



Australian Government

Department of Finance and Administration

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August 2006

Gateway Review Process— A Handbook for Conducting Gateway Reviews

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Gateway Review Process—
A Handbook for Conducting
Gateway Reviews

Acknowledgement

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The Financial Management Reference series of publications

- No. 1 *List of Australian Government Bodies and Governance Relationships as at 31 December 2004*, December 2005
- No. 2 *Governance Arrangements for Australian Government Bodies*, August 2005
- No. 3 *Financial Management and Accountability Legislation*, October 2005
- No. 4 *Commonwealth Authorities and Companies Legislation*, October 2005
- No. 5 *Introduction to Cost Benefit Analysis Guidelines*, January 2006
- No. 6 *Introduction to Cost-Benefit Analysis and Alternative Evaluation Methodologies*, January 2006
- No. 7 *Gateway Review Process—A Handbook for Conducting Gateway Reviews*, August 2006

The Financial Management Guidance series of publications

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- No. 14 *Guidance on Ethics and Probity in Government Procurement*, January 2005.
- No. 15 *Guidance on Procurement Publishing Obligations*, January 2005.
- No. 16 *Public Private Partnerships Introductory Guide*, May 2005.
- No. 17 *Public Private Partnerships Business Case Development*, May 2005.
- No. 18 *Public Private Partnerships Risk Management*, May 2005.
- No. 19 *Public Private Partnerships Contract Management*, May 2005.
- No. 20 *Guidance on the Gateway Review Process—A Project Assurance Methodology for the Australian Government*, August 2006.

Foreword

The purpose of the *Gateway Review Process—A Handbook for Conducting Gateway Reviews* (the *Handbook*), is to provide practical information on conducting reviews using the Gateway project assurance methodology, as implemented within the Australian Government's environment.

The target audience of this *Handbook* is departments and agencies subject to the *Financial Management and Accountability Act 1997* (FMA agencies), Gateway reviewers, project teams and other potential participants in Australian Government Gateway reviews. The *Handbook* is intended to be a resource document to assist with the successful preparation for, and participation in, Gateway reviews.

The information contained within the *Handbook* is not exhaustive and should be used to guide the conduct and approach to a review and not as a definitive approach.

Further information and assistance on the Gateway Review Process, its application and lessons learnt from its operation will be made available on an ongoing basis by the Gateway Unit in the Department of Finance and Administration.

The Gateway website is at <<http://www.finance.gov.au/gateway>>.

Enquiries regarding the Gateway methodology should be directed to:

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Contents

OVERVIEW OF THE GATEWAY REVIEW PROCESS	10
Application in the Australian Government Context	10
Introduction of Gateway	10
The Gateway Methodology	11
Purpose of this Handbook	14
Conduct of a Gateway Review	14
Roles and Responsibilities of Gateway Review Participants	14
GATE 0—BUSINESS NEED REVIEW	16
Purpose of the Business Need Review	16
Project Documentation Required for the Business Need Review	17
Areas to be Considered in the Business Need Review	18
Policy and Context	18
Business Case: Scope and Stakeholders	20
Review of Current Phase	22
Management of Intended Outcomes	22
Risk Management	23
Readiness for Next Phase (Business Case)	24
Readiness for Next Phase (Post-Business Case and beyond)	25
GATE 1—BUSINESS CASE REVIEW	28
Purpose of the Business Case Review	28
Project Documentation Required for the Business Case Review	29
Areas to be Considered in the Business Case Review	30
Business Case	30
Project Governance and Planning	34
Stakeholders	35
Risk Management	36
Readiness for Next Phase (Procurement Strategy)	38
GATE 2—PROCUREMENT STRATEGY REVIEW	42
Purpose of the Procurement Strategy Review	42
Project Documentation Required for the Procurement Strategy Review	43
Areas to be Considered in the Procurement Strategy Review	43
Business Case and Stakeholders	44
Procurement Approach	45
Review of Current Phase	49
Risk Management	50
Readiness for Next Phase (Investment Decision)	51
GATE 3—INVESTMENT DECISION REVIEW	54
Purpose of the Investment Decision Review	54
Project Documentation Required for the Investment Decision Review	55

Areas to be Considered in the Gate 3—Investment Decision Review	56
Business Case and Stakeholders	56
Assessment of the Proposed Solution	57
Review of Current Phase	60
Risk Management	61
Readiness for Next Phase (Readiness for Service)	61
GATE 4—READINESS FOR SERVICE REVIEW	66
Purpose of the Readiness for Service Review	66
Project Documentation Required for the Readiness for Service Review	67
Areas to be Considered in the Readiness for Service Review	68
Business Case and Stakeholders	69
Review of Current Phase	71
Risk Management	73
Readiness for Next Phase (Benefits Realisation)	74
GATE 5—BENEFITS REALISATION REVIEW	78
Purpose of the Benefits Realisation Review	78
Project Documentation Required for the Benefits Realisation Review	79
Areas to be Considered in the Benefits Realisation Review	79
Business Case and Benefits Management	80
Review of Operating Phase	81
Plans for Ongoing Improvements in Value for Money	82
Plans for Ongoing Improvements in Performance	84
Readiness for the Future	85
Review of Organisational Learning and Maturity Targets	87
SAMPLE GATEWAY REVIEW REPORT	90



Overview of the Gateway Review Process

Overview of the Gateway Review Process

Application in the Australian Government Context

In November 2005, the Australian Government endorsed, through Cabinet decision, the adoption of the United Kingdom's Office of Government Commerce (OGC) Gateway Review Process™ (Gateway).

Gateway applies to new projects undertaken by agencies operating under the *Financial Management and Accountability Act 1997* (FMA Act), which satisfy certain financial and risk thresholds. The current financial thresholds are:

- \$10 million and over for information technology (IT) projects; and
- \$20 million and over for other procurement and infrastructure projects; and

These thresholds will be reviewed at regular intervals and refer to the *total* value of a project, regardless of the timeframe taken to deliver the objectives.

The Gateway Assessment Tool (GAT) is the risk assessment tool used to assess the risks of projects in the context of a Gateway review. It provides a standard set of high-level criteria, which the agency answers in relation to a proposed project, to determine the level of project risk (high, medium or low). A subset of high-risk projects have been defined by the Government as 'Mission Critical', and as such, the Government has decided that additional governance requirements be applied to these projects, on the basis that:

- such projects are essential to the successful delivery of a major legislative requirement or a major policy initiative committed to by the Government; or
- project failure would have catastrophic implications for delivery of a key public service, national security or the internal operation of an agency.

At the direction of the Government, the Gateway Unit was established within the Department of Finance and Administration to manage the introduction and continued operation of Gateway.

Introduction of Gateway

Gateway is being phased in from the 2006–07 Budget, focusing initially on a representative cross-section of projects that satisfy the financial thresholds and are identified as high risk.

After the 2006–07 Budget, all projects over the financial thresholds must complete the GAT. Projects deemed to be high-risk, after completion of the GAT and in consultation with the Gateway Unit, must undertake a Gate 1—Business Case Review prior to consideration by the Government. Projects that are included in Gateway will proceed through subsequent Gates in the Gateway process during their lifecycles.

Overview of the Gateway Review Process

For the 2008–09 Budget and onward, those projects that satisfy the financial thresholds and are assessed as medium risk will also be subject to the same process as high-risk projects.

The Gateway Methodology

Gateway is a project assurance methodology that involves short, intensive reviews at up to six critical stages of the project lifecycle. The reviews, undertaken by a team of experienced peer reviewers who are not associated with the project, are designed to:

- assess the project against its specified objectives at a particular stage in the project's lifecycle;
- provide early identification of areas that may require corrective action; and
- provide validation that a project is ready to progress successfully to the next stage.

There are six different reviews that occur at critical stages (or Gates or decision points) of a project's lifecycle. These are:

Critical Stage or Gate	Type of Review
Gate 0	Business Need
Gate 1	Business Case
Gate 2	Procurement Strategy
Gate 3	Investment Decision
Gate 4	Readiness for Service
Gate 5	Benefits Realisation

Figure 1 outlines the relationship between a typical project's lifecycle and the reviews at each Gate. A Gate 0—Business Need Review may occur prior to the start-up stage of a programme or project, or during later stages of the project or programme, if required. For many projects, the review process is likely to commence with a Gate 1—Business Case Review. Large or complex projects may require that reviews at some Gates be conducted more than once, where components of the project reach critical stages at different times, for example where there are multiple significant procurements separated by long periods of time; or where there are significant and discrete project delivery phases. There may be a need to repeat a review where the project scope changes significantly.

Overview of the Gateway Review Process

The reviews are generally conducted over four to five days, at the Sponsoring Agency's premises. The reviews identify and focus on issues that are most important to the project, so that a Project Team's effort is directed to those aspects that will help make the project successful. The Gateway review findings and recommendations are provided directly to the Sponsoring Agency at the conclusion of the review. It is the responsibility of the Sponsoring Agency to determine what action should be taken to address recommendations. The Gateway Review Report is not being produced for the Gateway Unit; it is being produced for the Sponsoring Agency.

Following the completion of a Gateway review, subsequent Gateway reviews for projects will commence when the Sponsoring Agency informs the Gateway Unit of its intention to proceed to the next phase in the project lifecycle. Protocols around these notifications will be established between the Sponsoring Agency and the Gateway Unit at the Assessment Meeting.

Overview of the Gateway Review Process

Figure 1: The Gateway Review Process and the Project Lifecycle



Overview of the Gateway Review Process

Purpose of this Handbook

This *Handbook* supports the conduct of Gateway reviews, and should be read in conjunction with the Department of Finance and Administration's *Guidance on the Gateway Review Process—A Project Assurance Methodology for the Australian Government* (the Guidance).¹ It provides Gateway Review Teams with advice on the typical information requirements for each Gate and key questions to explore at each Gate.

Each project is different and, therefore, the *Handbook* cannot be an exhaustive source. The *Handbook* exists to assist with the consistency of approach across different reviews by providing examples of areas to probe and evidence expected. It should be used to complement the expertise of the Gateway Review Team.

Conduct of a Gateway Review

A well-conducted Gateway Review should focus on areas that are critical to a project's success while ensuring that the review is thorough. In order to achieve this, Gateway Review Teams should:

- conduct reviews in an organised way, covering, but not limited to, the issues identified in this *Handbook* and adhering to the key steps in the review process as outlined in the Guidance;
- be united in purpose, following the aims of Gateway, not unnecessarily focused on any individual Review Team Member's concerns;
- involve participants in professional, focused, and harmonious peer discussions, and avoid a confrontational, inquisitorial approach to find problems and mistakes;
- recognise and respect examples of good practice in the work done to date on the project under review; and
- provide recommendations that are clear and action-oriented.

Further information on managing a successful Gateway review can be found in Part 3 of the Guidance.

Roles and Responsibilities of Gateway Review Participants

Detailed information on the roles and responsibilities of the participants in a Gateway review is provided in Part 2 of the Guidance publication. The key elements for a successful Gateway Review, such as the need for open and clear dialogue among participants, are discussed in Part 3 of the Guidance.

¹ Available from <<http://www.finance.gov.au/gateway>>.

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Gate 0—Business
Need Review

0 Gate 0—Business Need Review

Purpose of the Business Need Review

A Gate 0—Business Need Review is a broad, strategic review that may be undertaken at the start-up stage of a programme or project, to inform decision-making, or may be undertaken during project implementation, to confirm the alignment with the established outcomes. Gate 0 reviews may be undertaken several times throughout the life of particularly complex projects, in addition to the other Gate reviews that would occur in the normal application of the Gateway Review Process.

In a broader sense, this type of review provides assurance to the Sponsoring Agency responsible for the programme or project, via the Senior Responsible Official, that the scope and purpose has been adequately assessed, communicated to stakeholders, and fits within the agency's overall business strategy and/or whole-of-government strategies and policies. It also aims to test whether stakeholders' expectations of the programme or project are realistic, by reference to planned outcomes, resource requirements, timetable and achievability.

Where a Gate 0—Business Need Review is undertaken at the start-up stage of either a programme or project, it occurs when the preliminary justification for the programme or project is drawn together. It is based on a strategic assessment of business needs, an analysis of the stakeholders whose co-operation is needed to achieve the objectives, and a high level assessment of the programme's or project's likely costs and potential for success. In this case, a Gate 0—Business Need Review comes after the business need has been identified, before any further development proposal goes forward for approval. It is expected to occur infrequently and can be undertaken when an agency specifically requests a review, and obtains the Gateway Unit's concurrence, or where the review is commissioned by the Government.

Projects that are particularly complex or long-lived may benefit from one or more Gate 0—Business Need Reviews. Unlike other Gateway reviews it is likely that this will be determined by circumstances particular to the project, rather than before a particular decision point.

In short, the Gate 0 Review aims to test whether stakeholders' expectations of the programme or project are realistic, by reference to outcomes, resource requirements, timetable and achievability.

Gate 0—Business Need Review 0

At this Gate, the Gateway Review Team would be expected to:

- ensure that the programme or project contributes to the agency's business strategy and to high-level government policy objectives and outcomes;
- review the business need to determine whether it requires a project or a programme of projects;
- confirm that the programme or project's potential to succeed has been considered in the wider context of the Sponsoring Agency's delivery plans and management of change programmes;
- check that there has been an assessment of the market's capacity to achieve the required outcome;
- ensure the programme or project is clearly understood and supported by users and stakeholders;
- review the arrangements for leading, managing and monitoring the project or programme (and its individual projects);
- review the arrangements for identifying and managing the risks of the main programme or project (and in the case of a programme, the risks of the individual project), including external risks such as changing business priorities;
- check that financing has been adequately assessed for the programme or project; and
- check that each project has realistic, properly resourced and authorised work plans through to the next stage of the project.

