

Report to



Washington State Office of Financial Management

Capital Asset Management—Feasibility Study

CAMS Recommendation



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1. INTRODUCTION

1.1. Purpose

The purpose of the Capital Asset Management System (CAMS) Recommendation document is to recommend a replacement CAMS solution going forward, using the analysis of the options in the Alternatives Analysis document.

1.2. Background

OFM operates and maintains the CAMS, which is currently used by approximately 78 state agencies to track and account for their capital assets. CAMS is a COBOL/CICS application that uses VSAM files as its database. The application runs on the IBM mainframe computer that the Department of Information Services (DIS) operates. Agency staff access the application through the DIS telecommunications network using secure CICS transactions.

OFM recently conducted an assessment of the State's asset management needs. There were several major issues raised in that study, including lack of asset history, inability to query or report flexibly on asset data and the limitations of its mainframe-based architecture—particularly its user interface and lack of internet access. The recommendation of the study was that OFM replace CAMS with a new centralized capital asset system that provides better accounting, asset tracking and management reporting capabilities.

OFM also operates and maintains the Facilities Inventory System (FIS) that is used by state agencies to report the cost, location and condition of facilities operated by the state. FISDOS is a Visual Basic for DOS application that is distributed on disk in May of each year to collect an annual inventory of facilities owned and leased by state agencies. FISMAIN is a reporting tool written in Visual Basic version 3.0 that is used by OFM to report on the data collected through the FISDOS application.

OFM recently conducted an assessment of FIS, which found the existing system has a high probability of near term collapse because of obsolete and unsupported technology. It found the current system is under-utilized, contains inaccurate data and lacks decision support information. It recommended OFM replace FIS with a comprehensive capital asset facility inventory program, working in phases to prevent system collapse and maintain compliance with statute, adding facility management and decision support in later phases.



OFM saw an opportunity to potentially combine the two sets of needs and asked Sierra Systems to complete a Feasibility Study addressing the requirements of both asset management and FIS. The study will assess the feasibility of replacing CAMS and FIS and will recommend an approach for implementing a replacement.

1.3. Approach

The alternatives for a CAMS solution were described and analyzed in the Alternatives Analysis document. Using this analysis and working with OFM staff, we developed this solution recommendation.

1.4. Sources

The following sources of information were used in the development of this document:

- *CAMS Alternatives Analysis*—April 23 2004: previous deliverable in this project, describing and analyzing the CAMS replacement solutions, their fit, costs and anticipated benefits.
- *CAMS Business Case*—April 5, 2004: previous deliverable in this project, describing the business case for a new CAMS solution, including cost and benefit information and the rating scale for fit with requirements.
- *CAMS Requirements*—April 5, 2004: previous deliverable in this project, listing functional and non-functional requirements in a matrix.
- *Demo of DSHS TRACKS System and follow-up conversations*—February 13, 2004 and TRACKS documentation, including estimates of improvement.
- *Demonstration and conversations with vendor staff*—both SAP for their SAP asset management product and a best of breed vendor.
- *Email and Interviews with OFM staff*—including Wayne Johns for CAMS user information; Lynn Cole for facilities user information; and management staff for guidance on evaluation criteria.
- *Facility Inventory Assessment Annual Cost of Maintaining FIS*—June 17, 2003: two-sheet spreadsheet with costs of maintaining FIS system, input to Facility Inventory System Assessment.
- *Facility Inventory System Assessment*—June 2003: 56-page contracted study summarizing the quality of the current facilities system's data and processes and recommending replacement.

- *OFM Strategic Plan*—August 2002: 7-page document with agency vision, mission, goals and strategies.
- *Statewide Asset Systems Study*—June 2003: 33-page contracted study summarizing findings on the usage and evaluation of current CAMS system. The document includes completed surveys from 30 agencies.

1.5. Relationships to Other Deliverables

The Recommendation document is made possible by work done in analyzing the CAMS solution options in the Alternatives Analysis document. This document builds on the analysis and, in turn, will be built upon in all subsequent documents:

- The Cost Benefit document will detail the costs and benefits for the recommended option.
- The Implementation Plan and Risk Management documents will use all documents produced.

2. SUMMARY OF SOLUTION ALTERNATIVE COSTS AND BENEFITS

The CAMS Alternatives Analysis document contains specific information on the CAMS solution options—their fit to requirements, costs, benefits and issues. In summary, the viable options are:

1. Implement TRACKS from DSHS. This option, preferable to developing a new application, would involve rewriting and significantly expanding the TRACKS application, making use of its existing design and business rules. The resulting solution would meet the essential CAMS requirements as listed in the Requirements document, but would provide no additional functionality.
2. Implement a best-of-breed Commercial Off The Shelf (COTS) Solution. This option would implement one of a choice of vendor suites that include stand-alone asset management capabilities. Typically, the suite would also include optional purchasing, asset maintenance and other areas of functionality.
3. Implement the SAP enterprise solution. This option would implement the asset management functionality within the SAP enterprise system. SAP HRMS is now being implemented statewide.

