

Oakland County Department of Information Technology Project Scope and Approach

Project Name: Reimbursement System Replacement – Analysis Project ID: DA6127RM

Leadership Group: Finance/Admin				
Department: Management and Budget			Division: Reimbursement	
Project Sponsor: Art Holdsworth Linda Spiekerman-harvey		Date Requested: 01/24/2006		PM Customer No. 127
Request Type: <u>New Development</u> <i>Enhancement</i> <i>Customer Support</i> <i>Planned System Maintenance or Upgrade</i>				
IT Team Name: Finance/Admin			IT Team No: A	
Project Manager/Leader: Chithra Chakrapani				
Account Number:	95470	Account Description:	Reimbursement System	Customer Name: Reimbursement
Grant Funded? No No			Mandate? No No	
			Mandate Source:	

Project Goal

To develop requirements for a new Reimbursement system so that an RFP can be prepared and sent out to the Vendor Community and complete the process of selecting a new Reimbursement System by September 2006.

Business Objective

Select a third party solution to replace the current mainframe Reimbursement System.

Major Deliverables

- New System requirement document
- Request for Proposal document
- Bid evaluation criteria
- List of Reimbursement System Software available
- List of finalists
- Selected Software

Approach

- Assess current mainframe system
- Determine requirements for the replacement system
- Assist end users in preparing a Request for Proposal

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- Send out Request for proposal to various Vendors
- Evaluate Bids received
- Select the finalist
- Setup and attend presentation of the software from finalists
- Select a new Reimbursement System

Benefits

- ***Replace outdated mainframe system***

Improved Service

- More timely response to customer inquiries
- Automated response to / for FAQs
- Electronic payment and collections

Product/Service

Productivity

- Reduction in staff time
- Enhanced, more timely reporting
- Elimination of manual shadow systems
- Increased end-user efficiency via automation of manual tasks and follow through efforts
- Early and enhanced collection of revenues
- Significant reduction in IT support costs
- Implementation of a workflow-enabled, imaging-enabled, VRU-interfaced, relational database-driven packaged and vendor supported replacement to a 19 year old COBOL-based legacy system
- Adherence to County technology standards

Impact

Number of Users

37, excluding IT staff

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Divisions

Reimbursement Division

Leadership Groups

Finance/Admin

Risk

Business Environment Medium – Project requires some changes to existing business process

Technical Environment Medium – Previously Implemented technologies, new requirements

Assumptions

Staffing Resources will be available for the hours indicated per the attached project plan.

The following roles and resources' availability will be as follows:

<u>Role:</u>	<u>Name</u>	<u>Hours per Day</u>
Project Sponsor:	Art Holdsworth	
Project Director:	Linda Spiekerman-harvey	
Project manager:	Chithra Chakrapani	

Facilities

N/A

Technical

N/A

Funding

- Management Budget and Information technology

Other

-
-

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Priority

TBD

Constraints

- Availability of functionally acceptable packaged software

Exclusions

- Actual Implementation of the product is not part of this project

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PROJECT PHASE AUTHORIZATION

Phase(s):		
Total Estimated Application Services	Hours: 450	Cost: \$54,900
Total Estimated Technical Systems	Hours:	Cost:
Total Estimated eGovernment Services	Hours:	Cost:
Total Estimated CLEMIS	Hours:	Cost:
Total Estimated Internal Services	Hours:	Cost:
IT Application Services Division Manager Approval:		Date:
IT Technical Systems Division Manager Approval:		Date:
IT eGovernment Services Division Manager Approval:		Date:
IT CLEMIS Division Manager Approval:		Date:
IT Internal Services Division Manager Approval:		Date:
IT Resource Manager Approval:		Date:
IT Resource Manager Approval:		Date:
IT Resource Manager Approval:		Date:
IT Resource Manager Approval:		Date:
IT Resource Manager Approval:		Date:
IT Management Approval:		
Approved: Yes No		Date:
Reason:		
Project Sponsor Approval:		
Title:		Date:

PROJECT SUMMARY

Authorized Development (see above)	Hours: 450	Cost: \$54,900
Preliminary Estimated Development for Future Phases	Hours:	Cost:
Grand Total Estimated Development	Hours: 450	Cost: \$54,900

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PROJECT COMPLETION AUTHORIZATION

Customer Acceptance of Product:	
Title:	Date:
Project Office Review:	Date:

The screenshot shows the Niku Workbench interface for a project named "Reimbursement System replacement - Analysis - Size Estimate (-10% to +50%)". The main window displays a table with the following data:

Type	ID	Task Name	Estimated Hours	Estimated Cost	Estimate Notes
Phase	000000	PROJECT MANAGEMENT	90	\$10,980.	
Phase	030000	BUSINESS AREA REQUIREMENT	360	\$43,920.	
			450	\$54,900.00	

The interface includes a sidebar with various reporting and planning tools, and a taskbar at the bottom showing the Start button and several open applications including Outlook, Yahoo! Mail, and the current Niku Workbench window.