Project Documentation Required for the Business Need Review

To undertake the review, the Gateway Review Team requires access to documents that provide:

- the agency's Portfolio Budget Statement, business plan or equivalent documents. These documents should set out the agency's outcomes and outputs, strategic direction, high level aims and objectives.
- a programme or project brief that provides information about:
 - *objectives*—a high-level description of the purposes, outcomes sought, key deliverables and timelines;
 - *critical success factors*—the main criteria against which the success of a programme or project will be measured. (These should be linked to the objectives.);
 - *background*—an outline of the key drivers for the programme or project, showing how it will contribute to policy outcomes and/or the business strategy;
 - *scope*—a high-level view of the boundaries of the programme or project, the main assumptions, possible constraints and dependencies;
 - *stakeholders* and how they will be engaged;

0 Gate 0—Business Need Review

- *finance*—the assessed costing and budget for the programme or project and its components;
 - *organisation*—the way in which the programme and projects are to be organised, led, managed and monitored;
 - *risks*—the main risks identified so far and how they will be managed;
 - *issues*—a strategy for capturing and resolving issues; and
 - *evaluation*—an approach for measuring results and achieving outcomes.
- A workplan for the short to medium term, which:
 - identifies the components of the project or programme;
 - shows the main deliverables and milestones for each component;
 - shows the contribution each component makes to the overall project or programme outcomes; and
 - contains estimates of resource requirements.

These documents, and other information the Gateway Review Team deems relevant, will be requested at the Planning Meeting or during the course of the review.

Areas to be Considered in the Business Need Review

This section contains topics that would commonly be considered when conducting a Gate 0—Business Need Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. Teams may determine that additional topics are considered critical to the assessment of the project.

Policy and Context

	Areas to probe	Evidence expected
1.1	Is there a clear understanding of the required outcomes of the programme or project and are they soundly based?	<ul style="list-style-type: none">• a description of the programme or project policy drivers and outcomes and how they contribute to the business strategy and objectives• an outline of the required outcomes and their relationship to outputs• evidence that the way forward is likely to achieve the required outcomes

Gate 0—Business Need Review **0**

Areas to probe	Evidence expected
1.2 Does the programme or project demonstrate a clear link with wider government objectives?	<ul style="list-style-type: none"> • an analysis which shows the relationship between the programme or project and major government policies and objectives • demonstrate a link between strategic objectives and outcomes and the deliverables of the programme or project
1.3 Is the business strategy to which this programme or project contributes robust?	<ul style="list-style-type: none"> • a clear direction set out in the business strategy, which is approved by all key stakeholders
1.4 Does the programme or project align with government policy and initiatives, the broad environment of the agency and the agency's strategic objectives?	<ul style="list-style-type: none"> • documented links between the proposed programme or project and the agency's policy, environment and strategy
1.5 Is the governance framework fit for the purpose? Is there commitment to key roles and responsibilities for this programme or project?	<ul style="list-style-type: none"> • documented evidence of commitment from top management and, where appropriate, Minister(s) and a clear understanding of their continuing roles in achieving successful outcomes • allocation of key roles of responsible Minister, Senior Responsible Official, and Programme/Project Managers • evidence that all parties understand their role in the programme/project and are committed to the delivery of the programme/project
1.6 Are the required skills and capabilities for this programme or project available, taking into account the agency's current commitments and capacity to deliver?	<ul style="list-style-type: none"> • evidence that the agency has brought together (or has credible plans for bringing together) the skills and capabilities it needs to plan and achieve the desired outcomes • evidence that the agency is realistic about the complexity of the programme or project deliverables and how they can be managed • key roles within the programme or project identified with individuals named

0 Gate 0—Business Need Review

Areas to probe	Evidence expected
1.7 Is the agency able to learn from experience with this programme or project and other programmes or projects?	<ul style="list-style-type: none"> • evidence that the agency has processes in place to incorporate lessons learnt from this programme or project, and their components, into wider best practice • evidence that the agency learns from the experiences of others
1.8 Does this programme or project have a risk management framework?	<ul style="list-style-type: none"> • defined roles, responsibilities and processes for managing risk across the agency and within the programme or project, with clearly defined routes for escalating risk to senior management

Business Case: Scope and Stakeholders

Areas to probe	Evidence expected
2.1 Is the scope of the programme or project understood?	<ul style="list-style-type: none"> • a description of the programme or project scope as far as it is known—what is in scope?
2.2 What is the full extent of the programme or project envisaged and why?	<ul style="list-style-type: none"> • description of all programme/project components and outputs, explaining how each will contribute to the required outcomes
2.3 How is success to be evaluated?	<ul style="list-style-type: none"> • evidence that required outcomes can be evaluated in a practical and efficient way • definition of key critical success factors and how the required quality of performance will be measured • projected performance over the life of the programme or project, with key performance targets and measures agreed with stakeholders
2.4 Who are the stakeholders and do they support the programme or project?	<ul style="list-style-type: none"> • a list of principal stakeholders and statements of their needs and support for the programme or project • a plan for communicating with and involving stakeholders in appropriate ways • clear lines of accountability for resolving any conflicting stakeholder requirements

Gate 0—Business Need Review **0**

Areas to probe	Evidence expected
2.5 Is the proposed programme or project affordable?	<ul style="list-style-type: none"> • an estimate of the programme or project cost, and the basis of costing (for example, based on previous experience and/or comparison with similar programmes or projects) • an estimate of returns/value of the project/programme versus potential alternatives • sources of funding and amount of project funding currently included in forward estimates (if any)
2.6 What assumptions is the project based on? What are the major constraints for the project?	<ul style="list-style-type: none"> • description of dependencies/other factors/programmes already underway that could affect the required outcomes
2.7 Has the supplier market been considered?	<ul style="list-style-type: none"> • engagement with the market to determine capability to meet the need and, where appropriate, to identify suitable delivery options • where suppliers/partners are already in place, evidence that their ability to deliver has been considered
2.8 Have programme/project controls been determined, especially where constituent projects will be connected with other agencies, jurisdictions or the private sector?	<ul style="list-style-type: none"> • overall programme/project controls (progress tracking, issue identification and resolution, impact assessment) defined • interdependencies between project defined, with high-level plans for managing them • for collaborative programmes/projects, accountabilities for different parties defined and agreed • parties in the delivery chain identified and an approach to them working together established

0 Gate 0—Business Need Review

Review of Current Phase

	Areas to probe	Evidence expected
3.1	Does the programme or project need to comply with broader government or departmental timing requirements?	<ul style="list-style-type: none">• links to government or departmental commitments on delivery
3.2	Is the programme or project on track?	<ul style="list-style-type: none">• updated time schedule identifying clear milestones and critical programme activities• records of resources and funding used to date against budget
3.3	Have options for potential ways forward been identified?	<ul style="list-style-type: none">• listing of high-level options for meeting the business need

Management of Intended Outcomes

	Areas to probe	Evidence expected
4.1	Have the required outcomes from the programme or project been identified?	<ul style="list-style-type: none">• an up-to-date list of the required outcomes for the project
4.2	Are the required outcomes achievable?	<ul style="list-style-type: none">• a list of required outcomes and their relationships to each other identified• ongoing commitment from stakeholders to the required outcomes and to achieving them
4.3	Are principal stakeholders confident that the required outcomes will be achieved when expected?	<ul style="list-style-type: none">• mechanisms for collecting performance data and a plan for evaluating effect of outputs in place• management confidence that planned milestones will result in good quality deliverables that will deliver the necessary outcomes (for example, through the development of a quality assurance management plan)• commitment from key stakeholders that deliverables will achieve the required outcomes

Gate 0—Business Need Review **0**

Areas to probe	Evidence expected
4.4 Is there a plan for achieving the required outcomes?	<ul style="list-style-type: none"> • a plan to ensure that outcomes are delivered in terms of performance measures/key performance indicators • where planned outcomes have not been achieved, evidence that the problems have been identified and plans are in place to resolve them

Risk Management

Areas to probe	Evidence expected
5.1 Have the major risks been identified?	<ul style="list-style-type: none"> • list of potential major risks, analysed by likelihood of occurrence and impact, and assumptions made • early risk warning indicators identified
5.2 How will risks be managed?	<ul style="list-style-type: none"> • evidence that the risks to the success of the project (e.g. take-up or usage greater or less than expected) have been considered and mitigation strategies and contingencies identified • evidence of regular review of risks, mitigation options and contingency plans • details of the risk allocation (to whom allocated and why) with high-level plans for managing risks • action to manage the risks identified and, where appropriate, action taken
5.3 Have assurance measures for the programme or project been put in place?	<ul style="list-style-type: none"> • ‘critical friends’ to the programme or project (for example probity auditors, internal audit, specialists and/or peer reviewers) appointed, with evidence that they challenge assumptions, decisions and risks • evidence that advice from ‘critical friends’ is acted on • Gateway Reviews, health-checks and/or policy reviews incorporated into plans
5.4 Is there a contingency plan?	<ul style="list-style-type: none"> • decisions made about contingency arrangements, with appropriate plans • effects on public services analysed and decisions taken about those needing contingency arrangements

0 Gate 0—Business Need Review

Readiness for Next Phase (Business Case)

Areas to probe	Evidence expected
6.1 <i>Affordability:</i> Are the funds to reach the next phase of the project available?	<ul style="list-style-type: none">• budget provision for initiating project(s) and preparing the high level business case• costings from Finance to validate estimates, where appropriate
6.2 Are the required internal/external resources available, suitably skilled, and committed to undertake the work?	<ul style="list-style-type: none">• resource plan and sources identified showing who needs to be involved, when, and what they must deliver as well as any additional training needs required for their role• key roles identified (Senior Responsible Official, Project Steering Committee, and Project Manager)• evidence that these resources will be available when needed throughout the next phase
6.3 <i>Achievability:</i> Are the plans for the 'Business Case' phase realistic?	<ul style="list-style-type: none">• plan showing deliverables/milestones, activities, timescales, resources, costs and stakeholder involvement• plans for managing the transition to new ways of working/structures/policies, with key barriers identified (such as cultural resistance to change) and the approach to overcoming them agreed
6.4 Are appropriate management controls in place?	<ul style="list-style-type: none">• defined programme/project management controls and reporting mechanisms

Where a Gate 0 Review is undertaken at a stage in the project or programme later than the start-up stage, the areas to consider in the topic 'Readiness for Next Phase' are likely to vary from those listed above. Suggested areas to consider are provided in the following table.

The reason for undertaking Gate 0 Review will be dictated by the circumstances of the particular project, more so than for other reviews. Consequently, the review approach is likely to require more development by the Gateway Review Team than at other Gates.

Gate 0—Business Need Review **0**

Readiness for Next Phase (Post-Business Case and beyond)

Areas to probe	Evidence expected
7.1 Is there a continuing need for the programme or project?	<ul style="list-style-type: none"> • Programme or project outcomes still aligned to Ministers' and departmental strategy • Continuing commitment from stakeholders • Confidence that the programme or project is organised to deliver the outcomes when needed
7.2 What assumptions have been made about the programme or project?	<ul style="list-style-type: none"> • A listing of major assumptions made in preparing the programme or project business case, updated to reflect any changes that could affect success
7.3 How will change be managed?	<ul style="list-style-type: none"> • Plans for managing the transition to new ways of working/structures/policies, with any key barriers identified (such as cultural resistance to change) and the approach to overcoming them agreed
7.4 <i>Affordability</i> : Are the funds to reach the next phase available?	<ul style="list-style-type: none"> • Budget provision for the programme or project
7.5 Are the required internal/external (individuals and organisations) suitably skilled, available and committed to carrying out the work?	<ul style="list-style-type: none"> • Information showing who needs to be involved, when and what they must deliver • Key roles in place, with skills matched to the nature of the work • Evidence that these resources will be available when needed throughout the next phase
7.6 <i>Achievability</i> : Are the plans for the next phase realistic?	<ul style="list-style-type: none"> • Plan developed showing: streams of work (sub-programmes, projects, etc.); deliverables/milestones and the 'roadmap' to achieve them; timescales; organisation; costs and resourcing; stakeholder involvement
7.7 Are appropriate management controls in place?	<ul style="list-style-type: none"> • Accountabilities allocated to SROs • Programme management controls and reporting mechanisms defined • Plans for ongoing management of the delivery chain

Gate 1—Business
Case Review

1 Gate 1—Business Case Review

Purpose of the Business Case Review

At the commencement of a project, an agency will develop a document (typically a business case) that articulates the impetus and business need for the project, together with an assessment of the project's likely costs, benefits and potential for success. The Gate 1—Business Case Review comes after a business case has been prepared.

The Gate 1—Business Case Review focuses on the robustness of a project's business case. It provides assurance to the Sponsoring Agency, through the nominated Senior Responsible Official, that the proposed approach:

- has been adequately researched;
- can be delivered within the allocated time; and
- can be delivered with the proposed resources.

At this Gate, the Gateway Review Team is expected to:

- confirm that the business case is robust (that is, it meets the business need, is affordable and achievable, with appropriate options explored and is likely to achieve value for money);
- confirm that potential options for the delivery of desired outcomes have been identified and analysed and appropriate expert advice has been obtained as necessary;
- establish that the feasibility study or assessment has been completed satisfactorily and a preferred way forward has been determined;
- confirm that the market's likely interest has been assessed;
- ensure there is internal and external authority, if required, and that support exists for the project;
- ensure major risks have been identified and a risk management plan has been developed;
- establish that the project is likely to deliver its business goals and that it supports wider business change, where applicable;
- confirm that the impact of business process changes on internal and external stakeholders have been assessed;
- confirm that the scope and requirements are realistic, clear and unambiguous;
- ensure that the full scale, intended outcomes, timeframes and effect of relevant external issues have been assessed;
- ensure plans exist for the next phase;
- validate assumptions in the plan to confirm the project team can deliver the next stage;
- confirm that overarching and internal business and technical strategies have been assessed; and
- establish that quality assurance strategies/plans for the project and its products are in place.

Gate 1—Business Case Review 1

Project Documentation Required for the Business Case Review

To undertake the review, the Gateway Review Team requires access to documents (including the business case) that provide:

- the project brief or mandate with the project's scope and an explanation of the need for the project;
- a project initiation document or equivalent;
- details of the project approach, including how to deliver the intended outcome;
- a strategy outlining the approach to business change arising from the project (including staff training, new facilities etc. as appropriate);
- an initial assessment of the current and proposed physical and technical environment (e.g. IT infrastructure, workspace facilities);
- a report on the project's expenditure to date versus its forecasted budget (for example, cost of scoping or feasibility study versus budget);
- a high-level definition of the business requirements and total scope of the project;
- a description of how the project's success will be evaluated;
- a business case addressing business need, affordability, achievability, value for money and range of options estimating the project's costs and benefits, including some form of feasibility study, sensitivity analysis and market research;
- a communications strategy to keep stakeholders informed of the project's progress;
- a quality assurance management strategy;
- a list of the major risks, with draft plans for managing them;
- a high-level activity, time and resource plan for the whole project;
- plans to move the project through to the next stage, Gate 2—Procurement Strategy;
- how performance is to be reported and monitored;
- project organisation—key roles and governance/reporting arrangements;
- business impacts, for IT-enabled projects;
- estimates and source of funds to cover all work to Gate 2—Procurement Strategy; and
- the authority and approval to proceed.

