

Pre Commissioning Gate Review Workbook

Gate Five

FURTHER INFORMATION AND ASSISTANCE

Contact NSW Treasury

Email: gateway@treasury.nsw.gov.au

Web: <https://www.procurepoint.nsw.gov.au>

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GATEWAY REVIEW SYSTEM -

The NSW Government applies Gateway Reviews to the procurement of infrastructure, information technology, property, and goods and services. Through this, it aims to improve procurement discipline and outcomes by encouraging better performance in project planning, development and execution.

Gateway Reviews are essentially 'peer reviews' that assess whether the processes used in developing and implementing a project are sound.

Reviews can consider an individual project or a program containing several projects.

Projects have a defined beginning and objectives that identify completion.

Programs consist of a group of projects that are considered together because they have factors in common or interrelated developments, operations or service deliveries.

As programs develop, subsequent Reviews may focus on individual projects or continue to be reviewed as a program. It is important that individual projects contribute to overall program goals.

Projects could be grouped because of:

- their similar or supporting service deliveries
- similar governance requirements
- common stakeholder or change management or similar risk profiles
- similar planning, procurement or implementation timelines

Note that use of the term **project** in this workbook also covers a grouping of projects into a program.

In practice, Gateway is the application of high level, structured reviews at critical points (or gates) in the procurement process.

A small team of experienced procurement practitioners who are independent of the project undertake each review. They consider the:

- alignment of the project with agreed objectives
- benefits and value for money offered
- management processes adopted to attain the current stage.

At the conclusion of the review, a report is issued to the Project Sponsor. It indicates the Gateway Review Team's assessment on the state of the project. The report provides recommendations on where further work may be required to improve aspects of the project.

Ultimately, Gateway Reviews help provide Government and agencies with the confidence that an appropriate level of discipline is being applied to the procurement process.

Gateway Health Check

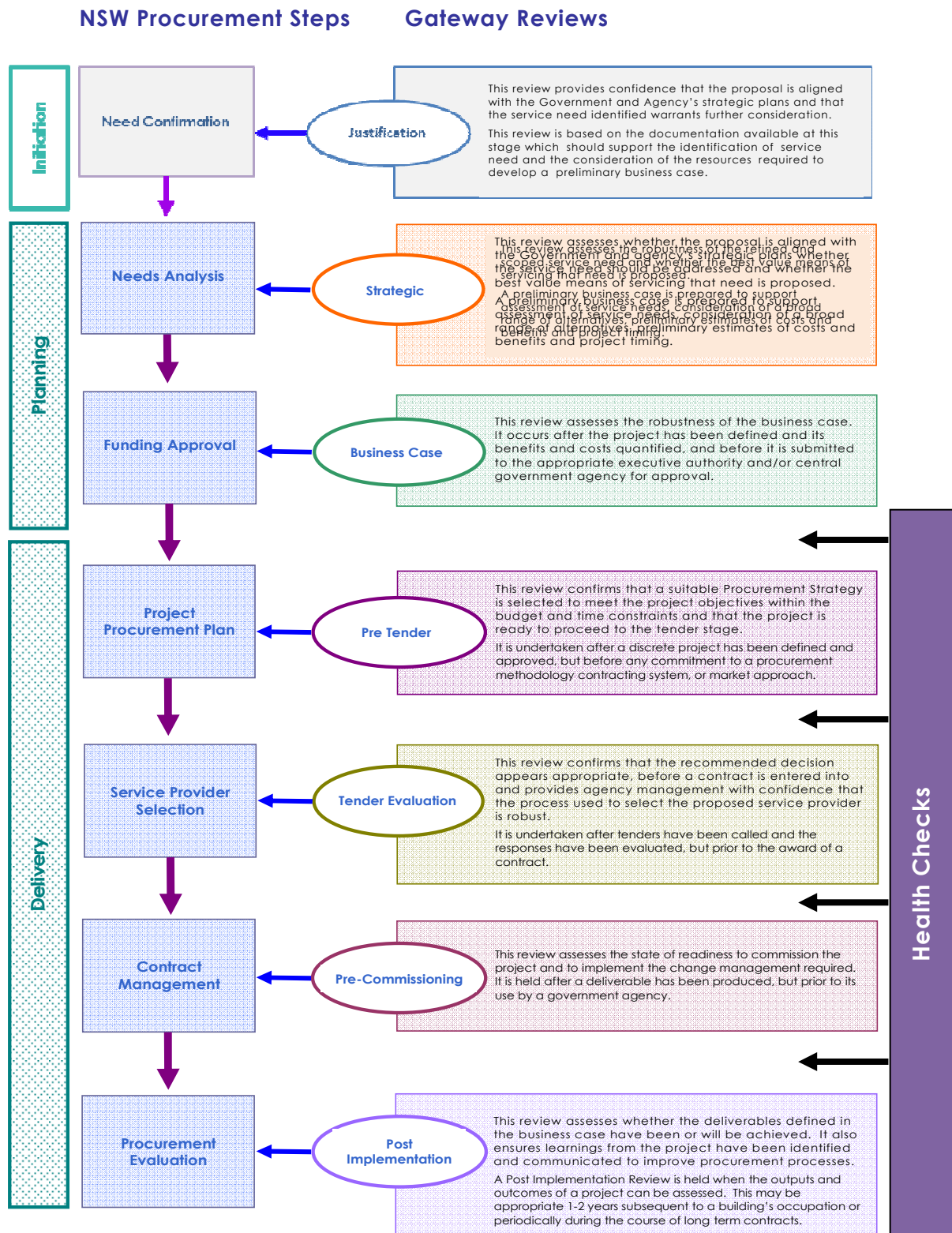
The Gateway Health Check complements the Gate Reviews by providing a 'point in time' insight into areas of concern which may impact completion of the next Gate or project outcomes.

