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Gate 4 Tender Evaluation Gateway Review

Project:	Windsor Bridge Replacement over Hawkesbury River
Sponsor Agency:	Roads and Maritime Services
Agency Head:	Ken Kanofski

Program:	[program name] <i>only required if project part of a broader program</i>
Delivery Agency:	[agency name] <i>if different to Sponsor Agency</i>
Delivery Agency Head:	Ken Kanofski
Asset Owner/ Operator Agency:	[agency name] <i>if different to Sponsor Agency</i>
Operator Agency Head:	[name of Agency Secretary or Delegate]

Status of Report:	FINAL
Senior Responsible Officer:	Jeff McCarthy
Project Director:	Athena Venios

Review Dates:	Briefing 24 May 2018
	Interviews 24 May 2018

Gateway Review Team:	Tom Sargent
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GLOSSARY

Term	Definition
Capital project	A project primarily comprised of one or more of the following elements: <ul style="list-style-type: none"> ▪ Infrastructure ▪ Equipment ▪ Property developments Operational technology that forms a component of a capital project
CEO	Chief Executive Officer
Delivery Agency	The Government agency tasked with developing and / or delivering a project applicable under this Framework and the NSW Gateway Policy.
Equipment	The necessary assets used on or to support an infrastructure system and can include fleet and rolling stock.
ECI	Early Contractor Involvement
ETC	Estimated Total Cost
FBC	Final Business Case
Gate	Particular decision point(s) in a project/program's lifecycle when a Gateway Review may be undertaken.
Gateway Review	A Review of a project/program by an independent team of experienced practitioners at a specific key decision point (gate) in the project/program's lifecycle. A Gateway 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.
Health Check	Independent Reviews carried out by a team of experienced practitioners seeking to identify issues in a project/program which may arise between Gateway Reviews.
Infrastructure	The basic services, facilities and installations to support society and can include water, wastewater, transport, sport and culture, power, policy, justice, health education and family and community services.
PBC	Preliminary Business Case
Program	A temporary, flexible organisation created to coordinate, direct and oversee the implementation of a set of related projects and activities in order to deliver outcomes and benefits related to the organisation's strategic objectives. A program is likely to be longer term and have a life that spans several years. Programs typically deal with outcomes; whereas projects deal with outputs. Projects that form part of a program may be grouped together for a variety of reasons including spatial co-location (e.g. Western Sydney Infrastructure Program), the similar nature of the projects (e.g. Bridges for the Bush) or projects collectively achieving an outcome (e.g. 2018 Rail Timetable). Programs provide an umbrella under which these projects can be coordinated. 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.
Project	A temporary organisation, usually existing for a much shorter duration than a program, which will deliver one or more outputs in accordance with an agreed business case. Under the IIAF a capital project is defined as infrastructure, equipment, property developments or operational technology that forms a component of a capital project. Projects are typically delivered in a defined time period on a defined site. Projects have a clear start and finish. Projects may be restricted to one geographic site or cover a large geographical area, however, will be linked and not be geographically diverse. A particular project may or may not be part of a program. Where a project is delivered in multiple stages and potentially across varying time periods it is considered a 'complex project'. Refer to the definition for 'complex project'.
Review Team	A team of expert independent reviewers, sourced from the Expert Reviewer Panel engaged by Infrastructure NSW to undertake a Gateway Review, Health Check or Deep Dive Review.
SBC	Strategic Business Case
Senior Responsible Officer	The delivery agency executive with strategic responsibility and the single point of overall accountability for a project/program. Refer to Attachment B for further detail.
SRO	Senior Responsible Officer

EXECUTIVE SUMMARY

The Windsor Bridge Replacement project seeks to replace the existing bridge at Windsor that crosses the Hawkesbury River. Parts of the existing bridge are over 140 years old and are exhibiting signs of significant deterioration in condition. If the existing bridge were to be retained, it would require significant investment. Condition alone is not the only factor driving the replacement of the bridge; the width of the structure is such that it is no longer suitable to meet the needs of the community as a major crossing of the river at this location. Accordingly, the drivers of this project are not only condition but also the ability of the structure to meet the ongoing needs of the community at this location, and this is the argument that has been prosecuted in the business case that underpins the project.

