



King County

Attachment A

**Constituent Relationship Management
(CRM)
Financing Plan**

**Response to King County Ordinance
17695, Section 63, as amended by
Ordinance 17781, Section 7, Proviso P3**

Date: August 12, 2014

1. INTRODUCTION

As part of the 2014 budget, the King County Council appropriated funding for the Constituent Relationship Management (CRM) Expansion Project. That funding included the following Proviso P3:

Of the appropriation for project 1121493, CRM expansion, no funds shall be expended or encumbered until the executive transmits a financing plan and a motion approving the plan and the motion is passed by the council. The executive must file the plan and motion required by the proviso in the form of a paper original and an electronic copy with the clerk of the council, who shall retain the original and provide an electronic copy to all councilmembers, the council chief of staff and the lead staff for the law, justice, health and human services committee, or its successor. The plan shall provide for the deployment of the customer relations (sic) management system to be paid for by the users of the new system and shall include certification by the highest ranking officer of each department that their agency will use the system.

This report fulfills both the letter and the spirit of this proviso as follows:

- Defines a model for expending project resources that both leverages the capital resources already approved and appropriated by the King County Council, and specifies how customer departments will also contribute resources for their appropriate investment in the solution.
- Further defines the ongoing cost model for the CRM platform service, in a manner that ensures the costs are paid by customer organizations using the platform, without any King County Information Technology (KCIT) revenue associated with a shared or “enterprise” funding model that involves contributions from departments not using the platform.
- Identifies the initial scope of customer departments, divisions, and agencies that will participate in the 2014 project, with those user departments certifying their use of the constituent relationship management system.

2. PROJECT EXPENDITURE MODEL

The CRM Expansion Project was approved and funded in order to develop custom interfaces, workflows, web portals, and reporting required to create suitable constituent management solutions for King County departments. The initial investments are tailored to specific customer departments. However, because CRM is also a shared platform, the results are extensible to other departments, and define data integration and shared data management that benefit other customers. This justifies a matrix of department-specific costs and share-project costs.

To reflect this, the project will adopt the following principles in determining project cost allocation:

Constituent Relationship Management (CRM) Financing Plan

- Work that creates universal “patterns” or logic that will be shared by all customers will be a project cost.
- Work that configures those patterns in a manner that will likely be leveraged by other users will be a project cost.
- Work that is done by subject experts to identify departmental-specific operational objectives will be a customer cost involving “in kind” customer resources paid for by their department/agency budget.
- Work that is done to configure the CRM software and integrate it with data that will then support both the new customer and other customers/users that are part of the CRM community will be a project cost.
- If the customer wishes to contract with a third party training organization to provide additional training to employees on the use of CRM, that cost will be a customer cost incurred on-demand.

Based on current best estimates regarding the level of effort for the deployment of CRM to a new customer department, the estimated project expenditures and cost allocation model will be as follows on a per-deployment basis (costs will vary based on user requirements and level of effort, to be determined on a case by case basis):

Project Activity	Cost Allocated to Project	Cost Allocated to Customer Department
Initial pattern analysis	\$13,200	
Data mapping	\$6,600	
Business workflow expert design		\$48,000
CRM application development	\$60,000	
Customized employee training		\$8,000
Unified program management	\$21,600	
TOTAL DEPLOYMENT COSTS	\$101,400	\$56,000

3. KCIT CRM SERVICE COST MODEL

King County’s CRM platform is a cloud service, and as such ongoing operational costs are aligned to a per-user licensing model. This is different than KCIT’s traditional application service model, which has typically defined ongoing operational and maintenance costs as a total cost of operation for the specific application, to be charged to customer departments.

For the CRM service, KCIT will employ a hybrid cost model that aligns actual costs to a per-user cost model, while providing an option for customers to enhance their use of CRM on an ad-hoc basis.

In this way, the department has their ongoing costs pre-determined based on their custom needs, with total flexibility to pay for only the service they need to support their users and operations.

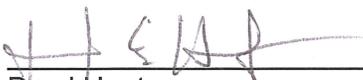
Constituent Relationship Management (CRM) Financing Plan

For 2015, the CRM service price model will be as follows:

Item	Description	Allocation Model	Service Cost
Base CRM Platform	Provisioning of CRM platform and agency instance, including: <ul style="list-style-type: none"> • Service center/tier 1 support • Workstation/tier 2 support • Application/tier 3 support • Technical vendor support • User account administration • Internet platform access • Outlook and email communication integration • Office product/tool integration • Management and testing of vendor-initiated upgrades, releases 	Per user cost	\$500 per user per year
Vendor Licensing	Vendor pricing for Platform-as-a-Service (PaaS) cloud product	Per user cost	\$500 per user per year
Department CRM Instance Support	Support of departmental requests to augment application functionality on an ad hoc basis, which may include: <ul style="list-style-type: none"> • New data integration with county business systems • New interface/web portal development • New development of activity/ management reports • Quarterly testing and releases of requested enhancements 	Business Solution Service ad hoc development cost model	\$130 per hour

4. 2014 CUSTOMER CERTIFICATION

The customers below have agreed to begin adopting the enterprise CRM application, and desire to engage immediately in the project to develop, configure, and deploy CRM to meet their constituent relationship management objectives.



Daryl Hunt
Manager, King County Institutional Network (I-NET)
Department of Information Technology

8/14/14
Date



Tre' Maxie
Chief Deputy Assessor
Department of Assessments

8/14/14
Date



Caroline Whalen
Director and County Administrative Officer
Department of Executive Services

8-15-14
Date



Sherril Huff
Director
Department of Elections

8/13/14
Date