

# Project Assurance Workbook

## Health Check in Procurement

Is there confidence that procurement is efficient and aligned to achieving the best outcome?



Document history

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# Introduction to project assurance

Project assurance provides independent reviews at key points, or gates, along the lifecycle of a project. These reviews are important for providing confidence to the Tasmanian Government that projects are being delivered on time, to cost and in line with government objectives.

The project assurance framework sets out guidance and minimum requirements for project assurance in Tasmania. Infrastructure Tasmania (ITas) is responsible for administering the framework, which sets out roles and responsibilities for ITas and delivery agencies in the process. It is the responsibility of the delivery agency to meet the framework’s requirements.

Project assurances can consider an individual project, or a program consisting of a number of projects (including sector-specific or place-based programs). For the purposes of this workbook, the use of the term ‘project’ also covers the grouping of projects into a program.

The outcome of each project assurance is a review report. This document will include commentary and recommendations to assist the Senior Responsible Officer (SRO) within the delivery agency to develop and deliver their projects successfully.

## How to use this workbook

**For Health Checks in Procurement, the delivery agency is expected to demonstrate a robust procurement approach, transparent progress reporting, risk tracking and mitigation. Health Checks in Procurement should provide confidence that the project is being effectively and efficiently moved through its procurement stage and that there is confidence in achieving the best possible outcome.**

Health check workbooks support a consistent, structured approach to reviews. The workbooks define roles and responsibilities during reviews and assist delivery agencies and the review team to prepare.

Part <b>A</b>	<b>For delivery agencies and review teams:</b> <ul style="list-style-type: none"><li>background information on the review process</li><li>information on how the review process applies to projects.</li></ul>	PAGE <b>12</b>
Part <b>B</b>	<b>For delivery agencies:</b> <ul style="list-style-type: none"><li>guidance on how to initiate a review</li><li>documentation required.</li></ul>	PAGE <b>20</b>
Part <b>C</b>	<b>For review teams:</b> <ul style="list-style-type: none"><li>guidance on how to conduct a review.</li></ul>	PAGE <b>25</b>
Part <b>D</b>	<b>For delivery agencies and review teams:</b> <ul style="list-style-type: none"><li>Areas for investigation across the seven key focus areas.</li></ul>	PAGE <b>31</b>

## Project assurance and agency assurance processes

The project assurance process provides recommendations and commentary to assist SROs and delivery agencies to improve projects and assets, with a focus on adding value through the expertise and experience of the review team.

A project assurance provides an independent snapshot of project status at a point in time. It is **not an audit or replacement for a delivery agency's internal governance**. Every Tasmanian Government agency should have its own governance structures and resources in place to regularly track, report and undertake internal reviews on its portfolio of projects.

Within the project assurance framework, there are 10 different reviews that can be undertaken across the project lifecycle, including specific gate reviews as well as health checks and deep dive processes. Agencies are not expected to undertake every review during the planning and delivery of a project. As part of the project registration process with Infrastructure Tasmania, an appropriate approach to project assurance will be considered in collaboration with agencies.

## Why do health checks?

The Tasmanian Government requires assurance across its capital programs that expected services and benefits will be delivered on time, on budget and in line with government objectives. Project issues and risk management should be transparent, with delivery agencies identifying and mitigating problems before there is an impact on the project, or community and stakeholder outcomes.

## Types of health checks

Health checks are independent expert reviews completed by a review team, comprising experienced practitioners selected by ITas to meet the specific needs of the project. A health check adds value to the project by providing 'point in time' insight into project elements potentially impacting on successful development and delivery. Health checks are initiated as planned, unplanned or prompted activities.

Health checks can be undertaken in the development stage, procurement stage or delivery stage of a project. The health checks for each of these stages review the progress of the project against the seven key focus areas. Part D of this workbook includes questions under each key focus area to assist the review team and guide the review.

Each of the health checks (development, procurement, delivery) take a general approach based on the project's lifecycle stage. In addition, each health check can consider specific project activities. Part D of this workbook also contains additional questions that the review team can choose to include in the review process to target specific activities or issues.

As with other reviews, terms of reference for each health check will be agreed and can ask the review team to focus on certain aspects of the project. This is particularly important for health checks, which can have a relatively broad remit.

In summary, the types of health checks are as follows.

**Health Check in Development, which can include a focus on:**

- options analysis and appraisal
- procurement strategy
- market engagement.

**Health Check in Procurement, which can include a focus on:**

- market engagement
- procurement strategy and contract structure.

**Health Check in Delivery, which can include a focus on:**

- mobilisation
- lessons learnt.

The outcome of a health check will be a review report commenting on the project development or delivery confidence, including a series of recommendations aimed at improving the project.

## Health check principles

The following principles apply to the conduct of a health check.

- **Relevant and aligned** – the delivery agency should be transparent in the information presented in the review.
- **Efficient and flexible** – the terms of reference are agreed, appropriate to the stage and phase of the project and can target specific known, potential or emerging issues.
- **Add value** – collaborative and cooperative discussion focused on project issues is essential. Constraints on the delivery agency in terms of resourcing, commercial parameters, level of influence and government policy should be viewed as practical considerations.

The following additional points apply.

- The review team members are selected for their skillset and as far as practicable to match to the project's type, needs, stage, scale and complexity.
- The workbook structure, terms of reference and report template are followed by the review team.
- All parties focus on value adding to the project and making themselves available to this critical process.
- Review report commentary and recommendations are focused on practical issues and outcomes.
- All review reports are considered confidential and Senior Responsible Officers are considered the owner of the final report at the finalisation of the review process.

## Conducting a health check



Health checks follow the same format as gate reviews, with the indicative steps and timeframes shown in the following table.

Step	Activity	Timing
1	Project approaches milestone, delivery agency checks readiness for a review and contacts ITas.	Planning
2	ITas and the delivery agency confirm the review dates.	
3	ITas confirms and appoints reviewers.	
4	ITas prepares the terms of reference in discussion with the SRO and delivery agency.	
5	Delivery agency completes the required templates (see Part B) and provides them to ITas.	
6	Project planning meeting organised by ITas to formally commence the review process.	Week 1
7	Review documents are released to the review team.	
8	Review days (hosted by the delivery agency – up to three days if required): <ul style="list-style-type: none"> <li>Day 1 – Interviews</li> <li>Day 2 and 3 – Interviews/report preparation.</li> </ul> The time required should be agreed in discussion between the delivery agency and review team leader and ITas, and include debrief sessions at the end of each day of interviews.	Week 2
		Week 3
9	Review team presents and discusses draft review report with the SRO and provides feedback through ITas.	Week 4
10	Review team provides a draft review report to the SRO through ITas.	
11	Delivery agency fact checks final draft review report and provides responses to the recommendations to ITas, which will liaise with the review team for finalisation.	Week 5
12	Final review report incorporating response to recommendations finalised by the review team, which is provided to the SRO through ITas.	
13	Post-review survey sent out to delivery agency and review team by ITas.	Post-review



## Key focus areas

At the end of the health check, the review team rates the project against each of seven key focus areas.

