

**FSA Modernization Partner Program
Monthly Management Services Summary
For the Month of July 2002**

August 10, 2002

81.1.3h - PROGRAM MANAGEMENT SERVICES SUMMARY



TABLE OF CONTENTS

I. INTRODUCTION 3

II. PROJECT COMPLETIONS/IMPLEMENTATIONS FOR THIS REPORTING PERIOD..... 4

III. VALUE POINTS 5

IV. MAJOR PROJECT MILESTONES..... 7

V. RISKS AND ISSUES..... 9

VI. TASK ORDER STATUS REPORT SUMMARY 11

VII. APPENDIX: TASK ORDER STATUS SUMMARY

VIII. APPENDIX: DELIVERABLES IN PROGRESS OVER 30 DAYS LATE

IX. APPENDIX: DELIVERABLES IN REVIEW OVER 30 DAYS



I. INTRODUCTION

This report covers the month of July 2002 and includes the following:

- Information on overall project completions/implementations for this reporting period.
- Major milestones achieved during the month.
- Program level risks and issues.
- Monthly scorecards.
- Significantly late deliverables.

This report format is the result of a collaborative effort between FSA and Modernization Partner executives to improve the information provided to FSA Executives. We will continue to refine these monthly summaries to improve their usefulness and value. Please provide any suggestions regarding these reports to the FSA Modernization Partner Program Manager (eric.l.stackman@accenture.com or 202-962-0624).



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II. PROJECT COMPLETIONS/IMPLEMENTATIONS FOR THIS REPORTING PERIOD

This section reports on the completion or implementation of Modernization Partner projects.

CFO

- Completed reconciliation of September 30, 2001 ending balance for all GA's using FSA FMS Form 2000 detailed activity and Form 2000 Quarterly report (MR-32-P and MR-32-I). Compared September 30, 2001 ending balances to Ernst and Young final balances.

STUDENTS

- Implemented Internet billing with Checkfree and processed first set of Checkfree electronic payments for Direct Loan eServicing.
- Completed the Loan Servicing and Loan Consolidation blackbelts and began the review of the deliverables.
- Continued Release 1 "One Number for Students" Pilot (10% call volume) in the production environment. This pilot begins deployment of the capabilities needed to satisfy FSA's "One Number for Students" objective from the FY02 Performance Plan. Full implementation of the release is on hold until a decision is made by FSA on whether to proceed with the SIS Deal.

III. VALUE POINTS

This section reports value delivered above and beyond anticipated activities.

CIO

- The Enterprise Application Integration team continued to provide support to Common Origination and Disbursement (COD) Release 1.1 for school testing, user acceptance testing and inter-system testing.
- Presented an Integrated Technical Architecture overview at the Senior Leadership Meeting in July.

CFO

- Lender Payment Process Redesign team members participated in the NCHELP Summer Conference in Buffalo, NY from July 14-17, 2002.

SCHOOLS

- Identified FSA business process and workforce adaptations required to support the Electronic Audited Financial Statements system.
- Participated at the NASFAA conference in New Orleans and presented information on COD.
- SAIG completed capacity forecast for upcoming peak processing season on July 19th.

WORKFORCE ALIGNMENT

- Facilitated the development of the agenda and content for the Financial Partners' All Hands meeting which focused on performance management
- Facilitated & participated in HR Director's meeting with CFO to present CFO "Revitalization Plan."
- Developed new performance planning approach for creating Division Performance Objective, Division Director Performance Standards and job aids to support managers in cascading these objectives down to the employee level when developing job specific standards in the Department of Education's GPAS individual performance plan.
- Facilitated a dialogue between FSA HR and Students regarding Collections area to discuss business needs and potential organizational implications.

FINANCIAL PARTNERS

- The Lender Redesign Road Map, Lender Application Process Production Readiness Review, LaRS Technical Designs, and LaRS Development deliverables were delivered to FSA, and accepted without changes.
- LaRS System Testing continued on schedule. LaRS/Accounts Receivable Integration Testing began on 7/15. User Acceptance Testing scripts were developed, and are currently being finalized. User Acceptance Testing will begin on 8/12.
- LAP/LaRS training preparations continued. The External User Guide was reviewed, and the online training scenarios were developed. The train-the-trainer session is scheduled for 8/7, and the regional training sessions are scheduled for Dallas on 8/13, Chicago on 8/15, New York on 8/20, and San Francisco on 9/4.
- FMS caught up with the backlog of files and is now current on all programs.



