ADOA-ASET
Arizona Strategic Enterprise Technology

Project Investment Justification

Version 01.01

A Statewide Standard Document for Information Technology Projects

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Project Title: AELAS SIS Opt In

Agency Name:	**Arizona Department of Education**
Date:	**December 19, 2014**
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Hover for Instructions

I.   Management Summary*

A Pre-PIJ was submitted and approved in order to move forward with the submission of a Request for Proposal (RFP) to procure a COTS Student Information System (SIS). This PIJ is to complete the award process.

As part of the Arizona Education and Learning Accountability System (AELAS) business case, a cost analysis was completed to determine the potential savings and reinvestment opportunity if the Arizona Department of Education (ADE) were to offer state procured systems with reduced statewide pricing to Local Education Agencies (LEAs). Initial analysis of the cost data provided by LEAs for their systems revealed a wide range of prices paid by different LEAs for the very same product. Very small LEAs (fewer than 200 students) often have to pay a minimum cost for systems which is substantially more than they would pay simply based on the number of students they have. LEAs often settle for a less than optimal system for their needs simply because they cannot afford the system that does meet their needs. Large and very large LEAs often stick with a specific system when it doesn't meet their needs simply because it is too costly to go through the process of selecting, procuring, and implementing a new system.

These are all examples of limitations on the ability of LEAs, in all size categories, to procure, implement, and use high-quality systems that support efficiency and effectiveness.

Additionally, procurement of these COTS SIS systems is time-consuming and requires expertise in advanced technical standards and specifications to purchase a system from a vendor with sound technical development process and practices. This effort also requires end-user input to ensure capabilities match the demand of the users. It is estimated LEAs spend millions annually to just procure COTS software applications.

II.   Project Investment Justification (PIJ) Type*

| | Yes | X | No | Is this document being provided for a Pre-PIJ / Assessment phase?

If Yes,

Identify any cost to be incurred during the Assessment phase.	$
Based on research done to date, provide a high-level estimate or range of development costs anticipated for the full PIJ.	$

Explain:
A Pre-PIJ was submitted and approved in order to move forward with the submission of a Request for Proposal (RFP) to procure a COTS Student Information System. This PIJ is to complete the award process.

| X | Yes | | No | Will a Request for Proposal (RFP) be issued as part of the Pre-PIJ or PIJ?

III.   Business Case

A.   *Business Problem**

As part of the Arizona Education and Learning Accountability System (AELAS) business case, a cost analysis was completed to determine the potential savings and

reinvestment opportunity if the Arizona Department of Education (ADE) were to offer state procured systems with reduced statewide pricing to Local Education Agencies (LEAs). Initial analysis of the cost data provided by LEAs for their systems revealed a wide range of prices paid by different LEAs for the very same product. Very small LEAs (fewer than 200 students) often have to pay a minimum cost for systems which is substantially more than they would pay simply based on the number of students they have. LEAs often settle for a less than optimal system for their needs simply because they cannot afford the system that does meet their needs. Large and very large LEAs often stick with a specific system when it doesn't meet their needs simply because it is too costly to go through the process of selecting, procuring, and implementing a new system. These are all examples of limitations on the ability of LEAs, in all size categories, to procure, implement, and use high-quality systems that support efficiency and effectiveness. Additionally, procurement of these COTS SIS systems is time-consuming and requires expertise in advanced technical standards and specifications to purchase a system from a vendor with sound technical development process and practices. This effort also requires end-user input to ensure capabilities match the demand of the users. It is estimated LEAs spend millions annually to just procure COTS software applications.

B. *Proposed Business Solution**

A Pre-PIJ was submitted and approved in order to move forward with the submission of a Request for Proposal (RFP) to procure a COTS Student Information System (SIS). This PIJ is to complete the award process for the vendor who was selected as part of the Pre-PIJ.

The award of the vendor contract for a statewide SIS, will enable ADE to provide very small, small, medium LEAs pricing similar to that of a very large LEA and that would enable LEAs to potentially recover millions of dollars, which can then be reinvested to hire more teachers, purchase additional software or curriculum materials, or provide better technology in classrooms. No longer will LEAs be required to manage the SIS vendor relationship as ADE will manage the vendor relationship. When timing is appropriate for a specific LEA, they can schedule implementation with the ADE. ADE will develop and implement agreements with LEAs' who chose to Opt-In. A draft version of the agreement is attached in the Additional Information section

The staffing will provide level1 and level 2 support, marketing outreach, implementation and the management.

