Government of **Western Australia**
Department of **Treasury and Finance**

Strategic Considerations for ICT Procurements

ICT procurement guideline

November 2026

Document details	
Guideline title	Strategic Considerations for ICT Procurements
TRIM details	2025/01535 / doc 00851039
Service provider	Department of Treasury and Finance WA
Team responsible	Procurement Policy and Improvement

Version details	
Version	1
Reviewed by	Hadassa London (Assistant Director, Procurement Policy and Improvement)
Approved by	Josephine Quealy (Director, Procurement Policy and Practice)
Date approved	4 November 2026
Next review date	When required

Publication information

This document is part of the suite of whole-of-government procurement resources designed for use by State agencies that are subject to the Western Australian Procurement Rules and other procurement connected policies and directions. Refer to the Buying for government page on WA.gov.au to access these resources.

Publication date	Version	Review notes
November 2026	**1**	Release

Licence to Reuse

This guideline is licensed under a Creative Commons Attribution 4.0 International Licence.



Attribution

© Government of Western Australia (Department of Treasury and Finance) 2026.

You are free to reuse the work under the CC BY licence, on the condition that you attribute the Government of Western Australia (Department of Treasury and Finance) as author, indicate if changes were made, and comply with the other licence terms. The licence does not apply to any branding or images.

Western Australian Coat of Arms

The CC BY licence does not apply to the Government of Western Australia Coat of Arms. Non-governmental organisations may not use the Coat of Arms in any format without authorisation. Permission to reuse the Coat of Arms may be sought from the Department of the Premier and Cabinet. Refer to the Common Badging page on WA.gov.au for more information.

Contents

Introduction **4**

Purpose 4

1. ICT Procurement Considerations **4**

1.1 Understand Relevant ICT Policies/Frameworks 4

1.1.1 Gateway Review Process 5

1.1.2 Overarching objectives 5

1.2 Develop a procurement strategy 6

1.2.1 Be clear about the scope 6

1.2.2 Consider the procurement approach 7

1.2.3 Factor in funding 7

1.2.4 Manage risks 8

1.2.5 Procurement strategy assurance 9

1.3 Prepare approach to market documentation 9

1.3.1 Be clear on the process 9

1.3.2 Include appropriate terms and conditions 10

2. The Digital Capability Fund **10**

2.1 The Fund 10

2.2 Assessment and reporting 11

2.3 Funding release 11

2.3.1 Staged funding 11

2.3.2 Funding recall/reallocation 12

3. Contact and further questions **12**

Schedule 1 – Procurement Phases **13**

Introduction

Purpose

The Western Australian ICT Procurement Framework recognises that many agencies face challenges when procuring ICT and, in response, has published a suite of resources on wa.gov.au. This guideline is one of those resources and provides guidance to State agencies about strategic considerations for ICT procurement processes. This could include procurements for ICT projects considered through the Digital Capability Fund (the Fund).

This Guideline should be read in conjunction with the Western Australian Procurement Rules (WAPR), as well as other ICT procurement resources including the ICT Procurement Framework and the Strategic Asset Management Framework (SAMF) available on wa.gov.au. It should also be considered in the context of whole-of-government ICT policies such as the WA Government Cyber Security Policy and the WA Government Artificial Intelligence Policy and Assurance Framework.

1. ICT Procurement Considerations

This **section 1** of the guideline provides information and considerations that are relevant to ICT procurements and may need to be incorporated into the procurement lifecycle. Doing so will support the development of a procurement process that is most appropriate for the desired outcome and contains effective procurement risk management strategies.

One necessary consideration is whether the ICT procurement will require staged funding. It is not uncommon for ICT procurements to be subject to staged funding, particularly for complex solutions or if a product/solution needs to be designed/tested prior to being implemented in full. This guideline provides information about some of the additional requirements for a procurement process that is subject to staged funding.

