Treasury Board of Canada Secretariat
Secrétariat du Conseil du Trésor du Canada
Canada

# Guide to Project Gating

Published: 2021-07-09

© Her Majesty the Queen in Right of Canada,
represented by the President of the Treasury Board 2021,

Published by Treasury Board of Canada, Secretariat
90 Elgin, Ottawa, Ontario, K1A 0R5, Canada

Catalogue Number: BT58-11/2021E-PDF
ISBN: 978-0-660-43078-2

This document is available on the Government of Canada website, Canada.ca

This document is available in alternative formats upon request.

Aussi offert en français sous le titre : Guide de l’établissement de points de contrôle pour les projets

# Guide to Project Gating

## On this page


- Purpose of this guide
- 1. What is project gating?
- 2. Why is project gating important?
- 3. How is gating applied for Government of Canada projects?
- 4. What decisions must be reflected in a gating model?
- 5. Who makes a project gating decision?
- 6. How is a gating decision made?
- Appendix A: sample project gating plan template
- Appendix B: lines of enquiry by key decision point


## Purpose of this guide

This guide is intended to support departments in establishing an effective project gating process that enables better informed decision-making. It also aims to assist departments in implementing policy provisions pertaining to project gating as stipulated in the Treasury Board *Directive on the Management of Projects and Programmes*.

Readers who have comments or recommendations to inform the next iteration of this guide are invited to send an email to questions@tbs-sct.gc.ca.

# 1. What is project gating?

Project gating is a systematic approach to determining whether a project is situated for success and therefore continues to warrant investment. This approach relies on the use of project gates to assess a project's ongoing viability at key intervals throughout the life of the project.

A **project gate** is a key decision and control point in a project's life cycle where a formal review of a project's health is performed. A project gate also offers a formal means to:

- manage project risk
- monitor scope changes
- solicit input from key stakeholders
- maintain interest and buy-in
- leverage communication opportunities in support of the project

In the traditional sense of the term, a gate is a structure that can be opened or closed to either clear or block a pathway. In the same way, a project gate is either opened or closed, allowing the project to move forward or not. For this reason, a gating decision is known as a go/no-go decision. A go/no-go decision may recommend any one of the following:

| Decision | Meaning |
|---|---|
| **Go: Proceed** | Continue to invest in the project. |
| **Go: Proceed with conditions** | Continue to invest in the project, acknowledging that certain conditions must be met prior to the next gate. |
| **No-go: Not ready to proceed** | Finalize outstanding items to meet any necessary conditions and then return to the gate to confirm readiness to proceed. |

| | |
|---|---|
| **No-go: Terminate the project** | Cancel the project, as it is no longer considered viable or is no longer aligned with organizational priorities. |

When a decision is made to proceed to the next gate, the project is authorized to expend the funds that were allotted for the next set of planned work activities.

As set out in the *Directive on the Management of Projects and Programmes*. a department's approach to project gating is part of the department-wide project and programme management framework. The gating approach establishes the project gates that a project must pass through.

## 2. Why is project gating important?

Project gating provides formal opportunities throughout the project life cycle to take stock of the accomplishments to date, and to ensure that there is a clear and viable path to achieving the desired outcomes. This process includes assessing whether course corrections are needed to ensure that the project remains on track to achieve the intended business outcomes and benefits.

An effective gating process can alleviate common barriers to success, such as:

- absence of a systematic approach to consider ongoing viability of project investments
- misalignment of the project to organizational priorities
- insufficient senior management and stakeholder engagement
- tendency to focus on securing funding rather than focusing on benefits to be achieved

