Gateway Review Process

Overview

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* + 1. The Gateway Review Process

The Gateway Review Process (GRP) was developed in the United Kingdom (UK) during the late 1990s and was first introduced in Victoria in 2003.

The Gateway Review Process examines projects and programs at key decision points. It aims to provide timely advice to the Senior Responsible Owner (SRO) as the person responsible for a project or program. A review provides the SRO with an independent view on the current progress of the project or program and assurance that it can proceed successfully to the next stage.

Given the aim is to help the SRO at key decision points, each review is short and focused on the work that is complete at the time. For the best results, reviews are carried out shortly before decisions to allow sufficient time for recommendations to be implemented.

This document provides project owners and review teams with guidance on the Gateway process and their roles. It forms part of a suite of documents and should be read in conjunction with other relevant Gateway documents.

* + - 1. Gateway applications

Gateway reviews are mandatory for all High Value or High Risk (HVHR) projects. Projects are designated as HVHR if they are budget funded projects that have:

* + - a total estimated investment (TEI) over $250 million;
    - a TEI of $100-250 million and have been assessed as medium to high risk; or
    - have been classified as high risk regardless of TEI.

The Project Profile Model (PPM) is DTF's risk-based assessment tool used to inform whether a project should be subject to the HVHR project assurance framework. It can be found on the DTF website.

Gateway reviews can apply to a range of programs and projects including policy, organisational change and acquisition projects but is most commonly applied to infrastructure, and ICT-enabled business projects.

The GRP involves short, intensive reviews at six critical points (‘gates’) in the project lifecycle, in which public and independent practitioners use their experience and expertise to examine the progress and likelihood of success, performed shortly before key decisions are made. The types of reviews are:

* + - **Gate 1** – Concept & feasibility (based on a preliminary business case);
    - **Gate 2** – Business case;
    - **Gate 3** – Readiness for market (prior to procurement taking place);
    - **Gate 4** – Tender decision (prior to contract being awarded);
    - **Gate 5** – Readiness for service;
    - **Gate 6** – Benefits evaluation; and
    - **Program review**; and
    - **Project Assurance Review.** 
      1. Value of the Gateway process

A Gateway review delivers a peer review, in which independent, external practitioners use their experience and expertise to examine the progress and likelihood of success of the program or project. It provides a valuable perspective on the issues facing the internal team and an external challenge to the strength of the plans and processes. The review is not an audit and should not be regarded as an alternative to appropriate project or program management.

The Gateway Review Process supports the SRO’s responsibility to achieve their business aims by helping ensure:

* + - the best available skills and experience are deployed on the program or project;
    - stakeholders fully understand the program or project status and the issues involved; and
    - the program or project can progress to the next stage of development or implementation.

The Gateway Review Process also provides benefits to the overall program or project management process within the Victorian public sector in the following areas:

* + - achievement of more realistic time and cost targets for programs and projects;
    - improvement of knowledge and skills among government staff through participation in reviews;
    - fellow practitioners provide advice and guidance to the program and/or project teams; and
    - lessons are translated into value-adding advice and activities aimed at improving government investment outcomes.
      1. Gateway reviews as part of the assurance framework

All Victorian public-sector bodies have their own structures and resources for carrying out internal reviews, health checks and audits of their programs and projects.

The Gateway Review Process provides a snapshot of the progress of a program or project at a point in time and, therefore, should complement internal processes, not replace them. Public-sector bodies are expected to have in place an effective framework to provide a suitable level of assurance for their portfolio of programs and projects. This requires management to map their assurance needs and identify the potential sources for providing them. Public sector bodies are encouraged to ensure adequate and timely coordination and sharing of information, including plans, between the various internal review functions.

SROs should be aware of the extent and limitations of the various review processes. For example, a Gateway review does not replace the need for a full audit opinion on the effectiveness of risk management, control and governance in the audited area or replace technical advice required to deliver an ICT-enabled business change project

The Gateway Review Process is not a substitute for a rigorous governance framework in the organisation to manage key processes, such as: business planning; investment appraisal and business case and benefits management; program and project portfolio management; risk management; procurement and/or acquisition and service and contract management.

* + - 1. Relationship between the Gateway Review Process and the budget process

There is an expectation that all projects that are likely to be subject to the High Value or High Risk (HVHR) project assurance framework once they receive construction funding will have completed a Gate 2 – Business Case review prior to submitting a business case for consideration in the budget process.

Projects in development that are likely to be HVHR should complete a Project Profile Model (PPM) and engage with the DTF HVHR team or the Gateway unit well in advance of the state budget process to arrange a Gate 2 Business Case Review.

* + - 1. The role of the Senior Responsible Owner

A Gateway review is conducted for the SRO who is usually the initiator of the review. The SRO has ownership of the report and is accountable for the implementation of any recommended remedial action and the progress of the program or project. Since 2018, the Gateway review report is also shared with DTF’s HVHR team to assist projects in considering recommendations.

Although many people may be involved in supporting a project or approving funding, the SRO is the individual who makes the decision that a project or program should proceed to the next stage. The project director usually reports to the SRO. Where an agency is delivering a project on behalf of another part of government, the SRO will come from the client department or agency and should be the owner of the overall business or service change that the project supports. This individual must be senior and must take personal responsibility for the successful delivery of the project. They should be recognised as the project owner throughout the organisation.

It is important that the SRO is involved throughout the entire review process. To ensure a collaborative, measured outcome, the SRO is interviewed at the beginning of the review and updated on progress at the end of each day. The SRO is provided with a verbal and draft written report by the review team at the end of the review.

* + - 1. Guidance for reviewers

Gateway Reviews serve the dual purpose of providing recommendations to help projects succeed and assessing them against best practice.

Gateway reviewers can use a range of materials to inform their assessment and reports, including:

* + - the Victorian Gateway workbooks, which provide guidance on the structure of each Gateway review, and the areas of investigation; and
    - DTF’s Investment Lifecycle and High Value High Risk Guidelines (ILGs) provide guidance on the development and delivery of a major infrastructure or ICT investments in Victoria.

These materials are available on the DTF website.

* + - 1. Tailoring the review

The Victorian Gateway workbooks also show examples of the types of satisfactory evidence the review team may require when considering various issues. These are indicative only.

The review team should consider whether additional or different issues need to be addressed and evidence sought. Approaches may vary according to the context of the program or project, for example, IT-enabled business change, property and/or construction, or policy development and/or implementation.

