

MEMORANDUM

October 29, 2009

TO: Management and Fiscal Policy Committee

FROM: Dr. Costis Toregas, Council IT Adviser 

SUBJECT: CIP Technology Modernization Financial Review

Expected to attend:

**David Dise, Director, Department of General Services**  
**Steven Emanuel, Chief Information Officer**  
**Karen Plucinski, Human Resources Program Manager**  
**Jennifer Barrett, Director, Department of Finance**  
**Joe Beach, Director, Office of Management and Budget**  
**Tom Street, Assistant Chief Administrative Officer**  
**Mike Ferrara, Executive Director, Enterprise Projects**  
**Wayne Johnson, ERP Program Manager**

Summary of staff recommendations to the MFP Committee

1. The TechMod project is on time and within budget. There are no requests for additional funding.
2. The "Core Financials" go live on July 1, 2010 with the "Core Human Resources" systems following suit on January 1, 2011. The MC311 system will be launched on March 11, 2010. In order to appreciate their benefits, Councilmembers and their staffs will have to be trained in the use of the desktop modules that permit direct and comprehensive access to the enterprise-wide information.
3. The MC311 final operating costs are not yet fully known. Once the Executive transmits these costs as part of the FY11 budget recommendations, it will be important for the Committee to understand the assumptions used to derive those costs, especially those regarding staffing in the call center and changes in staffing in the operating departments, hours of operation, and distribution between on-line and call-in questions received. See part 5 on page 3 to review the disagreement between the Council and Executive branch on this issue.

## Introduction

The County has undertaken a series of projects aimed at modernizing current administrative and management processes and the related software systems that support them. Called Technology Modernization (or TechMod for short), this “umbrella project” is reflected in the FY09-14 CIP budget as MCG No. 150701, and its current description and funding authorization is shown in ©1-2.

There are three projects which are currently included in TechMod, although more could be added in the future. Enterprise Resource Planning (ERP), MC311, and MCTime are projects that are in various stages of development and deployment. Given the importance, complexity, and expense of these projects, the Committee has requested a semi-annual review with special emphases on finances, targets, and timelines. The Administration has provided a briefing that covers the current status of TechMod and that answers questions posed by Council staff on ©3-30.

## Council Staff Comments

1. The ERP, MC311, and MCTime projects are expected to bring significant economies of scale and efficiencies through automation and Business Processes Re-engineering (BPR) once implemented, and this promise of streamlined government has been translated into an expected \$5 million and \$15 million savings in FY13 and FY14, respectively. These savings could come from two sources:
  - reduced IT maintenance and operating costs for running the multiple and sometimes overlapping IT systems of the past once they are eliminated as the new systems come on line
  - reduced operating costs in the user departments as the efficiencies of the new, modern and streamlined systems and their improved processes are felt

This expectation is shown as a negative Operating Budget Impact (OBI) in years FY13 and FY14 on ©1.

However, the MCG budget responses to the revenue downturn within our County over the recent past may have changed some of the foundational assumptions made when the TechMod projects were first launched some years back. The Executive does not feel that any of the underlying assumptions have changed, so the expected OBIs are still valid and a source of expected savings in FY13 and FY14.

2. There were consultant recommendations on BPR changes that could improve existing operations even before the ERP is fully deployed. ©9 and ©10 provide examples of four areas where improvements to current business processes will streamline operations and modernize government:
  - improvement of vendor file management and reduction of duplication inefficiencies
  - improvement in vendor notification
  - cash reconciliation and the potential of moving from monthly to daily reconciliation
  - strengthening employee self-service mode for personal records

These examples offer a glimpse at the many improvements that will be made. Some improvements will significantly improve service levels, others will manage to keep future cost increases to a minimum, and yet others may have a direct impact on operating costs.

3. The last update the Committee had from the TechMod team gave an implementation date for Financials as July 1, 2010. As ©8 states, this time target is still valid and means that the County will be in a position to start a new fiscal year with new tools permitting all authorized users direct access to financial information.

Councilmembers and staff will have the ability to run appropriate elements of the ERP system from desktops in the COB, giving new flexibility and capability to information access and analysis. Appropriate training will, of course, have to be provided in time to do this, but the software capability will be there, both for ERP and MC311. MCTime is already available on Council and Council staff desktops.

4. The last briefing the Committee received on MC311 suggested that a 24/7 operation was under consideration for the centralized call center. ©16 provides information on the current plans for reducing that overall assumption to 13 hours from Monday through Friday, and to 8 hours on Saturday. No Sunday operations are contemplated. It should be noted that this new operation will be implemented with no budget impact in FY10; all costs are absorbed either within TechMod or from the operating departments that are contributing personnel to the center's operation, as well as ceding the functional responsibility of information intake and referral.
5. During the budget discussions for the FY10 budget, the MFP Committee and, ultimately, the full Council agreed to reduce operating budgets of MC311 user departments by \$1.875 million because of planned streamlining of call-taking operations and the impact of a centralized operation with the MC311 Center. This number represented a quarter of the \$7 million savings number provided by the Executive branch, since the operation was going to be in effect only for the last quarter of FY10.

The Administration absorbed this \$1.875 saving in the beginning of the fiscal year; therefore, the streamlining of processes had not already occurred as the MC311 center was not yet ready to be launched. Therefore, the way that the termination of functional responsibility at the department level may produce actual savings is not yet understood fully. There were some 300 positions identified as positions with some or total responsibility for call-taking in the user departments. As the call center, once operational, will use 40 positions, some portion of the balance should be available as cost savings.

