KING COUNTY

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

Signature Report

June 17, 2003

Motion 11729

Proposed No. 2003-0255.2   **Sponsors** Constantine, Hague and Phillips

1   A MOTION approving the vision and goals statement

2   recommended by the Strategic Advisory Council and

3   accepting the county executive's plan for conducting a

4   roadblocks action plan followed by a quantified business

5   case analysis of the countywide financial, budget and human

6   resource business operations and the scope, schedule and

7   budget for the expenditure of the funds.

8

9

10   WHEREAS, in order for an enterprise project to be successful a project must have

11 a clear business vision that is closely aligned with the county's short- and long-term

12 goals, and

13   WHEREAS, the county council requested development and approval of a vision

14 and goals statement in advance of funding a quantifiable business case, and

15   WHEREAS, the Strategic Advisory Council approved at its meeting of April 16,

16 2003, a Vision and Goals Statement with one amendment to encourage the timely

17   resolution of issues and roadblocks, risks, decisions and communication to maintain

18   momentum and successful achievement of goals, and

19   WHEREAS, the county executive recommends the Vision and Goals Statement as

20   amended by the Strategic Advisory Council and attached to this motion, and

21   WHEREAS, the adopted 2003 King County Budget Ordinance, Ordinance 14517,

22   Section 118, contained the following proviso related to the funding requested and

23   appropriated for the financial systems replacement project:

24   "Of this appropriation for CIP project 344190, financial systems business case

25   analysis project, $430,000 shall be expended or encumbered only after the executive

26   submits and the council approves by motion a vision and goals statement for the financial

27   systems business case analysis project. The motion and vision and goals statement must

28   be filed in the form of 16 copies with the clerk of the council, who will retain the original

29   and will forward copies to each councilmember and to the lead staff for the labor,

30   operations and technology committee and the budget and fiscal management committee

31   or their successors," and

32   WHEREAS, the county executive with this motion has submitted a work program

33   and a plan to develop a roadblock action plan and conduct a quantified business case

34   analysis; and the scope and schedule for the expenditure of the funds provided in the

35   2003 King County Budget Ordinance, Ordinance 14517;

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

37   The county executive's recommendation for the vision and goals statement is

38   hereby adopted.

39   Of the appropriation for CIP Project 344190, $430,000 shall be expended to

40   develop a roadblock action plan and conduct a quantified business case analysis. The

41   county executive's plan for conducting a quantified business case of financial systems

42   replacement shall include an analysis, with associated costs estimated, of the capability to

43   conduct analyses that distinguish between local and countywide revenues and

44   expenditures within the budgeting, human resources, payroll and financial business areas.

45   It also shall include development of key performance measures (outcome and process

46   measures) that would be used to judge whether future projects meet their vision and

47   goals. The business case analysis scope of work shall consider the needs requirement

48   that the budget information system module shall interact with finance, human resource

49   and payroll information system modules and shall provide real-time, monthly, year-to-

50   date and historical data. The budget, finance, human resource and payroll information

51   systems shall be equally accessible to executive and council staff.

52

Motion 11729 was introduced on 6/2/2003 and passed by the Metropolitan King County Council on 6/16/2003, by the following vote:

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

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

Cynthia Sullivan, Chair

ATTEST:

Anne Noris, Clerk of the Council

Attachments   A. Enterprise Financial, Human Resources, and Budget Management Vision and Goal Statement, B. Roadblocks Identification and Action Plan Work Program and Business Case Analysis Scope of Work

Enterprise Financial, Human Resource, and Budget Management

Vision and Goals Statement

Executive Recommendation
April 18, 2003

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PREFACE

This document provides the initial recording of the vision and goals for providing financial, human resource and budget management functions and services. It should be considered a "living" document since changes may be required or desired as the county performs a more detailed business evaluation of its operations to support the quantified business case for replacing its financial systems.

The Appendix contains a more detailed Background description as well as the legislation directly related to the purpose of this document.

