KING COUNTY

Signature Report

September 23, 2014

1200 King County Courthouse
516 Third Avenue
Seattle, WA 98104

King County

Motion 14228

Proposed No. 2014-0212.1   **Sponsors** von Reichbauer

1   A MOTION accepting response to the 2014 Annual Budget

2   Ordinance, Ordinance 17695, Section 23, Proviso P1,

3   executive services-administration; and authorizing the

4   release of $200,000 currently held in reserve.

5   WHEREAS, the 2014 Annual Budget Ordinance 17695, Section 23, Proviso P1,

6   related to executive services-administration, states that $200,000 should not be expended

7   or encumbered until the executive transmits a report and motion, by May 31, 2014, on the

8   status of standardizing business processes and systems involving the county's new

9   enterprise systems, and

10   WHEREAS the new enterprise systems, launched as part of the Accountable

11   Business Transformation project (ABT) in January 2012, include a combination of new

12   business processes and enabling technology applications associated with:

13   1. The Oracle EBS system for financial and procurement operations;

14   2. The PeopleSoft human capital management (HCM) system for human

15   resources, employee benefits and payroll operations; and

16   3. The Hyperion system for budgeting, and

17   WHEREAS the King County council accepted a June 28, 2013, report from the

18   executive that documented the status and metrics for the initial stabilization phase of

19   systems and business processes associated with the new enterprise systems, and

20   WHEREAS, the King County council has requested a report on the

21   standardization phase of the new enterprise systems, which is intended as a follow up to

22   the June 28, 2013 stabilization report, and

23   WHEREAS, the report on standardization has been jointly prepared by the

24   department of executive services, including the finance and business operations division,

25   the business resource center, the human resources division and the office of performance,

26   strategy and budget, and

27   WHEREAS, the King County executive has transmitted to the council a report

28   that contains the required information responding to Ordinance 17695, Section 23,

29   Proviso P1, including:

30   1. An updated definition of standardization;

31   2. The outcome of the recent patch project involving Oracle EBS;

32   3. The planned strategy for prioritizing and addressing remaining

33   implementation issues;

34   4. Metrics for measuring the completion of the stabilization phase and the

35   progress towards standardization;

36   5. A dashboard summary that forecasts the status of remaining stabilization

37   work and upcoming standardization activities for 2014 and 2015; and

38   6. A description of the 2014 and 2015 deliverables, including a schedule and

39   anticipated benefits;

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

41   1. The council acknowledges receipt of the executive's report in compliance with

42 the 2014 Annual Budget Ordinance 17695, Section 231, Proviso P1, which is enclosed as
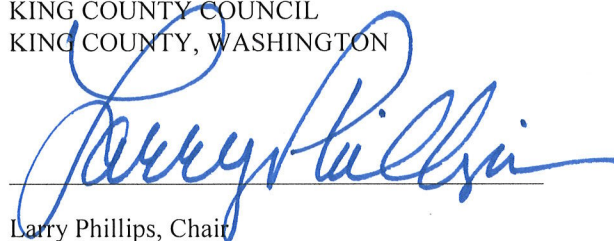
43 Attachment A to this motion.

44   2. The proviso response is hereby accepted and the $200,000 currently held in

45 reserve in Ordinance 17695, Section 23, executive services-administration, is hereby

46 released.

47

Motion 14228 was introduced on 7/7/2014 and passed by the Metropolitan King
County Council on 9/22/2014, by the following vote:

> Yes: 9 - Mr. Phillips, Mr. von Reichbauer, Mr. Gossett, Ms. Hague,
> Ms. Lambert, Mr. Dunn, Mr. McDermott, Mr. Dembowski and Mr.
> Upthegrove
> No: 0
> Excused: 0

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON

_____
Larry Phillips, Chair

ATTEST:

_____
Anne Noris, Clerk of the Council

Attachments: A. King County Enterprise Systems 2014 Budget Proviso Report

King County Department of Executive Services

14228

King County

King County Enterprise Systems 2014 Budget Proviso Report: Oracle EBS, Hyperion, and PeopleSoft Standardization Status, Metrics and Work Plan

Caroline Whalen - County Administrative Officer
Dwight Dively - Director, Office of Performance, Strategy and Budget

May 30, 2014

Proviso Response for:
- Standardization of King County Enterprise Financial, Budget and Human Capital Management Systems
- 2014/2015 Standardization Work-plan, Deliverables and Anticipated Benefits

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Appendix

INTRODUCTION AND PURPOSE

At the start of 2012, the Accountable Business Transformation (ABT) project replaced the county's legacy financial, human resource/payroll, and budget systems with a modern integrated system. County agencies now share an integrated system of three enabling technologies to help conduct their business: Oracle E-Business Suite (Oracle EBS) for financial and procurement operations; PeopleSoft Human Capital Management (PeopleSoft) for human resources, employee benefits and payroll operations; and Hyperion for budgeting.

Given the magnitude of technology and business process changes brought on by ABT, the county has viewed ABT implementation occurring in three phases: starting with stabilization in 2012 and 2013; moving to standardization in 2014 and 2015; and starting the optimization phase in 2016. This three-phased continuum is referred to as a "maturity model" for new systems and their related business processes. The efficiencies and benefits of the ABT project are realized over time as the county advances through the maturity model.

A June 2013 report provided to the county council documented the initial stabilization phase of maturity from both a systems and a business process perspective.[1] The report concluded that the new systems were stable and business processes were functioning, but that there was a need for continued improvements and problem solving as part of the next phase of standardization. Consequently, as part of a proviso in the 2014 adopted budget, the county council requested a follow-up report documenting the county's progress in moving through the standardization phase, including a specific work plan and deliverables.

This report addresses the council's 2014 budget proviso and includes an annotated reference copy of the proviso, an executive summary, four separate sections and an appendix. The executive summary provides an overview of the standardization strategy and related initiatives. The first section summarizes the 2014-2015 key initiatives by value stream. The second section describes the strategy for prioritizing and addressing remaining issues that were identified in the June 2013 report. The third section reports on the status of stabilization, including metrics organized by major functional value streams. The fourth section addresses the outcome of the 2013 Oracle EBS patch project. The appendix includes the detailed work plan for 2014 and 2015 that demonstrates how the county will continue to make substantial progress in the standardization of its new technology systems and business processes.

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[1] Accountable Business Transformation 2013 Budget Proviso Report, June 28, 2013.

COUNCIL PROVISO

For reference, the proviso in Council Ordinance 17695, Section 23, is excerpted below, with information on where to locate specific information requests in this report.

The report shall document the progress of solving issues and implementing further improvements involving the county's new enterprise systems, including the Oracle EBS financial system, the Hyperion budget system and the PeopleSoft human capital management (HCM) system.

The report shall describe the work plan and work products for moving these systems and their related business processes from the stabilization phase to the next phase of business and system maturity titled "standardization."

The work plan and deliverables shall cover 2014 and 2015, recognizing that 2015 deliverables may not be as fully defined as those for 2014.

"Standardization" means: when business processes and enabling systems are functioning without cumbersome or inefficient workarounds; where users are trained and there are standard work processes developed and being followed across county agencies; where agency customers are engaged to help prioritize and address major issues and problems and feedback is obtained on their level of, satisfaction; where there are standard protocols being followed for system access and security; and where the county is moving towards best practices as it leverages the capabilities of the enabling technologies.

The report is intended to be a follow-up to a June 28, 2013, report submitted by the executive that documents the status and metrics for the initial stabilization phase of the systems and related business processes mentioned in the previous paragraph. The report shall include, but not be limited to:

> *A. An updated definition of standardization, as needed, and the criteria that will be used to evaluate when standardization is achieved;* (no change to definition: p. 7; criteria: p.22-23)

> *B. The outcome of the recent patch project involving Oracle EBS;* (p. 44)

> *C. The planned strategy for prioritizing and addressing remaining issues falling into three categories: business process improvements, design and setup decisions and system defects;* (p.18)

> *D. Metrics for measuring the completion of the stabilization phase and the progress towards standardization, including clearly established targets;* (p. 20-43)

> *E. A dashboard summary, similar in form to the summary found on page 5 of the June 28, 2013, Accountable Business Transformation 2013 Budget Proviso Report: Oracle EBS and Hyperion Stabilization, Year End Lessons Learned and Benefit Realization (p. 5), that forecasts the status of remaining stabilization work and upcoming standardization activities for 2014 and 2015;* (p. 45-53) *and*

> *F. A description of 2014 and 2015 deliverables, including the anticipated benefit of each deliverable and the impact of not completing the deliverable, key assumptions about the deliverable, and an estimate of when these deliverables will be completed.* (p. 45-53)

EXECUTIVE SUMMARY

This report responds to a proviso in the 2014 budget ordinance requesting a status update and metrics about the standardization of the county's enterprise financial, budget and human resource systems by May 31, 2014. The proviso also requested a description of the outcome of the 2013 patch project involving Oracle EBS, the planned strategy for prioritizing and addressing remaining implementation issues, and a description and timeline of the 2014 and 2015 deliverables and their anticipated benefits.

ABT implementation has and will continue to produce benefits that include increased quantity of service; improved quality of service (such as faster response times, greater reliability, or greater accuracy); reduced cost to deliver service; and better access to services for the public. Some of the benefits were realized quickly, while others are occurring in phases over several years as users progress through three phases of a systems "maturity model" from stabilization to standardization to optimization (see diagram).
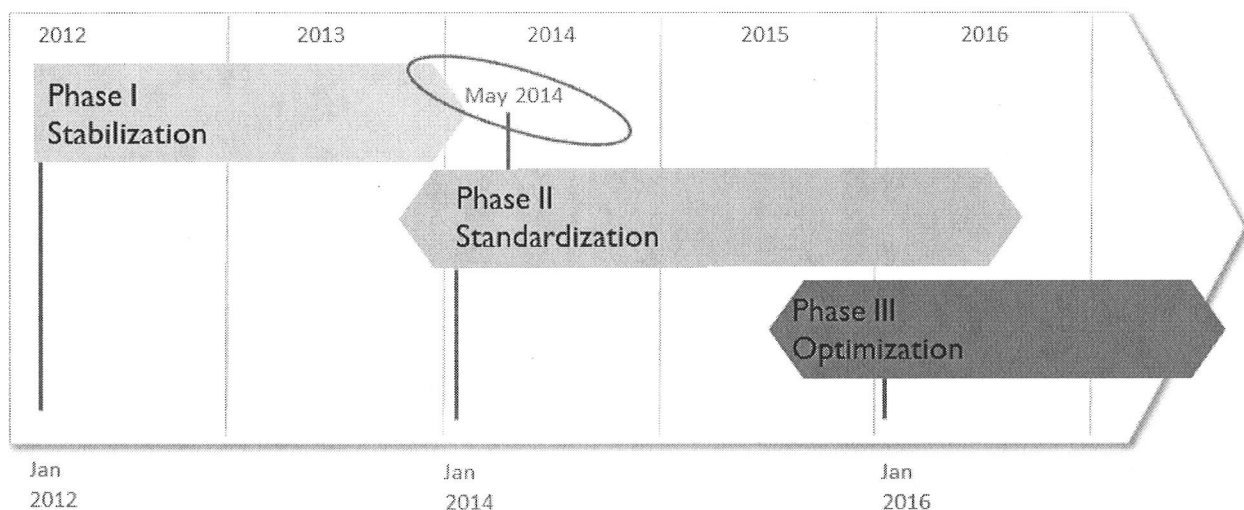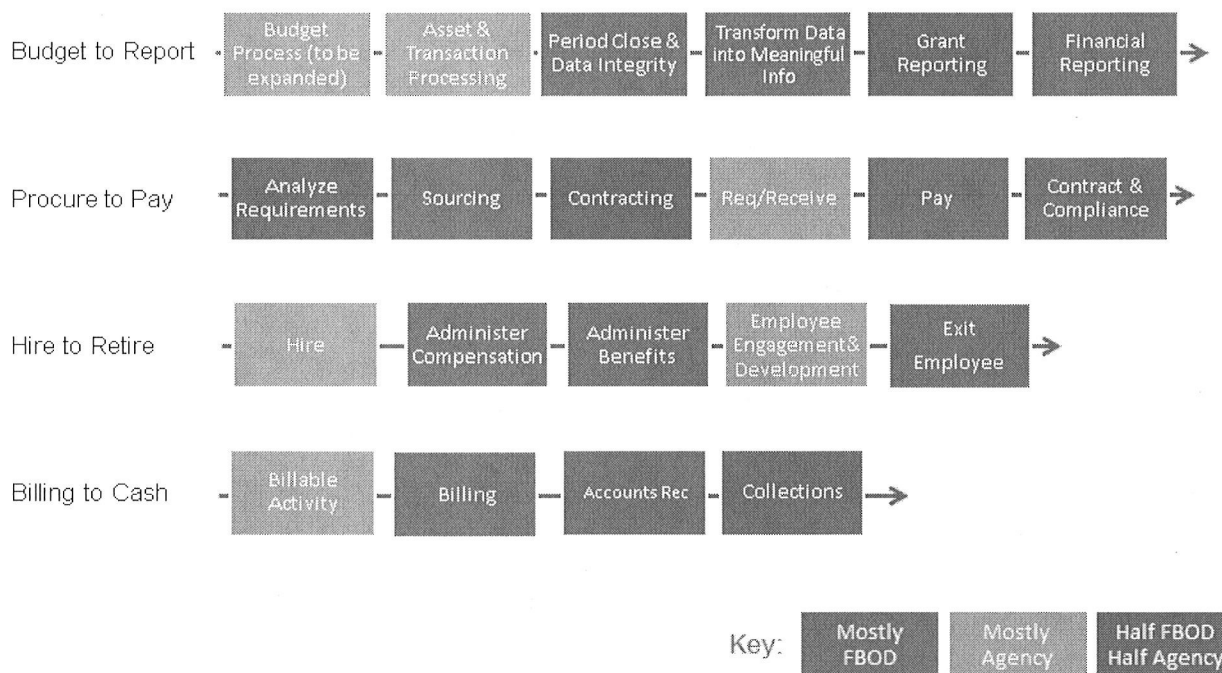

In the standardization phase there is an opportunity to focus on the development of standard work in each business process. Standard work is a central concept of the county's Lean management approach which emphasizes eliminating wasteful steps from business processes and adding value for customers. Initiatives in the standardization phase of the maturity model are designed to support departments in gaining efficiencies, strengthening internal controls and improving audit preparedness by reducing variations in business processes that impact financial events. After standard work is firmly in place, the central business owners and agencies can advance into the optimization phase in which users are confidently using the system to achieve even higher levels of efficiency and customer value.

This report examines King County's enterprise systems from both a systems and a business process perspective using the construct of "functional value streams." A value stream is a set of complete and coordinated work activities – typically involving multiple county agencies – that delivers clearly defined products or outputs to customers. This contrasts with the more traditional organizational chart perspective that defines the roles and responsibilities of discrete agencies. For example, the value stream titled "Procure-to-Pay" is the coordinated set of work activities across county agencies that results in signed contracts with vendors and the payment of invoices to these vendors upon receipt of goods or services. The central procurement section within the Finance and Business Operations Division (FBOD) – along

with other FBOD sections and multiple county departments—are responsible for the delivery of services within this functional value stream.

