i>	The project management framework to develop the final business case	<ul style="list-style-type: none"> <li>• Project governance structure</li> <li>• Processes used to prepare final business case.</li> </ul>
	The service changes and economic benefits that the proposal will bring	<ul style="list-style-type: none"> <li>• The service delivery changes</li> </ul>
	The key anticipated social, economic and environmental benefits	<ul style="list-style-type: none"> <li>• Positive and negative sustainability impacts</li> <li>• Strategies to capitalise on benefits and mitigate negative issues</li> </ul>





## Financial and Economic Analysis of proposal

Include	Describe	Issues to Consider
<p><b>Project options</b>  <b>Gateway factors</b>  <i>Affordability and value for money</i>  <i>Service delivery</i>  <i>Change management</i></p>	<p>What are the options for meeting the need</p> <p>The wide range of options undertaken and reasons they were eliminated</p> <p>Define and justify the proposed preferred option</p> <div data-bbox="531 678 927 844" style="background-color: #f0f0f0; padding: 5px; margin-top: 10px;"> <p><b>Useful tools at this stage</b></p> <ul style="list-style-type: none"> <li>• Demand Management</li> <li>• Value Management</li> </ul> </div>	<ul style="list-style-type: none"> <li>• The range of delivery solutions and technologies</li> <li>• The preferred option</li> <li>• The base case</li> <li>• The effects the options will have on existing business</li> <li>• Impacts on related services and assets</li> <li>• Opportunities for integration with other government services</li> <li>• Options for private sector involvement</li> </ul>
<p><b>Costs and Benefits and the Financial Impact</b>  <b>Gateway factors</b>  <i>Affordability and value for money</i>  <i>Service delivery</i>  <i>Sustainability</i></p>	<p>All relevant costs (quantified or estimated) – capital, operating, maintenance, contingency sums.</p> <p>Financial impact of the project and implications to other agencies</p> <p>Financial viability of the project</p> <p>The benefits to flow from the project and whether they exceed the costs</p> <p>The qualitative factors to flow from the project</p> <p>How the costs and benefits are valued.</p> <div data-bbox="531 1682 927 1868" style="background-color: #f0f0f0; padding: 5px; margin-top: 10px;"> <p><b>Useful tools at this stage</b></p> <ul style="list-style-type: none"> <li>• Economic and Financial Appraisal Guidelines</li> <li>• Benefits management</li> </ul> </div>	<ul style="list-style-type: none"> <li>• Major budget impacts</li> <li>• Social and environmental</li> <li>• Direct project costs</li> <li>• Acquisition</li> <li>• Implementation</li> <li>• Whole of line costs avoided, savings, revenues, benefits to consumers (not reflected in revenue flows) and the broader community</li> <li>• Environmental considerations, industrial relations, social and regional impacts, safety, public relations, resource availability</li> <li>• The real discount rate used</li> <li>• Sensitivity testing of the options</li> <li>• Net present value</li> </ul>