PROBLEM STATEMENT

Presently, the county operates with two accounting and financial reporting systems and two human resource/payroll systems. These four separate systems perform the fundamental central financial functions for the county, but are not integrated and have inefficient interfaces. County departments and agencies follow divergent policies and procedures, use inconsistent business processes and support multiple computing systems. This results in poor integration, redundant data entry, time-wasting reconciliation, and high systems maintenance, staff support and upgrade costs. While there has been improvement with the Peoplesoft and Oracle systems, many of the business systems and practices are still outdated, and inflexible. Business-process improvement changes required for legal compliance, ad-hoc reporting, and productivity improvements are difficult to achieve in this environment.

COMPLEX ENVIRONMENT

Complexities that exist in King County are noted below:

- The county employs approximately 15,000 individuals who are currently represented by 95 bargaining units within 15 distinct departments/agencies.

- The county's elected officials comprise 94 separately elected positions (Assessor, Councilmembers, Executive, Prosecuting Attorney, Sheriff, District Court Judges and Superior Court Judges).

- The county manages 1,790 separate funds/subfunds of which 1,348 are external agency subfunds.

- Core County services are at risk for 2004 and beyond as the county's Current Expense (CX) Fund continues to face substantial deficits each year. The Office of Management and Budget's most recent projections have identified a 2004 deficit of $21 million, and another $21 million in 2005 and $15 million in 2006. Similar deficits are expected each year thereafter, as the County's

revenues fail to keep pace with the normal growth of expenditures. Funding of basic county services will have to be reduced each year.

- The history associated with the previous Financial System Replacement Project (FSRP) flavors all future efforts. FSRP acquired PeopleSoft HRMS software in late 1997 to replace the County's Payroll /HR systems, and SAP R/3 software in late 1998 to replace the county's core financial systems. The appropriation for this implementation effort was exhausted after the implementation of the former Metro agencies to PeopleSoft HRMS. The project was suspended in the spring of 2000.

- In 1994, King County and the former Metro merged to create one government. The FSRP was intended to complete this merger with common business practices and a common financial and human resource system. Due to the suspension of FSRP in the spring of 2000, many vestiges of the two governments remain today which are highlighted in two consultant reports titled "FSRP Critical Assessment Report" and "FSRP Project Assessment and Implementation Planning – Business Case" prepared by Dye Management & IBM.

KING COUNTY MISSION STATEMENT

Enhance King County's quality of life and support its economic vitality by providing high-quality, cost-effective, valued services to our customers.

King County government pursues this mission by deploying approximately 15,000 employees within 15 distinct departments/agencies with a collective annual budget of over $3.1 billion in 2003. In addition, to support this mission and incumbent organizational structure, it is the mission of the various financial, human resources, payroll, and budget operations of the county to perform accounting, procurement, human resources, payroll, budget, and other financial management services that provide comprehensive strategic planning and decision support capabilities, and contribute to and sustain the core objectives of the agencies, in a timely and accurate manner, and in the most efficient method possible.

ENTERPRISE FINANCIAL, HUMAN RESOURCE, AND BUDGET MANAGEMENT VISION

VISION STATEMENT

King County's financial, human resource, and budget management functions are fully integrated, efficient and effective, and enhance the county's ability to provide essential services to its customers.

Realization of this vision will require a transformation and standardization of business processes, a single core public sector financial system including budget management, and a complete migration to the PeopleSoft HRMS.

Within this vision, King County's financial, human resource, payroll, and budget operations have established nine Guiding Principles that will drive future financial systems efforts:

Guiding Principles:

1. **Ensure effective leadership, comprehensive stakeholder agreement and alignment with county's goals**

   Critical success factors for implementing this vision are support for and participation in continuous work to maintain alignment of the vision and goals with any proposed or planned changes to business practices including but not limited to:
   - Clear policy leadership and direction from all elected officials;
   - Highly committed sponsorship from all agencies;
   - Sustained commitment and buy-in from all stakeholders; and
   - Timely resolution of issues and roadblocks, risks, decisions and communication to maintain momentum and successful achievement of goals.

2. **Apply the Technology Governance direction for future project efforts**

   Establish a strong project governance structure to implement a phased implementation of PeopleSoft HRMS countywide and re-evaluate core financials and budget management options. These steps would follow achievement of guiding principle number one.