Documents containing this, and other information deemed relevant by the Gateway Review Team, will be requested at the Planning Meeting or during the course of the review.

1 Gate 1—Business Case Review

Areas to be Considered in the Business Case Review

This section contains topics that would commonly be considered when conducting a Gate 1—Business Case Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. The teams may determine that additional topics are considered critical to the assessment of the project.

Business Case

Areas to probe	Evidence expected
1.1 Is there a clear and agreed understanding of the business objectives and how they will be delivered?	<ul style="list-style-type: none">• business objectives for the project clearly stated and SMART (Specific, Measurable, Attainable, Relevant and Timely)• a strategy for achieving business objectives defined and agreed with the stakeholders• total scope, including timeframes, documented and agreed with stakeholders (including end users or their representatives) and technical authorities• delivery approach and mechanisms defined and agreed with stakeholders• for IT-related projects: IT developments defined as component(s) of wider programme of business change• evidence of options reviewed and a case for their selection
1.2 Is the impetus for change described in the business case?	<ul style="list-style-type: none">• comprehensive justification of any changes to existing arrangements, including input from stakeholders• references to related project approvals, where appropriate
1.3 Are all relevant government initiatives being addressed?	<ul style="list-style-type: none">• documented links to relevant government strategies and policies
1.4 Has the business case sufficiently linked the agency outcomes and programmes with the investment objectives?	<ul style="list-style-type: none">• confirmation that the investment fits within the organisational objectives of the agency• how the business case contributes to the agency outcomes and programme objectives and how the investment affects the efficiency and/or effectiveness of programme delivery

Gate 1—Business Case Review 1

Areas to probe	Evidence expected
1.5 Have internal and external factors affecting the project been identified and assessed?	<ul style="list-style-type: none"> • assessment of the objectives, timeframes and scale of the project • legislation, policy and regulatory issues taken into account • assessment of the stability of the current business environment and strategic direction • assessment of internal and external dependencies (e.g. other programmes and projects) that could affect current priorities or the project • assessments of the impact on existing physical and technical environment (e.g. brownfield site, current infrastructure and legacy systems) • identification of key external (non-government) dependencies, if any, likely to impact on the project
1.6 What factors are critical to ensure success?	<ul style="list-style-type: none"> • the critical success factors for each of the main objectives are documented
1.7 Can the critical success factors be quantified or measured?	<ul style="list-style-type: none"> • explanation of how the factors will be measured • identification of what constitutes success
1.8 For IT projects, will the business case make a significant contribution to agency IT objectives?	<ul style="list-style-type: none"> • appropriate documentation and consideration of the flow-on effects from IT investment, especially where it represents a significant change in the agency's IT direction • documented links to the agency's IT strategy
1.9 Has the business case examined a wide range of options that will meet the business need?	<ul style="list-style-type: none"> • options explored for collaboration with other government agencies and projects • range of options considered includes maintaining the status quo • rigorous assessment of the pros and cons of each option to determine its potential to meet the critical success factors • thorough assessment of options for the procurement process • market research indicating that suitable solutions can be provided

1 Gate 1—Business Case Review

Areas to probe	Evidence expected
1.10 Is there a clear 'best option', or would several options meet the business need?	<ul style="list-style-type: none">• options appraised in accordance with principles which are relevant and appropriate for responding to the business need• examination, and ranking, of all options that are acceptable in principle• clear analysis of whole-of-life costs for each option• use of software metrics to test robustness of costs for IT projects
1.11 If there are several options, how was their robustness tested?	<ul style="list-style-type: none">• sensitivity analysis of all appropriate options• major sensitivities included in the list of identified risks• cost-benefit analysis performed accurately and consistently across all options• economic analysis is supported by clear and unambiguous assumptions
1.12 Is the argument for the 'preferred option' sound?	<ul style="list-style-type: none">• documentary evidence that the preferred option has been selected from an appropriately wide range, rigorously assessed and satisfies the project objectives (including contribution to the business strategy), is likely to offer value for money, and is affordable and achievable• evidence that appropriate sources of expert advice have been consulted• evidence that it is possible to align the contracting strategy with the agency's overall objectives

Gate 1—Business Case Review 1

Areas to probe	Evidence expected
<p>1.13 Does the preferred option meet wider government and agency objectives, standards and business change programmes?</p>	<ul style="list-style-type: none"> • assessment against a list of wider government and agency objectives, policies, business change programmes and standards • assessment of the business need justification as stated in the high-level business case • for construction projects, compliance with the <i>Australian Government Implementation Guidelines for the National Code of Practice for the Construction Industry</i>, occupational health and safety standards, and sustainability initiatives
<p>1.14 Does the business case demonstrate that the opportunities for sharing services across agencies have been investigated?</p>	<ul style="list-style-type: none"> • options to share services considered and if rejected, justification for rejecting the option
<p>1.15 Has contract management been considered?</p>	<ul style="list-style-type: none"> • requirements for the contract management capability have been considered • arrangements for managing single/multiple suppliers have been considered • where multiple suppliers are likely to be appointed, high-level plans for managing the liaison • the appropriate relationship has been determined, with the optimum scale of contract(s) appropriately considered
<p>1.16 Were the feasibility study and business case completed within time and cost budgets?</p>	<ul style="list-style-type: none"> • project budget and timetable reports
<p>1.17 Have assumptions been identified and their validity checked?</p>	<ul style="list-style-type: none"> • assumptions identified and accepted • plans to verify the assumptions, if any, that are included in plans for the next stage
<p>1.18 Has the Department of Finance and Administration agreed the costings for the project?</p>	<ul style="list-style-type: none"> • evidence of consultation with Finance on costings and sign-off, where relevant

1 Gate 1—Business Case Review

Project Governance and Planning

Areas to probe	Evidence expected
2.1 Has the project governance been considered and is there an overall project management process?	<ul style="list-style-type: none">• decisions made on reporting/authority boundaries, composition of the project team, and external resources/people needed, if any (e.g. expert advisers)• clear articulation of the roles and responsibilities of key players in the project• agreed project management process and project organisational structure, including a design methodology where appropriate• senior management's commitment to the project and their key role in decision-making
2.2 Has a Steering Committee, or equivalent, been established to oversee the project?	<ul style="list-style-type: none">• clear articulation of the role and decision-making power of the Steering Committee• details of the process for providing information to the Steering Committee and frequency of meetings• details of the type of information to be provided to the Steering Committee, such as budget reports, risk management reports and action items
2.3 Is there an adequate level of planning evident in the project?	<ul style="list-style-type: none">• an outline of the project management plan that includes a development and implementation schedules with manageable steps• key milestones clearly identified and an exit strategy clearly articulated• planning for resource management, including required skill sets, staff development and a retention strategy• change management process for dealing with amended business requirements
2.4 For IT projects, has the business case evaluated the quality and quantity of data to be migrated to the new solution?	<ul style="list-style-type: none">• a data migration plan that addresses resourcing, cost, time and quality assurance

Gate 1—Business Case Review 1

Stakeholders

Areas to probe	Evidence expected
3.1 Have all the likely stakeholders been identified and are their interests clearly understood?	<ul style="list-style-type: none">• internal and external stakeholders identified and documented• stakeholders' roles and responsibilities defined and agreed• end-users for the project identified and documented• evidence that the decision-making process includes all the relevant stakeholders and is both efficient and effective• analysis of potential conflicts between stakeholder groups and contingency plan for dealing with such conflicts• results of consultations documented as part of the communications strategy
3.2 Do stakeholders support the preferred option? (This includes the potential or recommended delivery approach and mechanisms.)	<ul style="list-style-type: none">• documentation supporting the consultation, involvement, support and endorsement of stakeholders
3.3 Are stakeholder issues being addressed? These include: <ul style="list-style-type: none">• communications• public relations• environmental issues• personnel• statutory processes	<ul style="list-style-type: none">• a communication plan for dealing with various stakeholders showing responsibilities• plans for dealing with statutory consultation requirements• flexibility and ability to react to changes in stakeholder interests and concerns• governance arrangements clearly articulate opportunities for stakeholder concerns to be aired and addressed

1 Gate 1—Business Case Review

Risk Management

Areas to probe	Evidence expected
4.1 Are there processes in place to identify, assess and monitor current, anticipated and emerging risks?	<ul style="list-style-type: none">• a documented risk management strategy• a risk register that enables risks to be categorised• mitigation strategies suggested for each risk, and residual risks documented• individuals have been allocated responsibility for managing risk• a systematic review of the risk register scheduled and responsibility for this clearly articulated
4.2 Have any issues raised in a previous review been resolved satisfactorily?	<ul style="list-style-type: none">• updated issue and risk logs, with details of actions taken
4.3 Have the risks for each of the options been evaluated?	<ul style="list-style-type: none">• current, emerging and anticipated risks classified by likelihood, consequence, mitigation strategy and residual risk
4.4 Have the risks for the preferred option been fully assessed?	<ul style="list-style-type: none">• involvement of senior stakeholders in assessing strategic risks• an assessment of risks, costs and benefits to demonstrate the appropriate balance of risk and reward in the preferred option, demonstrating planned risk taking and support for innovation where appropriate• plans for managing the risks with the preferred option• for IT-enabled projects, information security risks and risks relating to poor take-up considered• for construction projects, risks relating to occupational health and safety considered• for Public Private Partnership (PPP) projects, compliance with the qualitative and quantitative methodologies set out in <i>Public Private Partnerships Risk Management</i> (Financial Management Guidance No. 18)
4.5 Have the 'worst case' costs associated with risks been assessed?	<ul style="list-style-type: none">• complete cost assessments of the risks documented• contingency funding based on assessment of financial implications of risks

Gate 1—Business Case Review 1

Areas to probe	Evidence expected
4.6 Are risk management costs and time implications included in the cost and time estimate or are they treated as a contingency?	<ul style="list-style-type: none">• costs and time for managing risks separately identified• where risks cannot be reduced, the costs of managing these risks separately identified and included within the base estimate, or as contingency funding• for construction projects, decisions on how residual risks are being insured• for PPP projects, compliance with the methodology set out in <i>Public Private Partnerships Risk Management</i> (Financial Management Guidance No. 18)
4.7 Does the project break new ground?	<ul style="list-style-type: none">• examination of leading-edge projects to assess the project's effect on the business, stakeholders and end-users• evidence of similar projects or activities from which lessons may be learnt• innovative solutions assessed by experts• consultation with the market to help refine the approach, identify risks and ways in which risks might be mitigated• for Public Private Partnership (PPP) projects, evaluation of project consistent with methodology in <i>Public Private Partnerships Business Case Development</i> (Financial Management Guidance No. 17)
4.8 Should the project be broken down into a series of small steps?	<ul style="list-style-type: none">• documentation of the chosen approach and justification for taking that decision• the business case should detail any phased delivery or expected improvements over time

1 Gate 1—Business Case Review

Readiness for Next Phase (Procurement Strategy)

Areas to probe	Evidence expected
5.1 Is there an overall project structure for the procurement stage?	<ul style="list-style-type: none">• a definition of the procurement approach to be adopted• a draft procurement plan, including details of how proposals will be evaluated
5.2 Is there a realistic plan to reach the next stage of the project (Gate 2—Procurement Strategy)?	<ul style="list-style-type: none">• objectives, planning assumptions, constraints, activities, deliverables and milestones defined and agreed for the next phase as well as for the remaining phases• evidence that the project addresses both short-term and long-term business requirements• evidence that suitable solutions are available from the market and that it has sufficient capacity• evidence that the proposed procurement strategy is consistent with the <i>Commonwealth Procurement Guidelines</i>, the agency Chief Executive's Instructions and agency Operational Guidelines
5.3 Have any requirements for external specialist advice been determined? Are the necessary internal and external skills available at the right time and in the right numbers? Is there a training need, and if so, what is it?	<ul style="list-style-type: none">• requirements for specialist expertise considered and resourced• a resource plan for internal staff, including an assessment of training needs, if any• skills appraisal and plans for addressing shortfalls• training assessment and plans, with training sources identified• external advice being used appropriately
5.4 Is the project timetable realistic? Does it take into account any statutory lead times and time required for approvals?	<ul style="list-style-type: none">• a timetable identifying statutory lead times and a realistic assessment of the time needed for approvals and pre-procurement activities• senior management commitment to the timetable• a procurement timetable justified and not longer than necessary

Gate 1—Business Case Review 1

Areas to probe	Evidence expected
5.5 Is there a clearly defined project organisation for the next stage of the project, with agreed roles and responsibilities?	<ul style="list-style-type: none">• project organisation and methodology governance/reporting arrangements• roles and responsibilities of personnel involved, with the project clearly defined and understood• for collaborative projects, a single Senior Responsible Official assigned and senior representatives from each collaborating organisation• individuals named in the following key positions:<ul style="list-style-type: none">- Project Sponsor/Senior Responsible Official- Project Manager- stakeholder management- user representation- Project Steering Committee
5.6 Are the necessary funds to reach Gate 2—Procurement Strategy identified?	<ul style="list-style-type: none">• appropriate budget provision• financial controls for expenditure in place

Gate 2—Procurement
Strategy Review

2 Gate 2—Procurement Strategy Review

Purpose of the Procurement Strategy Review

Following the Gate 1—Business Case Review, the Project Governance Board or Steering Committee and/or Senior Responsible Official will have determined whether the project is feasible and has a robust high-level business case².

The Gate 2 review focuses on evaluating the procurement strategy to provide assurance to the Project Steering Committee and/or Senior Responsible Official that the selected procurement approach is appropriate for the proposed acquisition and that it:

- establishes a clear definition of the project;
- establishes a plan for its implementation; and
- has made an assessment of the project’s potential for success.

It also provides assurance that the project is ready to invite proposals or tenders from the market.

