CHAPTER 1 – EXECUTIVE SUMMARY

"Our goal in state government should be to do more with less, to provide even more efficient and effective services for citizens. As we move into this new century, those of us responsible for state government are facing a moment of truth. Colorado business is on the cutting edge of the technology world. It is essential that we transform state government so that we too are prepared for the digital age." State of the State Address 2000 – Governor Bill Owens

Governor Bill Owens and members of the Colorado General Assembly have jointly embarked on an effort to launch New Century Colorado (NCC), the first comprehensive state government transformation planning effort in the age of the Internet. The State engaged KPMG Consulting LLC as a partner in this critical effort. In launching NCC, Governor Owens established the following goals for the administration:

♦ Make state government more efficient, effective, and user friendly;

♦ Transform state government through the use of innovative technology solutions;

♦ Improve access to and interaction with state government; and

♦ Increase collaboration and sharing of information within state government.

The NCC project was developed to address these goals, by encouraging new ideas and by developing and validating project proposals.

The following recommendations are offered as an initial step to achieve the Governor's vision.

Figure 1-1: NCC Recommendations

Chapter 3 – Electronic Government Framework			
Recommendation	**Estimated Cost Savings / Cost Avoidance**	**Support for NCC Goals**	**Status**
3.1. The State should take a coordinated, statewide approach to electronic government, including the development of an interactive, service-oriented portal.	Initially, $5.5 to $10.0 million cost avoidance – long-term savings and fee reductions are also possible	✔Efficiency and Effectiveness ✔Innovative Technology ✔Access to State Government ✔Collaboration and Information Sharing	Ready to Implement
3.2. The State should pursue a coordinated statewide approach to all online licensing and registration efforts. In addition, the State should consider additional applications for inclusion on the statewide portal, including driver's license renewal and motor vehicle registration applications.	Pending	✔Efficiency and Effectiveness ✔Innovative Technology ✔Access to State Government ✔Collaboration and Information Sharing	Ready to Implement
3.3. The State should implement an electronic procurement solution to allow for integration of all processes related to procurement.	Initially, $3.0 to $7.0 million cost avoidance – long-term operating efficiencies are also possible	✔Efficiency and Effectiveness ✔Innovative Technology ✔Access to State Government	In Progress

Chapter 4 – Enterprise Infrastructure			
Recommendation	**Estimated Cost Savings / Cost Avoidance**	**Support for NCC Goals**	**Status**
4.1. The State should establish a standard personal computer (PC) configuration and employ the Western States' Contracting Alliance (WSCA) PC awards as the basis for purchasing desktop computers.	$1.2 million annual cost savings	✔Efficiency and Effectiveness ✔Collaboration and Information Sharing	Ready to Implement
4.2. The State should mandate use of the statewide Multi-Use Network (MNT) by all state agencies and should establish standard network protocols and monitoring tools.	$7.0 million cost avoidance	✔Efficiency and Effectiveness ✔Innovative Technology ✔Access to State Government ✔Collaboration and Information Sharing	Ready to Implement

Chapter 5 – Centralized Knowledge Management			
Recommendation	**Estimated Cost Savings / Cost Avoidance**	**Support for NCC Goals**	**Status**
5.1. The State should acquire and implement in phases an Enterprise Resource Planning (ERP) system to integrate all of the State's human resource (HR) and financial management information systems into a single system.	Pending	✔Efficiency and Effectiveness ✔Innovative Technology ✔Collaboration and Information Sharing	In Progress
5.2. As an initial step towards implementing an ERP system, the State should implement a centralized timekeeping system for all state entities.	$3.7 million annual cost avoidance	✔Efficiency and Effectiveness ✔Innovative Technology	In Progress
5.3. The State should implement an online expense reimbursement system to allow employees to request and receive expense reimbursements via electronic media.	Pending	✔Efficiency and Effectiveness ✔Innovative Technology	In Progress
5.4. The State should implement an online benefits system that allows employees access to benefit data through a web-enabled system.	Pending	✔Efficiency and Effectiveness ✔Innovative Technology	In Progress
5.5. The State should implement an online job application system to allow applicants to apply for state jobs through a web-enabled system.	Minimal savings	✔Efficiency and Effectiveness ✔Innovative Technology ✔Access to State Government	In Progress

Chapter 6 – Statewide Capital Asset Management			
Recommendation	**Estimated Cost Savings / Cost Avoidance**	**Support for NCC Goals**	**Status**
6.1. The State should establish a Real Estate Asset Management Center in partnership with one or more buyer-brokers.	N / A	✔Efficiency and Effectiveness ✔Collaboration and Information Sharing	Ready to Implement
6.2. The State should review new lease opportunities and perform a comprehensive evaluation of each buy / build / lease decision.	$2.1 million cost avoidance	✔Efficiency and Effectiveness	Ready to Implement
6.3. The State should look for opportunities to co-locate agencies and to facilitate telecommuting for more cost-effective space utilization.	$2.6 million cost avoidance	✔Efficiency and Effectiveness ✔Collaboration and Information Sharing	In Progress
6.4. The State should continue to address fleet management improvements by reducing the size of the fleet, improving the utilization of vehicles, improving customer service, pursuing fuel savings, and upgrading technology.	$4.5 million annual cost avoidance (previously taken)	✔Efficiency and Effectiveness ✔Collaboration and Information Sharing	Ready to Implement