In response to these needs, RMS have undertaken extensive consultation across the community and regulatory stakeholders and have developed a design solution that meets the business need that is identified in the business case and attempts to respond to the needs of the community. That being said there is still significant community objection to the project. As a result of the significant community dialogue, RMS have established a robust stakeholder management regime to assist the project to navigate its way through these issues.

The current state of the project is such that it has developed a detailed design that is suitable for construction and has undertaken all the statutory planning approval requirements. The project has put the design to the market and has received a good response with three tenderers that have responded with prices that are within a 5 % range of each other which is not only an indicator of a well-documented project, but is also an indication that the preferred bidder understands the scope of the project and that the price is reasonable for the scope of works to be completed.

In undertaking this Gate 4 Tender Evaluation Gateway Review, the Review Team has sought to determine that the project has been procured in line with the Evaluation Plan and that it will deliver the scope as defined at the optimal cost and that RMS is ready to mobilise for delivery.

Based on the documentation received and the interviews conducted on 24 May 2018, the Review Team has formed a view that the overall level of confidence that the project has been effectively developed and will be delivered in accordance with the Government's objectives is **HIGH**.

In particular:

- the Review Team is of the view that the scope of the project has been well documented, and that the allocation of risk is appropriate and is well understood by RMS and the proposed Contractor.
- the major uncertainty of regulatory approval will be resolved quickly and should not delay the project.
- RMS has informed itself of the issues that will affect the timely completion of the project, in particular those matters relating to heritage clearance and community expectation, and is well resourced and capable to manage these issues to allow the project to reach a successful completion.

Each aspect of the project has been rated as strong and this reflects the confidence that the Review Team has in the success of the project. There is only one recommendation that is **CRITICAL** recommendation, and this relates to the need for the project to obtain all necessary statutory approvals before executing the contract with the preferred tenderer.

SUMMARY OF REVIEW FINDINGS

The Review Team's **OVERALL** level of confidence that the project is being effectively developed and delivered in accordance with the Government's objectives is:

HIGH

Where the overall development and delivery confidence rating is defined as:

High	Successful delivery of the project to time, cost and quality appears highly likely and there are no major outstanding issues that at this stage appear to threaten the successful delivery.
Medium	Successful delivery is feasible but significant issues exist which require timely management attention.
Low	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 Review Team's Ratings for the prescribed key focus areas are:		No. of Recommendations		
		Critical	Essential	Suggested
1. Service Need	Strong		1	
2. Value for Money and Affordability	Strong			
3. Social, Economic & Environmental Sustainability	Strong	1		
4. Governance	Strong			1
5. Risk Management	Strong			
6. Stakeholder Management	Strong			
7. Asset Owner's Needs & Change Management	Strong			
8. Other Matters	-			
TOTAL		1	1	1

Where the key focus areas are rated to appraise how the topic has been addressed or considered by the project team and what risk it poses to the development/delivery confidence according to the following rating definitions:

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

Where each recommendation of the Review Team is rated according to its urgency and criticality:

Suggested	The recommendation is not considered critical or urgent but the project may benefit from the uptake of this recommendation.
Essential (Do By)	The recommendation is important but not urgent. The project team should take action before further key decisions are taken. 'Clearance of Gateway' will not be provided by Infrastructure NSW until a plan of action in response to this recommendation has been approved by Infrastructure NSW.
Critical (Do Now)	This item is critical and urgent. The project team should take action immediately. "It means fix the key problems fast, not stop the project" 'Clearance of Gateway' will not be provided by Infrastructure NSW until this recommendation has been actioned.