Gateway Health Checks are conducted (for example):

- on an interval basis (in particular where there is a long gap between Gates); or,
- when there is a material change in operating environment or staff; or,
- at the specific request of the Project Sponsor of Government (Treasury or INSW).

It should be noted that a Gateway Health Check neither replaces the need for review at each Gate nor is it a substitute for robust project governance.

PROCUREMENT PROCESS AND GATEWAY



GATEWAY FRAMEWORK

Gateway Reviews are essentially an assessment of whether the processes used in developing and implementing a project are sound. They do not consider technical minutiae or investigate other options for developing and implementing a project.

This workbook provides a framework to conduct the Pre-Commissioning Review. It is based on considering the project against seven success factors, which are constants throughout the procurement process.

1. Service Delivery
2. Affordability and Value for Money
3. Sustainability
4. Governance
5. Risk Management
6. Stakeholder Management
7. Change Management

Indicators have been developed for each success factor to assist the review team in evaluating a project. The Review Team is encouraged to expand or modify this list of indicators to reflect the specific characteristics of the project.

It is intended that the Gateway Review Team use existing project documentation and interview project stakeholders to gather information for the indicators. When this is completed, each of the factors is rated to provide the project team with a snapshot of the project.

RED It is the Gateway Review Team's opinion that this aspect poses a significant risk to the project and must be clarified or addressed before further consideration of the project is made.

AMBER It is the Gateway Review Team's opinion that this aspect indicates a minor risk to the project and must be clarified or addressed as part of proceeding to the next stage of the project.

GREEN It is the Gateway Review Team's opinion that this aspect has been given adequate consideration as not to jeopardise the success of progressing to the next stage of the project.

These ratings, as well as any findings or recommendations a review team may have, are then compiled in a report. A report template is provided on page 17.

PRE-COMMISSIONING GATE PURPOSE -

A Pre-commissioning Review is held after a deliverable has been produced, but prior to its use by a government agency. For example in the case of a building, the review would occur prior to occupancy. With an IT project it would take place after all testing has been completed, but prior to rollout of the solution.

The purpose is to assess the state of readiness to commission the project and to implement the change management required.

The main question the review seeks to answer is:

“Is the project ready for work?”

Specific questions the Pre-Commissioning Review will address in relation to the seven success factors include:

- | | |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. - Service Delivery | Does the identified service need still exist? Will the project, if successfully commissioned, meet that need? |
| 2. - Affordability and Value for Money | Is funding available for project realisation, including commissioning, anticipated operating and maintenance costs and the cost of necessary change? |
| 3. - Sustainability | Will the anticipated social, economic and environmental benefits be achieved? Are plans in place to manage any negative impacts? |
| 4. - Governance | Are there enough people with the necessary expertise available to manage commissioning and operation? Are there plans in place to manage the on-going relationship with the provider? |
| 5. - Risk Management | Are there shared plans for managing risk and contingency plans if things should go wrong? |
| 6. - Stakeholder Management | Are stakeholders up to date with developments and do they support project realisation? |
| 7. - Change Management - | Is the affected organisation(s) ready for the new service and the associated change? Are agreed change management plans in place? |

DOCUMENTATION

The Review Team will need to review all relevant project documentation. This includes documents that provide for the context, planning and delivery priorities of the project.

