

Licensing IT Modernization

State of Arizona – Department of Agriculture

Project Investment Justification (PIJ)

April 16, 2025

Project #AH25002



Agency Vision

To serve as a leader in ensuring consumer protection, advancing Arizona agriculture, and safeguarding agricultural commerce.

Agency Mission

To protect the health and safety of Arizona consumers, advance and support Arizona agriculture, and safeguard commerce.



Team Introduction

Roles Present at ITAC

- Heather Flowers - Department of Agriculture Deputy Director
- David Knigge - MVD MvM Project Director
- Suzan Tasvibi-Tanha - ADOA-ASET Chief Operating Officer
- Randy Wheaton - Department of Agriculture Interim Chief Information Officer

Project Introduction

Stated Operational/Business Issue

- Custom homegrown applications run on unsupported frameworks with no maintenance & operations under contract.
- Unable to maintain, improve, or secure data due to funding, human resources, internal source code documentation, and knowledge of architecture design of the software.
- Systems utilized create gaps in efficiency and impose disjointed system & processes, resulting in the delayed fulfillment of a license and/or permit request.

Benefit to the State Agency and Constituents

- Centralize licensing tools, enhance service delivery efficiency and effectiveness to the customer community, improve internal service management practices by centralizing licensing & permitting.
- Eliminate agency silos resulting in cohesive cross-departmental communication and functionality.
- Manual tasks will be replaced by software system features increasing administrative productivity.
- Accountability and traceability will be bolstered for employees and customers.
- This modernization provides an interactive interface with licenses and permits.
- Stable environment for data to be transmitted and processed securely.

Proposed Solution

Overview of Proposed Solution

The proposed solution is the custom development of a new Licensing Solution with collaboration and technology resources from the Arizona Department of Transportation's (ADOT) Motor Vehicle Division (MVD).

The scope of the Licensing Solution will encompass licensing, mobile friendly consumer portal, document management, payment, compliance, reporting, and interfaces.

The solution will be built using Microsoft tools and technologies (.NET, C#, SQL Server, Azure Cloud Hosting) and select open-source tools. It will be modern technology, API-based, work across all major web browsers, and be highly secure.

The solution will operate in a separate Arizona Department of Agriculture (AZDA) tenant within Microsoft Azure Cloud. The Statewide Payment Gateway will be integrated and used for payment processing. Identity authentication technologies used in MVD's portal, AZ MVD Now, eAZ, and Arizona Business One-Stop will be leveraged for employee and customer access.

Proposed solution

Due Diligence and Method of Procurement

- Solicited the open market for vendors under state contract for a solution over last two years. Performed an extensive review process that included an evaluation of proposals and demonstrations provided by vendors such as Salesforce and ServiceNow. Based on the evaluation of vendors reviewed during the open solicitation process, AZDA submitted a budget request to support the best fit solution from that process.
- Subsequent to AZDA's budget request, ADOA-ASET team proposed software development services and solutions provided by the ADOT Motor Vehicle Division (MVD). MVD has successfully implemented many new systems benefiting the State of Arizona, including the MAX motor vehicle system, AZ MVD Now and eAZ portals, and Business One-Stop. This was determined to be the best solution for AZDA for both required functionality and long-term cost.

Technology

- Microsoft Azure Cloud
- Microsoft .NET
- SQL Server
- eAZ Identity Authentication
- Statewide Payment Gateway

Project Responsibilities

Identify Proposed Solutions Responsibilities

Agency

1. Vendor Management
2. Business Subject Matter Experts
3. Data Governance
4. Communication Plan
5. UAT
6. Change Management and Control

