

Follow Up Summary

Report: Marin's Software Saga Continues: But Is There MERIT in ATOM?

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Summary: This report analyzes Marin's failed attempt to modernize the County's aging business software systems. Approximately \$30M was spent on the MERIT project over four years beginning in 2006. In 2010 the Board of Supervisors cancelled the project and was faced with an even greater problem – a barely functioning computer system that was much more expensive to maintain. A new business software conversion project, ATOM, was initiated in 2010. This report compares these two projects to see what lessons can be learned and if any of the mistakes made in MERIT are being repeated in ATOM.

The report reveals that several lessons were learned from MERIT that helped in the development of the ATOM project. However, several problems with ATOM were uncovered, which lead to the Grand Jury making six recommendations. The County responded to these recommendations on August 20 2013 (link to responses). The recommendations and the County's responses to these recommendations are below:

R1: The Board of Supervisors (BOS) reconfigure the ATOM governance to appoint the CAO and the IST Director as Project Directors with full authority to manage the project, and equal responsibility for its successful completion.

County's Response: Agree.

R2: The BOS elevate the current Project Manager role to senior, full-time Project Manager (PM) status reporting to the Project Directors and having responsibility for all project operations.

County's Response: Partially disagree. We agree that the ATOM project has been designed and managed to show that we have learned from the lessons of the MERIT implementation. We partially disagree that "assigned" ownership is unclear. We believe that it has always been clear that the County Administrator is responsible and accountable for the project. Nonetheless, we agree with the Grand Jury recommendation #1 to appoint both the County Administrator and the IST Director as Project Directors.

R3: The BOS advise the County Administrator, IST Director, and PM to develop a comprehensive project plan and change management plan for ATOM in accordance with PMI standards.

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County's Response: Partially Disagree. The project, thus far, has been a business review project in preparation of new software implementation. As such, it has entailed coordination with Department Directors responsible for processes in Finance, Human Resource, Budget and Procurement, with oversight by the project sponsor and extensive input from system users in all departments. Once the Board approves a new system implementation project, the project manager will be given the authority and responsibility to oversee all the project team members.

R4: The BOS establish a schedule of regular briefings at which the ATOM Project Directors and the Project Manager present a progress summary (dashboard) for all major facets of the project.

County's Response: Partially disagree. The business process review phase has included project schedules and change management activities, which have occurred throughout the project planning process. A more detailed project plan, consistent with PMI standards, is being prepared for the systems implementation phase.

R5: The BOS reduce Marin's reliance on outside consultants and hire outside consultants only when the requesting department can fully demonstrate the lack of that expertise within the department.

County's Response: Disagree. The project, to date, has been a business process review project. It has been managed, guided and "driven" by County staff. To help better inform our business process improvements, we have utilized consultants with expertise and experience in Public Finance, Human Resources and Procurement related to Tier 2 software systems

R6: The BOS require departments requesting outside consultants to use the contract with the consultant to acquire the missing expertise, unless the scope of the consulting is unique and limited.

County's Response: Partially disagree. The ATOM project includes a BOS subcommittee which has met and will continue to receive briefings throughout the project. During this first phase of the project, the business process review, the subcommittee has met several times, and we have provided the Board of Supervisors with project updates at major milestones. We agree that the use of a project dashboard will be useful to both the project managers and the Board.

R7: The BOS identify or develop an objective advisory resource (OAR) who is a subject matter expert in IST Project Management, to review the design and governance of ATOM, and to brief the BOS on any potential problems or recommended changes.

County's Response: This recommendation has been implemented. The Chief Information Officer (Director of IST) is convening an ad-hoc working group to provide outside expertise to the BOS subcommittee and County Administrator.

R8: The BOS identify or develop an OAR entity and formally insert that resource into its decision-making process for all major projects.

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County's Response: This recommendation will not be implemented because it is not warranted for all major projects. Different projects will require different levels of review and oversight. The Board of Supervisors reserves the right at any time to appoint subcommittees and call upon independent advisors to help fulfill their oversight responsibilities.

Follow-up request for Clarification from the IRC

October 2013

The IRC evaluated the County's responses to the six recommendation and found that five of them (2, 3, 4, 5, and 6) did not meet the statutory requirements as specified in Penal Code. On October 18 2013 the IRC sent a letter to the Board of Supervisors via Matthew Hymel, the County Administrator requesting clarification on these five responses. ([link to letter](#))

R2: Could you provide a timeframe for the implementation of this recommendation?

R3: Could you provide a timeframe for the implementation of this recommendation?

R4: Could you provide a timeframe for the implementation of this recommendation?

R5: Could you provide the scope of the proposed analysis, the time frame for the analysis, and the person / agency responsible to complete?

R6: Could you provide the scope of the proposed analysis, the time frame for the analysis, and the person / agency responsible to complete?

County's Response to Follow-up Request

December 2013

On December 18 2013 Matthew Hymal, the County Administrator, sent a letter clarifying the County's original responses ([link to letter](#)).

R2 Clarification: We expect to fully implement this recommendation in July when the project implementation effort begins.

R3 Clarification: We currently have a draft project plan and change management plan. We expect to finalize these plans once the selection of the new system vendor takes place by June 2014. These plans are dependent on the final selection of a vendor since the methodologies will differ among the various software vendors. As we develop these plans, they will be shared with our ad-hoc working group that has been assembled to provide expertise outside review of our major project milestones.

R4 Clarification: Regular briefings are currently presented to the Board of Supervisors based on project milestones. A progress dashboard report has been developed, and we will provide that as part of our next milestone update, which will be in the software selection phase where we narrow the field of vendors to the top two or three finalists. The project is estimated to enter the implementation phase in July 2014. At that time, we plan to begin providing at least quarterly updates to the Board of Supervisors.

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R5 Clarification: We believe that we are largely following this recommendation as we consider contracts related to the ATOM system project. However, we are not recommending a formal Board policy with regard to selection and implementation of our financial system project that would limit the Board's discretion to only include the criteria stated in the Grand Jury's recommendation.

R6 Clarification: We believe that we are largely following this recommendation as we consider contracts related to the ATOM system project. However, we are not recommending a formal Board policy that would limit the Board's discretion to only include the criteria stated in the Grand Jury's recommendation.

Status of Report and Related Issues

April 2014

The County (Board of Supervisors, County Administrator, and IST Director) has implemented the first six recommendations of this report with the following exceptions:

1. The County has committed to elevate the current project manager's role to senior, full-time status by July of 2014.
2. The County has committed to developing a comprehensive project plan and change management plan by June 2014.
3. The Board of Supervisors, through the County Administrator, has committed to establishing by July 2014 regular, in-depth briefings, during which "Dashboard" progress reports will be presented covering all major aspects of the ATOM project.
4. The Board of Supervisors, through the County Administrator, has now rejected Recommendations 5 and 6 in the original report, which offered suggestions on how to reduce the County over-reliance on outside consultants. However, the Board does state that it will strive to limit the County's propensity for hiring outside consultants.

Next Steps: The ATOM "Ad Hoc" advisory committee is scheduled to meet on October 3, 2014. A representative of the IRC will attend.

Status of Report and Related Issues

October 2014

The ATOM "Ad Hoc" advisory committee met on October 3, 2014:

1. The ATOM project is about a month behind the projected schedule, but that such minor delays were expected.

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2. The major vendor, Tyler, was selected to install / implement software.
3. A comprehensive project plan will be developed in collaboration with Tyler and should be ready by January 2015.

Next Steps: Continue to monitor the completion of a comprehensive project plan, possible cost overruns, and achieving implementation milestones.