The purpose of this document is to share lessons learned to support agencies to better identify opportunities to improve productivity and efficiency and to help make project teams more aware of alternative approaches to project delivery that may increase the realisation of benefits.

This document presents the lessons learned from Gate 2 – Delivery Strategy Reviews held since the Australian Government’s implementation of the Gateway Review Process in 2006 and are drawn from the three project types: ICT, Infrastructure and Procurement. Regardless of their origin, the lessons learned are beneficial and provide good practice that can be applied across all project types.

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.

The lessons learned in this document are a subset of all recommendations and are grouped into the Gate 2 Key Focus areas. The percentage distribution for all recommendations is as follows: Business Case and Stakeholders (25 per cent); Delivery and Procurement Approach (23 per cent); Review of Current Phase (17 per cent); Risk Management (16 per cent); and Readiness for Next Phase – Investment Decision (19 per cent).

**Business Case and Stakeholders**

| Effectively manage the Business Case – outline the critical success factors of the Project and update the Business Case at the completion of each milestone. |
| Engage clearly, succinctly and regularly – coordinate communication with stakeholders to avoid stakeholder confusion and provide sufficient targeted information for effective decision-making. |

Managing a robust Business Case involves:

- updating the Business Case at the completion of each milestone and at any other time when major project drivers change;
- ensuring that the Benefits Realisation Plan includes tangible benefits that are financially evaluated, measured and assigned;
- where the Project is a part of a Program, aligning Project level benefits identification and realisation with those at the Program level;
- redeveloping the Business Case, where the scope of the Project has changed, including a formal assessment of the cost of the Project to ensure that the Project will still be delivered on a value for money basis;
- exploring opportunities to maximise the use of existing administrative and corporate resources and processes, rather than sourcing new ones, to support project delivery; and
- where appropriate, clarifying and quantifying the critical success factors and performance indicators to assist in the ongoing performance evaluation of the Project, including benefits and strategy.

Clear, succinct and regular stakeholder engagement involves:
- engaging regularly and comprehensively with stakeholders;
- issuing documentation to stakeholders that is succinct, timely, relevant to stakeholder needs and interests, and provides sufficient targeted information for effective decision-making;
- co-ordinating stakeholder communication to provide a single, clear and consistent message to the diverse range of stakeholders; and
- updating stakeholder management and engagement plans as the Project transitions from planning to design and build of solutions.

**Delivery and Procurement Approach**

| Undertake detailed procurement planning prior to approaching the market | promote a robust procurement process that includes a detailed procurement plan to deliver effective project outcomes. |
| Mitigate procurement-related risks | consider risk management strategies whilst preparing procurement documentation and develop a Probity Plan. |

Comprehensive procurement planning involves:
- developing a detailed procurement plan (distinct from the agency annual procurement plan required by the Commonwealth Procurement Rules) that considers whole-of-life implications of the procurement and is consistent with project planning documents, before an approach to market is made;
- ensuring the traceability between the Project’s critical success factors, the published evaluation criteria in the approach to market and the KPIs in the Statement of Requirement;
- ensuring that approach to market documents and procurement processes comply with the Commonwealth Procurement Framework, in particular, the Commonwealth Procurement Rules;
- undertaking benchmarking against like initiatives and like organisations prior to approaching the market;
- clarifying the roles, responsibilities, risks and relationships to be implemented between the potential supplier and the Commonwealth (and any other relevant parties) prior to the approach to market;
- developing a detailed negotiation strategy that outlines roles and responsibilities in the negotiation process; and
- developing a contract management strategy for the Project prior to approaching the market.

Mitigating procurement-related risk involves:
- considering risk management planning whilst preparing procurement documentation to:
  - reduce the likelihood of the risk occurring;
  - reduce the impact should the risk occur; and
  - define the response should the risk occur (contingency plan).
- developing a Probity Plan to manage risks such as perceived/potential and real conflicts of interest, and the equitable, fair and objective treatment of tenderers that have invested in the process;
- for high risk procurements, considering the benefit of engaging a probity advisor to provide advice on procurement-related issues; and
- ensuring a transparent audit and decision trail exists that encompasses documentation of the procurement rationale and links each decision point to the demonstration of value for money.

**Review of Current Phase**

**Ensure the Project is well governed** — review governance arrangements and project status to ensure that the Project is being appropriately managed.

Good governance and timeframe management involves:
- reviewing the governance arrangements to ensure that the roles and responsibilities of designated Governance bodies, together with their composition and frequency of meetings, are documented;
- maintaining a Project Steering Committee and/or Project Board for strategic decision making and risk management;
- developing a dependencies matrix that shows the order in which all activities must be completed to meet project timeframes. This matrix should include stakeholder obligations and other relevant project deliverables;
- (re)developing project status reports to include a succinct statement of project status (in terms of schedule, budget, quality, scope, risks and issues), and planned activities for the next reporting period;
- where appropriate, establishing an independent project assurance capability for validation and verification of project technical and management matters; and
- formally capture and apply lessons learned.

**Risk Management**

**Be proactive in assessing and managing risks** — develop a Risk Management Plan that includes responsibilities, escalation procedures, reporting requirements and strategies for the proactive management of risks.

Proactive risk management involves:
- implementing a comprehensive risk assessment and Risk Management Plan that includes responsibilities, business rules and triggers for escalation, reporting requirements and strategies for the proactive management of risks;
- maintaining a centralised Risk Register which covers all project elements including those being undertaken elsewhere in the agency;
- updating risk assessments regularly and adjusting updates to suit the pace of the Project;
- ensuring that all participants in the Project are aware of the risk management process and that risks are promptly identified, assessed and managed;
- where appropriate, financially evaluate project risks and consider these in the context of the Project’s budget;
- including the review of risk and risk management activities as a standing agenda item for Project Steering Committee and Project Board meetings; and
- where appropriate, indentifying the risks associated with timing and passage of draft legislation through the parliamentary process and include them in the Risk Register.
Readiness for Next Phase – Investment Decision

**Engage in change management planning** – develop a Change Management Plan and identify the critical resources and lead times required for the next phase.

Managing change to reach the next phase involves:

- developing integrated plans for the next phase that consider tasks, resourcing and capability;
- developing a comprehensive Change Management Plan for the next phase of the Project, and ensuring that the organisational change implications of the Project are accommodated;
- establishing a strategically focussed awareness activity as a precursor to the change management program that will be a necessary part of project delivery;
- identifying the critical resources (both internal and external) within the lead times necessary to obtain them, making appropriate preparations to ensure they are available as required, and inducting new resources early to maintain a cohesive and productive environment;
- reviewing all personnel skill sets to ensure that the staff have what is required for the next phase of the Project; and
- finalising benefits planning with particular attention to:
  - business Change Manager accountability for benefits realisation;
  - firm schedules for benefits measurement; and
  - determining how benefits may be translated into operational outcomes.