

CHANGE REQUEST / AMENDMENT

DE20023 - DCSS ATLAS Replacement

Department of Economic Security

Amended 5-Year Lifecycle Budget Estimate:

Total Development Budget	\$ 58,738,366
<u>Total Operational Budget</u>	<u>\$ 2,017,968</u>
Total Overall Budget	\$ 60,756,332

Areas Affected:

End Date	Yes
Development Costs	Yes
Scope	Yes

Original End Date: 01/03/2025

Revised End Date: 02/04/2026

Change Description:

The Department of Economic Security (DES) Division of Child Support Services (DCSS) is requesting approval to modify the project Scope, Cost, and Timeline of the DCSS ATLAS Replacement (AZCARES) project. The project team discovered required changes to the scope and deficiencies in the grooming process during the development phase which affect the overall scope, schedule, and budget.

AMENDMENT 01: 01/18/2023

The DCSS ATLAS Replacement project was originally approved by ITAC on October 21, 2020 with the intent to replace the Arizona Tracking and Locate Automated System (ATLAS) system utilized by DCSS to manage and process more than 300,000 active child support cases across Arizona. DES provided informational updates to the Information Technology Authorization Committee (ITAC) on April 21, 2022 and September 21, 2022 to inform the committee of progress, risks, and modifications with the project which would result in a change request.

DES experienced development delays in the design activities such as grooming of forms, reports and review of design documents, and system integration testing activities. The agency in coordination with the Implementation (IM) vendor developed a realistic timeline for UAT execution and pilots. The DCSS team discovered a requirement to migrate the required data from the legacy ATLAS application to the Azure Government Cloud before the go-live date of the new application which consists of setting up a secure file transfer between the legacy mainframe environment to Azure Government Cloud; network tuning analysis and secure data migration tests; and the execution of production data migration prior to new application go-live.

DES finalized the re-baselined integrated master schedule, built the data conversion and user experience environments, completed the grooming and mapping of the data conversion.

DES identified the following changes to the scope of work and project schedule:

1. 3rd Party Security Assessment of ATLAS 2.0 / AZCARES before go-live is required to identify and eliminate potential security vulnerabilities.
2. The setup of a secure file transfer is required between the legacy mainframe environment to Azure Government Cloud, Network tuning analysis and secure data migration tests, and Execute production data migration.
3. DES requires support of the production data migration to the new application which includes migration event planning and change management activities for the period prior to the migration event.
4. Modification of hours for the Project Controller (Program Analyst) and Organizational Change Manager to increase from 375 hours to 1,870 hours to complete the project.
5. The Quality Control Sample Test Reports deliverables and payment schedule will be revised to develop and provide detailed Quality Control Review reports, for ADES requested IM Contractor's deliverables, after the IM Contractor Starts.
6. Modification of the IV&V to provide risk management assessment and capacity planning services, reduction of calendar days (from twenty to fifteen) for the State Project and Department to provide

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comments to the draft version of the "Initial IV&V Review Report" to the IV&V contractor, reduction of calendar days (from twenty to fifteen) for the State Project and Department to provide comments to the draft version of the "Periodic IV&V Review Report" to the IV&V contractor, include the delivery of one instance of OCSE debriefing right after the Initial Review Report (Draft) submission and 16 instances of OCSE Debriefing right after each Periodic Review Report (Draft) submission, and amend the contract to include the contractor shall start monthly status reports until the end of the contract (April 2021 through June 2022).