BACKGROUND

Project Name:	Windsor Bridge Replacement over Hawkesbury River
Program Name:	N/A
Description of project scope:	The NSW Government will replace the existing Windsor Bridge with a new two-lane bridge over the Hawkesbury River at Windsor, 35 metres downstream from the existing Windsor Bridge, to improve traffic flow and provide a reliable and safe river crossing. New approach roads and intersections will be built and existing approach roads would be filled in and landscaped.
Objectives and intended outcomes of the project:	<p>The strategic benefits of the project are:</p> <ul style="list-style-type: none"> • Improved safety for motorists, pedestrians and cyclists from a new, reliable bridge • Improved traffic flow from a bridge that allows two-way heavy vehicle traffic and shoulders for vehicle breakdowns • Upgrading an essential local and regional road link across the Hawkesbury River at Windsor • Improved traffic efficiency by installing traffic lights at the intersection of Bridge and George Streets and a new dual-lane roundabout at Freemans Reach Road and Wilberforce Road • A new bridge that can cope with higher levels of flooding and will have the same flood immunity as surrounding approach roads on the northern riverbank • Better access for pedestrians and cyclists from a three-metre-wide shared pedestrian and cycle path that provides safe, efficient connections to Thompson Square and surrounds • Reduced road footprint within the Thompson Square heritage precinct
Agency priorities driving the project:	<p>The existing Windsor Bridge was opened in 1874 and is the oldest existing bridge across the Hawkesbury River. It provides an important local link for communities on each side of the river, as well as an important regional link between western Sydney, the Blue Mountains and the Hunter region. Around 19,000 vehicles use the bridge each day, with around seven per cent of these being heavy vehicles.</p> <p>Parts of the existing bridge are over 140 years old and are deteriorating as a result of age and heavy use. Elements of the bridge have deteriorated substantially and it is not practical to replace or repair these elements. The existing bridge and adjacent intersections no longer meet the demands of current peak hour traffic volumes or current road standards. The level of maintenance required to maintain adequate road safety is no longer cost effective and it is therefore regarded that the bridge has reached the end of its economic life.</p>

Summary of the proposed benefits from the project:

Replacing the Windsor Bridge and intersections surrounding will provide the following benefits:

- Upgrading an essential local and regional road link across the Hawkesbury River at Windsor
- Improved safety for motorists, pedestrians and cyclists
- Improved traffic performance including two-way heavy vehicle traffic flow on the bridge and increased travel speeds in the AM and PM peak periods.
- Improved traffic efficiency by installing traffic lights at the intersection of Bridge and George Streets and a new dual-lane roundabout at Freemans Reach Road and Wilberforce Road
- Flood immunity similar to surrounding roads would provide improved flood evacuation opportunities for floodplain areas north of Windsor and would provide access across the Hawkesbury River for a wider range of flood events
- Better access for pedestrians and cyclists including a three metre wide shared pedestrian and cycle path that connections to Thompson Square and surrounds
- Reduced road footprint within the Thompson Square heritage precinct
- A unified open space in Thompson Square increasing the usable area by more than 500 square metres with direct access to the river.

Primary Purpose of the Gateway Review

Gateway Reviews are independent reviews undertaken on behalf of the NSW Government and administered by Infrastructure NSW. This Gateway Review Report is delivered to Infrastructure NSW by the Review Team and is prepared for the primary purpose of submitting to the NSW Cabinet Standing Committee on Infrastructure for examination and noting of the Review Team's recommendations for action by the agency. The report is therefore strictly confidential and classified as SENSITIVE: NSW CABINET.

This Report is also provided by Infrastructure NSW to the Agency's Senior Responsible Officer (SRO) for the Agency to take necessary action on the Review Team's recommendations and provide evidence to Infrastructure NSW that the recommendations have been appropriately actioned in accordance with the Infrastructure Investor Assurance Framework. Infrastructure NSW routinely reports on the closing out of these recommendations to the NSW Cabinet Standing Committee on Infrastructure.

The Review Team Recommendations are listed in Appendix A.

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

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

REVIEW METHODOLOGY

Review Team's Approach to the Review

This Gateway Review is being conducted in-line with the NSW Gateway Policy, and the Infrastructure Investor Assurance Framework (IIAF) for Capital Projects.