3. **Standardize and streamline operations and business practices to adopt best practices**

   King County will adopt an operational model that standardizes financial, human resource management, and budget management business practices across all agencies, with flexibility to accommodate business and regulatory changes in order to streamline operations and coordinate workflows between business units within departments and between finance and human resource units and other departments. The county will establish understandable and usable policies and procedures that support universal activities such as human resource management, budget management, labor reporting, project accounting, accounting, procurement, contract management, receivable and payable processes, fixed asset, inventory management, and accounting and financial reporting. This standardization will eliminate non-value-added duplication of efforts, minimize errors, improve communications, and allow for the centralization, or decentralization or hybrid models with consistent

standards. Criteria will be developed with stakeholder input to determine which functions will be centralized and what a common set of best practices will be for the county.

4. Consolidate and integrate the computing infrastructure to eliminate redundancy

King County will replace the current legacy systems to the extent necessary to achieve efficiencies and reduce risk. In their place, the county will consolidate the computing infrastructure required to perform these financial management, human resource/payroll, and budget management functions to a fully integrated solution by implementing a single core financial and budget management system, migrating human resource and payroll functions to PeopleSoft, and providing integration between the system(s). As a result of implementing such a system(s), King County will minimize or eliminate various redundant data entry, transcription, and reconciliation activities currently required. While county departments will be able to meet core financial and human resource needs with a central, core system certain unique needs may require separate solutions. System owners and users will be consulted to develop criteria to determine which needs will be met with the central systems and which will be met with unique systems.

5. Reduce computer maintenance, management, and service costs

King County will minimize total maintenance and management costs and establish a structure to support ongoing maintenance of the integrated system, ensuring progressive improvements in the operations environment and management of future upgrades.

6. Improve customer service, decision support, and reporting capabilities

King County will improve customer service, decision support, and general management capability by being able to more easily access enterprise-wide, cross-agency information and to utilize modern web-enabled capabilities. The county will be able to more easily access and manage financial, human resource and budget information throughout the year, with that information updated and reported against actuals on a current and timely basis. By leveraging central purchasing, the county will better manage purchases and increase the amount of vendor discounts taken. Additionally, the single-source infrastructure would enable communication and could be accessed whenever needed.

7. Enhance existing service levels and capabilities

King County will enhance existing financial, human resource, and budget management capabilities.

8. **Ensure the privacy and security of financial, human resource and budget information**

   Employ security practices that safeguard financial, human resource and budget systems and information, and prevent unauthorized access to information.

9. **Commitment to organizational and "county cultural" change must be accepted and effectively implemented**

   All county agencies under all elected county officials, must work together to resolve issues including barriers in state and county code.

BUSINESS GOALS

GENERAL OPERATIONAL GOALS

The following are the major business goals for the enterprise financial and human resource system(s):

- Ensure continued compliance with all federal, state and local laws and regulations including Generally Accepted Accounting Principles (GAAP), IRS requirements, State of Washington Budget, Accounting Reporting Systems (BARS), countywide policies and procedures, collective bargaining agreements and the county's strategic business initiatives and internal audit and control requirements.

- Standardize and improve business processes and practices and work to eliminate impediments to adopting best practices.

- Ensure that a common definiton and understanding of core systems is agreed to and reinforced by the county's technology governance structure and direction.

- Eliminate administrative activities that add no value.

- Capture and make available the financial, human resource and budget information needed to effectively manage programs and measure their success.

- Work with stakeholders and business process owners to streamline the county's core financial, human resource and budget processes.

- Support basic financial, human resource, and budget functions within the core system(s) of the county, making that system(s) the "system of record". Minimize dependency on "secondary" or "side" systems in the performance of mission-critical functions. Use the core system(s) as a business backbone, or foundation upon which to automate additional business functions in the future in an integrated fashion.

- Provide the capability to conduct analyses that distinguish between local and countywide revenues and expenditures within the financials, human resources, payroll, and budgeting business areas.

- Provide agencies, and specifically system users and functional managers, with the necessary technology, tools, and training to enable them to extract the data they require to meet their business needs.

- Make information more readily available, as appropriate, to all county agencies, the general public, and the business community.

- Greatly enhance general reporting capabilities countywide. Organize information in a way that facilitates easy, rapid access, and provide reporting tools and interfaces that support easy desktop access as appropriate.

- Improve the county's ability to conduct business, human resources and technology planning based on reliable, timely financial and human resource data.

