ADOA-ASET
Arizona Strategic Enterprise Technology

# Project Investment Justification
## (PIJ)

*A Statewide Standard*
*Document for Information Technology Projects*

***Project Title:*** ***<u>iNovah Cashier System Upgrade</u>***

***Agency Name:*** ***Arizona Department of Revenue***
***Date:*** ***July 19, 2013 (Updated August 7, 2013)***
***Prepared By:*** ***Robert Ellis, Monique Gregory, Carole Martin***

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# I. General Information {A}

## *I.A General Information {A}*

| | | | |
|---|---|---|---|
| **Agency CIO:** | Carole Martin | **Contact Phone:** | |
| **Agency Contact Name:** | Monique Gregory | **Contact Phone:** | |
| **Agency Contact Email:** | | **Prepared Date:** | July 19, 2013 |

### *I.B Special Funding Considerations {A}*

☐ **Yes** ☒**No - Does this project require funding approved for a Pre PIJ Assessment phase?**

## II. Project Overview

### *II.A Management Summary {A}*

**I. Problem Description**

The Arizona Department of Revenue (ADOR) is currently using a system named Cashier for Windows to collect and record, cash and check payments made over the counter (OTC) and cash received through the mail. Cashier for Windows was installed in 2001 however; the system has not received the necessary upgrades to keep pace with technology. Moreover, because the cashier system is many versions behind the vendor's newest line of products, the vendor only provides limited support for core system functions.

Because the cashier system is obsolete there are several cumbersome and outdated processes used to transfer data in and out of the system. Furthermore, the limited functionality of the cashier system restricts taxpayers to using only cash or checks to make payments and prevents the ADOR from using newer technology like check 21 and accepting credit/debit cards which reduces the time to deposit. Finally, the check readers and receipt printers configured for use with the current cashier system are no longer manufactured. The devices are connected to the computers using serial and parallel ports and with outdated drivers. Therefore as the units break, the ADOR can only purchase refurbished units. The company that provides these refurbished units informed us that it has become increasingly more difficult to locate parts to repair the devices.

**II. Solution**

ADOR stakeholders conducted an assessment of the current cashier system, the iNovah Cashier System and evaluated products from JB software. Further, the ADOR worked with SHI (the State Software Vendor) to identify other POS cashier vendors and talked with representatives of MVD about their cashier product.

The assessment resulted in a recommendation to upgrade the existing Cashier for Windows system to the current version of iNovah Cashier system for the following reasons:

- The iNovah cashier system is a Commercial off the Shelf (COTS) solution which will allow the ADOR to avoid lengthy design and development cycles associated with building a custom solution. This solution also reduces the number of ITD resources necessary to develop a custom solution.
- System Innovators Inc. (SII) will perform the majority of development and coding (within GITA and ADOR specifications) necessary to install the application, thereby reducing the number of ADOR ITD resources needed to complete the project.
- System Innovators Inc. (SII) will make all modifications necessary for the application to fit our business environment.
- The ADOR will take advantage of credits from the System Innovators Inc. for the system purchased in 2009 and the vendor has agreed to provide the most current release of iNovah.
- The iNovah Cashier System meets the ADOR needs by providing Check 21, Debit and Credit Card functionality, additional reporting capabilities, greater flexibility in managing the distribution of payments into TAS and edit checks on customer demographic information, not currently available.

The upgrade includes installing the software in all regions (development, test, production) and any peripheral devices. The implementation would also include all business process modifications, validations and customizations to the cashiering module, plus any custom reports that need to be converted. System Innovators would train all users, testers and support personnel on iNovah prior to implementation. In addition, all historical data will be migrated to the new system.

This PIJ is requesting approval to purchase the latest version of the cashier system which includes Check 21 and credit/debit card functionality, new receipt printers, new check scanners, credit/debit card swipes and the professional and outside services needed to implement the solution. The funds needed to perform these updates will be entirely provided by the AZDOR.

Since the State is pursuing an enterprise-wide Debit and Credit card processing solution, AZDOR understands that further review and coordination with State and Agency (DOR) Chief Information Officers is required. It is further understood that approval of this project investment justification request is anticipated to be upon the condition that the credit card processing portion of project delivery will be held until all parties agree on an appropriate solution.

### III. Quantified Justification

The cashier system is a critical function to the State of Arizona because it is used to collect various tax, bingo, tobacco and license related payments made to the ADOR on behalf of the State. The funds are then deposited into the State bank account, recorded with the State Treasurer, applied to taxpayer and business accounts and distributed to the various State fund accounts and other municipalities. In fiscal year 2012, the current cashier system was used to process more than 250,000 transactions totaling more than $844 million dollars.