As each project is different, every Gateway review is flexible enough to provide relevant advice for each project on its own merits. The areas of a project or program examined, and the evidence provided, are generally the most flexible areas of the process while the timing of the review should be as close to the decision point as practicable.

Discussions with DTF about the program or project and with the review team at the planning day are the best way of ensuring the review team’s advice is focused on the most relevant and valuable areas to that project or program.

* + - 1. Project Assurance Reviews

Project Assurance Reviews (PARs) complement the Gateway process and are an important element of DTF’s infrastructure assurance framework.

PARs include bespoke terms of reference developed by DTF or OPV and individual project teams. PARs will usually be conducted shortly before a decision point or key milestone is reached or during construction when there is a long period between Gates 4 (Tender Decision) and 5 (Readiness for Service). PARs can also be requested by the Treasurer, the responsible minister, department or agency.

All HVHR ICT projects are required to complete PARs due to the unique risks associated with ICT projects.

PARs are undertaken by a team of public and private sector reviewers and provide timely advice to Government, the responsible department and/or agency, and DTF on a project or program’s progress, objectives, governance and readiness. PARs are designed to improve delivery confidence, reduce ‘scope creep’ and allow a wider stakeholder engagement than other processes may allow.

DTF led PARs are undertaken in a manner consistent with the Gateway expectations (refer Appendix 1). OPV PARs have different reporting requirements.

Figure 1: Overview of the Gateway Review Process

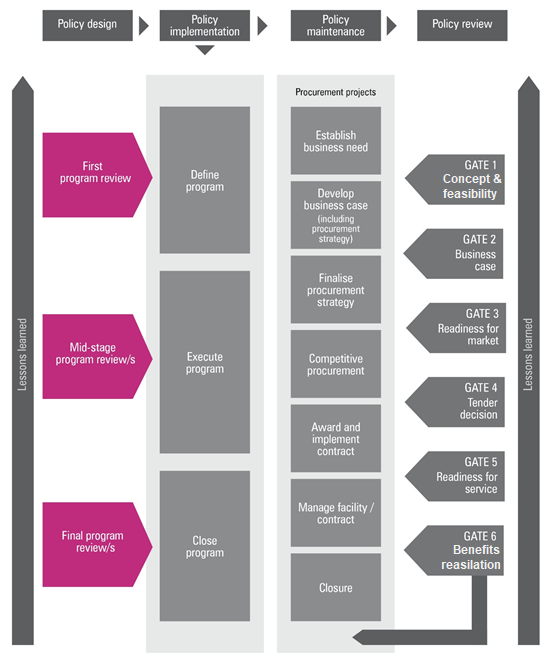
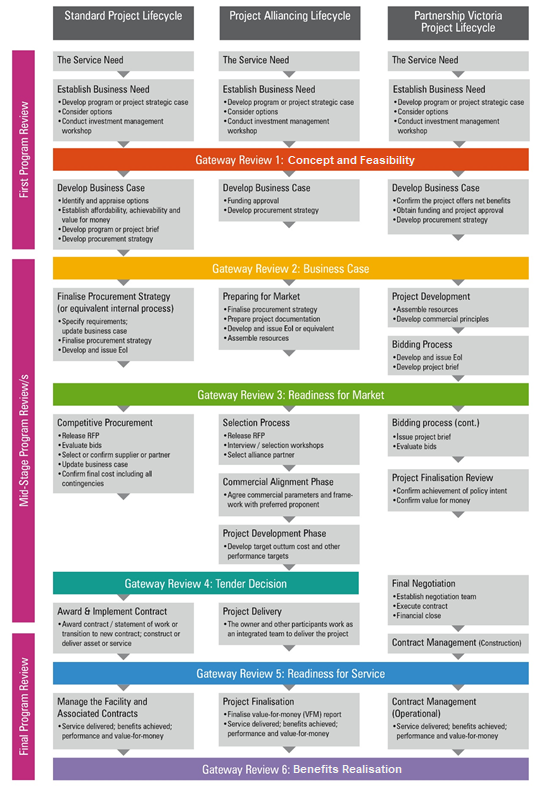


Figure 2: Applying the Gateway Review Process to different project delivery methods



* + 1. How a Gateway Review works

A Gateway review can be defined by three distinct phases of activity – initiation, planning and review.

|  |  |  |
| --- | --- | --- |
| Initiation | Planning | Review |
| Project profile model | Review team selection | Review |
|  | Review logistics | Report |
| Gateway unit assessment | Planning meeting | 360° feedback |
|  | **Timing** |  |
| 6-8 weeks before review date |  | 0 weeks |

For a review to provide the SRO with meaningful and timely advice, it should be held prior to a decision point being reached but not too early that key documentation is underdeveloped. For example, a Gate 2: Business Case review should occur prior to the business case being submitted for approval but late enough that it is well formed and ready to be assessed. This enables recommendations from the review to be addressed before the business case is finalised and ensures the review team has sufficient information to assess against business case requirements and add value.

The project owner should contact the Gateway unit approximately six to eight weeks prior to the program or project requiring a review so that dates for the planning meeting and review can be agreed.