Key focus areas		Description applicable to the health check
	<b>Service need</b>	Identification of the problem or opportunity and the service need, along with the drivers for change. Demonstrated alignment to government policy or strategy, and evidence of demand for the potential new services or enhancements.
	<b>Value for money and affordability</b>	Ensure value is delivered by maximising benefits at optimal cost. Evidenced by a clearly defined scope, a cost-benefit analysis and a robust cost plan to an appropriate level of detail for the lifecycle stage of the project. An assessment of potential or confirmed sources of funding. The whole-of-life, capital and operational cost impacts have been considered.
	<b>Social, economic and environmental sustainability</b>	<p>Understanding the project's long term impacts, opportunities and obligations. These can be social, environmental or economic. Ensuring the project delivers a positive legacy for the community. Areas explored include:</p> <ul style="list-style-type: none"> <li>• socio-economic equity</li> <li>• resilience to climate change and potential sustainability initiatives</li> <li>• effective place making</li> <li>• integration with broader asset networks</li> <li>• asset adaptability (including technological change)</li> <li>• interface with heritage</li> <li>• the robustness of the project's planning approvals processes.</li> </ul>
	<b>Governance</b>	Robust governance means clear accountabilities, responsibilities and reporting lines are identified, and decision making and approvals are appropriate and understood. The SRO and project team must have the required culture, capability and capacity.
	<b>Risk management</b>	Ongoing identification and active management of risks and opportunities, using a structured and formal methodology.
	<b>Stakeholder management</b>	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project's lifecycle.
	<b>Asset owner's needs and change management</b>	Demonstration of how change will be managed in the areas of people, organisation, network and systems as the asset enters operations. Proactive management of the handover impacts through the project's lifecycle. Demonstrated consideration of issues and risks pertaining to the asset manager, operator and end users.

## Review ratings

### Overall confidence rating (confidence in successful delivery)

The review team will assign the project an overall confidence rating.

<b>Low</b>	Successful delivery of the project is in doubt, with major risks or issues apparent in a number of key areas. Urgent additional action is needed.	The project may need re-baselining and/or the overall viability reassessed.
<b>Medium</b>	Successful delivery is feasible, but significant issues exist which require timely management attention.	These issues appear resolvable at this stage and, if addressed promptly, should not impact on cost, time or quality.
<b>High</b>	Successful delivery of the project to time, cost and quality appears highly likely.	There are no major outstanding issues that at this stage appear to threaten delivery significantly.

### Individual recommendations (criticality)

Individual recommendations are classified as either critical (red) or essential (amber) as per the diagram below. Green is used for recommendations strengthening good practice.

<b>Critical</b>	Action required. This item is critical and urgent. The project team should take action immediately.
<b>Essential</b>	The recommendation is important but not urgent. The project team should take action before further key decisions are taken.
<b>Good practice</b>	The recommendation is not considered critical or urgent, but the project may benefit from implementing this recommendation.

This ensures recommendations are focused on criticality for project success, while still capturing opportunities to embed good practice across project delivery and leadership.

### Key focus areas

Each report will provide an assessment of the following key focus areas:

- service need
- value for money and affordability
- governance
- risk management
- stakeholder management
- asset owner's needs and change management
- social, economic and environmental sustainability.

The key focus areas are rated using the following definitions:

<b>Strong</b>	There are no major outstanding issues that at this stage appear to threaten delivery.
<b>Satisfactory</b>	There are issues that require timely management attention.
<b>Weak</b>	There are significant issues in this key focus area that may jeopardise the successful delivery of the project.

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# PART A:

Background on project assurance and the risk based approach

For delivery agencies and review teams

## Project assurance in Tasmania

The Tasmanian Government has adopted a formal project assurance framework for infrastructure projects valued at \$50 million and above, being developed and/or delivered by Tasmanian Government agencies.

Infrastructure projects valued over \$10 million can be referred for review at the discretion of Budget Committee, portfolio ministers or heads of agencies.

The framework takes a risk based approach to investor assurance. Each project is assigned one of three risk based project tiers (considering risk criteria as well as the value and profile of the project) and this determines the potential assurance pathway for the project. For projects assessed to have higher risk/profile/value, the assurance pathway prescribes progressively greater levels of scrutiny.

### **Gate reviews, health checks and deep dives**

Gate reviews are short, focused and independent expert reviews held at key points in a project's lifecycle. They are appraisals of infrastructure projects that highlight risks and issues which, if not addressed, may threaten successful delivery. Gate reviews may be supported by periodic health checks which assist in identifying issues which may emerge between decision points. Deep dives are conducted at any stage of a project's lifecycle, but focus on a few major issues that have been identified and are based on the terms of reference. Health checks and deep dives, when required, are also carried out by independent expert review teams.

The results of each gate review, health check and deep dive are presented in a review report that provides a snapshot of the project's progress to strengthen outcomes.

### **Improving outcomes**

Infrastructure Tasmania (ITas) seeks to share aggregated lessons learnt and good practice across delivery agencies, through the interdepartmental Infrastructure Delivery Committee. This has been established to bring together practitioners to share their insight of the development, procurement and delivery of capital infrastructure projects.

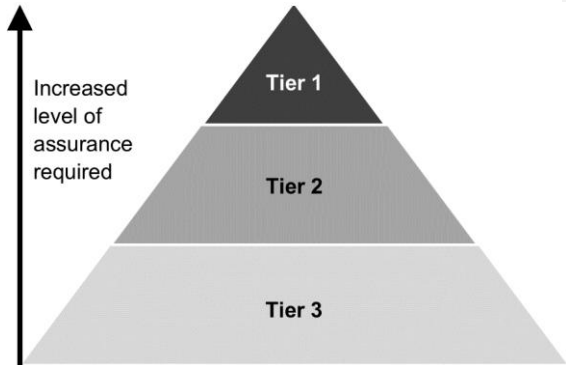
## Risk based approach to project assurance

In taking a risk based approach, reviews can be adapted to fit the requirements of all projects.

Registration is mandatory for all capital infrastructure projects with a total estimated cost of \$50 million or greater. It is the delivery agency's responsibility to register projects. The risk tier of a project is determined when it is registered with ITas.

The risk tier of a project is determined when it is registered with ITas. Projects are assigned a tier from 1 to 3. Tier 1 is the highest level of risk and therefore greater scrutiny is placed on those projects, with greater frequency of gate reviews, health checks, reporting and project monitoring. The assurance pathway is determined at project registration but may change over time through discussions with ITas and the delivery agency.

The objective is to ensure that the appropriate level of attention is given to projects as they are developed and delivered, so that government can optimise community benefits. Agencies are expected to have robust portfolio and program management practices in place, to manage issues and risks for both individual projects and across all capital portfolios.



## Overview of gate reviews

Gate reviews are short, focused and independent expert reviews into the progress and direction of a project at key points in its lifecycle. Each of the gates occur at a point within a project phase, timed to inform government decision making and project progression.

Project phase	Lifecycle phase	Gate	Informs
Initiate	Establish mandate	0 - Project registration	Assess risk and sequence appropriate reviews.
Plan and development	Strategic analysis	1 - Project justification	Proceeding to develop the business case.
	Investment decision	2 - Business case	The investment decision.
Procurement	Prepare for market	3 - Readiness for market	Readiness to release procurement documentation.
	Competitive procurement	4 - Tender evaluation	Robustness of the evaluation process and readiness to mobilise.
Execute	Award contract and delivery	5 - Readiness for service	Readiness of the asset to enter service/operations.
Close	Completion	6 - Benefits realisation	Benefits promised have been delivered.

## Project assurance review process

Each gate review has a clear purpose, reflecting the increasing requirement for certainty as a project moves through its lifecycle. Health checks and deep dives are reviews conducted at any point through the project lifecycle. All gate reviews, health checks and deep dives include the involvement of an independent expert reviewer, review team lead and/or review team. These individuals are appointed by the ITas based on their independence from the project, experience and expertise.

### **Gate 0 – Project registration**

As project development is at an early stage in the project lifecycle, Gate 0 is the registration process for a project, undertaken by ITas. The Gate 0 report provides an opportunity to consider the project assurance pathway for an individual project.

### **Gates 1 to 5 – Project development and delivery**

Gate reviews are independent expert reviews conducted over a short period. The structure of each of these reviews is similar and focused on high value areas that have greatest impact on successful project development and delivery.