- Support effective, efficient auditing of county records in accordance to Generally Accepted Auditing Standards.

TECHNOLOGY SPECIFIC GOALS

The following are the major technical goals for the enterprise financial, human resource and budget system(s):

- Ensure security controls that are capable of enforcing the county's business rules, access policies, and legal obligations with regard to employee data, financial and budget information, and business activities.

- Evaluate the short and long term system needs of the financial, human resource and budget operations of the county, and deploy proven commercial software and hardware solutions that utilize current, mainstream technology, as the core business system(s) of the county.

- Minimize the number of separate information systems, and the interfaces that connect them, running on different computers, written in different programming languages, and utilizing separate databases.

- Provide effective interfaces between the proposed financial and HRMS systems and other systems that provide critical information to them. Example: Property tax billing and collection system and the Local Improvement (LID) system.

- Limit customizations to the software to hold down implementation costs, to support standardization of business practices, and to preserve the ability to upgrade to new versions as they are released.

- Support automated workflow management, including automated review and approval for functions ranging from budget management, to human resource events, to purchasing activities, based on business rules.

- Take advantage of the strengths of the Web to the extent appropriate based on the county's technical infrastructure plan and the capabilities of the selected software package.

- Develop system audit and control capabilities.

- Where practical, replace paper forms and documents with electronic documents that can be filed, transferred, and retrieved efficiently.

HUMAN RESOURCE MANAGEMENT BUSINESS GOALS

The following are specific goals associated with human resource management:

- Provide employees, retirees, and fiduciaries direct and secure access, as appropriate, to personnel, payroll, time and attendance, benefit, and retirement information.

- Improve human resource management to include: position management, recruitment, training administration, competency management, career planning for manager level and higher, succession planning for key employees, labor issues, class/comp/labor contract implementation, and contract and temporary labor management tracking.

- Provide secure access to and maintenance of human resource related information by supervisors and managers to meet their management decision-making activities.

- Empower employees to secure access and maintain their own human resource information where appropriate.

- Increase effectiveness in the delivery of human resource activities resulting in reduced processing time.

PAYROLL BUSINESS GOALS

The following are specific goals associated with payroll management and processing:

- Comply with labor agreements, as well as federal, state and county laws.

- Reduce time required to capture time and process payroll, and shorten the lag between end of pay-period and payday.

- Provide employees the information needed to validate that their pay stubs are accurate.

- Produce timely and accurate paychecks.

- Improve access to historical information.

- Pay all employees on a common, bi-weekly, pay cycle from a single payroll system by migrating all employees to the PeopleSoft system.

- Support labor distribution with a system that is compatible with PeopleSoft and the financial system that is implemented.

BUDGET PREPARATION BUSINESS GOALS

The following are specific goals associated with budget preparation:

- Improve the county's ability to budget and measure program success based on performance metrics.

- Support a countywide, public sector operating and capital budget preparation system (module) that can be used to model and evaluate potential budgets.

- Support historical analysis of agency, department, and division budgets, allowing for tracking of past year budget and actual information.

- Support position and project budgeting.

- Provide the capability to distinguish between local and countywide budget information.

FINANCIAL ACCOUNTING BUSINESS GOALS

The following are specific goals associated with financial accounting:

- Maintain summarized data for General Ledger that in turn reconciles with subsidiary ledgers.

- Reflect accurate project and grant accounting expenditures and revenues, and provide the capability to conduct analyses that distinguish between local and countywide revenues and expenditures.

- Support the timely closure of month-end and year-end processes.

- Manage centrally performed accounts receivable billing, and collection enforcement functions and reporting.

- Support the budget monitoring process by allowing encumbrances (purchase orders/contracts), pre-encumbrances (requests for purchase), accruals (Accounts Payable liabilities) and the tracking of expenditures against these commitments.

- Improve the ability to quickly and easily report budget balances available at the fund, cost center, and project level, and also provide for use of contra account balances.

- Support the ability to maintain and track current budget adjustments and appropriation/funding levels throughout the year.

- Support the county's investment program, cash and debt management, and trust and agency responsibilities through appropriate interfaces to the General Ledger.