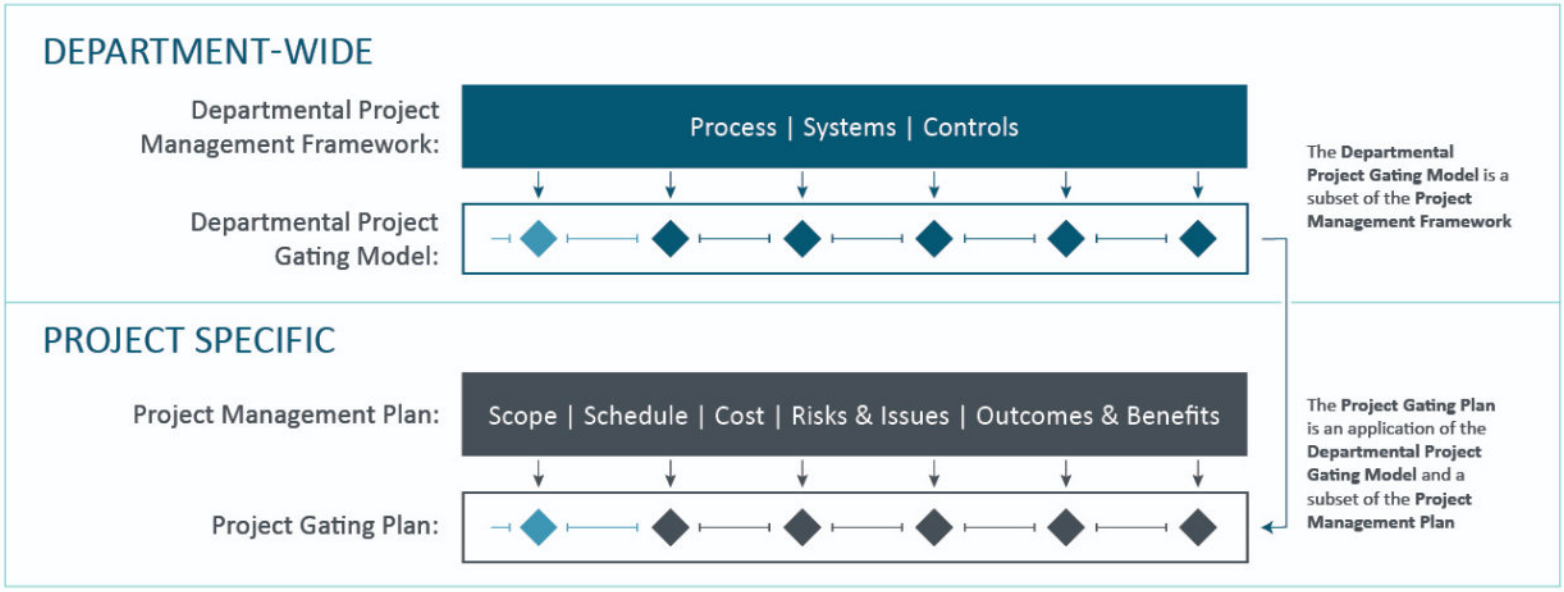
## 3. How is gating applied for Government of Canada projects?

▶ **In this section**

The *Directive on the Management of Projects and Programmes* requires departments and agencies to have a project management framework. Embedded within this framework is an approach to project gating. The gating approach (or **departmental gating model**) stipulates the appropriate number of gates and the requirements that must be met to pass through each gate. A department can have more than one gating model, if needed, to suit specific project characteristics, such as size and complexity.

The departmental gating model is applied to all projects to which it pertains. The particular application of the gating model depends on the sequencing of the activities as specified in the project management plan. Sequencing entails determining the points in the project management plan at which gate decisions are to be made for a select set of project activities that culminate in a project milestone. Once determined, these key decision points make up the **project gating plan**.

**Figure 1: project gating in the Government of Canada context**




▼ Figure 1 - Text version

A figure showing that the departmental project gating model is a subset of the department's project management framework, and that the project gating plan is a subset of the project management plan as well as a project-specific application of a departmental project gating model. Text version below.

A departmental project management framework comprises those processes, systems and controls that govern the management of a department's projects.

A departmental project gating model is a subset of this framework that establishes the key project decision points (or gates) and the requirements that must be met to substantiate each key decision (or pass through each gate).

A project management plan is a plan specific to a particular project that details how the project scope, schedule, cost, risks and issues, and outcomes and benefits will be managed. A project gating plan is a subset of the project management plan. A project gating plan applies the relevant departmental project gating model to a particular project, and documents the key considerations and evidence required to support each key decision point.

## Departmental gating model

A department's senior designated official is responsible for establishing a project gating model. A gating model is a department's formalized gating structure. It defines the decision points (or gates) at which the responsible governance body assesses the continued viability of project investments. A department's gating model should be developed in a way that empowers good decision-making by ensuring that the accountable individual is enabled to make informed decisions in consultation with key stakeholders.

## Project gating plan

The project sponsor is responsible for applying the departmental gating model to their particular project. This establishes the project gating plan, which segments the activities in the project management plan by key decision points (or gates). The gating plan for projects employing an iterative or agile approach may also reflect the intent to cycle through select gates multiple times as iterations of the output are developed and put into service. When developing the gating plan, it is important to understand that a project gate should precede any decision to authorize the release of funds that are necessary to continue the project.

