# Appendix C – Risk assessment criteria

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| **Criteria and Weighting** | **Example of questions to be considered when addressing criteria** | **Priority and risk level** | **Score** |
| **Government priority: 25%**  The level and timing of project or program priority, where:   * The level of priority for a project is specifically mandated (or where a Ministerial authority has been given to mandate that a project is a priority) in documents such as the NSW Budget, Premier’s Priorities, State Infrastructure Strategy, Election Commitment, or is a response to a Legislative Change. Alternatively, the project is an enabler of a mandated priority project. * The timing of the priority project can be either within or outside the Forward Estimates and relates to planning/ development commencement, construction commencement or construction completion.   **These two conditions should exist.** | **Government Priority indicators**   * Has the project been specifically mandated in the NSW Budget? * Has the project been specifically mandated in the Premier's Priorities or equivalent? * Is the project linked to a project specifically mandated in any Government endorsed whole of Government plan, for example, the State Infrastructure Strategy? * Is the project an election commitment? * Is the project a response to a legislative change? * Is the project an enabler of a mandated priority project? * Has there been a Ministerial announcement regarding the project? * Has the project received significant regional or state-wide media coverage? * Is the project a strategic priority for Government? * Is the project a strategic priority for the agency or department? * Does accountability for the project reside with Cabinet, a Cabinet Committee or a Minister?   **Project timing indicators**   * Has planning or implementation of the project already commenced? * Will the project be fully operational within 12 months? * Will the project be fully operational within the forward estimates period? | **Extremely low Government priority**  Not a documented Government priority | 0 |
| **Very low Government priority**  Agency priority in Agency Strategic Plan over the next 10 years | 1 |
| **Low Government priority**  Mandated priority project, and final business case and construction to commence outside forward estimates but within the next 3-6 years beyond forward estimates | 2 |
| **Medium Government priority**  Mandated priority project, and final business case or construction to be completed outside forward estimates but within the next 1-2 years beyond forward estimates | 3 |
| **High Government priority**  Mandated priority project, and final business case or construction to commence within forward estimates | 4 |
| **Very high Government priority**  Mandated priority project, and final business case or construction to be completed within forward estimates | 5 |
| **Interface complexity: 25%**  The extent to which the project or program’s success will depend on the management of complex dependencies with other:   * Institutions - certain bodies are contributing to the funding of the project or will be given operational responsibility; and/or * Projects or services – there are fundamental interdependencies with other projects or services that will directly influence the scope and cost of the project. | **Interface Complexity indicators**   * Are other entities contributing to the funding of the project? * Will other entities be given full or partial operational responsibility for the project? * Are there other projects, program or services that will directly influence the scope and cost of the project? * Does the project involve multi-agency delivery? * Are the anticipated project benefits dependent on another project, program or service? * Does the project involve significant integration (IT or otherwise) with other projects, programs or services? * Will members of the public be directly impacted by this project? * Will the private sector be directly impacted by this project? * Will the public sector (outside of the delivery agency) be directly impacted by this project? * Will the project involve external delivery partners? | **Extremely low interface complexity risk**   * No interface complexity | 0 |
| **Very low interface complexity risk**   * Very little or infrequent interface with entities, or * Very little interdependence on other projects or services | 1 |
| **Low interface complexity risk**   * Institutional interface with 1 entity, or * Minor interdependence with other projects or services | 2 |
| **Medium interface complexity risk**   * Institutional interface with 1 entity (Federal, local or private), or * Some interdependencies with other projects or services | 3 |
| **High interface complexity risk**   * Institutional interface with 2 entities (Federal, local or private), or * Important interdependencies with other projects or services | 4 |
| **Very high interface complexity risk**   * Institutional interface between Federal, local and private entities, or   Fully interdependent on other projects or services | 5 |
| **Complexity and risk of procurement: 20%**  The extent to which a project or program requires, sophisticated, customised or complex procurement methods (non-traditional), thereby increasing the need for a careful assessment and management of risk.  Procurement complexity may also be influenced by the extent of agency experience and capability. For example, some procurement methods (e.g. ECI) may be used more commonly by some agencies and represent a lower procurement risk. | **Procurement complexity indicators**   * Will/could the project use a non-traditional (complex or customised) procurement method? * Does the agency have experience in the proposed procurement method? * Does the agency have a high level of capability in the proposed procurement method? * Is the service contract likely to be >10 years? * Is the project dependent on input from an immature/inexperienced market segment? | **Extremely low procurement complexity risk**  No procurement complexity. For example, routine procurement method for a routine infrastructure product that is purchased | 0 |
| **Very low procurement complexity risk**  Business as usual procurement. For example, Design and Construct | 1 |
| **Low procurement complexity risk**  Minor procurement complexity. For example, Directly Managed Contract | 2 |
| **Medium procurement complexity risk**  Some procurement complexity. For example, Early Contractor Involvement | 3 |
| **High procurement complexity risk**  Unconventional complex procurement. For example, an Alliance or hybrid Alliance | 4 |
| **Very high procurement complexity risk**  Highly complex procurement. For example, Public Private Partnership (PPP), or a Hybrid that includes a PPP | 5 |
| **Agency capability and capacity: 30%**  The extent to which the sponsor agency has demonstrated capability (skills and experience), or can access through recruitment or procurement the required capability in the development and / or delivery of the type of project or program proposed and/or its delivery strategy. | **Agency Capability indicators**   * Are the operations and outcomes of the project aligned to the agency's core business and strategic objectives? * Does the organisation have a successful track record of delivering initiatives of a similar scope and/or scale? * Has the organisation been established within the past 12 months? * Does the organisation have ongoing stable operations? * Does the organisation have an ongoing, stable source of funding? * Has the organisation been established for the purpose of delivering this project? * Has the organisation delivered a project that has been subject to a major recurrent Gateway review? * Will the agency be delivering this project in partnership with a more experienced delivery partner? * Does the agency have in-house capability to deliver the project or will the agency be contracting / recruiting * Does the agency have the capability to manage the ongoing activities of the project after the procurement stage? | **Extremely low agency capability risk**  Very routine projects | 0 |
| **Very low agency capability risk**  Business-as-usual projects | 1 |
| **Lower agency capability risk**  Multiple recurring projects | 2 |
| **Medium agency capability risk**  At least five projects of this type over the last five years | 3 |
| **High agency capability risk**  Few projects of this type previously delivered over the last 10 years | 4 |
| **Very high agency capability risk**  No projects of this type previously delivered over the last 10 years | 5 |