The purpose of this Gateway Review is to provide an independent peer review that assesses the development and delivery confidence of this project at a point in time in the project's phase of development and delivery. This Report includes recommendations from the Review Team intended to enhance the Agency's ability to confidently develop and deliver the project.

This Report will provide constructive commentary to assist the Agency's project team achieve delivery success and realise the business objectives and benefits expected from the investment in this project.

The Review Principles that have been adopted in approaching this Gateway Review are as follows:

- Be helpful and constructive to the Senior Responsible Officer (SRO) and Project Team
- Be independent, with the Review Team's recommendations not directed or influenced from others outside the Review Team
- Adhere to the Terms of Reference provided by Infrastructure NSW
- Result in a Review Report that is clear in its highlighting of substantive issues, the causes and the consequences, with recommended actions to address those issues

The Infrastructure Investor Assurance Gateway Review Workbook (March 2018) requires the Review Team to address the following prescribed review topics:

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

Review Team commentary that does not fall within one of these prescribed review topics is covered in Other Matters.

Focus of the Review

The purpose of the Gateway Review was to inform government's decision to award the contract for project delivery and readiness to mobilise for the delivery phase of the project. The Review will also assess that the process used to select the proposed service provider was robust. The delivery agency demonstrated to the Review Team that the procurement process complied with the RMS Engineering Contacts Manual and Delegations Manual.

In undertaking the review, the Review Team was able to examine some selected reports provided by the Project Team and a number of other documents that had been included in the package of information provided to the Review Team. The Review Team then conducted a series of selected interviews with members of the project team and project stakeholders before coming to the conclusions that are documented in this report.

In addition to the use of the Gateway Workbook relevant to the project's Gateway Stage, the Review Team has sought to provide commentary relating to the Terms of Reference provided by Infrastructure NSW. The Terms of Reference specifically stated that "This Review will also assess readiness to manage delivery with a focus on delivery governance and capability, mobilisation planning, handover arrangements, clearly defined responsibilities for stakeholder management and developing a constructive relationship with the selected proponent." More importantly however, the Terms of Reference has stated that "This Review will not re-examine the delivery agency's procurement decision."

1. SERVICE NEED

There are two fundamental requirements considered critical to the fulfilment of Service Need for projects and programs. The Review Team’s view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, the scope has been defined and is well understood by the project team and relevant stakeholders:	Yes
Appropriate to the stage of the project, the project’s scope appears to be aligned to the stated project objectives and intended outcomes:	Yes

The project team has confirmed that the scope procured is in line with the service need and benefits outlined in the Final Business Case by seeking a construct only offer, with the design being prepared by RMS. The review team noted that the design was in line with the Final Business Case.

There were no scope or service need compromises made in accepting the preferred commercial offer, with only one non-conformance selected, and this was in the way the contractor dealt with Acid Sulphate Soils

The preferred commercial offer is 4 weeks later than the original contract program, to allow for dealing with Heritage Clearance items. The review team is satisfied that this request was reasonable and that the Project Team has dealt with this aspect appropriately by accepting this additional time and will deliver value in terms of the overall management of the project delivery by reducing any uncertainty to the completion date.

Acceptance of the preferred commercial offer does not compromise or make it harder to achieve any of the benefits outlined in the Final Business Case because of the nature of the procurement being construct only. The only non-compliances of the preferred commercial offer have been incorporated into the contract to deliver a balanced solution for the management of Acid Sulphate Soils.

Given the project is construct only, there are no additional benefits or changes in scope driving an improved outcome as a result of the acceptance of the preferred commercial offer.

The project is being procured using a standard GC-21 contract, to which there have been no changes and as such the performance regime is limited to achieving scope within the required time, with liquidated damages applying to late delivery that is the responsibility of the contractor. There have been no other alternative solutions or options have been proposed by the preferred commercial offer and so no others have been considered.