RD ROI - legacy system replacement.xls

Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Benefits/Savings:							
Tangible Benefits Subtotal:	0	0	0	0	0	0	0
Cost Avoidance Subtotal:	0	0	0	0	0	0	0
<i>Annual Total Savings</i>	193,274	198,313	203,504	208,850	214,356	220,027	1,238,324
<i>Cumulative Total Savings</i>	193,274	391,588	595,091	803,941	1,018,296	1,238,324	1,238,324
Costs:							
Development Services Subtotal:	0	0	0	0	0	0	0
Hardware Subtotal:	0	0	0	0	0	0	0
Software Subtotal:	0	0	0	0	0	0	0
Infrastructure Subtotal	145,000	14,500	14,500	14,500	14,500	14,500	217,500
Training Subtotal:	0	0	0	0	0	0	0
Other Subtotal:	0	0	0	0	0	0	0
<i>Annual Costs</i>	460,470	50,070	50,070	50,070	50,070	50,070	710,821
<i>Cumulative Costs</i>	460,470	510,540	560,611	610,681	660,751	710,821	710,821
Statistics:							
Annual Return on Investment	(267,196)	148,243	153,433	158,779	164,286	169,957	527,502
Cumulative Return on Investment	(267,196)	(118,953)	34,480	193,260	357,545	527,502	527,502
Annual Cost/Savings Ratio	238.25%	25.25%	24.60%	23.97%	23.36%	22.76%	
Cumulative Cost/Savings Ratio	238.25%	130.38%	94.21%	75.96%	64.89%	57.40%	57.40%
Year Positive Payback Achieved			Year 3				Year 3
State or Federal Mandate?							
Signatures:							
Project Sponsor	Date: _____						
Information Technology Project Manager	Date: _____						
Technical Services Manager	Date: _____						

RD ROI - legacy system replacement.xls

Benefit/Savings Description	Project Savings Category	Budget Category/Funding Source	Unit Desc	Units	Rate per Unit	Total Savings	Annual Multiplier
Report modifications/new reports/misc. programming/other requests not submitted to IT (assume 0.5 FTE savings)	Tangible Benefit	Account: 12 701200 34000 6030	ANN	1,000	122	122,000	1.030
Employee hours redirected from phone/counter customer service to enforcement activities due to use of web portal and VRU technologies (assume 0.25 FTE savings)	Tangible Benefit	Account: 12 701200 2001 Salaries	ANN	520	34	17,680	1.030
Increased revenue from enhanced enforcement/collections activities	Tangible Benefit	35 130000 23100 0401, Court Costs; 35 130000 23200 0849, Attorney Fees; 35 142293 33000 0315, Juvenile Board and Care;12 701100 31000 0253, Offset fee for Juvenile Board and Care	ANN	1	25,000	25,000	1.000
Accelerated collections via ACH and expedited electronic invoicing	Tangible Benefit		ANN	1	306	306	1.000
Semi-automation of the effort expended on posting charges to client accounts (assume 0.4 FTE savings)	Tangible Benefit		ANN	832	34	28,288	1.030
						0	
Total:						0	

Benefit/Savings Description	Project Savings Category	Affects Project ROI?						Potential Savings Extensions					
		Y1	Y2	Y3	Y4	Y5	Y6	Y1	Y2	Y3	Y4	Y5	Y6
Report modifications/new reports/misc. programming/other requests not submitted to IT (assume 0.5 FTE savings)	Tangible Benefit	x	x	x	x	x	x	122,000	125,660	129,430	133,313	137,312	141,431
Employee hours redirected from phone/counter customer service to enforcement activities due to use of web portal and VRU technologies (assume 0.25 FTE savings)	Tangible Benefit	x	x	x	x	x	x	17,680	18,210	18,757	19,319	19,899	20,496
Increased revenue from enhanced enforcement/collections activities	Tangible Benefit	x	x	x	x	x	x	25,000	25,000	25,000	25,000	25,000	25,000
Accelerated collections via ACH and expedited electronic invoicing	Tangible Benefit	x	x	x	x	x	x	306	306	306	306	306	306
Semi-automation of the effort expended on posting charges to client accounts (assume 0.4 FTE savings)	Tangible Benefit	x	x	x	x	x	x	28,288	29,137	30,011	30,911	31,838	32,794
Total:								193,274	198,313	203,504	208,850	214,356	220,027

