Financial Management Quality Service Management Office (FM QSMO)
Shared Services Forum for Agency Implementation Leaders

January 14, 2021
Guiding Principles

- Focus on customer experience
- Maximize the strategic value of data
- Deliver progress using agile processes

Shared Goals

- Standardize processes and data
- Reduce operation and maintenance costs
- Modernize and automate processes
- Improve customer satisfaction
In the Future State, the FM QSMO acts as the broker between agencies and commercial and federal solutions. Solutions are centrally coordinated, standards are embedded in solutions, and there is a unified effort to achieve goals.
The FM QSMO will…
1. Create a marketplace that is customer-centric rather than provider-centric
2. Design the marketplace with customer input
3. Facilitate access to marketplace with choice and flexibility - not a single provider
4. Offer government-wide contract vehicles with quality, standards-based solutions and services
5. Ensure marketplace solutions:
   • Quickly adopt emerging government-wide standards
   • Advance shared goals
   • Encourage innovation and commercial competition
6. Transition agency solutions to modern cloud platforms and SaaS solutions
7. Lead long-term strategic planning for agency adoption of standards-based solutions
The FM QSMO is brokering partnerships between industry and agencies to accomplish key, customer-focused goals.

Upcoming engagements with Federal customer agencies and industry will help to further refine and validate roles and responsibilities.
Acquisition Approach

The FM QSMO continues discussions with GSA to establish a government-wide acquisition solution providing access to commercial vendor offerings in the Marketplace.

Agency Planning

- Agency engagement with FM QSMO
- Decision to procure
- Agency Conducts Acquisition under Marketplace Vehicle
- Agency Task Order Awarded against Marketplace Vehicle

FM QSMO Task Order Review Process

With vendor assistance, FM QSMO will assist agencies with:
- Guidance
- Best practices
- Requirements development
- Task order templates

Marketplace Acquisition Solution Benefits

ACCESS
Access to commercial offerings in the Marketplace

CHOICE
Choice of multiple standards-based solutions

EFFICIENCY
Streamlined and cost-effective procurements

DESIGN
Agency choice to design their own requirements

CONTROL
Agencies retain buyer control

ALIGNMENT
Aligns with other government-wide initiatives.
Agencies purchase software and configure solutions independently, resulting in many variations and challenges in reporting and transferring data across government.

All agencies share a common starting point for planning, implementing, and maintaining a new Core FS resulting in streamlining reporting and data transfer across government. Agencies will build additional configuration, enhancements and/or extensions to support their mission.
Core FS Baseline Solution

Baseline Solution
A combination of configuration, enhancements and extensions designated as the starting point for all Federal agency implementations of the Core FS (also may be referred to as “common code base”)

Collaboration
- Agencies
- FSSPs
- Vendors
- Consultants
- FMSC
- Other LOBs & QSMOs

Core FS

Agency Additional Configuration, Enhancements and/or Extensions

Baseline Solution
- Standard Accounting Code Structure & Reference Data
- Standard FM Controls & Key Information Exchanges
- Standard FM Reports
- Budget Levels & Structure
- Standard Posting Logic
- Standard FM Roles

Will create

Collaboration
- Agencies
- FSSPs
- Vendors
- Consultants
- FMSC
- Other LOBs & QSMOs
Interfaces between mixed systems have been identified as an area of duplication and an opportunity for standardization across the government.

- Standard business information exchanges across all mixed systems.
- Shared Mixed Systems chosen as proposed priorities:
  - Grants – Grants QSMO solutions
  - HR & Payroll – HR QSMO solutions
  - Travel – ETS2 solutions
  - Payment Management – Invoice Payment Platform, G-invoicing, SmartPay3 solutions, System for Award Management (SAM)
  - Acquisitions – Contract writing

*Data standards will be developed to be system agnostic.

FIT, in collaboration with the FMSC and FM QSMO, has a project underway to standardize certain business information exchanges that are common across many mixed systems.
Journey to Core FS

FY 2020
- Jul 2020 – Jun 2021: Customer Experience Engagement (CxEE) Session “Kick-off” & Engage w/ other Lines of Business
- Jan 2021: RFI Results Received

FY 2021
- Dec 2020: RFI Issued
- Jan 2021: Agency CX / HCD Workshops
- Apr 2021: Solicitation “Draft” posted with draft specifications for baseline-compliant Core FS
- May 2021: Industry & Customer Day
- Jul 2021: Marketplace Solicitation “Final” issued with Baseline “Final v1.0”

FY 2022
- Jul 2021: Marketplace Solicitation “Final” issued with Baseline “Final v1.0”
- Oct 2021: Vendors propose baseline-compliant Core FS solutions including demonstrations

FY 2023
- Nov 2022: Baseline-compliant MVP Core FS solutions ready for agency adoption.
- Aug - Nov 2022: Providers bring selected Core FS solutions to Marketplace for validation
- Jul 2022: Award of FM QSMO Marketplace BPAs

Because we are agile and iterative, continuous engagement with agencies and industry will occur throughout the process.

= Key milestone or activity
The FM QSMO conducted a data call to agencies in May 2020 requesting information on existing core financial systems. The results of that data call is summarized below:

- Government-wide FM System Summary (not inclusive of DoD):
  - 53 installations are owned and operated by agencies
  - 65% reach maturity by 2025
  - 57% are hosted on-premises by agencies

- FM QSMO compiled profiles for each CFO Act agency to summarize data points for each installation including:
  - FS Provider
  - FS Product Name
  - FS Product Version
  - FS Product De-Support Date
  - Agency De-Support Date
  - Hosting Environment
  - Hosting Provider
  - Financial System User Count

- In the coming months, the FM QSMO will validate and refine data, and learn about financial system modernization plans so that we can provide support, share information about the Marketplace timeline and ensure the Marketplace will meet agency needs.