The upgrade would mitigate the increasing risk of potential system failures due to age and lack of vendor support for the current hardware and software. With the cashier system currently processing cash and checks totally more than $844 million annually any such system failure would force the ADOR to process payments manually resulting in significant backlogs and impact State revenue and various programs that rely on the funds collected by the ADOR on their behalf.

Furthermore, House Bill 2657, which incorporates the Governor's proposed Transaction Privilege Tax Reforms, provides for the ADOR to serve as a centralized point for the collection and enforcement of all tax. If passed, this will significantly increase the number of transactions and the amount of revenue processed through the cashier system. Any such system failure would force the ADOR to process substantially more payments manually and will result in significant back logs and impact the timely distribution of funds to the local municipalities.

## *II.B Existing Situation and Problem, "As Is" {A}*

The License and Registration (L&R) area, which includes the cashier windows for all three DOR locations, and Treasury Unit today use a product called Cashier for Windows to process payments received into the department. Cashier for Windows is a Point of Sale (POS) software package designed by System Innovators to facilitate and administer cashiering operations. The current system was installed in 2001.

In 2009, DOR purchased the iNovah Cashier System (from System Innovators) with the intention of transitioning away from the obsolete Cashier for Windows. The Information Technology division along with System Innovators began planning the installation of the new product when agency priorities changed and the project was put on hold. As of today, the iNovah product has not yet been implemented. In the meantime, L&R (the cashier windows), the Treasury unit, Comptroller and Information Technology divisions struggle to meet customer demands and perform expected duties while trying to keep an obsolete system functioning. In spite of these challenges, L&R (the cashier windows) and the Treasury processed more than 250,000 transactions totaling more than $844 million during fiscal year 2012.

The current Cashier for Windows system has long exceeded its technology life expectancy. Furthermore, System Innovators (vendor) has reluctantly agreed to provide diminished levels of maintenance and support only until June 2013.

The DOR spends approximately $39,000 for annual maintenance fees for the Cashier system, but that support only covers core system functions. In addition, the vendor will no longer add functionality to the system (such as year-end form changes, adding new codes, installing features, etc.) which at times is imperative to process transactions. Should a situation present itself which would require system changes, nothing could be done. The DOR would need to find a manual way to get money into the system. The volume of transactions that go through the Cashier system would make this workaround almost impossible and dramatically reduce service to the public as they could no longer walk in and pay their taxes.

Furthermore, the hardware used in conjunction with the system is also obsolete. During FY12, several of the cashiers PC's crashed as did several scanner and receipt registers. Additionally, the manufacturers of these devices no longer produce them with COM and serial ports, which are required for use with our cashier system. Therefore, the DOR can only purchase refurbished devices which are becoming increasingly more difficult with each passing year.

Supporting the existing Cashier system has become increasingly expensive and time consuming because of the time and IT resources required to fix it. In FY12 there were an increasing number of Cashier system crashes and failures. There is genuine concern within IT and the business area that the Cashier system may be progressing towards a catastrophic failure.

Some of the most commons cashier system issues are:

- Unable to send multiple check information to Tax Accounting System (TAS): If you have multiple checks but only one document, the amount gets duplicated in TAS.
- Cashier system date issues: L&R does not have ability to enter postmark date.
- No account region validation: if the Cashier enters an account number incorrectly, there are validations business rules in the system.
- Unable to fix payments once they are processed: once a transaction is transmitted to the database, the Cashier cannot change it if they find an error. The transaction must be voided and rekeyed.
- Unable to place edits on input fields: All changes need to be done by SSI but the product is end of life so no further work is being done.
- Not able to interface with check 21: Ability to handle electronic checks (images).
- Not able to interface/use credit card processing
- Issues posting payments and license information into TAS: If payment is not cashiered the date the license is keyed, it automatically suspends and has to be worked manually.
- Great deal of L&R, Comptroller and IT resources are consumed monthly reconciling Cashier and TAS data.

The cashier system consists of several components and outdated processes (see diagram on next page) with many of them are at a significant risk of breaking down or becoming inoperable. If any of these components were to break down, it would adversely impact the agency's capability to process payments and deposit the monies timely.

## *II.C Proposed Changes and Objectives, "To Be" {A}*

The primary goal of this proposal is to avoid a catastrophic failure to our cashier system that would leave the agency unable to process payments at the counter. However, there are a number of benefits that would further the mission and goals of the ADOR.