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IV. MAJOR PROJECT MILESTONES

This section presents Modernization Partner's significant accomplishments on a Channel-by-Channel basis. These milestones may include the completion of a project phase or the acceptance of a major deliverable in line with the project's workplan.

SCHOOLS

- Completed the Definition phase (Preliminary and Functional Designs) for Electronic Audited Financial Statements release 1.0, scheduled for January 31, 2003. The FSA SLC (formerly known as the SDLC) methodology, defines Detailed Tech Design as the first step in the SLC's "Build/Construct" stage of a project. eZ-Audit has completed the Definition phase - which is the requirements definition and preliminary design segments.
- Completed the thirteenth-week of COD production and continued with Post Implementation Verification (PIV). PIV is 75% complete for Release 1.0 and 37% complete for Release 1.1.
- Closed the requirements gathering effort for COD Release 2.0, school year 2003-2004 on July 13, 2002, and delivered to FSA for review.
- Held a COD Release 2.0 planning session on July 24, 2002 to review the outstanding functionality for school year 2002-2003. Monthly releases of remaining functionality were identified through December 2002.
- Rolled out the SAIG dashboard to all application teams in July.
- Completed the testing of SAIG release 1.1.

STUDENTS

- Sent a total of 738,000 emails to Direct Loan borrowers soliciting them to use EBPP/EC as part of eServicing.
- Included over 775,000 solicitations for EBPP/EC in Direct Loan bills during month of July.
- Submitted request for Authority to Proceed on Consistent Answers for Customers (TO77, WO5, Mod 01, Rev 02) request to FSA on 7/19/2002.
- Incorporated FSA comments into Consistent Answers Technical and Price Proposals delivered to FSA on 6/23/2002.
- Continued monitoring Release 1 "One Number for Students" Pilot (10% call volume) in production.
- Revised Release 1 implementation plan for CRM4FSA.
- Continued Release 2 Telephony and Desktop Detail Designs for CRM4FSA.

WORKFORCE ALIGNMENT

- The FSA's Human Capital Operating Model and Human Capital Implementation Strategy was accepted by FSA.
- Completed and delivered a Training Processes Summary, describing the results of training services provided to FSA University during July 2002. This document addresses potential improvements to FSA University's training services, processes and systems.
- Completed final revisions of training process materials and delivered to FSAU communications for branding.
- Facilitated the development of CIO core offerings and services to better reflect their more customer-centric service model.
- Developed a detailed process flow for FSA University Homeroom concept and how it incorporates into their "big picture".
- Developed FSA's Human Capital Operating model and the human capital implementation strategy. Priorities for action will be confirmed with Director of HR, FSA.
- Supported chief of Staff, Schools, in creating performance goals aligned with the Department of Education's Strategic Plan.



CFO

- March, April, May and June IF010 files, which support direct loan servicing, have been posted at FSA and OCFO. July data is on target for posting and month-end close. Data transfer between FSA and the Department continues for all other programs and is current through June.

CIO

- Completed Definition Phase for NSLDS II including Preliminary Design and Fetch Strategy.
- Completed the upgrade of the Informatica software from v1.7 to v5.1.2 on July 15, 2002 to support the Financial Partners, Credit Management and Delinquency Loan Data Marts.
- Completed DLSS performance testing.
- Installed and configured application components for FAFSA, by the Integrated Technical Architecture team.

V. RISKS AND ISSUES

This section reports the issues and risks that are currently causing or could potentially cause a very significant impact on the Modernization Partner Program's goals.

Area	CIO Tech Arch- EAI
Description	DLSS was unable to communicate with the EAI Bus via MQSeries (EAI Messaging Product). The DLSS OpenVMS system returned TCP/IP errors when the MQSeries listener attempted to start.
Impact	MQSeries channels between the OpenVMS system and bus servers are unable to communicate, thus data transfer via MQSeries is disabled.
Assistance Requested from FSA	N/A.
Proposed Solution/Mitigation Strategy	Currently we are manually FTP'ing files between DLSS and its Trading Partner Systems as a short term solution.
Progress/Resolution	The TCP/IP problem on the Hewlett Packard Open VMS system was resolved with multiple work-arounds provided by HP tech support. In addition, on 7/31/02 the DLSS queue manager was deleted and re-created. The EAI team is currently evaluating the functionality on the DLSS system with the intent to replace the manual FTP intervention with functionality enabled by Data Integrator.