The county's four functional value streams that are supported by enabling technology are commonly used in both the private and public sectors and are referred to in this report as: Budget-to-Report (Budgeting, Accounting, and Reporting), Procure-to-Pay (Procurement and Accounts Payable), Hire-to-Retire (Benefits, HR and Payroll), and Billing-to-Cash (Grant Billing and Accounts Receivable).

King County Functional Value Streams

Budget to Report	Budget Process (to be expanded)	Asset & Transaction Processing	Period Close & Data Integrity	Transform Data into Meaningful Info	Grant Reporting	Financial Reporting →
Procure to Pay	Analyze Requirements	Sourcing	Contracting	Req/Receive	Pay	Contract & Compliance →
Hire to Retire	Hire	Administer Compensation	Administer Benefits	Employee Engagement & Development	Exit Employee →	
Billing to Cash	Billable Activity	Billing	Accounts Rec	Collections →		

Key: Mostly FBOD | Mostly Agency | Half FBOD Half Agency

As expected at this point in the systems maturity model, these value stream processes are now stable and moving toward standardization, with some areas working better than others as shown in the following dashboard charts.

Functional Value Stream Stabilization Status

Area	Business Process Stabilization	System Stabilization
Budget-to-Report Value Stream	◕	◕
Procure-to-Pay Value Stream	◕	◕
Hire-to-Retire Value Stream	◕	◕
Billing-to-Cash Value Stream	◑	◑
System Security & Controls	◑	◑

Stabilization is defined as:
- The fundamental business processes are supported by the system and operating in a timely and correct manner or are otherwise supported with known and reasonable workarounds;
- The system has adequate alerts and signals to inform the business owner and BRC when the system malfunctions;

- The BRC is able to address emergency and high-priority system defects in a timely manner; and
- The backlog of defects is stable or falling.

All of the functional value streams have a high or medium-high degree of stabilization based upon the criterion identified on pages 20-21 of this report and as evidenced by:

- The successful and relatively routine 2013 year-end process, which was the second annual financial-close to occur within Oracle EBS.
- The Oracle Patch project completed in 2013 further enhanced system stability across values streams, enabling the closure of 130 outstanding work requests. Customers reported greater stability and overall improved functionality.
- Improved operational reliability of the Oracle EBS reporting tool Discoverer during the 2013 year-end process.
- An Oracle EBS expert conducted an independent assessment of the County's Oracle EBS project-centric configuration in October 2013 and called the implementation successful for a variety of reasons, including a timely 2012 year-end close; a high-level of understanding of the current configuration by agency, BRC, and FBOD staff; robust system and user support by the BRC and FBOD; and a commitment from senior management to assess and improve the systems and business processes. This same assessment provided recommendations for improvement that has greatly informed the BRC and FBOD standardization work plans as described later in this report.

The Billing-to-Cash value stream was rated as having a medium-high level of stability due to several remaining implementation issues, such as still having in place a high degree of manual processing to apply cash to receipts, and the need for a redesign of system generated invoices for better customer usability.

Systems Security and Controls has been labeled as having a medium-high level of stabilization as certain recommendations from a 2013 security assessment are on hold pending the hiring for a pivotal BRC security position. The recruitment process is underway to fill the Oracle EBS System Administrator position approved in the 2014 budget. The first recruitment process for this position earlier this year did not result in a qualified candidate, requiring the BRC to rely on current staff and limited consulting resources to fulfill critical needs. The System Administrator position will perform the ongoing body of work related to monitoring system security, managing and contributing to the security redesign, and implementing the improvement recommendations.

Functional Value Stream Standardization Status

Area	Business Process Standardization	System Standardization
Budget-to-Report Value Stream	○	○
Procure-to-Pay Value Stream	○	○
Hire-to-Retire Value Stream	○	○
Billing-to-Cash Value Stream	◑	○
System Security & Controls	◉	○

Standardization is the discipline of analyzing and standardizing business processes and their components in terms of effectiveness, efficiency and added value contribution to the objectives of the business and includes these elements:

- Business processes and enabling systems are functioning without cumbersome or inefficient workarounds;
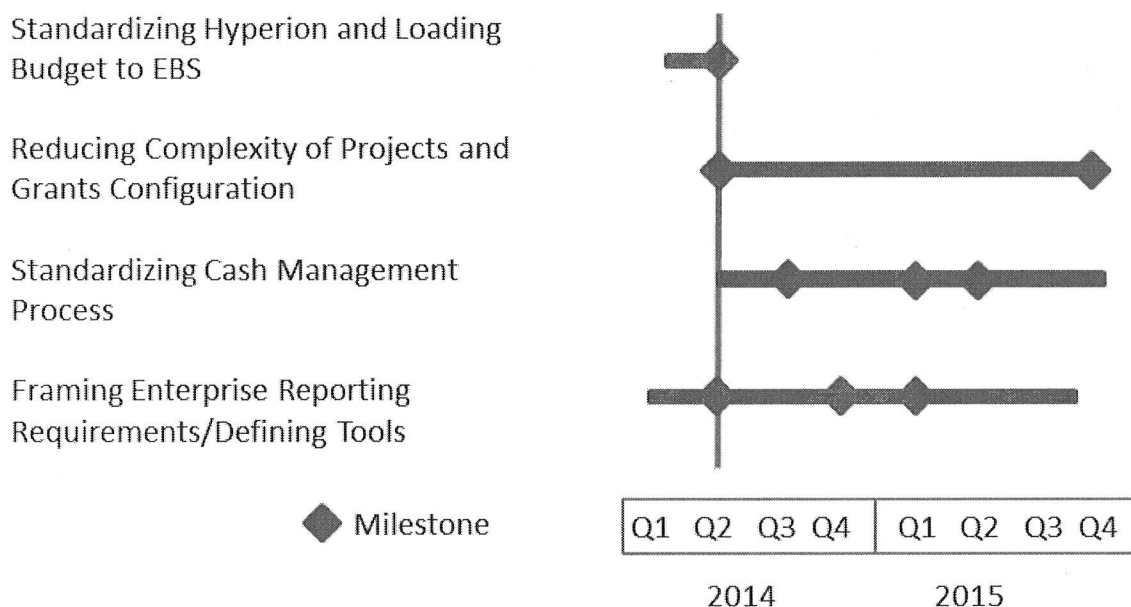
- Users are trained and there are standard work processes developed and being followed across county agencies;
- Agency and customers are engaged to help prioritize and address major issues and problems and feedback is obtained on their level of, satisfaction;
- Standard protocols are being followed for system access and security; and
- The County is moving towards best practices as it leverages the capabilities of the enabling technologies.

As shown in the chart above, none of the value streams have yet met a green or high degree of standardization, based upon the criterion identified on pages 22-23 of this report. However, all of the business processes and systems have reached a medium level of standardization, as reflected by the yellow indicators, with one exception for the Billing-to-Cash business process that is partially red and yellow, indicating a lower level of standardization. The key factors for moving from yellow to green include: (1) having end-to-end business process standards that are well defined and mapped; and (2) ensuring that senior leaders take full ownership for their department's adherence to the new standards, with metrics used to report on variances from the standards; and (3) implementing the principles and practices of Lean continuous improvement to create efficiencies, solve problems and add customer value within all value streams.

The next section of this report provides a summary of the 2014/2015 key initiatives that will promote standardization within each value stream. The Appendix provides additional details, using a matrix format to describe the 2014/2015 business standardization work plan, deliverables, and benefits by value stream.

SUMMARY OF 2014-2015 KEY INITIATIVES BY VALUE STREAM

Budget-to-Report Key Initiatives
Timeline with Milestones

Standardizing Hyperion and Loading
Budget to EBS

Reducing Complexity of Projects and
Grants Configuration

Standardizing Cash Management
Process

Framing Enterprise Reporting
Requirements/Defining Tools

◆ Milestone

Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4
2014	2015

Standardizing Use of Hyperion and Loading Budget Information into EBS Standardization efforts for the budget system have focused on the development of the first countywide biennial budget for the 2015-2016 biennium; integration of supplemental budget requests within the Hyperion system; and the development of standard templates and reports within the Project Information Center. For the upcoming biennial budget, training manuals have been refined with the assistance of a national expert in Hyperion and transitioned into "on demand" videos that will be accessible to all users. Note that PSB is already using a standard system process for loading operating and capital budget information into Oracle EBS and this process will continue with this budget cycle.
Milestones: Completed **Q2 2014**.

Reducing Complexity of Projects and Grants Configuration In 2013, a consultant with expertise in Oracle EBS implementations interviewed staff in multiple county agencies to assess the performance of the new project and grants module and related business processes. While the expert deemed the ABT-Oracle EBS implementation to be successful, the review surfaced a common theme: the county's configuration for this Oracle EBS module was overly complex and contributes to non-standard work and an over-reliance on maintaining side spreadsheets rather than relying on the system for data.

The plan to reduce the complexity initially focused in late 2013 and early 2014 on simplifying the accounting reconciliation processes for year-end expenditure and revenue accruals in the module. The key

efforts forthcoming in 2014 include additional training for staff to reinforce the standard development of the Schedule of Expenditure of Federal Awards (SEFA), which is a set of financial reports to ensure the county maintains its eligibility for federal grant awards. This work will be followed by the development of a standard approach for defining operating and capital projects across agencies in 2014; redesigning the set-up configurations of the module in 2014 and 2015; and improving the interfaces from side systems so there is less time needed for ongoing maintenance and support in 2014.

Milestones: Q2 2014 – Staff a new FBOD Projects & Grants Team, **Q2 2014 – Q 4 2015** Collaboratively create countywide standards with agency finance managers; **Q4 2015** Schedule standards implementation.

Standardizing Cash Management Processes It is often a cumbersome process to routinely reconcile agency funds with bank statements because of errors and rework. To address this issue, there will be a continued focus in 2014 and early 2015 in rolling out standard business processes for bank reconciliations, Automated Clearing House (ACH) payments and wire transfers. The county also serves as the treasurer for 100 special districts and about one-third of these districts do not use the county's main banking services provider. Starting in the second half of 2014 and continuing into 2015, the county will work with special purpose districts in an effort to have more districts take advantage of the cost savings of utilizing the county's main banking provider. Another key project during 2014-2015 is the redesign of system tables and reports to simplify the warrant recompilation process for both county agencies and special districts.

Milestones: Q3 2014 – Establish bank reconciliation procedures and developed standardized bank reconciliation template for agencies, **Q1 2015** – Provide training to county agencies including how to use new standardized cash receipting tools, **Q2 2015** – Agencies will begin submitting quarterly bank reconciliations to Cash Management.

Framing Enterprise Reporting Requirements/Defining Tools for the Future Since the launch of ABT, the county has been relying on two reporting tools: (1) Discoverer, which is Oracle's ad hoc reporting tool for running existing reports and creating new ones; and (2) BI Publisher, which is used by the BRC staff to build custom reports for end users. The Discoverer tool is not fully meeting agency needs, and an Oracle support "phase-out" is scheduled for 2017. In 2014 and 2015, BRC will form a focus group, with representatives from FBOD, PSB, and senior agency finance managers for initial discussions on enterprise reporting requirements.

Milestones: Q2 2014 – Validate problem definition and agree on go forward steps and approach, **Q2-Q4 2014** – Reporting assessment, solution alternative analysis and recommendations, **2015** – Phase 1 solution implementation based on assessment priority recommendations.

Procure-to-Pay Key Initiatives
Timeline with Milestones
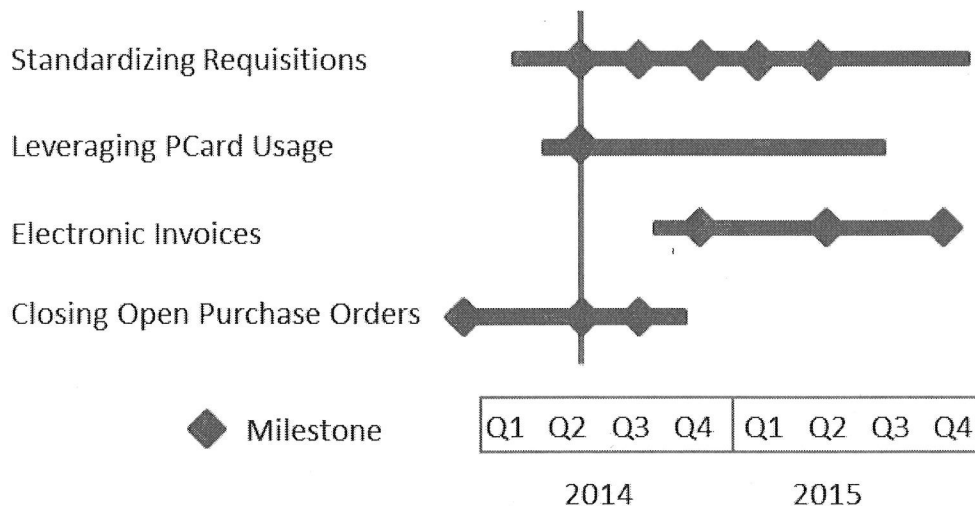
Purchasing Using Standard, Optimal & Best Processes (the "Requisition it Right" Initiative) In 2013 and early 2014, a multiple agency Lean pilot project involving FBOD, Department of Community and Human Services (DCHS) and Solid Waste has focused on ways to reduce the cycle time for payments to vendors and contractors. The insights gained from this pilot project will inform the development of standard work across the County in 2014. The standard work definitions for "Req it Right" will address the best requisition or purchase method; including circumstances when it is appropriate for agencies to use a requisition prior to ordering goods/services from a vendor, and under what circumstances to enter a requisition in Oracle EBS after the order has been initiated. Starting in 2015, FBOD will develop and deliver associated training, as well as a performance reporting tool that will assess compliance with this standard work by department.
Milestones: Q2 2014 – Identify best requisition method for purchase types, **Q2 2014** – Develop "Req it Right" training, **Q3 2014** – Deliver training, **Q4 2014** – Develop monitoring metrics, **Q4 2014-Q2 2015** – Develop adherence monitoring program.

Leveraging the Use of PCards A purchasing card (PCard) is a form of company charge card that allows goods and services to be procured without using a traditional requisition process. Maximizing the use of PCards is considered as a best practice to ensure timely payment to vendors, while also providing a source of revenue in the form of rebates from credit card companies. The county has been making substantial progress in using PCards for either recurring or high frequency, low dollar purchases involving copier rentals, office suppliers, training, etc. PCard usage has increased from 44,000 transactions and $23 million in 2012 to 67,500 transactions $34 million in 2013. The rebate levels have expanded from $267,000 in 2012 to $425,000 in 2013. Rebates have been used to fully fund the increased level of staffing needed to support the PCard program. Developing standard work for PCard usage will be completed in 2014, followed by an online reference manual and reporting tools in 2015.

Milestones: Q1-Q4 2014 –Move as many manual PO's to PCard as possible, 2014/2015 – Analyze spend on low dollar /high volume purchases, 2014/2015 – Analyze high dollar purchases appropriate for PCard, 2014/2015 – Contact requisitioners and encourage PCard use in target areas.

