

Financial Management Line of Business Center of Excellence (COE) Due Diligence Checklist

Version 1.0
December 2004

Part I: Background Information

Please limit responses to 100 words or less in this section. If necessary, include reference or additional materials in the form of an attachment. However, responses as provided in the Comments field should be no more than 100 words and should directly address the topic area.

| | | |
|--|--|-----------------|
| Project/Service Name | | |
| Unique Project Identifier (UPI) (Government only) | | |
| Agency/Vendor | | |
| | Required Information / Instructions | Comments |
| Software Package | Provide Vendor, Product, Version | |
| Production Initiation Date | Provide the date the system becomes (or became) operational | |
| Modules/Services Offered | List the modules and services you offer (e.g., modules other than core FM, transaction processing services, Federal payroll providers you interface to). Where possible, relate these modules to components in the Framework for Federal Financial Management Systems. | |
| External Customers | Provide information on existing customers to demonstrate capabilities. Include indicators of size, such as budget/revenue, approximate number of employees, number of named and/or concurrent users. | |
| Unique Customer Needs | Describe your ability and approach for handling customization and change requests | |
| Transaction Volume | Provide historical data on transaction processing capabilities including volume and dollar amount | |
| Audit Opinion | Have financial statements generated from this system received an unqualified audit opinion? What is the timeframe in which financial statements/reports are generated? | |
| Quality Assurance | Describe your Quality Assurance processes (e.g., Capability Maturity Model certification/date) | |
| Service Quality Metrics | Provide currently available service quality metrics (OMB is leading an effort to develop standard metrics) | |
| Change Management | Provide details regarding change management processes (i.e., how will new requirements be incorporated into the solution) | |

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Additional Background Information for Government-Run COEs

| | | |
|--|---|-----------------|
| Project/Service Name | | |
| Unique Project Identifier (UPI) (Government only) | | |
| Agency/Vendor | | |
| | Required Information / Instructions | Comments |
| Internal Customers | Describe the services you provide to internal customers with appropriate metrics (e.g., bureaus, budgets, users) | |
| FY06 Development, Modernization & Enhancement (DME) Cost | Provide the FY06 DME costs for this initiative | |
| FY06 Steady State (SS) Cost | Provide the FY06 SS costs for this initiative, categorized if appropriate | |
| FY07 & Beyond DME Cost | Provide forecast FY07 & Beyond DME costs for this initiative, by year | |
| FY07 & Beyond SS Cost | Provide forecast FY07 & Beyond SS costs for this initiative, by year | |
| Business Operating Model (Customer perspective) | Briefly describe your business model from the customers' perspective, (franchise vs. WCF, partner vs. seller/buyer governance, etc.). | |
| Transaction Costs | Provide currently available cost metrics (OMB is leading an effort to develop standard metrics) | |
| Service Provision Model (Supplier perspective) | Describe your means of providing and managing the provision of services, including services provided by government staff vs. those contracted out, contracting method (fixed-price vs. time/materials), contract incentives, government vs. commercial hosting, use and scope of Independent Verification and Validation (IV&V), program management structure, etc. | |

Additional Background Information for Private-Sector COEs

| | | |
|--|--|-----------------|
| Project/Service Name | | |
| Unique Project Identifier (UPI) (Government only) | N/A | |
| Agency/Vendor | | |
| | Required Information / Instructions | Comments |
| Corporate Stability | Provide information regarding the financial health and stability of the COE (e.g., assets, outstanding debt, cash balance, financial backing) | |
| Pricing Model | Describe pricing models offered (e.g., pricing per user, per transaction, on a subscription basis). What is the minimum term-of-service required for COE customers? | |
| Corporate Structure | Provide details on corporate structure to include all partners involved in the solution (e.g., hosting providers, managed service providers, software application vendors, system integrators) | |

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Part II: Screening Questions

A response of "no" to any of the following screening questions will automatically disqualify the candidate from being approved as a COE candidate. Please limit comments to 100 words or less in this section. If necessary, include reference or additional materials in the form of an attachment. However, responses as provided in the Comments field should be no more than 100 words and should directly address the topic area.

