

**Schedule 13**  
**Funding Request for the 2013-14 Budget Cycle**

Department: Department of Personnel & Administration  
 Request Title: Resources for Colorado COFRS II eProcurement - Colorado's Total Electronic Procurement System  
 Priority Number: R - 3

Dept. Approval by: *[Signature]* 10/18/12  
 Date  
 OSPB Approval by: *[Signature]* 10/23/12  
 Date

- Decision Item FY 2013-14
- Base Reduction Item FY 2013-14
- Supplemental FY 2012-13
- Budget Amendment FY 2013-14

| Line Item Information   |              | FY 2012-13                  |                                       | FY 2013-14                 |  | FY 2014-15                           |
|---|--------------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|   |              | 1                           | 2                                     | 3                          | 4  | 6                                    |
|   |              | Appropriation<br>FY 2012-13 | Supplemental<br>Request<br>FY 2012-13 | Base Request<br>FY 2013-14 | Funding<br>Change<br>Request<br>FY 2013-14 | Continuation<br>Amount<br>FY 2014-15 |
|   | Fund         |                             |                                       |                            |  |                                      |
| <b>Total of All Line Items</b>  | <b>Total</b> | 4,925,903                   | -                                     | 5,313,878                  | 1,566,423                                  | 394,777                              |
|   | FTE          | 4.0                         | -                                     | 4.0                        | 3.0  | 3.0                                  |
|   | GF           | 1,070,268                   | -                                     | 1,135,326                  | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | 1,650,235                   | -                                     | 1,660,016                  | 1,566,423                                  | 394,777                              |
|   | RF           | 2,205,400                   | -                                     | 2,518,536                  | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |
| <b>(1) Executive Director's Office, (A) Department Administration, Health, Life, and Dental</b>                           | <b>Total</b> | 2,323,160                   | -                                     | 2,494,554                  | 13,263                                     | 13,263                               |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | 644,083                     | -                                     | 653,484                    | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | 169,530                     | -                                     | 162,319                    | 13,263                                     | 13,263                               |
|   | RF           | 1,509,547                   | -                                     | 1,678,751                  | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |
| <b>(1) Executive Director's Office, (A) Department Administration, Short Tem Disability</b>                               | <b>Total</b> | 33,585                      | -                                     | 38,094                     | 303  | 303                                  |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | 12,230                      | -                                     | 13,007                     | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | 2,319                       | -                                     | 2,853                      | 303  | 303                                  |
|   | RF           | 19,036                      | -                                     | 22,234                     | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |
| <b>(1) Executive Director's Office, (A) Department Administration, S.B. 04-257 Amortization Equalization Disbursement</b> | <b>Total</b> | 635,318                     | -                                     | 731,798                    | 6,135                                      | 6,816                                |
|   | FTE          | -                           | -                                     | -                          | -  | -                                    |
|   | GF           | 223,125                     | -                                     | 246,395                    | -  | -                                    |
|   | GFE          | -                           | -                                     | -                          | -  | -                                    |
|   | CF           | 48,191                      | -                                     | 55,741                     | 6,135                                      | 6,816                                |
|   | RF           | 364,002                     | -                                     | 429,662                    | -  | -                                    |
|   | FF           | -                           | -                                     | -                          | -  | -                                    |

