

**IT INVESTMENT CAPITAL FUND
PROJECT CHANGE REQUEST**

To: Information Technology Strategy and Investment Committee
John Vittner, Office of Policy & Management

From: Konstantinos Diamantis, Department of Administrative Services

Date: July 12, 2017

Agency: Department of Administrative Services/Office of State Comptroller

Proj. Name: CORE-CT Health and Human Services Grant Management System (HHSGMS)
Office of School Construction Grants and Review (OSCG&R)

Proj. Mgr: Thomas Reault (OSCG&R)

Original Funds Requested \$ 6,500,000 – Original Request for HHSGMS
Additional Funds Requested \$ 3,900,000 (includes program-\$2,850,000, licensing-\$250,000 & 2 resources-\$800,000 to piggy back HHSGMS)
New Total Funds Requested \$ 10,400,000

Change Description	Rationale for Change	Amount of Additional Funding (\$\$)	Date add'l funding is required
Strategic Sourcing and integration into existing CORE-CT modules for the Office of School Construction Grants and Review (OSCG&R).	<p>OSCG&R receives requests for school construction projects from all school districts, regional districts and other eligible agencies. Currently, these projects are input on SCGMS, a SAS based system owned and managed by the CT State Department of Education (SDE). Since School Construction's transfer from SDE to the Department of Administrative Services (DAS) in 2011, we have continued to use their custom built legacy system.</p> <p>OSCG&R administers approximately 500 active school construction projects per year and manages about \$500m per year. Staffing levels have decreased to a level of eight plus a director. This new module (Strategic Sourcing) and implementation and configuration of: eProcurement, Purchasing, Contract Management, eSupplier, Accounts Payable, Project Costing, eSettlements and utilizing all of the reporting currently present in Core-CT, will allow the unit to efficiently track, process and report school construction projects.</p> <p>As the current system is, districts submit an application on line and must send all certified documentation required by mail. If there is an issue with an item, OSCG&R must mail back an item for correction at which time the item may need to be recertified.</p> <p>Utilizing Strategic Sourcing enables OSCG&R to require certain documentation to be submitted by the school and/or district for each proposal and negotiate back and forth until OSCG&R accepts the proposal and enters into a contract with the school/district. The collaboration cannot begin until all required documentation has been submitted. Based upon OSCG&R requirements, they determine what information, answers, and documentation is required before any collaboration can begin. Strategic Sourcing allows OSCG&R to define/configure required documentation and specifics for each given type of contract. Strategic Sourcing tracks and monitors the submission of required documentation and notifies OSCG&R when all requirements are met. The collaboration process is tracked and utilizes workflow to enable approvals and notifications between the parties and the</p>	\$3,900,000	July 2017

status can be viewed by both parties at all times. Once all documentation has been submitted and certified, OSCG&R then determines that the school/district will enter into a contract, then Strategic Sourcing will automatically source into a contract/PO and notify the school/district. Tracking and documenting the collaboration and documents will allow OSCG&R to refine and streamline their process of collaboration with the schools and/or districts, and in the long run will save time and money for the State and schools and/or districts. Utilizing Strategic Sourcing allows the integration of the data from the definition of a proposal, documenting the collaboration, and the automatic creation of a contract/purchase order from the proposal, allowing for monitoring and tracking throughout the process with workflow, notifications and statuses from the start to the end.

Implementing the Strategic Sourcing module along with existing modules within Core-CT will allow each district to manage their project on line with that information being reported to and accessible by OSCG&R. This means submitting invoices directly as well as payment requests utilizing eSettlements. This will improve project tracking, henceforth reducing the amount of costs related to construction escalation when projects remain open for years.

Auditors will also have access to all documentation available through Core-CT instead of large paper files. This will make auditing of projects much easier for the back and forth between district and audit. The entire audit process should be much more efficient and cost effective. (see below)

Cost Savings: Using Strategic Sourcing will save the State of Connecticut in several ways. First, at application by using the on line submission of documentation saves the state mailing costs and employee time .Second, by timely exchange of documentation, the district will make important deadlines thus avoiding a year's delay in construction which generally means about a 4% increase. Closing this gap could save the state approximately \$30,502,801 per year. Finally, the use of Contract Management, Purchase Orders and Vouchers through Core-CT and Project budgeting utilizing Project Costing will help save the state money in timely review of change orders. By submitting their change orders online, the districts cannot only be timely within the 6 month rule, they also will save escalation costs up to 5%. Conservative estimates put that savings at about \$10,000,000 per year in bond costs.

Also, the Strategic Sourcing module will be available to other statewide business units once implemented. In conjunction, OSCG&R will be using other Core-CT modules (EPro, ESettlements) enhancing our efficiency and customer service. This use of Core-CT will stabilize and enhance our customer service for years to come along with saving the state money.

Overall, the Strategic Sourcing module with the Core-CT modules will improve efficiencies among all client-facing deliverable collection processes, and will provide better transparency between state and local authorities.