CAPS Finance & Purchasing System Upgrade

County of Orange Board Offices

Briefing

July 19, 2007

Agenda

- What is CAPS?
- Why Are We Upgrading?
- CAPS Finance and Purchasing Upgrade Overview
- Human Resources / Payroll Status
- July 24th Board Meeting - Agenda Item #18
- Estimated Costs and Funding Sources

What is CAPS?

Overview

- *"CAPS" is an acronym derived from:*
  "County-wide Accounting and Personnel System"
- *CAPS is the County's "Information Central Nervous System"*
- *CAPS is Integral to County Business Processes such as:*
  - *Budget Preparation and Control*
  - *Administration of Financial Records and Financial Reporting*
  - *Procurement of Goods and Services*
  - *Vendor Payments and Trust Disbursements*
  - *Collection of Costs for State and Federal Program Billing*
  - *Administration of Personnel Records*
  - *Maintaining the County Payroll*
- *CAPS is a Family of Integrated Information and Document Imaging Systems that process at the County's Data Center*
- *CAPS is Used County-Wide*

Functional Components

Finance

- Budget Preparation
- General Ledger
- Fixed Assets
- Accounts Payable
- Accounts Receivables
- Cost Accounting
- Source Document Imaging
- On-Line Reporting
- Data Warehouse