## Stakeholder and Risk Management

Include	Describe	Issues to Consider
<p><b>Stakeholder engagement</b>  <b>Gateway factors</b>  <i>Stakeholder management</i>  <i>Change management</i>  <i>Governance</i></p> <p><b>Project risk assessment</b>  <b>Gateway factors</b>  <i>Risk management</i></p>	<p>The consultation undertaken to date</p> <p>How stakeholder issues have been integrated into the service scope or why they have been excluded</p> <p>How the relevant issues will be managed</p> <p>How key stakeholders have influenced the project</p> <p>The major risks to service delivery and to project planning and delivery inherent in each option</p> <p>The risk management plan for managing the risks and mitigation strategies</p>	<ul style="list-style-type: none"> <li>• The major stakeholders and their relationship to the proposal</li> <li>• Change management</li> <li>• Training</li> <li>• Quality management</li> <li>• The critical assumptions and dependencies</li> <li>• The impacts of the risks occurring</li> <li>• The key dependencies that affect the performance of the options</li> <li>• Whether additional costs could be incurred</li> <li>• Whether additional costs should be included in the analysis</li> <li>• The likelihood of these risks occurring</li> <li>• The risk management strategies to address all major risks</li> </ul>
<p><b>Sustainability issues</b>  <b>Gateway factors</b>  <i>Sustainability</i></p>	<p>Identify the critical environmental, economic and social constraints or opportunities</p>	<ul style="list-style-type: none"> <li>• All sustainability impacts (positive and negative)</li> <li>• Nature and extent of impacts</li> <li>• Strategies to capitalise on opportunities and manage negative issues</li> </ul>
<p><b>Supporting Information</b>  <b>Gateway factors</b>  <i>Service delivery</i>  <i>Affordability and value for money</i>  <i>Governance</i>  <i>Sustainability</i>  <i>Risk management</i>  <i>Stakeholder management</i>  <i>Change management</i></p>	<p>Other work that may need to be done to make more certain the outcomes sought is a project plan, showing timing of activities, identification of responsibilities, delegations and authorities and documentation of risks, which may have to be managed to achieve the project results.</p>	<ul style="list-style-type: none"> <li>• Technical or Impact Reports</li> <li>• Site evaluation report including any geological or heritage related reports.</li> <li>• Land and / or property valuation reports</li> <li>• Engineering reports</li> <li>• Market studies, transport studies and other relevant material providing information on utilisation / demand / supply of the service</li> <li>• Environmental reports</li> <li>• Social Impact studies</li> <li>• Value management studies</li> <li>• Governance arrangements and management approaches</li> <li>• Risk management plan</li> <li>• Change management plan</li> <li>• Stakeholder management plan</li> </ul>



## 9 Procurement Strategy Aid

A procurement strategy identifies the best way of achieving the objectives of the project. It takes into account the risks and constraints, use of the market's capabilities and the procuring agencies' requirements. The aim of a procurement strategy is to achieve the optimum balance of risk, innovation, control and funding for a particular project. The procurement strategy is part of the documentation assessed at the Pre Tender Gate.

### What will a documented Procurement Strategy include?

This will set out the procurement objective, that is, what is to be procured, timelines, an analysis of the market capability to meet the procurement objectives, the options for engaging the market (approaches for tendering and contracting) agency capability including funding, implications of the options (risk and opportunity).

The critical considerations of the strategy are market capability and agency management capability.

### What is a procurement objective?

The procurement objective is the result you want to obtain through the procurement. The objective could be a service outcome, a new operational computer system, or a new building. For example, a defined statement of the procurement objective needs to be established before the strategy can be formulated.

The procurement objective should include value for money and governance considerations to ensure that public money is being spent efficiently.

### What are market characteristics?

Market characteristics include the way the market is structured, its supply chains and how they are managed.

For example, in parts of the ICT market, there are large firms able to supply integrated hardware, software and consulting services, in other parts there are groups of small firms of specialist consultants, integrators, hardware designers, etc who must be brought together to produce the result sought.

The procurement strategy should therefore be consistent with the systems and processes of the market segment you will do business with.

### How is the market 'engaged'?

There are two steps to engaging the market, in most cases:

1. calling for tenders; and
2. entering into a contract for the supply of goods and services.

Tendering approaches can include open tenders, tenders invited from firms selected from a list of pre-qualified firms and multiple stage processes in unusual or high value procurement.

The contract is the agreement between the supplier and government. Where possible, Government standard form contracts should be used.

The following table identifies the core components of a Procurement Strategy. This table does not duplicate the NSW Government Guidance material and should not be read in isolation of it.

## Setting the Scene

Include	Describe	Consider
<p><b>Introduction</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p> <p><b>Risk Management</b></p> <p><b>Stakeholder Management</b></p> <p><b>Change Management</b></p>	<p>Overview of the strategy.</p>	<ul style="list-style-type: none"> <li>• service objective and needs</li> <li>• delivery requirements</li> <li>• agency capability</li> <li>• ability of market to meet demand</li> <li>• proposed procurement meets the approved business case objectives</li> <li>• project timetables</li> <li>• tender invitation method</li> <li>• contracting method</li> <li>• governance – approvals / structures</li> <li>• risk management</li> <li>• communication and consultation methodology.</li> </ul>

