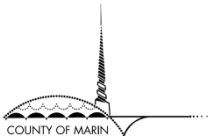


ATOM Status Report

Administrative Technologies of Marin
Project Update

July 2013



Overview of Presentation

Purpose of today: Provide an overall update on the project before moving to the next step (release of RFP)

1. Status Report on Project
2. Review of Staff Recommendation
3. RFP Strategy and Selection Criteria
4. Next Steps

ATOM Guiding Principles

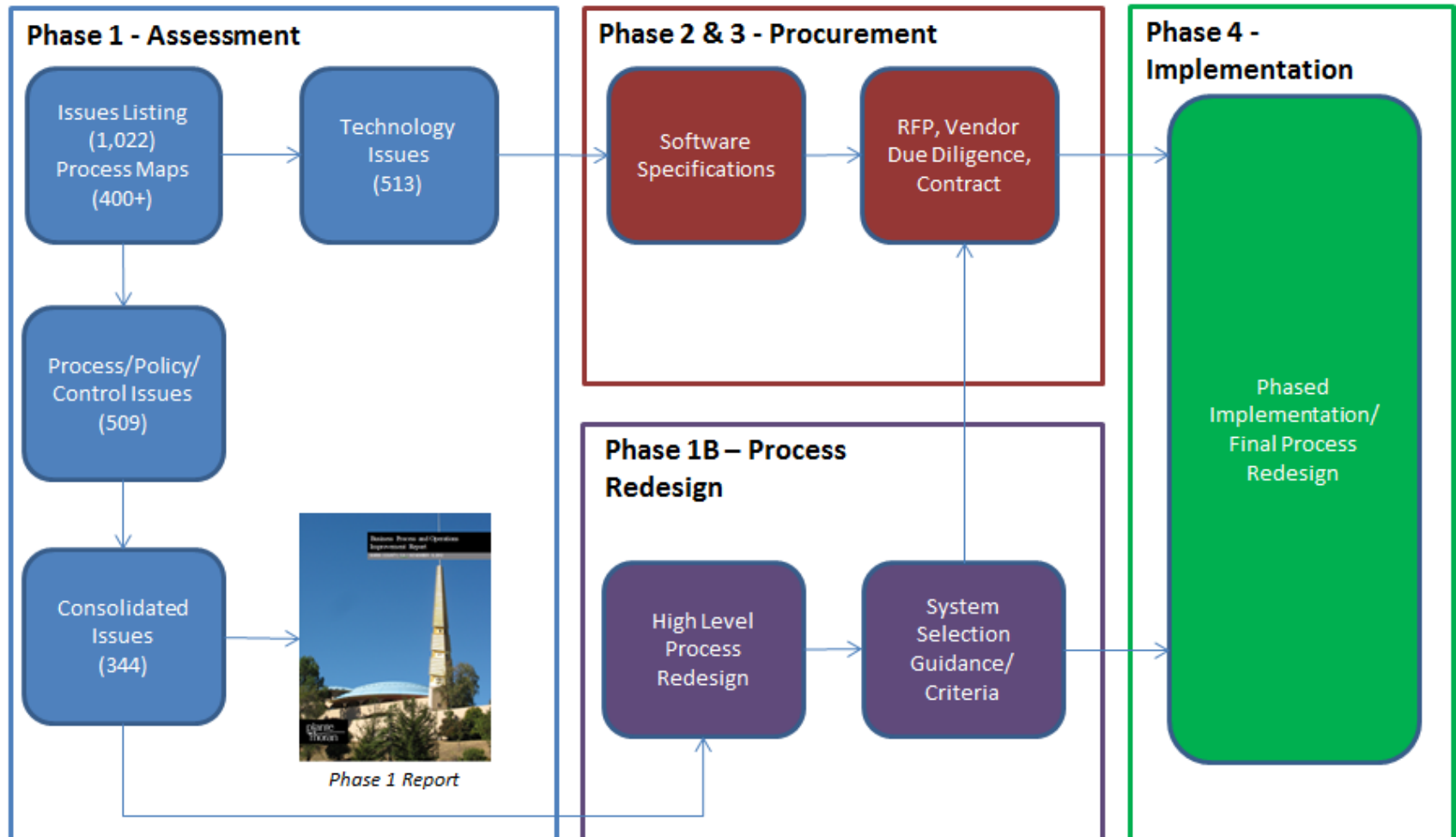
1. Phased deadlines based on readiness not an arbitrary schedule
2. Simpler software solutions design for the public sector
3. Structured project management and oversight by IST throughout the life of the project
4. Meaningful input from our user community at key junctures
5. Timely, quality and targeted training
6. Early and ongoing change management