The information is commonly found in documents such as:

Pre Commissioning Gate Documents

- As built documents
- Warranties/Guarantees
- Readiness for Service
- Change Management Plans
- End User Consultation Report
- Authority Certifications
- Project Records (Documents tracking the construction phase including variations, billing requests for information etc.)
- Quality Records
- Operation & Maintenance Manuals
- Service Plan
- "Ready for Test" Certificates
- Risk Management Plans
- Commissioning Plan
- Previous Gateway Review reports and record of actions

PRE-COMMISSIONING REVIEW INDICATORS -

1. - SERVICE DELIVERY

The Review needs to consider whether the commissioning of the good and/or service will achieve the desired outcome(s) and/or fulfil identified need(s).

Points to consider in evaluating this include:

- The need for and level of service originally defined (or formally - modified) is still valid. -
- The agency has demonstrated that the anticipated level of - service delivered by the project is adequate to meet the - confirmed service needs. -
- The agency has demonstrated that the project, if successfully - commissioned, will: -
 - Deliver the required level of service
 - Achieve the anticipated key performance measures
- The anticipated level of service is aligned with Government - priorities. -
- The Project Manager has verified that the provider has met the - requirements of the contract. -
- The Project Manager has verified that all required approvals - have been received from relevant authorities. -
- The Project Manager has verified that testing and inspection - have been completed satisfactorily. -
- The Project Sponsor has verified that the quality of the - product/service complies with the required standards. -

Comments:

RATING	RED	AMBER	GREEN
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2. - AFFORDABILITY AND VALUE FOR MONEY

Affordability considers whether adequate resources will be available to achieve the proposal.

Value for money considers all factors relating to a proposal including experience, quality, reliability, timeliness, service, capital costs, opportunity costs, whole of life costs, to meet the agency's requirements and Government's social and economic policies.

Points to consider in evaluating this include:

- Explanation has been provided of how cost increases were funded. -
- The Project Manager has verified that the provider has met the approved implementation budget and/or variations to the project have been justified and approved. -
- The agency has demonstrated that funding is available for project realisation, including commissioning, anticipated operating and maintenance costs and the cost of necessary change. -

Comments:

RATING	RED	AMBER	GREEN
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3. - SUSTAINABILITY

In considering sustainability, the Review Team needs to look at whether the project/program will meet the need(s) of the present without compromising the ability of future generations to meet their needs.

Points to consider in evaluating this include:

- Plans are in place to manage adverse social impacts and the - anticipated impacts are acceptable. -
- Anticipated social costs have been confirmed.
- Anticipated economic benefits have been confirmed.
- Anticipated economic costs are acceptable.
- The Project Manager has verified the requirements of the - Environmental Management Plan have been met. -
- Plans are in place to manage identified adverse environmental - impacts. -
- Anticipated environmental benefits have been confirmed
- The Project has achieved the requirements of relevant policies - including for buildings, fleet, energy and water, waste, recycling - and purchasing. -

Comments: -

RATING	RED	AMBER	GREEN
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4. - GOVERNANCE

This factor assesses whether the activities required for a successful project, including resource allocation, time management and process management have been addressed.

Points to consider in evaluating this include:

- Issues raised at Tender Evaluation Gate have been resolved and recommended actions completed. -
- Variations to scope and cost have been processed and approved, including funding of cost variations. -
- The commissioning plan is in place and has been demonstrated to be realistic. -
- Sufficient and appropriate expertise has been identified and is available to manage commissioning and post-implementation tasks and the relationship with the provider. -
- The Project Manager has verified that the provider has allocated adequate resources to manage the contract to completion. -
- The Project Manager has verified that there are sufficient funds to manage commissioning and post-implementation processes. -
- A long-term contract administration plan is in place.
- A benefit realisation plan is in place.

Comments:

RATING	RED	AMBER	GREEN
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5. RISK MANAGEMENT

This factor considers if a structured methodology for identifying, analysing and managing potential risks is being applied.

Points to consider in evaluating this include:

- Risk management plans have been reviewed and updated.
- There are shared plans between major risk holders for managing the risks.
- Contingency plans are in place for identified risks.

Comments:

RATING	RED	AMBER	GREEN
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6. - STAKEHOLDER MANAGEMENT

The review needs to examine whether the exchange of information with stakeholders is being adequately managed and that their concerns are being addressed.