As well as outlining the project gates, the gating plan also documents the key considerations and evidence required to support the gating decision.

A project gating plan should be tailored to the project it supports. It must:

- reflect the project approach
- incorporate input from departmental and external stakeholders
- consider the project's risks and issues
- account for project dependencies and constraints
- denote any planned assurance activities and independent reviews

A project gating plan must be established at the outset of a project, no later than the point at which the business case is approved. In the case of projects subject to Treasury Board approval, a gating plan must be submitted to the Treasury Board of Canada Secretariat at the same time as the draft Treasury Board submission.

The project gating plan should exist as an evergreen document, evolving with the project. It should be updated as the project progresses to reflect a better understanding of what is required to make an informed gating decision. As such, the gating plan should be reconfirmed at each subsequent gate to ensure it reflects the current realities of the project.

See Appendix A for a sample project gating plan template.

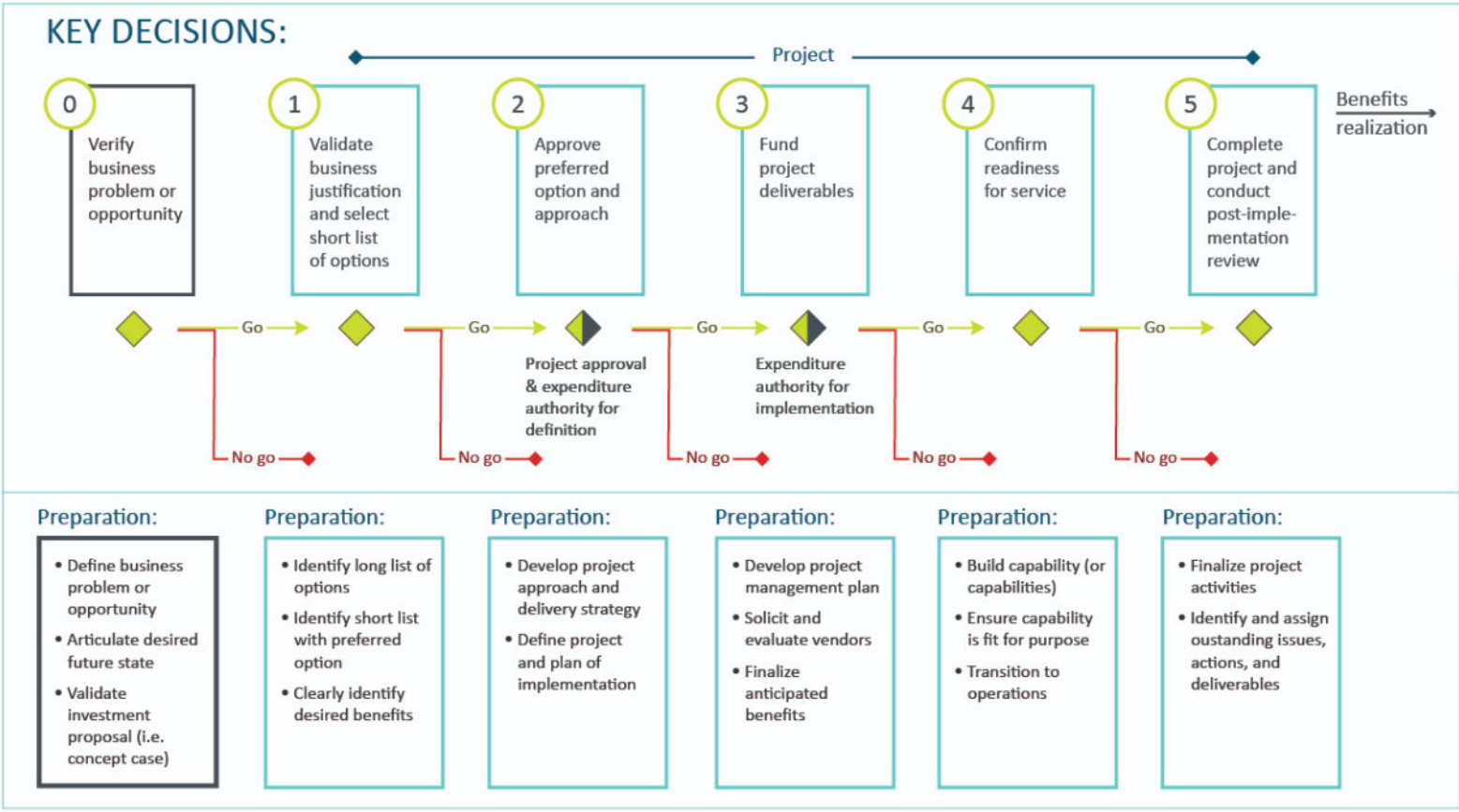
# 4. What decisions must be reflected in a gating model?