| Line Item Information  |       | FY 2012-13                  |                                       | FY 2013-14                 |  | FY 2014-15                           |
|--|-------|-----------------------------|---------------------------------------|----------------------------|--|--------------------------------------|
|  |       | 1                           | 2                                     | 3                          | 4  | 6                                    |
|  | Fund  | Appropriation<br>FY 2012-13 | Supplemental<br>Request<br>FY 2012-13 | Base Request<br>FY 2013-14 | Funding<br>Change<br>Request<br>FY 2013-14 | Continuation<br>Amount<br>FY 2014-15 |
| <b>(1) Executive Director's Office, (A) Department Administration, S.B. 06-235 Supplemental Amortization Equalization Disbursement</b>                     | Total | 545,059                     | -                                     | 660,651                    | 5,538                                      | 6,390                                |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | 190,830                     | -                                     | 222,440                    | -  | -                                    |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 41,414                      | -                                     | 50,322                     | 5,538                                      | 6,390                                |
|  | RF    | 312,815                     | -                                     | 387,889                    | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| <b>(5) Division of Accounts and Control - Controller, (C) Supplier Database, Personal Services</b>   | Total | 238,271                     | -                                     | 238,271                    | 190,155                                    | 190,155                              |
|  | FTE   | 4.0                         | -                                     | 4.0                        | 3.0  | 3.0                                  |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 238,271                     | -                                     | 238,271                    | 190,155                                    | 190,155                              |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| <b>(5) Division of Accounts and Control - Controller, (C) Supplier Database, Operating Expenses</b>  | Total | 1,150,510                   | -                                     | 1,150,510                  | 1,351,029                                  | 177,850                              |
|  | FTE   | -                           | -                                     | -                          | -  | -                                    |
|  | GF    | -                           | -                                     | -                          | -  | -                                    |
|  | GFE   | -                           | -                                     | -                          | -  | -                                    |
|  | CF    | 1,150,510                   | -                                     | 1,150,510                  | 1,351,029                                  | 177,850                              |
|  | RF    | -                           | -                                     | -                          | -  | -                                    |
|  | FF    | -                           | -                                     | -                          | -  | -                                    |
| Letternote Text Revision Required?    Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/> If yes, describe the Letternote Text Revision: |       |                             |                                       |                            |  |                                      |
| Cash or Federal Fund Name and COFRS Fund Number:    Electronic Program Procurement Account, 24R.   |       |                             |                                       |                            |  |                                      |
| Reappropriated Funds Source, by Department and Line Item Name:    Not Applicable   |       |                             |                                       |                            |  |                                      |
| Approval by OIT?    Yes: <input checked="" type="checkbox"/> No: <input type="checkbox"/> Not Required: <input type="checkbox"/>                           |       |                             |                                       |                            |  |                                      |
| Schedule 13s from Affected Departments:    Not Applicable  |       |                             |                                       |                            |  |                                      |
| Other Information:    Not Applicable   |       |                             |                                       |                            |  |                                      |



# DEPARTMENT OF PERSONNEL & ADMINISTRATION

John W. Hickenlooper  
Governor

*FY 2013-14 Decision Item  
November 1, 2012*

Kathy Nesbitt  
Executive Director

*Kathy Nesbitt* 10/22/12  
Signature Date

**Department Priority: R - 3**

**Resources for Colorado COFRS II eProcurement - Colorado's Total Electronic Procurement System**

| Summary of Incremental Funding Change for<br>FY 2013-14 | Total Funds | Cash Funds  | FTE |
|---|-------------|-------------|-----|
| COFRS II eProcurement System Program Resources          | \$1,566,423 | \$1,566,423 | 3.0 |

### **Request Summary:**

For FY 2013-14, the Department requests spending authority of \$1,566,423 Cash Funds and 3.0 FTE for resources for the Colorado electronic procurement system. These funds are necessary to continue the implementation and fully roll out the total electronic procurement system for the State. The Department requests \$394,777 Cash Funds and 3.0 FTE commencing in FY 2014-15 and ongoing. This request is for spending authority for the project. There is sufficient cash revenue to support the request.

### **Background:**

Senate Bill 09-099 authorized the Department to implement a centralized electronic procurement system for use by State agencies, local governments, and vendors, and it established a cash fund for the collection of associated vendor fees. Since the passage of SB 09-099, the Department has awarded the electronic procurement system contract to a vendor and begun work on the initial phases of the system implementation for State agencies. In addition, the Department has partnered with the Governor's Office of Information Technology (OIT) on the OIT Storefront, a Lean project that is integrated with the electronic procurement system.

In 2011, in cooperation with State management, the State Auditor carried out a risk assessment of continuing the status quo under the State's current accounting system (COFRS). Responding to the concerning findings in that audit report, the General Assembly provided the Governor's Office of Information Technology (OIT) a common policy funded appropriation to begin the modernization of COFRS in Fiscal Year 2012-13. Partnering with the State's existing COFRS vendor - CGI/AMS - the Department and OIT have begun the project to modernize COFRS and have developed a schedule to complete implementation on July 1, 2014. Although the new system has not yet been branded, it is referred to in this document and in working discussions as COFRS II.

It has been determined that COFRS II includes as part of the baseline system much of the electronic procurement functionality envisioned under the SB 09-099 vendor contract. However, the COFRS II eProcurement functionality has important advantages in its tight integration with the financial modules, the ability to avoid current and ongoing subsidiary system integrations, and more comprehensive vendor self-service capabilities. Therefore, it has been determined by the Department and OIT that it is in the best

interest of State taxpayers to minimize efforts and costs associated with the SB 09-099 electronic procurement implementation and dedicate those resources to the COFRS II eProcurement system. This approach will preserve functionality in the OIT Storefront project while preventing, to the greatest extent possible, duplication of effort and costs. It is also expected to reduce the ongoing maintenance costs associated with an electronic procurement solution.