Seven key focus areas support a consistent structure in undertaking reviews and preparing review reports. Review report commentary and recommendations are intended to address the key focus areas, the terms of reference and be constructive in raising issues essential to the project's success.

### **Health checks and deep dives**

Health checks are similar to gate reviews. They follow the same format to address and rate overall delivery confidence, as well as the seven key focus areas.

Health checks may be conducted at any stage of the project lifecycle but are most likely to be of value when there are long durations between gates. Health checks are useful to identify any emerging issues between key decision points.

Deep dives have limited terms of reference and do not cover the seven key focus areas. Instead they examine and report on a specific or detailed technical issue(s).

### **Gate 6 – Benefits realisation**

The purpose of the Gate 6 benefits realisation report is firstly to support the close out of the delivery stage, and secondly to assess delivery against the government's purpose and benefits in choosing to invest in the project. The report is to be finalised 4–8 months from the date of first operations.

Instead of a review team, ITas appoints an independent expert lead reviewer to work with the responsible agencies to complete the Gate 6 report, following a structured template. The most appropriate agency leads the preparation of the initial draft and then the lead reviewer completes the draft content of the report, including the overall rating and recommendations. The lead reviewer then provides the Gate 6 report for review and finalisation.

## Review reports

The primary output of any project assurance review is a high-quality written report, which follows the appropriate review report template. It includes an executive summary, commentary on each of the seven key focus areas, review ratings, the recommendations table, and observations of good practice or areas of opportunity. The review report will also cover other matters identified in the terms of reference.

The primary purpose of the review report is to inform project progress and key issues impacting decision making. The review team provides a rating of how well the project team has addressed each key focus area, and an overall rating of the level of confidence in the project's development and delivery. Once finalised, the review report is provided to the Senior Responsible Officer (SRO) and ITas. The delivery agency is expected to act on the recommendations documented in the review report.

Report distribution	<ul style="list-style-type: none"><li>• Health check reports are considered the property of the delivery agency and are provided directly to the SRO.</li><li>• Review team members must not distribute copies of any versions of review reports directly to delivery agencies, project teams or any other party.</li><li>• The review team leader sends the draft review report to ITas for distribution.</li><li>• The review report must not be distributed outside of the responsible delivery agency until the report is finalised, including agency responses to the review recommendations.</li><li>• Copies of final review reports (including agency responses to the review recommendations) are only distributed by ITas in accordance with the protocols outlined in the project assurance framework.</li><li>• The final review report must not be distributed to any other parties unless directed by the delivery agency.</li><li>• The SRO or delivery agency head may distribute the final review report at their discretion, having regard to the confidential nature of the report.</li></ul>
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## SIIRP

The Department of Treasury and Finance administers its own review and assessment process for government sector infrastructure investment proposals, called the 'Structured Infrastructure Investment Review Process' (SIIRP). Under SIIRP, infrastructure investment proposals are subject to a series of decision points before being considered for funding through the State Budget process and must meet reporting requirements throughout the life of the project.

Given the processes involved with the project assurance framework, the departments of State Growth, and Treasury and Finance maintain regular liaison and collaboration efforts to ensure appropriate alignment between SIIRP and the framework to reduce unnecessary duplication where possible.

## What does project assurance not do?

**A project assurance review is not an audit.** The reviews are intended to be confidential and constructive, providing an expert assessment of a project's status and recommendations to support the successful delivery of the project.

Delivery agencies should note that reviews will not:

- make an enforceable recommendation to halt a project
- quality check or provide direct detailed assessment of management plans and project team deliverables
- provide a forum for stakeholders or other parties to inappropriately disrupt the direction or nature of a project
- provide a detailed mark-up of management plans and specific project team deliverables
- represent a government decision in relation to funding, planning, approvals or policy.

## Roles and responsibilities within a review

The typical roles and responsibilities within a project assurance review are outlined below.

	Role	Responsibility
<b>Senior Responsible Officer (SRO)</b>	The delivery agency executive (usually the Secretary or Deputy Secretary) with strategic responsibility, who is the single point of overall accountability for project, including responsibility for governance and of benefits.	<ul style="list-style-type: none"> <li>• Delegate (in writing) appropriate work activities to the project team.</li> <li>• Endorse the project risk profiling assessment, and agree to the terms of reference, names of interviewees and documents shared with ITas.</li> <li>• Actively engage with ITas and the assurance review team, including fact checking queries.</li> <li>• Provide responses to the draft report recommendations.</li> <li>• Owns and is responsible for addressing or remedying any recommendations in the final report.</li> </ul>
<b>Review team</b>	To undertake a gate review, health check or deep dive in line with the agreed terms of reference.	<ul style="list-style-type: none"> <li>• Undertake a confidential, independent assurance review in line with the terms of reference.</li> <li>• Write a draft and final report setting out the findings and reasoning for the assurance review and share with ITas and the SRO.</li> </ul>
<b>delivery agency</b>	To develop and/or deliver a project that will undergo a gate review, health check or deep dive.	<ul style="list-style-type: none"> <li>• Nominate an SRO.</li> <li>• Make resources available to support successful delivery of the project and assurance reviews.</li> </ul>
<b>Infrastructure Tasmania (ITas)</b>	To administer and review the framework.	<ul style="list-style-type: none"> <li>• Work with delivery agencies to ensure that a project is risk profiled and assigned a risk-based tier rating.</li> <li>• Establish and administer project assurance panel comprising experts with skills, experience and capability across relevant infrastructure sectors and project delivery.</li> <li>• Appoint Assurance Review Teams with expertise specific to each project.</li> <li>• Guide and coordinate the gate review, health check or deep dive.</li> <li>• Monitor quality, scope and consistency of assurance reviews.</li> </ul> <p>(continued over)</p>

	Role	Responsibility
		<ul style="list-style-type: none"> <li>• Provide regular high-level performance reports to agencies and government, including commentary on recommendations, as/if required.</li> <li>• Collect and analyse data and insights to identify common issues, common themes, data trends and analytics to be included in an annual report.</li> <li>• Work with agencies, industry and assurance review teams on how to best address challenges at a whole of government level.</li> <li>• Explore opportunities to share lessons and insights across government agencies and project management communities.</li> <li>• Maintain and continuously review policy, process and provide advice to government.</li> </ul>

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# PART B:

Initiating and preparing for a Health Check in Procurement

For delivery agencies

## How to use part B

Part B assists delivery agencies to prepare for the Health Check in Procurement, including collating documentation and preparing for the project briefing and interviews.

## Informing project delivery confidence

A Health Check in Procurement provides an assessment of confidence that the project is being effectively and efficiently moved through its procurement stage and that the best possible outcome will be achieved.

The primary focus of a Health Check in Procurement is how project delivery is being managed through the procurement stage. A Health Check in Procurement responds to the same seven key focus areas as gate reviews for gates 1 to 5 and uses the same project rating approach as gate reviews for gates 1 to 6.

Depending on the timing of the Health Check in Procurement and the project's circumstances, the review may take a general approach or focus on procurement strategy or market engagement. Terms of reference will guide any specialist requirements for the review.

The delivery agency should provide documentation and evidence of the project's progress through its procurement stage, including information on project fundamentals, delivery timeframe, scope to be procured, keys risk and mitigation, commercial model and risk allocation, evaluation approach and robustness of governance to support the review.

It may also be appropriate to include information covering issues such as planning approvals, environmental concerns, issues and interfaces with other projects or packages.

The delivery agency should be able to demonstrate the strength of its procurement and transaction team and a strong approach to probity and governance.

