

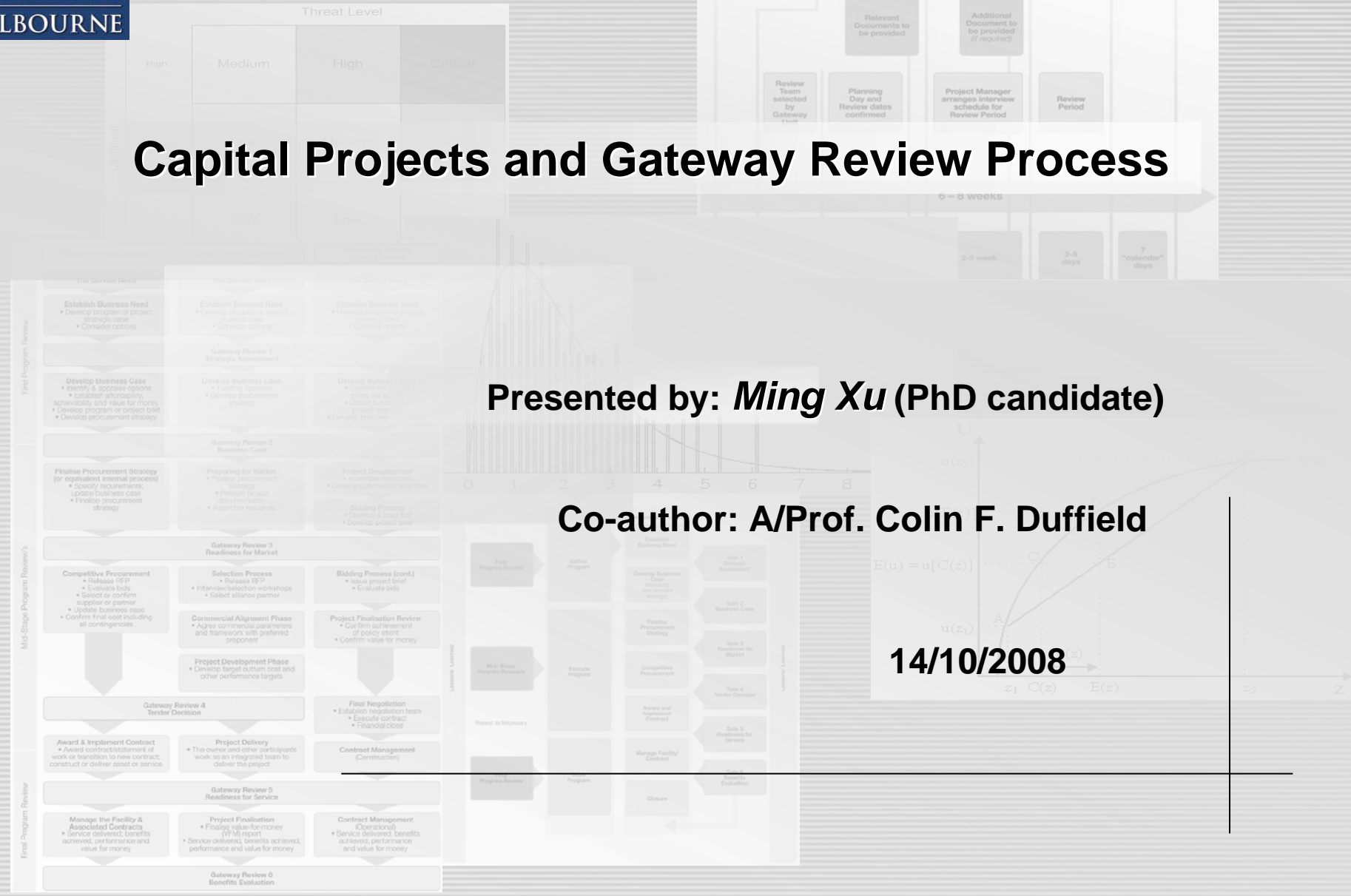


# Capital Projects and Gateway Review Process

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# Introduction

## Introduction



Review



Performance



Tools



The GRP



VfM



The TA



Conclusion

- Introduction
- Review of Capital Projects
- Capital Project Performance
- Tools for Performance Improvement
- The Gateway Review Process (GRP)
- Significance of Value for Money (VfM) Measurement
- Technical Approach (TA)-A Potential Solution
- Conclusions