 Vendor selected was Edupoint, product is Synergy – contract award was not completed before start of LEA school year.

C. *Quantified Benefits**

	Service enhancement
	Increased revenue
X	Cost reduction

☐ Problem avoidance
☐ Risk avoidance

Explain:

The figure below (from the AELAS business case) shows a very clear example of the level of savings associated with applying economies of scale to the offering of a state-procured COTS Student Information System (SIS). Of the 600 plus LEAs in Arizona, each has their own SIS. Each one negotiates pricing separately, and most of the 445 smallest LEAs have to pay a vendor's minimum cost that is much higher than what the per-student cost would be based on their enrollment. Centralizing the purchase of licenses, maintenance, and the implementation process statewide for a Student Information System (SIS) would recover costs for LEAs in all size categories.

For example, small LEAs (below 600 students) currently spend millions collectively for licensing and maintenance costs for their SIS. With the centralized purchasing model, their collective annual cost would be substantially reduced, freeing up valuable funds for reinvestment into other areas in those LEAs.
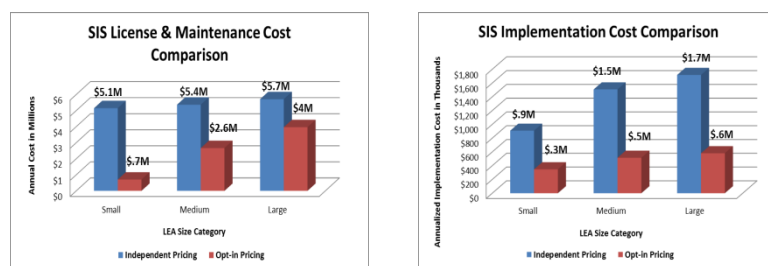
Stakeholders are identified as K-12 school districts, the State Board of Education for K-12, and ADE. Within ADE, some of the key business units identified are – School Finance, ESS, R&E, School Safety, OELAS, and RTTT etc.

IV.   Technology Approach

A.   *Proposed Technology Solution**

The selected vendor product is a COTS SIS that will be hosted by the vendor.

B.   *Technology Environment*

The selected vendor product is a COTS SIS that will be hosted by the vendor.
There is no integration required for the vendor hosted COTS solution with ADEs architecture

Delay in award of contract to Edupoint, required the following budget line item adjustments due to impact on LEA purchasing cycles and mid-year implementation concerns:

FY14 Forecasted Licensing Fees – shift to FY15.

FY14 Professional & Outside services were higher than anticipated due to the need to develop business processes to support new business model (Quote, Invoice Accounts Receivable, Accounts Payable, Sales and Marketing).

FY15 Hardware cost is expected to be $9,268 for additional implementation resources.

FY15 Operatioal cost of $172,688 was reclassified as following:

$9,268 was reclassified to Hardware to support additional implementation resources.
$120,000 was reclassified to License and Maintenance to support state subsidies forSynergy licenses in FY15, due to delayed contract award.
$43,420 was reclassified into Professional & Outside services (development) due to the need to develop business processes to support new business model (Quote, Invoice Accounts Receivable, Accounts Payable, Sales and Marketing).

The below diagram outlines, at a high-level, the Opt-In model:

C.   Selection Process

The RFP release, evaluation and selection was in accordance with the Arizona Procurement code A.R.S. 41-2534. The high level process is outline below:

The Arizona Department of Education received Proposals from Six vendors.

The evaluation team consisted of 6 members and 13 advisors. The evaluation process consisted of two phases: Independent scoring and Consensus scoring. The evaluation committee evaluated the proposals based on the criteria outlined in the Request for Proposal.

The criteria consisted of: Responsiveness of the Proposal, Methodology and Approach, Training Plan, Cost, and Experience, Capability and Reliability of the Firm.

After completing the consensus scoring and receiving all clarifications questions back from the vendor's, the committee requested product demonstration from the three highest ranked vendors.

Following the product demonstration the committee recommended Procurement to move forward with negotiations with the top three ranked vendor. Negotiations were

conducted with an Best and Final Offer being issued to all three vendors. Two vendors submitted a Best and Final Offer. Procurement conducted due diligence with ProcureAZ helpdesk and Periscope to make sure there were no issues with the system. It was verified there were no system default therefore the vendor original offer stands as their final offer.

