

1 – CAPS REPLACEMENT

1. **Program Area:** Capital Improvements
2. **Agencies and Departments involved:** Auditor-Controller, CEO, Human Resources
3. **New or previously identified in earlier Strategic Financial Plans, if previously identified what has changed and why:**

This project is a previously approved Strategic Priority, however, there is a major change in the scope of the project and potentially significantly higher costs. (Please see below for details).

4. **Description of the project/program – what it is and what it will achieve:**

The County's financial, purchasing, and human resources information systems collectively known as "CAPS" ("County-wide Accounting and Payroll System") are a vital component of the County's infrastructure. The County is at a major crossroads with CAPS. Staying with the current system long-term is not a viable option. The systems are costly to operate and maintain. They currently run on an IBM mainframe platform that will become obsolete and unsupported without a heavy investment in replacement hardware. In addition, American Management Systems (AMS) has announced that they will drop support of the release currently running at the County within two years. If the County does not replace the systems after AMS discontinues support: 1) system maintenance costs will continue to grow; and 2) the risk of the systems not functioning properly or the County not complying with legal or regulatory mandates will become significant; and the system will become technologically obsolete and unsupported.

The original Strategic Priority submitted addressed the plan to upgrade the CAPS to the new AMS release. However, a fit analysis of the new release was conducted and it has been determined that the level-of-effort and cost of upgrading were high enough to warrant consideration of other available solutions. Further research indicated that there are other systems available that would be more advantageous to the County's needs (e.g., Enterprise Resource Planning – ERP), and possible outsourcing opportunities as an alternative to an in-house system. A consultant will be engaged, starting in FY03-04, to assist the County in determining a optimum CAPS replacement solution (e.g. in-house, outsource, or blend of both), conduct a needs assessment, assist the County in a competitive procurement of the solution and prepare a county-wide implementation plan. It is estimated that the study will take between 12 to 18 months to complete.

5. **Potential Funding Sources:**

There is currently \$5 million in the Strategic Priority Reserve for this project. Funding for this project will be 100% General Fund. However, approximately 30% of the cost is recoverable from non General Fund sources, primarily the State and Federal governments. Costs of CAPS are allocated through the County-wide Cost Allocation

Plan (CWCAP) to departments and agencies using the services and then being included in their claims and fees. It is anticipated that the funding would be financed over a seven to ten year time period to spread the costs over the useful life of the solution .

6. Cost – estimate and identify separately one-time and ongoing costs:

The total cost is unknown at this time, depending upon which replacement solution is chosen. Upon completion of the consultant’s study, a comprehensive cost estimate will be available.

7. Community Awareness (stakeholders):

N/A

8. Personnel – will the program/project require additional staffing? If so, estimate number of positions:

The Auditor-Controller has requested two limited-term positions (Sr. Accountant/Auditor IIs) to support the implementation of this project.

9. Mandated or discretionary:

This project is not mandated, however, if the current CAPS system is not upgraded or replaced, the County will be subject to the risks outlined in #4 above.

10. Implementation period if funding were available:

Consultant study is anticipated to be completed by FY 04-05 year-end. Implementation of the replacement project is estimated to be from FY 05-06 through FY 07-08.