### Health check

Project phase	Procurement
Lifecycle phase	Prepare for market and competitive procurement
Key question	Is there confidence that procurement is efficient and aligned to achieving the best outcomes?
Review deliverables	<ul style="list-style-type: none"><li>• Market engagement approach</li><li>• Scope development</li><li>• Risks and cost</li><li>• Procurement and commercial approach</li><li>• Evaluation approach</li></ul>

## Health check review and documents

The delivery agency is responsible for initiating a project assurance review at the appropriate time. Agencies should seek authorisation as required and the review should be led by the Senior Responsible Officer (SRO) within the delivery agency.

Review teams require evidence that work has been completed, but documentation should not be created solely for a project assurance review. It is intended that delivery agencies **use existing project documentation**.

The table below highlights the information required to assess the project against the seven key focus areas. In collating the documents, it may also be useful to refer to Part D of this workbook.

The delivery agency must complete a document register for the review team. Typically, no more than 30 documents that are most relevant to the project should be provided.

Required information to support Health Checks in Procurement (if requested by review team)
Project presentation providing an executive overview of the project.
Documents outlining the procurement strategy and its status.
Status of budget and overview of current cost plan.
Planning approval status, conditions of consent and ongoing approvals.
Structure and responsibilities of the project and delivery teams.
Project schedule, showing milestones and any issues potentially impacting procurement or delivery.
Risk register or matrix with evidence of active risk identification, management and mitigation.
Evidence of market engagement approach and activity.
Evidence of stakeholder engagement approach.
Documents outlining the evaluation approach.
Records of key governance meetings.

## Initiating the health check

The delivery agency contacts Infrastructure Tasmania (ITas) to initiate the review.

On initiation of the review, ITas will initially prepare a project assurance plan in collaboration with the delivery agency, help draft the terms of reference and when appropriate appoint the review team. The delivery agency uses this time to collate project documentation and coordinate interviewees.

The review commences with the release of the project supporting documents to the review team. This is followed by the planning meeting and interviews.

ITas will assist the delivery agency to agree:

- dates for the planning meeting and interview day(s)
- any urgency in the completion of the review report
- any issues to be covered in the terms of reference.

## Terms of reference for the review

In consultation with the SRO and delivery agency, ITas will help draft the terms of reference for the review and provide them to the review team prior to the commencement of the review. The terms of reference provide the review team with important project-specific information and identify aspects of the project that ITas and/or the delivery agency see as issues. The terms of reference should be used in conjunction with the appropriate project assurance review workbook.

Delivery agencies should collate sufficient evidence and schedule appropriate interviewees to address the terms of reference.

## Planning meeting

The planning meeting is an opportunity for the review team, SRO and ITas to discuss and agree the terms of reference, supporting documentation, interviewee list and interview schedule. Supporting documentation is usually provided either prior to or after the planning meeting, with interviews scheduled to take place approximately two weeks later.

## Participation and interviews

The delivery agency must provide an interview list and interview schedule for the review team and for inclusion in the review report. The interviewee list and schedule templates are included in the Health Check in Procurement suite of documents.

The delivery agency prepares an interview schedule and provides it to the review team and ITas for comment. The review team has discretion over the final list of interviewees and, if deemed necessary, can request additional interviewees, which the delivery agency must then arrange. The interviewees nominated should be appropriate to cover each of the seven key focus areas and the terms of reference.

Typically, interviewees for a Health Check in Procurement will include the:

- SRO
- Project Manager/Director
- Transaction Manager
- Commercial Manager
- probity advisor
- manager responsible for risk
- manager responsible for planning approvals
- manager responsible for whole-of-life cost considerations
- project team members, including design, scheduling and communication
- representatives of the intended operator
- stakeholders from other agencies or user groups.

An interviewee information sheet is available on the ITas website and it may be useful for the agency to provide this to interviewees unfamiliar with the review process.

## Draft and final review report

The review team will prepare a draft review report and provide it to ITas in the first instance and then to the SRO.

The SRO then:

- checks the report for factual accuracy and provides marked-up corrections of any factual issues in the commentary (this does not extend to challenging or rewriting review team observations, professional opinions or recommendations)
- provides responses to the recommendations made in the draft report in the table provided
- returns report to ITas which will liaise with the review team for finalisation.

The report only becomes final once the review team has reviewed and approved the updated report and the agency's responses.

ITas will send a copy of the final review report to the SRO.



Health Check in Procurement  
Project Assurance Workbook

# PART C:

Conducting a Health Check in Procurement

For review teams

## Health Check in Procurement approach

A Health Check in Procurement occurs during the procurement stage of a project in response to the emergence of actual or potential project issues.

The review team should use this workbook to guide the assessment of the confidence in the **procurement process being efficient and aligned to achieving the best outcome**. The review team is to provide a robust commentary against each of the seven key focus areas.

The outcome of a Health Check in Procurement will provide confidence to government that the project is progressing through the procurement stage, and key risks are being identified and mitigated.

## Health check

Health checks are conducted through an examination of the project documentation provided and interviews with project team members and stakeholders. The review is structured around the seven key focus areas and is informed by the terms of reference.

Typically, a health check includes:

- project documentation released to the review team
- a planning meeting attended by the delivery agency Senior Responsible Officer (SRO) and Infrastructure Tasmania (ITas)
- interview day(s) organised by the delivery agency with daily debrief sessions between the review team and SRO
- a review report drafted by the review team
- a review debrief with the SRO organised by the delivery agency, and attended by the review team leader and ITas
- finalisation of the review report and issue to the delivery agency.

## Project assurance review team

For each review, ITas selects the review team from the review panel. Typically there are three members, but this can vary depending on the review requirements. One of the review team members will be assigned as the review team leader.

Each member of a review team must be independent of the project. Reviewers must immediately inform ITas of any potential or current conflict of interest that arises prior to or during the review. This may preclude them and/or their organisation from participating in the review in any capacity.

ITas seeks to appoint a review team with the mix of skills and expertise to allow the team to expertly address each of the seven key focus areas, as relevant to the project stage and the nature of the project. Each member is expected to contribute within their area of expertise, work collaboratively with their review team colleagues and take responsibility for producing a high-quality written review report using the appropriate template.

## Review team principles and behaviour

The review team is expected to add value to the development and delivery of the project by:

- being helpful and constructive in conducting the review and developing the review report
- being independent, with the review report's recommendations not directed or influenced by external parties
- adhering to the terms of reference for the review
- providing a review report that clearly highlights substantive issues, their causes and consequences
- providing specific and actionable recommendations.

Project assurance reviews are not adversarial or a detailed assessment of management plans and project team deliverables. ITas requires professional and respectful behaviour during the review.

## Review communication protocols

Topic	Details
<b>Report confidentiality</b>	<ul style="list-style-type: none"><li>• Review reports are primarily for the consideration and noting of the SRO and delivery agency to support delivery of a successful project, to assist in making decisions about the project or to take action as required.</li><li>• All review reports are ultimately owned by the SRO and delivery agency.</li><li>• All participants must keep all information, including documentation, confidential.</li><li>• Review team members must not directly contact the delivery agency or stakeholders without the permission of ITas.</li></ul>
<b>Report distribution</b>	<ul style="list-style-type: none"><li>• Review team members must not distribute copies of any versions of review reports directly to delivery agencies, project teams or any other party.</li><li>• The review team leader sends the final draft of the review report to ITas for review and distribution.</li><li>• There is no informal element to a review or the review report. A review report is not to be distributed without permission of ITas.</li><li>• The review team may not keep any copies of any version of the review report, or supporting documents, following submission to ITas.</li></ul>
<b>Review debrief</b>	<ul style="list-style-type: none"><li>• ITas and the review team leader will agree on the process and timing to conduct a review debrief with the delivery agency, following the development of the review report. ITas will liaise with the SRO to approve the agency representatives that attend the debrief.</li><li>• There is no informal element to reviews. A debrief to the SRO or any agency executive must not occur without the approval of ITas.</li></ul>
<b>Report format</b>	<ul style="list-style-type: none"><li>• All review reports must include a document control table.</li><li>• All review reports must include a list of people interviewed by the review team.</li><li>• All reports from the review team to ITas are to be in Microsoft Word format.</li></ul>

Topic	Details
Report transmittal	<ul style="list-style-type: none"> <li>The delivery agency SRO is the ultimate owner of the final review report and is responsible for document circulation.</li> <li>ITas keeps a record of the review report for metrics and trend reporting use only.</li> <li>All participants should minimise the use of hard copies of delivery agency documents and must not keep documents in any form following the review.</li> </ul>

## Conducting a targeted health check

ITas will inform the review team if the Health Check in Procurement has a targeted focus. This will be reflected in the terms of reference.