▶ **In this section**

There is no requirement to have a set number of gates in a gating model. However, it is important that the intent illustrated by the following key decision points is reflected in a departmental gating model:

- **verify** business problem or opportunity (pre-project)
- **validate** business justification and select short list of options
- **approve** preferred option and approach
- **fund** project deliverables
- **confirm** readiness for service
- **complete** project and conduct post-implementation review

**Figure 2: example of a departmental gating model that represents key decision points**




## ▼ Figure 2 - Text version

A figure providing an example of the key decision points that may be established by a departmental project gating model, as well as the common preparation activities that are done in advance of each key decision point. Text version below.

A departmental project gating model will establish the key project decision points for a department's projects (or a specific subset of the department's projects). The key decision points outlined in this guide are non-mandatory, and departments are encouraged to tailor their gating models to their unique circumstance. However, it is important that all departmental gating models reflect the intent illustrated by the following key decision points:

- **verify** business problem or opportunity
- **validate** business justification and select short list of options
- **approve** preferred option and approach
- **fund** project deliverables

- **confirm** readiness for service
- **complete** project and conduct post-implementation review

- The key decision to verify the business problem or opportunity is taken pre-project. In preparation for this decision:
  - the business problem or opportunity is defined
  - the desired future state is articulated
  - the investment proposal (or concept case) is validated
- The key decision to validate business justification and select a short list of viable options is typically the decision that formalizes the existence of a project. In preparation for this decision:
  - a long list of options is identified
  - the long list of options is narrowed down to a short list of options
  - the preferred option is identified (but not selected)
  - the desired benefits are clearly identified
- For projects requiring Treasury Board approval, the key decision to approve the preferred option and the project approach is aligned with authorities sought from Treasury Board (Project Approval and Expenditure Authority for project definition) . In preparation for this decision:
  - the project approach and delivery strategy are developed
  - the project is defined at a high level
  - the project implementation is planned at a high level
- For projects requiring Treasury Board approval, the key decision to fund project deliverables is aligned with authorities sought from Treasury Board (Expenditure Authority for project implementation). In preparation for this decision:
  - the project management plan is developed
  - vendors are evaluated and solicited
  - the anticipated benefits are finalized
- The key decision to confirm readiness for service should follow the development of the project deliverables. In preparation for this decision:
  - the capability (or capabilities) is built

    - the capability (or capabilities) is fit for purpose
    - the project deliverables are transitioned to the operational environment
- The key decision to complete the project and conduct a post-implementation review signifies the closure of the project. In preparation for this decision:
    - project activities are finalized
    - outstanding issues, actions, and deliverables are identified and assigned

Following closure of the project, the benefits of putting the project capability in place will continue to be realized by the operational (business-as-usual) environment.

### Verify business problem or opportunity (pre-project)

This gate introduces the investment opportunity to be considered and presents a case to proceed with a further examination of the value in pursuing the investment proposal. To this end, the business problem is explored and the objectives and outcomes of the investment opportunity are presented and confirmed.

### Validate business justification and select short list of options

This gate introduces the options to be considered and provides justification for the initiation of the project. The justification of the project is produced based on business needs, expected benefits, and an assessment of the project's high-level cost estimate and potential for success.

### Approve preferred option and approach

This gate represents the selection and approval of the preferred option and associated approach. The preferred option is outlined in the detailed business case, which demonstrates that intended benefits are feasible.

### Fund project deliverables

This gate represents the choice to fund the resolution of the business problem by pursuing a project using the selected option to enable the business outcomes and subsequent attainment of benefits.

### Confirm readiness for service

This gate confirms agreement that the project's execution is complete to the point that it is ready to be transitioned into service. This assessment includes confirming that testing was thorough; new processes, capabilities and services are functioning as expected; and adequate training was completed.