Vendors Submitting Electronic Invoices Looking forward, as part of leveraging the digital capabilities of Oracle EBS, FBOD and other agencies will research options in 2014 that would allow vendors to submit electronic invoices via a secured web interface. The implementation phase for this work would take place in 2015.

Milestones: Q4 2014 – FBOD researches options, **Q2 2105** – FBOD creates task force, **Q4 2015** – Develop RFW requirements.

Closing Open Purchase Orders Purchase orders that are left open in the financial system can compromise data integrity and reporting for the procurement function. For example, an open purchase order can make it appear the county owes funds to a vendor when it does not. Correcting for these errors requires intervention by technical and central procurement staff when their time should be devoted to higher value activities. As part of closing year-end 2012 and 2013, the Procurement and Contract Services Section of FBOD worked diligently with agencies to close a large number of open purchase orders. While the problem has been substantially reduced, there is still an ongoing need to closely monitor open purchase orders by department and ensure that purchase orders are closed in the system in a timely manner using a standard process.

Milestones: **Q4 2013** – FBOD assisted agencies with year-end closing, **Q2 2014** – FBOD shares department by department metrics with senior leaders, **Q3 2014** – FBOD issues guidelines for closing purchase orders in advance of year-end 2014

PeopleSoft Upgrade In 2014, the PeopleSoft system will be upgraded from version 9.0 to 9.2 to ensure the continued accuracy of payroll and benefit processing, to reduce hardware maintenance costs, and to guarantee compliance with state and federal reporting requirements. An important objective of the upgrade is to employ a repeatable strategy, approach and methodology for use on subsequent upgrades. The upgrade is expected to reduce some customizations in the current configuration of PeopleSoft and create efficiencies for the calculation of retroactive pay associated with the implementation of collective bargaining agreements. As part of the upgrade, FBOD and HRD are also exploring additional enhancements to time reporting codes and payroll tables.
Milestones: Q1 2014 – PeopleSoft upgrade started in January 2014, **Q4 2014** – Go-live is expected in October 2014 with stabilization through the end of the year

Standardizing Pay Practices and Compensation Options The County's current personnel code represents a model that is more than forty years old and no longer meets the needs of the county's changing workforce. In 2013, HRD developed the framework of a new model to bring the next generation and a more diverse community into the fold of public service. This model is titled "Employer of the Future" and is the catalyst for strengthening standardization within the Hire-to-Retire value stream. The Employer of the Future effort will create some short-term fixes to address immediate pain points, but will primarily focus on reinventing how the county approaches processes and practices like recruitment and retention, leaves, performance management, classifications, and compensation. The long-term goal is to have clear, consistent and standardized (to the greatest extent possible) personnel policies and pay practices that (a) are fair and equitable across employees, (b) create sustainable and predictable financial obligations, (c) provide employees with choices to meet their individual needs, and (d) promote learning, growth and flexibility.
Milestones: Q3 2014 – Resource plan and business case by July 2014, **Q1 2015** – Analytics program and baseline measures for EotF by January 2015, **Q4 2015** – Total compensation approach with select unions by end of 2015.

Creating Enhanced Development Opportunities for Employees King County has a goal that all employees will learn and grow as part of their work – leading to innovation and enhanced productivity. In 2014 and 2015, HRD will continue to expand the features of an Enterprise Learning module by adding a training toolkit offering a combination of online and classroom training. The PeopleSoft system will be used to monitor required and discretionary employee trainings at all levels so that the county has tangible means of demonstrating its commitment to a quality workforce and providing every employee with clear growth opportunities and a career path forward. In 2014, the new employee orientation will be more accessible, and will strive to achieve employee comprehension of how their work is connected to the county's overarching strategic initiatives including continuous improvement (Lean), Healthy Incentives, Equity and Social Justice, and customer service.
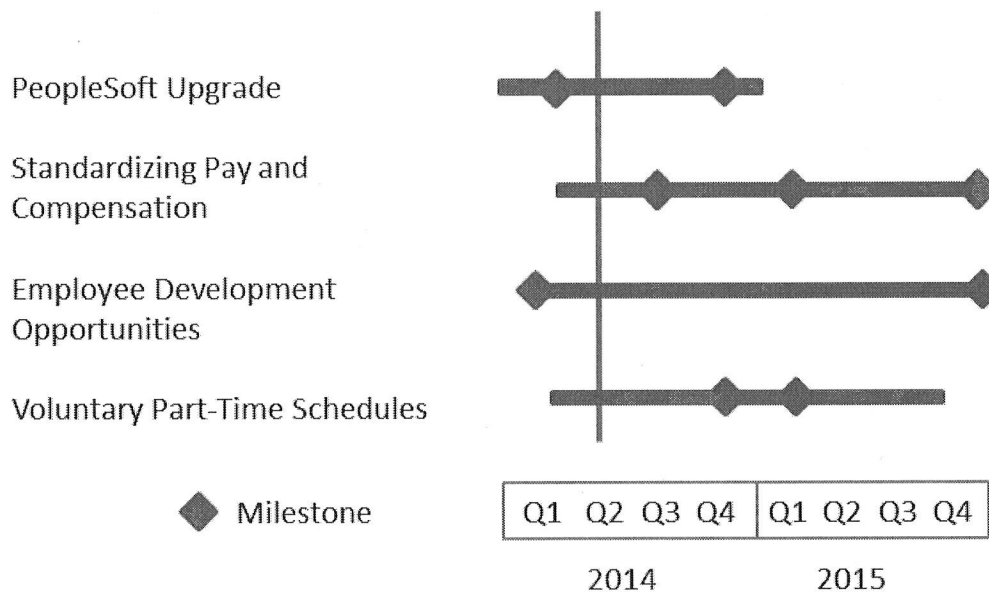**Milestones**: This is on-going from **Q1 2014-Q4 2015**

Standardizing Part-Time Employment Practices and Compliance with the Affordable Care Act
There are two key drivers for the county's need to clarify and standardize part-time employment practices: (1) a recent performance audit conducted by the Council Auditor that recommended standardizing business processes within departments for part-time schedule requests from employees, and (2) the county's requirements related to implementing the Affordable Care Act. Standard processes to increase transparency and provide employees with more equitable access to part-time schedules are expected to be developed by October, 2014, with implementation occurring in the first quarter of 2015. Under the Affordable Care Act, eligible employees -- full-time employees hired with the expectation that

they will work more than thirty hours per week -- will need to be provided with benefits on January 1, 2015. HRD, in collaboration with PSB, the Prosecuting Attorney's Office, FBOD, BRC, PSB, the Office of Labor Relations (OLR) and outside counsel, is in the process of reviewing the County's obligations and preparing options for meeting the law's requirements. Standard definitions, a tracking system and rules for eligibility are currently in development and will be implemented in the second half of 2014. **Milestones: Q4 2014** – Interim guidance provided to departments and agencies to create more consistency in "voluntary" part-time employment decisions by October 2014, **Q1 2015** – Exploration of additional PeopleSoft tracking options, report to council in 2016.

Hire-to-Retire Key Initiatives
Timeline with Milestones

PeopleSoft Upgrade

Standardizing Pay and
Compensation

Employee Development
Opportunities

Voluntary Part-Time Schedules

◆ Milestone

Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4

2014   2015

Automatically Apply Check Receipts to Customer Accounts The County currently receives 25,000 check payments annually from bill pay services for capacity charges. An increasing number of the check payments are made via bill-payer services from banks. Because many check payments are not automatically connected to customer accounts, extra "detective work" is performed by FBOD's Accounts Receivable team to research and manually apply payments to the appropriate customer account. In 2014-2015 FBOD is working with the BRC and Wastewater Treatment Division of the Department of Natural Resources and Parks so that check payments can be received electronically. FBOD is also reaching out to FISERV, one of the main bill-payer vendors, to include more information on check payments that clearly identifies the customer account(s). Improvements are expected to be completed in 2014.
Milestones: **Q2 2014** – Current state mapping assessment, **Q3 2014** – Requirement discussion with Vendor and stakeholder, **Q3 2014** – Specification design, **TBD** – Further milestone will be set based on final requirements.

Addressing High Priority Billing Issues for Wastewater Capacity Charges Since 1990, King County has levied a capacity charge on new customer connections to the sewer system, which the new customers pay in addition to their monthly sewer bill. There is currently not a single source for current and historical billing information involving this charge. This problem will be addressed in 2014. It is also a cumbersome technical process to update the capacity charge rates in Oracle EBS. The goal is to simplify the updating process in 2014.
Milestones: **Q3-Q4 2014** – Wastewater Capacity Charge Invoices project time length.

Addressing High Priority Billing Issues for Family Court Services Staff from Judicial Administration must manually input customer billing information, and when this information arrives in central Accounts Receivable (AR), it must be re-keyed by AR staff so that it can be accepted into Oracle EBS. This duplication of work can be eliminated by developing a "smart spreadsheet" for preparing the invoices

involving the family court customers. The smart spreadsheet improvement is expected to be delivered by the end of 2014.

Milestones: Q1 2014 – Family Court Invoices AR/BRC team and customer/stakeholder design interface for customer and invoice requirements, **Q3 2014** – Interface development from side system in in customer/stakeholder control with guidance from BRC.

Assessing the Billing-to-Cash Configuration in Oracle EBS The County does not have standard billing templates to adequately meet the needs of agencies. A phased improvement plan is proposed in 2014 and 2015 that will result in the following billing process enhancements: fixing and standardizing AR invoices from projects, updating project billing templates, and developing a streamlined customer statement.

Milestones: **Q3 2014** – Independent assessment of Billing-to-Cash configuration in Oracle EBS, **Q4 2014-Q4 2015** – Implement recommendations.

Moving to Electronic Bill Presentment A longer term goal is to leverage the digital technology capabilities and move from paper invoices to electronic bill presentment for customers. To test this technology, FBOD has initiated an IT pilot project that would allow taxpayers to receive their property tax statements via email. This will enhance customer service, especially by improving the notification process for late payments. It will also reduce manual processes, postage, and paper. The goal is to research options in 2014 and, depending on funding and technical resources needed, to move to a phased implementation rollout in 2015 or 2016.

Milestones: Q2 2014 – eCommerce/Electronic Bill Presentment IT budget request, **Q4 2014** – Design electronic property tax statements, **TBD** – Test application and enroll pilot project taxpayers for electronic bills

NOTE FOR BILLING TO CASH INITIATIVES

The set of activities above may have to be delayed or re-prioritized depending on the outcome of a request for proposal (RFP) process involving a new banking services contract. If the county switches banks based on the results of the competitive process, the conversion to a new contractor will take precedent over many of the initiatives listed in this value stream.

Security Systems and Controls Key Initiatives Timeline with Milestones

Project Definition and Planning

Phase 1 – Quick Wins

	Milestone		Q1 Q2 Q3 Q4	Q1 Q2 Q3 Q4

2014   2015
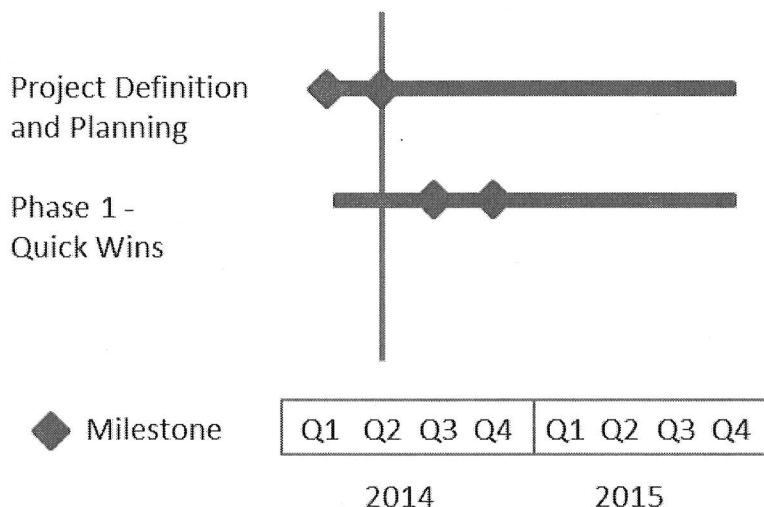
Project Definition & Planning
In 2013, the County consulted with Jeffrey Hare, a nationally recognized expert in Oracle EBS security, to develop a plan for conforming to best practices. The best practice recommendations focus on system security access, controls and maintenance. The planning process includes establishing a go-forward plan to implement recommended improvements; establishing a roles and responsibilities structure for participation in project activities; and defining resources required to implement improvements. The full implementation of the plan is dependent on the BRC hiring of a new systems administrator position.
Milestones: Q1 2014 Define Project & High Level Plan; **Q2 2014** Complete BRC Recruitment; Establish Security governance structures

Phase 1 – Implement Quick Win Recommendations
The County will be adopting a set of "Quick Wins" recommendations identified in the assessment by Jeffrey Hare. Benefits include establishing the standard business processes and rules necessary to implement and maintain the improvements. For example, the county will adopt a standard naming convention for roles of staff in Oracle EBS, the access controls for various users will be clarified, changes to configurations will be routinely documented, and a security steering committee will be formed to prioritize and oversee critical work activities.
Milestones: Q3 2014 Design Version 1 of Role Maintenance Process; Review and Prioritize Quick Win Recommendations for Implementation; **Q4 2014** Implement Quick Wins

ADDRESSING REMAINING PAIN POINTS IDENTIFIED IN 2013 PROVISO

As reported in the 2013 Proviso, FBOD, PSB and BRC managers have addressed or are addressing the system or business process major "pain points" that remain. Through conversations with over a dozen agency finance manager focus groups, FBOD and BRC managers inventoried and prioritized remaining implementation issues that fall into one of three categories:

Business Process Issues The issues identified by agency finance managers in 2013 required improved documentation and training to standardize work. Addressing these initial agency-identified business process issues was the start of the business process standardization initiative that has been greatly expanded in the 2014/2015 work plans, as outlined in the Appendix.

Agency finance managers expressed frustration at the complexity in identifying and understanding the accounting differences between the Oracle EBS Projects module and the Oracle EBS General Ledger module. They requested clarification on the burdening process and identified the need to improve the budgetary reporting process – especially in regards to capital and operating projects; and they asked FBOD to streamline and standardize the accounts payable business processes.

Solutions for business-process issues include: FBOD, PSB and BRC teams developed and implemented improved reports that specifically address these issues; initiated FBOD led inter-agency Lean events to improve efficiencies in these targeted processes and developed and distributed via internal SharePoint sites pertinent business process documentation and training (e.g.; the King County Year-End Close Procedures manual, the Burdening Guidelines in Oracle Projects Grants manual, the Guideline for EBS General Ledger and Projects & Awards Reconciliation manual, the King County Finance Manager Forum SharePoint Site, and the Budget and Business Planning SharePoint Site).

EBS System Design and Set-Up Decisions Original EBS design decisions related to system setup of the Accounts Receivable and Projects modules have resulted in some business inefficiencies, unintended data growth and an initial degree of frustration for agency customers, particularly for those who receive federal funds for specific programs and projects and/or use the Projects module for billing to other jurisdictions. The areas identified for review and improvement include:

- Methodology for capitalizing assets from the Oracle EBS Projects module to the Oracle EBS Fixed Asset module;
- Level of labor detail utilized in the Oracle EBS Projects module;
- Setup for awards in the Oracle EBS Projects module;
- Invoicing and billing choices that were made in the Oracle EBS Accounts Receivable and Projects modules.