- Maintain system reliability and stability to ensure integrity of financial data for general ledger, procurement, accounts payable, accounts receivable, cash management, debt management, fixed assets and financial reporting and the appropriate use of public funds.

- Maintain a financial system that ensures responsive and accurate financial services to all customer agencies.

PURCHASING AND INVENTORY MANAGEMENT BUSINESS GOALS

The following are specific goals associated with purchasing and inventory management:

- Support a single countywide procurement process and ensure accurate application of procurement regulations, policies and procedures, and established standards for contract development, negotiation and utilization.

- Improve county materials management by integrating purchasing, inventory and financial functions; providing robust information on county goods and services; and by streamlining processes with contemporary technology.

APPENDIX

BACKGROUND & CONTEXT FOR VISION AND GOALS

In Motion 11549 adopted by the King County Council on October 18, 2002, the following resolution was moved:

> NOW, THEREFORE, BE IT MOVED by the Council of King County:
>
> The county executive's plan, scope, schedule and budget for developing a vision and goals statement is hereby adopted.
>
> Of the appropriation for CIP Project 344190, FSRP business case analysis project, only $20,000 shall be expended.
>
> For the appropriation for CIP Project 344190, FSRP business case analysis project, $430,000 shall only be expended following council approval by motion of the vision and goals statement.

This document represents the initial recording of the vision and goals for addressing King County's challenges regarding its financial services and human resource operations throughout the government, as requested by this motion.

In the same motion as referenced above, the King County Council included the following:

> AND BE IT FURTHER MOVED by the Council of King County:
>
> The county executive's plan for conducting a quantified business case of financial systems replacement shall include development of key performance measures to be included in the King County Definition for Vision and Goals and Roadblocks Resolution document. Performance measures shall include both outcomes and process measures that would be used to judge whether future projects meet their vision and goals.

Therefore, this document should be considered a "living" document. The vision and goals may be refined as the county performs a more detailed business evaluation of the various operations throughout the enterprise. High level measures are appropriate at the visioning and goal setting stage. More specific metrics will be developed in conjunction with the business case as well as with each phase of any future program development and implementation.

Lastly, the motion directed the following:

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

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

This analysis is requested with the quantified business case that would be initiated following the Council's adoption of this vision and goals statement. This requirement is noted as a general operational goal.

In addition to this direction set by Council motion, the Business Management Council and the Strategic Advisory Council both approved a course of action for the county in this endeavor based upon the Dye/IBM Report.

DYE/IBM report dated July 17, 2001 recommended:

"sequentially 'phased' program implementation strategy that allows the County to focus its attention and resources on a single project at a time, with each project building upon the accomplishments of the previous as the program progresses.

First, the County must address the organizational and technical barriers to program continuance and success listed in the Critical Assessment through a Phase 0 effort. Key activities of Phase 0 include:

- Re-validate and confirm the program vision and its alignment with the County's short- and long-term goals.

- Confirm sponsorship of the program vision among key stakeholders.

- Confirm throughout the end-user community.

- Establish a strong project governance structure.

Without clear acceptance of the vision and its alignment with the County's goals, buy-in from the system owners, and a strong governance structure, we recommend that the County not proceed with additional program re-start activity outside of completing the PeopleSoft HRMS sustaining activities (release upgrades, developing functional procedures, etc.). Such efforts would be at an unacceptably high risk of failure.

Second, the County should select an alternative with which to move forward. We recommend that the County select Alternative 2 which was identified in the Critical

Assessment - Phased Implementation of PeopleSoft HRMS County-wide and Re-evaluation of Core Financials Options. Reasons for this are:

- It will provide significant benefits.

- It is a reasonable risk implementation alternative, given that it is phased and shares risk with an outside integrator.

- It moves the County to a single HRMS in the near term.

- It provides the County the opportunity to reassess its financial software selection and implementation strategy after implementing Payroll and Human Resources.

While this alternative recommends continued implementation of PeopleSoft Payroll and Human Resources systems, it does not recommend a particular core financials software package. Rather, it provides the County the opportunity to reassess its financial software selection and implementation strategy at a point in the future closer to the beginning of actual implementation."

In November 2001 the Business Management Council (BMC) approved the recommendations of the Dye report with modest modifications.