At this Gate, the Gateway Review Team is expected to:

- confirm the business case, now that the project is fully defined;
- ensure that the procurement strategy is robust and appropriate and provides an exit strategy, if necessary;
- ensure that the project’s plan is appropriately detailed and realistic, through to completion, and includes a change management strategy;
- ensure that the project’s controls and organisation are defined (financial controls are in place and the resources are available);
- confirm funding availability for the whole project;
- confirm that the development and delivery approach and mechanisms are still appropriate and manageable;
- check that the supplier market capability and track record (or existing supplier’s capability and performance) are fully understood;
- confirm that the procurement approach will facilitate good client/supplier relationships;
- confirm that the procurement plan facilitates an outcome providing value for money;
- confirm that appropriate project performance measures and tools are being used;
- confirm that quality assurance procedures have been applied consistently with the previous review;
- confirm compliance with IT infrastructure and security requirements, as appropriate for IT projects; and
- confirm compliance with building codes, occupational health and safety and sustainability requirements, as appropriate for construction projects.

² Terminology for the governance arrangements will differ from agency to agency. The purpose of Project Governance Boards or Project Steering Committees is to provide oversight and guidance to the project.

Gate 2—Procurement Strategy Review **2**

Project Documentation Required for the Procurement Strategy Review

To undertake the review, the Gateway Review Team requires access to documents (including the business case) that provide:

- an updated business case containing a plan for realising benefits;
- a report on the project's expenditure to date versus its forecasted budget, where appropriate;
- a plan for managing the business change;
- specifications of the project's expected outputs and outcomes;
- the procurement strategy and justification for the approach;
- draft tender documents, including the evaluation plan and draft contract;
- a description of the high-level requirements of the project;
- the proposed implementation strategy for implementing the new service/works contract;
- a current risk management plan, risk register and issues register;
- current and planned business/technical policies, strategies and constraints (for example, occupational health and safety standards);
- an outline of project plans to completion, and detailed plans for the next stage;
- the results of any business, commercial or technical benchmarking;
- market intelligence and research material;
- the current communications strategy and plan;
- project quality documentation; and
- a strategy for measuring project performance, including occupational health and safety, as appropriate for construction projects.

Documents containing this, and other information deemed relevant by the Gateway Review Team, will be requested at the Planning Meeting or during the course of the review.

Areas to be Considered in the Procurement Strategy Review

This section contains topics that would commonly be considered when conducting a Gate 2—Procurement Strategy Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. The teams may determine that additional topics are considered critical to the assessment of the project.

2 Gate 2—Procurement Strategy Review

Business Case and Stakeholders

Areas to probe	Evidence expected
1.1 <i>Strategic fit:</i> Does the business case continue to demonstrate the business need and contribute to the business strategy?	<ul style="list-style-type: none"> continued confirmation that the project will meet business needs (including confirmation that priorities remain unchanged where any external factors might have an effect)
1.2 <i>Options explored:</i> Is the preferred way forward still appropriate?	<ul style="list-style-type: none"> continued confirmation of the way forward, supported by an assessment based on indicative assumptions about factors such as interdependence with other projects, reliance on partners to deliver etc.
1.3 <i>Value for money:</i> Is the proposed commercial arrangement likely to achieve value for money?	<ul style="list-style-type: none"> the bases for calculating costs (value of requirements) and comparison of tenders agreed with key stakeholders the business case updated on the basis of the full project definition, market assessment and initial benefits plan the procurement strategy reflected in the business case an assessment of value for money consistent with the procurement plan examination of the sensitivities and financial implications of handling major risks, and an assessment of their effect on project return
1.4 <i>Affordability:</i> Are the costs within current budgets? Is the project's funding affordable and supported by key stakeholders?	<ul style="list-style-type: none"> reconciliation of projected total project costs with available budget, reviewed and accepted or approved by key stakeholders (for example, appropriate approval provided in accordance with Regulation 10 of the Financial Management and Accountability Regulations 1997 (FMA Regulations)) project costs are within forecast agency spending plans as agreed by Government
1.5 <i>Achievability:</i> Is the agency still realistic about its ability to achieve a successful outcome?	<ul style="list-style-type: none"> comparison with similar projects (and similar agencies); assessment of track record in achieving successful change; plans to manage known weaknesses; plans for incremental/modular approaches where applicable; contingency plans in place

Gate 2—Procurement Strategy Review **2**

	Areas to probe	Evidence expected
1.6	Is there a clear definition of the total project scope?	<ul style="list-style-type: none"> a document showing the updated total project scope including business change, where applicable (Gate 1—Business Case Review)
1.7	Are the issues relating to business change understood? Is there an initial plan to address these issues?	<ul style="list-style-type: none"> change management strategy documented, with key stakeholders' views, business process implications and communication requirements clearly understood issues relating to business change logged, with a plan for each
1.8	Is the agency fully committed to the project? Do stakeholders support the project?	<ul style="list-style-type: none"> documented involvement of, and endorsement by, the agency itself and all stakeholders
1.9	Are the benefits to be delivered by the project understood and agreed to with stakeholders? Is there an initial plan for realising benefits?	<ul style="list-style-type: none"> a plan for realising benefits, showing costs offset by improved quality of service and/or savings over the project's expected life

Procurement Approach

	Areas to probe	Evidence expected
2.1	Will the project be attractive to the market?	<ul style="list-style-type: none"> detailed market research, including an examination of recent similar procurements by others, or a commentary on the capacity of the market to deliver and the nature of the project's possible suppliers initial assessment of possible suppliers
2.2	Are the business objectives clearly understood by the agency and likely to be understood by suppliers?	<ul style="list-style-type: none"> detailed output/outcome-based specifications, which should include key success factors to show how the outputs/outcomes will be assessed
2.3	Are the project outputs/outcomes accurately reflected in the requirement specification?	<ul style="list-style-type: none"> depending on the nature of the procurement, an appropriate specification of requirements that has been reviewed and endorsed by stakeholders an appropriate mechanism to articulate the requirement to potential suppliers; it should be quality assured to ensure that suppliers will understand what is required

2 Gate 2—Procurement Strategy Review

Areas to probe	Evidence expected
2.4 Have options for the proposed procurement approach been evaluated, including sources of supply?	<ul style="list-style-type: none">• all appropriate sourcing options examined (e.g. single or multiple suppliers, opportunities for collaboration); for infrastructure projects, evidence that integrated procurement approaches have been fully evaluated• for IT-enabled projects, a sound decision to contract for an output• where a PPP is the proposed option, confirmation that it is appropriate• comparison with similar projects and analysis, supported by commercial intelligence on market capability• reasons for selecting sourcing options justified and documented
2.5 Is the procurement strategy consistent with the approved business case?	<ul style="list-style-type: none">• documented evidence that the procurement strategy aligns with the business case
2.6 Is the selected procurement strategy defined and endorsed?	<ul style="list-style-type: none">• a clearly defined procurement strategy, showing reasons for selection, and agreement by stakeholders• evidence that business continuity and a future exit strategy have been considered at a high level• confirmation of development, involvement and endorsement of the procurement strategy by appropriate individuals• strategy to include: sourcing option (e.g. PPP); procurement approach (e.g. open tender); timetable (with milestones) consistent relevant procurement rules, plus time needed for pre-procurement activities, implementation and contingency in the event of unavoidable slippage; assessment of market place/potential suppliers, roles, resources and skills needed to manage the procurement strategy; alignment with plans for implementation

Gate 2—Procurement Strategy Review 2

Areas to probe	Evidence expected
2.7 Have factors that may affect the procurement strategy been addressed?	<ul style="list-style-type: none"> • documented evidence that key factors influencing the procurement strategy have been taken into account • evidence that the efficiency and predictability of the procurement process have been considered, with a process in place for addressing the effect of any deviation from the plan and timetable; plans for two-way communication with stakeholders and suppliers
2.8 Will the procurement strategy facilitate communication and co-operation between potential suppliers and the client?	<ul style="list-style-type: none"> • communication strategy and support mechanisms in place • evidence that the procurement strategy will include: <ul style="list-style-type: none"> - the early involvement of suppliers to ensure the design is fully informed by the delivery process - clearly defined performance criteria with key performance indicators and a system for measuring performance
2.9 Has the proposed procurement procedure been evaluated?	<ul style="list-style-type: none"> • an open, select or direct route is identified • reasons for following the procedure are understood; related risks (such as effect on timescales and tender costs for suppliers) are evaluated, and the decision is justified and documented
2.10 Is there adequate knowledge of existing and potential suppliers?	<ul style="list-style-type: none"> • evidence showing that adequate knowledge of existing and potential suppliers has been considered • evidence of commercial market intelligence, market sources and potential suppliers • evidence of the consideration of track records from the public and private sectors, showing: <ul style="list-style-type: none"> - the public sector's ability as a client to work in this way - the private sector's track record in meeting similar or equivalent business need) • indications of the types of suppliers most likely to succeed in delivering the required outcomes

2 Gate 2—Procurement Strategy Review

Areas to probe	Evidence expected
2.11 Is the contract management strategy robust?	<ul style="list-style-type: none">• contract management strategy takes account of key factors such as the required skills, proposed relationship, and management of single or multiple suppliers
2.12 Has the project team complied with the relevant procurement policies and guidelines in preparation of the tender documents?	<ul style="list-style-type: none">• evidence of the procurement process complying with the <i>Commonwealth Procurement Guidelines</i> and the agency's Chief Executive's Instructions• tender documents reviewed, and shown to be complete and containing an accurate description; for construction projects, include requirements for suppliers to provide relevant occupational health and safety information
2.13 Is the evaluation strategy (including how to demonstrate value for money) accepted by stakeholders and compliant with the <i>Commonwealth Procurement Guidelines</i> ?	<ul style="list-style-type: none">• evaluation criteria and model(s) approved by stakeholders• key evaluation criteria linked to business objectives and given appropriate weighting• separated financial and non-financial aspects of the evaluation• evaluation criteria and weightings included in tender documents• for construction projects, adherence to building code, occupational health and safety guidelines, and sustainability requirements

Gate 2—Procurement Strategy Review **2**

Review of Current Phase

Areas to probe	Evidence expected
3.1 Is the project being managed in accordance with its governance framework, stakeholder engagement plan, project plan and other critical documents?	<ul style="list-style-type: none">• the project running to schedule and costs within budget, as shown in project budget and timetable reports• a governance framework in place and the project is managed accordingly
3.2 What caused any variations such as over-runs or under-runs?	<ul style="list-style-type: none">• reconciliations made against the budget and timeframe, according to risk allowances• reconciliations supported by variance reports which explain the reasons for, and actions taken in response to, variances
3.3 What actions are necessary to prevent variations recurring in other phases?	<ul style="list-style-type: none">• show an analysis and plans in the project management documentation, which is continually reviewed and updated
3.4 Were there any assumptions made at Gate 1, or earlier reviews, that have not been verified?	<ul style="list-style-type: none">• a log of outstanding assumptions, and show plans to verify them; these should be categorised and managed as issues where applicable

2 Gate 2—Procurement Strategy Review

Risk Management

Areas to probe	Evidence expected
4.1 Are the major risks identified, understood, financially evaluated and considered in determining the procurement strategy?	<ul style="list-style-type: none"> • a log of major issues and risks • interdependencies with other projects and programmes identified • for construction projects, occupational health and safety risks identified • for IT-related projects, risks relating to IT innovation, infrastructure, security and take-up identified • each risk assessed financially and included in business case as a sensitivity or contingency • an escalation process in place for upward referral of risks • a log of issues and risks regularly reviewed by project team; evidence of appropriate action taken
4.2 Are there risk management plans in place?	<ul style="list-style-type: none"> • risk management plans for each risk, with responsibilities for managing them clearly identified and allocated; plans are approved by stakeholders • a process for the ongoing identification, allocation and management of risks, approved by stakeholders, where appropriate • a risk reporting process in place for upward referral of risks • a contingency plan, if required
4.3 Have all issues raised in previous review(s), and during the course of the project, been satisfactorily resolved?	<ul style="list-style-type: none"> • the risk management plan and issues register/log is regularly reviewed by the project team; with evidence of appropriate action taken
4.4 Are the following external issues being addressed: <ul style="list-style-type: none"> • statutory processes • communications • public relations • environmental issues? 	<ul style="list-style-type: none"> • a list of external issues and related stakeholders • an external relations plan developed and implemented as part of communications plan/strategy

Gate 2—Procurement Strategy Review 2

Readiness for Next Phase (Investment Decision)

Areas to probe	Evidence expected
5.1 Is the project plan for the remaining phases realistic?	<ul style="list-style-type: none"> • a project plan detailing clear objectives, deliverables, resourcing and milestones for the remaining phases
5.2 Are the project’s timelines reasonable?	<ul style="list-style-type: none"> • timelines likely to meet business and legislative needs • evidence that timelines have been verified with suppliers • comparisons with similar projects • relevant procurement policies and guidelines and their affect on timelines taken into account • an analysis of the effects of slippage that could affect the project or its suppliers, with a supporting sensitivity analysis
5.3 What are the arrangements for the next stage of the project? Have its activities been defined and resourced?	<ul style="list-style-type: none"> • a plan showing the roles, responsibilities, training requirements, internal and external resources, skills requirements and any project management mentoring resources available • involvement and perspectives considered from business, user and technical stakeholders • suitable/appropriate plan for the selected procurement approach, identifying all key review and decision points, and preliminary reviews, if any
5.4 Does the project have resources with the appropriate skills and experience where required?	<ul style="list-style-type: none"> • a commitment to provide the required internal and external resources • job descriptions for key project staff • a skills audit and plans for addressing shortfall, if any • project relationships such as teamwork and partnering considered, with a plan to implement them where appropriate

Gate 3—Investment
Decision Review

3 Gate 3—Investment Decision Review

Purpose of the Investment Decision Review

The Gate 2—Procurement Strategy Review considered the procurement strategy prior to inviting proposals or tenders against the fully developed requirements specification. Prior to the Gate 3—Investment Decision Review, potential suppliers and partners should have submitted their proposals or tenders, and the evaluation panel should have analysed these and recommended the proposal that offered the best value for money.

