

Gateway Review System

This circular advises agencies on the Gateway Review System (a requirement of the NSW Procurement Policy since 2004) and how it must be applied to government procurement. Compliance with Gateway reviews is required by all General Government agencies, Government Businesses and Nominated State Owned Corporations¹.

Summary:

As the potential to influence a project is greatest in the early stages, Gateway Reviews at the Strategic and Business Case Gates are mandatory for all construction, goods and services (including information and communications technology) property and accommodation procurement.

To determine when a Gateway Review is needed agencies should apply the following thresholds:

Strategic Gate Review

- estimated total cost over \$10 million and
- commencing in years 2 – 4 of the upcoming forward estimates period, or
- proposed for State Infrastructure Strategy publication or other public statement

Business Case Gate Review

- All projects with an estimated total cost over \$10 million and commencing in the upcoming budget year, or
- Estimated total cost over \$1 million and requested by Treasury

Gateway gives Government a level of assurance on whether the investment is warranted; the strategic options; and the agency's capability and capacity to manage and deliver the project.

Through assessing the business case Gateway Reviews test the soundness of major projects with the objective of ensuring agencies have applied an appropriate level of procurement discipline to projects.

To nominate a project for a Gateway Review, agencies must complete a risk profile using the Online Risk Assessment Tool, which is the first step in the Gateway process.

¹ Agencies nominated under Total Asset Management (TAM) policy are required to submit 10-year TAM Data Tables and Asset Strategy. For further information on TAM policy see Total Asset Management (TAM) requirements for updating the NSW State Infrastructure Strategy (SIS) (TPP08-2).

Reviews are facilitated by the Treasury Gateway Unit, using teams of experienced procurement practitioners. Review Teams assess the progress of projects against seven criteria: service delivery, affordability - value for money, sustainability, governance, risk management, stakeholder management and change management.

The results of each review are summarised in a report that provides a snapshot of the project's progress with recommendations to strengthen the project. Reviews reports, including the agencies response to the recommendations must be included in any capital funding submission to NSW Treasury for the annual budget process.

Gateway Reviews help agencies to improve their procurement discipline and to achieve better service results from their procurement activity, the benefits of which include:

- More accurate project scoping and estimates
- Reduced time and cost overruns
- Improved alignment of service delivery with available funds
- Improved procurement discipline
- Improved risk management
- Reinforcing and improving agency responsibility and accountability for decision making.

Detailed information on the Gateway process including the Gateway Toolkit, Review Workbooks, and links to the Online Risk Assessment Tool are available on the NSW Procurement website www.nswprocurement.com.au.

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