

Notification of Intended Awardee

Frequently Asked Questions

Question	Response
1 <i>What is the FI\$Cal Project?</i>	The Financial Information System for California (FI\$Cal Project) is a business transformation project for state government in the areas of budgeting, accounting, and procurement. The Project will prepare the state systems and workforce to function in an integrated financial management system environment. To ensure the success of the Project, the Partner Agencies have entered into a Memorandum of Understanding (MOU) signed by the State Controller, the State Treasurer, and the Directors of the Departments of Finance and General Services solidifying their commitment to the implementation of a single statewide financial management solution.
2 <i>Why is FI\$Cal needed?</i>	The State's current fiscal data systems have a variety of problems, including: <ul style="list-style-type: none"> • Inability to quickly respond to fiscal information requests from the Governor's Office and the Legislature • Aging infrastructure based on silo'd, inefficient systems • Manual processes requiring the state's professional staff to perform extensive clerical tasks • Lack of transparency to the public
3 <i>What are the benefits of FI\$Cal?</i>	FI\$Cal will: <ul style="list-style-type: none"> • Establish a single source of financial information through the establishment of a single statewide financial management system • Provide more meaningful and current financial information and reports to decision makers, program managers, and stakeholders • Make information more readily available to the public and the state's business partners • Track statewide purchase volumes by vendor and/or commodity type to identify areas where quantity discounts might save money • Automate manual processes • Minimize manual reconciliations among control agencies, state agencies, and other separately maintained systems and databases • Avoid significant costs of duplicate new financial management systems throughout state government • Avoid a more costly piecemeal approach to replacing the state's aging legacy systems that are at risk of failure
4 <i>What is the scope of FI\$Cal?</i>	The FI\$Cal Project scope includes the procurement and implementation of an integrated system for accounting, budgeting, cash management and procurement functions. For further information on the FI\$Cal Project Scope please refer to Special Project Report 4 on the FI\$Cal website.
5 <i>What is the Notice of Intent to Award?</i>	The Notice of Intent to Award is a public announcement of the intended awardee for the FI\$Cal System Integrator contract. No contract has been executed at this point.
6 <i>Has FI\$Cal changed (from what it was initially)?</i>	The project was initially proposed as a "budget only" information system. Upon collaboration with stakeholders, it was determined that the project should focus on an enterprise solution for budgeting, accounting, cash management and procurement. This was reflected in SPR 1 released in 2006. Since that decision was made, the Department of Finance, Department of General Services, State Treasurer's Office and State Controller's Office have been working collaboratively with a variety of stakeholders to determine the best way to implement an integrated financial management system. The proposal reflected in SPR 4 is the culmination of that collaboration and an innovative two-stage procurement.

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7 <i>What is a "two stage procurement"?</i>	Recognizing that the constraints of a traditional Public Contract Code §12100 procurement required bidders to include substantial risk premiums in their proposals to account for the unknown, FI\$Cal leveraged an innovative two stage Public Contract Code §6611 procurement process. "Stage 1" had the State select three System integrator companies to participate in the "fit gap" process whereby each company was provided in depth knowledge of the State's processes, systems, and needs so that each bidder was able to identify potential "gaps" between their proposed software and the State's functional requirements. Each bidder then used this information to ensure their "Stage 2" proposal "fit" the State's needs. This procurement process provided each bidder unprecedented knowledge of the State's processes, systems, and needs while simultaneously providing the state critical insight in the proposed ERP solution, implementation plan, and System Integrator proposed staff members. This procurement process facilitated remarkable competition among the three bidders, resulting in more competitive rates.
8 <i>How was the contractor chosen?</i>	Under Public Contract Code (PCC) §6611, the Department of General Services (DGS) led an innovative two-stage procurement to select the FI\$Cal System Integrator (SI). Stage 1 of the procurement qualified three (3) bidders (Accenture, CGI and IBM) to participate in a "Fit Gap" where the state had the opportunity to share detailed information about the business and technical requirements provided in the Request for Proposal (RFP). During this time, the bidders were able to determine the "fit" of their solution to the state's requirements, and identify any "gaps" to bridge in order to fulfill the state's needs. Stage 2 of the procurement required all three (3) bidders to submit their proposals for the design, development and implementation of FI\$Cal. The Project conducted a thorough review and evaluation of all three (3) proposals based on criteria established in the RFP. Based on the evaluations, the bidder receiving the highest total score was selected as the winning bidder.
9 <i>What type of safeguards will be in place to ensure the COTS solution will not be outdated in 5-10 years?</i>	In order to maximize longevity of FI\$Cal, the system will be built with the latest technology with minimal customization. This will allow the state to update the system over time without the need for replacement.
10 <i>What do you mean by "hybrid approach"?</i>	Projects can be implemented in several ways, including: all at once, phased in by function, and phased in by department. The proposed solution combines these options by completing all planning and design for all functions and all departments at once, ensuring consistency and cohesiveness in the system design. But this solution is implemented in departments over the course of five waves, providing specific functionality to specific departments in each wave. This hybrid approach leverages best practices and helps minimize risk, shortens the project timeline, and reduces costs.
11 <i>What is the "90 day review" period?</i>	In 2010 the Legislature passed AB 1621 (Chapter 727, Statutes of 2010) requiring a report be submitted to the Legislature for review 90 days before a contract is executed with the system integrator.
12 <i>What are the next steps after the intent to award?</i>	The Legislature will have 90 days to review the Legislative report after which the Project will execute a contract with the intended awardee and begin design, development and implementation activities for FI\$Cal.
13 <i>What happens during system design? Will all departments be involved in this process?</i>	The design stage will consist of many activities including deliverable review, requirements validation, Business Process Reengineering, and Legacy System Analysis. The State will work with the SI and CIC to ensure appropriate representation of departments in all phases of the Project, including the design phase.

