

Project Investment Justification

ECD DL Security Software

DT220010

Department of Transportation

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1. GENERAL INFORMATION

PIJ ID: DT220010

PIJ Name: ECD DL Security Software

Account: Department of Transportation

Business Unit Requesting: Enforcement and Compliance Division (ECD)

Sponsor: Jeff Stanhope

Sponsor Title: Deputy Division Director - OIG Chief

Sponsor Email: jstanhope@azdot.gov

Sponsor Phone: (602) 712-4206

2. MEETING PRE-WORK

2.1 What is the operational issue or business need that the Agency is trying to solve? (i.e....current process is manual, which increases resource time/costs to the State/Agency, and leads to errors...):

The Enforcement and Compliance Division (ECD) unit utilizes NEC as a fraud prevention, fraud detection, business integrity, and risk mitigation tool. The software automates the process of photo image matching and is designed to determine whether the person shown in one Motor Vehicle Department (MVD) photograph is likely to be the same person shown in another MVD photograph. The existing NEC contract expired November of 2021. The ECD unit is pending a finalized maintenance contract that will cover support for FY23 with an option to extend an additional year, if needed. The team will upgrade the NEC software system to the Azure Cloud.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

Upgrading or replacement of the current software system will continue preventing fraud in the MVD process by allowing the following:

- Improve detection of, and faster reaction to fraudulent activity
- Increased credential issuance security
- Enhanced identity security for Arizona citizens
- Greater deterrence to future fraudulent identity activity

The replacement will also allow searches and modifications via the web client, which would eliminate the need to have employees come into the office after hours or on weekends. Lastly, the new upgraded software will provide faster and more reliable services to our law enforcement and government agency partners.

2.3 Describe the proposed solution to this business need.

The proposed solution will be a software as a solution (SaaS). ECD is looking to upgrade or replace a program management software that includes; conversion of all images; software customization; interface to ADOT; and program management, training, and documentation.

Delivering a system upgrade SaaS software solution that will provide the following:

- Provide database updates
- Improve service support
- Include network services (testing, troubleshooting, logging, monitoring and alerts)
- Improve security
- Incorporate a disaster recovery site (a feature that is not an option in the current system)
- Provide a test system
- Include training

This upgrade also assists the MVD/Authorized Third Party offices by allowing enhanced image quality with customers wearing headgear for medical/religious purposes, glasses, and facial hair, thereby reducing customer notifications to return to the issuing office due to an unacceptable image.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

2.5 Have the business requirements been gathered, along with any technology requirements that have been identified?

Yes

2.5a Please explain below why the requirements are not available.

3. PRE-PIJ/ASSESSMENT

3.1 Are you submitting this as a Pre-PIJ in order to issue a Request for Proposal (RFP) to evaluate options and select a solution that meets the project requirements?

Yes

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

Yes

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

Yes

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

The Department is seeking competitive bids for facial recognition software services, wherein the Contractor provides such services from an outsourced (Cloud Hosted) solution and that includes all necessary installation, implementation, testing, hardware and software operation and support to provide the facial recognition software services. The team is expecting to select the vendor that will best fit the needs of services requested.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

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3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

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4. PROJECT

4.1 Does your agency have a formal project methodology in place?

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

ADOT ITG Project Manager - responsible for the budget, procurement, and coordination of the project

Sponsor - responsible for the approval of the project deliverables and issue resolution

Vendor - responsible for onboarding/implementation, configuration and training

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

4.4 Is the proposed procurement the result of an RFP solicitation process?

Yes

4.5 Is this project referenced in your agency's Strategic IT Plan?

Yes

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

Yes

5.2 Provide an estimated start and finish date for implementing the proposed solution.

Est. Implementation Start Date

Est. Implementation End Date

9/21/2022 12:00:00 AM

4/7/2023 12:00:00 AM

5.3 How were the start and end dates determined?

Dates provided

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Data Migration	09/21/22	12/16/22
Requirements/Design	09/21/22	10/14/22
30% upon contract award	09/21/22	10/21/22
Development	09/26/22	11/04/22
20% upon completion of requirements and design	10/17/22	11/18/22
Quality Assurance	11/07/22	11/18/22
SSP Template	11/07/22	11/18/22
Factory Acceptance Test	11/21/22	12/16/22
20% upon completion of FAT	12/16/22	01/16/23
Data Migration Catch-up	12/18/22	02/22/23
System Acceptance Test	01/02/23	01/27/23
20% upon completion of SAT	01/27/23	02/27/23
Application Training	01/30/23	02/10/23
Closing	02/23/23	03/24/23
Implementation	02/23/23	03/10/23
Go-Live	03/10/23	03/10/23
10% upon system switchover	03/10/23	03/24/23

5.4 Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?

Yes

5.5 Will any physical infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

6. IMPACT

6.1 Are there any known resource availability conflicts that could impact the project?

No

6.1a Have the identified conflicts been taken into account in the project plan?

