

Assessment & Taxation Software Project
Audit Report

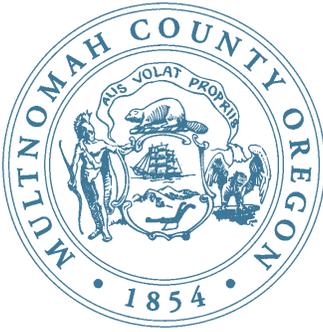
June 2008



LaVonne Griffin-Valade
Multnomah County Auditor

Audit Staff
Fran Davison
Craig Hunt

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.



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MEMORANDUM

DATE: June 13, 2008

TO: Ted Wheeler, Multnomah County Chair
Maria Rojo de Steffey, Commissioner, District 1
Jeff Cogen, Commissioner, District 2
Lisa Naito, Commissioner, District 3
Lonnie Roberts, Commissioner, District 4

FROM: LaVonne Griffin-Valade, County Auditor

RE: Assessment & Taxation Software Project Audit

The attached report covers our audit of the Assessment & Taxation (A&T) Division's software project to date. The objective of the audit was to assess project management controls used in the development of this complex and costly software system. With a projected cost of \$8.55 million, the system under development is a significant risk to the County.

Appendix A provides an overview of project milestones between September 2005 and January 2008 when the project was postponed. Our audit work was initiated in April 2007, and we followed the project closely, researched proven practices, spoke with an expert Information Technology (IT) auditor, and met with key staff.

As a result of the experience gained during the A&T software project thus far, the County has learned some important lessons regarding the procurement and management of large IT projects. We did identify areas for improvement and found that the County does not have the resources or infrastructure available to support significant software purchases and implementation.

We recommend that to further develop internal resources and strengthen IT project management capacity, the County should investigate alternative ways to structure IT support and oversight. Further, the sophistication of the project management structure established for IT software projects should be appropriate for the level of risk and extend from initiation through project closure.

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Audit Report
Assessment & Taxation Software Project – June 2008

Summary

This audit began as a system under development review of the purchase of a new, comprehensive software system to improve and streamline the County's assessment and taxation processes. The objective of the audit was to assess project management controls to improve the likelihood that this complex and costly software system would be delivered on time and within cost estimates, and that it would meet or exceed the project expectations developed by the Assessment & Taxation (A&T) Division. Audit work focused on identifying project risks and communicating those risks to A&T management.

A&T administers approximately 325,000 property tax accounts in Multnomah County, for a total of nearly \$1 billion in taxes, special assessments, and fees imposed on taxing districts. This \$8.55 million project represented a high risk to the County because of the complexity of the technology involved and because it would serve a mission critical function for A&T. Best practice guidance contends that the planning, purchase, and implementation of such systems require sophisticated project management structures. However, we found that the County did not have the resources or infrastructure available to support the acquisition of such significant software.

In particular, support from the Information Technology (IT) Division was lacking. We found that the level of the County's IT investment management maturity was low; and project management was characterized by ad hoc, unstructured, and unpredictable processes. Complicating the issue of insufficient IT support, better coordination between the Central Procurement & Contract Administration office and the County Attorney on this project was needed.

In January 2008, A&T made the decision to postpone the procurement of the new software system for six months. Due to the lessons learned during the project to date and actions taken since postponement of the procurement, A&T is better positioned to move forward successfully with the project. In addition, the County has taken steps to improve the level of IT investment management maturity through the recent purchase of a project portfolio management system.

Our audit demonstrates the importance of current efforts to improve IT project management practice and makes the following recommendations:

1. To further develop internal resources and strengthen IT project management capacity, the County should investigate alternative ways to structure IT support and oversight.
2. The sophistication of the project management structure established for IT software projects should be appropriate for the level of risk and extend from initiation through project closure.

Software Project Overview

In 2005, the Assessment & Taxation Division (A&T) determined that a more robust property tax appraisal function was needed, which required an upgraded software system. The current system, based on programs created over 20 years ago, had become more difficult and expensive to maintain. Further, there was a risk that the current vendor would eventually discontinue support. With these factors in mind, A&T took steps to acquire a new system that would take advantage of technological advances made over the last ten years, increase efficiency, and improve productivity.

According to A&T, a new system promised better tools to assist appraisers in the field and allow more time for discovery of additional taxable value. Anticipated productivity gains included a \$32.1 million revenue increase for all taxing districts in Multnomah County over the next ten years. The County's share of this increase would be approximately \$7.7 million.