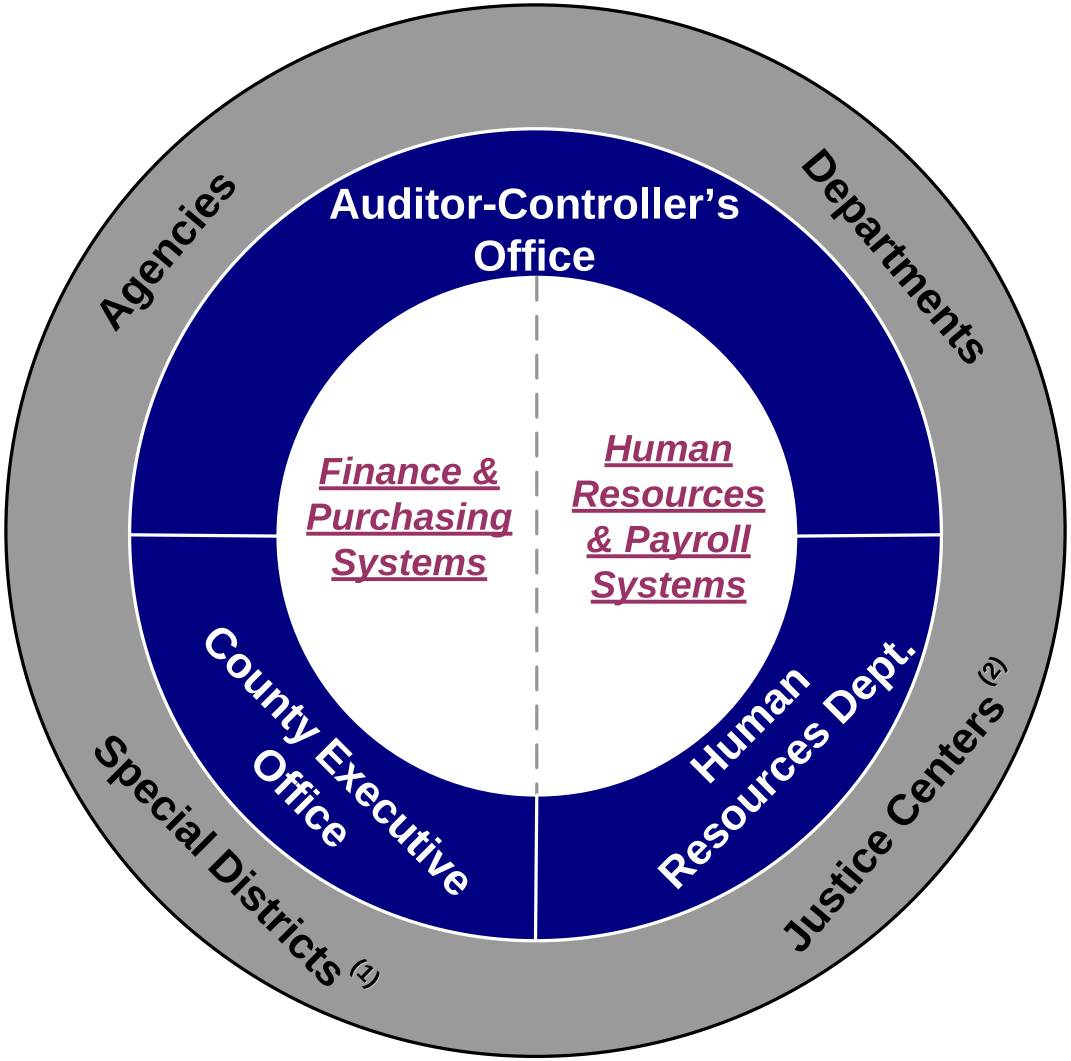
Procurement

- Requisition Administration
- Vendor Registration
- Bid Solicitation & Award
- PO / Contracts Administration
- Inventory Control
- On-Line Reporting
- Data Warehouse

Human Resources and Payroll

- Position Control
- Recruiting
- Personnel Administration
- Payroll Administration
- Labor Distribution
- Time Entry
- Source Document Imaging
- On-Line Reporting
- Data Warehouse

User Community



Notes:

(1) - LAFCO, Law Library, OC Cemetery District, Buena Park Library

(2) - Justice Centers will move to their own Finance/Purchasing system in July, 2007 and to their own HR/Payroll system in 2008.

System Governance

County Auditor-Controller: David Sundstrom (Chairman)
CEO/Chief Financial Officer: Bob Franz (Vice-Chairman)
Director of Human Resources: Carl Crown
CEO/Chief Information Officer: Satish Ajmani
Chief Asst. Auditor-Controller: Shaun Skelly

CAPS Steering Committee (CSC)

Agency and Department Advisory Groups

Purchasing Users Group
Personnel Users Group
Financial Managers Forum
Information Systems Managers Forum

System Managers from:
CAPS Program Office
Auditor-Controller's Office
County Executive Office
Human Resources Department

System Management Team (SMT)

Budget | **General Accounting** | **Cost Accounting** | **Disbursements** | **Purchasing** | **Payroll** | **Human Resources**

Support Teams from:
- Auditor-Controller's Office
- County Executive Office
- Human Resources Department

- ACS, Inc.
- GCAP, Inc.
- Saile, Inc.

Why Are We Upgrading?

Why Upgrade?

Current system is nearing the end of its economic life

- Based on older "legacy system" technology
- Are becoming too expensive to maintain
- Software provider will drop support in future
- Need for Improved County business processes and reduction in associated costs

CAPS Steering Committee (CSC) initiated Strategic Assessment

- Gartner, Inc. engaged to evaluate County alternatives
- Upgrade was identified most cost effective for Finance and Purchasing
- Human Resources / Payroll needed more study

Board Adopted Strategy

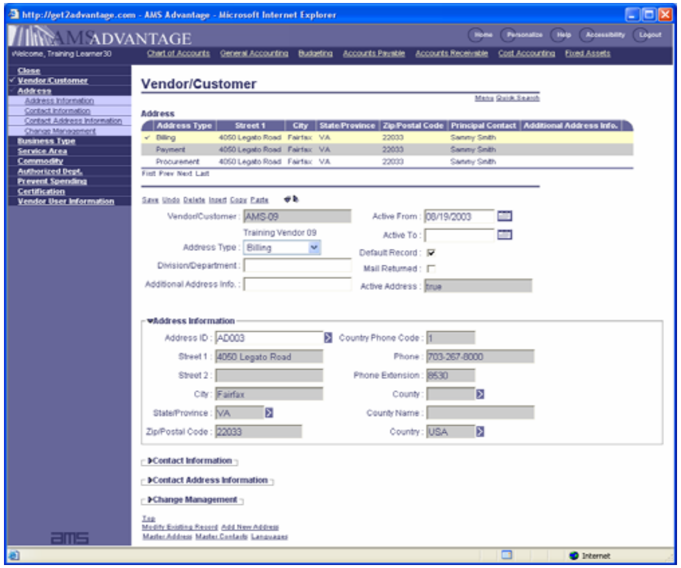
- Directed CSC to complete "Envision Phase" (fit/gap analysis & implementation plan) for the Finance and Purchasing systems and to return to the Board with Implementation Recommendations
- Also directed CSC to complete an Human Resources / Payroll "Visioning Project"

