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SPECIAL MEETING

SACRAMENTO CITY COUNCIL  
REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO  
PARKING AUTHORITY OF THE CITY OF SACRAMENTO

I HEREBY CALL Special Meeting of the Sacramento City Council, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, and Parking Authority of the City Sacramento to be conducted concurrently with the Council committee meeting listed below, which is incorporated herein by reference. The Special Meeting is called to permit Members who are not on the listed committee to attend the meeting and participate in the discussions.

The meeting will be held at the date, time and place indicated below, and the subjects to be considered and acted upon shall be those below and on the reverse side of this page.

Issued: August 15, 1985

ANNE RUDIN  
MAYOR

ATTEST:

LORRAINE MAGANA  
CITY CLERK

COUNCIL COMMITTEE MEETINGS SCHEDULED FOR THE WEEK  
AUGUST 19, 1985 THROUGH AUGUST 23, 1985

TUESDAY, AUGUST 20, 1985

BUDGET & FINANCE COMMITTEE

4:00 P.M.

City Council Chambers  
915 I Street  
Sacramento, CA

- SUBJECT:
1. Agreement with Sacramento Area Commerce and Trade Organization (SACTO) for FY 1985-86
  2. Landfill Closure Clay Cover - Fund Transfer and Bid Advertisement
  3. Amendment of 1985-86 Budget for Retiree/Transferred Employee Medical Expenses
  4. Financial Management Information System (FMIS) Software/Hardware

(over)

Budget & Finance Committee (Continued)

5. Agreement with State of California to fund Operation of William G. Stone Lock/SHRA
6. Establish Just Compensation and Authorize Acquisition of Parcels in Oak Park/SHRA
7. Approval of Change Order #1: Old Sacramento River Front Wharf Project/SHRA
8. Development of "Business Incubator" Project on the Donner School Site/SHRA
9. 1985 Agency Budget Amendment--Insurance Premiums/SHRA
10. Analysis of Approach for Commercial Revitalization on 12th Street/SHRA

COMMITTEE MEMBERS: Lynn Robie (Chair), Doug Pope, Joe Serna, Dave Shore

B + F

# CITY OF SACRAMENTO



## **PROPOSAL TO ASSIST THE CITY DETERMINE AND SELECT ITS FINANCIAL APPLICATIONS**

**JULY 1985**

 **Touche Ross**

# *Touche Ross & Co.*

July 26, 1985

Mr. Jack R. Crist, Director of Finance  
Mr. Jim Puthuff, Data Processing Director  
City of Sacramento  
City Hall  
915 I Street  
Sacramento, CA 95814

Dear Sirs:

Touche Ross is pleased to submit this proposal to assist the City of Sacramento determine and plan the implementation of its management information systems needs. We enjoyed meeting with you and other City officials to receive the benefit of your insight and gain the necessary information to prepare our proposal. At this point, we believe we have "done our homework" and have prepared a proposal which is exceptionally responsive to your needs.

We believe Touche Ross is uniquely qualified to provide the City with a high level of value-added consulting assistance because our project manager, project senior consultant, and staff consultants have performed essentially the same project for the City of Modesto. As a result we have recent, first hand knowledge of the municipal government application software many vendors have. Some of these vendors have demonstrated their products recently to the City. Further, we recently assisted the troubled San Francisco Housing Authority resolve problems in the implementation of its financial accounting system.

As a result of our experience, expertise, and our conversations with you we feel we have a good understanding of your requirements. We are sensitive to the City's need to improve automated support in the area of investment/cash accountability. We appreciate the need for a timely, efficient, fair process for selecting financial software and associated computer equipment. We recognize the importance of involving and educating the City Council and City management from the very beginning of the decision making process. We advocate the development of a financial systems modernization plan that provides direction for the next several years, identifies relevant costs, and describes the time and effort required to achieve the City's objectives.

The approach we propose to use on this project is one we have successfully used before in California city government. It reduces the request for proposal effort, and permits us to concentrate on in-depth evaluation of the top contenders, yet still maintains a fair, competitive procurement environment. This approach, and other factors that differentiate us from other consulting firms are described in detail in the Consulting Approach and Work Plan section of this proposal.

*Touche Ross & Co.*

Messrs. Crist and Puthuff

Page two of two

July 26, 1985

We have organized our proposal into five sections. The **Project Background** section contains a brief summary of your current status and the events which led to this project. The **Project Objectives and Scope** are described in section two and our **Consulting Approach and Work Plan** is described in the third section. Our **Project Staffing, Timing and Costs** are detailed in the fourth section and our **Qualifications** are presented in section five.

\* \* \* \* \*

We would consider the City of Sacramento to be an important client and look forward to working with you on this significant project. Should you have any questions, please call either Mr. Kevin Anderson or me at (916) 971-3032.

Very truly yours,

TOUCHE ROSS & CO.

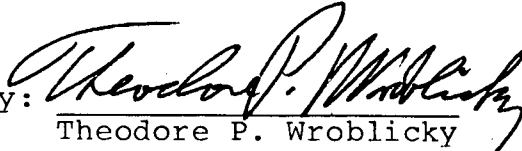
By:   
Theodore P. Wroblicky  
Director, Management  
Consulting

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## I. PROJECT BACKGROUND

The automated accounting systems used by the City, currently implemented on a Sperry 90/80 computer, have been in service for over ten years. Given the rapid advances in technology and municipal information systems, this is a very long time. These systems have evolved as the City's information requirements have expanded and changed, but have reached the point that they can no longer be maintained or improved in a cost effective manner. As issues such as cash accountability made this apparent, City management took appropriate action.

In March of 1985, the City retained a consultant to review the existing financial systems and develop a plan for replacing them. This review was completed in May, 1985, and presented to City Management. Relevant findings in the review included:

- o The cash accountability function appears to be under control; however, the recently installed procedures require a great deal of clerical and professional effort to perform.
- o The various accounting systems share data very poorly. Much of the interface among systems is accomplished manually with a great deal of effort exerted by the accounting staff to reconcile and balance the various modules.
- o The system, taken as a whole, does an adequate job of historical accountability, but does not facilitate management and financial reporting that is crucial for management decision making. Department users are maintaining their own duplicative accounting records in order to produce management reports.

Recommendations relating specifically to the acquisition of an integrated financial information system (IFIS) included:

- o Replacing the City's present fragmented accounting, cash accountability, check writing, budgeting and cost accounting systems with a single integrated financial information system acquired from one of a number of vendors of such systems. The new system should fully

integrate accounting, treasury cash and investments, departmental cost/revenue analysis, fixed assets, accounts receivable, accounts payable, budgeting, materials management, cashiering and bank reconciliation in one comprehensive process.

- o Implementing an integrated financial management system over the next 30 months on an interim computer awaiting the replacement of the City's central computer.
- o Strengthening the City's remaining systems, consisting primarily of payroll/labor/position control, fleet management, and specialized billing modules, by providing better user access to the data presently in these modules and to create an automated interface with the IFIS.

Because of our expertise and recent experience in the acquisition of municipal accounting systems and computer equipment, the City has requested a proposal from Touche Ross to assist in defining specific financial information systems needs, and selecting a vendor(s) that can satisfy those needs. This proposal is Touche Ross' response to the City's request.

## II. PROJECT OBJECTIVES AND SCOPE

The City's objectives and the consultant's role in the proposed project include the following:

- o For the applications listed below, identify user requirements at a level of detail sufficient to compare and select appropriate application packages.

General Ledger

Budget Status and Development

Accounts Payable

Misc. Accounts Receivable

Cash Management

Investment Management

Cost Accounting

Project Management

Overhead Distribution

GAAP Reporting

Purchasing

- o Identify and select application packages that will best meet the City's needs, particularly in the area of investment/cash accountability.
- o Assist the City in identifying and validating the appropriate computer equipment configurations needed to run the selected application packages. This includes considering relevant technical and organizational issues. It also includes identifying and comparing alternative vendor costs.
- o Work with the project team and steering committee to help City management and the City Council understand the benefits of modernizing the City's financial systems, and time, effort, commitment and cost required to successfully implement them.

- o Prepare a financial systems modernization plan based on the assumption that the City will acquire an interim computer to run financial systems as specified in the Report on City of Sacramento Financial Information System. If the City should decide to plan for a long-term computer equipment solution for all its data processing applications during the course of the engagement, we would be pleased to discuss any necessary change in project scope and activity. The proposed contents of the financial systems modernization plan are described in detail below in Task 6 of the work plan.
  
- o Assist the City in negotiating an appropriate vendor contract and preparing presentation materials for the City Manager and City Council.

### III. CONSULTANT APPROACH AND WORK PLAN

We have tailored an approach to this project which leverages our experience and expertise in similar projects to the advantage of the City. Several factors, instrumental in guiding the scope of our effort, our project staffing, and our technical approach, merit discussion.

#### A. COMPETENCE AND INDEPENDENCE TO PERFORM AN OBJECTIVE EVALUATION OF APPLICATION SOFTWARE PACKAGES

Touche Ross & Co. neither produces nor advocates the use of any application package which might be used to fulfill the City's requirements. Nor do we have any special relationship, contractual or otherwise, with any software vendor, including those who may own a particular package of interest to the City. Other large firms, either consistently advocate their own proprietary software or have a long-standing history of implementing specific software in various governmental agencies. We believe the City has proper concern over potential conflicts of interest between consultant and software vendor which can lead to the recommendation of less than the most appropriate application package. We have no such conflict of interest. However, our team of professionals possesses the necessary experience from previous engagements of similar nature to evaluate competitive application software packages competently and objectively.

#### B. COMPLEXITY OF CITY FINANCIAL SYSTEMS REQUIREMENTS

Proper scoping of the work effort to complete this project must take into account the complexities surrounding the City's financial information needs. While on the surface the funds and accounts of the City may appear reasonably straightforward, our previous experience on similar engagements has identified substantial

complexities in accounting and reporting requirements for: (1) various funding sources, and (2) controls over budgeting, distribution, expenditures, and reimbursements of funds by type, program, project, responsibility and grant. These factors, as well as the magnitude of operations, difficulties surrounding planning and control under decentralized operations, and stringent reporting requirements were key elements influencing the level of effort necessary to complete the engagement.

### **C. REQUIRED KNOWLEDGE OF FINANCIAL SYSTEMS, GAAFR, AND APPLICATION PACKAGES**

In order to meet the City's desired objectives efficiently, the project team must have: (1) experience in financial systems needs analysis and definition; (2) professional competence in state-of-the-art EDP systems; and (3) knowledge of GAAFR requirements. Our project team fulfills these requirements.

Members of our project team recently performed a financial needs assessment, selection of computer equipment and applications, and financial systems implementation for The City of Modesto. Additionally, they just completed implementation of a revised budgeting process, tighter expenditure controls, and a new general ledger system for the troubled San Francisco Housing Authority.

Because we have a great deal of experience in projects of this type, our consultants are already familiar with numerous proven software systems available for local government. Further, they have technical expertise in a broad range of hardware products. While this does not imply that we have a preconceived solution for the City, it does mean that we have a breadth and depth of knowledge regarding these areas which will allow us to thoroughly and expeditiously review and evaluate these systems on behalf of the City. The Qualifications section of this proposal illustrates the wide range of experience Touche Ross & Co. has in serving local governments.

As a result of our previous experience in city government financial systems needs assessments, we have developed requirements checklists that facilitate the process of determining departmental requirements. These checklists describe system features and functions typically requested by City departments. They also include system features and functions often provided in comprehensive financial application software packages. Exhibit 1 presents a sample of the format of these checklists.

As we discuss these checklists in our interviews, they remind department personnel of functions and features that are typically available and help in defining requirements that are needed in a given environment. These checklists are also used during the alternative analysis to compare the City's requirements with functions provided by specific software packages.

#### **D. UNDERSTANDING OF CITY ADMINISTRATIVE PROCESSES**

A sensitivity to the workings and pressure points of city government is an essential skill possessed by the Touche Ross project team. We also pride ourselves on our ability to communicate effectively both verbally and in written form to target audiences such as the City Council.

We make it a point to learn how decisions are made in each client city, and ensure that key people are involved and kept informed throughout the project. We work with clients rather than for them. It is our belief that we can guide and facilitate change, but not force it. Our project teams, when possible, include both client and consultant personnel. Decisions are made by the City with the benefit of our expertise, analysis, and guidance. This ensures that tangible change and results will remain after we work ourselves out of a job.

