

Florida **PALM**

Planning, Accounting, and Ledger Management



Executive Steering Committee Meeting

Department of Revenue
Building 2, Room 1250
July 27, 2016



Roll Call and Opening Remarks

Facilitator: Robert (Budd) Kneip, Chair



Review of June 2016 Meeting Minutes

Facilitator: Robert (Budd) Kneip, Chair



Florida PALM Project Update

Facilitators: Eric Adair, Danielle Kosberg,
Angie Robertson, and Melissa Turner



Florida PALM Project Update

Scope – Business Requirements

- ▶ Per the 2016 Implementing Bill (HB 5003), DFS has the responsibility to ensure all business requirements have been:
 - provided to all state agencies for their review and input
 - approved by the ESC
- ▶ Per the 2016 GAA (HB 5001), all business requirements must be:
 - reviewed by all agencies
 - capable of reporting at a minimum expenditure and revenue data at the level currently reported in the FLAIR subsystem
 - approved by the ESC



Florida PALM Project Update

Scope – Business Requirements

- ▶ Business Requirements and supporting documentation are on [Florida PALM website](#)
- ▶ Excel spreadsheets of Functional and Technical Business Requirements for ESC Review include the following fields:
 - Requirement Type
 - Number
 - Category
 - SubCategory
 - Requirement
 - Requirement Priority
 - Comment (*Optional field to provide feedback / questions by requirement*)



Florida PALM Project Update

Scope – Business Requirements

- ▶ **Business Requirements Definitions**
 - Provides description of the Priority field values and the Category and SubCategory values
- ▶ **ESC Feedback Template for Business Requirements**
 - Provides ability to share general feedback or comments at the Requirement Category level
- ▶ **Business Requirements Crosswalk**
 - Provides the original Requirement number, Category, and SubCategory and the updated values, where applicable

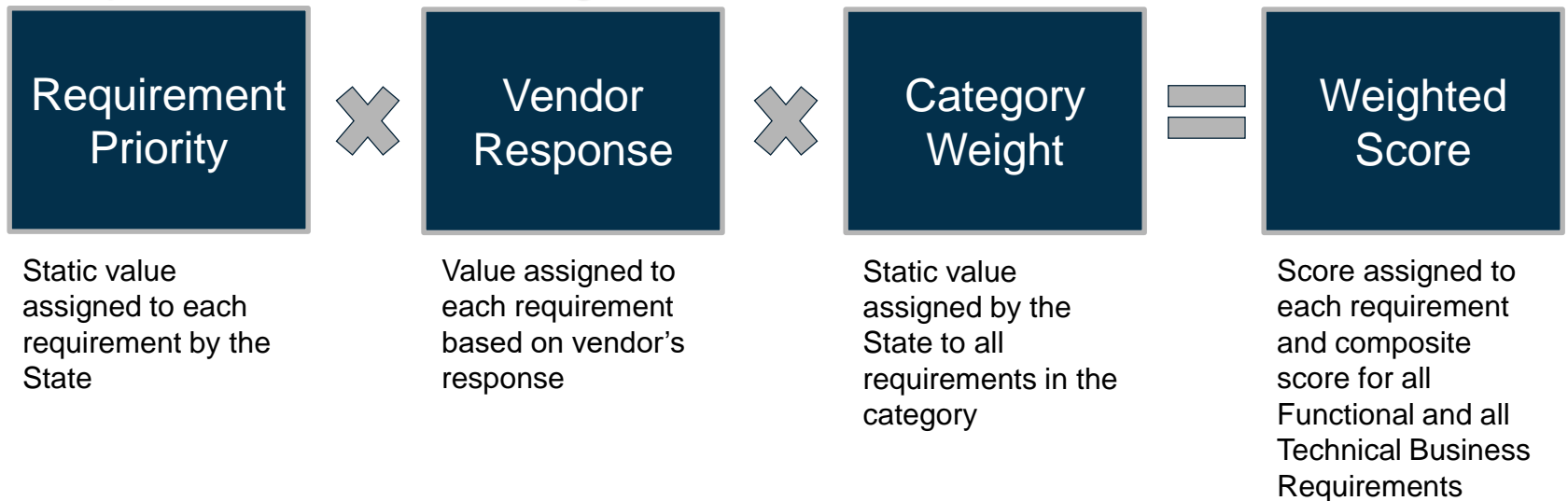


Florida PALM Project Update

Scope – Business Requirements

- ▶ Priority is planned to be an element of the Requirements Scoring Formula used in the evaluation process for vendor responses