CAPS Finance and Purchasing Upgrade Overview

What is the CAPS Upgrade

Technical Upgrade Elements

- Migrate from IBM Mainframe to Server Environment
  - Reduce costs
- Web Based Software Application
  - Browser based interface (No Software to Install)
- New Reporting Platform
  - Static Reports (with e-mail dist.)
  - Ad-Hoc Reporting Capability
  - New Data Warehouse



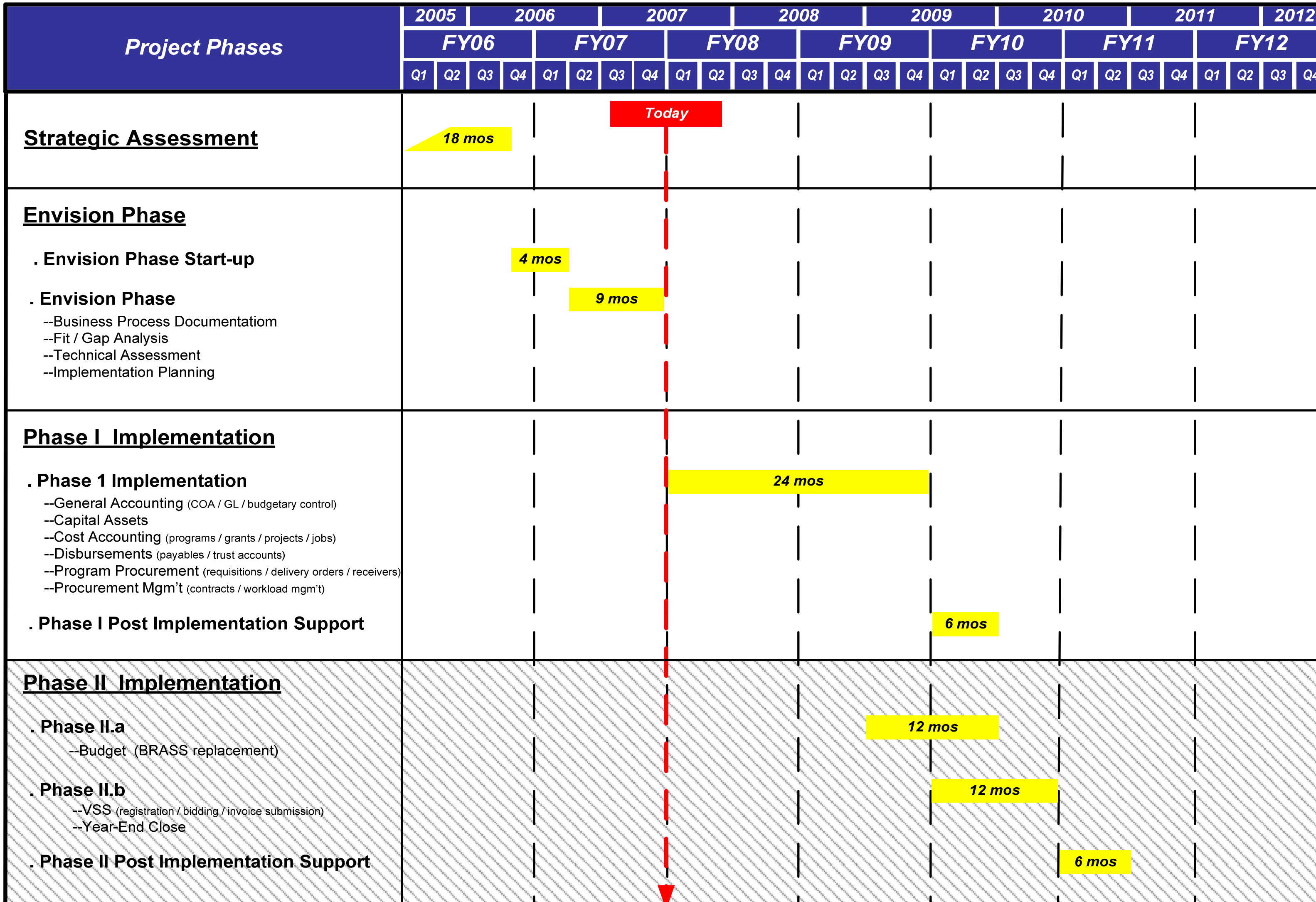
Business Process Improvements

- Extensive use of automated workflow (source data capture)
  - Standardize, Streamline, & Automate Business Processes
  - Paperless Transaction Processing
  - Increase access to information
  - Reduce Transaction Processing Times
- Integrated Capital Assets
- Automated Payment Processing