During Q4 2013, an external assessment and review of the county's current setup for Projects and Grants and auto accounting configuration was conducted with staff representatives from BRC, FBOD and key Agency customers (Department of Transportation (DOT), DPH, DCHS, DNRP, and KCSO) to understand and assess:

- Complexities in the implemented configuration of Oracle E-Business Suite Projects and Grants modules;
- County's business needs;
- Challenges faced by agency customers; and
- Rationale behind business process and configuration decisions that were made during the original Oracle EBS implementation

The consultant conducting this assessment provided an unbiased opinion of the overall health of the current configuration, as well as recommendations to relieve existing pain points and help King County optimize the use of the Oracle Projects and Grants module.

The recommendations contained in the consultant's report have informed both FBOD and BRC work plans for 2014-2015. The overall message from the consultant was positive:

> *The issues uncovered are often typical in organizations similar to King County, and certainly not insurmountable. However, there are many areas where the configuration of Projects and Grants can and should be changed to better support King County's project-centric environment and requirements. Additionally, there are business process changes, reporting and training requirements that need to be addressed to provide efficiencies within the agencies and the overall organization.*[2]

EBS System Defects and Release Set Strategy The 2013 Patch project delivered in October 2013 corrected 128 defects across all Oracle EBS modules resulting in greater system stability and overall improved functionality. It also enabled a standard IT methodology and approach for managing system changes going forward.

The BRC adopted a Release Set Strategy for Oracle EBS in April 2013 to bundle and implement system corrections and enhancements together. The Release Set Strategy is part of continuous improvement efforts to mature system support processes. As a result, staff are able to focus on work that is most important and/or delivers the highest value to the business and agency customers.

The Release Set work is determined by a combination of business owner and agency customer priorities, functionality dependencies and system technical requirements. Items are grouped in a release set to deliver business value and improved functionality. It includes primarily high priority/high value work, patch updates, as well as some quick wins and discretionary work the Oracle EBS support team and FBOD identified as important from their daily interactions with customers. Information on both 2013 and 2014 scheduled release dates and content is published and available at the following link: Oracle EBS CSR Status- King County.

Benefits of the approach are being achieved with improved service and communications to central business and agency customers. There is also enhanced transparency involving work prioritization, expected system changes and delivery dates.

System emergencies are managed outside of this process and have reduced from the stabilization target of five per month to an average of one per month since applying the 2013 patch updates.

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[2] Current State Assessment, Oracle E-Business Suite: Projects/Grants Accounting and Reporting, October 2013. Prepared By: Sheryl Bishop, Senior Director, Mo'mix Solutions, Inc·

STABILIZATION AND STANDARDIZATION METRICS BY FUNCTIONAL VALUE STREAM

Functional Value Stream Stabilization Status

Stabilization is defined as:

- The fundamental business processes are supported by the system and operating in a timely and correct manner or are otherwise supported with known and reasonable workarounds;
- The system has adequate alerts and signals to inform the business owner and BRC when the system malfunctions;
- The BRC is able to address emergency and high-priority system defects in a timely manner; and
- The backlog of defects is stable or falling.

The following chart summarizes the current status of business process and system stabilization for each of the business operations value streams, as well as the status of system security and controls.

Area	Business Process Stabilization	System Stabilization
Budget-to-Report Value Stream	◉	◉
Procure-to-Pay Value Stream	◉	◉
Hire-to-Retire Value Stream	◉	◉
Billing-to-Cash Value Stream	◑	◑
System Security	◑	◑

Business Process Status Stabilization Criteria

◉ GREEN (HIGH STABILITY)
- The business process is stable from the perspective of central business owner
- User concerns are low priorities that can be inventoried and resolved later
- Users can conduct business with minor inconveniences or reasonable workarounds
- The intended business process is being used most of the time, with some exceptions
- Central business owners understand the process well enough to begin moving users to the next level of maturity, i.e., standard work and streamlining
- Documentation and training exists in an ad hoc fashion but needs to be strengthened via a coordinated training strategy

○ YELLOW (MEDIUM STABILITY)
- The business process is stable from the perspective of central business owner, however one or more of the following conditions may apply:
- User concerns are mid-level priorities that need to be addressed in the near team
- Users can conduct business but there are extra steps and some complex workarounds
- The intended business process is being used at least half of the time, with many exceptions
- Central business owners must identify and fix key problems with the support of users, prior to moving to next level of maturity
- Limited documentation and training exists in an ad hoc fashion and needs to be broadened and strengthened

● RED (LOW STABILITY)

- The business process is unstable or unpredictable from the perspective of the central business owner
- User concerns are high-level priorities that need to be addressed as soon as practicable
- Users have a high degree of difficulty conducting their business due to burdensome steps and complex workarounds
- The intended business process is being used one third or less of the time, with much confusion by users
- Central business owners are reacting to multiple problems and need to re-examine the process design and solve urgent problems before moving to next level of maturity
- Many users need special assistance and documentation/training is on hold until process becomes more stable

System Status Stabilization Criteria

● GREEN (HIGH STABILITY)

- The application is working as designed for key functions
- BRC staff can support application without frequent intervention or manipulations
- The system is available with minimal downtime for users

○ YELLOW (MEDIUM STABILITY)

- The application is working but patches or other fixes are needed to improve speed, accuracy and efficiency
- BRC staff have to devote extra time and resources to make the application work, but solutions are apparent in the near future
- Design set-up choices need to be revisited to ensure optimal use of Oracle capabilities with the most efficient use of county resources
- The system has more downtime than expected but this is manageable

● RED (LOW STABILITY)

- The application does not work as designed and is not meeting critical needs of agencies
- BRC staff do not have the capacity to address issues and problems and require intervention using expert outside resources
- The downtimes are excessive and hampering users

Functional Value Stream Standardization Status

Standardization is the discipline of analyzing and standardizing business processes and their components in terms of effectiveness, efficiency and added value contribution to the objectives of the business and includes these elements:

- Business processes and enabling systems are functioning without cumbersome or inefficient workarounds;
- Users are trained and there are standard work processes developed and being followed across county agencies;
- Agency and customers are engaged to help prioritize and address major issues and problems and feedback is obtained on their level of, satisfaction;
- Standard protocols are being followed for system access and security; and
- The County is moving towards best practices as it leverages the capabilities of the enabling technologies.

The following chart summarizes the current status of business process and system standardization for each of the business operations value streams, as well as the status of system security and controls.

Area	Business Process Standardization	System Standardization
Budget-to-Report Value Stream	◯	◯
Procure-to-Pay Value Stream	◯	◯
Hire-to-Retire Value Stream	◯	◯
Billing-to-Cash Value Stream	◑	◯
System Security and Controls	◯	◯

Business Process Status Standardization Criteria

◉ GREEN (HIGH STANDARDIZATION)
- Business process standards are fully mapped and well-defined
- Agency senior leaders have taken ownership of adopting business process standards
- Agency personnel understand and comply with standard business processes and report exceptions
- A complete set of online reference tools and guidance for business core processes are available and enable countywide standardization of processes
- Recurring process monitoring and continual process improvement initiatives are occurring on a recurring basis in most agencies
- Standard protocols are always being followed for systems access and security
- Agency feedback is used as a significant driver in issue prioritization

◯ YELLOW (MEDIUM STANDARDIZATION)
- Business process standards are summarily mapped and defined
- Some agency senior leaders have taken ownership of adopting business process standards
- Some agency personnel understand and comply with standard business processes and report exceptions
- Online reference tools and guidance for most business core processes are available and enable countywide standardization of processes
- Recurring process monitoring and continual process improvement initiatives are occurring on a recurring basis in some agencies
- Standard protocols are being developed for systems access and security
- Agency feedback is used as a driver in issue prioritization

● RED (LOW STANDARDIZATION OR NON-STANDARD)
- Business process standards are not mapped or defined
- Agency senior leaders have not taken ownership of adopting business process standards
- Most agency personnel do not understand or comply with standard business processes
- Online reference tools and guidance for a few business core processes are available
- Recurring process monitoring and continual process improvement initiatives are not occurring on a recurring basis in some agencies
- Standard protocols are not in place for systems access and security
- Agency feedback is not used as a driver in issue prioritization

System Process Status Standardization Criteria

● GREEN (HIGH STANDARDIZATION)
- Standard business processes are established and enabled by delivered ERP system functionality
- Design choices optimize business processes, Oracle best practice recommendations and system capabilities
- Prioritization process engages customers to prioritize and implement system changes and enhancements to meet customer needs within a committed timeline
- Customization is minimal to support essential business process requirements and efficiencies
- Application is maintained to current Oracle support levels
- Best practice technical standards, processes and systems documentation are mature and consistently applied

○ YELLOW (MEDIUM STANDARDIZATION)
- Standard business processes are in place but fixes are needed to improve speed, accuracy and efficiency goals
- Design and system best practice choices need to be revisited to ensure optimal use of ERP system capabilities with the most efficient use of county resources
- Customer priorities are surpassed by competing business, regulatory and/or labor contract requirements. Some commitments to timelines for delivered changes and enhancements are missed
- Customizations exist that can be replaced by delivered system functionality
- Application release level is maintained but some delays are experienced maintaining to current Oracle support levels
- Best practice technical standards, processes and systems documentation are developed but not consistently applied

● RED (LOW STANDARDIZATION)
- High level of customization is required because standard business processes or rules are not established
- BRC staff do not have the capacity to address design choices and have to devote a majority of time and resources to address critical issues in the application
- Customer priorities are not considered, or are overtaken by rework, or unanticipated regulatory and/or labor contract requirements
- Timelines to deliver changes and enhancements are frequently missed
- Application release level is maintained but frequent delays are experienced in maintaining to current Oracle support levels
- Best practice technical standards, processes and systems documentation are developed but not consistently applied

- System downtimes impact business performance and reliability

Budget-to-Report Value Stream	Business Process	System
Stabilization	◉	◉
Standardization	○	○

Budget-to-Report Value Stream Description

The Budget-to-Report value stream is the management process for providing strategic, financial and operational feedback to understand how a business is performing. Enterprise system enabling technology for this value stream include

- **Hyperion** budget system is the county's central budget process support system and includes modules for the development of both the operating and capital budget. The system is integrated with both Oracle EBS and PeopleSoft and is used to aggregate and report at multiple stages of the development of the budget (e.g. Executive proposed budget, council proposed budget, etc.).
- **EBS General Ledger Module** for King County is the primary accounting record for county agencies and special purpose districts and is used to keep track of financial transactions.
- **EBS Projects & Grants Module** provides an integrated cost management solution for projects and activities across the enterprise.
- **EBS Fixed Assets Module** tracks all county assets over $5,000 and is used to generate depreciation.
- **EBS Reporting Tools** - the reporting requirements for Oracle EBS are supported by application reports provided in the system and by two tools. First, Discoverer is Oracle's ad hoc reporting tool that can be used to run existing reports or to create new reports. Second, BI Publisher is a reporting tool that is used in the BRC to build custom reports for use by all end users. Legacy reports are currently available by either running reports in the legacy IBIS system or by accessing archived ARMS reports.

Budget-to-Report Value Stream Outlook

Based upon the criterion identified on pages 20-23 of this report, the Budget-to-Report value stream has reached a high level of stabilization and a medium level of standardization. The key factors for moving from yellow to green include: (1) having end-to-end business process standards that are well defined and mapped; and (2) ensuring that senior leaders take full ownership for their department's adherence to the new standards, with metrics used to report on variances from the standards.

PSB and FBOD are moving to standard work in this value stream by developing and implementing cross department reports to monitor the need for better education and adherence to standards.

FBOD's Financial Management Section (FMS) has also implemented standard hierarchies to facilitate more reliable financial reporting. To fully implement account hierarchies, FMS will be working with departments to develop standard definitions for accounts and monitoring usage. Keeping to standard use allows the automated roll-up of accounts without manual intervention/reclassification. FMS and the BRC implemented accrual processes for the projects and grants module to close the gap between the projects and grants module and the general ledger. Projects are planned to review the standard use of cost centers and projects. FMS is monitoring the underlying accounting for Federal and State grant fund reporting and reviewing the steps necessary to move substantially to cost based billings.

Budget-to-Report Stabilization and Standardization Status and Metrics
Hyperion

Hyperion Standardization efforts for the budget system have focused on the development of the first countywide biennial budget for the 2015/2016 biennium, integration of supplemental budget requests within the Hyperion system, and the development of standard templates and reports within the Project Information Center. This section outlines standardization metrics related to these three areas:

Biennial Budget Development The biennial budget process is being standardized through a variety of methods including business process improvement, county-wide financial management policies, code requirements, online and standard training, and documented budget development procedures. Capital and operating budget development processes are being systematically reviewed, documented, and communicated through a variety of formats including online, email, and live monthly question-and-answer sessions. Financial management policies have been refined and reviewed by council staff and are anticipated to be adopted in time for the 2015/2016 budget. The 2015/2016 budget is being developed using the updated financial management policies and draft code revisions. Training materials have been refined in conjunction with a national expert in Hyperion and transitioned into "on demand" videos for users. All agency users are offered access to this training, as well as live training sessions and hands-on labs with experienced users. The budget and business planning process and budget system use is documented and available to all county users online. This comprehensive set of information can be found on the county's SharePoint site and is updated weekly.

Supplemental Budget Requests The supplemental budget process, which occurs multiple times a year, has been substantively revised and integrated into the Hyperion system to reduce the number of steps, manual reconciliations, and reports required to produce the request to council. One measure of improved process is the number and percentage of reports produced manually before the automated process compared to after the automated process has been implemented.
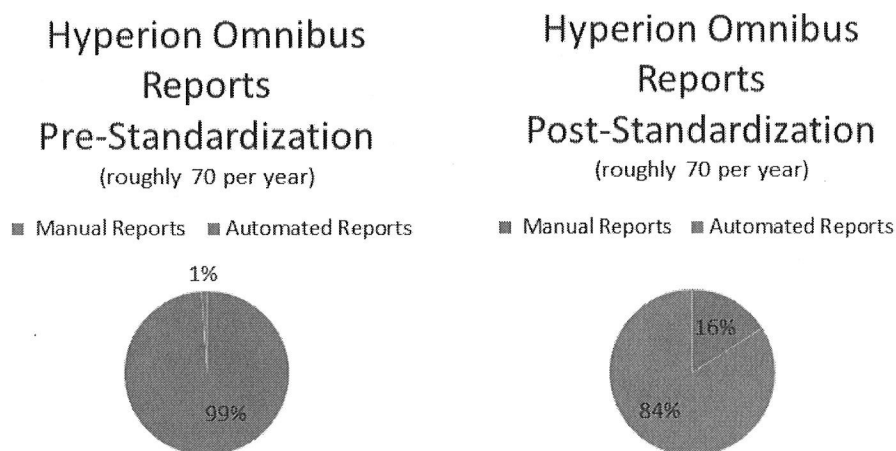
As shown in the pie charts above, on average 70 reports (fiscal notes, financial plans, etc.) are produced with each omnibus. To date, 99% of these reports are manually produced. Under the recently implemented process, a similar number of reports will be produced, but with an estimate of 16% produced

manually. This reduction will account to the efficacy of business process standardization and report integration into Hyperion.