A Health Check in Procurement may focus on:

- procurement strategy
- market engagement.

When a Health Check in Procurement takes a focused approach, the review team must cover the additional relevant questions posed under each of the seven key focus areas. These questions are provided in this workbook.

## Health check report

The **primary output** of a health check is a high-quality written review report that is candid and clear, absent of errors, and without contradiction or inconsistencies.

The **primary purpose** of the review report is to provide commentary and recommendations to the delivery agency SRO to support successful project delivery.

The review team should utilise the appropriate review report template, incorporating the review ratings and the review recommendations table. The terms of reference form part of the review report.

Review reports must include:

- an executive summary that addresses the review team's key findings, and includes the recommendations rated as critical and the overall review rating with a succinct justification
- commentary, including a rating, on the project's response to each of the seven key focus areas
- relevant recommendations under each key focus area, listed, justified and rated (consistent with the ratings guide)
- commentary under 'other matters' for issues that do not fit within the seven key focus areas (including issues identified in the terms of reference)
- a recommendations table in the format provided by ITas, including each recommendation with its rating and categorisation by theme (see next page).

## Key theme assessment

ITas is required to prepare a report each year on key themes emerging across all reviews. This relies on an analysis of the review recommendations categorised according to 18 key themes. Review teams are requested to assign one of the 18 key themes to each recommendation made.

Key themes	Key matters for consideration
<b>Quality of the business case</b>	<ul style="list-style-type: none"> <li>• Case for change is not clearly or sufficiently articulated and justification for the investment is not substantiated.</li> <li>• Analysis, assumptions or documentation lack rigour and clear articulation.</li> </ul>
<b>Governance</b>	<ul style="list-style-type: none"> <li>• Governance frameworks are not fit-for-purpose or understood.</li> <li>• Lack of definition around roles, poor understanding of responsibilities and decision making frameworks, and single-point accountability.</li> <li>• Lack of active senior level support.</li> </ul>
<b>Discipline in risk management</b>	<ul style="list-style-type: none"> <li>• Key project risks overlooked or not adequately considered.</li> <li>• Risk management strategy/plan requires strengthening, mitigation measures and contingency management have not been developed or are not up to date.</li> </ul>
<b>Stakeholder engagement</b>	<ul style="list-style-type: none"> <li>• Stakeholder strategy/management plan is missing or not up to date.</li> <li>• Lack of adequate stakeholder consultation, and/or stakeholder views have not been considered and addressed appropriately.</li> </ul>
<b>Benefits realisation</b>	<ul style="list-style-type: none"> <li>• Lack of a benefits realisation framework strategy/plan, or does not adequately identify, quantify or assign responsibility for benefits.</li> </ul>
<b>Project resourcing</b>	<ul style="list-style-type: none"> <li>• The resource plan for current and next stages in the project lifecycle have not been developed, resources identified are not adequate, or key roles lack appropriate capability and expertise.</li> </ul>
<b>Project management and reporting</b>	<ul style="list-style-type: none"> <li>• Inadequate project management, scheduling discipline or project controls.</li> <li>• The schedule has not been appropriately developed and is not reflective of the project's risks and timing.</li> </ul>
<b>Procurement</b>	<ul style="list-style-type: none"> <li>• Inadequate procurement strategy or planning, or documentation does not ensure transparency in the decision making process.</li> <li>• Delivery strategy not appropriately detailed and project staging not addressed.</li> </ul>
<b>Options analysis</b>	<ul style="list-style-type: none"> <li>• Identification or assessment of options to meet service need is inadequate.</li> <li>• Alternative options, including a realistic base case, are poorly justified.</li> <li>• Lack of a clear justification for the preferred option.</li> </ul>

Key themes	Key matters for consideration
<b>Commercial capability</b>	<ul style="list-style-type: none"> <li>• Insufficient rigour, process and accuracy around cost estimates and contingency estimating, planning and management.</li> <li>• Funding for the next phase not confirmed or allocated, gaps in project funding, lack of suitable funding strategy.</li> </ul>
<b>Approach to planning and approvals</b>	<ul style="list-style-type: none"> <li>• Pathway to planning consent in a timely manner not identified or articulated.</li> </ul>
<b>Change management</b>	<ul style="list-style-type: none"> <li>• Lack of an effective mechanism to identify the changes necessary to achieve project outcomes.</li> <li>• Inadequate change management plan.</li> </ul>
<b>Operational readiness planning</b>	<ul style="list-style-type: none"> <li>• Inadequate mechanisms to ensure readiness planning, prioritisation, management and operation.</li> <li>• Operational governance and management structures not determined or established.</li> </ul>
<b>Sharing knowledge across government</b>	<ul style="list-style-type: none"> <li>• Inadequate processes to capture and share lessons learnt (errors and successes).</li> </ul>
<b>Integration with precinct across services</b>	<ul style="list-style-type: none"> <li>• Inadequate consideration of interfacing networks, precincts, projects and services.</li> </ul>
<b>Understanding government processes</b>	<ul style="list-style-type: none"> <li>• Relevant Tasmanian Government guidelines, frameworks and processes not considered, employed or complied with during project development and delivery.</li> </ul>
<b>Clear project objectives</b>	<ul style="list-style-type: none"> <li>• The project objectives do not align to government priorities, are not clear or do not articulate the service need.</li> <li>• The project scope, scale and requirements have not been appropriately articulated.</li> <li>• The project scope does not align with the objectives and KPIs have not been developed.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>• Inadequate consideration, documentation and assessment of the social, economic and environmental impacts of the project.</li> </ul>

Health Check in Procurement

Project Assurance Workbook

# PART D:

Areas for investigation in a Health Check in Procurement



For delivery agencies and review teams

## What to look for at a Health Check in Procurement

The Health Check in Procurement seeks to answer the question: **How well is the project being delivered against plans and objectives?**