Strategic Business Process Initiatives

- **Phase 1 (July 2009)**
  - Uniform Organization Structures
  - Budgetary Controls
  - Grant Management Accounting
  - Common Purchase Requisition & Receiving System
  - All Contracts Recorded in the System
  - Payments Must Reference an Encumbrance Document
  - Vendor Invoices to be received centrally
- **Phase II (July 2010)**
  - Vendor Self Service Portal
  - BRASS Upgrade

Project Timeline

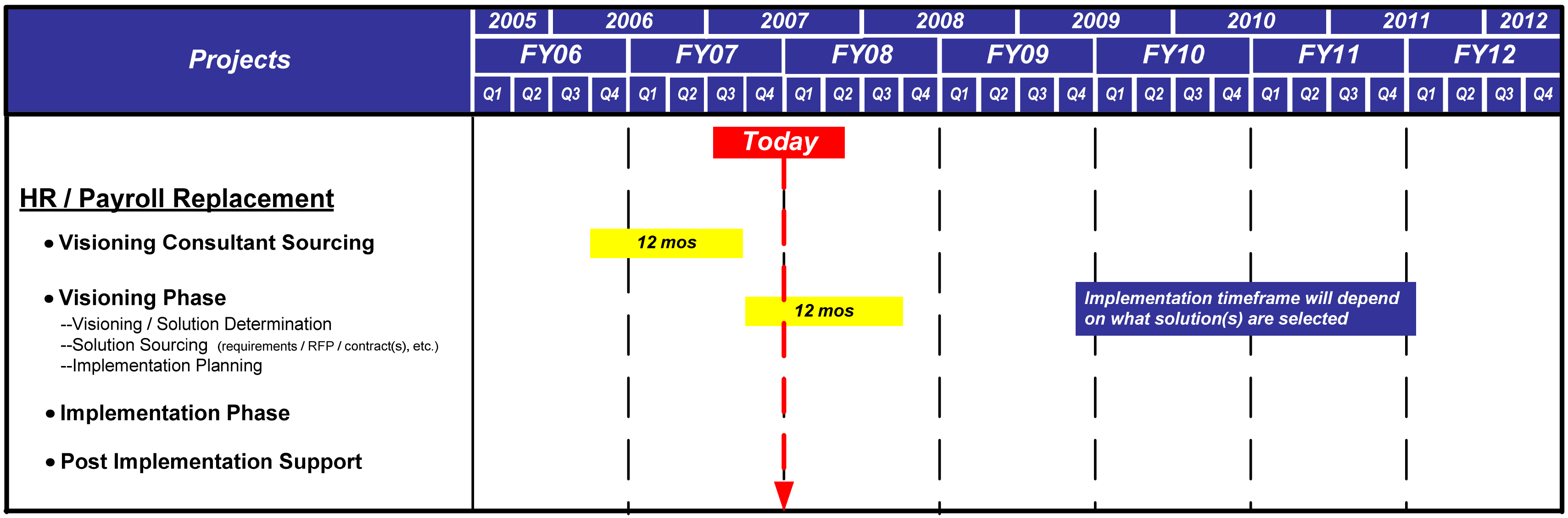


Transition Management Strategy

- **Communication Plan**
  - BOS Quarterly Updates
  - Department Head Periodic Briefings
  - Administrative Head Quarterly Status Reviews
  - CAPS+ Implementation Website
  - CAPS+ Quarterly Newsletter
  - Monthly “Blast” E-Mail Updates
- **Department / Agency Focus Group Participation**
  - Opportunity to help set implementation direction
- **Department / Agency Training**
  - Policy / procedures
  - System
- **Organizational Readiness Reviews**
  - Department Readiness Scorecard

