



**King County**

## **Constituent Relationship Management**

### **Response to Financing Plan**

**Date:** August 12, 2014  
**Amended:** June 8, 2015

## 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:

*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 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.

The King County Executive, the County Chief Information Officer, and the Department of Information Technology (KCIT) look forward to approval of this proposal so that we may continue to improve service to the residents of King County.

## 2. PROJECT EXPENDITURE MODEL (AMENDED JUNE 8, 2015)

The CRM Expansion Project was approved and funded in order to develop custom interfaces, workflows, web portals, and reporting required to create tailored constituent management solutions for King County departments. However, because CRM is also a shared platform, the results are extensible to other departments, and shared data management benefits other customers. As a result, a matrix of department-specific costs and project costs is justified.

As part of the development of the initial CRM platform (performed in 2012-13), the Department of Information Technology (KCIT) defined specific use cases, a.k.a. “patterns”, common to specific types of constituent interactions. These patterns were designed in a manner that aligns to common business requirements and service scenarios. In addition, that initial project defined a data architecture that includes data that is shared for all constituent interactions, data that is common to most interactions but is not shared, and the ability to create or integrate with data that is unique to an agency or operation.

When developing a solution as part of the CRM Expansion Project, agencies will be required to pay a percentage of the project costs. That percentage will be based on how closely their request and requirements align to the functions and patterns that are known to be common to other agencies, and thus the solution will either reuse existing application functionality or will contribute functions that can be obviously shared with and will benefit other agencies.

To directly and explicitly meet the policy direction of the King County Council, and also achieve the service objectives of King County, the CRM Expansion Project will adopt the following financing plan and cost allocation model related to all CRM Expansion Project development work:

Cost Allocation Tier	% Paid by Project	% Paid by Agency	Explanation
Tier #1: Extremely Common Functionality	90%	10%	Functionality very closely aligns to the core “Constituent Correspondence Tracking” use case/pattern; Variations are easily adopted into the product and will also benefit and be extended to other agencies
Tier #2: Common Functionality with Custom Requirements	75%	25%	Overall functionality similar to Tier #1 and thus can benefit other agencies, however with customization for agency specialized workflow (e.g., request fulfillment tracking) or variations in the definition of a constituent (e.g., person is associated with a third party/regional partner/organization)
Tier #3: Unique Functionality within the Shared Data Model	60%	40%	Functionality is different that correspondence tracking (e.g., constituent licensing), however the solution will still leverage the common data model for information to be reasonably shared and reused by other participating agencies
Tier #4: Unique Solution	40%	60%	The solution still leverages the enterprise CRM solution, but is logically independent from the environment, either as a result of being a stand-alone instance of CRM, or because the agency request requires unique functionality and collects data that will not contribute to the shared data architecture

This financing plan creates a model whereby the “central rates” funded project pays for solutions that will be broadly utilized by any and all agencies throughout all of King County, and directly supports the strategic goal of improved constituent services, while all participating agencies also pay for their unique functional needs, and for the reasonable costs of leveraging the enterprise CRM solution.

### 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.

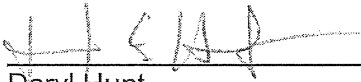
In this way, the department has their ongoing costs pre-determined based on their custom needs, with total flexibility to pay for only the service they need to support their users and operations.

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"> <li>• Service center/tier 1 support</li> <li>• Workstation/tier 2 support</li> <li>• Application/tier 3 support</li> <li>• Technical vendor support</li> <li>• User account administration</li> <li>• Internet platform access</li> <li>• Outlook and email communication integration</li> <li>• Office product/tool integration</li> <li>• Management and testing of vendor-initiated upgrades, releases</li> </ul>	Per user cost	\$520 per user per year
Vendor Licensing	Vendor pricing for 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"> <li>• New data integration with KC business systems</li> <li>• New interface/web portal development</li> <li>• New development of activity/management reports</li> <li>• Quarterly testing and releases of requested enhancements</li> </ul>	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