1.1 Understand Relevant ICT Policies/Frameworks

Your agency's ICT procurement may be part of a broader ICT project that is subject to whole-of-government ICT policies and frameworks. Table 1 below provides a list of some of these resources:

(a) Table 1: ICT Policies and Frameworks

Resource	Description
ICT Project Delivery Framework	Provides recommended practices for agencies delivering ICT projects supported by the Fund.
Strategic Asset Management Framework	Policies and guidelines to improve asset investment planning and management across the State public sector. Some of the resources provided include: • Application for Concept Approval, Business Case and Project Definition Plan Guidelines and templates

	• Total Cost of Ownership and Benefits Model • ICT Expenditure Financial Guidelines • Fund Assurance Framework ***Note: Further information is available on the SAMF website***
Whole-of-Government ICT Modernisation Framework	Provides agencies with a structured approach to developing an ICT Modernisation Strategy and prioritised pipeline of ICT works.
ICT Benefits Realisation Framework	Assists agencies to improve benefit realisation design for ICT projects.

Please note that these resources are provided by DGov and/or DTF, so agencies should contact info-dgov@dpc.wa.gov.au or DCF@dtf.wa.gov.au for further information or assistance.

Procurement practitioners should take the time during the planning stage to familiarise themselves with these policies and frameworks that govern the development and implementation of ICT projects.

Example: In line with the SAMF Business Case Guidelines, a SAMF Business Case should include the indicative, or likely, procurement strategy for the recommended solution. Therefore, procurement practitioners should be involved in the development of this document. Note that, for all ICT projects, consultation with DGov is mandatory for SAMF ICT Business Cases and agencies are encouraged to contact infodgov@dpc.wa.gov.au as early as possible.

Aligning ICT projects to these frameworks from the outset will assist in the project being governable and capable of delivering intended benefits, while retaining flexibility to respond to risk and uncertainty. In practical terms, alignment helps agencies make better decisions earlier, reduces rework, and provides additional assurance when presented to Government for consideration.

1.1.1 Gateway Review Process

Gateway Review process is mandatory for ICT projects or programs valued at $10 million and above. As part of this process, agencies must undertake a minimum of two Gateway Reviews, with one of these being at Business Case. Note that, for ICT projects greater than $10 million, and that are seeking funding through the Fund, it is a requirement to conduct a Business Case review prior to submission.

If your agency's ICT project is subject to a Gateway Review process, contact the DTF Gateway Unit via GatewayUnit@dtf.wa.gov.au as early as possible in the project. You may also wish to familiarise yourself with the requirements of a Gateway Review process so that you understand what is involved, should it apply to your procurement.

1.1.2 Overarching objectives

To assist State agencies to align the procurement process for their ICT project to other ICT frameworks, DGov has provided the following overarching objectives:

- **Value for money across the asset lifecycle**
- **Progressive assurance and staged commitment**
- **Proportionate procurement strategy**, scaled to risk, complexity and cost [wa.gov.au]
- **Benefits-led decision making**, with benefits explicitly driving scope and procurement approach [wa.gov.au]
- **Adopt an iterative approach**, using phases or stages to gather information and refine requirements for the next phase/stage.
- **Reuse and leverage of whole-of-government digital assets and panels wherever possible** [wa.gov.au]
- **Contract award** should reflect an **accurate** as can be cost to eliminate or minimise contract variations on scope and price**.**

These ICT procurement objectives support the broader principles outlined in the ICT Procurement Framework.

1.2 Develop a procurement strategy

A well-developed procurement strategy is particularly important as it helps ensure that risks are proactively identified and mitigated, and that the procurement aligns with government policies and processes for ICT procurements (including funding). This also supports the achievement of value of money outcomes.

If a project is in its early stages, such as a business case, you may only be able to provide procurement options or an indicative procurement strategy. However, considering the procurement strategy as early as possible will help you to develop other elements of your proposal, such as an estimate of timeframes, resourcing requirements, and risk identification.

1.2.1 Be clear about the scope

Effective procurement planning starts with a clear identification of the business need and procurement scope.

Procurement practitioners should work closely with their agency's ICT subject matter experts as early as possible in the project, and at least from the business case stage, to ensure they understand the business requirements and can adequately reflect these in the procurement scope and/or deliverables. The procurement scope should also reflect the agreed outcomes of the ICT project and funding decisions that have been approved by Government.

It is possible that the full procurement scope may not yet be known, and a staged procurement process will be required to refine the scope and seek additional funding. In this situation, you should clearly outline in the procurement strategy why and how the scope will be refined during the procurement process.

