

## State of Maine Procurement Justification Form

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services website (Forms page) for additional instructions.

### PART I: OVERVIEW

|   |                      |   |                       |                   |  |
|---|----------------------|---|-----------------------|-------------------|--|
| Department Office/Division/Program:                     |                      | Maine Department of Labor/Bureau of Employment Services   |                       |                   |  |
| Department Contract Administrator or Grant Coordinator: |                      | Judy Pelletier, Policy Development Specialist; Kim Moore, Director – Bureau of Employment Services  |                       |                   |  |
| (If applicable) Department Reference #:                 |                      |   |                       |                   |  |
| Amount:<br>(Contract/Amendment/Grant)                   |                      | \$ 2,387,809  | Advantage CT / RQS #: | CT #20190610*3792 |  |
| CONTRACT  | Proposed Start Date: |   | Proposed End Date:    |                   |  |
| AMENDMENT   | Original Start Date: | July 15, 2019   | Effective Date:       | May 17, 2021      |  |
|   | Previous End Date:   | June 30, 2021   | New End Date:         | June 30, 2023     |  |
| GRANT   | Project Start Date:  |   | Grant Start Date:     |                   |  |
|   | Project End Date:    |   | Grant End Date:       |                   |  |
| Vendor/Provider/Grantee Name, City, State:              |                      | America's Job Link Alliance – Technical Support (AJLA-TS)<br>Topeka, Kansas   |                       |                   |  |
| Brief Description of Goods/Services/Grant:              |                      | America's Job Link Alliance (AJLA) is a nonprofit association of state workforce agencies dedicated to providing powerful, affordable workforce development systems through subscriptions to a web-based management information system (MIS) capable of accommodating all federal tracking and reporting requirements. Subscription includes customizable solutions-<br>Maine JobLink -provides current labor exchange, case management, fiscal and data reporting capabilities.<br>CertLink -is utilized for WOTC application processing, tracking, and reporting. |                       |                   |  |

### PART II: JUSTIFICATION FOR VENDOR SELECTION

Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)

|   |                                   |  |                                  |
|---|-----------------------------------|--|----------------------------------|
|   | A. Competitive Process            |  | G. Grant                         |
| X | B. Amendment                      |  | H. State Statute/Agency Directed |
| X | C. Single Source/Unique Vendor    |  | I. Federal Agency Directed       |
|   | D. Proprietary/Copyright/Patents  |  | J. Willing and Qualified         |
|   | E. Emergency                      |  | K. Client Choice                 |
|   | F. University Cooperative Project |  | L. Other Authorization           |

### PART III: SUPPLEMENTAL INFORMATION

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### PART III: SUPPLEMENTAL INFORMATION

Please respond to ALL the following:

#### 1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

In September of 2015, MDOL contracted with AJLA TS and converted all legacy data from OSOS and Maine Job Bank to Maine JobLink and in 2019 CertLink. Maine receives more than \$20 million from the United States Department of Labor (USDOL) to administer and implement several workforce development programs. USDOL requires that specific program participant data and outcomes be tracked and reported on a regular basis. Such tracking and reporting by Maine Department of Labor's (MDOL) Bureau of Employment Services (BES) takes place through Maine JobLink and CertLink. Maine JobLink is used for Labor Exchange, Case management and fiscal tracking of all WIOA, Trade, Apprenticeship, RESEA and CSSP Programs. CertLink is utilized for WOTC application processing, tracking, and reporting. Maine JobLink interfaces with parts of the unemployment insurance system.

#### Legacy Systems Becoming Obsolete

In the past, BES needed to replace or upgrade these outdated and costly management information systems. The costs in 2015 to MDOL exceeded \$650,000 a year in OIT personnel, server maintenance, server and program upgrades, and related costs. Upgrading functional features would have added additional OIT development costs that could have exceeded another \$225,000 or more, depending on project estimates.

OSOS was the largest of the systems and developed using Progress software. OIT's "Integrated Development Environments" brick states that Progress is "in containment", meaning that no new applications should be developed in the software. OIT encouraged their customers to explore external commercial off-the-shelf (COTS) solutions to replace such current systems that are written in Progress.

#### Federal Regulations and Compliance

The Workforce Investment Act (WIA) that mandated Maine's workforce development system since 1998 was reauthorized to the Workforce Innovation and Opportunities Act as of July 1, 2015. With that transition came numerous additional requirements that would have required Maine to invest significant dollars in reprogramming the MIS systems' functionality. States had to be fully transitioned to WIOA by July 1, 2016 to meet compliance regulations of November 1, 2016, when WIOA data must be reported to the Federal Government.

Therefore, MDOL subscribed to a Commercial off-the-Shelf (COTS)/Software as a Service (SaaS), hosted, cloud-based solution that provides all-in-one labor exchange, case management, and fiscal and data reporting, and whose member consortia is directly involved in the development and direction of the solution moving forward.

Membership in AJLA reduces or eliminates compliance related costs generated by new federally based regulations that occur during a membership year, as AJLA builds regulatory change management costs into their licensing. Any state generated compliance changes would be managed within an annual budgeted change management process for single state changes.

#### 2. Provide a brief justification for the selected vendor to supplement the response in Part II.

MDOL has subscribed to the Hosted Solution through AJLA. AJLA-TS can leverage existing skill sets, which help subscribers reduce cost, risk, and installation time by hosting their entire technical operation. The Kansas Department of Commerce, of which AJLA-TS is a division, provides administrative oversight to the consortium and ensures that activities are consistent with laws and policies of the state of Kansas. The National Association of State Workforce Agencies (NASWA) provides fiscal oversight to AJLA and serves as the fiscal administrator for subscriptions.