This request outlines the resources needed to successfully continue the implementation of Colorado's eProcurement System statewide. The request is primarily related to additional services that are necessary under the existing electronic procurement implementation or under the COFRS II eProcurement approach.

Once fully implemented, COFRS II eProcurement will be the evolution of government procurement. With the resources requested in this document, the system will ultimately provide a seamless procurement workflow from sourcing of goods to payment accounting for state agencies all within a tightly integrated Statewide Enterprise Resource Planning (ERP) solution. It will deliver one-stop shopping, transparent access to price agreements, greater centralized purchasing power, effortless cost comparisons, visibility of the requisition process, and better control of resource allocation. For vendors, COFRS II eProcurement will provide a single point of contact for State government transactions, enhancing speed to market and increasing cost savings.

**Anticipated Outcomes:**

The additional resources outlined in this request are needed to adequately manage the implementation and administration of the COFRS II eProcurement system.

*Lean Initiative.* The Governor's Office selected the OIT Storefront as a Lean Initiative in FY 2011-12. Due to the integration of COFRS II eProcurement with the OIT Storefront, eProcurement is intrinsically joined with this

Lean Initiative. Significant progress has been made to date, leading the way for further efficiencies to be generated in both programs.

OIT has determined that OIT Storefront success will be dependent upon the ability to retrieve data regarding IT goods, software, and services that are planned, purchased, and delivered. The Office will also require the ability to track IT assets and inventory and to identify IT asset disposals by all agencies. These goals can only be met with close integration with COFRS II financials, Approved Product Lists for OIT (catalog content) and for non-IT goods, and integrated workflow approvals. The wide variety of solely manual processes used by state agencies today will be replaced with efficient electronic processing under COFRS II eProcurement.

As part of the Lean initiative, the Department engaged with the executive agencies and OIT to map the purchasing workflow for electronic procurement. During this IT-purchases process mapping effort, the electronic procurement project implementation team identified the need for additional resources to ensure a timely and successful implementation. Guidance from both the software vendor and the integration specialist, in addition to discussions with OIT and the OIT Storefront Lean program, has made it possible for the Department to quantify its new specific needs. This is a critical request in order to properly implement, roll-out, and operate this important program.

*Colorado's Total Electronic Procurement Guide.* The Government Efficiency and Management Performance Review (GEMS), which led to the passage of SB 09-099, identified the lack of an electronic interface between bid processing, purchasing, order tracking, and accounts payable functions related to statewide purchasing as an opportunity for increased efficiency. GEMS identified a number of benefits of implementing an electronic interface, including improving audit capability, sustaining decentralized purchasing authority while at the same time providing detailed information about the State's purchases,

and allowing the State Purchasing Office to better ascertain purchasing trends and buyers needs, among other benefits. The COFRS II eProcurement approach builds all of the GEMS recommendations into a fully integrated system without the need for system interfaces.

The implementation of the statewide eProcurement system will help drive the collective leverage of buying organizations and secure the discounts available with collectively negotiated contracts, saving each organization a portion of their budgets.

eProcurement will provide increased visibility into statewide purchases and enable the State to conduct more detailed transaction reporting that will assist each buying organization in understanding what their budgets are being spent on.

The following benefits of eProcurement have been identified: improved compliance; reductions in off-contract (maverick spending); reduced cycle times in requisition to order cycles and costs; management and other personnel time is freed to focus on creating other value for the state; cost reduction; higher productivity from process reengineering as business processes are corrected in order to apply automated e-Pro solutions; increased vendor management; seamless transactions; and one-stop shopping.

With the resources requested in this Decision Item, the system will implement additional key components of the procurement process beyond simply making purchases through the online catalogs. It will integrate Solicitation Management (currently provided by the Colorado BIDS system), contract development (currently managed through individual manual templates), and vendor self-service, which is not currently available to our suppliers. All of these services are critical components of the COFRS II eProcurement system which delivers one-stop shopping, intuitive navigation of the process, transparent access to price agreements, greater centralized purchasing power, effortless cost

comparisons, visibility of the requisition process and better control of resource allocation.