RECOMMENDATIONS

1. That RMS and the Contractor agree how to deal with a balanced approach to differences in time required to manage heritage clearance items from that allowed in the contract to ensure that overruns can be balanced against underruns in time to achieve an equitable outcome **ESSENTIAL (by 30 June 2018)**

The Review Team’s Rating for **SERVICE NEED** is:

Strong

2. VALUE FOR MONEY AND AFFORDABILITY

There are two fundamental requirements considered critical to the fulfilment of Value for Money and Affordability for projects and programs. The Review Team's view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, the cost plan/assessment and associated information has a logical structure and sufficient justification:	Yes
Appropriate to the stage of the project, the project has clear cost tracking and management controls in place:	Yes

The procurement strategy outlined in the Final Business Case has been followed and a construct only tender has been sought.

The Review Team noted that all tenders received were well in excess of the RMS pre-Tender estimate, and therefore the preferred commercial offer was not within the original budget. That being said, RMS have subsequently reviewed their estimate and understand the reasons for the market responding at a higher level, and accordingly sought and received additional funding from FIC to ensure that adequate funds are available to deliver the project including sufficient contingency. Given the current market condition and the closeness of all three tenders, the review team is of the view that the accepted commercial offer is fair at this time.

Risk is discussed later in this report however there has been a significant allowance made to deal with uncertainties on the project and this is reflected in the comprehensive build-up of the final project budget estimate.

Given the nature of the procurement, the ROI process sought the best qualified contractors to deliver the project, and so the RFT result hinged largely on price. The evaluation therefore obtained the lowest commercial offer of the contractor best placed to deliver the contracted scope.

Being construct only, the operational and whole-of-life cost impacts of the preferred commercial offer were determined during the design phase by RMS.

There was only one minor non-conformance that was offered as part of the preferred commercial offer and this is discussed above.

The Review Team was satisfied that the resourcing, funding plans and broader agency support is in place to ensure efficient mobilisation and delivery of the project.

The Review was able to see the rigorous process that had been undertaken to ensure that adequate contingency identified for the project is still appropriate based on the evaluation of the preferred commercial offer and is satisfied that it is of a reasonable magnitude given the risks to deliver that are still in play.

The Review Team's Rating for VALUE FOR MONEY AND AFFORDABILITY is:

Strong

3. SOCIAL, ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY

There are two fundamental requirements considered critical to the fulfilment of Social, Economic and Environmental Sustainability for projects and programs. The Review Team’s view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, sustainability has been considered holistically from social, economic and environmental perspectives:	Yes
Appropriate to the stage of the project, the project identifies how it will meet the needs of present users without comprising the needs the broader community in the future:	Yes

There is significant evidence to confirm the planning pathway for the project has been followed correctly by the project team. That being said there are still some approvals that are outstanding that must be obtained before the contract is executed. The Project Team understand this and believe that the approvals will be received in time so as not to delay execution.

Aside from landscaping that is included as part of the project scope, it was not appropriate for the Evaluation Panel consider place making and access to services within the evaluation.

The preferred commercial offer has only minor impact on the integration with the broader asset network and services and was not part of the evaluation.

Each proponent offered the same construction solution and so the Evaluation Panel had no apparent need to ensure that minimising environmental impacts (materials, energy, water, footprint) and the adoption of ethical fair and transparent purchasing through delivery were appropriately assessed beyond that required by the standard terms and condition of tendering for construct only works.

Because the project is construct only there was no need for the Evaluation Panel to consider future adaptability, including climate resilience, asset reconfiguration and in response to technological change within the evaluation nor was the evaluation Panel able to consider alternate sustainability initiatives to appropriately balance the maximisation of benefit with optimal cost.

The contractor is required to deliver a CEMP and Greater Sydney Project Office has the responsibility to ensure that this is implemented. This will be vital to ensure that the condition of the DP&E approvals is met by the Contractor and RMS. It will be essential that the CEMP is approved expeditiously to avoid undue delay to the project completion date. There are no gaps or enhancements that exist between the preferred commercial offer and the social and community benefits outlined in the Final Business Case?