## Procurement Scope

Include	Describe	Consider
<p><b>Project Description</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p>	<p>General description of the project, including the scope and content of the project, duration, governance structure, procurement methodology.</p>	<ul style="list-style-type: none"> <li>• user requirements</li> <li>• tender approach</li> <li>• confirmation of funding.</li> </ul>
<p><b>Procurement Objective</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Risk Management</b></p> <p><b>Stakeholder Management</b></p> <p><b>Change Management</b></p>	<p>Expected outcomes and likely impacts on users and stakeholders. Taking into account regional employment opportunities, government policy, change that will occur from the procurement including risk mitigation strategies.</p>	<ul style="list-style-type: none"> <li>• agency service objectives</li> <li>• government policy, ie, asset management/ IM&amp;T/ procurement policy</li> <li>• government objectives</li> <li>• change and risk management strategies</li> <li>• communication and consultation</li> <li>• users, community.</li> </ul>

## Market Analysis

Include	Describe	Consider
<p><b>Market Capability</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p> <p><b>Risk Management</b></p> <p><b>Change Management</b></p>	<p>Survey of the market's capability to meet the procurement, including any special characteristics of the market.</p>	<ul style="list-style-type: none"> <li>• current and forecast market activity levels</li> <li>• supplier 'community' characteristics</li> <li>• supply chain methods within the applicable industries</li> <li>• general market capacity and expected interest in this project</li> <li>• maturity of market</li> <li>• familiarity with type of project</li> <li>• familiarity with doing business with Government</li> <li>• familiarity of agency dealing with the industry</li> <li>• market access to suppliers and resources, noting any expected supply anomalies in the availability of skills, materials or components</li> <li>• impact factor conditions.</li> </ul>



## Procurement Options

Include	Describe	Consider
<p><b>Market Engagement</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p> <p><b>Risk Management</b></p> <p><b>Stakeholder Management</b></p>	<p>Statement on the options considered for engaging the market. Including consideration for the risks associated and how those risks will be mitigated.</p>	<ul style="list-style-type: none"> <li>• approach to market</li> <li>• tendering option including evaluation plan</li> <li>• contract method</li> <li>• market configuration and engagement risks</li> <li>• supplier management</li> <li>• supplier capability to comply with the procurement strategy</li> <li>• stakeholder communication strategies</li> <li>• risk management strategies (market failure risks).</li> </ul>

## Funding and Resourcing

Include	Describe	Consider
<p><b>Pre-Tender Estimate</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p> <p><b>Risk Management</b></p>	<p>The estimated cost is compatible with the agency budget and available funding.</p> <p>NOTE: The pre-tender estimate must be based on the proposed contract requirements, expert advice (where needed) and consideration of current market conditions. This should allow for revenue grant components (directly for services to government or community), disposals, and also when there are exchanges, offsets or trade-offs.</p>	<ul style="list-style-type: none"> <li>• estimate break-up and currency</li> <li>• CPI, BPI or other applicable index movements or forecasts</li> <li>• forecasts of market capacity and input prices</li> <li>• availability of skills to service the project (regional considerations)</li> <li>• estimated cost is compatible with the agency budget and available funding</li> <li>• where estimate varies from approved estimate document reasons for the variation including the risk factors, design, scope and any other changes.</li> </ul>
<p><b>Cost Management</b></p> <p><i>Gateway key factors</i></p> <p><b>Service Delivery</b></p> <p><b>Affordability and value for money</b></p> <p><b>Sustainability</b></p> <p><b>Governance</b></p> <p><b>Risk Management</b></p> <p><b>Stakeholder Management</b></p> <p><b>Change Management</b></p>	<p>The approach to managing the procurement cost.</p>	<ul style="list-style-type: none"> <li>• financial delegations and approvals</li> <li>• contingency funds management</li> <li>• approach to making trade-offs to balance cost and service outcomes</li> <li>• scope change authorisation</li> <li>• 'configuration management' or design management approach to maximise outcome achievement within a limited budget</li> <li>• options in the tender to enable cost reductions to be made under competitive pressure.</li> </ul>

# 10 Gateway Review System – What the Interviewee Should Know

## What is a Gateway Review?

Gateway Reviews are reviews of major procurement projects by independent people at defined decision points in projects.