The Primary benefits expected from this proposal and implementation of the iNovah system includes:

- Increased speed by which money is deposited into the bank by:
  - ✓ Connecting the cashier system check functionality to the Check 21
  - ✓ Preparing for the future ability to offer credit and debit cards as another form of payment

- Improved customer service by:
  - ✓ Preparing for the future ability to offer credit and debit cards as another form of payment
  - ✓ Reducing customer wait times

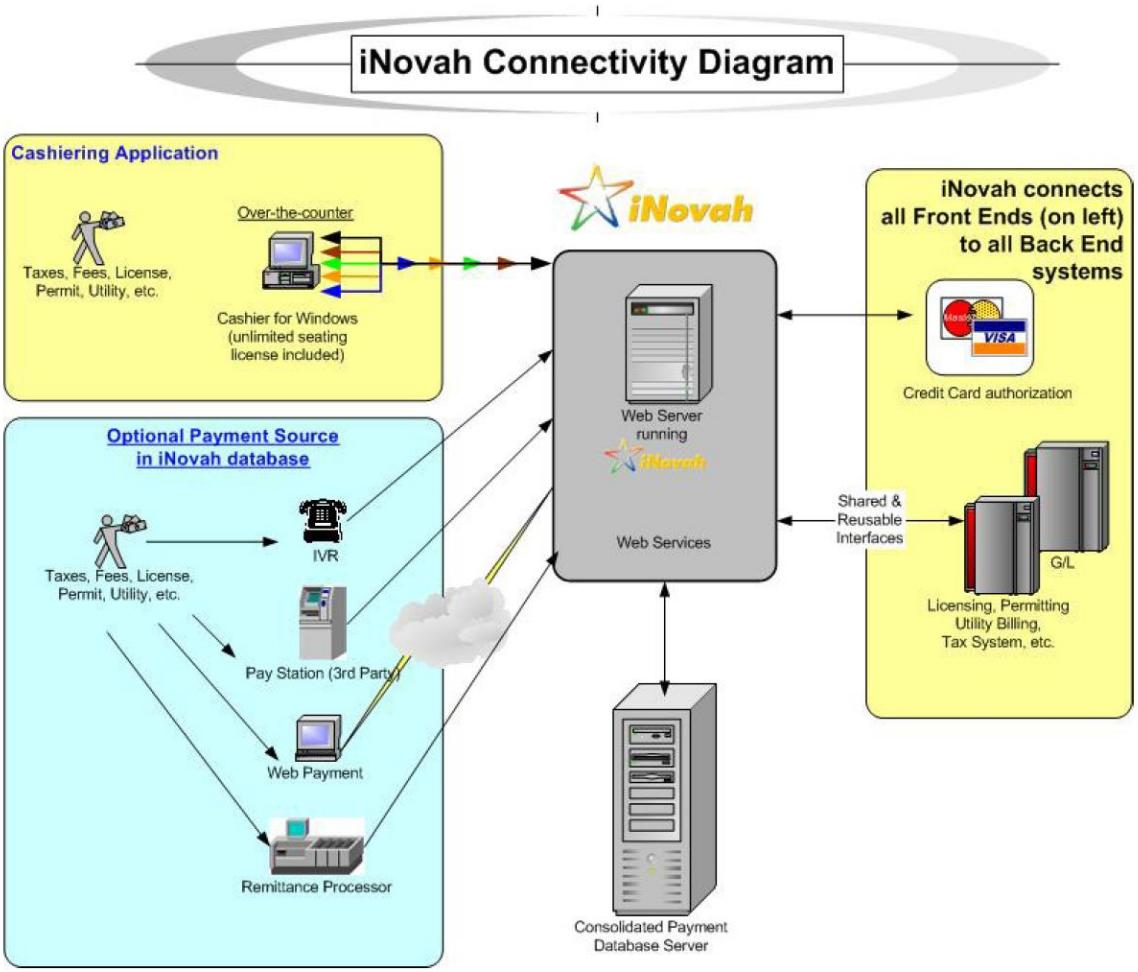
- Reduction in the amount of time spent by L&R, Comptroller and IT locating and fixing payments and suspended transactions.

- Improved efficiency in back office functions associated with counting, balancing and reconciling daily receipts and deposits.

