

Department of Agriculture
PIJ # AH25002 - AH - Licensing - IT Modernization - Centralized Licensing
Software Project Contract Award (Phase 2)
Oversight Name: Les
[AH25002](#)

| | | |
|---|--|---|
| OA Peer Review Date: 3/26/25 <div style="background-color: #2e7d32; color: white; padding: 2px; text-align: center;">Approve with Standard Con... ▾</div> | OA Recommendation Date: 3/26/25 <div style="background-color: #2e7d32; color: white; padding: 2px; text-align: center;">Approve with Standard Conditions ▾</div> | EM Review Date: 3/24/25 <div style="background-color: #2e7d32; color: white; padding: 2px; text-align: center;">Approve with Standar... ▾</div> |
| Oversight Director Decision Date: 3/27/25 <div style="background-color: #f5f5f5; padding: 2px; text-align: center;">ITAC Recommendation ▾</div> | OR Deputy CIO Decision Date: <div style="background-color: #f5f5f5; padding: 2px; text-align: center;">No Response ▾</div> | |

| | |
|---|--|
| <u>Submission Date:</u> 3/6/25 <u>Project Duration:</u> 1 year and 2 months Start Date: 4/1/25 End Date: 6/30/25 | <u>Project Budget:</u> APF Development Cost \$ 1,750,000.00 Non APF Dev Cost \$ 0.00 Operational Cost \$ 2,133,513.00 Total Cost \$ 3,883,513.00 |
|---|--|

| |
|---|
| <u>Brief Project Description:</u> <ul style="list-style-type: none">The Project Description is to replace and modernize the Arizona Department of Agriculture's (AZDA) legacy applications that support agriculture licensing for individuals and organizations. |
|---|

| |
|--|
| <u>Current Solution Issues:</u> <ul style="list-style-type: none">What is the operational issue or business need that the Agency is trying to solve?<ul style="list-style-type: none">The Arizona Department of Agriculture (AZDA) issues over 150,000 licenses across 70 types using outdated custom applications . These applications, unsupported and lacking documentation, create inefficiencies and delays in license fulfillment.What hardware/software is currently being utilized by the agency? The Arizona Department of Agriculture<ul style="list-style-type: none">AZDA's custom applications, developed by former contractors, are outdated and lack vendor support. Specific applications include Credentials, OFC Manager, CTU Tools, NPP, and an MS Access 2003 database supporting Animal Services.Describe and quantify the shortcomings of the current set-up/system (time, man-hours, financial, overall efficiency).<ul style="list-style-type: none">The current licensing process is inefficient, outdated, and insecure, resulting in delays and a lack of support. <p>Specific examples of issues that the new system intends to solve are:</p> <ul style="list-style-type: none">75% reduction in IT ticket submissions for seed, free sale, native plant, and horse hauling programs100% improvement in Weights and Measures program processes50% increase in customer service experience for Pest Management Division75% reduction in deposit errors |
|--|

Proposed Solution/Business Justification:

- Describe the proposed solution to this business needs.
 - 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 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. The proposed cloud-based solution will modernize AZDA's legacy agriculture licensing applications. The custom solution will be built on modern, secure technologies and will include a mobile-friendly consumer portal, document management, payment processing, and more. The ADOT MvM Team will develop the solution and provide ongoing support.
- How will the proposed solution improve operations? Use quantifiable metrics, if possible.
 - The State of Arizona will benefit by providing a stable centralized environment for Agriculture data to be transmitted and processed securely. The new licensing and permitting system will modernize and secure the Agency's licensing services. It will also centralize licensing and compliance tools, improving both customer service and internal management. Additionally, the software will eliminate agency silos, increase productivity, and bolster accountability. The public will be able to view and interact with licenses and permits, and the state will benefit from a secure environment for Agriculture data.

Specific quantifiable metrics of improvement:

- Reduce/help the number of deposit errors by 75% with deposits being in a centralized location. 75% reduction in IT ticket submissions for seed, free sale, native plant, and horse hauling programs.
- 100% improvement in Weights and Measures program processes.
- 50% increase in customer service experience for the Pest Management Division.
- 75% reduction in deposit errors.
- How does implementing this solution benefit the State?
 - The solution will improve internal service management practices by centralizing its licensing and permitting services into one tool. This solution will improve processes for several programs, increase customer service, and reduce deposit errors by centralizing and modernizing the agency's licensing services.

Performance Indicators: (Expected Improvement/ROI/KPIs and Baseline must be included in each) What metrics will improve by adopting the new solution and by how much?

