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### TRANSMITTAL MEMORANDUM

November 19, 2013

**TO:** Joint Technology Committee Members

**FROM:** Kori Donaldson, Principal Research Analyst, (303) 866-4976

**SUBJECT:** FY 2014-15 Information Technology Capital Budget Request Summaries

Please find attached an analysis prepared for the Capital Development Committee of the information technology budget requests submitted for funding in FY 2014-15. Legislative Council Staff prepares a summary and analysis of every capital project requested for the next fiscal year in advance of the Capital Development Committee's annual budget hearings. The six information technology capital budget request analyses are attached for your reference, including:

1. Department of Agriculture, *eLicense Implementation*
2. Department of Labor and Employment, *Workers' Compensation Mainframe Migration and Modernization Project*
3. Department of Human Services, *Electronic Health Record and Pharmacy System Replacement*
4. Department of Revenue, *IT Systems Replacement, Division of Motor Vehicles*
5. Governor's Office of Information Technology, *Digital Trunked Radio System, Software Upgrade*
6. Governor's Office of Information Technology, *Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization*

# Fiscal Year 2014-15 Capital Construction Request

## Agriculture

### *eLicense Implementation*

#### PROGRAM PLAN STATUS

2015-025

Approved Program Plan?

Date Approved:

#### PRIORITY NUMBERS

**Prioritized By**      **Priority**

Dept/Inst              1 of 1

OSP/B                  N/A of 42      Recommended for funding from cash sources.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$700,000	\$0	\$0	\$700,000
<b>Total</b>	<b>\$0</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$700,000</b>

#### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
Software Acquisition	\$0	\$700,000	\$0	\$0	\$700,000
<b>Total</b>	<b>\$0</b>	<b>\$700,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$700,000</b>

#### PROJECT STATUS

This is a new, never-before requested project.

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Agriculture is requesting cash funds spending authority to configure and deploy a web-based application, CAVU, a product of Iron Data, LLC, to facilitate the department's licensing activity and inspection schedule. The eLicense program will automate the annual processing of about 40,000 permits, license applications, and renewals for facilities that process, produce, or are involved with eggs, feed, fertilizers, meat processing, pesticides, organics, pet animal care, scales, and more. The program will also allow real-time processing, tracking, and reporting of inspection-related enforcement actions. Under the eLicense program, the department's customers, who currently submit paper applications via post, will complete applications and pay online and, in most cases, receive their permits and licenses instantly.

The CAVU eLicense program is already built and ready for use. The Governor's Office of Information Technology (OIT) has approved of the request to move the department's licensing activity to the CAVU eLicense program, which is already utilized by the Department of Regulatory Agencies (DORA). The department is currently working with the vendor to complete the requirements phase, where the requirements for the software are defined and documented. Upon approval of its cash funds spending authority OIT will perform a technical investigation of the eLicense program

# Fiscal Year 2014-15 Capital Construction Request

## Agriculture

### *eLicense Implementation*

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on behalf of the department, as is its standard procedure, and will alert the relevant agencies of any increase in requested funding resulting from these investigations within 30 days. The department's implementation of the eLicense program is scheduled for late spring or early summer of 2014. The Colorado Agriculture Commission has already promulgated rule changes to move some permit and license application deadlines to accommodate the program's implementation.

#### PROJECT JUSTIFICATION

The department says its current system of issuing licenses and tracking inspections is inefficient, labor-intensive, and heavily reliant on paper and postage.

Several years ago, the department began working toward a web-based solution to address the inefficiencies of its paper-based application system, which costs the department about \$40,000 annually in paper and postage costs alone. According to the department, both its staff and its customers will benefit from an online application system: at least 2.0 FTE can be reallocated to other functions within the department and, in most cases, customers will receive licenses and permits electronically. In Fall 2012, the department held a series of meetings to assess the benefit of streamlining its licensing activity, during which both DORA and OIT demonstrated and recommended CAVU's eLicense solution.

Under the current application system, new applicants submit their paperwork and payment through the mail to the specific program in the department to which they are applying. Generally, payments are only accepted in the form of a check, though cash is accepted if the applicant visits the department's main office and credit cards are accepted only for a few programs since the state portal is not able to process detailed credit card information. Program employees manually process these applications, which includes checking each form against current records by sight. If the forms and payment are approved, program staff mail a hard copy permit back to the applicant. If the forms are not approved, the applicant is typically notified by mail. The department also processes renewals manually, by mailing renewal paperwork to current permit and/or license holders who must return their applications and checks through the mail.

The tracking of inspections, which triggers enforcement actions when necessary, also depends on manual updates to a database, which are not always up-to-date. The software will allow inspectors in the field to have real-time access to the online database of license holders. The database will eliminate the need for inspectors to manually review high-risk permit holders and develop an inspection schedule accordingly. Instead, the system will automatically generate the inspection schedule based on current data, and free up inspectors to spend more time in the field.

**Project alternative.** The department initially acquired the database software Microsoft Access to consolidate permit and license information with the long-term goal of developing a web portal for customers to request and pay for permits and licenses online, but found that the complexity of each application process was beyond the capabilities of this software solution.

#### PROGRAM INFORMATION

According to the department, the Colorado agriculture industry contributes over \$40 billion to the state's economy and provides nearly 173,000 jobs annually, including over 250 at the department. The department estimates an annual receipt of about 40,000 permit and/or license applications or renewals. There are eight divisions in the department, five of which have licensing and corollary inspection responsibilities.

**Animal Industry Division.** The Animal Industry Division is responsible for licensing and inspecting pet animal care and aquaculture facilities.

**Brands Division.** The Brands Division is responsible for licensing and inspecting alternative livestock farms, brands, livestock sale barns, and processing plants.

**Conservation Services Division.** The Conservation Services Division is responsible for issuing chemigation permits and performing on-site investigations of chemigation systems.

# Fiscal Year 2014-15 Capital Construction Request

## Agriculture

### eLicense Implementation

**Inspection and Consumer Services Division.** The Inspection and Consumer Services Division is responsible for licensing and inspecting agriculture commodity handlers and dealers; anhydrous ammonia tanks; animal feed; custom meat and wild game processors; door-to-door food sales companies; eggs; fertilizer; grain warehouses; packages for correct weighing and pricing; and weighing and measuring devices.

**Plant Industry Division.** The Plant and Industry Division is responsible for bee inspection and investigations; chemigation and containment inspections; commercial and private pesticide applicator testing, licensing, and investigations; nursery stock inspection; organic certification; pesticide registration, marketplace pesticide inspections, and pesticide dealer inspections; produce, plant, and seed export certification; and seed inspection and certification.