Why this project matters

Benefits to our Residents, our Employees, our BOS

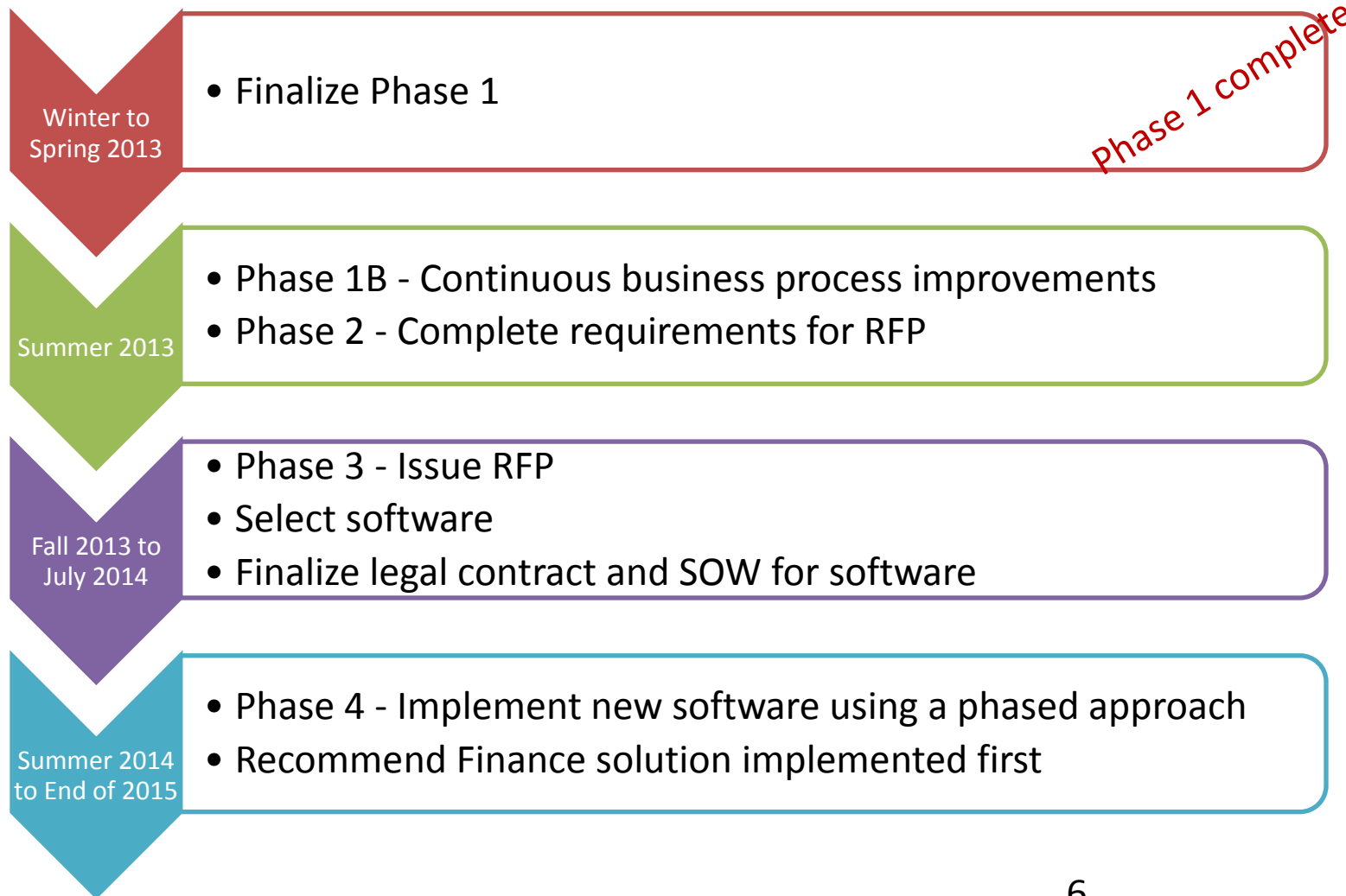
- With 12% fewer staff, we need more effective and efficient administrative services to better fulfill our mission
- Empowering the County's most valuable assets – our employees – with enhanced tools and abilities to manage daily business and employee development
- Improved financial and HR reporting capabilities allow more transparent government and more tools to set priorities for use of County resources

