

GATE 4 REVIEW GUIDE

Service Readiness

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Introduction

Purpose

The Infrastructure SA Assurance Framework (ISAAF) sets out the requirement for assurance reviews on major infrastructure projects and programs.

The ISAAF makes provision for Gate Reviews to be undertaken prior to key decision points in a projects lifecycle and to inform key directions and decisions about how it should progress. The assurance review process provides a view on the current progress and an understanding of whether it is properly prepared to successfully proceed to the next stage.

The Service Readiness Gate 4 Review will be undertaken in accordance with the ISAAF, the Assurance Review Guide, this guide and the specific Terms of Reference (ToR) that will be developed and agreed to for each assurance review.

This workbook should be used by the SRO/project team to prepare for the Gate 4 Review and the review team to conduct the Gate 4 Review. It offers key areas to explore and evidence to look for. As each project is unique and circumstances change, the workbook should be used as a guide to the range of appropriate questions and evidence, rather than a full checklist of mandatory items.

The ISA Assurance Review Guide provides comprehensive guidance on how to undertake an assurance review in South Australia.

Assurance review objectives

The objective of this review is to investigate:

- how well the project and asset owner and/or operator have planned the transition from project delivery to service/operations to ensure the benefits outlined in the Final Business Case will be achieved
- if the asset/infrastructure is ready for service
- how well the project is performing against the five key focus areas, and
- if there is a basis for benefits realisation and evaluating ongoing performance.

This Gate 4 review occurs prior to commissioning the asset into service and handover to the operational phase of the project lifecycle.

The project will be entering commissioning phase and preparing to hand over the asset/infrastructure to the asset owner and/or operator for service. The asset owner/operator will be ready to receive the asset. The project team and the asset owner/operator will be focusing on change and ensuring that the outputs can be effectively implemented with as little impact on current operations as possible.

There should be a clear understanding of network integration impacts and requirements supported and mitigated through well-developed change management planning. Roles and responsibilities through commissioning and handover should be clear and endorsed by joint delivery and asset owner and/or operator governance. Benefits realisation planning and monitoring should be consistent with the business case and well advanced.

The review will investigate the approach to commissioning and handover to ensure the asset moves into service as scheduled and achieves the stated benefits. It will also consider key stakeholder issues, risks, commercial close-out arrangements, contract management arrangements, change management processes and plans, and governance.

Documents

The assurance review team will require access to a range of documents. These documents, and any other information the assurance review Team considers relevant, will be required for the review. If the equivalent information resides in other documents these can be provided by annotating this list to identify the relevant document(s) provided.

Required information 5 business days before the planning meeting:

- Previous assurance review report and recommendation action plan (RAP)
- Final Business Case and approved changes/document/register
- Benefits management plan and register (final).

Required information for the planning meeting:

- Overview presentation (PowerPoint) of the project that addresses the five key focus areas). This will be delivered at the planning meeting.

Likely information for the review: (one day after planning meeting)

- Commissioning/test plans/approaches/reports
- Contracts/contract management documents
- Design/construction/completion reports
- Stakeholder engagement plan
- Public Works Committee submission
- Project budget (actuals and forecast incl. project and operations)
- Organisation chart for project/program (project and operational)
- Governance structures/arrangements documents (project and operational)
- Risk register and risk management plan (project and operational)
- Issues register
- Change control plan and change management plan
- Transitional/handover plans
- Operational management plans/instructions/manuals
- Technical/safety documents/regulatory requirements
- Project reports (last three)
- Project agendas and minutes (last three) and ToR
- Defects management plans
- Test plans and reporting
- Detailed project plan/Gantt chart showing current status and remaining activities planned through to completion
- Examples of lessons learned captured by or used to inform the project
- Any other information/documents sought by the review team.