Key focus area	General description application	How key focus area is applied at Health Check in Procurement
 <b>Service need</b>	<p>Identification of the problem or opportunity and the service need, along with the drivers for change.</p> <p>Alignment to government policy, or strategy and evidence of demand for the potential new services or enhancements.</p>	<p>The project's scope remains aligned to the delivery agency's strategic priorities and linked to service need.</p> <p>Scope and performance outcomes accurately documented and captured in market facing documentation.</p>
 <b>Value for money and affordability</b>	<p>Ensure value is delivered by maximising benefits at optimal cost. This should be evidenced by a clearly defined scope, a cost-benefit analysis and a robust cost plan, to an appropriate level of detail for the lifecycle stage of the project.</p> <p>An assessment of potential or confirmed sources of funds. Whole-of-life, capital and operational costs considered.</p>	<p>The cost-benefit analysis undertaken remains sound.</p> <p>The procurement strategy will drive value for money, within affordability parameters.</p>
 <b>Social, environmental and economic sustainability</b>	<p>Understanding the long-term impacts, opportunities and obligations created by the project, ensuring the project delivers a positive legacy for the community.</p> <p>Areas explored include: socio-economic equity, resilience to climate change, effective place making, integration with broader asset networks, asset adaptability (including technological change), interface with heritage and the project's planning approvals processes.</p>	<p>Social, environmental and economic sustainability requirements integrated into the market engagement process and procurement strategy.</p> <p>Place-based principles and the project's relationship to the service network are developed and articulated in the procurement documentation.</p> <p>Planning pathway has been reviewed in line with procurement strategy.</p>
 <b>Governance</b>	<p>Clear accountabilities, responsibilities and reporting lines are identified and decision making and approvals are appropriate and understood.</p> <p>The Senior Responsible Officer (SRO) and project team have the culture, capability and capacity required.</p>	<p>Robust project procurement and evaluation governance structure, with clearly articulated responsibilities, reporting lines and appropriate delegations in place, with an emphasis on market engagement.</p>
 <b>Risk management</b>	<p>Ongoing identification and management of risks and opportunities, using a structured and formal methodology.</p>	<p>Risks and opportunities identified, evaluated and documented within a structured methodology to inform the evaluation process.</p> <p>Development of clear risk allocation framework.</p>

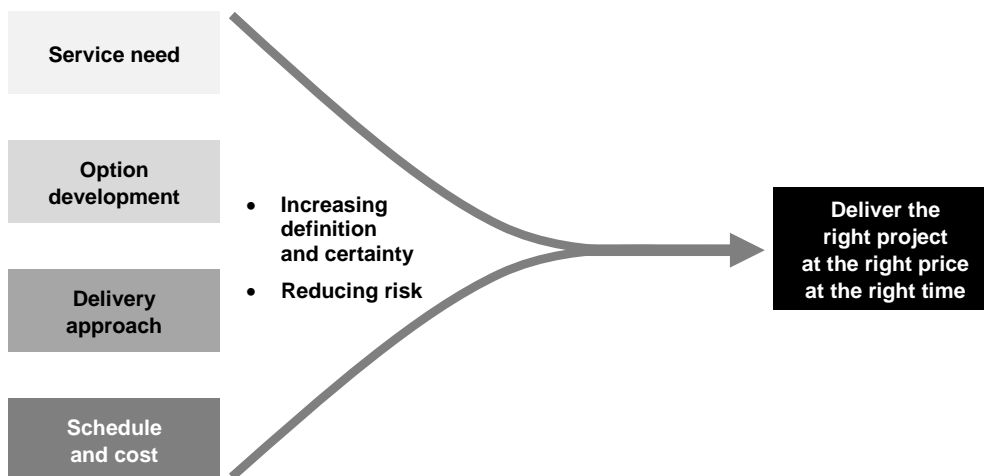


Key focus area	General description application	How key focus area is applied at Health Check in Procurement
 <b>Stakeholder management</b>	Ongoing identification and proactive management of stakeholders, both internal and external to government, using a structured and robust framework appropriate to the stage in the project lifecycle.	Evidence that stakeholders are being engaged to inform the market engagement and procurement approach. Responsibility for stakeholder management through the procurement stage is clear.
 <b>Asset owner's needs and change management</b>	<p>Demonstration of how change will be managed in the areas of people, organisation, network and systems as the asset enters operations.</p> <p>Proactive management of the handover impacts through the lifecycle of the project. Demonstrated consideration of issues and risks pertaining to the asset manager, operator and end users.</p>	<p>Involvement of the asset owner and/or operator, and documentation of operational requirements for the project.</p> <p>Proactive identification of handover points and required change management processes in moving the project through its lifecycle.</p>

## Definition of scope

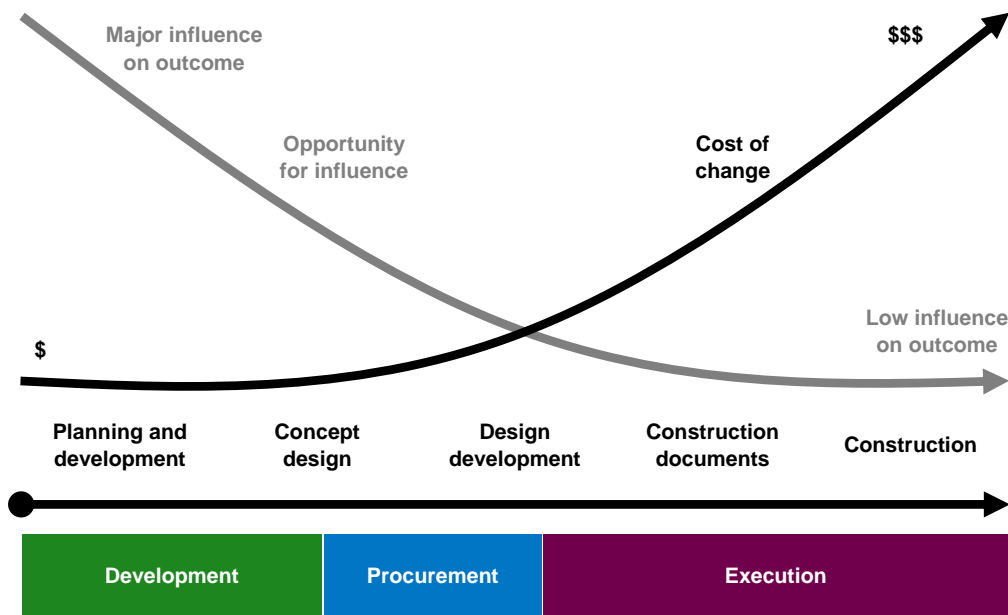
As projects progress through their stages, there should be a strong convergence in the definition of scope, cost and time, to deliver the desired outcome and objectives. Project assurance reviews support a project through this process. Reviews use the key focus areas to ensure that economic and social impacts have been considered and stakeholder groups have been engaged in developing the optimum solution to address the service need or problem.

This can be illustrated as a funnel representing increasing certainty on development and delivery.



# Project decisions




Reviews also recognise that scope changes have a greater impact on cost as the project progresses through its lifecycle. Robust decision making and clarity of direction early in project development is important to successful project delivery. A lack of clarity and late decision making will result in higher costs and greater uncertainty of outcomes.



## Application of review success factors

In examining each of the key focus areas, the review team should be guided by the three success factors below which underpin delivery confidence. The success factors provide an overarching context for each key focus area and should assist in developing lines of enquiry, as they can provide context and be incorporated into the review report.

As a project progresses through its lifecycle, there is an expectation that detail and evidence will increase, providing increased confidence that the requirements of the key focus areas are being met.

 <b>Increasing scope confidence</b>	<ul style="list-style-type: none"><li>• Well defined service need.</li><li>• Value for money approach in developing an evidence-based solution.</li><li>• Increasing clarity and detail in defining the solution.</li><li>• Increasing understanding and clarity within the delivery agency of how to deliver the solution.</li></ul>
 <b>Managing risk</b>	<ul style="list-style-type: none"><li>• Increasingly granular and effective identification of risk.</li><li>• Assessment, prioritisation and planned mitigation of uncertain events that could adversely affect the achievement of the project objectives.</li></ul>
 <b>Realising benefits</b>	<ul style="list-style-type: none"><li>• Increasing definition of the project objectives and benefits.</li><li>• Linking of those benefits to the service need.</li><li>• Embedding an end-to-end process to ensure that the benefits and objectives of the investment are realised.</li></ul>





## Optimism bias

Optimism bias refers to the tendency to overestimate the likelihood of good events occurring and underestimating the likelihood of experiencing adverse events. Optimistic errors are an integral part of human nature, requiring conscious effort to manage and improve accuracy in project estimates and analysis.