### PROJECT SCHEDULE

	Start Date	Completion Date
Requirements Phase	Spring 2013	Summer 2013
Configuration	Winter 2013	Spring 2014
Deployment	Spring 2014	Summer 2014

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project paid from cash funds and does not involve the renovation, design, or construction of a physical facility.

### SOURCE OF CASH FUNDS

There are three sources of cash funds for this project: the Inspection and Consumer Cash Fund (\$300,000); the Plant Health, Pest Control, and Environmental Protection Fund (\$300,000); and the Agricultural Management Fund (\$100,000).

**Inspection and Consumer Cash Fund.** Pursuant to Section 35-1-106.5, C.R.S., the Inspection and Consumer Cash Fund is financed through fees, fines, and penalties collected for custom processing of meat animals; commercial feeding stuffs; eggs; farm products and farm commodity warehouses; fertilizers; and weights and measures. The fund may be used for agricultural efforts approved by the commissioner, including employees; to offer grant assistance to conservation districts; and for the 2013 department office consolidation. The fund had a balance of \$3,043,193 at the end of FY 2012-13.

**Plant Health, Pest Control, and Environmental Protection Fund.** Pursuant to Section 35-1-106.3, C.R.S., the Plant Health, Pest Control, and Environmental Protection Fund is financed through fees, fines, and penalties collected for bees; commercial fertilizers; forage crops; groundwater protection and water quality control; nurseries; pest control and pesticides; organic certification; and seeds. The fund may be used for enforcement. The fund had a balance of \$3,793,907 at the end of FY 2012-13.

**Agricultural Management Fund.** Pursuant to Section 35-1-106.9, C.R.S., the Agricultural Management Fund accrues revenue from 65 percent of the interest earned on the Unclaimed Property Tourism Promotion Trust Fund created in Section 38-13-116.7, C.R.S. The fees collected may be used to fund groundwater protection efforts, while the revenues may be used to fund the department's biological pest control efforts. The fund had a balance of \$2,272,934 at the end of FY 2012-13.

According to the department, both the Inspection and Consumer Cash Fund and the Plant Health, Pest Control, and Environmental Protection Fund currently exceed their statutory reserve limit and are projected to remain solvent after this expenditure. The department states that there are sufficient reserves in the Agriculture Management Fund to

# Fiscal Year 2014-15 Capital Construction Request

## Agriculture

### *eLicense Implementation*

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cover this expense.

#### OPERATING BUDGET

The department's initial estimate for the annual licensing cost of the CAVU eLicense system is \$15,000 per year. This amount will come from various operating appropriations to the department and the Agricultural Management Fund beginning in FY 2014-15.

#### STAFF QUESTIONS AND ISSUES

1. Will OIT and/or the Statewide Internet Portal Authority (SIPA) charge the department for the configuration of the system? Please provide a breakdown of how the \$700,000 will be expended.

*No. The \$700,000 is an initial estimate of costs for Colorado Interactive and Irondata. These costs are for personnel to configure the programming of the system to handle the workflows and technical data so the system will function as intended for the department.*

2. Does the agency's current computer inventory have the capacity to withstand CAVU system requirements?

*Because the system is web-based, there are no minimum computer requirements except for access to the internet.*

3. It is indicated that the project may cost more than \$700,000. What will the source of funding be in case of overage? When will the department know if the cost will exceed the amount of this request?

*The funding sources will remain the same. Irondata is expected to review the requirements matrix throughout the month of October and have a formal quote to the department by November 1. The department will provide updates to the Office of State Planning and Budgeting, the Joint Budget Committee, and the Capital Development Committee staff as information becomes available.*

# Fiscal Year 2014-15 Capital Construction Request

## Labor and Employment

*Workers' Compensation Mainframe Migration and Modernization Project*

### PROGRAM PLAN STATUS

2015-028

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

**Prioritized By**      **Priority**

DeptInst              1 of 1

OSPB                  N/A of 42              Recommended for funding from cash sources.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
CF	\$0	\$5,932,500	\$0	\$0	\$5,932,500
<b>Total</b>	<b>\$0</b>	<b>\$5,932,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,932,500</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$2,200,000	\$0	\$0	\$2,200,000
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$150,000	\$0	\$0	\$150,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$282,500	\$0	\$0	\$282,500
Software Acquisition	\$0	\$3,300,000	\$0	\$0	\$3,300,000
<b>Total</b>	<b>\$0</b>	<b>\$5,932,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$5,932,500</b>

### PROJECT STATUS

This is a new, never-before requested project.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Labor and Employment (CDLE), in cooperation with the Governor's Office of Information Technology (OIT), is requesting cash funds spending authority to modernize the 23-year-old computer platform for the Claims Management System operated by the department's Division of Workers' Compensation. The current claims system is hosted by the General Government Computer Center (GGCC), which also provides services for programs at the Department of Revenue and the Colorado State Patrol. The GGCC is responsible for the management and operation of the state's information data and houses mainframes to support various computer systems. CDLE says that establishing a separate platform to host its claims system is more cost effective than remaining on the GGCC platform and will allow for needed upgrades to the program's software.

CDLE plans to implement the project in three steps.

Step 1: Enable the vendor to use proprietary software to determine the scope of migrating the program to a new platform.

Step 2: Migrate the division's claims system to a new platform.

# Fiscal Year 2014-15 Capital Construction Request

## Labor and Employment

### *Workers' Compensation Mainframe Migration and Modernization Project*

Step 3: Customize the new platform to modernize and integrate the system to address specific customer and CDLE needs.

CDLE says the project will reduce risks associated with outdated technology and provide more effective service to its customers. In addition, the cost of maintaining the system will be reduced.

#### PROJECT JUSTIFICATION

According to CDLE, its claims system is outdated and needs to be replaced in order to be compatible with new technology. The programming language used for the claims system is no longer used in other systems, which limits the division's ability to assist customers because it cannot easily make routine changes to the system. Support for the programming language is limited and many of the divisions' programmers are retiring, or pursuing other interests, making the system difficult to maintain. The division also says that the current computer system mainframe is nearing its projected end of life. The existing contract with the software vendor expires in July 2014, at which time the system maintenance costs are expected to increase.

CDLE says that the cost and risk of maintaining the current platform that hosts the claims system rises as other agencies move to different operating systems. In addition to CDLE, the GGCC also hosts the Department of Revenue and State Patrol. However, the Department of Human Services recently modernized their system and left the GGCC mainframe in order to provide better customer service and avoid the increased cost of service at the completion of a 2014 contract. The department says the functionality of the state platform is negatively effected by a reduction in shared use, which ultimately jeopardizes the divisions' mission of ensuring enforcement of the Workers' Compensation Act.