LOCAL GOVERNMENT FUND ACCOUNTING CHECKLIST  
General Ledger

	D - Desirable	N - Not Available	
	M - Mandatory	B - Base System	
		E - Enhancement	
<u>Requirements</u>	<u>Package #1</u>	<u>Package #2</u>	<u>Package #3</u>

Functions and Features

Journal Entries:

Support all Governmental Accounting, Auditing, and Financial Reporting (GAAFR) fund types.

Support accounting and reporting necessary to be in compliance with Generally Accepted Accounting Principles (GAAP) and Governmental Account, Auditing, and Financial Reporting (GAAFR).

Dual period and dual year processing.

13 period data accumulation and reporting with a fourteenth period for audit adjustments and closing.

Hold open for full quarter before closing.

Ability to post account data immediately on the general ledger after entry with edit, validation and in-balance conditions met.

Automated year-end closing entries and forwarding of general ledger balances to succeeding fiscal year. Saves prior year data files on historical audit files.

Produce period-end general ledger with fiscal year-to-date transactions listed.

Ability to enter manually prepared journal entries through user terminals as required.

Ability to accept and edit both manual and automated journal entries against the general ledger master file.

Input should be in fund general ledger format (fund, general ledger account, amount) and include a source reference.

III-4

During this project, we intend to work closely with the City's project team to complete each major task described in the work plan below. In addition, we intend to involve the project steering committee consisting of key City personnel as decisions are made throughout the course of the project.

#### **E. IMPLEMENTATION ORIENTATION**

Another of our firm's differentiating strengths is our strong implementation orientation. We view our mission not only to be a developer of concepts but, more importantly, to effect change, and our activities are focused upon assisting our clients implement the adopted recommendations.

After alternatives and recommendations have been presented, we continue to work closely with client management to plan and implement the client's decision. By being implementers, we become better planners, since we understand the very real issues related to change. In our experience, consideration of organizational resources, constraints and capabilities, and political realities is essential if actual change is to occur.

#### **F. EFFICIENT COMPETITIVE PROCUREMENT APPROACH**

Based on our experience, we have modified the request for proposal (RFP) and proposal evaluation approach typically used by other consulting firms in application software package procurements. Our approach enables us to quickly notify potential vendors, qualify them, reduce the time, effort, and paperwork required for the RFP and proposal process, and concentrate on in-depth evaluation of the top contenders. As a result, the City is able to make selection decisions based on thorough, in-depth analysis while maintaining a fair and equitable competitive procurement environment. The work plan below describes our competitive procurement approach in detail.

**G. FINANCIAL SYSTEMS SELECTION WORK PLAN**

Based on the above key factors, the major tasks we intend to perform to successfully complete this engagement are as follows:

**TASK 1. IDENTIFY USER REQUIREMENTS**

We intend to define user requirements at a level sufficient to select appropriate application packages for the applications specified above in the Project Objectives and Scope section. To accomplish this task we will use the requirements checklists described earlier, the requirements documented in the Report on City of Sacramento Financial Information System, and other requirements documented by the City, to guide our interviews with appropriate City personnel. We will use our knowledge of municipal accounting issues and application package functions and features to help users understand and consider the variety of functions and features that are available and that they might need. We will revise the checklists to include unique City requirements identified as a result of our discussions. Because of our implementation orientation we also guide users toward practical, achievable requirements rather than highly idealistic and inachievable goals.

Estimated Task Hours

TR Project Team	60
City Project Team	80

**TASK 2. SCREEN SOFTWARE VENDORS**

To provide maximum benefit to the City, we intend to leverage our knowledge of the marketplace and our understanding of the City's requirements by screening potential software vendors before requesting formal proposals from them. We intend to build on the vendor list already prepared by the City by adding vendors from our

own files and from other sources that we have access to. We also intend to make public a Request for Information to give notice to other qualified vendors that would have an interest in providing software and services to the City. We will then develop key criteria with which to identify a group of vendors that can respond to the City's needs. For example, software vendors that cannot provide proposals to satisfy all or most of the broad scope of application areas required by the City will be eliminated from consideration. Some of these vendors have already provided demonstrations of their products to the City. As needed, we will arrange for demonstrations from other vendors to appropriate City personnel to further qualify them and familiarize the City with the types of packages that are available.

Estimated Task Hours

TR Project Team	40
City Project Team	40

**TASK 3. EVALUATE QUALIFIED SOFTWARE PACKAGES**

We will then request that qualified vendors match the functions and features of their packages against the requirements checklists developed earlier and return the checklists to us. In addition, we will request from them a cost and qualifications proposal along with a set of documentation for the proposed packages. City and Touche Ross personnel will then analyze the responses, discuss relevant issues with the vendors, and document the analysis. Many vendors tend to respond positively to specific requirements even if they satisfy them in a convoluted and impractical way. We will ask appropriate questions to determine if the requirements are satisfied in a straightforward and easy to use manner. Based on our technical analysis, the project team will prioritize the top two or three vendor proposals.

Estimated Task Hours

TR Project Team	80
City Project Team	80

**TASK 4. EVALUATE ASSOCIATED COMPUTER EQUIPMENT**

With the help of software and computer equipment vendors, City and Touche Ross personnel will then determine the computer equipment configurations required to adequately run the software provided by the top two or three vendors. We will identify organizational, operational, and technical issues relative to the identified computer equipment. Equipment vendors will be asked to provide cost proposals which we will analyze.

Estimated Task Hours

TR Project Team	40
City Project Team	120

**TASK 5. SELECT SOFTWARE VENDOR/COMPUTER EQUIPMENT ALTERNATIVE**

A cost/benefit analysis of the top two or three alternatives will be performed based on the total cost and benefits of the software packages and the associated computer equipment. A summary of the alternatives will be prepared and the project team, the project steering committee, and other appropriate City personnel will meet to reach consensus on the most appropriate alternative, to be recommended to the City Manager and the City Council.

Estimated Task Hours

TR Project Team	32
City Project Team	64

TASK 6. PREPARE FINANCIAL SYSTEMS MODERNIZATION PLAN

Once the selected alternative is determined, tentative contract terms will be negotiated with the software and computer equipment vendors. Concurrently we will prepare a draft of a Financial Systems Modernization Plan to be presented to the City Manager and City Council for formal action. This document will include a management summary, a description of major alternatives, evaluation results and support materials for the recommended alternative. A suggested implementation plan will be prepared and included in the document.

It will also include a long range plan for replacement of the financial applications not a part of this procurement. An implementation schedule will be prepared and anticipated costs will be identified. The anticipated future upgrades for the interim computer and associated costs will be identified.

Rough estimates of financial system related costs for the 1988 conversion year and beyond will be determined as appropriate. The time, effort, commitment, and associated costs required to modernize the City's financial systems over the next several years will be clearly communicated.

If a change in Project Scope to include consideration of a long term computer solution and larger data processing issues is requested by the City, we will modify the modernization plan appropriately.

Estimated Task Hours

TR Project Team	100
City Project Team	120

Total Project Hours

TR Project Team	352
City Project Team	504

H. IMPLEMENTATION SUPPORT

The completion of the previous six tasks concludes our services quoted for this project. We intend to select software and hardware vendors who can provide high quality implementation assistance for their packages. In addition, application package users must take a major role in any successful implementation. Nevertheless, some implementation tasks are more appropriately performed by independent consultants. We are well qualified to assist during implementation if the City so desires. Based on our past experience in similar projects, our implementation assistance typically includes the following:

- o Assisting the City and the vendor in the development of a detailed implementation plan for the computer and software packages.
- o Providing general project management assistance to the project team consisting of City, Vendor, and Touche Ross personnel.
- o Assisting in the revision of the chart of accounts and defining organizational and procedural changes to facilitate the accounting process and utilize the features of the software.
- o Participating in the final acceptance testing to ensure that the City is satisfied with each software package's performance.
- o Assisting the City to identify and prepare appropriate manual and automated controls and procedures to provide for adequate security and auditability of the system(s).
- o Providing other implementation related services identified during the implementation process and mutually agreed upon by the City and Touche Ross.

#### IV. PROJECT STAFFING, TIMING AND COSTS

In this section of our proposal we describe our staffing approach to this study and quote our fees and expenses to conduct the study. Each project participant is named and his/her project role is described. Detailed resumes of each project team member are included in Appendix A.

##### A. PROJECT STAFFING

We propose to use consultants who are experienced definers, evaluators and implementers of municipal computer application packages. Their experience has been gained through actual experience at the following California cities and counties:

- o City of Modesto
- o City of Stockton
- o City and County of San Francisco
- o City of Trinity
- o County of Ventura

Specifically we plan to staff this project for the City of Sacramento in the following manner:

- o **Project Manager - Theodore P. Wroblicky - Director of Management Consulting in our Sacramento office , will serve as project manager. He is experienced in information system requirements definition, design, application software selection, implementation of on-line systems, and management of long-term engagements for local and state governments. Mr. Wroblicky managed**

the financial application needs analysis, implementation and word processing package selection for the City of Modesto.

In addition, he performed and supervised the analysis and determination of data processing application requirements in the City of Stockton, the San Francisco Municipal Court, San Joaquin Delta College, or Trinity County; Douglas County, Nevada; and Kankakee County, Illinois. As project manager, he has responsibility for the technical performance of the project. He will also review all project deliverables.

- o Project Senior - Kevin W. Anderson - is a member of the Firm's Advanced Technology Task Force and is an experienced public sector consultant. He has particular expertise in data processing, office automation, and local government accounting systems. He performed our data processing implementation and office automation work at the City of Modesto and our applications implementation at the San Francisco Housing Authority. He also has assisted numerous public and private sector organizations in assessing and planning for their long range EDP needs.

As project senior, Mr. Anderson will supervise on-site day-to-day contact with the City. He will also:

- Schedule and supervise project personnel
- Review all project documentation
- Participate directly in task activity.

- o Project Consultant - Ms. Kathleen Reeder - has defined requirements and implemented a number of systems including the successful implementation of a payment processing system at the County of Ventura. She has

also assisted various cities with the definition of payment processing requirements and cash management while with another employer. She has completed analyses of various financial operations for governmental agencies, small banks, credit unions and savings and loans.

- o **Project Consultant - Ms. Debra L. Stenvick, CPA** - has participated in the implementation of new financial systems for the City of Modesto by developing system interfaces, procedures and controls, and ensuring compliance to GAFFR requirements. She planned, supervised, and participated in the examination of financial statements of the cities of Modesto, Roseville, and Galt, and the counties of Sacramento, Shasta and Tuolumne.

Detailed resumes of these individuals are included in Appendix A.

#### **B. PROJECT COSTS AND TIMING**

Our fees are based on the time to be devoted to the project by our professional staff at billing rates based on their level of experience and responsibility. They are also based on our understanding that Roger Simpson, the City's project manager, will be available to work closely with us nearly full time, and that the rest of the City's project team will be able to assist on a part-time basis.

We estimate our fees to conduct this study at \$30,000 plus out of pocket expenses. We would expect to bill for services and expenses on a monthly progress basis. The specific details of this procedure can be developed at our initial meeting.

We are willing to start at the time of our selection and estimate this project can be completed within five months. Although the actual work can be completed in a shorter time frame if necessary, our experience with cities has shown that adequate time should be provided to allow for the City's normal decision making processes to take place. A Gantt chart showing the timing of the project tasks is attached as Exhibit II.

We recognize that those who evaluate our proposal may perceive the work differently than we have perceived it. Accordingly, we wish to express our willingness to modify our fee estimate or work program provided that staffing, scope or approach are modified in a proportionate manner. We welcome the opportunity to discuss your suggestions and concerns should you wish to modify our approach.



## V. TOUCHE ROSS QUALIFICATIONS

### A. OVERVIEW OF THE FIRM

Touche Ross is a multinational public accounting and consulting partnership serving clients in business, industry, government and education. Touche Ross provides services to clients in 86 countries through 401 offices. Our total worldwide professional staff is approximately 21,000. Touche Ross has 86 offices in the United States, with our Executive Office in New York City. An equal opportunity employer with an affirmative action plan in force, Touche Ross has a full-time U.S. professional staff of more than 7,500 supervised by 720 partners.

Touche Ross numbers among its clients a broad cross-section of governmental, business and industrial enterprises. Thus, we have served every type of enterprise, including municipalities, state agencies and departments, corporations, partnerships, joint ventures, regulatory bodies, nonprofit organizations, and professional and trade associations.

