

Project Investment Justification

DTS Service Now

DE23015

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE23015

PIJ Name: DTS Service Now

Account: Department of Economic Security

Business Unit Requesting: DES/Division of Technology Services (DTS)

Sponsor: Clayton Sikes

Sponsor Title: Deputy CIO

Sponsor Email: claytonsikes@azdes.gov

Sponsor Phone: (602) 542-3219

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...):

Shortcomings of the current Cherwell system are:

Difficulty of upgrading without performing a re-implementation (Current issues such as broken automations caused by the previous upgrade).

Performance issues, we have several complaints of slowness.

Depending on a full client install to have all the features rather than just web based.

No dynamic forms within Cherwell.

Recent changes to most current versions of Cherwell have caused customer imports to bring in duplicates, so the process went from automated to manual and takes up to 6 hours when it was hands free previously.

Support has been severely lacking with slow or unhelpful responses.

Reporting is obtuse and hard to use.

Operations spends 40 hours or more working with Cherwell to import customer data, reporting, dealing with support.

The system has to restart the web services weekly as they break.

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

ServiceNow is aligned with our Cloud First perspective as a cloud-based SaaS (Software-as-a-Service) platform that automates organizational processes and delivers a consistent, consumer-like experience.

ServiceNow offers DES the potential of solving IT problems and management issues that we face today, largely due to the current limitations of our ITSM solution. ServiceNow is developed to manage and present everything as a service, which can help DES operate more smoothly and faster, in line with the DES Strategic IT Plan goal of strengthening service delivery capabilities.

ServiceNow would allow DES to integrate as much of our overall service platform as we choose. Due to the large number of existing integrations already built, there would be no need to make any changes in the tools we currently choose not to.

ServiceNow that will enable our organizations to improve operational efficiencies by streamlining and automating routine work tasks that include, Incident, Request, Change and Configuration Management. We will also be implementing a new Service Catalog and Configuration Management Database (CMDB) to manage all of our assets and improve our provisioning processes.

2.3 Describe the proposed solution to this business need.

ADOA is currently in the process of implementing ServiceNow. No other vendors were considered as we are following ADOA's direction for the Information Technology Service Management (ITSM) solution.

ServiceNow had already been under consideration and was deemed to be a superior product based on multiple criteria. This includes the ability to integrate with other platforms in use at DES and statewides such as Tanium and Qualys. Additionally DES is adding the ServiceNow Hardware Asset Management (HAM) featureset to bring automation and reporting to a previously manual inventory process.

For professional services two vendors were considered.

Accenture - Not selected - Prohibitive cost

Crossfuzze - Select - Lower cost

The second vendor, Crossfuzze, will be performing the configuration and training for how to perform the configuration of the ServiceNow solution.

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?

No

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

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?

No

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

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

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

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).

DES is responsible for Managing the project and budget to ensure all project milestones will be met by the vendor

Service Now will be provisioning out instance of service Now in their datacenter

Cross Fuze will be customizing the software and training the DTS staff.

DES is responsible for the Requirements and Customer stories for customization .

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?

No

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?

No

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

Est. Implementation Start Date

Est. Implementation End Date

5/1/2023 12:00:00 AM

5/31/2024 12:00:00 AM

5.3 How were the start and end dates determined?

Based on funding

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
Kickoff Meeting	05/01/23	05/03/23
Core Instant Configuration	05/01/23	08/01/23
Planning Workshops	05/08/23	05/31/23
Project Plan - due to Aset	06/01/23	06/08/23
ITSM configuration including Incident , Change and request	06/01/23	06/15/23
Training	06/15/23	12/31/23
Configuration of ServiceNow Knowledge Management	06/16/23	06/30/23
Configuration of ServiceNow Service Operations Workspace	07/01/23	07/14/23
Configuration of data imports from Cherwell.	07/01/23	07/30/23
Configuration of ServiceNow integrations for IT Service Management.	07/15/23	07/31/23
Configuration of ServiceNow NOW Agent Mobile app	07/16/23	07/31/23
Configuration of ServiceNow Employee Center Portal	07/16/23	07/31/23
Payment of Invoices: 25% - Upon Service Date 25% - Completion of Plan Stage 25% - Completion of UAT 25% - Completion of Post Go-Live Support Period	07/31/23	05/31/24
Aset Managment Configuration.	08/01/23	10/02/23
Evaluation of Customer's current Asset and IT Service Management processes.	08/01/23	08/08/23

Configuration of ServiceNow integrations for IT Asset Management.	08/09/23	08/30/23
UAT Acceptance Testing	09/01/23	12/31/23
Conduct ServiceNow enablement sessions	10/01/23	01/31/24
Monitor	01/02/24	03/31/24
Go Live	01/15/24	02/15/24
Close Out	03/01/24	05/31/24

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?

Yes

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?

No

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

Yes

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)?

Yes

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

Yes

8.3a Describe how the software was selected below:

ADOA performed research on a few software including ServiceNow, Cherwell and Ivanti. ServiceNow is very robust and provides an easy to use solution for our requirements. Other companies also are using this solution like AZnet, Maricopa County. In addition other state agencies like AHCCCS have been researching this software and are in the process of purchasing it. ADOA has already been purchased.

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)?

No

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?

Yes

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.

date acquired. Dec of 2017

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

Cherwell will be Retired

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?

Based on discussions between DES and Vendor identified the licensing count.

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:

Vendor's data center environment

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

ServiceNow is a global software as a service, there are no other vendor hosted options outside this.