# Review of Capital Projects

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Conclusion

- Large Engineering Project (LEP)
- Projects with Capital Budget
- Mega-Project
- Major Project

## What is

A Capital Project has:

- *Considerable Risks to Be Managed*
- *Significant Impacts*
- *Hard Decision to Make*

- High Level Risks in Schedule
- High Level Risks in Budget
- High Level Risks to Achieve Success

Any project, including:

- Construction;
- Information Communication Technology (ICT);
- Service Procurement;
- Acquisition and Renovation Activities;
- Other Activities Improving Potential Services.



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# Capital Project Performance



Introduction



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The GRP



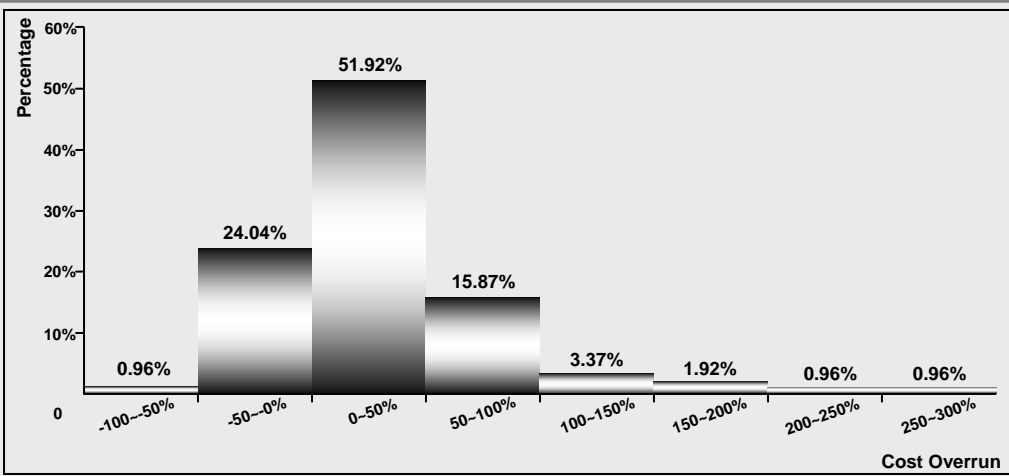
VfM



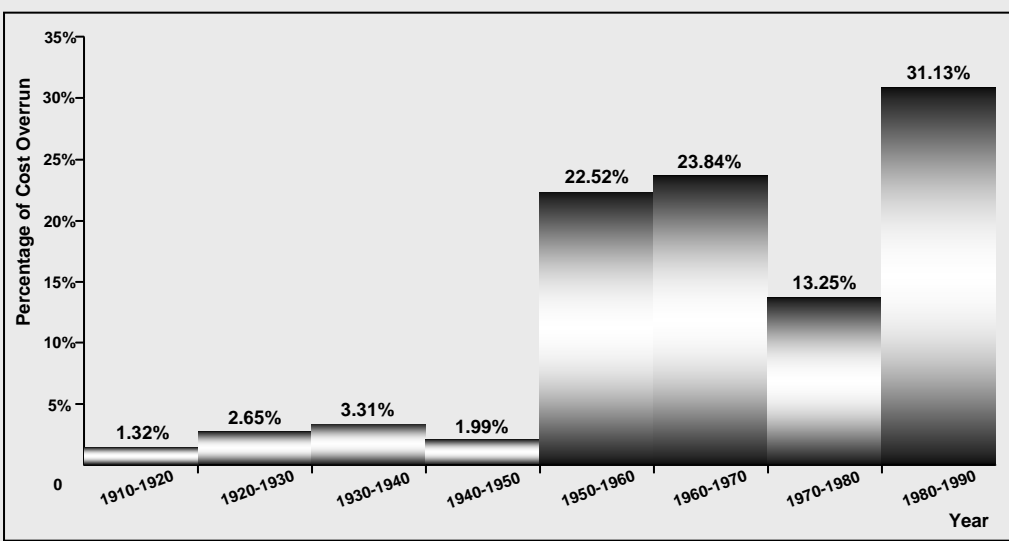
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Conclusion