RECOMMENDATIONS

- Final DP&E approvals must be received before award of the construction contract can take place
CRITICAL

The Review Team’s Rating for SOCIAL, ECONOMIC AND ENVIRONMENTAL SUSTAINABILITY is:	Strong
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4. GOVERNANCE

There are two fundamental requirements considered critical to the fulfilment of Governance for projects and programs. The Review Team’s view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, a robust formal governance structure is in place with appropriate and empowered representation:	Yes
Appropriate to the stage of the project, the project’s governance structure has been communicated and is understood by stakeholders:	Yes

The formal project and delivery agency governance structure is standard for this type of procurement and is in line with RMS procedures to support the evaluation. A review of the Evaluation Report provides clear evidence that it has been effective?

The Review Team discussed the procurement process with the Project Team and examined the procurement strategy. This provided confidence to the Review Team that demonstrates that the procurement complies with probity in the evaluation of the commercial offers.

The Tender Assessment Report provides clear evidence that demonstrates the Evaluation Plan, as agreed through project governance, has been followed and also provides evidence that demonstrates the evaluation of the commercial offers was undertaken in accordance with NSW Government and delivery agency policy.

The Evaluation Panel (or Tender Assessment Committee) comprised Graham Standen, Gurjit Singh, and Warren Stalder who each have varied experience in the project and procurement of this size and type. All are independent of any of the tenderers and is considered by the Review Team to be sufficient and appropriate.

Because the contract is construct only, there was no need for the Evaluation Panel to map the benefits from the Final Business Case to the preferred commercial offer.

The approval process is consistent with RMS delegations to move through to preferred proponent and contract award is robust.

The Review Team discussed the projects Governance Structure that will be in place for the delivery phase of the project. While the project is construct only, it means that the Governance Structure will be relatively straight forward. The Review Team was appraised of the specific skills that were included in the project team, and noted in particular that the project superintendent had a significant amount of bridgework experience and will provide a big advantage to the project. It will also provide an opportunity for less experienced personnel to gain important insights as the project proceeds

It is understood that the delegations provided to the SRO are in accordance with the standard RMS management procedures. There was no evidence presented to the Review Team that would suggest that this was an impediment to the project or presented any greater risk to delivery.

RECOMMENDATIONS

3. The project take the opportunity to develop skills within RMS by exposing younger engineers and supervisory staff to the project so that they can gain essential skills required to manage bridge projects for RMS into the future. **SUGGESTED**

The Review Team's Rating for *GOVERNANCE* is:

▪ **Strong**

5. RISK MANAGEMENT

There are two fundamental requirements considered critical to the fulfilment of Risk Management for projects and programs. The Review Team’s view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, a Risk Management Plan has been developed and includes sufficient consideration of risks and the mitigations:	Yes
Appropriate to the stage of the project, the Risk Management Plan has been communicated to appropriate stakeholders and is regularly updated:	Yes

The risk management approach adopted has been significant and robust and is currently being updated to reflect the transition from project delivery readiness to construction. The preferred commercial offer and emerging delivery issues are totally consistent with the risk profile that has been developed.

The commercial risk allocation between government and the proponents is unchanged from that document in GC-21. The allocation of risk between contractor and RMS is appropriate with the State retaining risks associated with Heritage and Archaeological as well as Utility relocations and quantity of Acid Sulphate Soils.

There are no commercial non-compliances or departures and the risks to on-budget and on-time completion of the project are in accordance with GC-21

As reported earlier, there is still some uncertainty surrounding the timing of issuing planning approvals that the Review Team is of the strong view that these must be resolved before contract execution.

Acceptance of the preferred commercial offer does not place the achievement of the outcomes identified in the Final Business Case at risk.