The Executive's position on this cost-saving potential is on ©18 and ©19. It provides estimates for the overall budget strategy deployed so far, gives ranges of expenditure reductions, and mid-year savings plan estimates. It further categorizes the \$7.0 million identified in the MC311 budget discussions as "broad based reductions". However, Council staff disagrees, as the \$7.0 million in cuts were derived through estimated position reductions from a rigorous analysis, and to the degree that \$5.125 million of that estimate is still a valid estimate pending position analysis, it should be used as the default assumption. Such an assumption seems to be supported by the efficiency claims for MC311 recently presented at a Council review of the MC311 center, where the number of positions to support operations goes from 300 to 40 (see ©31). Council staff developed a financial model presented to the Committee in the April 21, 2009 budget worksession (and reproduced in ©32-34) that can help work through these assumptions and their impacts. This model has been made available to the Executive branch so that the assumptions made are transparent and understood by all stakeholders.

This discussion would be considerably strengthened by a presentation of the operating assumptions made for designing the centralized call center. In particular, the following questions can help shape the most appropriate number for the cost savings still expected by the MC311 investment:

- Of the 300 positions identified in the “As is” analysis of departments with a citizen call-in feature, how many are full time? And what is the full workyear equivalent?
- The new call center will use 40 positions for call-takers. Will they be full time? What is the current assumption as to the total workyear equivalent for this function?
- In order to come up with a required number of call-takers, a number of assumptions need to be made regarding call volume, as well as service time and acceptable wait times. What are those assumptions?
- What are the assumptions for the costs of the current IT systems and the staff it takes to support them once the MC311 Center is operational?
- In similar systems deployed elsewhere, significant percentages of citizens use the web to lodge complaints or receive information regarding services, using the 311 databases but not going through an operator. What is the current assumption the Executive is making about this percentage in MC311? It is wise to expect a rise in calls as more people find out about the system, but how will the residents feel most comfortable in reaching the County?

The budget impact of the operations for MC311 will be more fully reviewed during the FY11 budget discussions, but answers to the questions raised here, although difficult to derive, will be essential in order to make the right investment in this important new County service.

6. The current MC311 implementation is Phase I of a broader, two-phase effort. ©20 shows that there are plans to expand beyond County boundaries and deploy the benefits of MC311 to M-NCPPC, Montgomery College, Montgomery County Public Schools and municipal governments in the area. Funding support, service level agreements, and experience sharing are expected to be part of the discussion and deliberations that will lead up to a successful deployment of MC311. As TechMod does not currently include a Phase II component, the Committee will be hearing more information in the future about these expansion plans.
7. Operations of MC311 are currently covered under the TechMod budget. Once the system is launched, it needs an institutional “home”. The Executive has provided information on © 21 indicating that the operation will be under the PIO for FY11. Organizational capacity to manage this new and staff-intensive operation will be part of the budget analysis when the Executive presents his proposed budget in a few months.
8. The MCTime project has been in the deployment stage for the last few years. 34 departments are already users (see ©24), and the last seven remaining departments (see ©25) will be brought online by the end of FY10.

## Technology Modernization -- MCG -- No. 150701

Category	General Government	Date Last Modified	May 15, 2008
Subcategory	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	County Executive	Relocation Impact	None.
Planning Area	Countywide	Status	On-going

### EXPENDITURE SCHEDULE (\$000)

Cost Element	Total	Thru FY07	Est. FY08	Total 6 Years	FY09	FY10	FY11	FY12	FY13	FY14	Beyond 6 Years
Planning, Design, and Supervision	80,209	0	3,864	76,345	23,440	25,100	17,095	10,710	0	0	0
Land	0	0	0	0	0	0	0	0	0	0	0
Site Improvements and Utilities	0	0	0	0	0	0	0	0	0	0	0
Construction	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>80,209</b>	<b>0</b>	<b>3,864</b>	<b>76,345</b>	<b>23,440</b>	<b>25,100</b>	<b>17,095</b>	<b>10,710</b>	<b>0</b>	<b>0</b>	<b>0</b>

### FUNDING SCHEDULE (\$000)

Land Sale	2,634	0	0	2,634	2,634	0	0	0	0	0	0
Current Revenue: General	42,086	0	3,864	38,222	8,800	12,662	11,462	5,298	0	0	0
Short-Term Financing	35,489	0	0	35,489	12,006	12,438	5,633	5,412	0	0	0
<b>Total</b>	<b>80,209</b>	<b>0</b>	<b>3,864</b>	<b>76,345</b>	<b>23,440</b>	<b>25,100</b>	<b>17,095</b>	<b>10,710</b>	<b>0</b>	<b>0</b>	<b>0</b>

### OPERATING BUDGET IMPACT (\$000)

Maintenance				41,983	616	3,794	6,036	8,527	11,336	11,674
Productivity Improvements				-20,000	0	0	0	0	-5,000	-15,000
<b>Net Impact</b>				<b>21,983</b>	<b>616</b>	<b>3,794</b>	<b>6,036</b>	<b>8,527</b>	<b>6,336</b>	<b>-3,326</b>

#### DESCRIPTION

This project provides for the replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents. Major new IT systems being launched through this project are Enterprise Resource Planning (ERP), 311/Constituent Relationship Management (CRM), and related Business Process Review (BPR). ERP will modernize our Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. The ERP project will provide needed upgrades to the County's financial, procurement, human resource, and budgeting systems, and will streamline existing business processes. Business Process Review is occurring as part of ERP requirements analysis and planning. The first phase of this project, MCTime, the implementation of electronic time reporting, is well underway. A new 311/CRM system will combine advanced telephony, internet, and computer technology with constituent-focused business processes. Residents will ultimately be able to call one number to access County government services and built-in tracking and accountability features will assure that every call receives a timely response. Additional projects may be added in the outyears.

