



Department of Financial Services

Florida Planning, Accounting, and Ledger Management (PALM)

Quarterly Project Oversight Report: Comprehensive Review

For Period: April – June 2015



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Project Description	
Quarter Ending:	6/30/2015
Agency Name:	Department of Financial Services
Project Name:	Florida PALM
Project Description:	<p>The Florida Planning, Accounting, and Ledger Management (PALM) project is to replace the Florida Department of Financial Services' (DFS) Florida Accounting Information Resource Subsystem (FLAIR) and the Cash Management Subsystem (CMS) with a core Enterprise Resource Planning (ERP) solution. This solution was recommended by the FLAIR Study completed in 2014. The FLAIR Study recommended approach divided the project into three (3) Design, Development and Implementation (DDI) phases: Pre-DDI, DDI 1 and DDI 2. The project is currently in the Pre-DDI Phase which is focused on planning, business process standardization, requirements development, and the procurement of the ERP solution with an ultimate goal of procuring and contracting with a Software and Systems Integrator (SSI) by early 2017. Date to be determined after re-planning to account for a more thorough procurement process and for appropriated budget.</p> <p>The Pre-DDI phase consists of four (4) tracks:</p> <ol style="list-style-type: none">1. Business Process Standardization (BPS),2. Project Management Office (PMO) including Procurement Support,3. Organization Change Management (OCM) including Workforce Transition (WFT), and4. System and Data Strategy (SDS). <p>The tracks are consistent with the recommendations of the FLAIR Study. The project team also plans to procure Outside Counsel for Procurement Legal Support, Outside Counsel for ERP Legal Support and Independent Verification and Validation (IV&V) services. Each will be managed within the PMO track.</p> <p>Funds were also provided to contract with a vendor to review the FLAIR Study to validate and verify the study's recommendations. This activity has been removed from the scope of the project.</p>



Section I: Executive Summary

Scope: The project scope is within the acceptable variance range for the reporting period.

Cost: Project costs exceed the acceptable variance range and the project is under budget for the reporting period (based on expenditures vs. appropriations). The variance can be explained by the hiring of project Full Time personnel (FTEs) and initial procurements for the project requiring more time than the FLAIR Study provided. Thus, expenditures shifted and the total budget allocated for FY 2014-15 was not expended. The project did not have an approved spending plan for FY 2014-15, but does have one for FY 2015-16.

Schedule: The project schedule is within the acceptable variance range for the reporting period based on the schedule developed by DFS which reconciles assumptions made in the FLAIR Study. Schedule risks remain medium as the project schedule is still not resource and cost-loaded nor baselined in a manner that allows for earned value analysis or for critical path management.

Risks: Risks have remained stable during this reporting period. There was no significant rise in the number or severity of risks during this reporting period and two risks have been closed.

Issues: Issues have remained stable during this reporting period. No issues were reported during Quarter 4.



Section II: Review of Project Scope Management

Summary:

The project scope is within the acceptable variance range for the reporting period. The scope of the project as documented in the project artifacts (Project Charter, draft Project Management Plan, and the Work Breakdown Structure (WBS) contained in the non-baselined project schedule) received by the Agency for State Technology (AST) aligns with the FLAIR Study.

Details:

The project team identified ten (10) procurements needed to support the Pre-DDI: BPS support, SSI procurement support services, PMO support services (2), OCM support services, SDS support services, outside counsel (2), IV&V, and SSI. As of this reporting period, four (4) out of the ten (10) procurements have been executed, BPS support (February 17, 2015), procurement support (March 16, 2015), one PMO support services (March 26, 2015) and one outside counsel for procurement legal support (June 29, 2015). Two other procurements have been released; IV&V and outside counsel for ERP support.

The Project Charter was approved June 22, 2015. The Project Management Plan was submitted for approval on June 26, 2015 (approved July 7, 2015 - next reporting period). These documents formally establish the processes and procedures to proactively monitor and control the project.

The project sponsor(s) directed that the "Study of the Study" be removed from project scope. A RFQ was posted for this procurement July 2014. One vendor responded but withdrew. A subsequent RFP was released for this procurement March 2015. However, the project sponsor(s) subsequently approved the project to move forward with the recommended solution provided by the FLAIR Study and did not intend to deviate from the stated direction. Thus, the timeliness of the study at this point was deemed not to be of any value to the project and was cancelled.

