DE20023 DCSS ATLAS Replacement (AZCARES)

State of Arizona – Department of Economic Security
Informational Update & Change Request

July 17, 2024

CR-1054

DEPARTMENT OF ECONOMIC SECURITY
Your Partner For A Stronger Arizona

Agency Vision
A thriving Arizona

Agency Mission
To strengthen individuals, families, and communities for a better quality of life.

Team Introduction

Roles Present at ITAC:

- Mark Darmer – ADES/DTS Chief Information Officer

- Heather Noble – ADES/DCSS Assistant Director / AZCARES Project Sponsor

- Durga Pattela – ADES/DTS Chief Technology Officer / AZCARES Technical Sponsor

Project Introduction

High-level overview of the approved original project investment justification (PIJ):

On December 21, 2020, ADOA ASET approved the original project investment justification (PIJ) to procure the DCSS ATLAS Replacement (AZCARES) solution.

This solution shall provide the following benefits:
- Service Enhancement
- Increased Efficiency
- Problem Avoidance
- Increased Collections
- Modernized 21st Century System

Prior to purchase, a Feasibility Study / Cost Benefit Analysis was conducted in 2017 to identify an alternative solution recommended for replacing the legacy ATLAS system. The replacement of the legacy ATLAS system would alleviate the below critical deficiencies.
- Technical Platform and System Security
- Usability and Efficiency/Inflexibility
- Data Reliability and Reporting
- Customer Access

The original PIJ spanned January 2021 - January 2025 and had development costs of $58,738,366 which was updated to the current budget of $60,270,283 in January 2023.

Project Update

Description of Project

- Replacement of the Legacy ATLAS system to collect and distribute child support payments with a modern solution giving the ability to automate workflows and add efficiencies. The new AZCARES system allows case managers to better serve the public.

Status Updates

- System statewide Go Live happened on May 9, 2024.
    - System transition had minimal impact to child support business operations
    - Deployment enhanced customer experience via customer portal
    - Identified high priority business processes and updated standard work to support end users
- Project overall status is in the process of transitioning back to green with the new baseline schedule.
- Federal Certification preparation activities started in April 2024 and the phase is scheduled to begin in Fall 2024 after the three month stabilization period.

Project Update

Project Health Card

Overall Project Health - Red

Schedule	● Timeline delays in the UAT and Pilot phases of the project
Scope	● Updates to data and process elements were identified during UAT & Pilot
Budget	● Additional timeline and scope increased development costs

Financials

Through May 2024:

Category Type	Total	Federal	Other
Development Budget	$60,270,283	$39,778,387	$20,491,896
Operational Budget	$13,975,399	$9,223,763	$4,751,636
Total Approved Budget	**$74,245,682**	**$49,002,150**	**$25,243,532**
Development Expenditures to Date	$35,232,418	$23,253,396	$11,979,022
Remaining Development Budget	$25,037,865	$16,524,991	$8,512,874
Development % Spent to Date	**58%**		

Financial Burndown Chart

Current burndown for Solution

Project Budget: $60,270,283
Expenditures to date: $35,033,619
Budget Remaining: $25,236,664

Project Start Date: 01/04/2021
Project Est. End Date: 02/04/2026

SFY	2021	2022	2023	2024
Baseline Projection	$7,872,012	$13,719,214	$14,066,811	$12,887,821
Actual	$4,916,660	$5,071,915	$21,078,720	$4,165,124
Variance ($)	-$2,955,352	-$8,647,299	$7,011,909	-$8,722,697
Variance (%)	-38%	-63%	50%	-68%

Notes:
PIJ Development costs only
SFY 2024 Actual data is only through May 2024

Project Change Request Overview

What in the PIJ is changing?:

- ☐ Timeline
    - ○ Project End date from: <u>February 2026</u> to <u>July 2026</u>
- ☐ Scope
    - ○ Descoping <u> </u> and Adding <u>X</u>
- ☐ Development Budget
    - ○ From <u>$60,270,283 </u> to <u>$65,426,248</u>

What initiated this change?:

- ● The project experienced timeline delays during UAT and Pilot impacting the overall schedule.

- ● Updates to data and process elements were identified during UAT and Pilot impacting scope.

