

Florida PALM Pre-DDI Closeout Report (I-PMO15)

Version History

Version	Date	Revision Notes
1.0	06/29/2018	Initial accepted version

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Pre-DDI Phase Summary

The Pre-Design, Development, and Implementation (Pre-DDI) Closeout Report covers the period from Project inception to Pre-DDI phase closeout. The following summary captures milestones and accomplishments during this period.

As a result of a [study¹](#) to measure the best financial management path for the state, the Department of Financial Services (DFS) established a team to lead a replacement project for Florida's accounting and cash management systems. The Florida Accounting and Information Resource (FLAIR) Subsystem and Cash Management Subsystem (CMS) support the business aspects of the Division of Accounting and Auditing (A&A), Division of Treasury (Treasury), and agency financial processes. FLAIR and CMS are two of the five subsystems that make up the Florida Financial Management Information System (FFMIS).

The Project commenced on July 1, 2014 and established its name as the Florida Planning, Accounting, and Ledger Management Project (Florida PALM Project) in the early 2015. The team set out to create a [Project Charter²](#), [Project Management Plan³](#), and governance structure which includes an Executive Steering Committee (ESC). The ESC is made up of 15 members which represent seven state agencies, including DFS and the other FFMIS subsystem owners.

The Florida PALM Project is a business transformation project supported by technology. The Project is organized into four critical dimensions: people, process, technology, and project management. With a deliberate staffing strategy, dedicated positions were created. Where appropriate, the Project also engaged with contractors and other industry subject matter experts to assist in completing the activities for the phase. The composition of State staff working with contracted support staff created a highly skilled integrated Project Team.

To help explain Florida's business transformation journey, the Project created an animated video, called the [Florida PALM Story⁴](#), that summarizes the objectives and considerations of implementing Florida PALM. Additional iterations of the Story are anticipated to educate and encourage impacted partners to embrace the journey.

From the beginning, the Project prioritized collaboration with impacted partners. Starting in 2015 and continuing through 2016, the Project met regularly with agencies to develop [standardized business process models⁵](#) for the State's financial management business processes across ten process areas. The process models were used as the foundation for the subsequent effort with

¹ <https://www.myfloridacfo.com/floridapalm/resources/flair-study/>

² <https://www.myfloridacfo.com/floridapalm/wp-content/uploads/Florida-PALM-Project-Charter-5.pdf>

³ <https://www.myfloridacfo.com/floridapalm/wp-content/uploads/Florida-PALM-Pre-DDI-Project-Management-Plan.pdf>

⁴ <https://www.myfloridacfo.com/floridapalm/about-us/>

⁵ <https://www.myfloridacfo.com/floridapalm/resources/process-areas/>

agencies to create the [business requirements](#)⁶ that cover both expected functional and technical system capabilities.

During the development of the Project's [Data Management Plan](#)⁷, Project Team members joined with the Department's Office of Information Technology to create a plan for transitioning data into a new financial management solution. The plan described a modern way of managing data, interfaces, and agency business systems.

One of the primary focuses of the Pre-DDI phase was readiness for the Project Team, DFS, and agencies. These readiness activities allowed the Project to collaborate with internal and external stakeholders to gain a better understanding of current state business processes and technical environments for consideration in preparing for a new financial management solution.

Continuing to pursue collaboration activities, the Project met with representatives from numerous other states to discuss their experiences with financial management transformations. Through face-to-face meetings, phone calls, and teleconferences, the Project Team drew parallels, noted lessons learned and, identified key areas of importance related to the Florida PALM Project.

For oversight, the Project engaged with the Agency for State Technology (AST) and independent, verification, and validation services. This work was completed in accordance with Rule 74-1, F.A.C.

During this phase, the Project also focused efforts on the creation of solicitation documents to be used in the Invitation to Negotiate (ITN) for a software and system integrator. The ESC approved the business requirements and solicitation documents in 2016 and the ITN was released on November 1, 2016 (the earliest possible day according to legislative Proviso). The Project supported evaluation and negotiation activities, as requested.