7. Modification of the IV&V contract to prepare and submit a monthly status report until the contract ends (April 2021 through June 2023).
8. Increase the number of forms from 700 to 756 to include 586 DCSS forms and 170 Navajo Nation forms. The forms require the IM vendor to design, develop, and test multiple templates and versions available within the system.
9. Modifications to the Conversion Mapping are required for the data to be converted correctly. The materialized data was not in line with expected format when documenting initial rules.
10. Modifications to the contract to deprioritize certain new interfaces that were requested by DCSS in Exhibit A of the RFP and subsequent interfaces identified by DCSS and Deloitte that were itemized on the master interface worksheet. Deliverables and Payment Schedule is replaced in its entirety with the following:
 - a. Task 5, 5.2.5.5.C Deliverable ID 5.3 Detailed Requirements
 - b. Task 5, 5.2.5.5.D, Deliverable ID 5.4 Requirements Traceability Matrix
 - c. Task 5, 5.2.5.5.E, Deliverable ID 5.5 System Architecture Document
 - d. Task 5, 5.2.5.5.F, Deliverable ID 5.6 Functional System Design
 - e. Task 5, 5.2.5.5.G, Deliverable ID 5.7 Technical System Design
 - f. Task 5, 5.2.5.5.I, Deliverable ID 5.9 Development Hardware and Software Plan
 - g. Task 5, 5.2.5.5.J, Deliverable ID 5.10 Database Development Plan
 - h. Task 5, 5.2.5.5.K, Deliverable ID 5.11 Entity Relationship Diagram
 - i. Task 5, 5.2.8.5.C, Deliverable ID 8.3 System Test Documentation and Results Reports
 - j. Task 5, 5.2.10.5.B Deliverable ID 10.2 User Training Materials
11. Modification of the IM contract to include the centralization of interfaces in an enterprise grade tool to a common platform, and Deliverables and Payment Schedule is replaced in its entirety with the following:
 - a. Task 5, 5.2.5.5.E, Deliverable ID 5.5 System Architecture Document
 - b. Task 5, 5.2.5.5.G, Deliverable ID 5.7 Technical Design
 - c. Task 8, 5.2.8.5.C, Deliverable ID 8.3 System Test Documentation
12. Modifications of the IM contract Deliverables and Payment Schedule amending the following:
 - a. Task 4, Section 5.2.4.5.A, Deliverable 4.1: Project Implementation Plan and Project Schedule
 - b. Task 4, Section 5.2.4.5.C, Deliverable 4.3: Monthly Project Status Reports
 - c. Task 5, Section 5.2.5.5.F, Deliverable 5.6: Functional System Design
 - d. Task 5, Section 5.2.5.5.G, Deliverable 5.7: Technical System Design
 - e. Task 8, Section 5.2.8.5.C, Deliverable 8.3: System Test Documentation
13. Modifications to the IM contract scope of work for the following sections: 3.4 Background, 4.0 Definitions, 5.1 General Requirements, 5.2 Project Tasks (Objective, ADES Activities, Contractor Responsibilities, User Training Management Plan, Readiness Assessment), and revisions to the following payment schedules:
 - a. Task 10, 5.2.10.5.A, Deliverable ID 10.1 User Training Management Plan
 - b. Task 10, 5.2.10.5.C, Deliverable ID 10.3 User Training Reports

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Modifications to the project scope and schedule will affect the following cost categories:

- Professional & Outside Services will increase by \$8,201,503.00 which are broken down as:
 - Implementation (IM) cost will increase by \$3,144,198.00 due to updates in scope including schedule timeline, training, forms, interfaces, and descoping.
 - Quality Assurance (QA) will increase by \$532,986 due to additional resources to increase system testing to 30%.
 - Independent Verification & Validation (IV&V) will increase by \$171,000 due to additional reports requested by federal partners and with extension to timeline.
 - Project Management Resources will increase by \$4,353,319.00 due to additional resources being required through the project kick off and Development (Grooming) phase.

- Software Licenses will decrease by \$4,845,210.00. Most licenses were acquired during the first year of the project which were considered and included in the development cost. Licensing renewals after year one are considered operational costs.

- Facilities charges are being reduced by \$1, 824,375.00, due to minimal facilities cost incurred during years one and two of the project due to the pandemic impact.

Amended Financial Detail:

The project is a Well-nigh Automation Project Funds (APF) with funding that consists of 66% Federal Budget and 34% Other Appropriated Budget.

FY	PIJ Category	Development	Operational	Description
2021	P&OS	\$2,202,988	\$0	IM - Implementation
2021	Facilities	\$2,000	\$0	IM - Facilities
2021	P&OS	\$1,246,891	\$0	QA - Quality Assurance
2021	P&OS	\$264,360	\$0	IV&V - Independent Verification & Validation
2021	P&OS	\$1,779,319	\$0	Project Contracted Resources
2021	Software	\$2,376,455	\$0	SW - Software Purchase
2022	P&OS	\$8,726,230	\$0	IM - Implementation
2022	Facilities	\$4,000	\$0	IM - Facilities
2022	P&OS	\$1,010,130	\$0	QA - Quality Assurance
2022	P&OS	\$700,290	\$0	IV&V - Independent Verification & Validation
2022	P&OS	\$2,529,042	\$0	Project Contracted Resources
2022	Software	\$749,522	\$0	SW - Software Purchase
2022	L&M Fees	\$0	\$2,669,950	SW - Licensing & Maintenance
2023	P&OS	\$8,726,230	\$0	IM - Implementation
2023	Facilities	\$915,187	\$0	IM - Facilities
2023	P&OS	\$1,010,130	\$0	QA - Quality Assurance
2023	P&OS	\$700,290	\$0	IV&V - Independent Verification & Validation

