Date	07/27/2016	Time	1 p.m.
Location	Department of Revenue Building 2, Room 1250 2450 Shumard Oak Boulevard Tallahassee, Florida 32399		
Objective	July 2016 Florida PALM Executive Steering Committee Meeting		
Attendees	**Executive Steering Committee (ESC) Members*:** Robert (Budd) Kneip (DFS), Chair; Tanner Collins (DFS); David DiSalvo (DMS); Rosalyn (Roz) Ingram (DMS); Maria Johnson (DOR); Michael (Mike) Jones (EOG); Cynthia Kelly (EOG); ~~Robin Kinsey (DFS)~~; Rachael Lieblick (DFS); ~~Angie Martin (DFS)~~; Kimberly McMurray (DCF); Robin Naitove (FDOT); Jennifer Reeves Foster (DFS); Danta White (DFS); Bob Wilson (DEP) **Invited Speakers:** Eric Adair (DFS); Tony Hernandez (Grant Thornton); Danielle Kosberg (DFS); Angie Robertson (DFS); Melissa Turner (DFS) **Members who were unable to attend are denoted by strikethrough text.*		
Attachments/ Related Documents	• June 2016 Executive Steering Committee Meeting Minutes • Presentation for July 2016 Executive Steering Committee Meeting • Decision #85 Timing and Approach for Replacement of Payroll Subsystem (updated 07/27/2016)		
Action Items	• The Project Team will discuss inclusion of the Out of State Attorney Opinion Form in the ITN with the DFS Legal Office. • The Project Team will share the 2016-2017 Spend Plan with the ESC.		

Roll Call and Opening Remarks: Facilitated by Robert (Budd) Kneip, DFS, Chair
Chair Robert (Budd) Kneip called the meeting to order at 1 p.m. starting with an introduction/roll call of the ESC members. Thirteen of the 15 ESC members were present.

Chair Kneip began the meeting by reviewing the items on the meeting agenda. He noted that there was one item to be voted upon, Decision #85 Timing and Approach for Replacement of FLAIR Payroll Subsystem, and there would be an opportunity for public comment in the spirit of open government. Attendees interested in providing comment would be allowed two minutes to speak and were instructed to complete and submit a comment card.

Chair Kneip continued by remarking that the Project Team was fortunate to have an ESC that was so gracious with their time. As the Project progresses, it will be important for all roles to be clearly defined including those outside of the ESC. The Project Team is working with stakeholders including the Agency for State Technology (AST) and Independent Verification and Validation (IV&V) to further define/confirm roles outside of the ESC.

Review of June 2016 Meeting Minutes: Facilitated by Robert (Budd) Kneip, DFS, Chair
The ESC was provided the June 2016 Executive Steering Committee Meeting Minutes. There were no revisions or objections. The ESC was informed the meeting minutes would be posted on the Florida PALM Project website following the meeting.

Florida PALM Project Update: Facilitated by Eric Adair, DFS; Danielle Kosberg, DFS; Angie Robertson, DFS; and Melissa Turner, DFS
Ms. Melissa Turner introduced the newest member of the Florida PALM Team, Ms. Carolyn Hicks, Manager of the Organizational Change Management Track.

Ms. Angie Robertson began by reminding the ESC about their role in the Business Requirements as defined by both the 2016 implementing bill (HB 5003) and General Appropriations Act (GAA) (HB 5001). Per the 2016 implementing bill, the Project Team has the responsibility to ensure all Business Requirements have been provided to all State agencies for their review and input and approved by the ESC. Per the 2016 GAA, all Business Requirements must be reviewed by all agencies; capable of reporting at a minimum the expenditure and revenue data at the same level currently reported in FLAIR; and approved by the ESC.

On July 14, 2016 and July 21, 2016, Part 1 and Part 2 of the Business Requirements and supporting documentation were made available for the ESC to begin their review. The supporting documentation includes the following:
- Business Requirements Definitions: Provides a description of the Priority values and the Category and Subcategory values,
- ESC Feedback Template for Business Requirements: Provides the ability to share general feedback or comments at the requirement Category level, and
- Business Requirement Crosswalk: Provides the original requirement number, Category, and SubCategory, and the updated values where applicable.

The Priority values (described in the Business Requirements definitions) are planned to be an element of the requirements scoring formula used in the evaluation process for vendor responses. Priority values assist the Project Team in identifying each requirement's functionality significance.

Ms. Roz Ingram asked if vendors will have limited options for values when responding to requirements. Ms. Robertson explained that vendors will have to choose from a set of limited values for each required response (with an opportunity to also include narrative by requirement). There will be three values available for priority (Priority 1, Priority 2, or Priority 3). Priority 1 is a requirement for functionality to replace FLAIR/CMS or technology necessary to support the new standard business processes for Florida PALM. Priority 2 is a requirement for functionality to improve the business process from current FLAIR/CMS functionality or enhance the supporting technology. Priority 3 is a requirement for functionality or technology that will either increase the performance or value of Florida PALM.