Interviews

The assurance review team will interview key stakeholders involved in the project. Likely stakeholders to be interviewed include:

- Senior Responsible Officer (SRO)
- project sponsor if not SRO
- Project Director and/or Project Manager
- project team members involved in design/budgeting/scheduling/communication/commissioning/testing (sponsor agency, delivery agency and external)
- specialists/consultants that have contributed to the project.
- senior representatives of the asset owner and/or operator
- stakeholders from other agencies, bodies and/or user groups (internal and external)
- users of the infrastructure solution.

The sponsor agency must complete a stakeholder list and provide this to the review team before the planning meeting. The sponsor agency (i.e. SRO) is responsible for ensuring that interviewees (or appropriate proxies) are available on the specified interview days. The review team will select who they would like to interview at the planning meeting. A final interview record is included in the review report.

Key focus areas (KFAs)

Strategic Fit

This KFA examines the strategic alignment, the case for change, integration and the intended benefits and outcomes of the project.

In particular, the review team should confirm:

- the project will meet the service need
- full service and asset integration has taken/is taking place, and
- the original projected benefits are likely to be achieved and any changes have been captured and quantified.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Strategy		
1.1	Is the project aligned to wider government and organisational policies, strategic objectives, standards and business change programs?	<ul style="list-style-type: none"> • The project remains aligned to greenhouse gas emission reduction targets. • The project and the service will meet government strategies, sector strategy, frameworks, plans, policies and standards. • The project and the service will meet organisational strategies, frameworks, plans, and policies. • The project and the service will meet regional program or policy initiatives.
1.2	Is the project meeting the service need?	<ul style="list-style-type: none"> • The project will deliver the intended services. • Proactive management of scope changes to meet desired service outcomes.
Integration		
1.3	Are service plan requirements and interfaces with the broader service network addressed and managed?	<ul style="list-style-type: none"> • Approved service and operational plans. • The service provision is integrated across government and non-government entities. • The service provision is coordinated and integrated across the asset portfolio and the relevant sector. • Interfaces with other programs including dependencies and direct impacts. • Systems change (technology, process or procedural) is understood and has/will be addressed.

Areas and questions		Evidence expected
1.4	Are all the interfaces with the sector's assets and infrastructure network factored in, addressed and able to be managed?	<ul style="list-style-type: none"> • The asset is integrated with government and non-government Infrastructure. • Interfaces with other programs including dependencies and direct impacts (including post completion and future works) are factored in and confirmed. • The asset owner's and/or operator's requirements have been met and is ready to receive the asset. • Approved asset management and operational plans.
1.5	Is the asset integrated into the built environment?	<ul style="list-style-type: none"> • Place-making outputs have been delivered (and any management/ operational aspects are in place). • Integrated urban development and place making opportunities have / can still be delivered and wont impact on the service delivery. • Outstanding built form matters will be addressed.
1.6	Has the asset been built to all design and masterplan objectives and technical requirements?	<ul style="list-style-type: none"> • Assets meet the original design intent and masterplan. • The built form outcome will deliver the service need. • Proactive management of design quality.
1.7	Have legislative, policy and regulatory requirements been met and how will these continue to be met during operations?	<ul style="list-style-type: none"> • Evidence that requirements have been met during project delivery and will be in place for operations. • Planning issues and conditions resolved.
1.8	Does the asset meet the asset acceptance criteria?	<ul style="list-style-type: none"> • Structured and formal asset acceptance criteria. • Justification and authorisation of changes to original specification (if applicable).
1.9	Have all new system, service and business process testing and commissioning, acceptance and transition procedures been completed?	<ul style="list-style-type: none"> • Commissioning or test plans. • Results and analysis of products against acceptance criteria documented. • Ratified test reports and logs. • End-to-end testing of new or changed business processes. • Testing considers future deliverables. • Documented corrective action for all missing or incomplete items.
Benefits & Outcomes		
1.10	How will benefits and outcomes be realised?	<ul style="list-style-type: none"> • Scope and project specifications. • Benefits in the business case, benefits management plan/register (and/or agreed changes) can be delivered.