* + - 1. Initiation

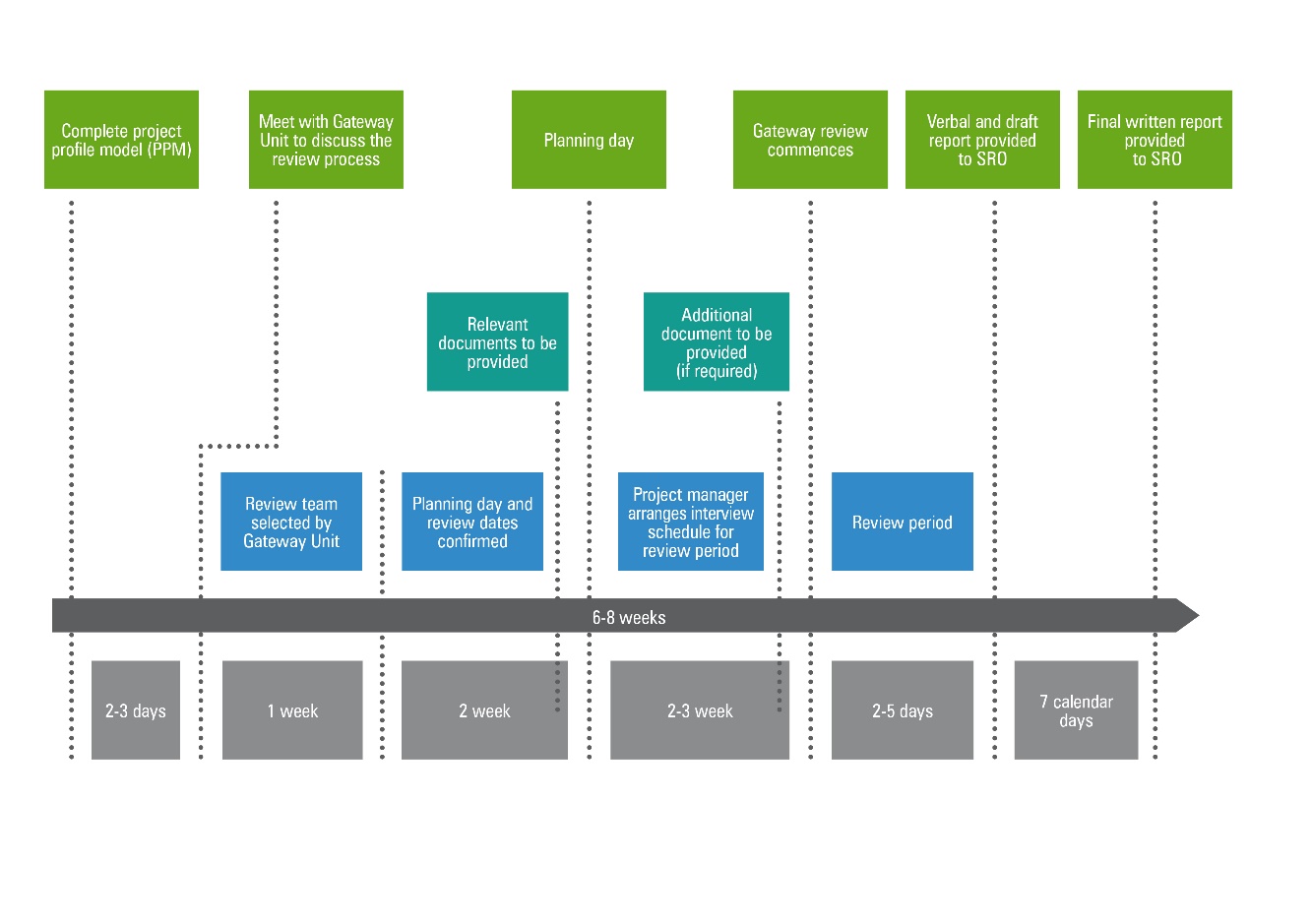
The Gateway unit at DTF should be notified six to eight weeks in advance of the need to organise a Gateway Review to allow sufficient time to source appropriate reviewers. Existing HVHR projects and programs are expected to contact the Gateway unit once the project or program reaches one of the decision points set out in figure one.

For all capital projects with a TEI over $10 million that have not yet received budget funding for construction, the project team will need to complete a project profile model, which creates a risk profile for the project, to inform DTF’s decision on whether the project is likely to be HVHR following a funding decision. If the project is likely to be HVHR post funding, then it is expected to complete a Gate 2 – Business Case review prior to the budget process.

The project profile model can be downloaded at <https://www.dtf.vic.gov.au/gateway-review-process/book-gateway-review>. Upon completion, it is forwarded to DTF HVHR analysts or the Gateway unit.

* + - 1. Timeline of a review and roles

Figure 3: Ideal Gateway Review timelines



* + - 1. Planning

The Gateway unit selects the review team in consultation with the project owner. During the planning phase the Gateway unit liaises with the project manager or project representative to finalise the review, including:

* + - finalising logistics for the planning meeting and review, including meeting rooms and support;
    - collating the project documentation available for the review team ahead of the planning session; and
    - developing the interview schedule.

|  |
| --- |
| **Key project documentation needs to be made available to the review team at the planning session to ensure the team has enough time to read and understand materials ahead of the review week.** |

The planning session is usually held two weeks ahead of the review to finalise arrangements, brief the review team on the issues facing the project and to provide the reviewers with key documentation. It normally takes two to three hours and is attended by the SRO, project manager other relevant project personnel, Gateway unit and review team members.

The objectives of the planning session are to:

* + - establish a common understanding of the review approach;
    - establish a code of conduct to be observed during the review;
    - establish a common understanding of the current status of the program or project;
    - identify core issues on which the review team will focus;
    - confirm stakeholders to be interviewed and the interview schedule;
    - finalise the review logistics (such as review venue and site visits); and
    - identify remaining project documentation to be provided to the review team prior to the review.

All review team members attend the planning session and prepare by reading any documentation forwarded by the program or project. This is usually restricted to project overview or outline documentation that can provide all team members with a brief background to the project. The full list of documents to be reviewed is finalised at the planning session. Key documents should be provided to reviewers at the planning session, with any outstanding materials provided in advance of the review week.

* + - 1. Review

The Gateway review normally takes four to five days. During this time the review team undertakes stakeholder interviews in accordance with the interview schedule. Discussions are usually held at the site of the review; however, the review team allows for situations such as site visits, senior stakeholders with time restraints or travel restrictions.

The SRO is interviewed on the morning of the review and is provided with at the end of each day with an update on the progress of the review and a summary of findings.

On the final day, the review team presents the SRO with a draft review report. This report includes the findings of the review and provides recommendations on how to improve the delivery of the program or project.

The review report is given an overall status of red, amber or green (RAG) status for the program or project. Each recommendation also has a RAG status to indicate its relative urgency.

|  |  |
| --- | --- |
| **Red** | Critical and urgent, to achieve success the project or program should take action on recommendations immediately. |
| **Amber** | Critical and not urgent, the project or program should go forward with action on recommendations to be addressed before further key decisions are taken. |
| **Green** | The project or program is on target to succeed but may benefit from the uptake of recommendations. |

* + - 1. After the review

Subject to the SRO making factual corrections, the review report is finalised within one week of the review. The only output from the review is the review report.

The SRO has ownership of the report and is accountable for the implementation of any recommended remedial action and the progress of the program or project. Since 2018, the Gateway review report is also shared with DTF’s HVHR team to assist in addressing recommendations and identifying lessons learned.

The project team is required to submit a Recommendation Action Plan that addresses any red recommendations to DTF. These are used to inform any DTF briefings to the Treasurer on procurement or the investment decision in accordance with the HVHR Framework.