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14 <i>What is the implementation plan for FI\$Cal? When will my department be impacted?</i>	FI\$Cal will be rolled out in a series of 5 waves over the next 5 years. The high level implementation plan for FI\$Cal, including which functionality will be rolled out in which wave, and which Departments will be included in each wave, is available in SPR 4. The SPR is available on FI\$Cal's website and the California Technology Agency website. Approximate dates for each wave are also included, although the exact dates are subject to the schedule refinement process once the Contract is awarded.
15 <i>How do you expect to hire so many staff next year?</i>	The Project realizes the difficulty in hiring a significant number of staff in a short period of time; however, the Project has planned for such challenges by: <ul style="list-style-type: none"> · Preparing the documentation necessary for the hiring process in advance · Staggering the hiring date of new staff through the fiscal year to allow appropriate time to complete the process · Augmenting resources in HR with temporary help
16 <i>What are the completion dates for the entire FI\$Cal system?</i>	The FI\$Cal system will be rolled out to departments over a period of 5 years in 5 waves with a go live date of July 1, 2016 for the 5th and final wave.
17 <i>How long does FI\$Cal anticipate it will take before all state departments are on-line and running with FI\$Cal?</i>	FI\$Cal will be rolled out in a series of 5 waves over the next 5 years. The high level implementation plan for FI\$Cal, including which functionality will be rolled out in which wave, and which Departments will be included in each wave, is available in SPR 4. The SPR is available on FI\$Cal's website and the California Technology Agency website. Approximate dates for each wave are also included, although the exact dates are subject to the schedule refinement process once the Contract is awarded. The final wave is scheduled to go-live on July 1, 2016.
18 <i>What communication infrastructures are in place for information sharing among stakeholders?</i>	FI\$Cal's Change Management Office (CMO) is responsible for preparing departments for the new integrated financial management system. Our goal is to provide stakeholders timely, relevant information needed to successfully participate in Project activities, and to gain input from departments throughout the Project lifecycle. To do this, we have established the Department Liaison Network (DLN). This network provides regular two-way communication between the Project and departmental liaisons, who serve as conduits between the Project and departments. Further information regarding the DLN can be found on our "DLN Corner" at www.fiscal.ca.gov . The project also hosts the FI\$Cal Forum for departmental staff. During these meetings, project status, sub-project activities, and next steps are communicated, and a Q & A session allows staff to provide and receive feedback to the Project. All staff are encouraged to attend in-person or through WebEx. Information from these meetings is also posted to our website. The Customer Impact Committee (CIC) provides a formal mechanism for departments and agencies to express their views and receive information from FI\$Cal, provide broad input and advice to the Steering Committee, and promote effective representation of department needs during appropriate phases, waves, and stages of the Project. The Project's leadership team meets with CIC members quarterly.
19 <i>What should our departments do ahead of time to prepare for the SI?</i>	To obtain the latest information regarding the Project's status and upcoming activities, departments can attend stakeholder meetings, such as the Department Liaison Network (DLN) and FI\$Cal Forum meetings.

