ABT High Level Business Plan Document

June 15, 2007

Table of Contents

1 EXECUTIVE SUMMARY 4

1.1 INTRODUCTION 4
1.2 KEY ACCOMPLISHMENTS AND RESULTS 4
1.3 CONCLUSIONS AND NEXT STEPS 9

2 ABT PROGRAM BACKGROUND 10

3 HIGH LEVEL BUSINESS PLAN DOCUMENT 12

3.1 DOCUMENT PURPOSE 12
3.2 RELATED REFERENCE DOCUMENTS 13
3.3 DOCUMENT OVERVIEW 14

4 HIGH LEVEL BUSINESS PLAN METHODOLOGY 15

4.1 METHODOLOGY OVERVIEW 15
4.2 BUSINESS PROCESS WORK SESSIONS 15
4.3 ABT PROGRAM ROLES 15
4.4 COMMUNICATIONS AND ORGANIZATIONAL CHANGE MANAGEMENT 16
4.5 HLBP DELIVERABLES 17

5 HLBP SCOPE – HIGH LEVEL 18

5.1 IN SCOPE 18
5.2 OUT OF SCOPE 18

6 MANAGEMENT CONSIDERATIONS 19

6.1 GOVERNANCE AND MANAGEMENT STRUCTURES 19
6.2 ABT ISSUE AND CHANGE (SCOPE) MANAGEMENT 20
6.3 RISK MANAGEMENT AND QUALITY ASSURANCE 23

7 HIGH LEVEL BUSINESS PLAN 25

7.1 PAYROLL AND BENEFITS BUSINESS FUNCTIONS 25
7.2 HIGH LEVEL ABT HUMAN RESOURCES FUNCTIONS 29
7.3 HIGH LEVEL ABT FINANCIALS BUSINESS FUNCTIONS 32
7.4 BUDGET BUSINESS FUNCTIONS 36
7.5 BUSINESS PROCESS ALIGNMENT 39
7.6 HIGH LEVEL ABT SIDE SYSTEMS INTEGRATION 44

8 COSTS/BENEFITS ANALYSIS UPDATE 49

8.1 DYE REPORT AND KING COUNTY AUDITOR'S REVIEW 49
8.2 COSTS/BENEFITS ANALYSIS ASSUMPTIONS 50
8.3 UPDATED COSTS/BENEFITS 50
8.4 CONCLUSIONS AND NEXT STEPS 51

9 HLBD, DIP AND COSTS/BENEFITS ANALYSIS (CBA) WORK PLAN 55

9.1 HIGH LEVEL BUSINESS DESIGN (HLBD) 55
9.2 DETAILED IMPLEMENTATION PLAN (DIP) 56
9.3 COSTS/BENEFITS ANALYSIS (CBA) 56
9.4 HLBD ACTIVITIES AND WORK PLAN SCHEDULE 57

10 HLBD, DIP AND CBA RESOURCE MANAGEMENT 58

10.1 HIGH LEVEL STAFFING PROFILE 58

10.2 ABT PROGRAM MANAGEMENT OFFICE TLT STAFF 58
10.3 ABT PROGRAM MANAGEMENT OFFICE CONSULTING STAFF 59
10.4 ROLES AND RESPONSIBILITIES 62
10.5 STAFF MANAGEMENT PLAN 62

11 HIGH LEVEL BUDGET 63

1 Executive Summary

1.1 Introduction

The Accountable Business Transformation (ABT) Program is a major step forward in bringing contemporary business practices to King County. This program will implement integrated, efficient and fully effective financial, human resource and budget business processes that will allow the county to gain greater efficiency in providing high quality, effective and valued service to our customers.

ABT will employ strategies that address people, processes and technology changes throughout the county to effectively utilize a selected suite of integrated applications: Oracle Financials, PeopleSoft HCM[1] and a countywide budget system.

To accomplish this, the ABT Program segmented its body of work into five stages:

- Business Case
- High Level Business Plan (HLBP)
- High Level Business Design (HLBD)
- Detailed Implementation Plan and Cost/Benefits Update
- System configuration and migration

The Business Case stage concluded with the council's approval of the ABT Program Charter. The next stage, the High Level Business Plan (HLBP), has two major objectives:

- To define the ABT Program scope for migrating King County business processes to business processes better aligned with industry best practices and supported by the county's target portfolio of integrated systems, Oracle Financials and PeopleSoft Human Resources/Payroll.
- To define the functional budget system requirements for a countywide budget system that forms the basis of a budget system selection process.

To meet these objectives the ABT Program Team followed a four step approach to completing the High Level Business Plan:

- Review past studies and recommendations
- Review non-county studies and recommendations
- Validate the Information
- Gain county stakeholders consensus

A key strategy in this approach was the selection of county subject matter experts in the areas of finance, human resources, payroll/ benefits and budget, to participate in facilitated business process work sessions that provide the analysis, information and decisions needed.

1.2 Key Accomplishments and Results

Key accomplishments for the High Level Business Plan include:

- Identified business processes and high payback areas to be a part of the ABT Program scope
- Key decisions impacting how certain business processes would be implemented countywide[2]

[1] Target systems approved by policy set by Motion 12024

- Identified decisions to be made during HLBD stage
- Completed budget system requirements document to form the basis of evaluating and selecting a countywide budget system
- Limited update of Dye and King County Auditor's Office Cost/Benefit Analysis
- Established the ABT Program Management Office and support structure to meet the needs of Program activities

Key results of the HLBP include:

- Re -engagement of King County agencies and departments in business transformation through business process work sessions.
- Baseline understanding of current business processes; best practices; and Oracle Financials and PeopleSoft HCM functionality
- High level understanding of agency and department unique requirements
- Identification of gaps between business processes and best practices at a high level
- Initial collection of agency side systems and interface requirements

Work Sessions Overview

The ABT Program staff and HLBP consultants, CIBER, conducted 31 work sessions over a five month period resulting in an understanding of the ABT Program Scope as we move into the High Level Business Design stage. The work sessions reviewed, discussed and evaluated: current business processes, industry best practices, and proposed future business processes for countywide application.

As a result, the county subject matter experts:

- Identified the business processes to be a part of the ABT Program Scope
- Made key decisions that impact how certain businesses processes will be implemented countywide
- Identified decisions that will need to be made during the design stage
- Identified issues, risks and concerns that will need to be addressed for a successful implementation.

ABT Scope Summary

The ABT Program scope of business processes to bring forward into the High Level Business Design stage is presented in Section 7 of this document and summarized in Appendix R. Generally, the identified business processes are those common to most human resource, payroll/benefits and finance business systems. The following is a summary of the business processes identified as high payback areas by the Dye Report or are included in key business decisions also noted in the Dye Report[3]; and their inclusion or non-inclusion to the ABT Program Scope. These business processes are presented by business function area.

[2] See Appendix Q: Business Processes to be Addressed in the HLBP
[3] Same as footnote 2 for more information

Payroll and Benefits:

- Time capture (key business decision) – develop a standard business process for capturing employee time and attendance. The ABT Program will determine the need for a common time capture system. A concern raised is that some agencies/departments integrate time capture with employee scheduling and/or billing systems.
- Migration to a common bi-weekly pay cycle (key business decision) – The MSA bi-weekly project will migrate the MSA pay cycle to bi-weekly. The ABT Program will migrate all county employees to the PeopleSoft payroll system using a common bi-weekly pay cycle.
- Payroll process (high payback area) – develop a common business process for providing pay to employees on a bi-weekly pay cycle using one Human Resources/Payroll (HR/Payroll) system.
- Benefits process (key business decision) – develop a common business process for providing benefits to employees using one Human Resources/Payroll (HR/Payroll) system. The current benefits administration process follows best practices and will be brought forward by the ABT Program.

Human Resources:

- Automate, integrate and consolidate business processes (high payback area) – migration to a single human resources/payroll system was identified as a key ABT Program objective.
- Workforce Management and Succession HR Planning (high payback areas and key business decision) – integrate business processes that manage employee performance, employee development, core competencies and selection or transfer into positions across the organization.
- Recruitment/Selection (key business decision) – business processes to attract, evaluate, hire and notify candidate for county positions were identified as critical needs for the county.
- Employee Leave Administration – business processes to manage employee leave in compliance with legal requirements were identified as key business needs.
- Position Management (key business decision) – business process for managing county positions. There was consensus that position management would be implemented and that the Human Resource Division (HRD) was the business process owner of position management. HRD will define what system functionality and business rules will be used to implement position management countywide.
- Collective Bargaining (high payback area) – refine and standardize the collective bargaining process through the use of automated tools found in a common human resource system. Some work has been done in this area as a part of the Human Resources Implementation Plan efforts in the Human Resource Division (HRD).
- HR Quality Assurance (high payback area) – A quality assurance program combined with improved communications will improve the performance and satisfaction of county staff. This process is under the ABT Program oversight as part of the Human Resources Implementation Plan in which ABT will assist the Human Resource Division (HRD) in the implementation of Human Resources best practices supported by PeopleSoft HCM.

Finance:

- Automate, integrate and consolidate business processes (high payback area) – migration to a single integrated finance system is an ABT Program objective.
- Asset management (high payback area and key business decision) – business process to track capital assets. County asset management practices will be reviewed in the HLBD stage.
- Procurement process (high payback area and key business decision) – implementation of procurement best practices using online capabilities. County procurement processes will be reviewed for improvement opportunities as a part of the HLBD stage.
- Electronic document imaging (high payback area and key business decision) – process of storing and retaining documents for easy retrieval. This process is being addressed in part by a pilot project, Electronic Records Management System Project, initiated by the Records Management Group. This project will inform the ABT Program of countywide implementation opportunities for electronic document imaging.
- Activity Based Costing (ABC) and Cost Allocation (key business decisions) – implementing activity based costing for tracking costs. The county currently use activity based costing on certain activities. The ABT Program will ensure that the accounting structure developed for an integrated financial system will support ABC. It was decided that the Oracle Activity Based Management (ABM) module was not needed.
- Labor Distribution (key business decision) – business process to charge labor to multiple organizations and projects. A common cost allocation model using actual costs and allocating indirect costs was reviewed and generally accepted. This model will be moved forward to the HLBD for further analysis.
- Accounting Structure (key business decision) – the county Chart of Accounts to classify financial transactions. There was agreement for the need for a single chart of accounts. A work group will be convened during the HLBD to develop a workable chart of accounts.

Budget Requirements

A portion of the business process sessions involved the development of budget system requirements. The requirements document is presented in Appendix D. Specific high payback areas and key business decisions addressed by the requirements document include:

- Automate, integrate, and consolidate business process (high payback area and key business decision) – implementation of a countywide budget system.
- Increase analytical capability (high payback area and key business decision)
- Improved capital planning (high payback area and key business decision)

Dependency Integration Requirements

Also discussed during the work sessions was the topic of side systems required by an agency or department to support ABT business processes. A side system investigation framework was presented and discussed during the later work sessions. Subject matter experts were solicited for lists of known systems and their interface requirements.

The lists of system interfaces and side systems gathered and presented in Appendix E, represent the majority of systems integration requirements of the program. Activities planned for the High Level Business Design stage include:

- Validation and evaluation of side systems and interfaces. Currently more than 300 side systems and more than 300 system interfaces have been identified. Evaluation will include recommendations for complete side system replacement, partial replacement, interface changes and report changes.
- Development of a side systems replacement and interface integration evaluation framework and project plan.
- Impact analysis between to-be solution and side systems for replacement and integration evaluation.
- Creation and distribution of integration standards for the to-be solutions.

Costs/Benefits Analysis Update

A recalculation of Net Present Value (NPV) using updated costs and a real discount rate of 7% resulted in a significant increase in the economic value of moving forward with the ABT Program over that projected by the Auditor's report.

As part of its HLBP deliverables, the ABT Program was asked to review and update costs/benefits assumptions for the program. For this limited review, the ABT Program updated two elements of the Dye and King County Auditor's Office costs/benefits analysis:

- Systems implementation costs
- Real discount rate

Following the King County Auditor's previous analysis and recommendations[4], systems implementation costs were updated and a real discount rate of 7% as recommended by the King County Office of Management and Budget[5] was used.

Systems implementation costs were inflated to 2004 dollars to match other costs and benefits data, for updated total implementation costs of $50.2 M. A recalculation of net present values at a 7% real discount rate resulted in a total NPV of $25 M, if human resource benefits identified in the Dye report were excluded from the analysis; and a total NPV of $108 M, if human resources benefits were included. The King County Auditor's report identified NPVs of $17.3 M and $90.9 M, respectively.

ABT Program Management Office

The ABT Program Management Office (PMO) was funded in October 2006 with the council's adoption of the ABT Program charter. The staffing of the PMO office to initiate the High Level Business Plan and provide oversight to two ongoing systems projects was a significant accomplishment.

Initiation of High Level Business Plan (HLBP) efforts included development of the ABT Program's infrastructure to support and communicate the work in process. Accomplishments to that effect include:

[4] King County Auditor's Office Review of Quantifiable Business Case Project, April 12, 2005
[5] Discount Rate Policy, Office of Management and Budget, June 1, 2005

- Development of a communications network that informs county managers, staff and employees of ABT Program activities
- Implementation of an Issue Management process that allows for countywide input and assures that comments and concerns are tracked
- Development of work sessions materials and logistics to enable the sharing of ideas among ABT Team members and county subject matter experts.
- Development of an organizational change structure through subject matter experts/change agents to address impacts of change to the employees.

1.3 Conclusions and Next Steps

Completion of the High Level Business Plan (HLBP) is a key milestone in moving the county towards better business processes that improve county services. The ABT Program's slogan of "Better Information for Better Government" underscores this belief. A key strategy in the ABT Program's approach to completing the HLBP was to select county subject matter experts in the areas of finance, human resources, payroll/ benefits and budget and conduct several work sessions bringing the subject matter experts together to discuss and validate the research and analysis needed to make decisions for migrating business processes to the target environment.

The approach and work session strategy not only resulted in an organized method of research, analysis, validation and decision making for the business process aspects of the High Level Business Plan, but also provided an impetus to business transformation through teamwork and communications among ABT Program Team members and county subject matter experts. The interactions among the participants helped break down barriers to change by providing a better understanding of ABT Program objectives and how ABT will address county business processes, issues and concerns.

The High Level Business Design and Detailed Implementation Plan stages that will follow the HLBP will require the same level of commitment and enthusiasm we received during this planning stage. As we move forward, county subject matter experts will be asked to take part in the review and design of business process solutions that will shape the transformation of the county in achieving its vision:

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

2 ABT Program Background

The King County Accountable Business Transformation (ABT) Program was established in October 2004 with the passage of the King County 2005 Annual Budget. The ABT Program reports to the Department of Executive Services and is sponsored by the County Executive as the executive sponsor and the County Administrative Officer as the program sponsor.

The ABT Program is charged with the migration of county business processes in the areas of finance, human resources, payroll and benefits. Currently supported by four Enterprise Resource Planning (ERP) systems, these will be migrated to business processes better aligned with industry best practices and supported by the county's target portfolio of applications, Oracle Financials and PeopleSoft Human Resources/Payroll (called Human Capital Management - HCM), to meet its enterprise needs. Additionally, the Program will evaluate, select and implement a countywide budget system.

To accomplish this, the ABT Program has defined its work into the following deliverables or stages:

- Business Case – Justification for initiating the ABT Program,
- High Level Business Plan (HLBP) – Development of ABT Program scope in terms of business processes to be included in the migration to Oracle Financials and PeopleSoft HCM. Identification of the functional requirements for a countywide budget system,
- High Level Business Design (HLBD) – Determine how selected business processes fit in the target environment of Oracle Financials and PeopleSoft HCM; and develop a blue print for how the business processes will be implemented in the new environment. Evaluate and select a budget system that meets county functional requirements,
- Detailed Implementation Plan and Cost/Benefits Update – Determine the activities, resources and schedule for implementing Oracle Financials, PeopleSoft HCM and a budget system countywide. Develop a cost/benefits analysis for moving forward with implementation,
- System configuration and migration – Countywide implementation of Oracle and PeopleSoft systems; and implementation of a countywide budget system as identified in the Detailed Implementation Plan.