If there is uncertainty about the clarity of the scope, an agency may consider obtaining an independent opinion (for example, via a Gateway Review process).

1.2.2 Consider the procurement approach

When developing your procurement strategy, consider how you will approach the market. The appropriate approach will depend on factors such as the value, risk and/or complexity of the procurement, the capacity and nature of the supply market, and the type of ICT solution being sought.

Some ICT procurements may require an approach to market that involves multiple stages. This may be necessary where the procurement is complex or high-risk, the solution needs to be progressively refined, or funding is subject to receiving further information (such as product/service testing). The multiple stages could include:

- an Expression of Interest followed by a Request;
- product/service testing, for example through a proof-of-concept;
- an architecture/design planning stage with a preferred Respondent; or
- a staged delivery process to validate quality and costs.

Note that having multiple stages introduces complexity into a procurement process, so you will need to manage this accordingly. This includes ensuring that your procurement strategy clearly outlines:

- the objectives for each stage, for example whether the stage is being used to refine the procurement scope or manage a delivery risk;
- the success criteria and/or deliverables for each stage, or if this is still unknown, how you will develop these requirements;
- realistic procurement timeframes, including how adequate contingencies have been built into the timeframes in case of unexpected delays, unforeseen issues or changes to the procurement strategy; and
- the resourcing, funding or other requirements you will need to facilitate a stage. See **section 1.2.3** on factoring in the funding process.

DTF's Proof-of-Concept in the Procurement Guideline contains additional information that may assist you in developing your procurement strategy, even if you are not planning on undertaking a proof-of-concept.

1.2.3 Factor in funding

As mentioned in **section 1**, some ICT procurement processes may be subject to staged funding. If this is the case, you will need to factor the funding process into your procurement strategy, including the anticipated timeframes and stages for the release of staged funding. You should also ensure that you will have enough information at each

stage to support a request for further funding and plan your procurement approach accordingly (including aligning to Government funding cycles if required).

As part of the funding request process, the estimated costs/project value must be realistic and account for the project lifecycle. Your funding request should include costs during the procurement process if applicable, such as for a proof-of-concept process or a design planning engagement.

Example: *When costing a proof-of-concept process, ensure that it includes external expenditure (cost related to external materials or expenses, e.g. advertising and marketing costs, consultancy fees) as well as internal costs associated with administering the procurement (such as resourcing staff to undertake the proof-of-concept and wider procurement process). Internal costs will be higher when using a proof-of-concept process. You should also factor in an estimate of how many suppliers you want to engage to prove the concept.*

DTF has published several resources for ICT projects, such as the **Total Cost of Ownership and Benefits Model** as a standard tool for public sector agencies to outline the costs and benefits of acquiring and maintaining an ICT product through its lifecycle. This and other resources are available as part of the Strategic Asset Management Framework.

1.2.4 Manage risks

Your procurement strategy will need to address how risks will be identified, managed and mitigated throughout the procurement lifecycle. Refer to **Schedule 1** of this guideline for some considerations to assist you with this, as well as the suite of Manage Risk Guidelines published by DTF.

You will need to think about the risks of what you are procuring, but also the procurement process risks.

For example, risks that may be relevant to an ICT product or solution include:

- *inadequate protection of information (including personal information) and data* if these requirements are not clearly articulated in the approach to market documentation;
- *cost increases* if the product or solution is not well-scoped or defined; or
- *issues with implementation* if the solution is not tested adequately before being scaled.

Risks that may be relevant to a procurement process that is subject to staged funding include:

- *delays to the procurement timeline* if the State agency does not have the information required to support a funding request;

- *probity risks* if agencies don't clearly communicate to suppliers the process for the multi-stage procurement, which can also lead to *inadequate responses;* or
- *legal risks* if an agency doesn't include appropriate protections in the approach to market documentation, such as discretionary termination rights if a Respondent is found unsuitable during a paid product testing process.

The exact risks and appropriate mitigation strategies will depend on each procurement. As such, you should undertake a new risk assessment for each procurement and update this assessment throughout the procurement lifecycle if new risks are identified, or if there are changes to existing risks.

1.2.5 Procurement strategy assurance

You should review (and/or seek assurance of) the procurement strategy throughout the project, and particularly after each stage, to ensure it remains fit for purpose.