Gateway is not an audit, a detailed technical review or an inquiry, but a review by experienced 'peers' to provide a 'fresh' view of the project. Gateway Reviews are conducted at six decision points (or gates) in the procurement cycle.

## Why a Gateway Review?

Gateway Reviews independently assess whether an appropriate level of discipline is applied through the procurement cycle. The benefits of Gateway include:

- More accurate project scoping and estimates
- Reduced time and cost overruns
- Improved alignment of service delivery with available funds
- Improved procurement discipline
- Improved risk management

## What is Reviewed?

The Strategic Gate and Business Case Gate are the most common Reviews undertaken. For example, at the Business Case Gate the Business Case assesses whether project options have been fully explored and assessed. Before proceeding, it helps ensure that the recommended option provides the best value. The Business Case Review is undertaken after a project has been defined and its benefits and costs quantified. The review occurs before the Business Case for a project is submitted to the appropriate executive authority and/or central government agency for approval.

## Who's who in a Gateway Review?

### Gateway Manager

The Gateway Manager's responsibilities focus on facilitating the review co-ordinating and liaising with the Project Sponsor and guiding and advising the Review Leader and Review Team. In particular:

- Facilitating the review
- Liaising with the Review Leader on the selection of the Review Team
- Co-ordinating the Review schedule with the project sponsor
- Confirming with the agency their responsibilities
- Ensuring that all procedural requirements are met

## Review Team

### Review Leader

The Review Leader's responsibilities focus on leading and delivering the Review.

- Ensuring that Reviewers maintain their focus
- Exploring all matters that will assist the team in making their assessment
- Protecting the confidentiality of the Review Process
- Completing the Review in the specified time
- Facilitating and leading the drafting of the review report
- Leading the debrief with the Project Sponsor
- Providing formal feedback to the Gateway Manager

Acting as Chair during Interviews

- welcoming the Interviewee and outlining the Gateway Review's intention (the Gateway Manager can assist here)
- introducing the Reviewers to the Interviewee
- leading the interview (usually by asking an open question to encourage discussion)
- closing the interview, and thanking the Interviewee.

Ensuring the report is prepared and circulated to all Reviewers and that it is completed and provided to the Project Sponsor (usually through the Gateway Manager).

The Review Leader's role is essential to the success of a Gateway Review and in ensuring the Project Sponsor comes to an understanding of the project's readiness to proceed to the next stage.

## Review Team

Typically, three reviewers are involved. All are 'external' to the project, usually all external to the Agency. For a Business Case Review it is common practice to have one reviewer with financial/economic expertise; one with relevant project or technical management expertise; and one with expertise related to the business of the project. The 'business' expertise may be generic, such as IT systems management, property or construction.

Reviewers need access to relevant project documentation and interview project stakeholders, some at quite senior levels. Reviewers may be probing in their questioning in order to explore issues in some detail. Interviews are intended to be quite conversational.

Reviewers need to come to an understanding of the project's origin, the outcomes it seeks to achieve, how those outcomes link to the Agency's service and/or asset strategy, the means by which the project has been developed and how the impact of the project is planned to be handled.

Recommendations and conclusions are provided and the Project Sponsor is debriefed in a separate meeting following the Review. The Review Report is confidential and supplied only to the Sponsor, although Reviewers may retain a copy for their private records.

## Who is Interviewed?

The Review Team, in consultation with the Project Sponsor, determines who will be interviewed. Generally, interviewees include:

- Project Team members
  - Business Users of the Project
  - Stakeholders
  - Personnel involved in the project.
- Interviewees

Interviewees include the Agency's staff, consultants and stakeholders involved in or affected by the project. It is important that all interviewees become familiar with the Gateway Process through reading the Gateway Toolkit, and if necessary, meeting with the Review Manager to discuss roles and expectations.

The principle of Gateway is that the Review Team provides the best possible report to the Project Sponsor, this can only be achieved through the cooperative and open participation of interviewees. Interviewees may be asked to provide additional information, which could be printed material.

It is important to remember that all interviews are confidential. The discussions that you have at the Gateway Review are not repeated outside the Gateway process.