RD ROI - legacy system replacement.xls

Benefit/Savings Description	Project Savings Category	
Report modifications/new reports/misc. programming/other requests not submitted to IT (assume 0.5 FTE savings)	Tangible Benefit	789,146
Employee hours redirected from phone/counter customer service to enforcement activities due to use of web portal and VRU technologies (assume 0.25 FTE savings)	Tangible Benefit	114,361
Increased revenue from enhanced enforcement/collections activities	Tangible Benefit	150,000
Accelerated collections via ACH and expedited electronic invoicing	Tangible Benefit	1,838
Semi-automation of the effort expended on posting charges to client accounts (assume 0.4 FTE savings)	Tangible Benefit	182,978
		0
Total:		1,238,324

RD ROI - legacy system replacement.xls

Benefit/Savings Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Tangible Benefit:							
Fiscal Year 2002 180 hours for reports	71,274	72,653	74,074	75,537	77,044	78,596	449,178
Requests not submitted to IT 2002-2003	122,000	125,660	129,430	133,313	137,312	141,431	789,146
<i>Tangible Benefits Subtotal:</i>	193,274	198,313	203,504	208,850	214,356	220,027	1,238,324
Cost Avoidance:							
<i>Cost Avoidance Subtotal:</i>							
Savings Total:	193,274	198,313	203,504	208,850	214,356	220,027	1,238,324

RD ROI - legacy system replacement.xls

Cost Description	Project Cost Category	Budget Category/Funding Source	Unit Desc	Units	Rate per Unit	Total Cost	Annual Multiplier
IT Hours - CS and New Enhancemnts	Development Svcs		HRS	0	122	0	
IT Hours - System Maintenance	Development Svcs				122	0	
IT Hours - Implementation	Development Svcs		HRS	450	122	54,900	
IT Hours - Network System	Development Svcs		HRS	0	0	0	
Contractor Professional Services	Development Svcs					0	
PC System - Acquisition	Hardware					0	
PC System - Maintenance	Hardware				2,304	0	
Notebook - Acquisition	Hardware					0	
Notebook - Maintenance	Hardware				2,372	0	
Mini Notebook - Acquisition	Hardware					0	
Mini Notebook - Maintenance	Hardware				2,196	0	
Laserprinter 1 - Acquisition	Hardware					0	
Laserprinter 1 - Maintenance	Hardware				1,104	0	
Laserprinter 2 - Acquisition	Hardware					0	
Laserprinter 2 - Maintenance	Hardware				1,208	0	
Laserprinter 3 - Acquisition	Hardware					0	
Laserprinter 3 - Maintenance	Hardware				1,860	0	
Image Workstations - Acquisition	Hardware					0	
Image Workstations - Maintenance	Hardware				3,496	0	
Terminals - Acquisition	Hardware					0	
Terminals - Maintenance	Hardware				644	0	
PRTR w/TERM ID - Acquisition	Hardware					0	
PRTR w/TERM ID - Maintenance	Hardware				1,072	0	
PRTR w/o TERM ID - Acquisition	Hardware					0	
PRTR w/o TERM ID - Maintenance	Hardware				1,072	0	
PC Maintenance User Owned	Hardware				2,304	0	
Printer Maintenance User Owned	Hardware				1,072	0	
Package Software - Acquisition	Software		EA	1	250,000	250,000	
Package Software - Maintenance	Software		ANN	1	25,000	25,000	
Business Objects Access	Software		EA	2	5,285	10,570	
Term Emulation SFTW-Acquisition	Software					0	
Term Emulation SFTW-Maintenance	Software					0	
Server - Acquisition/Upgrade	Infrastructure		EA	2	10,000	20,000	

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Cost Description	Project Cost Category	Budget Category/Funding Source	Unit Desc	Units	Rate per Unit	Total Cost	Annual Multiplier
Server - Maintenance	Infrastructure		ANN	2	1,000	2,000	
Server Sftwre - Acquisition/Upgrade	Infrastructure					0	
Server Sftwre - Maintenance	Infrastructure					0	
Oracle Licenses	Infrastructure		EA	1	50,000	50,000	
Oracle Maintenance	Infrastructure		ANN	1	5,000	5,000	
VRU	Infrastructure		EA	1	75,000	75,000	
VRU Maintenance	Infrastructure		ANN	1	7,500	7,500	
Internet Access	Infrastructure				180	0	
Project Staff Training	Training					0	
User Training	Training					0	
						0	
Total:						0	
						0	
						0	
						0	
						0	