6.2 Does your schedule have dependencies on any other projects or procurements?

No

6.2a Please identify the projects or procurements.

6.3 Will the implementation involve major end user view or functionality changes?

No

6.4 Will the proposed solution result in a change to a public-facing application or system?

No

7. BUDGET

7.1 Is a detailed project budget reflecting all of the up-front/startup costs to implement the project available, e.g, hardware, initial software licenses, training, taxes, P&OS, etc.?

Yes

7.2 Have the ongoing support costs for sustaining the proposed solution over a 5-year lifecycle, once the project is complete, been determined, e.g., ongoing vendor hosting costs, annual maintenance and support not acquired upfront, etc.?

Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

Yes

7.5 Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?

No

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

There is not a statewide enterprise solution available

8.2 Will the technology and all required services be acquired off existing State contract(s)?

No

8.3 Will any software be acquired through the current State value-added reseller contract?

No

8.3a Describe how the software was selected below:

8.4 Does the project involve technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?

No

8.5 Does your agency have experience with the vendor (if known)?

Yes

8.6 Does the vendor (if known) have professional experience with similar projects?

Yes

8.7 Does the project involve any coordination across multiple vendors?

No

8.8 Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?

Yes

8.9 Have any compatibility issues been identified between the proposed solution and the existing environment, e.g., upgrade to server needed before new COTS solution can be installed?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

8.10 Will a migration/conversion step be required, i.e., data extract, transformation and load?

Yes

8.11 Is this replacing an existing solution?

Yes

8.11a Indicate below when the solution being replaced was originally acquired.

Original software contract signed in Nov 2013 and went live in April 2015 with NEC.

8.11b Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:

The existing technology will go away with the replacement/upgrade.

8.12 Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, number of licenses, etc. for the proposed solution?

ADOT Procurement utilized the RFP process, using ADOT requirements.

8.13 Does the proposed solution and associated costs reflect any assumptions regarding projected growth, e.g., more users over time, increases in the amount of data to be stored over 5 years?

Yes

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

Yes

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

8.15 Will the vendor need to configure the proposed solution for use by your agency?

Yes

8.15a Are the costs associated with that configuration included in the PIJ financials?

Yes

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

No

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

8.16b Describe who will be customizing the solution below:

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

8.16d Please select the application development methodology that will be used:

8.16e Provide an estimate of the amount of customized development required, e.g., 25% for a COTS application, 100% for pure custom development, and describe how that estimate was determined below:

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

No

8.18a Please explain all unidentified high risk project issues below:

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

Yes

9.1a Please select from the following vendor-hosted options:

Commercial data center environment, e.g AWS, Azure

9.1b Describe the rationale for selecting the vendor-hosted option below:

The software selected meets the ITG/State standard for software being a SaaS/cloud based solution.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

No

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

Yes

9.2 Will the proposed solution be hosted on-premise in a state agency?

No

9.2a Where will the on-premise solution be located:

9.2b Were vendor-hosted options available and reviewed?

9.2c Describe the rationale for selecting an on-premise option below:

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

9.3 Will any PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

NEC's Advanced Recognition Solutions group has been ISO 27001 certified for our security practices in design and implementation of our solution.

In alignment with this certification, the NEC Reveal Facial Recognition system is designed and deployed using a multi-level security approach implementing multiple controls as part of the process.

10. AREAS OF IMPACT

Application Systems

Database Systems

Software

COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Vendor Hosted

Security

Other

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
Base Facial Recognition Software	Software	Development	1	1	\$875,400	\$875,400	860.00%	\$75,284	\$950,684
Application Development, Project Management, Implementation	Professional & Outside Services	Development	1	1	\$348,600	\$348,600	0.00%	\$0	\$348,600
Annual Hosting	Other	Operational	2	1	\$165,000	\$165,000	0.00%	\$0	\$165,000
Annual Maintenance (Facial Recognition)	License & Maintenance Fees	Operational	3	1	\$177,500	\$177,500	860.00%	\$15,265	\$192,765
Annual Hosting	Other	Operational	3	1	\$165,000	\$165,000	0.00%	\$0	\$165,000
Annual Hosting	Other	Operational	4	1	\$181,500	\$181,500	0.00%	\$0	\$181,500
Annual Maintenance (Facial Recognition)	License & Maintenance Fees	Operational	4	1	\$178,125	\$178,125	860.00%	\$15,319	\$193,444
Annual Maintenance (Facial Recognition)	License & Maintenance Fees	Operational	5	1	\$177,956	\$177,956	860.00%	\$15,304	\$193,260
Annual Hosting	Other	Operational	5	1	\$199,650	\$199,650	0.00%	\$0	\$199,650

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$2,589,903	\$0	100%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$0	\$0	0%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$0	\$0	0%

Total Budget Available	Total Development Cost
\$2,589,903	\$1,299,284
Total Budget To Be Req	Total Operational Cost
\$0	\$1,290,619
Total Budget	Total Cost
\$2,589,903	\$2,589,903

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

The new software will increase productivity by providing a SaaS solution. The internal customer service will be impacted allowing software improvements between facial recognition and MAX (MVD software). The new software will provide technology upgrades (since our first deployment was over 5 years ago) to the new platform, which will increase productivity and eliminate waste.