**Project alternatives.** The division has the option to keep the current system, attempt to secure a new request for pricing with a vendor, or evaluate a commercial off-the-shelf application for the system. The department says each of these alternatives has greater risk than modernizing the existing system with the chosen vendor.

#### PROGRAM INFORMATION

Colorado regulates the benefits provided to workers injured in the line of work pursuant to the Workers' Compensation Act of Colorado. The division's claims system provides on-demand electronic information for reported workers' compensation claims in Colorado. The system provides information for claimant, insurer, employer, attorney, and governing staff inquiries. In addition, the system also has an archived history of all claims submitted to the division. The division provides the funding for any support and maintenance of the current system. The division currently oversees 115,000 claims.

#### PROJECT SCHEDULE

	Start Date	Completion Date
Step 1	October 2014	January 2015
Step 2	January 2015	August 2015
Step 3	August 2015	February 2017

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding LEED certification because it is an information technology project and does not involve the renovation, design, or construction of a physical facility.

# Fiscal Year 2014-15 Capital Construction Request

## Labor and Employment

### *Workers' Compensation Mainframe Migration and Modernization Project*

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#### SOURCE OF CASH FUNDS

The source of cash funds for the project is the Workers' Compensation Cash Fund administered pursuant to Section 8-44-112, C.R.S., with no anticipated fee or surcharge rate increase. The fund accrues revenue from a surcharge of the workers' compensation insurance premiums. The year-end balance of the fund in FY 2012-13 was \$23,291,023.

#### OPERATING BUDGET

This project has no impact on state operating costs.

#### STAFF QUESTIONS AND ISSUES

All responses to staff questions have been incorporated into the project write-up.

# Fiscal Year 2014-15 Capital Construction Request

## Human Services

### *Electronic Health Record and Pharmacy System Replacement*

#### PROGRAM PLAN STATUS

2015-030

Approved Program Plan?  Yes  No

Date Approved:

#### PRIORITY NUMBERS

Prioritized By	Priority	
Dept/Inst	2 of 5	
OSP/SPB	12 of 42	Recommended for funding.

#### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2014-15	FY 2015-16	Future Requests	Total Cost
CCF	\$0	\$9,849,610	\$4,863,145	\$0	\$14,712,755
<b>Total</b>	<b>\$0</b>	<b>\$9,849,610</b>	<b>\$4,863,145</b>	<b>\$0</b>	<b>\$14,712,755</b>

#### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2014-15	FY 2015-16	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$785,600	\$742,400	\$0	\$1,528,000
Construction	\$0	\$1,287,994	\$0	\$0	\$1,287,994
Equipment	\$0	\$42,691	\$42,691	\$0	\$85,382
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$469,029	\$231,578	\$0	\$700,607
Software Acquisition	\$0	\$7,264,296	\$3,846,476	\$0	\$11,110,772
<b>Total</b>	<b>\$0</b>	<b>\$9,849,610</b>	<b>\$4,863,145</b>	<b>\$0</b>	<b>\$14,712,755</b>

#### PROJECT STATUS

This is a new, never-before requested project.

#### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Human Services (DHS) is requesting state funds to implement an electronic health record (EHR) system at the Mental Health Institutes at Pueblo and Fort Logan. The project will replace a number of separate health information and billing systems used by the institutes, including the institutes' pharmacy system, with a fully automated and comprehensive EHR system, with the goal of improving clinical decision-making, reducing medical errors, and increasing efficiencies.

Specifically, the project will replace the following existing information technology systems:

- a web-based dietary system;
- a locally hosted pharmacy system;
- a locally hosted lab system;
- a locally hosted admission/discharge/transfer system that also includes information about patient diagnoses, non-pharmacy billing, legal commitment records, scheduling, seclusion and restraint, and medication variances; and
- multiple Microsoft Access databases containing additional patient information.

# Fiscal Year 2014-15 Capital Construction Request

## Human Services

### *Electronic Health Record and Pharmacy System Replacement*

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The request includes the following components:

- fully hosted, web-based EHR system that will replace the institutes' health information systems and paper-based patient charts;
- improvements to network infrastructure, including the development of a secure wireless network on both campuses;
- EHR hardware including:
  - electronic tablets to be used by clinicians to allow real-time order entry, chart updating, and access to medical information while interacting with patients; and
  - bar scanning and labeling equipment for pharmaceutical dispensing; and
- vendor support, training, and software licenses.

The department will purchase a customizable, commercial off-the-shelf EHR product. Software costs include the purchase of the EHR, and installation, hosting, and process reengineering costs. The request assumes the software vendor, not state FTE, will customize the product for the department's specific needs, and the request includes funding for these costs.

**Office of Information Technology review of the project.** According to the DHS, the Governor's Office of Information Technology (OIT) reviewed the request, and proposed the addition of a vendor-conducted site review for accurately establishing the necessary wireless device placements to ensure adequate wireless coverage. This siting review is estimated at \$30,000, and is included in the DHS's estimated costs for the project. The DHS reports that with the addition of the siting review, OIT's concerns with the project have been addressed, and OIT has approved the project.

#### PROJECT JUSTIFICATION

A May 2011 state audit of the psychiatric medication practices for adult civil patients at the institutes contained a recommendation that the institutes pursue the implementation of an EHR. According to the audit, such a system would address problems identified in medication prescribing and monitoring, improve clinic decision-making, reduce medical errors, and increase efficiencies. The DHS reports that the rate of medication errors at both institutes is typically more than twice that reported by other psychiatric facilities, and notes that other facilities that have implemented EHR systems have experienced a significant reduction in medication errors.

The department further notes that an EHR will assist in clinical efforts to address patients' mental illnesses, and will potentially reduce patient behaviors that drive assaults, the need for seclusion and restraint, and lengthen hospitalizations. Further, as patients move from the institutes into the community, the institutes will be able to share patient information with community mental health centers and other providers in order to facilitate the transition.

**Project alternatives.** As alternative to the implementation of an EHR, the institutes could continue to operate the current information technology systems. According to the department, operation of the current systems would likely result in continued high rates of medication errors and would not positively impact the clinical management of patients. Further, not implementing the EHR will cause the department to be out of compliance with the 2011 recommendation of the State Auditor's Office to implement an EHER

#### PROGRAM INFORMATION

The mental health institutes provide residential services to individuals of all ages with complex, serious, and persistent mental illness. The Mental Health Institute at Pueblo currently has 451 beds and the Mental Health Institute at Fort Logan has 94 beds. The majority of the patients are referred to the facilities by community mental health centers when patients are deemed too unstable for community services to be effective.

