

Florida **PALM**

Planning, Accounting, and Ledger Management



DISCUSSION OF FLORIDA PALM (FLAIR REPLACEMENT)

MAY 3, 2017



FloridaPALM
Planning, Accounting, and Ledger Management

Auditor General

5/3/2017

Discussion of Florida PALM

Overview of FLAIR

- ▶ Florida Accounting Information Resource (FLAIR) was implemented 30 years ago to provide accounting resources to State agencies
- ▶ FLAIR processes \$90 billion in payments annually (including \$3.5 billion in payroll)
- ▶ FLAIR has over 16,000 users statewide
- ▶ FLAIR limitations include:
 - Paper intensive processing
 - No predictability/forecasting
 - Lack of availability of IT support
- ▶ There was a previous effort (Project Aspire) to replace FLAIR



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FLAIR Study (March 2014)

- ▶ The FLAIR Study concluded the State of Florida should pursue the replacement of FLAIR and the Cash Management Systems (CMS) with a commercial off the shelf (COTS) enterprise resource planning solution (ERP) for the financial management processes to support the constitutional obligations of the CFO



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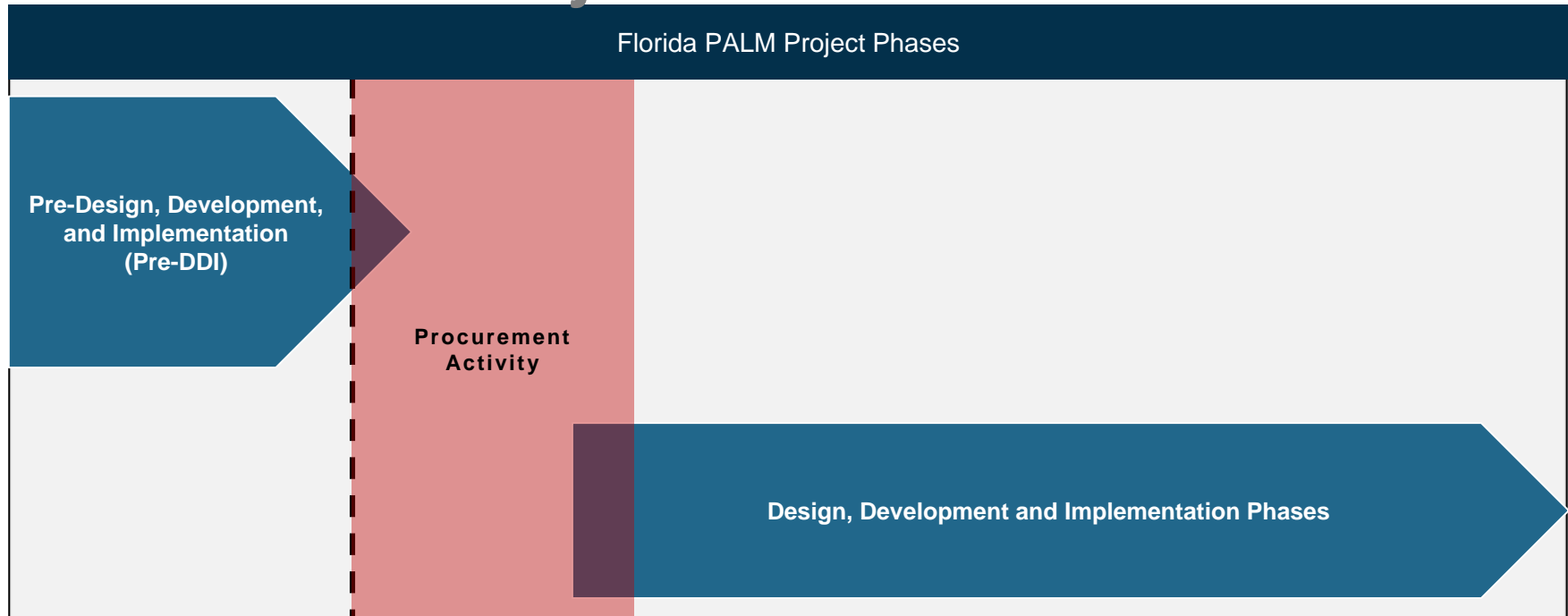
Core Principles

- ▶ The Florida PALM Project operates on three core principles:
 1. Create a realistic plan to complete the FLAIR and CMS replacement project
 2. Incorporate a number of smaller objectives along a deliberate timeline
 3. Acknowledge the statewide aspect of the project and the impact to the other Florida agencies



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Florida PALM Project Phases



Pre-DDI – Pre-Design, Development, and Implementation focuses on project planning, Business Process Standardization and procurement of a Software and System Integrator (SSI)

DDI Phases – Design, Development, and Implementation Phases initially focused on **core** FLAIR and CMS processes then expanded functionality



Discussion of Florida PALM Budget

- ▶ FY2014-2015 (Year 1):
 - Appropriated \$9M
 - Spent \$2.2M
- ▶ FY2015-2016 (Year 2):
 - Appropriated \$11.3M
 - Obtained release for \$8.4M
 - Spent \$8.1M
- ▶ FY2016-2017 (Year 3):
 - Appropriated \$8.7M
 - Obtained release for \$7.7M



Discussion of Florida PALM Budget

- ▶ FY2017-2018 (Year 4):
 - Requested \$2M of FY2016-2017 be re-appropriated for DDI readiness
 - Requested \$45M for implementation work (based on FLAIR Study)
- ▶ FLAIR Study estimated a total of \$380M of additional expenditures to implement a replacement system over a 15 year time period



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Completed Pre-DDI Milestones

- ▶ Staffed Project FTEs across four teams encompassing project management, people, process, and technology
- ▶ Secured contract support staff across four teams and independent verification and validation services



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Completed Pre-DDI Milestones

- ▶ Conducted meetings with all 34 agencies that currently use FLAIR and CMS to establish and obtain approval on standardized business processes across ten financial process areas
- ▶ Assembled an Executive Steering Committee made up of 15 members from 7 different agencies and began conducting public meetings



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Procurement Milestones

- ▶ Obtained approval of business requirements based on statewide-developed standardized business processes through governance process in September 2016
- ▶ Obtained approval of solicitation documents for the Software and System Integrator (SSI) through governance process in October 2016
- ▶ Released solicitation on November 1, 2016
- ▶ Started planning for evaluation and negotiation phases
- ▶ Vendor responses were received on January 24, 2017



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Timeline

- ▶ Procurement activities are expected to occur through remaining of calendar year 2017 with a contract execution in early 2018
- ▶ FLAIR Study estimated two separate implementation phases:
 - Phase 1: 5 years
 - Phase 2: 5 years



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