Overview of project phases



Project Review: Schedule and Phases

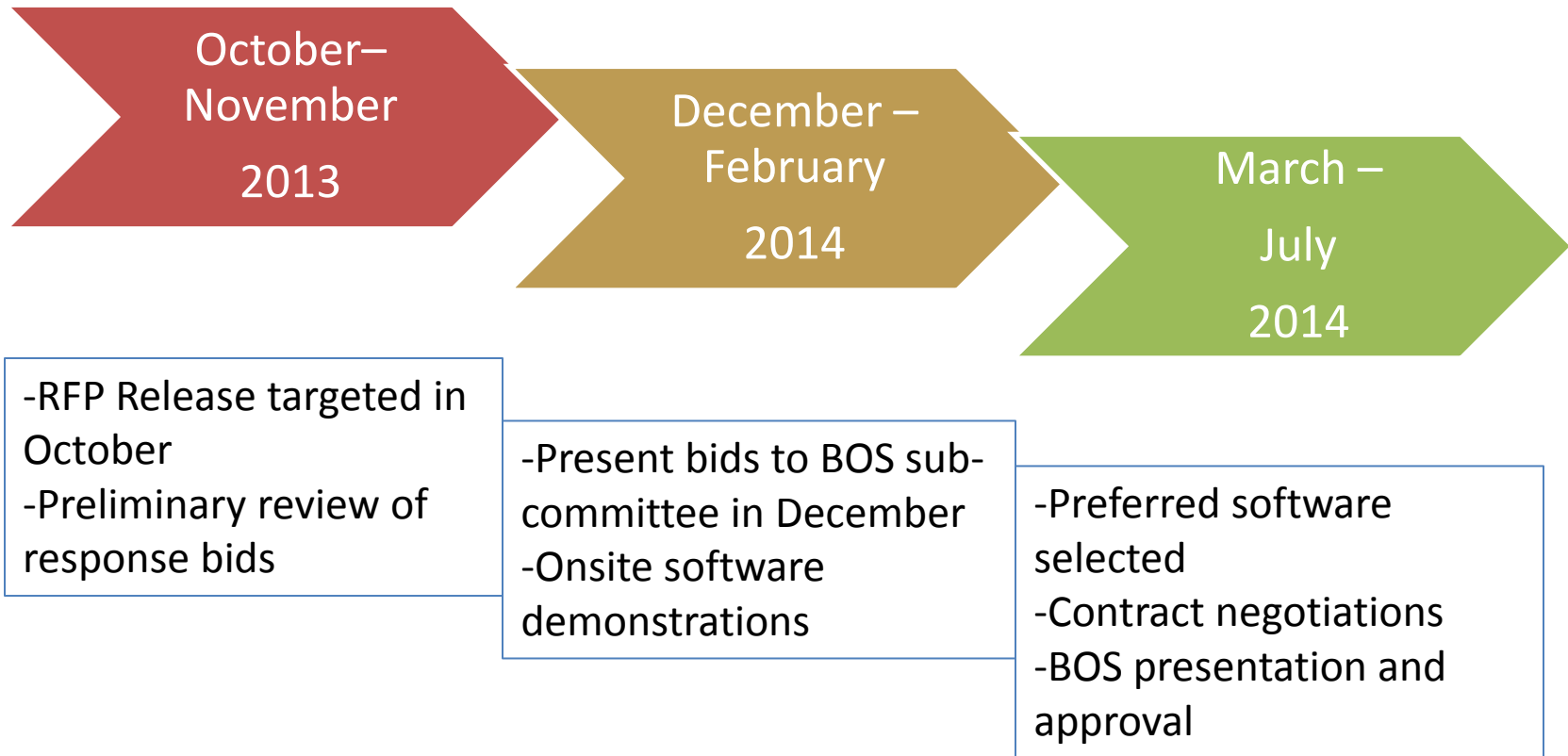
- *Comprehensive project plan used to track all major milestones for each phase*
- *Detailed project plan with integrated change management for phase 2 and 3 is being used to manage progress*