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Cost Description	Project Cost Category	Affects Project ROI?						Potential Cost Extensions					
		Y1	Y2	Y3	Y4	Y5	Y6	Y1	Y2	Y3	Y4	Y5	Y6
IT Hours - CS and New Enhancemnts	Development Svcs												
IT Hours - System Maintenance	Development Svcs												
IT Hours - Implementation	Development Svcs	x						54,900					
IT Hours - Network System	Development Svcs												
Contractor Professional Services	Development Svcs												
PC System - Acquisition	Hardware												
PC System - Maintenance	Hardware												
Notebook - Acquisition	Hardware												
Notebook - Maintenance	Hardware												
Mini Notebook - Acquisition	Hardware												
Mini Notebook - Maintenance	Hardware												
Laserprinter 1 - Acquisition	Hardware												
Laserprinter 1 - Maintenance	Hardware												
Laserprinter 2 - Acquisition	Hardware												
Laserprinter 2 - Maintenance	Hardware												
Laserprinter 3 - Acquisition	Hardware												
Laserprinter 3 - Maintenance	Hardware												
Image Workstations - Acquisition	Hardware												
Image Workstations - Maintenance	Hardware												
Terminals - Acquisition	Hardware												
Terminals - Maintenance	Hardware												
PRTR w/TERM ID - Acquisition	Hardware												
PRTR w/TERM ID - Maintenance	Hardware												
PRTR w/o TERM ID - Acquisition	Hardware												
PRTR w/o TERM ID - Maintenance	Hardware												
PC Maintenance User Owned	Hardware												
Printer Maintenance User Owned	Hardware												
Package Software - Acquisition	Software	x						250,000					
Package Software - Maintenance	Software		x	x	x	x	x		25,000	25,000	25,000	25,000	25,000
Business Objects Access	Software	x	x	x	x	x	x	10,570	10,570	10,570	10,570	10,570	10,570
Term Emulation SFTW-Acquisition	Software												
Term Emulation SFTW-Maintenance	Software												
Server - Acquisition/Upgrade	Infrastructure	x						20,000					

RD ROI - legacy system replacement.xls

Cost Description	Project Cost Category	Affects Project ROI?						Potential Cost Extensions					
		Y1	Y2	Y3	Y4	Y5	Y6	Y1	Y2	Y3	Y4	Y5	Y6
Server - Maintenance	Infrastructure		x	x	x	x	x		2,000	2,000	2,000	2,000	2,000
Server Sftwre - Acquisition/Upgrade	Infrastructure												
Server Sftwre - Maintenance	Infrastructure												
Oracle Licenses	Infrastructure	x						50,000					
Oracle Maintenance	Infrastructure		x	x	x	x	x		5,000	5,000	5,000	5,000	5,000
VRU	Infrastructure	x						75,000					
VRU Maintenance	Infrastructure		x	x	x	x	x		7,500	7,500	7,500	7,500	7,500
Internet Access	Infrastructure												
Project Staff Training	Training												
User Training	Training												
Total:								460,470	50,070	50,070	50,070	50,070	50,070

RD ROI - legacy system replacement.xls

Cost Description	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Development Services:							
IT Hours - CS and New Enhancements							
IT Hours - System Maintenance							
IT Hours - New Development	54,900						54,900
User Hours - New Development							
Contractor Professional Services							
<i>Development Services Subtotal:</i>	54,900						54,900
Hardware:							
<i>Hardware Subtotal:</i>							
Software:							
Package Software - Maintenance		25,000	25,000	25,000	25,000	25,000	125,000
Package Software - Acquisition	250,000						250,000
Business Objects Access	10,570	10,570	10,570	10,570	10,570	10,570	63,421
<i>Software Subtotal:</i>	260,570	35,570	35,570	35,570	35,570	35,570	438,421
Infrastructure:							
Server - Acquisition/Upgrade	20,000						20,000
Server - Maintenance		2,000	2,000	2,000	2,000	2,000	10,000
Oracle Licenses	50,000						50,000
Oracle Maintenance		5,000	5,000	5,000	5,000	5,000	25,000
VRU	75,000						75,000
VRU Maintenance		7,500	7,500	7,500	7,500	7,500	30,000
<i>Infrastructure Subtotal</i>	145,000	14,500	14,500	14,500	14,500	14,500	217,500
Training:							
<i>Training Subtotal:</i>							
Other:							
<i>Other Subtotal:</i>							
Costs Total:	460,470	50,070	50,070	50,070	50,070	50,070	710,821