The Gate 3—Investment Decision Review should be conducted before taking the procurement action recommended by the evaluation panel. This review assesses the appropriateness of the supplier selection process, how business needs are being met and the processes in place for contract delivery. It also determines:

- how well the process has been managed;
- the approach undertaken to determining value for money is consistent with the procurement plan criteria for doing so;
- how both the agency and the supplier can implement and manage the proposed solution; and
- that processes are in place to achieve a successful outcome after contract award (or equivalent).

At this Gate, the Gateway Review Team should:

- confirm the business case and benefits realisation plan, now that firm proposals have been received;
- check that all the policy, statutory and procedural requirements were followed throughout the procurement process;
- confirm that the recommended contract decision is likely to deliver the specified outputs/outcomes on time, within budget and that value for money has been adequately assessed;
- confirm the existence of an exit strategy and arrangements for retendering;
- ensure that management controls are in place to manage the project through to completion;
- ensure there is continuing support for the project;
- confirm that the approved procurement strategy has been followed;
- confirm that the development and implementation plans of both the agency and the supplier/partner are sound and achievable;
- check that the agency has prepared for developing new business processes, where needed, and for implementing and operating new services or facilities, as well as the transition process;
- confirm that there are plans for risk management, issue management, quality management and change management (technical and business) and that these plans are shared with suppliers;

Gate 3—Investment Decision Review **3**

- confirm that technical implications of a project have been addressed; and
- confirm that the proposed procurement is within the approved financial limits.

Project Documentation Required for the Investment Decision Review

To undertake this review, the Gateway Review Team requires access to documents (including the business case) that provide:

- project management information, including:
 - strategies for managing the risks and issues, including plans and risk log showing that risks are being identified and managed
 - the plans for implementing business process change and handling changes in requirements
 - the quality management plan describing the how the quality of project deliverables will be assured
 - the service management arrangements defining service management responsibilities for the agency and supplier, service delivery procedures and supplier performance is to be measured
 - the benefits management strategy, plans and responsibilities for delivery
 - the procurement strategy
 - any operational requirements
 - the draft contract
- confirmation that the procurement strategy approved at Gate 2 Review has been followed;
- confirmation that the negotiated and agreed solution(s) remain within the original criteria;
- plans and assessments of probity throughout the procurement process;
- adequate plans from the supplier for development and implementation;
- an evaluation report containing recommendation and justification of the selected supplier and plans for debrief of unsuccessful suppliers;
- draft project plans through to completion and detailed plans for the next stage;
- a project timetable proposed by suppliers as part of their tender;
- an updated communications plan; and
- confirmation of adequate financing and budget, and authority to proceed.

Documents containing this, and other information deemed relevant by the Gateway Review Team, will be requested at the Planning Meeting or during the course of the review.

3 Gate 3—Investment Decision Review

Areas to be Considered in the Gate 3—Investment Decision Review

This section contains topics that would commonly be considered when conducting a Gate 3—Investment Decision Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. The teams may determine that additional topics are considered critical to the assessment of the project.

Business Case and Stakeholders

Areas to probe	Evidence expected
1.1 Is the project still required?	<ul style="list-style-type: none">• confirmation that the project still aligns with strategic objectives, including government/agency objectives• confirmation that external factors or findings from the procurement process have not affected current priorities
1.2 Are the requirements of the business case complete?	<ul style="list-style-type: none">• a reassessment of the business case requirements, including strategic, economic, financial, commercial and project management factors• an updated business case if required
1.3 Does the recommended way forward meet the business need?	<ul style="list-style-type: none">• key objectives revisited against final tender and proposed solution
1.4 Has the most appropriate option been selected?	<ul style="list-style-type: none">• a cost-benefit and risk analysis against final bid information and results of evaluation, including sensitivity analysis• the preferred option complies with the requirements/specifications and meets evaluation criteria
1.5 Does the commercial arrangement represent value for money, with an appropriate level of quality over the whole life of the project?	<ul style="list-style-type: none">• market assessment, other agency benchmarks and previous experience• results of evaluation, demonstrating how value for money is achieved• an assessment of the supplier's funding arrangements, if appropriate• if a PPP arrangement is proposed, PPP guidelines should have been addressed
1.6 Is the agency realistic about its ability to manage the change?	<ul style="list-style-type: none">• a documented understanding of cultural implications, where appropriate• comparison with other similar projects

Gate 3—Investment Decision Review 3

Areas to probe	Evidence expected
1.7 Does the business case still demonstrate affordability when incorporating the proposal?	<ul style="list-style-type: none"> • an updated business case incorporating bid information, including: <ul style="list-style-type: none"> - changes from established budget - returns and value recalculated with a new benefits plan - costs compared with budget and pre-tender estimates
1.8 Is there an agreed plan for the realisation of anticipated benefits?	<ul style="list-style-type: none"> • a benefits management strategy and plans, including: <ul style="list-style-type: none"> - critical success factors - a list of the individuals responsible for delivering and achieving benefits identified - the agreed process for measuring benefit - a post-implementation review plan identifying areas to be assessed - payment mechanisms linked to benefits realisation, where appropriate
1.9 Have suitable stakeholders been involved and, if so, what has been their involvement?	<ul style="list-style-type: none"> • involvement of stakeholders and business or user representatives in the quality and proposal reviews • stakeholder representation on the evaluation team • approval by the Project Steering Committee and Senior Responsible Official

Assessment of the Proposed Solution

Areas to probe	Evidence expected
2.1 Does the proposed solution still meet the business needs and government and agency objectives?	<ul style="list-style-type: none"> • the recommended bid fully complies with all requirements • documented consultation with stakeholders during evaluation
2.2 Have the suppliers proposed any alternatives or other options in addition to a fully compliant bid?	<ul style="list-style-type: none"> • an assessment of options showing how they are beneficial to the project's outputs/outcomes and are still within the scope of the tender documents

3 Gate 3—Investment Decision Review

Areas to probe	Evidence expected
2.3 Will the proposed bid deliver the business need described in the business case?	<ul style="list-style-type: none"> • an analysis showing: <ul style="list-style-type: none"> - the proposal is defined in terms of the required outcomes - the business can achieve the necessary organisational and business process changes - the proposed services and service levels as defined in the contract will meet the agreed business requirements
2.4 Has the proposed solution affected the strategy for business change?	<ul style="list-style-type: none"> • an updated plan for managing the business change on the basis of the proposed solution, which is agreed by Project Steering Committee, Senior Responsible Official • an analysis of differences to the original plan
2.5 Has the proposed solution affected the expectations of business benefits?	<ul style="list-style-type: none"> • an updated plan for benefit realisation and benefit profiles • an analysis of differences to the original position • changes documented and agreed with users and stakeholders
2.6 Are the agency and supplier prepared for the development (where there are new systems and processes), implementation, transition and operation of any new services?	<ul style="list-style-type: none"> • the proposed supplier’s development and implementation plans are included in the bid and presented to the appropriate agency endorsement bodies • the agency’s implementation plan is agreed by users (or their representatives, if the end-users are members of the public at large) and stakeholders
2.7 Are there plans and processes to address future issues, both business and technical?	<ul style="list-style-type: none"> • a strategy for managing change is agreed by all parties, including the supplier

Gate 3—Investment Decision Review 3

Areas to probe	Evidence expected
2.8 Is there clear allocation and understanding of responsibilities between all parties, in addition to any contractual obligations?	<ul style="list-style-type: none"> • responsibilities defined and allocated among the agency, the supplier organisation and personnel • for cross-portfolio projects, a Memorandum of Understanding (or equivalent), defining responsibilities, relationships and interaction between agencies • has the agency identified internal relationships and interaction describing 'who does what' with the supplier? • has the supplier stated reciprocal arrangements, including senior management roles? • if a single supplier, how they will manage their supply chain? • if multiple suppliers, how the agency will manage the interaction? • evidence that the agency and supply team will work together as an integrated project team • evidence that an exit strategy exists
2.9 Are resources available for the supplier to fulfil its obligations within the contract?	<ul style="list-style-type: none"> • a plan for implementing the new contract, identifying the quantity, type and quality of resources required • formal management acceptance of resource requirements
2.10 Have the technical implications been assessed?	<ul style="list-style-type: none"> • evidence demonstrating that the proposal is technically acceptable and has considered relevant implications such as sustainability and legacy systems etc.
2.11 Does the project have resources with the appropriate skills and experience to achieve the intended outcomes of the investment?	<ul style="list-style-type: none"> • plans for building client capability, with nominated staff allocated to the major roles • internal and external commitment to provide the resources required • job descriptions for key project staff • a skills appraisal undertaken, with plans for addressing shortfalls, if any
2.12 Is the proposed procurement within financial approvals and is there adequate budget to accommodate the procurement?	<ul style="list-style-type: none"> • documentation confirming that required financial approvals exist • documentation detailing the required budget and timing of milestone payments, referring to the relevant budget measure

3 Gate 3—Investment Decision Review

Review of Current Phase

	Areas to probe	Evidence expected
3.1	Is the project under control? (i.e. running to plan and budget)	<ul style="list-style-type: none"> project running to schedule and cost within budget project governance structures fulfilling their roles and actively overseeing the project
3.2	What caused any variations?	<ul style="list-style-type: none"> reconciliations against budget and timetable advice provided to the Project Steering Committee or Senior Responsible Official, where appropriate
3.3	What actions are necessary to prevent variations recurring in other phases?	<ul style="list-style-type: none"> the analysis and plans are included in project documentation; documentation is continually updated and reviewed
3.4	Have all the assumptions from Gate 0, 1 and 2 reviews been validated?	<ul style="list-style-type: none"> validation of all assumptions. Those that cannot be validated should be: <ul style="list-style-type: none"> - stated in the risk management plan/issue register - assessed - discussed with potential suppliers
3.5	Have all the required agency procurement and technical checks been undertaken?	<ul style="list-style-type: none"> tender management review and approval processes compliance with the relevant Chief Executive Instructions, procurement policies and operational guidelines the evaluation strategy, underpinning models and criteria have been followed demonstration of compliance with statutory requirements (e.g. planning and building regulations)
3.6	Did the project team follow the planned steps in the procurement strategy?	<ul style="list-style-type: none"> documentation confirming that the activities and processes in the procurement strategy and plan have been followed
3.7	Has the procurement process adequately managed probity?	<ul style="list-style-type: none"> evidence of compliance with a probity management plan or agency probity processes sign-off by a probity auditor (where appropriate)

Gate 3—Investment Decision Review **3**

Risk Management

	Areas to probe	Evidence expected
4.1	Are risk and issue management plans up to date?	<ul style="list-style-type: none"> the risk management plan and the issue register/log are regularly reviewed, updated and acted on
4.2	Have all major risks that arose during this stage been resolved?	<ul style="list-style-type: none"> the updated risk management plan and risk register contains appropriate methods for dealing with risks all risk issues assigned and dealt with by specified team members
4.3	Are there arrangements to minimise risks to the business in the event of major problems during implementation and rollout?	<ul style="list-style-type: none"> a business continuity and contingency approach agreed with stakeholders and suppliers business or agency continuity and contingency plans under development an assessment of the supplier's continuity and contingency plans
4.4	Does the contract reflect the standard terms and conditions and (where applicable) the required level of risk transfer?	<ul style="list-style-type: none"> contracts comply with standard terms and conditions any changes to standard terms and conditions are assessed for their effect, legality and acceptability analysis of risk determined by the supplier versus the expected or the original assessment of risk for the project by the project team
4.5	For longer term partnering contracts, have the re-tendering issues been considered?	<ul style="list-style-type: none"> an exit strategy for the end of the contract, containing appropriate review points over the life of the contract to update these arrangements

Readiness for Next Phase (Readiness for Service)

	Areas to probe	Evidence expected
5.1	Is the working relationship likely to succeed?	<ul style="list-style-type: none"> a realistic assessment of management style/behaviours of agency and supplier reporting arrangements identified at appropriate levels of agency and supplier plans for integrating the project team, where appropriate

3 Gate 3—Investment Decision Review

Areas to probe	Evidence expected
5.2 Are all resources and internal funds in place?	<ul style="list-style-type: none"> • budget provision (including provision for future years) • the provision of human resources is agreed • an authorisation/approval process for payments to suppliers • a process for expenditure reporting and reconciliation
5.3 Are the supplier's project, risk and management plans adequate and realistic?	<ul style="list-style-type: none"> • confirmation that the supplier's project plan meets timeframes for achieving the outcome of the investment • supplier has insurances • the supplier has realistic implementation and risk management plans
5.4 Does the agency's plan reflect the supplier's plans?	<ul style="list-style-type: none"> • the updated project management plan reflects tender proposals • personnel and responsibilities have been defined and organised on the agency side • supplier's personnel have been vetted to meet project requirements • a process exists for resolving issues, and is agreed with supplier • evidence that all plans have been reviewed, agreed and included in the contract
5.5 Are the long-term contract, administration plan and performance measurement process complete?	<ul style="list-style-type: none"> • a long-term plan with a contract management strategy and a detailed service delivery plan exists • key performance measures agreed with supplier • an analysis of the project plan showing that resource requirements are identified, planned, budgeted and available when required • required resources and sourcing identified • defined roles and responsibilities
5.6 Are all mechanisms and processes for the next phase in place?	<ul style="list-style-type: none"> • the project plan confirms arrangements for management, monitoring, transition and implementation

Gate 3—Investment Decision Review **3**

Areas to probe	Evidence expected
5.7 Are the service management plan, administration and service level arrangements complete?	<ul style="list-style-type: none"> • a documented service management strategy and plan for the agency • defined and agreed service level management, service levels, service quality and measurement between the agency and supplier • responsibilities for each party agreed • defined and agreed standards for services • defined and agreed monitoring, reporting and review mechanism
5.8 Is the management process for service change complete?	<ul style="list-style-type: none"> • change control procedures (both technical and business) defined, agreed and included in the contract • management process and responsibilities are defined and agreed
5.9 Is there an acceptance strategy or commissioning strategy, as applicable?	<ul style="list-style-type: none"> • an acceptance/commissioning strategy and plan exist with fully documented and timetabled decision paths • decision-makers are clearly identified and informed about their role in acceptance • the acceptance criteria is agreed with supplier • a validated acceptance testing plan, including technical and business components
5.10 Is there an implementation strategy?	<ul style="list-style-type: none"> • an implementation strategy and plan exist • users, stakeholders and the agency's business management are involved in developing the strategy • where applicable, plans for transition to new ways of working

Gate 4—Readiness
for Service Review

4 Gate 4—Readiness for Service Review

Purpose of the Readiness for Service Review

The Gate 3 – Investment Decision Review covered the activity leading up to contract; including the assessment of the process for arriving at the procurement decision prior to commitment. Once the investment decision has been executed, the project can be delivered in accordance with the business requirement specifications.