Phase 2 – Gathering System Requirements

- The essential capabilities of a software system are captured and vetted
- The Tier 2 software products will likely all be able to satisfy the majority of our requirements
- We need to validate the specific business needs of our operating departments to help select the best Tier 2 software product for Marin
- All County operating departments will be asked to confirm and contribute to the list of requirements
- No one system will do it all – we must prioritize our needs to find the ‘best-fit’

Phase 3 – Request for Proposal



Review of Recommended Option

- We are recommending issuing RFP to test the market for a Tier 2 solution.
- Plante Moran estimates total project cost for Tier 2 solution to be approximately \$16 million for both phase I and II. The actual project costs will depend on a number of factors.
- Several factors such as market conditions, software selection and degree of customization would impact final costs

Review – Status Quo-Maintain Current system

- No improvements to system functionality
- Limited functionality and issues of internal controls, system usability, inefficiency would not be addressed
- \$5-\$7 million system upgrade will be required in 2-3 years
- No reduction in ongoing costs

Review – Re-implement and enhance SAP

- It would allow us to address and fix some of our functionality issues with SAP
- \$8-15M projected one-time project costs
- Additional ongoing resources would be required- 7 additional FTE would be needed (4 FTE would be reassigned back to MERIT and 3 additional staff would be needed)

Recommendation

Issue RFP and consider Tier 2 solution

- Enhances current functionality
- Opportunity to create more efficient and modern business practices
- Will result in budget savings of at least \$1M annually when both phases are implemented
- Plante Moran estimates total project costs to be approximately \$16 million--\$9.6 million for Finance and \$6.4 million for HR/Payroll.
- Both total costs and ongoing savings will be used to evaluate vendors

Implementation Strategies

1. Phase the project (Finance implementation followed by HR and Payroll implementation) spreads the one-time costs out over multiple fiscal years
2. Reduce implementation costs by adhering closely with best-practice vendor implementation (limited customization) -> *may require changes in our organizational processes*
3. Maximize productivity savings through business process improvements
4. Consider return on investment when evaluating vendors

