

<b>AGENCY:</b>	Department of Financial Services (DFS)	<b>October - December 2015</b>	
<b>PROJECT:</b>	Florida Planning, Accounting, and Ledger Management (PALM)		

**PROJECT DESCRIPTION**

The PALM project is to replace the Florida Accounting Information Resource Subsystem (FLAIR) and the Cash Management Subsystem (CMS) with a core Enterprise Resource Planning (ERP) solution. The project is currently in the Pre-Design, Development and Implementation (Pre-DDI) phase and consists of four tracks: Business Process Standardization (BPS), Project Management Office (PMO) including procurements, Organizational Change Management (OCM) including Workforce Transition (WFT), and System and Data Strategy (SDS). The project's goal is to procure and contract with a Software and Systems Integrator (SSI) in 2017. The actual date will be determined after re-planning to account for a more thorough procurement process and for appropriated budget. The Pre-DDI phase will be considered complete upon receiving the initial vendor responses to the procurement. Then, a transition period will occur between this phase and the next phase, DDI 1.

**SCHEDULE DATA**

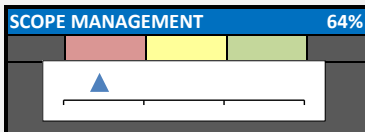
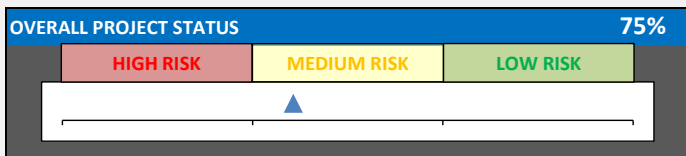
<b>Start Date</b>	<b>Planned End Date*</b>	<b>Actual / Forecasted End Date</b>	<b>Schedule (SPI)</b>	<b>Cost (CPI)</b>
May 19, 2014	July 3, 2017 <small>*Pre-DDI Phase</small>	July 3, 2017	0.95	1.02

**VARIANCE INDICES**

**COST DATA**

<b>Appropriated Budget for Fiscal Year 2015-16</b>	<b>Planned Project Budget for Fiscal Year 2015-16</b>	<b>Planned Expenditures to Date for Fiscal Year 2015-16</b>	<b>Actual Expenditures to Date for Fiscal Year 2015-16</b>
\$11,328,570	\$11,328,570	\$5,886,770.74	\$4,828,693.02

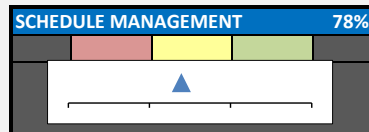
**KEY PROJECT PERFORMANCE INDICATORS**



Scope Management presents high risk. Due to recent misunderstandings related to project scope (see below), DFS needs to actively pursue alternate methods of proactively communicating and managing scope and project expectations.

The project scope is within the acceptable variance range for the reporting period. The scope of the project as documented in the project artifacts aligns with the FLAIR Study and Cost Model, approved payroll changes, and agency budget requirements.

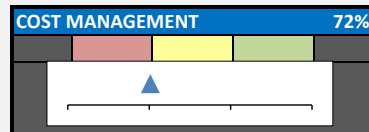
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Schedule Management presents medium risk. The master schedule is baselined and allows for earned value analysis.

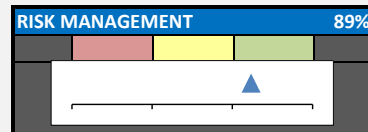
However, the master schedule does not contain sufficient detail to determine if additional track sub-tasks are on schedule without the track schedules. But, DFS is in the process of integrating the individual track schedules into the master schedule creating an integrated master project schedule for the entire Pre-DDI phase so that DFS and AST can accurately depict the status of the project and the true critical path.

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Cost Management presents medium risk. Since the fourth quarter of Fiscal Year 2014-15, the Spending Plan showed the monthly breakdown by major category. The December 2015 Spending Plan was modified to maintain the originally planned vs. actual expenditures for historical months and to depict actual expenditures based on when the expenditures were incurred vs. actually paid. This reporting process is now consistent with how other state agencies report.

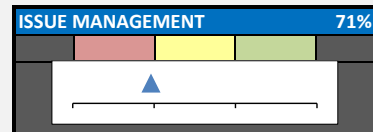
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Risk Management presents low risk. The project continues to demonstrate the ability to identify, monitor, and mitigate project risks through defined processes as documented in the Project Management Plan.