The Gate 4—Readiness for Service Review determines:

- that the solution is robust before delivery;
- how ready the agency is to implement the business changes that occur before and after delivery; and
- that there is a basis for evaluating ongoing performance.

For infrastructure projects, this review takes place as soon as practical (preferably before commissioning), to take advantage of the availability of the procurement team. For IT-supported business change, this review takes place after all testing has been completed, including business integration and assurance testing, and before roll-out or release into production.

At this Gate, the Gateway Review Team should:

- check that the contractual arrangements are up to date, and that the current phase of the contract is properly completed and documented;
- confirm that there are plans for managing the working relationship with the supplier, with agreement at appropriate levels;
- confirm that all parties have agreed plans for managing risks;
- check that risks and issues are being managed effectively and do not threaten implementation, and evaluate the risk of proceeding with the implementation, if there are any unresolved issues;
- confirm that commissioning plans have been developed and that they identify and address key areas such as business integration, change management and business continuity management. Agencies should refer to internal policies and industry best practice in preparing these plans;
- check that the commissioning plans have been assessed for risks, affordability and robustness;
- confirm that the business process changes are being implemented;
- confirm that agency and supplier implementation plans are still achievable;
- confirm the business has the necessary resources and is ready to implement the services and the business process change(s);
- confirm that there are management and organisational controls to manage the project through implementation and operation;

Gate 4—Readiness for Service Review 4

- confirm that all parties have agreed plans for training, communication, roll-out, production, release and support;
- confirm that any required testing (e.g. commissioning of buildings, business integration and user acceptance testing) is done to the end-user's satisfaction and that the project's Senior Responsible Official is ready to approve implementation;
- check that there are feasible and tested contingency and exit arrangements;
- confirm that defects or incomplete works are identified and recorded;
- check that the business case is still valid and unaffected by internal and external events or changes, and that the original projected business benefit is likely to be achieved;
- check that lessons for future projects are identified, recorded and are proposed for dissemination; and
- ensure processes and procedures are in place to ensure the long-term success of the project.

Project Documentation Required for the Readiness for Service Review

To undertake the review, the Gateway Review Team requires access to:

- an updated requirements definition, with any changes agreed during the period up to Gate 3 Review;
- an updated business case and plans for benefits realisation which reflect the effect of any requirements changes, and the plans for service delivery;
- a plan for performance measurement;
- a risk management plan;
- a benefits management plan;
- close-out (if the project ends at implementation and a new one begins) and status reports and reconciliations for;
 - cost versus budget
 - actual versus planned schedule
 - risk management
 - communication and external relations
 - environmental performance
 - adherence to statutory requirements
- the updated contract;
- an assessment of contractual issues during the project to date;
- details of any facilities not provided to the required specification and any missing or deficient items, with agreed plans for addressing any outstanding issues;
- draft project plans through to the completion stage and detailed plans for the next stage;
- a test plan and test reports;
- progress reports on development and construction;

4 Gate 4—Readiness for Service Review

- updated risk and issues logs, including residual risks;
- updated contingency and reversion plans;
- the plan for managing change, including expected changes to requirements over time;
- an updated occupational health and safety file, for construction projects;
- records of building site visits;
- updated contingency and reversion plan and information assurance documentation (accreditation), for IT-enabled projects;
- lessons learnt during the project (if the project ends at implementation); and
- operational and maintenance instructions and warranties.

Documents containing this, and other information deemed relevant by the Gateway Review Team, will be requested at the Planning Meeting or during the course of the review.

Areas to be Considered in the Readiness for Service Review

This section contains topics that would commonly be considered when conducting a Gate 4—Readiness for Service Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. The teams may determine that additional topics are considered critical to the assessment of the project.

Gate 4—Readiness for Service Review 4

Business Case and Stakeholders

Areas to probe	Evidence expected
1.1 Is the project still required?	<ul style="list-style-type: none"> • approval of changes to requirement defined at Gate 3 Review (Investment Decision), which remain within the scope of the original tender specifications • reconfirmation with stakeholders • Project Steering Committee endorsement of: <ul style="list-style-type: none"> - updated business case and benefits plans - reviews with evidence of the solution against the requirement - where appropriate, a review of the supplier's IT solution for its effect on the business change programme - reconciliation of current government and agency objectives with those defined at Gate 3 Review (Investment Decision) - plans for modular/incremental implementation, where required
1.2 Does the project still meet the business needs and objectives of the relevant users and stakeholders (i.e. government departments, interest groups etc.)?	<ul style="list-style-type: none"> • confirmation that the operational service or facility is approved by stakeholders
1.3 Is the business case still valid?	<ul style="list-style-type: none"> • an updated project plan and business case justifying implementation with evidence that the deliverable(s) are: <ul style="list-style-type: none"> - likely to meet the business need - likely to deliver value for money - affordable - achievable, with implementation broken down into modules/increments where appropriate

4 Gate 4—Readiness for Service Review

Areas to probe	Evidence expected
1.4 Are there any changes between contract execution and completion of transition/testing stages that affect the business change programme?	<ul style="list-style-type: none">• change management documentation exists for:<ul style="list-style-type: none">- the impact analysis- products, design or operational changes- justified and approved changes• an updated business case and benefit plan for the business change• updated processes, procedures and activities
1.5 Is the agency ready for business change?	<ul style="list-style-type: none">• agreed plans for business preparation, transition and operational phases and, where appropriate, for information and communications technology• communications plan• informed and trained staff
1.6 Can the organisation implement the new services whilst maintaining existing services?	<ul style="list-style-type: none">• a resource plan, showing:<ul style="list-style-type: none">- capacity and capability- that resources are available to meet commitments
1.7 Are there appropriately skilled and experienced staff available?	<ul style="list-style-type: none">• internal and external commitment to provide the staff required• job descriptions for key project staff• skills appraisal and plans for addressing any shortfalls

Gate 4—Readiness for Service Review 4

Review of Current Phase

Areas to probe	Evidence expected
2.1 Do the products and/or services delivered meet the acceptance criteria?	<ul style="list-style-type: none"> • justification and authorisation of any changes to original specification (Gate 3 Review) • analysis of products and/or services to show how the solution complies with acceptance criteria
2.2 Is the project under control (i.e. running to plan and budget)?	<ul style="list-style-type: none"> • reconciliations of cost with budget and actual with planned schedule • updated risk and issue logs, apart from commissioning issues • status reports for communication and external relations activities • reports on environmental performance, where applicable • compliance with statutory requirements (e.g. occupational health and safety, data protection) • contractual issues resolved and recorded
2.3 Have all the stakeholder issues been addressed?	<ul style="list-style-type: none"> • progress reports completed detailing resolution of issues, and circulated as part of the communication plan for stakeholder information
2.4 Are all testing and commissioning/ acceptance (or transition) procedures complete?	<ul style="list-style-type: none"> • commissioning/testing team with relevant skills and experience • commissioning/testing plans, results and analyses of products and/or services against acceptance criteria • ratified test reports and logs • confirmed 'end-to-end' testing, including changed or new business processes • testing, taking into account future modules or deliveries • there are missing or incomplete items; agreed corrective action is documented • for IT-enabled projects, information assurance tests
2.5 Have all parties accepted the commissioning/test results and any required action plans?	<ul style="list-style-type: none"> • evidence of acceptance of plans, procedures and results by supplier and agency

4 Gate 4—Readiness for Service Review

Areas to probe	Evidence expected
2.6 Are there workable and tested contingency and back-out plans for roll-out, implementation and operation?	<ul style="list-style-type: none">• a fully documented approach with timetables, for key aspects and events, for example, IT components and decisions about roll-out• decision-makers should be informed and clearly identified in the documentation• roles and responsibilities listed; resources allocated and staff trained• commissioning/testing represented the expected scenario(s)• plans for the transition to new ways of working, where applicable• plans for handover to facilities management, where applicable• training plans and relevant supporting material, if required
2.7 Have the supplier and all internal and external parties agreed on the implementation plans? These could include: <ul style="list-style-type: none">• management of change• migration and data transfer• client and supplier implementation• roll-out• post-implementation review.	<ul style="list-style-type: none">• all required plans in the contract• all parties, or their representatives, are aware of their responsibilities and have agreed to them
2.8 Have any changes to the contract been previously forecast, accurately recorded and approved?	<ul style="list-style-type: none">• the contract documentation shows appropriate authority for all changes since the awarding of the contract, including rationale for the change
2.9 Is there a training plan and curriculum?	<ul style="list-style-type: none">• training plans and relevant supporting material

Risk Management

Areas to probe	Evidence expected
<p>3.1 Have the risks and issues that arose in the awarding of the contract award and implementation phase been properly managed?</p>	<ul style="list-style-type: none"> • risks resolved—no outstanding issues • any remaining risks are associated only with commissioning and service delivery; these risks must be fully quantified, with suitable risk management plans
<p>3.2 If there are unresolved issues, what are the risks of implementing rather than delaying?</p>	<ul style="list-style-type: none"> • an assessment of all remaining issues and risks, with responsibility for management of residual risks clearly defined • an evaluation report on the risk and effect of cancelling, delaying or proceeding with implementation that considers: <ul style="list-style-type: none"> - the project outcome and wider programme of change - benefits realisation - the consequences for supplier, client, business, stakeholders, users etc. • options and management plans for all scenarios, and a recommendation based on the sensitivity analysis • appropriate process followed, through project governance mechanisms, for any recommendation to delay or proceed with implementation

4 Gate 4—Readiness for Service Review

Readiness for Next Phase (Benefits Realisation)

Areas to probe	Evidence expected
4.1 Are all project elements ready for service?	<ul style="list-style-type: none">• updated schedules• occupational health and safety file• handover certificates• testing and commissioning data• plans for transition in place• plans for 'operate contract'/service phase available• business continuity and contingency plans in place, if required• technical documentation available, including:<ul style="list-style-type: none">- drawings- operating manuals- maintenance manuals- instructions- information assurance documentation
4.2 Is the agency ready to adopt new ways of working, where applicable?	<ul style="list-style-type: none">• new business processes have been thoroughly worked out, tested and are ready to be implemented• information and support is available (e.g. client information at call centres)• where applicable, members of the public/end-users are aware of the new service and can obtain further information
4.3 Is the long-term contract management process in place?	<ul style="list-style-type: none">• detailed and aligned plans, roles, responsibilities and organisation in place for client and supplier, with reporting arrangements at appropriate levels• an appropriate number of suitably qualified staff are appointed by client and supplier, with continuity planned, skills appraised and plans made for addressing shortfalls, if any• staff managing the contract are aware of and trained for their contract management role; they are familiar with the contract's aims and purpose• plans for managing<ul style="list-style-type: none">- service delivery- changes to the contract- the relationship with the supplier

Gate 4—Readiness for Service Review 4

Areas to probe	Evidence expected
4.4 Is there a process to manage and measure performance?	<ul style="list-style-type: none"> • performance management plans in place • the performance enhancement process is agreed with the service provider and documented in the contract before awarding of the contract • the means of measuring performance is agreed with the service provider/partner
4.5 Is there a process to manage, measure and report benefits?	<ul style="list-style-type: none"> • benefits management plans are in place, linked to intended project outcomes, where applicable • means of measuring benefits are agreed with the service provider/partner • reporting lines are clear, with stakeholder involvement clarified • for collaborative projects, all parties understand and agree to their responsibilities and arrangements for benefits realisation
4.6 Have ongoing operation and maintenance been considered in detail?	<ul style="list-style-type: none"> • issues and ongoing costs relating to maintenance (buildings, physical and/or IT infrastructure and applications as appropriate) are addressed and monitored against expectations
4.7 Is there a process for post-implementation reviews?	<ul style="list-style-type: none"> • plans for post-implementation reviews are endorsed by the supplier and internal and external stakeholders

Gate 5—Benefits
Realisation Review

5 Gate 5—Benefits Realisation Review

Purpose of the Benefits Realisation Review

The Gate 4—Readiness for Service Review assessed whether the solution was robust before delivery, and that the agency was ready for the implementation and had a basis for evaluating ongoing performance.

A Gate 5—Benefits Realisation Review is not a post-implementation review. It takes place after the agency has carried out a post-implementation review or similar major review. It makes use of findings from that internal review, together with an assessment of organisational learning, as evidence of good practice but may or may not include a full review of plans for the future.

The Gate 5—Benefits Realisation Review focuses on ensuring that the project delivered the benefits and value for money identified in the business case and benefits realisation plans. It should be held six to twelve months after commissioning of the product(s) or introduction of the service, when evidence of the benefits are available.

The scope and frequency of Gate 5 reviews will vary depending on the project and contract characteristics. A single Gate 5 review should be enough for most projects. For long-term contracts there should be a Gate 5 review every two to three years in accordance with the project plan schedule.

At this Gate, the Gateway Review Team should:

- assess whether the business case for the project at Gate 3 and Gate 4 was realistic;
- assess whether the anticipated benefits are being delivered;
- confirm that the responsible agency or supplier continue to have the necessary resources to successfully manage the contract;
- confirm continuity of key personnel involved in contract management roles;
- assess the ongoing requirement for the contract to meet the business need. Ensure that if circumstances have changed, the service delivery and contract are adapting to the new situation. Changing circumstances could affect partner, relationship, service, change, contract, benefits and performance management;
- where changes have been agreed, ensure they do not compromise the original contract;
- ensure there is ongoing contract development to improve value for money;
- assess the application of the contract management procedures to date to manage the contract;
- confirm that there are plans to manage the contract to its conclusion;
- assess lessons learnt and methodology for sharing these with peers within the agency and across government; and
- confirm the validity of the exit strategy and arrangements for retendering, where applicable.

