

Project Investment Justification

DTS IT Equipment FY26

DE25019

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE25019

PIJ Name: DTS IT Equipment FY26

Account: Department of Economic Security

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

Sponsor: Mark Darmer

Sponsor Title: CIO

Sponsor Email: mdarmer@azdes.gov

Sponsor Phone: (602) 771-6079

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...):

The Division of Technology Services will facilitate purchase of new end-user computer technology to assist DES programs with current staffing demands and replacing old, out-of-warranty, under powered or non-conforming laptops and desktop computers. Due to the effects of the global pandemic, the business model continues to evolve as most staff continue to telecommute. Outdated/outmoded equipment will be surplus (1-for-1) in accordance with ADOA policy.

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

In order to maintain operational equipment for existing and new staff and accommodate the new business models, it is necessary to replace old and outdated computers, laptops, monitors and then surplus the replaced equipment. This will ensure the ability to provide goods and services to Arizonans in need.

2.3 Describe the proposed solution to this business need.

PC, monitors and laptops are based on our current security and deployments standards as well as Division operational requirements.

Three quotes were received:

CDW - Not Selected

GMI - Not Selected

Milestone- Selected, most reasonably priced.

The vendor, Milestone, selected met our requirements exactly for all equipment. DES has a previous successful support relationship with the vendor. The Enterprise Asset Management team will coordinate with each Division the proposed devices to be replaced and will also handle the reassignment or surplus of the old equipment.

Approved by Mark Darmer, CIO, on 05/02/2025.

Approved by Michael Wisheart, DES Director, on 05/15/2025.

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?

No

2.5a Please explain below why the requirements are not available.

Equipment Refresh and expansion

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).

The agency

Request Quotation

Submit PO / Order

Receive Equipment

Pay Invoice

Deploy Equipment

Surplus Equipment

Vendor

Provide Quotes

Provide Equipment

Send Invoice

Both

Monthly Touchpoint Meeting

4.3 PM Name

Grecia Zazueta Aguilar / James Ngeno

4.3 PM Email

rromero@azdes.gov

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?

Yes

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

Est. Implementation Start Date

7/1/2025 12:00:00 AM

Est. Implementation End Date

9/30/2026 12:00:00 AM

5.3 How were the start and end dates determined?

Dates provided

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
DES Receive, tag, and image devices	07/01/25	06/30/26
Submit Purchase Orders to Vendors	07/01/25	06/30/26
Vendors to process and ensure delivery	07/01/25	06/30/26
Deploy & Install devices	07/01/25	06/30/26
Final Payment of Invoices	08/01/25	09/30/26
Project Closeout	09/15/26	09/30/26

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?

No

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?

Yes

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

No

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.

My project team does not have experience in this enterprise technology

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?

No

8.3a Describe how the software was selected below:

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)?

Yes

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?

No

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?

No

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?

No

8.11 Is this replacing an existing solution?

Yes

8.11a Indicate below when the solution being replaced was originally acquired.

Ongoing PC, laptop and monitor replacements for equipment that is between 4 and 7 years old or no longer relevant based on current business practices.

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

Hardware will be surplus in accordance to standards and policies.

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?

DBS EAM provided the various Divisions with aged fleet numbers and with specific Division support, identified ongoing needs based on current business model and changing models to address telecommuting and employee fluctuations for Fiscal and Calendar 2025. (18 months)

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?

No

8.14 Does the proposed solution and associated costs include failover and disaster recovery contingencies?

No

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

Not needed

8.15 Will the vendor need to configure the proposed solution for use by your agency?

No

8.15a Are the costs associated with that configuration included in the PIJ financials?

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 hosted in a vendor managed environment?

No

9.1a Please select from the following vendor-hosted options:

9.1b Describe the rationale for selecting the vendor-hosted option below: Ex. following cloud smart goal, lower cost?.....

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment? Ex. is the environment setup in an efficient and effective way/-Has a cloud specialist reviewed the environment (Agency is mainly focused on cost of operation)

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

9.1e Has a Network Architecture Diagram and/or System Security Plan (draft or finalized version) being provided and reviewed by AZDOHS?