There were 23 new risks identified in the reporting period. Most of the new risks concern the lack of funding release. Additionally, the absence of an agreement on a governance structure, which serves as the foundation for all project-related decisions, poses a risk because the project's decision making and escalation framework are not clearly

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Issue Management presents high risk. The project has an issue management process included in the Project Management Plan that documents how issues will be identified, analyzed and monitored. However, the project does not have a governance structure in place to effectively resolve project issues in a timely manner even when escalated through the defined structure to the highest level.

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SCOPE MANAGEMENT	SCHEDULE MANAGEMENT	COST MANAGEMENT	RISK MANAGEMENT	ISSUE MANAGEMENT
<p>(continued from previous page)</p> <p>However, the approved payroll changes do not align to the proviso, which is based on the FLAIR Study, and some of the budget functional requirements are considered out of scope by key stakeholders.</p> <p>On January 19, 2016, the project team recommended, and the Steering Committee Chairman approved, Decision 87 to revert back to the payroll assumptions in the FLAIR Study (full payroll requirements in the initial procurement) with perhaps some terms and conditions regarding final implementation. If the project team deems appropriate, a comprehensive assessment of the alternate payroll options mentioned in the Study can be performed. If the follow-up assessment results in a different payroll option being recommended, an updated Business Case and/or Schedule IV-B document(s) will need to be submitted for consideration by the Legislature.</p> <p>DFS also needs to revisit budget functional requirements with the Office of Policy and Budget (OPB) and Legislative budget staff to determine the scope of budget functionality in PALM.</p> <p>In addition, the project has still not been able to fill the OCM Manager position and SDS contract position. The project team needs to continue to monitor the situation for any risks and issues that might occur. An issue has been opened to address the lack of the SDS contract position, an Enterprise Architect. Refer to Issue Management.</p>	<p>(continued from previous page)</p> <p>Three out of the four tracks were incorporated into the master schedule. Additionally, the Project Management Plan needs to be updated to reflect the updated Schedule Management processes.</p> <p>The project schedule is within acceptable variance range for the reporting period based on the schedule developed by DFS, which reconciles assumptions made in the FLAIR Study.</p> <p>Schedule Performance Index (SPI) = 0.95, indicating that the amount of work completed from project inception to the end of this reporting period is behind schedule but within acceptable variance from the amount of work that was planned for the same time period.</p> <p>Since SDS and OCM support service procurements are not complete, there are still concerns about on-schedule completion of SDS and OCM deliverables, with the tasks having to be completed solely by DFS staff.</p>	<p>(continued from previous page)</p> <p>The project costs are outside the acceptable variance range for the reporting period. Actual spending is greater than 10 percent less than planned. It should be noted that the planned budget does not materially change when measured for the fiscal year; the variability is in the planned-to-actual spending per month.</p> <p>Cost Performance Index (CPI) = 1.02, indicating that based on the efficiency of cost/resource utilization, the project is tracking under budget but within acceptable variance for the reporting period.</p> <p>Also, the release of funds based upon submittal of the Project Management Plan has not been received to enable the project to meet current contractual obligations, that is, to pay for some of the expenses incurred by the project.</p>	<p>(continued from previous page)</p> <p>defined in a way to effectively monitor and control the project.</p> <p>During the reporting period, the project had a backlog of new risks under evaluation that needed to be analyzed. Additionally, some of the newly created risks were not completely documented initially. However, these areas were addressed, and the risks documented properly prior to the end of the reporting period. No further instances of prolonged un-analyzed and un-documented risks occurred.</p> <p>Operational policy and procedure decisions still must be made to support processes and requirements identified in the BPS track and in support of the ITN. The steps required to make these decisions, and the impact of the decisions, on the project scope, schedule, and cost are still unclear.</p> <p>The project must also ensure that any decisions or required changes to scope, as well as schedule and cost, adhere to governance and change control processes as documented in the approved Project Management Plan.</p>	<p>(continued from previous page)</p> <p>There were four issues reported for the reporting period. Three issues concern the release of funds that is needed for the payment of deliverables. These issues were realized with the acceptance of BPS11 - Business Requirements Cycle 1, PROC13 - SSI Procurement ITN Document Part II, and BPS 13 - Level 2 Standardized Business Process Models Version 1.0. The final issue concerns the release of funds needed to procure an Enterprise Architect. Not having this staff member onboard and available for input could negatively affect the quality of SDS deliverables, the Data Management Plan and the state's architecture readiness for the project.</p>