Area	CIO Tech Arch- ITA
Description	The VDC is unable to provide round trip access to the internet for the FAFSA 7.0 performance test boxes at Meriden.
Impact	Unable to verify the ISP will be able to handle FAFSA peak throughput.
Assistance Requested from FSA	Spoke with Ganesh Reddy and he assured the ITA team that a solution would be found.
Proposed Solution/Mitigation Strategy	Moving the servers to another CSC location such as Newark may be a possibility. POC is Dave Lass. Issue must be addressed by August 21 st .
Progress/Resolution	Met with CSC 8/9/02 and agreed that we did indeed have an issue. CSC is pulling together options for moving the load generating hardware to other locations including Newark. A meeting will occur early next week to solidify the available options and setup required implementation dates.

Area	EServicing
Description	Implementation delays in EBPP/EC have resulted in a variance from the projected benefits stream.
Impact	FSA is not achieving savings at the rate projected in the business case.
Assistance Requested from FSA	Assistance in defining a way for FSA to recognize the originally planned savings in the business case.
Proposed Solution/Mitigation Strategy	Potential solutions must be explored by a focused, small group within the channel and the mod partner.
Progress/Resolution	TBD



Area	Consistent Answers for Customers
Description	On 7/25, the Consistent Answers team received a “Stop Work Order” for “all activities associated with current Consistent Answer efforts”. Accenture contracts has instructed the team that this is a holding action while FSA decides how to proceed. To comply with this request, the team is currently finalizing and closing out deliverables that were in process. The team expects to get further direction after FSA meets with Deputy Sec. Hansen on 8/16. Release 1 implementation is still in pilot (Release 1 implementation is TBD).
Impact	The stop work order may require the team to revise the current sequencing plan and delivery schedule. It may also delay the realization of savings as outlined in the business case.
Assistance Requested from FSA	We continue to work with leaders in the Students and Schools Channel to stay informed of developments in compliance with Consistent Answers’ stop work order.
Proposed Solution/ Mitigation Strategy	Under Development.
Progress/ Resolution	Under Development.

Area	FARS Retirement
Description	The delay in retiring FARS has delayed the start of the savings period of the deal and potentially reduced the overall savings. At the same time, FSA has requested to extend the Mod Partner transition period of CMDM as they identify and bring on the Operating Partners.
Impact	<ul style="list-style-type: none"> The delay in retiring FARS has delayed the savings period of the deal and potentially reduced the overall savings achievable.
Assistance Requested from FSA	<ul style="list-style-type: none"> Continue support from CFO Accounting to reconcile and close each month on FMS as quickly as possible Continue to complete FARS/mainframe retirement tasks as quickly as possible. Define ongoing support needs of the CMDM
Proposed Solution/ Mitigation Strategy	<ul style="list-style-type: none"> Working with FSA CFO to determine FMS reconciliation and closing schedule. Mod Partner is preparing a proposal for a separate TO to extend the transition period of CMDM through December 2002.
Progress/ Resolution	<ul style="list-style-type: none"> FMS and CMDM are tracking to joint schedule in order to expedite satisfying retirement criteria Accounting division focused on required reconciliation effort

VI. TASK ORDER STATUS REPORT SUMMARY

This section presents an extract of all “Red” assessed criteria. The extract is taken from the Bi-Weekly Task Order Status Reports. (See Appendix VII for the more information on the Bi-Weekly Task Order Status Reports.)

Task Order	Assessment Criteria	Assessment	Comments
TO 94 – NSLDS Reengineering	Yellow	Overall	Completed final two deliverables for the Definition Phase – the Preliminary Design and the Fetch Strategy Update. Kicked-off detailed design phase. Moved forward with “try and buy” arrangement with IBM for the development environment. Yellow Flag Issue: IRB approved funding (\$2.6M) is \$250K less than funds obligated under the TO (\$2.35M). As of 8/8 we believe that this issue will be resolved by 8/12.