### Complete project and conduct post-implementation review

This gate consists of a post-implementation review to confirm that all project activities have been finalized. A project cannot be formally closed until all its deliverables have been fully transitioned to operations, the business owner and all key stakeholders have signed off on the transition, and accountability for the realization of benefits has been assigned.

## 5. Who makes a project gating decision?

The individual accountable for making project gating decisions will be dictated by the departmental governance arrangements. For example:

- the project sponsor may be authorized to make gating decisions in consultation with the senior project board, or
- the chair of the investment board may have authority to make gating decisions based on the recommendation of the project sponsor

While there is one individual accountable for making gating decisions, it is contingent upon this individual to seek and take into account the opinions and advice of key stakeholders.

## 6. How is a gating decision made?

▶ **In this section**

The accountable individual is responsible for substantiating the gating decision through consideration of relevant supporting evidence. Prior to making a gating decision, the accountable individual needs to consider whether the evidence affirms that the project:

- continues to support a viable business case that is aligned with organizational priorities
- remains a priority for the business
- is progressing on a clear path to achievement of its intended business outcomes
- considers the needs of the user throughout the project life cycle
- has reflected any required course corrections in the project management plan
- shows evidence of active risk and issue management
- has planned the activities required to take it to the next gate
- has a clear vision as to what is required for the project to meet its objectives

The gating process provides the means by which to bolster the decision-making process so as to ensure that decisions are prudent, evidence-based, and made in accordance with the informed participation of key stakeholders.

## Gate assessment

It is best practice to conduct a **gate assessment** to inform a gating decision. A gate assessment is a formal review of project progress made to date and of changes since the last assessment, including the status of risks and issues. The assessment confirms continued project viability, alignment to strategic priorities, and achievability of the intended business outcomes and benefits. It also includes consideration of the plan for the work between this gate and the subsequent gate, since a positive gate decision will result in the next set of work activities being approved.

The activities that support a gate assessment are:

- assessing project progress through evaluation of evidence provided by the project team
- considering results from independent reviews and other assurance activities
- revalidating the project's business case
- reviewing the project's upcoming deliverables
- reconfirming the commitment of necessary resources

Gate assessments should be timely, well documented and communicated to all stakeholders. For information regarding suggested questions to be addressed (or lines of enquiry) to support the individual gate assessments see Appendix B.

## Project governance

Among the key roles of the senior project governance body is the requirement to assess whether a project is ready to proceed through a gate. As an instrument of departmental governance, a gate assessment provides relevant information, including key stakeholder considerations, used in the determination of next steps.

## Project assurance

Project assurance activities are objective assessments that provide credible and useful information to help make informed project decisions.

Project assurance comes in a variety of forms, such as:

1. The project's **day-to-day processes and controls** (such as those for scope and quality management)
2. The **governance** arrangements that exist (such as clear and signed-off terms of reference denoting roles and responsibilities for all governance bodies that play a role in the assurance regime)
3. **Independent assurance** conducted by internal sources (such as internal audits) and external sources (such as third-party independent reviewers)

## Independent reviews

Valuable insights to support gating decisions may be gained through the use of evidence that is objectively obtained and judiciously evaluated. Independent reviews are critical assessments of a project by experienced and qualified individuals at arm's length from the project. It is best practice to undertake independent reviews to support gate decisions due to the impartial nature of the evidence that is brought to light, coupled with the experience of the independent review team to evaluate the impact of the findings on project health and to recommend appropriate corrective measures.

As set out in the *Directive on the Management of Projects and Programmes,* independent reviews are to be conducted in accordance with the project gating plan. For more information about independent reviews, see the *Guide to Independent Reviews*.

# Appendix A: sample project gating plan template

**Gate 0: Verify business problem or opportunity (pre-project)**

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br><br>At this gate, a decision is made to proceed with the development of a preliminary business case and to shortlist options for addressing the business opportunity. |
| **Evidence** | To support the gate decision, relevant documentation must be reviewed such as:<br><br>• investment proposal or concept case |
| **Criteria** | To substantiate the decision, the following questions must be addressed:<br><br>• Is the business problem or opportunity worth pursuing?<br>• Is it aligned with departmental strategic objectives or Government of Canada priorities?<br>• Should this problem or opportunity be addressed now? |
| **Governance** | Describe the governance and identify the individual accountable for |