Our 86 local offices have direct line responsibility for client services in their territories and are supported by two staff groups. One staff group aids the delivery of client services in particular functions - Audit, Tax, Financial Planning and Control, and EDP Systems. The other staff group lends support in particular industries: state and local government, banking, retailing, construction, education, health care, etc. This form of organization enables the Firm to bring effective technical, informational, and administrative resources to each client engagement.

Touche Ross performs a significant amount of systems (manual and automated) consulting to many nonprofit, public sector and private industry clients nationwide. Our projects span all phases of systems development from initial feasibility studies through post-implementation review and long-range planning. Our national systems consulting committees ensure that our systems consultants are aware of state-of-the-art developments by monitoring publications and coordinating attendance at technical seminars, both in-house and external.

## **B. MANAGEMENT CONSULTING SERVICES**

Our Management Consulting Division is a versatile, general purpose consulting organization with a sphere of practice extending into all major aspects of corporate management, as well as administrative and policy problems in government and not-for-profit organizations.

Touche Ross coordinates its consultants' functional expertise to address the special requirements of governmental organizations. Through experience and research, we have developed a thorough understanding of the pressures and problems facing government. Our consulting approach, tested and proven in numerous successful engagements, assures that our recommendations are practical and fully consistent with the objective of improving the level and quality of services.

The Firm's functional consulting capabilities within the public sector are extensive. A general listing of our primary areas of activity includes:

### **1. Automated Data Processing:**

Assistance in all aspects of systems planning, design and implementation, including requirements definition, determination of in-house or shared-service alternatives and vendor selection. Assistance has been provided for financial, management, cost reporting, billing and information systems.

### **2. Telecommunications:**

Assistance in all aspects of office automation system planning, network design, requirements definition, Request-for-Proposal development, proposal evaluation, contract negotiation and implementation.

### **3. Operations Improvement:**

Assistance in the total review of an organization as well as planning and implementing improvements in areas such as organization structure, operating policies, staffing, scheduling, facility utilization and data processing. This includes implementation of cost containment programs.

4. **Organization and Personnel:**

Functional analysis, position evaluation and classification, organization design, staff training, management development programs and executive placement.

5. **Strategic Planning:**

Defining service areas, demographic analysis, evaluation of trends, establishment of organization and program, short- and long-range planning, staff development, and development of implementation plans.

6. **Financial Management:**

Conducting financial feasibility studies, preparing analysis of debt capacity and financial alternatives, development of cash management systems rate review packages, development of budgeting and control systems, financial planning, accounting and financial management, and analysis of reimbursement effects.

We believe that the wide range of our practice results in important benefits for our local government clients. Touche Ross, as a firm, has provided financial, systems, and operational consulting to an ever increasing number of local government entities across the nation. More specifically, Touche Ross has performed for the following units of local government.

- City of Los Angeles
- City of Sacramento
- City of Modesto
- City of San Francisco
- Scottsdale, Arizona
- Prairie Village, Kansas
- Louisville, Kentucky
- Lancaster County, Nebraska
- Overland Park, Kansas
- Topeka, Kansas
- Ann Arbor, Michigan
- Lincoln, Nebraska
- Breckenridge, Colorado
- Tulsa, Oklahoma
- Shawnee County, Kansas
- Rome, Georgia
- Palm Springs, California
- Patterson, New Jersey

Additionally, to these engagements, we have extensive experience consulting with various local government departments. For example:

- o A Touche Ross team of consultants reviewed the organizational and operational effectiveness of the City and County of San Francisco's Department of Public Works. We conducted a comprehensive review of the Department, which is responsible for all street, sewer and building construction for the City of San Francisco and includes both maintenance and engineering organizations. Issues considered included: organizational structure, staffing levels, management planning and control, opportunities for increased mechanization and use of private contractors, crew scheduling and consolidation of functions. We prepared recommendations which, upon implementation, have resulted in a recurring annual benefit of \$6.7 million.
- o In a second engagement, Touche Ross consultants conducted a comprehensive management audit of the Los Angeles County Road Department. We found the Road Department to be a well-managed, service-oriented organization. At the same time, we recommended steps for improvement in the areas of materials management, management information systems, equipment maintenance and utilization, organization and staffing, and reimbursement revenue maximization, that should lead to significant benefits. Importantly, Road Department management is currently acting to implement our recommendations in all of the areas targeted for improvement.
- o Finally, Touche Ross conducted an in-depth review of the City of Los Angeles; Bureau of Street Maintenance, a major division of the City's Department of Public Works. Particular emphasis was placed upon identifying areas for productivity improvement and upon improving manpower planning, staffing patterns and budgeting. Recommendations adopted by the City resulted in a significant improvement in service levels and annually recurring operation savings of \$5.5 million.

C. TOUCHE ROSS IN CALIFORNIA

Touche Ross serves its California clients through its offices in Sacramento, Fresno, Los Angeles, Oakland, Orange County, Palm Springs, San Jose, San Francisco and San Diego. These offices operate as an integrated practice, providing professional services to business and government throughout the state.

Our clients represent a diversified cross-section of the state economy. We serve state and local government in the public sector and serve private sector clients in various industries besides including distribution, transportation, telecommunications, heavy and light manufacturing, high technology, agribusiness, financial and banking institutions, construction and real estate, and large and small retail organizations.

SACRAMENTO OFFICE GOVERNMENTAL EXPERIENCE

The Sacramento office of Touche Ross has more experience auditing government entities and programs than any other office of similar size within our Firm or any other national firm in the area. We are very active in the Firm's national industry program.

Our office also has extensive local experience with virtually every type of grant audit and Attachment P. We have successfully completed audits for the following state and federal funding sources:

- o Department of Labor
- o Department of Health and Human Services
- o Department of Housing and Urban Development
- o Department of Transportation
- o Federal Revenue Sharing
- o State Department of Transportation, Education and Welfare

In addition, we have worked with their audit guides for various programs. We have successfully completed audits for these funding sources because we emphasize communication on technical and procedural questions arising from the course of our examination. Our experience in grant auditing also contributed heavily to the success of those audits. Our efforts have helped our clients achieve timely and acceptable audit reports. We are also part of a complex of four northern California offices where we have done additional governmental work far in excess of the services listed below. The following partial list of recent client involvement illustrates the depth of our experience. All of these clients were served out of the Sacramento office.

City and County Government Clients

Fresno County, California  
City of Modesto, California  
City of Rio Vista, California  
City of Roseville, California  
City of Sacramento, California  
Sacramento County, California  
Shasta County, California  
Tuolumne County, California

Related Government Clients

Assembly Rules Committee  
California Department of Veterans Affairs  
California Housing and Finance Agency  
El Dorado County Office of Education  
Sacramento Housing and Redevelopment Agency,  
OMB Circular A-102

Other Programs Financed by Government (Partial List)

City of Rio Vista, Revenue Sharing

City of Roseville:

Community Development Block Grants

Revenue Sharing

County of Sacramento Revenue Sharing

Shasta County Revenue Sharing

Department of Health and Human Services, audit of

Medicare Compliance, State of Nevada

Protection and Advocacy Inc. Human Development Funds

San Joaquin Delta Community College

Sacramento Housing and Redevelopment Agency:

Community Development Block Grants

Federally Funded Housing Projects

Tuolumne County Revenue Sharing

CETA Projects

Contra Costa County Department of Manpower Programs

Unified audit

Denver Employment and Training Agency, OMB Circular A-102,

Attachment P audit

Sacramento Employment and Training Agency, Attachment P

Sacramento Employment and Training Agency, subgrantee audit

Stanislaus County Employment and Training unified audit

State of California, Vocational Education, subgrantee audits

**D. ENGAGEMENT DESCRIPTIONS**

The following section provides detailed description of relevant engagements and selected references. These descriptions, further demonstrate our background in a wide range of projects relevant to local government.

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CITY OF MODESTO

Mr. Peter Kolf  
Accounting Manager  
(209) 577-5386

We assisted The City of Modesto with planning for selecting, and implementing its city-wide financial systems applications and computer equipment. This assistance included:

- o Defining user requirements for major financial applications
- o Identifying vendors of fund accounting financial software packages
- o Evaluating and selecting appropriate accounting software packages
- o Evaluating computer equipment alternatives and recommending appropriate equipment
- o Preparing financial systems implementation plan
- o Serving as project managers to implement computer equipment and financial applications

Name of Software: American Management Systems' Local Government Financial Systems (LGFS) with on-line capability. Functions include General Ledger, Accounts Payable, Encumbrance accounting, budgeting, expenditure control, purchase orders, fixed assets, payroll.

Duration of Project: Eight months

Number of Hours: 1,200 hours

Contract Price: \$120,000

Additionally, we are currently engaged by the City to evaluate office automation alternatives and recommend the most appropriate system for city-wide use.

San Francisco Housing Authority

General Ledger Implementation  
and Expenditure Control

Mr. Wilbur Hamilton  
Director  
(415) 468-3800

We assisted the San Francisco Housing Authority to define and implement short-term and long-term expenditure controls. We also implemented a fund accounting, general ledger package that was previously purchased but never implemented. The assistance included:

- o Determining user requirement for general ledger
- o Verifying that the already purchased package met user requirements
- o Developing general ledger implementation plan
- o Reviewing and revising the general ledger chart of accounts
- o Specifying and implementing immediate short-term procedures to control expenditures
- o Preparing budget vs. encumbrance vs. actual reporting procedures
- o Specifying long-range modifications to accounts payable and encumbrance applications

Name of Software: New Generation Software's financial system,  
Finance 38  
Duration of Project: Four months  
Number of Hours: 1,800 hours  
Contract Price: \$180,000

City of Scottsdale, Arizona

Mr. James Weaver  
Deputy City Manager  
(602) 994-2469

We assisted the City of Scottsdale with planning for, selecting, and implementing its city-wide accounting and office automation resources. The assistance included:

- o Specification of financial and accounting requirement
- o Preparation of the Request for Proposal (RFP) to be sent to vendors
- o Selection of Financial Accounting Software Package
- o Implementation of the general ledger and financial reporting modules

In addition to assisting the City with improving its accounting systems, we were involved in developing a plan for office automation. This plan also addressed the needs of the Scottsdale police and fire departments for communications, computer-aided dispatch (CAD) and connection with both the NCIC and Arizona law enforcement systems. We defined requirements and prepared an RFP to be distributed to vendors of CAD systems.

Name of Software: MSA General Ledger with Budgetary Control and on-line capability; Accounts Payable, Accounts Receivable, Fixed Assets, Payroll

Duration of Project: Eight months

Number of Hours: 1,500 hours (not including client participation)

Contract Price: \$150,000 (selection of finance and accounting systems, implementation of general ledger)

Financial Information System  
Review and Implementation

Lancaster County, Nebraska

Mr. Wayne Hart  
Administrative Assistant  
Lancaster County  
(402) 473-6447

Touche Ross & Co. was engaged to review and develop a comprehensive plan for an integrated accounting and financial information system. This review required the identification of financial system and processing requirements for elected and appointed Lancaster County officials in addition to the State Auditor's office and the Data Processing Division of the City of Lincoln. The project covered all accounting and financial management tasks handled by the County Treasurer and County Clerk and included interfaces with other County departments and agencies.

The culmination of our efforts resulted in a systems requirements report that is currently being used as the basis for implementation of a County financial system. In addition to detailed documentation of the existing system, our project team addressed strategic considerations necessary for a successful implementation. These included the feasibility of the use of pre-programmed applications, pros and cons of alternative hardware configurations, advantages of time-phased implementation, and the requirements for technical personnel and key users to be involved in the implementation and support of the system.

We are also provided project management assistance to the County for the two year implementation effort.

Name of Software:	American Management Systems
Duration of Project:	10 weeks for requirements analysis; 4 months for software installation; 2 1/2 years for implementation of custom-designed subsystem
Contract Price:	\$28,000 for requirements analysis \$320,000 for installation, implementation

Los Angeles County  
Road Department

Operations Improvement  
and Systems Planning

Touche Ross & Co. was engaged to conduct a management audit of the Los Angeles County Road Department, a large and complex agency with an annual budget of approximately \$140 million and approximately 1,400 employees. The scope of the review was defined by 19 specific issues that the Chief Administrative Officer wished to see addressed. The issues involved the majority of the organizational and operational aspects of the Department and ranged from the Department's use of resources to its relationships with external agencies.