Interviews are typically conducted in person, but telephone or videoconferences can be used. This is especially helpful when interviewees are located in regional areas.

It is important to remember that the purpose of a Gateway Review is to provide the Project Sponsor with a 'snapshot' of the project's readiness and an assessment of the robustness of the process applied to the project.

# 11 How to Become a Gateway Reviewer

## Why become a Reviewer and what to expect?

Gateway Reviews are rewarding and provide professional development to all participants. Reviews involve a short period (approximately 5-7 days including reading time) of intense activity looking at a program or project. The majority of time is spent interviewing the project team and project stakeholders and reading the project documentation.

As a Gateway Review Team member you will come to understand a project's origins, the outcomes it seeks to achieve and how those outcomes link to the Agency's service and or asset strategy. You will be debriefed on how the project has been developed and the project is planned to be delivered.

It is the team's role to identify areas of improvement and make recommendations that will support the delivery of the project.

Reviewers present their findings as succinctly and persuasively as possible.

Being part of a review provides an insight into how other government agencies manage their procurement, including risk management, service delivery and change management. Reviewers rapidly gain a good understanding of the project and identify where improvements can be made.

Review Teams are selected for their experience with each individual chosen to balance their skills with each other.

Working as part of a team you will benefit from the process, both personally and for the projects and programs you work on.

## What skills and experience are needed?

All Gateway Reviewers must work well in teams and have advanced interviewing, communication, negotiation and influencing skills.

Each Reviewer has knowledge and practical experience of a specialist skill, often program and project management, business analysis or procurement.

Specialist skills often required for Reviews include:

- Information, Communication and Technology
- Property Portfolio Management and Construction Management
- Risk Management
- Tender and Contract Management
- Change Management
- Procurement
- Accounting and Finance
- Demographics
- Value Management
- Cost Estimating
- Master Planning
- Total Asset Management
- Economics
- Business analysis
- Program and project management
- Strategic planning
- Specialist economists – transport, health tourism etc

To participate in a Gateway Review it is expected that you have at least 5 years experience in your chosen discipline.



## Why be a Gateway Reviewer?

There are benefits to you and your Agency:

- Professional development
- Networking opportunities
- Assists in defining and structuring projects
- Assisting your agency in achieving successful Gateway reviews

## What are the main challenges?

- Being able to read and understand the project documentation in a short time
- Fitting the reviews into your schedule
- Planning for the review in short periods
- Obtaining crucial information during interviews
- Reviewing agencies that have an insufficient understanding of Gateway
- Extracting corporate knowledge not documented
- Asking relevant questions during interviews
- Managing sponsor expectations during debrief

## How to become a Gateway Reviewer

If you are interested in becoming a Reviewer, you should attend the Familiarisation Workshop and the Reviewer Simulation Training.

By the end of the workshop you will understand:

- The principles of Gateway
- The background of Gateway Reviews
- The stages of a Gateway Review
- The benefits of Gateway Reviews to each of the stakeholders
- Your role as a member of a review team

To become a Gateway Reviewer, you will need to complete the Nomination Form which can be downloaded from the web site.

