

FY2009 CAPITAL ASSET PLAN (CAP) SUMMARY

Project Name:

Financial Systems Modernization (FSM) Program

Agency Name:

Office of Personnel Management

Unique Project Identifier:

027-00-01-01-01-1020-00

Project Phase:

Mixed-Life Cycle

Project Initiation Date:

FY 2005

Justification / Description of Initiative:

OPM's ability to achieve its mission to build and sustain a high-quality and diverse federal workforce depends heavily on the ability of its decision makers and managers to make fact-based and timely decisions. The effort to improve OPM's financial management services is one of the steps of a larger initiative aimed at fully overhauling all of the agency's systems as envisioned in our agency restructuring effort. OPM envisions a future in which relevant, reliable and timely financial information, affirmed by a clean audit opinion, is available on a continual basis to support management decision-making at all levels throughout the agency. In addition, programs and operations must be supported by sound financial systems, and related concepts of operation, that ensure the integrity, timeliness, and completeness of the data and information contained within the system.

To help address this challenge, OPM will be guided by the Federal Financial Management Improvement Act of 1996 (FFMIA), the Chief Financial Officers (CFO) Act, and OMB's Financial Management Line of Business (FMLoB) Migration Planning Guidance, to implement and maintain financial management systems that comply substantially with (1) federal financial management systems requirements, (2) federal accounting standards, and (3) the U.S. Government Standard General Ledger at the transaction level. The current core financial system cannot be reconfigured to meet fully the requirements of FFMIA. The OPM Director, along with the encouragement of OMB, determined that the best alternative to modernize OPM's core financial management system is to license a proven proprietary industry technology solution through a competitive procurement.

OPM is currently in the evaluation stage of the acquisition process to acquire the necessary software, integration, and hosting services through a public/private competition which will result in the selection of a public Shared Service Provider (SSP) or commercial vendor with a demonstrated experience leveraging and implementing Financial Systems Integration Office (FSIO) certified Commercial Off-The-Shelf (COTS) technology, utilizing expertise, and other resources to achieve the best value for OPM and the American taxpayer. OPM is tasked with

ensuring and validating that the selected vendor offering for the new and modernized financial system addresses the S&E and Revolving Fund, as well as the Trust Fund assuming a move to a consolidated system occurs after the S&E and Revolving Fund Implementation. For its migration to either a public SSP or commercial vendor, OPM will ensure that implementation of the financial system requirements are in compliance with FFMIA. The award will meet the following "OPM Strategic and Operational Plan 2008-2009" goal: "Award accounting system contract and begin implementation...." as defined by the OPM Director.

List which President's Management Agenda (PMA) Initiatives this project supports.

Expanded E-Government
Financial Performance
Budget Performance Integration
Eliminating Improper Payments

Describe how the project supports the identified PMA initiatives:

The Financial Systems Modernization Project (FSMP) supports several PMA initiatives by:

- (1) Supporting **Expanded E-Government** through implementing and achieving process improvements through standardizing business processes, integrating seamless data exchange, and strengthening internal controls.
- (2) Supporting **Financial Performance** through implementing and integrating financial management solutions that produces complete, accurate, and timely financial information that would provide program managers and agency executives with useful financial information to help monitor and improve program management results.
- (3) Supporting **Budget Performance Integration** through integrating and linking financial information to budget data and performance measurements to allow better projection of budget needs to support financial management business processes and to better predict near-term financial management activity and associated budgetary needs.
- (4) Supporting the **Elimination of Improper Payments** through integration and electronic automation of invoice processing to improve the accuracy and integrity of federal payments by reducing erroneous payments.

Specify whether this investment is for information technology:

Yes, this is an IT investment.

Indicate whether this investment is identified as "high risk" on the agency high risk report:

Yes, this investment is included on OMB's high risk report.

Summary of Spending table:

SUMMARY OF SPENDING FOR PROJECT PHASES (REPORTED IN MILLIONS)			
	PY 2007	CY 2008	BY 2009
Planning	1.0	1.2	1.0
Acquisition	2.0	14.8	6.7
Subtotal Planning & Acquisition	3.0	16.0	7.7
Operations & Maintenance	0.0	0.0	3.7
TOTAL	3.0	16.0	11.4
Government FTE Costs	0.8	0.8	1.5
Number of FTE represented by cost	10.0	6.1	10.0

Complete the Acquisition/Contract Information Below for this initiative:

Provide acquisition/contract information for all contracts and/or task orders in place for this investment. Please note that planned contracts (or contracts that have not yet been awarded) should not be included in the list below

Contract Number 1: Grant Thornton GS-35F-5461H
Contract Type Used: Firm-Fixed Price
Contract Total Value: \$2.8

For e-Gov Initiatives ONLY, provide the following information on partner funding strategies:

Partner Agency	CY 08 Contribution	CY 08 Fee-for-Service	BY 09 Contribution	BY 09 Fee-for-Service
List each partner agency that contributes to this eGov initiative	Provide the funding contribution for CY 2008	Provide the fee-for-service amount for CY 2008	Provide the funding contribution for BY 2009	Provide the fee-for-service amount for BY 2009