The table below describes the current situation, the proposed changes and the objectives and/or benefits.

| | | |
|---|---|---|
| Cashier For Windows – Windows based PC based application installed in 2001 | iNovah Cashier System - iNovah is a browser based software package that will manage the payment collection and processing using all available forms of tender and hand the information to the AZOR Tax Administration System (TAS) | Upgrade to the latest version of cashier to improve functionality.<br>Receive full vendor and system support<br>Interface with TAS to provide real time updates TAS and access to account information |
| Current - Peripheral Devices<br><br>Epson M66SA Receipt Printer<br>Welch Allyn Scan team 8300 MICR<br>Generic Cash Drawer with till and locking cover | New - Peripheral Devices<br><br>Cognitive/TPG A776 USB/Serial Receipt/Slip/ Printer<br>Cognitive/TPG A776 Printer 3-Year Support(<br>Canon CR-50 Imager with OCR and MICR<br>Canon CR-50 Imager CAREPak 3-Year Support<br>APG Cash Drawer with till and locking cover | Replace Epson printers no longer manufactured and uses parallel ports with new slip printers that use USB ports and support<br>Replace MICR readers no longer manufactured and uses parallel ports with new OCR and MICR scanners for use with check 21, uses USB ports and support.<br>Replace outdated drawers with till<br>Install new software drivers that allows the desktop operating system to be updated to newer version of windows |
| Data is currently batched and extracted from cashier for windows converted to an acceptable format and a flat file is imported into TAS. Currently no account information can be accessed from cashier. CSRs must log into to multiple systems. | Host inquiry routines will be created using BizTalk2013. | iNovah will interface with TAS and retrieve demographic account information about a payment that is being made. This serves two purposes: first, the account identification can be verified; second payment options can be determined and enforced. |
| Currently there are no check 21 capabilities with the cashier system, although the back office units use a remittance system with check 21 capabilities. | The iNovah Cashier System will include the installation and configuration of the Image Cash Letter (ICL) feature that will allow for image based, paperless deposits of check accepted over the counter with iNovah Cashier. With this module, iNovah can create an Image Cash Letter (ICL) file for the check 21 process. | Check 21 provides several safeguards for you as a check writing consumer. Checks 21 helps speed check clearing, making your account more accurate. And because checks clear faster, banks will be able to identify fraudulent items sooner and minimize customer inconvenience. It can also make your financial information more secure because the check does not have to be physically transported. Eliminate Bank Runs, Reduce Data Entry, |
| With the current cashier system the ADOR is unable to accept credit/debit cards over the counter. | The iNovah Cashier System will include the capability to interface with a Credit/Debit Card solution. | Accept credit and debit cards from taxpayer who wishes to use this form of payment. This will also significantly reduce the amount of cash received. This project positions us for future work with AZState Credit Card processing solution to enable this functionality. Implementation of Credit Card as a tender is out of scope for this project. |

The iNovah Diagram below provides a high level view of the new cashier environment.




# III. Project Approach

## *III.A Proposed Technology*

The upgrade to the iNovah Cashier System involves the following:

- Database – from MS SQL 2003 to MS SQL 2008
- Server Operating System – from MS Windows 2000 to MS Windows Server 2008 R2
- Application Integration – Upgrade interfaces from File Transfer to BizTalk2013
- Interface with Tax Administration System (TAS)
- Hardware - Standard DOR HP Proliant servers
- Desktop Operating System – Microsoft Windows 7
- Internet Explorer – Microsoft IE 9

iNovah Cashier System by System Innovators Inc. is the core application. The software will be upgraded to the latest version that also supports Check 21 functionality, enabling faster check deposits to be made electronically in a digital imaged format to the Bank of America. The secure line with Bank of America is already in place and currently used by the ADOR Process Administration, ADOR Comptroller and Treasury Units, to process check payments received through the mail.

The iNovah Cashier System will provide the capability accept and process credit and debit cards. Once a statewide credit and debit card solution is determined, the iNovah system will implement an interface to pass encrypted credit and debit card information to the Arizona State contractor for credit card processing. We expect the solution will pass back to the iNovah Cashier System encrypted transaction data with the type of card used, transaction id, date and time of transaction and authorization code. Offering credit and debit cards provides convenience and flexibility for taxpayer and the ADOR. Credit and debit cards are increasingly important to business commerce and are considered the preferred and most popular form of tender, especially for people with limited funds. Credit cards are easy to use and make paying bills hassle-free for customers. Debit cards payments generally have a faster approval time, which means faster access to revenue. Further, because the debit process is similar to a cash transaction, the fees that an individual or business pays on a debit transaction are smaller than credit card.

The MICR readers will be replaced by 25 Canon CR-50 Imager with OCR and MICR USB check scanners that will enable ADOR Customer Service Unit to capture full images of checks for Check 21 processing over the counter. Images will be stored in the imaging system currently used by the ADOR Process Administration.

Staff from the ADOR Information Technology Division (ITD) will establish and configure the servers in the ADOR data center and upgrade the database, the Server Operating System, the desktop computers and will aid in the design of the interfaces to TAS and Bank of America.