- The phased implementation approach, methodology and critical success factors outlined in the DYE/IBM Report were viewed favorably by the validation team.

- The validation team in conjunction with the Business Management Council & Technology Management Board representatives strongly oppose the hiring of external consultants to develop a detailed implementation plan before the county has bought into a common vision and set of goals for a new financial system.

- Work the county should consider doing and taking the lead on prior to initiating a detailed implementation plan:
  1) Define and agree on a common vision and set of goals to be accomplished by a new financial system
  2) Identify specific agency difficulties in implementing the vision and goals
  3) Resolve roadblocks, set up policies prior to developing a detailed implementation plan
  4) Develop a quantified business case specific to King County.

The Strategic Advisory Council (SAC) approved the BMC's recommendation on December 5, 2001. The SAC actions on this subject at this meeting are as follows:

- Endorse the findings outlined in the governance report (or amend and then endorse accordingly)
- Direct CIO and the county business sponsor (County Administrative Officer) to develop a work plan for defining goals, identifying roadblocks and drafting policies through the county's governance process and structure
- Direct CIO and the county business sponsor (County Administrative Officer) to create a work plan to develop a quantified business case specific to King County for restarting the Financial Systems Replacement Project
- Commit support of your staff to identify your agency's issues
- Endorse the use of $450,000 set aside in the 2002 Budget to fund the work in the plans that will be developed per the above

In the technology governance meetings it was agreed that the following three risks be mitigated before moving forward with any restart decision:

1. Lack of a common vision and workable governance structure
2. Moving forward with restarting FSRP without a shared goal and governance process involving, all separately elected officials and line departments.
3. All separately elected officials not working together in a cooperative, non-political manner.

The vision and goals statement recommended herein is framed by the Council's direction in Motion 11549 as well as the Technology Governance's direction provided by the SAC and BMC relative to the Dye/IBM Report.

LEGISLATION

Ordinance 14265 [2002 Adopted Budget ordinance] Section 119:
PROVIDED THAT Of this appropriation, CIP project 344190, FSRP business case analysis project, $450,000 shall only be expended following council approval by motion of: a plan for FSRP restart; and the scope and schedule for the expenditure of the funds. The documents must be filed with the council clerk. The original and 16 copies must be delivered to the clerk, who will retain the original and will forward copies to each councilmember and to the lead staff for the budget and fiscal management committee and the utilities and technology committee, or their successors

Ordinance 14517 [2003 Adopted Budget ordinance] Section 118:
PROVIDED THAT Of the appropriation for CIP project 344190, financial systems business case analysis project, $430,000 shall be expended or encumbered only after the executive submits and the council approves by motion a vision and goals statement for the financial systems business case analysis project. The motion and vision and goals statement must be filed in the form of 16 copies with the clerk of the council, who will retain the original and will forward copies to each councilmember and to the lead staff for the labor, operations and technology committee and the budget and fiscal management committee or their successors.

Roadblocks Identification and Action Plan Work Program
and
Business Case Analysis Scope of Work

Roadblocks Identification and Action Plan Work Program

Task: Identify Roadblocks, Develop an Action Plan and Draft Policies

Deliverable: Roadblocks Action Plan [referenced below in the Business Case Analysis Scope of Work, section 2.3].

Approach:
  1. Identify roadblocks to meeting the goals.
  2. Develop resolution plan, including cost impact, implementation schedule, risks, and action plan for each identified roadblock.
  3. 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*
Identify Roadblocks	
I. Identification of Roadblocks	2 weeks
Identify Roadblocks	
Develop action plans	
II. 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
BMC Review	completion of Roadblocks
Consultant Study For Quantifiable Business Case	10 weeks

Governance Review of Quantifiable Business Case	Month following
TMB Review	completion of
BMC Review	Quantifiable Business case
SAC Review	
Executive Review of Potential Plan to Restart	2 weeks
Executive Transmission of Proposed 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, budget, human resource and payroll 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 Vision and Goals Statement and Roadblocks Action Plan* documents as primary sources 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, based on a recommended cost and payback schedule.
- Include the costs, quantitative benefits, and risk mitigation costs.
  Note: Cost should include elements such as business operations, on-going operational maintenance, hardware, software, upgrades 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