The Review Team’s Rating for RISK MANAGEMENT is:

Strong

6. STAKEHOLDER MANAGEMENT

There are two fundamental requirements considered critical to the fulfilment of Stakeholder Management for projects and programs. The Review Team's view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, the importance of stakeholder management and the potential impacts on the project have been appropriately considered/assessed by the Agency:	Yes
Appropriate to the stage of the project, a list of key stakeholders has been developed, is understood by the project team and is regularly updated:	Yes

While internal stakeholders were involved in the initial solution development and all Stakeholders were consulted in the development of the design, there has been no involvement of Stakeholders in the evaluation of the commercial offers which is entirely appropriate.

There appears to be no gaps or enhancements (if any) to the proposed stakeholder engagement approach which are emerging from the preferred commercial offer. That being said, RMS are under no illusion that this project will require nothing less than a co-operative approach with the Contractor in managing stakeholder issues through the entire construction period. RMS have stated will take the lead or as a minimum, a strong part in the management of all external stakeholders.

The review team notes that a Parliamentary Inquiry into the project is underway and will not report for some time. The project is proceeding in spite of this inquiry and RMS will deal with any implications if and when they arise. This is really the only sensible strategy to be followed by the project in this circumstance.

The Review Team's Rating for STAKEHOLDER MANAGEMENT is:

Strong

7. ASSET OWNER'S NEEDS AND CHANGE MANAGEMENT

There are two fundamental requirements considered critical to the fulfilment of Asset Owner's Needs and Change Management for projects and programs. The Review Team's view on whether these requirements have been appropriately addressed are represented below:

REQUIREMENT	ASSESSMENT
Appropriate to the stage of the project, if there are impacts on other infrastructure, resources or processes these have been appropriately considered:	Yes
Appropriate to the stage of the project, a change management plan is at an appropriate stage of development or implementation:	Yes

By adopting a Construct only style contract, the Evaluation Panel has ensured that the asset owner/operator and operational requirements/performance have been considered in the evaluation of the commercial offers by default.

As the project is a replacement of an existing asset, there is little change to the Asset Owners' workforce or human resource and as a result is not an issue for the evaluation.

In a similar vein, there is no need to consider changes to network interfaces as a result of the evaluation. These were all considered as part of the development of the design.

There are no changes to business systems (technology, interoperability, processes or procedures) and therefore not part of the evaluation.

The end-user needs and outcomes were considered in the development of the design for the project and therefore are not considered as part of the evaluation process.

The team that is responsible for delivery is already in place for the plan in place for the delivery of the project.

There is no change management required as part of this project as it is effectively a replacement of an existing asset. All changes to the road network have been discussed and agreed with the council and RMS at officer level as part of the design. There is also an agreed traffic change plan in place to facilitate construction and commissioning at the completion of the project.

As the project is construct only, and the design reflects that of the original final business case, the benefits realisation approach has not been changed as a result of this tender.

The construction site does not interfere with the existing road network until it is ready for commissioning, and there is an agreed process with RMS and council as to how this will occur.

The Review Team's Rating for ASSET OWNER'S NEEDS AND CHANGE MANAGEMENT is:

Strong

OTHER MATTERS

There were no other matters the Review Team wished to bring to Infrastructure NSW's and the SRO's attention.

CONCLUSIONS AND RECOMMENDATIONS

Based on documentation reviewed and interviews conducted, the Gateway Review Team recommends that no other additional work be considered.

The Review Team also observed the following areas of good practice that may be transferable to other projects or programs:

1. The decision to have the RMS Stakeholder Management and Communications team working in close conjunction with the Contractors team is a good move which could be used to advantage on future projects.

FUTURE GATEWAY REVIEWS OR HEALTH CHECKS

Based on the outcomes of this Review, the Review Team recommends to the Sponsor and Infrastructure NSW that consideration be given to undertaking a further Gateway Review or Health Check as indicated:

The Review Team recommends that the next Review to be undertaken is:

Gate 6 Post Implementation Gateway Review

The Review Team recommends that the timing of this next Review be after completion to review the way the project progressed and to see what lessons can be taken away to be applied on subsequent projects.