Throughout the Pre-DDI phase, the Florida PALM Project exhibited teamwork and partnership, placing importance and value on collaboration to ready the State for a new financial management solution.

Document Purpose

The Pre-DDI Closeout Report is provided as the final document to formally close out the Pre-DDI phase. This document provides confirmation all completion criteria were satisfied; an overview of the financials; disposition of risks, action items, issues, decisions, and lessons learned; documentation of deliverables; and an analysis of final Project schedule measures.

Completion Criteria

Scope is defined as the work that needs to be accomplished within the available resources and time constraints. Work to be accomplished includes products, services, or outcomes that meet the communicated critical success factors of the Project. The Project Charter established the scope to be fulfilled during the Pre-DDI phase. Specific outcomes were further identified and grouped into one of the following categories: Project Start-Up, Procurement, Project Management

⁶ <https://www.myfloridacfo.com/floridapalm/resources/business-requirements/>

⁷ <https://www.myfloridacfo.com/floridapalm/resources/data-management-plan/>

Process and Technology Readiness, People Readiness, and Process and Product Requirements Readiness. Each outcome was monitored and tracked to provide material evidence of its completion.

In addition to tracking scope fulfillment, the Project created a Pre-DDI closeout checklist to identify and track administrative closeout activities. These included confirming all activities recorded in logs were dispositioned, verifying all master project schedule tasks were completed, checking in all files in the Project's document repository, and paying financial obligations.

Budget and Financials

The Legislature appropriated funds to ensure there were dedicated staff and a comprehensive plan in place to support the efforts of replacing FLAIR and CMS with a single, integrated financial management solution. The tables below provide an overview of the budget for each fiscal year (FY) during the Pre-DDI phase. The Project committed to being good stewards of State funds appropriated, as demonstrated by only spending the amount needed each year for the Project.

Table 1: Florida PALM Budget Summary

FY	Appropriated	Release	Reserve*	Spent
2014-2015	\$9,003,645.00	\$6,879,737.00	N/A	\$2,793,253.05
2015-2016	\$11,328,570.00	\$8,441,680.00	N/A	\$7,557,984.84
2016-2017	\$8,807,423.00	\$7,798,369.00	N/A	\$5,705,914.58
2017-2018	\$27,868,275.00	\$9,795,076.00	\$18,073,199.00	\$5,195,083.17
Total	\$57,007,913.00	\$32,914,862.00	\$18,073,199.00	\$21,252,235.64

*The amount placed into reserve for FY2017-2018 was pending contract execution with a software and system integrator.

Table 2: FY 2014 – 2018 spend by Budget Category

Budget Category	FY2014-2015	FY2015-2016	FY2016-2017	FY2017-2018
Salaries and Benefits	\$824,450.60	\$1,980,456.00	\$2,486,770.18	\$2,985,790.67
Special Category	\$1,961,135.45	\$5,568,828.84	\$3,207,253.40	\$2,188,837.25
Transfers	\$7,667.00	\$8,700.00	\$11,891.00	\$20,455.25
Total	\$2,793,253.05	\$7,557,984.84	\$5,705,914.58	\$5,195,083.17

Risks, Action Items, Issues, Decision, Lessons Learned

Throughout the Pre-DDI phase, the Project Team identified risks, action items, issues, decisions, and lessons learned (RAIDL). Identified items were recorded in their respective logs and monitored for status and resolution. These items were included in a weekly report provided to the

Project Team. In addition, Project representatives met bi-weekly to discuss selected items. All RAIDL items were managed to closure by the end of the Pre-DDI phase.

Risks

Risk management proactively identifies and manages potential events that can adversely affect the Project’s ability to achieve its stated goals or objectives. Risk management consists of four primary components (assessment, evaluation, control, and reporting) and employs mitigation strategies to avoid risks turning into issues. Risk assessments were performed on a regular basis throughout the Pre-DDI phase, including annually and after significant events.