We found the Department to be one of the best managed agencies of its kind. We also found that, like any large and complex organization, there were opportunities for improvement. The opportunities were significant and involved inventory levels, equipment utilization, equipment maintenance, organization structure and clerical staffing levels, among others.

We worked closely with Department personnel to develop practical solutions to the problems that were identified. As a result of the close working relationships that were developed, the County agreed to each of the recommendations contained in our final report and is currently in the process of implementing or planning the implementation of each of them.

We were subsequently engaged to develop a comprehensive long-range information systems plan for the total department. The objectives of this study were:

- o To determine the information processing requirements of the Department.

- o To document those requirements at a level of detail sufficient for selecting technical alternatives (i.e., software and hardware) and estimating resource requirements.
- o To establish (recommend) priorities and develop a logical plan for selecting or developing, and implementing new systems.

We have followed a standard systems planning methodology in conducting this study and have prepared a department-wide process portfolio, data class and organizational matrices describing the department's current processing procedures and information needs. We are currently analyzing applications needs in the following areas:

- o Project Management
- o Financial
- o Operations Support
- o Personnel
- o Engineering Design and Support
- o Constituent Response

**County Sanitation Districts  
of Los Angeles County**

**Management Review**

Touche Ross was engaged by District management in order to perform a management review of the Data Processing Section. The objectives of the review were to evaluate the effectiveness with which the section serves the Districts and to recommend changes in order to improve its operational efficiency and organizational effectiveness.

Our approach to the review consisted primarily of fact-finding throughout the Districts, coupled with numerous reviews with agency management. The steps performed included the following:

- o Review of appropriate internal section documentation, including standards, policies and procedures, control tools, management reporting and organization
- o Analysis of DP backlog and creation of system overviews
- o Interviews with Data Processing personnel in the areas of management, applications development, technical support, operations and data control
- o Interviews with key industrial waste, sanitation, water treatment and administration users of Data Processing, including all department heads
- o Interviews with staff in the Personnel Department and other government agencies
- o Evaluation of preliminary findings, identification of improvement opportunities and review with District management
- o Identification and analysis of alternative solutions and review with DP and top management in order to develop recommendations
- o Preparation of final report and implementation plan.

Based on our review, we recommend organizational and operational changes to the Data Processing Section to increase productivity. We also recommended the implementation of a rigorous systems development methodology and proposed a framework and preliminary systems design for District-wide systems development and integration.

City of Los Angeles,  
Department of Public Works

Management Review

Touche Ross was engaged to conduct a two-phase, in-depth review of the major operations of the Bureau of Street Maintenance of the Department of Public Works for the City of Los Angeles. The purpose of the first phase was to identify areas where there was a potential for productivity improvement by either decreasing costs without decreasing service or increasing service levels without increasing costs.

Phase I consisted of interviewing key Bureau personnel, observing the operation of the major functional areas, determining those areas where a potential for improvement existed, performing detailed analyses to verify the improvement potential and developing detailed recommendations for improvement. These recommendations covered nine major operating areas of the Bureau, including street maintenance, street cleaning, gutter base, street trees, landscape maintenance, lot cleaning, asphalt production, inspection and sidewalk repair.

During Phase II, we provided direct implementation assistance to the Bureau where technical skills were needed to supplement day-to-day management capabilities. Specific assistance was provided in the areas of manpower planning, future budgeting and the development of the proper mix of skilled, semi-skilled and CETA employees. In addition, Touche Ross helped the Bureau establish project management techniques to guide and control the implementation of other major recommendations and review those areas both covered in our initial survey.

By adopting the recommendations we developed, the City of Los Angeles has been able to achieve a significant improvement in service levels and annually recurring operating savings of \$5.5 million.

The complete implementation of the Touche Ross recommendations required that the Touche Ross project team work very closely with the offices of the Mayor, CAO, City Attorney and Civil Service, in addition to the Board of Public Works. The program also required a thorough understanding of the budget process and the flow of people, money and equipment both inter- and intra-department.

A significant aspect of the implementation program included a detailed understanding of Los Angeles' Civil Service. Research included a review of Civil Service Codes, OSHA regulations, testing, promotion, classification, attrition and inter- and intra-departmental transfers, including Charter Section 108 (out-of-classification transfers).

City of Los Angeles,  
City Administrative Officer

Operations Review

Touche Ross was engaged by the City of Los Angeles to review the efficiency and effectiveness of the operation of its materials management systems, procedures, facilities and equipment. In addition, because each of the 30 City departments and bureaus controlled its own materials and supplies, we were asked to review the efficiency and effectiveness of alternative organizational approaches. The study also included a comprehensive analysis of the current City-wide purchasing organization, policies and procedures.

The study phase of the project was conducted over a nine-month period and involved a detailed review of the organization, warehousing, distribution system and information systems utilized by the City in materials management activities. The project resulted in a series of detailed recommendations for controlling and streamlining the materials management organization. In addition, several operating recommendations were developed to increase service levels, eliminate

obsolete and inefficient storage locations, increase inventory turns and reduce obsolescence. The recommendations, in addition to improving service levels, resulted in one-time cost savings of approximately \$5.5 million and annually recurring savings of over \$700,000.

We were also involved in the implementation phase of the project. In this phase, we worked closely with the City Administrative Office, the City Council, the Department of General Services, individual department and a City-wide steering committee to assist in the transition to the more efficient, centralized materials management network.

City and County of San Francisco,  
Department of Public Works

Management Review

Touche Ross was engaged by the City and County of San Francisco to review the operational and organizational effectiveness of the Department of Public Works. The Department is responsible for all street, sewer and building construction for San Francisco and includes both maintenance and engineering organizations. The Department had a budget of over \$35 million and approximately 2,000 employees.

The study, which took approximately six months to complete, resulted in recommendations to substantially improve cost effectiveness and service level of the Department. Major recommendations included:

- o Contracting work outside the Department to private sector firms on a cost-effective basis
- o Rescheduling and resequencing of crews to increase productivity

- o Reducing staffing through mechanization
- o eliminating unnecessary functions
- o Replacing skilled employees with clerks for selected administrative tasks
- o Reorganizing the Department to increase control over construction activities
- o Consolidating and expanding Department information reporting and planning functions.

Upon completion of a time-phased implementation plan, these recommendations resulted in a total benefit of approximately \$6.7 million.

\* \* \* \* \*

The following pages contain copies of newspaper and magazine articles describing the award winning City of Scottsdale and American Bar Association implementation of office automation systems. In each case, Touche Ross provided consulting assistance in the evaluation, selection and implementation of these highly successful office automation applications.

# Office Administration and Automation

takes pleasure in announcing the winners of its 1985

# Office Automation Awards

Gold First Award

*The City of Scottsdale, Scottsdale, Ariz.*

Silver Award

*Home Box Office Inc., New York City*

Silver Award

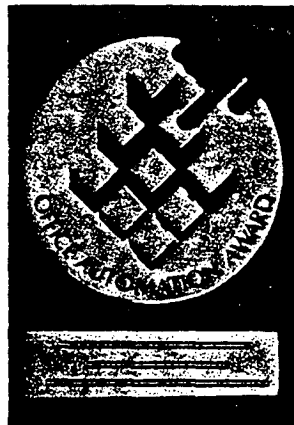
*Warner-Lambert Co., Morris Plains, N.J.*

OFFICE AUTOMATION takes many forms. It is a system for improving productivity and for delivering information. It is data processing, word processing, telecommunications, records management, graphics, hardware, software, procedures, and people. Interactive. Multifunctional. An ongoing effort of planning, implementing, assessing, enhancing. A professional journey toward ever higher goals.

One thing that all can agree on is that office automation, achieved successfully, is no easy job. It is a challenge that often tests to the limit the managerial skills, technological expertise, and personal fortitude of the talented men and women upon whom such responsibility falls.

The organizations that *OAA* honors here with its Office Automation Awards have not only achieved success, but stand out as examples of the very best that administrative and systems executives can accomplish in the design and fulfillment of effective OA operations.

The stories of their achievements, on the next 11 pages, reflect a variety of OA forms and goals and the formidable difficulties that OA teams must often overcome. The first tells how the City of Scottsdale, Arizona, got everyone excited



about OA, building a closely knit team that got solidly behind the overall effort. The second details how HBO, faced with rapid growth, automated its operations in less than three years, improving productivity dramatically. And the third explains how Warner-Lambert eased into office automation gradually, using one department as its test center and applying the lessons learned to other departments as the effort expanded.

Are these the best of all OA accomplishments? Not necessarily.

They are, however, our choice as best of all the systems nominated in 1984. Award selection was made by *OAA*'s Editorial Staff in consultation with its Editorial Advisory Board. While winners were chosen on the basis of overall OA achievement, the judges kept in mind such other criteria as appropriate systems design, personnel programs, and resulting productivity improvements.

Nominating forms for the Third Annual *OAA* Office Automation Awards can be obtained by writing the magazine at 51 Madison Ave., New York, New York 10010. Organizations employing any *OAA* columnist, contributing editor, or adviser, or whose product lines significantly include OA equipment, are ineligible. The deadline for entries is July 31, 1985.



Members of the team that created the City of Scottsdale's COMSTAR OA system include Roy Pederson, city manager (seated); and (from left) Terry Peterson, director of management systems; Maureen King, OA manager; Dick Bowers, deputy city manager; Herbert Drinkwater, mayor; and Tom Davis, assistant city manager. A key to the program's success is the COMSTAR logo (below) that provides user identification with the system.



# A Team Effort Got the OA Job Done

---

Gaining user/management support is the key to office automation. The City of Scottsdale got everyone involved through training and employee incentive programs. The result: OA took off with a bang.

---

THE CITY OF SCOTTSDALE, Ariz., recognized the problem immediately. Namely, that one of the hardest achievements in implementing an office automation system is obtaining the acceptance of the system by employees. This is because automated office equipment is frequently installed with little or no consideration given to the effect it will have on workers.

Scottsdale also recognized that even though communications capabilities and computer terminals for word processing and other office

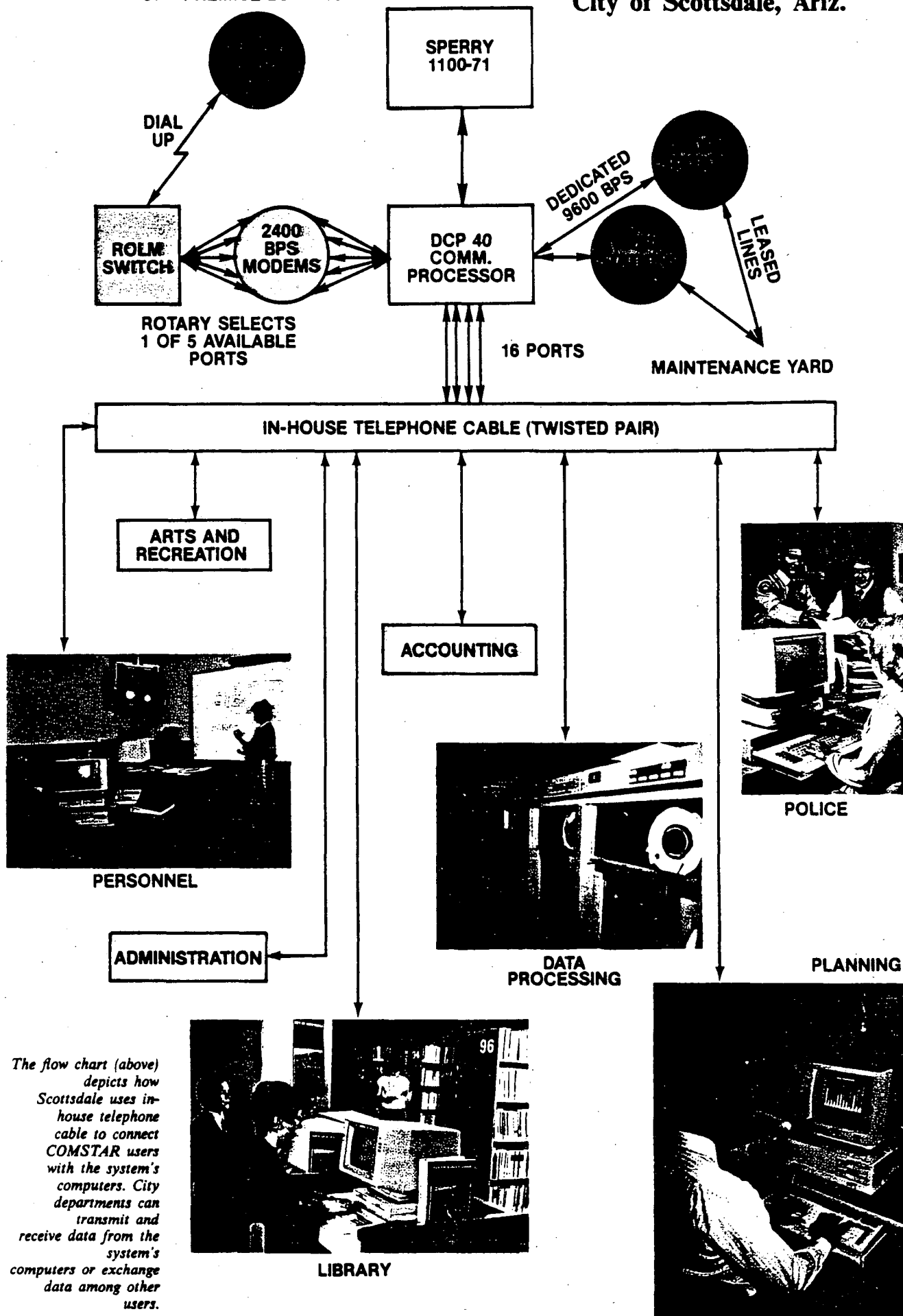


applications are present, what is often missing is an equally careful effort to introduce OA to a diverse community of non-technical users.