A&T asserted that a new system would also support a move to e-government and improve public access and convenience. Record requests, form filings, and information searches would be included in the new system, along with electronic banking to allow the public to conduct much of its business with the County electronically.

The A&T software project actually began informally during discussions with Washington County. In fiscal year 2006 (FY06), Washington County was also looking to upgrade or replace their assessment and taxation system. Both counties had purchased their existing assessment and taxation systems from the same software vendor. Both entities recognized early on that two large Oregon counties interested in purchasing a new system might appeal to a software vendor and potentially save each jurisdiction money.

Ultimately, Multnomah County developed a Request for Proposal (RFP) for a new assessment and taxation system separate from Washington County. However, this procurement was postponed in January 2008. Appendix A provides a chronology of project events from the initial work with Washington County until postponement of the RFP.

Audit Results

The A&T project described in this report is a high risk software project because of the system's complexity and cost (recently estimated at \$8.55 million), but also because it is critical to A&T's mission. Accordingly, the project requires structured project management processes to increase the likelihood of project success. However, we found that the County did not have the resources or infrastructure in place to support the acquisition of such significant software. As a result, A&T did not have sufficient Information Technology (IT) Division support, and coordination between the Central Procurement and Contract Administration office and the County Attorney could have been better.

The County and A&T have learned important lessons from this experience to date, and they are making needed changes so that the project is ultimately successful.

Project management structure should be appropriate for the risk level. A&T administers property taxes for approximately 325,000 accounts and the total of taxes, special assessments, and fees imposed on all taxing districts within Multnomah County is nearly \$1 billion. This makes A&T's \$8.55 million software project a high risk endeavor for the County and one that is critical to A&T's mission. The project is complicated by the anticipated business process alignments that will result from recent changes in technology. According to best practice, a high level of project management structure is needed to reduce the risk for a project of this size and scope. Sophisticated project management processes should be set up to mitigate risk and increase the chances that a quality system will be delivered on time and within budget.

A&T did establish some important project management controls. For example, they developed a strategic vision of the system. A&T also wrote a project charter that set up a governance structure and defined the roles, responsibilities, and accountabilities of the project sponsor and work teams. A project schedule was set up and modified as necessary.

A&T also hired a consultant to review the Request for Proposal (RFP) and made recommendations for its completion. The consultant had recently guided a successful software procurement process in a neighboring county and provided an RFP framework for a multi-stage procurement. In addition, the consultant discovered that more work was needed to refine the business requirements of the software package being purchased. This additional work extended the RFP issuance date about a month. Despite adding to the timeline, we view it as a good decision that A&T turned to an expert for assistance and guidance during the RFP development phase.

However, A&T did not hire an information technology (IT) project manager until after the RFP was postponed in January of this year. Hiring an IT project manager earlier could have improved project planning. A&T would have benefited from a project plan that brought cost, scope, scheduling, quality, risk, and procurement planning together into one document. A well written project plan assesses the capabilities of the organization to perform the tasks necessary for successful project completion and increases the chance that a quality software system will be completed on time and within budget. Where weaknesses are identified, the plan would include a strategy to compensate for these problems.