Requirements Scoring Formula



Florida PALM Project Update

Scope – Business Requirements

- ▶ Priority assists the Project Team in identifying the requirement's functionality significance

Priority	Definition
1	A requirement for functionality to replace FLAIR/CMS or technology necessary to support the new standard business processes for Florida PALM
2	A requirement for functionality to improve the business process from current FLAIR/CMS functionality or enhance the supporting technology
3	A requirement for functionality or technology that will either increase the performance or value of Florida PALM



Florida PALM Project Update

Scope – Business Requirements

- ▶ Meetings with Legislative partners
 - Reviewed Budget, Payroll, and Procurement to Payment
 - Reviewing Process Models and Business Requirements to understand current functionality and proposed future functionality
 - Continuing to discuss areas where there may need to be adjustments in our business requirements and process models
- ▶ One-on-one Meetings with ESC Members
 - Conducted five meetings
 - Discussing the requirements review activities and expectations
 - Providing support for questions



Florida PALM Project Update

Scope – Business Requirements

Functional Categories	
Accounts Payable	General Ledger
Accounts Receivable and Billing	Grants
Asset Management	Payroll
Budget Management	Projects
Cash Management	Travel
Contracts	Treasury Management

Technical Categories	
Business Intelligence and Analytics	Reporting
Data Management	Support
Enterprise Security	Transaction System
General System	Workflow and User Interface
Integration Architecture	
Operations Management	



Florida PALM Project Update

Schedule – Business Requirements

Activity	Timeframe	Status
Draft Completed and Reviewed with DFS Divisions (Cycle 1)	October 7, 2015	Complete
All Agencies Review and Updates Incorporated (Cycle 2)	April 28, 2016	Complete
Create Payroll and Amend Budget Requirements (Draft Cycle 3)	June 15, 2016	Complete
All Agencies Review and Updates Incorporated (Cycle 3)	July 20, 2016	Complete
ESC Review of Part 1 (Cycle 2)	Beginning July 14	In Progress
ESC Review of Part 2 (Cycle 3)	Beginning July 21	In Progress
<i>Business Requirements updates based on feedback</i>	<i>During August</i>	<i>Planning</i>
ESC Approval Business Requirements	During August 24, 2016 ESC Meeting	Not Started



Florida PALM Project Update

Scope – Agency Business Case

- ▶ Per the 2016 GAA (HB 5001), the Business Case shall include:
 - A detailed description of the functionality provided by the agency business system
 - Confirmation that the agency business systems' functionality is not planned to be included with Florida PALM
 - Documentation, including federal and state law, rule, or policy, which validates that the agency is required to maintain the functionality currently provided by the agency business system instead of modifying its business processes



Florida PALM Project Update

Scope – Agency Business Case

- ▶ The activities for the Business Case will not include:
 - A determination of the feasibility to keep, replace, or remediate any agency business system
 - A recommendation to keep, replace, or remediate any agency business system
 - An effort to gather additional Florida PALM Business Requirements
- ▶ Kickoff meeting with all agencies was held on July 21, 2016
- ▶ An Agency Business System Functionality Profile was distributed to all agencies via email July 27, 2016
- ▶ Interviews at agency sites are planned throughout August
- ▶ The Business Case shall be submitted no later than November 1, 2016



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ Per the 2016 GAA (HB 5001), the Data Management Plan (DMP) shall include:
 - An inventory of current system interfaces
 - Migration activities required from the FLAIR subsystem and the CMS
 - Data conversion requirements
- ▶ Objective of the DMP is to:
 - Lay the strategic foundation for transitioning the State of Florida's existing financial accounting data management capabilities towards a modern way of managing data
 - Provide guidance both during the Project and (eventually) after implementation



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ The strategy to the DMP includes:
 - Recognition that financial accounting data is a critical, strategic asset of the State and must be managed with the robustness commensurate with any other critical asset
 - Use of industry best practices, modern approaches and tools
 - An approach to ensure financial data is used reliably, ethically, openly, securely, and efficiently
 - Collaboration with key stakeholders throughout the Solution's lifecycle (Project and Post-Implementation)
 - Identification of a smooth, stakeholder-friendly migration strategy that minimizes impact to stakeholder data management operations