Chapter 7 – Reengineering Strategies			
Recommendation	**Estimated Cost Savings / Cost Avoidance**	**Support for NCC Goals**	**Status**
7.1. The State should evaluate options for consolidated health care purchasing.	Pending	✔Efficiency and Effectiveness	In Progress
7.2. The State should work to reduce travel costs, better enforce its travel policies, and contract with a master vendor.	$7.0 million savings (previously taken)	✔Efficiency and Effectiveness ✔Collaboration and Information Sharing	Ready to Implement
7.3 The State should revise its procurement thresholds to expedite the approval process and reduce unnecessary paperwork and review.	$4.5 million cost avoidance	✔Efficiency and Effectiveness	Ready to Implement

KEY FINDINGS

The intent of NCC is to create a statewide infrastructure and processes to provide a more citizen focused government while utilizing current technology as the medium to deliver services. In order to accomplish the NCC vision and coordinate statewide implementation, the NCC team focused on five strategic areas:

♦ Electronic Government Framework;

♦ Enterprise Infrastructure;

♦ Centralized Knowledge Management;

♦ Statewide Capital Asset Management; and

♦ Reengineering Savings.

This section summarizes key NCC findings that are discussed in greater detail in later chapters. Each of the projects described in this document is identified in the summary table with a notation for the status of project. Projects fall into the following three categories:

♦ *"Ready to Implement"* – ready for a Request for Proposal;

♦ *"In Progress"* – requires further review; and

♦ *"Pending Analysis"* – awaits prioritization and study.

Chapter 2 – Managing Statewide Transformation

This chapter identifies necessary steps to embed the NCC vision into the day-to-day operations of Colorado State Government and achieve a statewide focus.

Major technology and reengineering projects are currently developed, implemented, and managed primarily on an agency-by-agency basis. In addition, there is a patchwork of policies and oversight provided by multiple agencies including the Commission on Information Management, the Joint Budget Committee, the Office of the State Auditor, the Office of State Planning and Budgeting, and various agencies within the Department of Personnel / General Support Services. These factors contribute to fragmented governance, an inability to implement statewide policies and standards, and the inability to function as a single enterprise. Some examples of this problem are described below.

♦ The lack of common standards and policies across state government limits data sharing and integration among and between agencies.

♦ The State lacks statewide standards for project prioritization, consistent oversight, and uniform enforcement of standards and policies.

♦ Projects are funded and managed independently resulting in duplication, an inability to exchange information, and inconsistent project management.

Chapter 3 – Electronic Government Framework

This chapter includes plans for implementation of a Colorado portal and outlines plans for specific portal applications, including professional licensing renewals, driver's license renewals, and motor vehicle registration renewals.

Currently, citizens have limited and often inconvenient access to information and services. The State of Colorado lacks a statewide portal that provides citizens with the ability to conduct business with the State online. Examples of the problems faced by citizens are noted below.

♦ Numerous electronic applications are in progress or under consideration by various state agencies. Deployment of these applications often results in redundant development efforts.

♦ The State's website and associated applications lack a coordinated interface and do not allow user-friendly access to citizens.

♦ Citizens need several convenient methods of access to information and services.

Chapter 4 – Enterprise Infrastructure

This chapter includes plans for managing desktop resources and networks. Colorado's technology infrastructure, which includes networks, desktops, servers, and support is currently procured, maintained, and managed agency by agency. This fragmentation limits data sharing and coordination, drives higher costs, and unnecessarily duplicates resource expenditures. Some examples of these problems are listed below.

♦ The State's personal computer (PC) infrastructure lacks consistent standards, coordinated procurement, comprehensive security, and adequate business resumption / redundancy planning.

♦ The State has a significant number of duplicative and uncoordinated networks.

Chapter 5 – Centralized Knowledge Management

This chapter focuses on plans for financial management and human resource (HR) systems. Colorado currently employs antiquated financial and HR information systems with multiple shadow systems utilized by individual agencies to perform additional tasks. Some effects of this situation are described below.

♦ The HR and financial systems are not effectively integrated. The State lacks a standardized timekeeping and leave tracking system.

♦ The lack of effective electronic systems results in reliance on paper-intensive systems, which require substantial employee work time.

Chapter 6 – Statewide Capital Asset Management

This chapter addresses the need for improved real estate asset management and identifies improvements in state fleet management processes. Colorado lacks a comprehensive real estate management function. In addition, state fleet vehicle management practices are not conducive to efficient utilization. Some symptoms of these problems are described below.

♦ The State lacks a strategic plan for acquisition and utilization of real estate assets.

♦ Centralized real estate data cannot currently be obtained.

♦ The State lacks a consistent methodology to effectively compare lease / buy / build options.

♦ Metropolitan Denver office space is limited, lease prices are increasing at a rate of five to 10 percent per year, and the State has 187 leases scheduled to expire before June 2001.

Chapter 7 – Reengineering Savings

This chapter addresses travel management improvements, procurement transaction thresholds, and opportunities for consolidated health care purchasing. Numerous opportunities exist for the State to achieve efficiencies and to improve effectiveness through reengineering business processes. Three such opportunities are described below.

♦ The State is not leveraging its health care buying power.

♦ The State lacks a statewide travel management vendor and does not effectively utilize videoconferencing and other travel alternatives.

♦ The State's existing procurement thresholds are too low, resulting in unnecessary transaction processing overhead costs. For example, 54 percent of contracts reviewed by the Attorney General are for amounts less than $50,000.