9.1f Has the spreadsheet located at https://azdohs.gov/sites/default/files/azramp-level-1-prerequisite-control-sheet_0.xlsx already been completed by the vendor and approved by AZDOHS?

9.2 Will the proposed solution be hosted in a state managed environment?

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 Confidential state data as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed within this system?

No

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

10. AREAS OF IMPACT

Application Systems

Database Systems

Software

Hardware

PC Purchases, Peripherals

Hosted Solution (Cloud Implementation)

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
HP 3 Year Absolute Resilience for Education - for Service Guarantee Regions Only - U8UK1E - HP ZBook	Software	Development	1	113	\$84	\$9,533	810.00%	\$772	\$10,305
"HP EliteBook 840 14 inch G11 Notebook PC A6SY5UT#ABA"	Hardware	Development	1	1274	\$1,525	\$1,942,939	810.00%	\$157,378	\$2,100,317
"HP S5 Pro 524pm FHD USB-C Conf MNTR 9E0G9UT#ABA"	Hardware	Development	1	1250	\$392	\$490,000	810.00%	\$39,690	\$529,690
"HP 3y Premium Onsite w/DMR Notebook U85BXE"	Hardware	Development	1	1274	\$102	\$129,566	0.00%	\$0	\$129,566
HP 3 Year Absolute Resilience for Education - for Service Guarantee Regions Only - U8UK1E - HP 840	Software	Development	1	1274	\$84	\$107,475	810.00%	\$8,705	\$116,180
"HP Elite x360 1040 14 inch G11 2-in-1 Notebook PC A6SV5UT#ABA"	Hardware	Development	1	20	\$2,085	\$41,709	810.00%	\$3,378	\$45,087

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"HP 3y Premium Onsite w/DMR Notebook U80MVE"	Hardware	Development	1	20	\$107	\$2,147	0.00%	\$0	\$2,147
HP 3 Year Absolute Resilience for Education - for Service Guarantee Regions Only - U8UK1E - HP X360	Software	Development	1	20	\$84	\$1,687	810.00%	\$137	\$1,824
"HP ZBook Firefly 16 inch G11 Mobile Workstation PC A6UF0UT#ABA"	Hardware	Development	1	113	\$2,135	\$241,220	810.00%	\$19,539	\$260,759
"HP 3y Premium Onsite w/DMR Mobile Workstation U85QWE"	Hardware	Development	1	113	\$143	\$16,159	0.00%	\$0	\$16,159
"HP Elite Mini 805 G8 Desktop PC A98XXUT#ABA"	Hardware	Development	1	680	\$1,310	\$890,555	810.00%	\$72,135	\$962,690
"HP 3 year Next Business Day Onsite w/Defective Media Retention Desktop Hardware Support UE332E"	Hardware	Development	1	680	\$15	\$9,989	0.00%	\$0	\$9,989
HP 3 Year Absolute Resilience for Education - for Service Guarantee Regions Only - U8UK1E - HP 805	Software	Development	1	680	\$84	\$57,365	810.00%	\$4,647	\$62,011
"HP Series 5 Pro 23.8 inch FHD Monitor - 524pf 9D9L6UT#ABA"	Hardware	Development	1	750	\$217	\$162,750	810.00%	\$13,183	\$175,933
"HP USB-C Dock G5 5TW10AA#ABA"	Hardware	Development	1	250	\$197	\$49,278	810.00%	\$3,991	\$53,269
"HP 235 Wireless Mouse	Hardware	Development	1	1500	\$16	\$23,925	810.00%	\$1,938	\$25,863

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and Keyboard Combo 1Y4D0UT#ABA"									
"HP 65W USB-C LC Power Adapter 1P3K6AA#ABA"	Hardware	Develop ment	1	120	\$53	\$6,401	810.00%	\$518	\$6,919
"HP USB-C 110W Laptop Charger (for Zbook) 8B3Y2UT#ABA"	Hardware	Develop ment	1	120	\$73	\$8,700	810.00%	\$705	\$9,405

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$668,047	\$0	15%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$21,890	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$1,637,422	\$0	36%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$2,190,747	\$0	48%

Total Budget Available	Total Development Cost
\$4,518,106	\$4,518,113
Total Budget To Be Req	Total Operational Cost
\$0	\$0
Total Budget	Total Cost
\$4,518,106	\$4,518,113

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.

Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.

Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

The current hardware to replace is 4 - 7 years old and reaching the end of life.

Currently, 1632 assets (laptops/desktops) were identified as needing to be refreshed, throughout the project, 1632 assets will be refreshed which will result in 100% of assets replaced at the end of the project.

With new hardware the agency will continue to function without the interruption of failing equipment.

Responsible Owner for KPI

Grecia Zazueta Aguilar

Email Address

rromero@azdes.gov

13. CONDITIONS

Conditions for Approval

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.

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 August 15, 2025.

14. OVERSIGHT SUMMARY

Project Background

The Department of Economic Security (DES), through its Division of Technology Services (DTS), is undertaking this project to ensure its staff have the necessary tools to serve the public. The core problem being resolved is that a large fleet of employee computers is aging and no longer adequate to support modern work requirements, particularly the increase in telecommuting. By replacing this old and out-of-warranty equipment, DTS will ensure that the broader DES agency can maintain operational continuity and effectively deliver its services to Arizonans. ADOA evaluation: The project background provides a clear and logical justification. It correctly identifies the sponsoring agency, the responsible division, and the problem to be solved. The link between the proposed technology refresh and the agency's ability to fulfill its mission is well-defined.

Business Justification

The proposed solution is a hardware refresh project to acquire new PCs, monitors, and laptops that conform to current security and deployment standards. Milestone has been selected as the vendor, as they provided the most reasonably priced quote and met all equipment requirements. This refresh will equip existing and new staff with reliable technology, ensuring DES can maintain its operational capacity and continue providing services to the public. The agency has a successful history with the selected vendor, and internal teams will manage the deployment and surplus of old equipment.

Standardized Equipment: The new hardware will be based on current security, deployment, and operational standards.

Vendor Selection: Three quotes were obtained, and the vendor Milestone was selected for being the most reasonably priced and meeting all requirements.

Benefit to the State: This investment ensures the agency has the necessary tools to provide goods and services to Arizonans in need.

Internal Management: The Enterprise Asset Management team will coordinate the device replacement and handle the surplus of the old equipment.

ADOA evaluation: The justification for a technology refresh is clear and directly supports the agency's operational needs. However, the PIJ states that business requirements have not been formally gathered. While this is a straightforward hardware purchase, the absence of documented requirements presents a risk that the mix of purchased equipment may not fully align with specific programmatic needs, potentially leading to inefficiencies.

Implementation Plan

Hardware only, No AZRAMP or SSP needed.

Project Manager: Grecia Zazueta Aguilar / James Ngeno

Responsible Owner for KPI: Grecia Zazueta Aguilar

Agency Responsibilities:

Request Quotation

Submit PO / Order

Receive Equipment

Pay Invoice

Deploy Equipment

Surplus Equipment

Vendor Responsibilities:

Provide Quotes

Provide Equipment

Send Invoice

Both

Monthly Touchpoint Meeting

ADOA evaluation: The implementation plan clearly defines the roles and responsibilities for the agency and the vendor. However, the project milestones are very high-level and span the entire project duration; for example, "Deploy & Install devices" is scheduled to last from July 2025 to June 2026. Best practice, as noted in the Minimum Viable Submission guide, is to break these into shorter, manageable segments to allow for more effective progress tracking and reduce the need for follow-up during status reports.

Vendor Selection

Considered Vendors: CDW, GMI.

Selected Vendor: Milestone.

3 Quotes Obtained: Yes.

Exception Reason: Not Applicable.

Budget or Funding Considerations

Base Budget: \$668,047 (15%)

Start Date: 7/1/2025

End Date: 6/30/2027

Federal: \$1,637,422 (36%)

Start Date: 7/1/2025

End Date: 9/30/2027
Other Appropriated: \$21,890 (0%)

Start Date: 7/1/2025
End Date: 6/30/2027
Other Non-Appropriated: \$2,190,747 (48%)
Start Date: 7/1/2025
End Date: 6/30/2027

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Mark Darmer

Agency CIO (or Designee)

Mark Darmer

Agency ISO (or designee)

Dan Wilkins

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Chris Reynolds

Agency SPO Representative

Agency CFO

Kori Kappes