Human Resources / Payroll Status

HR / Payroll Replacement Project Timeline



July 24th Board Meeting
Agenda Item #18

Agenda Item Recommendations

- Receive and file “Upgrade Analysis Document” and “Project Governance Plan”
- Approve CGI Technologies and Solutions, Inc. contract ($17,481,419) for implementation services, additional software licensing, and system maintenance (3 years starting in July, 2009)
- Authorize 10% contingency for CGI contract consistent with BOS policy
- Authorize changes to Scope of Work subject to certain restrictions
- Approve AERIS Enterprises, Inc. contract ($769,000) for Project QA / Risk Management Services

Receive and File

1. Upgrade Analysis Document
   - Results of envision phase
   - System fit/gap analysis
   - Technical analysis
   - Implementation strategies
   - Implementation plan

2. Project Governance Plan
   - Scope statement
   - Project management approach
   - Project organization, roles and responsibilities
   - Project staffing plan
   - Total estimated costs

CGI Contract

1. Professional Services ($13,475,400)
   - Includes:
     - modifications
     - functional support
     - technical support
     - data conversion

2. Software Licensing ($809,201)
   - Additional 3rd party products licensed through CGI

3. Software Maintenance ($1,065,606 annually)
   - 3-years (starting July 2009)
   - Includes Platinum level support

AERIS Contract

1. Professional Services ($769,000)
   - Project QA
   - Risk Management
   - Readiness Scorecard Management

Estimated Costs and Funding Sources

Estimated Costs and Projected Funding Sources

Item	FY06/07	FY07/08	FY08/09	FY09/10	FY10/11	FY11/12	FY12/13	FY13/14	Totals
Estimated Upgrade Costs:									
Envision Phase *(completed)*	2,576,300	---	---	---	---	---	---	---	**2,576,300**
Implementation Phase I		13,963,900	13,668,900	4,041,400	---	---	---	---	31,674,200
Phase I Contingency *(10%)*		1,396,000	1,367,000	404,000	---	---	---	---	3,167,000
Total Phase I Costs:		**15,359,900**	**15,035,900**	**4,445,400**	---	---	---	---	**34,841,200**
Implementation Phase II		---	1,148,200	4,413,600	1,330,700	---	---	---	6,892,500
Phase II Contingency *(10%)*		---	115,000	442,000	133,000	---	---	---	690,000
Total Phase II Costs:		---	**1,263,200**	**4,855,600**	**1,463,700**	---	---	---	**7,582,500**
Total Upgrade Costs:	**2,576,300**	**15,359,900**	**16,299,100**	**9,301,000**	**1,463,700**	---	---	---	**45,000,000**
Upgrade Funding Sources:									
Funding from CAPS Program (014-NCC)	1,800,000	6,100,000	8,500,000	9,301,000	1,463,700	---	---	---	27,164,700
Funding from Strategic Reserves	776,300	9,259,900	7,799,100	0	0	---	---	---	17,835,300
Total Funding:	**2,576,300**	**15,359,900**	**16,299,100**	**9,301,000**	**1,463,700**	---	---	---	**45,000,000**
Estimated Operations & Maintenance Costs:									
Application Support Staff - (A/C, CEO, CSD/GCAP -- 10 fte)	---	---	---	1,618,000	1,675,000	1,734,000	1,795,000	1,858,000	**8,680,000**
Platform O&M - (Data Center & HW/SW maintenance costs)	---	---	---	1,000,000	1,223,000	1,460,000	1,713,000	1,982,000	**7,378,000**
CGI Software Maintenance (includes platimum support)	---	---	---	1,065,600	1,065,600	1,065,600	1,181,000	1,222,000	**5,599,800**
Platform Capacity Growth - (additional HW/SW costs)	---	---	---	182,000	188,000	195,000	202,000	209,000	**976,000**
Total Costs:	---	---	---	**3,865,600**	**4,151,600**	**4,454,600**	**4,891,000**	**5,271,000**	**22,633,800**
Operations & Maintenance Funding Sources:									
Funding from CAPS Program (014-NCC)	---	---	---	3,865,600	4,151,600	4,454,600	4,891,000	5,271,000	**22,633,800**
Funding from Strategic Reserves	---	---	---	0	0	0	0	0	**0**
Total Funding:	---	---	---	**3,865,600**	**4,151,600**	**4,454,600**	**4,891,000**	**5,271,000**	**22,633,800**