The requirements scoring formula is the static Priority value, multiplied by the value assigned to the vendor's response, multiplied by the static Category weight assigned to each Category. This formula results in the overall weighted score for each requirement which is rolled into the overall score. Functional Business Requirements and Technical Business Requirements each have separate overall scores. All requirements will be considered as part of the negotiations; however, given the State's objective of minimizing customizations, some Priority 2 and 3 requirements may need to be revisited or removed if they require significant customizations.

Ms. Robertson went on to further say that the Project Team continues to have discussions with legislative partners that have been very beneficial. During these meetings, they have reviewed the Budget, Payroll, and Procurement to Payment Process Models and Business Requirements to understand current functionality and proposed future functionality. These discussions will continue into August to obtain clarity of expectations and prevent duplication of functionality. In addition, the Project Team has been holding one-on-one meetings with ESC members to support the requirements review activities. Five of these meetings have been completed. Some common feedback from these meetings included the large number of requirements to be reviewed; concern about not having expertise in all requirements Categories; and a desire to hear other ESC members' perspectives. In August, the Business Requirements will be updated, including potential deletions, based on feedback.

Mr. Eric Adair introduced information related to the Agency Business Case. Per the 2016 GAA (HB 5001), the DFS has contracted with a third party to conduct a business case for maintaining the agency business systems identified in the 2014 FLAIR Study. The business case will include: a detailed description of the functionality provided by each agency business system; confirmation that each agency business system's functionality is not planned to be included in Florida PALM; and documentation, including federal and state law, rule, or policy, that validates that the agency is required to maintain the functionality currently provided by the agency business system instead of modifying its business process. The business case will not include: a determination of the feasibility of or recommendation to keep, replace, or remediate any agency business system; or an effort to gather additional Business Requirements. All agencies were invited to attend a kickoff meeting that was held on July 21, 2016, and to complete a Business System Functionality Profile that was distributed via email on July 27, 2016. Interviews at agency sites are planned throughout August. The final report shall be submitted to the Executive Office of the Governor, the Florida House of Representatives, and the Florida Senate no later than November 1, 2016.

Mr. Adair continued on to explain that the 2016 GAA (HB 5001) also required the Project Team to include the following content in the Data Management Plan (DMP): an inventory of current system interfaces; migration activities required from FLAIR and CMS; and data conversion requirements. The DMP is similar to the Florida PALM Business Process Models in that the DMP serves as the Project's vision for data management for Florida PALM. The objectives of the DMP are to: lay the strategic foundation for transitioning the State to a modern way of managing financial accounting data currently residing in FLAIR and CMS; and provide guidance in the area of data management during the Project and after implementation.

The DMP recognizes 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. Critical assets must be managed with industry best practices, modern approaches, and tools so that data is used reliably, ethically, openly, securely, and efficiently. The Project Team will also collaborate with key stakeholders in the areas of data management throughout the Project. Finally, the DMP identifies a smooth, stakeholder-friendly migration strategy that minimizes impact to stakeholder data management operations.

Some of the high-level challenges articulated in the DMP that the Project Team faces includes a lack of enterprise-wide data application governance in practice and in place; the lack of clear enterprise-wide data strategy; stakeholder processes and systems designed and executed due

to the limitations of FLAIR and CMS; and beyond MyFloridaMarketPlace (MFMP), the architecture lacks real-time capabilities.

Mr. Adair reviewed the seven architecture principles presented at the June 2016 ESC Meeting which are: 1) Presume data openness, 2) Secure enterprise data, 3) Centralize core functions; 4) Federate non-core functions, 5) Enable fast decisions, 6) Avoid duplication, and 7) Focus on sustainability. These principles were conceived to help address the challenges today faced from a data management perspective.

The DMP also covers 11 areas of data management as defined in the Data Management Book of Knowledge (DMBOK). These data management knowledge areas are 1) Governance, 2) Architecture, 3) Modeling and Design, 4) Storage and Operations, 5) Security, 6) Integration and Interoperability, 7) Documents and Content, 8) Reference and Master Data, 9) Warehousing and Business Intelligence, 10) Metadata, and 11) Quality. The Pre-DDI DMP emphasizes that the capabilities in these areas are absolutely vital for managing data assets in a robust way.

Ms. Maria Johnson asked where AST fit into the DMP process. Mr. Adair responded that the Project created an initial draft that was reviewed by AST to ensure alignment with statute and rule. The Florida PALM Project intends to have multiple stakeholders review the DMP as it continues to develop, including AST in future revisions.