Practical steps for project teams to avoid optimism bias in project analysis include:





- use independent peer reviewers to verify that cost, demand and benefit estimates are realistic
- undertake risk workshops with key stakeholders, and people with knowledge of the project and the potential risks
- involve the operator and asset owner to review the assumptions made and the risks identified, including the likelihood of the risk occurring and impact if the risk were to occur.

Key focus area 1: Service need

Health Check in Procurement application				
 Service need	The project's scope remains aligned to the delivery agency's strategic priorities with clear links to service need. Scope and performance outcomes accurately documented and captured in market-facing documentation.			
	 Project scope in documentation accurately reflects service need and objectives, as in the business case.	 Project approvals pathways are captured, with strong connection between intended scope, documentation and approvals.	 Opportunities to maximise benefits appropriately defined, allowing for innovation and additional opportunity to be identified.	
<ul style="list-style-type: none"><li>How are the service need, problem definition, project objectives and scope, as set out in the business case, appropriately captured and reflected in market-facing documentation?</li><li>Are the project approval processes consistent with scope, procurement timeframes and the evaluation approach?</li><li>How are opportunities to maximise benefits being explored and documented?</li><li>How is the project tracking and documenting changes against the business case?</li></ul>				
Additional questions for targeted Health Check in Procurement				
<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>How is the procurement strategy ensuring the approved project scope will deliver the operational service need?</li><li>What activities are being undertaken to ensure project approvals are in place, to facilitate sufficient detail around service need and project scope in the contract documentation?</li><li>Has the form of contract been evaluated and selected in line with the complexity of the scope and any program constraints?</li><li>How was the performance regime (such as key performance indicators or performance specifications) developed and incorporated into the procurement strategy, to ensure the scope being delivered facilitates benefits realisation?</li></ul>				
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>How does market engagement focus on the approved scope and make clear how the response to this scope will be evaluated?</li><li>How is the output of the market engagement process being captured and used?</li><li>How is the market engagement process clarifying constraints and expectations for proposals, in the interests of making procurement as efficient as possible?</li></ul>				

## Key focus area 2: Value for money and affordability

### Health Check in Procurement application

 <p><b>Value for money and affordability</b></p>	<p>The cost-benefit analysis undertaken remains sound. The procurement strategy will drive value for money, within affordability parameters.</p>		
	<p>Funding and budget available to complete the project procurement stage, including market engagement and evaluation.</p> 	<p>Value for money, affordability and viability parameters incorporated through the procurement stage.</p> 	<p>Project objectives, interdependencies and whole-of-life benefits inform the procurement stage.</p> 

- How is the project ensuring it adheres to procurement stage budgets, with appropriate tracking and reporting?
- What is the approach to ongoing design development? How is it integrated with the procurement approach?
- Have any changes to the scope been reflected in an updated and approved cost-benefit analysis?
- What is the evidence that the scope, cost plan and schedule consider market conditions, and are achievable?
- How does the scope to be procured remain aligned with the cost plan, assumptions and contingency?
- How will the funding approval, drawdown and alignment with the procurement approach be confirmed?
- How are operational and whole-of-life cost considerations reflected in the procurement strategy?
- How does the procurement strategy and approach being developed (including the timeframe and level of documentation) minimise costs in the procurement process, for both government and proponents?

### Additional questions for targeted Health Check in Procurement





#### Procurement strategy focus

- How will the cost plan be validated prior to the release of the procurement documentation?
- How are the tender evaluation criteria being developed and agreed upon, to ensure maximum benefits at optimal cost?
- How will the chosen contract structure minimise management costs through procurement and delivery?
- How will procurement activities be appropriately resourced?
- What is the approach to cost-focused value-engineering and innovation within the procurement stage, to maximise benefits while minimising cost?

#### Market engagement focus

- How will the market engagement be appropriately resourced?
- How is market engagement supporting the maximisation of benefits at optimal cost for the project?





Key focus area 3: Social, environmental and economic sustainability

Health Check in Procurement application				
 <b>Social, environmental, and economic sustainability</b>	Social, environmental and economic sustainability requirements integrated into the market engagement process and procurement strategy. Place principles and the project's relationship to the service network are being developed and articulated through the procurement documentation. Planning pathway has been reviewed in line with procurement strategy.			
	 Social, environmental and economic sustainability requirements clearly articulated and inform the procurement approach.	 Planning pathway and procurement strategy progressed.	 Market engagement and procurement approach consistent with the realisation of sustainability benefits.	
	<ul style="list-style-type: none"><li>• How certain is the planning pathway for the project? Are associated responsibilities understood and key issues addressed?</li><li>• How certain are the planning approval conditions? Has the impact on the project been fully incorporated into procurement documentation and the overall project schedule?</li><li>• How is the response to heritage being developed in a cost-effective way?</li><li>• How is the integration with the broader asset networks and services being developed to ensure efficiency and minimise disruption?</li><li>• How is community access to services being prioritised through the procurement documentation and engagement with proponents?</li><li>• What level of future proofing and adaptability (such as climate resilience, technological change or future use) has been incorporated into the procurement documentation?</li></ul>			
	Additional questions for targeted Health Check in Procurement			
	<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>• How are opportunities for place making being developed and considered within the packaging of the project's procurement?</li><li>• How is the minimisation of environmental impacts (including materials, energy, water and the footprint) being incorporated in the procurement strategy?</li></ul>			
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>• How is the project considering feedback from proponents on the practical costs and benefits of sustainability initiatives?</li><li>• How is the project engaging with the market to understand the implications of the preferred planning pathway on project procurement and delivery?</li><li>• How is the project engaging with the market to assess whether the project can be delivered within the government's timeframe and if this represents best value?</li></ul>				

Key focus area 4: Governance





Health Check in Procurement application				
 Governance	Robust project procurement and evaluation governance structure, with clearly articulated responsibilities and reporting lines, and appropriate delegations in place, with an emphasis on market engagement and overseeing the procurement approach.			
	 Project is appropriately structured, skilled and resourced for procurement and evaluation.	 Robust governance structure with allocated responsibilities for time, cost and scope management.	 Governance arrangements are in place to ensure the realisation of benefits is a focus of procurement and evaluation.	
<ul style="list-style-type: none"><li>• What is the formal project and delivery agency governance structure?</li><li>• How does the project governance meaningfully involve other agencies, the asset owner/operator and service delivery partner in current project activities?</li><li>• What is the evidence to show the governance and project team for the procurement stage have clear responsibilities, accountabilities and decision-making delegations?</li><li>• How does the culture of the project team positively and effectively support current project activities?</li><li>• Is there a clear understanding through the governance structure of the benefits to be measured and achieved?</li><li>• How does the organisation handle failure or setbacks within projects? Can you provide examples of how these situations were managed and what was learned from them?</li></ul>				
Additional questions for targeted Health Check in Procurement				
<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>• How are ethical and responsible purchasing principles being incorporated into the procurement policy?</li><li>• Is there clear understanding of the activities required to gain endorsement for the release of the procurement documentation, to seek a commercial offer from the market?</li><li>• How has the project identified all necessary government procurement policies? How are these being incorporated into the procurement strategy?</li></ul>				
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>• How does the probity approach allow for constructive dialogue with proponents, meaningful discussion of potential solutions and sufficient direction to facilitate efficient procurement?</li><li>• How is confidentiality being managed through market engagement with proponents?</li></ul>				

