

# Setting up for Project Success

## Construction Procurement Guidelines

October 2019

### Overview

While every construction project is unique, there are a number of common key success factors (KSFs) that can be used to determine if your project is set up for success. Lessons learned internationally from Gateway reviews and investigations into project failures by the [UK National Audit Office](#) and Office of Government Commerce identify these KSFs as essential for project success. The purpose of this document is to focus on these KSFs, and the questions that you can ask to identify areas of your project that may require further attention. Key focus areas of the [Construction Procurement Guidelines](#) that may be used to improve your project's achievement of KSFs are also identified where appropriate.

### Key success factors

Key success factor		Description
KSF 1	<b>Strategic priorities</b>	There is a clear link between the project and the agency's key strategic priorities, with agreed measures of success.
KSF 2	<b>Leadership and management</b>	There is clear ownership and oversight by your agency's leadership.
KSF 3	<b>Stakeholder engagement</b>	The right stakeholders are effectively engaged and support the project.
KSF 4	<b>Capability and capacity</b>	Appropriate skillsets are available for the project, with clear roles and responsibilities.
KSF 5	<b>Project team integration</b>	The project team, including your agency's personnel, consultants, contractors and suppliers, is effectively integrated.
KSF 6	<b>Understanding the market</b>	There is a robust understanding of, and engagement with, the supplier marketplace.
KSF 7	<b>Whole-of-life</b>	Proposals are evaluated on delivery of whole-of-life public value (especially securing delivery of business benefits), not just initial capital costs.
KSF 8	<b>Manageable steps</b>	Development and implementation have been broken down into manageable steps.

*Adapted from The Treasury, The Gateway Process, [Guide for Agencies May 2018](#)*

## Key questions

The checklists below provide questions that can ask yourself to help in determining whether your project is set up for success, and highlight focus areas that may support your agency in achieving a positive outcome.

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### KSF1 - Strategic priorities

*There is a clear link between the project and your agency's key strategic priorities, with agreed measures of success.*

- Do we know how the priority of this project compares and aligns with our other related delivery and operational activities?
- Have we defined the key success factors for the project?
- Have the key success factors been agreed with suppliers and key stakeholders?
- Are requirements clearly defined and communicated to all stakeholders?
- Does the project plan cover the full project period, any potential business changes, and indicate the means of benefits realisation?
- Are timescales realistic, with statutory lead times and critical dependencies considered?
- Are the lessons learnt from relevant projects being applied?
- Have the project drivers of time, cost, scope and quality been prioritised, with the effects of slippages in each considered?

**Focus areas:** [Project Brief](#) | [Whole-of-Life](#) | [Sustainable Construction](#)

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### KSF2 - Lead and manage

*There is clear ownership and oversight by your agency's leadership.*

- Is there clarity at senior management level around the interdependencies of projects, benefits and measures of success?
- In a multi-organisational project, are governance arrangements aligned with the business objectives of all parties?
- Are proposed commitments and announcements first checked for delivery implications?
- Are decisions timely, well-informed and adhered to?
- Does the project have all necessary approvals, from nominated minister, either directly or through delegated authority, to a designated senior responsible owner?
- Does the senior responsible owner have the ability, responsibility and authority to ensure that the business change and business benefits are delivered?
- Does the senior responsible owner have a suitable track record of delivery? Is this being optimised through training?

**Focus areas:** [Construction Project Governance](#)

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### **KSF3 – Stakeholder engagement**

*The right stakeholders are effectively engaged and support the project.*

- Have we identified the right stakeholders, including asking who, what, when, where, why, and how?
- Has a consensus been reached on stakeholder requirements?
- Does the business case take into account the views of all relevant stakeholders?
- Are we clear on how we will approach stakeholder management – buy-in, resistance to change, etc?
- Has sufficient consideration been given to existing organisational culture?
- Is there clear accountability for resolving conflicting priorities?

**Focus areas:** [Construction Project Governance](#) | [Construction Project Brief](#)

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### **KSF4 – Capability and capacity**

*Appropriate skillsets are available for the project, with clear roles and responsibilities.*

- Is the project team skilled and experienced, with clearly defined roles and responsibilities? If not, is there clarity around available skillsets and knowledge gaps, and a plan to access the required expertise?
- Are the major risks identified, weighted and addressed by the senior responsible owner, the project director, and project managers and/or project team?
- Has sufficient resourcing, financial and otherwise, been allocated, including an allowance for risk?
- Do we have adequate approaches for estimating, monitoring and controlling the total expenditure on projects?
- Do we have effective systems for measuring and tracking the realisation of benefits in the business case?
- Are the governance arrangements robust enough to ensure that “bad news” is not filtered out of progress reports to senior managers?
- If external consultants are used, are they accountable and committed to help ensure successful, timely delivery?

**Focus areas:** [Matching Capability to Complexity](#) | [Risk Management](#)

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### KSF5 – Project team integration

*The project team, including your agency's people, consultants, contractors and suppliers, is effectively integrated.*

- Has market engagement been undertaken to help determine and validate desired outputs and outcomes?
- Has market engagement been undertaken to establish the market's capability and capacity to deliver the requirements?
- Are procurement methods that allow integration of the project team being used?
- Has risk been allocated to the party/ies best able to manage it?
- Has a shared project risk register been established?
- Have arrangements for sharing efficiency gains throughout the supply chain been established?

**Focus areas:** [Developing your Construction Procurement Strategy](#) | [Market Engagement](#) | [Risk Management](#)

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### KSF6 – Understanding the market

*There is a robust understanding of, and engagement with, the supplier marketplace.*

- Has project approach and achievability received positive feedback through market engagement?
- Do we understand the possible approach suppliers may take to deliver the project and the role and impact of sub-contractors and suppliers on project success?
- Have suppliers stated all assumptions they made against in proposals?
- Have we checked that the project will attract sufficient competitive interest?
- Is senior management sufficiently industry-engaged to be able to assess supply-side risks?
- Do we have a clear market engagement strategy, or are sourcing decisions made on a case-by-case basis/in isolation?
- Are processes in place to ensure all parties have a clear understanding of their roles and responsibilities, desired outcomes, key terms and deadlines?
- Do we understand the potential effect of other projects and market conditions on our project?

**Focus areas:** [Market Engagement](#) | [Risk Management](#) | [Construction Skills and Training](#) | [Health and Safety](#)

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### KSF7 – Whole-of-life

*Proposals are evaluated on delivery of whole-of-life public value (especially securing delivery of business benefits), not just initial capital costs.*

- Is the evaluation based on whole-of-life public value, taking into account capital, maintenance and service costs?
- Do we have a proposed evaluation approach that allows us to balance financial factors against quality and security of delivery?
- Does the evaluation approach consider business criticality and affordability?
- Is the evaluation approach business-driven?

**Focus areas:** [Whole-of-Life](#)

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### KSF8 – Manageable steps

*Development and implementation have been broken down into manageable steps.*

- Has the approach been tested to ensure it is not 'big bang'? (for example, in IT-enabled projects)
- Is there adequate tender time allowed for the market to provide quality responses to opportunities?
- Has sufficient time been built in to allow for planning applications?
- Have we done our best to keep delivery timescales short so that change during development is avoided?
- Have enough review points been built in so that the project can be stopped, if changing circumstances mean that the business benefits are no longer achievable or no longer represent good public value?
- Is there a business continuity plan in the event of the project delivering late or failing to deliver at all?

**Focus areas:** [Developing your Construction Procurement Strategy](#) | [Construction Project Governance](#)

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