The Business Case has been completed. This document presents the deliverables of the High Level Business Plan (HLBP) stage. Key deliverables presented in this document include:

- Prioritized list of key business processes to be included in the ABT Program scope,
- Identification of business process best practices embedded in the county's target ERP application environment: Oracle Financials and PeopleSoft HCM,
- List of key business process decisions made to support the migration effort; identifying issues and risks associated with the decisions,
- List of business process decisions that will need to be addressed as part of the High Level Business Design stage,
- Prioritized list of high payback areas,
- Updated cost/benefits analysis assumptions,
- Budget system functional requirements document.

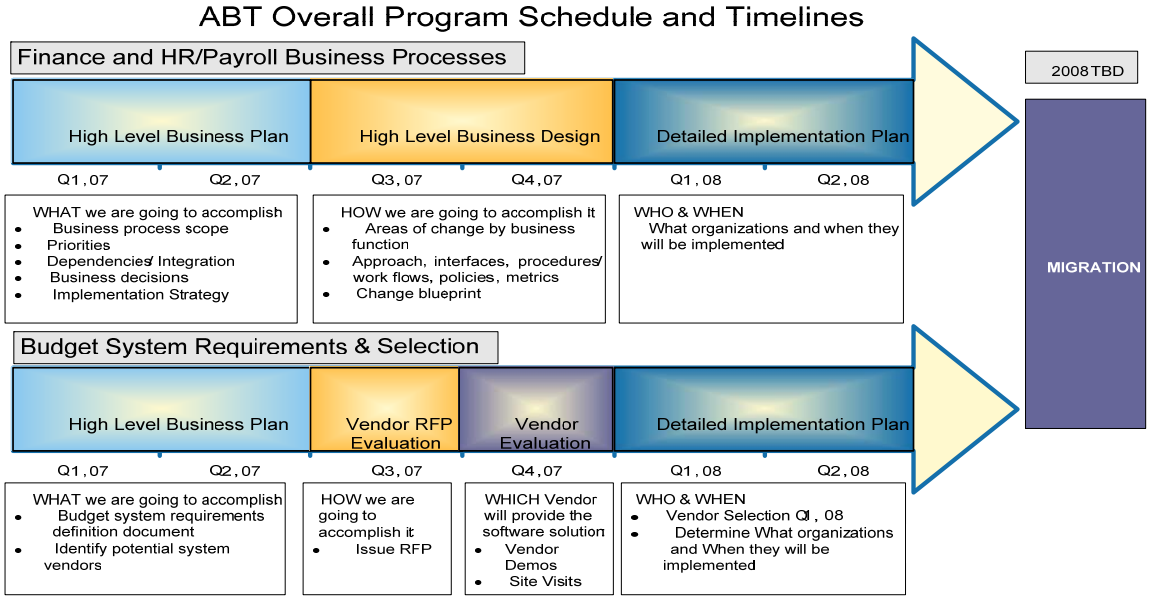
Additionally, this document presents the activities, resources, budget and schedule required to complete the next two stages: High Level Business Design and Detailed Implementation Plan (see sections 9, 10 and 11)

3 High Level Business Plan Document

The High Level Business Plan (HLBP) Stage has two major objectives:

- To define the ABT Program scope for migrating King County business processes to business processes better aligned with industry best practices and supported by the county's target portfolio of integrated systems, Oracle Financials and PeopleSoft Human Resources/Payroll, and
- To define the functional budget system requirements for a countywide budget system that forms the basis of a budget system selection process.

The following graphic describes the timeline and major objectives:



3.1 Document Purpose

The primary purpose of this High Level Business Plan (HLBP) document is to communicate **what** is in and out of scope for the ABT program as it relates to the migration of King County business processes to business processes better aligned with industry best practices and supported by its target suite of business applications, Oracle Financials and PeopleSoft HCM.

The HLBP provides a prioritized list of business processes to be addressed by the ABT Program; identifies key business decisions impacting these processes; and lists implementation considerations arising from business process dependencies. This document sets the parameters and the framework for the High Level Business Design (HLBD) stage that will define **how** King County will move from their current state to the desired state presented in this document.

A second major effort is the development of a functional requirements document for a countywide budget system. This document is presented in Appendix D. The budget systems requirements document will be the basis for a Request for Proposal (RFP) to solicit proposals from vendors for a budget system that meets county requirements.

The HLBP document identifies the scope of the ABT Program and provides a point of reference for all ABT Program initiatives and end state deliverables. The ABT governance review includes the following:

- **ABT Operations and Change Management Committee** for the purpose of confirming that the program scope is complete; decisions for setting priority and sequencing of work effort is based on sound business logic and in the best interest of King County; and expectations are feasible given the current business environment,
- **ABT Program Management Team** for purpose of providing approval to the ABT Program Manager to move forward as planned to produce the High Level Business Design document,
- **ABT External Advisory Committee** for the purpose of providing an external review of the ABT Program's scope and priorities,
- **ABT Advisory Committee** for the purpose of providing focused input from separately elected organizations of the ABT Program's scope and priorities,
- **ABT Leadership Committee** for the purpose of approving the ABT Program to move forward as planned to produce the High Level Business Design document,
- **King County Council** to monitor program progress and to ensure oversight over ABT planning and performance in conjunction with an appropriation request to complete program planning (complete High Level Business Design and Detailed Implementation Plan),
- **Office of Management and Budget** for the purpose of evaluating ABT Program appropriation requests prior to submittal through the appropriation request process,
- **Office for Information and Resource Management (OIRM) Project Review Board (PRB)** for the purpose of releasing funds to cover the High Level Business Design and Detailed Implementation Planning efforts.

3.2 Related Reference Documents

King County documents reviewed during the course of the HLBP include:

- Project Assessment and Implementation Planning Project: Critical Assessment, Dye Management Group, Inc., June 4, 2001,
- Project Assessment and Implementation Planning Project: Implementation Plan, Dye Management Group, Inc., July 16, 2001,
- Enterprise Financial, Human Resource and Budget Management: Vision and Goals Statement, adopted by Motion 11729 by the Metropolitan King County Council on September 28, 2003,
- Quantifiable Business Case, Business Operations Model Report, Dye Management Group, Inc., July 16, 2004,
- ABT Program Policies, adopted by Motion 12024, by the Metropolitan King County Council on October 4, 2004,
- Accountable Business Transformation, Executive Recommendation and Business Case, April 7, 2005,

- King County Auditor's Office Review of Quantifiable Business Case Project, Management Letter, April 12, 2005,
- ABT Program Manager's Independent Assessment, July 18, 2006,
- ABT Program Charter, adopted by Motion12364 by the Metropolitan King County Council on October 9, 2006.

3.3 Document Overview

This document was prepared by the ABT Program Management Office based on the foundation of research and analysis performed by the ABT team and CIBER consulting using the original defining documents noted in section 3.2. Based on that research and analysis, the team developed workshops and presentations to discuss current business process information with county subject matter experts (SMEs) along with information about future business processes. The findings of those sessions and the resulting outcomes are summarized in section 7 with more detailed information presented in Appendices A, B, C, D, E and H:

Appendix A: Payroll Business Functions
Appendix B: Human Resources Business Functions
Appendix C: Finance Business Functions
Appendix D: Budget System Requirements
Appendix E: Side Systems Integration
Appendix H: Alignment Sessions

4 High Level Business Plan Methodology

4.1 Methodology Overview

The ABT Program Team followed a four step approach to completing the High Level Business Plan:

- Review past studies and recommendations,
- Review non-county studies and recommendations,
- Validate the information,
- Gain county stakeholders consensus.

A key strategy in our approach was the selection of county subject matter experts (SMEs) in the areas of finance, human resources, payroll/ benefits and budget, to participate in facilitated business process work sessions that provide analysis, information and decisions.

The four step approach and work session strategy not only resulted in an organized method of research, analysis, validation and decision making for the business process aspects of the High Level Business Plan, but also provided an impetus to business transformation through teamwork and communications among ABT Program Team members and county SMEs. The interactions among the participants helped break down barriers to change by providing a better understanding of ABT Program objectives and how ABT will address county business processes, issues and concerns. A comparison of session surveys conducted early in the HLBP process with a survey conducted at the last business session on May 22, 2007, shows a significant reduction in county staff's skepticism to ABT Program objectives with 75% of 29 participants in the last survey responding positively as to whether ABT Program objectives will be achieved and the remaining 25% responding as neutral.

Appendix L, Table 1 presents the HLBP methodology for accomplishing HLBP deliverables.

4.2 Business Process Work Sessions

The ABT Program Team conducted 31 work sessions during the period of January 26 to May 22, 2007. The work sessions were divided into four groups: Finance; Human Resources, Payroll and Benefits; and Budget. Business decision alignment sessions were conducted to address the need for key business decisions identified by past studies. A business process dependency session was held to identify any outstanding dependencies issues among Finance, Human Resources, Payroll/Benefits and Budget business processes.

Appendix L, Tables 2 and 3 describe the session focus and participation goals for different work sessions and present the schedule for the work sessions, respectively.

4.3 ABT Program Roles

Key participants in the HLBP include:

- Subject Matter Experts – representing county agencies and departments for Payroll/Benefits, Human Resources, Finance and Budget business processes,
- ABT Program Leads – for Payroll/Benefits, Human Resources, Finance and Budget business areas,

- CIBER facilitators – to facilitate the work sessions,
- CIBER functional analysts – to provide business process and Oracle Financials/PeopleSoft systems expertise.

The roles and responsibilities of ABT participants during the High Level Business Plan are presented in the Appendix L, Table 4: HLBP Roles and Responsibilities.

4.4 Communications and Organizational Change Management

Lessons learned identified in Dye's Assessment Report[6] highlight the need for communications and organizational change management. A review of perceived roadblocks related to restarting the ABT Program identified roadblocks mitigated by ABT Program communications and organizational change management efforts. The following perceived roadblocks specific to the need for communications and organizational change management were taken from the Roadblocks Identification and Action Plan:[7]

- The magnitude of business process change required by the implementations was significantly greater than expected by user departments,
- The County failed to understand the magnitude of the organizational impact of the Financial System Replacement Project (FSRP),
- Key announcements and decisions were not clearly communicated well in advance,
- Departmental stakeholder confidence has been shaken due to the program providing far less than what they were offered, among other disappointments such as loss of current system functionality,
- Loss of current system functionality or flexibility both perceived and real.

The ABT Program has developed communications and organizational change management plans to mitigate these roadblocks. Activities completed during the HLBP stage and planned for the High Level Business Design and Detailed Implementation Plan stages include:

<u>Completed efforts</u>

- Development of an ABT Program brand, tagline and tools to provide program awareness and a positive image to stakeholders,
- Development and maintenance of an Intranet Web site highlighting session information, an issue management reporting page and an anonymous inquiry form,
- Implementation of a SharePoint site as a repository of documents for the agency Subject Matter Experts, ABT committee representatives and ABT Program staff,
- Administration of session surveys and organizational change awareness surveys — both paper and online as well as survey results reports,
- Development of a media kit with an ABT Program Fact Sheet and a general frequently asked questions (FAQ) list,

[6] xxx
[7] ABT Executive Recommendation and Business Case, April 7, 2005

- Initiation of media preparation tools including internal staffing roles and escalation plan as spokespersons to the media and King County employees, media talking points, do's and don't tip sheet, and media training,
- Organizational change awareness sessions.

Planned activities

- Continue to enhance the ABT Program Intranet site to provide timely ABT Program related information to stakeholders,
- Monitor the need for an ABT Program Internet site and develop the site components for an Internet site launch,
- Create press release information including announcing the High Level Business Plan approval process and other media information,
- Develop a periodic newsletter/e-newsletter program as another avenue of communicating ABT Program information,
- Continue to develop surveys for business sessions and other purposes to gauge change readiness,
- Develop and present road show events to stakeholders where appropriate,
- Define an organizational change management sponsorship program utilizing the current ABT governance structure where appropriate,
- Develop an organizational change management plan for each project/phase,
- Create communication events schedule for each project/phase,
- Support systems training requirements for ABT projects such as MSA On-line, PeopleSoft upgrade and MSA bi-weekly.

The ABT Communications Plan and ABT Organizational Change Management Plan are presented in Appendix F and G, respectively.

4.5 HLBP Deliverables

Key deliverables for the High Level Business Plan stage include:

- Prioritized list of key business processes to be included in the ABT Program scope,
- Identification of business process best practices embedded in the county's target ERP application environment: Oracle Financials and PeopleSoft HCM,
- List of key business process decisions made to support the migration effort; identifying issues and risks associated with the decisions,
- List of business process decisions that will need to be addressed as part of the High Level Business Design stage,
- Prioritized list of high payback areas,
- Updated cost/benefits analysis assumptions,
- Budget system business requirements document.

5 HLBP Scope – High Level

The High Level Business Plan reviews countywide business processes related to finance, human resources, payroll and benefits. The plan identifies industry best practices supported by Oracle Financials and PeopleSoft HCM systems and documents differences with current business processes; and addresses roadblocks for migrating county business processes to industry best practices and presents strategies for mitigation. Key business decisions are addressed with decisions and pending decisions documented to inform the High Level Business Design stage. High payback areas identified by past management studies were reviewed and prioritized. The plan reviews and updates past cost/benefits assumptions in order to present a more current view of ABT program costs and benefits.

A separate document defines the county's functional requirements for a countywide budget system.

5.1 In Scope

The High Level Business Plan reviews countywide finance, human resources, payroll and benefits business processes. These business processes include:

- Finance business processes related to: General Ledger, Accounts Payable, Accounts Receivable, Purchasing, Asset Accounting, Costs Accounting, Treasury and Cash Management,
- Human Resources business processes related to: Classifications, Recruitment, Hiring, Labor Negotiations, Succession Planning and Performance Evaluation,
- Payroll and Benefits business processes related to: Time capture and attendance, Payroll and Benefits Administration.

A limited Budget business processes review will be initiated. This review will inform the gathering of Budget System functional requirements.

5.2 Out of Scope

The High Level Business Plan does not address any prerequisite upgrade requirements. Separate projects have been initiated to upgrade Oracle Financials and PeopleSoft HCM to their most current releases.

6 Management Considerations

6.1 Governance and Management Structures

The ABT Program will take place over five years or more and will involve many key participants -- county elected officials, county department and division directors and managers, county staff, and consultants. Roles and responsibilities for each must be clearly defined.

The ABT governance structure is a part of the ABT Program Charter. The following charts 1 and 2 provide an overview of the governance and management structures that provide direction, oversight and management of the ABT Program.