Project Documentation Required for the Benefits Realisation Review

To undertake the review, the Gateway Review Team requires access to documents that provide:

- an updated business case that reflects actual operating conditions, compared with the business case reviewed at the Gate 4 Review (Readiness for Service);
- report on the findings of any post-implementation reviews (or equivalent major post-project reviews);
- an assessment of the benefits delivered to date and expectations for the future;
- a summary of contract changes since the Gate 4 review;
- plans for contract and service improvement;
- resources, skills appraisals and personnel plans to continue managing the contract;
- reports on stakeholder issues;
- plans for disposal of any assets at the end of the contract (for example resources, buildings, staff, intellectual property rights);
- adherence to building code, occupational health and safety, and sustainability requirements, for construction projects;
- adherence to security documents, for IT-enabled projects;
- contract management reports; and
- project records regarding change and dispute management.

Documents containing this, and other information deemed relevant by the Gateway Review Team, will be requested at the Planning Meeting or during the course of the review.

Areas to be Considered in the Benefits Realisation Review

This section contains topics that would commonly be considered when conducting a Gate 5—Benefits Realisation Review. Gateway Review Teams are expected to use their own expertise in determining the relevance and appropriateness of these topics for the specific project under review. The teams may determine that additional topics are considered critical to the assessment of the project.

5 Gate 5—Benefits Realisation Review

Business Case and Benefits Management

Areas to probe	Evidence expected
1.1 Is the business case still valid?	<ul style="list-style-type: none">• confirmation that the business case still fits with the strategic objectives priorities of the agency• is the business case still achievable and affordable• confirmation of ongoing stakeholder commitment
1.2 Have the business benefits been realised as set out in the business case? Did the agency achieve other benefits?	<ul style="list-style-type: none">• findings from the post-implementation review, or the post-project review or equivalent major review, including:<ul style="list-style-type: none">- evidence that the project's success criteria was met- project performance criteria and key performance indicators met or exceeded- total project value targets achieved• contribution to programme/project benefits (as appropriate) and strategic outcomes tracked• updated business and benefits realisation plans are compared to the Gate 3—Investment Decision Review and the Gate 4—Readiness for Service Review• assessment of benefits in current operating regime using the benefits measurement basis defined in the Gate 4 Review• anticipated future benefits
1.3 Have the needs of the business and/or end-users changed?	<ul style="list-style-type: none">• a comparison of current business and end-user needs with those identified in the Gate 3 and 4 Reviews• periodic reviews of business and end-user needs and a projection of future changes
1.4 Have all the stakeholder issues been addressed? These include: <ul style="list-style-type: none">• the statutory process• communications• external relations• environmental issues• personnel.	<ul style="list-style-type: none">• an updated stakeholder management plan• an updated communications plan

Gate 5—Benefits Realisation Review 5

Review of Operating Phase

Areas to probe	Evidence expected
2.1 Is the service/facility operating to defined parameters?	<ul style="list-style-type: none"> • documented operating parameters, updated as needs change • updated service level agreements, where applicable • service delivery is measured against defined parameters • evidence to show that the measures used to address poor or non-performance are effective • the facility is safe to operate and maintain • sustainability targets are met or exceeded • client/stakeholder satisfaction and experiences are assessed
2.2 Have the project documentation, training material and training program been delivered and kept up to date?	<ul style="list-style-type: none"> • new staff trained and existing staff updated • there is no backlog of training material to be updated • responsibilities for updating training material and documentation defined • the occupational health and safety record updated as required
2.3 Are the contractual relationships satisfactory?	<ul style="list-style-type: none"> • project records demonstrating effective contract management procedures • supplier and client staff who are enthusiastic, mutually respectful and united in their objectives • improvements to the contract • regular reviews between supplier and client • action plans • measurement of contract improvements • reports on work done and plans for expected work
2.4 Are there plans for continued contract management?	<ul style="list-style-type: none"> • ongoing forward resource plans, as required • succession planning for key roles • skills appraisal and plans for addressing shortfalls

5 Gate 5—Benefits Realisation Review

Areas to probe	Evidence expected
2.5 Are plans for ongoing risk management up to date?	<ul style="list-style-type: none"> • an updated risk register, risk reporting and management • business continuity/contingency plans are updated as required • occupational health and safety aspects considered
2.6 Have the contract management procedures been successful to date?	<ul style="list-style-type: none"> • contract management reports, which demonstrate successful project implementation • project documentation should record plans for change management and dispute management

Plans for Ongoing Improvements in Value for Money

Areas to probe	Evidence expected
3.1 What is the scope for improved value for money? <ul style="list-style-type: none"> • Can more be done for less? • Could the provider deliver better service quality at the same price? • Can maintenance costs be reduced? 	<ul style="list-style-type: none"> • an analysis of value for money to date against scenarios for future service use • commercial intelligence about the supplier's track record on other projects and/or comparison with supplier's offering similar services • details of efficiency gains, both expected and achieved
3.2 Has the agency benchmarked its contract-related processes by comparing them with other equivalent organisations involved in similar relationships?	<ul style="list-style-type: none"> • benchmarking assessments of processes such as: <ul style="list-style-type: none"> - demand management - service planning and development - service quality - investment decisions/project justification - benefits management

Areas to probe	Evidence expected
<p>3.3 Are commercial mechanisms providing appropriate incentives?</p>	<ul style="list-style-type: none"> • evidence could include: <ul style="list-style-type: none"> - payments to the provider are dependant on benefits derived from implementing a particular programme of change - the provider has incentives to deliver and to ensure that individual investments are well planned, achievable and will deliver value - a clear business case with robust benefits identified on each occasion - target incentive mechanisms, where work is task-based - the provider is given incentives to submit optimum resource estimates for a task, with equitable sharing of risks and benefits, between the agency and supplier, in exceeding or undercutting those original estimates

5 Gate 5—Benefits Realisation Review

Plans for Ongoing Improvements in Performance

Areas to probe	Evidence expected
4.1 Is the agency setting realistic targets for continuous improvement year-on-year from this service?	<ul style="list-style-type: none"> • understanding and use of key techniques such as Balanced Scorecard, ongoing stakeholder analysis, benchmarking etc.
4.2 Is the agency tracking its progression to improved performance and the flow of results through key milestones and the business planning cycle?	<ul style="list-style-type: none"> • documented performance information which is clearly linked to planned outcomes and enables ready assessment of effectiveness, efficiency and service quality • core sets of performance information that meet multiple purposes, are consistent and complementary • ongoing assessment of the appropriateness of performance information • responsibilities for performance management are defined and understood by the agency and supplier • direct links exist between planning and results • ongoing monitoring of performance and periodic evaluation • integration with corporate and business planning • consistency with the principles set out in the operational strategies of the business
4.3 Does the agency have performance measures to cover all aspects of the contract?	<ul style="list-style-type: none"> • performance measures relating to: <ul style="list-style-type: none"> - cost and value obtained - performance and client satisfaction - delivery improvement and added value - delivery capability - benefits realised - relationship strength and responsiveness
4.4 Do the performance measures selected offer clear and demonstrable evidence of the success (or otherwise) of the contract?	<ul style="list-style-type: none"> • performance measures chosen: <ul style="list-style-type: none"> - are meaningful and visible to an agency's management group - are properly reflect user and stakeholder perceptions - can be used to identify the need for support or remedial action as part of contract management activity

Areas to probe	Evidence expected
4.5 Are performance measures related to delivery or capability improvement tracked against an existing baseline?	<ul style="list-style-type: none"> • a baseline is established in the business case for the contract • performance measures are tracked against that baseline
4.6 Are there performance assessment measures for: <ul style="list-style-type: none"> • ongoing service delivery • the desired results of individual programmes of change or improvement, the implementation of projects • the overall results or effect of the deal? What does the agency want to have achieved by the end of the contract period? 	<ul style="list-style-type: none"> • service level agreement approaches and related measures • investment appraisal and benefits management techniques are constructed on a case-by-case basis • objectives identified during project scoping and in preliminary business analysis activity; they should be rooted in the organisation's long-term business strategy • for construction projects, evidence that user satisfaction has been or will be monitored as required

Readiness for the Future

Areas to probe	Evidence expected
5.1 Is there an ongoing need for the service?	<ul style="list-style-type: none"> • an updated business case, linked to the current business strategy
5.2 If the service will be needed in the future, what is its likely scope?	<ul style="list-style-type: none"> • the options appraisal to include some or all of the following: <ul style="list-style-type: none"> - 'do nothing' - retain the scope of the existing contract - split the scope of the existing contract - broaden the scope of the existing contract - completely rethink the requirement for the contract - consider single/multiple sources of supply - combine new services with similar/complementary services

5 Gate 5—Benefits Realisation Review

Areas to probe	Evidence expected
<p>5.3 Are there any major issues with the current contract that could affect the approach to retendering the service? Factors to consider include:</p> <ul style="list-style-type: none">• the range of services—could the provider cope with the range of services provided or were there significant weaknesses?• the flexibility of the contract—how adaptable was the relationship to both foreseen and unexpected changes in the nature and level of demand?• clients' reaction and adjustment to outsourcing—how well did users adapt to services provided by a third party? Was management confident that the provider could be relied on to provide the service? Is the organisation now ready for a greater dependence on outsourcing?• an exit strategy—will the retendering be straightforward or is there a danger the client is now 'locked in'? Have agreements been made to ensure the handover is as smooth as possible?• the benefits and costs of delivering the service through alternative delivery models (for example, using in-house sourcing)	<ul style="list-style-type: none">• an updated risk management plan and issue register/log• exception reporting from regular client/provider progress meetings• reports from contract and service management functions• an exit strategy and details of handover arrangements

Review of Organisational Learning and Maturity Targets

Areas to probe	Evidence expected
6.1 Does the agency have a well-defined and effective process implemented for identifying lessons learnt from the project, embedding them internally and sharing them across government?	<ul style="list-style-type: none"> • a mechanism for capturing and recording the initial data • an internal evaluation of lessons learnt • mechanisms and policy for making information available within and outside the organisation • a process for providing feedback to agency project teams • feedback into the business case • agency staff participation in knowledge-sharing forums
6.2 Has there been a review of how well the project was managed?	<ul style="list-style-type: none"> • evidence of a formal review at project closure
6.3 Are suppliers encouraged to learn from experience?	<ul style="list-style-type: none"> • incentives for suppliers to improve project delivery • a commitment to long-term relationships with integrated project teams

SAMPLE

Sample Gateway
Review Report

S Gate 5—Benefits Realisation Review

This section contains a sample report for a Gate 1—Business Case Review, to provide a general understanding of the nature of Gateway Review Reports.

The sample is based, in part, on an actual Australian Government project, with content added to provide an example of the nature and depth of a Gateway Review Report.

The Gateway Unit provides templates to Gateway Review Teams to prepare Gateway Review Reports for specific Gates.

SAMPLE

Gateway Review Report: Gate 1—Business Case Review

For Aviation Licensing, Training and
Information Technology Upgrade
Development Project

NOTE:

This document is a sample report for a Gate 1—Business Case Review, to provide a general understanding of the nature of Gateway Review Reports. The sample is broadly based on an actual Australian Government project, with content added to provide an example of the nature and depth of a Gateway Review Report.

S Gate 5—Benefits Realisation Review

GATEWAY REVIEW REPORT DETAILS

Gate 1: Business Case Review

Agency Name:	Australian Aviation Licensing Authority
Project Name:	Aviation Licensing, Training and Information Technology Upgrade Development Project (ALTITUDE Project)
Senior Responsible Official:	John Smith Deputy Secretary Technology and Training Australian Aviation Licensing Authority
Planning Meeting Date:	27 April 2005
Onsite Review Dates:	16-20 May 2005
Date of Issue of Final Report:	20 May 2005
Review Team Leader:	Mary Jones
Review Team Members:	Peter Schmidt Louise Jonah

This report has been prepared in accordance with the Australian Government's Gateway Review Process (Gateway) methodology as set out in the *Guidance on the Gateway Review Process—A Project Assurance Methodology for the Australian Government*. The report summarises the findings and recommendations of the Gateway Review Team, based on an assessment against the criteria documented in the *Gateway Review Process—A Handbook for Conducting Gateway Reviews*.

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Contents

INTRODUCTION	94
Review Approach	94
Project Description	94
Review Conclusion	95
FINDINGS AND RECOMMENDATIONS	97
Previous Gateway Review	97
Business Case Review	98
Business Case	98
Project Governance and Planning	99
Stakeholders	100
Risk Management	100
Readiness for Next Phase (Procurement Strategy)	101
APPENDIX A: GATE 1 REVIEW - PURPOSE AND CONTEXT	102
APPENDIX B: LIST OF INTERVIEWEES	104
APPENDIX C: LIST OF DOCUMENTS REVIEWED	105

S Gate 5—Benefits Realisation Review

INTRODUCTION

Review Approach

The Gate 1—Business Case Review focuses on the robustness of the project's business case to provide assurance to the agency undertaking the project, through the nominated Senior Responsible Official (SRO), that the proposed approach to meeting the business requirement has been adequately assessed and can be delivered within the timeframe and resources provided.

In order to form an opinion in relation to this Review, the Gateway Review Team applied the Gateway methodology, interviewed relevant project stakeholders and reviewed relevant documentation. More detailed information regarding the nature of this review and its context within the Australian Government Gateway Review methodology is at Appendix A.

Stakeholders interviewed as part of this review are listed at Appendix B and the relevant project documents reviewed are listed at Appendix C.

Project Description

The Aviation Licensing, Training and Information Technology Upgrade Development Project (known as the ALTITUDE project) is a joint project between the Australian Government Department of Aviation (DoA) and the Australian Aviation Licensing Authority (AALA), with the objective of streamlining the processing of pilot licensing and training.

The DoA is responsible for formulating policy and providing advice relating to aviation policy issues affecting all Australian commercial and recreational pilots. The AALA is responsible for managing pilot licensing and training on behalf of the Australian Government. This role requires it to liaise with 15 Australian Government and State agencies.

In undertaking its role, the AALA reportedly draws upon over 1,000 legislative, policy and business rules. The ALTITUDE project is a business development, using information technology, designed to automate the application of policy rules in respect to licensing and training requirements set out in the Australian aviation legislation, together with associated policy guides, to people applying for new pilot's licences, upgrades to existing licences, training courses and associated results. It is a processing and tracking approach, in the form of a decision support system, for licensing and training. The system is intended to:

- support processing of training and licensing;
- automate the determination of licensing, based on legislation and administrative procedures;

Gate 5—Benefits Realisation Review **S**

- provide online, context-sensitive access to the relevant parts of the legislation and administrative procedures;
- print on demand a customised training or licensing form and/or a notice informing a client of a training or licensing application;
- print training assessment certificates; and
- include a ‘what if’ capability so that clients can test the impact of possible changes in their circumstance, for example an upgrade in their qualifications to fly larger aircraft.