**Consequences if not Funded:**

Without the resources requested, the State will not be able to adequately implement the statewide COFRS II eProcurement system or the electronic procurement system envisioned and purchased using resources appropriated as a result of SB 09-099. The potential cost avoidance and statewide efficiencies will not be realized by either electronic procurement system. Without sufficient implementation resources the State will be unable to use the full functionality of the electronic procurement system in which it invests through the annual software subscription fees.

Funding for the electronic procurement system will not be efficiently or effectively invested if resources to implement and maintain the system are inadequate. There are currently myriad manual processes/workflows that are performed differently in agencies across the State. Without adequate support for the COFRS II eProcurement system, these processes cannot be standardized, streamlined, or automated as was intended in SB 09-099. Ultimately, COFRS II eProcurement will revolutionize the State purchasing process.

The additional resources are necessary to achieve the potential cost avoidance and statewide efficiencies of the COFRS II eProcurement system. The effectiveness of the system will be in jeopardy if not adequately resourced. Delays in implementation of the system result in underutilization of a resource in which the state has invested.

**Assumptions for Calculations:**

This request is needed to continue with the implement of the COFRS II e Procurement system.

In order to implement COFRS II eProcurement modules the Department anticipates the resources needed are similar to those identified as necessary for the implementation of the electronic procurement system under SB 09-099. In the COFRS II

eProcurement system this includes Solicitation Management and Contract Development, End-User Purchasing, and Vendor Self-Service.

The Department anticipates that Change Management and Business Process Re-engineering will be essential to effectively implement the COFRS II eProcurement modules. The Department will leverage those activities already in process under the SB 09-099 implementation, which were funded by the Fiscal Year 2012-13 Emergency Supplemental. \$566,203 was appropriated for the Emergency Supplemental to support eProcurement Specialists, OIT Project Management, Change Management, and eProcurement Process Management, in addition to 2.0 FTE that were previously appropriated for eProcurement.

***Solicitation Management (currently the Bid and Information Distribution System - BIDS) and Contract Development:*** Solicitation Management is an institutional procurement process that continuously improves and re-evaluates the purchasing activities of an entity. With the resources requested, COFRS II eProcurement will automate the upfront sourcing and contracting process that feeds into the electronic purchasing workflow. This module is critical in creating a fully functional total electronic procurement system because it will improve the process by which vendors and suppliers find opportunities to bid on State Requests For Proposals (RFP's). This baseline module in COFRS II provides one-stop-shopping to the vendor community in order to enable efficient business processes for the State's vendors. The resources requested for this activity will engage State agencies and vendors in determining how to adapt existing business processes to industry best business practices standards as enabled by the COFRS II eProcurement software suite. This involves significant time consuming outreach and communications to a very large population of vendors and to State agency procurement officials. If effective, the individual hired in this capacity should manage the Solicitation Man-

agement and Contract Development processes in COFRS II on an ongoing basis.

The Department anticipates that the tasks described above will be accomplished with 1.0 FTE of personal services and \$77,451 at the General Professional IV level. In addition, the Department is requesting 1.0 FTE and \$73,259 in FY 2014-15 and ongoing for an electronic procurement specialist at the General Professional IV.

| <b>Solicitation &amp; Contract Management:</b><br>Specializes in the Solicitation & Contract management processes of the COFRS II effort. Post implementation activities will include working with contract and procurement functional areas to continually incorporate standardized solicitation and contract templates into electronic COFRS II eProcurement platform. |             |              |
|--|-------------|--------------|
|  | <b>%</b>    | <b>Hours</b> |
| <input type="checkbox"/> Design, develop, and maintain contract and solicitation contract templates post implementation  | 25%         | 520          |
| <input type="checkbox"/> Provide support to user and vendor community regarding contract and solicitation processes and functionality  | 15%         | 312          |
| <input type="checkbox"/> Develop and maintain training materials specific to the solicitation and contract mgmt functions within COFRS II eProcurement   | 25%         | 520          |
| <input type="checkbox"/> Build deep functional knowledge base of COFRS II eProcurement platform  | 15%         | 312          |
| <input type="checkbox"/> Demonstrate ability to coordinate and lead contract and solicitation peer review sessions post implementation   | 10%         | 208          |
| <input type="checkbox"/> Coordinate data/statistical tracking for Solicitation & Contract Mgmt usage (e.g. unique users accessing the system, contracts and solicitations submitted into the system, contract compliance, etc.)  | 10%         | 208          |
| <b>TOTAL ANNUAL</b>  | <b>100%</b> | <b>2,080</b> |

| <b>Solicitation &amp; Contract Management</b> |                   |                   |
|---|-------------------|-------------------|
| <i>Resources Needed</i>                       | <i>FY 2013-14</i> | <i>FY 2014-15</i> |
| Personal Services                             | \$71,798          | \$72,309          |
| Operating                                     | \$5,653           | \$950             |
| <b>Total</b>                                  | <b>\$77,451</b>   | <b>\$73,259</b>   |
| FTE   | 1.0               | 1.0               |