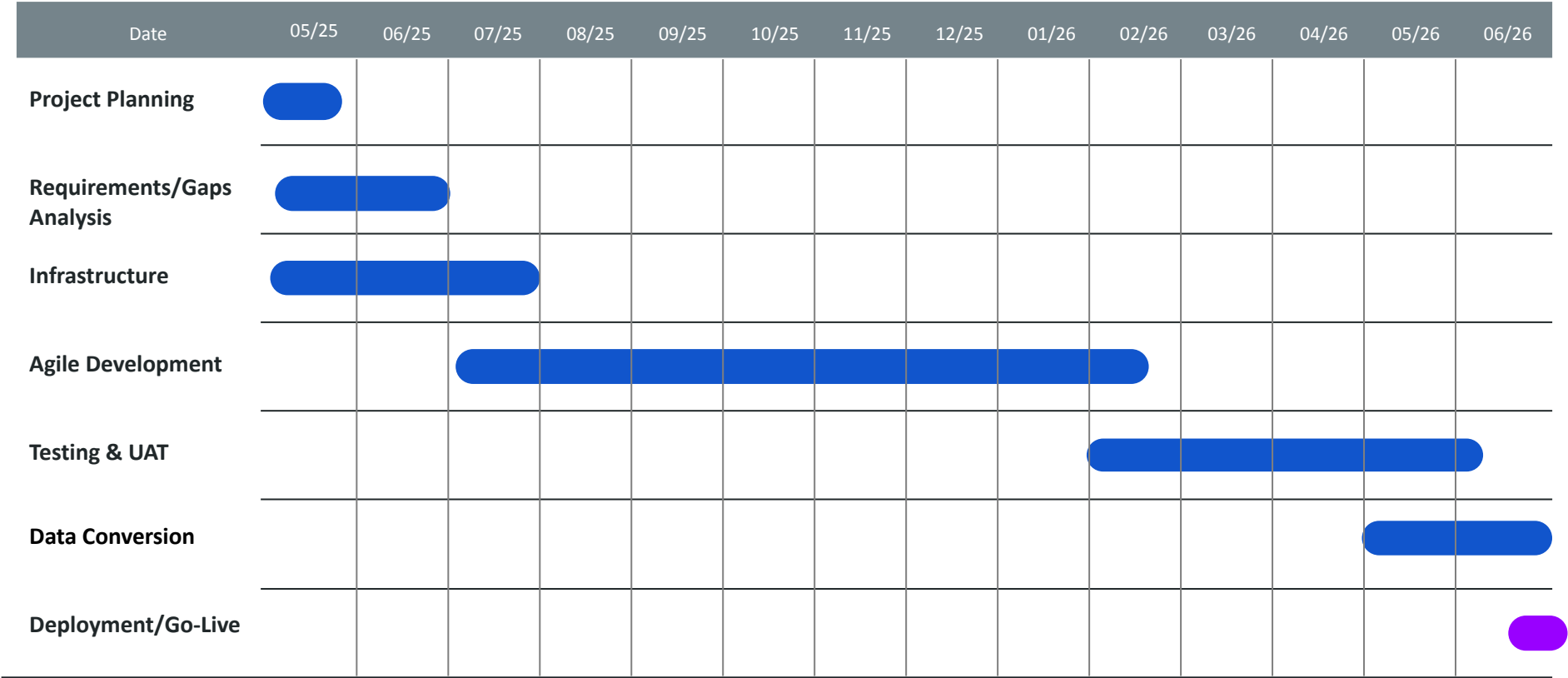
Shared

1. Project Management
2. Requirements Gathering
3. Training & User Assistance
4. Deployment/Go-Live Support

ADOT MVD

1. Gaps Analysis
2. Design
3. Configuration
4. Development
5. QA/Testing
6. Cloud Infrastructure
7. Data Conversion
8. Maintenance, Operations, and Support

Proposed Project Timeline



Project Costs

Project Costs by Category	FY25	FY26	FY27	FY28	FY29	Total
Professional & Outside Services (Contractors)	\$160,000	\$640,000				\$800,000
Hardware						
Software	\$190,000	\$760,000				\$950,000
Communications						
Facilities						
License & Maintenance Fees			\$450,000	\$472,500	\$496,125	1,418,125
Other Operational Expenditures (ADOA Fee)			\$45,000	\$47,250	\$49,613	\$141,863
Total Development	\$350,000	\$1,400,000	\$0	\$0	\$0	\$1,750,000
Total Operational	\$0	\$0	\$495,000	\$519,250	\$545,738	\$1,559,988