#### COST CHANGE

As indicated in the FY07-12 Amended CIP version of this project, the expenditures associated with this effort would be refined for the FY09-14 CIP. That analysis has now occurred and the current estimate is based on detailed review of integrator, staffing, hardware, and software costs. The increase since the January 2008 version is due to the inclusion of total CRM costs and required infrastructure to support the implementation of ERP and the other Technology Modernization projects.

#### JUSTIFICATION

According to a 2004 ranking of major existing technology systems based on their current health and relative need for upgrade or replacement, the County's current core business systems (ADPICS, FAMIS, BPREP, and HRMS) were ranked as Priority #1, which means "obsolete or vulnerable critical system in immediate risk of failure." These at-risk systems will be replaced with a state of the art ERP system which will provide a common database supporting financials, procurement, budget and HR/payroll, and will include system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Montgomery County seeks to set a national standard for accountability and responsiveness in governance and the delivery of services to its residents and businesses. A customer-oriented 311/CRM system is needed as a single one-stop-shop phone number and intake system to meet this growing demand.

Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003.  
MCG FY06 IT Budget Overview prepared by DTS.

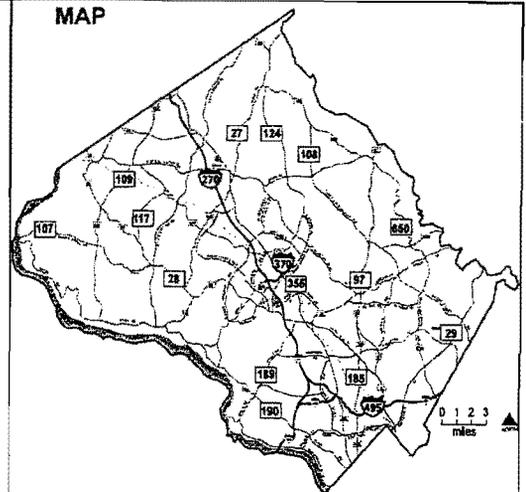
APPROPRIATION AND EXPENDITURE DATA		
Date First Appropriation	FY07	(\$000)
First Cost Estimate		
Current Scope	FY08	85,464
Last FY's Cost Estimate		85,464
Appropriation Request	FY09	44,199
Appropriation Request Est.	FY10	14,946
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		5,064
Expenditures / Encumbrances		1,566
Unencumbered Balance		3,498
Partial Closeout Thru	FY06	0
New Partial Closeout	FY07	0
Total Partial Closeout		0

#### COORDINATION

MCG efforts must be coordinated with the recent implementation of a new Financial Management System by MCPS and efforts by other agencies to ensure data transportability and satisfy reporting needs between agencies. Project staff are drawing on the implementation experiences of MCPS, WMATA and governments with functions and components similar to MCG during the project planning, requirements gathering, and requests for proposal (RFP) phases.

Offices of the County Executive  
Office of the County Council  
Department of Finance  
Department of Technology Services  
Office of Procurement  
Office of Human Resources  
Office of Management and Budget  
All MCG Departments and Offices

#### MAP



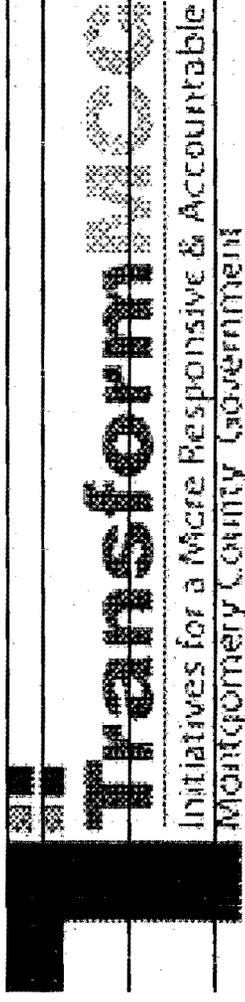
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**Technology Modernization -- MCG -- No. 150701 (continued)**

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**FISCAL NOTE**

Project funding includes short-term financing for integrator services and software costs. Operating Budget Impact revised in FY13 and FY14 to reflect Council productivity targets.