The department processes over **100,000** applications annually for 70 license and permit types. Slow processing times have negatively impacted businesses, for example, by causing them to lose potential hires. To address this, the department aims to improve productivity and fulfillment timelines, with the goal of increased community confidence and satisfaction. **Within 12 months of project completion**, the department expects to:

- Reduce IT ticket submissions for seed, free sale, native plant, and horse hauling programs by **75%**.
- Improve Weights and Measures program processes by **100%** by improving invoice processing, data tracking, and eliminating timeouts.
- Increase customer service experience for the Pest Management Division by at **least 50%** by providing application status views and reducing errors/delays.
- Reduce deposit errors by **75%** by centralizing deposits.

Vendor Selection (3 Quote):

- **Considered Vendors:** ServiceNow, Salesforce, and eAZ.
- **Selected Vendors:** eAZ
- **3 Quotes Obtained:** Yes
- **Exception Reason:**

Implementation Plan:

- This can be considered On-Prem. No AZRAMP required. An SSP is required.
- Project Manager: Heather Flowers, hflowers@azda.gov
- Responsible Owner for KPI: Danelle Keyes, dkeyes@azda.gov
- Agency Responsibilities:
 - Manages the relationship with the vendor ADOT MvM.
 - Acts as a liaison between ADOT MvM and business.
 - Works with ADOT MvM to lead the project and ensure that it is completed on time, within budget, and meets the needs of AZDA.
 - Provides status reporting.
 - Will provide timely access to individuals requested by the ADOT MvM Team.
 - Will allocate the time required of knowledgeable staff for the ADOT MvM Team.
 - Will respond to questions within 3 business days.
 - When requested, will provide Subject Matter Experts to discuss questions with the ADOT MvM either in-person or via video call.
 - Will review software functionality delivered to AZDA and provide feedback within 5 business days.
 - For all major scope items, will have a designated point of contact defined and accessible by the ADOT MvM Team.
 - Will sign an Interagency Service Agreement (ISA) with ADOT.
- ADOT MvM Team Responsibilities:
 - Will assess the requirements and report provided by BerryDunn.
 - Will perform a gap analysis of the aforementioned requirements.
 - Will produce a project.
 - Will manage the project with AZDA's project manager.
 - Will gather additional requirements for review of feasibility.
 - Will create design concepts for review and approval.
 - Will establish interfaces and perform data migration.
 - Will provide a test user space for quality assurance.
 - Will assist with producing training materials for the tool (not process).
 - Will provide support during and post-go-live.
 - Will transition all knowledge to AZDA for administration and general maintenance and operations.
 - Will assume full responsibility for complex maintenance and operations, and development work.
 - Will provide development and technical resources.
 - Will provide ongoing maintenance and operations, on-call support, and public portal call center support with the same call center/support team as AZ MVD Now and Arizona Business One-Stop.
 - Will support AZDA for ongoing maintenance, operations, and support for as long as desired.
 - If the AZDA wishes to bring the maintenance, operations, and support internally, will support their efforts to do so.
- Sponsor Responsibilities:
 - Responsible for the approval of the project deliverables and issue resolution.
- ADOA-ASET Responsibilities:

- Will serve as the middleman to facilitate payment from AZDA through the eGov agreement to ADOT.
- Will process payments to ADOT.
- Will sign agreements and payment processing between AZDA and ADOA.
- Multiple system interfaces: Yes

Risks:

- **Funding Uncertainty:** The department doesn't have the funding to cover the vendor's estimate. The project depends on a favorable review from the Joint Legislative Budget Committee (JLBC) to use remaining Automated Project Funds (APF) and a review for an extension of those funds into FY27 to ensure vendor payment. There's also a dependency on the department requesting an exception to the AZDA FY26 budget for ongoing maintenance and operation funding. If the ongoing general funds are not received, it could negatively impact the project's review and the department's ability to deliver a usable product.
- **Agreement Execution:** Agreements between the Agency and ADOA-ASET and extensions between ADOA-ASET and ADOT need to be executed.

Project Background:

- What is the role of the agency? What does the agency do?
 - The Arizona Department of Agriculture's role is to support and regulate Arizona's agriculture industry, protect consumers and natural resources, and ensure the safety and integrity of food and commerce.
 - The Arizona Department of Agriculture supports and regulates Arizona's agriculture industry, protecting consumers, natural resources, and promoting farming, ranching, and agribusiness, while ensuring food safety and commerce standards.
- What is the role of a specific unit within the agency (if applicable)?
 - Within the Arizona Department of Agriculture (AZDA), food licensing plays a crucial role in ensuring the safety and quality of food products, from production to distribution, by regulating and inspecting various aspects of the food industry.
- What problem is the agency resolving with this PIJ?
 - The agency is trying to solve the operational issue of using numerous custom homegrown applications that were programmed by contracted software developers who are no longer employed with the Agency. These applications run on frameworks/programs that date back to the year 2000.