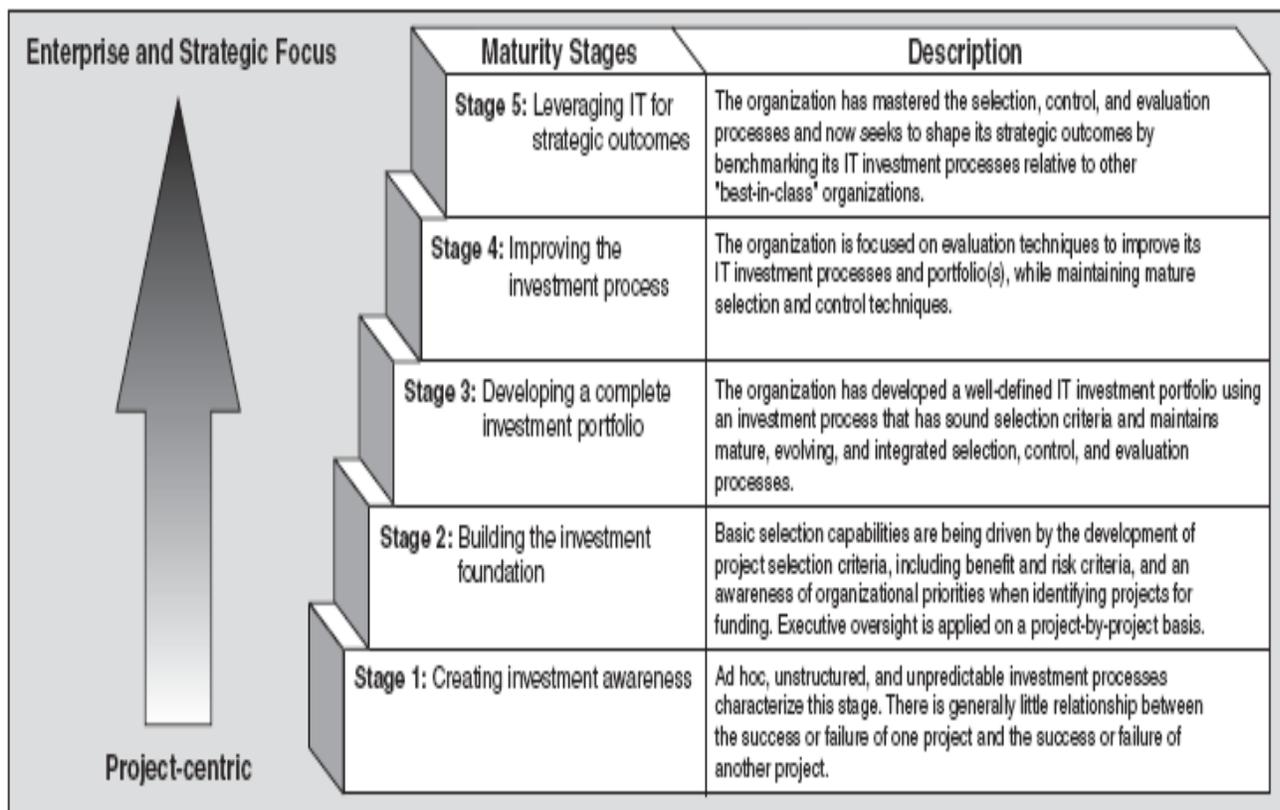
In reality, A&T would have had to contract with or temporarily hire a project manager for a project of this magnitude because such expertise was not available within the County. A&T had planned on contracting with a project manager before the procurement was completed, believing that doing so at an earlier point could potentially waste resources if any unexpected delays were encountered in the procurement. We believe that any savings from delaying the hire of an IT project manager would have been outweighed by the value of their expertise.

County-wide IT project management processes were not in place to assist A&T in establishing management controls over their software project. We found that the current IT investment management maturity level of the County did not provide

sufficient support to improve the chances of A&T's project success. Internally, the County does not have fully developed and integrated processes for project management of large IT projects.

The Government Accountability Office (GAO) offers a framework for assessing IT maturity in its report, "Information Technology Investment Management," issued in 2004 and shown Exhibit 1 below. Our observations regarding the A&T project suggests that the County is at the Stage 1 maturity level.

Exhibit 1



Source: Government Accountability Office

At the Stage 1 maturity level, the success of the A&T project has been more dependent on individual efforts of A&T personnel rather than relying on the support of County-wide IT processes. Sufficient support and proper coordination were not available from the IT Division, Central Procurement and Contract Administration (CPCA) office, and the County Attorney's Office.

More IT Division support was needed earlier

A&T would have benefited from more extensive IT Division involvement earlier in the project. A&T asked if the IT Division could assist with project management, but the IT Division did not have the resources available to manage such a large project. During the evaluation of proposals, internal specialists from the IT Division were enlisted to comment on vendor proposals. This pool of experts would have been useful earlier in the project.

Take steps to improve the County's IT maturity level

Including the A&T project reviewed in this audit, there have been five software projects in the County above \$200,000 since FY05, for a total of \$8.5 million. According to the IT Division, the number of projects will only increase in the future.

County leadership appears to understand that the IT investment management maturity level is low and has taken some steps to improve it. The County recently purchased and is in the process of implementing a Project Portfolio Management system (PPM). The PPM has the potential to allow systematic management of IT projects from idea through obsolescence, and to produce visible, consistent, measurable, and repeatable results. Our experience with the A&T project reinforces why current efforts to improve the IT maturity level of the County are so important.

Establish a better IT funding process

The County is currently establishing a better process to make IT funding decisions. Such a process was not in place when A&T made funding proposals for its software. A&T indicated that a clearly-defined funding process was needed.

