



Government of **Western Australia**
Department of **Finance**
Government **Procurement**

Gateway

Tender Decision

Workbook



ABOUT THIS WORKBOOK

This workbook supports the Gateway review Tender Decision. It is the fourth in a series of six reviews a project may undergo.

This review ensures that the tender selection process has been performed transparently and according to the required procedures. It also investigates the business case, confirming that the project is still required, affordable and achievable. Finally, it checks that implementation plans are robust.

The checklists in this workbook provide review teams with key areas to explore and suggest evidence to look for. At the same time, they provide the Senior Responsible Officer (SRO) with information on the areas the review team will be exploring, the types of documents it will be reviewing and the evidence expected for a Tender Decision review.

As each project is unique and circumstances vary, this workbook should be used as a guide for appropriate questions and evidence, not a full checklist of mandatory items.



The Tender Decision review confirms the project is still achievable.

TENDER DECISION

In the tender selection process, the agency invites proposals or tenders against fully developed requirement specifications. Potential suppliers, partners and/or other delivery organisations submit their proposal or tender and an evaluation panel analyses all submissions on a 'like-for-like' basis. The evaluation panel then recommends the delivery solution that meets all the needs of clients and end-users, while delivering the best value for money.

The Tender Decision review confirms that the supplier selection process for this particular project (not the supplier selection decision itself) was sound and robust. It also checks that the implementation plans that are in place are realistic and achievable.

It assesses:

- Whether the supplier selection process has been well managed
- Whether the business needs are being met
- That both client and supplier are in a position to implement and manage the proposed solution
- That processes are in place to achieve a successful outcome after contract award.

Both the project team and review team must be satisfied that all options have been considered, including commercial arrangements with existing suppliers that offer value for money.

The Tender Decision review confirms that the recommended investment decision is appropriate before a contract is placed with a supplier or partner.



The review takes place before a contract is placed with a supplier or partner.

KEY AREAS OF REVIEW

This review aims to answer the question:

“Does the preferred tenderer meet the requirements of the business case and organisational need?”

It investigates the following areas:

Outcomes and objectives: Will the recommended contract decision deliver the specified outputs on time, within budget and provide value for money?

Stakeholders: Is there continuing support for the project?

Context: Is the business ready for change, for implementation, transition and operation of new services or facilities?

Project management: Are management controls in place to manage the project, including contract management aspects? Is there a clear understanding of responsibilities between all parties?

Risk: Has the risk management plan been shared with suppliers/delivery partners?

Resourcing: Does the project have resources with the appropriate skills and experience to achieve the intended outcomes of the investment?

Once the evidence for each of these areas has been considered by the review team, the project is evaluated on its readiness for the next phase and recommendations to this effect are made.

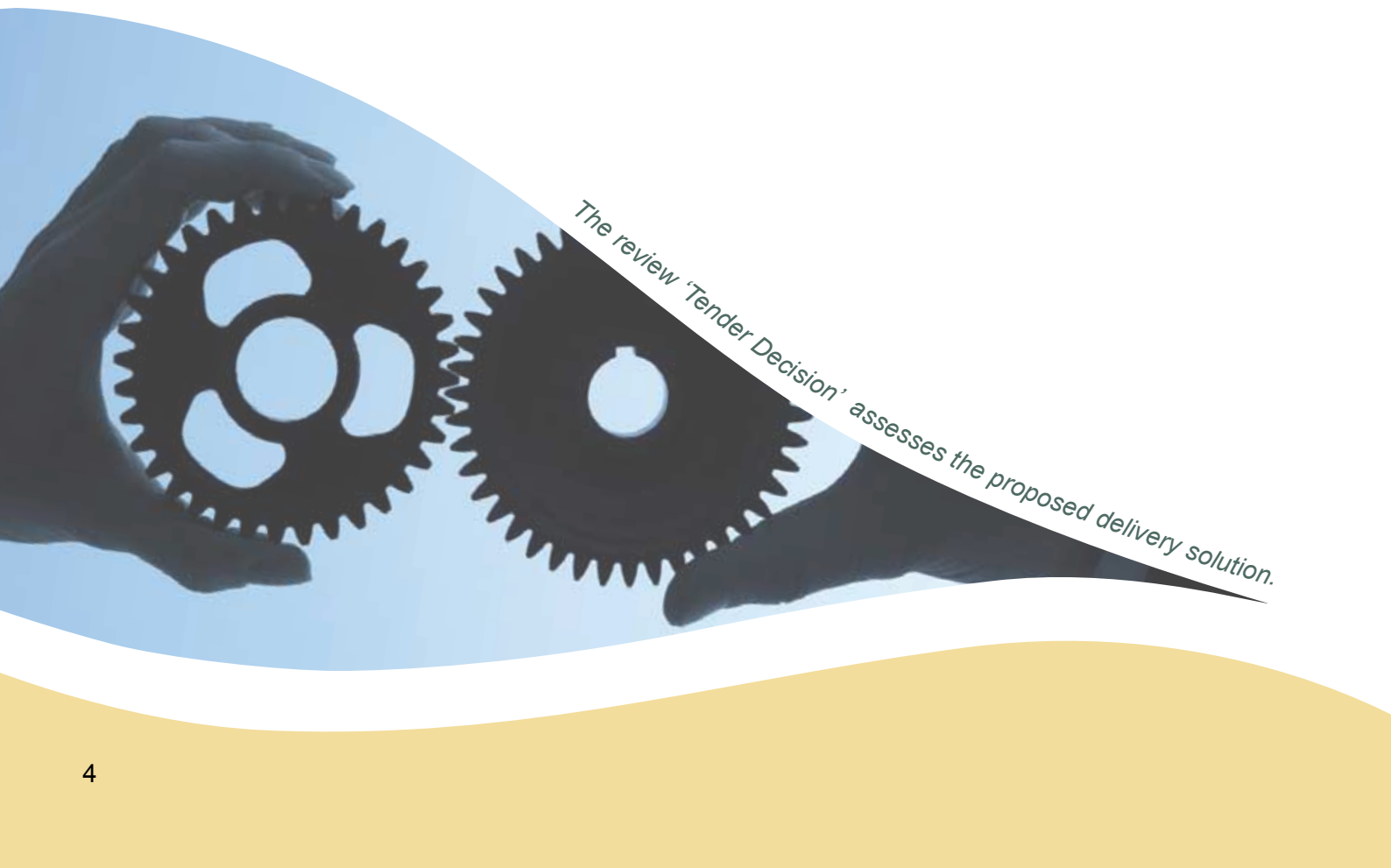
STRUCTURE OF REVIEW

The Gateway Tender Decision review is broken up into the following sections:

- **Assessment of the proposed solution**
- **Business case and stakeholders**
- **Risk management**
- **Review of current phase**
- **Readiness for next phase.**

The following checklists provide review teams with a range of appropriate questions and evidence to look for in each of the above sections. It also provides the SRO and project teams with a guide as to what the review team will be exploring.

As each project is unique and circumstances vary, these questions should be used as a guide rather than a full checklist of mandatory items.



1. REVIEW AREA: ASSESSMENT OF THE PROPOSED SOLUTION

Areas to review	Evidence expected
1.1 Does the proposed solution continue to meet the business need?	<input type="checkbox"/> The selected delivery solution fully complies with all requirements. <input type="checkbox"/> Consultation with stakeholders during evaluation and their acceptance of the proposed solution.
1.2 Have the suppliers or partners proposed any alternatives or other options in addition to a fully compliant bid?	<input type="checkbox"/> Assessment of options to show whether these are beneficial to the project's output/outcomes and still within the scope of the tender advertisement.
1.3 Will the proposed delivery solution deliver the business need described in the business case?	<input type="checkbox"/> Analysis to show that: <ul style="list-style-type: none">- The proposal is defined in business outcome terms- The business can achieve the necessary organisational and business process changes- The proposed services and service levels as defined in the contract will meet the agreed business requirements.
1.4 Has the proposed solution affected the strategy for business change?	<input type="checkbox"/> Updated plan for managing the business change on the basis of the proposed solution, agreed by the project's steering committee and agreed with users and stakeholders. <input type="checkbox"/> Analysis of differences from original plan.
1.5 Has the proposed solution affected the expectations of business benefits?	<input type="checkbox"/> Updated plan for benefit realisation and updated descriptions of benefits and their owners. <input type="checkbox"/> Analysis of differences from original plan. <input type="checkbox"/> Changes documented and agreed with users and stakeholders.
1.6 Are the client and supplier prepared for the development (where there are new systems and processes), implementation, transition and operation of any new services?	<input type="checkbox"/> Proposed supplier's development/implementation plans included in delivery solution and recommended to the project's steering committee. <input type="checkbox"/> Client's implementation plan agreed with users and stakeholders, e.g. staff training, changes in processes.
1.7 Are there plans and processes to address future issues, both business and technical?	<input type="checkbox"/> Strategy for managing change agreed by all parties, including supplier.

- 1.8 Is there clear allocation and understanding of responsibilities between all parties, in addition to any contractual liabilities?**
- Defined client and supplier personnel and responsibilities.
 - On the client's side, identified internal relationships and interfaces describing 'who does what' with the supplier.
 - On the supplier's side, reciprocal arrangements including senior management roles.
 - Where applicable, partnering arrangements defined.
 - If a single supplier, how they will manage their supply chain.
 - If multiple suppliers, how the client organisation will manage the interfaces.
 - Evidence to show the client and supply team will work together as an integrated project team.
 - If the project traverses organisational boundaries on the client side, there are clear governance arrangements to ensure sustainable alignment with the business objectives of all organisations involved.
-
- 1.9 Are there resources available for the business to fulfill its obligations within the contract?**
- Plan for implementing the new contract, identifying the quantity, type and quality of resources required.
 - Formal management acceptance of resource requirements agreed, with key roles and personnel identified and in place.
 - Adequate plans and procedures for contract management, including availability of requisite skills and experience.
-
- 1.10 Have the technical implications been assessed?**
- Demonstrates that the delivery solution is technically acceptable.
-
- 1.11 Does the project have resources with the appropriate skills and experience to achieve the intended outcomes of the investment?**
- Internal and external commitment to provide the resources required.
 - Job descriptions for key project staff.
 - Skills appraisal undertaken and plans for addressing any shortfall.
 - Access to external sources of expertise if required.
 - Appropriate allocation of key project roles between internal staff and consultants or contractors.
-
- 1.12 Is the proposed procurement within financial approvals and is there adequate budget to accommodate the procurement?**
- Confirm financial approvals are obtained and adequacy of the budgeted costs.

2. REVIEW AREA: BUSINESS CASE AND STAKEHOLDERS

Areas to review	Evidence expected
2.1 Is the project still required?	<input type="checkbox"/> The project still fits with strategic objectives, including government/organisational objectives. <input type="checkbox"/> External factors have not affected current priorities.
2.2 Has the business case been updated?	<input type="checkbox"/> Re-assessment of updated business case, including strategic, economic, financial, commercial and project management factors.
2.3 Does the business case, when incorporating the delivery strategy, still demonstrate affordability?	<input type="checkbox"/> Business case incorporating bid information, including: <ul style="list-style-type: none"> - Changes from budgetary figures - Returns and value re-calculated with new benefits plan - Costs compared with budget, pre-tender estimates.
2.4 Does the recommended way forward meet the business need?	<input type="checkbox"/> Objectives revisited against final bid and proposed solution.
2.5 Has the most appropriate option been selected?	<input type="checkbox"/> Cost/benefit/risk analysis against final bid information and results of evaluation, including sensitivity analysis. <input type="checkbox"/> The whole-of-life design quality, cost and time optimised as far as possible.
2.6 Does the commercial arrangement represent value for money, with an appropriate level of quality over the life of the project?	<input type="checkbox"/> Market assessment, other organisational benchmarks and previous experience. <input type="checkbox"/> Results of evaluation. <input type="checkbox"/> Where appropriate, assessment of supplier's funding arrangements.
2.7 Is the client realistic about their ability to manage the change?	<input type="checkbox"/> Documented understanding of cultural implications, where appropriate, account has been taken of the current organisational culture. <input type="checkbox"/> Comparison with others.
2.8 Is there an agreed benefits evaluation plan?	<input type="checkbox"/> Benefits management strategy and plans, including: <ul style="list-style-type: none"> - Critical success factors - Individuals responsible for achieving benefits identified - Agreed process for measuring and assessing benefit - Data on baselines for benefits assessment - Post-implementation review plan identifies review points and benefits to be assessed - Payment mechanisms linked to benefits realisation.
2.9 Have all stakeholders been involved and approved of tender evaluation report and draft contract?	<input type="checkbox"/> Stakeholder involvement in quality and proposal reviews. <input type="checkbox"/> Views of all stakeholders have been considered. <input type="checkbox"/> Representation of stakeholders on the evaluation team.

