

## 1.0 Report Highlights

This evaluation was requested by the Colorado Legislature. Specifically, HB18-1421 asked for “a qualified, independent third-party consulting firm... [to] review and evaluate the procurement process for the [Colorado] Human Resources Information System, also known as HRWorks, and provide objective findings and recommendations that could help the procurement process for major information technology projects in the future”.

### KEY FINDINGS

- Cost savings and efficiencies cannot be significantly achieved without including the decommissioning of legacy systems, which was eliminated from the HRWorks project.
- The success criteria established for HRWorks were minimal and not sufficient for either an efficient RFP process or effectively measuring project success.
- The project had additional risk factors due to lack of alignment between primary stakeholders (HR, Payroll, and OIT).
- Procurement risks and the additional project complexities of a multi-vendor solution were not fully understood.
- Vendor scope was changed without following project and procurement best practices, and contract changes were negotiated through business executives rather than OIT’s contracts office.
- There was no cost benefit analysis (CBA) that analyzed the business value the project would provide in comparison to the cost for that value.
- The Project Manager (PM) and the technical staff lacked experience with a state project of this magnitude and complexity.
- Independent Verification and Validation (IV&V) was engaged later in the process than policy requires.

### BACKGROUND

- The Office of Information Technology (OIT) and Department of Personnel and Administration (DPA) procured the State’s Human Resources Information System (HRIS) project, also known as HRWorks. The project began on May 12, 2015.
- Two RFPs were issued. The first RFP was cancelled on March 14, 2016. The RFP was cancelled primarily due to “ambiguous or otherwise inadequate specifications that were part of the solicitation.” The second RFP was issued in May 2016.
- While the HRWorks project is ongoing, the level of effort, cost and scope of the project have changed over time and there have been significant changes in vendor scope, multiple delays and increases in costs.

### KEY RECOMMENDATIONS

We made nine recommendations to OIT focusing on improving procurement and to help major information technology projects in the future. Our recommendations include changes in OIT policy, adding an additional review process prior to contracting, alignment with best practice, ensuring OIT has appropriate staffing, modifying the RFP development process, and including decommissioning of legacy systems as a part of projects. OIT agreed with all of our recommendations.