Budget or Funding Considerations:

| The budget will be available through the following sources: | Funding expiration(s): Yes |
|---|--|
| 56% APF Budget | Start Date: 07/01/24 End Date: 06/30/26 |
| 44% Base Budget | Start Date: 07/01/24 End Date: 06/30/25 |
| % Federal | Start Date: End Date: |

| | |
|--------------------------|--------------------------|
| % Other Appropriated | Start Date: End Date: |
| % Other Non-Appropriated | Start Date: End Date: |

PIJ Checklist:

| Requirement | Received? | Notes |
|--|--------------|-------|
| SOW | Received ▾ | |
| Project Plan | Received ▾ | |
| 5-Year Equipment Refresh Plan for Equipment Purchases | Not Needed ▾ | |
| Maintenance & Support Options Identified for Years 2-5 | Received ▾ | |
| Cloud Exception Form for On-Prem Servers | Not Needed ▾ | |
| Vendor activity or documentation (training, functionality change, etc.) to be Shared with Agency | Received ▾ | |
| Internal Approvals from the Director, CTO, CIO, CFO/Budget Manager via email | Received ▾ | |
| Project is Included in the IT Strategic Plan and Aligns with the Budget | Received ▾ | |

The PIJ addresses the following items:

- No ▾ Cost Savings
- Yes ▾ Whether the proposed solution addresses the stated problem or situation
- Yes ▾ Whether the budget unit is competent to carry out the project successfully
- Yes ▾ Whether sufficient sponsorship and support by budget unit leadership exists
- Yes ▾ Whether cost estimates provided are accurate
- Yes ▾ Whether the proposed project aligns with the budget unit's Strategic IT Plan
- Yes ▾ Whether the proposed solution complies with statewide IT standards

[AH25002](#)

PIJ Modifications + Follow-Up

OA Post-Approval Checklist:

| |
|--|
| <input type="checkbox"/> Copy the information from this document into the Oversight Summary section in Salesforce (Project Background, Business Justification, Implementation Plan, Vendor Selection, and Budget or Funding Considerations). |
| <input type="checkbox"/> Ensure that within the Submission Info section of the PIJ in Salesforce, the IT Goal, Brief Description, Status Report Frequency, and Requested Development Amount fields have been populated. |
| <input type="checkbox"/> Add the appropriate conditions within the Conditional Approval Section. |
| <input type="checkbox"/> Complete any follow-up/edits to the PIJ that were noted in the executive review. |
| <input type="checkbox"/> After the PIJ is complete, pdf this document and attach to the PIJ. |
| <input type="checkbox"/> Click Generate PIJ Document, copy as a pdf, and attach to the approval email. |
| <input type="checkbox"/> Log the approval email to the PIJ in Salesforce using the Gmail Extension. |
| <input type="checkbox"/> Go to the newly-created project and populate the PM Assigned field and any risks identified. |

Guides

Milestones:

Common milestones include, but not limited to:

- Project Kickoff
- Delivery of Signed SOW
- Delivery of Project Plan Document
 - Sometimes an Agency can only produce this after an assessment from the vendor. Ensure this is added as a milestone after the assessment takes place, and ensure the assessment is added as a milestone as well.
- Installation
- Configuration
- Sprints (design & build, with descriptions)
- UAT
- Training (support team/admin)
- Training (end users)
- Go Live

- Payment Invoices (by milestone or date(s))
- Final Payment of Invoices
- Lessons Learned
- Project Close

Common things to look out for:

- If milestones span a long interval of time, for example, several months or longer, there are events that take place within this milestone that can be broken into several milestones that can be more easily monitored.

Financials

- All financials during the first fiscal year are considered Development. Every year after is Operational. However this may be different for projects that span over 1 year.
- Professional services cannot be taxed.
- Ensure the quote from the vendor matches the financials' line items.
- Keep note of the funding expiration dates, when payments will be made (identified within milestones), and whether the Agency has the budget for the project. For example, some Agencies receive new funding every October. Ensure their payment dates are aligned with their ability to pay using the funding they anticipate to receive. Some projects will have multiple funding sources expiring at different times.
- Ensure the categorization of the line items makes sense and they are separated by 1 item per line. For example, licenses and professional services should not be combined; they should be separated into each line item with the applicable categorization and tax information.
- If static maintenance and support costs for years 2-5 are not guaranteed by the vendor, include a 2.5% increase year over year in order to account for any future price increases.

Risks

- Common risks include:
 - Aggressive timelines
 - Two or more agencies involved with the project
 - Two or more vendors involved with the project
 - Paying the vendor at one time, all upfront, prior to any work being performed
 - Any other items included in the conditional approval that are required within future status report submissions