TECHNOLOGY COORDINATION OFFICE

Request for Additional FY08 Funding – Purchase of LIQUID OFFICE ENTERPRISE LICENSE (Document Management)
May 30, 2008

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Cost Summary:	**O&M**
FY 2008 (total)	**$ 337,781**
(Increase of $139,298 over prior FY08 funding)	

FY 2008 Budget Impact	
Budgeted?	**YES**

VENDOR: CIMS Global Technology Solutions, Inc. (CIMS)

This proposal is a requested increase of $139,298 to the $160,000 approved by the Board of Commissioners on August 13, 2007 and a subsequent increase of $38,482 approved March 31, 2008.

OVERVIEW:

In October of 2004, Shelby County entered into a contract with CIMS Global Technology Solutions, Inc. (hereinafter, CIMS) for consulting and software development services, as well as related hardware and software purchases, for a broad array of document management projects. The agreement allowed for five one-year renewals, subject to funding and mutual agreement of both parties. The master contract agreement was renewed for FY08 at an original cost of $160,000. A subsequent amendment added $38,482 to FY08 requirements for an additional 175 Liquid Office (workflow routing) licenses and consulting services.

More internet applications and greater than anticipated usage, *coupled with the recent push to implement Leave Accounting throughout all of Shelby County government*, has resulted in a shortfall of Liquid Office licenses required for 'legal fitness' by the expanded user base. Current and predicted future demand for these licenses has reached the point at which **it is financially beneficial to acquire a Liquid Office Enterprise License, allowing the County to add unlimited users for a one-time fixed cost.**

OPINION: RECOMMENDED

BUSINESS NEED:

There are currently 740 single-user Liquid Office licenses deployed throughout the County, spread throughout the Administration, County Clerk, General Sessions Judges and Juvenile Court. The addition of the Correction Center to leave accounting (currently underway) will require another 65 licenses. The Administration is promoting County-wide deployment in response which, if mandated, would add another 3,500 users. (There is, on average, one "approver" for every six employees). The leave accounting system ultimately translates to reduced operating costs by minimizing paper and widening the distribution of data.

VALUE FOR THE FINANCIAL OUTLAY:

An Enterprise License for Liquid Office software involves a one-time up front cost that enables **unlimited addition of user licenses without additional cost.** (Presently, individual licenses are $242.10 each.) The cost of this license is $300,000, but the County's previous expenditures for individual licenses can be applied to the purchase price, bringing the net one-time outlay to just under $140,000.

As is true of any such enterprise license pricing structure, there is a *break-even point* beyond which the acquisition of additional units, **at zero cost**, start yielding cost savings that continue to grow over time. Calculations indicate that **this break-even point occurs with the need for 175 additional licenses** beyond the current estimated need. The Technology Coordination Office (TCO) believes there is little doubt that demand and deployment of this workflow management technology will expand over time and, therefore, there is minimal risk in achieving break-even deployment in the near future. The same break-even dynamics also apply to maintenance outlays under the Enterprise License arrangement, wherein annual maintenance costs will be a flat fee of $60,000, rather than a per license cost which is presently about $54. Break-even on maintenance is achieved with currently estimated deployments only.

DUE DILIGENCE:

The vendor, CIMS, has served as the provider of electronic document management software and services to CIT and some of its internal County customers for several years. During this time they have developed a working relationship with County users of document management services and acquired system knowledge that is second only to CIT staff. The TCO understands that CIT management meets regularly to update project priorities and evaluate vendor performance.

STRATEGIC FIT:

Continuing use of outside consulting services and software purchases for the County's document management development and support is consistent with the County's near-term strategy. The TCO will pay particular attention to workflow and document management effectiveness and efficiency as it develops Enterprise Planning recommendations in FY09.

INFORMATION SECURITY CONSIDERATIONS:

The vendor is well-established, with a record of productive working relationships with the County. The contract with this vendor clearly enforces a due-care requirement to maintain the confidentiality of the County's data. As such, the risk appears to be managed adequately, provided the County adheres to standard security 'best practices' to maintain and monitor its network security.

Marc Johnson
for the Technology Coordination Office