- ▶ Average Cost Overrun 30.53%
- ▶ 75% of Projects Over Budget
- ▶ Often 0-100% Cost Overrun
- ▶ Considerable Project Size



- ▶ Overrun Increases Over Time
- ▶ 90.31% After 1950
- ▶ Increase In Project Complexity
- ▶ Increase In Project Size

Data Source: Megaprojects and risks: an anatomy of ambition (Flyvbjerg et al. 2003)

# Tools for Performance Improvement

Introduction



Review



Performance



Tools



The GRP



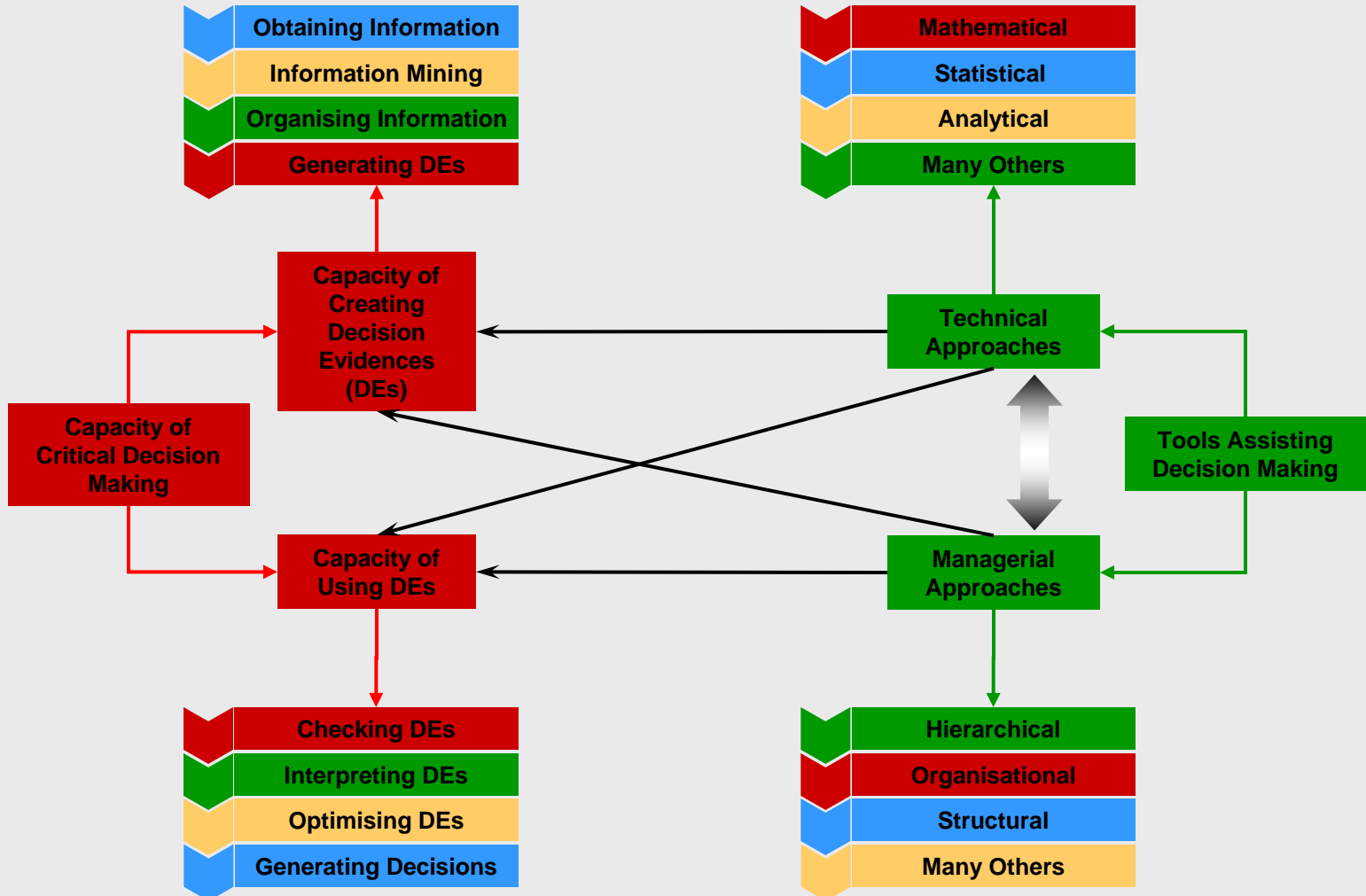
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Conclusion





