

**COLORADO GENERAL ASSEMBLY  
JOINT BUDGET COMMITTEE**



**FY 2016-17 STAFF FIGURE SETTING TABLED ITEMS  
AND COMEBACKS**

**DEPARTMENT OF PERSONNEL**

**JBC Working Document - Subject to Change  
Staff Recommendation Does Not Represent Committee Decision**

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## Tabled Items

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### ➔ **BA1 Perceptive Cost Adjustment / (5) (C) CORE Operations Payments for CORE and Support Modules**

*Why Tabled:* This request item was tabled by the Committee during the figure setting presentation on February 18, 2016 because the Committee asked for additional information regarding the identified cost of \$6,720 for one additional terabyte of storage.

*Request:* The Department requests an increase of \$43,805 cash funds from the Supplier Database Cash Fund to pay for an increase in CORE systems-related annual costs. Additional costs include \$25,085 for the Perceptive test environment, \$12,000 for ten sub-integration server packs, and \$6,720 for one additional terabyte of storage.

*Recommendation:* Staff recommends that the Committee approve the request. This recommendation is consistent with the related FY 2015-16 supplemental request item, which was approved.

*Analysis/New Information:* This request includes a portion of the FY 2015-16 supplemental request for this item. The concurrent licenses portion (\$387,792 reappropriated funds) was included in the CORE Operations Base Adjustments request approved on February 18<sup>th</sup>. This \$43,805 portion of the supplemental request includes sub-integration server packs, a test environment, and storage to be funded from the Supplier Database Cash Fund. The Department projects a year-end fund balance in FY 2016-17 of \$2.9 million.

Sub-integration server packs are the communication pipelines between CORE and Perceptive, the system vendor, for the storage of documents. Each pack allows for 4,800 transactions per day. Ten server packs at \$1,200 each (\$12,000 annually) will support 48,000 transactions per day. Currently CORE users average just under 16,000 transactions per day including weekends. However the system routinely handles 40,000 transactions in a day. Additionally, the number of transactions will grow as more modules are implemented. Perceptive also requires a test environment for any changes to be tested prior to production. The annual cost for a Perceptive test environment is \$25,085.

The request includes a cost of \$6,720 for one additional terabyte of storage within the Perceptive vendor-hosted system. The Department provided the following response to the Committee's question regarding the cost of storage:

*During the development of CORE, the initial business owner was OIT. In 2014, after the launch of CORE, the decision was made to align business ownership of CORE with the previous structure of business ownership of COFRS. This meant the transition of CORE from OIT to DPA. CORE and all of its sub-contractors, including Perceptive, function on managed services business models. This means the State has outsourced the development, infrastructure, and maintenance of CORE and its Electronic Content Management (ECM). This includes almost all*

*hardware (OIT maintains one server used to connect with CORE), software, and the upkeep (security, backups, etc.). Therefore, OIT was the business owner at the time the Perceptive contract was negotiated and entered into for the ECM service. DPA has become the business owner for CORE and now maintains the contract with no ongoing involvement with OIT.*

*The total cost of the Perceptive contract includes several additional costs associated with the ECM for CORE beyond the concurrent licenses. There are sub-integration server packs that are required to maintain the ECM system. These packs are the communication pipelines between CORE and Perceptive for the storage of documents.*

*The contract will also pay for the Perceptive test environment that will allow any and all changes to be tested prior to being pushed into production. This ensures that any changes, improvements, or patches are working properly and not interfering with other functions prior to end users being involved and possibly hindered by the unintended consequences of an untested patch or update.*

*Finally, there is the storage capacity, which is accessible for utilization in terabyte increments at a cost of \$6,720 per terabyte. In addition to the storage cost, the State is also purchasing the due diligence which is required with electronic content management, including physical, electronic, and application security, data backup and secondary storage. These functions are all essential in maintaining the integrity of the data being stored; in this case the State's financial records.*

Staff encourages the Committee to consider better aligning budget decision making for information technology procurement with more definite project scope, cost, and implementation expectations.

The Department also provided the following response regarding additional information on who CORE users are and how they differ from COFRS users:

*Previous to the launch of CORE, the State used COFRS, which was strictly an accounting system, used primarily by accounting teams. CORE is a full resource engine used by all accounting teams, all contract and procurement teams, as well as all budget teams. Furthermore, there are considerably more interactive users in the procurement process than originally projected.*

*CORE has significantly expanded accounting functionality which was previously done external of COFRS, including fixed asset management, cost accounting, inventory management, and cost allocations. These additional accounting functions generated additional CORE users, who previously did not use COFRS.*