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This level of collaboration among State Workforce Agencies that comprise the consortium, combined with its focus on peer-to-peer expertise on federal regulations and compliance, make AJLA a solution uniquely positioned to serve the needs of MDOL BES.

#### **Internal IT resources not sufficient:**

OIT did not retain sufficient resources to completely redesign the MDOL BES related systems with the required functionality. They would have had to seek qualified contractors to research and design functional upgrades, which could cause a delay in project startup. Design and construction of a similarly functioning product based on the current systems could easily have cost significantly more and exceeded our regulatory compliance time frame. It was more logical to select a proven, open source product hosted in the cloud for a licensing fee rather than continue to pay hosting costs for old systems while incurring developmental design and construction costs for a new internal application.

### **3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.**

#### **Cost Assessment**

In 2011, MDOL put out a request for proposals seeking a new WIA Case Management System to replace OSOS. The response included potential vendors who provided oral presentations and hands-on evaluation, with scoring based on cost, ability to meet the needs of the system, and ability to perform the work. Six of the vendors moved on to the scoring stage, with ultimately two vendors moving to the final round. Of these two vendors – Geographic Solutions and Empyra – the initial costs for OSOS replacement alone exceeded \$4 million to \$2 million, respectively, and did not include products to replace the Maine Job Bank and/or for fiscal reporting—all of which are key components included in the AJLA subscription. The project ended up being terminated due to the selected vendor not meeting development milestones.

In 2015, MDOL engaged OIT's Project Management Office (PMO) to facilitate business requirements gathering sessions and product demonstrations that would gauge the needs of BES for any type of MIS system. At the end of the business requirements and demonstrations, a recap meeting was held with MDOL and PMO to gather notes, comments, and opinions about the AJLA system, its costs, and required OIT engagement.

AJLA and OIT developed a high-level time and cost assessment based on the interfaces, data extracts, and custom coding needed to "standup" AJLA for MDOL (i.e. importing vendor information, client data, charge codes, and various other list driven data).

#### **Subscription to Hosted Solution**

Subscription rates for AJLA's web-based labor exchange, case management system, and data reporting tools are the same per-state, no matter the size or number of clients served.

All work by AJLA needed to import data that was required for standing up the MIS was part of the implementation process and was included in the implementation fee of \$150,000. One-time implementation costs had also included 200 hours of Maine-specific customization. Any work that required a discrete code change inside the AJLA system itself was deducted from the 200hour pool for development, which was part of the initial fee.

#### **Ongoing Design, Development and Enhancements**

As a subscriber, Maine is a part of a multistate consortium of State Workforce Agencies that has a voice in the continued design, development, and enhancement of the solution. The consortium consists of 9 states, including Arizona, Arkansas, Delaware, Idaho, Illinois, Kansas, Oklahoma, and Vermont. These states use at least one of the AJL products – case management, labor exchange, fiscal or data reporting – or a combination of all as a package, to which Maine subscribes. This Steering Committee utilizes best practices, frequent peer-to-peer communication, and feedback based on user experience to recommend software enhancements. Whether mandated by program regulations or recommended by the

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Steering Committee, such enhancements that benefit member states of the Consortium are included in the subscription costs. Unique, locally driven regulatory change enhancements are charged back to the state at a reasonable development cost per hour by AJLA technical support. Such enhancements in our past legacy systems typically required significant OIT resources and incurred additional costs.

#### Current Costs vs. Subscription Costs

MDOL paid \$650,000 to OIT to maintain the legacy systems in Fiscal Year 2015. Several needed upgrades to these systems did not move forward. In 2014, a previous effort to replace these systems ended when the selected vendor was unable to deliver acceptable systems which forced BES to continue to pay for current system upgrades – which are estimated at an additional \$225,000 – support, and hosting beyond originally budgeted plans.

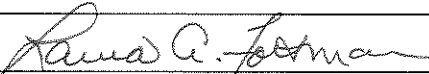
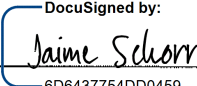
There are no hidden costs in the AJLA Hosted Solution. After implementation of AJLA to Maine, the renewed annual subscription rate for this amendment is \$615,000 the first year and \$635,000 the second year. AJLA provides enhancements, US DOL-mandated changes, problem resolutions, system analysis and resolution, ad-hoc reports, and upgrade installs as part of the annual subscription. The Hosted Solution also includes replacement of depreciated equipment and annual software license fees for third party software. Unique, state-driven regulatory change enhancements are charged a reasonable development cost of \$200 per hour by AJLA technical support. This agreement includes 20 hrs. of customization for future enhancements.

Additionally, as WIOA, TAA, Apprenticeship, WOTC and RESEA are federally mandated changes to functionality/reporting are included in subscription costs.

#### 4. Describe the plan for future competition for the goods or services.

MDOL does not intend to seek future competition due to the benefits the consortium provides (as stated in section 3), however we will re-evaluate other program options every two years should the need or other opportunities present themselves.

### PART IV: APPROVALS

|   |   |              |           |
|---|---|--------------|-----------|
| <b>Signature of requesting<br/>Department's Commissioner<br/>(or designee):</b> | <i>By signing below, I signify that I approve of this procurement request.</i>                        |              |           |
|   |                    |              |           |
| <b>Printed Name:</b>  | LAURA A. FORTMAN  | <b>Date:</b> | 6/25/2021 |
| <b>Signature of DAFS<br/>Procurement Official:</b>                              | DocuSigned by:<br> |              |           |
| <b>Printed Name:</b>  | 8D6437754DD0459...<br>Jaime Schorr  | <b>Date:</b> | 6/30/2021 |