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ The DMP will describe current-state challenges including:
 - A lack of enterprise-wide data and application governance plans, policies, and procedures in place and in practice
 - No clear enterprise-wide data strategy including clearly defined data definitions, ownership, and standards for usage and access
 - Agency business processes designed and executed with the limitations of FLAIR and CMS in mind (e.g. lack of workflow capabilities, considerable manual data reconciliation processes)
 - An architecture lacking critical, real-time interface capabilities



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ Review of Architecture Principles
 - Presume Data Openness
 - Secure Enterprise Data
 - Centralize Core Functions
 - Federate Non-Core Functions
 - Enable Fast Decisions
 - Avoid Duplication
 - Focus on Sustainability



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ 11 Knowledge Areas of Data Management
 - Governance
 - Architecture
 - Modeling and Design
 - Storage and Operations
 - Security
 - Integration and Interoperability
 - Documents and Content
 - Reference and Master Data
 - Data Warehousing and Business Intelligence
 - Metadata
 - Data Quality



Florida PALM Project Update

Scope – Data Management Plan (DMP)

- ▶ Other areas covered in the document
 - Risk and Issue Management
 - Migration Activities Considerations
 - Strategy Execution and Roadmap
 - References
 - Attachment A: Florida PALM Architecture Principles
 - Attachment B: FLAIR/CMS Current-State Interfaces
 - Attachment C: FLAIR/CMS Current-State Data Inventory
 - Attachment D: 2016 General Appropriations Act (“GAA”) DMP Requirements Traceability



Florida PALM Project Update

Schedule – Data Management Plan

Activity	Timeframe	Status
Initial Draft Complete	November 19, 2015	Complete
Gartner, IV&V, BPS Contractor Review and Updates Incorporated	November 30, 2015	Complete
DFS Review and Updates Incorporated	January 5, 2016	Complete
AST and IV&V Review and Updates Incorporated	February 17, 2016	Complete
Updates incorporated based on FFMIS Entities, FSU/FAMU, and other stakeholder review	August 31, 2016	In Progress
ESC Review	Beginning September 1, 2016	Not Started
ESC Approval of the Data Management Plan	During Sept 28, 2016 ESC Meeting	Not Started



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Project Goals

- ▶ Reduce the State's risk exposure by harnessing modern financial management technology built on the premises of scalability, flexibility, and maintainability
- ▶ Improve State and agency-specific decision-making by capturing a consistent and expandable set of data
- ▶ Improve the State's financial management capabilities to enable more accurate oversight of budget and cash demands today and in the future
- ▶ Improve productivity, reduce operational complexity, and increase internal controls by enabling standardization and automation of business processes within and between DFS agencies



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Approach

- ▶ DFS is planning to issue an ITN for Software and System Integrator
- ▶ Bundled approach aligns with recommendation in FLAIR Study due to complexity, cost, and best meets the needs of DFS
- ▶ DFS will request a Solution to meet requirements and specifications
- ▶ An ITN provides the ability to explore questions and negotiate a Solution with the best value



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Objective

- ▶ Obtain the best and most appropriate means of providing enterprise resource planning (ERP) Software and System Integrator (SSI) services for the replacement of the four main components the of FLAIR subsystem which include central FLAIR, departmental FLAIR, payroll, information warehouse and the cash management and accounting management components of CMS
- ▶ Implement an integrated enterprise system that allows the State to organize, define, and standardize its financial management business processes and that complies with F.S. 215.90-215.96



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Constraints

- ▶ Solicitation cannot be released prior to November 1, 2016
- ▶ Solicitation must include all validated and approved business requirements for the replacement of all four main components of FLAIR and the cash management and accounting management components of CMS
- ▶ Replacement solution cannot include any functionality that duplicates any of the other information subsystems of the FFMIS, and agency business processes related to any of the functions included in the Personnel Information System, the Purchasing Subsystem or the Legislative Appropriations System/Planning and Budgeting Subsystem



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 1: Develop a procurement process which follows Florida's procurement laws

To achieve Goal # 1:

- ▶ Follow all Florida procurement and sunshine laws
- ▶ Utilize VBS for posting, addendums, and decisions
- ▶ Follow DFS procurement process which includes communications flowing through DFS Purchasing
- ▶ Utilize outside counsel firm specializing in Procurement Law for review of ITN documentation and support during procurement



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 2: Develop and conduct a clearly written document and transparent procurement process to minimize the risk of protest

To achieve Goal # 2:

- ▶ Develop an ITN document that is clear and complete
- ▶ Allow vendors to submit questions about the ITN and provide answers to all vendors through VBS
- ▶ Provide in the ITN:
 - Evaluation methodology, scoring, and questions
 - Standard scoring guidelines for evaluators
 - Selection Criteria for Award



