



King County

Constituent Relationship Management

Response to Financing Plan

Date: August 12, 2014
Amended: June 18, 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 18, 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	Functional Solution Criteria	CRM Strategic Alignment Criteria
Tier #1a: Extremely Common Functionality	90% (reflecting estimated project costs associated with deploying shared platform)	10% (reflecting estimated costs of customizing functionality)	Functionality aligns to “constituent correspondence tracking” use case; Leverages existing features, tools and plugins; Customization limited to UI options and agency specific routing	Uses core CRM tenant; Leverages common data model; Supports enterprise constituent management reporting and metrics tracking
Tier #1b: Enterprise Solution	90% (reflecting estimated project costs associated with deploying shared platform)	10% (reflecting estimated costs of customizing functionality)	Solution will be immediately deployed to multiple departments and agencies for an “enterprise” business issue/challenge (example: public disclosure request management)	Uses core CRM tenant; Leverages common data model; Supports shared reporting and metrics, though that reporting may relate to the specific function this solution addresses
Tier #2: Common Functionality with Custom Requirements	75% (reflecting estimated project costs associated with deploying shared platform)	25% (reflecting estimated costs of customizing functionality)	Custom functionality needed for agency-specific requirement (example: integration with a business system); Moderate customization of UI, data, and/or workflows	Uses core CRM tenant; Leverages common data model; May restrict access and reporting to limit ability report on service levels and track metrics
Tier #3: Unique Functionality within the Shared Platform	Actual project costs associated with deploying shared platform	Actual costs to develop unique functionality	Functionality unique to one agency/operation; Significant degree of functional customization; Functions unique to that agency will be paid by the agency	Uses core CRM tenant; Leverages common data model; May restrict access and reporting to limit ability report on service levels and track metrics
Tier #4: Unique Solution	0%	100%	Solution fully customized; Little to no alignment of functional requirements to any other solution.	Environment and data is either logically or physically independent from the enterprise CRM instance; Very little to no mutual benefit of data

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.

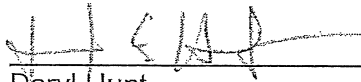
In this way, the department has their ongoing costs pre-determined based on their custom needs, with total flexibility to pay for only the service they need to support their users and operations.

For 2015, the CRM service price model will be as follows:

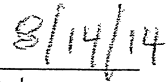
Item	Description	Allocation Model	Service Cost
Base CRM Platform	Provisioning of CRM platform and agency instance, including: <ul style="list-style-type: none"> • Service center/tier 1 support • Workstation/tier 2 support • Application/tier 3 support • Technical vendor support • User account administration • Internet platform access • Outlook and email communication integration • Office product/tool integration • Management and testing of vendor-initiated upgrades, releases 	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"> • New data integration with KC business systems • New interface/web portal development • New development of activity/ management reports • Quarterly testing and releases of requested enhancements 	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.



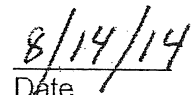
Daryl Hunt
Manager, King County Institutional Network (I-NET)
Department of Information Technology



Date



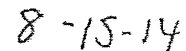
Tre' Maxie
Chief Deputy Assessor
Department of Assessments



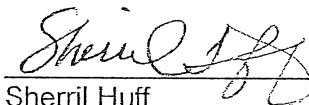
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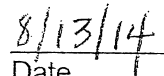
Caroline Whalen
Director and County Administrative Officer
Department of Executive Services



Date



Sherril Huff
Director
Department of Elections



Date

Attachment 1
 Anticipated Cost Sharing of CRM Deployment to Date

	Public Records Request	External Relations	Assessors (Ph 1)	Assessors (Ph 2)	Assessors (Ph 3) (under development)	Elections	I-Net (under development)
Project Cost	\$ 99,470	\$ 69,200	\$ 45,596	\$ 16,544	\$ 47,570	\$ 85,837	\$ 86,005
Finance Tier	1b	3	1a	2	1a	1a	3
Agency Contribution ¹	\$ 9,947	\$ 25,366	\$ 4,560	\$ 4,136	\$ 4,757	\$ 8,584	\$ 27,000
How solution aligns to enterprise benefits	This is an Enterprise solution used by all Executive departments, with over 70 users within 30 days of go-live	Solution leverages the enterprise data model; Required custom development to create a classification of users related to "partners" and provide reporting based on partner definitions	Solution very closely aligned to the "Constituent Correspondence Tracking" use case, involving phone and email constituent contact and populating the enterprise data model	An addition to the "Constituent Correspondence Tracking" for a 'quick entry' form that may be reused by all other agencies	Development of an online web form, still utilizing the "Constituent Correspondence Tracking" use case and contributing to enterprise data	Solution very closely aligned to the "Constituent Correspondence Tracking" use case, involving phone and email constituent contact and populating the enterprise data model	Contributes data to the enterprise data model; Custom development required to manage I-NET customers and align their inquiries to their service and support contracts

¹ Amount for Assessors (phase 3) and I-Net are estimated based on planned project cost

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