

KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

October 8, 2002

Motion 11549

Proposed No. 2002-0209.2

Sponsors Constantine

1 A MOTION accepting the county executive's plan for
2 conducting a quantified business case analysis of the
3 financial systems replacement project and the scope,
4 schedule and budget for the expenditure of the funds.

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BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

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WHEREAS, in order for an enterprise project to be successful a project must have
9 a clear business vision that is closely aligned with the county's short- and long-term
10 goals, and

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WHEREAS, the county council clearly supports the development of a vision for
12 common business practices as part of the business case project, and

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WHEREAS, the county executive submitted for council approval a plan for
14 conducting a business case analysis of the financial systems replacement project that
15 consists of one phase that will develop a vision, goals and roadblocks resolution
16 document and a second phase that will develop a quantifiable business case, and

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17 WHEREAS, the county executive estimated that the cost to develop a vision and
18 goals statement is estimated to cost \$20,000 and will not require consultant expertise, and

19 WHEREAS, the adopted 2002 King County budget, Ordinance 14265, Section
20 119, contained the following proviso related to the funding requested and appropriated
21 for the financial systems replacement project ("FSRP"):

22 "Of this appropriation, CIP Project 344190, FSRP business case analysis project,
23 \$450,000 shall only be expended following council approval by motion of: a plan for
24 FSRP restart; and the scope and schedule for the expenditure of the funds. The
25 documents must be filed with the council clerk. The original and 16 copies must be
26 delivered to the clerk, who will retain the original and will forward copies to each
27 councilmember and to the lead staff for the budget and fiscal management committee and
28 the utilities and technology committee, or their successors," and

29 WHEREAS, the county executive by letter a dated May 2, 2002, has submitted a
30 plan to conduct a quantified business case analysis of FSRP; and the scope and schedule
31 for the expenditure of the funds provided in the 2002 adopted King County budget, a
32 copy of which is attached to this motion;

33 NOW, THEREFORE, BE IT MOVED by the Council of King County:

34 The county executive's plan, scope, schedule and budget for developing a vision
35 and goals statement is hereby adopted.

36 Of the appropriation for CIP Project 344190, FSRP business case analysis project,
37 only \$20,000 shall be expended.

38 For the appropriation for CIP Project 344190, FSRP business case analysis
39 project, \$430,000 shall only be expended following council approval by motion of the
40 vision and goals statement.

41 AND BE IT FURTHER MOVED by the Council of King County:

42 The county executive's plan for conducting a quantified business case of financial
43 systems replacement shall include an analysis, with associated costs estimated, of the
44 capability to conduct analyses that distinguish between local and countywide revenues
45 and expenditures within the budgeting, human resources, payroll and financials business
46 areas.

47 AND BE IT FURTHER MOVED by the Council of King County:

48 The county executive's plan for conducting a quantified business case of financial
49 systems replacement shall include development of key performance measures to be
50 included in the King County Definition for Vision and Goals and Roadblocks Resolution

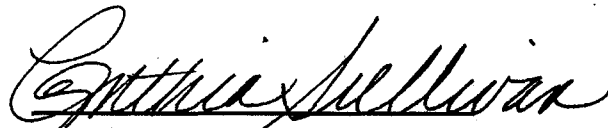
51 document. Performance measures shall include both outcomes and process measures that
52 would be used to judge whether future projects meet their vision and goals.

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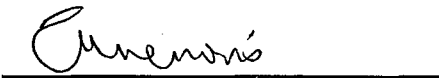
Motion 11549 was introduced on 9/3/2002 and passed as amended by the Metropolitan King County Council on 10/7/2002, by the following vote:

Yes: 12 - Ms. Sullivan, Ms. Edmonds, Mr. von Reichbauer, Ms. Lambert, Mr. Phillips, Mr. McKenna, Mr. Constantine, Mr. Pullen, Mr. Gossett, Ms. Hague, Mr. Irons and Ms. Patterson
No: 0
Excused: 1 - Mr. Pelz

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON


Cynthia Sullivan, Chair

ATTEST:



Anne Noris, Clerk of the Council

Attachments A. Financial Systems Replacement Project Preliminary Planning Work Plan, B. Business Case Analysis Scope of Work

Financial Systems Replacement Project Preliminary Planning Work Plan

Task: Define Goals, Identify Roadblocks, Draft Policies

Deliverable: King County Definition for Vision and Goals and Roadblocks Resolution document [referenced in the Business Case Analysis Scope of Work, section 2.3].

Approach:

1. Develop a vision and a set of goals to be accomplished by a new financial system.
2. Identify roadblocks to meeting the goals.
3. Develop resolution plan, including cost impact, implementation schedule, risks, and action plan for each identified roadblock.
4. Draft policies to support the resolution plans, to be transmitted to the Executive and/or County Council, as appropriate.

Schedule: this work must be completed to support the Evaluation phase per the schedule to be agreed upon with the consultant for the business case analysis project.