**End-User Purchasing:** The Department requests 1.0 FTE and \$77,451 in FY 2013-14 for an electronic procurement specialist at the General Professional IV level to perform duties pre and post implementation in the areas of system administration, configuration, testing, electronic catalog enablement and process mapping. In addition, the Department requests 1.0 FTE and \$73,259 in FY 2014-15 and ongoing for an electronic procurement specialist at the General Professional IV. The specialist will play a key role in the core project team through the project life cycle in the areas of change management, deployment of state price agreements in the form of electronic catalogs, business process identification and re-engineering, and developing training plan materials to administer subsequent training initiatives during system roll-out to state agencies.

| <b>End User Purchasing:</b>   |          |              |
|---|----------|--------------|
| Specializes in the End User Purchasing component of the COFRS II eProcurement effort. Post implementation activities will include ongoing end user and business process support for End User Purchasing within COFRS II eProcurement. |          |              |
|   | <b>%</b> | <b>Hours</b> |
| ■ Analyze business unit/department performance and usage of eProcurement  | 15%      | 312          |
| ■ Perform eProcurement solution testing during implementation and post implementation   | 15%      | 312          |
| ■ User support management, advanced/technical user navigation guidance, and user administration   | 15%      | 312          |
| □ Customer communication, troubleshooting, and user problem resolution  | 15%      | 416          |
| □ Collaboration with colleagues in all state and local governmental agencies  | 5%       | 104          |

|   |             |              |
|---|-------------|--------------|
| □ Design, develop, and maintain support and training documentation to include; quick reference guides, recorded training sessions, and step-by-step guides.   | 15%         | 312          |
| □ Conduct training events for end users during and post COFRS II implementation   | 15%         | 416          |
| □ Assist the lead enablement specialist with the ongoing effort of electronic supplier catalog enablement activities for the COFRS II eProcurement platform, ensuring that the State selected suppliers and associated contracts are enabled as electronic catalogs in a timely and accurate fashion. | 5%          | 104          |
| <b>TOTAL ANNUAL</b>   | <b>100%</b> | <b>2,080</b> |

| <b>End-User Purchasing</b> |                   |                   |
|----------------------------|-------------------|-------------------|
| <i>Resources Needed</i>    | <i>FY 2013-14</i> | <i>FY 2014-15</i> |
| Personal Services          | \$71,798          | \$72,309          |
| Operating                  | \$5,653           | \$950             |
| <b>Total</b>               | <b>\$77,451</b>   | <b>\$73,259</b>   |
| FTE                        | 1.0               | 1.0               |

**Vendor Self Service:** Traditional invoicing and accounts payable processes for most organizations are riddled with inefficiencies, including manual duplicative data entry by both the buyer and the seller, lengthy approval processes, invoice exceptions, and missing invoices. As part of a complete COFRS II eProcurement solution including the Vendor Self Service Module, vendors will be enabled to manage their own account information with the State, directly accessing opportunities, and electronically managing invoices directly from State Purchase Orders. Because Vendor Self Service was not one of the COFRS II modules already owned by the State, the Department requests \$1,327,050 in (5) Division of Accounts and Control – Controller, (C) Supplier Database, Operating Expenses line item to pay original licensing fees for the Vendor Self Service software and to implement the Vendor Self Service module. These estimates were provided by the COFRS II vendor and are driven by the specialized and labor intensive activity of setting up public facing vendor self service in the

managed IT services environment. They are consistent with the cost of other implementation services in the COFRS II implementation.