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2023	P&OS	\$2,353,944	\$0	Project Contracted Resources
2023	Software	\$361,030	\$0	SW - Software Purchase
2023	L&M Fees	\$0	\$3,583,539	SW - Licensing & Maintenance
2024	P&OS	\$8,726,230	\$0	IM - Implementation
2024	Facilities	\$915,187	\$0	IM - Facilities
2024	P&OS	\$1,010,130	\$0	QA - Quality Assurance
2024	P&OS	\$700,290	\$0	IV&V - Independent Verification & Validation
2024	P&OS	\$1,535,984	\$0	Project Contracted Resources
2024	L&M Fees	\$0	\$3,850,373	SW - Licensing & Maintenance
2025	P&OS	\$8,726,230	\$0	IM - Implementation
2025	Facilities	\$915,187	\$0	IM - Facilities
2025	P&OS	\$1,010,130	\$0	QA - Quality Assurance
2025	P&OS	\$700,290	\$0	IV&V - Independent Verification & Validation
2025	L&M Fees	\$0	\$3,871,537	SW - Licensing & Maintenance

Original PIJ Financials *ITAC Approval October 21, 2020*

<i>Five Year Life-Cycle Summary</i>						
<i>Cost Description</i>	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>	<i>Total</i>
Development Costs	\$21,639,879	\$20,475,939	\$8,213,675	\$6,138,327	\$2,270,545	\$58,738,366
Operational Costs	\$0	\$0	\$0	\$0	\$2,017,968	\$2,017,968
Total Project Costs	\$21,639,879	\$20,475,939	\$8,213,675	\$6,138,327	\$4,288,513	\$60,756,333

Amended PIJ Financials *January 18, 2023 ITAC*

<i>Five Year Life-Cycle Summary</i>						
<i>Cost Description</i>	<i>FY2021</i>	<i>FY2022</i>	<i>FY2023</i>	<i>FY2024</i>	<i>FY2025</i>	<i>Total</i>
Development Costs	\$7,872,012	\$13,719,214	\$14,066,811	\$12,887,821	\$11,724,425	\$60,270,283
Operational Costs	\$0	\$2,669,950	\$3,583,539	\$3,850,373	\$3,871,537	\$13,975,399
Total Project Costs	\$7,872,012	\$16,389,164	\$17,650,350	\$16,738,194	\$15,595,962	\$74,245,682

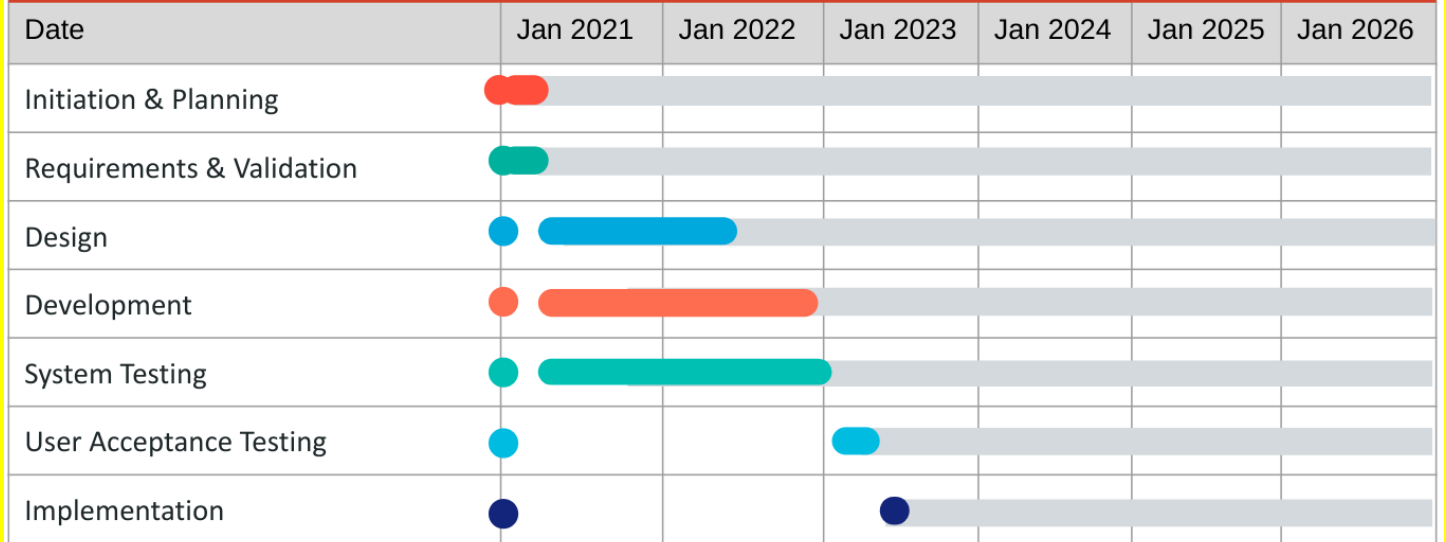
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Updated Project Timeline

Revised timeline for Solution:



Updated Project Timeline

Revised timeline for Solution Continued:

