



Government of **Western Australia**
Department of **Treasury and Finance**

The Gateway Review

Tender Decision
Workbook



About this workbook

This workbook supports the Tender Decision Gateway Review. 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 Tender Decision Gateway 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.

“The Tender Decision Gateway review assesses the proposed delivery solution.”



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?	The selected delivery solution fully complies with all requirements. 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?	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?	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?	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. Analysis of differences from original plan.
1.5 Has the proposed solution affected the expectations of business benefits?	Updated plan for benefit realisation and updated descriptions of benefits and their owners. Analysis of differences from original plan. 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?	Proposed supplier's development/implementation plans included in delivery solution and recommended to the project's steering committee. 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?	Strategy for managing change agreed by all parties, including supplier.

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

2. Review area: Business case and stakeholders

Areas to review	Evidence expected
2.1 Is the project still required?	The project still fits with strategic objectives, including government/organisational objectives. External factors have not affected current priorities.
2.2 Has the business case been updated?	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?	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?	Objectives revisited against final bid and proposed solution.
2.5 Has the most appropriate option been selected?	Cost/benefit/risk analysis against final bid information and results of evaluation, including sensitivity analysis. 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?	Market assessment, other organisational benchmarks and previous experience. Results of evaluation. Where appropriate, assessment of supplier's funding arrangements.
2.7 Is the client realistic about their ability to manage the change?	Documented understanding of cultural implications, where appropriate. Account has been taken of the current organisational culture. Comparison with others.

Areas to review	Evidence expected
2.8 Is there an agreed benefits evaluation plan?	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?	Stakeholder involvement in quality and proposal reviews. Views of all stakeholders have been considered. 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?	Risk register and issue log regularly reviewed, updated and acted upon.
3.2 Have all major risks that arose during this phase been resolved?	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. 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?	A business continuity and contingency approach agreed with stakeholders and suppliers. Business of client continuity and contingency plans under development. 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?	Contracts comply with standard terms and conditions. Any changes to standard terms and conditions assessed for their impact, legality and acceptability. 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?	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?	Project running to schedule and cost within budget. Recommendations from last Gateway review actioned.
4.2 What caused any deviation, such as over and under-runs?	Reconciliations set against budget and time plan.
4.3 What actions are necessary to prevent deviations recurring in other phases?	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?	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. Documentation of any new assumptions.
4.5 Have all the required organisational procurement and technical checks been carried out?	Bid management review and approval processes. Compliance with relevant legislation and policy guidelines. The evaluation strategy, underpinning models and criteria have been followed. 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?	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?	Quality review documentation.
4.8 Has the procurement process adequately managed probity?	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?	<p>Realistic assessment of management style/behaviours on both sides.</p> <p>Reporting arrangements identified at appropriate levels on both sides.</p> <p>Suitable procedures and responsibilities for contract management are defined and agreed.</p> <p>Plans for integrating the project team, where applicable.</p> <p>Continuity of key personnel from the contract award phase into the implementation phase.</p>
5.2 Are all resources and internal funds (the 'client-side budget') in place?	<p>Budget provision including following years' expenditure.</p> <p>Manpower provision agreed.</p> <p>Approval process for payments to suppliers.</p> <p>Process for expenditure reporting and reconciliation.</p> <p>Insurances established by supplier where required.</p>
5.3 Is there a plan for achieving the required outcomes?	<p>Confirm the supplier's or partner's project plan meets timescales for achieving the outcome of the investment.</p> <p>Realistic supplier's or partner's implementation plan and plans for managing risk.</p>
5.4 Does the client-side plan reflect the supplier's plan, and vice versa?	<p>Updated project management plan reflecting tender proposals.</p> <p>Defined organisation, personnel and responsibilities on the client's side.</p> <p>Supplier personnel cleared to meet project requirements.</p> <p>Process for resolving issues agreed with supplier/partner.</p> <p>Evidence that all plans have been reviewed, agreed and included in the contract.</p>
5.5 Are the long-term contract administration plan and benefit measurement process complete?	<p>Long-term plan with contract management strategy and a detailed service delivery plan.</p> <p>Resources with identified sources.</p> <p>Key measures of benefit agreed with supplier/partner (if supplier payments related to benefits delivery).</p> <p>Analysis of project plan showing that resource requirements are identified, planned, budgeted for and available when required.</p> <p>Defined roles and responsibilities.</p>

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

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