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# The Gateway Review Process (GRP)

Introduction



Review



Performance



Tools



The GRP



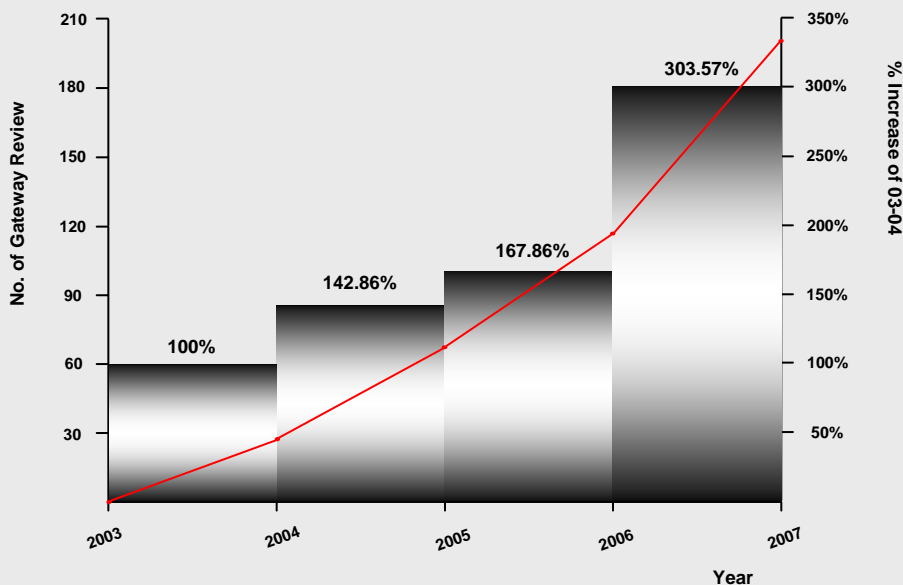
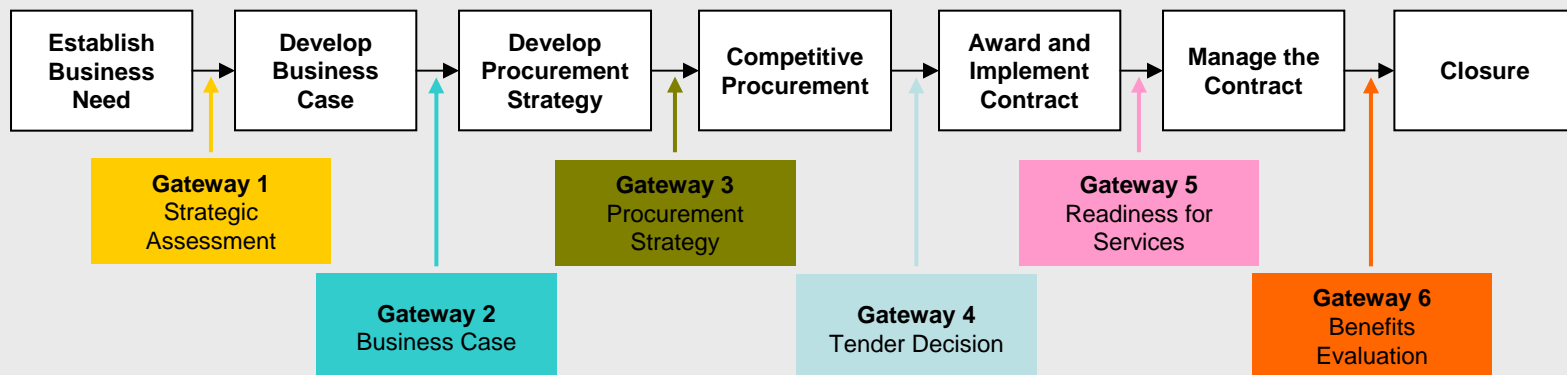
VfM