The review team is bound by confidentiality agreements signed ahead of the review and is required to destroy all notes, project documentation and electronic materials relating to the review once the report is finalised.

At the conclusion of the review, the SRO, project owner, review team leader and review team members are requested to provide feedback to the Gateway unit to improve future review teams and Gateway reviews.

* + - 1. What effect does a Gateway review have on the project?

The Gateway unit usually meets direct costs of a review for a HVHR project, including the cost of procuring private sector reviewers for Gate 1-2 reviews for projects that are likely to be HVHR.

The program or project contributes the time of team members to the review. This is likely to include interviews with the SRO, project owner, project manager and key project personnel. If advisors or contractors have been appointed, their key personnel involved in the program or project may also be interviewed.

The program or project arranges the interview schedules, collates and provides documentation and arranges the appropriate facilities (such as meeting rooms and catering) for the review team during the review. The program or project may also need to facilitate a site visit.

* + 1. Gateway Program Review

The purpose of the program review is to:

* + - review the outcomes and objectives for the policy or program, the fit between the two, and confirm they contribute to the overall strategy of the organisation and its senior management and interface effectively with broader high-level government policy objectives and initiatives;
    - ensure users and key stakeholders support the policy or program;
    - confirm the program’s potential to succeed has been considered in the context of the organisation’s delivery plans, change programs, interdependencies with other programs or projects in the organisation’s portfolio and other organisation’s portfolios;
    - review the arrangements for leading, managing and monitoring the whole program and the links to individual parts, e.g. to any existing projects in the program portfolio;
    - review the arrangements for identifying and managing the main program and individual project risks, including external risks, such as changing business priorities;
    - ensure financial and other resources are provided;
    - ensure plans for the current and next stage are realistic and properly resourced, with sufficient people of appropriate experience and authority. This includes individual projects within a program;
    - after the initial program review, check progress against plans and expected outcomes, e.g. the investment concept brief and investment logic map, the business case and benefits management plans;
    - check the market is appropriately engaged with the feasibility of achieving the required outcome; and
    - check the program takes account of integration with other internal and external programs.
      1. Policy context and strategic fit
    - Is the policy or program innovative in planning to succeed?
    - Does the program’s sponsoring group agree with the business strategy and is it robust?
    - Does the program reflect the current business policy and environment and is it aligned with the business strategy?
    - Is the governance framework fit for its purpose and is there commitment to key roles and responsibilities for this policy or program within current corporate priorities?
    - Does the policy or program require new governance arrangements, e.g. cross-portfolio?
    - Are the required skills and capabilities for this program available, taking account of the organisation’s current commitments and capacity to deliver?
    - Is the organisation able to learn from experience with this policy or program and other policy and programs?
    - Is there a framework for managing issues and risk to this program?
      1. Business case and stakeholders
    - Is there a clear understanding of the outcomes to be delivered by the policy or program and are they sound? Is there a robust investment logic map and investment concept brief?
    - Does the program demonstrate a clear link with wider government objectives?
    - Is there an understanding of the scope of the policy or program?
    - Does it overlap or interface with other internal or external programs, how is this managed?
    - What is the full extent of the program envisaged and why?
    - What will constitute success?
    - Who are the stakeholders and how are they engaged with the program? Do they support it?
    - What are the component projects and sub-programs of the program and why is it structured in this way?
    - Is the proposed program affordable?
    - What else could affect success?
    - What assumptions is the program based on? What are the major constraints for the program?
    - Have program controls been determined, especially where constituent projects will be joined with other organisations?
    - Has a delivery strategy been developed?
      1. Management of intended outcomes
    - Have the required outcomes from the program been identified?
    - Are the planned outcomes still achievable, or have any changes in scope, relationship or value been properly agreed and has the business case been reviewed?
    - Are key stakeholders confident that outcomes will be achieved when expected?
    - Is the program time critical? Is it on track to deliver?
    - Is there a plan for achieving the required outcomes?
      1. Risk management
    - Have the major risks been identified?
    - How will risks be managed?
    - Have assurance measures for the program been put in place?
    - Is there a contingency plan and a business continuity plan?
    - Have lessons from similar programs been considered?
      1. Review of current outcomes
    - Does the program need to comply with broader government or departmental timing requirements?
    - Is the planning and/or delivery on track?
    - Have problems occurred and if so, how have they been resolved?
    - Have potential ways forward been identified?
      1. Readiness for next phase
    - Is there a continuing need for the program?
    - What assumptions have been made about the program?
    - How will change be managed?
    - Are the funds available to continue the policy or program; is it affordable?
    - Are the required internal and/or external resources suitably skilled, available and committed to undertake the work?
    - Are the plans to progress the policy or program realistic and achievable?
    - Are appropriate management controls in place?
    - Where procurement is a part of the program, how is capability and capacity for acquisition to be managed?
    - Is the business case established and maintained?
    - Is a benefits management plan active and are benefits being reported?
    1. Gateway Review 1: Concept and feasibility

Gate 1 reviews are not commonly completed as stand-alone reviews as the Government no longer has a two-stage budget process that includes asset filtering. Gate 1 reviews are commonly combined with Gate 2 reviews prior to lodgement of a business case in the State budget process.

The purpose of a Gate 1 review is to:

* + - check the outcomes and objectives for the project and policy or program to confirm it makes the necessary contribution to the overall strategy of the organisation and its senior management and interfaces effectively with broader high level government policy objectives and initiatives;
    - ensure users and key stakeholders support the policy, program or project;
    - confirm the project’s potential to succeed is considered in the context of the organisation’s delivery plans and change programs, any interdependencies with other programs or projects in the organisation’s portfolio and other organisations;
    - review the arrangements for leading and managing the policy, project or program and its individual projects;
    - review the means of identifying and managing the main or individual program or project risks, including external risks, such as changing business priorities;
    - ensure financial and other resources are provided;
    - ensure plans for the existing and next stage are realistic and properly resourced, with sufficient people of appropriate experience and authority;
    - check the market is appropriately engaged with the feasibility of achieving the required outcome; and
    - check the strategic assessment has fulfilled the requirements outlined in the investment lifecycle guidelines: strategic assessment.
      1. Policy context and organisational fit
    - Is the plan to succeed innovative?
    - Does the project’s sponsoring group, e.g. Ministers or the organisation’s management board, agree with the business strategy and is it robust?
    - For projects seeking expenditure review committee approval, is there a clear link between this proposal and the department’s service strategy and/or asset strategy?
    - Is this proposal identified in the department’s multi-year strategy?
    - Does the project reflect the current business policy and organisational environment and does the scope of the project fit with the program or strategy?
    - Is the governance framework fit for its purpose and is there commitment to key roles and responsibilities for the current project within current corporate priorities?
    - Does the project, program or policy require new governance arrangements, e.g. cross-portfolio?
    - Are the required skills and capabilities for this project available, taking into account the organisation’s current commitments and capacity to deliver?
    - Is the organisation able to learn from experience with this project and other projects or programs?
    - Is there a framework for managing issues and risk to this project?
      1. The business case and stakeholders
    - Is there a clear and shared understanding of the required outcomes of the program or project, reflected in a robust investment concept brief and investment logic map?
    - Does the project demonstrate a clear link with wider government objectives?
    - Is there an understanding of the scope of the project? What is the full extent of the program or project envisaged and why?
    - What will constitute success?
    - Who are the stakeholders and do they support the program or project?
    - Is this a component project of a wider policy or program and why is it structured this way?
    - Is the proposed project affordable?
    - What else could affect success?
    - What are the assumptions underpinning the project?
    - What are the major constraints for the project?
    - Has the supplier market been considered?
    - Have project controls been determined, especially where constituent projects will be joined with other organisations?
      1. Management of intended outcome
    - Have the main outcomes from the project been identified?
    - Are the planned outcomes still achievable, or have any changes in scope, relationship or value been agreed and has the business case been reviewed?
    - Are principal stakeholders confident the required outcomes will be achieved when expected? Is the project time critical?
    - Is there a plan for achieving required outcomes?
      1. Risk management
    - Have the major risks been identified?
    - How will risks be managed?
    - Have assurance measures for the program been established?
    - Is there a contingency plan and business continuity plans?
    - Have lessons from similar projects been considered?
      1. Review of current outcomes
    - Does the program or project need to comply with broader government or departmental timing requirements?
    - Is the program or project planning on track?
    - Have options for potential ways forward been identified?
      1. Readiness for next phase – the business case
    - Is there a clear need for the project?
    - What assumptions have been made about the project?
    - Are the funds required to adequately prepare the business case available, i.e. is it affordable?
    - Are the required internal and/or external resources suitably skilled, available and committed to undertake the work?
    - Are the plans for the next phase realistic and achievable?
    - Are appropriate management controls in place?
    - Where procurement is a part of the project, how is capability and capacity for acquisition to be managed?
    1. Gateway Review 2: Business case

The purpose of the review is to:

* + - confirm the business case is robust, meets business needs, is affordable and achievable, has appropriate options explored and is likely to achieve value-for-money;
    - confirm potential options have been identified and analysed and appropriate expert advice has been obtained;
    - confirm the underlying investment logic has been reflected in the business case and the project remains aligned with the objectives and deliverables of the program and organisation;
    - ensure the feasibility study has been completed satisfactorily and a preferred pathway has been determined and developed in consultation with the market;
    - confirm the market’s interest has been measured and appropriate high-level procurement strategies have been considered;
    - ensure there is internal and external authority and support for the project;
    - ensure the major investment and project level risks are identified and outline risk management plans have been developed;
    - establish the project is likely to deliver its business goals and it supports wider business change;
    - confirm the scope and requirements specifications are realistic and clear;
    - ensure the full-scale, intended outcomes, timescales and the impact of relevant external issues have been considered;
    - ensure there are plans for the next stage, confirm the planning assumptions, and the project team can deliver the next stage;
    - confirm overarching and internal business and technical strategies have been considered; and
    - establish quality and benefit management plans are in place, including key performance targets and outcomes.
      1. Policy and business context
    - Are all relevant government initiatives being addressed?
    - For projects seeking expenditure review committee approval, is there a clear link between this proposal and the department’s service and/or asset strategy?
    - Is this proposal identified in the department’s multi-year strategy?
    - Does the preferred option meet wider government and departmental objectives, standards and business change programs?
    - Have internal and external factors affecting the project been identified and assessed?
    - Are external stakeholder issues being addressed? These include:
      * communications;
      * public relations;
      * social inclusion, e.g. equality and diversity issues;
      * environmental issues;
      * personnel; and
      * statutory processes; and
    - Is there an opportunity to integrate the project or program with other internal or external government initiatives?
      1. Business case and stakeholders
    - Is there a clear and agreed understanding of the business objectives and how they will be delivered?
    - What factors are critical to ensure success? What essential areas of activity must be performed well if the mission, objectives or goals of the project are to be achieved?
    - Can the critical success factors be quantified or measured?
    - Have all the stakeholders been identified and are their needs clearly understood?
    - Do the stakeholders support the preferred option, including the potential or recommended delivery approach and mechanisms?
    - Has the business case examined a wide range of asset and non-asset options for solution and delivery to meet the business need?
    - Is there a clear best option, or would several options meet the business need?
    - If there are several options, how was robustness tested and how valid was the process for selecting the preferred option? Have the consequences of doing nothing been assessed as an option?
    - Were whole-of-life costs and benefits analysed for all options?
    - Is the project likely to be attractive to the market?
    - Have contract management issues been considered?
    - Is the business case complete and consistent with the Department of Treasury and Finance investment lifecycle guidelines?
    - Have assumptions been identified and their validity checked?
    - Has the project organisation been considered and is there an overall project management process?
      1. Risk management
    - Are there processes in place to identify, assess and monitor current, anticipated and emerging risks?
    - Have any issues raised in a previous review been resolved satisfactorily?
    - Have the risks for each of the options been evaluated? Has an opportunity for appropriate risk transfer been considered?
    - Have the risks for the preferred option been fully assessed?
    - Have the worst-case costs associated with risks been assessed?
    - Are risk management costs and time implications included in the cost and time estimate or are they treated as a contingency?
    - Is the project iconic, novel or innovative?
    - Should the project be broken down into a series of small steps?
      1. Readiness for next phase – readiness for market
    - Is there an overall project structure for the procurement stage?
    - Is there a current and operational risk register?
    - Is there a realistic plan to reach the next stage of the project Gateway Review 3: readiness for market?
    - Have the requirements for any 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, what is it and how is it being addressed?
    - Is the time plan realistic? Does it account for statutory and approval lead times?
    - Is there a clearly defined project organisation for the next stage of the project, with agreed roles and responsibilities?
    1. Gateway Review 3: Readiness for market

