

RESPONSE TO GRAND JURY REPORT

Report Title: Marin's Software Saga Continues – But is there MERIT in ATOM?
Report Date: June 10, 2013 (Public release date)
Response by: Marin County Board of Supervisors, including requested response from County Administrator and Directors of Finance, Information Services and Technology, Public Works, and Human Resources

FINDINGS

- We agree with the findings numbered: F1, F8
- We disagree wholly or *partially* with the findings numbered: F2, F3, F4, F5, F6, F7

RECOMMENDATIONS

- Recommendations numbered R1, R7 have been implemented.
- Recommendations numbered R2, R3, R4, have not yet been implemented, but will be implemented in the future.
- Recommendations numbered R5, R6 require further analysis
- Recommendation numbered R8 will not be implemented because it is not warranted.

Date: August 20, 2013

Signed: _____

Marin County Board of Supervisors

Response to Findings and Recommendations from Grand Jury Report
"Marin's Software Saga Continues – But is there MERIT in ATOM?"

Including requested response from County Administrator and Directors of Finance,
Information Services and Technology, Public Works, and Human Resources

FINDINGS

F1: The Board of Supervisors, and other key players made decisions that contributed directly or indirectly to the MERIT project failure.

Response: Agree.

F2: The ATOM project has been designed and managed in ways that show the BOS has learned lessons from MERIT. However, the current governance structure for ATOM is unclear and does not fully assign responsibilities or give "ownership" of the project to any specific entity or person.

Response: Partially disagree. We agree that the ATOM project has been designed and managed to show that we have learned from the lessons of the MERIT implementation. We partially disagree that "assigned" ownership is unclear. We believe that it has always been clear that the County Administrator is responsible and accountable for the project. Nonetheless, we agree with the Grand Jury recommendation #1 to appoint both the County Administrator and the IST Director as Project Directors.

F3: The PM role for ATOM has not been given the authority and responsibility warranted for a project of this size.

Response: Partially disagree. The project, thus far, has been a business review project in preparation of new software implementation. As such, it has entailed coordination with Department Directors responsible for processes in Finance, Human Resource, Budget and Procurement, with oversight by the project sponsor and extensive input from system users in all departments. Once the Board approves a new system implementation project, the project manager will be given the authority and responsibility to oversee all the project team members.

F4: ATOM has no comprehensive project plan or change management plan in accordance with Project Management Institute (PMI) standards.

Response: Partially disagree. The business process review phase has included project schedules and change management activities, which have occurred throughout the project planning process. A more detailed project plan, consistent with PMI standards, is being prepared for the systems implementation phase.

F5: There is a heavy reliance on outside consultants to guide and drive the ATOM project, with no clear plan to acquire the needed expertise to avoid a similar reliance in the future.

Response: Disagree. The project, to date, has been a business process review project. It has been managed, guided and “driven” by County staff. To help better inform our business process improvements, we have utilized consultants with expertise and experience in Public Finance, Human Resources and Procurement related to Tier 2 software systems.

Our goal is to have less reliance on consultants, and develop staff expertise so that they can maintain the new system independently. Although we are relying on staff to drive the project, it is not realistic to expect that we will not use consultants to help bring skills and expertise that may not be available within the County workforce.

F6: The BOS does not have a well-defined oversight role established over ATOM that ensures frequent briefings and comprehensive progress summaries (dashboards).

Response: Partially disagree. The ATOM project includes a BOS subcommittee which has met and will continue to receive briefings throughout the project. During this first phase of the project, the business process review, the subcommittee has met several times, and we have provided the Board of Supervisors with project updates at major milestones. We agree that the use of a project dashboard will be useful to both the project managers and the Board.

F7: The BOS did not use an objective advisory resource (OAR) for evaluating major decisions pertaining to MERIT or ATOM.

Response: Partially disagree. For ATOM, Plante Moran, has been utilized as the third party expert, since they do not implement systems and have no business relationship with the software vendors. They have provided their analysis and advice to the Board. Going forward, the County Administrator is proposing a working group of local finance, technology, human resource and project management experts to provide further objective input and feedback to the BOS subcommittee and County Administrator.

F8: The BOS does not have a standard procedure for using an OAR when considering or overseeing large projects.

Response: Agree. There is no standard procedure, as circumstances and needs will vary by project, timeliness, and community interest.

RECOMMENDATIONS

The 2012-2013 Marin County Civil Grand Jury recommends that:

- R1: The BOS reconfigure the ATOM governance to appoint the CAO and the IST Director as Project Directors with full authority to manage the project, and equal responsibility for its successful completion.**

Response: This recommendation has been implemented. The CAO has overall responsibility for the project, and the IST Director is responsible for project management.

- R2: The BOS elevate the current Project Manager role to senior, full-time Project Manager status reporting to the Project Directors and having responsibility for all project operations.**

Response: This recommendation has not been implemented but will be in the future. If the Board approves going forward with systems implementation, the project manager will have functional authority over the project team and its operations consistent with Project Management Institute (PMI) standards for a strong matrix framework.

- R3: The BOS advise the CA, IST Director, and PM to develop a comprehensive project plan and change management plan for ATOM in accordance with PMI standards.**

Response: This recommendation has not been implemented but will be implemented in the future. A comprehensive project plan and formalized change management plan is being developed for systems implementation. Project planning and change management activities have been occurring with each phase of this project to date.

- R4: The BOS establish a schedule of regular briefings at which the ATOM Project Directors and the Project Manager present a progress summary (dashboard) for all major facets of the project.**

Response: This recommendation has not been implemented but will be implemented in the future. The Board subcommittee receives regular briefings, as does the Board at major project milestones. This will continue with dashboard summaries for all major facets of the project.

- R5: The BOS reduce Marin's reliance on outside consultants and hire outside consultants only when the requesting department can fully demonstrate the lack of that expertise within the department.**

Response: This recommendation requires further analysis. The Administrative Service departments (CAO, HR, IST, and DOF) are striving to use staff before

contracting with outside consultants. Nonetheless, the project will need some level of outside consultants for both expertise and short-term staffing needs, as the County's workforce has decreased by 12% in the past 4 years. To learn lessons from the MERIT implementation, even as we utilize consultants, we need to ensure that the project remains driven by staff, and that County staff develops the expertise to run the system independently. In some instances, it would be short-sighted and more costly to hire permanent County staff with long-term benefit obligations for a three-year project.

- R6: The BOS require departments requesting outside consultants to use the contract with the consultant to acquire the missing expertise, unless the scope of the consulting is unique and limited.**

Response: This recommendation requires further analysis. Our bottom line is that we want to deliver a successful project implementation. We will not be successful if we are dependent on consultants. At the same time, we will not be successful if we are not able to utilize consultants when circumstances and project success require it.

- R7: The BOS identify or develop an objective advisory resource (OAR) who is a subject matter expert in IST Project Management, to review the design and governance of ATOM, and to brief the BOS on any potential problems or recommended changes.**

Response: This recommendation has been implemented. The Chief Information Officer (Director of IST) is convening an ad-hoc working group to provide outside expertise to the BOS subcommittee and County Administrator.

- R8: The BOS identify or develop an OAR entity and formally insert that resource into its decision-making process for all major projects.**

Response: This recommendation will not be implemented because it is not warranted for all major projects. Different projects will require different levels of review and oversight. The Board of Supervisors reserves the right at any time to appoint subcommittees and call upon independent advisors to help fulfill their oversight responsibilities.