An IT Innovation Fund was set up during the FY09 budget process, along with guidelines for IT project proposals. To propose an IT project for consideration, departments must write a business case and estimate the total cost of ownership. A new IT Advisory Board reviews and prioritizes all proposed projects for funding. The new Advisory Board's involvement is an example of building the investment foundation at IT maturity stage 2 in Exhibit 1 above.

CPCA and County Attorney support was not well coordinated

There were difficulties during the RFP development stage regarding coordination between CPCA and the County Attorney. A&T had followed a new approach to procuring

software when the RFP was developed. The Public Contract Review Board procurement rules had recently been revised to allow more flexibility with some features in the RFP. The County had not used these new features to the extent that they were used in the A&T procurement. As a result, CPCA requested the County Attorney's involvement, even though the County Attorney does not typically review RFPs.

CPCA prepared a procurement plan and reviewed it with the County Attorney about a month before the RFP was issued. But CPCA sent a draft of the RFP to the County Attorney for review only a few days prior to its release. During the review, the County Attorney found that the evaluation and scoring criteria in the RFP were inadequately defined. Further, the County Attorney determined that all pertinent information should be provided to all vendors upfront, regardless of whether they made it to subsequent stages of the procurement process. CPCA believed that any problems could be resolved by issuing supplementary addenda and disagreed with some of the County Attorney's positions. The RFP was issued as scheduled without resolving the differences between CPCA and the County Attorney.

Ultimately, CPCA addressed the County Attorney's concerns via addenda, and the due date for RFP submission was extended. In total, eight weeks was added to the timeline for the selection of a software vendor.

The procurement process to date has provided important lessons for the County and A&T to build on.

Keep the System Implementation Team involved

The System Implementation Team (SIT) established by A&T included line-of-business representatives from each area in A&T affected by the new software. The team finalized the business requirements section, as well as helped with other sections of the RFP. The SIT team brought strong leadership and a high level of performance to the project. Best practices indicate that this type of user involvement in the project promotes a better understanding of the desired product in A&T and helps with user buy-in, both of which are critical for project success.

Conduct more extensive market research

Market research is critical given the type of procurement being undertaken. More extensive research before the RFP was issued would have been prudent. What is currently available on the market or planned in the near future significantly influences the RFP. A&T had performed informal market research with Washington County, and four vendors gave presentations of their software in April and May of 2006. In addition, surveys were sent to other jurisdictions; however, the response rate was poor.

Score requirements in the revised RFP

A&T felt strongly about the need to purchase proven software from a vendor with experience serving larger clients. To accomplish this, A&T set minimum requirements in the RFP which asked respondents to “supply three references in the continental United States or Canada of similar size to Multnomah County or larger which have implemented and operated the proposed solution for at least one year...” If vendors could not meet these requirements, their responses would not be considered.

The initial RFP was cancelled in early October 2007 because respondents did not meet the minimum size requirements or did not provide proper references. The minimum requirements regarding the size and references were clarified and the RFP was reissued shortly after cancellation.

Requiring the proposed software to be in operation for a year became an obstacle that prevented A&T from evaluating the latest technology available. Vendors responding to the RFP were in the process of making significant enhancements to their current software. These enhancements, however, had not been fully in place for one year. As an alternative to requiring the software to be in place for a year, scoring desired features would offer A&T more flexibility and less risk of a vendor challenge to the procurement.

The newer, enhanced software would likely be more advantageous to the County. This is an area where A&T may have benefited from earlier IT Division involvement and more extensive market research. The revised RFP should enable A&T to evaluate this newer technology.

Take future technology changes into account in the revised RFP

Changing technology is an inherent risk in all software procurements. After the software is purchased, implementation could span two years or more. It is unlikely that vendors’

software would remain the same over that time period. What A&T evaluates in the selected vendor's proposal may not be the exact software they end up implementing. RFP language will need to be crafted to account for any technology changes that may occur before the software is put into place.

Determine the total cost of ownership in the revised RFP

Recognizing that the total cost of the A&T software will depend to some extent on how A&T chooses to configure it, the IT Division can assist A&T in determining the total cost of ownership. The IT Division has created a total cost of ownership methodology that could assist in this effort.

Some cost information was removed from the RFP because it was not set up in a manner that allowed evaluators to score it. Accordingly, all cost information needed to determine the total cost of ownership should be scored.

