



Signature Report

October 10, 2006

Motion 12364

Proposed No. 2006-0439.3

Sponsors Constantine

1 A MOTION approving the program charter for the
2 accountable business transformation project.

3
4

5 WHEREAS, King County and Metro were established as separate governments
6 and operated separate computer systems to support their financial, payroll and human
7 resources business processes, and

8 WHEREAS, King County and Metro merged into a single government in 1994,
9 and

10 WHEREAS, in 1997, the financial systems replacement project ("FSRP") was
11 initiated to consolidate the two core financial systems into a single countywide core
12 financial system and to consolidate the two core payroll systems into a single core human
13 resources/payroll system, and

14 WHEREAS, the FSRP project to consolidate the two financial and two payroll
15 systems was suspended in May 2000, and

16 WHEREAS, in July 2001, Dye Management Group, Inc., completed a critical
17 assessment of the suspended project, a high level business case for re-starting the project,
18 and an implementation plan to recommend project direction for a possible restart, and

19 WHEREAS, the July 2001, Dye report further recommended that the county
20 address the organizational and technical barriers to program continuance and success
21 including revalidating and confirming sponsorship of the program vision and its
22 alignment with the county's short- and long-term goals, confirming sponsorship of the
23 program vision among key stakeholders, and establishing a strong governance structure,
24 and

25 WHEREAS, the county has acquired valuable experience and lessons learned
26 from the previous efforts, and

27 WHEREAS, since suspension of the FSRP the county has proceeded in a very
28 careful, methodical and deliberate way toward improving its related services, addressing
29 the pre-requisites for a successful launch of the countywide business transformation
30 effort as recommended by the 2001 Dye Critical Assessment and Implementation
31 Planning Reports, and the King County Strategic Technology Plan, and

32 WHEREAS, in July 2001, the council adopted Ordinance 14155 that created an
33 information technology ("IT") governance process and a chief information officer
34 ("CIO") position, and as part of the IT governance process the strategic advisory council
35 was created, and

36 WHEREAS, the strategic advisory council consists of elected officials from all
37 county agencies and acts in an advisory capacity to the county executive to assist in
38 developing long-term strategic objectives for IT deployment countywide, and

39 WHEREAS, the purpose of the countywide governance structure for IT
40 comprised of the strategic advisory council, business management council, technology
41 management board and project review board is to provide some of the structure and
42 discipline essential for new projects of enterprise-wide magnitude, and

43 WHEREAS, in December 2001, the strategic advisory council endorsed the
44 findings in the Dye Management Report and directed the CIO and county administrative
45 officer to develop a work plan for defining goals, identifying roadblocks and drafting
46 policies through the county's IT governance process and structure, and to create a work
47 plan to develop a quantified business case to restart FSRP, and

48 WHEREAS, the council requested development and approval of a vision and
49 goals statement in advance of funding a quantifiable business case for the financial
50 systems project, and

51 WHEREAS, the King County council adopted Motion 11729 on June 16, 2003,
52 approving a vision and goals statement recommended by the executive and the strategic
53 advisory council for enterprise financial, human resource and budget management,
54 accepted a plan to develop a roadblocks action plan and quantifiable business case, and

55 WHEREAS, A Roadblock Identification and Action Plan was developed in
56 December 2003, based on the 2001 Dye Management Implementation Plan report and
57 FSRP Critical Assessment report and the FSRP program documents, and

58 WHEREAS, Dye Management Group, Inc., completed a quantifiable business
59 case and recommended operations model for an enterprise financial, budget and human
60 resource system for King County on June 30, 2004, and

61 WHEREAS, the quantifiable business case presented three alternative solutions,
62 and

63 WHEREAS, the King County executive recommended a fourth alternative for
64 meeting the county's needs for contemporary business processes in the Accountable
65 Business Executive Recommendation dated September 21, 2004, and

66 WHEREAS, the quantifiable business case program advisory committee endorsed
67 the Accountable Business Transformation Program guiding policies that form the basis of
68 the executive's recommendation, and

69 WHEREAS, the King County council adopted Motion 12024 on October 4, 2004,
70 approving accountable business transformation program policies and requesting the
71 executive to transmit to council a revised executive recommendation and a governance
72 program charter by March 1, 2005, and

73 WHEREAS, the adopted 2005 King County Budget Ordinance, Ordinance 15083,
74 Section 114, Capital Improvement Program, contained the following proviso related to
75 the funding requested and appropriated for the accountable business transformation
76 program (ABT):

77 "Of the appropriation for CIP project 377142, Accountable Business
78 Transformation Project, \$2,356,015 shall not be expended or encumbered until after the
79 council reviews and approves by motion a business case, roadblock document and human
80 resources implementation plan that are consistent with the requirements of Motion 12024
81 and that have been approved by the project review board," and

82 WHEREAS, the executive, by letter dated January 28, 2005, requested that the
83 deadline for response to Motion 12024 be extended until April 7, 2005, in order to meet

84 the requirements of both Motion 12024 and the budget proviso. This extension enabled
85 the additional time to complete the roadblock document and human resource
86 implementation plan and for the entire package to be reviewed by the project review
87 board, and

