Technology Modernization -- MCG (P150701)

Category	General Government				Date Last Modified			1/9/13		
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 FY12	Rem FY12	Total 6 Years	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	Beyond 6 Yrs
EXPENDITURE SCHEDULE ($000s)											
Planning, Design and Supervision	113,565	74,625	5,031	33,909	13,688	11,104	8,667	450	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	113,621	74,625	5,087	33,909	13,688	11,104	8,667	450	0	0	0
FUNDING SCHEDULE ($000s)											
Current Revenue: General	62,517	39,737	1,852	20,928	8,955	5,338	6,635	0	0	0	0
Federal Aid	1,059	0	0	1,059	352	389	264	54	0	0	0
Land Sale	2,634	2,634	0	0	0	0	0	0	0	0	0
Recordation Tax Premium	2,623	0	0	2,623	0	2,623	0	0	0	0	0
Short-Term Financing	44,788	32,254	3,235	9,299	4,381	2,754	1,768	396	0	0	0
Total	113,621	74,625	5,087	33,909	13,688	11,104	8,667	450	0	0	0
OPERATING BUDGET IMPACT ($000s)											
Maintenance				33,786	225	2,015	3,037	9,503	9,503	9,503	
Productivity Improvements				-3,782	-33	-33	-929	-929	-929	-929	
Net Impact				30,004	192	1,982	2,108	8,574	8,574	8,574	

APPROPRIATION AND EXPENDITURE DATA (000s)

Appropriation Request	FY 14	11,104
Supplemental Appropriation Request		0
Transfer		0
Cumulative Appropriation		93,400
Expenditure / Encumbrances		81,983
Unencumbered Balance		11,417

Date First Appropriation	FY 07	
First Cost Estimate		
Current Scope	FY 13	113,621
Last FY's Cost Estimate		113,621

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replacement, upgrade, and implementation of IT initiatives that will ensure ongoing viability of key processes, replace outdated and vulnerable systems, and produce a high return in terms of customer service and accountability to our residents.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 selfservice 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. The ERP project provided needed upgrades to the County's financial, procurement, human resource, payroll, and budgeting systems and streamlined existing business processes. Additional BPR is needed to continue the alignment of County business processes with the new system and related enterprise impacts and to maximize the return on the County's IT investment. The 311/CRM system combines advanced telephony, internet, and computer technology with constituent-focused business processes. Residents are now able to call one number to access County government services. The 311/CRM system includes built-in tracking and accountability features to assure that every call receives a timely response. In addition, the 311/CRM system produces information on County efficiency and effectiveness in responding to requests for information and service requests. This information is used by the Chief Administrative Officer, CountyStat, and operating departments to track and improve performance and customer service. Completion of Phase I of the current MC311 (CRM) included developing an automated service request processing system for the County's Department of Transportation including converting the systems currently used for leaf pick-up, snow removal, tree issues, and street light outages. Phase II of the project will include modernization of the County's Tax Assessment Billing System. 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 technology modernization involves the product identification and modification and implementation of an enterprise Health and Human Services system that includes the following components: intake and eligibility; common client index; document imaging and electronic records; case management and billing capabilities for HHS; a portal for legacy and enterprise systems; and a data warehouse.

Justification

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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. Montgomery County seeks to set a national standard for accountability and responsiveness in governance and the delivery of services to its residents and businesses. 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: 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, and the Montgomery County Government FY06 IT Budget Overview prepared by Department of Technology Services.

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 providing the above 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, maintenance agreements with software vendors, and costs associated with the Sustaining Organization through FY16-18. 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. The Government Finance Officers Association (GFOA) and Gartner (a premier IT consulting organization) both recommend that organizations implementing an ERP also establish an enterprise business support structure (often called a sustaining organization or Enterprise Service Center) after project implementation to maintain, enhance, and focus on: business strategy, functional / technical expertise, software integration, technology, project management and continuous process improvement. Investing in a sustaining organization is key to fully exploiting the capabilities of the new ERP system. Productivity Improvements achieved through this project include absorbing staffing reductions in the Information Technology, Fiscal, Budget, Administration, Clerical, Human Resource, and Financial Occupational classifications (FY08-12); termination of maintenance agreements for legacy systems; termination of the keypunching contract for the manual timesheet process; and other related savings. Total estimated savings related to this project through FY12 are estimated at over $36 million including the reduction of over 320 full time equivalent positions in the County Government. For FY14, funding schedule reflects a $2,623,000 increase in Recordation Tax Premium and an offsetting decrease in General Fund Current Revenues.

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, all MCG Departments and Offices, Maryland Department of Human Resources , Maryland Deptartment of Health and Mental Hygiene