Project Information Center Consistent with the 2015/16 budget process work, the capital Project Information Center (PIC) will be updated to include a more dynamic and useful capital appropriation proposal (CAP) report for input and reporting. The improvements will include integration with agency project management systems which will reduce data entry and reconciliation errors, distributed entry of data by agencies, streamlining of data entry and reporting through the reduction in the number of data elements (from over 100 to 53), and the automatic generation of Funds Summary report which is used for the budget ordinance (rather than the manual development and reconciliation of this critical report). In addition, PIC is expected to generate Hyperion data load sheets for electronically loading budget data into Hyperion which will further streamline the budget development process through reduction of manual entry and less manual reconciliation between systems.

Budget-to-Report Stabilization and Standardization Status and Metrics
EBS General Ledger Module

General Ledger errors are primarily due to agencies entering journal entries for one-sided miscellaneous transactions from the Projects module that should be two-sided journal entries.

The errors occurring from single sided projects errors are at a very low operating level during the year. The appearance of the spike at year-end was due to new year-end activities where accrued expenditures were posted to the projects and grants module. The errors were resolved in the 2013 post-December adjustment period. The standard entry to projects processes through a clearing account, so a manual general ledger entry is needed. The process will be reviewed for improvements next year to more closely time the project's entry with the corresponding general ledger entry.
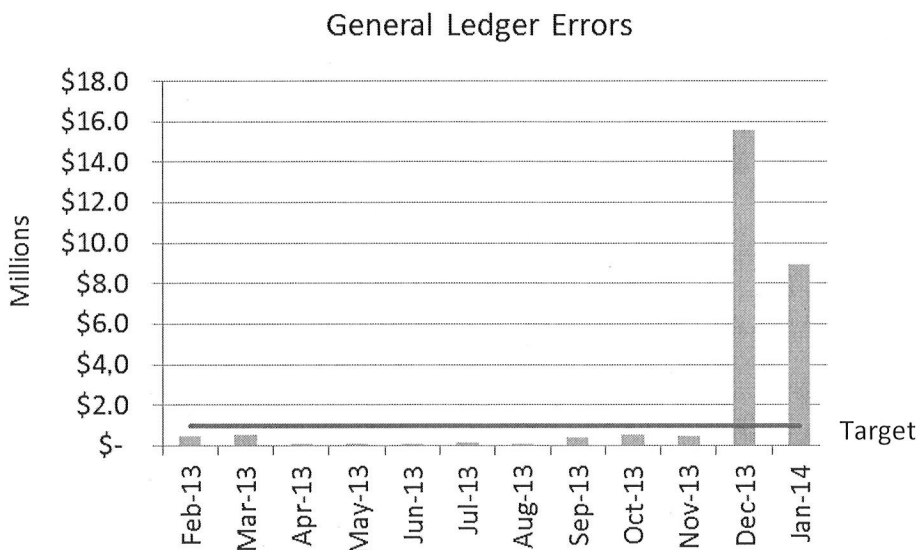
General Ledger Errors

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of in-process transactions to exist at month-end.

Budget-to-Report Stabilization and Standardization Status and Metrics
EBS Projects Module

Projects backlog represents transactions in the Projects/Labor Account 19904 that require correct coding to be applied. After the Projects module closes additional adjustments may be made on the General Ledger to assure accurate reporting. The spike in December is due to labor expense accruals resulting in a credit of $339,000 for December and with the corresponding debit in January.
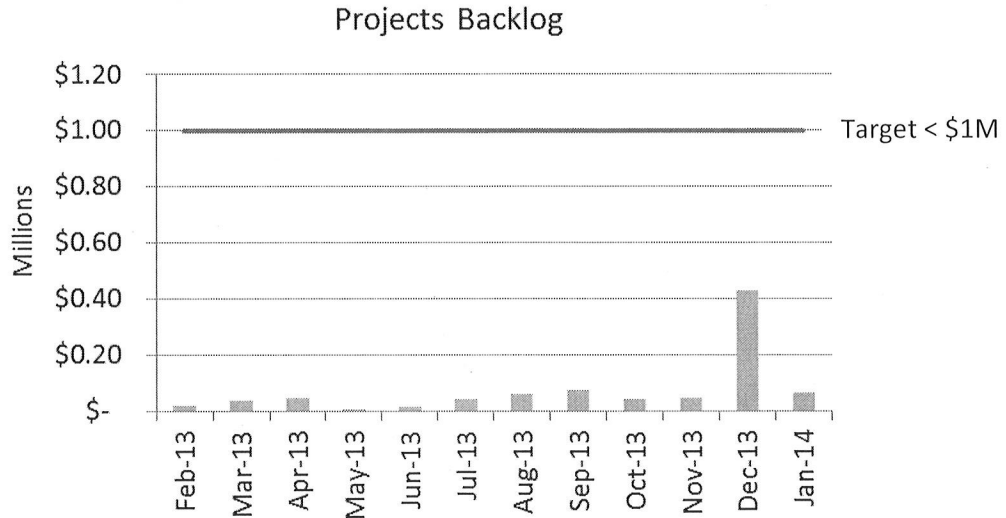
Projects Backlog

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of projects backlog to exist at month-end.

Projects errors represent a variety of transactional errors occurring in agencies. Errors in the second half of the year are mostly related to a Use Tax issue that was resolved in January 2014. January had no project errors at month-end,--the first time this level was achieved. No project errors were also achieved for April 2014 month-end.
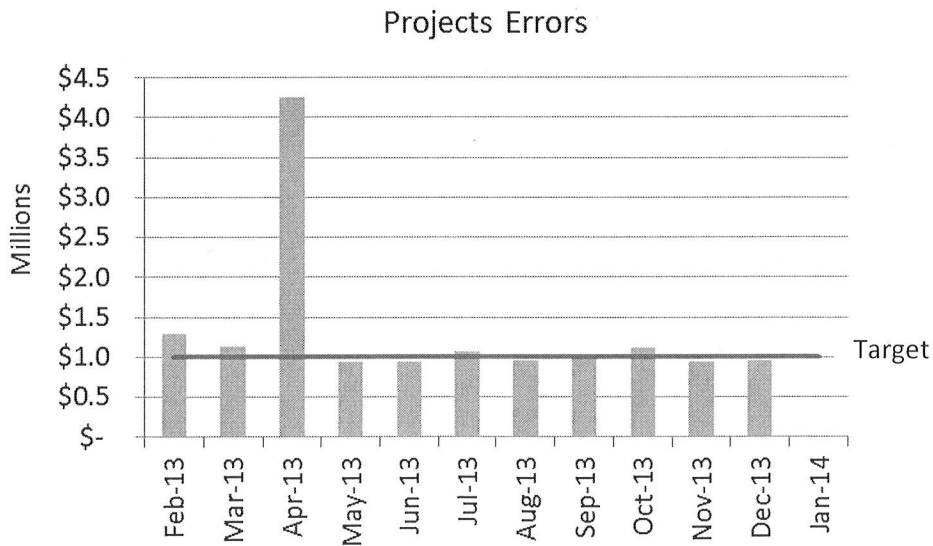
Projects Errors

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of in-process transactions to exist at month-end.

Budget-to-Report Stabilization and Standardization Status and Metrics
EBS Fixed Asset Module

Fixed Assets backlog includes the dollar value of expenditures for assets not recorded in the Fixed Asset module from procurement activity. This backlog was not reported between January 2013 and May 2013. This backlog highlights the need to develop and monitor time standards regarding fixed asset data entry.
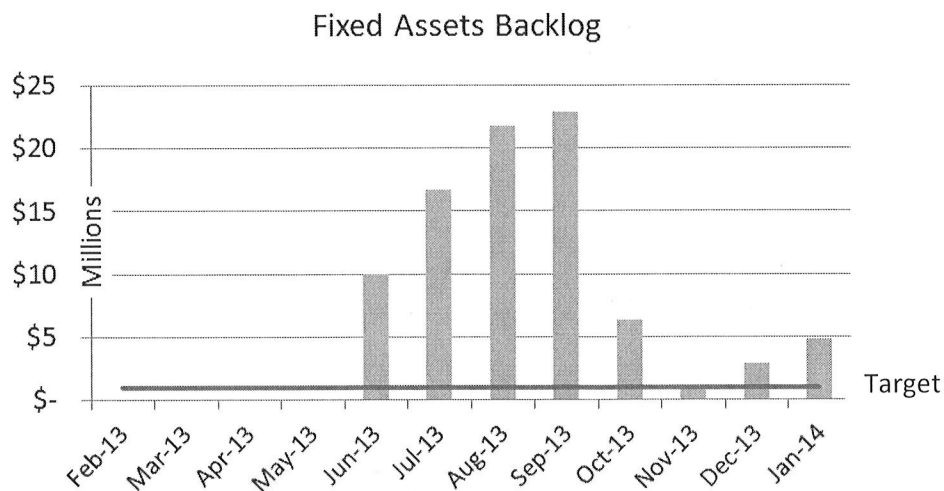
Fixed Assets Backlog

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of in-process transactions to exist at month-end.

Budget-to-Report Stabilization and Standardization Status and Metrics
EBS Reporting

The final phase of Oracle EBS report certification is targeted to begin in Q3 and be complete by the end of 2014. Through testing, FBOD and BRC subject matter expert are certifying EBS BI Publisher and Discoverer reports to ensure reliability and accuracy for county users.

Certified Countywide EBS Reports
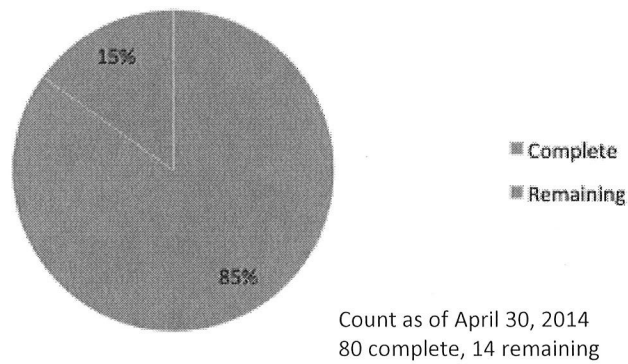
Count as of April 30, 2014
80 complete, 14 remaining

Procure-to-Pay Value Stream	Business Process	System
Stabilization	◉	◉
Standardization	○	○

Procure-to-Pay Value Stream Description

The Procure-to-Pay value stream systems enable the integration of the purchasing function with account payable function, linking the procurement process and finance department. Enterprise system-enabling technology for this value stream include:

- **EBS iProcurement and Purchasing Modules** The iProcurement and Purchasing Modules are seamlessly integrated to support purchasing activities for all King County agencies. These modules are designed to expedite ordering, receiving, and paying for all types of goods and services.
- **EBS iExpense Module – PCards** The iExpense Module is a self-service module for employee travel and expense reimbursements, and has been customized to manage purchase card (PCard) transactions.
- **EBS Accounts Payable Module** The Accounts Payable module processes warrants and Automated Clearing House (ACH) payments to individuals, suppliers and external organizations. In the county's role as *ex-officio* treasurer for special districts, the county also issues district warrants and ACHs using this module. Accounts Payable is integrated with iExpense and is used to process payments to employees for expense and travel reimbursements and to pay PCards.
- **EBS Inventory Module** The inventory sub ledger includes a detailed listing of items to be tracked and issued in the performance of business activities. King County has two agencies that use Oracle inventory – Department of Public Health and Wastewater Treatment Division. Metro Transit and Fleet Administration have inventories that are managed in side systems that interface to Oracle.

Procure-to-Pay Value Stream Outlook

Based upon the criterion identified on pages 20-23 of this report, the Procure-to-Pay value stream has reached a high level of stabilization and a medium level of standardization. The key factors for moving from yellow to green include: (1) having end-to-end business process standards that are well defined and mapped; and (2) ensuring that senior leaders take full ownership for their department's adherence to the new standards, with metrics used to report on variances from the standards.

FBOD is moving to standard work in this value stream by developing and implementing cross department reports to monitor the need for better education and adherence to standards.

The Procure-to-Pay value stream is well understood and is on a positive standardization track. In 2013 and 2014 an FBOD Accounts Payable initiative in this value stream produced standardization of invoice handling and timing of invoices through two departments. Timelines were set, and standard forms rolled out. Errors were tracked and counter-measures were employed with good results. The Accounts Payable and Procurement areas have robust metrics reported monthly which FBOD can use to identify improvement opportunities.

To make a significant performance improvement in the cycle-time of this value stream, the county needs to move primarily to the requisition-first procurement model. Moving to this model will allow the employment of automated tools to receive electronic invoice receipts, thereby reducing paper invoice handling.

To that end, a current FBOD procurement initiative includes assessing and redirecting manual purchase orders to less costly contract or PCard purchases, identifying best methods to purchase (requisition) items for highest and optimal use of the Oracle EBS system (the "Req it Right" initiative) and monitoring adherence to the new standards.

Procure-to-Pay Stabilization and Standardization Status and Metrics
EBS iProcurement and Purchasing Modules

It is considered a best practice in the procurement industry to drive 75% or more of your organization's spending to negotiated contracts with vendors (as opposed to having high levels of "off contract" spending with vendors that have not previously negotiated a formal contract with the county). As shown in the charts below, the county is achieving a very high rate of "on contract" spending and continues to drive spending to negotiated contracts that offer best pricing. Most purchase orders are linked to contracts allowing for faster processing.

The slight uptick in off contract spending from 2% for the first three quarters of 2014 versus 3% for the first quarter of 2014 is reasonable to FBOD management. Per these metrics, King County is well above the "Best-in-Class" status of 79% for on-contract spend as indicated by the National Institute of Government (NIGP) procurement class performance in this area.

There are no NIGP targets for auto-sourced purchase orders, so the target level for this metric of 15% was set by FBOD management based upon historical trends and professional experience as to the acceptable level of manual sourced purchase orders. The target will be revisited at the end of 2014.

On and Off Contract Spending

Q1-Q4 2013 — 2% / 98%; Q1 2014 — 3% / 97%
On Contract Spend %
Off Contract Spend %

Manual and Auto Sourced PO's

Q1-Q4 2013 — 11% / 89%; Q1 2014 — 11% / 89%
Auto Sourced PO %
Manual PO %
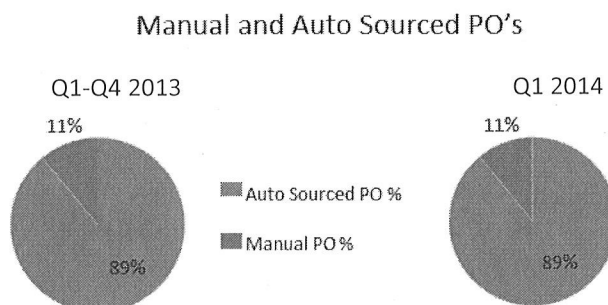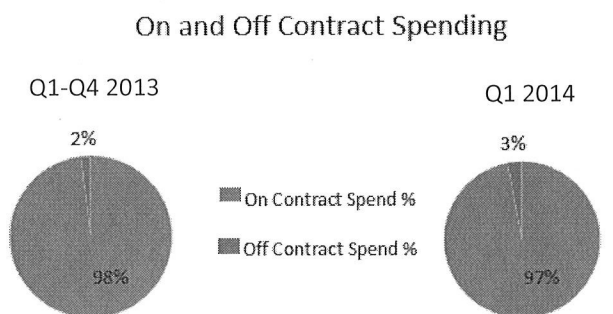
Procure-to-Pay Stabilization and Standardization Status and Metrics
EBS iExpense Module

The county receives a rebate based on both the volume of purchases and the speed of payments. Cardholders submit weekly "expense reports" for approval to ensure timely payment to US Bank. Expense reports should be submitted within 10 days from when the transaction appears in iExpense. System interfaces occasionally affect the cardholder's ability to meet this goal. However, because we set this goal so high, the county has received no late fees and consistently achieves a high rate of rebate return due to our accelerated payments. The rebates are being used to fully fund the staff who administer the PCard program.