# **Technology Modernization Project**

## **MFP Briefing**

***November 2, 2009***

**Montgomery County Technology Modernization  
(Tech Mod)**

**❖ Tech Mod is currently comprised of 3 major components:**

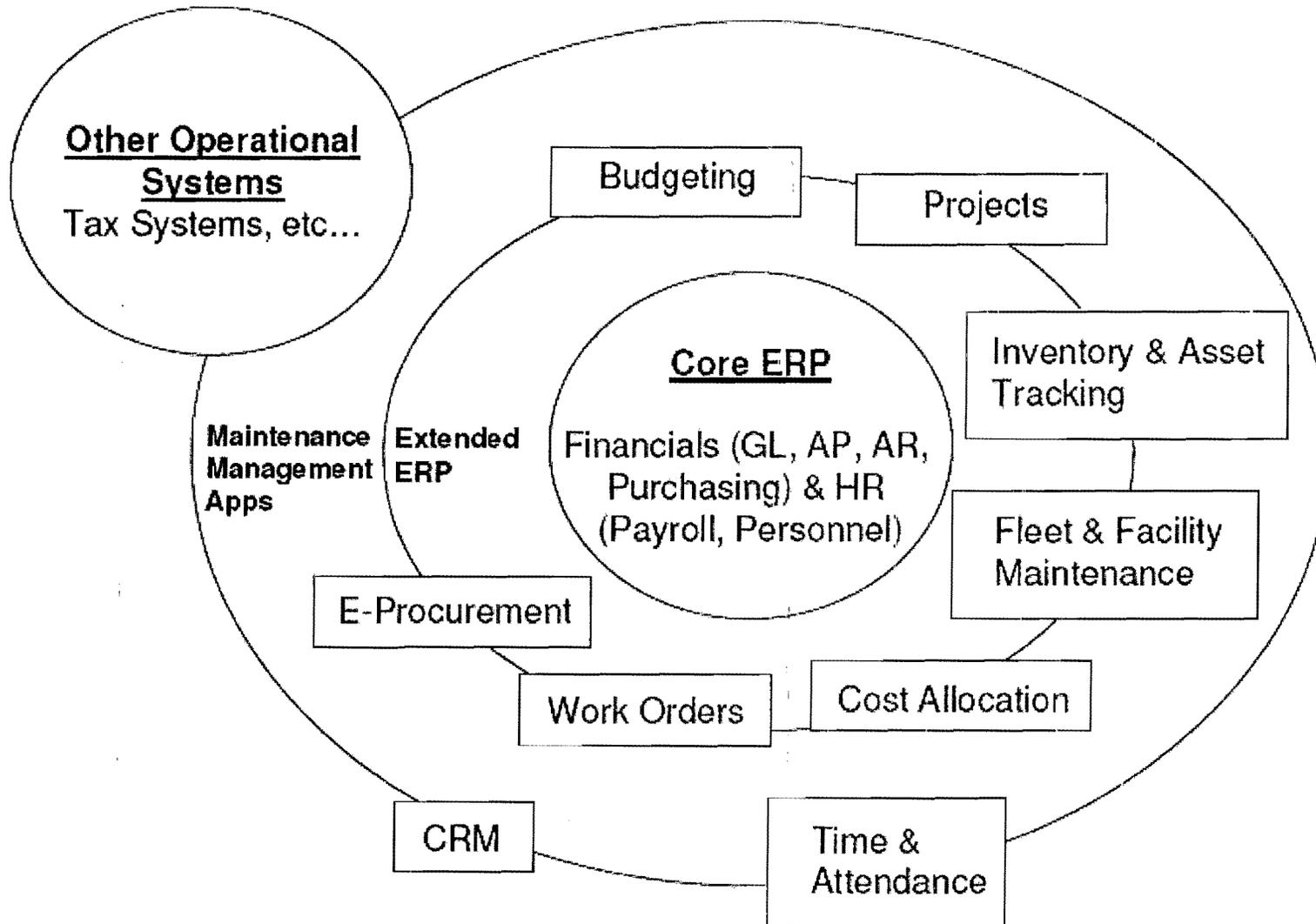
- ▶ **ERP: Enterprise Resource Planning**
- ▶ **MC311: Non-Emergency customer support and issue tracking using a 311 phone number**
- ▶ **MCtime: Electronic Time Reporting**

## Description of Tech Mod Projects

- ❖ ERP – The County is hampered with inefficient business processes, outdated, AT RISK systems, and lack of information to address difficult policy and fiscal challenges. ERP systems use technology to improve decision making and implement “best practice” operational efficiency through information integration and process improvements, including centralization, information sharing, and elimination of data/process duplication.
- ❖ MC311 - To meet the objective of developing programs that provide greater responsiveness and accountability in meeting the needs of a very diverse County, we have established a single phone number (311) for constituents to call for non-emergency service requests and a back-office system to track responses and completion of work requests.
- ❖ MCtime - Replaces the labor intensive, error prone manual process of handling thousands of paper timesheets every two weeks, with an automated solution that will enable more efficient business processes and accurate accounting of compensatory and overtime hours.

*The three programs work in concert to improve constituent-facing and back-office functions.*

# Tech Mod Project Scope



# Tech Mod Today

- ❖ On-time
- ❖ On-budget
- ❖ Under construction
- ❖ No requests for additional funding

*Leading causes of failure for ERP projects include lack of Executive sponsorship, inadequate staffing and funding.*

*- Gartner Group*

## ERP Major Accomplishments/Status

- ❖ Completed Global Design of all functional requirements
- ❖ Providing detailed functional demos of new system to County stakeholders
- ❖ Configuring and developing County specific system components
- ❖ Leveraging Local Small Business Reserve Participants for Tech Mod technical development (operational reporting and data warehouse)
- ❖ Core Financials “go-live” **July 1, 2010**
- ❖ Core Human Resources (HR) “go-live” **January 1, 2011**



## ERP: Council Staff Questions

1. **Have the assumptions underlying the expected savings changed for FY 13 and FY14 respectively?**
  - ▶ With the completion of "Global Design" nothing has given us any indication that our underlying assumptions for FY 13 or FY14 have changed.
  
