King County

Department of Assessments

Accounting System Update
Property-Based System
<Project # 378305>

Benefit Realization Report

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Revision History

Version #	Revision Date	Revised by	Description
1.1	10/26/2010	Gary Tripp	Changed logo
1.2	4/15/2012	Karl Nygard	Updated and added detail

1.0 Value Received

This project has tremendous value to County's property-service agencies, as well as the DOA. It modernizes a core function for the department and the entire County, and per a 2005 Moss Adams report said the County's mainframe system was *a high risk* because of the legacy nature of the COBOL based software, and the system's inflexibility in a world of ever-changing property tax parameters – this would help minimize or alleviate this risk altogether. In addition, limitations on decimal calculations mean scores and scores of levy rates must be calculated manually, which is time-consuming, poses greater risk of error, greater non-value added work, and lacks the ability for independent auditing. While the Property-Based System (PBS) hardware and software are stable, the system has long outlived its useful life. The Washington State Auditor's Office (SAO) has also identified several problems with mainframe, including the limitations on decimal points.

Replacement of the PBS system will be a multi-faceted approach. First, King County Information Technology (KCIT) is to move PBS functions from the mainframe to a server-based platform.

It will eliminate process concerns previously highlight by the State Auditor. It will improve levy rate and tax roll processing for both DOA and Finance and Business Operations Division (FBOD). It will slash cycle time for producing levy rates from over ten (10) weeks to one (1) to two (2) weeks, or even hours., a significant LEAN process achievement of waste reduction. The modular implementation strategy of this project, if successful, will save millions of dollars in avoided cost of buying an entire vendor replacement system. In addition, if successful in building a Washington State-based PBS platform that integrates field data collection, assessed value setting, and levy setting and tax roll certification, we would have a King County "product" that could be offered to other counties for cost-sharing, and even to the Department of Revenue (DOR) as the recommended system of choice for the state.

The quicker cycle time for levy calculations and tax roll certification would save thousands of dollars annually in staff time. Deployment of a modular solution and streamlining of a new SQL data process would save thousands in staff time each year. Finally, a modular approach in terms of PBS Replacement would save between $2 to $8 million in avoided cost of a vendor system if an in-house solution can be developed successfully and timely.

Lastly, building upon the efficiencies and successes of the King County's Accountable Business Transformation (ABT) projects, we could leverage internal King County vendor talent already familiar with business requirements gathering to develop specific and relevant business case, saving significant contract dollars because of already established expertise and familiarity with system requirements.

1.1 Metric description and collection method:

This is a collaborative technology project between DOA, FBOD and King County Information Technology (KCIT) and other Executive Branch agencies to accelerate the timetable for moving key property-based functions off the mainframe, and develop a truly modern, LEAN-oriented SQL platform for property data management as well as levy calculations and tax roll certification.

KCIT has been working on a mainframe migration effort already. DOA has been working parallel on taking key DOA functions off the mainframe and extracting them to a SQL platform. We are already merging efforts into a mutually compatible direction. However, we will need additional support to fully realize all the benefits for the project. We believe John Zook's company BTRG, which is already working with Performance Strategy and Budget (PSB) and ABT on King County's Budget and Performance Management and the new Hyperion Budget Systems, could significantly help us realize success in the most cost-effective and timely way.

Adopting modern server architecture will provide greater agility and flexibility in use, as well as assure we have a platform we can build upon for years to come and staff to support its continued improvement.

Goals/Objectives
The priority goal is getting off the mainframe as soon as possible. Even in the most aggressive of scenarios, this will take at least two to three years to fully complete. Here are the major goals:

- Migrate from mainframe as soon as practical.
- Place existing mainframe functions in a SQL Server language.
- Cross-check the SQL operation against the mainframe to ensure error-free migration.
- Gain greater agility, flexibility and accuracy from new system.
- Create a platform that will allow more robust and timely queries to enhance county business process.

The major objectives are:

- Mirror hard-coded DOA/FBOD functions on the mainframe in a new SQL platform.
- Expand the decimal carrying capacity to 10 places or more.
- Cut cycle time for levy calculations and tax roll certification.
- Re-engineer entire SQL system once code is all in a common platform to improve the business process.
- Greater query capabilities without need for programmers to custom write each search.

The major metrics for this first phase are:

- Develop Executive Steering Group comprised of senior leadership of PBS system users and technical support agencies
- Identification of Scope
- Approval of Scope
- Business Requirements gathering for the Request for Proposal (RFP)
- Approval of Business Requirements
- Development of RFP
- Validation of connectivity with other systems already in place, CAMA, Oracle Core Financial, etc.
- Evaluation measures for RFP submittals

These metrics or project milestones for the first phase of the mainframe PBS migration will be tracked by the project manager and reported to the steering group and stakeholders.

1.2 Transition plan:

The Chief Information Officer provided conditions for the partial funding of the PBS Accounting System Update to include:

- fund business process analysis that compares TCO of vendor based versus in-house solutions and provides a more complete picture of business processes and to-be state
- leverage mainframe migration project as part of analysis

While the metrics and milestones listed above will be tracked, our continuing analysis will address the conditions, listed.

In addition, the DOA has already met with vendors throughout the country and visited sites with operational systems and based upon this research has determined that the full-cost concept of an entire PBS replacement would not meet our business needs, nor would the County be able to fund such a project. With the validation of an external vendor who specialized in business requirements design and analysis and our own research, we have the in-County talent to develop the business requirements in-house with assistance, and implement a modular design to complement our already state of the art front and back ends of the PBS function. We need the accounting system module for system integrity.

Department Director Signature: _____

1.3 Operational Efficiencies Benefit Measurements (as applicable)

Description	Metric	Baseline	Target	Actual	% Accomplished
Levy Rate Calculations	*Time*	*8 weeks*	*3 weeks*		
Tax roll prep	*Time*	*10 weeks*	*2 weeks*		
Business Requirements	*Map present state*	*Present process state*	*Cut number of steps by 1/3*		

1.4 Annual Cost Savings Measurements (as applicable)

Description	Initial Projected Cost Savings/avoidance/revenue (from business case)	Updated Savings/ avoidance/ revenue	Actual Savings/ avoidance/ revenue	Explanation of Variance
Benefits	**2013 – $4M to $7M 2014 – $4M to $7M**	**2013 – $300K to $800K 2014 – $6.5M to $8.7M**	**TBD**	**Updated assumption of developing RFP and the associated costs in 2013, and in 2014 awarding contract for PBS System Update.**

1.5 Other Benefits:

Modernizing the mainframe Property Based System will have significant benefits beyond potential cost savings by allowing us to process levy rates and tax rolls quicker, thus providing information earlier to PSB, and our partner taxing districts. A server-based system will also give us greater flexibility and agility to run queries and mine our data to perform better, more real-time analytics. In addition, a server platform will provide us the modern system architecture so we can extend and expand our mobile technology initiative, thus capturing additional potential efficiencies unavailable with the existing system.