TECHNOLOGY COORDINATION OFFICE
Review and Opinion Regarding the Proposed GEMS Upgrade of the AMS Financial/HR System
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Cost Summary:	**O&M**	**CIP**
GEMS Software & Services		**$721,361**
Budget Module		**140,000**
Hardware		**62,520**
Installation		**26,000**
Total CIP		**$ 949,881**
Maintenance (First year)	**$165,840**	
FTEs (during implementation phase only)	**3.0**	

FY 2009 Budget Impact (For C.I.P., O&M and FTEs) **Budgeted?** **YES**

Vendor: **Government E-Management Solutions (GEMS).**

Overview:
The Administrative Management System (AMS) is the County's financial, payroll and human resource (HR) system. This proposal is for the comprehensive overhaul and upgrade of AMS, which was purchased from e-Applications Solutions Group (e-ASG) and installed in 1998. Since that time, there has been only one vendor-provided upgrade to the system, resulting in software that has now become inadequate in meeting the expanding business needs of the County's financial and HR operations. The GEMS upgrade will provide much better functionality using more current and stable technology, permitting more cost-effective applications that are routinely demanded in today's world. *Of particular note in this regard, the County has long sought to achieve the productivity and other benefits associated with e-Procurement. This upgrade will enable the required interfaces necessary to e-Procurement to be accomplished much more cost-effectively.*

OPINION: RECOMMENDED

Business Need
The current AMS vendor, e-ASG, has shrunk in size over the years and has not made sufficient investments in research and development to keep AMS current. With the system basically stagnant, many important modifications and interfaces with other County systems have become cost-prohibitive or technically not feasible. There is legitimate concern as to the future viability of e-ASG, a risk that places ongoing maintenance and support of the County's key financial systems in some doubt. The need for the replacement or upgrade of AMS has been recognized for some time.

The GEMS upgrade will result in significant improvements to AMS. A partial list includes:
1) Built-in integration with the County's ONBASE document management
2) Ability to create e-forms for a variety of applications
3) ACH (Automated Clearing House) vendor payments for use in Accounts Payable
4) Employee self-service module to access pay stubs and W-4s
5) Report distributions by fax, printer, email, and web server
6) Electronic Approval Routing for purchase orders, requisitions, invoices, and budget transfers
7) Improved security controls for system users

These and other improvements will be a quantum leap in the system's functionality and robustness. Although difficult to quantify precisely, *productivity cost savings will unquestionably result* from this comprehensive upgrade. It moves the County further down the path of 'paperless' automation and will permit more timely responses to inquiries and better service to vendors, employees, and managers. Productivity improvements will ultimately translate to reduced headcount as manual, time-intensive processes are replaced by higher leverage activities.

Value for the Financial Outlay
In addition to the risk mitigation and productivity benefits mentioned above, a savings in annual system maintenance of over $24,000 will be achieved, going from the present $190,000 to a first year cost of $165,840. (Escalations in annual

maintenance will be capped at approximately 5% annually, a reasonable amount in line with industry practice in similar situations.)

The GEMS solution to the upgrade of AMS is characterized as a 'Tier II' product, as opposed to a Tier I offering from vendors such as S.A.P. and Oracle. These Tier I installations, while offering comprehensive state-of-the-art functionality, are cost prohibitive, with a price tag of approximately $6-8 million. The Technology Coordination Office (TCO) supports the Tier II (GEMS) option as yielding a much more financially sound cost vs. benefit comparison for the present systems environment in Shelby County, not the least of which is the avoidance of much higher annual support and maintenance expense that would be associated with a Tier I installation.

A number of other Tier II product vendors were evaluated and offered no cost, technical or functional advantages over the chosen vendor. And, it is important to note that GEMS, a division of Harris Computer Systems, was the original developer of the County's current system resulting from a former alliance with e-ASG. Given that GEMS/AMS is now the manufacturer and sole distributor of the system now being used by Shelby County, GEMS was granted a sole/single source supplier designation by Purchasing for upgrading the system.

Due Diligence

After the sole source supplier status was approved for GEMS, at TCO's suggestion the Finance Department embarked on an internally authorized Discovery Analysis engagement with GEMS to ensure that the various groups impacted by the system upgrade fully vetted and defined user requirements, expectations, process changes and the specifics of the modifications decided upon. Undergoing such a process for large and complex systems undertakings is crucial to successful implementation and minimizes both schedule and financial risks. An 'Acceptance Sign-off' was required for each project team.

Sufficient emphasis on, and resources devoted to, employee training on a new system is a critical success factor The TCO is comfortable that the contract provides for adequate vendor-provided training in both time and materials and that the County project teams are committed to in-house training efforts as required. In addition, the GEMS product has an active internet based user community presence. The best estimate of an implementation timetable for this installation is 10 months.

(NOTE: The upgrade scope as defined will bring significant functionality improvements and productivity benefits as a standalone project. While County management has no current plans for subsequent upgrades, additional modules may be presented post-implementation (at relatively minor cost compared to this comprehensive upgrade) on a case-by case basis if such applications meet stringent costs versus benefits tests. Potential examples are an inventory module, work order management, and fleet and equipment management.)

Strategic Fit

If anything, the current state of the AMS financial and HR systems have been somewhat of an impediment to implementing improvements to systems that interface with AMS. A primary example is eProcurement. As such, this upgrade is in keeping with the near term and medium range technology plans for Shelby County.

Information Security Considerations

GEMS is a well-established company with a record of productive working relationships with its customer base and in achieving good results in these type of systems upgrades. Full parallel testing of each significant project component will be performed prior to going into production mode, with results validated by County staff. As such, risks are judged to be minimal.

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