Areas and questions		Evidence expected
		<ul style="list-style-type: none"> • Benefits are optimised where possible to add value to the project. • Value-add opportunities are present, and innovation is embedded in operating model. • The outcomes sought (incl. functional and performance requirements, operational capabilities, service changes) have been delivered. • Performance outcomes can be met.
1.11	Is there a process to manage and measure benefits?	<ul style="list-style-type: none"> • Approved benefits management plan that is linked to program outcomes. • Means of measuring benefits agreed with the service provider and partners. • Contract management includes a sufficiently robust framework to measure performance. • For collaborative projects, all parties understand and agree with their responsibilities and arrangements for benefits realisation.
1.12	Have critical success factors for the project been delivered?	<ul style="list-style-type: none"> • The essential areas of activity have been delivered and can be measured to monitor performance.
1.13	Is there a process for post-implementation reviews?	<ul style="list-style-type: none"> • Plan for post-implementation reviews endorsed by supplier and internal and external parties.
1.14	Have lessons learned been identified and documented?	<ul style="list-style-type: none"> • Assessment of the project's impact on the business, stakeholders and end-users. • Documentation of lessons learned. • Documentation of innovative solutions.

Stakeholders

This KFA examines stakeholder identification, engagement and management and the level of support by users and key stakeholders.

In particular, the review team should confirm:

- key stakeholders are engaged, involved and support the project
- the asset owner and operator is fully engaged and ready to accept the asset, and
- communication is clear and transparent.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Management		
2.1	Are stakeholders and project partners being well engaged and well managed?	<ul style="list-style-type: none"> • Approved stakeholder engagement plan, showing roles and responsibilities. • Stakeholders' potential influence on the project are defined and agreed. • Approved communications plan, showing key messaging.
2.2	Is communication effective?	<ul style="list-style-type: none"> • Communication plan for asset handover and transition is implemented. • Communication in the project team and with internal and external stakeholders, as well as the local and wider community, is working well. • Communication is responsive to each stakeholder group and their engagement preferences.
Internal & asset owner/operator		
2.3	Have all key internal stakeholder issues been addressed?	<ul style="list-style-type: none"> • Project development and decision-making process is inclusive of all the relevant internal stakeholders and is both efficient and effective. • Operational service and/or facility contract (or partnering contract) reflects stakeholder requirements.
2.4	Have the supplier and all internal and external parties agreed on plans (e.g. change management, data transfer and rollout)?	<ul style="list-style-type: none"> • Approved change management plan. • Shared understanding of the change control process. • All parties or their representatives are aware of and have agreed to their responsibilities. • Where relevant, partnering agreements in place or planned.
2.5	Is ownership after handover clearly understood?	<ul style="list-style-type: none"> • The business owner for the operational service has been identified. • Operator will accept the asset.

Areas and questions		Evidence expected
		<ul style="list-style-type: none"> Handover responsibilities and arrangements documented and agreed by both parties.
External & asset users		
2.6	Have key external stakeholder issues been addressed and resolved?	<ul style="list-style-type: none"> Key external stakeholder and partner issues have been identified and resolved. Decisions and outcomes from consultation have been resolved.
2.7	Does the local and broader community support the outcome?	<ul style="list-style-type: none"> Impacts on the local and broader community have been addressed or will be addressed. The local and broader community support the approach.
2.8	Were Aboriginal stakeholder views and needs clearly understood and resolved appropriately?	<ul style="list-style-type: none"> Results of consultations documented as part of project stakeholder engagement and communications strategy. Decisions and outcomes from consultation have been resolved.

Impact and Value for Money

This KFA examines the economic, social, environmental, sustainability and financial impacts and the overall value for money, affordability and commercial viability.