You should also consider which elements of the procurement strategy may be subject to change and clearly document how this will be managed. For example, if your procurement scope is not fully defined from the outset, you should include information such as the process you will follow to refine the scope, how much time is required, and which approvals (internally, from Government, etc.) are required.

1.3 Prepare approach to market documentation

When you are ready to approach the market, you will need to incorporate the considerations above (such as a multi-stage procurement process) into your approach to market documentation. If your procurement process includes multiple stages and/or is subject to staged funding, then given the complexity of these factors you are strongly encouraged to seek legal advice to ensure that any procurement or legal risks are appropriately addressed in your documentation.

1.3.1 Be clear on the process

Regardless of how you approach the market (e.g. via a Request for Information, multi-stage procurement process, etc.) you should be clear about the purpose and process of your procurement activity. This supports agency obligations under the Western Australian Procurement Rules relating to integrity, transparency and accountability, but it also manages procurement probity risks.

Process information to incorporate into your approach to market document includes:

- the purpose of the procurement activity and the intended outcomes;
- the stages (if using) and specification or requirements for each; and
- the evaluation process and criteria for each stage.

In the case of a Request for Information or a multi-stage procurement process, you should also address how information provided by Respondents will be managed (for example, confidentiality or intellectual property requirements).

1.3.2 Include appropriate terms and conditions

You will need to ensure that appropriate terms and conditions are included in your approach to market documentation, which will require consideration of the procurement lifecycle, not just the contract you are awarding. For example, if you intend to shortlist Respondents then you will need shortlisting rights, or if you intend to engage a preferred Respondent for a design planning phase prior to contract award then you will need a contractual mechanism for this.

Important note: If funding is to be released in stages and not guaranteed, your procurement documentation should clearly reflect that the agency has discretion not to proceed with a stage (if applicable) and/or contract award. Note that, where funding is not guaranteed, suppliers may respond with fewer or inadequate offers. However, an effective procurement strategy and well drafted procurement documentation can help mitigate these risks.

You are strongly encouraged to obtain legal advice if you are amending your procurement documentation to include additional or bespoke clauses such as those described above.

2. The Digital Capability Fund

This section provides some information on the Digital Capability Fund (the Fund), which may be relevant if you are undertaking a procurement process for an ICT project that is being considered through the Fund.

2.1 The Fund

The Fund has been established to drive more strategic and targeted investment in digital transformation of Government services and provide the capacity to upgrade legacy ICT systems and mitigate cyber security risks. All WA Government agency ICT proposals are assessed and prioritised through the Fund. The Office of Digital Government (DGov) and the Department of Treasury and Finance (DTF) administer the Fund and provide advice to Government on prioritising investment, assurance and delivery of ICT projects.

The Digital Capability Fund Assurance Framework (Assurance Framework), published as part of DTF's SAMF, is approved by Government to set a strong centralised approach to delivery assurance and outline more specific controls for the planning and implementation of ICT projects. A key aim of the Assurance Framework is to proactively manage delivery risks, with interventions initiated as required including project reviews (e.g. assurance reviews, deep dive assessments, mandatory Gateway Reviews) and staged funding (see **section 1.3** below).

DGov has developed an ICT Project Delivery Framework to provide recommended practices for agencies delivering ICT projects supported by the Fund. Additionally, DTF has published materials and guidance to further support the planning, delivery and assurance of ICT projects, including a standard Total Cost of Ownership and Benefits Model and ICT Expenditure Financial Guidelines.

2.2 Assessment and reporting

All ICT proposals assessed and prioritised through the Fund are assessed:

- against the criteria that were developed when the Fund was originally established - alignment; impact; achievability; and risk mitigation (*noting to streamline the Fund process the weightings originally assigned to each criteria are no longer formally applied when proposals are assessed and prioritised)*;
- wholistically in line with the SAMF, including business case and Total Cost of Ownership and Benefits Model requirements; and
- evidence of engagement/consultation with relevant agencies, such as DTF, DGov, the Department of Energy and Economic Diversification.

Additionally, the Assurance Framework notes that project reviews can be applied to ICT projects subject to the Fund in proportion to its scale and risk profile. This includes:

- at any point during the project lifecycle, project reviews can be initiated due to delivery risks/issues, and mandatory Gateway Reviews can be required; and
- findings of Gateway Reviews and other reviews must be addressed through an Action Plan template.