- ● Both timeline and scope updates impacted the project's budget, increasing costs by 8.55%.

Change Request Project Timeline

Revised timeline for Solution:						
Date	2021	2022	2023	2024	2025	2026
Initiation & Planning	▬					
Requirements & Validation	▬					
Design	▬▬▬					
Development	▬▬▬					
System Testing	▬▬▬▬					
User Acceptance Testing			▬▬▬			
Implementation				▬		

Note: Drafted re-baselined schedule was reviewed and approved by federal partner, OCSS.

Change Request Project Timeline

Revised timeline for Solution Continued:						
Date	2021	2022	2023	2024	2025	2026
Go Live				●		
Federal Certification				▬		
Warranty				▬▬▬		
Transition					▬▬▬	
Operations and Maintenance (O&M)				▬▬▬▬▬▬		
Final Payment of Invoices						●
Closeout						●

Note: Drafted re-baselined schedule was reviewed and approved by federal partner, OCSS.

Change Request Project Timeline

Identify any change in timeline and possible benefits:

Milestone Name	Milestone Health	% Complete	Previous Start Date	Previous End Date	Revised Start Date	Revised End Date
Initiation & Planning	Completed	100%	01/04/2021	04/02/2021	01/04/2021	04/02/2021
Requirements & Validation	Completed	100%	01/04/2021	04/02/2021	01/04/2021	04/02/2021
Design	Completed	100%	04/05/2021	06/30/2022	04/05/2021	06/30/2022
Development	Completed	100%	04/05/2021	12/16/2022	04/05/2021	12/16/2022
System Testing	Completed	100%	04/02/2021	01/12/2023	04/02/2021	01/12/2023
User Acceptance Testing	Completed	100%	01/23/2023	04/14/2023	02/21/2023	02/23/2024
Implementation	Completed	100%	04/17/2023	06/05/2023	12/04/2023	05/08/2024
Go-Live	Completed	100%	06/05/2023	06/05/2023	05/09/2024	05/09/2024
Federal Certification	Not Started	0%	09/06/2023	11/09/2023	08/12/2024	12/02/2024
Warranty	Started	15%	11/10/2023	11/14/2024	05/24/2024	05/23/2025
Transition	Not Started	0%	06/05/2023	05/08/2025	05/24/2025	05/23/2026
Operations & Maintenance (O&M)	Started	7%	11/10/2023	11/14/2025	05/24/2024	05/23/2026
Final Invoices Paid	Not Started	0%	11/06/2025	02/04/2026	06/07/2026	07/06/2026
Closeout	Not Started	0%	10/06/2025	02/04/2026	05/24/2026	07/07/2026

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Change Request Development Budget

The following Changes are requested:

PIJ Category	Vendor	Amount	Status	Description
Professional & Outside Services	Quality Assurance (QA)	$37,000	Federal Approved	Additional reports due to timeline extension
	Independent Verification & Validation (IV&V)	$21,600	Federal Approved	Additional reports due to timeline extension
	Implementation (IM)	$7,822,539	Federal Approved	Development, system testing, UAT, and implementation of refined data and process elements including interfaces, data conversion, technical and function screens, batches, and reports
Facilities	Implementation (IM)	($2,681,695)	On going	Facilities office cost savings
Software Licenses	Software Vendors	($43,480)	On going	Development software cost savings
Change Request Net Total		**$5,155,964**		

Q & A
Session

Recommended Conditions

ADOA-ASET Conditions

1. 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.

2. 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.

ITAC Voting Options

What ITAC May Consider In Review Whether:

a.   The proposed solution addresses the stated problem or situation;

b.   The budget unit is competent to carry out the project successfully;

c.   Sufficient sponsorship and support by budget unit leadership exists;

d.   Cost estimates provided are accurate;

e.   The proposed project aligns with the budget unit's Strategic IT Plan; and

f.   The proposed solution complies with statewide IT standards.

ITAC Motions:

a.   Move to Approve

b.   Move to Approve with Conditions As Presented

c.   Move to Approve with Conditions

   i.   Committee May Modify or

   ii.   Add Conditions

d.   Move To Deny

Relevant Statutes and Rules

Per A.R.S. § 18-101 - Per Administrative Code R2-18-101