King County PCard Rebates 2010 - 2013

Timely Entry of PCard Expense Reports
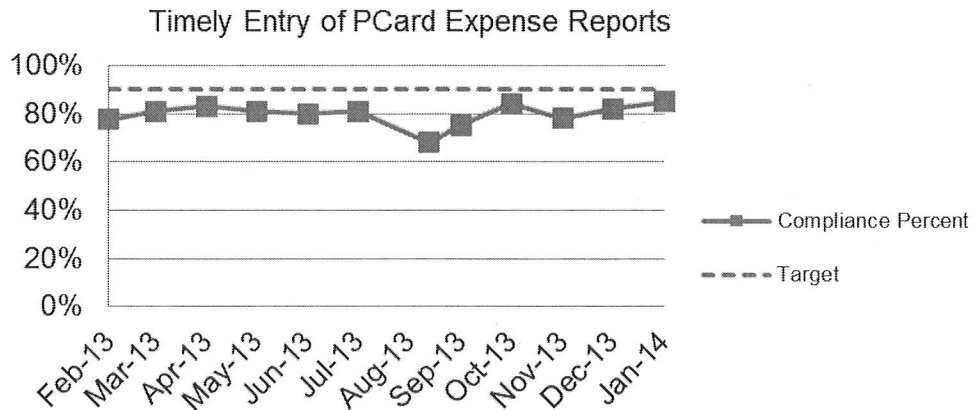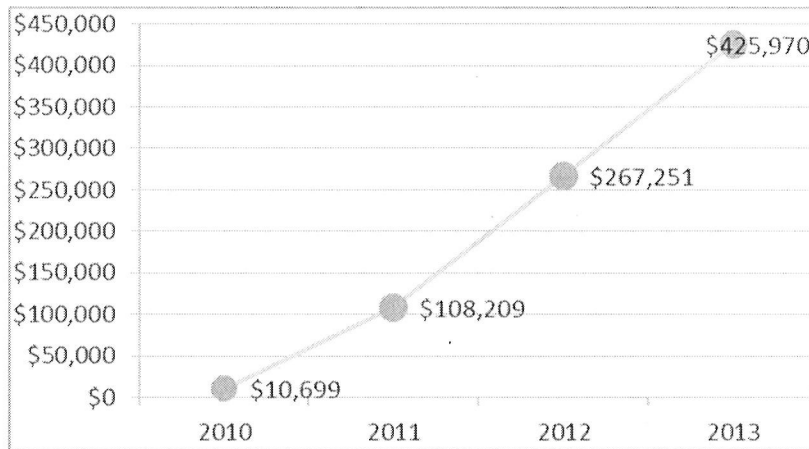
Procure-to-Pay Stabilization and Standardization Status and Metrics
EBS Accounts Payable Module

There is a gap between our target of 95 percent of invoices paid on time, and the county's actual performance that is showing timely payment fewer than 60 percent of the time.
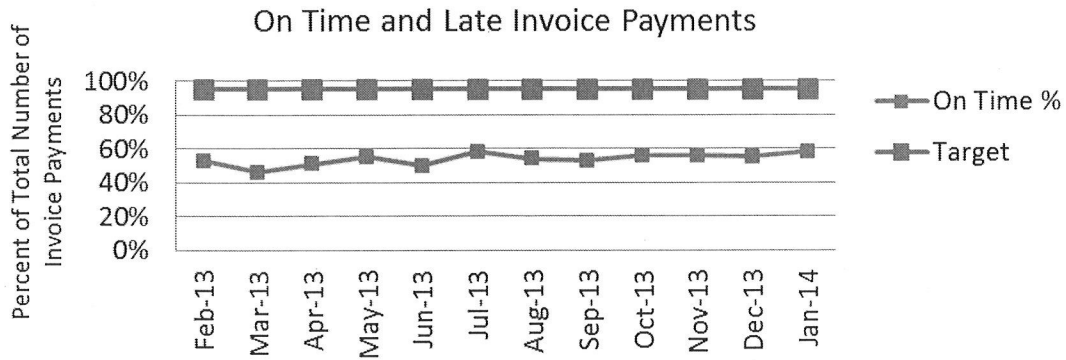
Solving the late payment problem is more nuanced than one might expect. For instance, when properly completed invoices arrive in central accounts payable within 10 days of the due date, they are paid by the due date 95% of the time. The chart below shows the current payment time from central accounts payable falls within process targets. Several factors have already been identified as causing invoices to arrive late to accounts payable; for example, in some contracts the term "due date" is not adequately defined and can be confused with "service date." A realistic example of how this confusion could impact late payments, consider if services were performed for the county from May 1 – 31; then assume the provider sends an invoice associated with those services to the county in late June with a "due" date of May 31; the invoice would be measured as 25 days late the date the invoice was received.

To improve measurement and performance in this area a number of steps are planned: expand department use of the PCard; expand standard language in contracts; expand standard work in central accounts payable; and expand standard handling of invoices and timelines in departments. Longer-Term projects to receive invoices electronically to avoid manual processing of invoices are also anticipated.

Days to Process Payment After Agency Sends Invoice to Central A/P

Chart legend:
- Target – 5 days, each process
- Entry Date to Payment Date: Median
- Time from Receipt in AP to Entry: Median

Y-axis: Number of Days (0 to 6)
X-axis: Feb-13, Mar-13, Apr-13, May-13, Jun-13, Jul-13, Aug-13, Sep-13, Oct-13, Nov-13, Dec-13, Jan-14
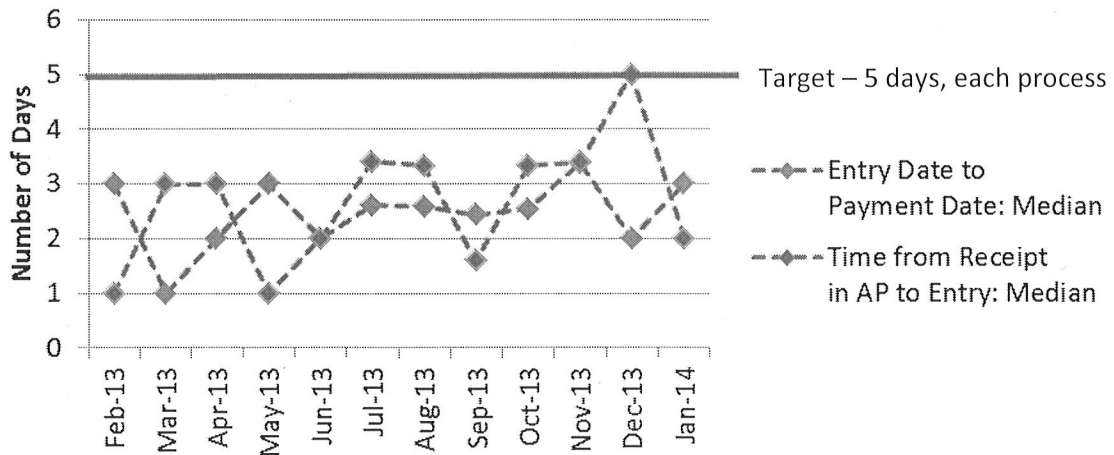
Stabilization and Standardization Metrics
HIRE-TO-RETIRE VALUE STREAM

Budget-to-Report Value Stream	Business Process	System
Stabilization	◉	◉
Standardization	○	○

Hire-to-Retire Value Stream Description

The Hire-to-Retire value stream encompasses all business functions necessary to plan to hire, develop, assign, sustain, and separate personnel resources. Enterprise system enabling technology for this value stream include

PeopleSoft is the county's central human capital management and time and labor system. The system is integrated with both Oracle EBS and Hyperion. The Human Capital Management system is the tool through which every county employee is brought on-board into the system and provided a classification and wage rate, how every employee moves through their pay range, potentially going on special duty, going out on leave, or changing positions, and ultimately how positions are vacated and refilled. All of this information culminates in the time and labor system, which enables every employee to get paid every pay cycle in an accurate and timely fashion.

Hire-to-Retire Value Stream Outlook

Based upon the criterion identified on pages 20-23of this report, the Hire-to-Retire value stream has reached a high level of stabilization and a medium level of standardization. The key factors for moving from yellow to green are include: (1) having end-to-end business process standards that are well defined and mapped; and (2) ensuring that senior leaders take full ownership for their department's adherence to the new standards, with metrics used to report on variances from the standards.

HRD and FBOD is moving to standard work in this value stream by developing and implementing cross department reports to monitor the need for better education and adherence to standards.

With the Employer of the Future project, HRD in collaboration with OLR, FBOD, PSB, BRC and many other county agencies and stakeholders, will seek to create consistency across many of the county's personnel policies and practices. These new standards and approaches will ultimately be implemented not only through our collective bargaining agreements but also through our enterprise systems. Standardization and consistency will improve business processes to ultimately meet our quality workforce goals, but will also increase system optimization and efficiency.

Many opportunities exist to enhance and integrate business processes across the Hire-to-Retire value stream. These opportunities should look to standardize processes and to eliminate pain points where hand-offs occur in the value stream or where a lack of understanding of the stream occurs. Although the upgrade will eliminate some system duplication, the system itself is prevented from optimal standardization until the work to improve standardization of pay, leave and benefits practices can be improved.

This lack of standardization will continue to create numerous manual work-around processes. Thus some of the opportunities must include:
- Standardization of pay to include a total compensation approach;
- A complete rewrite of Human Resources policy to support a total compensation approach; and
- Education with departments, agencies and unions to see the value in enhancing or integrating areas of this value stream.

During the 2014 budget process and for this year's 2015-2016 budget preparation, significant standardization and improved data integrity was achieved in a collaborative effort between HRD and PSB staff. By building standard reporting tools, every agency was able to review and confirm their position data prior to it being used to feed the pro forma budget. This collaboration and process improvement will continue in the coming years.

Additionally, with stabilization and ever increasing data standardization of the PeopleSoft system, HRD is now in the process of building a more robust workforce analytics program. Because staff are able to pull reliable, countywide data out of the system, HRD can now look at trends like diversity, gender equity, turnover and other key metrics about our workforce that ultimately let us make better decisions and enable agencies to better plan for their changing workforce.

It is important to keep in mind that because many of the changes to improve standardization relate to personnel policies and practices, they will need to be bargained with our labor partners. Under the leadership of OLR, the county will seek to eliminate as much of the inconsistency as possible across our many collective bargaining agreements in support of the new standards and approaches we develop. This will take both time and a strong, active partnership with our union representatives.

Hire-to-Retire Stabilization and Standardization Status and Metrics
PeopleSoft

Timely Submission of Department Payroll
to BPROS Central Payroll
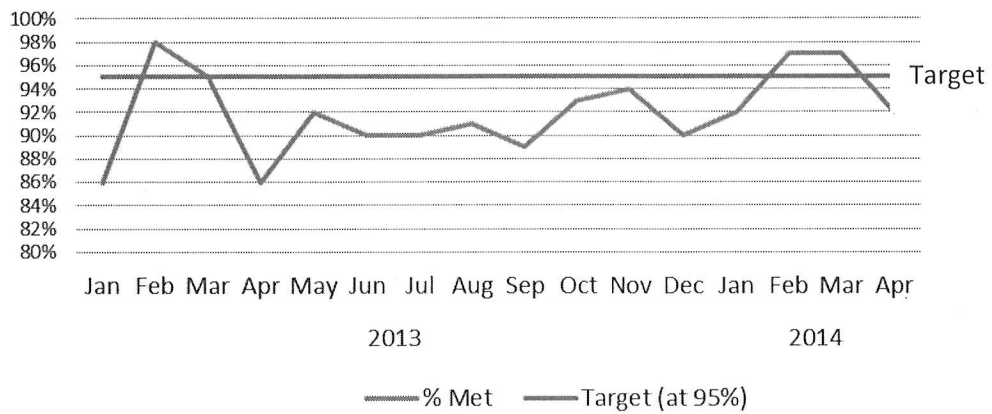
Target

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr

2013   2014

━━━━% Met   ━━━━Target (at 95%)

The target level was set by FBOD management in evaluating possible incremental improvements based on PeopleSoft implementation and stabilization, prior to initiating improvements. The targets were set as stretch opportunities and will be refined further as process improvements are implemented.

Hire-to-Retire Stabilization and Standardization Status and Metrics PeopleSoft

Customer Satisfaction Survey Response

PeopleSoft – Human Capital Management

Summary:
- While one of the most commonly utilized HR services, supervisors and managers believed that there was likely much more they could do with the tool beyond self-service and time approval.
- Satisfaction increased significantly over 2011. When the survey was previously conducted, PeopleSoft was not fully implemented and concern about transition was significant.
- Importance is viewed as low. This may be in part as managers seem unaware of system capabilities.
- Identified opportunities include:
  - Training
  - Reporting & Access to Information
  - Customer Support

How frequently did you use PeopleSoft/HCM within the past twelve months?

19.4%	■ More than Once Per Week
29.7%	▨ Weekly
12.6%	▨ Monthly
13.8%	▢ More than Once
1.5%	▢ Once
22.9%	■ No Opportunity

How satisfied are you with self service in PeopleSoft/HCM System?

- Very Satisfied: 20.8%
- Satisfied: 42.2%
- Neutral: 20.8%
- Dissatisfied: 5.3%
- Very Dissatisfied: 3.1%

Which of the following PeopleSoft functions have you used in the past six months?

- Approving employee time entry: 74.5%
- Looking up employee information: 78.2%
- Looking up position information: 53.5%
- Queries and reports that provide workforce...: 13.7%
- Position change request entry or approval: 15.5%

Hire-to-Retire Stabilization and Standardization Status and Metrics
PeopleSoft (cont.)