Chart 1: Governance Structure
Accountable Business Transformation Roles and Responsibilities

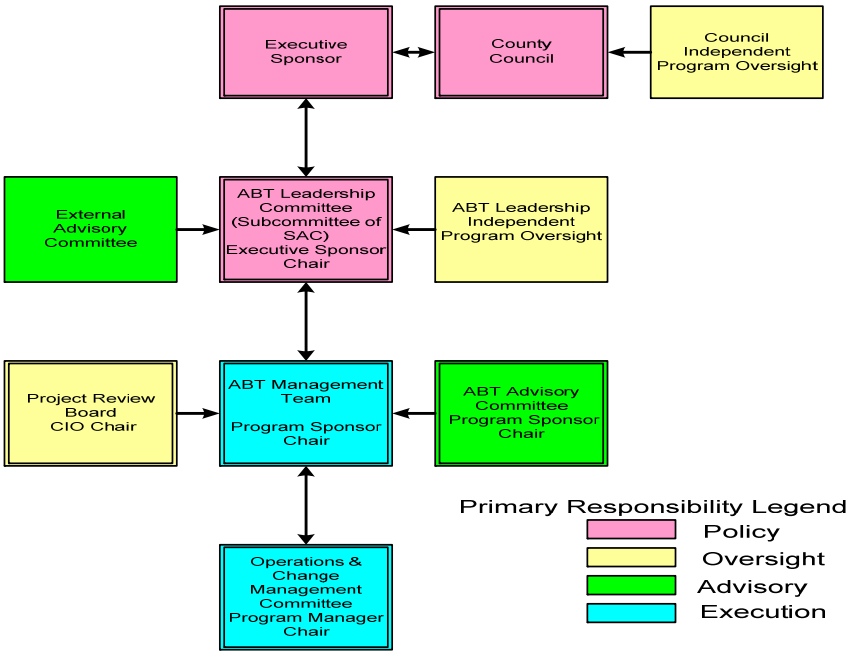
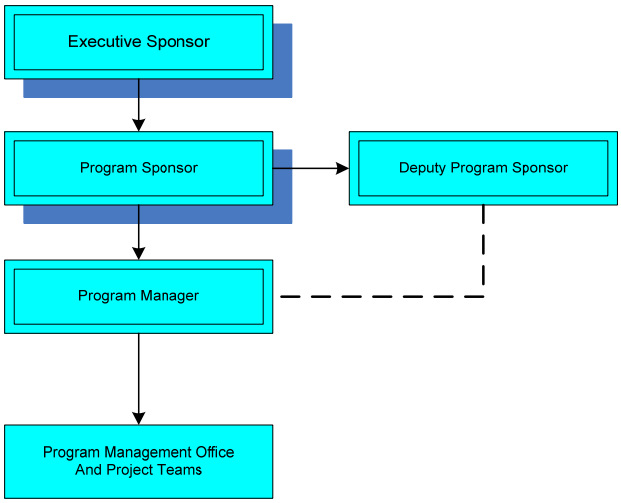


Chart 2: Management Structure
Accountable Business Transformation Program



6.2 ABT Issue and Change (Scope) Management

ABT Issue and Change Management refer to ABT Program processes procedures for addressing issues that may arise. The issues are generally defined based on the potential impact to the program/project, resources required to address the issue, and authority required to determine and approve the resolution. The ABT Issues Management Plan is presented in Appendix M to address issues and change management concerns raised during the ABT Program. Charts 3 and 4 present flow charts of the issues management process and the change management process, respectively.

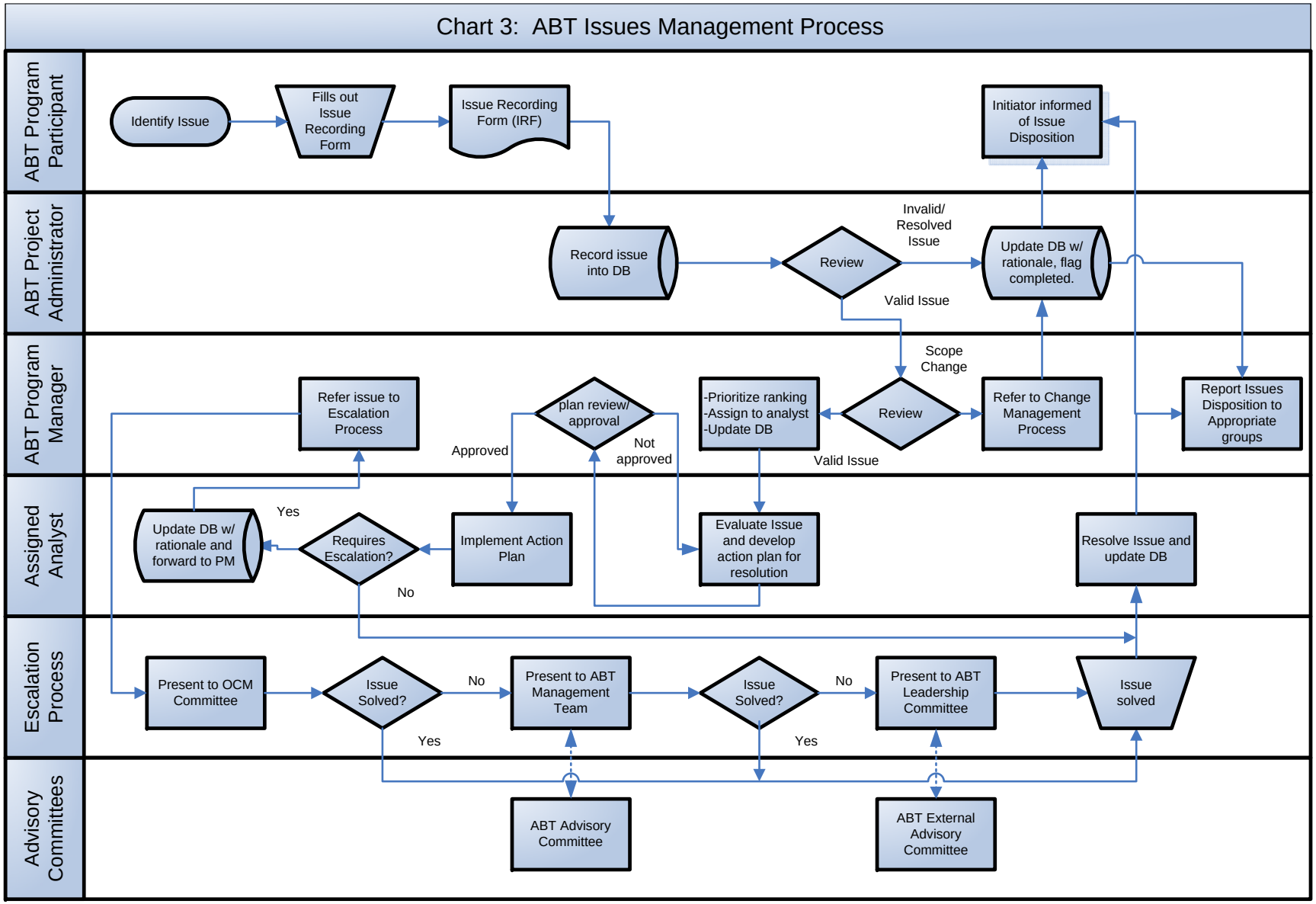


Chart 3: ABT Issues Management Process
ABT Program Participant
ABT Project Administrator
ABT Program Manager
Assigned Analyst
Escalation Process
Advisory Committees
Identify Issue
Fills out Issue Recording Form
Issue Recording Form (IRF)
Initiator informed of Issue Disposition
Record issue into DB
Review
Invalid/ Resolved Issue
Update DB w/ rationale, flag completed.
Valid Issue
Scope Change
Refer issue to Escalation Process
plan review/ approval
Approved
Not approved
-Prioritize ranking
-Assign to analyst
-Update DB
Review
Valid Issue
Refer to Change Management Process
Report Issues Disposition to Appropriate groups
Update DB w/ rationale and forward to PM
Yes
Requires Escalation?
No
Implement Action Plan
Evaluate Issue and develop action plan for resolution
Resolve Issue and update DB
Present to OCM Committee
Issue Solved?
No
Yes
Present to ABT Management Team
Issue Solved?
No
Yes
Present to ABT Leadership Committee
Issue solved
ABT Advisory Committee
ABT External Advisory Committee

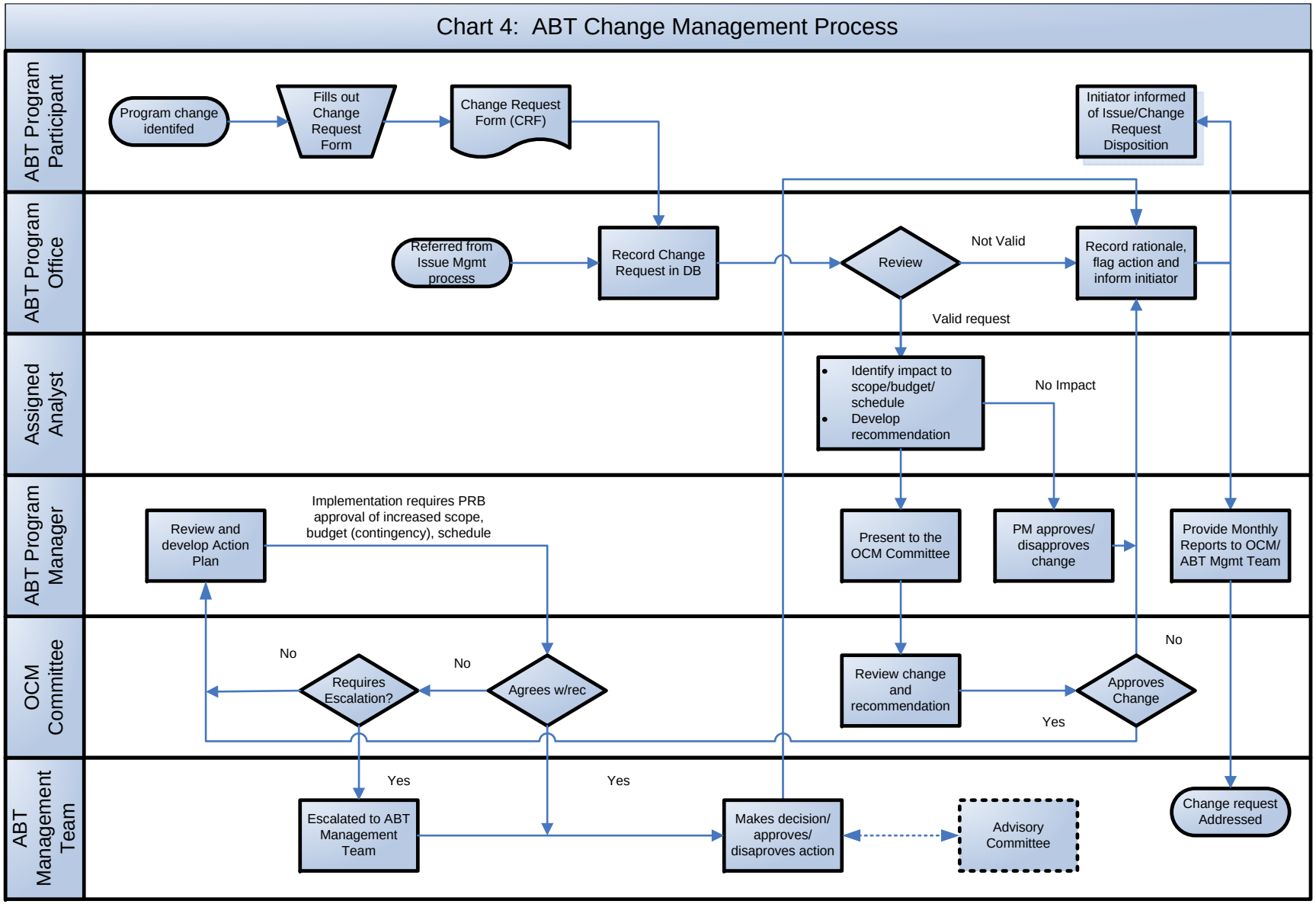


Chart 4: ABT Change Management Process
ABT Program Participant
ABT Program Office
Assigned Analyst
ABT Program Manager
OCM Committee
ABT Management Team
Program change identifed
Fills out Change Request Form
Change Request Form (CRF)
Initiator informed of Issue/Change Request Disposition
Referred from Issue Mgmt process
Record Change Request in DB
Review
Not Valid
Record rationale, flag action and inform initiator
Valid request
Identify impact to scope/budget/ schedule
Develop recommendation
No Impact
Review and develop Action Plan
Implementation requires PRB approval of increased scope, budget (contingency), schedule
Present to the OCM Committee
PM approves/ disapproves change
Provide Monthly Reports to OCM/ ABT Mgmt Team
No
Requires Escalation?
No
Agrees w/rec
Review change and recommendation
No
Approves Change
Yes
Yes
Yes
Escalated to ABT Management Team
Makes decision/ approves/ disaproves action
Advisory Committee
Change request Addressed

6.3 Risk Management and Quality Assurance

The ABT Program Management Team reviewed the Roadblock Identification and Action Plan developed in December 2003 and updated in April 2005 to evaluate each risk or issue identified and determine if the risk or issue has been resolved. A review of the document verified that the perceived roadblocks related to the Implementation Plan for Program Restart were addressed. Table 5: Perceived Roadblocks identify resolution to perceived roadblocks for this stage.

Table 5: Perceived Roadblocks

Ref #	Perceived Roadblock Description	Source of Information	Resolution
1	Program challenges were not addressed with a spirit of teamwork among Executive, Legislative and Judicial senior leadership	Dye Assessment Report	The ABT Program Charter adopted by the KCC on Oct. 9, 2006 establishes the ABT Governance Structure including creation of the ABT Leadership Committee consisting of elected officials of King County. The ABT Leadership Committee adopted their charter on Jan. 10, 2007.
2	The magnitude of business process change required by the implementations was significantly greater than expected by user departments.	Dye Assessment Report	The ABT Program stages consisting of Business Case, High Level Business Plan, High Level Business Design, Detailed Implementation Plan and Migration provide the planning processes needed to properly scope and communicate the magnitude of business process change required. The ABT Program Management Office is staffed with a Communications Manager and Change Management/Training Manager who are responsible for communicating Program status and activities; and to provide an awareness of business process transformation to be effected by ABT. Work Sessions during the HLBP involving county subject matter experts provide a direct communications to agencies and departments as to business process change requirements that have been identified as a result of their participation.
3	The county did not have the experience to manage the implementation of an enterprise-wide system.	Dye Assessment Report	The ABT Program Management Office consists of business and technical staff that have strong project management experience in implementing enterprise-wide systems. Consultants have been engaged on an as needed basis to fill key roles in the planning process. In addition, once business requirements and design are completed, the implementation strategy is to engage a systems integrator through the RFP process that will provide the resources needed to execute the implementation plan.
4	The Program Management Office (PMO) was not provided the authority necessary to actively direct and manage the program.	Dye Assessment Report	The ABT Program Charter specifically provides the ABT Program Manager authority to actively direct and manage the program.
5	The program Steering Committee was not as effective as it could have been.	Dye Assessment Report	The ABT Program Charter specificly charges the ABT Management Team with for ABT implementation. The ABT Management Team consists of the County Administrative Officer, Chief Information Officer, Director of OMB, Assistant County Executive and Deputy Program Sponsor.
6	The County failed to understand the magnitude of the organizational impact of the FSRP.	Dye Assessment Report	see # 2 above
7	The program lacked independent, outside oversight on the Executive side.	Dye Assessment Report	The ABT Program has engaged a QA consultant to provide an independent oversight. Additionally, the Council has created an Oversight group to oversight capital projects including the ABT Program.