Of the 53 installations:
- 25 (47%) are Oracle
- 48 (90%) are Oracle, CGI, and SAP
FM QSMO conducted the first phase of customer engagement workshops in 2020, with representation from CFO Act Agencies and others. Key learnings from participants included the following:

**Customer Needs**
Customer needs must drive system functionality

**Standardization**
Customers support standardization

**Balance Standards with Needs**
FM QSMO must balance standards with agency-specific needs

**Critical Success Factors**
Subject matter expertise, training, communications and resources are critical to success

**Delivery Value in Overseeing and Streamlining**
FM QSMO should deliver value in overseeing and streamlining the system modernization / service delivery process, by providing consultative support

**FM QSMO & Customer Roles**
FM QSMO should provide structure and support, but customer agencies want to retain responsibility and ownership

**Advocate Solutions**
FM QSMO should advocate with providers for standardized, responsive, economical solutions

**Communicate and Coordinate**
FM QSMO should strategically communicate and coordinate new government-wide requirements (e.g., DATA Act, G-Invoicing, Unique Entity ID) with vendors
Workshops resumed in January 2021 to engage agencies to obtain input on the FM QSMO Marketplace. Workshops will continue through June. Planned areas of focus and outcomes include the following:

- **Core FS and FM Capability Framework Development**
  - Identify boundaries and capabilities of the Baseline and Agency Solutions
  - Reach agreement on Standardized Accounting Code Structure (including standard values)
  - Reach agreement on standardized interfaces (Business Information Exchange)

- **Technical Capabilities**
  - Define IT security and Financial System infrastructure

- **Marketplace Acquisition**
  - In collaboration with GSA, define the ideal acquisition experience when obtaining FM QSMO services and solutions

- **Marketplace Validation**
  - Gain feedback and input on the FM QSMO Marketplace Operating Model, Catalog, and Roadmap
  - Validate Performance Measures
## Upcoming Partnership Opportunities

Treasury needs agencies and industry as partners to help build the FM QSMO Marketplace:

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<th>Agencies</th>
<th>Industry</th>
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| ✓ Participate in Workshops  
  • Core FS (Jan, Feb)  
  • Marketplace (Feb, Mar)  
 ✓ Share how the FM QSMO Marketplace can best support agency financial system modernization planning activities  
 ✓ Contact us to help you connect with other agencies to share insights and lessons learned | ✓ Review the RFI to understand the initial draft of the Marketplace vision, scope and description of proposed solutions and services  
 ✓ Review “Draft” RFP that contains baseline capabilities  
 ✓ Participate in Industry/Customer Day  
 ✓ Respond to “Final” RFP  
 ✓ Provide Core FS with embedded baseline capabilities (in a PaaS / SaaS model) |
Contact Us

Email the FM QSMO at FMQSMO@fiscal.treasury.gov or
Visit us at www.fiscal.treasury.gov/fmqsmo
Appendix
Beginning over two years ago, a series of important events and policy actions have taken place for the Department of Treasury to start building out its core services in October.

**March 2018**
PMA Establishes CAP Goal 5 “Sharing Quality Services”

**April 2019**
Agency QSMOs Pre-Designated as part of OMB’s M-19-16 Memo and approach to shared services

**September 2019**
FM QSMO creates its 5-year implementation plan that details how FM QSMO will support agencies and FSSPs

**August 2020**
FM QSMO begins agency workshops to develop Marketplace Deliverables and Core FS Baseline Solution

**December 2020**
FM QSMO issues RFI to gather input from industry on the solutions, services and operating model envisioned for the FM QSMO Marketplace

**April 2018**
Treasury outlines its 10-year vision, publishing *The Future of Financial Management*

**May 2019**
24 CFO Act Agencies appoint executive accountable to coordinate actions and support adoption of common services

**June 2020**
Department of Treasury receives formal Designation as FM QSMO by OMB.

**September 2020**
Department of Treasury begins developing the Core FS and Baseline Solution
Implementation Plan

Analysis
FM QSMO will engage with stakeholders to understand needs and software capabilities
- System Profiles
- Service Catalog
- Government-wide Adoption Roadmap
- Acquisition Plan
- FSSP & Agency Plans

Solution Design
FM QSMO and stakeholders will design the Marketplace
- Core FS Specifications
- Operating Model
- Acquisition Package

Marketplace Available
FM QSMO Marketplace solutions are available to agencies to use or to begin migration planning
- Core FS
- FM Services & Solutions

Implementation
FM QSMO will work with agencies to support Marketplace use and moves to Core FS
- Core FS Validation
- M3 Planning
- Marketplace Performance Monitoring

Customer focus drives success

FY 2020

FY 2021

FY 2022

FY 2023
Supporting Agencies and FSSPs

Agencies: Modernization Efforts
The FM QSMO is supporting current agency efforts to modernize legacy core financial systems and address critical needs. This includes ensuring that FM standards are embedded in the new solutions.

Financial Systems Modernization (FSM) Program

Business Application Solution (BAS) Project
Awarded contract to implement an integrated solution suite across the department in a cloud-hosted environment.

New Core Financial Management System
Procured O&M support for legacy core FS and business processing support for accounting operations.

Modernization Initiatives
Projects to migrate legacy core FS, the Consolidated Business Information System (CBIS) to DOT’s Enterprise Service Center (ESC) and modernize trust fund accounting with Treasury’s ARC.

FSSPs: Joint Business Cases
As part of its designation and according to guidance in OMB FY 2021 Passback, existing federal financial management shared services providers (FSSPs) were required to work with Treasury to identify a longer-term path to modernization and develop plans to be approved by the agency’s Deputy Secretary, coordinated with the QSMO, and submitted to OMB by September 30, 2020.