This was the problem faced by the City of Scottsdale, a community confronted by rapid population growth and the need for better, more effective management and automated tools to help the city government strategically plan and serve its citizens. In the past ten months, the City of Scottsdale has leaped into OA. It has installed a Rolm telephone system as well as a mainframe

CITY COUNCIL,  
TOP STAFF AT HOME,  
OFF-PREMISE LOCATIONS

Office Automation System  
City of Scottsdale, Ariz.



The flow chart (above) depicts how Scottsdale uses in-house telephone cable to connect COMSTAR users with the system's computers. City departments can transmit and receive data from the system's computers or exchange data among other users.

## *Touche Ross & Co*

computer featuring SperryLink office automation software and remote, distributed terminals.

However proud the City of Scottsdale is at the amount of equipment it has successfully installed in a relatively brief period of time, it is more pleased at the way it has marketed and delivered office automation services, code-named COMSTAR, to the city government organization. Through a variety of programs and ongoing training and service efforts, city employees have eagerly embraced the implementation of new technology because great care was taken to ensure that they understand its purpose and the importance of their role in the overall effort.

For its overriding concern and commitment to its users, through the establishment of a comprehensive office automation system/telecommunications network and an equally comprehensive program to elicit management and user support through training and employee incentive programs, the City of Scottsdale is the recipient of the Gold First Award in *OAA's* Office Automation Awards competition for 1985.

### COMSTAR

The city department directly responsible for OA is the Office of Management Systems (OMS). As an in-house management consulting team, OMS reports to Roy Pederson, the city Manager, and is involved in OA and organizational development efforts to improve productivity and

## GOLD AWARD/FROM PAGE 26

### The City of Scottsdale consults with users on a daily basis to stay in touch with their ideas and needs

job satisfaction (work management and work simplification programs, office design and layout, quality circles, and technology transfer).

In search of a "catchy" label for its OA operations, OMS came up with the code name COMSTAR, which stands for Computerized Office Management System To Advance Resources. More importantly, to OMS and top management, COMSTAR represents an innovative way to introduce OA to non-technical users.

The city's Rolm CBX system is currently serving 700 telephones at approximately 40 sites. These systems were installed after two years of intensive studies to document needs and implementation strategies.

Scottsdale's OA system features electronic mail, meeting scheduling, personal calendars, calculating programs, word processing, and a sophisticated filing system accessible to all users. Several city reports, including budget information, are now avail-

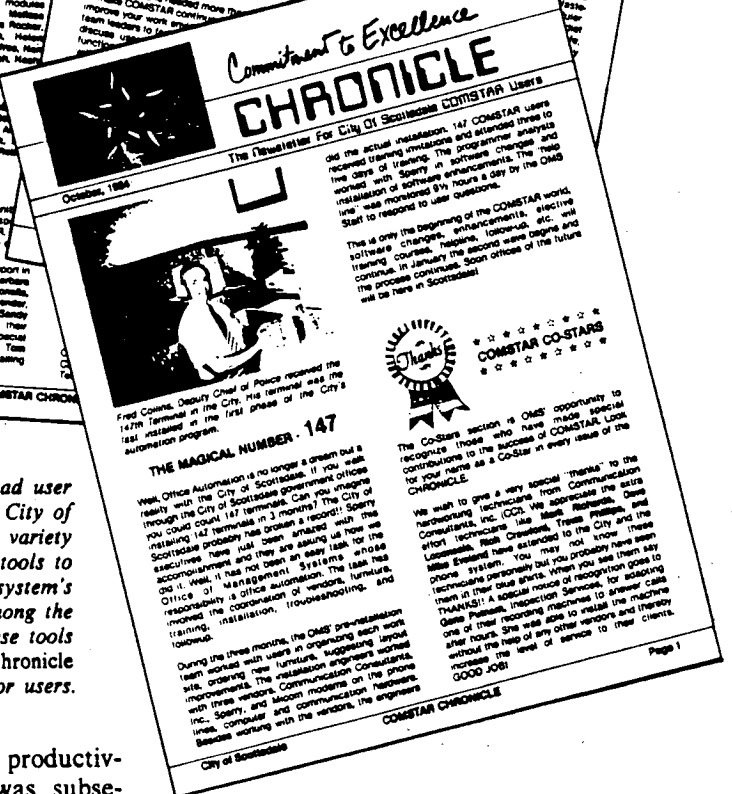
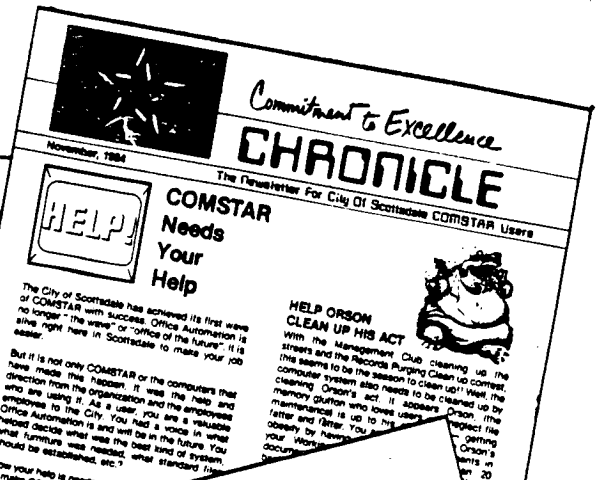
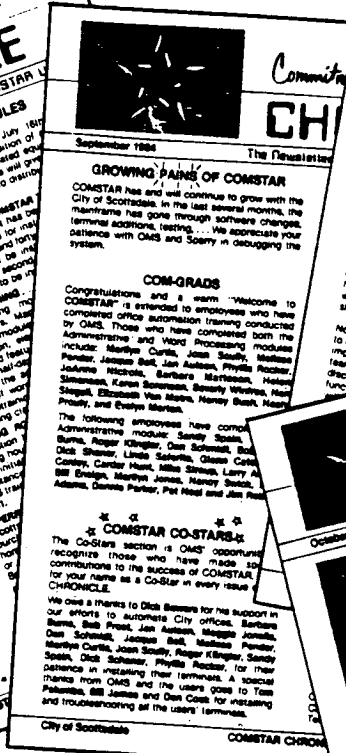
able on-line. This provides managers with immediate access to information that allows them to make decisions and produce reports in minutes that previously took days or weeks. Also, at the City of Scottsdale's offices, the office automation effort also consists of eliminating legal-size paper and conducting contests to see which departments can throw the most paper away.

As a combination of executive, management/professional, and clerical/secretarial operations, the COMSTAR program serves 20 sites with approximately 600 office-based employees. Currently, 147 terminal users are specifically served by OMS, although the number is expected to rise to 300 users by July 1985. All OA terminals, including those off-site, can communicate with each other and access the central files in the mainframe computer.

The city has invested approximately \$5.7-million in COMSTAR hardware and software, and in facilities upgrades to accommodate the new systems. It is anticipated that a substantial portion of this investment will be returned in direct cost savings (the Rolm telephone system alone is projected to save \$1-million in the next eight years) and additional



*One of Scottsdale's outstanding achievements is the development of an on-site training center that features individual workstations for six students and a trainer. Training modules are customized to reflect varying organizational needs.*



benefit will accrue from increased productivity and improved information flow within the organization.

**IMPLEMENTING THE SYSTEM**

As late as October 1983, the City of Scottsdale was living in the dark ages of office automation. Standard telephones and typewriters were still the basic tools used to accomplish the city's task of managing a community experiencing tremendous growth.

The Rolm telephone system was installed throughout the organization in November 1983. This was followed by the installation of Sperry's Mapper OA package, a fourth-generation computer language that also includes Sperrylink.

The road to this successful venture, however, began much earlier. In 1981 the Scottsdale City Council authorized staff to initiate a city-wide study to determine the feasibility of installing WP equipment throughout the city and the impact it would have on total organizational productivity.

The study was comprised of extensive surveys and more than 250 personal interviews with employees. The final 650-page report indicated that word processing equipment located at clerical work stations would increase office productivity by 35 percent and by automating other office functions, managers would also ex-

*To gain widespread user acceptance, the City of Scottsdale employs a variety of promotional tools to publicize the system's benefits. Among the most important of these tools is the Comstar Chronicle newsletter for users.*

perience increased productivity. (This study was subsequently followed by an extensive bid process sent to prospective vendors to determine who could come closest to matching the city's needs.)

**GAINING USER SUPPORT**

Key to the success of office automation efforts is a strong City Council and management commitment and support. Top management support and commitment was generated by beginning the implementation process from the top down.

Top managers and their secretaries go through training and get their terminals at the same time. Also, terminals were installed in the homes of the top staff and City Council members so they could learn at their own pace and utilize the system at home. Therefore, when employees go through training, they have the full support of a manager or executive who has already been there and can understand their concerns.

COMSTAR emphasizes a "close to the customer" service commitment fostering strong user support. This has been accomplished by involving users in the OA decision-making process. A committee of employees from throughout the city was instrumental in the recommendation to select the equipment, and the city continues to consult with users to stay in touch with their ideas and needs.

A special newsletter, *COMSTAR Chronicle*, has been developed which conveys ideas to users in an easy and enjoyable format. The newsletter congratulates new computer graduates (Comgrads), explains complicated concepts in clear language, offers information on upcoming training classes, and announces items of special interest.

In addition, there are several extra touches that make the COMSTAR user

*Touche Ross & Co.*  
feel important. A city-produced videotape was made introducing training classes to COMSTAR in a humorous, friendly way. The Office of Management Systems sends out personal invitations for the training and pre-training sessions and follows up with a card announcing the trainee's personal service representative for post-training contacts.

In addition, the city developed COMSTAR posters, notebooks, coffee mugs, and T-shirts to publicize and market the use of this new information resource. A special open house was conducted and all city employees were invited to share in the COMSTAR celebration.

### TRAINING FOR SUCCESS

One of the city's most outstanding achievements is the development of a unique computer training program. This was accomplished by building a fully-equipped, on-site training center featuring individual desk stations for six students and a trainer; staffing the center with six or more "in-house" trainers; and customizing the training modules to reflect organizational needs.

GOLD AWARD/FROM PAGE 29

## Scottsdale fosters strong support for COMSTAR by warmly welcoming new users into the program

Between April and September of 1984, 147 computer terminals for OA applications were installed throughout city offices, 220 employees were trained, and communication networks were established. Also, customized training and procedure manuals for all users are developed on an ongoing basis. Special post-training sessions and field audits gauge productivity gains and spot areas for improvement. By calling a special "Help Line," OA users can quickly report telephone or computer problems. This personal, humanistic approach is the major reason that the office automation/telecommunications system has been accepted so readily by users.

Employees can earn stars and stripes by completing different training modules of COMSTAR. After the completion of the first module, an employee receives a star and a stripe to attach to his/her terminal. Upon completion of each elective course, he/she receives an additional stripe.

"This gives the employee recognition for learning COMSTAR, as well as an incentive to continue to learn about and take advantage of the system," explains Terry Peterson, the city's office automation manager.