A&T has made improvements since the postponement of the RFP. Postponing the RFP has allowed A&T the opportunity to learn more, to make improvements, and to decrease project risk. A&T has taken full advantage of this opportunity by conducting more market research, educating the software vendors, and hiring an IT project manager. Important revisions will be made to the RFP, but at the same time, much of the work already carried out by A&T and the software vendors will not be lost.

A&T conducted more market research and further educated vendors

After the postponement of the RFP in January 2008, A&T conducted more market research. The RFP evaluators and new project manager recently attended an A&T technology conference. A&T also had software vendors give on-site demonstrations to learn more about their software.

Postponement of the RFP has provided A&T with an opportunity to educate software vendors about the County. When software vendors visit the County, managers from different sections of A&T and the IT Division have given presentations to the vendors. The more vendors know about A&T and the County's IT systems, the better suited they will be to provide the most informative and useful RFP response. In addition, parts of the RFP are being expanded to include more information about how A&T conducts its business in Oregon.

A&T hired an IT project manager

The IT project manager is vital to the project's success. An IT project manager must have the specialized skills, experience and knowledge to manage the project's scope, complexity, and risk profile. Ideally, the earlier a project manager becomes involved with the project the better.

A&T decided to hire a project manager as a temporary employee. We agree with this decision since hiring a temporary employee instead of contracting will likely save significant resources. More importantly, the project manager will provide valuable input and will be able to gain a better understanding of A&T's operations before the software is purchased. A&T will now have the opportunity to improve controls by setting up a more formal project management structure. Also, documentation of existing business processes will better position A&T for the next phase after the software is purchased.

RECOMMENDATIONS

1. To further develop internal resources and strengthen IT project management capacity, the County should investigate alternative ways to structure IT support and oversight.

A recent report issued in 2008 by Gartner Research entitled *PMOs: One Size Does Not Fit All* suggests matching IT support and oversight to the maturity level of the organization. In brief, the Gartner report discusses three ways to structure IT support or oversight:

Community of Practice: Appropriate for organizations at a low maturity level, a community of practice is an informal group of people who are knowledgeable of IT software procurements. These are go-to people who share experiences and help improve individuals' skills. It does not appear that even this loose structure has been set up in the County to help manage IT projects.

Project Support Office: A more formal structure than the community of practice, the project support office should be able to provide hands-on project assistance at the planning and requirements stages of the project.

Project Management Office: Beyond offering support for projects, the project management office has the role of establishing formalized, reliable processes based on best practice. Projects are tracked and their progress is reported. Unlike a community of practice or project support office, a project management office has the authority and responsibility to actively manage the project. According to Gartner, this "emerging discipline" of focusing more on process and accountability occurs at about the second level of IT maturity.

2. The sophistication of the project management structure established for IT software projects should be appropriate for the level of risk and extend from initiation through project closure.

Scope and Methodology

This audit began as a “system under development review” of A&T’s purchase of new software. The objective was to review project management controls in order to increase the chances that the new software would be delivered on time, within cost estimates and meet or exceed A&T’s expectations. To accomplish these objectives we focused on identifying project risks and communicating them to management. While the project was in the procurement phase, we issued one interim memorandum.

In early January 2008, the nature of this audit changed with A&T’s decision to postpone the procurement of the A&T system. Instead of waiting at least six months to continue, we determined that the most useful action would be to examine lessons learned to date about the project. These lessons could be used by A&T before the RFP is reissued by June 30, 2008. Any lessons learned by A&T’s experience could also be used by the County on other IT projects. Accordingly, we revised our objectives to identify lessons learned from the A&T software project to date.

We interviewed the A&T Director and Assessor, the Chief Information Officer, A&T IT Program Manager, CPCA Manager and Procurement Analyst assigned to the A&T software procurement, Deputy County Attorney, all six RFP evaluators and the RFP consultant. We also attended numerous project meetings, attended vendor software presentations, and reviewed key project documents. We reviewed available meeting notes from Washington County and performed extensive literature research.

