Resolution No.: 18-136
Introduced: March 24, 2015
Adopted: May 14, 2015

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

Lead Sponsor: Council President at the Request of the County Executive

---

SUBJECT: Supplemental Appropriation #15-S15-CMCG-9 to the FY15 Capital Budget
Montgomery County Government
General Government
Technology Modernization--MCG (No. 150701), $10,222,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive, who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State, or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.

2. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Technology Modernization -- MCG	150701	PDS	$9,722,000	Short-Term Financing
TOTAL			$9,722,000	

3. This increase is needed to fund the contract with Xerox for the development and implementation of the Department of Health and Human Services' Enterprise Integrated Case Management system under the Technology Modernization--MCG CIP.

4. The County Executive recommends a supplemental appropriation in the amount of $9,722,000 for Technology Modernization--MCG and specifies that the source of funds will be Short-Term Financing.

5. Notice of public hearing was given, and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY15-20 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Technology Modernization -- MCG	150701	PDS	$9,722,000	Short-Term Financing
TOTAL			$9,722,000	

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Technology Modernization -- MCG (P150701)

Category	General Government	Date Last Modified	11/17/14
Sub Category	County Offices and Other Improvements	Required Adequate Public Facility	No
Administering Agency	County Executive (AAGE03)	Relocation Impact	None
Planning Area	Countywide	Status	Ongoing

	Total	Thru FY14	Rem FY14	Total 6 Years	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	Beyond 6 Yrs
EXPENDITURE SCHEDULE ($000s)											
Planning, Design and Supervision	134,853	97,700	6,748	30,405	19,683	5,586	5,136	0	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	56	0	56	0	0	0	0	0	0	0	0
Total	**134,909**	**97,700**	**6,804**	**30,405**	**19,683**	**5,586**	**5,136**	**0**	**0**	**0**	**0**
FUNDING SCHEDULE ($000s)											
Contributions	1,340	0	0	1,340	1,340	0	0	0	0	0	0
Current Revenue: General	67,912	52,388	3,494	12,030	11,030	500	500	0	0	0	0
Federal Aid	741	0	741	0	0	0	0	0	0	0	0
Land Sale	2,634	2,634	0	0	0	0	0	0	0	0	0
Recreation Fund	645	0	0	645	645	0	0	0	0	0	0
Recordation Tax Premium	2,623	54	2,569	0	0	0	0	0	0	0	0
Short-Term Financing	59,014	42,624	0	16,390	6,668	5,086	4,636	0	0	0	0
Total	**134,909**	**97,700**	**6,804**	**30,405**	**19,683**	**5,586**	**5,136**	**0**	**0**	**0**	**0**
OPERATING BUDGET IMPACT ($000s)											
Maintenance				3,041	486	511	511	511	511	511	
Productivity Improvements				-24,466	-939	-939	-1,489	-7,033	-7,033	-7,033	
Program-Staff				32,449	0	6,509	6,485	6,485	6,485	6,485	
Program-Other				33,050	0	5,676	6,236	7,046	7,046	7,046	
Net Impact				**44,074**	**-453**	**11,757**	**11,743**	**7,009**	**7,009**	**7,009**	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 16	500
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		133,909 ~~124,187~~
Expenditure / Encumbrances		97,700
Unencumbered Balance		26,487

Date First Appropriation	FY 07	
First Cost Estimate		
Current Scope	FY 15	134,909
Last FY's Cost Estimate		134,909

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 that have been completed through this project include the Enterprise Resource Planning (ERP) Financial and Human Resources modules, foundation phase of the 311/Constituent Relationship Management (CRM), Electronic Time reporting (MCTime), and related Business Process Review (BPR). Planning activities for the Department of Health and Human Services (HHS) technology modernization of key systems and processes are underway. The Budgeting module of the ERP system (Hyperion) and additional self-service functionality is currently underway and the workforce component of the Hyperion System has been completed. The ERP project was implemented to modernize Core Business Systems to improve the efficiency, effectiveness, and responsiveness of the County Government. In addition, modernization of the County's Tax Assessment Billing System is underway. This system is used to annually calculate and bill County residents for County and municipal property taxes, solid waste fees, water quality fees, WSSC fees, and other fees, taxes, and related credits. The HHS program provides for the development and implementation of an Enterprise Integrated Case Management (EICM) system as part of a larger Process and Technology Modernization (PTM) program that will move the department from a traditional agency-centric model of practice to a more effective client-centered model of practice. As part of this initiative, the EICM project will upgrade obsolete IT systems and information processes to avoid duplication of data entry, reduce ineffective coordination of services, and minimize inefficiencies resulting from legacy systems. The Active Network (ActiveNet) upgrade for the Department of Recreation, Community Use of Public Facilities (CUPF), and the Maryland-National Capital Park and Planning (M-NCPPC) involves the replacement of the existing CLASS registration and payment system. The Gilchrist Center is also in need of a platform to register its clients for programs and activities. Implementation involves analysis and realignment of business practices and procedures, system configuration, web-site designs; redesign/testing of ERP interfaces; and new Accounts Receivable functions. An Interagency Governance Committee comprised of managers from each participating department/agency will make decisions balancing the needs of each department.