Review Conclusion

The Gateway Review Team finds that the overall status of the project is **Red**—as defined below.

- Red** It is critical to the overall success of the project that the issues raised in this review are addressed before the project proceeds.
- Amber** The issues raised in this review should be addressed before the next Gateway review.
- Green** The project is on target to succeed, but may benefit from implementing the recommendations in respect to the issues raised in this review.

In summary, the Gateway Review Team finds:

- a formal project plan needs to be developed as a matter of urgency, to ensure adequate task identification, timing and resourcing and to provide a mechanism for monitoring progress against expectations;
- the estimates of processing capability of the new system contained in the Business Case appear to be overly optimistic and not supported by robust analysis;
- in order for the realisation of the project’s benefits to be demonstrated, a clear methodology for measuring success is needed. This will support the objective and measurable determination of whether the project’s goals have been achieved;
- in order to provide clarity and certainty for the project’s funding stream, the funding Memorandum of Understanding between the DoA and the AALA should be executed as a matter of priority. It is currently delayed while responsibility for costs and estimates of savings are agreed between the agencies. Furthermore, a methodology for tracking, allocating and reporting project costs needs to be agreed;
- to ensure that identified risks are appropriately managed, the risk management plan needs to identify appropriate mitigation strategies for the significant risks, in particular, the risk of difficulty in connecting the new system to the existing systems;

S Gate 5—Benefits Realisation Review

- the Gateway Review Team commends the establishment of the joint DoA – AALA Steering Committee for the project, to provide governance oversight across both stakeholder agencies. However, there is lack of clarity in the allocation of responsibility and empowerment for key governance roles, including the SRO. There is also lack of clarity in the relationship between governance bodies within each agency and the ALTITUDE project governance structure (for example, the role of the agency IT Governance Committees in relation to the ALTITUDE project Steering Committee); and
- the Gateway Review Team notes that, with the exceptions noted above, the Business Case contains the essential elements expected of a business case, including costs, benefits, a risk analysis and timeline.

The following section provides further detail on the Gateway Review Team’s observations in support of this conclusion.

FINDINGS AND RECOMMENDATIONS

Previous Gateway Review

The table below contains the significant recommendations made in the Gate 0—Business Need Review and action taken, including actions that varied from recommendations made in the review.

Recommendation	Action Taken	Comment
The impetus for the project needs to be stated in terms of the policy and business objectives to be achieved.	The Business Case now includes a clear statement describing the need for the project and how it meets policy and business objectives.	Having clearly stated the project need and objectives, these should be regularly revisited to ensure continued project alignment.
More analysis should be conducted to identify and assess the range of options which could meet the business need.	High level options for delivering the business need have been identified in the Business Case.	The Project Team also engaged with 'critical friends' to further test the options.
The governance framework for the project needs to be clearly articulated and should include participants from both agencies. The roles and responsibilities of all participants should be agreed by both agencies.	A joint project Steering Committee has been established and has met several times since the Gate 0 Review.	Membership of the Steering Committee is sufficiently senior within the representative agencies to provide the level of support and guidance required. However, as noted in this Review, concerns exist regarding the operation of this Committee.
The source of project funding needs to be clarified and agreed between the two agencies.	A Memorandum of Understanding is near completion, to articulate the source of funds and allocation of costs between the agencies.	As noted in this Review, the MOU needs to be executed as a matter of priority.
The high-level risk management plan needs to be further developed in conjunction with the Business Case, and contain mitigation strategies and details of risk allocation.	The Business Case contains the Risk Management Plan, which has been more fully developed.	As noted in this Review, risk mitigation strategies need to be identified.

S Gate 5—Benefits Realisation Review

Business Case Review

Business Case

Findings

The impetus for the project is clearly articulated.

The Business Case's high level objectives are not supported by appropriate success measures. Consequently, it is not clear how the project's critical success factors will be measured and how the realisation of benefits will be objectively demonstrated.

The Business Case adequately considers alternative options for achieving the project's objectives, although costings for all alternatives are not comprehensive. The intention to conduct a project pilot will allow valuable lessons to be learnt prior to large expenditure being incurred and may assist in more clearly articulating measurable benefits. It will be important to re-examine the basic assumptions of benefits in the Business Case after the pilot project has been conducted.

The Business Case does not satisfactorily address the anticipated capability of the market to deliver the preferred option.

The Business Case does not clearly articulate the source of funding for the project, nor the allocation of costs between the two stakeholder agencies. A methodology for tracking and reporting on costs has not been agreed.

No baseline of resource use is included in the Business Case, against which any resource savings arising from the project's deliverables will be able to be measured.

Recommendations

The Business Case should identify the project success factors that can be measured before proceeding further, to allow the realisation of the project's benefits to be demonstrated.

Further market analysis should be carried out to ascertain supplier capability to deliver the system as intended, within the anticipated timeframe.

The source of project funding needs to be clearly identified, through all project stages. A methodology for tracking and reporting costs also needs to be developed and agreed by both agencies.

The Business Case should include data relating to current resource use (staff, transaction processing times etc), to provide a baseline to measure the performance of the new system and thus demonstrate benefits and resource savings.

Project Governance and Planning

Findings

A joint project Steering Committee has been established to assist in the consideration of cross-agency issues at the highest level of management. However, the role of the joint project Steering Committee in the approval process is not defined or agreed. Furthermore, the role of each agency's IT Steering Committee and their relationship with the joint project Steering Committee are not clear. The agency official who holds the position of SRO for the project has not been agreed by both agencies. Lack of clarity and empowerment of governance roles may hamper accountability and decision making as the project progresses and may delay progress.

Protocols for reporting project status are not well developed, nor agreed, leading to the potential for lack of timely identification of deviations from planned estimates of time or resource targets and the lack of alignment between key milestones and their consideration by the joint project Steering Committee.

No formal project plan has yet been developed, making it difficult to determine the adequacy of task identification, timing and resourcing. On the basis of the information available at the time of the review, the proposed timetable suggests that inadequate allowance has been made for the time required to include feedback from key stakeholders and advisers, including probity advisers, into project documents (such as the Statement of Requirements, the Procurement Plan and Request for Tender).

Recommendations

The role of the joint project Steering Committee in the approval process needs to be defined and agreed. The relationship between each agency's IT Steering Committee and the joint project Steering Committee needs to be agreed and articulated.

The SRO for the project needs to be agreed and the SRO's responsibility and authority articulated.

A project status reporting protocol needs to be developed and agreed, including its alignment with governance body timelines.

A formal project plan needs to be developed and include adequate allowance for consideration of key project documents by key stakeholders and advisers and for incorporating their feedback.

S Gate 5—Benefits Realisation Review

Stakeholders

Findings

The analysis of the impact on the AALA business processes does not adequately consider the effect of the changed roles of client service officers and the requirement for extensive re-training and ongoing training. The impact analysis also does not adequately address the effect that implementation of the system will have on current AALA clients, who will need support to cope with the more rigid structure and technologically sophisticated nature of making applications and for updating their details.

The Communications strategy does not include consideration of promoting the benefits of the new system to clients.

Recommendations

The impact analysis in the Business Case should more clearly articulate the effect of changes in the roles and expectations of client service officers and the consequent need for training. The analysis should also address the effect on current clients, who will need greater support to deal with changes in the nature of their interaction with client service officers.

The training requirements of client service officers need to be assessed and documented.

The Communications strategy needs to incorporate promotion of the system's benefits to clients.

Risk Management

Findings

While a risk assessment has been conducted, a risk register has not been established to allocate individual responsibility for managing and monitoring risks.

The risk assessment does not articulate responsibility and mitigation strategies for all of the significant risks, including the risk of integration of the ALTITUDE project with the existing systems.

Recommendations

The risk management plan needs to document the delegation of responsibility for managing identified risks to specific staff members.

All risks need to have a mitigation strategy articulated.

Readiness for Next Phase (Procurement Strategy)

Findings

The proposed timeframes to allow for comment on the Request for Information and to submit a response to the Request for Tender are short, given the complexity of the requirements. This may affect respondents' ability to adequately assess and understand the requirements, resulting in potentially adversely influencing responses.

Progress is slow in appointing a Probity Adviser to support the development of the Procurement Strategy.

The documentation of decisions taken to date is inadequate as an audit trail to demonstrate that appropriate processes have been followed. When the project moves into the procurement phase, lack of documentation is likely to result in lack of compliance with the *Commonwealth Procurement Guidelines* and a failure to satisfy probity requirements.

Recommendations

As recommended above, a formal project plan needs to be developed to ensure adequate task identification, timing and resourcing. This plan should ensure that adequate time is allowed for potential suppliers to consider the business requirements and submit well-considered comments and submissions.

A Probity Adviser should be appointed as a matter of priority, to assist in ensuring that the procurement process is conducted in a manner that is fair, equitable and in compliance with legislative and procedural requirements.

S Gate 5—Benefits Realisation Review

APPENDIX A: Gate 1 Review—Purpose and Context

Gateway is a project assurance methodology that involves short, intensive reviews at up to six critical stages in the lifecycle of a project. Reviews are conducted by a team of reviewers not associated with the project, and usually contain a mix of experts sourced from the public and private sectors. Reviews are designed to:

- assess the project against its specified objectives at a particular stage in the project's lifecycle;
- provide early identification of any areas that may require corrective action; and
- increase confidence that a project is ready to progress successfully to the next stage.

At the commencement of a project, an agency will develop a document (typically a business case) that articulates the impetus and business need for the project, together with an assessment of the project's likely costs and potential for success. The Gate 1 - Business Case Review comes after a high-level business case has been prepared.

The Gate 1—Business Case Review focuses on the robustness of the project's business case to provide assurance to the agency undertaking the project, through the nominated Senior Responsible Official, that the proposed approach to meeting the business requirement has been adequately researched and can be delivered within the timeframe and resources provided.

At Gate 1, the Gateway Review Team should:

- confirm that the business case is robust (that is, it meets the business need, is affordable and achievable, with appropriate options explored and likely to achieve value for money);
- confirm that potential options have been identified and analysed and appropriate expert advice has been obtained as necessary;
- establish that the feasibility study or assessment has been completed satisfactorily and a preferred way forward has been determined;
- confirm that the market's likely interest in any related tender has been assessed;
- ensure that there is internal and external authority, if required, and support exists for the project;
- ensure major risks have been identified and a risk management plan has been developed;
- establish that the project is likely to deliver its business goals and that it supports wider business change, where applicable;
- confirm that the impact of business process changes on internal and external stakeholders have been assessed;
- confirm that the scope and requirements specifications are realistic, clear and unambiguous;

Gate 5—Benefits Realisation Review **S**

- ensure that the intended outcomes, timesframes and impact of relevant external issues have been assessed;
- ensure plans exist for the next stage;
- confirm planning assumptions and that the project team can deliver the next stage;
- confirm that overarching and internal business and technical strategies have been assessed; and
- establish that quality assurance strategies/plans for the project and its products are in place.

S Gate 5—Benefits Realisation Review

APPENDIX B - List of Interviewees

Name	Role/position	Date Interviewed
Mr Samuel Harford	ALTITUDE project team member, IT Architect	16 May 2005
Ms Jenny Gold	AALA General Manager, Licensing	16 May 2005 20 May 2005
Mr Neil Tuff	AALA Branch Manager, Commercial Pilot Licensing	16 May 2005 18 May 2005
Mr Mo Ashram	ALTITUDE project team member, Senior Project Officer	16 May 2005 17 May 2005 18 May 2005
Ms Tamara Stevens	ALTITUDE project team member, Project Team Leader	16 May 2005 17 May 2005 19 May 2005 20 May 2005
Mr Harold Banks	ALTITUDE project team member, Project Officer	16 May 2005 19 May 2005
Mr Garry Maguire	AALA Deputy Chief Executive	17 May 2005
Mr Malcolm McCool	AALA Risk Assessor	17 May 2005
Mr Frank Barrel	AALA Privacy-Legal Advisor	17 May 2005
Ms Sue Fodder	AALA Branch Manager Recreational Pilot Licensing	17 May 2005
Mr Peter Walker	ALTITUDE project team member, Senior Project Officer	17 May 2005
Ms Tania Jolly	ALTITUDE project team member, Policy Officer	17 May 2005
Mr Nathan Johns	AALA Director, Licensing Systems	18 May 2005
Ms Marie Headlam	DoA Assistant Secretary, Licensing Policy	17 May 2005
Mr Charles Korten	DoA Director, Commercial Licensing Policy	17 May 2005
Mr Carl Goldberg	Implementation Committee, Senior Accountant	19 May 2005
Mr Dominic Johansson	AALA Procurement Officer	19 May 2005
Mr George Shultz	DoA General Manager, Training and Licensing Policy	20 May 2005

APPENDIX C - List of Documents Reviewed

Document Title	Version No. and/or Publication Date
ALTITUDE Project Brief	Version 3 3 April 2005
Delivering Aviation Training and Licensing XYZ & Associates - Consultancy Report	17 January 2005
<i>Aviation Act 1972</i>	1 January 1991
Executive Minute – ALTITUDE Project – Authority to Proceed	1 February 2005
Executive Minute – Action Items from Gate o Review	16 March 2005
Aviation Licensing, Training and Information Technology Upgrade Development Project - Feasibility Study	12 January 2005
ALTITUDE Project Budget Statement, 1 st Quarter	16 April 2005
Minutes – Joint Project Steering Committee	7 August 2004 21 November 2004 23 March 2005
Australian Aviation Licensing Authority - Guide to Licensing and Training	22 November 2004
Ministerial Press Release ‘Changes to Training and Licensing’	12 May 2004
Technical Assessment of ALTITUDE Project Requirements	Version 4
AALA System Architecture	Version 4 June 2004
AALA-DoA Service Agreement	Version 5 March 2004
AALA-DoA ALTITUDE Memorandum of Understanding - draft	Version 9 April 2005