During this lengthy, two-year process, city staff spent in excess of 9,000 hours working on the project. It is clear that, from the start, the city understood the importance of proper planning and analysis.

Early in its history, Scottsdale's civic leaders began addressing problems before they became acute and they carried this approach over to planning their OA system. This approach of anticipating a problem before it becomes a crisis situation has consistently showed its worth. It has not only avoided further problems but has proved to be sound financial thinking as well.—D.S.

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# Moving Forward:

Report of the Executive Director and Chief Operating Officer



From a management perspective, the principal characteristic of the past ABA year has been movement.

The most visible move in 1983-84 was the relocation of the Association's headquarters to the new American Bar Center on the Near North Side of Chicago (see page 12 of this report). This move affords management the opportunity to improve staff operations of the Association in several ways: consolidation of services which previously supported staff operations in three separate Chicago locations; the ability to more effectively perform activities involving formerly separated staff units; and an improved work environment for employees. Of equal importance, the relocation to a more central location greatly increases our ability to meet with the many volunteers who work with the staff in accomplishing Association objectives.

During the past year, management has emphasized forward movement on several additional fronts. Substantial attention has focused on implementing the Association's business plan, using tactical planning processes designed to optimize the return on available resources.

Particular attention has been placed on moving forward with the introduction of ABA/net<sup>SM</sup>—The Lawyer's Network. The 1984 Mid-year Meeting was the occasion of the formal announcement of ABA/net. In a real sense, however, the introduction of ABA/net at the Midyear Meeting was only a starting point. The ultimate success of ABA/net will be measured as the scope and use of the service increase through a growing

understanding of the product and an awareness of the ability of ABA/net to extend the lawyer's effectiveness in managing his or her practice.

ABA/net offers the lawyer low-cost electronic communications, making possible an affordable exposure to the use of computers in meeting practice-related communications and information needs, including communications with other lawyers, clients and the courts, and the ability to transfer documents rapidly and economically. It also offers access to information, including the Association's AMBAR<sup>TM</sup> database and other law-related information and management services.

More than a year ago, the Association announced the availability of AMBAR, the Association's computer-based information system which uses a keyboard search and retrieval approach similar to that employed by existing computer-assisted legal research systems. The AMBAR I database provides abstracts of ABA projects, publications and activities, and also identifies the leadership and activities of more than 2,000 ABA volunteer and operating units. This database, which is updated continuously, is available not only on the ABA's computer, but also through ABA/net, Westlaw and Lexis. The AMBAR II database, which provides full texts of selected ABA publications, is also being implemented on Westlaw and Lexis.

The ABA is implementing a Software Review Service for members, sponsored by the Section of Economics of Law Practice. The effort is designed to develop standards of performance for law office computer applications; test, review, evaluate and report on specific applications to ABA members; and

coordinate with the Standing Committee on Membership a project to negotiate favorable prices with vendors of computer systems which meet the minimum standards of performance established under the project.

Membership efforts are also likely to be enhanced as a result of negotiations recently completed between the ABRA Board of Directors and the Equitable Life Assurance Society of the United States. New investment products and services for ABA members who participate in the ABRA program have been introduced and other programs are being initiated to enhance the membership benefit opportunities.

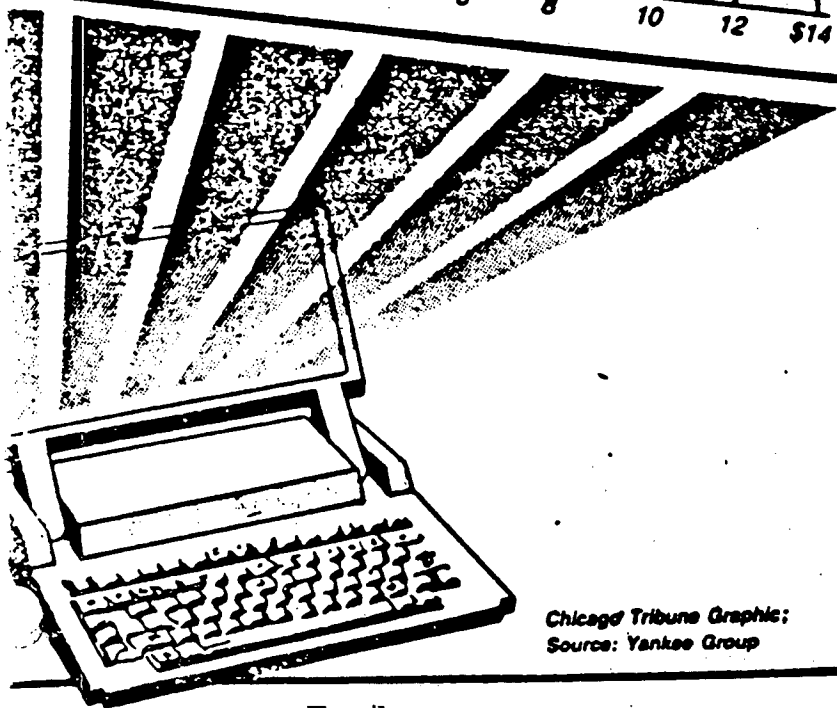
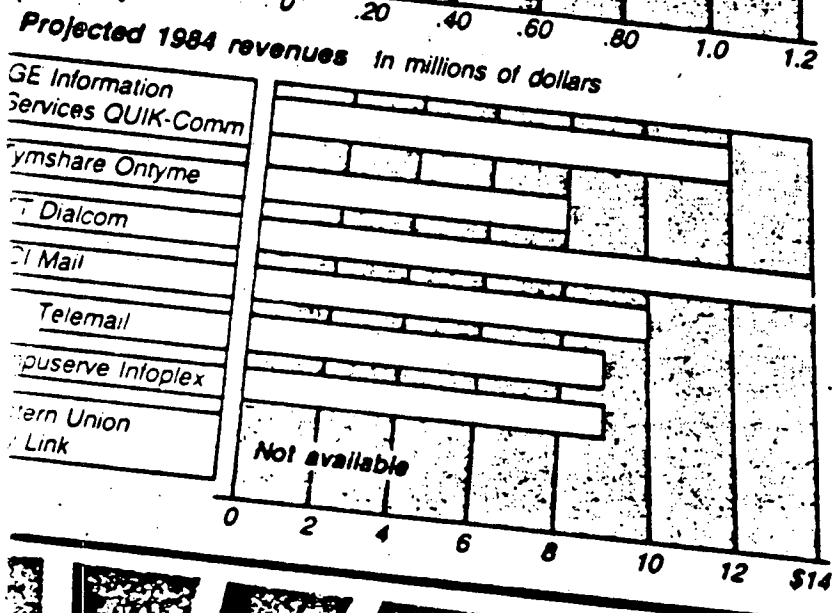
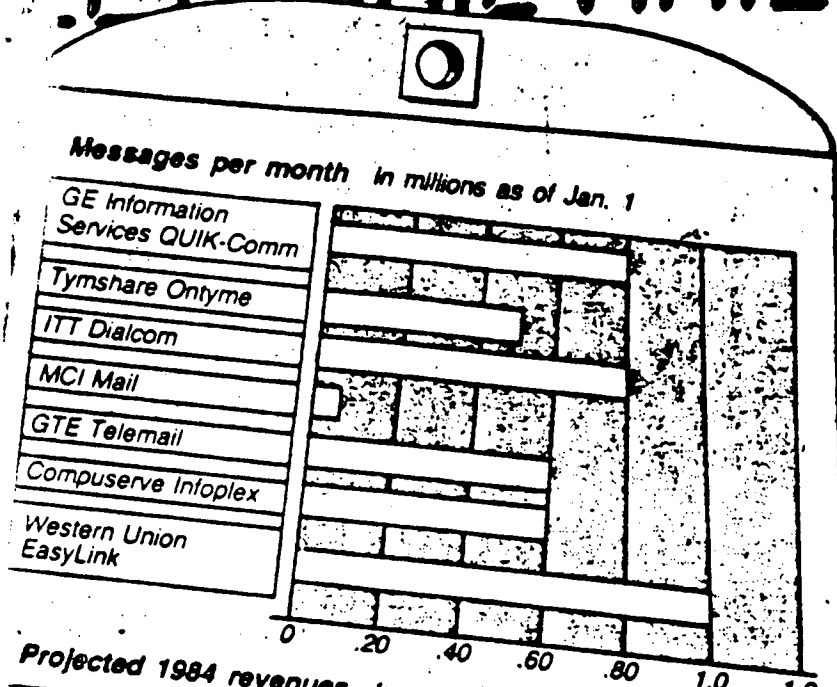
It is anticipated that the further development and implementation of appropriate personnel and management policies and programs—such as those embodied under "The ABA Way," a simple yet meaningful statement of our human relations philosophy—will not only serve to improve the quality of the workplace, but will also result in an increase in employee potential and productivity.

Underlying these initiatives is the ABA's commitment to manage its human, financial and physical resources efficiently and effectively in meeting its goals and objectives. Over the past year, this effort has been characterized by forward movement—not only in the organization's location, internal structure and processes, but also philosophies which comprise our "corporate culture" and provide renewed dedication to excellence and responsiveness in carrying out the Association's objectives of service to the profession and the public.

Thomas H. G.

## Electronic mail short-circuits time, trouble

By Christine Winter



Chicago Tribune Graphic; Source: Yankee Group

IN HARRISON, Ark., attorney Tom Ledbetter sits down at his computer terminal and types a resolution for one of the many American Bar Association committees of which he's a member.

He orders multiple copies, sends one to each board member and sits back to await an electronic acknowledgment his message has been read. Within two weeks, he can have a 15-page document transmitted back and forth to 15 or 20 people, have numerous revisions made and approved and a final draft back in his terminal.

"I can't say enough about electronic mail," he said. "It cuts the document turnaround time to a few weeks when it used to take a couple of months."

Ledbetter, of Ledbetter & Associates, has been on ABA/net, the electronic mail and data-base service designed for the American Bar Association by ITT's Dialcom, since spring. He tested a prototype service for a year prior to that.

DESPITE LEDBETTER'S enthusiasm, electronic mail has been slow to catch on. Now, many analysts see the electronic-mail market entering a boom period. It's at the same level as the telephone industry was in 1900, one industry expert speculated.

"It's growing from a tiny base, but it's expanding rapidly," said Stephen Caswell, editor of Electronic Mail and Micro Systems (EMMS), a Toronto-based industry newsletter. "The stage is being set for a real takeoff. Once it catches the mass imagination, everyone will want access to some kind of electronic-mail service. Somewhere between 1987 and 1989, there's going to be a bigger demand than there's capacity to handle it."

In its broadest sense, electronic mail can be any communication service that sends and stores messages by electronic means. This umbrella definition would include telex and facsimile machines. Most experts expect the explosive growth to take place in so-called computer-mailbox services.

THESE THIRD-PARTY electronic-mail services, most of which cater to business customers, are expected to post revenues of \$100 million to \$180 million this year, with many individual services showing customer bases that have doubled each year during the last three. Caswell anticipates at least 20 to 30 percent annual growth and possibly 50 to 60 percent a year for them during the rest of the decade.

Industry analyst Walter Ulrich, Walter E. Ulrich Consulting, Houston, estimates 2 billion pieces of mail will be moved electronically this year via internal corporate systems and public services. By 1990, that number could be as high as 18 billion. The top electronic-mail services alone are expected to move 8.5 million messages a month by the end of this year.

Electronic mail, in its most basic form, is simply the sending of messages from one computer terminal to another. There are two approaches: first, large companies with mainframe computers or sophisticated private branch exchange (PBX) telephone switches (large computer-controlled switches placed with the user) can buy or lease

Continued on page 5

# Electronic

Continued from 1st Business page  
software to provide in-house communications through individual terminals.

[AT&T-Information Systems recently has begun offering a device for its PBX systems that gives them the capability of providing electronic mail within a complex. AT&T-IS leases the software for \$300 a month.]

**SECOND**, there are third-party services that can be utilized by a local phone call. They allow messages to be sent from one terminal or personal computer (with a communications device and the appropriate software) to another, inside or outside the same complex, as long as they are all subscribers to the system.

These services typically provide for transmission of messages through a packet switching network, which is a way of packaging data efficiently to send over phone lines or by satellite, to the service's large computer. They offer the most common feature of electronic mail, the "store and forward" function, which means messages can be stored for later retrieval in a so-called "electronic mailbox." Most of these large-host computers owned by the services also provide other time-share services, such as data bases.