Justification

Technology Modernization -- MCG (P150701)

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 then 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 were replaced with a state of the art ERP system which provides a common database supporting financials, procurement, budget, and HR/payroll, and includes system-wide features for security, workflow, and reporting, and up-to-date technology architecture. Tax Assessment Billing System: The current system is over 30 years old, is only internally supported, and is used for the collection of over $2 billion in revenues annually.
Health and Human Services EICM: This technology modernization effort will ensure ongoing viability of key processes, replace outdated and vulnerable systems, create staff operating efficiencies, and produce a high return in terms of customer service and accountability to our residents. Related plans and studies include the Information Technology Interagency Funding and Budgeting Committee's report of September 30, 2003, the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services, and the FY14 Process and Technology Modernization Readiness Assessment conducted by the Gartner consulting group.
Recreation, CUPF, and M-NCPPC: The Active Network announced that they will release one more version upgrade of CLASS, scheduled for first quarter of 2014. After this release, there will be no further development of the CLASS software and maintenance/support will be phased out of the CLASS software (ending by December, 2017). A feasibility study determined that the Active Network's browser based application, ActiveNet, is the only software with sufficient functionality and processing capability to meet the needs of a joint registration and facility management system in a single database for Recreation, CUPF, MNCPPC, and the Gilchrist Center. The system will also improve customer service by providing a one-stop access point.

Other
The Technology Modernization - MCG project is intended to serve as an ongoing resource for future IT modernization and related process engineering to the County Government's business systems beyond the currently defined project scope. Future projects may include the following: CRM - Citizen Relationship Management Phase II: This initiative will extend the service to municipalities in the County and other County agencies (e.g. Board of Education, M-NCPPC, Montgomery College). This initiative will proceed based upon interest from these organizations and agreement on funding. Objectives include creation of a Citizen Relationship Management (CRM) program to develop or convert automated capabilities for all appropriate County services including: Case Management Events, Management Field Services, Grants Management, Help Desk Solutions, Point of Sales, Resident Issue Tracking System, Work Order Processing System, ERP - Enterprise Resource Planning, Business Intelligence/Data Warehouse Development, Loan Management, Property Tax Billing and Collection, Public Access to Contractor Payments, Upgrade to Oracle E-Business/Kronos/Siebel, and Enhancements to comply with evolving Payment Card Industry (PCI) mandates.

Fiscal Note
Project funding includes short-term financing for integrator services and software costs. The Operating Budget Impact (OBI) estimates included the costs associated with supporting the Technology Modernization project after implementation, including staff returning to their home departments from the project office to provide on-going support, knowledge transfer, and to serve as "super users", as well as staff and contractors necessary to support the system, operating and maintenance (O&M) agreements with software vendors, and estimated costs associated with the Sustaining Organization through FY16-20. The establishment of a sustaining organization is needed post-implementation to resolve problems, facilitate communication across business processes because of the system integration, produce reports, and re-engineer business processes. ERP: In FY15, $1.340M will be transferred to the CIP by the Board of Investment Trustees (BIT) and is reflected as Contributions; another $1.175M will be transferred from the Department of Liquor Control ($625,000) and the Group Insurance Fund ($550,000) to the General Fund and is reflected as Current Revenue: General. HHS: Due to delays in the State's process for seeking federal reimbursement for capital IT upgrades, Federal Aid is no longer assumed in FY15-17. HHS will continue to seek federal reimbursement as the State updates its process. ActiveNet: $645,000 will be appropriated from the Current Revenue: Recreation Fund in FY15 for the ActiveNet upgrade; Recreation will charge CUPF and M-NCPPC for their share of the project's expenditures based on a proportionate share of each party's use of ActiveNet.

Coordination
MCG efforts are coordinated with applicable agencies 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, Department of Health and Human Services, Department of Recreation, Community Use of Public Facilities, and the Maryland-National Capital Park and Planning Commission, Gilchrist Center or CEC, all MCG Departments and Offices, Maryland Department of Human Resources, Maryland Department of Health and Mental Hygiene.