88 WHEREAS, the executive, by letter dated April 7, 2005, has submitted a revised
89 executive recommendation and business case document, a governance program charter, a
90 roadblock document, and a human resource implementation plan that are responsive to
91 Motion 12024 and the 2005 budget proviso shown above, and

92 WHEREAS, on March 15, 2005, the project review board approved the revised
93 executive recommendation and business case for accountable business transformation,
94 the roadblock document, the human resources implementation plan and the governance
95 program charter, and

96 WHEREAS, the county council has received a revised program charter from the
97 county executive and the revised program charter addresses the concerns of the county
98 council regarding a clear line of accountability for the success of the project, and

99 WHEREAS, the revised program charter clearly indicates that the county
100 executive is responsible for assuring that the accountable business transformation project
101 succeeds, and

102 WHEREAS, the revised program charter includes clear lines of succession for
103 project management and clearly defines roles and responsibilities of those involved, and

104 WHEREAS, the revised program charter includes a position called "deputy
105 program sponsor" that is responsible for day-to-day redundancy and succession planning
106 within the accountable business transformation project, and

107 WHEREAS, on September 18, 2006, the county council approved the release of
108 an additional \$2.4 million in restricted funds to allow the accountable business
109 transformation project to continue;

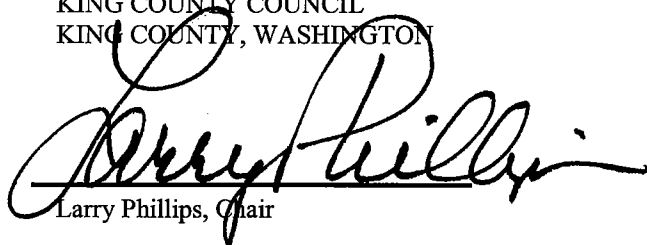
110 NOW, THEREFORE, BE IT MOVED by the Council of King County:

111 The program charter for the accountable business transformation project, dated
112 October 9, 2006, and included as Attachment A to this motion, is hereby approved.
113

Motion 12364 was introduced on 9/25/2006 and passed as amended by the Metropolitan King County Council on 10/9/2006, by the following vote:

Yes: 6 - Mr. Phillips, Ms. Lambert, Mr. Ferguson, Mr. Gossett, Mr. Constantine and Ms. Patterson
No: 0
Excused: 3 - Mr. von Reichbauer, Mr. Dunn and Ms. Hague

KING COUNTY COUNCIL
KING COUNTY, WASHINGTON



Larry Phillips, Chair

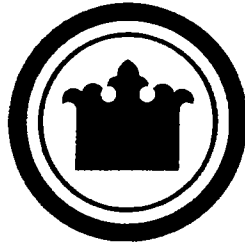
ATTEST:



Anne Noris, Clerk of the Council

Attachments A. King County Accountable Business Transformation Program Charter, dated October 9, 2006

123641



King County

**Accountable
Business Transformation
Program Charter**

October 9, 2006

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1.0 Purpose

Program governance is the assignment of decision-making rights, oversight responsibilities and accountabilities for a specific program. The purpose of this program charter is to assign decision-making rights, oversight responsibilities and accountabilities for the Accountable Business Transformation (ABT) Program. The charter identifies who is accountable to lead and manage the program and to provide policy direction and oversight.

In addition to the problem statement, the charter contains three key elements:

1. **Program Direction:** Contains the ABT Program direction that has been approved to date by the Metropolitan King County Council.
2. **Governance and Management Organization:** Describes where and by whom decisions will be made, how the program will be managed and how the program will be overseen.
3. **Issue Escalation:** Explains the sequence for issues to be raised, recorded and resolved and establishes accountability for each required decision.

2.0 Problem Statements

Twelve years after the merger of King County and the Metropolitan Municipality of King County, King County government continues to rely on the operation of two sets of accounting and financial reporting systems and two sets of human resources (HR/payroll) systems.

The problem statement adopted by Council in the vision and goals statement attached to Motion 11729 reads:

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

In addition to the Council-adopted problem statement, in April 2005, the Executive added the following additional budget problem statement to the ABT Program Charter transmitted to Council attached to Proposed Motion 2005-0171:

"Budget and financial management processes and reporting are inconsistent within the two systems and not easily accessed by users. Budget development processes and budget monitoring are not integrated. Separate budget development processes are used for operating and capital budgets. Budget management systems for capital are inadequate and some Oracle users utilize side systems for capital budget management."

ABT is a multi-year program to standardize and modernize the county's financial, payroll, human resource and budget business practices so that:

- The same financial software (Oracle) and human resource/payroll software (PeopleSoft) can be used by all county agencies (currently, only the former Metro agencies use this software); and
- A new operating and capital budget software system can be implemented for all county agencies.

The rationale for this program is that the county does not use standard and modern business practices. Also, the county operates two financial systems, two human resource/payroll systems and several side systems; and the county has no countywide budget system. Once implemented, the program will enable the county to manage its financial, budget and human resource operations as one government using standard business practices and an integrated computer system.