As risks were identified and assessed, they were assigned a risk score based on their impact and probability of occurrence. The risk score was determined by multiplying the impact score and the probability score to produce one of eight possible scores, ranging from 1 (low impact, low probability) to 20 (high impact, high probability).

All risks past due or due within 30-calendar days were included in the weekly RAIDL reports and discussed during team-specific and Project-wide bi-weekly meetings. Risks with a score of 20 were included in the monthly Project status report. During the Pre-DDI phase, there were 158 risks logged and managed, either through mitigation or monitoring strategies. The chart below provides a breakdown of all risks by score.

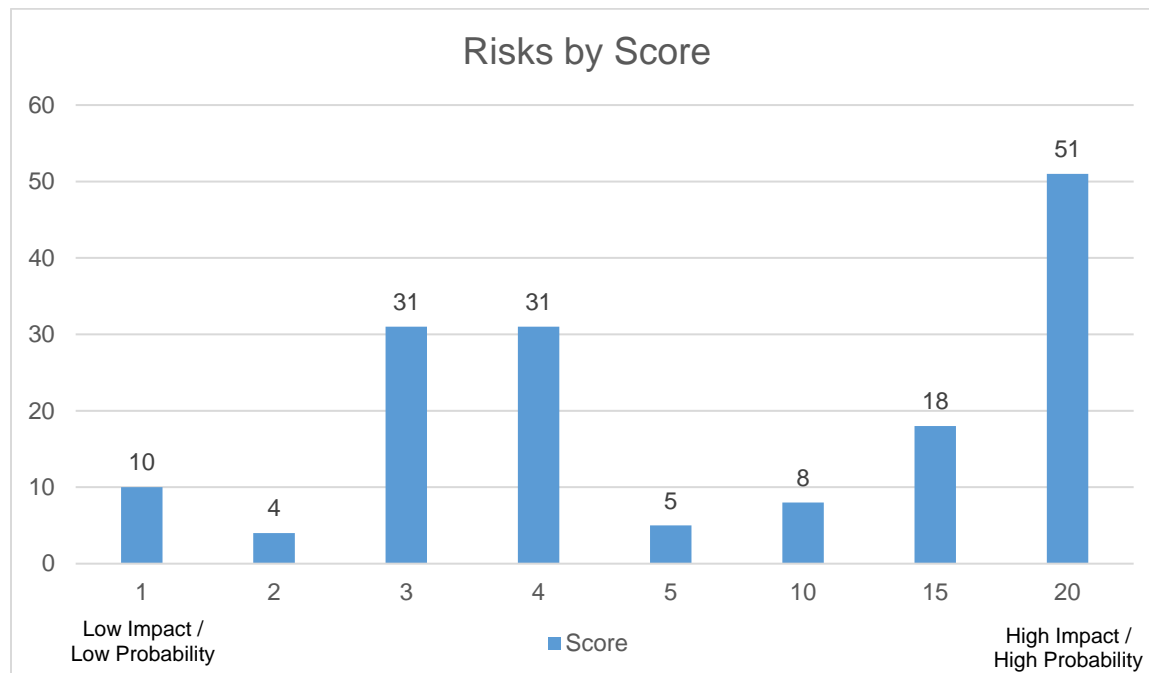


Figure 1: Pre-DDI risks by score

Action Items

Action items address a specific need to provide an outcome that is not on the Project schedule or already identified in the risk, issue, or decision logs. Action item management enables effective completion of work in a timely manner and provides the mechanism to bring action items to

closure. Action Item management consists of three components (identification, evaluation to determine action steps, and execution).

All action items past due or due within 30-calendar days were included in the weekly RAIDL reports and discussed during team-specific and Project-wide bi-weekly meetings. During the Pre-DDI phase, there were a total of 376 action items logged and managed. Action items were assigned to a specific group or Project-wide (when it spanned multiple groups). The chart below provides a breakdown of all action items by group.