ADOR ITD will:

- Aid in design of interface from iNovah to TAS, including posting of payment information.
- Provide the requirements for all tailoring, configuration and customization to be provided by System Innovators.
- Install all Customer provided hardware and software for testing and verify that the environment is working properly
- Unit test each modification to Customer provided software
- Perform system tests on customized Customer software to ensure that it interfaces other Customer applications properly
- Perform all tests documented in the Acceptance Test Plan
- Document any deficiencies found during the acceptance tests
- Retest iNovah once any deficiencies are corrected and verify that functional requirements are met
- Ensure that all site preparations are completed
- Install all computer hardware and software for the production system
- Ensure that all staff members are appropriately trained
- Install all required network cabling, hardware and software
- Verify that all hardware, software and networks are working properly
- Establish production user names and password on iNovah
- Finalize the production roll out schedule

System Innovators Inc. (SII) will develop the interfaces, ICL and gateways to TAS and Bank of America.

System Innovators Inc. (SII) will:

- Tailor software routines within iNovah to handle input devices included in the functional specifications (i.e. OCR readers)
- Tailor software routines within iNovah to call custom interface routines included in the functional specifications
- Input all parameters in iNovah maintenance tables and configuration files required to create the configuration included in the Implementation Document
- Provide documentation and sample code for each type of callable XML.
- Design and code interface from iNovah to BizTalk2013: retrieve customer account information from existing applications and create XML based documents for two-way interfaces.

- Design and code interface from iNovah to BizTalk2013: receive XML based documents of payment information and post payment information to customer accounts.
- Design and code other custom features for iNovah as specified in System Innovators proposal.
- Unit test each modification to iNovah
- Perform system tests on the tailored version of iNovah to ensure that the system performs standard functions as expected and meets all requirements included in the Implementation Document
- Install iNovah at Customer facility for acceptance testing
- Verify that all Hardware and Software is properly installed at Customer facility and ready for acceptance testing
- Assist Customer in performing the Acceptance Test Plan
- Review the results of acceptance testing and correct documented deficiencies
- Verify Delivery of iNovah once the Acceptance Plan has been completed and all deficiencies have been corrected
- Update the Implementation Document to reflect all changes to requirements, configuration and schedule agreed upon by the Customer and System Innovators
- Assist the Customer in troubleshooting installation problems related to iNovah

System Innovators Inc. (SII) products that will be purchased and configured are itemized in Appendix A. The system will be set up with a test and training environment to allow ADOR to test and train staff prior to implementing any production changes.

## *III.B Other Alternatives Considered*

During the assessment the ADOR considered the following alternative options:

1. Do nothing and the associated risk
2. Does JB Software (vendor for the ADOR & AZDES remittance system) have a product that could be used or modified to meet our business environment and need?
3. Is there another POS cashier vendor on Arizona State contract?
4. What does AZMVD use and will their product to meet our business environment and need?
5. Should the ADOR develop a custom solution?

The first option was rejected for the following reasons:

- The current system is at end of life with substandard and dwindling support.
- The system application and the functions of the unit is a critical to the ADOR and the State
- As the economy and business continues to recover and with introduction of new legislation this end of life system with limited support, will be required to process a greater number of transactions and account for larger dollars collected.

The second option to consider the JB Software line of products was rejected after multiple conversations with the representatives from JB Software. JB Software information technology representatives confirmed their product would not be a good fit for our environment and need.

Option three was rejected after the ADOR Chief Procurement Officer contacted Amelia Jakubczyk at SHI. According to Amelia, the software vendors on State contract only offer very limited applications typically designed for POS machines and Kiosks. Further, the ADOR contacted Carlton Woodruff, of the Arizona State Treasurer's Office for a list of cashier products used at various Arizona State agencies. Mr. Woodruff informed the ADOR that it does not review, monitor or participate in the procurement of cashier applications used by agencies, unless. Mr. Woodruff was only aware of the current ADOR application and the system used by AZMVD.

Option four was rejected after discussions with AZ MVD. AZ MVD uses a custom application developed internally called Armani and it is a mainframe application. Results of reviewing the AZMVD custom application indicated that such a customized solution would not be a good technology fit for our environment and need.

Finally, option five to build a custom solution was rejected due to many of the concerns and risks stated for the rejection of option one. ADOR application strategy is buy first when robust applications are available commercially; build custom applications as last resort. Further, this option was rejected because of the long requirements, design and development cycles typical of a custom application and the amount resources that would be required to complete the project.