The Department requests \$175,000 in (5) Division of Accounts and Control – Controller, (C) Supplier Database, Operating Expenses line item for continuing subscription/maintenance costs for the Vendor Self Service module as part of the COFRS II eProcurement system commencing in FY 2014-15 and ongoing. This continuing subscription/maintenance cost is significantly less than was anticipated under the SB 09-099 implementation and the State estimates that the COFRS II Vendor Self Service implementation fees will be offset by reduced subscription/maintenance fees within approximately two years of the full conversion from the SB 09-099 electronic procurement system to the COFRS II eProcurement system.

| <b>Vendor Self Service - Licensing &amp; Implementation</b> |                    |                   |
|---|--------------------|-------------------|
| <i>Resources Needed</i>                                     | <i>FY 2013-14</i>  | <i>FY 2014-15</i> |
| Personal Services   | \$0                | \$0               |
| Operating   | \$1,327,050        | \$175,000         |
| <b>Total</b>  | <b>\$1,327,050</b> | <b>\$175,000</b>  |
| FTE   | 0.0                | 0.0               |

The Department requests 1.0 FTE and \$77,451 in FY 2013-14 for an electronic procurement specialist at the General Professional IV level to perform duties pre and post implementation in the areas of system administration, configuration, testing, and process mapping for the Vendor Self Service Module. In addition, the Department requests 1.0 FTE and \$73,259 in FY 2014-15 and ongoing for an electronic procurement specialist at the General Professional IV.

The specialist will play a key role in the core project team through the project life cycle in the areas of change management, legacy system analysis and migration, business process identification and re-engineering as they relate to the vendor community and to State agencies interactions with vendors in the self service

environment. The specialist will also assist in higher level help desk support, issue resolution, and functional analysis of system upgrades, post implementation.

| <b>Vendor Self Service:</b>   |             |              |
|---|-------------|--------------|
| Specializes in the Vendor Self Service component of the COFRS II effort, during and post implementation. Post implementation activities will include: business process analysis improvements, functional support during software upgrades, electronic catalog enablement, system performance evaluation, and user support to user and vendor community. |             |              |
|   | <b>%</b>    | <b>Hours</b> |
| <input type="checkbox"/> Design, develop, and test vendor self service functionality post implementation during software upgrades; vendor registration, notification, electronic invoicing, vendor profile management, vendor payment management, solicitation requirement identification etc.  | 10%         | 208          |
| <input type="checkbox"/> Lead and direct catalog enablement projects as price agreements are transformed into electronic catalogs   | 25%         | 520          |
| <input type="checkbox"/> Evaluate performance of electronic catalog portfolio by measuring/tracking usage, orders, system outages, and contracted pricing compliance  | 20%         | 416          |
| <input type="checkbox"/> Recommend future catalog enablement targets, system functionality enhancements, and organizational communication improvements  | 10%         | 208          |
| <input type="checkbox"/> Coordinate data/statistical tracking for COFRS II eProcurement (e.g. unique/vendors users accessing the system, requisitions submitted into the system, electronic catalog usage, purchase order issuance etc.)  | 10%         | 208          |
| <input type="checkbox"/> Conduct training events for end users and vendors during and post COFRS II implementation and develop user support documentation for user and vendor community   | 25%         | 520          |
| <b>TOTAL ANNUAL</b>   | <b>100%</b> | <b>2,080</b> |



| <b>Vendor Self Service - Ongoing Support</b> |                   |                   |
|--|-------------------|-------------------|
| <i>Resources Needed</i>                      | <i>FY 2013-14</i> | <i>FY 2014-15</i> |
| Personal Services                            | \$71,798          | \$72,309          |
| Operating                                    | \$5,653           | \$950             |
| <b>Total</b>                                 | <b>\$77,451</b>   | <b>\$73,259</b>   |
| FTE  | 1.0               | 1.0               |

**Operating Expenses:** Exclusive of the operating expenses associated with new FTE included in the above calculations, the Department requests \$7,020 for FY 2013-14 in (5) Division of Accounts and Control – Controller, (C) Supplier Database, Operating Expenses line item for travel costs related to rolling out the COFRS eProcurement system statewide. The Department based its cost estimates on the assumption that one staff person would be making one trip per month during FY 2013-14. The Department estimates that each trip will be for three days, during which a motor pool car will be utilized and a per diem will be paid for lodging and food in accordance with the IRS guidance.

| <b>Operating Expenses</b> |                   |                   |
|---------------------------|-------------------|-------------------|
| <i>Resources Needed</i>   | <i>FY 2013-14</i> | <i>FY 2014-15</i> |
| Personal Services         | \$0               | \$0               |
| Operating                 | \$7,020           | \$0               |
| <b>Total</b>              | <b>\$7,020</b>    | <b>\$0</b>        |
| FTE                       | 0.0               | 0.0               |

The following chart outlines the Department's request for FY 2013-14 and FY 2014-15.