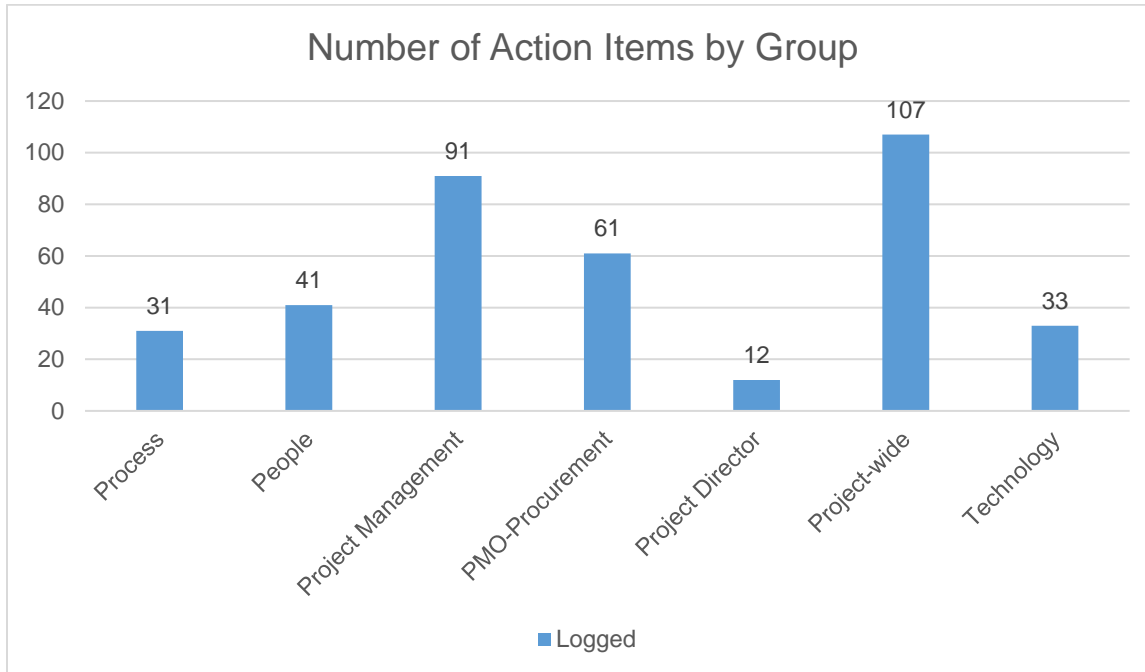


Figure 2: Total number of action items by group

Issues

Issue management establishes the process used to identify and resolve issues that arise due to unplanned events, unexpected events, or a materialized risk. Since an issue may have a negative impact on scope, schedule, and cost, resolution plans were developed for each identified issue. This process allowed the Project to evaluate and resolve issues in a consistent manner.

Issue management consists of three components (identification, evaluation, and management). After an issue was identified, it was evaluated and based on its potential impact assigned a category of critical, high, or low.

All issues were managed to resolution by following the steps in its identified action plan, with progress communicated daily. In addition, issues were included in the weekly RAIDL reports and discussed during team-specific and Project-wide bi-weekly meetings. All issues were included in the monthly Project status report. During the Pre-DDI phase, there were 15 issues logged and managed to resolution. The chart below provides a breakdown of all issues by priority.