Table 5: Perceived Roadblocks (continued)

Ref #	Perceived Roadblock Description	Source of Information	Resolution
8	Key program initiatives stalled for lack of timely resolution of policy issues.	Dye Assessment Report	The ABT Governance Structure provides a well defined process for policy issues resolution.
9	The program lacked a well conceived, structured, comprehensive business change management process reinforced by a visible and active senior management commitment.	Dye Assessment Report	An issues and change management plan is established that incorporates the ABT governance structure.
	Pertains to other stages of ABT Program		
11	Key announcements and decisions were not clearly communicated well in advance.	Dye Assessment Report	The ABT Program HLBP process used workshop sessions involving key agency and department subject matter experts. Session information and ABT Program status are communicated at these sessions. SMEs are requested to communicate session information to their peers and provide the ABT Program with any issues or concerns raised by their departments. General information is also communicated through an Intranet website available to all county employees. An on-line issue reporting form is available on the Intranet site which provides county employees a means to present issues and concerns anonymously.
12	Program and project work plans did not carry resource loading at a detailed level and the resource loading was not maintained consistently throughout the program.	Dye Assessment Report	ABT Program and project work plans include a resource plan which is updated monthly.
13	The program's issue resolution process was not strictly followed	Dye Assessment Report	An Issue Management Plan is in place and will be strictly followed.
14	Sufficient technical knowledge transfer from consultants did not take place to allow the county to assume Operations & Maintenance activities uneventfully.	Dye Assessment Report	Technical knowledge transfer is a contract deliverable for all ABT Program consultants.
15	Program momentum has been lost, as well as familiarity with the software applications gained during the program.	Dye Assessment Report	The strategy to extend the planning phase of the ABT Program a year enabling interaction and communications among the ABT Program Team and county staff has provided momentum in terms of user knowledge and optimism. System upgrade projects underway has resulted in improved application knowledge by technical and business project team members.
16	Departmental stakeholder confidence has been shaken due to the program providing far less than what they were offered, among other disappointments such as loss of current system functionality.		See # 15 and # 26.
	Pertains to other stages of ABT Program		
25	Labor Distribution Costing Approach	Dye Assessment Report	A key decision made by business subject matter experts during the Business work sessions is to continue with current costing methodology using actual versus standard costs.
26	Loss of current system functionality or flexibility - perception - real loss	Dye Assessment Report	The High Level Business Design stage will better address system functionality as it relates to a migration from legacy systems to the target environment.
	Pertains to other stages of ABT Program		
34	Only a guideline, not a detailed implementation plan	Dye Assessment Report	The ABT Program will develop a Detailed Implementation Plan as a final stage before implementation.

7 High Level Business Plan

This section presents the business process session results organized by the following areas:

- Section 7.1: Payroll and Benefits Business Functions
- Section 7.2: Human Resources Business Functions
- Section 7.3: Finance Business Functions
- Section 7.4: Budget Business Functions
- Section 7.5: Business Process Alignment
- Section 7.6: Side Systems Integration

7.1 Payroll and Benefits Business Functions

Current Business Processes

This section includes an overview of the Payroll/Benefits Functional processes including an overview of the Time Capture, Payroll and Benefits Functional areas, descriptions of the current and future processes, ABT scope discussion and issues/risks to be address in the High Level Business Design. More detailed information including process flow charts can be found in Appendix A.

Payroll/Benefits Functional Area Overview

The Payroll function is responsible for collecting and processing employee time; paying employees; deducting, withholding, and depositing taxes; reporting to federal and state agencies; deducting, withholding, and paying child support and garnishments; deducting and withholding employees' benefit contributions; providing information with other areas of the county including Accounting, Benefits, Budgeting and Human Resources and maintaining payroll records in compliance with federal and state laws and regulations.

The Benefits function is responsible for managing retirement, deferred compensation, health and insurance benefits for County employees and employees who leave county employment (COBRA and retiree benefits). Services performed by the Benefits team include: new employee orientation classes, deferred compensation seminars and providing information to employees about their benefits and retirement information.

Current Time Capture Process

The current time capture environment is inefficient and non-standard. The county has at least fourteen different side systems that are involved in capturing and reporting employee time. The side systems are interfaced directly into MSA or PeopleSoft or into MSA via a home-grown system called Payroll on Line (POL). These differing methods of capturing time have resulted in differing time capture processes thru-out the County. Currently, the schedules for when employees need to submit their time worked to payroll administrators are set by and vary across the county agencies depending upon the time capture system used.

Key Inefficiencies

The QBC report of 2004[8] and the worked performed by ABT team over the last five months has identified many process inefficiencies. Several of the key inefficiencies are: the county has no standard time capture system; in many agencies, employee time is manually recorded multiple

[8] Quantifiable Business Case, Business Operations Model Report, Dye Management Group, Inc., July 16, 2004.

times each pay period into multiple systems. This results in time consuming, inconsistent error corrections and much re-work. The MSA process for time and employee data entry, approval, validation, and correction is a slow, laborious, error-prone procedure; the employee data updating process for MSA is a manual, time-consuming, forms-based process. Many of the forms are out of date and do not reflect current process; forms are physically transferred to data entry staff by hand from remote work locations from throughout the county; employee time data is currently entered into MSA by data entry staff via a third party data input system. The input system requires execution through four conversion programs before it is actually entered into to MSA; and County Agencies employ many different time entry systems and processes. (The MSA On-Line Project to be completed by June 2007 will eliminate paper forms and help make the data entry process more efficient.)

Future Business Process

The ABT Program will implement consistent time capture business processes supported by business rules within one Human Resources/ Payroll (HR/Payroll) system. Employee time will be entered into the HR/Payroll system once via multiple methods including the web, telephone, PDA, card swipe, time clock and interfacing systems. Employee time will be validated and approved online through the HR/Payroll system. Accounting, labor distribution and project coding will be captured and validated during the time capture process. The ABT program will also ensure that standard business processes for employee time capture are employed by county agencies.

ABT Program Scope

The ABT scope will include developing a standard business process for capturing employee time and attendance. Additionally, the ABT scope will include identifying and implementing a standard County time capture system that is compatible with the time and labor module of PeopleSoft.

Current Payroll Administration Process

Although the current environment for the payroll business area is stable, the County operates on two different payroll systems (MSA and PeopleSoft) and two different pay cycles (semi-monthly and bi-weekly). This has resulted in an inefficient payroll operation that makes it difficult to standardize and implement best business practices. Approximately 11,000 county employees are paid on the semi-monthly payroll cycle on the MSA system. Approximately 7,000 employees are paid bi-weekly on the PeopleSoft system. The two payroll systems drive different payroll processes. Payroll staffs in the agencies and central payroll operations have different standard practices, procedures and schedules. The county has no standard work week and must manage multiple work schedules. There is no consistency in pay period data. MSA's pay period covers a half month during which, the number of days vary based on the days of the month. PeopleSoft's pay period always covers two weeks (14 days). PeopleSoft is currently being upgraded from release 8.0 to 8.9. Accounting for Agencies on bi-weekly payroll cycle is delayed. Accounting for monthly labor costs can not be completed until the last payroll of the month is processed, often resulting in a delay of at least 13 days before monthly financial statements are completed.

Key Inefficiencies

The QBC report of 2004[9] and the worked performed by ABT team over the last five months has identified many process inefficiencies. Key inefficiencies include: policies are decided at the department level for certain payroll practices resulting in inconsistent payroll processing across the county; Labor contracts payroll terms are not consistently negotiated resulting in considerable time spent by Payroll Operations and Agency Payroll staff in implementing the payroll provisions of newly settled contracts; MSA human resources and payroll validation runs are executed on specific, limited periods within each pay cycle – Human Resources generally during a four-day period and Payroll during a two to three day period. This results in a logistic challenge for County agencies; it is difficult to obtain employee data in a timely manner out of MSA and requires the assistance of MSA system developers to run ad hoc reports needed for department analysis purposes; MSA system inflexibilities require manual effort work-around. For example, FLSA exempt employees must be changed at the start of the month. If an employee goes to half-time in the middle of the pay cycle, the employee will still be paid at current level until the next period. This results in manual adjustments to fix. Also, the system requires projecting employee hours before they work the hours. This results in a significant number of payroll adjustments on a routine basis; there is not sufficient system data storage capacity to keep reports generated by more than one payroll cycle; this eliminates the ability to regenerate reports that are lost or damaged. The MSA software version and platform are antiquated compared to modern human resources/payroll system infrastructures including the latest version of MSA which is Web-based. The "batch processing" environment with forms and keypunch data entry is slow and tedious compared to the processes surrounding modern installations.

Future Business Process

The ABT Program will implement consistent payroll administration business processes supported by business rules within one Human Resources/ Payroll (HR/Payroll) system. The ABT program will plan and implement the migration of all employees to a common, bi-weekly payroll cycle supported by the PeopleSoft system. Additionally, ABT will work with HRD to implement a limited number of standard work weeks that FLSA overtime calculations will be based. ABT will ensure that: payroll information provided to the financial system that is accurate and timely that meets labor distribution, project and grant accounting business needs; payroll information provided to agencies that is accurate, accessible, timely, and meeting their business needs.; payroll information provided to employees that is accurate and accessible via the web and that the Payroll Operations team is the single source for payroll administration services including implementing the payroll provision of union contracts and administering payroll policies and procedures.

ABT Program Scope

The ABT scope will include developing a common payroll administration business process for providing pay to employees on a bi-weekly payroll cycle using the Payroll module of PeopleSoft 8.9. Additionally, the ABT scope will including identifying and implementing standard payroll practices and policies to ensure consistently payroll processing across the County.

Current Benefits Administration Process

[9] Quantifiable Business Case, Business Operations Model Report, Dye Management Group, Inc., July 16, 2004.

The Benefits Administration environment was just recently updated as a part of the Benefits and Health Initiative Project (BHIP). Effective with the 2006 open enrollment process all benefit eligible employees use the county's benefits self-service website to enter their benefit election information into PeopleSoft. Employees also have 24 hours/7 days per week access to their benefit election information via the County employee Benefits website. The County is using PeopleSoft 8.9 to perform Benefit Administration activities for all employees on the MSA payroll system.

Key Inefficiencies

The current Benefits Administration environment has very few known inefficiencies. Currently employees must contact Benefits and Retirement Operations (BROS) to make life event changes (new child, adoptions, changes to spouse coverage by another employer, etc) that affect their benefits coverage. Best practice is to allow life event changes to be entered by employees via a benefits self service website. Another key inefficiency in the current process is that new employees are required to physically complete paper forms to enroll in the County Benefit Plans. Best practice is to allow new employees to enroll in the benefit plans via benefits self service website. Please note that both of these inefficiencies are currently being addressed by BROS and the ABT PeopleSoft Upgrade Team and will be resolved by the end of 2007.

Future Business Process

The ABT Program will implement a consistent Benefits Administration business processes supported by business rules within one Human Resources/ Payroll (Hr/Payroll) system. The future business process will include the implementation of employee and manager self-service for benefits administration and will provide multiple means of accessing data (website, IVR, service center, etc).

ABT Program Scope

The ABT scope will include developing a common business process for providing benefits to employees and implementing the Benefits Administration, Absence Management and e-Benefits modules of PeopleSoft 8.9 for all County agencies.

Issues/Risks for HLBD

Listed below are issues identified during the HLBP. The issues are categorized as Activity, Planning, Management and Scope, as defined in the ABT program Issue Management Plan (see Appendix I for full definitions). No specific risks beyond already identified ABT program risks were identified.

Planning Issues

- Need to remain aware of new or shifting business requirements during the design and implementation phases of the Program.
- Need to evaluate and select ad hoc reporting tools
- Need to decide if we continue to support the current custom developed web based reporting process.
- Need to decide if we will need a data warehouse to support reporting.

- Need to decide how General Ledger period end closing process will be handled in a bi-weekly payroll cycle environment.
- Need to manage the potential impact on billings to outside agencies in the bi-weekly payroll cycle environment.

Management Issues

- Labor Relations will need to bargain the effect of the change to a bi-weekly cycle on employees.
- Need to determine the number of standard work week the county should have.
- Need to identify a standard time capture process and system.
- System functionality may not meet business needs for handling FMLA and KCFML.
- Need to determine who will maintain side systems that interface with PeopleSoft HCM.
- Need to decide how side systems that deviate from county standards will be managed in the future.

7.2 High Level ABT Human Resources Functions

Human Resources Functional Area

This section includes an overview of the key human resources business processes including definitions, descriptions of the current and future processes, ABT scope discussion and issues/risks to be addressed in the High Level Business Design. More detailed information including process flowcharts can be found in Appendix B.

The human resources business processes support the following areas: Workforce Management and Succession HR Planning; Job Review; Recruitment and Selection Strategy; Recruitment; Selection; Classification System Development; Compensation Development; Classification/Compensation Administration; Pay Implementation, Development and Administration; Employee Leave Administration; Employee Exit Administration; Employee Development; Organizational Development and Related Consulting Services; Safety and Claims Administration; Disability Accommodations and Employment; Labor Contract Administration and Negotiations; Grievance and Disciplinary Administration; and Performance Appraisal and Merit Pay.

Human Resources Business Process Definitions

<u>Workforce Management and Succession HR Planning</u>
The goal of this business process is to place the right person in the right job at the right time so that people are positioned to perform at optimal productivity levels. This process also develops employees through training, mentoring and performance evaluations.

<u>Recruitment</u>
Attract viable applicant pool for vacancies in the county. Recruitment strategies include advertisement, job fairs, community events, targeted advertising, and headhunting services.

<u>Selection</u>
The selection process includes assessment/testing of knowledge, skills, and abilities that meet EEOC content, criterion, and construct validities. In also includes administration of internal applicant hiring considerations and central review and approval of certain starting salaries and PERS Plan I Retiree hiring.

Employee Leave Administration
The primary objective of this business process is to manage compliance with regard to employee leave in order to make sure that only those amounts reasonable and necessary are paid.

Current Business Processes

The human resources business processes are currently carried out by two sets of HR/Payroll systems (PeopleSoft and Legacy MSA) and many interfacing side systems.
Sixty (60) percent of the county is on Legacy MSA and Forty (40) percent are on PeopleSoft.

Workforce Management and Succession HR Planning
There currently is no formal career and succession planning process in place for the majority of King County Agencies, other than to meet immediate needs. The workforce in King County is aging. Sixty (60) percent of the county employees are age 45 or older. Thirty (30) percent of the county workforce will be retirement eligible within the next 3-5 years.

Recruitment/Selection
Several agencies follow different recruitment and selection processes to meet their specific workforce needs. Most agencies find it challenging to attract an appropriate applicant pool. Because only a few agencies utilize any type of online recruitment system, the current recruitment and selection process is very time-consuming. In most cases, from the time an agency's need is identified to the start date of a selected individual, it takes an average of 60 days to fill a position vacancy.

Employee Leave Administration
For all agencies, the employee leave process is a manual paper process and is carried out within each agency and not tracked centrally. Several agencies manage their employee leave information on automated side systems. A few agencies monitor their employee leave data using only an Excel spreadsheet or a similar application. Overall employee leave administration compliance is a challenge in trying to make sure that only those amounts reasonable and necessary are paid to leave eligible employees.

Key Inefficiencies

The QBC Report of 2004 and the work performed by the ABT Team over the last five months identified the following key inefficiencies in the county's key HR business processes:

Workforce Management and Succession Planning
Agencies do not have the resources or budget to do adequate succession planning. There is inadequate availability of personnel information such as, retirement and turnover statistics.

Recruitment/Selection
When advertised, some job classifications that are exactly the same do not always include the same job requirements e.g. knowledge, skills and abilities, educational requirements, certificates, licenses etc. This is because some positions with the same job classifications are paid at different pay rates and are utilized differently by several unions and agencies. Due to these identified differences, many if not all applicant pools with the same job classification cannot be consistently shared among the agencies. Another key inefficiency is that there is no consistent development or identification of position core competencies for each job classification in the county. Regarding the selection process, there is a lack of training for managers which results in process inconsistencies.

Employee Leave Administration
There are minimal audits conducted at each agency for employee leave enrollment or changes. Because some employees do not always notify human resources in a timely manner when they experience a change in their leave status, leave data is not always up-to-date and/or accurate. One other key inefficiency is that employees and departments cannot easily access leave information.

Future Business Process

The ABT Program will implement consistent workforce management and succession planning; recruitment; selection and employee leave administration processes supported by business rules within one human resources/payroll (HR/Payroll) system.

Workforce Management and Succession Planning
Critical management positions will be identified in the department. Key managers of the department will be identified and prepared to potentially move into the critical management positions when they become vacant.

Recruitment/Selection
Applicants will be able to apply for vacancies online. Hiring departments will be able to screen resumes and applications from desktop PCs. and employment notification letters will be generated and sent online.

Employee Leave Administration
Employees will be able to request a leave from their desktop PCs and supervisors will be able to approve/deny leave requests online. Leave information e.g. leave balances etc. will be available online.