The purpose of the review is to:

* + - confirm the business case when the project is fully defined;
    - confirm the objectives and desired outputs of the project are still aligned with the program to which it contributes;
    - ensure the procurement approach is robust and appropriate;
    - ensure the plan is appropriately detailed and realistic, including the contract management strategy;
    - ensure the project controls and organisation are defined, financial controls are in place and resources are available;
    - confirm the funds are available for the whole project;
    - confirm the development and delivery approach and mechanisms remain appropriate and manageable;
    - check the supplier market capability and track record, or existing supplier’s capability and performance, is fully understood;
    - confirm the procurement or acquisition approach will facilitate good client-supplier relationships;
    - confirm the appropriate project performance measures and tools are being used;
    - confirm there are plans for risk management, business and technical issue management and these plans will be shared with suppliers and/or procurement partners;
    - confirm quality procedures have been applied consistently, since the previous review;
    - confirm internal organisational resources and capabilities will be available for future phases of the project;
    - confirm the stakeholders support the project and are committed to its success;
    - for a procurement project, confirm there is a procurement plan to ensure compliance with legal requirements, all applicable Victorian Government Purchasing Board (VGPB) rules, and it meets the project’s objectives and minimises the procurement timescales;
    - for IT-enabled projects, confirm compliance with IT and information security requirements, and IT standards; and
    - for construction projects, confirm compliance with health and safety and sustainability requirements.
      1. Assessment of procurement approach
    - Have options for the proposed procurement been evaluated, including sources of supply?
    - Does the client understand the business objectives and are the suppliers likely to understand them?
    - Are the project outputs and/or outcomes accurately reflected in the requirement specification?
    - Is the selected procurement strategy defined and endorsed?
    - Have factors that may impact on the procurement strategy been addressed?
    - Will the procurement approach facilitate communication and co-operation between all parties and other related projects and programs?
    - Is there an adequate probity plan? For projects worth $10 million and over, an independent auditor, probity advisor or both should oversee the project.
    - Has the project team complied with the relevant procurement policies and guidelines when preparing the tender documents?
    - Will the project be attractive to the market?
    - Is there adequate knowledge of existing and potential suppliers? Is the market competitive?
    - Has a contract management strategy been developed?
    - Do the stakeholders accept the evaluation strategy including how to demonstrate value-for-money, and is it compliant with relevant procurement policies and guidelines?
      1. The business case and stakeholders
    - Does the business case continue to demonstrate business need and contribute to the organisation’s business strategy?
    - Is the preferred way forward still appropriate, have the options been explored?
    - Is the proposed commercial arrangement likely to achieve whole-of-life value-for-money?
    - Are the costs within current budgets? Is the project’s whole-of-life funding affordable and do the key stakeholders support it?
    - Is the organisation still realistic about its ability to achieve a successful outcome?
    - Is there a clear definition of the total project scope?
    - Are the risks and issues relating to business change understood? Is there an initial plan to address these issues?
    - Do stakeholders support the project and is the organisation fully committed?
    - Do stakeholders agree with and understand the benefits of the project? Is there a plan for realising and evaluating the benefits?
    - Is the procurement strategy consistent with the approved business case?
      1. Risk management
    - Are the major risks and issues identified, understood, financially evaluated and allocated in determining the procurement strategy?
    - Are there risk management plans in place?
    - Have all issues raised in previous review(s) been satisfactorily resolved?
    - Are the following external issues being addressed:
      * statutory processes;
      * communications;
      * public relations; and
      * environmental issues?
      1. Review of the current phase
    - Is the project under control?
    - What caused any deviations such as over- or under-runs?
    - What actions are necessary to prevent deviations recurring in other phases?
    - Were there any assumptions made at Gateway 2, and earlier reviews, that have not been verified?
      1. Readiness for next phase – tender decision
    - Is the project plan for the remaining phases realistic?
    - Are the timelines reasonable and compliant with relevant procurement policies and guidelines?
    - What are the arrangements for the next stage of the procurement process? Have its activities been defined and resourced?
    - Does the project have resources with the appropriate skills and experience?
    1. Gateway Review 4: Tender decision

The purpose of the review is to:

* + - confirm the business case, including the benefits management plan, after the bid information has been received and assessed;
    - confirm the objectives and desired outputs of the project remain aligned with the wider organisation’s business strategy and/or the program to which it contributes;
    - check all the necessary statutory and procedural requirements were followed throughout the procurement/evaluation process;
    - confirm the recommended contract decision is properly executed within a standard, lawful agreement and is likely to deliver the specified outputs and/or outcomes on time and within budget and will provide value-for-money;
    - ensure management controls are in place to manage the project through to completion, including contract management aspects;
    - ensure there is continuing support for the project;
    - confirm the approved procurement strategy has been followed;
    - confirm the development and implementation plans of both the client and the supplier and/or partner are sound and achievable;
    - check the business has prepared for developing new processes, for implementing and operating new services or facilities and the transition process;
    - confirm there are plans for risk management, technical and business issue and change management and these plans are shared with suppliers and/or delivery partners;
    - confirm the technical implications, such as buildability for construction projects and information assurance and security for IT-enabled projects and the impacts of e-government frameworks have been addressed; and
    - confirm the proposed procurement is within financial approvals with an adequate budget to accommodate it.
      1. Assessment of the proposed solution
    - Does the proposed solution meet business needs and government and department objectives?
    - Have the suppliers proposed any alternatives or innovative options beyond a fully compliant bid? If so, how was this assessed?
    - Will the proposed bid deliver the business need described in the business case? Has the proposed solution affected the strategy for business change?
    - Has the proposed solution affected the strategy for business change and the expectations of business benefits?
    - Is the client and supplier prepared for the development, implementation, transition and operation of any new services?
    - Are there plans and processes to address future business and technical issues?
    - Is there clear demarcation and an understanding of responsibilities between all parties beyond any contractual liabilities?
    - Are there resources available for the business to fulfil its obligations within the contract and/or agreement?
    - Have the technical implications been assessed, such as buildability, health and safety and sustainability issues for construction projects; and information assurance and security, the impact of e-business and legacy systems for IT-enabled projects?
    - Does the project have resources with the appropriate skills and experience to achieve the intended outcomes of the investment?
    - Is the proposed procurement within financial approvals and is the budget adequate to accommodate the procurement?
    - Do the transaction documents accurately reflect the business requirements and the risk allocation approved for the project?
      1. The business case and stakeholders
    - Is the project still required?
    - Are the requirements of the business case complete or does the tender decision require the business case to be amended or reassessed?
    - Does the recommended way forward meet the business need?
    - Has the most appropriate option been selected?
    - Does the commercial arrangement represent value-for-money, with an appropriate level of quality over the life of the project?
    - Is the client realistic about their ability to manage the change?
    - Does the business case still demonstrate affordability when incorporating the bid proposal?
    - Is there an agreed plan for the realisation of anticipated benefits?
    - Have suitable stakeholders, business and user representatives been involved and have they approved the tender recommendation and draft contract?
      1. Risk management
    - Are risk and issue management plans current and are they being monitored?
    - Have all major risks from this stage been resolved?
    - Are there arrangements to minimise risks to the business in the event of major problems during implementation and roll-out?
    - Does the contract reflect the standard terms and conditions and the required level of risk transfer?
    - For longer-term partnering contracts, have the re-tendering issues been considered?
      1. Review of the current phase
    - Is the project under control?
    - What caused any deviation such as over- and under-runs?
    - What actions are necessary to prevent deviations recurring in other phases?
    - Have all the assumptions from Gateway reviews one, two and three been validated?
    - Have all the required departmental procurement and technical checks been undertaken?
    - Did the project team follow the planned steps in the procurement strategy?
    - Has the procurement process adequately managed probity?
      1. Readiness for next phase – readiness for service
    - Is the working relationship likely to succeed?
    - Are all resources and internal funds in place?
    - Are the supplier’s project, risk and management plans adequate and realistic?
    - Does the client’s plan reflect the supplier’s plans, and vice versa?
    - Are the long-term contract, administration plan and performance measurement processes complete?
    - Are all the mechanisms and processes in place for the next phase?
    - Are the service management plan, administration and service level arrangements complete?
    - Is the management process for service change complete?
    - Is there an acceptance strategy or commissioning strategy?
    - Is there an implementation strategy?
    1. Gateway Review 5: Readiness for service

The purpose of the review is to:

* + - confirm commissioning plans have been developed and are in line with the organisation’s policy and industry best practice;
    - ensure the commissioning plans identify and address key areas, such as:
      * strategic plans for the organisation that cover the commissioning period;
      * buildings fit for purpose, i.e. utilities power, water, gas, emergency and communication systems;
      * occupational health and safety;
      * business continuity systems;
      * change management;
      * business integration; and
      * information assurance accreditation/certification;
    - check the commissioning plans are affordable and robust and associated risks are identified;
    - check the current phase of the contract and documentation is complete and contractual arrangements are current;
    - ensure processes and procedures are in place to ensure the long-term success of the project;
    - confirm all necessary testing, e.g. commissioning of buildings, business integration and user acceptance testing is performed to the end-user’s satisfaction and the project SRO is ready to approve implementation;
    - check there are feasible and tested contingency and reversion arrangements;
    - ensure all ongoing risks and issues are managed effectively and do not threaten implementation;
    - evaluate the risk of proceeding with the implementation and with any unresolved issues;
    - confirm the business has the necessary resources and is ready to implement the services and the business change;
    - confirm client and supplier implementation plans are still achievable;
    - confirm there are management and organisational controls, together with a clear and sound governance structure, to manage the project through implementation and operation;
    - confirm contract administration protocols and procedures have been established and documented;
    - confirm all parties have agreed plans for training, communication, roll-out, production, release and support as required;
    - confirm all parties have agreed plans for managing risks;
    - confirm there are client plans for managing the working relationship, with reporting arrangements at appropriate levels in the organisation, reciprocated by the supplier;
    - confirm defects or incomplete works are identified and recorded; and
    - check lessons for future projects are identified and recorded.
      1. The business case and stakeholders
    - Is the project still required? Does it still meet the business needs and objectives of the relevant users and stakeholders, e.g. government departments, interest groups?
    - Is the business case still valid?
    - Are there any changes between the award of contract and completion of transition and/or testing stages that affect the business change program?
    - Is the organisation ready for business change? Can it implement the new services and maintain existing services?
    - Are there appropriately skilled and experienced human resources available?
      1. Review of current phase
    - Does the total service meet the acceptance criteria?
    - Is the project under control, i.e. running to plan and budget?
    - Have all the stakeholder issues been addressed?
    - Are all testing and commissioning and/or acceptance or transition procedures complete?
    - Have all parties accepted the commissioning and/or test results and any required action plans?
    - Are there workable and tested contingency and reversion plans for roll-out, implementation and operation?
    - Has the supplier and internal and external parties agreed on the implementation plans? These could include:
      * management of change;
      * migration and data transfer;
      * client and supplier implementation; and
      * roll-out.
    - Have any changes to the contract been previously forecast, accurately recorded and approved? Has the contract been effectively managed and enforced?
    - Is there a training plan and curriculum? And has it reached the necessary stage for implementation?
      1. Risk management
    - Have the risks and issues from the contract award and implementation phase been properly managed?
    - If there are unresolved issues, what are the risks of implementing rather than delaying, pending resolution?
      1. Readiness for next phase – benefits evaluation
    - Are all project elements ready for service?
    - Is the client ready to adopt new ways of working?
    - Is any long-term contract management process in place?
    - Is there a process to manage and measure performance?
    - Is there a process to manage, measure and report benefits, i.e. a benefit management plan?
    - Has ongoing operation and maintenance been considered in detail?
    - Is there a process for post-implementation reviews?
    1. Gateway Review 6: Benefits evaluation

The purpose of the review is to:

