

# ICT CUSTOMISATION AND BESPOKE DEVELOPMENT POLICY

Version 1.0 - Approved by the Secretaries ICT Governance Board on 16 October 2009

## Key Points

The August 2008 *Review of the Australian Government's Use of Information and Communication Technology* recommended strengthened governance of customisation and bespoke development (Recommendation 5.2.2.b). The government has decided to implement this recommendation.

The aim of implementing strengthened governance of customised and bespoke development is to:

- Reduce the percentage of customised and bespoke solutions across government;
- Leverage current and future investment in government and commercial off-the-shelf solutions; and
- Increase opportunities to standardise government business processes and systems.

The implementation streams to achieve the policy aims are:

Stream 1: Phased governance of ICT customisation and bespoke development.

Stream 2: Selection and agreement of whole-of-government off-the-shelf solutions.

Stream 3: Governance measurement and review.

The *ICT Customisation and Bespoke Development Governance Requirements* have been developed to underpin all levels of ICT customisation and bespoke development governance. The requirements apply to all new acquisitions and upgrades of existing solutions for FMA Act agencies.

Schedule 1: ICT Customisation and Bespoke Development Governance Requirements

Schedule 2: ICT Customisation and Bespoke Development Policy Definitions

## Stream 1 Action Required

FMA Act agencies are required to comply with the *ICT Customisation and Bespoke Development Governance Requirements*. Where internal agency ICT governance arrangements do not meet these requirements, agencies are required to develop and implement new governance arrangements and supporting processes. Agencies may determine whether a threshold is appropriate to facilitate efficient internal processes.

FMA Act agencies are required to confirm to Finance that their internal ICT governance arrangements meet the *ICT Customisation and Bespoke Development Governance Requirements* by 31 January 2010. To complete this action, agencies should write to Finance by the due date demonstrating how the agency meets the requirements.

Following the completion of the agency governance phase in January 2010, agencies will be requested to provide data to inform the cross-agency governance phase. Finance will consult with agencies regarding data provision requirements in early 2010.

Following the completion of the cross-agency governance phase in September 2010, agencies will be requested to provide data to inform the central governance phase. Finance will consult with agencies regarding data provision requirements in late 2010.

### **Stream 2 Action Required**

From January 2010, Finance will invite agencies to recommend candidate whole-of-government off-the-shelf solutions. Finance will review and prioritise candidate solutions in consultation with agencies. The SIGB will agree whole-of-government off-the-shelf solutions in consultation with the CIOC and BPTC.

From January 2010, Finance will ask agencies to provide information on planned and implemented off-the-shelf solutions within their agency. Finance will compile this information to create a register of commercial and government off-the-shelf solutions. The register will be made available to nominated agency contacts to enable agencies to leverage current and future investment in government and commercial off-the-shelf solutions.

### **Stream 3 Action Required**

FMA Act agencies are required to report to Finance on the effectiveness of governance arrangements, via the *ICT Benchmarking Framework*. The first round of data collection will be included in the next ICT Benchmarking data collection exercise in July 2010. Finance will consult with agencies on appropriate measures for governance measurement and review. Finance will report on the effectiveness of the policy to the SIGB.

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## ICT CUSTOMISATION AND BESPOKE DEVELOPMENT GOVERNANCE REQUIREMENTS

The following requirements underpin governance of ICT customisation and bespoke development. These requirements apply to all new acquisitions and upgrades of existing solutions for FMA Act agencies.

1. The areas where commercial and government off-the-shelf solutions are preferred to customised or bespoke solutions must be defined.

The agency executive board will approve the defined areas that apply at agency level. Agency executive board approval is required for any proposed ICT customisation or bespoke development at agency level.

The SIGB will approve the defined areas that apply at cross-agency and/or whole-of-government level. These arrangements will be subject to the *Process for administration of opt-outs from whole-of-government arrangements*.

2. ICT governance arrangements must support the objective of reducing the percentage of customised and bespoke solutions, within each FMA Act agency, and across government.

The agency executive board will approve the agency ICT governance arrangements that support this principle. The SIGB will approve cross-agency and/or central ICT governance arrangements that support this principle.

3. Agencies must consider existing government and commercial off-the-shelf solutions when conducting their procurement process, and ensure that any procurement process delivers value for money, the core principle underpinning Australian Government procurement.

4. Agencies must consider re-engineering business processes before seeking approval for customisation or bespoke development.

## ICT CUSTOMISATION AND BESPOKE DEVELOPMENT POLICY DEFINITIONS

### Bespoke solution

Bespoke solutions are those developed by a government agency, or a commercial entity at the agency's direction, with the intention of implementation in only one agency. Bespoke developments may evolve into GOTS solutions but this was not the original intention in creating the solution. Bespoke solutions include solution components, interfaces, and modules (i.e. hardware, software, technology, or computer products).

### Commercial-off-the-shelf (COTS) solution

COTS solutions are those where the original development has usually been undertaken by a commercial organisation, and which may be acquired for installation 'as is'. COTS solutions include commercial packaged solutions, open source packaged solutions, solution components, interfaces and modules (i.e. hardware, software, technology, or computer products).

### Configuration

Configuration refers to modification of the solution via toolsets available within the product. This includes design of forms, views, reports, queries, interfaces, business rules, workflow, and enablement of system notifications. This does not include modifications to the core design or functionality of the solution.

### Customisation

Customisation refers to modification to the core architecture of a solution, and excludes any work defined as configuration, extension, or maintenance. This includes changes to an application software product's underlying programming code, files, records or data elements.

### Extension

Extension refers to work required to 'extend' an off-the-shelf solution to enable it to be implemented within an agency's infrastructure. It does not include modifications to the core design or functionality of a solution.

### Government off-the-shelf (GOTS) solution

GOTS solutions are those developed by a national or international government agency, or a commercial entity at the agency's direction, with the intention or eventual outcome of implementation in more than one agency. The government agency that initiated the development shares the product with other agencies within a defined arrangement, for example through an MOU. GOTS solutions include solution components, interfaces, and modules (i.e. hardware, software, technology, or computer products).