ABT Program Scope

The ABT scope will include standardizing the following key human resources business processes Workforce Management and Succession HR Planning, Recruitment, Selection, Employee Leave Administration, Employee Development, Labor Contract Negotiations and Performance Appraisal and Merit Pay throughout the county. Additionally the ABT Scope will include implementing the following PeopleSoft 8.9 modules: Candidate Gateway, Talent Acquisition Manager, E-Compensate, Enterprise Human Resources, Enterprise Learning Management and E-Performance .

Issues/Risks for HLBD

Listed below are issues identified during the HLBP. The issues are categorized as Activity, Planning, Management and Scope, as defined in the ABT program Issue Management Plan (see Appendix I for full definitions). No specific risks beyond already identified ABT program risks were identified. Specific tasks to address these issues will be included in the HLBD work plan.

Planning Issues:

- Not all applicants have access to computers or the Internet which may result in a loss of qualified candidates. A decision will need to be made to continue or not continue the employment application paper process.
- A decision will need to be made regarding what HR tasks will be centralized and decentralized.

- The impact of implementing position management functionality countywide will need to be assessed.
- Management Issues:
- The amount of work to document current KSAs and enter them into PeopleSoft will need to be defined.
- A decision will need to be made as to whether the county should purchase the ePerformance module to enhance the employee performance management business process.
- The HR business practices may be applied inconsistently by the departments.
- Labor Relations will need to bargain the changes that will affect represented employees.

7.3 High Level ABT Financials Business Functions

Finance Functional Area

The finance business processes support ordering and paying for goods and services; billing customers; accounting for purchased and constructed capital assets; financial accounting and external financial reporting; cost accounting and management reporting; and, managing cash.

This section includes an overview of the Finance business processes including definitions, descriptions of the current and future processes, ABT scope discussion and issues/risks to be address in the High Level Business Design. More detailed information including process flow charts can be found in Appendix C Finance Functions.

Finance Business Process Definitions

Procurement
Procure goods and services for the County in a way that maximizes value for the County's money in compliance with Revised Code Washington and County code. Pass purchasing information to the payables process including establishing encumbrances.

Accounts Payable
Accurately pay vendors in a timely manner and in compliance with County policies & procedures and state/federal laws and regulations and generate financial transactions to post to the general ledger.

Accounts Receivable
Process billing, payment and adjustment transactions and manage customer accounts within a receivables sub-ledger that integrates with the general ledger.

Cost Accounting and Management Reporting
Record, classify and report budget, expenditure and revenue financial transactions in an organization or project work breakdown structure to support county projects and grant funded activities.

Financial Accounting and External Reporting
Record, classify and summarize financial transactions by accounting period and a chart of accounts structure to support external financial reporting prescribed by Generally Accepted Accounting Principles and the State of Washington "Budgeting and Accounting Reporting System" (BARS).

Asset Management
Captures the cost of purchased and constructed assets serves as a subsidiary ledger to the general ledger; maintains asset record details; generates depreciation entries for general ledger; and, supports annual personal property physical inventory. Track asset performance and manage asset maintenance and replacement.

Treasury and Cash Management
Record, classify and report cash, debt and investment activity. Manage investments for maximum return.

Current Business Processes

The finance business processes are currently carried out by two sets of Core Financial systems (IBIS and ARMS) and many interfacing and side systems. ARMS serves as the County cash book of record requiring a custom interface to pass all IBIS cash transactions to ARMS.

ARMS is a group of mainframe batch processing systems with limited integration, significant reliance on creating and handling paper documents and limited online capabilities. IBIS is an integrated web based online system (Oracle Financials). There is a separate fixed asset accounting system.

ARMS and IBIS both accomplish project based accounting using the general ledger; agencies use various side systems and processes to provide additional information required to effectively manage project finances.

Both ARMS and IBIS include standard system generated reports and have custom built Web based parameter driven financial reports. IBIS has a separate report writing application (Business Objects) that uses defined universes to support ad hoc reporting. ARMS has a database of ARMS transactions against which Access queries can be executed to support ad hoc reporting.

Key Inefficiencies

Operating with two set of systems leads to inconsistency in processing and inefficiencies, including:

- ARMS and IBIS each have a different Chart of Accounts. IBIS does not include a classification element that provides the expenditure Function as required by external financial reporting.
- IBIS has online requisition creation and approval routing; ARMS requisition and approval routing involve hard copy documents routed for signature.
- Redundant processes and data entry
- IBIS does not use encumbrances.
- Capital assets purchases using ARMS interface with the fixed asset system. Capital Assets purchased in IBIS are manually entered into the fixed asset system. ARMS and IBIS capital projects used to account for constructed capital assets require manual review and update in the fixed assets systems (IBIS); IBIS uses a monthly mass allocation to automatically reclassify capital project expenditures to work in process.

Future Business Processes

The ABT Program will implement consistent business processes supported by business rules within one financial system using a common chart of accounts. Transactions will be created online with web based input screens or imported from interfacing systems. Transactions created within the financial system will be routed for online approval automatically. Specific project and grant accounting functionality will be implemented.

Routine purchases will be made using P-cards and i-procurement. Buyers will have integrated online tools to support efficient sourcing, purchase order creation, contract creation and contract monitoring. Vendors will be able to log on and view current contracts and payment history. Accounts payable will have electronic funds transfer payment option. There will be one master list of vendors and all goods will be ordered using a standard commodity classification structure. Procurement managers will be able to monitor key Performance Indicators on a daily basis.

Project based, grant related and other customer billing invoices will be created, payments recorded and customer accounts managed with an integrated online Accounts Receivable module. Some specialized billing and receivables will continue to operate with the results posted to the general ledger either by interface or manually.

An integrated fixed asset accounting system will eliminate many of the current manual tasks related to accounting for purchased and constructed fixed asset.

Users will be able to execute queries and drill to original source transactions within the system. Simple to execute parameter driven queries and preformatted "dashboard" reporting will be available to users to monitor financial status, including available budget. Users with more complex reporting needs will use standard reports and ad hoc reporting tools.

System functionality will support documenting and monitoring internal controls. Users will be supported with functionality that helps create training materials, user guides and enhanced online help support.

ABT Program Scope

The ABT scope will support the following core financial business processes.

General Ledger and Financial Reporting – classify financial transactions in a structure that supports external financial reporting.

Cost Accounting and Project Management – classify financial budget, expenditure and revenue transactions in a detailed project structure to support project and grants management.

Procure to Pay (Procurement and Accounts Payable) – process requests for goods and services, identify sources, establish purchase orders or contracts, receive goods and services, pay for goods and services and manage vendor contracts. Create encumbrance and expenditure financial transactions. Update inventory to with purchased inventory items.

Asset Accounting – record purchased and constructed capital assets, support annual personal property physical inventory, calculate depreciation and generate depreciation financial transactions.

Order to Cash (Order Management and Accounts Receivable) – bill customers, process customer payments and manage customer accounts.

Treasury & Cash Management – comprehensive tracking of cash balances within the financial system including reconciliation with the bank.

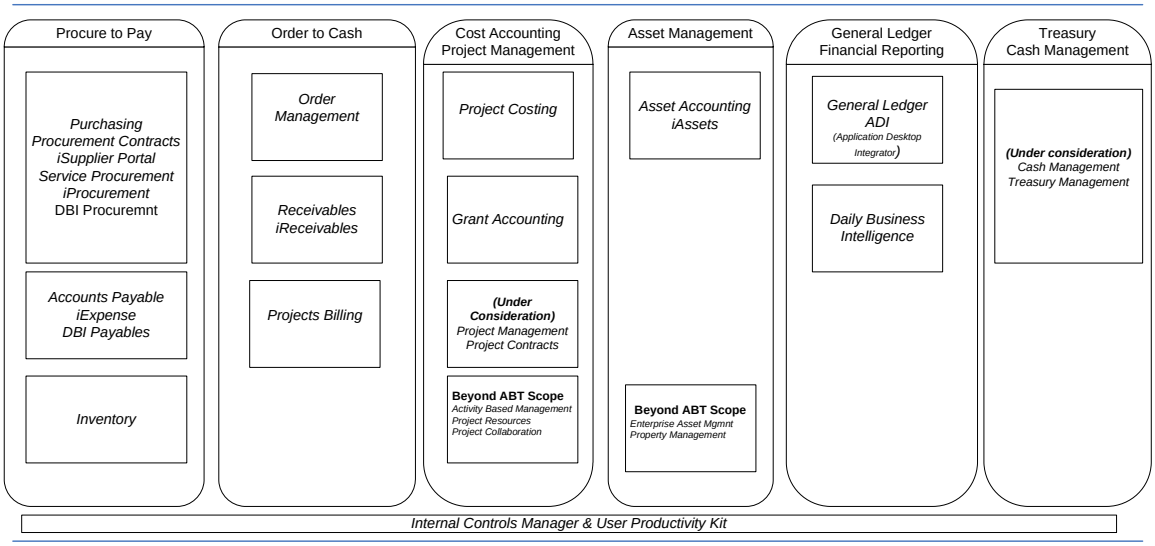
Beyond the scope of ABT are tracking asset performance and managing asset maintenance and replacement. These will be met with existing maintenance management systems which will be included as part of the HLBD interface design.

Further discussion is needed in two areas

- Project Management –DOT, OIRM and DNRP expressed an interest in adding Project Management functionality.
- Treasury Management – need determine to what extent we will implement Treasury management functionality to support cash management business processes

To support the core financial business processes, ABT will implement the Oracle modules currently used in IBIS across the County and add functionality.

King County ABT Program - - Oracle Applications by Finance Business Processes



Issues/Risks for HLBD

Listed below are issues identified during the HLBP. The issues are categorized as Activity, Planning, Management and Scope, as defined in the ABT Program Issue Management Plan (see Appendix I for full definitions). No specific risks beyond already identified ABT program risks were identified.

Planning Issues – specific tasks to address these issues will be included in the HLBD work plan.

- Assess the impact of project functionality limitations associated with implementing grants accounting; some cases may require system extensions to be developed to address key limited functionality.

- Fully develop (down to the t-account level) the processing of time entry and payroll with general ledger and project accounting.
- Understand and plan for alignment of HR information in the HR/Payroll system and the Financial System.
- Develop a common chart of accounts and numbering scheme for element.
- Understand and fully document how operating projects can be accounted for in the project accounting module and be correctly reported in general ledger with special emphasis on budget monitoring.
- Determine if budgetary control will be implemented; if so, will it be hard or advisory and at what organizational and account level.
- Determine which finance tasks will be centralized and which will be decentralized.
- Determine the basis for setting up user responsibilities and to what extent they will include organizational elements.
- Determine which ad hoc reporting tool will support reporting.
- Design the structure for integrating payroll details (by individual) into summarized payroll transactions in general ledger
- Need to address potential financial reporting impacts of moving agencies and departments currently using ARMS and MSA with a semi-monthly pay cycle to Oracle Financials and PeopleSoft HCM with a biweekly pay cycle.
- Determine if a data warehouse is needed to support reporting.
- Need to consider integration with a yet to be identified budget system.
- Changing business processes may affect existing job descriptions and union contracts. Some process changes, such as distributing data entry to agencies, could require a realignment of resources and work approaches.

Management Issues – these issues may require management level discussion to resolve.

- Plan user access in such a way that the cost of user licenses does not adversely impact the efficiency opportunities
- Plan and communicate the operation support model to ensure agencies are able to pay for ongoing support

7.4 Budget Business Functions

Budget Functional Area

The budget process supports development and maintenance of the operating and capital budgets for the county. Five major business processes were defined for the Budget Area: operating budget development; operating budget maintenance including allotments, quarterly reports, quarterly omnibus ordinance, body of work, payroll reconciliation, and other annual tasks; capital budget development; capital budget maintenance and CIP reconciliation.

This section includes business process definitions and a description of the current budget process. Unlike the other functional areas covered by the ABT Program, this section does not include a description of the future budget process. The budget portion of ABT is on a different schedule since a budget software product has not yet been selected. The focus during the HLBP phase has been on defining the functional and technical requirements for a comprehensive

budgeting system that can be integrated with Oracle and PeopleSoft. Those requirements are detailed in Appendix D, the ABT Budget System Business Requirements Document.

Once a software product is selected, the budget business processes may be modified to make the best use of the system's capabilities.

Budget Business Process Definitions

Operating Budget Development
The process through which the budgets for the year are requested, analyzed, and approved. The operating budget includes expenditures for personnel, supplies, and services needed to operate the county's programs.

Operating Budget Maintenance
Maintenance includes development and approval of the quarterly omnibus ordinance and other supplemental budgets. It also includes the annual carryover of budget based on outstanding purchase orders supported by budget encumbrances.

Capital Budget Development
The process through which the budgets for the six-year CIP are requested, analyzed, and proposed by the Executive for Council approval.

Capital Budget Maintenance
This is the process by which new projects are approved or budget authority is added to or subtracted from an existing capital project during the course of the budget year through supplemental budget ordinances.

CIP Reconciliation
The process through which the ongoing CIP program is reevaluated and carryover budgets and revenues are identified. The process includes closing out projects and funds that are no longer active and adjusting project budgets for under or over expenditure projections.

Current Business Processes

Capital and operating budgets have distinct processes and systems in King County. In addition, several County agencies use different systems for developing their operating budgets because of a business need for more detail than the current system can handle. There is a great deal of variation in the complexity of agencies' budgets and the level of analysis that goes into their annual budget submittal. Regardless of the system used or the complexity of their budget, the process has many common elements for all county agencies.

Operating Budget Development

- Strategic planning and financial forecasting by OMB and the agencies.
- Preparation of the Preliminary Status Quo (PSQ) budget by OMB.
- Agencies prepare their budget requests and submit them to OMB.
- OMB reviews the submittals and requests any needed additional information from the agencies.
- The Executive budget request is finalized and transmitted to Council and an ordinance is prepared.
- The Council reviews the budget request, holds hearings, makes revisions, and adopts the budget for the following year.
- The adopted budget is loaded into the financial systems and payroll reconciliation is done.

Operating Budget Maintenance

- Process encumbrance carryovers, currently a mix of automated and manual processes.
- Agencies prepare supplemental budget requests and submit them to OMB.
- OMB reviews the submittals and requests any needed additional information from the agencies.
- The supplemental budget request is transmitted to Council and an ordinance is prepared.
- The Council reviews supplemental budget requests, holds hearings, makes revisions, and adopts the supplemental budget.
- The supplemental appropriation is loaded into the financial system.

Capital Budget Development

- Agencies update their 6-year CIP budgets, propose and detail new projects, and submit to OMB.
- Financial plans developed for capital project funds.
- OMB reviews the project submittals and requests any needed additional information from the agencies.
- The Executive CIP budget request is finalized and transmitted to Council.
- The Council reviews the budget request, holds hearings, makes revisions, and appropriates the CIP budget for the following year, and adopts the 6-year financial plans for the capital funds.
- The appropriated CIP budget is loaded into the financial systems.

Capital Budget Maintenance

- Process encumbrance and budget carryovers, currently a mix of automated and manual processes.
- Agencies prepare Flexible Budgeting Reports or supplemental budget requests and submit them to OMB.
- OMB reviews the submittals and requests any needed additional information from the agencies.
- The supplemental budget request or Flexible Budgeting Report is transmitted to Council and an ordinance is prepared.
- The Council reviews supplemental budget requests, holds hearings, makes revisions, and adopts the supplemental budget. For Flexible Budgeting Reports, Council can either act or the budget revisions go into effect.
- The supplemental appropriation is loaded into the financial system.

CIP Reconciliation

- OMB and agencies prepare capital funds financial plans based on prior year budgets, revenues, and expenditures, with updated project and revenue estimates.
- OMB reviews and consolidates the reconciliation and prepares ordinance.
- CIP reconciliation ordinance and updated financial plans submitted to Council.
- The Council reviews CIP Reconciliation, holds hearings, makes revisions, and adopts the reconciliation ordinance.
- Manual budget revisions are made in the financial systems.