# Fiscal Year 2014-15 Capital Construction Request

## Human Services

### Electronic Health Record and Pharmacy System Replacement

#### PROJECT SCHEDULE

	Start Date	Completion Date
Request for Proposal/Contract Negotiation	September 2013	July 2014
Development and Implementation	July 2014	July 2016
Independent Verification and Validation		
System Testing		
Roll Out	July 2016	

#### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project and does not involve the renovation, design, or construction of a physical facility.

#### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

#### OPERATING BUDGET

In FY 2014-15, DHS is requesting \$350,396 in operating funds to hire 5 positions (4.5 FTE in the first year and 5.0 FTE in subsequent years). The requested FTE are as follows.

#### STAFF QUESTIONS AND ISSUES

1. Please provide additional information on how the use of electronic health record will reduce seclusion hours, restraint hours, staff injuries related to seclusion and restraint, staff and patient injuries requiring medical intervention due to assault, and lengths of stay of currently enrolled and discharged restoration and competency exam patients.

*The implementation of a robust, fully-integrated electronic health record (EHR) establishes a condition of "data ubiquity," which lays the groundwork for subsequent clinical innovation and improved outcomes. The availability of all health data (including diagnostics, assessments, treatment planning, interventions, therapies and acuity) allows for the creation of feedback and monitoring applications, such as dashboards, that report on the status of (among many possibilities) the most vulnerable or treatment-resistant patients. The transformation of real-time health data into early-warning systems provides for a rapid-response intense-focus capability for those patients identified as most at risk for violence or self-harm (which can lead to assaults, injuries, the use of seclusion and/or restraint, and also prolong hospitalization), as well as problematic medical conditions, legal delays, malingering, treatment non-responsiveness, and other factors that also delay recovery and discharge, and thereby negatively impact the patients' lengths of stay.*

# Fiscal Year 2014-15 Capital Construction Request

## Revenue

*IT Systems Replacement, Division of Motor Vehicles*

### PROGRAM PLAN STATUS

2015-046

Approved Program Plan?

N/A

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 1
OSPB	9 of 42      Recommended for funding.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2014-15	FY 2015-16	Future Requests	Total Cost
CCF	\$0	\$41,021,167	\$52,350,833	\$0	\$93,372,000
<b>Total</b>	<b>\$0</b>	<b>\$41,021,167</b>	<b>\$52,350,833</b>	<b>\$0</b>	<b>\$93,372,000</b>

### ITEMIZED COST INFORMATION

Cost Item	Prior Approp.	FY 2014-15	FY 2015-16	Future Requests	Total Cost
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$9,109,167	\$16,720,833	\$0	\$25,830,000
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$14,791,000	\$3,200,000	\$0	\$17,991,000
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$1,910,000	\$2,430,000	\$0	\$4,340,000
Software Acquisition	\$0	\$15,211,000	\$30,000,000	\$0	\$45,211,000
<b>Total</b>	<b>\$0</b>	<b>\$41,021,167</b>	<b>\$52,350,833</b>	<b>\$0</b>	<b>\$93,372,000</b>

### PROJECT STATUS

This is a new, never-before requested project. See Project Description / Scope of Work section for information about an associated project.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Department of Revenue (DOR), in cooperation with the Governor's Office of Information Technology (OIT), is requesting state funds for the first phase of a two-phase project to replace the software systems used by the Division of Motor Vehicles (DMV) to process driver's licenses, and titles and registrations, known respectively as the Driver's License System (DLS) and the Colorado State Titling and Registration System (CSTARS). The department is seeking a replacement software that will unify the two systems into one master system, be vendor-provided in a state-hosted environment, and be supported by network architecture designed by OIT. This year's request for Phase I replaces the DLS. Phase II will replace CSTARS.

**CSTARS upgrade history.** House Bill 01-1100 provided initial funding to upgrade and replace CSTARS through a temporary, \$2.30 increase in a title fee. The department originally began work on upgrading the system in 2000. In April 2004, the vendor, Avanade, was served with a "notice of nonperformance," however the contract was subsequently amended, and the project recommenced in July 2004. The system went live for state users in September 2006. Although some improvements were noted over the legacy system, there were numerous issues

# Fiscal Year 2014-15 Capital Construction Request

## Revenue

### *IT Systems Replacement, Division of Motor Vehicles*

with its functionality. The system was later partially deployed to the counties, but concerns with the system emerged by February 2007, and by April 2007 the department reverted to the legacy system. In 2007, the department hired an outside consultant, North Highland, to assess the system and to determine whether and how to complete the project. The consultant found that the CSTARs application did not meet the needs of state users and there existed "a major gap between the needs of the county and the current functionality provided," but that the concern of greatest significance was poor project management of the CSTARs upgrade. The consultant concluded that "The DOR does not have the operational capability to manage, develop, and operate a system of this complexity." The total cost of the attempted upgrade, including a feasibility study, was about \$11.6 million. The project received an appropriation from FY 2000-01 through FY 2004-05, funded through cash funds, including moneys from the Highway Users Tax Fund and the CSTARs Account.

The department is currently developing an RFP to be issued in January 2014 for a consultant who will write the system requirements and the vendor RFP. The department plans to release the vendor RFP in March 2014 and award it in July 2014. Phase I of the project is expected to begin September 2014, and Phase II of the project is expected to begin in March 2016, with the expected project completion date of October 2017. The department has assembled three committees to participate in this process: the DMV Technology Steering Committee consists of agency employees, department directors, financial officers, and representatives from OIT, the Statewide Internet Portal Authority, and counties; the Business Process and Technical Committee consists of detailed program managers, subject matter experts, county representation, and the vendor; and the Valuation Committee, which will award the RFPs. Attachment A details the membership of these committees.

The project includes costs for:

- software and license acquisition;
- consultants, designers, independent testers, and trainers;
- contract employees to work several months of the year while full-time employees are engaged in project development and design;
- 16,000-GSF of leased work space; and
- hardware, including servers, storage, backup, and network equipment.

## PROJECT JUSTIFICATION

The department says that the obsolete information technology system currently in place at the state and county DMVs poses a significant risk of catastrophic failure in systems and loss of motor vehicle data, and causes everyday problems like outages, costly maintenance, overly complicated user interface, lack of real-time data exchanges, and security issues. According to the department, the DLS and CSTARs systems significantly impact the provision of customer service, lack flexibility in updating and communicating information to driver and vehicle services customers, are extremely complex to navigate, limit electronic payment options, and lack stability.