| Project/Service Name | | | |
|---|--|---|----------|
| Unique Project Identifier (UPI) (Government only) | | | |
| Agency/Vendor | | | |
| # | Evaluation Area | Rating | Comments |
| 1 | Does the COE provide the following Financial Management Federal Enterprise Architecture (FEA) Sub-functions: <ul style="list-style-type: none"> ▪ Accounting ▪ Budget and Finance ▪ Payment ▪ Collections and Receivables ▪ Asset and Liability Management ▪ Reporting and Information | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 2 | Have previous migration activities (i.e., new customers) included the migration of data? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 3 | Does the COE align with the FEA? Provide demonstration of this alignment via appropriate artifacts (e.g., reference models, EA assessments) | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 4 | Does the COE support integration to the FM-related E-Gov Initiatives including E-Travel, Integrated Acquisition Environment (IAE), and E-Payroll? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 5 | Has the COE undergone a Federal Information Security Management Act (FISMA) review within the last 12 months without identification of significant deficiencies, and are recurring annual reviews planned? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 6 | Has the COE been Certified and Accredited (C&A) within the last 3 years? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 7 | Does the COE have a performance measurement methodology in place with performance metrics? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 8 | Has the COE implemented a Federally-certified commercial off-the-shelf (COTS) solution in a production environment? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 9 | Does the system have a Continuity of Operations Plan (COOP) and has successful Disaster Recovery Testing been performed? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 10 | Has the system undergone a SAS-70 audit with favorable results? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 11 | Does the COE have a cost accounting methodology that fairly allocates all costs (fixed and marginal) to internal and external customers? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 12 | Does the COE utilize onshore facilities and resources only? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

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| # | Evaluation Area | Rating | Comments |
| 13 | Does the COE provide a formal incident response capability? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 14 | Does the COE perform periodic testing and evaluation of information security controls? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 15 | Does the COE have an appointed information systems security officer? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 16 | Is the COE's contingency planning coordinated with the agency or agencies using its services? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |
| 17 | Does the COE have in place an interconnection security agreement and a Memoranda of Understanding in accordance with NIST SP800-47? | <input type="checkbox"/> Yes <input type="checkbox"/> No | |

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Part III: Due Diligence Checklist

Please limit comments to 100 words or less in this section. If necessary, include reference or additional materials in the form of an attachment. However, responses as provided in the Comments field should be no more than 100 words and should directly address the topic area.

| Project/Service Name | | | | | | |
|--|--------------------------|---|-----------|------|----------------|----------|
| Unique Project Identifier (UPI) (Government only) | | | | | | |
| Agency/Vendor | | | | | | |
| No. | Criteria | Rating | Raw Score | Tier | Weighted Score | Comments |
| 1 | Value-Added Modules | <p><i>(where multiple products used – address for each product)</i></p> <p><input type="checkbox"/> High (5): Currently offers two or more existing value-added modules (functions aligned with the Lines of Business (LoB) beyond core functions identified in the screening section (e.g., asset management, procurement system integration, budget formulation, data warehousing/analytics))</p> <p><input type="checkbox"/> Med (3): Currently offers a single existing value-added module</p> <p><input type="checkbox"/> Low (1): Planning to offer additional value-added modules</p> <p><input type="checkbox"/> None (0): No plans for value-added modules</p> | | B | | |
| 2 | Business Process Support | <p><input type="checkbox"/> Yes (5): COE offers business process (transaction processing) support in addition to information technology (IT) support</p> <p><input type="checkbox"/> No (0): No business process support strategy</p> | | B | | |
| 3 | Implementation Services | <p><input type="checkbox"/> High (5): COE provides implementation services and allows customers to select system integrators to provide implementation services (list integrators)</p> <p><input type="checkbox"/> Med (3): COE does not provide implementation services but is partnered with systems integrators to provide implementation services (list integrators)</p> <p><input type="checkbox"/> Low (1): None of the above</p> | | B | | |

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| Unique Project Identifier (UPI) (Government only) | | | | | | |
| Agency/Vendor | | | | | | |
| No. | Criteria | Rating | Raw Score | Tier | Weighted Score | Comments |
| 4 | Data Migration Experience | <input type="checkbox"/> High (5): Performed multiple data migrations and has repeatable processes <input type="checkbox"/> Med (3): Performed multiple data migrations with no repeatable processes <input type="checkbox"/> Low (1): Performed a single data migration | | B | | |
| 5 | Data Cleansing Experience | <input type="checkbox"/> Yes (5): Demonstrates experience conducting data cleansing <input type="checkbox"/> No (0): No demonstrate experience conducting data cleansing | | B | | |
| 6 | Services Provision Experience | <input type="checkbox"/> High (5): Multiple years of experience providing service to 10 or more customers (For government agencies, cross-servicing 10 or more external customers) <input type="checkbox"/> Med (3): Limited experience providing service (For government agencies, cross-servicing external customers) <input type="checkbox"/> Low (1): Experience providing service to internal customers <input type="checkbox"/> None (0): None of the above | | A | | |
| 7 | Transition Management | <input type="checkbox"/> High (5): Demonstrates past success in providing transition management services (e.g., training, migration planning, change management, sequencing) <input type="checkbox"/> Med (2): Has detailed plan to provide transition management services <input type="checkbox"/> No (0): No transition management services planned | | A | | |
| 8 | Service Level Agreements (SLA) Past Performance | <input type="checkbox"/> Yes (5): Demonstrates past success in establishing and maintaining SLA with specific performance metrics <input type="checkbox"/> No (0): No prior experience establishing SLAs with specific performance metrics | | A | | |