Key focus area 5: Risk management





Health Check in Procurement application				
 Risk management	Risks and opportunities identified and appropriately evaluated and documented, within a structured methodology to inform the evaluation process. Development of clear risk allocation framework.			
	Risks to scope, time and budget identified early and proactively managed. 	Active risk management with regular updates that identify and mitigate risks through the procurement stage. 	Risks to objectives and benefits identified early and proactively mitigated. 	
<ul style="list-style-type: none"><li>• What is the evidence to demonstrate that the risk management approach remains current and is free from bias (including risks to procurement) for the project?</li><li>• Could you share examples of when project staff promptly escalated specific project risks and critical issues to senior management. How does the organisation measure and encourage transparency and courage in these situations?</li><li>• How are risks to receiving proposals that may not meet budget and time objectives being mitigated?</li><li>• How are any emerging regulatory or legislative risks being identified and addressed?</li><li>• How is the commercial risk allocation being agreed through the procurement process with the proponents?</li><li>• How are project interface risks being approached and captured within the contractual documentation?</li></ul>				
Additional questions for targeted Health Check in Procurement				
<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>• How is the project minimising risks through the procurement packaging strategy?</li></ul>				
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>• How are project delivery risks being approached through the market engagement process, to inform procurement and evaluation?</li><li>• How is the project understanding the risks from the proponents' perspective? How is this informing procurement and evaluation?</li></ul>				



Key focus area 6: Stakeholder management

Health Check in Procurement application				
 <b>Stakeholder management</b>	Identification of stakeholders, both internal and external to government. Stakeholders appropriately engaged to inform the project planning and development stage.			
	 Stakeholder input into the development of the project scope, scope trade-offs, procurement strategy and market engagement.	 Assessment of the acceptability of the project to stakeholders. Evidence of active identification and management of interfaces.	 Stakeholder engagement that informs project objectives and supports enhanced benefits.	
<ul style="list-style-type: none"><li>What is the ongoing engagement approach with key stakeholders (internal and external to government) through the procurement stage of the project? Who is responsible for leading this activity?</li><li>How is the stakeholder engagement plan for the procurement stage being resourced, coordinated across the delivery agency and reflected in the current project activities?</li></ul>				
Additional questions for targeted Health Check in Procurement				
<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>What are the proposed stakeholder management responsibilities and accountabilities between the government and proponents? How are they articulated in the procurement documentation?</li><li>How have broader outcomes from intra- and inter-agency consultation been incorporated into the procurement strategy?</li><li>How are the project interfaces that impact stakeholder management being captured and dealt with in the procurement strategy?</li></ul>				
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>How are current and emerging stakeholder issues being worked through with the proponents?</li></ul>				

Key focus area 7: Asset owner’s needs and change management

Health Check in Procurement application				
 <b>Asset owner's needs and change management</b>	Involvement of the asset owner/operator in project development, and consideration and documentation of operational issues for the project. Proactive identification of change-management approach to move effectively through to procurement stage.			
	Good understanding of scope-driven operational impacts. 	Understanding of affected organisations and their likely response to change. 	Clear articulation of operational benefits and how project benefits overall will be realised. 	
	<ul style="list-style-type: none"><li>• How is the project efficiently managing staffing requirements, to ensure the project team is adequately skilled and resourced for procurement and evaluation?</li><li>• How are the operational or performance requirements being incorporated into procurement documentation and communicated to proponents?</li><li>• How are network interfaces being explored and documented by the proponents?</li></ul>			
	<b>Additional questions for targeted Health Check in Procurement</b>			
	<b>Procurement strategy focus</b> <ul style="list-style-type: none"><li>• How are end-user needs being explored and documented within the procurement strategy?</li><li>• How is any potential service disruption, during delivery or in operations, being reflected and addressed within the procurement strategy?</li></ul>			
<b>Market engagement focus</b> <ul style="list-style-type: none"><li>• How are end-user needs being communicated through the market engagement process?</li><li>• How are asset owner/operator (or the operator's service providers) performance requirements and expectations being discussed on a value-for-money basis with proponents?</li></ul>				

## Glossary

Term	Definition
<b>project assurance framework</b>	The guidelines and processes administered by Infrastructure Tasmania that set out minimum requirements for project assurance.
<b>project assurance reviews</b>	Refers to gate reviews, health check and deep dives.
<b>gate</b>	Key decision point(s) in a project/program's lifecycle when a gate review may be undertaken.
<b>gate review</b>	<p>A review of a project/program by an independent team of experienced practitioners at a specific key decision point (gate) in the project/program lifecycle.</p> <p>A gate review is a short, focused, independent expert appraisal of the project/program that highlights risks and issues, which if not addressed may threaten successful delivery. It provides a view of the current progress of a project/program and assurance that it can proceed successfully to the next stage if any critical recommendations are addressed.</p>
<b>health check</b>	A health check is an independent review carried out by a team of experienced practitioners seeking to identify issues in a project/program which may arise between gate reviews.
<b>deep dives</b>	Deep dives are a type of review similar to health checks, but focusing on a specific and often technical issue. These reviews are usually undertaken in response to an issue raised by stakeholders.
<b>accountable agency</b>	The agency accountable for the project at its current stage (may be more than one). In the instance where it is more than one, Infrastructure Tasmania will assign the lead accountable agency responsibilities.
<b>delivery agency</b>	The government agency tasked with developing and/or delivering a project.
<b>program</b>	<p>Programs provide an umbrella under which related projects and activities can be coordinated. A program is likely to be longer term than a single project and have a life that spans several years.</p> <p>Projects that form part of a program may be grouped together for a variety of reasons including co-location, similar nature (for example, agency capital program or road upgrades) or shared outcome.</p> <p>The component parts of a program are usually individual projects or smaller groups of projects (sub-programs). In some cases, these individual projects or sub-programs may have a different project tier to the overall program.</p>

Term	Definition
<b>project</b>	<p>A project is a group of interrelated activities that are planned and then executed in a particular sequence to achieve planned and agreed outcomes, within a predetermined timeframe. A project has the following characteristics:</p> <ul style="list-style-type: none"> <li>• defined scope and finite resources</li> <li>• has a definable start and end dates</li> <li>• introduces a change</li> <li>• creates a unique result, product or service</li> <li>• has its own governance structure.</li> </ul> <p>A particular project may or may not be part of a program.</p>
<b>project assurance</b>	The governance, reporting and expert project review process that assesses the health and viability of a project. Project assurance can provide investors and other stakeholders with the confidence that the project can deliver to time, budget and quality.
<b>Project Assurance Services Panel</b>	Established and managed by Infrastructure Tasmania, the panel includes experts with skills, experience and capability across infrastructure sectors and project delivery. The project assurances service panel ensures quick mobilisation and coordination of review teams, and the consistent application of the project assurance framework.
<b>project tier</b>	The project tier classification is comprised of three project tiers, where Tier 1 encompasses projects deemed as being the highest risk profile, and Tier 3 with the lowest risk profile. Tier classification considers a project's overall risk profile and the project's estimated total budget.
<b>regular infrastructure project reporting</b>	Routine reporting of projects prepared by the Department of Treasury and Finance, and provided to government.
<b>review team</b>	A team of expert independent reviewers, sourced from the project assurance services panel engaged by Infrastructure Tasmania to undertake a gate review, health check or deep dive review.
<b>Senior Responsible Officer</b>	The delivery agency secretary or deputy secretary with strategic responsibility and the single point of overall accountability for a project/program. The Senior Responsible Officer is the owner of the business case, accountable for all aspects of governance and delivery of benefits. Some project management methodologies refer to this role as the Project Executive, Sponsor or Client. <sup>K</sup>

**Commented [KG1]:** Keep or delete - Waiting on response from Sandra/James regarding its removal



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