

FY 2014-15 Supplemental Capital Construction Request

Office of Information Technology
Human Resource Information System

Motion: Approve the supplemental request from the Office of Information Technology for the Human Resource Information System project (\$15,218,801 GF).

GENERAL INFORMATION

2015-045

1. Which supplemental criterion does the request meet? New Data

The Office of Information Technology (OIT), in concert with the Department of Personnel and Administration (DPA), is requesting funding in FY 2014-15 for an enterprise Human Resource Information System (HRIS), which augments and replaces the Statewide Leave, Time Tracking, and Human Resource Management Systems Modernization project that was previously funded in FY 2014-15.

2. Which projects will be restricted to fund the supplemental request?

3. Has the request been approved by OSPB and CCHE? Yes

PRIOR APPROPRIATION AND SUPPLEMENTAL REQUEST INFORMATION

The appropriation to be amended was authorized in the following bill: HB 14-1336

<u>Fund Source</u>	<u>Prior Appropriations</u>	<u>Supplemental Request</u>	<u>Future Requests</u>	<u>Total Cost</u>
GF	\$0	\$15,218,801	\$0	\$15,218,801
CCF	\$16,070,000	\$0	\$0	\$16,070,000
	\$16,070,000	\$15,218,801	\$0	\$31,288,801

REASON FOR SUPPLEMENTAL REQUEST

OIT says that additional funding is needed to ensure a robust and effective HRIS that has full functionality for DPA's human resources management needs. Under direction from new management in 2014, OIT hired a consultant to perform analysis of the original "Statewide Leave, Time Tracking, and Human Resource Management Systems Modernization" project scope. The consultant determined that the initial scope and funding did not adequately address all of DPA's needs, and revised the estimated total cost of the project based upon its findings.

Cost estimates. Project cost estimates were developed by OIT and reviewed by a hired contractor. OIT also solicited information from four vendors regarding standard price points for critical system components.

SUMMARY OF PROJECT

Background. The project was initially planned and funded in FY 2014-15 as the Statewide Leave, Time Tracking, and Human Resources Management Systems Modernization project for the purchase of timekeeping software from Kronos and a core human resource management software from a to-be-determined enterprise resource planning vendor. The project name has been changed to the Human Resource Information System (HRIS) to better reflect the operational nature of the system.

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The HRIS combines the state's personnel administration, performance management, and statewide leave and time tracking functions for all executive branch agencies, with the exception of the Colorado Department of Transportation, which will not participate in the performance management components of the system. The new system 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.

There are currently approximately 80 different applications in use by Executive Branch agencies performing the critical business functions of human resources. The acquisition of the new system will allow the collective management of all these diverse business functions and improve overall human resources efficiencies.

There are four critical components to the system for prioritized implementation:

- personnel administration;
- timekeeping;
- performance management; and
- payroll processing.

The project also validates existing data to be transitioned to the new system and provides training for end users.

The project plan calls for a kick-off in July 2015 with a go-live date of May 2017. The project has annual ongoing maintenance costs estimated at \$3,043,760.

Project justification. The department explains that the project replaces a number of antiquated, disparate systems. The new system will reduce inefficiencies statewide, in part because it will build a single, statewide database. In recent months, OIT and DPA performed an extensive investigation into their current departmental systems and processes to fully understand shortfalls and needs. This due diligence process identified specific deficiencies that were then turned into requirements. These requirements will be addressed through the acquisition of the new HRIS system.

QUESTIONS / OUTSTANDING ISSUES

(JTC research staff met with OIT/DPA on 1/6/2015. The questions and responses below are the staff's interpretation of the department's answers in that meeting.)

1. Why is this supplemental request necessary now, rather than following the standard IT budget request process time line?

OIT would like to get as much lead-time as possible to prepare and release the Request for Proposal (RFP). Requesting the approval of funding now accelerates the release of the RFP and will keep the departments on their current timeline for project completion.

2. Are there any costs associated with retiring the legacy systems?

There are no known costs foreseen with retiring the legacy systems, but unknown costs could arise.

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3. How is OIT identifying whether or not the new system is supporting the needs of all the affected agencies?

Currently, OIT has an IT Business Analyst (BA) who is performing multiple GAP analysis sessions with the agencies to uncover any missing requirements. Once identified these new requirements will be addressed by the OIT project team and incorporated into accordingly.

4. What are gap analysis sessions?

Gap analysis sessions are where subject matter experts (SMEs) determine where any missing functionality exist between the current system and the proposed system. Missing functionality or "gaps" in the project requirements will need to be addressed by the project team.