In 2012, the DOR hired a consultant to assess the current state of the motor vehicle information technology infrastructure. During the assessment, it was discovered that the DLS application was available 92.2 percent of the time in 2011, which equates to 419 hours of unplanned downtime, while the CSTARs application was available 84.4 percent of the time in 2011, which equates to 1,689 hours of unplanned downtime. These outages impact citizens, county and state employees, and agency partners. In one such outage of the CSTARs system in March 2011, 880 FTE hours were required to work through the backlog.

The assessment also concluded that the DMV operates on a range of diverse and disparate systems that have often been developed independent of one another. This causes the following major problems:

- (1) frequent application downtime, impacting customer wait times and staff productivity;
- (2) obsolete software that is limited in its functionality and not conducive for future application development;
- (3) dependence on specialized, costly, and labor-intensive technical support;
- (4) lack of real-time data exchanges and reporting capabilities; and
- (5) security issues that include lack of internal controls like user tracking and access levels.

# Fiscal Year 2014-15 Capital Construction Request

## Revenue

### *IT Systems Replacement, Division of Motor Vehicles*

Finally, when legislation passes that impacts DMV processes, the inflexibility of the software system requires labor-intensive updates. Because of the complicated user interfaces of DLS and CSTARS, the department has few employees capable of making these changes.

**Project alternatives.** The department worked closely with the 2012 consultant and OIT to identify viable options to modernize or replace the DLS and CSTARS systems. The study identified and analyzed options which included: doing nothing, transforming some or all of the current systems, and replacing some or all of the current systems. In order to meet the DMV's business, technical, and operational goals, the department opted for a complete replacement of all systems.

## PROGRAM INFORMATION

**The Driver's License System (DLS).** DLS processes driver's license documents from 56 offices throughout the State of Colorado, including 36 state offices and 20 county offices. The system annually processes over 5.1 million records, including driver's licenses, permits, identification cards, and commercial driver's licenses. The DLS was installed in 1995, utilizes over 50 distinct processes, and depends upon complete technical support from the DOR, including hardware, software, and communication links.

There are a number of governmental agencies that interface with the DLS, including: the Secretary of State for motor vehicle registration vehicle information; the Colorado Bureau of Investigation for law enforcement driver inquiries; the Colorado Benefits Management System and the Department of Labor and Employment for lawful presence verification; the Colorado court system for driver citation and conviction information; the Department of Health and Environment for death record transfers; and the U.S. Department of Defense for selective service registration information. The Donor Alliance and Colorado Interactive also interface with the system.

**The Colorado State Titling and Registration System (CSTARS).** CSTARS processes title and registration documents from 64 county offices in 106 statewide locations and one department-operated office. There are over 5.2 million registered vehicles in the state. The current version of CSTARS was developed and implemented in the mid-1980s and consists of two major subsystems, the county Distributed Data Processing System and the Statewide Data Warehouse System.

There are a number of agencies that interface with CSTARS, including: the Colorado Bureau of Investigation for stolen vehicle information; the Regional Transportation District for registration inquiries; the Colorado State Patrol ports of entry for registration and permit issuances; Envirotest for emissions test compliance information; various law enforcement agencies for parking and traffic enforcement registration inquiries; and the National Motor Vehicle Titling Information System for nationwide registration information.

## PROJECT SCHEDULE

	Start Date	Completion Date
Requirements Phase	March 2014	May 2014
Contract Evaluation and Selection	May 2014	September 2014
DLS Portion	September 2014	March 2016
CSTARS Portion	March 2016	September 2017
The department does not have timelines finalized since the project scope and system requirements have not yet been developed.		

## LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project and does not involve the renovation, design, or

# Fiscal Year 2014-15 Capital Construction Request

## Revenue

*IT Systems Replacement, Division of Motor Vehicles*

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construction of a physical facility.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

### OPERATING BUDGET

This project has no impact on state operating costs for FY 2014-15. The department pays maintenance costs for the existing systems from cash fund sources; however, it anticipates that General Fund or a new source of cash funds will be needed for vendor maintenance fees, support, and limited development once the new system is online.

### STAFF QUESTIONS AND ISSUES

1. The request includes \$10.0 million in DOR staff backfill and \$3.7 million in OIT staff backfill over two phases. Please define staff backfill and explain why this cost is not incorporated into the DOR operating budget or categorized as professional services.

*The request delineates the costs for backfill of both department staff and OIT staff. Providing backfill support for existing staff is critical to the success of the project and to maintain existing operations. The CITA project, which was successfully completed in December 2012, utilized backfill staff for the business and OIT due to the length and time commitment of the project. As part of the Professional Services costs, funding was identified for a Project Manager and a Department Project Team. In 2007, the department underwent a review of its ability to meet the staffing demands of the CITA project and a project readiness assessment conducted by a consultant. The study concluded that there are several factors critical for the success of the CITA project. These included Project Management and a Project Team with the latter being identified as the largest risk for the project. The roles for the Project Team included business analysts, IT representatives, part-time team members, organizational change management, project preparation, and business process reengineering.*

*In the CITA project, specific department and OIT staff was identified to support the project throughout its duration to assist in writing business requirements and definitions, system design, user acceptance and system testing, and updating or changing business processes and procedures. As this staff was utilized on the project, current work assignments still had to be performed and it was not reasonable for this staff to fulfill their project responsibilities and simultaneously perform their regular work assignments. Consequently, temporary staff was hired to backfill the staff assigned to the project.*

*For transparency purposes, the department delineated these costs including the position titles, full-time equivalent, and hourly rate to support the funding request. The intent is for this staff to be utilized on a temporary basis to provide backfill for those staff assigned either full-time or part-time throughout the duration of the project. Because DMV provides direct customer service, current work assignments still have to be performed to ensure service delivery is not negatively impacted during the project. Based on the CITA project, the department feels the cost for backfill staff is an appropriate cost of the project and should be funded through its appropriation. However, the department will defer whether this cost is more appropriately classified as Professional Services.*

**IT Systems Replacement**  
Division of Motor Vehicles, Department of Revenue

The following committees have been formed to consider the Department of Revenue – Division of Motor Vehicles IT Systems Replacement Project. A third Valuation Committee will be formed around the RFP process.