Mr. David DiSalvo asked how the Business Case will impact Business Requirements. Ms. Turner explained that the Business Case is only for information gathering. The Project Team has spent over a year creating the current set of Business Requirements and there is no intent to create new requirements.

Ms. Danielle Kosberg presented information about the Florida PALM Project's Procurement Strategy. DFS is planning to issue an Invitation to Negotiate (ITN) for a Software and System Integrator (SSI) to help the State implement a financial management solution. This bundled approach aligns with the recommendation put forth in the 2014 FLAIR Study due to complexity, cost, and best meeting the needs of the State. DFS will request a solution that meets requirements and specifications. An ITN will provide DFS the ability to explore questions and negotiate a solution with the best value.

The objective of this procurement is to obtain the best and most appropriate means of providing enterprise resource planning (ERP) SSI services for the replacement of the four main components of the FLAIR subsystem, which are central FLAIR, departmental FLAIR, payroll, information warehouse, and the cash management and accounting management components of CMS. In addition, it will implement an integrated enterprise system that allows the State to organize, define, and standardize its financial management business processes in compliance with Sections 215.90-215.96, Florida Statute (F.S.).

The ITN cannot be released prior to November 1, 2016. It 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. The solution cannot include functionality that duplicates any of the other information subsystems of the Florida Financial Management Information System (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 (LAS/PBS).

The group discussed the ten Florida PALM Project procurement goals and how the project is planning to achieve them:

1. Develop a procurement process that follows Florida's procurement laws.
2. Develop and conduct a clearly written document and transparent process to minimize the risk of protest.
3. Develop a sound procurement process that gives DFS the ability to choose the right SSI who forms the right partnership resulting in the implementation of a successful FLAIR and CMS replacement.
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 a system integrator who will successfully implement the software.
5. Develop a procurement process containing the proper tools to facilitate DFS' ability to manage a high volume of responses from the vendor community.
6. Require the system integrator to conduct the demonstration or presentation of the software proposed and show their ability to modify the software.
7. Consider the functionality of the software and how the software meets DFS requirements during the evaluation phase of the procurement.
8. Negotiate strong performance measures that can indicate when the product is on a path to success or to failure.
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.
10. Develop a fixed price contract with checkpoints to evaluate the vendor's progress and provide optimal protection to the State.

Ms. Ingram noted that out-of-state preference is only for commodity contracts. Ms. Kosberg indicated the Project would be revisit with the DFS Legal Office.

Project sponsors have completed their review of the ITN documents, and the DFS Legal Office and Procurement Office are also wrapping up their review. The ESC is scheduled to begin reviewing the ITN documents around September 1, 2016.

Ms. Turner completed the Project Update by sharing budget information. Last fiscal year, the Florida PALM Project was appropriated $11,328,570 of which $8,441,680 was released, $7,414,957.71 was incurred, and $7,314,793.26 was actually spent at the end of June. The Project will continue to pay obligations through the end of September that were certified forward. A baseline spend plan for the upcoming fiscal year has been created and will be shared with the ESC.

Ms. Robin Naitove asked what was the difference between "appropriated" and "released." Ms. Turner explained that some of the appropriated funds were not released to the Florida PALM Project.

There are 18 "critical" risks being mitigated. These are risks with the highest probability and potential impact. The Project Team tracks the trend (e.g., increasing, stable, decreasing) for each risk on a monthly basis. Critical risks will continue to be shared through monthly status reports and discussed with the ESC if necessary. One issue is currently open related to the resources committed to the Business Case with a resolution plan targeted for completion on August 1, 2016.

The issue was created because of resources that would not be able to support the Business Case full-time.

For more information, please see the [full presentation](#) posted on the Florida PALM Project website, or contact FloridaPALM@myfloridacfo.com.

Decision #85 Timing and Approach for Replacement of FLAIR Payroll Subsystem: Facilitated by Robert (Budd) Kneip, DFS, Chair

Ms. Turner began by explaining the background pertaining to [Decision #85 Timing and Approach for Replacement of FLAIR Payroll Subsystem.](#) Ms. Turner thanked the ESC for all who provided individual feedback prior to the meeting which resulted in the Decision #85 form being amended for clarity. Three options were presented to the ESC for consideration. All three options state that Payroll functionality must be included and vendors are required to propose that functionality in the primary software or something that integrates with the primary software. The three options are:

1. Request that vendors include the timing of implementation of Payroll functionality within DDI Phase 1
2. Request that vendors include the timing of the implementation of Payroll functionality within Future DDI Phase(s) (not Phase 1)
3. Not specify any Phase within the ITN and request that vendors propose their recommended Phase for implementation of Payroll functionality

Ms. Christina Smith commented on the risk of implementing Payroll functionality at the same time as financial functionality, and her preference not to implement both simultaneously. Options two and three are more aligned with lower risk. She also suggested hearing what the vendor community had done in other states.