All projects funded through the Fund are required to report to DGov monthly on the progress. This information is reported to Government on a quarterly basis.

Agencies should contact DGov for advice about the Fund assessment and prioritisation process and reporting requirements.

2.3 Funding release

The Fund process operates in line with the annual State Budget and Mid-year Review processes, with funding decisions remaining at the discretion of Government.

In line with the Assurance Framework, staged funding may be provided for agreed project stages or milestones (as appropriate). For projects over $10 million, partial funding will be provided for adequate completion of a Project Definition Plan (PDP) and Total Cost of Ownership and Benefits Model and/or other agreed project planning milestones.

2.3.1 Staged funding

As per the Assurance Framework, staged funding may be provided for:

- agreed project stages or milestones (as appropriate); and
- projects over $10 million, partial funding will be provided for adequate completion of a PDP and Total Cost of Ownership and Benefits Model and/or other agreed project planning milestone(s).

In addition to the above, additional project planning milestones/assurance reviews may be required before further funding is released. Examples of this include where the true

cost of a project remains unclear or where the scope/deliverables are unclear, such as projects requiring a proof-of-concept to test the feasibility of a product before purchasing it in full. There may be no guarantee at each stage that full funding will be made available and remains at the discretion of Government.

2.3.2 Funding recall/reallocation

An intervention available for use under the Assurance Framework is for the recall or reallocation of funding. Noting funding can be released in alignment to project timeframes/milestones, in the instance that a project is unable to commence or has significant delivery issues/risks that cannot be mitigated, Government may recall or reallocate funding (taking into consideration financial and other implications such as contractual arrangements).

To mitigate this, agencies should ensure that their implementation timeframes are achievable, and plan for projects to be delivered in stages, based on funding being staged (see **section 1.3**).

3. Contact and further questions

Robust procurement planning and clear approach to market documentation are essential for ICT procurements. For questions and further information about this guideline or whole-of-government procurement policy, contact DTF at ProcurementAdvice@dtf.wa.gov.au.

Schedule 1 – Procurement Phases

The table below demonstrates how procurement phases can be used and aligned to the broader ICT project landscape. It refers to terms and concepts from several ICT frameworks referenced in **section 1.1**.

Phase		Purpose
Procurement planning	Market sounding / research	• Engage the market early to test feasibility, delivery models and commercial approaches without committing government to a solution. • Use outputs of the market research to refine problem definition, scope, cost ranges and risk assumptions for the Application for Concept Approval and Business Case, aligned to the SAMF.
	Request for information	• Use a Request for Information to validate market capability, delivery models and procurement strategy.
Request development	Expression of Interest	• Use an Expression of Interest to assess market capacity and interest in responding to your agency's Request.
	Proof-of-concept (POC)	• Use PoCs to explicitly test high-risk assumptions (technical, integration, security, usability), and use tight timeframes and scoping for PoCs so evidence generated directly informs the Business Case and investment decision-making.
Contract formation	Request	• Design Requests to align with approved scope, benefits, funding. • Assess value for money across capability, delivery approach, risk management and whole-of-life cost, not price alone.
	Negotiation	• Use this phase to reduce residual delivery, technical and commercial risk prior to full commitment. • Clearly cap scope and cost, with defined exit points and outputs that inform final investment submissions.
	Contract Award	• The scope, cost and risk of a contract should align with Government approval and budget timing. • Consider a staged delivery approach to preserve government flexibility and to ensure benefits realisation and a reduced risk approach.
	Pilot / Discovery / Architecture / Design Planning	• Undertake early delivery activities to materially de-risk the solution and inform final investment decisions. • Ensure outputs include validated architecture, delivery plan, cost profile and benefit traceability.

Contract management	Delivery / Implementation	• Where delivery is subject to staged funding, agencies should ensure the relevant funding approval is obtained before authorising the contractor to commence each phase of delivery. • Manage delivery through stage gates aligned to the ICT Project Delivery Framework and contract milestones.
	Benefits realisation	• Manage benefits as a lifecycle obligation beyond project closure, with clear ownership and reporting. • Use realised benefits and lessons learned to inform future investment and procurement decisions.