| | |
|---|---|
| | the gate decision. |

### Gate 1: Validate business justification and select short list of options

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br><br>At this gate, a decision is made to analyze the feasibility of the short list of options to arrive at a preferred option. The resulting information, documented in the detailed business case, will be used to seek project approval at the next gate. |
| **Evidence** | To support the gate decision, relevant documentation must be reviewed such as:<br><br>• preliminary business case<br>• preliminary project charter |
| **Criteria** | To substantiate the decision, the following questions must be addressed:<br><br>• Does the business justification provide sufficient substantiation to proceed with further developing the opportunity?<br>• Has the long list of options been reduced to a short list to examine as part of the business case? |
| **Governance** | Describe the governance and identify the individual accountable for the gate decision. |

### Gate 2: Approve preferred option and approach

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br><br>At this gate, a decision is made to proceed with the preferred option based on the merits of the detailed business case. |
| **Evidence** | To support the gate decision, relevant documentation must be reviewed, such as:<br><br>• detailed business case |

| | |
|---|---|
| | • benefits realization plan<br>• project charter<br>• project gating plan<br>• high-level project management plan (PMP)<br>• preliminary procurement plan<br>• preliminary project complexity and risk assessment (PCRA) |
| **Criteria** | To substantiate the decision the following questions must be addressed:<br>• Which option is recommended and why is it better than the others?<br>• Are the underlying business wisdom, goals and commitment of stakeholders well understood?<br>• How complex is the solution and how will this complexity be effectively managed?<br>• How will expected business outcomes and benefits be measured?<br>• Is the project still viable in the context of the business case that has been updated based on the preferred option, that is, a detailed business case?<br>• Does the cost-benefit analysis justify the investment?<br>• What experience and knowledge exist within or outside government related to applying the proposed option in a similar context?<br>• Should a prototype or pilot be developed before fully funding the project? |
| **Governance** | Describe the governance and identify the individual accountable for the gate decision. |

## Gate 3: Fund project deliverables

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br>At this gate, a decision is made to pursue a specific project approach based on the merits of the detailed business case and project plan. |

| | |
|---|---|
| **Evidence** | To support the gate decision, relevant documentation must be reviewed such as:<br>• detailed business case (updated)<br>• benefits realization plan<br>• project gating plan<br>• detailed project management plan (PMP)<br>• preliminary transition plan<br>• procurement plan (updated)<br>• approved costs and schedule estimates<br>• project complexity and risk assessment (PCRA) (updated) |
| **Criteria** | To substantiate the decision, the following questions must be addressed:<br>• Is the project still viable in the context of the business case and detailed project plan?<br>• Are there any conditions we should impose related to key risks? |
| **Governance** | Describe the governance and identify the individual accountable for the gate decision. |

### Gate 4: Confirm readiness for service

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br>At this gate, a decision is made to transition the project outputs to operations. |
| **Evidence** | To support the gate decision, relevant documentation must be reviewed such as:<br>• detailed business case (updated)<br>• project charter (updated)<br>• benefits realization plan<br>• detailed transition plan<br>• current risk management plan (both risks to transition and risks to operations) |

| | |
|---|---|
| **Criteria** | To substantiate the decision, the following questions must be addressed:<br>• Has the project been sufficiently carried out according to the project management plan, enabling anticipated benefits?<br>• Do any requirements remain to be addressed and is there a plan to do so?<br>• Is the project ready to be transitioned to operations, having confirmed that:<br>  ◦ testing was thorough and results are positive<br>  ◦ a minimum number of users have been trained (if applicable)<br>  ◦ user documentation is in place (for example, a user guide)<br>  ◦ the organization is ready to accept responsibility to maintain the asset or service<br>  ◦ the business owner has agreed to take responsibility for integrating the project into business-as-usual operations, thereby allowing intended benefits to be realized as outlined in the benefits realization plan<br>• Does the project team have a plan to withdraw redundant capabilities or services (if applicable)?<br>• Will the existing service be available until the new service is confirmed to be functioning properly (if applicable)? |
| **Governance** | Describe the governance and identify the individual accountable for the gate decision. |