The largest cost differentiator among the alternatives is ongoing support (maintenance plus enhancements). As described in the Alternatives Analysis document, there is a fundamental difference between the enhancement expectations for custom developed software and for COTS packages that have been designed to be flexible for customers' needs.

Considering the projected five-year costs of the three viable solutions, the best-of-breed solution has a slightly lower estimated cost than the other two; the enterprise solution had the highest five-year estimated cost; redevelopment of TRACKS was estimated slightly higher than the best-of-breed solution.

The anticipated benefits of the two COTS options are significantly greater than the anticipated benefits for a TRACKS redevelopment, chiefly because they offer clear upgrade paths and choices for added functionality. If SAP financials are implemented statewide, the SAP enterprise solution offers integrated statewide financial management and reporting.

3. SOLUTION RECOMMENDATION

Considering both projected costs and benefits, we recommend the implementation of a COTS asset management solution for the state. Of the two COTS solutions considered, best-of-breed and SAP enterprise asset management, our recommendation is contingent on the state's plans for implementing statewide SAP financials.

SAP has stated that implementing SAP asset management to meet the state's requirements may be successfully achieved either standalone, before statewide SAP financials, or as part of a statewide SAP financials implementation.

The state is now conducting a study to develop an overall implementation plan, taking into consideration the scope of what will be implemented and the order that makes sense for the state. The finding of this study may impact this recommendation.

3.1. Recommendation A

If Washington implements a statewide SAP financial system, the potential to integrate asset management with the general ledger and potentially with purchasing, maintenance and other applications as well are compelling reasons to implement the SAP asset management modules.

Given the time-dependent benefits of replacing existing systems, especially the Facility Information System (FIS), as documented in the CAMS Business Case document, the timing of a statewide financial implementation is also important. If the state implements statewide SAP financials within the 2005-2007 biennium, it is anticipated that current systems can continue to operate until SAP asset management can be implemented, also within that biennium.

3.2. Recommendation B

If a statewide SAP financials implementation occurs in the 2007-2009 biennium, the viability of current systems is much more in doubt, and the state should consider implementing a best-of-breed COTS asset management solution as an interim solution to implementing SAP asset management.

3.3. Recommendation C

If statewide SAP financials will not be implemented or will be implemented after the 2007-2009 biennium, we recommend the implementation of a best-of-breed COTS solution.

Further details on implementation options will be explored in the CAMS Implementation Plan.

4. ASSUMPTIONS

The following assumptions have been made in making this recommendation:

1. The solution capability information received from vendors, both for best-of-breed and for SAP, is accurate as represented in the requirements grid and analysis in the Alternatives Analysis document. Vendors reviewed and contributed to the values on the grid and had an opportunity to respond to specific questions on capabilities.
2. Projected solution cost information received from vendors, both best-of-breed and SAP, is accurate as represented in the cost section of the Alternatives Analysis document, to the extent that it provides a good basis for comparison. More detailed cost information will be included in the subsequent Cost Benefit Analysis document.
3. Solution capability and project cost information for the best-of-breed solution, based on a specific product suite, is representative of other best-of-breed offerings.
4. Current CAMS and FIS systems will continue to operate until a new CAMS solution is implemented, or until the end of the 2005-2007 biennium, whichever is sooner.
5. The SAP HRMS implementation currently underway will be successful by the end of the current biennium.
6. Efforts now underway to analyze SAP financials for statewide application will determine whether or not the SAP general ledger will be implemented statewide. If SAP general ledger is chosen, a future project will determine more closely the capabilities of all SAP financial applications.
7. Vendor and integrator support for a COTS system implementation will be available as needed for successful implementation within the projected cost ranges.
8. OFM will plan and participate in publicizing the availability of expanded functionality and in the delivery of training to current and future users of a new CAMS system.
9. Current users of CAMS and FIS will experience changes in the way asset information is reported, but the combined effect of those changes will not significantly increase the amount of time now spent using the two systems.
10. Additional functionality offered by a COTS solution may attract agencies not now using CAMS to use the new solution.
11. Agencies using a new COTS solution may want to use optional functionality beyond that addressed by current CAMS, e.g., asset purchasing or maintenance.
12. The availability of optional functionality beyond that addressed by current CAMS has not been explored nor documented. For functional and non-functional fit, this recommendation addresses only those requirements identified in the CAMS Requirements document.

Appendix A. Revision Log

Revision Date	Description	By Whom
May 21, 2004	Document updated based on OFM's feedback	Denise Mills
May 11, 2004	Document updated based on OFM's feedback	Denise Mills
April 23, 2004	Content completed	Carol Baque

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Appendix A.
Revision Log