3.0 Program Direction

The direction for the ABT program is described in the following four elements that have been adopted by the Council. The full text of these elements may be found in Appendices A and B. All program decisions must be aligned with this direction, unless modified in accordance with this program charter.

- 3.1 Vision
- 3.2 Guiding Principles
- 3.3 Guiding Policies
- 3.4 Goals

3.1 Vision

In June 2003, the Enterprise, Financial, Human Resource and Budget Management Vision and Goals Statement was endorsed by representatives of the full elected leadership of King County as members of the county's

Strategic Advisory Council¹. The Council later adopted the vision and goals statement and further adopted policy statements that: (1) "The budget, finance, human resource and payroll information systems shall be equally accessible to executive and council staff"; and (2) "... the budget system module shall interact with the finance, human resource and payroll information system modules and shall provide real-time, monthly, year-to-date and historical data" (Motion 11729). The full text of the Vision and Goals Statement may be found in Appendix A.

The vision is:

"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."

3.2 Guiding Principles

In June 2003, the Council adopted nine Guiding Principles to assist in ABT program direction (Motion 11729).

The nine guiding principles are provided below. (A full description of the Guiding Principles may be found as Appendix B)

1. Ensure effective leadership, comprehensive stakeholder agreement and alignment with county's goals.
2. Apply the Technology Governance direction for future project efforts.
3. Standardize and streamline operations and business practices to adopt best practices.
4. Consolidate and integrate the computing infrastructure to eliminate redundancy.
5. Reduce computer maintenance, management and service costs.
6. Improve customer service, decision support, and reporting capabilities.
7. Enhance existing service levels and capabilities.
8. Ensure the privacy and security of financial, human resource and budget information.

¹ The Strategic Advisory Council (SAC) comprises elected officials from all county agencies and representatives from the private and public sector. Its role is to advise the county's chief information officer in developing long-term strategic objectives for information technology deployment countywide (K.C.C. 2.16.07582).

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

3.3 Guiding Policies

In October 2004, the Council adopted four guiding policies to provide direction for the ABT program (Motion 12024).

Human Resources/Payroll Policy Statement: Pay all employees on a common, bi-weekly, pay cycle from a single payroll system by migrating all employees to the PeopleSoft system.

Human Resources Policy Statement: Process core county human resource and payroll transactions from a single integrated system by implementing PeopleSoft HRMS countywide. Align all county human resource practices and procedures to ensure that business needs are met through legally defensible human resource practices.

Financial Policy Statement: Process core county financial transactions from a single integrated system by implementing Oracle Financials countywide.

Budget Policy Statement: Standardize and streamline operating and capital budgeting by implementing a countywide public sector operating and capital budget system.

3.4 Goals

In June 2003, the Council adopted goals for the ABT Program (Motion 11729). Goals were adopted for general operations, technology, human resource management, payroll, budget preparation, financial accounting, and purchasing and inventory management. The following goals are highlighted because of their importance in measuring program success. A full text of these goals is found in the Appendix A.

General Operational Goals

- Standardize and improve business processes and practices and work to eliminate impediments to adopting best practices.
- Eliminate administrative activities that add no value.
- Work with stakeholders and business process owners to streamline the county's core financial, human resource and budget processes.
- Support basic financial, human resource and budget functions within the core system(s) of the county, making that system(s) the "system of record". Minimize dependency on "secondary" or "side" systems in the performance of mission-critical functions. Use the core system(s) as a business backbone, or foundation upon which to automate additional business functions in the future in an integrated fashion.

- Improve the county's ability to conduct business, human resources and technology planning based on reliable, timely financial and human resource data.
- Provide the capability to conduct analyses that distinguish between local and countywide revenues and expenditures within the financials, human resources, payroll and budgeting business areas.

Technology Specific Goals

- Ensure security controls that are capable of enforcing the county's business rules, access policies, and legal obligations with regard to employee data, financial and budget information, and business activities.
- Evaluate the short and long term system needs of the financial, human resource and budget operations of the county, and deploy proven commercial software and hardware solutions that utilize current, mainstream technology, as the core business system(s) of the county.
- Minimize the number of separate information systems, and the interfaces that connect them, running on different computers, written in different programming languages, and utilizing separate databases.
- Limit customizations to the software to hold down implementation costs, to support standardization of business practices, and to preserve the ability to upgrade to new versions as they are released.
- Support automated workflow management, including automated review and approval for functions ranging from budget management, to human resource events, to purchasing activities, based on business rules.
- Develop system audit and control capabilities.

Human Resource Management Business Goals

- Improve human resource management to include: position management, recruitment, training administration, competency management, career planning for manager level and higher, succession planning for key employees, labor issues, class/comp/labor contract implementation, and contract and temporary labor management tracking.
- Increase effectiveness in the delivery of human resource activities resulting in reduced processing time.

Payroll Business Goals

- Provide employees the information needed to validate that their pay stubs are accurate.
- Produce timely and accurate paychecks.
- Integrate with Financial transaction processing and reporting and budget management.