### Gate 5: Complete project and conduct post-implementation review

| | |
|---|---|
| **Decision** | Document the decision to be taken:<br>At this gate, a decision is made to formally close out the project. |
| **Evidence** | To support the gate decision, relevant documentation must be reviewed such as:<br>• benefits realization plan (updated)<br>• project close-out report(s) |

| | |
|---|---|
| | • other documents that reflect operating conditions (for example, a decommissioning plan) |
| **Criteria** | To substantiate the decision, the following questions must be addressed:<br>• Has the project been fully transitioned, including assignment of accountability for the realization of benefits?<br>• Have benefits to date been identified?<br>• Can the project be closed? |
| **Governance** | Describe the governance and identify the individual accountable for the gate decision. |

# Appendix B: lines of enquiry by key decision point

▶ **In this section**

### Common elements to validate at every key decision point

- The business outcomes and intended benefits remain attainable and aligned with departmental strategic objectives
- The business is committed to the project and is working with the project leadership and team to prepare to assume responsibility post-implementation
- The status of issues and risks and how they are being addressed
- A review of lessons learned, both positive and negative, and whether they have been applied
- The decision to proceed or not with the investment and any necessary course corrections

### Justify business problem or opportunity (pre-project)

- Has a clear owner of the business problem or opportunity been identified?
- Is the business problem or opportunity well understood and clearly articulated?

- Has the root cause of the problem, and the conditions under which it arose, been identified?
- Have user perspectives been taken into account?
- Do the desired business outcomes and expected benefits of solving this problem or seizing the opportunity justify further consideration of the investment opportunity?
- Does the investment make sense in the context of the departmental investment portfolio and Government of Canada priorities?
- Have the key stakeholders been identified and the extent of support and commitment for the initiative been confirmed?
- Have the definition and measures of success been determined?

## Validate business justification and select short list of options

- Does a valid business justification exist to pursue a solution to the agreed-upon business problem or to take advantage of the opportunity?
- Do the proposed options reflect user and business needs?
- Can the path to achieving outcomes be defined at a high level?
- Has an indicative (rough order of magnitude) cost estimate been developed for each option?
- To what extent does the business model, processes and program delivery strategy need to be redesigned in order to enable the desired future state?
- Have impacts of the proposed solution on the business been assessed at a high level?

## Approve preferred option and approach

- Is it clear how the outcomes will be achieved?
- Has the proposed approach been designed with users in mind?
- Has a high-level project management plan with associated cost estimates and schedule been developed?
- Does the cost-benefit analysis justify the investment?

- Is the procurement plan realistic and appropriately aligned to support the project management plan?
- Has a comprehensive risk management approach been developed to manage currently identified and future risks?
- Have clear roles, responsibilities and accountabilities been assigned?
    - Is there a single project sponsor who is accountable for the success of the project?
    - Has a project manager been identified who possesses the necessary skills and experience for the size and complexity of the project?
    - Has a clear business owner or business change manager who will represent the interests of the business been identified?
    - Is there an individual accountable for benefits management post-implementation?
    - Is there agreement as to who will be accountable for attaining business outcomes and benefits post-project implementation?
    - Are all key stakeholders represented in the governance structure and do they understand their roles and responsibilities?
- Is the organization ready to provide the necessary support to the project?
- Has a business change management strategy been developed that would permit the organization to successfully implement the project output into business-as-usual operations?

## Fund project deliverables

- Is there a detailed list of deliverables and a high-level acceptance plan?
- Have project dependencies been documented and considered in the project plan?
- Have the project organizational structure and resource requirements been defined for the selected approach?
- Do the project schedule and budget estimates seem reasonable given the planned approach to deliver the scope of work?
- Are the assumptions and risks reasonable given the environment?

- Does the business case hold up in light of the identified risks?
- Is there a high-level transition plan and change management strategy?

## Confirm readiness for service

- Is the project output sufficiently complete and is there a plan to address any outstanding items?
- Is the project output ready to be transitioned to in-service operations?
  - Testing was thorough
  - New processes, capabilities and services are functioning as expected
  - Adequate training was completed
  - Ongoing support and service management arrangements are in place
- Has the identified business owner agreed to accept the project output?
- Will the existing service be available until the new service is confirmed to be functioning properly?
- Does the project team have a plan to withdraw redundant capabilities or services?

## Complete project and conduct post-implementation review

- How effective was the delivery of the project when measured against the original objectives?
- Has the transition of project output (including knowledge transfer) been effective?
- Have all contractual obligations been completed or transitioned to in-service support for continuation if needed?
- Has the project team documented lessons learned?
- Has the project team completed the project close-out report?

▶ Report a problem or mistake on this page

Share this page

Date modified: 2021-07-08