

# IRP/IFTA Modernization

Presentation to the Information Technology  
Authorization Committee (ITAC)

May 25, 2022

# Agenda

Business Overview

Business Challenges Addressed

Solution

Strategic View

Schedule

Budget

# Business Overview

**International Registration Plan (IRP)** - A reciprocity agreement among states of the US and provinces of Canada which recognizes the registration of commercial motor vehicles registered by other jurisdictions. It provides for payment of apportioned licensing fees based on the total distance operated in all member jurisdictions.

**International Fuel Tax Agreement (IFTA)** - A tax collection agreement by and among the 48 contiguous States and the 10 Canadian Provinces bordering the US. Uniform administration of motor fuels use taxation laws with respect to qualified motor vehicles operated in more than one member jurisdiction.

# Business Challenges Addressed

- **Technical obsolescence**
  - Expiring vendor contract
  - Requiring new procurement or build from outdated solution
- **Poor integration**
  - Siloed solution
  - Poor customer service and limited-service channel options
  - Poor data quality
  - Difficult to support both technically and operationally
- **Expensive to acquire, modify, and maintain**
- **Lack of control – COTS limits agency control and limits ability to change and promote process improvement**

# Solution

- **Custom build IRP/IFTA solution into AZ MVD Now and MAX**
  - Leverage AZ MVD Now/MAX components
  - Fits into strategic view for a unified commercial vehicle system
  - MvM Team has IRP/IFTA experience
- **Why not COTS**
  - Few COTS vendors in this specialized industry
  - Tend to be built using older technology
  - Likely higher total cost of ownership
  - Perpetuates siloed solutions

## Components to Leverage

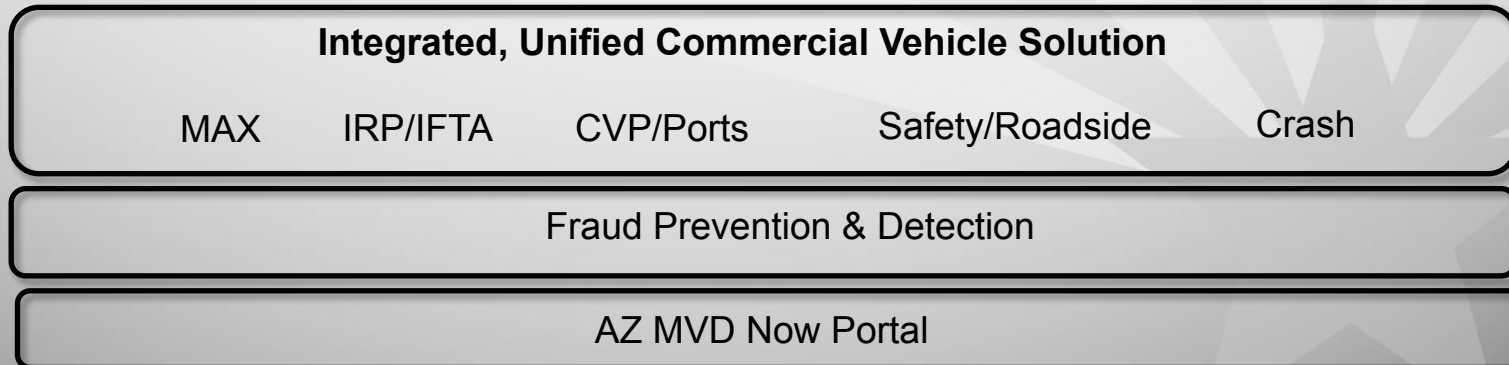
- Portal
- Payment Engine
- Organizational Controls in Portal
- Vehicles
- Fleets
- Registration
- Fully Integrated Financial System
- Work in Process
- Workflow Management
- Integrated Document Management
- Fee Engine
- Existing, proven Cloud Infrastructure

# Commercial Vehicle Systems Strategic View

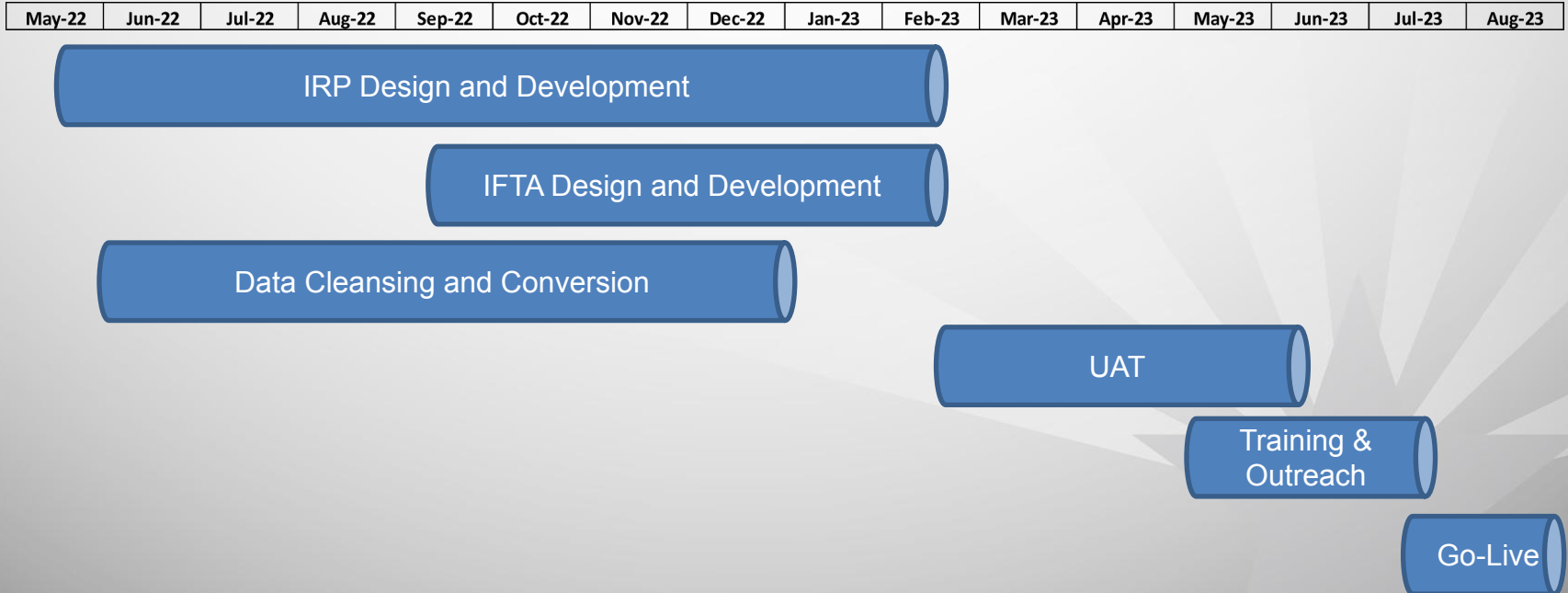
*Today*



*Future*



# Schedule



# Budget

Total Development Cost	\$2,422,981
Total 5-Year Operational Cost	<u>\$ 900,000</u>
Total Cost	\$3,322,981

Estimate of current COTS market: \$2.5M licensing and implementation and \$2M total 5-year operational cost = \$4.5M

Savings of \$1.2M

Costs covered through eGov Agreement without need of appropriated funds.