Next Steps

The next steps for a budget system are:

- Schedule Oracle to demonstrate the Public Sector Budgeting module currently owned by the county to budget subject matter experts to inform the budget system solicitation, evaluation and selection process...
- Develop a Request for Proposal (RFP) to solicit, evaluate and select a budget system and budget system implementer.
- Review current budget processes; evaluate alternative processes that are better aligned with best practices; and determine how county budget processes can migrate to best practices.
- Develop business process design requirements to inform the Detailed Implementation Planning effort.

7.5 Business Process Alignment[10]

Alignment Session 1: Labor Distribution Current Process

Current Process

Not all County organizations use labor distribution. ARMS and IBIS process labor distribution differently

The session presentation covered the highlights of the 'as-is' document with special attention on the identified challenges. Key topics brought out at the session by the SMEs included:

- Realization that different agencies use labor distribution in different ways to meet different business needs.
- Distinction drawn between salary, paid time off, & benefits as true labor distribution and application of administrative overhead to salary costs which is really an allocation of overhead.
- Level of detail needs to be at the employee level to accommodate the business reporting requirements.
- Lack of integration between payroll and salary charges to projects with labor distribution generates a lot of administrative work

Next Steps

This session resulted in identifying the current state of Labor Distribution to help inform other sessions. Alignment session 6 discusses the future state of Labor Distribution.

Alignment Session 2: Position Management

Current environment:

- ARMS/MSA agencies (excluding Public Health) match positions to people in December as part of payroll reconciliation prior to loading the new budget into the financial system. During the April PSQ budget phase, the match is updated.
- IBIS/PeopleSoft agencies do not use the position management function available in PeopleSoft.
- Any other "position management" is done at the agency level using spreadsheet or database side systems.

[10] Appendix H presents more detail regarding Alignment Sessions.

Decisions made:

- SMEs agreed that HR "owns" Position Management.
- Position Management will be implemented using PeopleSoft functionality with strong business rules.

Next steps:

- Use the PeopleSoft test bed during the HLBD phase to develop business processes that take advantage of the Position Management module capabilities.

Alignment Session 3: Payroll Cycle, Time Data Entry

Current Process

- Currently, the schedules for when employees need to submit their time worked to payroll administrators are set by and vary across the county agencies depending upon the payroll system.
- The two payroll systems drive different payroll processes. Payroll staffs in the agencies and central payroll operations have different standard practices, procedures and schedules due to the two systems.
- The County has no standard work week.
- For central payroll operations, dual management and special consideration and coordination is required to complete each month's combined payroll.
- There is no consistency in pay period data. MSA's pay period covers a half month number of days (variable dependent on number of days in the month) and PeopleSoft's pay period always covers two weeks (14 days).
- As a result operating two systems on different cycles, the county is faced daily with time spent coordinating, planning and executing payroll related activities.

Decision Made

The SME's agreed with the need to transition to a biweekly payroll cycle.

Next Steps

Need to address the following payroll cycle and time capture issues during the planning stage of the Program:

- Work with Finance and Agencies to determine how General Ledger period end closing process will be handled in a bi-weekly payroll cycle environment.
- Work with Agencies to manage the impact on billings to outside agencies.
- Work with Labor Relations to assist them in bargaining the effect on employees of the change to a bi-weekly cycle.
- Decide if County will have more than one standard work week.
- Identify a standard time capture process and system.

Alignment Session 4: Position Core Competencies, Employee Performance Management and Career and Succession Planning

Current Environment

- Competency Management:
  - There is no consistency within King County Government around competency management.
  - There are multiple job codes for the same classifications.
  - There are position inequities in the same classification.
  - There is no defined process for correcting/realigning equity among positions with the same classification.
  - There is a lack of a standardized lexicon of common terms related to knowledge, skills, and abilities.
  - There is a limited expertise in the county as to how to determine competencies.
- Employee Performance Management:
  - There are no standard processes in place to ensure that all County employees are evaluated on their job performance.
  - Performance appraisals are not generally completed for represented employees and not all non-represented employees have their performance consistently evaluated.
  - Supervisors do not have effective tools to realize employee performance improvements.
  - The performance appraisal and merit pay systems for non-represented employees are linked for many County agencies.
  - MSA and PeopleSoft have separate processes for entering merit pay adjustments into each system
- Career and Succession Planning:
  - There currently is no formal career and succession planning process in place for the majority of King County Agencies, other than to meet immediate needs.
  - The workforce in King County is aging. 60% of the county employees are age 45 or older.
  - 30% of the county workforce will be retirement eligible within the next 3-5 years.
  - The majority of the agencies are not currently doing succession planning for other than immediate needs.
  - Agencies do not have the resources or budget to do adequate succession planning.
  - There is inadequate availability of personnel information such as, retirement and turnover statistics.

Decisions that need to be made:

- Employee Performance Management:
  - Should ePerformance module be purchased?
  - When should the process be implemented?
- Competency Management:
  - Where and who will manage this data?
  - How far down the organization levels will this be implemented?
  - What role will labor have in this process?
  - What are the steps that need to be taken to address employees who are impacted?
- Career and Succession Planning:
  - When should the process be implemented?

Next Steps:

- Competency Management:
  - Need to identify strategy to build and maintain KSAs
  - Need to test HR module.
- Employee Performance Management:
  - Need to identify desired functionality.
  - Need to test HR module.
- Career and Succession Planning:
  - Need to identify desired functionality.
  - Need to test HR module.

Alignment Session 5: Cost Allocation, Activity Based Costing

Current Process

Cost Allocations – currently County agencies use coat allocations for:

- Indirect cost allocations - Employee Benefits & Paid Time Off, Agency Administrative Costs
  - ARMS via Burden Rates (applied to direct salary)
  - IBIS via Mass Allocations (direct salary base)
  - Public Health (ARMS processes; various year to date bases)
- Determining Internal Service billings:
- Central Service Rates - Cost of General Government support activities to County service delivery agencies
- Indirect Cost Plans – Allowable indirect cost rates for use in grant funded activities

Activity Based Costing (ABC) - Many county agencies currently capture ABC information using the existing accounting structures (organization and project) and side systems.

Decisions made

Oracle financials will provide accounting structures with functionality that is needed through revisions to the chart of account structure. The ABM module in Oracle Financials may be unnecessary for the County with chart of account changes and implementation of performance measurement capability in the new budget system. There was recognition that much of the statistical information needed to use ABC to its fullest will not be housed in the financial systems.

Next Steps

Design and coordination with Budget and performance management

Alignment Session 6: Labor Distribution Future Concepts

This session reviewed a proposed Labor Distribution process flow that takes advantage of the PeopleSoft Time & Labor module labor distribution functionality and the Oracle project costing labor distribution functionality.

Decisions made

The conceptual actual costing model presented was accepted. There was much discussion about detailed design issues pertaining to changes in business process and capabilities to meet specific business needs.

Next Steps

Design the labor distribution process during the HLBD stage.

Alignment Session 7: Accounting Structure

Current Process
ARMS and IBIS each have different Chart of Accounts structure with different capabilities. The current elements are:

IBIS	ARMS
FUND	FUND
COST CENTER	LOW ORG
ACCOUNT	ACCOUNT
PROJECT	PROJECT
SUBPROJECT	TASK
PHASE	OPTION
GRANT	None
BOND	None

Decisions made:
While a proposed Chart of Account structure was presented, it is too early to reach consensus on an Accounting Structure

Next Steps
Convene a Chart of Accounts work group of County staff supported by consulting resources to develop a workable Chart of Accounts structure.

Alignment Session 8: Reporting

Current Reporting Environment
Each of the two financial systems (ARMS & IBIS) and the two HR/Payroll Systems (MSA & PeopleSoft) employ different reporting tools to address user reporting needs. Budget reporting is done using information contained primarily in the financial systems.

The session included an overview of each of the current reporting tools. This was followed by a presentation of reporting recommended business practices.

Also included, was and overview of the various reporting tools available from PeopleSoft, Oracle and third party vendors. The Ciber consulting resources discussed what they had seen implemented by their clients.

Decisions made
There was consensus that we need to deliver information in multiple ways depending on the purpose and the audience.

All participants were interested in the County establishing a core group of report developer staff (whether central or distributed) that could meet the need of developing new sets of data that would allow end users to make full use of their reporting tools to meet new reporting needs.

One area where strong interest existed was the use of a data warehouse to provide access to diverse data using a common reporting tool.

Next Steps
Design Phase work to identify specific reporting needs and asses which tools best satisfy those needs.

7.6 High level ABT Side Systems Integration

Current High Level Technical Functions

The current technical environment includes two accounting and financial reporting systems and two human resource/payroll systems, and hundreds of Side Systems (directly and indirectly associated to the main Financial, Budget, HR and Payroll systems) via system interfaces.

These various systems have decentralized data management, system development and operations groups and differing levels of reporting. The current environment is not integrated sufficiently to optimize common business practices.

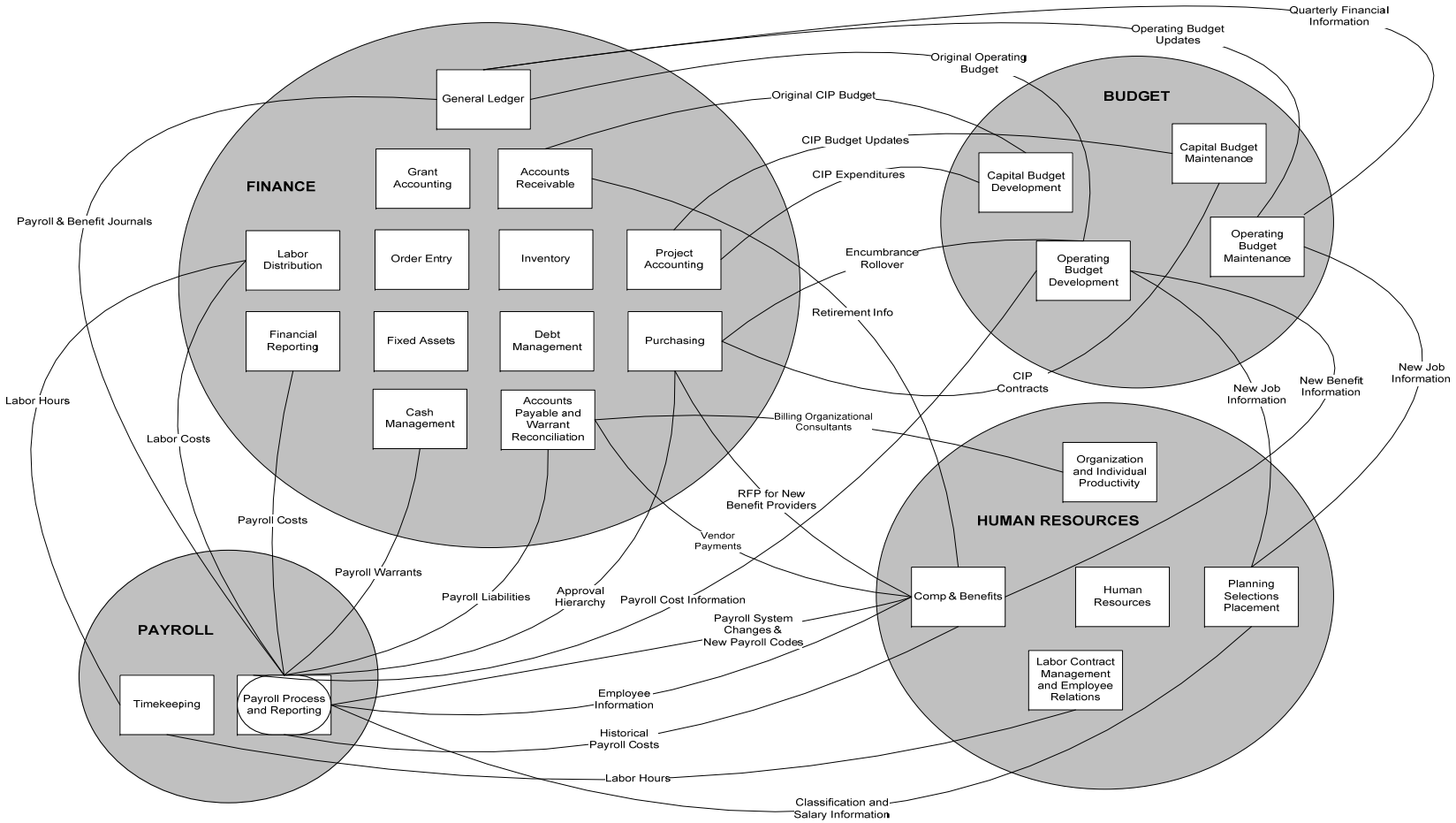
The current technical constraints include the current integration architecture gaps and aged technology. This compounds other issues across the business landscape stemming from differing service and product support models in the county.

These differing business processes and systems support groups are expected to work together from a county perspective, to ensure alignment with the changing county scope and processes into the counties future.

Current Systems Management Process

King County, with its distributed workforce and diverse business processes, services and products, as well as mergers, has an equally varied and distributed systems operations, and systems support model. The current model is largely customized and specialized, and challenging to upgrade and maintain. This will challenge providing acceptable service levels into the future, unless addressed.

This diagram depicts integration complexity across the ABT processes.



Systems Management Inefficiencies

The result is decentralized data processing, reporting and business rule enforcement. Diminished configuration control, data integrity, security and appropriate system audit trails are also challenges with the current architectural solution model.

Additional inefficiencies are a decentralized vendor management model and the ability to manage county-wide system implementations for best practices adoption and rollout going forward into King County's future. All these challenges are faced by King County when data and information transparency is seen as being more and more expected by information consumers.

The net effect burdens integration scaling, allows entry redundancy, extra manual reconciliation, and a complex integration model for upgrade and maintenance support, helpdesk response, and varied information retrieval master solutions.

Maintaining forward extension and integration work on the current system should continue to result in additional complexity impacts to data integrity, system configuration control as well additional functional and process workarounds related to the systems growing complexity.

Future Systems Management

The planned solution will demonstrate effective use of distributed technology to satisfy need for operational standards, promote improved business processing and reporting, and create an avenue to enable business process changes into the future, with the implementation of a business solution suite adequately supportable by common industry resources.

Strategic Benefits:

- Leverages existing software technology and platforms.
- Enables increased services and transparency for information consumers with greatly improved data storage, and information retrieval.

Operational Benefits:

- Improves operational and end-user experience with implementation of well known technology solutions, which have vendor published operations training and vendor operations and upgrade teams. End-user experience also improves with ability to manage information with improved data management tools, while having access to self-help and other training tools.
- Eliminates identified operational risks related to aged technologies and customized business solutions.
- Improves and expands HR, Payroll, Financial and Budget services by providing new functionality for end-user business processes, and helps to reduce parallel systems.
- Improved data management, data accuracy, and data consistency with common data and security architecture across data transaction engines and repositories holding business data.
- Improved data accessibility, and decision making opportunities.

Technical Benefits:

- Scalable to allow centralization where appropriate.
- Flexible integration to allow decentralization where appropriate, while providing standard integration tools to support business processes outside core system.
- Improves security and reliability, allowing for data centralization and data security permissions configuration based on agency and department requirements.

ABT System Integration Scope

The program integration scope strives to move toward centralization of data processing and reporting across the target functions Finance, HR, and Payroll. Additionally, it will enable efficient data integration for the to-be budget system.

The current side systems and processes will be mapped back into the to-be process model with the exceptions being integrated more efficiently, and updates managed and tracked going forward through change control against the identified side systems and interfaces.

By ABT definition, a side system is any system that is required by the department or agency to support ABT business processes. Especially those directly integrated by system interface or by other data dependency, and may also include any Excel spreadsheets, Access database or other third party software application.

The system interface integration scope includes identification, impact analysis, design and implementation tracking on the final set of interfaces supporting core business processes. These are typified today by the interfaces currently supported at King County and related to the core business related to ARMS, PeopleSoft, IBIS, and MSA/POL, and some others. See Appendix E for a list identified at this time of named interfaces.