**DMV Technology Steering Committee**

**Department of Revenue:**

*Executive Director  
Deputy Executive Director  
Chief Financial Officer  
Senior Director DMV  
Deputy Director DMV  
Senior Director Taxation Division  
PMO Program Manager  
Project Manager*

**Office of Information Technology:**

*Chief Operations Officer  
Chief Technology Officer  
Chief Financial Officer  
Chief Information Security Officer  
Project Manager  
Project Manager  
OIT/DOR IT Director  
Chief Customer Officer*

**Other Representatives:**

*County Representative  
SIPA Executive Director*

**Business Process and Technical Committee**

**Department of Revenue:**

*Driver License Director  
Driver Services Director  
Titles and Registration Director  
Investigations Director  
Department Controller  
Purchasing and Contracts Services  
Director  
Project Manager*

**Office of Information Technology:**

*Application Development  
Representative  
Network Representative  
Server Representative  
Security Architect  
Enterprise/Solutions Architect  
Database Architect  
Customer Service Representative  
Information Security Officer  
Project Manager*

**Other Representatives:**

*SIPA Representative  
County Representative*

**Other Subject Matter Experts as needed:**

*CSTARS contractor  
DOR Internal Audit  
DOR Hearings Division  
DOR Communications Office  
DOR Emissions Division  
Secretary of State Office  
Law Enforcement Representative  
Attorney General Office*

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology *Digital Trunked Radio System, Software Upgrade*

### PROGRAM PLAN STATUS

2014-081

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	1 of 2
OSPB	5 of 42      Recommended for funding.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$3,726,190	\$3,636,760	\$3,636,760	\$3,547,383	\$14,547,093
<b>Total</b>	\$3,726,190	<b>\$3,636,760</b>	\$3,636,760	\$3,547,383	\$14,547,093

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$0	\$0	\$0	\$0
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$0	\$0	\$0	\$0
Software Acquisition	\$3,726,190	\$3,636,760	\$3,636,760	\$3,547,383	\$14,547,093
<b>Total</b>	\$3,726,190	<b>\$3,636,760</b>	\$3,636,760	\$3,547,383	\$14,547,093

### PROJECT STATUS

This is a continuation request. Phase I was funded in FY 2013-14.

**Funding history.** The implementation of the Digital Trunked Radio System (DTRS) was funded as a seven-phase project through the capital process between FY 1999-00 and FY 2008-09. Each phase of the project implemented the DTRS by geographic boundary based on Colorado State Patrol and Department of Transportation boundaries. The state-funded cost of the project was offset by local grants and federal funds. The DTRS replaced disparate and technically obsolete radio systems in order to create a statewide public safety communications system. The FY 2008-09 appropriation funded a hardware and software upgrade for 28 state and local public safety dispatch centers.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Governor's Office of Information Technology (OIT) is requesting state funds for the second phase of a four-phase project to acquire through lease purchase new software to support the DTRS. The DTRS is a statewide public safety, two-way radio communication system. The system is used by state and local government agencies such as the Department of Corrections and local sheriffs for day-to-day communications and to improve interagency cooperation and coordination in first responder situations. The project will upgrade the existing software platform in order to mitigate risks associated with the system's security, interoperability, and capacity.

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology

### *Digital Trunked Radio System, Software Upgrade*

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This year's request for Phase II upgrades the DTRS software from version 7.7 to version 7.9. OIT explains that an incremental software upgrade is necessary to ensure that the system remains stable and available to all users. The request will provision, program, and install new software and equipment at the master sites, communication centers, and backhaul links. It also increases the number of users that can be supported from 67,000 to 128,000. Phase I upgraded the DTRS software from version 7.5 to version 7.7 and reinstated cyber security and anti-virus protection. Phases III and IV will continue to incrementally upgrade the system from version 7.9 to 7.14, adopt more advanced encryption algorithms, maintain security protocols, and replace associated hardware, including outdated network servers.

**DTRS infrastructure.** The equipment, software, and radio towers that make up the DTRS are owned by a combination of state and local entities. The infrastructure of the DTRS includes *216 radio towers* located throughout the state; *1 primary zone controller* located in Denver that processes data sent to *4 master sites*, which house computer equipment used to control the operations of the radio sites; *115 communication dispatch centers*, which allow operators to communicate with first responders and facilitate communication among first responders; and *backhaul links*, which connect the sites to each other. The DTRS infrastructure also includes communications software and individual radios.

**Future operating and capital need associated with the DTRS.** In addition to the work requested under this project, the DTRS also requires upgrades to additional operating equipment and physical facilities. Furthermore, although the upgrade of the current software to version 7.14 can be supported on existing dispatch center equipment, all subsequent upgrades to versions 7.15 and higher will require the replacement of the dispatch equipment used by the majority of the dispatch centers in the state. The cost to replace this equipment is about \$150,000 per dispatch center for an estimated 240 dispatch centers, or \$36 million. Additionally, many of the existing radio towers are in poor condition and require repairs. In recent years, some of the required repairs have been addressed through the state's controlled maintenance process. Since FY 2010-11, the state has spent about \$2.7 million to replace six microwave site towers. OIT's five-year plan for controlled maintenance indicates several additional requests associated with repairs to state-owned radio towers, and a 2012 report to the Joint Budget Committee about the DTRS estimates it will cost about \$35 million to repair the existing tower infrastructure, including state- and locally owned radio tower sites.

## PROJECT JUSTIFICATION

OIT explains that interoperable radio communications are a critical technology for search and rescue, emergency response, disaster management, and other public safety functions because they allow personnel from multiple agencies to rapidly share information and coordinate efforts. The DTRS has been used in several high profile emergency situations, including the recent wildfires and floods and the Aurora theatre shooting. In the instance of the Aurora theatre shooting, the DTRS allowed Aurora first responders to interface with the DTRS to communicate directly with first responders in neighboring communities using different radio communications systems. According to OIT, the DTRS prevents the reoccurrence of situations like the Columbine school shooting, where first responders from different agencies and jurisdictions were not able to communicate directly via two-way radio.

According to OIT, the state and its local government partners have identified a software upgrade as the highest priority need for the DTRS. The new software will support Federal Communications Commission mandates on narrowbanding, which go into effect in 2017. Narrowbanding requires radio users to use less bandwidth in broadcasts and is made possible through better technology and equipment. The new software will also increase interoperability between DTRS and other systems used by local agencies, such as the voice communication system used by the city and county of Denver.

The project will also upgrade the software used by the DTRS to improve its capacity, or the ability of the system to carry calls without overloading available equipment or channels. The DTRS currently supports about 67,000 users; after the system's software is fully upgraded, it will support about 128,000 users. Additionally, upgrading the system will make state and local entities more eligible for grant funding from the U.S. Department of Homeland Security (DHS). The DHS requires states to report on their capabilities regarding the interoperability of voice communication. The data that is collected through this reporting is used in determining yearly grant allocations.