Activity Description	Estimated Required Time*
Develop Vision and Goals and Roadblocks	
I. Vision and Goals	4 weeks
Develop preliminary vision and goals	
Finalize vision and goals	
II. Identification of Roadblocks	1 week
Identify Roadblocks	
Develop action plans	
III. Execution of Roadblock Action Plans	8 weeks
Management	
Process and Procedures	
Business Practices	
Organization	
Technology	
Resources	
Policy	
Governance Review of Vision and Goals and Roadblocks	
TMB Review	Month following completion of Vision, Goals and Roadblocks
BMC Review	
Consultant Study For Quantifiable Business Case	10 weeks

Governance Review of Quantifiable Business Case

TMB Review
BMC Review
SAC Review

Month following
completion of
Quantifiable Business case

Executive Review of Potential Plan to Restart FSRP

2 weeks

**Executive Transmission of Proposed FSRP Restart Plan
to Council (if proposed)**

1 week

* NOTE: Estimated times are not all sequential. Some work elements will proceed concurrently with others

BUSINESS CASE ANALYSIS SCOPE OF WORK

Business Case For Recommended Business Operations Model for King County Financial Systems

Preface

The request for consulting services is to provide King County with a quantifiable business case for determining the justification for replacing or improving the County's existing financial operations model and array of financial systems.

1. Business Scope

The County expects the consultant to develop a recommended business operations model and business case that will support decisions on how the County should address replacement of existing financial and human resource systems (business operation and software application systems). The scope of this project covers four business areas: Human Resources (HR), Payroll, Financials, and Budget. Each business area covers business functions listed below. The scope includes the operations of all County agencies.

1.1. HR Business Area

Business functions

- Benefits
- Position Management and Control
- Human Resources
- Applicant Tracking
- Retirement Reporting
- Reporting

1.2. Payroll Business Area

Business functions

- Timekeeping
- Payroll Processes
- Reporting

1.3. Financials Business Area

Business functions

- General Ledger
- Project Accounting
- Purchasing
- Accounts Payable
- Accounts Receivable
- Inventory
- Order Entry
- Fixed Assets
- Grant Accounting
- Cash Management
- Labor Distribution
- Financial Reporting

1.4. Budget Business Area

Business functions

- Budget Preparation
- Budget Processing
- Budget Revisions
- Budget Analysis
- Reporting

1.5. Operations Model

The operations model shall include the following:

- Integrated business process model and work flow addressing how all functions work together.
- Roles, responsibilities, and authority for each identified business area/function and for integrated business operations.
- Organizational structure (including span of control, staffing models, staffing levels).

2. Scope of Work (Deliverables: Project Initiation Documents, Assessment Report, Evaluation Report, Recommendation Report and Quantifiable Business Case)

2.1. Project Initiation

The County requires the consultant to develop certain project initiation documents, including: work plan; deliverables formats; change management procedures; methodologies; and project structure, roles and responsibilities, consultant staff profiles.

2.2. Assessment

The County requires the consultant to study the current business operation and processes in each of the business areas and in each subject area within the business areas. The following are the major tasks and deliverables of the assessment:

2.2.1. Document the County's current operations addressing the scope identified in the Business Scope section.

2.2.2. Assess the effectiveness of current operations in addressing the scope identified in the Business Scope section, for the following:

Identify strengths, weaknesses, and opportunities to streamline and make more efficient business processes.

2.3. Evaluation

The County requires the consultant to analyze the assessment results and develop at least three options, including the status quo option, for a new business operating model that is conducive to implementing new financial, payroll, budget, and human resource systems. The options should be developed with efficiency in mind. The options should consider alternative delivery means wherever possible. One of the options must be the current model. The following are the major tasks and deliverables of the evaluation:

The consultant will be required to use the *King County Definition for Vision and Goals and Roadblocks Resolution* document as a primary source for evaluating options. The *King County Definition for Vision and Goals and Roadblocks Resolution* will be available to the consultant not later than the agreed upon schedule for commencement of this task.

2.3.1. Produce at least three options, including the current model (status quo), that describe business operational models addressing the scope identified in the Business Scope section.

Note: Implementing PeopleSoft County-wide should be considered in at least one of the two options.

2.3.2. Analyze each option and document the pros and cons and quantitative and qualitative benefits of each.

2.4. Recommendation

The County requires the consultant to identify a recommended business operations model from the options identified in the evaluation.

2.4.1. Define and document the recommended option (Business Operational Model).

- Describe the Future Recommended Business Operational Model.
- Describe the differences between existing and recommended operations models.
- Describe the quantitative and qualitative benefits of the recommendation over the other options.
- Provide a transition plan that outlines moving from the current model to the recommended model, including cost estimates to implement the model.

2.5. Business Case

The County expects that the consultant will develop a quantifiable business case that identifies the payback of implementing the recommended business-operating model as defined in the scope of this project, and as identified in the recommendation. The business case should include at a minimum the following components:

2.5.1. Costs

Identify the costs of implementing the recommendation.

2.5.2. Benefits (taken from the Evaluation and Recommendations)

- Qualitative benefits
- Quantitative benefits

2.5.3. Risks

- Identify risks
- Identify mitigation measures
- Identify the costs of quantifiable mitigation measures

2.5.4. Cost Benefit Analysis

- Document the payback to the County through ROI and other appropriate measures.
- Include the costs, quantitative benefits, and risk mitigation costs.

Note: Cost should include elements such as on-going operational maintenance, hardware, software and data center.

2.5.5. Assumptions

- Identify the assumptions used in developing the business case.

3. Completion and Acceptance Criteria

Acceptance criteria for each deliverable and work product within the deliverable will be established and defined in the contract. The deliverables include:

Project Initiation Work Products

- Assessment Report
- Evaluation Report
- Recommendation Report

Quantifiable Business Case