Electronic mail is moving rapidly into the era in which everything will tie together: large in-house systems will use third-party services to provide a gateway to send messages into other in-house systems. The industry is meeting at the International Telegraph and Telephone Consultative Committee this fall to decide on a set of standards that will allow for compatibility among all these vendors.

**ALTHOUGH** electronic mail is really still in a developmental stage, many see the current explosion in desktop computers as the key to whether 1984 will be the year in which the industry really begins to come of age.

"We've reached a stage where business users can pretty well assume their contacts are going to have access to a terminal or communications device of some sort," said Michael Cavanagh, executive director of the Washington-based Electronic Mail Association.

Creative Strategies International, a San Jose research firm, estimates there will be an installed base of 9 million desktop computers with communications capabilities by 1987.

**ANALYST ULRICH** breaks the third-party electronic-mail services down into a variety of different categories, including several paper-based hybrids. He says that the industry is so strong he feels there's "room for everything."

First are the computer-based message systems. These are centered around large corporate users, and about 80 percent of their business is providing companywide applications, often to various field offices from headquarters.

The leaders in this field are GE Information System's QUIK-Comm, GTE's Telemail, ITT's Dialcom, Tymshare's Ontyme and Compuserve's Infoplex. Pricing varies from Dialcom's \$18.50-an-hour charge to Infoplex's and Telemail's \$300 sub-

scription fee plus usage charges to QUIK-Comm's per-character pricing and Ontyme's combination of time and character charges. The average charge, according to Creative Strategies Inc., is about \$1 per message.

**ANOTHER TYPE** of service has entered the arena in the last year. MCI Communications Corp.'s MCI Mail, which is aimed more at individual customers rather than corporate accounts, offers a variety of delivery options for a flat fee. EasyLink, from Western Union, is the same type of service with paper-based delivery options. Both offer terminal-to-terminal communications but take into account the need for communicating with those who have no equipment at their end.

MCI Mail offers printouts that can be delivered "the last mile" by courier in four hours or overnight, as well as regular mail and a hook-up to telex services. EasyLink offers a direct connection to its telex service, as well as hook-up to the entire Western Union network of telegrams and cablegrams.

MCI Mail prices range from \$1 for computer messages to \$25 for four-hour courier delivery. EasyLink has a \$25 minimum monthly charge after 90 days, and charges 30 cents per minute of connect time.

**ANOTHER** variation on the elec-

tronic-mail theme comes from Federal Express, although few consider it an electronic-mail service in the strictest sense. Called Zapmail, it officially began July 2.

"This is really more of a super-urgent document delivery service that competes with courier services. It's for users who don't want to worry about the technology but just want results," said Ulrich.

Zapmail picks up a document by hand, sends it by facsimile, allowing for the transmission of images, which other services can't do at this stage, and delivers it at the other end. The cost is \$35 for the first five pages, \$1 for each extra, with service guaranteed in two hours. Rates are lower for customers who bring their documents into the office.

**FINALLY**, there's a consumer, or hobbyist, version such as those offered by The Source and Compuserve (called E-Mail, a separate service from Infoplex). These bulletin board-type message services moved as many as 200,000 messages a month last year and may double that performance in 1984, Ulrich says.

MCI, Western Union and Federal Express have not only given a new twist to electronic mail but also are improving public understanding of the whole concept because these giants are spending so heavily on advertising. Western Union, for ex-

ample, has budgeted \$45 million for advertising Easy Link during 1984, and MCI Mail plans to spend \$30 million.

"They're raising everybody's awareness of electronic-mail capabilities, and even though we aren't directly competitive, we're getting the overflow from their advertising," said Rob Elmore, product marketing manager for Ontyme.

**AT THE SAME** time, the U.S. Postal Service has pulled the plug on its unsuccessful experiment in electronic mail, E-Com. It allowed

for electronic transmission to a post office Serving Post, where the letter was printed and stuffed into an envelope and dropped in the regular mail.

"E-Com confused the electronic picture—it's a misnomer to put it in the same category as other services," said Cavanagh, an outspoken critic of E-Com since it began in 1982. "It was a boondoggle. It offered no terminal-to-terminal service, the mailing piece was lousy and the postal service simply didn't have the people to become involved in telecommunications and print-

ing."

E-Com may be bought out by a private company, but most critics see it as dead. Its fate was sealed by the quality of the equipment.

Prices were lower than the competition, contributing to losses ranging from \$50 million to \$180 million, by some estimates, and raising the question of whether a government monopoly should have been allowed to compete with the private sector.

"E-Com was born to die," said one critic.

APPENDIX A - RESUMES

RESUME OF: THEODORE P. WROBLICKY

PRESENT

POSITION: Director, Management Consulting, Touche Ross & Co.,  
Sacramento, California

EXPERIENCE:

Over 20 years experience serving public and private sector clients. The last eight years have been devoted to serving the State of California and other Sacramento-based clients.

California Public Sector - Provided management consulting services to the following California public sector organizations:

Auditor General  
California Energy Commission  
California Solid Waste Management Board  
Department of Finance  
Department of Real Estate  
Department of Veterans Affairs  
State Department of Education  
State Teachers' Retirement System  
State Controller  
County of Placer  
County of Sacramento  
County of Trinity  
City of Modesto  
City of Stockton  
Independent Data Processing Center  
Sacramento Regional Transit District  
San Francisco Municipal Court  
San Joaquin Delta Community College District

City of Modesto - Project Director on a financial systems needs assessment, software and hardware evaluation, selection and implementation. This project included a review of the decentralized data processing environment, and integration of office automation requirements.

City of Stockton - Managed the information needs analysis for the Waste Water control plant of the Municipal Utilities Department. The project included a review of operational and administrative processes to computerize information requirements.

San Joaquin Delta College - Managed a project to determine the financial data processing application requirements and developed an implementation plan. The project included determining the information needs of the College, the identification of problems in current applications and recommendations for solution, and an assessment of other utilization of computer and personnel resources in the Computer Services Department.

RESUME OF: THEODORE P. WROBLICKY (Continued)

Sacramento Regional Transit District - Provided on-call consulting assistance in the preparation of a request for proposal for computing equipment and conversion assistance. Was subsequently engaged to evaluate the effectiveness of the Data Processing Department.

Reagan-Bush Committee - Was asked to take professional leave to determine how computer systems could be best utilized to account for the financial control and Federal Election Commission (FEC) reporting needs of the then Reagan For President Committee. In the three months preceding the beginning of the campaign, directed the selection and installation of computer equipment, sites, and software packages, including determination and implementation of necessary software modifications. The project included the successful implementation of a general ledger, accounts payable, payroll, and FEC reporting modules integrated into one system processed on two computers. The project also included selecting and overseeing the implementation of an airline reservation system and associated billing and accounts receivable applications to bill and collect for press corps travel on campaign aircraft.

County of Trinity - Project Manager on an evaluation of the County's EDP needs, and solicitation and evaluation of vendor proposals for computer equipment and software to fulfill these needs. This project included specific attention to the EDP needs of the County Hospital, as well as the criminal justice departments, the Auditor-Controller, Assessor, Treasurer, and Superintendent of Schools.

County of Douglas, Nevada - Project Manager for the management review of the County's Central EDP Operation. The review consisted of evaluating the efficiency and effectiveness of the County's utilization of IBM System 3 equipment and human resources as well as evaluating how well user needs were being fulfilled. It also included the development of an EDP Plan for application implementation and other actions.

San Francisco Municipal Court - Project Manager responsible for evaluating manual and automated support to the Court provided by its Court Management System. The Court's Criminal division was reviewed as an operational entity in which the entire administrative process was evaluated. The results of this engagement provided the Court with a

RESUME OF: THEODORE P. WROBLICKY (Continued)

description of its problems, recommendations for their resolution, and recommendations for an improved organization structure supported by an enhanced computer processed Court Management System.

County of Kankakee, Illinois - Determined the processing requirements for the Board of Supervisors, County Clerk, Assessor, and State's Attorney. The requirements so developed were the basis for the solicitation of proposals from vendors and the selection and implementation of small computer equipment. The equipment was selected on the vendor's ability to produce within time constraints and an analysis of costs/benefits.

Burroughs Corporation - Designed a hotel front office system which incorporated CRT activation of PABX for call completion and forwarding. PABX output was interfaced to the billing module to record outgoing call destination and charges. An automated, CRT driven guest directory was incorporated into the system. The on-line real-time systems also included the routine guest accounting and billing processes common to the hotel industry.

California Department of Finance - For the Office of Information Technology, assessed the present practices and need for direct telecommunications access to the State's computerized data bases and assessed data base vulnerability to unauthorized access via telecommunications. The State's eight major data centers were studied, including the various communications capabilities and vulnerabilities common to a multi-node computer controlled network of a number of large mainframes and distributed mini and micro processors. The methods employed for direct point-to-point communication, full period line, dial-up and line concentrators were included in the study, as well as mini and micro-based Local Area Networks.

General Electric Company - As its Central Region Data Communications Applications Engineer, handled all difficult telecommunications interface problems. In that capacity, worked extensively with the Bell system, independent telephone companies, Western Electric and Teletype Corporation problem solvers. Also designed, programmed and implemented on-line, real-time computer applications for Owens-Corning Fiberglass Co., Brunswick Corp., Talman Federal Savings and Loan Association, Westinghouse Air Brake Company, and G.E. General Purpose Control Department.

RESUME OF:

THEODORE P. WROBLICKY (Continued)

Sears Roebuck & Company - Designed and implemented an on-line catalog order processing system. Responsibilities included implementing a broad band, one-of-a-kind, special purpose data communication link using prototype modems developed by Control Data Corporation. To effect implementation, critical telecom interface problems and timing constraints were overcome. Additionally, a special purpose mini computer operating system was designed and implemented to accommodate the data link.

Western Pacific Railroad - Designed and implemented a train control and operating system. A manual message center was replaced with a specially designed message switching and train control system. In order to accomplish the above, special purpose hardware/communications were developed, a four partition, special purpose operating system and applications software were designed and implemented.

Office of the President Elect - As the data processing person on the Small Business Administration (SBA) Transition team, evaluated the data processing function of that agency. The evaluation of the Office of Data Management (ODM) included:

An assessment of the management and planning practices used at ODM.

An evaluation of appropriateness of personal services contracts for ADP support.

The identification of ADP equipment and applications used at the SBA.

As assessment of the utilization and capability of equipment and personnel resources.

A report of the significant findings and conclusions.

Recommendations for an appropriate course of action for ADP to the SBA Transition Team.

The scope of the review included the Office of Data Management at SBA headquarters and include interviews of selected ODM and Office of the Controller management and staff. It also included discussions with SBA personnel and contractors to gain knowledge of the operation of the Denver Financial Operation function and the field office.

RESUME OF: THEODORE P. WROBLICKY (Continued)

California Department of Finance - Project Manager for an in-depth review of the security of the State Controller's EDP applications. These applications involve the disbursement of \$33 billion a year, and the study focused on the physical, procedural and hardware/software security associated with the Controller's EDP operations at the Teale Data Center and elsewhere. The study also included a review of the internal audit functions of the Controller's Office.

California Office of the Auditor General - Project Manager on an engagement to determine the extent to which California's Executive Program Agencies use current electronic data processing (EDP) applications processed at the Teale Data Center, and to assess the potential for eliminating and/or consolidating current EDP applications. In excess of 1,300 applications processed at eight data centers were included in the review.

California Department of Real Estate - Project Manager for the review of DRE's subdivision approval process to determine the potential for decreasing costs and delays through: (1) improved methodology, (2) automation, and/or (3) word processing equipment.

California Department of Education - Defined the fiscal information needs of the Department. The project included extensive data collection, requirements, analysis, and preparation of a Needs Analysis Study Report.

California Solid Waste Management Board - Designed a management information system to track the supply and demand for secondary materials in California. The design included using data gathered by the U.S. Departments of Commerce and the Interior, as well as data collection instruments for industry and county/municipal waste managers. The system data base is maintained using RAMIS-II implemented at the State's Teale Data Center.

California Energy Commission - Project Manager on a project to identify an administrative accounting system and project management system for the Energy Resources Conservation and Development Commission. This engagement included a determination of the Commission's management information system needs, evaluation of alternatives available to the Commission and selection of an alternative to implement the system. This engagement resulted in a recommended system to implement and a detailed implementation plan.