In particular, the review team should confirm:

- the project is delivering the expected outcomes
- risks are understood and the capital budget is appropriate to complete the project, and
- the service and maintenance budget is in place.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Impact		
3.1	Will the asset and service address the need at optimal net cost?	<ul style="list-style-type: none"> • Project optimises outcomes. • Operational and whole-of-life costs are within expected parameters.
3.2	Are any scope changes between award of contract and completion of transition still delivering expected outcomes?	<ul style="list-style-type: none"> • Changes have been documented, managed and have optimised the expected outcomes.
3.3	Have all the locational constraints and opportunities been met or able to be managed?	<ul style="list-style-type: none"> • Management plans for locational, Aboriginal and environmental constraints and opportunities are in place.
3.4	Have the economic, social and environmental impacts and opportunities been delivered?	<ul style="list-style-type: none"> • Economic, social and environmental impacts are clearly understood and imbedded in the project. • Approved management plans for operations. • All outcomes remain realisable and measurable.
3.5	Have sustainability and resilience requirements been delivered and are they realisable during operations?	<ul style="list-style-type: none"> • Sustainability requirements are clearly understood and imbedded in the project. • Infrastructure resilience requirements have been embedded in the delivered project. • All outcomes remain realisable and measurable.

Value for Money		
3.6	Are revenue targets (if applicable) on track to be met and if not, how will this be managed?	<ul style="list-style-type: none"> • Approved project revenues streams have been realised. • Strategies/plans are in place to address revenue shortfall. • Operation revenue report has been tested, validated and updated. • Appropriate approach to manage operating revenues. • Sufficient benchmarking and validation against comparable projects/programs.
3.7	Have project delivery cost/ investment targets been met – and, if not, how will this be managed?	<ul style="list-style-type: none"> • Project has been delivered within the approved budget. • Strategies/plans are in place to addresses any funding shortfall. • Funding/budget is being sought for outstanding scope deliverables.
3.8	Is risk appropriately factored into program cost/budget?	<ul style="list-style-type: none"> • Sensitivity assessment of operating risks, with particular focus on financial implications. • Appropriate insurance is in place.
3.9	Does the whole-of-life cost (incl. operations, measurements and maintenance) remain affordable and aligned with broader agency project operational budgets?	<ul style="list-style-type: none"> • Incorporation of all operational revenues and costs (incl. whole-of-life). • Planning, programming/scheduling of operating revenues and costs to underpin/confirm budget is valid and managed. • Sufficient benchmarking and validation against comparable projects/programs. • Key government stakeholders have reviewed and accepted / approved the operating budget. • Issues and ongoing costs relating to maintenance (of buildings/ infrastructure and applications) are monitored against expected budget and variances are addressed.
3.10	Is there an appropriate funding allocation to ensure the measurement and reporting of benefits realisation?	<ul style="list-style-type: none"> • Budget has been identified for ongoing monitoring and measuring of benefits post-project implementation.
3.11	Is the procurement approach for the operator commercially astute and deliverable?	<ul style="list-style-type: none"> • The procurement approach minimises costs for both the government and the proponents. • The procurement approach ensures comparable and consistent evaluation across the proponents' commercial offers. • The procurement phase is appropriately funded. • Confirmation that the market can market can deliver the service. • Confirmation that the service can be commercially delivered.

Governance and Risk Management

This KFA examines governance, project management, risk management, change management and decision-making.

In particular, the review team should confirm:

- recommendations from the Gate 3 – Procurement Review and any subsequent Health Checks have been actioned
- processes and procedures are in place for the long-term success of the project
- there are management and organisational controls to manage the project through implementation and operation
- client and supplier implementation plans are still achievable, and
- there is a process to transfer residual risks and outstanding issues to the operational phase of the project.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Governance		
4.1	Is the project management approach appropriate and fit for the project?	<ul style="list-style-type: none"> • Approved project management plan is up-to-date and being administered. • Utilisation of appropriate project management frameworks and tools. • Asset management, maintenance and operational plans are developed. • Assurance reviews are planned and prepared for.
4.2	Is change being managed and controlled?	<ul style="list-style-type: none"> • Change control plan is developed and in place. • Change management plan is developed and in place. • Appropriate decision registers/change logs are used.
4.3	How is the project managing contractors and suppliers?	<ul style="list-style-type: none"> • Requirements for 'intelligent customer' capability considered. • Structure and approach for managing contractors/suppliers. • Where multiple suppliers are appointed, high-level plans for managing the interfaces.
4.4	Is the project governance structure appropriate and fully utilised and effective?	<ul style="list-style-type: none"> • Documented governance and reporting arrangements. • Organisation charts with named individuals in key positions (such as SRO, project sponsor, project director, stakeholder representation). • Project governance chart showing relationships between Agency Governance/Executive, project Executive/Steering Committee(s), other project management group(s) and reference groups. • RACI matrix. • Governance structure is aligned to the operations phase.

Areas and questions		Evidence expected
		<ul style="list-style-type: none"> • If the project crosses sector and/or organisational boundaries, governance arrangements must ensure sustainable alignment of the business objectives of all organisations involved, with clear lines of accountability and ownership. • Project steering and control and/or management bodies/groups are regularly meeting and provided with sufficient information for steering/decision-making purposes. • Evidence that reporting and issues are discussed and acted upon, as required. Key decisions are made and documented during the development of the project. • Appropriate approvals at key milestones or when statutorily required.
4.5	Is project reporting effective?	<ul style="list-style-type: none"> • Regular reporting is being undertaken in accordance with project management and/or governance plans. • Reporting provides sufficient detail on key milestones, progress, issues, risks, and cost and accurately reflect the current status to inform decision making.
Risk Management		
4.6	Have the risks and opportunities identified at the contract award phase been resolved?	<ul style="list-style-type: none"> • Project delivery risks have been satisfactorily resolved with no outstanding issues. • Remaining risks are associated with commissioning and service delivery only.
4.7	Have risks for the implementation/operating phase been fully identified and managed?	<ul style="list-style-type: none"> • Involvement of senior stakeholders in assessing strategic risks. • Assessment of risk, costs and benefits to demonstrate appropriate balance of risk and reward in project, demonstrating planned risk-taking and support for innovation where appropriate. • Plans for managing and allocating risk through service period and across government/contractor(s).

Areas and questions		Evidence expected
4.8	Is there a process to confirm the readiness to proceed to the operational phase of the project and agreement on ownership of any the residual risks and outstanding issues?	<ul style="list-style-type: none"> • Assessment of all remaining risks, with responsibility for management of residual risks clearly defined. • Assessment of outstanding issues with responsibility for management/close-out clearly defined. • Evaluation report documented regarding any residual risks and outstanding issues and the impact of delaying or proceeding with implementation/hand over (to operational phase) that considers: <ul style="list-style-type: none"> ○ the project outcome and wider program of change ○ benefits realisation ○ consequences for supplier, client, business, stakeholders, users etc ○ other factors such as financial outcome, political issues and delivery. • Consideration of management plans for each scenario outcome (i.e. sensitivity analysis), with a recommendation based on the analysis. • Project governance has ratified the recommendation to delay or proceed with implementation/hand over.
4.9	For operations and services, are the relevant procurement frameworks and policies being followed/embraced and is the approach approved?	<ul style="list-style-type: none"> • Procurement approach is consistent with relevant procurement policies and guidelines. • The appropriate market documents have been prepared and are clear. • Evaluation plan has been prepared that includes evaluation criteria and weightings. • Procurement approach is approved by the relevant authority. • Probity will be managed.
4.10	Is the long-term contract management process in place?	<ul style="list-style-type: none"> • Detailed plans, roles, responsibilities, governance structure (including an escalation process) and organisation in place for clients and suppliers, with reporting arrangements at appropriate levels. • Identification of the operational business owner if different from the SRO. • Appropriate number of suitably qualified staff appointed with continuity skills appraisal and shortfall plans addressed. • Staff managing the contract are trained for and aware of their contract management role and they are familiar with the contract aims and purpose. • Plans for managing service delivery, changes to the contract and relationship with the supplier are in place.