Points to consider in evaluating this include:

- Stakeholders have been kept informed during the project.
- The concerns of stakeholders have been considered.
- The Project Manager has verified that the provider met contract requirements for communication with stakeholders.
- Support for the project has been confirmed.
- No stakeholder objections that could prevent successful project realisation have been identified.
- Stakeholder communication plans are in place for the realisation stage of the project.

Comments:

RATING	RED	AMBER	GREEN
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7. CHANGE MANAGEMENT

Change management is the task of managing the change resulting from the project, both inside and outside the managing agency, in a structured and systematic fashion so that the project is completed efficiently and effectively.

Points to consider in evaluating this include:

- Management in the lead agency has demonstrated commitment to the change that will be required.
- Changes have been communicated effectively to those affected.
- Issues raised by those who will be affected by the changes have been addressed and there is demonstrated acceptance.
- A comprehensive change management plan, including plans for communication, training, problem solving and feedback, is in place.
- The agency has demonstrated that adequate funds and resources have been allocated for training and changeover.

Comments:

RATING	RED	AMBER	GREEN
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GATEWAY REVIEW REPORT TEMPLATE -

Project: **GATEWAY REVIEW WORKBOOK**

Sponsor Agency:

Gateway Review: **Pre commissioning Gate**

Status of Report:

Project Sponsor:

Review Dates:
(Planning/Interview/Report)

Gateway Review Team:

Gateway Manager:

Estimated Total Cost:

Background

The aim of this project is

The driving force for the project is

The proposed benefits of the project are

The current position of the project in relation to the Gateway Review Process is at the Commissioning Stage. Previous Gateway Reviews undertaken on this project include

Conduct of the Review

A Pre Commissioning Gate Review of was carried out on at .

The Gateway Review Team consisted of

-
-
-

The purpose of the review was to consider if sufficient procurement discipline is being applied to the development of the proposed project and to provide recommendations, where appropriate, on improvement opportunities.

The people interviewed by the Review Team are listed in Appendix A.

The documents reviewed by the Review Team are listed in Appendix B.

Findings of the Gateway Review Team

The rating for each success factor is based on the following scale:

RED

It is the Gateway Review Team's opinion that this aspect poses a significant risk to the project and must be clarified or addressed before further consideration of the project is made.

AMBER

It is the Gateway Review Team's opinion that this aspect indicates a minor risk to the project and must be clarified or addressed as part of proceeding to the next stage of the project.

GREEN

It is the Gateway Review Team's opinion that this aspect has been given adequate consideration as not to jeopardise the success of progressing to the next stage of the project.

The Review Team's findings in relation to each of the seven factors are as follows:

1. Service Delivery

The Review indicated that the service does / does not still exist and the project, if successfully commissioned, will / will not meet the need.

-

The Review Team consider the service delivery aspects of the project to be Red/Amber/Green.

2. Affordability and Value for Money

The Review indicated that funding is / is not available for project realisation, including commissioning, anticipated operating and maintenance costs and the cost of change.

-

The Review Team consider the affordability and value for money aspects of the project to be Red/Amber/Green.

3. Sustainability

The Review indicated that the anticipated social, environmental and economic benefits will / will not be achieved and plans are / are not in place to manage negative impacts.

-

The Review Team consider the sustainability aspects of the project to be Red/Amber/Green.

4. Governance

The Review indicated that there are / are not enough people with the necessary experience available to implement the project and that plans are / are not in place to manage the relationship with the service provider.

-

The Review Team consider the governance aspects of the project to be Red/Amber/Green.

5. Risk Management

The Review indicated that there are / are not plans for managing risk and contingency if things should go wrong.

-

The Review Team consider the risk management aspects of the project to be Red/Amber/Green.

6. Stakeholder Management

The Review indicated that stakeholders are / are not up to date with project developments and they do / do not support project realisation.

-

The Review Team consider the stakeholder management aspects of the project to be Red/Amber/Green.

7. Change Management

The Review indicated that the affected organisation is / is not ready for the new service and the associated change and the change management plans are / are not in place.

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The Review Team consider the change management aspects of the project to be Red/Amber/Green.

Other Matters

-

Conclusions and Recommendations

The Gateway Review Team recommends:

- 1.
- 2.
- 3.

APPENDIX A: REVIEW INTERVIEWEES

The Reviewers are grateful to the following staff who gave generously of their time at the interviews. Their contribution assisted the Reviewers in coming to an understanding of the project and the path that led to its formulation.

Person	Agency	Project Role
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APPENDIX B: DOCUMENTS REVIEWED

Document Title	Author	Date of Publication
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