Our scope was limited to reviewing the A&T software project. We did not review IT projects in other County Divisions. A&T reviewed the accuracy of information in Appendix A.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives

**Appendix A – Chronology of Project Events: 9/05 through 1/08
Assessment and Taxation Software Project**

September 2005	Washington County began to formally organize a process for replacing their assessment and taxation software system. The Washington County team made assignments, developed a business case and started gathering RFPs from other jurisdictions that had recently purchased an assessment and taxation system.
January 2006	<p>The vendor market was an unknown and was considered a key determinate in the decision to upgrade or purchase a new system. Research was needed to see if there were other viable vendors in the market besides the current vendor.</p> <p>Investigation by Multnomah County A&T showed that issuing a joint RFP with Washington County was feasible and could reduce costs.</p>
February 2006	A&T's second request for a "Business Application Systems <u>Upgrade</u> " in its budget was for \$3.3 million. The request was not approved.
March 2006	<p>The priority of the team shifted to preparing a Request for Information (RFI) instead of an RFP.</p> <p>Two Washington County project team members attended a conference for a first look at assessment and taxation vendor software. The team members reported a significant gap in their knowledge of the state of the art in current A&T software technologies and what was actually in use across the nation.</p>
April-May 2006	Five A&T software vendors gave on-site demonstrations at Washington and Multnomah counties. As a result, Multnomah County A&T participation became stronger as managers, supervisors and key staffs from various sections of A&T attended. Having conducted the vendor demonstrations, the Washington County team decided to switch back to preparing an RFP instead of an RFI.
June-July 2006	Marion County, who used the same A&T system and vendor as Multnomah and Washington Counties, had been working for months to upgrade their A&T

	<p>system. The upgrade was abandoned.</p>
November 2006	<p>Multnomah County's A&T participation further intensified. Multnomah County A&T prepared a schedule for teams to complete work on the RFP by March 2007. Subject area leads for Multnomah County and Washington County were identified.</p>
February 2007	<p>Multnomah County A&T FY07-08 budget proposal was for a <u>new</u> assessment and taxation system. The budgeted cost for the A&T system was about \$6.8 million. The budget proposal was approved later, in June 2007.</p>
April 2007	<p>Washington County could not get funding until FY08-09 at the earliest. Multnomah County appeared to have funding in FY07-08. The joint RFP with Washington County was abandoned due to timing differences in funding.</p> <p>The business specifications of the RFP were considered substantially complete. Multnomah County took over the remaining development of the RFP and went forward with the project.</p> <p>A&T completed a project charter establishing the project's governance.</p> <p>A&T initially planned to issue the RFP on 7-1-07.</p>
May 2007	<p>A&T hired an RFP consultant and services began on 5-1-07. The consultant revised the RFP publish date to 8-1-07 because additional work was needed to refine the business requirements.</p> <p>A&T formed a Systems Improvement Team (SIT team) to review and refine the business requirements that were developed with Washington County. Representatives from the SIT team worked on the business requirements throughout May.</p> <p>In a meeting with A&T, CPCA emphasized review of the procurement strategy and draft RFP by the County Attorney's Office before issuing the RFP to minimize risk of protests or lawsuits.</p> <p>The A&T IT Program Manager, who was the project manager, retired on 5-31-</p>

	07 but stayed on through December as project coordinator.
June 2007	<p>The budget for A&T software systems was formally approved. The total estimated cost was roughly \$6.8 million.</p> <p>The SIT Team completed the business requirements for the RFP.</p> <p>CPCA completed a draft of the procurement strategy.</p>
July 2007	<p>7-2-07- CPCA and the County Attorney's Office met to discuss the procurement strategy.</p> <p>7-20-07- The scheduled response date was pushed out one week, to 9-10-07, to give the vendors more time to prepare their responses.</p> <p>7-24-07- The County Attorney's Office finished the first review of the RFP after receiving it on 7-23-07. Concerns were noted about the scoring section, evaluation criteria, and on-site demo scripts.</p> <p>7-26-07- A&T decided to post the RFP on its scheduled date of 7-27-07 knowing that some parts of the RFP needed improvement. A&T was adhering to timelines to accommodate their workload.</p> <p>7-27-07- The RFP was posted. The due date for responses was 9-10-07. At the time, CPCA felt the risk of not releasing the RFP on schedule was higher than waiting to complete all reviews and to make all changes. Changes would be dealt with through addenda.</p>
August 2007	<p>8-1-07- The published copy of the RFP was provided to the County Attorney's Office for review. The scoring section, evaluation criteria, and on-site demo scripts were still a concern upon completion of review.</p> <p>8-14-07- SIT team began work on on-site demo scripts so that the scripts could be published prior to the RFP response due date. Providing the on-site demo scripts to all vendors before the RFP is issued addresses one of the County Attorney's Office concerns.</p>

