# **Investment Lifecycle Framework**



The investment lifecycle framework guides Victorian Government investments, ensuring that the State receives maximum benefit from the investment of public money.

This simple framework depicts the lifecycle of an investment which may take place over many years



### Conceptualise

Establish a clear need, define likely benefits and explore strategic interventions

▲ Confirm the need

2

#### **Prove**

Explore project options and estimate costs to validate value for money and viability

Recommend an investment

3

#### **Procure**

Finalise procurement plan, specify requirements, engage the market and award contract

▲ Award a contract

4

#### **Implement**

Implement solution and transition to normal business

▲ Deliver the solution

5

#### **Realise**

Measure the success of the investment

Deliver the benefits

The framework is scalable, with the effort required dependent on the value and/or complexity of the investment

### High value/high risk Investments

Investments which meet one or more of the following are determined to be high value/high risk (HVHR) and will face a greater level of scrutiny and monitoring throughout the investment lifecycle:

- ▲ a TEI of \$100m plus; or
- ▲ Score 'High Risk' on the Gateway Project Profile Model; or
- Government identifies that the investment warrants extra rigour.

#### **Technical Guidelines**

Each stage of the Framework is set out in a detailed guideline. For more technical components of the lifecycle, DTF has developed a number of technical guidelines including:

- ▲ Economic evaluation guideline
- Project budget guideline
- Project risk guideline
- ▲ Governance guideline

- ▲ Procurement guideline
- ▲ ICT guideline: Business case
- ▲ ICT guideline: Procure and deliver
- Sustainability guideline
- ✓ Investment business plan guideline
- ▲ RFT communication guideline
- Consultation guideline

www. life cycleguidance. dtf. vic. gov. au

# **Investment Lifecycle Framework**



The processes and requirements of the investment lifecycle framework can be scaled to suit the needs of a wide range of investment programs

1 Conceptualise

Establish a clear need, define likely benefits and explore strategic interventions

▲ Confirm the need

Strategic assessment
Preliminary business case
(HVHR investments)\*

Investment lifecycle overview
Conceptualise guideline

Project profile model
IMS tools
Investment decision-maker's
checklist (stage 1)

Gate 1
Concept and feasibility

Government filtering

2

## **Prove**

Explore project options and estimate costs to validate value for money and viability

▲ Recommend an investment

Full business case
Investment business plan

Prove guideline
Investment business plan

Project profile model
IMS tools
Investment decision-maker's
checklist (stage 2)

**Gate 2** Full business case

guideline

Government funding

3

#### **Procure**

Finalise procurement plan, specify requirements, engage the market and award contract

▲ Award a contract

Expression of interest
Request for tender
Contract
Project status reports

Procure guideline

Procurement tool

Gate 3
Readiness for market
Gate 4
Tender decision

Government approval

4

# **Implement**

Implement solution and transition to normal business

▲ Deliver a solution

Project status reports

Implement guideline

Readiness for service

Government monitoring

Gate 5

Realise

Measure the success of the investment

▲ Deliver the benefits

Project wrap-up report
Investment evaluation report

Realise guideline

Benefits realisation tool

Benefits realisation

**Government evaluation** 

<sup>\*</sup>High value/high risk (HVHR) investments include some further specific requirements. To find out more about HVHR investments, read the Overview, at www.lifecycleguidance.dtf.vic.gov.au