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 3: Develop a sound procurement process giving DFS the ability to choose the right software and system integrator who form the right partnership resulting in the implementation of a successful FLAIR and CMS replacement

To achieve Goal # 3:

- Minimum Qualifications include the requirement for the System Integrator to have implemented the proposed software
- Evaluation scores will include criteria for both the software and system integrator
- Selection criteria will consider the ability of the software and system integrator to meet the solution goals



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 4: Complete the procurement process in a reasonable timeframe to allow DFS the ability to select the software vendor who meets the needs of DFS, as well as an system integrator who will successfully implement the software



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

To achieve Goal # 4:

- ▶ Define a reasonable timeline for the procurement process based on other similar procurements
- ▶ Create flexibility in the timeline for the process
- ▶ Dedicate Evaluation and Negotiation Team Members
- ▶ Train the Evaluation Team prior to receiving proposals for evaluation
- ▶ Maintain a realistic pace of negotiations that keeps the teams engaged in the process



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 5: Develop a procurement process containing the proper tools to facilitate the Department's ability to manage a high volume of responses from the vendor community

To achieve Goal # 5:

- ▶ Administrative review of Minimum Mandatory Requirements prior to Evaluators receiving proposals
- ▶ Use DecisionDirector for automated business requirements scoring
- ▶ Reports to compare responses across vendors and requirements
- ▶ Standard Scoring guidelines for evaluators



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 6: Require the system integrator to conduct the demonstration or presentation of the software proposed and show their ability to modify the software

To achieve Goal # 6:

- ▶ Complete the evaluation of responses after the software demonstrations and team presentations
- ▶ Presentation of key staff, experience with the solution and respond to evaluator questions



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 7: Consider the functionality of the software and how the software meets the Department's requirements during the evaluation phase of the procurement

To achieve Goal # 7:

Evaluators and negotiators will utilize several sources to consider fit of the software to meet the unique needs of Florida:

- Vendor Responses through DecisionDirector
- Software Demonstrations
- Software Narratives
- Information about potential customizations including level of effort



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 9: Secure one contract with both the software vendor and the system integrator while retaining the ability to have direct contact with the software vendor

To achieve Goal # 9:

- ▶ Ability/approach for requesting direct access to the primary software vendor is currently in progress



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

Procurement Goals

Goal # 8: Negotiate strong performance measures which can indicate when the product is on a path to success or to failure

Goal # 10: Develop a fixed price contract with checkpoints to evaluate the vendor's progress and provide optimal protection to the State

To achieve Goal #s 8 and 10:

- ▶ Require a phased implementation approach
- ▶ Conduct go/no-go decisions throughout the Project
- ▶ Measure performance considering staffing, deliverable quality, and deliverable timeliness



Florida PALM Project Update

Scope – Invitation to Negotiate (ITN)

- ▶ ITN Document
- ▶ Attachment A – Overview of the current Program
- ▶ Attachment B – Project Specifications
- ▶ Attachment C – Cost Reply Instructions and Workbook
- ▶ Attachment D – Technical Reply Instructions
- ▶ Attachment E – DD2 Instructions
- ▶ Attachment F – Identical Tie Reply Instructions
- ▶ Attachment G – Opinion of Out of State Respondents Attorney on Bidding Preferences
- ▶ Attachment H – Standard Form of Contract
- ▶ Attachment I – Definitions



Florida PALM Project Update

Schedule – SSI ITN Document

Activity	Timeframe	Status
Draft ITN - Part 1 (PROC3)	September 28, 2015	Complete
Draft ITN - Part 2 (PROC13)	November 16, 2015	Complete
Draft ITN – All Parts (PROC5)	March 30, 2016	Complete
Project Team Updates Incorporated	May 31, 2016	Complete
DFS Sponsor Review	June 2016	Complete
DFS Legal/Purchasing Review	July 2016	In Progress
Outside Counsel Review	August 2016	Not Started
ESC Review	September 1 - October 15, 2016	Not Started



Florida PALM Project Update

Scope – Payroll Approach for SSI ITN

- ▶ Decision 85 was logged in October 2015 to determine the timing and approach for replacing the FLAIR Payroll subsystem
- ▶ Functionality of the FLAIR Payroll subsystem *is* included within the SSI ITN
- ▶ Vendors will be expected to propose a payroll replacement solution through the primary financial management software or another software that is integrated
- ▶ There are several options to consider for the timing/approach