	<p>8-17-07- Addendum 1 was released which addressed the scoring, evaluation criteria, and protest period concerns of the County Attorney's Office. Addendum 1 also clarifies the size of Multnomah County's A&T minimum requirements to 250,000+ real parcels.</p> <p>Decisions to modify the RFP changed the time schedule: responses were due by 10-1-07 instead of 9-10-07 and protest periods were added. In total, the timeline for the selection of a vendor had been pushed out eight weeks.</p> <p>8-20-07- Optional pre-proposal conference was held. Six vendors attended the pre-proposal meeting.</p> <p>8-29-07- Addendum 2 formally changed the response date to 10-1-07 and stated that on-site demo scripts would be provided to all vendors by addenda prior to the due date for the proposals.</p> <p>8-31-07- A&T and the County Attorney's Office worked together to revise the cost section of the RFP again.</p>
September 2007	<p>9-12-07- Addendum 3 to RFP was issued. The cost section was revised from Addendum 1 changes and the scoring methodology explained.</p> <p>9-18-07- SIT Team completed work for on-site demo scripts.</p> <p>9-25-07- Addendum 4 to the RFP was issued. Addendum 4 released the on-site demo scripts before the RFP due date of 10-1-07. Other changes in Addendum 4 included summarizing competitive range scoring, and adding evaluation explanations.</p>
October 2007	<p>10-1-07- Five responses and one partial response to the RFP were received by the due date.</p> <p>10-3-07- CPCA discovered that vendors did not meet the minimum requirements of the RFP:</p>

"The Proposer must supply three (3) references in the continental United States or Canada of similar size to Multnomah County or larger (250,000+ real parcels) which have implemented and operated the proposed Solution for at least one (1) year as specified in Section 3.5."

The CPCA procurement manager asked A&T if they really needed this requirement. A&T indicated that companies serving smaller jurisdictions may not be able to address their needs. A&T decided to revise the minimum requirements to 175,000 real property parcels.

10-4-07- The RFP was cancelled. CPCA issued a letter to all companies that had registered as interested to inform them the RFP was cancelled.

10-5-07- The RFP was reissued with modifications:

Minimum Requirements

"The Proposer must supply three (3) references in the United States or Canada which have implemented and operated the proposed Solution for at least one (1) year and at least one (1) reference must be for a jurisdiction with at least 175,000 real property parcels OR one (1) reference for a jurisdiction with at least 100,000 real property parcels with approximately 20% Commercial Properties, 5% Industrial Properties, and 10% Multi-Family Properties to meet the minimum requirements of this solicitation."

Due Date

Responses were due on 10-17-07 pushing the timeline out 2.5 weeks further.

10-11-07- Addendum 1 to new RFP was released.

10-17-07- Five vendors responded to the reissued RFP.

10-23-07- Evaluator orientation meeting was led by CPCA. Five evaluators were from A&T and one evaluator was from the IT Division.

10-31-07- The director of A&T retired.

<p>November 2007</p>	<p>11-13-07- Evaluators received feedback on the RFP responses from four IT staff applicable to their functional areas.</p> <p>11-14-07→11-19-07 Evaluators met to discuss all RFP responses. Evaluators independently scored RFP responses. RFP references were checked by CPCA.</p> <p>11-20-07- Scores for the first stage of the RFP (written responses) were completed. Because scores were closely clustered within 6%, all vendors were included in the next stage of the procurement.</p> <p>11-29-07- Addendum 2 to new RFP was issued.</p>
<p>December 2007</p>	<p>The first half of December was largely spent on the second stage of the procurement (WebX demos). A WebX demo is a combination of a conference call and a video link where the respondent provides an unscripted demonstration of their software.</p> <p>12-3-07→12-7-07- All evaluators and a CPCA representative attended the WebX demos. Many members from the SIT team were also present.</p> <p>12-14-07- SIT Team members met with evaluators and the CPCA representative to comment on the WebX demos. SIT team scores were summarized and distributed to evaluators.</p> <p>12-16-07- Evaluators met to discuss the WebX demos among themselves. A representative from CPCA attended the meeting. Later, evaluators independently scored the WebX demos.</p> <p>12-17-07- CPCA notified all respondents that communications regarding the procurement could be issued during the holiday weeks and asked for additional e-mail contact information to ensure communications were received.</p> <p>12-20-07- Evaluator scores from the WebX demos were summarized and added to the RFP written portion scores. There was a natural break in the scores that set up the competitive range. Three vendors made the "A" list and would continue to the on-site demo stage of the procurement. Letters were sent out</p>