| <b>Total Resources Needed Summary</b> |                    |                   |
|---------------------------------------|--------------------|-------------------|
| <i>Resources Needed</i>               | <i>FY 2013-14</i>  | <i>FY 2014-15</i> |
| Personal Services                     | \$215,394          | \$216,927         |
| Operating                             | \$1,351,029        | \$177,850         |
| <b>Total</b>                          | <b>\$1,566,423</b> | <b>\$394,777</b>  |
| FTE                                   | 3.0                | 3.0               |

**Cash Fund Projections:**

Revenue projections for the electronic procurement program account are sufficient to support this request for additional spending authority. The year-end fund balance for FY 2013-14 is projected to be approximately \$3.1 million after appropriated costs for that year and before the requested change.

| <b>E-Procurement Revenue to Expenditure Analysis, Before Requested Change</b> |                         |                   |                   |                   |                   |                   |
|---|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|   | <b>Actual/Projected</b> |                   |                   |                   |                   |                   |
|   | <b>FY 2009-10</b>       | <b>FY 2010-11</b> | <b>FY 2011-12</b> | <b>FY 2012-13</b> | <b>FY 2013-14</b> | <b>FY 2014-15</b> |
| <b>Revenue</b>  |                         |                   |                   |                   |                   |                   |
| New Revenue   | 923,076                 | 1,769,180         | 1,166,609         | 1,788,000         | 1,788,001         | 1,788,002         |
| Carried over from prior year  |                         | 860,189           | 2,503,816         | 2,527,763         | 2,534,276         | 3,105,108         |
| <b>Revenue subtotal</b>   | <b>923,076</b>          | <b>2,629,369</b>  | <b>3,670,425</b>  | <b>4,315,763</b>  | <b>4,322,277</b>  | <b>4,893,110</b>  |
| <b>Expenditures</b>   |                         |                   |                   |                   |                   |                   |
| Personal Svcs.  | 60,749                  | 115,546           | 105,522           | 681,749           | 115,546           | 115,546           |
| Personal Svcs. POTS   | -                       | 7,859             | 5,974             | 5,974             | 7,859             | 7,859             |
| Operating/Capital Outlay  | 2,138                   | 2,148             | 7,588             | 277               | 277               | 277               |
| System Implementation and Operation   | -                       |                   | 1,023,578         | 1,093,487         | 1,093,487         | 1,093,487         |
| <b>Expenditures subtotal</b>  | <b>62,887</b>           | <b>125,553</b>    | <b>1,142,662</b>  | <b>1,781,487</b>  | <b>1,217,169</b>  | <b>1,217,169</b>  |
| <i>Year End Revenue - excess (deficit)</i>                                    | <i>860,189</i>          | <i>2,503,816</i>  | <i>2,527,763</i>  | <i>2,534,276</i>  | <i>3,105,108</i>  | <i>3,675,941</i>  |

**Impact to Other State Government Agency:**

The centralized electronic procurement system is a statewide system. The success of other agencies in generating efficiencies intended by SB 09-099 will ultimately be dependent on the ability of DPA to sufficiently implement this system statewide. Directing these resources to the

COFRS II eProcurement will increase the efficiency of those resources in the near-term and in the long-term

**Relation to Performance Measures:**

This request supports the Department's Objective of Increasing dollars spent on price agreements with State Agencies by 5% each year.

**Supplemental, 1331 Supplemental, or Budget  
Amendment Criteria:**  
Not Applicable

**Current Statutory Authority or Needed  
Statutory Change:**

The Department will request the consolidation of Fund 281, the Supplier Database Fund and the Procurement Program Account within the Supplier Database Fund (also known as Fund 24R) authorized in Section 24-102-202.5., C.R.S. The objective of the request will be to align the funds to the consolidated functionality of electronic procurement and the Supplier Database as implemented in the COFRS II eProcurement system. Statutory changes to Section 24-102-202.5 C.R.S. are necessary to authorize implementation of the State's total electronic procurement solution.

| Appendix A                         |   | FY 2013-14              |                         | FY 2014-15        |                   |                   |
|------------------------------------|---|-------------------------|-------------------------|-------------------|-------------------|-------------------|
| <b>Personal Services:</b>          |   |                         | FTE                     | \$                | FTE               |                   |
| <i>End User Procurement</i>        | General Professional IV                     | Monthly Salary \$ 4,733 | 1.0                     | 56,796            | 1.0               |                   |
|                                    | PERA  |                         |                         | 5,765             |                   |                   |
|                                    | AED   |                         |                         | 2,045             |                   |                   |
|                                    | SAED  |                         |                         | 1,846             |                   |                   |
|                                    | Medicare                                    |                         |                         | 824               |                   |                   |
|                                    | STD   |                         |                         | 101               |                   |                   |
|                                    | Health-Life-Dental                          |                         |                         | 4,421             |                   |                   |
|                                    | <b>Subtotal Position 1, 1.0 FTE</b>         |                         | <b>1.0</b>              | <b>\$ 71,798</b>  | <b>1.0</b>        | <b>\$ 72,309</b>  |
|                                    | <i>Solicitation and Contract Management</i> | General Professional IV | Monthly Salary \$ 4,733 | 1.0               | 56,796            | 1.0               |
|                                    |   | PERA                    |                         |                   | 5,765             |                   |
| AED                                |   |                         |                         | 2,045             |                   |                   |
| SAED                               |   |                         |                         | 1,846             |                   |                   |
| Medicare                           |   |                         |                         | 824               |                   |                   |
| STD                                |   |                         |                         | 101               |                   |                   |
| Health-Life-Dental                 |   |                         |                         | 4,421             |                   |                   |
| <b>Subtotal Position 2, 1.0FTE</b> |   |                         | <b>1.0</b>              | <b>\$ 71,798</b>  | <b>1.0</b>        | <b>\$ 72,309</b>  |
| <i>Vendor Self Service</i>         |   | General Professional IV | Monthly Salary \$ 4,733 | 1.0               | 56,796            | 1.0               |
|                                    |   | PERA                    |                         |                   | 5,765             |                   |
|                                    | AED   |                         |                         | 2,045             |                   |                   |
|                                    | SAED  |                         |                         | 1,846             |                   |                   |
|                                    | Medicare                                    |                         |                         | 824               |                   |                   |
|                                    | STD   |                         |                         | 101               |                   |                   |
|                                    | Health-Life-Dental                          |                         |                         | 4,421             |                   |                   |
|                                    | <b>Subtotal Position 3, 2.0 FTE</b>         |                         | <b>1.0</b>              | <b>\$ 71,798</b>  | <b>1.0</b>        | <b>\$ 72,309</b>  |
|                                    | <b>Subtotal Personal Services</b>           |                         | <b>3.0</b>              | <b>\$ 215,394</b> | <b>3.0</b>        | <b>\$ 216,927</b> |
|                                    | <b>Operating Expenses</b>                   |                         |                         |                   |                   |                   |
| Regular FTE Operating              | 500   | 3.0                     | 1,500                   | 3.0               | 1,500             |                   |
| Telephone Expenses                 | 450   | 3.0                     | 1,350                   | 3.0               | 1,350             |                   |
| PC, One-Time                       | 1,230                                       | 3.0                     | 3,690                   | 3.0               |                   |                   |
| Office Furniture, One-Time         | 3,473                                       | 3.0                     | 10,419                  | 3.0               |                   |                   |
| Other                              |   |                         | -                       |                   |                   |                   |
| Other                              |   |                         | -                       |                   |                   |                   |
| Other                              |   |                         | -                       |                   |                   |                   |
| Other                              |   |                         | -                       |                   |                   |                   |
| <b>Subtotal Operating Expenses</b> |   |                         | <b>\$ 16,959</b>        |                   | <b>\$ 2,850</b>   |                   |
| <b>TOTAL REQUEST</b>               |   | <b>3.0</b>              | <b>\$ 232,353</b>       | <b>3.0</b>        | <b>\$ 219,777</b> |                   |
| <i>General Fund:</i>               |   |                         | \$ -                    |                   | -                 |                   |
| <i>Cash funds:</i>                 |   |                         | \$ 232,353              |                   | 219,777           |                   |
| <i>Reappropriated Funds:</i>       |   |                         | \$ -                    |                   | -                 |                   |
| <i>Federal Funds:</i>              |   |                         | \$ -                    |                   | -                 |                   |

|                    | FY 2013-14 | FY 2014-15 |
|--------------------|------------|------------|
| PERA               | 10.15%     | 10.15%     |
| AED                | 3.60%      | 4.00%      |
| SAED               | 3.25%      | 3.75%      |
| Medicare           | 1.45%      | 1.45%      |
| STD                | 0.177%     | 0.177%     |
| Health-Life-Dental | 4,421.04   | 4,421.04   |