***Text Legend*** *Delete this legend before finalising the document*

*Red text is an instruction and should be deleted after reading*

*Blue text should be edited or deleted as required. Change Blue text to Black if keeping*

*Black text should generally be considered as fixed text, however, can be edited to better suit the State Agency's requirements where necessary*

Business Case

*[Goods and Services procurement templates - Business Case]*

Title:

[Insert the Title]

State Agency:

[Name of State Agency]

Prepared By:

[Name of officer]

Date:

DD Month YYYY

**Approved by:**

**\_\_\_\_\_\_\_\_\_\_\_\_\_\_ / /\_\_\_\_**

[Insert name of approving officer or delegate]

[Insert Title]

Executive Summary

Provide an executive summary of the business case covering:

1. Project description;

1. Needs, scope and boundaries;

1. Options considered;

1. Preferred Option i.e. a summary of the strengths, weaknesses and benefits;

1. Financial base; and

1. Form of Contract.

Table of Contents

[1. Scope 4](#_Toc72668125)

[1.1 Business Need 4](#_Toc72668126)

[1.2 Existing Procurement Arrangements 4](#_Toc72668127)

[1.3 Objectives and Outcomes 4](#_Toc72668128)

[2. Market Research 4](#_Toc72668129)

[2.1 Industry Research 4](#_Toc72668130)

[2.2 Agency/Stakeholder Research 5](#_Toc72668131)

[2.3 Standards and Quality Assurance 5](#_Toc72668132)

[2.4 Other Jurisdictions 5](#_Toc72668133)

[3. Procurement Options 5](#_Toc72668134)

[3.1 Options Available 5](#_Toc72668135)

[3.2 Procurement Systems Approaches *[Delete if not applicable]* 5](#_Toc72668136)

[3.3 Community Outcomes and Objectives 5](#_Toc72668137)

[3.4 Financial Considerations 6](#_Toc72668138)

[3.5 Impact Statement 6](#_Toc72668139)

[3.6 Form of Contract 6](#_Toc72668140)

[4. Preferred Option 6](#_Toc72668141)

[4.1 Proposed Framework 6](#_Toc72668142)

[4.2 Expected Savings 6](#_Toc72668143)

[4.3 Resource Requirements 7](#_Toc72668144)

[4.4 Cost Benefit Analysis 7](#_Toc72668145)

[5. Risks 7](#_Toc72668146)

[6. Recommendations 7](#_Toc72668147)

# Scope

The business case provides the foundation for the procurement planning process and provides a process to ensure that the project is feasible, evaluate and select the preferred implementation strategy and confirm that the option selected will meet the objectives.

The scope refers to a global look at how the business case has come about. It will discuss why the business case is being prepared, the depth and volume and the targets for the project. This should be addressed under the headings below.

## Business Need

Provide:

1. Description of the extent of an unmet need, demand for services or opportunity that has been identified;
2. Identification of the target population and the anticipated benefits to these groups;
3. Explanation of the rationale for assigning a high priority and the reasons that the timing is appropriate to implement the project;
4. Identification of the reason this need or demand is not being satisfied by existing systems and facilities;
5. Reason why a re-design of an existing CUA is unwarranted *[if a CUA and no redesign is intended]* and;
6. Discussion of any relevant Western Australian Procurement Rule requirements, including prior approvals obtained.

## Existing Procurement Arrangements

Detail how the Good or Service is currently purchased. For example:

1. There is an existing mandatory/non-mandatory contract;
2. Department X has a client specific contract in place; or
3. There are no current contracts or arrangements in place.

## Objectives and Outcomes

Detail any expected outputs of the project and any objectives and how these relate to the needs identified.

# Market Research

## Industry Research

Industry research should cover areas such as:

1. Market dynamics
2. The nature of the industry
3. Product information including any complexities or limitations
4. Pricing
5. Supplier needs e.g. lead times
6. Online buying capabilities.

## Agency/Stakeholder Research

Areas for consideration include:

1. What are the agency/stakeholder/customer needs and how has this been determined?
2. What is the current spend?
3. How is purchasing currently conducted? Include online buying systems.
4. Who purchases what?
5. For ICT procurements, what consultation, if any, was undertaken with the Office of Digital Government (DGov) to ensure alignment with the Digital WA Strategy? Agencies can contact DGov by emailing [GovNext-DPC@dpc.wa.gov.au](mailto:GovNext-DPC@dpc.wa.gov.au)

## Standards and Quality Assurance

Provide information relating to any existing standards and quality assurance programs. Detail should also be given as to what level or standard industry can provide and whether this meets customers’ needs.

Gateway reviews should also be considered. A Gateway review may be mandatory, refer to the General Procurement Direction: 2021/05 Improving the Outcomes of Major Projects Through Gateway Reviews. For further information on Gateway reviews and the process visit <https://www.wa.gov.au/service/government-financial-management/procurement/gateway-review-process-and-gateway-reviewer-training>

## Other Jurisdictions

If required, detail what other States, Territories or local governments are doing. A sample matrix is provided at “Attachment A”.