Areas and questions		Evidence expected
4.11	Are there processes to identify, assess, allocate, manage and monitor current, anticipated and emerging risks and opportunities?	<ul style="list-style-type: none"> • Approved risk management plan, developed in accordance with best practice and including defined roles, responsibilities and processes for managing and closing risks. • Ongoing identification and active management of risks and opportunities using a structured and formal methodology. • Risk register – which includes assessment, categorisation, prioritisation and planned mitigation options and contingency plans of uncertain events that could adversely affect the achievement of the project objectives. Each event is assigned to an individual

Infrastructure Delivery

This KFA examines the capacity, capability and timeframes for the project.

In particular, the review team should confirm:

- the business has the necessary resources and that it is ready to implement the services and/or business change, and
- the change and transition program/schedule is sufficiently detailed, realistic and achievable.

In addition to the ToR, the review team should explore the following areas and evidence.

Areas and questions		Evidence expected
Capability and capacity		
5.1	Are project team skills adequate?	<ul style="list-style-type: none"> • Position descriptions for key project staff. • Key project roles allocated appropriately between internal staff and consultants or contractors. • Internal and external commitment to provide the resources required. • Resource plan for internal staff. • Identification of skills required, with skills appraisal and plans for addressing shortfalls. • Training assessment and plans (i.e. training sources). • Commissioning and/or testing team with relevant skills and experience established.
5.2	Can the agency implement the new services and maintain existing services?	<ul style="list-style-type: none"> • A resource plan showing capacity and capability. • Resources are available to meet commitments.
5.3	Is the sponsor agency/end user ready to adopt new ways of working?	<ul style="list-style-type: none"> • New business processes have been planned, tested and are ready to go live. • Information and support are available (e.g. customer information at call centres). • Members of the public as end-users are aware of the new service and where to get more information if required.

Areas and questions		Evidence expected
5.4	Is the Sponsor Agency ready to manage contracts in the operational environment?	<ul style="list-style-type: none"> • Examination of recent similar procurements by others (if applicable), and indication of suitable suppliers available to deliver operational requirements. • There is adequate indication of sufficient capacity, capability and competitive interest in the market to meet the operational requirement. • Senior management are sufficiently engaged with the industry to be able to assess supply-side risks. • Current involvement of the future operational contract management team. • Handover arrangements made regarding knowledge and learning between provision of assets (where required) and contract management teams. • Identification of project team members available to the contract management team over the first year of operation. • Any issues related to defects in the finished product and how these will be dealt with.
5.5	Are consultant/supplier arrangements logical, clear and transparent?	<ul style="list-style-type: none"> • Arrangements in place to provide continuity of service up to transition to new suppliers/consultants. • Agreements with current suppliers on how they will support transition phase. • Clear separation of roles where incumbent supplier is bidding for replacement contract • Consideration of workforce issues, where applicable. • Evidence of procurement/probity advice if required.
Time		
5.6	Are there workable and tested business contingency, continuity and reversion plans for rollout, implementation and operation?	<ul style="list-style-type: none"> • Documented and timetabled decision paths for key aspects (e.g. go/no-go decisions on rollout) with decision makers clearly identified and informed. • Where appropriate, plans cover both IT components as well business operations.
5.7	Does the project schedule incorporate required activities to a sufficient level of detail and is there a realistic plan to reach Gate 5?	<ul style="list-style-type: none"> • Project schedule identifies final approvals commissioning, handover and operations, outcome/ benefits tracking and evaluation. • Plan for post implementation review including evaluation work and ensuring availability of key project team members and stakeholders. • Asset owner/contract manger will have an SRO in place to lead the review.