The SIS evaluation committee recommended award to the highest ranked vendor

(All Proposals submitted in response to this Request For Proposal shall become the property of the State and shall become a matter of Public Record available for review, subsequent to the award notification, as provided for by the Arizona Procurement Code)

V. Project Approach

A. Project Schedule*

Project Start Date: 10/14/2013   **Project End Date**: 6/30/2015

B. Project Milestones

Major Milestones	Start Date	Finish Date
Successful solicitation for a state SIS	12/4/2013	06/30/2014
Implement hosted solution per the awarded contract	08/01/2014	08/30/2014
Identify and gain commitment from the pilot LEAs who have agreed to participate	12/5/2013	06/30/2015
Estimated 25 LEAs on boarded for school year 2015	09/01/2014	06/30/2015
Ongoing receipt of letters of intent from additional LEAs choosing to opt-in	12/5/2013	06/30/2015
Outline of the implementation and roll-out plan for LEA's choosing to opt-in (work in conjunction with awarded vendor)	3/18/2014	09/01/2014
Established Governance process (Education Transformation Steering Committee)	***7/11/2014***	***08/22/2014***
Business Process Creation (IGSA,Quote, Invoice, A/R, A/P)	***7/11/2014***	***10/15/2014***
Complete Training for ADE Support, Training & Implementation staff	***9/12/2014***	***02/14/2015***
Implement Customer Relationship Management (CRM) system for Quote to Cash process.	***10/01/2014***	***01/18/2015***

VI. Roles and Responsibilities

A.   *Project Roles and Responsibilities*

Role	Responsibilities	Person
Project Sponsor	High level decision maker	Elliott Hibbs
ADE IT CIO	High level decision maker	Mark Masterson
ADE CTO	High level decision maker	Ed Jung
Project Manager	Manage project	**Mike Kanthak**
Level1/ Level 2 Support	Issue resolution, Support and Documentation	**Colleen Luger**
Marketing Outreach	Reach out to LEA's to help them decide on opt-in	**Lori Ventura**
Implementation Support / **Manager**	Work with the vendor to get LEAs on-boarded onto the state SIS	**Linda Harris**

Project Sponsor – The project sponsor will represent ADE's business needs for the project. The Sponsor serves as providing the agency's commitment to the project, and signs off on any changes or acceptance criteria for agreed-upon deliverables. The project sponsor also provides guidance to the service delivery manager and project manager regarding general policy or outcomes.

Project Manager – The project manager serves as the lead for the project and ensures fulfillment of tasks and outcomes for the project. This manager is also the point person for interactions with the vendor and any other contractors brought on to implement the project. The project manager is expected to:

- Plan and conduct meetings with the project sponsor
- Develop the overall Project Plan
- Manage individual tasks and the resources assigned to accomplish tasks
- Direct the issue management process
- Complete status reports for ADE audiences
- Manage any changes in scope
- Conduct weekly project meetings
- Sign-off on deliverables or change orders along with the Project Sponsor

Level1/Level2 Support – The support team will handle ongoing issues, requirements changes, provide training support, and respond to queries for all stakeholders and users. Provide the necessary input for the procured system vendor to prioritize release and reporting issue.

Marketing-Outreach - The marketing-outreach manager is critical for marketing the benefits of the state SIS. The manager will provide outreach to help LEAs in deciding to opt-in to use the state SIS to manage their student data. The manager will be responsible for getting the necessary letter of intents and securing the necessary agreements required between ADE and LEAs that choose to opt-in.

Implementation Support Staff – The implementation support staff works with the vendor and LEAs to get them on-boarded onto the state SIS. The staff will provide inputs to configurations, usage, query resolution, track that training needs have been met, etc.

B. Project Manager Certification

☐	Project Management Professional (PMP) Certified
☐	State of Arizona Certified
x	Project Management Certification not required

C. Full-Time Employee (FTE) Project Hours

Total Full-Time Employee Hours	0
Total Full-Time Employee Cost	$

VII. Risk Matrix, Areas of Impact, Itemized List, PIJ Financials

VIII. Project Approvals

A. Agency CIO Review*

Key Management Information	Yes	No
1. Is this project for a mission-critical application system?	Y	
2. Is this project referenced in your agency's Strategic IT Plan?	Y	
3. Is this project in compliance with all agency and State standards and policies for network, security, platform, software/application, and/or data/information as defined in http://aset.azdoa.gov/security/policies-standards-and-procedures, and applicable to this project? If **NO**, explain in detail in the "XI. Additional Information" section below.	Y	
4. Will this project transmit, store, or process sensitive, confidential or Personally Identifiable Information (PII) data? If **YES,** in the "XI. Additional Information" section below, describe what security controls are being put in place to protect the data.		N
5. Is this project in compliance with the Arizona Revised Statutes (A.R.S.) and GRRC rules?	Y	
6. Is this project in compliance with the statewide policy regarding the accessibility to equipment and information technology for citizens with disabilities?	Y	

