

9. FINANCIAL AND MANAGEMENT INFORMATION SOLUTION (FAMIS) – PROGRESS REPORT

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Corporate Plan Output: 4.1 text.10 (FAMIS Project)	

The purpose of this report is to inform the Strategy and Resources Committee of the progress with the FAMIS Project. The project's objective is to purchase and install two primary software components, SAP and GEMs, associated hardware servers to support the software, and to make the operation of the software available to Council users.

Introduction

The FAMIS project received Council approval to proceed in March 1999. A subcommittee was appointed to approve the vendor contracts.

The project is led by a Steering Team and has the Director of Operations as the sponsor. The project has a seconded team of 20 staff full time and relies on the services of trainers drawn from the units. In addition, staff who use the software take part in the configuration development and data capture. The MIS Unit supply resources to manage the servers and network.

There are two main software components:

- SAP – covering financials, management information, asset management, human resources management and payroll, and integration with GEMs.
- GEMs – covering land information, customer names & addresses, consents, licensing, rates, water billing, valuation of land database, customer services, cash receipting and integration with SAP.

SAP is being installed by Deloitte ICS, and GEMs by the vendors, Praxa Ltd.

SAP & GEMs are integrated by new software written for the Council, supplied by both Praxa and ICS. A major part of the solution is its integrated nature.

Progress to Date

The majority of the components have been installed and are in operation. Of the 17 modules to be installed, 11 are operational, three are under implementation and testing, and three are waiting for software enhancements.

Firstly SAP:

Those modules that are in successful operation, which form the accounting and staff management systems, are:

- Human resources management
- Time & cost recording for staff time
- Financial ledgers and transactions
- Purchasing and stock management
- Asset management covering fixed assets, streets, housing & commercial real estate, and water supply headworks.

Modules yet to be operational:

- Integration with GEMs, planned for April.
- Payroll – due for delivery in May 00, go live scheduled for July 01
- Rollout of asset management beyond those listed above. Those planned to be included over future years are mobile plant, the piped networks, parks and leisure facilities
- Interactive budgeting on SAP to meet the needs of the Annual Plan & Budget.

Secondly GEMs:

Those modules that are in successful operation are:

- land information
- customer names and addresses
- building and resource consents, and
- customer services request for service
- dangerous goods licensing.

Modules yet to be operational:

- integration with SAP, planned for April
- cash receipting, currently under test, planned for May,
- rates, currently under test, planned for June
- water billing, software enhancements expected, planned for June
- valuation of land database, planned for June
- other licensing, planned for May

We are currently working on the testing and go live of cash receipting, which together with the integration software and other software enhancements will enable the remainder of the modules to be completed.

Project Timetable

The original project timetable has been revised to enable issues that emerge to be isolated and resolved. Further work is progressed on the basis of what has been achieved thus far. A more aggressive go live timetable carried unreasonable and unnecessary risks.

The project was intended to be completed by July 2000 with payroll being the last module operational. Within the timetable there were intended go live dates, GEMs prior to November 99, SAP December 99, payroll March to June 2000.

The go live dates have been reviewed throughout the project and are now:

- GEMs – covering land information, customer names & addresses, consents, - completed November 1999
- GEMs – licensing, March 2000
- GEMs – customer services, March 2000
- GEMs – cash receipting and integration with SAP – April 2000
- GEMs – rates, water billing, valuation of land database, June 2000

- SAP – Financial master files and database, human resources management and timesheets, 6 March 2000
- SAP – Financial and asset management transactions and management information, 3 April 2000
- SAP – Payroll, July 2001. The software will be part of an upgrade

Costs to Date

The project is still within overall budget.

The total installation costs to date and expected until the end of the project is now estimated to be \$6.15m against a budget of \$5.79m. The FAMIS maintenance budget for 1999/00 is significantly underspent and more than balances this difference.

Benefits Achieved so Far

Even at this stage there are benefits delivered by the FAMIS project. Some of the more significant are:

By implementing GEMs:

- There is now a single credible database for property and persons. Eliminating multiple and conflicting data allows other land information processes e.g. the Geo-Data work outside of FAMIS to be commissioned. Without the core person/property database that work would not exist.
- All land related processes are linked to one database supported by a specialist team, not duplicated in several areas of the Council.

By implementing SAP:

- The Council now has a corporate HR system. All staff are included.
- Time costs to outputs is now disclosed. This should lead to a greater consciousness about use of time. We are now prepared to expand into an integrated payroll system.
- We have a single property asset system integrated with the financial and management information system. This completes the business process from asset capture and definition through to maintenance expense through to utilisation and for billing for rent.
- There is a single asset management system which can provide the essential information for infrastructural network assets linked if necessary to the separate systems currently used.
- The financial system is now replaced and now includes additional functions directly accessible by Unit staff.
- Purchasing is on line allowing more directed purchasing controls to be put in place.

And finally, and of equal importance, with the implementation of these new products we have resolved some Y2K issues.

Improving With FAMIS

As shown above, we are getting closer to the completion of a successful installation of the FAMIS system. We now need to make sure that we use the system to reduce the costs of doing business, and to recover some of the additional costs that the new system has imposed upon us.

While the system itself provides the potential for achieving savings, it is really only when we carry out process redesign to change the way we carry out our processes that we will achieve the more significant savings. The process redesign will involve looking at our processes in a way that we make use of the FAMIS system, plus other improvements such as Customer Service network, other technology, and different ways of doing things. Savings will come from looking at whole processes; not just looking at the bits directly changed as a result of SAP and GEMS. The initial focus will be in Financial Services and Environmental Services Units.

The achievement of savings will happen over a period of time. We are still in the go live and development phase, and that all leads to increased levels of work for a period of time yet. It is highly unlikely that we will have settled down from those increased level of work before the end of the 2000 calendar year. We will be identifying future savings in the draft budget for 2001/02.

Chairman's

Recommendation: That the information be received.