Other reasons the iNovah Cashier System option was accepted:

- The iNovah product meets the agency's needs.
- We have a long relationship with SII (iNovah – since 1996) and they have a good understanding of our current environment and technology.
- The iNovah product will be upgraded and running within a four month period at a lower cost than procuring a new system.
- The existing DOR IT resources have years of experience supporting the SII product.

### *III.C Major Deliverables and Outcomes*

- Vendor Proposal
- PIJ
- GITA Approval
- Contract Sign-off
- Purchase Order Approval
- Requirements Document
- Project Plan
- Project Schedule
- Design and Code
- System Test Plan (including performance testing)
- User Acceptance Test Plan
- Production Implementation Plan (including back out plan)
- User Documentation
- On-site User Training
- On-site Software Installation
- User Acceptance
- Disaster Recovery Plan
- Production Cut-over
- Sunset old cashier system

## IV. Policies, Standards & Procedures

### *IV.A Enterprise Architecture*

☒ **Yes** ☐**No -** Does this project meet all 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 as applicable for this project?

### *IV.B Service Oriented Architecture Planning and Implementation*

☐ **Yes** ☒**No -** Does this project qualify as an SOA application by improving application delivery for technology reuse and /or application reuse and / or services reuse?

### *IV.C Disaster Recovery Plan and Business Continuity Plan*

☒ **Yes** ☐**No -** Does this project require a Disaster Recovery Plan and Business Continuity Plan?

### *IV.D Project Operations*

☐ **Yes** ☒**No -** Is there a written assessment of short-term and long-term effects the project will have on operations?

## *IV.E Web Development Initiative*

☐ **Yes** ☒**No -** Is this a Web Development initiative? If **YES**, a Notice of Intent (**NOI**) must be provided.
Link: http://aset.azdoa.gov/node/15

## *IV.F IT State Goals*

**Please check which goal the project is in support of; if more than one, indicate only the primary goal.**

☐ Accelerate Statewide Enterprise Architecture Adoption
☐ Champion Governance, Transparency and Communication
☐ Invest in Core Enterprise Capabilities
☒ Proactively Manage Enterprise Risk
☐ Implement a Continuous Improvement Culture
☐ Adopt Innovative Sustainability Models
☐ Reduce Total Cost of Ownership
☐ Improve Quality, Capacity and Velocity of Business Services
☐ Strengthen Statewide Program and Project Management
☐ Build Innovative and Engaged Teams
☐ Other

## IV. Roles and Responsibilities

**V.A Please identify Project Roles & Responsibilities:**

| Role | Responsibilities |
|---|---|
| Business Owners and Sponsor<br>David Raber – Chief Deputy Director<br>Lynette Nowlan – Assist Director Treasury<br>Anthony Forschino - Assist Director Taxpayer & External Services<br>Carole Martin - CIO | ▪ Ultimate decision-maker and tie-breaker<br>▪ Provide project oversight and guidance<br>▪ Review/approve project elements<br>▪ Commits department resources<br>▪ Approves resource allocation strategies, and significant changes to resource allocation<br>▪ Resolves conflicts and issues<br>▪ Provides direction to the Analyst<br>▪ Review deliverables<br>▪ Business Continuity Plan |
| Project Stakeholders<br>Kurt Mueller – Administrator ITD Customer Services<br>Robert Ellis – Administrator License & Registration<br>Tom MacConnel – Administrator-Comptroller | • Acts as main point of contact between the supplier and the organization and the completion of the vendor proposal.<br>• Completion of the Project Investment Justification (PIJ) document<br>• Ensures that mandatory ADOR requirements are met.<br>• Ensures that there are clear communication paths within the project team and the organization and supplier.<br>• Resolving strategic and policy issues.<br>• Communicating with project owners / sponsors and key organizational representatives.<br>• Monitoring of, and responding to, issues at the program level.<br>• Provides advice or feedback for the project including, functional requirements, deliverables or other issues.<br>• May serve on the steering committee or work group to guide the work of the project. |
| ADOR Project Manager<br>Monique Gregory | ▪ Manages projects in accordance to the appropriate methodology or framework<br>▪ Communicate and coordinate with outside vendors<br>▪ Manage the project progress of outside vendors<br>▪ Serves as SME to the sponsor(s)<br>▪ Receive direction and guidance from the sponsors<br>▪ Provides regular updates to sponsors<br>▪ Provide overall project direction<br>▪ Direct/lead team members toward project objectives<br>▪ Market projects to agency staff/units<br>▪ Change Management<br>▪ Disaster Recovery Plan update |