3. REVIEW AREA: RISK MANAGEMENT

Areas to review	Evidence expected
3.1 Are risk and issue management plans up to date?	<input type="checkbox"/> Risk register and issue log regularly reviewed, updated and acted upon.
3.2 Have all major risks that arose during this phase been resolved?	<input type="checkbox"/> Updated risk and issue management plans and risk register, including risks associated with: <ul style="list-style-type: none">- Project resourcing and funding- Team competencies- Legislation- Technical dependencies- Users and stakeholders. <input type="checkbox"/> Owners of risks/issues assigned or client-side risk transfer plans vi, where applicable.
3.3 Are there arrangements to minimise the impact on the business in the event of major problems during implementation and rollout?	<input type="checkbox"/> A business continuity and contingency approach agreed with stakeholders and suppliers. <input type="checkbox"/> Business of client continuity and contingency plans under development. <input type="checkbox"/> Assessment of supplier's continuity and contingency plans.
3.4 Does the contract reflect standard terms and conditions and the appropriate allocation of risks between the contracting parties?	<input type="checkbox"/> Contracts comply with standard terms and conditions. <input type="checkbox"/> Any changes to standard terms and conditions assessed for their impact, legality and acceptability. <input type="checkbox"/> Analysis of risk allocation proposed by supplier or partner versus expectations or the original rationale for project.
3.5 For longer-term service or partnering contracts, have the re-tendering issues been considered?	<input type="checkbox"/> Plans for exit strategy at the end of the contract, with appropriate review points built in over the life of the contract to update these arrangements.

4. REVIEW AREA: REVIEW OF CURRENT PHASE

Areas to review	Evidence expected
4.1 Is the project under control?	<input type="checkbox"/> Project running to schedule and cost within budget. <input type="checkbox"/> Recommendations from last Gateway review actioned.
4.2 What caused any deviation, such as over and under-runs?	<input type="checkbox"/> Reconciliations set against budget and time plan.
4.3 What actions are necessary to prevent deviations recurring in other phases?	<input type="checkbox"/> Analysis and plans documented in project documentation that is continually updated and reviewed.
4.4 Have all the assumptions from the business case been validated?	<input type="checkbox"/> Validation of assumptions. Any that cannot be validated are being examined, appear in the risk register or issue management log, and are assessed and discussed with potential suppliers and partners. <input type="checkbox"/> Documentation of any new assumptions.
4.5 Have all the required organisational procurement and technical checks been carried out?	<input type="checkbox"/> Bid management review and approval processes. <input type="checkbox"/> Compliance with relevant legislation and policy guidelines. <input type="checkbox"/> The evaluation strategy, underpinning models and criteria have been followed. <input type="checkbox"/> Demonstration of compliance with statutory requirements (e.g. planning, building regulations).
4.6 Did the project team follow the planned steps in the delivery strategy?	<input type="checkbox"/> Documented information confirming that the activities and processes in the delivery strategy and plan have been followed.
4.7 Were the documents subject to quality review?	<input type="checkbox"/> Quality review documentation.
4.8 Has the procurement process adequately managed probity?	<input type="checkbox"/> Probity documentation or report.