# Procurement Options

This can be presented in either table format (see Attachment B) or as detailed below.

## Options Available

Summarise the analysis of the above research (Section 2) and any conclusions and then outline the options available that can address the identified need.

## Procurement Systems Approaches *[Delete if not applicable]*

In consultation with the [relevant team within the State Agency or for CUAs Business and Data Analysis team within Service and Invest – Inform and Improve], outline the method(s) by which customers will procure from each option.

This includes examining alternatives for online purchasing and online data/catalogues and their integration with existing systems and buyer/industry processes.

## Community Outcomes and Objectives

The [Western Australian Social Procurement Framework](https://www.wa.gov.au/government/publications/western-australian-social-procurement-framework) (the Framework) brings together all relevant Western Australian Government social procurement policies and priorities into one place. The Framework uses the term ‘social procurement’ to encompass all social, economic and environmental benefits enabled through government procurement that lead to the achievement of community outcomes.

The Framework identifies the WA Government’s community objectives and outcomes. For information on identifying opportunities for a Procurement to contribute to community objectives and outcomes and for guidance on implementing these outcomes into a Procurement, refer to the [Western Australian Social Procurement Framework](https://www.wa.gov.au/government/publications/western-australian-social-procurement-framework) Practice Guide.

Discuss the procurement options available in terms of the policies and priorities contained in the Western Australian Social Procurement Framework.

Key policies and priorities include opportunities to support: the Western Australian Aboriginal community, regional Western Australians, local industry, SME supplies, Australian Disability Enterprises, gender equality, multicultural Western Australians and sustainable outcomes for Western Australia.

## Financial Considerations

This section should detail the pricing methodology and any cost-benefit and/or savings analysis prepared.

## Impact Statement

Provide a summary of how each procurement option may impact different areas such as buyers, vendors and industry segments.

## Form of Contract

Discuss what forms of contract are available for each option.

# Preferred Option

## Proposed Framework

Provide information on:

1. The rationale for the selection of the preferred option and the assumptions that have been made in selecting the preferred option e.g. continued spend;
2. The form of contract for the preferred option e.g. sole supplier, pick and buy, panel, mandatory / non mandatory etc; and
3. The impact the preferred option would have on community outcomes and objectives, including sustainability, regional involvement, industry and suppliers; and
4. If applicable, the proposed procurement systems approach. For CUAs, obtain documented approval of the approach from Business and Data Analysis team within Service and Invest – Inform and Improve.

## Expected Savings

Provide Information on:

1. Savings and how they will be achieved;
2. Potential revenue;
3. The total lifecycle costs (total cost of ownership); and
4. The impact upon other projects and initiatives.

Outputs, costs and revenue should be quantified wherever possible.

## Resource Requirements

This section should include information on the costs and resources required to bring the contract to fruition.

### Contract Planning

Detail should be provided on the various costs associated at each stage of the procurement process. Such as:

1. Financial costs;
2. Human resource costs e.g. the number of FTE’s;
3. Time; and
4. Funding requirements.

### Contract Formation

All stages of the contract formation process must be considered e.g. contract implementation, evaluation and negotiation.

1. Financial costs;
2. Human resource costs e.g. the number of FTE’s;
3. Time; and
4. Funding requirements.

### Contract Management

1. Financial costs;
2. Human resource costs e.g. the number of FTE’s;
3. Time; and
4. Funding requirements.

## Cost Benefit Analysis

Provide a brief summary of the above information.

# Risks

Include a discussion on any known or potential risks and how these will be managed and minimised. For example, political, financial and environmental risks or the risk of not meeting the savings objectives.

# Recommendations

Provides a closing statement and a direction for the procurement. This section should also detail the intent to seek endorsement of the prepared business case.

It is recommended that approval be given to continue to a procurement planning stage for the development of a contract/CUA for [insert description of Service and/or Goods]

**Attachment A**

**Example of Other Jurisdictions Matrix**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  | **New South Wales** | **Queensland** | **South Australia** | **Victoria** | **Tasmania** |
| **Contract Model** |  |  |  |  |  |
| **Contract Period** |  |  |  |  |  |
| **Buying Rules** |  |  |  |  |  |
| **Pricing Variations** |  |  |  |  |  |

**Attachment B**

**[Example] Procurement Options Matrix**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Procurement Options** | | |
| **A** | **B** | **C** |
| **Description of Option** |  |  |  |
| **Government’s Social, Economic and Environmental Priorities** |  | | |
| **Community Outcomes and Objectives** |  |  |  |
| **Regional / Buy Local Impact** |  |  |  |
| **Environmental Impact** |  |  |  |
| **Small Business** |  |  |  |
| **Financial Comparison** |  | | |
| **Savings** |  |  |  |
| **Pricing Methodology** |  |  |  |
| **Impact Statement** |  |  |  |
| **Form of Contract** |  |  |  |