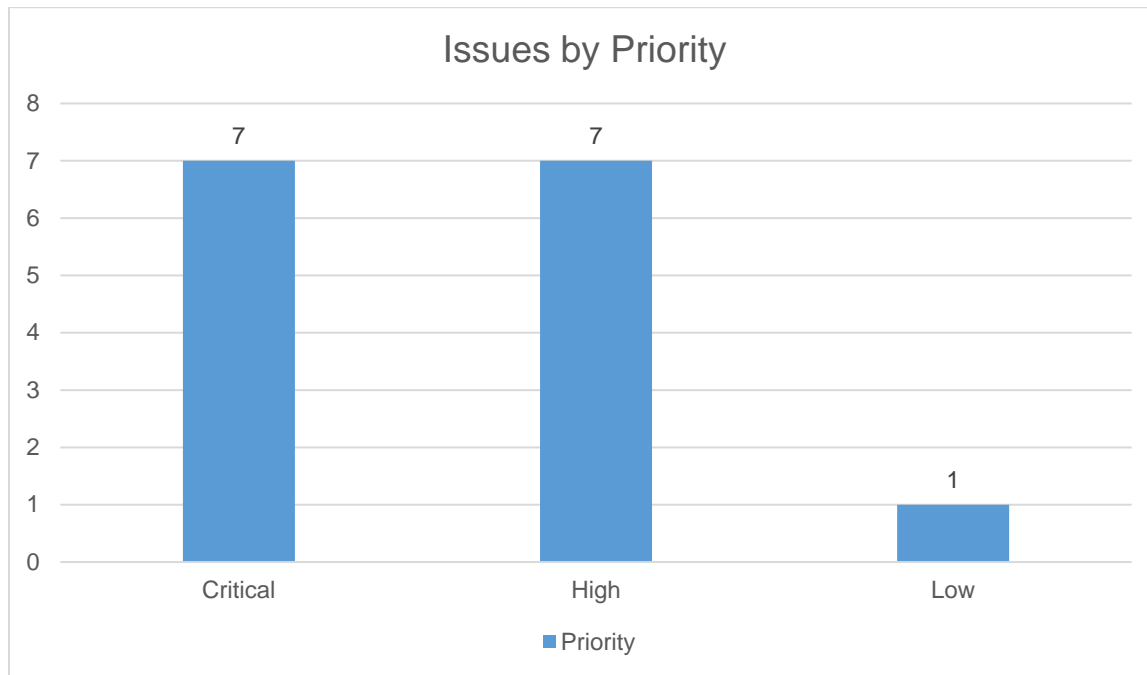


Figure 3: Total number of Pre-DDI issues by priority

Decisions

The Project's decision management process established a defined structure that facilitated an effective decision-making process using available information to increase the precision, consistency, and agility of decisions. A multi-tiered governance structure consisting of the Project Director as tier 1 and the ESC as tier 2 was used. The Project Director, in conformance with the Project Charter, was charged with approving decisions which did not significantly affect scope, schedule, or cost, and included decisions regarding staffing changes, risks, and the acceptance of Project deliverables. The ESC was responsible for approving decisions which were beyond the authority of the Project Director and approving major Project deliverables.

Decision management consists of three components (identification, evaluation, and formalization). The Project's decision management processes consisted of gathering and evaluating all necessary information to present to the appropriate decision maker(s) based on the tier of the decision. The decision maker(s) evaluated and rendered a decision.

All decisions past due or due within 30-calendar days were included in the weekly RAIDL reports and discussed during team-specific and Project-wide bi-weekly meetings. During the Pre-DDI phase, there were 80 decisions logged and managed to resolution.

Lessons Learned

The Project benefited from the knowledge gained through the experience of individuals and teams. Identifying lessons learned was the method used to capture this knowledge to assist with improving the effectiveness and efficiency of processes. The core questions asked were:

1. What worked well, so it can be repeated?
2. What did not work so well, so it can be avoided?

Throughout the Pre-DDI phase, the Project Team leveraged its documented process to identify, review, and record lessons learned. Each lesson learned was assigned a category to assist with referencing for future applicability. As part of the Pre-DDI closeout, multiple lessons learned sessions were facilitated across the Project's teams. During these interactive sessions, participants were encouraged to share experiences from the Pre-DDI phase. During the Pre-DDI phase, the Project Team captured and recorded 149 lessons learned. The charts below provide a breakdown of total lessons learned by group.