	<p>to all respondents informing them of the results.</p> <p>12-21-07- CPCA notified all "A" list vendors of the County's intent to issue on-site demo invitations and schedules on 12-24-07.</p> <p>12-24-07- Invitations were sent to the three "A" list vendors and demonstrations were scheduled for the weeks of January 7, 21 and 28, on Tuesday, Wednesday, and Thursday of each week. Vendors were invited based on their scores, with the lowest scoring vendor invited first. The RFP stated that the County must give the vendor two weeks to prepare.</p>
<p>January 2008</p>	<p>1-3-08- The vendor scheduled for the first on-site demo sent a letter informing the County they could not be prepared by January 7. This would make the vendor "non-responsive" to the RFP and they would be eliminated from further consideration.</p> <p>1-4-08- County Attorney's Office advised A&T that accommodating the first scheduled vendor was in the best interest of the County. During an evaluator meeting there was discussion about postponing the RFP.</p> <p>1-7-08- CPCA notified the first scheduled vendor that the County would accept their extension and rescheduled for the week of February 08.</p> <p>1-7-08- The Executive Team of the A&T project met for the first time. The minimum requirements written into the RFP could limit A&T from evaluating the latest technology available. Vendors were moving from a client server environment to web-based technology, but may not have had an integrated solution in place for one year with a jurisdiction of a size similar to Multnomah County. The Executive Team favored postponement.</p> <p>1-9-08- A RFP cancellation letter was sent to all vendors. The letter stated that another RFP would be issued in about six months. Technology developments were given as a reason for postponement and the letter stated that the solution purchased in the future would likely be a "fully integrated browser/web-based assessment and taxation solution."</p>

Audit Response



Department of County Management
MULTNOMAH COUNTY OREGON

501 SE Hawthorne, Suite 531
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To: LaVonne Griffin-Valade, County Auditor
From: Carol Ford, Department of County Management Director
Randy Walruff, Assessment and Taxation Director/Assessor

Date: June 9, 2008

Re: Assessment and Taxation: System Under Development Audit

The Department of County Management and the Assessment and Taxation Division (A&T) acknowledge the time that you and your staff have invested in the review of the A&T Software Project. We would like to thank you for the thoughtful recommendations and thorough audit follow up. We appreciate the opportunity to comment on your findings and recommendations.

The audit was initiated as a “system under development review” with an objective to review project management controls in order to increase the chances that the new software would be delivered on time, within cost estimates and meet or exceed A&T’s expectations. The audit objectives were subsequently revised to a “lessons learned” approach when the new leadership team at A&T took the initiative to postpone and revamp the project.

Having read the assessment we find that we are in agreement with your recommendations. We agree with your opinion that the County will benefit from the steps that are in process to improve the level of IT investment management maturity as described in the audit. Additionally, you recommend that the County should investigate alternative ways to structure IT support and oversight.

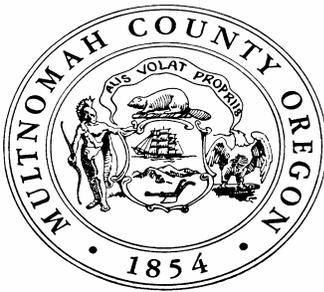
Specifically, the Department of County Management has already started improvements that will benefit the whole County:

- IT is in the process of implementing a Project & Portfolio management system, which will provide standardized management processes, tools and deliverables.
- IT has developed a new job class, specific to IT Project Management.
- IT, CPCA and County Counsel are working to define standard procurement and contract boilerplates for technology purchases.

As A&T has moved forward with revising the RFP, IT staff members representing all of the skills required to support the new software have been involved. The RFP has been strengthened regarding the technical information provided about the County and the technical information requested from the vendors. This team of IT staff will continue to support the A&T project. We appreciate the fact that your report recognizes that the Assessment and Taxation System Project will benefit from the current efforts to improve IT project management practices.

The recommendations in this report will assist us in to a successful completion of our project to purchase a new comprehensive software system to improve and streamline the County’s assessment and taxation processes.

Thank you for the care you took in completing this study.



LaVonne Griffin-Valade Multnomah County Auditor

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Audit Report: *Assessment & Taxation Software Project*
Report #08-03, June 2008
Audit Team: Fran Davison and Craig Hunt

The mission of the Multnomah County Auditor's Office is to ensure that County government is honest, efficient, effective, equitable, and fully accountable to its citizens.

The Multnomah County Auditor's Office launched the **Good Government Hotline** in October 2007 to provide a mechanism for the public and County employees to report concerns about fraud, abuse of position, and waste of resources.

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