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?

Yes

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:

Hosted in a FedRAMP certified government cloud environment (need to ensure that both the platform and the software/application are secure) Is this housed in a FedRAMP certified environment? If not, what type of environment is it housed in? FEDRamp High. (ADOA ServiceNow PIJ is already approved)

Whether or not DES's data is segregated and isolated from other client's data (for vendor-hosted environments)

Will the data be segregated and isolated from other Client's data? YES, segregated

How the data will be accessed (i.e. secure sign-on, user authentication, etc.) single sign on via OKTA

How is the data encrypted in transit and rest.

Where is the data actually hosted? Is the Data Center located within U.S. boundaries? Are the data and any data backups stored within the U.S.? Housed within US boundaries.

Will the project follow the established DES architectural model for external vendors? Yes

10. AREAS OF IMPACT

Application Systems

Database Systems

Software

COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Vendor Hosted

Security

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
Customer Service Management Professional With App Engine 100 - Fulfiller User v6 ServiceNow - PROD17145	Software	Development	1	1	\$756,024	\$756,024	860.00 %	\$65,018	\$821,042
Contingency	Professional & Outside Services	Development	1	1	\$201,214	\$201,214	0.00 %	\$0	\$201,214
Knowledge 2023, Government ServiceNow - PROD18919 - Training Travel Expenses	Other	Development	1	1	\$10,650	\$10,650	0.00 %	\$0	\$10,650
Knowledge 2023, Government ServiceNow - PROD18919 Training	Other	Development	1	1	\$6,475	\$6,475	0.00 %	\$0	\$6,475
"IMPL-FFP ServiceNow® Fixed Fee Implementation (per \$1,000 Statement of Work) Upon Service Date ServiceNow - IMPL-FFP"	Professional & Outside Services	Development	1	1	\$166,213	\$166,213	0.00 %	\$0	\$166,213
"ServiceNow® Instance - Government Data Center (Priced Monthly, 1 Year Term) ServiceNow - PROD00064"	Software	Development	1	1	\$14,857	\$14,857	860.00 %	\$1,278	\$16,135
"ServiceNow® Business Stakeholder User v4 (Priced Monthly 1 Year Term) ServiceNow - PROD17800"	Software	Development	1	1	\$153,216	\$153,216	860.00 %	\$13,177	\$166,393
"ServiceNow® ITOM Discovery - Subscription Unit v2 (Priced Monthly, 1 Year Term) Term Length: 10 months 7 days Price Per Unit: \$3.07 Quantity: 4,500	Software	Development	1	1	\$141,214	\$141,214	860.00 %	\$12,144	\$153,358

ServiceNow - PROD15000"									
"ServiceNow® Hardware Asset Management Professional - Subscription Unit v2 (Priced Monthly, 1 Year Term) Term Length: 7 months 13 days Price Per Unit: \$1.53 Quantity: 5,000 ServiceNow - PROD16047"	Software	Development	1	1	\$56,921	\$56,921	860.00 %	\$4,895	\$61,816
ServiceNow® Learning Credit ServiceNow - PROD10761	Software	Development	1	1	\$102,600	\$102,600	860.00 %	\$8,824	\$111,424
ServiceNow® Fixed Fee Implementation (per \$1,000 Statement of Work) Completion of Plan Stage ServiceNow - IMPL-FFP	Professional & Outside Services	Development	2	1	\$166,213	\$166,213	0.00 %	\$0	\$166,213
"ServiceNow® Fixed Fee Implementation (per \$1,000 Statement of Work) Completion of Go-Live Support ServiceNow - IMP-FFP"	Professional & Outside Services	Development	2	1	\$166,213	\$166,213	0.00 %	\$0	\$166,213
ServiceNow® Fixed Fee Implementation (per \$1,000 Statement of Work) Completion of UAT ServiceNow - IMPL-FFP	Professional & Outside Services	Development	2	1	\$166,213	\$166,213	0.00 %	\$0	\$166,213
Customer Service Management Professional With App Engine 100 - Fulfiller User v6 ServiceNow - PROD17145 YR 2-5	License & Maintenance Fees	Operational	5	1	\$3,024,096	\$3,024,096	860.00 %	\$260,072	\$3,284,168
"ServiceNow® Instance - Government Data Center (Priced Monthly, 1 Year Term)	License & Maintenance Fees	Operational	5	1	\$59,429	\$59,429	860.00 %	\$5,111	\$64,540

ServiceNow - PROD00064 YR 2-5"									
ServiceNow® Business Stakeholder User v4 (Priced Monthly 1 Year Term) ServiceNow - PROD17800 YR 2-5	License & Maintenance Fees	Operational	5	1	\$612,864	\$612,864	860.00 %	\$52,706	\$665,570
"ServiceNow® ITOM Discovery - Subscription Unit v2 (Priced Monthly, 1 Year Term) ServiceNow - PROD15000 YR 2-5"	License & Maintenance Fees	Operational	5	1	\$663,120	\$663,120	860.00 %	\$57,028	\$720,148
"ServiceNow® Hardware Asset Management Professional - Subscription Unit v2 (Priced Monthly, 1 Year Term) ServiceNow - PROD16047"	License & Maintenance Fees	Operational	5	1	\$367,200	\$367,200	860.00 %	\$31,579	\$398,779

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$1,145,457	\$0	16%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$44,346	\$0	1%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$2,833,527	\$0	39%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$3,323,231	\$0	45%