13. CONDITIONS

Conditions for Approval

Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on November 15, 2022.

Prior to go live, the Agency must work with the Department of Administration (ADOA) and Department of Homeland Security (AZDOHS) Cyber Command, to assure the System Security Plan document is completed and approved by Cyber Command in order to ensure that the selected solution will provide an appropriate level of protection for State data.

14. OVERSIGHT SUMMARY

Project Background

The Department of Transportation has been creating a transportation system for Arizona that improves the quality of life. To provide a safe, efficient, cost-effective transportation system. The Arizona Department of Transportation (AZDOT) has jurisdiction over state roads, state airports, and the registration of motor vehicles and aircraft.

The role of the Arizona Enforcement and Compliance Division (ECD) is to conduct criminal and administrative investigations related to all facets of agency operations, including title, registration, and driver license fraud; titling of stolen vehicles; and licensed and unlicensed car dealer investigations, and provides a multitude of services to the law-enforcement community.

The driver's license security contract (with NEC) ended Nov 2021, and a temporary maintenance contract was established for 1 year and a 1-year renewal option. The agency was required to do a new Request for Proposal (RFP) and select the best candidate based on their response. NEC had the highest score from the RFP team and was awarded the new contract. Due to the age of the old system, that version is no longer available and has limited support. ADOT has decided to accept their proposal for the newest system available.

The proposed solution addresses the stated problem. The proposed project aligns with the budget unit's Strategic IT Plan; and the proposed solution complies with statewide IT standards.

Business Justification

Delivering a system upgrade SaaS software solution that will provide the following:

Satisfy Arizona Criminal Justice Information Systems (ACJIS) compliance requirements (evergreen program)

Provide database updates

Improve service support

Include network services (testing, troubleshooting, logging, monitoring and alerts)

Improve security

Incorporate a disaster recovery site (a feature that is not an option in the current system)

Provide a test system

Include training

This upgrade also assists the MVD/Authorized Third Party offices by providing enhanced image quality with customers wearing headgear for medical/religious purposes, glasses, and facial hair, thereby reducing customer notifications to return to the issuing office due to an unacceptable image.

Upgrading or replacement of the current software system improves the quality of fraud hits, provides better customer service to MVD customers, allows searches and modifications via the web client, and eliminates the need to have employees come into the office after hours or on weekends. It also provides faster and more reliable services to our law enforcement and government agency partners.

The new software will increase productivity by providing a SaaS solution. The internal customer service will be impacted allowing software improvements between facial recognition and MAX (MVD software). The new software will provide technology upgrades (since our first deployment was over 5 years ago) to the new platform, which will increase productivity and eliminate waste.

The project last year (DT21009 Multi-state CDL Facial Recognition Screening) was a Grant funded project to work with New Mexico to keep fraudulent activity from happening when someone in either state loses their CDL license and tries to go across the border to get another CDL. This took so long to get approved, the vendors could not complete the project before the grant funding would expire, so we lost the funding.

The Driver License Software project in your review is because our current contract for Facial Recognition software in use by MVD and ECD is expiring and we were required to do an RFP and a new contract.

There is sufficient sponsorship and support by budget unit leadership, ADOA-ASET spoke with the project sponsor as well as the PIJ submitter.

Implementation Plan

The solution will be Vendor-hosted, on the Azure Cloud.

The PM will be Catherine Dickert.

Tiffany Connell is the procurement person at ADOT.

System interfaces will be NEC and The MAX system.

ADOT ITG Project Manager - responsible for the budget, procurement, and coordination of the project

Sponsor - responsible for the approval of the project deliverables and issue resolution

Vendor - responsible for onboarding/implementation, configuration and training

ADOA-ASET believes that the business unit is competent to carry out the project successfully; and supported by sponsorship and budget unit leadership.

Vendor Selection

The software has been selected through the RFP process with ADOT Procurement.

Budget or Funding Considerations

The project development and implementation are accounted for in the following manner:

Base Budget (Available) = 100%	\$ 3,243,889.40	
Total Project:		\$ 3,243,889.40
Available in the agency's FY23 budget.		

SLI - Fund DT2285, Appropriation DT23000

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Jeff Stanhope

Agency CIO (or Designee)

Steve West

Agency ISO (or designee)

Thomas Branham

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Emily Gross

Agency SPO Representative

Agency CFO

Kristine Ward