2. **Could you provide progress made in these [Business Process Re-engineering] recommendations?**
  - ▶ Vendor Database: Currently Procurement and Finance share responsibility for entry as well as updates to the vendor database. In the future, Finance will oversee the Oracle supplier database with limited access by Procurement. This will result in less duplication of vendor entry, less errors occurring and more timely payment to suppliers. (will affect current 1,200 system users)
  - ▶ Vendor Notification: Currently Procurement notifies vendors of pending solicitations using multiple methods, including standard mail, email, and posting on County website. Under the Oracle Sourcing module suppliers registered in Oracle under selected commodity codes will receive electronic notifications of pending solicitations. Pending solicitations will still be listed on the County website for non-registered suppliers. (will affect 20,000 suppliers in current database)

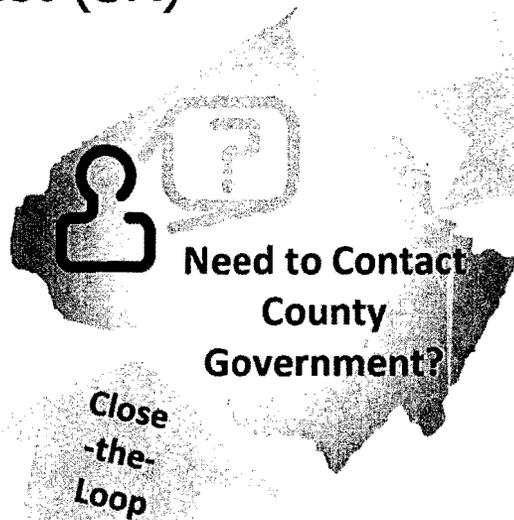
## ERP: Council Staff Questions (cont'd)

2. **Could you provide progress made in these [Business Process Re-engineering] recommendations?**
  - ▶ Cash Management: Bank Reconciliations are currently a challenge and Oracle's auto-reconciliation feature will reduce the time spent reconciling bank balances allowing the County to potentially reconcile on a daily rather than monthly basis.
  - ▶ Employee Self-Service: Provides employees a single portal to both view and update personal information. Examples include changing tax withholdings, adding new contacts, changing address and updating information such as outside training completed or their resume. Many of these actions currently go through Payroll or OHR. Providing employees with the means of managing and viewing their personal information themselves should reduce the back office operations currently required for processing. (will affect 10,000 County employees)
3. **The last update the Committee had from the TechMod team gave an implementation date for Financials as July 1, 2010. Is that still a good estimate? And will Council members and staff have the ability to run appropriate elements of that system from desktops in the COB by that date?**
  - ▶ Phase I implementation includes Financials July 1, 2010 and Human Resources January 1, 2011; all end users will have access from their desktops.

# MC311: Major Accomplishments/Status

## MC311 Technology Update

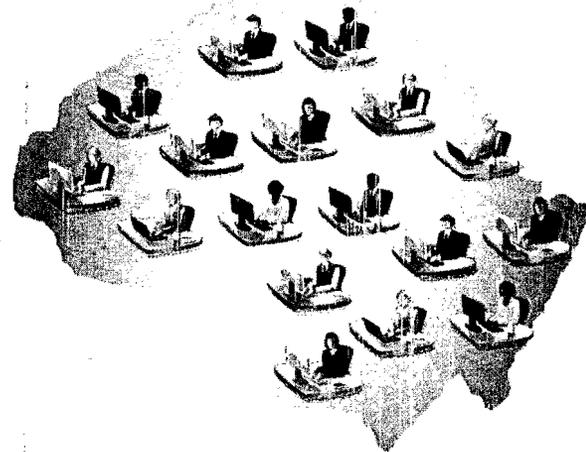
- ❖ Completing system design for deployment of Service Request (SR)



General Information (GI)	50%
Referrals (REF)	25%
Service Requests (SRs)	20%
Miscellaneous Comments/ Compliments/ Complaints	5%

# DIAL 3-1-1

"One-Stop" Shopping  
MC311 Customer Service Center (CSC)



(1)

## **MC311: Major Accomplishments/Status**

### **Service Requests (SR) provides the ability to:**

- ❖ Capture and track all requests for information, referral and service
- ❖ Provide customer with a tracking number
- ❖ Self-service through a user-friendly web portal
- ❖ Manage service request tracking information, from intake through disposition
- ❖ Ensure timely and satisfactory disposition of customers' requests

# MC311: Major Accomplishments/Status

## Phase I – Participating departments include:

Board of Elections	Department of Technology Services
Board of Investment Trustees	Department Transportation
Commission for Women	Ethics Commission
Community Use of Public Facilities	Fire and Rescue Services
County Attorney's Office	Housing Opportunities Commission
County Council	Merit System Protection Board
County Executive's Office	Office of Consumer Protection
Department of Correction and Rehabilitation	Office of Emergency Management and Homeland Security
Department of Economic Development	Office of Human Resources
Department of Environmental Protection	Office of Human Rights
Department of Finance	Office of Inspector General
Department of General Services	Office of Legislative Oversight
Department of Health & Human Services	Office of the People's Counsel
Department of Housing & Community Affairs	Office of Public Information
Department of Liquor Control	Public Libraries
Department of Management & Budget Office	Regional Services Centers
Department of Permitting Services	Revenue Authority
Department of Police	Sheriff's Office
Department of Recreation	

# MC311: Major Accomplishments/Status

## MC311 Customer Service Center (CSC) Update

- ❖ CSC Manager Hired – Leslie Hamm
- ❖ The MC311 CSC will be part of the Public Information Office (PIO)
- ❖ Finalized Memorandum of Understanding (MOU) between MC311 CSC and MCGEO
- ❖ Transitioned Staff to the MC311 CSC
- ❖ The MC311 CSC will accept calls from County's constituents and customers for all non-emergency, non-public safety County Government services
- ❖ Finalized Verizon 3-1-1 Contract

# MC311: Next Steps

- ❖ **Customer Service Representative (CSR) transition and training occurring November 9 and November 23**
- ❖ **Departmental "end-user" training**
- ❖ **Soft launch – January 2010** (8 departments – CEX, DOT, DEP, DHCA, DPS, FIN, HHS, POL, RSC)
- ❖ **Hard launch – March 2010** (37 County departments and offices)
- ❖ **Move "identified" back-office systems/functionality to the Case Management (CM) module & retire standalone systems:**
  - ▶ DOT - Trees; Leaves; Snow; Street Lights
  - ▶ DEP - OSCAR
  - ▶ DHCA - Case management

# MC311: Council Staff Question #1

**The last briefing the Committee received on MC311 implied a 24X7 operation for the center. Is this still the planned objective? If not, what is the current target? And what is the impact of a potential change on budgeted resources?**

## ❖ **FY10 MC311 Customer Service Center (CSC) Operations**

- ▶ **Soft launch – Current operational hours will remain the same** (driven by current operational hours established by the individual organization)
- ▶ **Hard launch operations and coverage will be based solely on resources and capacity**
  - FY10 up to 13 hours M-F, 8 hour Sat

## ❖ **No budget impact, no FY10 OBI budgeted**

## **MC311: Council Staff Question #2**

**During the budget discussions for the FY10 budget, the MFP and ultimately the full Council agreed to reduce operating budgets of MC311 user departments by \$1.875 million because of planned streamlining of call taking operations and the impact of a centralized operation with the MC311 Center. This number represented a quarter of the \$7 million savings number provided by the Executive branch, since the operation was going to be in effect only for the last quarter of FY10. For FY11 purposes, the default assumption would be that the full \$7.0 million would be available for reductions in operating budgets. Such an assumption seems to be supported by the efficiency claims for MC311 recently presented at a Council review of the MC311 center, where the number of positions to support operations go from 300 to 40. Are there events or findings in the implementation effort to date that may change this default assumption?**

(17)

## MC311: Council Staff Question #2 (response)

- ❖ During the FY10 budget discussions, the Executive Branch did not represent that the order of magnitude "savings" of \$7 million were ever budgetary savings that could be realized by reductions to departmental operating budgets, especially in the absence of identified position or contractual reductions that resulted from the implementation of the MC311 system. We did not concur in the \$1.875 million reduction because the \$7 million savings presented were an initial estimate, not based on specific budgetary data, and primarily included productivity improvements, process efficiencies, fractional workyear savings, and other savings not directly tied to line items in departmental budgets. There are not and never were plans to reduce 260 positions related to the implementation of the MC311 project. Therefore, an additional budgetary reduction of \$5.125 should not be considered the "default assumption". However, in formulating the FY09 and FY10 budgets, the County Government has made nearly \$160 million in expenditure reductions including the following:
  - ▶ \$42.5 million in the FY09 annual operating budget
  - ▶ \$75 million in the FY10 annual operating budget (before imposition of the \$1.875 million reductions and the additional lapse reductions of \$2.7 million)
  - ▶ Over \$44 million in additional reductions are planned for FY11
  - ▶ Mid year savings plan reductions of \$25.4 million in FY09 and \$16.7 million planned for FY10.

## **MC311: Council Staff Question #2**

### **(response continued)**

- ❖ It should be emphasized that while many of these cuts required a reduction and elimination of certain services, they were primarily implemented without a reduction in services and were therefore productivity improvements.

These reductions were made to produce a sustainable and balanced budget, but many of the reductions were made in anticipation of the work flow efficiencies that will be made possible by the MC311, MCTime, and ERP solutions. Therefore, further broad based reductions in departmental budgets would not only be duplicative and unwarranted, they could seriously jeopardize departmental capacity to effectively respond to calls for service generated through the MC311 system.

In addition to the real efficiencies and expenditure savings noted above, the County Government is committed to standing up a call center during this fiscal year completely within existing resources by transferring call taking, dispatch, and other staff from other departments and redeploying them to the MC311 call center. Not only does this represent a significant cost savings and productivity improvement it will also represent a substantive improvement in the level and quality of service to the residents of Montgomery County. Current staff will be centralized in the call center and focused broadly on providing services across several different departments and not focused solely on one department or division. This will leverage staff more effectively, respond to resident needs more expeditiously, and deploy scarce resources in a much more efficient and effective manner.