Mr. Charles Ghini commented that he agreed with Ms. Smith. The State was unsuccessful ten years ago with a similar project and Payroll functionality was not included in that effort. Adding risk to a project in phase one is not a recommended method.

Mr. Mike Jones asked if option two would restrain the vendors by forcing them to separate Payroll and financial functionality. Ms. Turner replied that the Project Team evaluated the pros and cons of each option. The goal is for vendors to propose their best solution. Through the ITN process, vendors would still share how they have done this in the past and how successful they were.

Ms. Ingram commented that the intent of the ITN process promotes Option 3. DFS would receive a baseline, and then hold vendor meetings to determine what else is offered.

Ms. Turner noted that both option two and three provide the ability to hear information that was not specifically asked for.

Ms. Cynthia Kelly recommended considering the cost evaluation and that option three will give more variation in cost comparisons. Ms. Kelly recommended option three.

Chair Kneip asked the ESC if there was any option that could be eliminated right away. Option 1 was not being considered. Echoing Ms. Smith and Mr. Ghini, Chair Kneip emphasized that risk aversion is very important. One of the biggest areas of risk the 2014 FLAIR Study identified was Payroll and the State can't afford to get it wrong. From the beginning of the Project, DFS has been

interested in engaging the vendor community. Any option that will allow DFS to hear what vendors perceive as risk will provide a more complete picture when selecting a solution. Chair Kneip stated that he agreed with option three.

Mr. DiSalvo asked if option three would have any negative impact to scoring the ITN and how scoring may need to change in order to account for different models presented by the vendors. Ms. Turner answered that the Team will review the current scoring methodology, but a change is not likely because the scoring criteria is planned for the complete Solution (not by part).

Chair Kneip commented that he envisions a core set of Business Requirements that will have to be met. Option three has vendors propose how they would approach Payroll functionality, but the vendors will need to make a compelling case for the cost associated with that approach.

Ms. Maria Johnson asked if option three creates complexity or ambiguity for the functionality of the solution. Ms. Kosberg answered by explaining that the ITN accounts for the inclusion of Payroll functionality; Decision #85 is focused on the timing. Vendors will be evaluated on their ability to provide the total solution. Ms. Johnson asked for clarification on what the "con" for option three. Ms. Kosberg explained the "con" is the potential for different proposal approaches.

Ms. Smith commented that DFS will receive proposals for a whole solution and through negotiations, DFS will determine the best value of the solution including the payroll replacement timing.

Ms. Johnson asked if the negotiation team will receive training. Ms. Kosberg answered that the Florida PALM Project has a future deliverable to work through those types of decisions.

There were no request cards submitted by meeting attendees to make public comment. Following discussion, Chair Kneip announced that option three was approved without revision or objection.

Independent Verification and Validation Assessment: Tony Hernandez, Grant Thornton
Grant Thornton was engaged as the Florida PALM Project's Independent Verification and Validation (IV&V) provider in September 2015 with the primary responsibilities of initial and ongoing assessments and support of internal quality initiatives. The initial assessment was delivered November 2015 with additional assessments delivered monthly. High impact assessment focus areas include AST-mandated execution criteria and governance. Medium impact focus areas are additional execution criteria, procurement and contracts, quality management, communications, and outreach.

The initial assessment had one red (critical) and 18 yellow (significant) findings and observations. There was a steady reduction in findings, prioritizing resolution by impact. High impact findings were addressed by February 2016, and all findings were addressed by June 2016. At this time, there are no findings.

Upcoming IV&V activities include supporting the legislative budget request, requirements approval and management, DMP, communications, and outreach.

For more information, please see the Oversight webpage *on the Florida PALM Project website.*

Upcoming Activities: Facilitated by Melissa Turner, DFS

Upcoming Florida PALM Project activities including distributing any updated Business Requirements to the ESC and supporting ESC review in preparation for the August 24, 2016 ESC meeting. An Organizational Change Management Support Services contractor will be on-boarded in August. In addition, responses to a Systems and Data Strategy Data Architect Support Services RFQ are due July 29, 2016.

New Business/Open Discussion: Facilitated by Robert (Budd) Kneip, DFS, Chair
No new business was presented by meeting participants.

Next Meeting
Future meetings will be scheduled on the fourth Wednesday of every month unless otherwise communicated. The next ESC Meeting is scheduled for Wednesday, August 24, 2016 at 1 pm.

The meeting was adjourned at 2:36 p.m.