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<p>20 <i>What information have we gathered from departments to date.</i></p>	<p>To date, the following efforts have been completed with state departments:</p> <ul style="list-style-type: none"> • August 2006 - Requirements Development and Review – This sub-project effort required outreach to participating departments to capture the business and technical requirements for the final system. Departments were required to review, comment and certify that their needs would be met by these requirements. Several follow-up efforts occurred intermittently during 2008-2011. • September 2010 - Financial As-is Business and Legacy Systems (FABALS) – This sub-project documented both the state's current business processes within FI\$Cal scope and Legacy technical (system) processes that support the business processes from a representative sample of state departments. • August 2011 – Benchmarking Study – The Project conducted a Benchmarking Study to provide analysis of the state's current baseline metrics for financial (accounting, budgeting, cash management) and procurement processes. This study will provide a basis to measure benefits after the implementation of FI\$Cal. • November 2011 - Legacy System Inventory - Validated past Legacy System information and collected new Legacy System information for additional systems. Information gathered included a list of systems that contain accounting, budgeting and procurement functionality, the description and purpose of these systems, and any inbound and outbound interfaces with these systems. This information will be used to determine which systems will be replaced or will have to interface with FI\$Cal.
<p>21 <i>How will my department be impacted once the SI comes onboard?</i></p>	<p>Shortly after contract award, Departments will participate in activities relating to requirements validation, system design, Business Process Reengineering, and legacy systems assessment and analysis.</p>
<p>22 <i>How do I find out what Wave my department is in?</i></p>	<p>Appendix E in SPR 4 contains the proposed implementation wave(s) for each Department within the scope of FI\$Cal.</p>
<p>23 <i>Will the client agencies of DGS- CFS continue to work with/through DGS? Does DGS represent their requirements?</i></p>	<p>Client agencies will maintain the option to leverage DGS Contracted Financial Services (DGS-CFS) to perform their financial management activities. However, client agencies will be included in the system design and implementation phases of the Project to ensure their needs are met. This is also the case for client agencies of other departments.</p>
<p>24 <i>What will happen with systems currently being implemented?</i></p>	<p>Departments that have implemented or are in the process of implementing an ERP system are deferred from FI\$Cal until such time that the department's ERP system requires an upgrade or replacement. However, they will need to interface financial data with FI\$Cal.</p>
<p>25 <i>What happens if a state department has computer systems which are so outdated it cannot support the requirements of FI\$Cal?</i></p>	<p>The FI\$Cal solution will rely upon technical specifications already in productive use by many State Departments. FI\$Cal will provide these specifications to all participating departments early in the project lifecycle. While most departments have sufficient IT infrastructure (including network bandwidth, workstations or desktop platforms) FI\$Cal will assist departments as they identify and remedy any deficiencies. The scope of FI\$Cal does not include departmental infrastructure.</p>
<p>26 <i>Which current systems will be affected and how? Some systems are old and may need to be replaced.</i></p>	<p>Since 2004, FI\$Cal has been collecting information on the business systems throughout the state to determine which systems will be impacted by the ERP solution. FI\$Cal is expected to replace or integrate with hundreds of legacy systems, technologies, and applications in the areas of budgeting, accounting, cash management, and procurement. FI\$Cal will collaborate with each department and plan for the Legacy system migration or integration during the project lifecycle.</p>

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27 <i>What are the anticipated costs to departments?</i>	The Project will utilize a cost allocation methodology to equitably distribute Project costs to all benefiting programs. The allocation of project development costs will be made indirectly to funds (i.e., General Fund, special funds, and non-governmental funds) rather than directly to departments, based on each funds' share of total state operations. Once the system has been implemented statewide and transactional data is available, departments will be directly allocated Project costs based on its system usage statistics.
28 <i>How much money has been spent to date on this effort?</i>	Through June 2012, the Project will have spent \$94.6 million to plan for the design, development and implementation of FI\$Cal and to execute the comprehensive two-stage procurement. A project the size and complexity of FI\$Cal requires a significant investment in planning to establish the infrastructure on which the project will be built. Among the activities completed, the Project documented the extensive requirements of the FI\$Cal system, began a thorough analysis of the state's business processes and legacy systems, began requirements development, completed the innovative and comprehensive two-stage procurement with (3) different bidders, and established the FI\$Cal Project site.
29 <i>How is California going to pay for FI\$Cal?</i>	FI\$Cal will be funded by annual appropriations from the General Fund, special funds, and non-governmental funds, in accordance with the Project's cost allocation methodology.
30 <i>How were you able to bring costs down from the original \$1.6B estimate?</i>	SPR 2 estimated Projects costs at \$1.6B based on the information known by the Project team at that time. FI\$Cal leveraged an innovative two-stage Public Contract Code §6611 procurement process. This two-stage procurement allowed the state to provide bidders in depth knowledge of the State's processes and systems, thereby reducing the risk premium included by bidders to account for "unknowns". Additionally, this procurement process facilitated unparalleled competition among the 3 bidders resulting in more competitive rates for hardware, software, and System Integrator services. The State also leveraged the information that it obtained from the bidders and other ERP projects to revise it's staffing approach and more accurately estimate data center costs which contributed to the decrease from SPR2 estimates.
31 <i>How much money does the state anticipate saving once FI\$Cal is up and running?</i>	The Project contracted Solutions West who worked with benchmarking experts The Hackett Group to perform a comprehensive benchmarking study to capture data that can be compared against post implementation measurements and also provide estimates of the expected benefits and cost savings resulting from the implementation of FI\$Cal. The Hackett Group estimates the expected cost savings resulting from the implementation of FI\$Cal to be \$415 million annually, beginning after full project implementation.
32 <i>What is the total estimated cost of FI\$Cal?</i>	The total cost of the proposed solution is \$617M, including one year of maintenance and operations (through 2017/18), with \$213.1 M for direct payments to the system integrator.
33 <i>How does the new project cost compare to previous estimates?</i>	SPR 2 is the last approved Project document including full project lifecycle cost estimates. SPR 2 estimated total project costs of \$1.6 billion, including a peak of 499 Project staff positions. SPR 4, the current project document, shows costs of \$617 M , including a peak of 304 Project staff positions.
34 <i>Where can I obtain more information?</i>	The FI\$Cal website, www.fiscal.ca.gov will be regularly updated with information.