B. Project Values*

The following table should be populated with summary information from other sections of the PIJ.
Please note: The Total Project Cost includes the development and licensing cost. The license cost is cost to LEAs who choose to opt-in to the State SIS solution. This cost is recovered by ADE from the LEA's.

Description	Section	Number or Cost
Assessment Cost (if applicable for Pre-PIJ)	II. PIJ Type - Pre-PIJ Assessment Cost	**$253,552**
Total Development Cost	VII. PIJ Financials tab	**$3,408,996**
Total Project Cost	VII. PIJ Financials tab	**$23,080,391**
FTE Hours	VI. Roles and Responsibilities	

C. Agency Approvals*

Contact	Printed Name	Signature	Email and Phone
Project Manager:	Linda Harris		
Agency Information Security Officer:	Shyam Sunder		
Agency CTO	Ed Jung		
Agency CIO:	Mark Masterson		
Project Sponsor:	Elliott Hibbs		

IX.   Optional Attachments

A.   *Vendor Quotes*

X.   Glossary

Acronym	Definition	Additional Detail
ADE	Arizona Department of Education	Arizona's state agency that oversees public education.
COTS	Commercial Off The Shelf	Commercial Off The Shelf is a term defining a non-developmental item that is both commercial and sold in substantial quantities in the commercial marketplace, and that can be procured or utilized under government contract in the same precise form as available to the general public.
LEA	Local Education Agency	A Charter Holder or District. Officially defined as a public board of education or other public authority legally constituted within a state for either administrative control or direction of, or to perform a service function for, public elementary or secondary schools in a city, county, township, school district, or other political subdivision of a state, or for a combination of school districts or counties as are recognized in a state as an administrative agency for its public elementary or secondary schools. (34 CFR 300.18).
SIS	Student Information System	A student information system is a software application for education establishments to manage student data.
SLA	Service Level Agreement	A service-level agreement (SLA) is a part of a service contract where a service is formally defined. The SLA records a common understanding about services, priorities, responsibilities, guarantees, and warranties.
MSA	Master Service Agreement	A master service agreement is a contract reached between parties, in which the parties agree to most of the terms that will govern future transactions or future agreements. The Master Service Agreement specifies generic terms such as payment terms, product warranties, intellectual property ownership, dispute resolution, and the like.
School Finance	School Finance	School Finance processes state funded payments for Local Education Agencies (LEAs).

Acronym	Definition	Additional Detail
ESS	Exceptional Student Services	ESS is the section of ADE responsible for ensuring that public education agencies in Arizona have special education programs, policies, and procedures that comply with the federal Individuals with Disabilities Education Act (IDEA) and its implementing regulations, and that eligible children and youth with disabilities receive a free appropriate public education (FAPE).
R&E	Research and Evaluation Division	Research and Evaluation division conducts research on pertinent issues for the ADE, performs program evaluations for various divisions with the ADE, and completes all state and federal deliverables for the ADE accountability system.
School Safety	School Safety and Prevention	Provides School Resource Officers (SROs) and/or Juvenile Probation Officers (JPOs) in selected schools to contribute to safe school environments that are conducive to teaching and learning.
OELAS	Office of English Language Acquisition Services	Provides guidance, assistance, and support to all of Arizona's school districts and charter schools charged with the educational needs of Arizona's English language learner (ELL) population
RTTT	Race to the Top	Arizona was awarded $25 million through the U.S. Department of Education's Race to the Top Phase 3 (RTTT) grant program to advance Arizona's education reform efforts.
AELAS Business Case	Arizona Education Learning and Accountability System (AELAS) Business Case	http://www.azed.gov/information-technology/files/2013/02/document-4-aelas-business-case-v0-16.pdf

XI.   Additional Information

License and Implementation Calculations:

Links:

ADOA-ASET Website

ADOA-ASET Project Investment Justification Information Templates and Contacts

Email Addresses:

[Strategic Oversight](#)
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