The side system integration scope includes identification, current process analysis, impact assessment and potential integration with the ABT target processes. See Appendix E for a list identified at this time, of named side systems.

Lastly, the integration scope will include any other application or interface items required to support rollout which also fall within the ABT implementation scope.

Systems Integration Out of Scope Items

The following will not be addressed by the system integration project:

- Business process re-engineering or alignment already covered by ABT Functional Leads.
- Organizational Change Management or Training already covered by ABT Program.
- Large-scale customization of to-be solutions.
- Large-scale new side systems.
- Integration or changes to side systems not in scope as a side system by definition to the ABT Program.

ABT System Integration Issues/Risks for HLBD

Issues:

Planning Issue

- Integration implementation impacts are not fully quantifiable until to-be process is defined to the data level. Resolution proposed includes; parallel identification, evaluation and agreement on processes and integration impacts while to be processes are validated.

Risk:

- Available and skilled resources for King County tools development may not be readily available for design and implementation planning.
- Plan to mitigate risk: Department alignment and support for detailed design, planning, and other program required activities as a priority to resource.

ABT Systems Integration Approach Summary

- Identify side systems, system process owners, and system technology
- Define use narratives
- Identify inputs and outputs (data and process dependencies)
- Create integration standard to the to-be solutions.
- Perform impact analysis between to-be solution and side systems for integration impacts
- Create integration in-scope and out of scope lists for validation by owning departments (including recommendations for complete side system replacement, partial replacement, interface changes and report changes.)
- Manage application integration
- Identify any process gaps and create requirements to resolve these
- Specify and design integration, and other required solutions
- Leverage ABT Change Management and Training project for implementation strategy
- Test and validate new functionality and integrated solutions
- Create implementation strategy and detailed short interval deployment schedules
- Track application compliance and integration activities
- Implement solutions and perform post deployment validation and stabilization
- Create recommendations for process and system change control going forward

8 Costs/Benefits Analysis Update

The following is a limited update of cost and benefit assessment for the ABT Program. The review updates costs and benefits by updating systems implementations costs to 2004 dollars and using the Office of Management and Budget's recommended real discount rate of 7%. A detailed Costs/Benefits Analysis based on more detailed costs estimates derived from the High Level Business Design and Detailed Implementation Plan will be presented in June 2008 to inform the decision to move forward with the Implementation and Migration stage of the ABT Program. The updated costs and benefit assumptions presented in this analysis will be applied toward the June 2008 Cost/Benefits Analysis.

Cost/Benefits Update Approach for High Level Business Plan

The ABT Program's approach to updating the costs/benefits analysis conducted by Dye Management, Inc. and reviewed by the King County Auditor's Office[11] is to:

- Review the two reports,
- Identify the assumptions and methodologies used in developing the costs/benefits estimates, and
- Provide updated costs/benefits based on new assumptions.

8.1 Dye Report and King County Auditor's Review

A review of the Dye Report identified total net benefits of $236.9 M over a 10 year period or a net present value (NPV) of $176.1 M. Appendix L, Table 6 provides a summary of total costs and benefits identified by the Quantifiable Business Case (QBC): Business Operations Model Report, July 16, 2004 prepared by Dye Management Group, Inc. In reviewing the table, it should be noted that implementation costs identified at $71.5 M including debt service. Estimated implementation costs were $47.7 M.

In reviewing Dye's costs and benefits estimates, the King County Auditor's Office noted that Dye applied an incorrect methodology to calculate NPV. In recalculating NPV using a correct methodology, the Auditor's Office identified a NPV of $90.9 M versus $176.1 M.[12] The Auditor's review of Dye's costs and benefits estimates for the 12 high payback opportunities identified is summarized in the following key points:

- Cost estimates appear to be reasonable,
- Implementation costs were 2001-02 costs and should be updated,
- Major county operations costs were self-reported and a detailed benefit costs study of specific county operations was not conducted,
- Human resources improvements, which represent over 72% of the project's economic value, uses unverified benefits assumptions,

[11] King County Auditor's Office Review of the Quantifiable Business Case Project, see Appendix P.
[12] See Exhibit 1: Auditor's Adjustments to Net Present Value Benefits of QBC, Appendix L.

- Using more conservative benefits assumptions and correcting for technical errors, the Auditor's consultant reduced NPV from $176 M to $17 M.
- A positive Net Present Value (NPV) supports the option of moving forward with ABT in a phased manner.

Table 7 is a summary of the King County Auditor's review of costs, benefits and net present value using $47.7 M as the costs for implementation; comparing the Dye Report's analysis with that of the KC Auditor's consultant.

8.2 Costs/Benefits Analysis Assumptions

A comparison of the assumptions used in Dye's and the Auditor's reports identified three areas in which they differ:

- Implementation costs,
- Benefits realization,
- Real discount rate.

Implementation Costs

Dye's costs/benefits analysis included debt service costs as part of the implementation costs, resulting in a reported implementation costs of $71.5 M. Implementation costs used in the Auditor's analysis total $47.7 M which is Dye's estimate less debt service.

Additionally, the Auditor noted that costs for a finance and human resources system implementation are 80% of total implementation costs and was developed in 2001-02. The Auditor noted that this understated costs at the time of the report (July 2004) and should be updated.

Benefits Realization

The Auditor's report noted that county operations costs were self reported and a detailed benefit cost study was not conducted. An area of contention is that of identified benefits from human resources improvements. The Auditor noted that estimated human resources improvement benefits accounted for 72% of net benefits used in Dye's costs/benefits analysis. However, benefit assumptions were not verifiable.

Real Discount Rate

An area of differences between the Dye analysis and the Auditor's review is the real discount rate to be used in the analysis. As noted by the Auditor, a lower real discount rate would result in a significantly higher net present value than a higher more conservative rate. Table 7 presents a comparison of a real rate of 5% versus a real rate of 10% and the significant differences in net present values. Dye used a 5% real discount rate resulting in a net present value estimate of $176 M while the Auditor used a more conservative real discount rate of 10%.

8.3 Updated Costs/Benefits

The King County Auditor's analysis presents sound rationale for changes in assumptions related to implementation costs and benefits to be realized. The Program Management Office (PMO) agrees with the need to better validate human resources benefits and will do so as a part of the Costs/Benefits Analysis to be provided to council as a part of the High Level Business Design and Detailed Implementation Planning deliverables in June 2008.

By reducing the implementation costs to $47.7 M; exclusion of human resource benefits (of $147,073), due to a lack of verification; and use of a more conservative real discount rate of 10%, the Auditor's report reduced the ABT Program's economic value from a Net Present Value of $176 M to $17 M.

The PMO agrees with the Auditor's recommendation to use a more conservative real discount rate other than the 5% rate used by Dye. The PMO will use the discount rate recommended by the Office of Management and Budget. The rate identified in the county's Discount Rate Policy is 7%.[13]

Table 8 presents a recalculation of the costs, benefits and net present value of the ABT Program using an updated systems costs figure by inflating the systems costs using 2001, 2002 and 2003 inflation rates and the OMB recommended real discount rate of 7%.[14]

A recalculation of costs, benefits and net present values resulted in the following:

- Total implementation costs updating finance and payroll systems costs to 2004 dollars to be comparable with other cost data presented are:[15]
  - $50.3 M, including Employee Performance implementation costs,
  - $50.2 M, excluding Employee Performance implementation costs.
- Total Net Present Value for updated implementation costs at a real discount rate of 7% are:[16]
  - $108.4 M, including Employee Performance benefits,
  - $25 M, excluding Employee Performance benefits.

8.4 Conclusions and Next Steps

An update of systems implementation costs and real discount rate assumptions indicates that there is significant economic value in continuing with the ABT Program. Additionally, the ABT Program Management Office agrees with the King County Auditor's following recommendations and will initiate these efforts as a part of the High Level Business Design and Detailed Implementation Plan stages. Specifically the ABT Program will:

1. Update the implementation cost estimates for the new finance and payroll systems.
2. When the financial plan for funding the ABT Program is developed, the major costs and benefits included in this plan should be more fully validated. In addition, the quantifiable cost savings should be formally incorporated into the ABT Program plan and schedule.
3. For clarity of financial analysis, the costs and benefits of ABT Program should be expressed in terms of net present value, rather than net benefits. In addition, the finance, budget and payroll analysis improvements should be considered separately from those of the human resources management practices.

[13] Discount Rate Policy, King County office of Management and Budget, June 1, 2005.
[14] A formula error in the Audit worksheet was noted and corrected for calculating the Document Imaging NPV @ 10%.
[15] See Table 8, rows (3) and (4).
[16] See Table 8, rows (3) and (4), column (A).

4. Develop valid baseline costs to track ABT Program costs, benchmarks and performance measures for each phase of the project to evaluate the impact and success of Program. These should be developed in the following areas:
   - Project management (costs, timelines, scope),
   - Quantifiable cost savings and efficiencies,
   - Improved performance, information availability, decision making ability, non-quantifiable efficiencies.

Table 7: QBC's COSTS, BENEFITS, AND NET PRESENT VALUE (000,S)

I. HIGH PAYBACK OPPORTUNITIES SORTED BY IMPLEMENTATION COSTS										
OPPORTUNITY	**COSTS**			**BENEFITS**		**NET BENEFITS**		**NET PRESENT VALUE**		
	Implementation Costs		Incremental Operating					Real Rate 5%	Real Rate 10%	% @ 5%
Collective Bargaining	0	*0.0%*	982	1,904	*0.6%*	922	*0.4%*	501	407	*0.4%*
Asset Management	5	*0.0%*	10	1,360	*0.4%*	1,345	*0.6%*	855	708	*0.7%*
Emp. Performance	105	***0.2%***	15,859	163,037	*50.5%*	**147,073**	*61.6%*	90,737	**73,606**	***72.4%***
H/R Quality Assurance	360	*0.8%*	2,570	15,721	*4.9%*	12,791	*5.4%*	7,754	6,303	*6.2%*
Document Image	624	*1.3%*	441	20,275	*6.3%*	19,210	*8.1%*	10,734	6,784	*8.6%*
Succession Plng	660	*1.4%*	5,436	15,400	*4.8%*	9,304	*3.9%*	5,258	4,270	*4.2%*
Capital Plng	832	*1.7%*	2,340	0	*0.0%*	(3,172)	*-1.3%*	(2,194)	(1,902)	*-1.8%*
Enhance Budget	1,254	*2.6%*	2,350	0	*0.0%*	(3,604)	*-1.5%*	(2,570)	(2,242)	*-2.1%*
Budget Common	2,990	*6.3%*	4,624	0	*0.0%*	(7,614)	*-3.2%*	(5,488)	(4,823)	*-4.4%*
E-Procurement	3,190	*6.7%*	923	28,077	*8.7%*	23,964	*10.0%*	11,832	8,501	*9.4%*
Payroll Improvements	12,524	*26.3%*	8,905	36,960	*11.5%*	15,531	*6.5%*	4,753	1,524	*3.8%*
Integrate Fin System	25,156	***52.7%***	(8,001)	39,975	*12.4%*	22,820	***9.6%***	3,083	(2,257)	*2.5%*
Total	**47,700**	*100.0%*	36,439	322,709	*100.0%*	**238,570**	*100.0%*	125,255	**90,879**	*100.0%*

II. (HIGH PAYBACK EXCLUDING OPPORTUNITY 9 .. LOW PRODUCTIVITY EMPLOYEES)										
Collective Bargaining	0	*0.0%*	982	1,904	*1.2%*	922	*1.0%*	501	407	*1.5%*
Asset Management	5	*0.0%*	10	1,360	*0.9%*	1,345	*1.5%*	855	708	*2.5%*
Emp. Performance	0	*0.0%*	0	0	*0.0%*	0	*0.0%*	0	0	*0.0%*
H/R Quality Assurance	360	*0.8%*	2,570	15,721	*9.8%*	12,791	*14.0%*	7,754	6,303	*22.5%*
Document Image	624	*1.3%*	441	20,275	*12.7%*	19,210	*21.0%*	10,734	6,784	*31.1%*
Succession Plng	660	*1.4%*	5,436	15,400	*9.6%*	9,304	*10.2%*	5,258	4,270	*15.2%*
Capital Plng	832	*1.7%*	2,340	0	*0.0%*	(3,172)	*-3.5%*	(2,194)	(1,902)	*-6.4%*
Enhance Budget	1,254	*2.6%*	2,350	0	*0.0%*	(3,604)	*-3.9%*	(2,570)	(2,242)	*-7.4%*
Budget Common	2,990	*6.3%*	4,624	0	*0.0%*	(7,614)	*-8.3%*	(5,488)	(4,823)	*-15.9%*
E-Procurement	3,190	***6.7%***	923	28,077	*17.6%*	23,964	*26.2%*	11,832	**8,501**	*34.3%*
Payroll Improvements	12,524	*26.3%*	8,905	36,960	*23.1%*	15,531	*17.0%*	4,753	1,524	*13.8%*
Integrate Fin System	25,156	***52.9%***	(8,001)	39,975	*25.0%*	22,820	***24.9%***	3,083	**(2,257)**	*8.9%*
Total	**47,595**	*100.0%*	20,580	159,672	*100.0%*	**91,497**	*100.0%*	34,518	**17,273**	*100.0%*

Table 8: Recalculated QBC's COSTS, BENEFITS, AND NET PRESENT VALUE (000,S)