PeopleSoft – Human Capital Management

	Level of Agreement	Level of Importance
I have received sufficient training on PeopleSoft/HCM Agreement: 3.26 +0.49 Importance: 3.59 +0.10	55, 86, 61, 45, 39 Strongly Agree (5), Somewhat Agree (4), Neutral (3), Somewhat Disagree (2), Strongly Disagree (1)	33, 128, 91, 15, 8 Highest Priority (5), Very Important (4), Somewhat Important (3), Not Very Important (2), Not at All Important (1)
On a scale of 1-5, where 5 is Strongly Agree and 1 is Strongly Disagree		
I know how to use PeopleSoft/HCM to do my job Agreement: 3.78 +0.49 Importance: 3.71 +0.20	99, 97, 37, 29, 22	47, 132, 72, 13, 9
I know who to contact when I have questions regarding PeopleSoft/HCM Agreement: 3.49 +0.16 Importance: 3.66 +0.08	94, 68, 42, 52, 31	36, 135, 81, 14, 6
I receive helpful responses when I have questions regarding PeopleSoft/HCM Agreement: 3.64 +0.03 Importance: 3.73 +0.12	79, 53, 71, 25, 15	36, 142, 66, 11, 6

Billing-to-Cash Value Stream	Business Process	System
Stabilization	◑	◑
Standardization	◑	○

Billing-to-Cash Value Stream Description

The Billing-to-Cash refers to the end to end business process for billing and processing grant and customer receipts. Enterprise system enabling technology for this value stream include

- **EBS Accounts Receivable Module** The function of the Accounts Receivable module is to bill customers, account for dollars that are outstanding and apply the cash that is received to the correct accounts.
- **EBS Cash Management Module** King County utilizes the Oracle Cash Management module to reconcile daily bank transactions that have been recorded in the Oracle General Ledger, Accounts Receivable, Accounts Payable and Cash Management modules.
- **EBS Advanced Collections Module** The Advanced Collections module was put into production one year after go-live in January 2013. This module tracks accounts that are delinquent and that may be sent to collections if they are not brought current.
- **EBS Inventory Module** The inventory module includes a detailed listing of items to be tracked and issued in the performance of business activities. King County has two agencies that use Oracle inventory – the Department of Public Health and the Wastewater Treatment Division. Public Transportation and Fleet Administration have inventories that are managed in side systems that interface to Oracle.

Billing-to-Cash Value Stream Outlook

Based upon the criterion identified on pages 20-23 of this report, the Billing-to-Cash value stream has reached a medium-high level of stabilization and a medium-low to medium level of standardization.

The Billing-to-Cash value stream still has in place a very manual set of processes to apply cash to receipts and system generated invoices require a redesign for better customer usability and the FBOD and BRC 2014-2015 work plans address those remaining stability issues.

The key factors for moving from yellow to green include: (1) having end-to-end business process standards that are well defined and mapped; and (2) ensuring that senior leaders take full ownership for their department's adherence to the new standards, with metrics used to report on variances from the standards.

FBOD is moving to standard work in this value stream by developing and implementing cross department reports to monitor the need for better education and adherence to standards.

The Billing-to-Cash value stream will benefit from standard procedures in the projects module. The value stream will also benefit from the electronic receipt of a data file from the major electronic bill payer services that can be applied to customer accounts through an interface. The benefit of the interface will be to reduce the time to apply cash from 5 minutes to about 30 seconds.

Billing-to-Cash Stabilization and Standardization Status and Metrics
EBS Accounts Receivable Module

Accounts Receivable backlog represents receivables that have not yet been applied to an account, either because the receivable is from an unknown source or because the receivable is applied to a customer but not applied to invoices. This number does not include capacity charge payments. The second chart includes capacity charge payments. The spike in November was due to three invoices totaling $5.2 million. The funds were applied in early December.
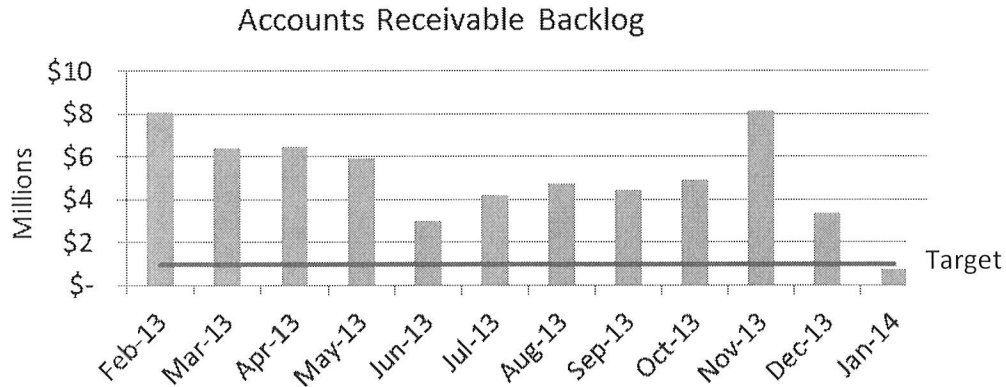
Accounts Receivable Backlog

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of in-progress accounting transactions at month-end close.

Percentage of Auto-Applied Standard Receipts, Central Accounts Receivable versus Capacity Charge
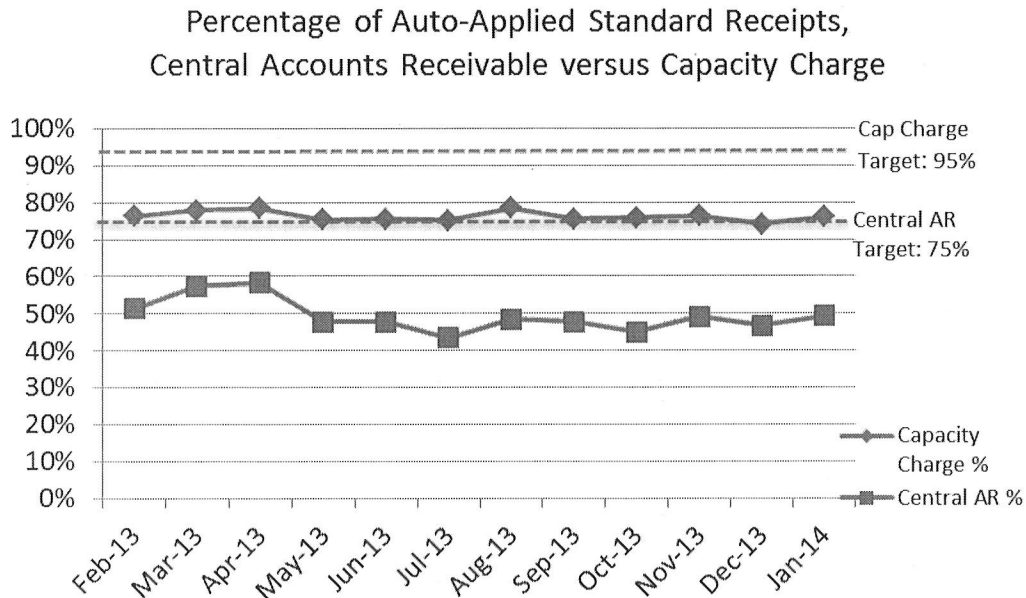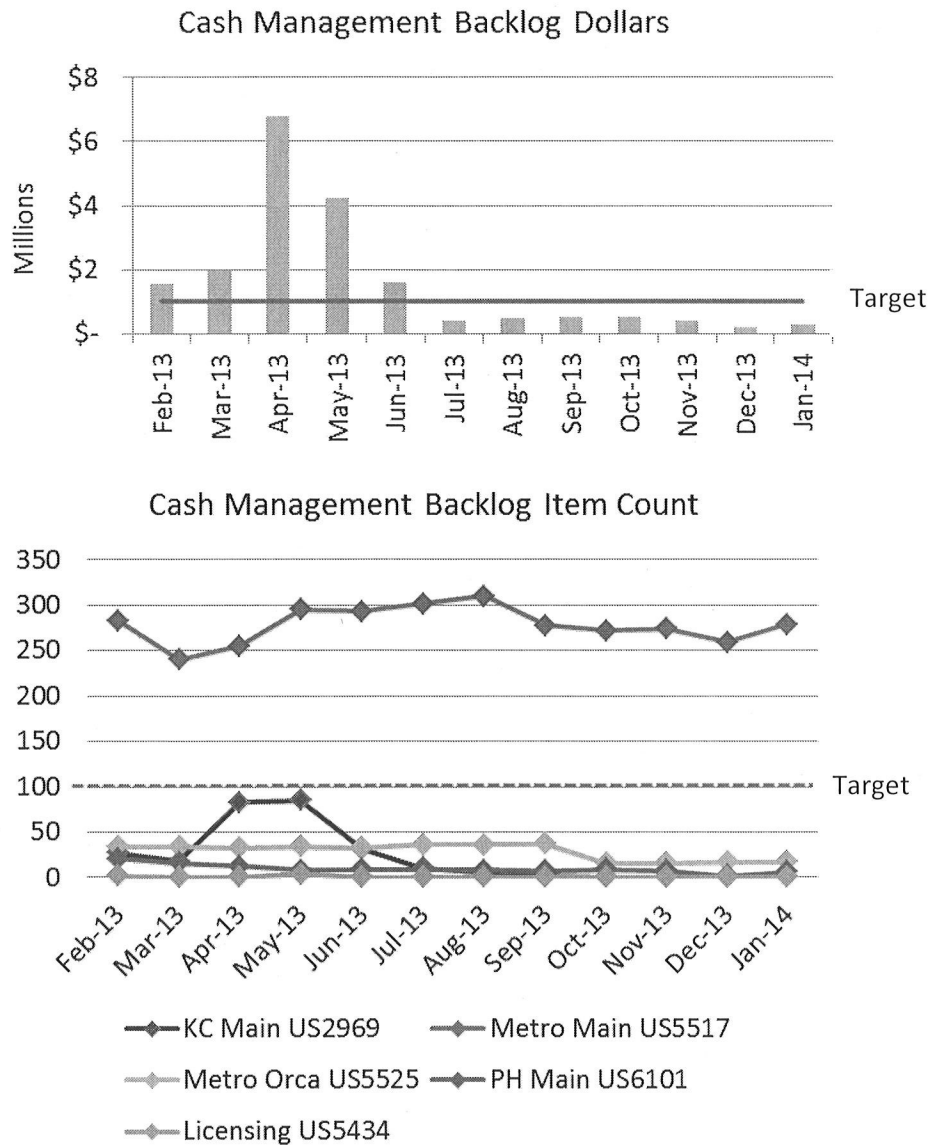
The target level was set by FBOD management in evaluating possible incremental improvements based on where the cash application rates stabilized prior to initiating improvements. The targets were set as stretch opportunities and will be refined further as process improvements are implemented.

Billing-to-Cash Stabilization and Standardization Status and Metrics
EBS Cash Management Module

Cash Management backlog is the dollar value of outstanding unreconciled bank transactions that are more than 30 days old. These errors can occur due to Oracle system errors, side system errors, and business process procedures in FBOD or in agencies.

Cash Management Backlog Dollars

Cash Management Backlog Item Count

The target level was set by FBOD management based upon historical trends and professional experience as to the acceptable level of in-progress accounting transactions at month-end close.

The number of reconciling items for the Metro bank continues to remain high. A significant percentage of those items relate to the booking of returned bank items (NSFs) and Metro has not had sufficient resources available to research, record, and collect those items. In 2014, the FBOD Cash Management group will partner with the Metro accounting team to develop a joint solution to resolve this problem.

System Security & Controls	Business Process	System
Stabilization	◐	◐
Standardization	○	○

System Security and Controls Description

System security and controls includes:
- Business processes, rules and controls to govern who can access data and transaction processing in Oracle EBS
- System design and tools to manage and control access privileges and permissions
- Security mechanisms to protect the technology infrastructure and ERP system from unintended or unauthorized access
- Adoption of business and industry best practices in the design and management of security rules, controls and processes

System Security and Controls Status

Policies and procedures are in place today to approve, administer and maintain access to the ERP systems and to assign access privileges consistent with job functions and which comply with internal controls for separation of duties.

As part of continuous improvement activities in this area, an Oracle EBS security assessment was completed in 2013 with Jeffrey Hare, a national expert in Oracle security. The scope of the assessment provided the following deliverables:
- Review and documentation to support maintenance of the Oracle EBS user security design, internal controls and system security maintenance procedures
- Best practice recommendations for system access, controls and maintenance describing how the county can reduce Oracle EBS security risks
- Identification of areas where security access controls will need to be reconfigured to support central business needs.

System Security and Controls Outlook

Based upon the criterion identified on pages 21-23 of this report, System Security and Controls have reached a medium-high level of stabilization and a medium level of standardization.

The BRC Security Analyst position approved in the 2014 budget was filled in January 2014. This position manages system access privileges and permission changes to use the Oracle financial system, and validates that appropriate documentation and authorizations are provided consistent with job functions and standards for internal controls.

The operational project to respond to the recommendations and move to a high level of standardization has been defined. However, certain recommendations from the assessment are o on hold pending hiring of the Oracle EBS System Administrator position, approved in the 2014 budget. A second recruitment process is underway to fill the position since the first recruitment process earlier this year did not result in a qualified candidate. The position is critical to the success of the project and is required to manage and

contribute to the security redesign, implement the improvement recommendations and then perform the ongoing body of work related to system security maintenance and design. In the past, this work was previously performed by an ABT contractor since it exceeded BRC staff capacity and expertise to absorb.

In addition to the project definition, an initial work plan with activities spanning 2014-2016 has been developed with the following scope:

1. Implement Oracle EBS security design and user permission changes based on recommendations and other changes to mitigate identified security risks.
2. Implement Oracle EBS Security change approval process.
3. Identify and implement critical and short-term changes.
4. Perform a comprehensive review of the assessment results and data to inform criteria development for redesign and change processes including King County Oracle EBS security risk guidelines.
5. Implement module specific and cross module redesign and other risk mitigations including refinements of the design for responsibilities, menus, sub-menus, request groups and profile options.
6. Implement a periodic audit process.

OUTCOME OF 2013 ORACLE EBS PATCH PROJECT

The 2013 Patch Project included implementation and testing of Oracle EBS application patches as well as upgrades to the Oracle database and Discoverer reporting tools to bring the system up to a more current supported level. This project was a major effort to increase system stability and to offer some delivered enhancements to customers. Prior to commencing the project, BRC and FBOD collaborated to identify critical work to be completed prior to and in parallel to the project.

Project Outcomes
- The expected enhancements and fixes originally communicated to all customers prior to the project were delivered on schedule in October 2013.
- The project enabled the immediate closure of 130 work requests. Approximately 70% of the fixes and improvements were made to the system functions supporting Accounts Payable, Projects and Grants and Purchase Order processes. Customers reported greater stability and overall improved functionality. Customers relayed appreciation of the strategy and having visibility to up-to-date progress.
- The impact on custom code was minimal. The majority of reported issues during the project were a result of Oracle-delivered system functionality breaking as a result of the patch application.
- Post-implementation problems were minimal in quantity.
- A standard approach and project methodology for patch updates was developed and is currently being applied to the 2014 Patch Project effort. The team is currently ahead of schedule, greatly assisted by the lessons learned from 2013 as well as being at a more current patch level as a result of the 2013 Patch Project and stabilization activities.

APPENDIX
2014/2015 Business Standardization Work Plan, Deliverables, and Benefits

Budget-to-Report Value Stream
2014/2015 Business Standardization Work Plan, Deliverables, and Benefits

The Budget-to-Report value stream reflects the management process for providing strategic, financial and operational feedback to understand how a business is performing.