APPENDIX A – REVIEW RECOMMENDATIONS

KEY FOCUS AREA		Reviewer to Complete			Agency Project Team to complete			
		RECOMMENDATION ON THEME	No.	RECOMMENDATION	RECOMMENDATION RATING	AGENCY RESPONSE	Proposed Actions (optional)	ACCOUNTABILITY
Service Need	03. Discipline in Risk Management	1.1	That RMS and the Contractor agree how to deal with a balanced approach to differences in time required to manage heritage clearance items from that allowed in the contract to ensure that overruns can be balanced against underruns in time to achieve an equitable outcome.	Essential	RMS agrees that it is desirable for all parties to collaborate before and during the excavation requiring the heritage clearances to ensure the best outcome for all parties...	RMS Contract Manager(s) will raise the issues with the Contractor during pre-construction.	Graham Standon / Gaeil Gill	Ongoing
			Final DPE approvals must be received before award of the construction contract can take place. The project take the opportunity to develop skills within RMS by exposing younger engineers and supervisory staff to the project so that they can gain essential skills required to manage bridge	Critical	The outstanding DPE approval was obtained before the contract was awarded.	Nil	Complete	
Social, Economic and Environmental Sustainability	11. Approach to Planning and Approvals	3.1						
Governance	14. Sharing Knowledge Across Government	4.1						
						Two young engineers have been include on the RMS Project Team. Further a young surveillance officer has been identified to join the project team once available.	Ian Allan	Complete

APPENDIX B – REVIEW INTERVIEWEES

The Reviewers are grateful to the following people that gave generously of their time at the interviews. Each individual's contribution assisted the Review Team in coming to an understanding of the Project and in the development of the Report.

PERSON	AGENCY	PROJECT ROLE	EMAIL or PHONE
Graham Standen	RMS	Senior Project Manager	
Gurjit Singh	RMS	Project Manager	
Ian Allan	RMS	Project Director	
Maye Segelov	RMS	CS&E Manager	
Warren Stalder	independent	Project/Contract Manager	

APPENDIX C – DOCUMENTS REVIEWED

The following documents have been provided to the Review Team. The Team has reviewed these documents and used them as the basis for interviews and has included relevant commentary on the documents in the Gateway Review Report.

AUTHOR	DOCUMENT NAME	DATE OF PUBLICATION
	Project presentation providing an executive overview of the project	24 May 2018
	Revised Economic Appraisal	11 May 2018
	Tender Assessment Reports <ul style="list-style-type: none"> - ROI Evaluation Report - RFT Tender Assessment Report with appendices - ROI Evaluation Report with appendices - RFT Tender Assessment Report MPPC Procurement Strategy Endorsement	21 Nov 2017 May 2017 Nov 2017 May 2017 Mar 2016
	Risk Register	May 2018
	Risk Management Plan	16 May 2018
	Project Management Plan	18 May 2018
	Current PMRT	30 Apr 2018
	Internal Gate 3 Approval	13 Dec 2017
	Community & Stakeholder Engagement Plan <ul style="list-style-type: none"> - Approved existing CS&E Plan - Draft CS&E Plan for construction 	Jan 2017 May 2018
	Samples of Recent Communications	Various
	EIS Post Approval Conditions	20 Dec 2013
	Change Management Plan Asset handover agreements Council mark-up Asset handover agreements – RMS response letter	15 Feb 2017 Feb 2018 Mar 2018
	Final Business Case (Gate 2)	Nov 2017
	Gate 2 Close Out Report	20 Nov 2017

	Some current info on salvage work - Detailed Salvage Strategy- aboriginal and Historical - Maritime Detailed Salvage Strategy - Thompson Square Drain Mitigation Options Report	13 Nov 2017 14 March 2018 2 May 2018
	Summary extract from design drawings - Bridge structural drawings - Bridge drawings - Roadwork drawings - Pavement drawings - Landscape drawings	13 Nov 2017 3 Nov 2017 3 Nov 2017 3 Nov 2017 3 Nov 2017
	Draft Interpretation Plan	8 May 2018
	P6 Project Schedule	30 Apr 2018
	Estimate Concurrence Report	26 April 2018

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