| Role | Responsibilities |
|---|---|
| Workgroups / Team Participants / Subject Matter Experts<br><br>Cynthia Ramey – Info Tech Specialist 4<br>Deborah MacNeil – L&R CSR Manager<br>Roshawna Madrid – L&R Proj Specialist 2<br>Maria Leyva – License Specialist<br><br>Tom Piner – RV Fiscal Service Manager<br>Juanita Salinas – Treasury Manager | ▪ Lend expertise and guidance as needed<br>▪ Understand the user needs and business processes of their area<br>▪ Act as consumer advocate in representing their area<br>▪ Communicate project goals, status and progress throughout the project to personnel in their area<br>▪ Review and approve deliverables<br>▪ Creates or helps create work products<br>▪ Coordinates participation of work groups, individuals and stakeholders<br>▪ Provide knowledge and recommendations<br>▪ Helps identify and remove barriers<br>▪ Assure quality of deliverables that will meet the project goals and objectives<br>▪ Identify risks and issues and help in resolutions<br>▪ Participate in Testing |
| Vendor - System Innovation Inc. (SII) | ▪ Requirements Documentation<br>▪ Design and Code Interfaces<br>▪ Software installation and configuration<br>▪ Testing<br>▪ Training<br>▪ Support |
| Barbara Morris – Sr. Business Analyst<br>Sherry Beck – Systems Analyst<br>Debi Nelson – DBA<br>TBD – Network and Server Engineers<br>TBD- Systems Integration BizTalk Engineer | ▪ Aid in Requirements Documentation<br>▪ Technology and Interface Architecture Review<br>▪ Design, develop, test and implement new BizTalk Orchestrations<br>▪ Design and Coding of interfaces to ADOR tax systems<br>▪ Configuration of Servers, Disk, Database, Desktop Computers<br>▪ Peripheral Installation<br>▪ Unit, Application and Application Integration Testing<br>▪ Support |

**Please indicate Project Manager Certification:**

The **project manager** assigned to the project is:

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

## VI. Project Benefits

### *VI.A Benefits to the State*

***Score:* 0=None, 1=Minor, 2=Moderate, 3=Considerable, 4=Substantial, 5=Extensive.**

| *Description* | *Score* |
|---|---|
| **Agency Performance:** The extent to which duties and processes will improve or positively affect business functions. Consider reduced redundancy and improved consistency for the agency. | 4 |
| **Productivity Increase:** The improvements in quantity or timeliness of services or deliverables. Consider improved turnaround time or expanded capacity of key processes. | 4 |
| **Operational Efficiency:** Efficiencies based on improved use of resources, greater flexibility in agency responses to stakeholder requests, reduction or elimination of paperwork, legacy systems, or manual tasks. | 4 |
| **Accomplishment Probability:** The extent to which this project is expected to have a high level of success in completing all requirements for the division or agency. | 4 |
| **Functional Integration:** The impact the project will have in eliminating redundancy or improve consistency. Consider the impact of information sharing between departments, divisions, or agencies in the State. | 4 |
| **Technology Sensitive:** The implementation of the right types of technology to meet clear and defined goals and to support key functions. Consider technologies and systems already proven within the agency, division, or other similar organizations. | 4 |
| **Total** | 24 |
| ***Additional Information*** *(provide details on Benefits that score > 3)* | |
| **Agency Performance:** The upgrade will provide the agency with a reliable and modern system capable of handling increasing number of transactions and amounts. Further, if current legislation is passed this will position the agency to handle the increased volume of transactions.<br><br>**Productivity Increase:** The upgrade will include interfaces to systems that do not currently exist. This will significantly reduce the amount of time to service customers who come into one of the three locations. It will reduce significantly the need and time required to work in multiple systems.<br><br>**Operational Efficiency:** The upgrade will provide greater flexibility by enabling the ADOR L&R Unit to deposit checks electronically while reducing the amount of paper checks and cash received and the manual counting and handling of those funds.<br><br>**Accomplishment Probability:** The ADOR Treasury and Process Administration Division and Department of Economic Security UI have successfully installed check 21 capabilities.<br><br>**Technology Sensitive:** The Check 21 technology is proven to be more secure and timely. Govolution is a State contractor who has provided credit and debit cards processing services and systems to the State of Arizona for several years. Similarly, SII has provided and application, systems and support for more than 10 years. (NOTE: The implementation of Credit Card as a tender is out of scope of this project) | |