# 12 Appendix A

## MAPPING A GATEWAY REVIEW – thorough planning; successful review

STAGE	Timing	Agency Responsibility	Gateway Team Responsibility	Review Leader and Review Team Responsibility	Critical Actions and Information	References and Resources	
IDENTIFY THE RIGHT GATE		<b>Determine</b> if project needs a Gateway Review. Ensure the right gate is selected for the stage of the project			Important that each Gateway review is undertaken at the most appropriate stage in the life of the project – too early or late and the review may not be as beneficial	<ul style="list-style-type: none"> <li>NSW Treasury Policy</li> <li>Gateway Toolkit</li> <li>Gateway Review Sponsor's Checklist</li> </ul>	
	REVIEW INITIATION	<p><b>Consult</b> the Gateway Team on the project and plan for a Gateway review</p> <p><b>Identify</b> who will be the Review Coordinator to liaise with the Gateway Team - should be someone with decision making responsibility for the project</p> <p><b>Complete and submit</b> A Risk Assessment Profile that includes the Review notification.</p>	<p><b>Advise Agency</b> on the review process</p>				<ul style="list-style-type: none"> <li>Gateway Toolkit</li> <li>Risk assessment tool</li> </ul>
REVIEW PREPARATION Agency and Gateway Manager and Review Leader work together	Review Meeting usually occurs within 4 to 6 weeks from Initiation				Only when risk assessment and notification has been received will the Gateway Team initiate the Review.	<ul style="list-style-type: none"> <li>Risk assessment tool</li> </ul>	
		<p><b>Determine</b> Review timetable including dates for planning, interview and debriefing meetings.</p> <p><b>Advise</b> Gateway Team about the desired characteristics and skill base for a Review Team</p> <p><b>Confirm</b> appropriateness of Review Team</p>	<p><b>Liaise with Agency</b> to plan the Review. Appoint Review Leader - responsible for facilitating the Review</p> <p><b>Identify potential reviewers</b></p> <p><b>Submit</b> proposed Review Team to agency for confirmation</p> <p><b>Liaise</b> with Review Team to establish their availability</p> <p><b>Assist Agency</b> identify appropriate documents</p> <p><b>Coordinate logistics</b> for review in liaison with Gateway Manager:</p> <ul style="list-style-type: none"> <li>Venue / catering</li> <li>Interviews schedule / planning meeting</li> <li>Issue planning meeting / interview agenda</li> </ul>	<p><b>Liaise with Gateway Manager</b></p> <p><b>Consult with Review Manager</b> regarding Review Team</p> <p><b>Review Team established</b></p> <p><b>Consult</b> with each other prior to Planning Meeting</p>			<ul style="list-style-type: none"> <li>Gateway Toolkit</li> </ul>
		<p><b>Identify documents</b> to be reviewed and provide list to Gateway Manager</p>					<ul style="list-style-type: none"> <li>Gateway Toolkit</li> </ul>
					Appropriate logistical arrangements are important to the smooth running of the review		

STAGE	Timing	Agency Responsibility	Gateway Team Responsibility	Review Leader and Review Team Responsibility	Critical Actions and Information	References and Resources
PREPARATION Cont.	Documents submitted 1 week before the Planning Meeting	Submit project documents to Review Leader and Gateway Team	Confirm review documents Review Team submitted to Review Leader and Review Team	Read review documents, become familiar with the project	Delays in submitting project documentation may reduce the effectiveness of the review and could lead to the review being deferred until documents received	<ul style="list-style-type: none"> <li>Presentation template provided to Agency at the initiation of the review</li> <li>Toolkit</li> </ul>
	Planning meeting 1 week prior to Review	Provide a presentation about the project to the Review Team and Gateway Manager	Confirm that Agency has met all responsibilities	Confirm that documents / interviewees and logistics are acceptable		
REVIEW INTERVIEWS Documents considered, Interviews	Interviews, document review and report drafting period is usually 2-3 days	<p>Confirm that the review agenda is acceptable to all parties</p> <p>Ensure interviewees are aware of their roles and responsibilities</p> <p>Confirm all other logistics for Review meeting</p>	<p>Provide additional information if required</p> <p>Ensure scheduled interviewees arrive on time</p> <p>Provide secretarial support required</p>	<p>Consider documents and interviewee responses and form an opinion on the project against the key success factors</p> <p>Draft report following the last interview, provide feedback to Gateway Manager</p> <p>Complete report and provide final draft to the Review Manager</p>	<ul style="list-style-type: none"> <li>See relevant Gateway Workbook</li> </ul>	
	Reporting		Guide and advise the Review Team			
	Debriefing	Debriefing usually held 1 week after report provided to project sponsor	Confirm debrief meeting arrangements	Provide final draft report to Agency		Debrief Agency – recommendations and conclusions are discussed
POST REVIEW		Consider review findings and determine what action should be taken. This may range from fine-tuning to a change in direction	Extract from the report key factor rating for aggregated reporting		Agency includes response to Gateway report with submission to relevant funding authority.	<ul style="list-style-type: none"> <li>Report format set out in Gateway Workbook</li> </ul>









# GATEWAY REVIEW TOOLKIT

2014



New South Wales