Financial Impact (If Applicable)

Breakdown of Financial Impact

Project Development Funding

Base Budget - Available	\$0
Base Budget - To Be Requested	\$1,489,448
APF Budget - Available	\$1,820,540
APF Budget - To Be Requested	\$0
Other Appropriated - Available	\$0
Other Appropriated - To Be Requested	\$0
Federal - Available	\$0
Federal - To Be Requested	\$0

Total Development Project Funding

Available Budget	\$1,820,540
To Be Requested Budget	\$0

Operational

Current 3-Year Operational Cost (Avg)	
Proposed 3-Year Operational Cost (Avg)	\$1,559,988
Financial Impact of New System	

Total Operational Funding - Project

To Be Requested Budget	\$1,489,448
------------------------	-------------

Financial Impact (If Applicable)

Overview of Current Budget Position

State Funding			
APF			
	Appropriated	Favorably Reviewed	ADOA Transferred
Total FY22 Appropriated	\$	\$	\$
Total FY23 Appropriated	\$2,000,000	\$2,000,000	\$179,460
Total FY24 Appropriated	\$	\$	\$
Total FY25 Appropriated	\$	\$	\$
Total APF	\$2,000,000	\$2,000,000	\$179,460
General or Non-APF State Fund			
Fiscal Year		Planned	
FY22		\$	
FY23		\$	
Total General Fund		\$	
Total of All State Funding		\$	
Federal Funding			
	Appropriated	Approved to Spend	Available to Spend
Name/Number of Fund	\$	\$	\$
Actuals			
APF/GF Spent		Federal Spent	
APF	\$179,460	Name/Number of Fund	\$
Name/Number of Fund	\$	Name/Number of Fund	\$
Total APF/GF Spent	\$	Total Federal Funds Spent	\$
Total Fund Remaining			
Total Funds Available to Spend		\$2,000,000	
Total Funds Spent		\$179,460	
Total Funds Remaining		\$1,820,540	

Additional Information:

- Of the \$2,000,000 appropriated APF funds, \$179,460 was transferred to AZDA for a Licensing System Assessment Report & development of a Task Order Statement of Work and related procurement documents.
- The \$1.75M development cost of the proposed solution will be funded from the remaining \$1,820,540 APF balance.
- AZDA is in regular communication with OSPB and will include the ongoing M&O funding in the FY27 budget request per their recommendation not to request ongoing funding until the year it is needed.

What Success Looks Like

Success Criteria

The Department currently fulfills approximately 70 license and permit types, and processes over 100,000 applications annually. Due to slow processing times, businesses within the state have suffered.

An example of this is that during the business' hiring process of applicators, they have lost potentially qualified applicants because the process of approval took too long to fulfill and the candidates found employment elsewhere.

The Department plans to increase their productivity and decrease fulfillment timelines for the community which will raise the community's level of confidence and satisfaction and enable them to conduct their business more quickly.

Measures of Success

The Department's goal is that within 12 months of project completion it will:

- reduce IT ticket submissions to fix issues encountered by database functionality by 75% (including functionality issues with AZDA seed, free sale, native plant, horse hauling, OFC Manager, Credentials, CTU Tools, & FoxPro programs)
- increase the percentage of Weights & Measures invoices that are automatically generated and printed to 100%
- improve the customer service experience for Pest Management customers by providing transparency of their application status for at least 5 steps of the application process on the user portal.
- reduce the amount of deposit errors by 40%

Q & A Session

Recommended Conditions

ADOA-ASET Conditions

- a. 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.
- b. 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 June 15, 2025.

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