	I. HIGH PAYBACK OPPORTUNITIES SORTED BY IMPLEMENTATION COSTS									(A)		
	OPPORTUNITY	**COSTS**			**BENEFITS**		**NET BENEFITS**			**NET PRESENT VALUE**		
		Implementation Costs		Incremental Operating					Real Rate 5%	Real Rate 7%	Real Rate 10%	% @ 5%
	Collective Bargaining	0	*0.00%*	982	1,904	*0.60%*	922	*0.40%*	501	447	407	*0.40%*
	Asset Management	5	*0.00%*	10	1,360	*0.40%*	1,345	*0.60%*	855	791	708	*0.70%*
	Emp. Performance	105	***0.20%***	15,859	163,037	*50.50%*	**147,073**	*61.60%*	90,737	83,363	**73,606**	***72.40%***
	H/R Quality Assurance	360	*0.80%*	2,570	15,721	*4.90%*	12,791	*5.40%*	7,754	7,096	6,303	*6.20%*
	Document Image	624	*1.30%*	441	20,275	*6.30%*	19,210	*8.10%*	10,734	9,653	8,279	*8.60%*
	Succession Plng	660	*1.40%*	5,436	15,400	*4.80%*	9,304	*3.90%*	5,258	4,732	4,270	*4.20%*
	Capital Plng	832	*1.70%*	2,340	0	*0.00%*	(3,172)	*-1.30%*	(2,194)	(2,067)	(1,902)	*-1.80%*
	Enhance Budget	1,254	*2.60%*	2,350	0	*0.00%*	(3,604)	*-1.50%*	(2,570)	(2,428)	(2,242)	*-2.10%*
	Budget Common	2,990	*6.30%*	4,624	0	*0.00%*	(7,614)	*-3.20%*	(5,488)	(5,199)	(4,823)	*-4.40%*
	E-Procurement	3,190	*6.70%*	923	28,077	*8.70%*	23,964	*10.00%*	11,832	10,350	8,501	*9.40%*
	Payroll Improvements	12,524	*26.30%*	8,905	36,960	*11.50%*	15,531	*6.50%*	4,753	3,341	1,524	*3.80%*
	Integrate Fin System	25,156	***52.70%***	(8,001)	39,975	*12.40%*	22,820	***9.60%***	3,083	3,083	(2,257)	*2.50%*
	Total	**47,700**	*100.00%*	36,439	322,709	*100.00%*	**238,570**	*100.00%*	**125,255**	**113,162**	**92,374**	*100.00%*
	III. HIGH PAYBACK ECLUDING OPPORTUNITY FOR LOW PRODUCTIVITY EMPLOYEES									(A)		
	Collective Bargaining	0	*0.00%*	982	1,904	*1.20%*	922	*1.00%*	501	447	407	*1.50%*
	Asset Management	5	*0.00%*	10	1,360	*0.90%*	1,345	*1.50%*	855	791	708	*2.50%*
	Emp. Performance	0	*0.00%*	0	0	*0.00%*	0	*0.00%*	0	0	**0**	*0.00%*
	H/R Quality Assurance	360	*0.80%*	2,570	15,721	*9.80%*	12,791	*14.00%*	7,754	7,096	6,303	*22.50%*
	Document Image	624	*1.30%*	441	20,275	*12.70%*	19,210	*21.00%*	10,734	9,653	8,279	*31.10%*
	Succession Plng	660	*1.40%*	5,436	15,400	*9.60%*	9,304	*10.20%*	5,258	4,732	4,270	*15.20%*
	Capital Plng	832	*1.70%*	2,340	0	*0.00%*	(3,172)	*-3.50%*	(2,194)	(2,067)	(1,902)	*-6.40%*
	Enhance Budget	1,254	*2.60%*	2,350	0	*0.00%*	(3,604)	*-3.90%*	(2,570)	(2,428)	(2,242)	*-7.40%*
	Budget Common	2,990	*6.30%*	4,624	0	*0.00%*	(7,614)	*-8.30%*	(5,488)	(5,199)	(4,823)	*-15.90%*
	E-Procurement	3,190	***6.70%***	923	28,077	*17.60%*	23,964	*26.20%*	11,832	10,350	8,501	*34.30%*
	Payroll Improvements	12,524	*26.30%*	8,905	36,960	*23.10%*	15,531	*17.00%*	4,753	3,341	1,524	*13.80%*
	Integrate Fin System	25,156	***52.90%***	(8,001)	39,975	*25.00%*	22,820	***24.90%***	3,083	3,083	(2,257)	*8.90%*
	Total	**47,595**	*100.00%*	20,580	159,672	*100.00%*	**91,497**	*100.00%*	**34,518**	**29,799**	**18,768**	*100.00%*
(1)	Payroll Improvements	13,380	*26.30%*	8,905	36,960	*11.50%*	14,675	*6.50%*	3,897	2,484	668	*3.80%*
(2)	Integrate Fin System	26,876	***52.70%***	(8,001)	39,975	*12.40%*	21,100	***9.60%***	1,515	(843)	(3,762)	*2.50%*
(3)	Total with Emp. Performance	50,276		36,439			235,994		122,831	108,379	90,013	
(4)	Total w/o Emp. Performance	50,171		20,580			88,921		32,094	25,016	16,407	

9 HLBD, DIP and Costs/Benefits Analysis (CBA) Work Plan

The next stages of the ABT Program are the High Level Business Design (HLBD) and Detailed Implementation Pan (DIP). Additionally, a deliverable to be presented with the Detailed Implementation Plan is an updated Cost/Benefits Analysis (CBA). The following sections present the ABT Program's work plan for accomplishing the deliverables.

The Work Plan is presented in four sections:

- Section 9.1 presents the High Level Business Design Plan activities,
- Section 9.2 presents the Detailed Implementation Plan activities,
- Section 9.3 presents the Costs/Benefits Analysis activities.
- Section 9.4 presents the Activities and Work Plan Schedule.

9.1 High Level Business Design (HLBD)

1. Business Process Design:
   - Test environment configuration,
   - Business process gap analysis,
   - Facilitate/complete design decisions,
   - Business process demos as needed,
   - Agency and department system interface design.
2. RFP Process for Systems Integrator for Oracle and Peoplesoft:
   - Develop RFP,
   - Release RFP,
   - RFP response period,
   - Evaluate responses,
   - Select systems integrator.
3. Budget System Acquisition Process:
   - RFP process for budget system,
   - Develop RFP,
   - Release RFP,
   - RFP response period,
   - Evaluate responses,
   - Select budget system and implementer.

4 Budget Business Process Review:
   - Form Budget Business Process Committee and Charter,
   - Review current budget business processes – from HLBP,
   - Identify budget best practices,
   - Identify gap between current and best practices,
   - Identify decisions needed for moving current to best practices,
   - Discuss decisions points and make decisions where possible,
   - Identify decisions that require escalation,
   - Escalate decisions points with recommendations for resolution,
   - Document resolution.

9.2 Detailed Implementation Plan (DIP)

1. Oracle and PeopleSoft Detailed Implementation Plan:
   - Gap analysis,
   - Identify configuration and programming requirements,
   - Identify tasks and time estimates for completing configuration and programming requirements.
   - Identify resources requirements for implementation,
   - Identify technology requirements.
2. Budget System DIP:
   - Gap analysis,
   - Identify configuration and programming requirements,
   - Identify tasks and time estimates for completing configuration and programming requirements,
   - Identify resources requirements for implementation,
   - Identify technology requirements.
3. Identify agency and department side systems interface requirements:
   - Identify side system interface requirements,
   - Design interface standards for agency and department systems,
   - Identify resource requirements to interface systems,
   - Develop interface rollout plan.

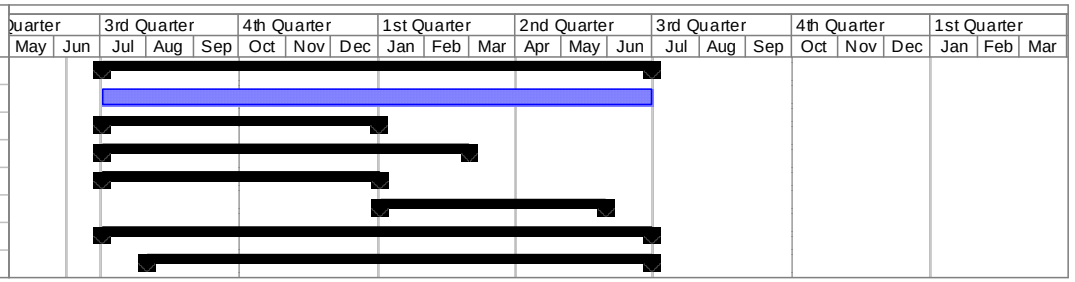
9.3 Costs/Benefits Analysis (CBA)

1. Develop RFP for Cost/Benefits Analysis of ABT Program Deliverables:
   - Release RFP,
   - RFP response period,
   - Evaluate vendor,
   - Select vendor,
   - Develop cost/benefits plan,
   - Implement costs/benefits plan,
   - Develop and present costs/benefits report.

9.4 HLBD Activities and Work Plan Schedule

The following Chart presents the High Level Business Design Activities and Work Plan Schedule. A more detailed schedule is presented in Appendix S: ABT HLBD and DIP Schedule.

ID	Task Name
1	**HLBD, Detailed Implementation Plan & Costs/Benefits Analysis**
2	Program Management
3	**High Level Business Design**
15	**Budget System Acquisition Process**
22	**Budget Business Process Review**
32	**Detailed Implementation Plan**
48	**Agency and Department systems interface**
53	**Costs/Benefits Analysis**



10 HLBD, DIP and CBA Resource Management

The following sections present the resource requirements for the High Level Business Design (HLBD), Detailed Implementation Plan (DIP) and Costs/Benefits Analysis (CBA) activities. Resource requirements and costs associated with the Implementation and Migration stage of the ABT Program will be developed as a part of the Detailed Implementation Plan for presentation to the county executive and council.

A cost allocation model for allocating total ABT Program costs to agencies and departments has not yet been defined. This information will be developed in the HLBD and DIP stages.

10.1 High Level Staffing Profile

ABT Program staffing, consulting and county staff involvement will increase during the next stages of the ABT Program. ABT Staffing and consulting requirements for the HLBP, DIP and CBA efforts are presented Sections 10.2, 10.3 and 10.4 along with Tables 9 and 10, and Appendix O.

The ABT Program is assuming that county staff will continue to be key participants during the High Level Business Plan. The ABT Program assumes that agency and department subject matter experts will continue to be available .20 FTE during the next stages. In addition, .20 FTE per agency and department is needed to assist in more detail reviews of business processes and side systems. County subject matter experts and staff will have key roles in the next stages including:

- Business process design
- Budget System RFP evaluation and selection
- Oracle Financials and PeopleSoft HCM Systems Integrator RFP evaluation and selection
- Systems Interface requirements and design

10.2 ABT Program Management Office TLT Staff

The ABT Program Office staffing for the HLBD, DIP and CBA will increase from 11 FTEs to 22.5 FTEs. The increase is attributable to:

- Staffing of Human Resources Implementation Project Manager and Business Analysis Manager.
- Addition of six functional analysts for the four functional areas and systems interface.
- Addition of three technical support positions.
- Addition of .5 communications intern.

The ABT Program Management Office staffing is presented in Table 9: ABT PMO Staffing.

10.3 ABT Program Management Office Consulting Staff

Consulting services for the HLBD, DIP and CBA will be at 11.65 FTEs in July 2007 and will gradually ramp down to 4.9 FTEs by June 2008. Consulting services for this period include:

- Quality Assurance Consultant
- Business Transformation Consultant
- Costs/Benefits Consultants
- Oracle/PS Consultant
- Budget System Consultants
- Oracle Systems Integrator Consultants
- PeopleSoft Systems Integrator Consultants
- Oracle Test Bed Configuration Consultants
- PeopleSoft Test Bed Configuration Consultants

ABT Consulting FTEs are presented in Table 10: ABT Consultants.

Table 9: ABT PMO Staffing

HLBD (Jul - Dec 2007)	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	TTL
DIP (Jan - Aug 2008)	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE	Mo. FTE
ABT Administration																
Program Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Project Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Systems Projects																
Deputy Program Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
HRIP Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Finance																
Finance Lead	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Functional Analysts	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	30.00
Systems Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
DBA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
HR/Payroll Benefits																
HR Lead	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Payroll Benefits Lead	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Functional Analysts	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	30.00
Systems Admin/DBA	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Budget																
Budget Lead	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Functional Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Systems Interfaces																
Systems Interface Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Business Analysis Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Functional Analyst	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Business Trans/Communications																
Communications Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Change Management Manager	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	15.00
Communications Intern	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	7.50
	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	22.50	337.50

Highlighted bordered area represents current budget period.

Table 10: ABT Consultants

Consultants HLBD (Jul - Dec 2007) DIP (Jan - Aug 2008)	Jul-07 Mo. FTE	Aug-07 Mo. FTE	Sep-07 Mo. FTE	Oct-07 Mo. FTE	Nov-07 Mo. FTE	Dec-07 Mo. FTE	Jan-08 Mo. FTE	Feb-08 Mo. FTE	Mar-08 Mo. FTE	Apr-08 Mo. FTE	May-08 Mo. FTE	Jun-08 Mo. FTE	Jul-08 Mo. FTE	Aug-08 Mo. FTE	Sep-08 Mo. FTE	TTL Mo. FTE
QA Consultant	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50		7.00
Bus. Transformation Consultant	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	6.00
Cost/Benefits Consultants					2.00	2.00	2.00									6.00
HLBD Consultant	1.00	1.00	1.00	1.00	1.00	1.00										6.00
Oracle/PS Consultant	1.00	1.00	1.00	1.00	1.00	1.00										6.00
Budget System Consultants									2.00	2.00	2.00					6.00
Oracle System Consultants							2.00	2.00	2.00	2.00	2.00	2.00				12.00
PeopleSoft System Consultants							2.00	2.00	2.00	2.00	2.00	2.00				12.00
Oracle Test Bed Configuration	5.75	5.75														11.50
PeopleSoft Test Bed Consultants	3.00	3.00														6.00
	11.65	11.65	2.90	2.90	4.90	4.90	6.90	4.90	6.90	6.90	6.90	4.90	0.90	0.90	0.40	78.50

Highlighted bordered area represents current budget period.

10.4 Roles and Responsibilities

The ABT Program roles and responsibilities for the High Level Business Plan and Detailed Implementation Plan are presented in Appendix O: ABT Work Plan Responsibility Matrix

10.5 Staff Management Plan

The staff management plan for the HLBD, DIP and CBA stages of the ABT Program is presented in Tables 6 and 7. The budget presented in section 11 High Level Budget, identifies training requirements for core staff regarding Oracle and PeopleSoft functionality. Budget system functionality training is also planned once a budget system is selected.

Communications and Organizational Change Management activities will be conducted throughout the planning stages to provide county employees information regarding the ABT Program and status.

11 High Level Budget

The following budget is presented as an estimate of costs for the High Level Business Design, Detailed Implementation Plan and Costs/Benefits Analysis. These estimates have not been through the county's formal budget process and are presented for discussion purposes only.

		Months	Est. Costs
1)	Current Staff salaries (10/07 to 9/08)	12	$ 1,795,214
2)	General Consulting		
	- QA Consulting (10/07 to 9/08))	12	$ 231,250
	- Change Mgmt Consulting: .4 to .5 FTE @ 150 - 175/hr (10/07 - 9/08)	12	$ 124,800
	- Cost/Benefits Analysis Consulting (start 11/07, 2 - 3 Consultants @ $175/hr)	3	$ 364,000
	- High Level Business Design/Oracle/PS Consulting	3	$ 193,143
3)	Budget		
	- Develop Budget System Request For Proposal (7/07 - 8/07)	2	NA
	- Budget Functional Analyst (TLT 10/07 - 9/08)	12	$ 112,888
	- Software selection process:		
	* Site visits - 5 people/3 sites		$ 10,500
	Budget System Request for Proposal (RFP) to be released in July/August 2007; costs will include software, implementation planning and implementation.		
	- Budget system software		$ 597,961
	- Budget System Implementation Planning costs: 2 to 2.5 consulting FTEs @ $150 - 175/hr	3 to 4	$ 156,000
4)	Finance		
	Develop Test Environment for Oracle Financials		
	- Oracle modules not owned		NA
	- Configuration		NA
	- Hardware		NA
	Finance Team Staffing (incremental)		
	2 Functional Analysts (TLT)	12	$ 227,691
	Systems Administrator (TLT)	12	$ 119,181
	DBA (TLT)	12	$ 106,730
5)	Human Resources/Payroll Benefits		
	Develop Test Environment for Peoplesoft HCM		
	- PeopleSoft modules not owned		NA
	- Configuration		NA
	- Hardware		NA
	HR/Payroll Benefits Team Staffing (incremental)		
	2 Functional Analysts (TLT)	12	$ 227,691
	Systems Administrator/DBA (TLT)	12	$ 119,181
6)	Communications and Web site maintenance - Communications Intern. .5 to 1 FTE	12	$ 23,946

		Months	Est. Costs
7)	Implementation Planning portion of RFP:		
	Implementation Planning for Oracle Financials: 2 -4 Consultants @ $175/hr	6	$ 364,000
	Implementation Planning for PeopleSoft HCM: 2 -4 Consultants @ $175/hr	6	$ 364,000
8)	Interface Requirements, Design and Detailed Planning		
	1-2 Business Analysts (TLT)	12	$ 112,888
9)	Time Capture requirements, RFP, design and planning: 1 to 2 Business Analysts.	12	$ 112,888
10)	Travel and Training		
	Budget Lead		NA
	Finance Lead		NA
	HR Lead		NA
	Payroll Benefits Lead		NA
	Interface Manager		NA
	2 Business Analysts (2 classes)		$ 4,000
	4 Functional Analysts (2 classes)		$ 4,000
11)	Office Space		$ 96,000
12)	Office Supplies		$ 20,750
13)	Desktop computers		$ 20,000
14)	Miscellaneous Services		$ 35,000
15)	KC Auditor's Oversight Charges		$ 136,356
15)	Contingency		$ 386,221
	Project Expenditures for 10/2007 - 9/2008*		**$ 6,066,279**
	Less Carry Forward Budget from current Budget Allocation:		**$ 894,181**
	Appropriation Request for 10/2007 - 9/2008 Period		**$ 5,172,098**

NA - indicates that costs for this category are funded in the current budget.