2014/2015 Business Standardization Work Plan	Deliverables	Benefits
Opportunity/Need: There is an inconsistent countywide approach to the loading of budget information in Oracle EBS. **Key Initiative:** Standardize the use of Hyperion and loading budget information into EBS.	• 2014 Standard system processes to support budget updates throughout the budget cycle and as needed.	• Consistent approach and method across the enterprise and efficiencies in loading budget information to Oracle EBS.
Opportunity/Need The county should implement efficiencies identified in the 2013 Projects and Grants assessment. **Key Initiative:** Reduce the complexity of projects configuration.	• 2014 Collaborate with agencies to develop and adopt standards for projects, programs and cost centers. • 2014 Streamline capital project accounting in Oracle EBS General Ledger module. • 2014 Completed - Record accrued expenditures in the December Projects Module data (so that it is comparable to the GL Module data at year end) and then reverses the transactions in the subsequent year.	• Optimize use of the projects and grants module. • Meet customer requirements and improve customer experience and satisfaction. • Simplify for agency staff the process to reconcile general ledger and projects module expenditures. • Simplify for agency staff the accrual of revenue for projects billing activities.
Opportunity/Need: County agencies and special districts currently use a variety of templates and processes for bank activity. **Key Initiative:** Standardize the cash management processes	• 2014-2015 Develop and rollout countywide standard business process for bank reconciliations, ACH payments and wire transfers.	• Reduce process variance, decrease errors and rework, and improve efficiencies.
Opportunity/Need: The Oracle EBS reporting tool Discoverer will no longer be supported by Oracle in 2017. **Key Initiative:** Develop new enterprise reporting solution	• 2013 Completed high level assessment of reporting issues and establish customer steering team. • 2014 Document and prioritize customer requirements and work to resolve identified mid-term issues for financial reporting. • 2014/2015 Complete solution alternative analysis and	• Improve ease and use of reporting tools and improve customer experience and satisfaction. • Meet customer requirements. • Provide a common solution across the enterprise – reduce business and IT effort to create, maintain and support Agency one-off solutions and independent

	recommendations to resolve mid-term issues replace Discoverer and inform future efforts for enterprise reporting solution(s). • 2015 Develop Roadmap for enterprise reporting solutions(s).	datamarts.
Opportunity/Need: In 2013 agencies, new to Oracle EBS, reported grant information in a non-standard manner to FBOD resulting in errors and rework. **Action Items:** Improve Schedule of expenditures of Federal Award (SEFA) reliability.	• 2014 Completed - Deliver SEFA to the State Auditor that is timely and accurate • 2014 Q2 – FBOD staff perform agency site visits to promote standard work in award accounting and billing• 2014 Q3-Q4 – FBOD staff perform agency site visits to streamline SEFA preparation procedures	• Reduced cost to fulfill the county's responsibility under federal funds audit requirements.
Opportunity/Need: Meet a priority request from agency finance managers. **Action Items:** Redesign of Projects and Grants interfaces	• 2014 Correct defects and improve notifications to end customers	• Part of broader effort to: (i) implement interface development standards for consistency in interface maintenance and support; (ii) meet customer requirements and improve customer experience and satisfaction
Opportunity/Need: The current warrant reconciliation process is inefficient. **Action Items:** Redesign of system tables and reports for cash management	• 2014-2015 Simplified warrant reconciliation process	• Reduced work effort for Treasury to complete warrant reconciliations

Procure-to-Pay Value Stream
2014/2015 Business Standardization Work Plan, Deliverables, and Benefits

The Procure-to-Pay value stream systems enable the integration of the Purchasing function with the Accounts Payable department, linking the procurement process and financial functions.

2014/2015 Business Standardization Work Plan	Deliverables	Benefits
Opportunity/Need: Agency staff are currently unsure when and how to use different purchasing tools, resulting in inefficiencies. **Key Initiative:** Standardizing the countywide use of requisitions and PCards (the "Req it Right" Initiative).	• 2014 Develop criteria and standard work process for Requisition-first, Requisition-after and PCard purchases. • 2015 Develop online reference manual and performance reporting tools for PCards and Requisitions.	• Streamlined use of Oracle EBS in its current configuration. • Ability to identify opportunities for improvement by agency. • Optimize discounts with on-contract and PCard purchasing. • Reduce cycle-time on vendor payments. • Maximum transparency of purchasing transactions.
Opportunity/Need: Optimize the opportunity for King County to earn PCard rebates. **Key Initiative:** Leverage the use of PCards.	• 2014 – 2015 Agency outreach and education. • 2015 Develop performance reporting tools to optimize agency PCard use.	• Optimize PCard rebates.
Opportunity/Need: The county wants to modernize its business process and move away from manual processes that include paper invoices. **Key Initiative:** Allow vendors to submit electronic invoices via secured web interface.	• 2014 FBOD AP managers will research electronic invoice options. 2015 FBOD to create a project task force with KCIT and BRC. • 2015 Develop requirements for RFW.	• Optimize discounts, reduce errors and rework, and reduce cycle-time on vendor payments.
Opportunity/Need: Purchase orders that are left open in the financial system can compromise data integrity and reporting for the procurement function **Key Initiative:** While the problem has been substantially reduced, there is still an ongoing need to closely monitor open purchase orders by department and ensure that purchase orders are closed in the system in a timely manner using a standard process.	• 2014 FBOD shares department by department metrics with senior leaders. • 2014 FBOD issues guidelines for closing purchase orders in advance of year-end 2014.	• Correcting for these errors requires intervention by technical and central procurement staff when their time should be devoted to higher value activities.
Opportunity/Need: Central Accounts Payable transactions are currently processed in a variety	• 2014 Standard work defined and instituted for the Accounts Payables Invoice Processing Team.	• Incremental efficiency gains in Accounts Payable processing.

of formats. **Action Items:** Expand standard work in central accounts payable.	• 2014 Set target for cycle time – receipt of "good" invoice through to entry into Oracle EBS. • 2014/2015 Smaller scale unit continuous improvement projects to meet targets.	• Optimize discounts, reduce errors and rework, and reduce cycle-time on vendor payments.
Opportunity/Need: Eliminate paper; reduce information redundancy, and improve alignment of requisite elements for the formal procurement process for all ITBs/RFPs and enable better customer service. **Action Items:** Incorporate the subcontracting / apprenticeship analysis worksheet (SOAW) into the web-based Procurement Service Request System.	• 2014 Web-based submittal of the SOAW worksheet from client agencies that is a prerequisite for advertising all formally advertised ITBs/RFPs.	• Procurement Service Request System is a web-based system with an automated notification feature used by internal agencies to submit requests for procurement services. The system permits users to track the status of their requests.
Opportunity/Need: Leverages technology to reduce cycle time, enable customer submission tracking, and eliminates an existing manual paper process to include supporting documents for SCS certification. **Action Items:** Electronic submission and signature of the SCS certification application and eligibility notification.	• 2014 On-line SCS Certification Application	• Reduced cycle time to submit and review application to determine eligibility. Applicant can track status of this submission online. Leverages technology to eliminate the existing manual paper process to include supporting documents.
Opportunity/Need: Simplify and reduce level of manual support effort to maintain the approval work flow process. **Action Items:** Automate position description changes to reduce maintenance of the automated approval engine (AME) process.	• 2014 Updated system process	• Reduced hands on BRC support effort spent on AME approvals; reduce impact of changes to end customers and redirect support effort to more value add activities.
Opportunity/Need: Apply IT development best practices and improve quality of customer experience. **Action Items:** Purchasing invoice improvements for inbound requisitions and receipts	• 2014 Correct defects and improve notifications to end customers	• Part of broader effort to: (i) implement interface development standards for consistency and efficiencies in interface maintenance and support; (ii) meet customer requirements and improve customer experience and satisfaction

Hire-to-Retire Value Stream
2014/2015 Business Standardization Work Plan, Deliverables, and Benefits

The Hire-to-Retire value stream encompasses all business functions necessary to plan to hire, develop, assign, sustain, and separate personnel resources.

2014/2015 Business Standardization Work Plan	Deliverables	Benefits
Opportunity/Need: Improving efficiency and data integrity by decreasing customization; need to simply bring tool up to standard **Key Initiative:** Upgrade of PeopleSoft to version 9.2	• 2014 PeopleSoft System Upgrade • A reduction of 5% of customizations. Results of the impact assessment recently completed by the project team indicate this target will be exceeded with a potential 30%+ reduction in customizations. Final results will be documented and contained in the final benefits assessment plan.• Updated Functional and Technical Specifications • Methodology for standard releases of system changes and patches • Migration to KCIT Technology Standards for Hardware • Replicable approach to user training, communication and change management	• Reduction in hardware maintenance costs. • Continued and accurate processing of the county's payroll and related HR and employee benefit transactions. • Compliance with all state and federal processing and reporting requirements.
Opportunity/Need: Projected 46% turnover of our workforce (or 6,141 employees) by the year 2018. A next generation of public service employees that is significantly more diverse, with different expectations and values for what they want out of their employment experience. **Key Initiative:** Standardize pay practices and compensation options (including leave, wages, benefits and development opportunities) through the Employer of the Future project.	• 2014-2015 Employer of the Future is the Deliverable • Business case and resource plan. • Proposed changes to King County code, per new standards. • Implementation through total compensation bargaining and systems changes.	• Ensures employees are treated the same throughout the county but also allows optimization of the system and people resources that support these practices. • The ability to attract and retain a new generation of public service employees. • Increase efficiency, simplicity and effectiveness of our personnel practices and policies. • Sustainability and predictability in our financial commitments. • Choice, flexibility and opportunity for our employees.
Opportunity/Need: In order to efficiently and effectively support changing public service needs, we need a dynamic workforce that is continuously learning and growing. **Key Initiative:** Create enhanced development opportunities for employees.	• Continued roll-out of King County eLearning to all county employees. • Continued work to increase connectivity between eLearning and other training opportunities and PeopleSoft.	• Opportunities for every employee to learn and grow. • Clear mechanisms for employees to track development and plan career paths.

Opportunity/Need: In response to the Part-Time Employment Performance Audit Report by the King County Auditor, as well as in order to be in compliance with the Affordable Care Act (ACA) King County will define, standardize and report on categories of part-time employment, and specifically seek to increase fairness and consistency of access to "voluntary" part-time schedules. **Key Initiative:** Standardizing approach to "voluntary" part-time schedules. Defining ACA requirements and implementing approach.	• Status report to council in 2016. • Interim guidance to departments and agencies to create more consistency in "voluntary" part-time employment decisions. • Exploration of additional PeopleSoft tracking.	• More standard, equitable practices around how county employees request a "voluntary" part-time schedule.

Billing-to-Cash Value Stream
2014/2015 Business Standardization Work Plan, Deliverables, and Benefits

The Billing-to-Cash refers to the end to end business process for billing and processing grant and customer receipts.

2014/2015 Business Standardization Work Plan	Deliverables	Benefits
Opportunity/Need: The county wants to modernize its business process and move away from manual processes that include paper checks. **Key Initiative:** Implement electronic process improvements with third party payment processors.	• 2014-2015 Develop and roll-out third party payment processer; i.e.; FISERV	• Significantly reduces manual processes, increases efficiencies and reduces time to apply check receipts to customer accounts.
Opportunity/Need: On a frequent basis, Wastewater Treatment Division staff currently have to manually look up historical capacity charge data prior to January 2012. **Key Initiative:** Update capacity charge rates with the conversion of historical data for capacity charge	• 2014 Availability of capacity charge payment records prior to January 2012 in one system. • 2014 Simplified system process.	• Reduction in BRC maintenance and support efforts. • Efficiencies in waste water billing processes; single source for current and historical billing information and collections
Opportunity/Need: The county wants to modernize its business process and move away from manual processes that manual inputs. **Key Initiative:** Convert manual input of Family Court customers and invoices to the Accounts Receivable smart spreadsheet standard interface.	• 2014 Implement a smart spreadsheet in use for Family Court customers and invoices.	• Reduces duplicate keying at the department and in the central finance Accounts Receivable Unit.
Opportunity/Need: Customer business requirements are not being met with the current configuration of the Billing-to-Cash configuration in Oracle EBS. **Key Initiative:** Assess the Billing-to-Cash Configuration in Oracle EBS.	• 2014 Independent Assessment of Accounts Receivable Configuration. • 2014 – 2015 Analyze and implement the consultant's recommendations. • 2014 – 2015 Create billing invoice and statement templates that meet customer requirements.	• Improve end-customer experience and process efficiencies in grant billing, processing receivables, and applying cash to receipts.

Opportunity/Need: The county wants to modernize its business process and move away from manual processes that include paper checks. **Action Items:** Convert check payer checks from checks to a file. The county receives from bank bill payer service 25,000 capacity charge checks a year that we could receive electronically.	• 2014 System improvements allowing the application of bank payer service checks to a customer account rather to a suspense account.	• Reduces errors and process cycle time to apply payments to invoices.
Opportunity/Need: In a customer services survey, many taxpayers expressed interest in receiving the annual tax statement electronically. **Action Items:** Implement electronic bill presentment.	•2014-2015 Develop and roll out electronic bill project	• Addresses customer demand for improved notification process and reduces manual processes, postage and paper.

System Security and Controls
2014/2015 Standardization Work Plan, Deliverables, and Benefits

The focus of system security and controls work includes business processes, rules and controls to govern who can access data and transaction processing in Oracle EBS; the system design and tools to manage and control access privileges and permissions; security mechanisms to protect the technology infrastructure and ERP system from unintended or unauthorized access; adoption of business and industry best practices in the design and management of security rules, controls and processes

2014/2015 System Standardization Work Plan	Deliverables	Benefits
Opportunity/Need: The county wants to conform to best practice recommendations for system security access, controls and maintenance **Action Items:** Identify Scope, Schedule, Budget, Resources for Project	• 2014 Completed Define high level plan/approach. • 2014 Establish Role Maintenance Change Committee and Role Maintenance Working Group structures.	• Establish go forward plan to implement recommended improvements. • Establish roles and responsibilities structure for participation in project activities. • Define resources required to progress and implement.
Opportunity/Need: The county wants to adopt the set of "Quick Wins" Recommendations from Jeffrey Hare assessment **Action Items:** Implement set of "Quick Wins" Recommendations from Jeffrey Hare assessment.	• 2014 Design and implement Version 1 of new Role - Maintenance Change Process	• Establishes the standard business processes and rules necessary to implement and maintain the improvements.
Opportunity/Need: The County wants to take action on the long term recommendations from Jeffrey Hare assessment. **Action Items:** Data Review, analysis and design.	• 2015 Comprehensive review of assessment results and data to inform criteria development for re-design & change process. Analysis will also inform risk criteria and business rules decisions to be made.	• Provides the governance and structures required for both business process and system redesign to implement the recommendations.
Opportunity/Need: The County wants to implement the long term recommendations from Jeffrey Hare assessment **Action Items:** Implementation & Operational Improvements	• 2015-2016 Implementation of redesign - module specific and cross-module. • Improvements to the user provisioning security request Process. • Recurring monitoring model.	• More efficient and consistent processing of user security provisioning requests and changes • Application of best practices to reduce Oracle EBS security risks and potential financial loss or breach of data. • Additional risk mitigation with system audit functions to support maturing and changing business processes and job functions.