* + - assess whether the business case for the project was realistic at Gateway 4: tender decision;
    - confirm there remains a business need for the investment;
    - assess whether the benefits anticipated at this stage are being delivered;
    - assess the effectiveness of the ongoing contract and/or facility and service delivery management processes;
    - confirm the client continues to have the necessary resources to manage the facility, and any contract, successfully;
    - confirm continuity of key personnel in facility and/or contract management roles;
    - assess the ongoing requirements to meet the business need and if circumstances have changed, ensure the service delivery and any contracts are adapting to the new situation. Changing circumstances could affect: partner management; relationship management; service management; change management; contract management; benefits management; and performance management;
    - check any agreed changes do not compromise the original delivery strategy;
    - check there are ongoing continuous improvement mechanisms to improve value-for-money;
    - confirm there are plans to manage the facility and any operational contracts to its conclusion and the validity of exit strategy and arrangements for re-competition;
    - assess lessons learned and the methodology for sharing information within government; and
    - assess whether there are any potential risks on the horizon during the operating phase which may impact on the realisation of the project’s intended benefits.
      1. Review of the operating phase
    - Is the service and/or facility operating to defined parameters?
    - Is the benchmarking and/or market testing appropriate?
    - Has the training material and program been delivered and kept current?
    - Are the governance and contractual relationships satisfactory?
    - Are there plans for continued contract management and have the contract management procedures been successful to date?
    - Are plans for ongoing risk management current?
    - Is change management effective?
    - Is relationship management effective?
    - Is training and support adequate?
      1. Business case and benefits management
    - Is the business case still valid?
    - Have the business benefits been realised as set out in the business case and benefit management plan? Did the organisation achieve more or less than expected?
    - Have the needs of the business, end users or stakeholders changed?
    - Have all the governance and stakeholder issues been addressed? These include:
      * the statutory process;
      * communications;
      * external relations;
      * environmental issues; and
      * personnel; and
    - Are the users satisfied with the operational service?
      1. Plans for ongoing improvements in value-for-money
    - What is the scope for improved value-for-money?
      * can more be done for less?
      * could the provider deliver better service quality at the same price?
      * can maintenance costs be driven down?
    - Has the organisation benchmarked its processes by comparing them with other equivalent organisations involved in similar relationships?
    - Are commercial mechanisms providing appropriate incentives?
    - Are any interrelated projects integrating appropriately?
      1. Plans for ongoing improvements in performance and innovation
    - Is the department annually setting realistic targets for continuous improvement from this service?
    - Are the client and partners working together actively to identify opportunities for improvement through innovation?
    - Is the organisation tracking its progression to improved performance and the flow of results through key milestones and the business planning cycle?
    - Does the organisation have performance measures to cover all aspects of the contract?
    - Do the performance measures offer clear and demonstrable evidence of the success, or otherwise, of the contract?
    - Are performance measures related to delivery or capability improvement tracked against an existing baseline?
    - Are there performance assessment measures for:
      * ongoing service delivery;
      * the desired results of individual programs of change or improvement;
      * the implementation of projects; and
      * the overall results or impact of the project.
      1. Review of organisational learning and maturity targets
    - Does the organisation have a well-defined, implemented and effective process for identifying lessons, applying them internally and sharing them across the government?
    - Has there been a review of how well the project was managed?
    - Are suppliers encouraged to learn from experience?
      1. Readiness for the future – plans for future service provision
    - Is there an ongoing need for the service?
    - If the service will be needed in the future, what is its likely scope?
    - Are there any major issues with the current contract that could affect the approach to re tendering the service? Factors to consider include:
      * 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?
      * the customers’ reaction and adjustment to outsourcing – how well did users adapt to services provided by a third party? Was management confident the provider could be relied on to provide the service? Is the organisation ready for a greater dependence on outsourcing?
      * the exit strategy – will re-tendering be straightforward or is there a danger the customer is now locked in? Have agreements been made to ensure a smooth handover?
    - What is the predicted condition of the asset at the end of the contract period?

# Appendix 1 – Gateway expectations

A number of expectations define the Gateway process:

#### The senior executive is committed to the Gateway expectations

The Victorian Government has endorsed the Gateway Review Process to apply to the whole of general government in Victoria.

#### The program or project senior responsible owner is the client for the Gateway review

As the person ultimately responsible for deciding whether the project should move to the next stage, they should receive independent advice before the decision is made.

#### A sufficient pool of accredited and experienced reviewers will be established

The Gateway unit draws from the private and public sectors in Victoria, interstate and internationally, covering a wide range of skills and experience.

#### An assessment of potential risk is carried out for all acquisition programs and projects that are then subject to Gateway reviews for their entire lifecycle

Projects and programs with a total estimated investment over the lifecycle of $10 million or more are required to fill out a project profile model to give an indication of their risk.

#### Reviews are not to be undertaken for the first time on a project after Gateway Review 2

Independent advice is most beneficial at the early stages of a program or project where the greatest amount of change can be made. Once a project has been funded and is approaching the market, it becomes much more difficult to change. Only in exceptional circumstances will projects undertake their first review after Gateway Review 2.

#### Gateway workbooks are used as a guide for preparing and undertaking reviews

The workbooks set out the types of questions the project team should ask, answer and document to help the SRO reach a considered decision. Review teams will focus on these areas. They will not apply equally to every project but, if they are not covered, the project team should clearly understand why this is the case.

#### Generic lessons learned are to be consolidated and shared

The Gateway unit publishes aggregated data on the broad categories of recommendations from the completed reviews to help government departments and agencies identify the project elements that require more attention.

#### Gateway reviews are to be free at the point of delivery

The review process usually does not cost the HVHR project team anything, aside from the cost of providing lunch on the planning day and during the review. To ensure independence and to source the best skills, regardless of project resourcing, the Gateway unit covers the costs of the review team.

#### Independent, accredited review teams will be selected for their specific skills

Before each review, the Gateway unit spends a significant amount of time selecting the most appropriate team. Based on discussions with the project team, the makeup of the review team should collectively cover all major skills needed to provide sound, evidence-based, expert advice.

#### The review will be short and focused

Each review takes a few days and is focused on the point before the SRO makes a decision that the project should proceed to the next phase.

#### The process will be open with access to all stakeholders and documentation

It is vital the review team has access to all relevant information. If the project team cannot demonstrate they have adequately covered an important aspect, the review team will conclude they have not done so and will find and make recommendations accordingly.

#### The review report is prepared for the SRO

The review report is prepared for the SRO to help the project succeed and the SRO is accountable for the implementation of any recommended remedial action.

#### A ‘peer-to-peer’ coaching style will be adopted with no surprises

Gateway reviews use a collaborative approach. An experienced review team constantly briefs the SRO throughout the review, so the findings and recommendations have been raised before the end of the review.

#### Recommendations will be candid and practical, based on best practice and evidence, and prioritised for urgency of implementation

Recommendations are intended to be forward looking and focus on the actions needed for the project to be successful. These recommendations are assigned a red, amber or green status according to their urgency and criticality.