**Consequences if not funded.** According to OIT, if this year's request for Phase II is not funded, it risks being in

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology

*Digital Trunked Radio System, Software Upgrade*

breach of contract with the vendor because it would not be able to make the FY 2014-15 lease-purchase payment on behalf of the project. OIT explains that if work on the project is halted it risks the loss of network protection from cyber attack. Furthermore, the DTRS will be forced to continue to operate with antiquated equipment.

### PROGRAM INFORMATION

According to OIT, about 1,000 local, state, and federal government agencies currently use the DTRS. The system currently supports about 66,920 users. The system processes about 7.5 million transmissions per month and 86 million transmissions a year. Attachment A is a map of the DTRS towers. The primary stakeholders of the DTRS include the Departments of Corrections, Natural Resources, Public Safety, and Transportation; local government public safety entities; and several federal agencies. An agency may opt to use the DTRS as its primary radio system or for interoperability only, especially during first responder situations.

The Consolidated Communications System Authority (CCSA) is a 20-member board created by House Bill 12-1224 to represent the interests of the various agencies that use the DTRS. The CCSA solicits funding for the DTRS; represents its membership in strategic, technical, and regulatory matters; and advises the Governor and General Assembly regarding the present status and future needs of the DTRS. The CCSA presents a written report to the Joint Budget Committee annually concerning the operational and capital needs for the DTRS and funding options to meet those needs. This report is available upon request to Legislative Council Staff.

### PROJECT SCHEDULE

	Start Date	Completion Date
Phase I (version 7.5 to 7.7)	August 2013	January 2014
Phase II (version 7.7 to 7.9)	February 2014	June 2014
Phase III (version 7.9 to 7.13)	July 2014	November 2014
Phase IV (version 7.13 to 7.14)	December 2014	December 2015

The project phasing does not correlate directly to each fiscal year appropriation. The project is funded through lease-purchase, and the work is accelerated, while the payment is staggered over four years.

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project and does not involve the renovation, design, or construction of a physical facility.

### SOURCE OF CASH FUNDS

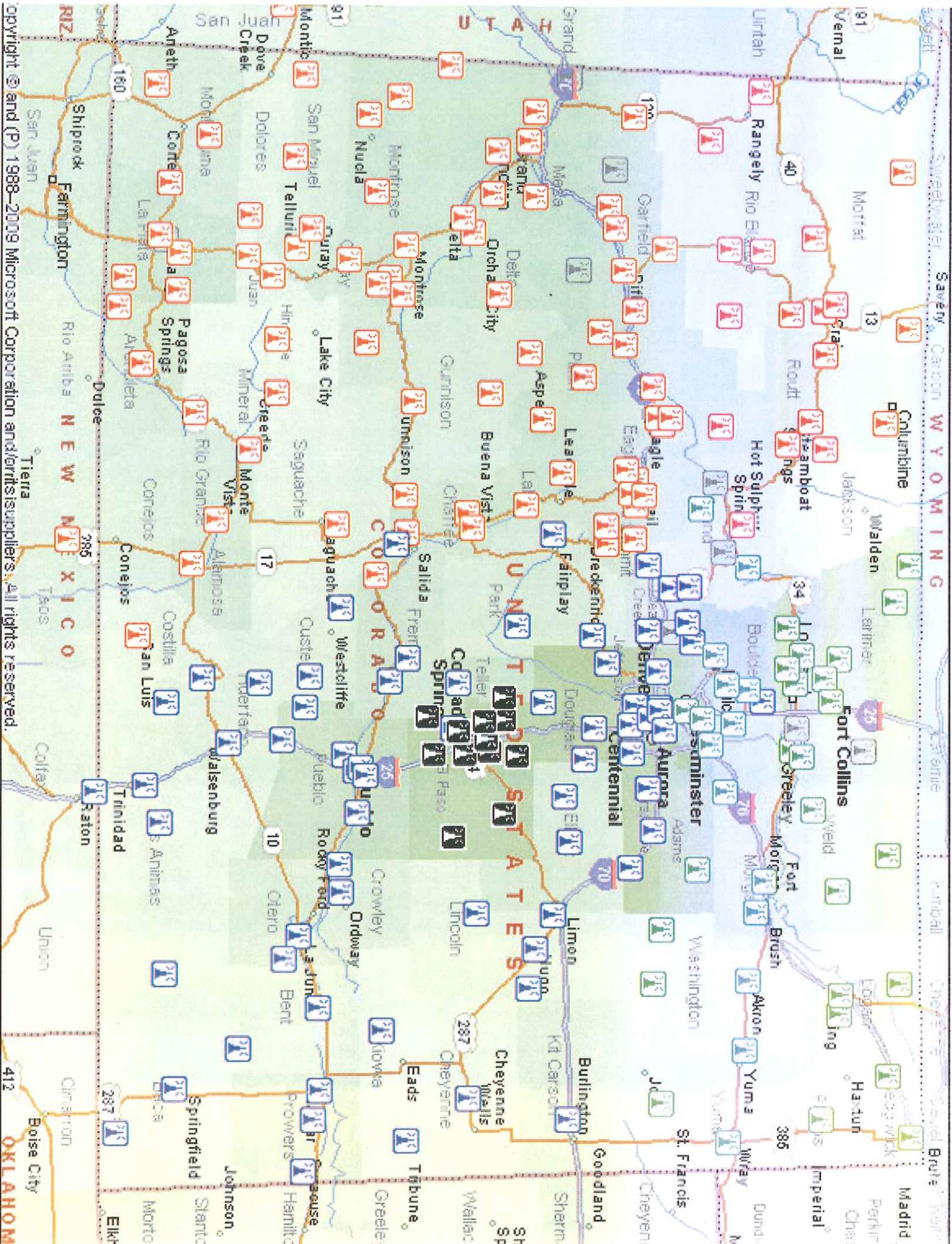
This project is not funded from cash sources.

### OPERATING BUDGET

This project has no impact on state operating costs. Future requests associated with the DTRS may impact the operating budget.

### STAFF QUESTIONS AND ISSUES

None.



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412 OKLAHOMA

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology

*Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization*

### PROGRAM PLAN STATUS

2015-045

Approved Program Plan?

Date Approved:

### PRIORITY NUMBERS

Prioritized By	Priority
Dept/Inst	2 of 2
OSPB	14 of 42      Recommended for funding.