The TA



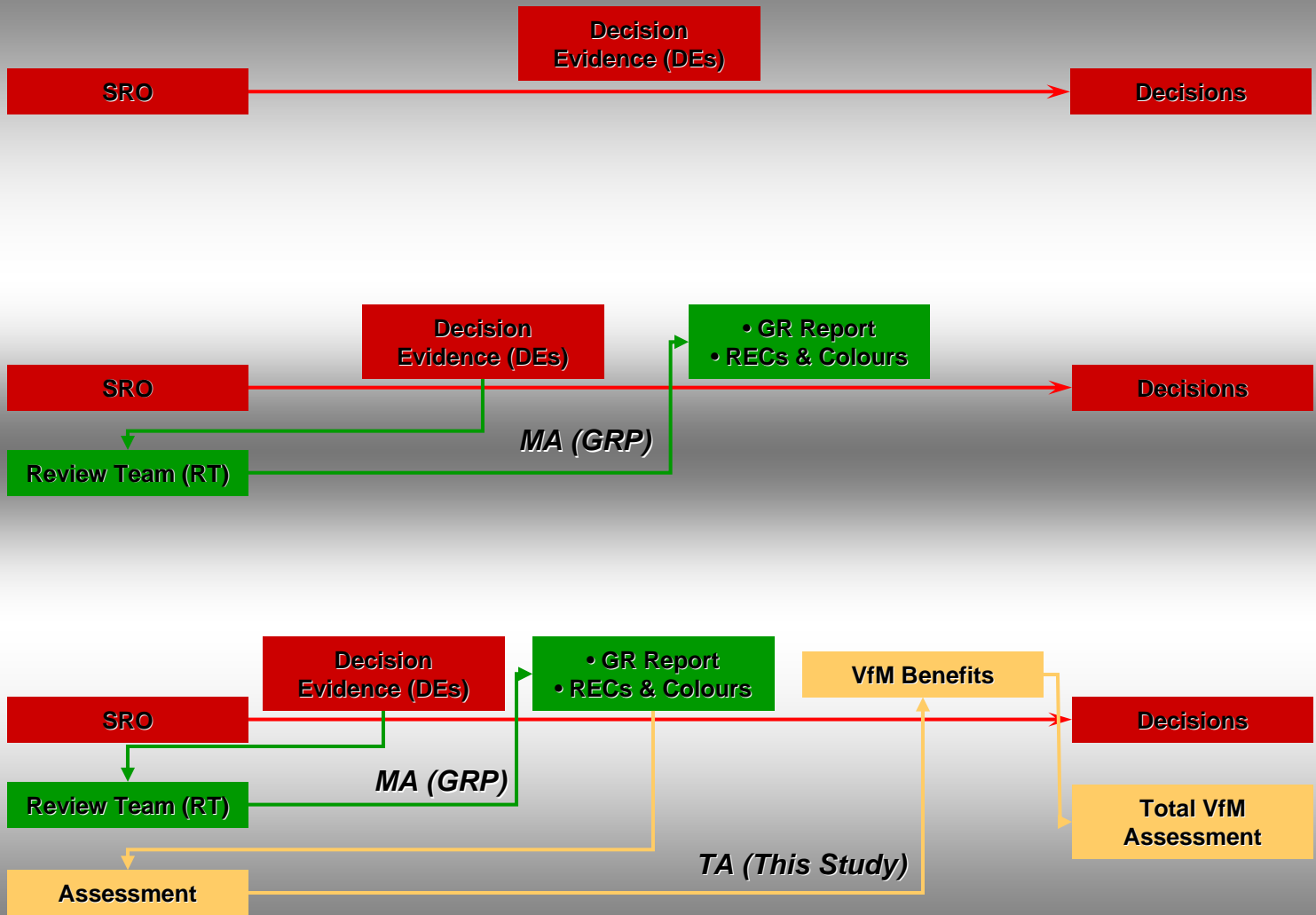
Conclusion



- 3-5% Average Savings
- 0.01% of Project Cost
- A\$200-400M VfM Savings
- 82% Positive SRO Feedbacks

# Significance of Value for Money (VfM) Measurement

- Introduction
- Review
- Performance
- Tools
- The GRP
- VfM**
- The TA
- Conclusion