RESUME OF: THEODORE P. WROBLICKY (Continued)

Interstate Commerce Commission - Responsible for implementing the pilot system for the new Uniform System of Accounts for Railroads. The computer system, implemented on the Norfolk and Western Railway, processes the cost records of the railroad using the chart of accounts as described in the Commission's Notice of Proposed Rulemaking. As a pilot system, the system and the methods used to implement it were presented to a number of committees of the Association of American Railroads and provided the basis for the Commission's Uniform System of Accounts implementation manual.

State of Indiana - Implemented a comprehensive child support enforcement and payment distribution system. This system processes the accounts receivable, support payments distribution and disbursements, incentive calculation and enforcement activity reporting for the

State's AFDC cases, under Title IV-D of the Social Security Act, This system, in addition to processing AFDC cases, will eventually process non-AFDC support cases, cases transferred out of state, and cases involving foster care.

State of Illinois - Analyzed the efficiency of Illinois' central data processing facility. The study included an evaluation of the agency's use of personnel and computer resources and included an evaluation of the applications processed for the State's various agencies. The final report was presented to the Auditor General and State Legislature and was the basis for considerable improvement in the operation of the computing facility.

State of Georgia - Responsible for review and analysis of the consultant's findings regarding information needs and management practices of a major services agency serving the entire state government.

Association of American Railroads - Participated in the development of communications terminal design and operating specifications and developed the Car Location Message standard for interface to customers' computer systems. This led to the development of the nationwide TRAIN system for shipper inquiry on car location.

RESUME OF: THEODORE P. WROBLICKY (Continued)

EDUCATION: Golden Gate University, M.B.A., Management  
Northern Illinois University, B.S., Finance  
The Signal School, Radiotelecommunications theory,  
concepts and maintenance  
The Bell System - Data Communications. Various data  
communication courses and seminars given by IBM,  
General Electric, Burroughs and Control Data Corp.

PROFESSIONAL: Association for Computing Machinery  
Data Processing Management Association  
EDP Auditors Association

HONORS: Guest Lecturer, California State University,  
Sacramento, California  
Who's Who in the West  
Who's Who is Finance and Industry

RESUME OF: KEVIN W. ANDERSON

PRESENT POSITION: Senior Consultant, Management Consulting  
Touche Ross & Co.

FIRM EXPERIENCE: Systems Management

- o City of Modesto - Developed application requirements and evaluated and selected integrated fund accounting software. Determined computer equipment requirements for the City's new financial applications. Assisted the city's implementation by serving as project manager to implement all of the above. Currently evaluating office automation alternatives for city-wide use.
- o San Francisco Housing Authority - Served as project manager to implement a fund accounting general ledger and budgeting package. Designed chart of accounts and transaction posting procedures consistent with GAAP and GAAFR and single audit reporting requirements.
- o Time Insurance Company - Developed a full range of data processing standards. The standards included data administration, systems design tools, structured programming, systems development methodology, and operations.
- o Time Insurance Company - Trained the data processing management and staff in the use of standards and a systems development methodology. The project included preparation of in-house training materials.
- o Chapmans - Developed a systems plan for a small fashion store chain. The plan also identified three retail system packages that most closely matched their requirements.

Supervised and monitored the conversion of existing accounting systems to a new computer for this wholesale distributor. The project included developing conversion and implementation plans as well as implementing and enhanced set of manual and automated controls and procedures.

- o Tri-Mart - Developed a systems plan for this wholesale distributor of tobacco and candy. The plan also addressed organizational issues, data processing direction, and manual systems improvements.

RESUME OF:

KEVIN W. ANDERSON (Continued)

- o Church Mutual Insurance Company - Designed and implemented an on-line rating system. Project included use of an integrated on-line design specification, documentation and system methodology based on the Touche Ross systems development methodology.

Computer Security

- o State of California - Developed a policy framework for governing public access to computerized data bases maintained by the State. This included assessing vulnerabilities of computerized data bases, recommend security policies to protect computerized assets.
- o RTE-ASEA - Developed a security and control strategy to minimize risk in a data base environment. Project included developing methods of monitoring the effectiveness of controls.
- o Church Mutual Insurance - Developed a disaster recovery plan for the company. The plan included prevention, backup and recovery plans for all departments. It also included procedures for testing and maintaining the plan.
- o Conducted EDP reviews for companies with large and small data processing operations. These reviews covered organization and administration, security and protection of assets, standards and documentation, hardware and systems software, and computer operations.

Microcomputers

- o Advanced Technology Group - Developed and taught a nationwide series of hands-on microcomputer workshops for executives. The workshops introduced executives to decision support tools such as spreadsheets, data base managers, and business graphics packages.
- o Aardvark Software - Certified tax planning software for software manufacturer. Project included development of test plans and documentation plans, development of test cases and monitoring of results.
- o Selected microcomputer software and hardware to handle integrated accounting functions for a home nursing service. Project included accompanying client on vendor visits to represent client's interests and help them gain hands-on experience.

RESUME OF: KEVIN W. ANDERSON (Continued)

- o Waukesha - Identified possible applications for microcomputers, directed gathering of cost/benefit information, and prioritized microcomputer applications for a small city.
- o Familiarity with a wide range of microcomputer software including financial planning and modeling (with graphics) real estate evaluation, data base management, individual tax planning, and work processing for executives.

Financial Planning and Modeling

- o Developed divisional and corporate financial models for a construction company on a microcomputer. Project included consolidations of divisions to corporate totals.
- o Simplicity - Assisted the management group of a division of a large manufacturer during buy-out negotiations with the parent company. Project included developing a financial model on a microcomputer to project financial results for the new company for ten years into the future.
- o Anaguest - Designed and implemented a company-wide budgeting financial planning system using integrated software on personal computers. The system included complete on-line documentation, version control and backup and recovery procedures.
- o Del Monte Corporation - Assisted the management group in deciding whether or not to dispose of their entire can making operation. Project included supporting negotiations with outside can manufacturers.

Other Engagements

- o Performed requirements analysis of a retailing system for a large department and discount store chain. Project included requirements for SKU inventory control, merchandise reporting, price changes, cycle counting, merchandise transfers and automatic replenishment.
- o Church Mutual Insurance - Developed an office automation plan for the home and branch offices. The project included analysis of communication, word processing, microcomputer, and decision support needs.

RESUME OF: KEVIN W. ANDERSON (Continued)

- o Reviewed the manual and automated accounting procedures and controls for a wholesale distributor of farm equipment. The project included review of accounts receivable, general ledger and accounts payable.
- o Deseret Medical - Facilitated a four-day planning workshop for the marketing managers of a hospital products manufacturer. The workshop included an analysis of the marketing information needs, the grouping of those needs into projects and the prioritization of the projects. The two top marketing information projects were prototyped using microcomputers.

PRIOR  
EXPERIENCE:

A.O. Smith, Data Systems Division, Systems Analyst

- o Coordinated efforts to improve system interface procedures between engineering and production control departments. Supported various modules of computerized manufacturing systems. Emphasis on backup and file recovery.

Caterpillar Tractor Co., Part Time Consultant

- o Analyzed the impact of planned computerized manufacturing systems on the materials foremen, and recommended changes in organization structure, foreman training and interdepartment communications to prepare them for the changing environment.

PUBLICATION:

"Spread Sheets and Financial Modeling on Microcomputers," CPA Micro Report

PROFESSIONAL  
ACTIVITIES:

APICS, American Production and Inventory Control Society. Member and Certified Practitioner of Inventory Management.

Regular columnist for a quarterly Auerbach publication, The Journal of EDP Accounting.

Speaker for the following professional groups:

- Financial Executives Institute
- Planning Executives Institute
- National Association of Accountants
- Wisconsin Organization of Documentation Specialists
- International Material Management Society
- Institute of Internal Auditors

EDUCATION:

M.B.A. Indiana University, Bloomington  
B.S. history, Utah State University

RESUME OF: KATHLEEN REEDER

PRESENT POSITION: Consultant  
Touche Ross & Co., San Francisco

EXPERIENCE: Ventura County

Managed and participated in determining the needs, software modifications, implementation and installation of the Treasurer-Collector's remittance processing system. The system included interfacing the County's existing IBM 4300 processed tax billing system to a Burroughs B80 based remittance processing system in the Treasurer-Collector's office.

Vandenberg, Ventura County and Pt. Mugu Federal Credit Unions

For each of the FCU's evaluated, current check processing procedures and costs to determine the feasibility of installing an in-house check processing system. After determining feasibility, managed the implementation of the check processing system on Burroughs, ECOM, and Data General computing equipment.

Sierra Club

Analyzed the payment processing operations. Defined and evaluated the costs of alternative approaches including use of the current process, use of alternative lockbox suppliers and in-house processing. This required the development of an RFP for lockbox services. Developed an implementation work plan for other recommended alternatives.

Institutional Financing Services

Conducted an in-depth requirements analysis for a marketing and distribution company. Focused on the following functional areas: general ledger, financial reporting, billings, accounts receivable, collections, accounts payable, fixed assets, payroll, budget analysis and pricing.

Harbor Bay Isle Associates

Developed detailed system requirements and an RFP for this real estate developer. Functional areas included general ledger, work-in-process, accounts payable, billing, accounts receivable, project cost reporting, payroll and fixed assets.

RESUME OF: KATHLEEN REEDER (Continued)

Other Financial Information Systems

Determined user requirements and implemented a number of computer products, including small to medium-sized mainframe processors, remittance and check processing systems, automated teller machines, teller and administrative terminals, telecommunications devices and most types of peripherals. Coordinated marketing efforts with several leading software companies to provide line-of-business packages.

Completed analysis of various financial operations, outlining departmental objectives, workflow descriptions, staffing, equipment and associated costs. Identified and analyzed costs benefits attributed to the implementation of computer systems, including hardware and software. Analysis typically included a detailed cost of current operations versus the proposed operation for management evaluation.

EDUCATION:

B.S. Degree - Business Administration  
California Polytechnic State University

Internship - State Department of Transportation, San Luis Obispo, California. Developed new employee orientation program on video tape.

Internship - San Luis Obispo County Personnel Department. Conducted county-wide compensation survey.

RESUME OF: DEBRA L. STENVICK, C.P.A.

PRESENT POSITION: Associate Consultant, Management Consulting  
Touche Ross & Co., Sacramento

EXPERIENCE: California Public Sector

Planned, supervised, and participated in the examination of financial statements of the following public sector clients:

- City of Modesto
- City of Roseville
- City of Galt
- County of Sacramento
- County of Shasta
- County of Tuolumne

City of Modesto

Assisted the implementation of new integrated financial applications by reviewing the applicability of the applications to GAAFR requirements. Also developed procedures to bridge from the old application to the new.

California Department of Health Services

Planned and managed the fiscal and compliance audit of this agency for the Auditor General. In addition to planning and supervising the annual examination of the financial records, a study of regulations related to Medi-Cal, HCFA, and Women, Infants, and Children program were performed. The results of this study were used to determine the degree of compliance to applicable regulations in order to obtain continued funding of these programs.

California Fair Political Practices Commission

Evaluated for the Auditor General the procedures, practices, organization, and staffing of the FPPC. This management study was mandated by the Legislature for the purpose of providing recommendations to improve the effectiveness and efficiency of the Commission.

California Franchise tax Board

In the conduct of othe fiscal audit, reviewed and documented the procedures used by the Employment Development Department in its collection of payroll taxes. The procedures used to transmit funds to the

RESUME OF: DEBRA L. STENVICK, C.P.A. (Continued)

State Controller and the mechanism used to report the collections to the Franchise Tax Board were also studied and documented. Additionally, the Corporate and Personal Income Tax collection procedures were reviewed and documented. This work was performed in order to evaluate the adequacy of internal control in these financially significant processes.

California Auditor General

In response to recently passed legislation, participated in the development of the State of California's first annual financial statement and fiscal audit. Considerable analysis and study was required to consolidate the financial records of each state fund into the consolidated financial statements. Prior to the conduct of the study, participated on the team which reviewed each fund and determined how to conduct the first state-wide financial audit.

Private Sector

As the in-charge auditor, planned supervised, and conducted the financial audits of the following entities:

- Comet Rice
- Dairymen's Feed and Supply Cooperative
- Farmers Rice Cooperative
- First American Title Company of Stockton
- First American Title Company of Modesto
- Joint Benefit Trust Fund
- Viking Metallurgical

PROFESSIONAL: Member, Touche Ross Governmental Industry Group

EDUCATION: California State University - Sacramento,  
B.S. in Accounting