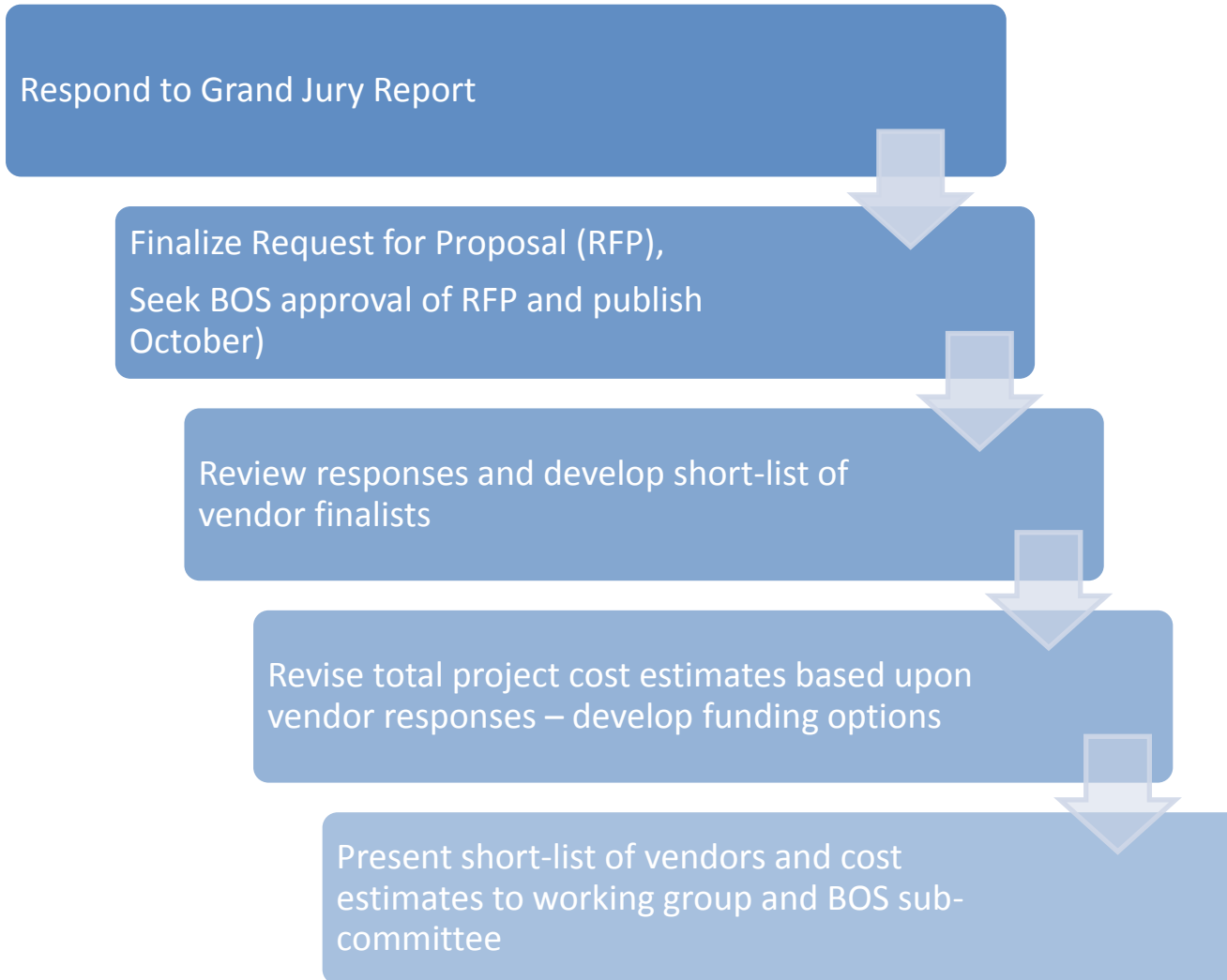
RFP Strategy and Selection Criteria

RFP will request responses to specify:

- Contractor options on implementation (vendor or 3rd party provided implementation team)
- Comprehensive systems requirements documented for all major systems components (Finance, Human Resources, Payroll)
- Selection criteria will at a minimum include:
 - Percentage of critical Marin County functional requirements met
 - Vendor implementation experience in California
 - Total implementation cost (inclusive of County staffing costs)
 - Total implementation timeframe
- Total ongoing costs of ownership (hardware, software, staffing)to be considered
- Vendor demonstration of County defined systems test cases. For example, demonstrate how we would pay an invoice or accrue grant revenue.



Next Steps – through December 2013



Next Steps – January to July 2014

Onsite software demonstrations involving employees and based upon Marin County scripting

Finalize software vendor selection

Present preferred software vendor to working group and BOS sub-committee

Bring negotiated contract for software and services to the BOS for approval and funding

Begin implementation – expecting to begin with Finance software replacement

Questions?