## **MC311: Council Staff Question #3**

**The current MC311 implementation is Phase I of a broader, two phase effort. Would you define Phase II, and related it to the scope and funding of MC311 with the current project parameters of TechMod?**

- ❖ **Phase II of the MC311 plans to extend 3-1-1/ CRM capability to:**
  - ▶ Maryland-National Capital Park and Planning Commission
  - ▶ Montgomery College
  - ▶ Montgomery County Public Schools and
  - ▶ Municipal Governments
  
- ❖ **MC311 will coordinate with the various Agencies and Municipalities to determine interest and outline requirements**
  
- ❖ **Phase II is not funded within TechMod**

## **MC311: Council Staff Question #4**

**Operations of MC311 are currently covered under the TechMod budget. Would you define how you expect to budget and manage the full MC311 operations in FY11 and beyond? The PIO's Office was referenced as the intended organizational location of this function during the MC311 Council briefing, and it would be useful to have some detail on upcoming plans?**

- ❖ FY 11 operating budget is under development**
- ❖ The MC311 CSC will be part of the PIO's Office**
  - ▶ MCGEO negotiations
  - ▶ Call center consolidation effort and Staff transitioning

## **Mctime Major Accomplishments/Status**

- ❖ Total of 34 departments using Mctime
- ❖ Fire and Rescue Services currently in deployment with a projected "go-live" date of November 8
- ❖ Police requirements gathering is continuing
- ❖ Conducting Change Management and Operational activities with remaining departments
  - ▶ Public Libraries, Liquor Control, Health and Human Services, Recreation, Sherriff
- ❖ Full roll-out targeted to be completed by end of FY10

## **Mctime: Council Staff Questions**

- ❖ What is the expected completion time for this project?
  - ▶ Implementation schedule has all remaining departments completely installed prior to end of fiscal year 2010.

# MCTime: Council Staff Questions

- ❖ Provide a listing of which departments have been automated & which ones are still under development:

## Departments automated

- ❖ Board of Appeals (BOA)
- ❖ Board of Elections (BOE)
- ❖ Board of Investment Trustees (BIT)
- ❖ Commission for Women (CFW)
- ❖ Community Use of Public Facilities (CUPF)
- ❖ Consumer Protection (OCP)
- ❖ Correction & Rehabilitation (DOCR)
- ❖ Circuit Court (CCT)
- ❖ County Attorney's Office (OCA)
- ❖ County Council (CCL)
- ❖ County Executive's Office (CEX)
- ❖ Department of General Services (DGS)
- ❖ Department of Housing and Community Affairs (DHCA)
- ❖ Department of Transportation (DOT)
- ❖ Economic Development (DED)
- ❖ Environmental Protection (DEP)
- ❖ Ethics Commission (ECM)
- ❖ Finance (FIN)
- ❖ Human Resources (OHR)
- ❖ Human Rights (HRC)
- ❖ Inspector General (OIG)
- ❖ Intergovernmental Relations (IGR)
- ❖ Legislative Oversight (OLO)
- ❖ Management and Budget (OMB)
- ❖ Merit System Protection Board (MSPB)
- ❖ Montgomery County Employee's Federal Credit Union (MCEFCU)
- ❖ Office of Emergency Management and Homeland Security (OEMHS)
- ❖ Office of Zoning and Administrative Hearings (OZAH)
- ❖ People's Council (PCL)
- ❖ Permitting Services (DPS)
- ❖ Public Information (PIO)
- ❖ Regional Service Centers (RSC)
- ❖ State's Attorney (SAO)
- ❖ Technology Services (DTS)

## MTime: Council Staff Questions

- ❖ Provide a listing of which departments have been automated & which ones are still under development:

Deployment for seven (7) remaining departments:

- Fire Rescue Services – deploying to now
- Library / Liquor Control – parallels beginning November 22, 2009
- Health & Human Services / Recreation – parallels beginning January 17, 2010
- Police / Sheriff's Office – parallels projected to begin in March 2010

## Mctime: Council Staff Questions

- ❖ Are the interfaces of Mctime to ERP within current budget parameters? And will they be operational in time to support the appropriate ERP modules?
  - ▶ Mctime interface to ERP was planned for and included in the overall cost of the Tech Mod project
  - ▶ Interface requirements will be documented, approved, tested and implemented to meet the existing ERP timelines

# Change Management

*Transforming the way Montgomery County serves its residents and customers by setting new standards for how government operates*

The Change Management team works in concert with the Tech Mod project teams – Enterprise Resource Planning (ERP), MC311 and MCTime to facilitate awareness, understanding and buy-in among County employees

## **Our goals and objectives:**

- ❖ Promote the TransformMCG vision, expectations, and strategies through communication, marketing and branding (TransformMCG)
- ❖ Educate end users on benefits and opportunities of Tech Mod projects
- ❖ Develop effective end user coaching and training strategies
- ❖ Ensure the County is ready to "go live" at the same time business processes and technology goes live
- ❖ Measure and evaluate progress

# Change Management

## Critical Elements in our Change Management approach:

- ❖ **Active and visible executive sponsorship** - *Articulates the vision and strategy of the initiative and provides support throughout the lifecycle*
  - ▶ Executive Steering Committees
  - ▶ Targeted messages to leadership
  
- ❖ **Comprehensive Communication and Marketing Plan** - *Effectively builds awareness and gains stakeholder buy-in*
  - ▶ Branding TransformMCG through communications, briefings and events
  - ▶ TransformMCG bimonthly newsletter
  - ▶ TransformMCG intranet website
  - ▶ TransformMCG posters and promotional items

# Change Management

## Critical Elements in our Change Management approach:

- ❖ **Engaging, Supporting and Training** - *Supports stakeholders and users build the skills and knowledge to confidently transition to the new way of doing business*
  - ▶ Change Management Workshops
  - ▶ ERP FYI briefing sessions
  - ▶ MC311 road show demonstrations
  - ▶ MCTime briefings
  - ▶ Develop end user training for MC311 and ERP
- ❖ **Monitoring, evaluating and realigning strategies** - *Key performance measures are identified, assessed and measured to gauge success*
  - ▶ MLS Change Readiness Assessment (ERP)
  - ▶ MCTime Lessons Learned
  - ▶ MC311 Point of Contact survey
  - ▶ Evaluations of briefings, trainings and workshops

