MEMO

To: Blount County Board of Commissioners

FROM: Abhijit Verekar, IT Modernization Program Manager

Date: August 2, 2017

Re: Financial Management Information System (FMIS)

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Historically, Blount County has managed its financial (and other) processes using a home-grown COBOL based application that was built on an IBM AS400 server. The original software was purchased over 30 years ago and has been heavily modified over time. Moreover, this application is further custom programmed on a platform that has been out of support since 2008, with zero documentation and very few explanatory comments within the code itself. Additionally, the operating system on the AS400 server was not patched or upgraded for almost nine years, leaving the system and the data extremely vulnerable to hacks and other forms of breaches. The fact that historically, IT staff has received no formal training on the AS400 system (or anything else) meant that the platform and the application has remained largely unsupported.

As part of the IT Modernization Program started in FY 2015-2016, it was recommended that the County migrate to a modern, integrated, Software as a Service (SaaS) based Financial Management Information System (FMIS). While the County's Budget Committee has approved of this project under the overall IT Modernization Program, a system implementation of this size and complexity takes diligence and time. Given the precarious situation that the County's current financial and accounting system finds itself in, it was important that the existing system be protected and secured to avoid data loss through hardware/software failure or security breaches (hacks). To accomplish this interim goal of "bubble wrapping" the existing AS400 system, the County successfully outsourced the system and support (AS400 Managed Services) to a remote facility managed by an expert third party in June 2017. Essentially, this step ensures that the current system remains operational and secure while the County proceeds with the implementation of a modern FMIS.

While there are several FMIS systems available in the market, it was important that the County choose a system that specifically meets its operational needs in the most cost-effective manner. To achieve this, the County conducted a comprehensive review of its financial processes that included, but were not limited to the following:

1. Vendor Management
2. RFx – Bid process
3. Requisitions (under $10,000; between $10,000 and $25,000; over $25,000)
4. Requisitions (P.O, Receiving, Payment)
5. Accounts Payables (Payment process)
6. Accounts Receivables (Trustee; Departments; Fee Agencies; Sheriff department)
7. Accounts Receivables (Fee Agency – Payments)
8. New Banks

9. Bank Reconciliation
10. Budgeting
11. Fixed Asset Tracking
12. Grant Tracking
13. Payment Authorization Process

Based on the business process review, a comprehensive set of business, functional and technical requirements was developed and shared with prospective vendors through the County's RFP process. In response, the County received four proposals (Tyler Technologies, Quintel, eGov, and Sungard). After a thorough review of the proposals and on-site interviews with the prospective vendors, Tyler Technologies emerged as the preferred vendor with whom a contract was negotiated by the Purchasing Agent.

Negotiated pricing for Tyler Technologies' Munis SaaS product is described below and includes multiple modules:

Estimated cost for implementation services: $293,470.50
Total annual recurring fees: $299,945.00 (7-year contract)

Payments on the contracted amount for implementation services will be made according to an agreed upon and tightly controlled milestone plan over the duration of the project (up to 18 months). The new FMIS is estimated to be "live" in early 2019 and will be a tremendous step-up for the County in terms of productivity, integration, data security and transparency. The Blount County IT Department and the IT Modernization Program team is thankful for the continued support from the Board of Commissioners and recommends approval of a multi-year contract with Tyler Technologies.