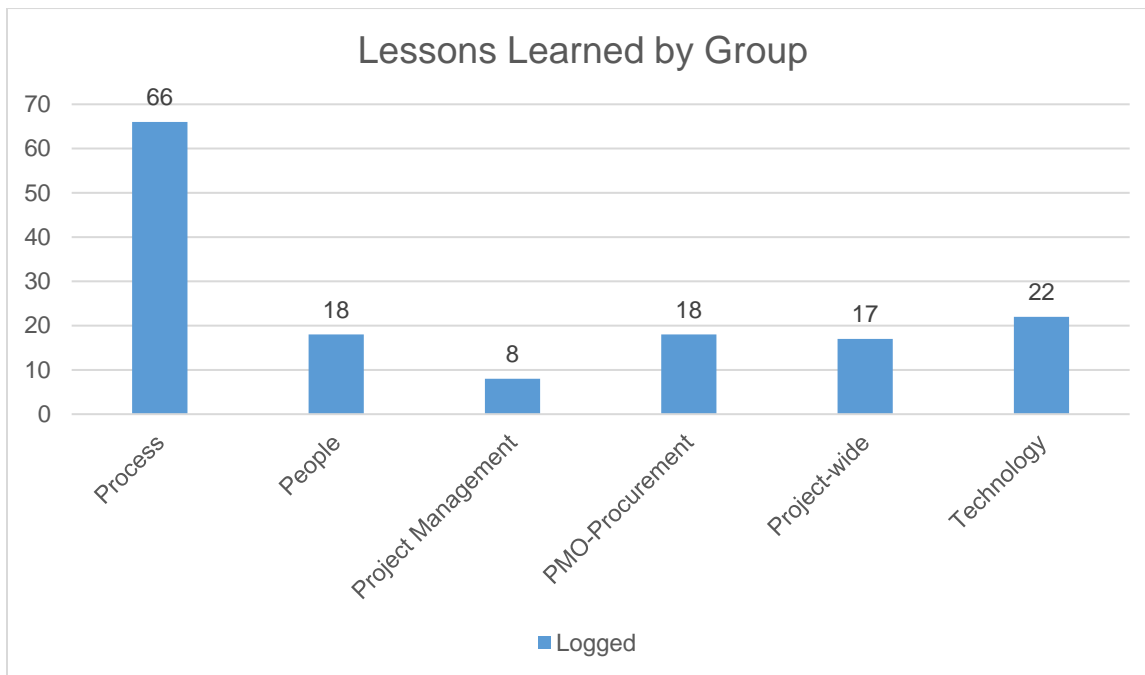


Figure 4: Pre-DDI lessons learned by group

Deliverables

The Project established a deliverable management process for creation and approval of a deliverable expectation document, deliverable development, and deliverable acceptance. During the Pre-DDI phase, 185 deliverables were developed by the Project Team, tracked in the master project schedule, and reported in monthly status reports.

Cost and Schedule Performance Indexes

The Cost Performance Index (CPI) and Schedule Performance Index (SPI) are two metrics recommended by the AST to monitor status via the master project schedule. SPI is intended to measure how close actual work is being completed compared to the work scheduled. CPI is intended to measure the cost of work being completed for every unit of cost expected to be spent. The AST defines the acceptable variance of these indices to be between .9 – 1.1.

The Project tracked and provided, in its monthly status reports, the CPI and SPI. In addition, the Project maintained the master project schedule providing updates on a weekly basis. Per guidance provided by the AST, the calculation for CPI and SPI used a dollar amount and a proxy cost of \$1.00/hour for resources within the master project schedule. As a result of using a proxy cost value, the master project schedule was not used to capture the cost of the Project. Instead,

the Project maintained a spend plan to capture and monitor Project costs, distributing with monthly status reports.

At the end of the Pre-DDI phase, the SPI was 1 and the CPI was 0.97, both within tolerance as establish by AST.