### PRIOR APPROPRIATION AND REQUEST INFORMATION

<u>Fund Source</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
CCF	\$0	\$16,070,000	\$0	\$0	\$16,070,000
<b>Total</b>	<b>\$0</b>	<b>\$16,070,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,070,000</b>

### ITEMIZED COST INFORMATION

<u>Cost Item</u>	<u>Prior Approp.</u>	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>Future Requests</u>	<u>Total Cost</u>
Land Acquisition	\$0	\$0	\$0	\$0	\$0
Professional Services	\$0	\$2,000,000	\$0	\$0	\$2,000,000
Construction	\$0	\$0	\$0	\$0	\$0
Equipment	\$0	\$0	\$0	\$0	\$0
Miscellaneous	\$0	\$0	\$0	\$0	\$0
Contingency	\$0	\$670,000	\$0	\$0	\$670,000
Software Acquisition	\$0	\$13,400,000	\$0	\$0	\$13,400,000
<b>Total</b>	<b>\$0</b>	<b>\$16,070,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$16,070,000</b>

### PROJECT STATUS

This is a new, never-before requested project.

### PROJECT DESCRIPTION / SCOPE OF WORK

The Office of Information Technology (OIT), in cooperation with the Department of Personnel and Administration's Division of Human Resources and the Office of the State Controller, is requesting state funds to purchase licenses for human resources software applications to be used by all executive branch departments. The software applications will provide a unified human resource management system that will process employee time and leave, verify payroll activity, track employee development and compensation, facilitate benefit enrollment, assist in workforce and succession planning, and create reports in a real-time, user-friendly, and consistent environment hosted by the vendor.

Two software applications will be purchased: a timekeeping software from Kronos, and a core human resource management software from a to-be-determined Enterprise Resource Planning vendor. The department expects to roll-out the Kronos software first, followed by the Enterprise Resource Planning solution.

**Kronos.** Kronos is a timekeeping software. The state currently owns 12,700 Kronos licenses, which are legacy (unsupported) versions of the software. Under this request, these Kronos licenses will be upgraded and moved to a

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology

*Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization*

hosted environment, and an additional 12,300 licenses will be purchased. These 25,000 licenses will include access to Kronos' WorkForce Analytics, an employee performance analysis system. As different departments have different requirements for timekeeping, the Kronos licenses will vary in functionality and price between departments.

**Enterprise Resource Planning (ERP) software.** The agency will solicit an ERP software vendor to provide the remaining core human resource management (Core HRM) functions, such as benefits administration, payroll, and performance management. The Office of the State Controller requires 35,000 licenses, since it handles payroll and benefit functions for agencies outside the executive branch. The ERP software vendors are Kronos partners, and have products that will interface fluidly with the Kronos platform. The vendor will be solicited through a Request for Proposal process.

The project includes costs for:

- software licenses;
- application configuration;
- user training; and
- initial hosting fees.

### PROJECT JUSTIFICATION

According to OIT, the executive branch departments currently lack a unified human resource management system. Each department has a disparate process dependent on either paper, spreadsheets, databases, internally-developed applications, or outdated timekeeping software. This puts the state at risk of violating labor polices for its inconsistent and sometimes erroneous time and leave tracking systems.

**Project alternatives.** The alternative to the project is the continuation of disparate and inconsistent time and leave tracking systems across departments, and human resource management systems, which are not only outdated and inconvenient, but put the state at risk for user error and violation.

### PROGRAM INFORMATION

The executive branch currently employs around 35,000 employees in 17 departments.

### PROJECT SCHEDULE

	Start Date	Completion Date
Kronos Deployment	January 2014	December 2014
ERP Software Deployment	October 2014	September 2015

### LEED CERTIFICATION INFORMATION

The project is not required to comply with the provisions of Senate Bill 07-051 regarding the High Performance Certification Program because it is an information technology project and does not involve the renovation, design, or construction of a physical facility.

### SOURCE OF CASH FUNDS

This project is not funded from cash sources.

# Fiscal Year 2014-15 Capital Construction Request

## Office of Information Technology

*Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization*

### OPERATING BUDGET

This project has no impact on state operating costs in FY 2014-15; however, OIT projects that beginning in FY 2015-16, the cost of maintaining and hosting the systems will be between \$1.5 and \$3.7 million annually.

### STAFF QUESTIONS AND ISSUES

1. Will the Department of Personnel and Administration's Division of Human Resources oversee this software application? How will DPA be involved or impacted?

*The Division of Human Resources (DHR) and Office of the State Controller are the business owners for Human Resource Management (timekeeping, benefits administration, payroll and core human resources) and will conduct the RFP for CORE HRM and collaborate with OIT.*

2. Who is expected to host this solution, OIT or the vendor?

*The vendor. Kronos (Workforce Management Solutions) for timekeeping and an ERP (Enterprise Resource Planning) vendor for Core HRM.*

3. Does the state already own licenses to Kronos, and how many? How does previous ownership affect the product's RFP and implementation?

*Yes, the state owns 12,700 licenses which are in use by various departments across the state. The department has been paying annual maintenance on these licenses, but is working with legacy/unsupported versions. With this new request, the existing licenses/users will be upgraded/deployed to the hosted environment. The department is also buying WorkForce Analytics that will cover the entire enterprise. Different departments have different requirements for timekeeping. They are not all the same and the licenses are different in functionality and price.*

4. Please describe the RFP process for the core HRM product. Who will be involved?

*The Draft RFP is developed. The RFP will be solicited, and the department will follow the standard procurement process. DHR has a list of the RFP committee members and it includes various HR Directors and other stakeholders across the executive branch. Our intent is to finalize to two vendors and negotiate price/terms at that point.*

5. Why are two separate software systems necessary? How will they interact?

*Not all of the ERP/HRM providers meet the requirements for the specialized timekeeping systems that are required in some departments; however, all of the ERP/HRM meet the basic timekeeping requirements for most departments. It was decided that since we already own licenses with Kronos it is the best solution for the state, rather than having some departments use Kronos and other departments use ERP/HRM timekeeping solution. All of the ERP providers that meet the basic requirements for HRM (public sector installed base of a minimum of 35K users), have API/Interfaces, and are partners with Kronos.*

6. Explain how some executive branch departments will use the software a la carte? Please include specific alternatives (like SAP at the Colorado Department of Transportation (CDOT)).

*CDOT's 3200 employees will use Kronos, and certain components of HRM including payroll and benefits administration. CDOT will not use the Core HR (onboarding, performance management, etc.) because they purchased SuccessFactors an SAP product for Core HR. All other executive branch will use Kronos and all components of the new ERP/HRM.*

7. Please explain whether the decision to request this IT-related project as an OIT request versus a department request is based on the nature of the project or the preference of the department?

*For this particular project, the Department received direction from OSPB to work through OIT to request the funding.*