# Technical Approach (TA)-A Potential Solution

## Introduction



## Review



## Performance



## Tools



## The GRP



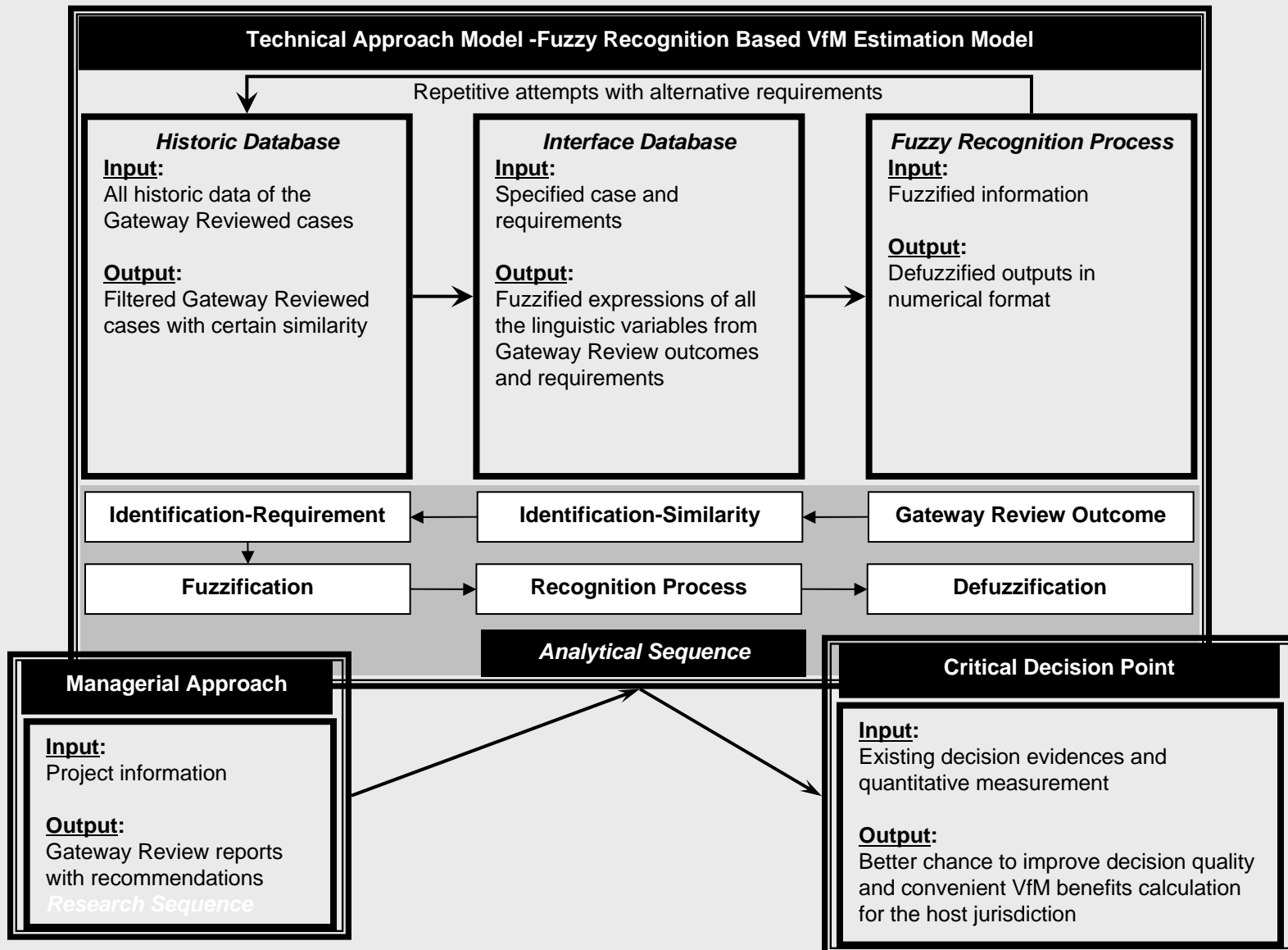
## VfM



## The TA



## Conclusion





# Conclusions

## Introduction



## Review



## Performance



## Tools



## The GRP



## VfM



## The TA



## Conclusion

- Project failures due to insufficient decision making capacity
- The GRP is beneficial:
  - Improving project performance
  - Enhancing capacity in decision making
- Current MA in the GRP can be further improved by a TA
- Measure of the VfM benefits from the MA is of great importance
- A Fuzzy Recognition based TA is a potential solution