

STARS Integrated Tax System Modernization Project

State of Arizona – ADOR
Change Request (CR-0994)
Project Investment Justification (RV23006)

November 15, 2023



Agency Vision

*Funding Arizona's priorities through excellence in innovation,
exceptional customer service experience, and public servant-led
continuous improvement.*

Agency Mission

Serving Taxpayers



Project Team Introduction

Roles Present at ITAC

- Rob Woods - Director ADOR, STARS Project Sponsor
- Neeraj Deshpande - Deputy Director ADOR, STARS Deputy Project Sponsor
- Thomas Rieckhoff - Deputy CIO ADOR
- Zac Sharp - Deputy Assistant Director ADOR, STARS Business Lead
- Joie Estrada - Budget Director ADOR
- Lorilea Hudgins - STARS Senior Project Manager

Project Introduction

Date/high-level overview of the approved original project investment justification (PIJ):

On 6/16/2023, ADOA ASET approved the original project investment justification (PIJ) to initiate the State Tax Accounting and Reconciliation System (STARS) Discovery and Planning Phase.

The STARS project will implement GCOM's RevHub software, an enterprise platform for tax administration and analytics. The project will begin with the Discovery and Planning Phase, which is scheduled for 18 months, 8/8/2023 - 2/7/2025. The STARS Project Team will use this time to:

- Develop and approve deliverables
- Deploy the initial software environments
- Plan the project phases in more detail
- Perform discovery and initial configuration planning

Prior to selection, the RevHub solution was evaluated by a cross-functional team which included city representation, to validate the product and functionality. The team made their recommendation and the solution was unanimously selected on February 22, 2023 and later approved by ADOA ASET and the Joint Legislative Budget Committee.

The original PIJ spanned 8/8/2023 - 2/8/2024 and had development costs of \$14,948,900.

Project Change Request Overview

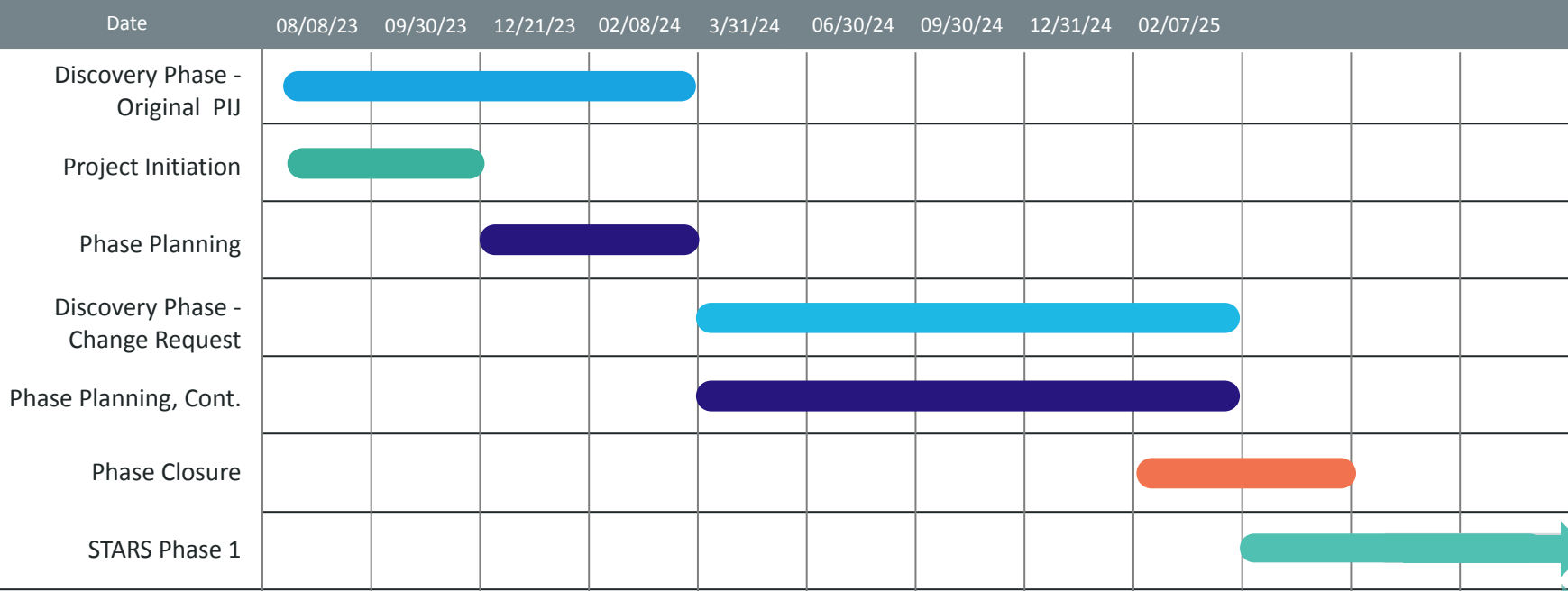
What in the PIJ is changing?:

- ✓ Timeline:
 - From 2/8/2024 to 2/7/2025
- ✓ Scope:
 - Includes Milestones for the remainder of the 18 month Discovery Phase.
- ✓ Budget:
 - From \$14,948,900 to \$31,605,300

What initiated this change?:

- *The remaining FY23 Appropriation planned expenditure is anticipated to be expended by February 2024. The purpose of this planned change request is to request the FY24 Appropriation.*
- *The existing STARS Project Milestones were originally developed prior to the completion of the contract award. These Project Milestones have been updated to align with approved GCOMs Project Strategy and Schedule documents.*

Project Timeline - High Level



Revised Project Timeline

Identify any change in timeline and possible benefits:

Milestone Name - Original Milestones	Milestone Health	Status	Original Start Date	Original End Date	Revised Start Date	Revised End Date
Project Initiation - Vendor Engagement and Onboarding		Complete	8/8/2023	11/8/2023		
Project Initiation - Establish ADOR Project Governance		In Progress	8/8/2023	11/8/2023		
Phase Initiation - Update Communications and Stakeholder Plans according to Discovery Phase Milestones		Complete	8/8/2023	11/8/2023		
Create Organizational Change Management Plan		In Progress	8/8/2023	11/8/2023	10/16/2023	2/8/2024
Human Resources - Onboard STARS Phase 1 Project Staff		In Progress	8/8/2023	11/8/2023	10/16/2023	2/8/2024
Budget & Finance - Statutory Requirement - Assessment Billing (2023)		In Progress	8/8/2023	2/8/2024		
Budget & Finance - Payment Milestone - Vendor to Invoice according to payment schedule		In Progress	8/8/2023	11/8/2023	8/8/2023	2/7/2025

Revised Project Timeline

Identify any change in timeline and possible benefits:

Milestone Name - Original Milestones, cont.	Milestone Health	Status	Original Start Date	Original End Date	Revised Start Date	Revised End Date
Project Execution - Deploy ITS base cloud and application infrastructure per Pub 1075 regulations		In Progress	8/8/2023	11/8/2023	8/8/2023	2/8/2024
Project Execution - Discovery Phase 1: ADOR & GCOM to jointly develop the implementation plan for the entirety of the project		In Progress	10/9/2023	2/8/2024	10/9/2023	2/7/2025
Project Execution - Discovery Phase 1: ADOR and selected Vendor to jointly develop the delivery schedule associated with the deliverables included in the Contract		In Progress	10/9/2023	2/8/2024	10/9/2023	2/7/2025
Project Execution - Data Management Workstream		In Progress	8/8/2023	2/8/2024	8/8/2023	2/7/2025
Project Monitoring - Statutory Requirement - IV&V Vendor Onboarding and Project Monitoring		In Progress	8/8/2023	2/8/2024		
Project Monitoring - Statutory Requirement - Tax System Modernization Project Advisory Committee Engagement		In Progress	8/8/2023	2/8/2024		
Budget & Finance - Final Payment Milestone - Quarterly Support, Hosting and Implementation Services Payment		Not Started	2/8/2024	2/8/2024	02/28/2025	02/28/2025

Revised Project Timeline

Identify any change in timeline and possible benefits:

Milestone Name - New Milestones	Milestone Health	Status	Start Date	End Date
Budget & Finance - Statutory Requirement - Assessment Billing (2024)		Not Started	9/1/2024	2/7/2025
Project Execution - Discovery Phase: Participate in Discovery and Planning activities identified in the GCOM Project Schedule.		Not Started	2/9/2024	2/7/2025
Project Execution - Discovery Phase: GCOM to deliver agreed upon deliverables according to the Project Strategy document		Not Started	2/9/2024	2/7/2025
Project Execution - Discovery Phase: Vendor to deliver the System Security Plan outlining the compliance plan and status for AZRamp, Pub 1075 and FedRAMP.		Not Started	2/9/2024	2/7/2025
Project Monitoring - Statutory Requirement - IV&V Project Monitoring		Not Started	2/9/2024	2/7/2025
Project Monitoring - Statutory Requirement - Tax System Modernization Project Advisory Committee Activities		Not Started	2/9/2024	2/7/2025

Revised Project Scope

Identify any change in scope and possible benefits:

The remaining FY23 Appropriation planned expenditure is anticipated to be expended by February 2024. The purpose of the planned change request is to request the FY24 Appropriation.

The current PIJ Request RV23006 supports the scope and funding of the initial 6 months of the STARS Project Discovery and Planning Phase (8/8/2023 - 2/8/2024). The planned change request supports the scope and funding of the remaining 12 months of the 18 month Discovery and Planning Phase (2/9/2024 - 2/7/2025).

The existing STARS Project Milestones associated with the initial 6 months have been updated to align with GCOMs Project Strategy and Schedule documents. These milestones were originally developed prior to the completion of the contract award.

In addition, new STARS Project Milestones have been added to align with GCOMs Project Strategy and Schedule documents for the remaining 12 month period of the Discovery Phase.

FY24 - FY25 Project Costs

Project Costs by Category	FY24 Original	FY24 Requested	FY25 Requested	Total
Personal Services/ERE	252,800	1,700,600	2,637,700	4,591,100
Implementation Services		4,533,200	4,399,900	8,933,100
Professional & Outside Services (Contractors)	360,000	492,400	938,600	1,791,000
IV&V	250,000	112,000	246,000	608,000
Software, Support & Hosting	14,086,100		1,555,000	15,641,100
Other Operational Expenditures + Hardware		38,300	2,700	41,000
Total	14,948,900	6,876,500	9,779,900	31,605,300

Q & A Session