Fiscal Year 2022-23 Information Technology Request

Labor and Employment
Workforce Case Management and Labor Exchange Modernization

SHORT PROJECT DESCRIPTION

The Colorado Department of Labor and Employment (CDLE) is requesting $7.0 million in one-time state funding to replace the department's legacy workforce case management and labor exchange system.

PRIORITY NUMBERS

2023035

Prioritized By	Priority	
OSPB	5 of 6	Recommended for funding.

PRIOR APPROPRIATION AND REQUEST INFORMATION

Fund Source	Prior Approp.	FY 2022-23	FY 2023-24	Future Requests	Total Cost
CCF	$0	$7,000,000	$0	$0	$7,000,000
Total	$0	$7,000,000	$0	$0	$7,000,000

PROJECT STATUS

This is a new, never-before-requested project.

PROJECT DESCRIPTION

CDLE is requesting $7.0 million in one-time state funding to replace the department's legacy workforce case management and labor exchange system with a commercial-off-the-shelf (COTS) system. The system allows the general public to register with the official Colorado state job search website, ConnectingColorado.com, which allows employers to submit job postings and job seekers to search for and apply for employment opportunities.

PROJECT JUSTIFICATION

According to the department, the workforce case management and labor exchange system supports over 250,000 unique users from workforce development programs, the Rural Consortium, local area workforce staff, job seekers, and employers in Colorado. The current system is a 20-year-old system that was custom built on a Fortran backend and a HTML/JavaScript presentation layer and is no longer supported. According to the department, the current system runs a significant risk of extended downtime to all end users if a problem were to arise, also potentially leaving the department unable to generate reports required under the federal Workforce Innovation and Opportunity Act.

According to the department, the new system will provide enhanced data collection and reporting capabilities, allow for a more robust and user friendly experience, and track data points for federally-required reports with greater detail and accuracy. The metrics generated by the new system will also allow the department to more effectively manage the workforce needs of the state.

COST-BENEFIT ANALYSIS

The department did not provide a quantified cost-benefit analysis with this request. However, the department believes that the automated reporting from the new system will improve reporting efficiency and accuracy compared to the current manual reporting processes. According to the department, the new system will also allow it to meet current technology needs, including a more user-friendly interface, language translation capabilities, ADA and House Bill 21-1110 accessibility compliance, and security updates.

PROJECT COST INFORMATION

The department provided the following cost estimates for this project:

- COTS customizable software: $4,500,000
- Network, connectivity, architecture, data transformation (expected cloud solution on vendor-provided servers): $250,000
- OIT project management: $150,000
- Interface integrations: $100,000
- Contingency: $250,000
- First three years of maintenance and operations: $1,750,000

Operating budget impact. The department anticipates that ongoing annual licensing and change request fees are estimated at 20 percent of the initial system cost. It is anticipated that the initial contract for ongoing maintenance and support will be for 10 years.

CASH FUNDS

N/A

PROJECT RESEARCH

The department completed a Request for Information (RFI) for this project in October 2019, to which several vendors responded with literature and demonstrations. As part of this RFI process, the department requested information from experienced vendors that have performed similar projects that included analytics and reporting for all federal and state reporting for grants and programs at a state, region, and office level; system and data security; a mobile-friendly interface; ADA compliance; ability to interface with other systems; and more.

The department estimates that building a custom replacement solution would also cost the state approximately $7.0 million. However, the department believes that purchasing a COTS system is the best approach given the number of vendors currently in the market with workforce software systems that may be able to be deployed within 18 months of signing the contract.

ADDITIONAL PROJECT INFORMATION

The department is planning to use an agile framework for the system development. The department plans to involve the system's many stakeholders throughout the process. Additionally, the vendor cost for training for the new software and new user experience has been built into the initial purchase price estimates.

Budget amendment criteria. Statute requires new or amended IT budget requests submitted by a state agency for the upcoming fiscal year by December 10 to be due to circumstances unknown to, and not reasonably foreseeable by, the state agency. This request was originally included as a legislative placeholder in the Governor's November 1 budget package submission. According to the department, after receiving new information about the current system's limitations, it was decided that the size, scope, and complexity of this request fit the IT Capital request criteria.

PROJECT SCHEDULE

	Start Date	Completion Date
Planning	July 2022	August 2022
Implementation	July 2022	June 2023
Testing	January 2023	June 2023
Closing	June 2023	June 2023

QUESTIONS

1. Is the department able to provide trend information regarding the number of individual users (employers and job-seekers) who use ConnectingColorado.com on a daily basis and how usage of the site has changed over the past several years?

Monthly data statistics are available from September 2019 through December 2021. The information does not delineate between job seeker and employer. (Attachment A graph)

2. Did the department receive responses during the RFI process from vendors that are used by other states for similar functions? Please provide additional information related to what the department knows about the systems used by other states and how the department may plan to leverage this information during this replacement project.

The RFI respondents provided insight into the different states where their technology is in use in the workforce space. The information gleaned from this portion of the RFI highlighted the need for highly experienced vendors who have demonstrated success in the modernization of other states' workforce systems. The RFI team reviewed a provider who is a market leader in the case management and labor exchange systems in the nation as well as a smaller company with a user-friendly product and workflow built on current technology that closely mirrors our current positive vendor experience. The pros and cons of these vendors and others who respond to the Invitation to Negotiate (ITN) will need to be carefully considered as the Department looks to provide the best possible solution for all stakeholders.

Monthly Unique Visitors to Connecting Colorado