# FY10 CIP Budget

## Technology Modernization Project

Category	ERP	MC311	MCtime	Infrastructure	Total
Personnel	\$5,145,000	\$1,118,000	\$165,000	\$1,155,000	\$7,583,000
Contractor Services	\$2,175,000	\$3,072,000	\$120,000	\$0	\$5,367,000
Training	\$58,000	\$250,000	\$11,000	\$70,000	\$389,000
Software	\$0	\$300,000	\$425,000	\$50,000	\$775,000
Hardware	\$0	\$200,000	\$0	\$150,000	\$350,000
Lease Costs	\$302,000	\$0	\$0	\$0	\$302,000
Other	\$75,000	\$50,000	\$25,000	\$30,000	\$180,000
<b>FY10 Estimate</b>	<b>\$7,755,000</b>	<b>\$4,990,000</b>	<b>\$746,000</b>	<b>\$1,455,000</b>	<b>\$14,946,000</b>

## Why is Montgomery County Government Implementing 311?

◎ **ACCOUNTABILITY:**

- > Collect/analyze performance data
- > Act on what we learn to make it better

◎ **RESPONSIVENESS:**

- > Quick answers to the most frequently asked questions
- > Service requests handled with a single call
- > Track the status of their request

◎ **EFFICIENCY:**

- > ONE vs. 13,000 - 40 vs. 300 - \$6 vs. \$12

5

## Chicago 311Video

311 in Action for Local Government

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\$25,000,000 estimated total cost of call intake today

Toregas estimates (all others come from Executive Branch documents or statements)

- 300 employees involved in intake
- \$75,000 estimate of intake professional salary
- 38 number of departments with intake function
- 6 Operational call centers
- 100,000 estimate of running a call center (energy, rent, telecomms)
- 20 current technology platforms
- 30,000 Average cost to maintain IT system in a department (licenses, amortization, equipment)
- 20 estimate of IT staff supporting IT platforms
- 90,000 estimate of IT support salary
- 100 estimate of specialist positions still remainig
- 52 estimate of staff for operating MC311
- 10 estimate of IT staff for MC311
- 1.5 MC311 / departmental cost center operating cost ratio

Today's costs

MC311 operations

MODEL COMPUTES FOLLOWING:

\$22,500,000	personnel	\$3,900,000
\$600,000	center operations	\$150,000
\$1,800,000	IT personnel	\$900,000
\$180,000	IT equipment and support costs	\$67,500
\$25,080,000	Totals	\$5,017,500

Continuing cost of departmetnal operations	\$7,500,000
Estimated annual savings	\$12,562,500
One time Dev cost of MC311	\$10,390,000
Payback period (Dev Cost/annual savings)	0.827064677

(32)  
~~(25)~~

\$25,000,000 estimated total cost of call intake today

Toregas estimates (all others come from Executive Branch documents or statements)

300 employees involved in intake

\$75,000 estimate of intake professional salary

38 number of departments with intake function

6 Operational call centers

100,000 estimate of running a call center (energy, rent, telecomms)

20 current technology platforms

30,000 Average cost to maintain IT system in a department (licenses, amortization, equipment)

20 estimate of IT staff supporting IT platforms

90,000 estimate of IT support salary

150 estimate of specialist positions still remainig

52 estimate of staff for operating MC311

10 estimate of IT staff for MC311

1.5 MC311 / departmental cost center operating cost ratio

Today's costs

MC311 operations

MODEL COMPUTES FOLLOWING:

\$22,500,000	personnel	\$3,900,000
\$600,000	center operations	\$150,000
\$1,800,000	IT personnel	\$900,000
\$180,000	IT equipment and support costs	\$67,500
\$25,080,000	Totals	\$5,017,500

Continuing cost of departmental operations \$11,250,000

Estimated annual savings \$8,812,500

One time Dev cost of MC311 \$10,390,000

Payback period (Dev Cost/annual savings) 1.179007092

33  
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\$25,000,000 estimated total cost of call intake today

Toregas estimates (all others come from Executive Branch documents or statements)

300 employees involved in intake

\$75,000 estimate of intake professional salary

38 number of departments with intake function

6 Operational call centers

100,000 estimate of running a call center (energy, rent, telecomms)

20 current technology platforms

30,000 Average cost to maintain IT system in a department (licenses, amortization, equipment)

20 estimate of IT staff supporting IT platforms

90,000 estimate of IT support salary

200 estimate of specialist positions still remaining

52 estimate of staff for operating MC311

10 estimate of IT staff for MC311

1.5 MC311 / departmental cost center operating cost ratio

Today's costs

MC311 operations

MODEL COMPUTES FOLLOWING:

\$22,500,000	personnel	\$3,900,000
\$600,000	center operations	\$150,000
\$1,800,000	IT personnel	\$900,000
\$180,000	IT equipment and support costs	\$67,500

\$25,080,000	Totals	\$5,017,500
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Continuing cost of departmental operations	\$15,000,000
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Estimated annual savings	\$5,062,500
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One time Dev cost of MC311	\$10,390,000
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Payback period (Dev Cost/annual savings)	2.052345679
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