GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Office of Management and Administration
Office of Contracts

January 11, 2023

Transmitted Via E-mail

Amy E. Tener, Managing Director
Deloitte Consulting LLP
555 12th Street NW
Washington, DC 20004

Subject: NOTICE OF PEFORMANCE DEFICIENCIES
Contract No. CFOPD-19-C-001 (DIFS Implementation)

Dear Ms. Tener:

The DIFS system went live on October 2022, however the District is still in a period of stabilizing the system and identifying and documenting the problems and challenges of the system while addressing concerns raised by the user community as they begin working in the new system. It is imperative that the implementation be successful, and the users have a system that is reliable.

At this point, the District is far from reaching the level of stability needed to consider the system fully operational and functioning as expected. The District requires Deloitte to continue to partner with us to resolve the deficiencies as described in Attachment A. The District has determined that it will be necessary for the Hypercare period in the contract to continue beyond January 2023 to remediate the issues found to date as well as those that may be identified as the District continues utilizing the system.

The District's primary area of concern at this time is Procure-to-Pay, but we expect that drawdowns for grants, accounting, and other areas which have not yet been extensively used or validated could also present challenges as we move into the second quarter and beyond. The District believes our mutual goal should be to conduct a comprehensive review of the system to determine which components need to be redesigned/rewritten/reconfigured and where enhancements are needed to ensure a fully functional and operational enterprise system that meets current needs and can be easily maintained/enhanced in the future. Along with the stabilization of the Phase 1 implementation, another critical requirement of the new financial system is the District's ability to generate an accurate Fiscal Year (FY) 2023 Annual Financial Report by the deadline. The expectation is that Deloitte's implementation team will ensure that the annual report is built, tested, and implemented timely to meet the District's requirements.

Additionally, the team members shall be available to promptly resolve any issues encountered after the implementation and ensure stabilization to meet the FY2023 deadline.

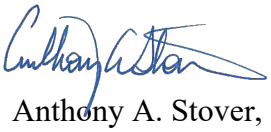
Many of the deficiencies as listed in Attachment A are surprising to the District, as they suggest inadequate capture of the business requirements and/or insufficient testing during sprints, SIT and UAT coupled with inadequate or incomplete integration testing and validation prior to go-live. While the primary focus documented in Attachment A is on system issues, the District has also noted that the daily call and ticket volumes continue to show that ongoing training and handholding are still needed. Continued communication on how to perform basic functions remains a priority to encourage adoption of the system by users. The recently conducted Pulse Check Survey identified the following five areas where training is needed: 1) Reports; 2) P2P: P-Card, Travel, and Invoicing; 3) Projects & Awards; 4) Interagency; and 5) Journal Entry. The District staff continue to express their need for assistance. While 81% of the program staff who responded to the survey have attended one or more of the community channels for help, only 37% of them were satisfied with their experience using the Go-Live Support Community channels.

In addition to extending the Hypercare period, the District expects Deloitte to fully retain all key personnel and other project resources needed to appropriately and satisfactorily address and remediate all deficiencies, commencing with but not limited to those identified in Attachment A. As specified in Section H.17 of the contract, only the Contracting Officer is authorized to direct substitution for the named resources identified as key personnel.

The District requests that upon review of the deficiencies in Attachment A that Deloitte provide a plan on how it proposes to remedy the noted deficiencies as well as ensure that the system complies fully with the requirements as described in the contract and in your technical proposal. Please provide your response by COB Wednesday, January 25, 2023. Upon acceptance of a correction plan, a weekly status update on Performance Deficiencies is required with the COTR, Jim Snight.

Thank you for your prompt attention to this matter. If you have any questions, please contact me at anthony.stover@dc.gov or (202) 442-7122.

Regards,



Anthony A. Stover, CPPO
Contracting Officer

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