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| Agency/Vendor | | | | | | |
| No. | Criteria | Rating | Raw Score | Tier | Weighted Score | Comments |
| 9 | Security and Privacy Standards | <input type="checkbox"/> Yes (5): Demonstrates a history of compliance, up-to-date security plan in place that meets requirements of FISMA, OMB policy, NIST Guidance, and privacy impact assessments completed <input type="checkbox"/> No (0): Outlines plan to develop security plan and conduct PIAs as well as provides dates for completion | | A | | |
| 10 | Configuration | <input type="checkbox"/> High (5): COE has ability to provide separate physical instances of the solution for customers <input type="checkbox"/> Low (0): COE does not have ability to provide separate physical instances of the solution for customers | | A | | |
| 11 | Performance Measures | <input type="checkbox"/> High (5): Performance metrics in place with actual measures against the baseline <input type="checkbox"/> Med (3): Performance metrics in place but no actual measures against the baseline <input type="checkbox"/> Low (0): None of the above | | A | | |
| 12 | Scalability | <input type="checkbox"/> High (5): Demonstrates ability to support increasing transaction volumes consistent with business model <input type="checkbox"/> Low (2): Provides a high level strategy for supporting increased transaction volumes consistent with business model <input type="checkbox"/> None (0): No provision for increased transaction volumes | | A | | |
| 13 | Customer Service Satisfaction | <input type="checkbox"/> High (5): Demonstrates high level of customer service satisfaction with performance history <input type="checkbox"/> Med (3): Demonstrates measurement of customer satisfaction <input type="checkbox"/> Low (0): No measurements of customer satisfaction | | A | | |

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| Agency/Vendor | | | | | | |
| No. | Criteria | Rating | Raw Score | Tier | Weighted Score | Comments |
| 14 | Core Solution Strategy | <input type="checkbox"/> High (5): Proposes the reuse of a single existing FM system <input type="checkbox"/> Med (3): Proposes the reuse of multiple existing systems to create an integrated FM COE solution <input type="checkbox"/> Low (1): Proposes the use of a new implementation | | B | | |
| 15 | Cross-LoB Support | <input type="checkbox"/> High (5): Demonstrates existing integration with other LoB service centers <input type="checkbox"/> Med (2): Detailed strategy for integrating with other LoB service centers <input type="checkbox"/> None (0): No cross LoB support indicated | | B | | |
| 16 | System Availability/Uptime | <input type="checkbox"/> High (5): Demonstrates system uptime greater than or equal to 99.9% <input type="checkbox"/> Med (3): Demonstrates system uptime greater than or equal to 99.5% <input type="checkbox"/> No (0): Demonstrates system uptime less than 99.5% | | B | | |
| 17 | Monthly Close Time | <input type="checkbox"/> High (5): Monthly close time is less than or equal to 3 days <input type="checkbox"/> Med (3): Monthly close time is 3 to 5 days <input type="checkbox"/> Low (1): Monthly close time is 5 to 7 days <input type="checkbox"/> No (0): Monthly close time is greater than 7 days | | B | | |
| Totals: | | | Raw Score (75 Potential Points) | | Weighted Score | |
| Additional comments: | | | | | | |

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Notes

1. Questions are separated into two tiers ("A" and "B") based on their importance in assessing a COE candidate's viability. Responses are weighted so that Tier A questions, in the aggregate, comprise two-thirds of the total weighted score. Tier B questions comprise one-third of the total weighted score.
2. Although this checklist is worded for evaluating existing centers, it may be applied to new center investment proposals by assuming modification to the tense of the requirements. For example, "Has the COE been Certified and Accredited within the last 3 years?" can be read as, "Does the proposal provide a credible plan for Certification and Accreditation?"