5. REVIEW AREA: READINESS FOR NEXT PHASE: READINESS FOR SERVICE

Areas to review	Evidence expected
5.1 Is the working relationship likely to succeed?	<ul style="list-style-type: none"><input type="checkbox"/> Realistic assessment of management style/behaviours on both sides.<input type="checkbox"/> Reporting arrangements identified at appropriate levels on both sides.<input type="checkbox"/> Suitable procedures and responsibilities for contract management are defined and agreed.<input type="checkbox"/> Plans for integrating the project team, where applicable.<input type="checkbox"/> Continuity of key personnel from the contract award phase into the implementation phase.
5.2 Are all resources and internal funds (the 'client-side budget') in place?	<ul style="list-style-type: none"><input type="checkbox"/> Budget provision including following years' expenditure.<input type="checkbox"/> Manpower provision agreed.<input type="checkbox"/> Approval process for payments to suppliers.<input type="checkbox"/> Process for expenditure reporting and reconciliation.<input type="checkbox"/> Insurances established by supplier where required.
5.3 Is there a plan for achieving the required outcomes?	<ul style="list-style-type: none"><input type="checkbox"/> Confirm the supplier's or partner's project plan meets timescales for achieving the outcome of the investment.<input type="checkbox"/> Realistic supplier's or partner's implementation plan and plans for managing risk.
5.4 Does the client-side plan reflect the supplier's plan, and vice versa?	<ul style="list-style-type: none"><input type="checkbox"/> Updated project management plan reflecting tender proposals.<input type="checkbox"/> Defined organisation, personnel and responsibilities on the client's side.<input type="checkbox"/> Supplier personnel cleared to meet project requirements.<input type="checkbox"/> Process for resolving issues agreed with supplier/partner.<input type="checkbox"/> Evidence that all plans have been reviewed, agreed and included in the contract.
5.5 Are the long-term contract administration plan and benefit measurement process complete?	<ul style="list-style-type: none"><input type="checkbox"/> Long-term plan with contract management strategy and a detailed service delivery plan.<input type="checkbox"/> Resources with identified sources.<input type="checkbox"/> Key measures of benefit agreed with supplier/partner (if supplier payments related to benefits delivery).<input type="checkbox"/> Analysis of project plan showing that resource requirements are identified, planned, budgeted for and available when required.<input type="checkbox"/> Defined roles and responsibilities.

<p>5.6 Are all the mechanisms and processes in place for the next phase?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Project plan confirms arrangements for management, monitoring, transition and implementation. <input type="checkbox"/> If external consultants are used, they are accountable and committed to help ensure successful and timely delivery.
<p>5.7 Are the service management plan, administration and service level arrangements complete?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Documented service management strategy and plan. <input type="checkbox"/> Defined and agreed service level management, service levels, service quality and measurement. <input type="checkbox"/> Responsibilities defined for each party. <input type="checkbox"/> Defined and agreed standards for services. <input type="checkbox"/> Defined and agreed monitoring, reporting and review mechanisms.
<p>5.8 Is the management process for service change complete?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Change control procedures (both technical and business) defined, agreed and included in contract. <input type="checkbox"/> Defined and agreed management process and responsibilities.
<p>5.9 Is there an acceptance strategy or commissioning strategy, as applicable?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Acceptance/commissioning strategy and plan, with fully documented and timetabled decision paths. <input type="checkbox"/> Decision makers clearly identified and informed about their role and what information they will be given to make their judgement. <input type="checkbox"/> Acceptance criteria agreed with supplier. <input type="checkbox"/> Validated acceptance testing plan, including technical and business components.
<p>5.10 Is there an implementation strategy?</p>	<ul style="list-style-type: none"> <input type="checkbox"/> Implementation strategy and plan. <input type="checkbox"/> Users, stakeholders and client business management involved in developing strategy. <input type="checkbox"/> Where applicable, transition plans to new ways of working. <input type="checkbox"/> Clearly defined roles on client and supplier sides for monitoring and controlling handover.

PROJECT DOCUMENTS

Examples of evidence expected for each area should be available before the review starts.

The following is a range of information that would typically be required:

- **Risks and issues** Strategies for managing the risks and issues, and a risk register showing that risks were identified and managed.
- **Change** The plan for implementing business change and strategies for handling future change.
- **Services** Service management arrangements defining how services will be managed, their performance measured and responsibilities shared between the client and supplier.
- **Benefits** The benefit management strategy, benefit management plans and responsibilities for delivery.
- **Delivery** The delivery strategy, including a procurement strategy, if appropriate.
- **Operations** The operational requirement and draft contract.
- **Business case** Business case for each of the bids that were acceptable in principle, to confirm the delivery strategy and that the negotiated and agreed solution remains within the original criteria.
- **Implementation** Realistic plans from the supplier for development and implementation.
- **Evaluation** An evaluation report containing:
 - Recommendation for the selected supplier or partner
 - Justification of the selected supplier
 - Details of close contenders
 - Plans for debrief of unsuccessful suppliers.
- **Plans** Outline project plans through to completion and plans for the next phase.
- **Timeline** An updated project time plan developed with the selected suppliers.
- **Communications** An updated communications plan.
- **Funds** Confirmation of the funds and authority to proceed.