DFS has not been able to fill a SDS staff position or the OCM Manager position. The OCM Manager activities have been absorbed by the Project Director. A SDS Analyst started June 24, 2015 which has reduced the workload on existing SDS staff. The project team needs to continue to actively recruit for these two positions and monitor for any risks and issues that might occur due to the delay in hiring.



Section III: Review of Cost Management

Summary:

Project costs exceed the acceptable variance range as the project is under budget for the reporting period. The FY 2014-15 budget was based on estimated salary and benefits for full time staff and estimated vendor contract costs as detailed in the FLAIR Study. The hiring of project FTEs and the execution of the necessary procurements in support of the project required more time than provided in the FLAIR Study, and this led to the lag in executing the needed procurement.

The project team anticipates expending \$2,355,991 out of the appropriated budget of \$6,883,382 for FY 2014-15. (\$2,120,263 was appropriated as reserve.)

The project does not have an approved project spending plan for FY 2014-15 which contributed to the cost management risk score of 83%. The project team has developed a spending plan for FY 2015-16.

Details:

As of Quarter 4, 18 of the 22 full time positions have been filled and four (4) out of the ten (10) procurements have been executed. Two (2) additional procurements have been released.

The project schedule is neither cost-loaded with resources nor baselined.

Once the project team has developed a baselined schedule, DFS and AST will be in a position to objectively assess project performance, including monitoring work performance against funds expended and understanding the variances from the approved cost baseline.



Section IV: Review of Schedule Management

Summary:

The project schedule is within the acceptable variance range for the reporting period based on the schedule developed by DFS which modifies the schedule delivered as part of the FLAIR Study; this includes the schedule for hiring of FTEs and the execution of necessary procurements. These tasks have required more time than provided in the FLAIR study and DFS has modified the schedule to reflect those changes. The schedule has not been baselined. As of Quarter 4, there are no late tasks.

Details:

The project schedule is neither cost-loaded with resources nor baselined.

The schedule now depicts a critical path; however, the network diagram reports a handful of dangling tasks. Every task and milestone in the project schedule should be linked to accurately depict their impact, if any, on the critical path, other tasks, and on the timely completion of the project. The schedule continues to take into account additional time for the project team to monitor and control tasks and this results in the schedule risk score of 81%. Without baseline and critical path controls in place, it is difficult for the project team to accurately predict schedule start and end dates. DFS has indicated risk will be mitigated through the acquisition of a dedicated scheduling resource

The project team needs to continue to work toward an integrated, baselined master project schedule to support performance management reporting (earned value analysis). The WBS in the schedule should define all deliverables, milestones, tasks, and resources (with associated costs) required to complete the project based on the approved project scope. After all tasks are baselined, DFS and AST can objectively assess project performance including task and milestone completion dates.



Section V: Review of Risk Management

Summary:

Risks have remained stable during the reporting period.

Details:

There was no significant rise in the number or severity of risks occurring during the reporting period. One new risk has been reported and two high risks have been closed. The Project Management Plan includes a subsidiary Risk Management Plan that documents how risks will be identified, analyzed, and monitored. The project team maintains a risk register and holds regular risk review meetings. The Risk Register contains 64 risks of which eight have been identified as “high” based on the probability and impact risk score assigned to the risk by the project team. Only risks that have been identified as high have mitigation strategies.

Cost management, schedule management, the acquisition of staff, and the execution of procurements have been registered as risks.

The PMO support services vendor serves as the Risk Manager on the project.

High risks are currently reported monthly to stakeholders via the monthly status report.

Section VI: Review of Issue Management

Summary:

Issues have remained stable during the reporting period.

Details:

The Issue Log did not reflect any open issues during the reporting period. The Project Management Plan includes a subsidiary Issue Management Plan that documents how issues will be identified, analyzed, monitored and resolved.

Discussion of project issues, when applicable, occurs weekly between the project team. Issues are currently reported monthly to stakeholders via the monthly status report.