Florida PALM Project Update

Budget

- ▶ FY 2015-2016 (through end of June 2016, not including certified forward payments)
 - Appropriated: \$11,328,570
 - Released: \$8,441,680
 - Incurred: \$7,414,957.71
 - Actual: \$7,314,793.26
- ▶ FY 2016-2017 baseline Spend Plan created to reflect Appropriations \$8,777,123 and monthly projections with a breakdown across Special Category, Salaries & Benefits, and DMS Transfer



Florida PALM Project Update

Risks and Issues

- ▶ 18 “Critical” risks are being mitigated
 - These are risks with highest probability and potential impact
 - The Project tracks the trend (increasing, stable, or decreasing) for each of these risks monthly
- ▶ Critical risks will continue to be shared via monthly status reports and discussed (if necessary) with the ESC
- ▶ One issue is currently open related to the resources committed to the Business Case initiative with a resolution plan targeted for completion August 1, 2016



Decisions

Facilitator: Robert (Budd) Kneip, Chair



Florida PALM Project Update

Decision #85

- ▶ Decision #85: Timing and approach for replacement of FLAIR Payroll Subsystem



Independent Verification and Validation Assessment

Facilitator: Tony Hernandez



Independent Verification and Validation Assessment

Overview

- ▶ Grant Thornton was engaged as the Project's IV&V provider in September 2015
- ▶ Primary responsibilities:
 - Initial and ongoing Project assessments
 - Support of internal Project quality initiatives



Independent Verification and Validation Assessment

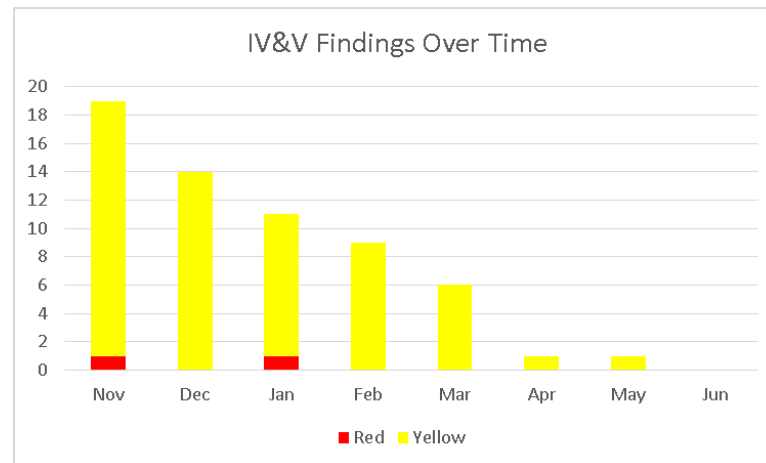
Approach

- ▶ Initial assessment delivered November 2015 with additional assessments following monthly
- ▶ Assessment focus areas:
 - High impact
 - Project execution – AST mandated criteria
 - Project governance
 - Medium impact
 - Project execution – Additional criteria
 - Procurement and contracts
 - Quality management
 - Communications and outreach



Independent Verification and Validation Assessment Results

- ▶ Initial Assessment delivered November 2015 had 1 red (critical) and 18 yellow (significant) findings and observations
- ▶ Project had steady reduction in findings, prioritizing resolution by impact
- ▶ All high impact findings addressed by February 2016; all findings addressed by June 2016



Independent Verification and Validation Assessment

What's Next

- ▶ Planning for FY16-17
 - Legislative Budget Request (LBR)
 - Requirements approval and management
 - Data Management Plan (DMP)
- ▶ Communications and outreach
- ▶ Continuous monitoring of:
 - Project execution metrics
 - Procurement and contracting
 - Quality management



Upcoming Activities

Facilitator: Melissa Turner



Upcoming Activities

- ▶ Distribute any updates to Business Requirements to ESC
- ▶ Support ESC review of Business Requirements in preparation for August 24, 2016 approval
- ▶ Review and update Data Management Plan in preparation for submission to ESC
- ▶ Onboard Organizational Change Management Support Services Contractor
- ▶ Conduct Systems and Data Strategy Data Architect Support Services RFQ
 - Released July 7, 2016
 - Responses Due July 29, 2016



New Business & Open Discussion

Facilitator: Robert (Budd) Kneip, Chair



Next Meeting

August 24, 2016

Time and Location TBD



Contact Information

FloridaPALM@myfloridacfo.com

myfloridacfo.com/FloridaPALM