### *VI.B Value to the Public*

***Score:* 0=None, 1=Minor, 2=Moderate, 3=Considerable, 4=Substantial, 5=Extensive.**

| *Description* | *Score* |
|---|---|
| **Client Satisfaction:** Rate how stakeholders may respond to anticipated improvements. This could apply to health and welfare services, quality of life or life safety functions. | 3 |
| **Customer Service:** Rate anticipated improvements to internal and external customer service delivery. Give consideration to faster response, greater access to information, elimination or reduction in client complaints. | 4 |
| **Life Safety Functions:** Applies to public protection, health, environment, and safety. Consider how this project will reduce risk in these functions. | 0 |
| **Public Service Functions:** Applies to licensing, maintenance, payments, and tax. Consider how this project will enhance services in these functions. | 5 |
| **Legal Requirements:** Consideration should be given to projects mandated by federal or state law. Other consideration could be given if there are interfaces with other federal, state, or local entities. | 5 |
| **Total** | 17 |
| ***Additional Information*** *(provide details on Value to the Public scores > 3)* | |

**Customer Service:** This upgrade will generate substantial improvements for our customers.

**Public Service Functions:** Prompt processing of payments is essential to good service to taxpayers and helps maintain the state's ability to perform the essential service of paying tax liabilities, withholding tax, TPT, Tobacco, to obtain a TPT license and/or pay a bond.

**Legal Requirements:** This upgrade protects the ADOR's ability to perform its mandated function of the collection of tax revenue for the state in a timely and secure manner. Further, if current legislation is passed this will position the agency to easily comply with the additional requirements.

## VII. Project Timeline {A}

### *VII.A Project Schedule*

**Provide estimated schedule for the development of this project. These dates are estimates only; more detailed dates will be required at project start up once the project schedule is established.**

**Project Start Date:** **September 2013** **Project End Date:** **June 2014**

## VIII. Project Financials

***Project Funding Details*** **Select One**

☐ **Pre PIJ Assessment Funding Details Only**
☒ **Full PIJ Project Funding Details**

### *VIII.B Detailed Project Financials {Required for PIJ Approval}*

*Enter Total Project Cost (below) in Project Values table on Approvals page.*

| | *FY 2013* | *FY 2014* | *FY 2015* | *FY 2016* | *FY 2017* | *Total** |
|---|---|---|---|---|---|---|
| **TOTAL PROJECT COSTS**<br>* Includes development and operational costs | $ - | $ 617,198 | $ 26,340 | $ 28,973 | $ 111,118 | $ 783,628 |

### *VIII.C Funding Source {A}*

| | | | | | | |
|---|---|---|---|---|---|---|
| General Fund | ADOR | $ 617,198 | $ 166,430 | | | $ 783,628 |
| Federal ARRA Fund | | | | | | $ - |
| Federal Fund | | | | | | $ - |
| Other Appropriated Funds | | | | | | $ - |
| Other Non Appropriated Funds | | | | | | $ - |
| **TOTAL PROJECT COSTS** (Should = development and operational totals above) | | $ 617,198 | $ 166,430 | $ - | $ - | $ 783,628 |

### *VIII.D Special Terms and Conditions (if required) {A}*

| Special Terms and Conditions (if required) |
|---|
| |

### *VIII.E Full Time Employee Project (FTE) Hours*

**Provide estimated FTE Development hours that will be utilized for the duration of the project. Include IT as well as Business Unit FTE hours, if available.** Enter into Project Values table on Approvals page. **Enter FTE costs (if known) as well.**

**IT**

| | |
|---|---|
| **Total Full Time Employee Hours** | 2000 |
| **Total Full Time Employee Cost (loaded)** | $111,000 |

**IT Staff Augmentation**

| | |
|---|---|
| **Total Full Time Employee Cost (loaded)** | 2000 |

**Business**

| | |
|---|---|
| **Total Full Time Employee Hours** | $111,000 |
| **Total Full Time Employee Cost** | 1,700 |
| | $99,000 |

# IX. Project Classification and Risk Assessment

## *IX.A Project Classification and Risk Assessment Matrix*

**RISK EVALUATION RANGES**

| | |
|---|---|
| LOW RISK PROJECT | 0 - 8 |
| MEDIUM RISK PROJECT | 9 - 25 |
| HIGH RISK PROJECT | 26 - 42 |
| VERY HIGH RISK PROJECT | 43 + |

| Add Project Risk Details (if required) |
|---|
| |

| PIJ Project Classification & Risk Evaluation | | | | | |
|---|---|---|---|---|---|
| **Risk Factor** | **Low (0)** | **Medium (1)** | **High (2)** | **Very High (3)** | **Score** |
| **Project Management Complexity** | | | | | |
| **Project Team Size (# of people)** | 1-5 | 6-10 | 11-15 | > 15 | |
| **Project Manager (PM) Experience** | Deep experience in this type of project | Some experience in this type of project and able to leverage subject matter experts | Some experience in this type of project and has limited support from subject matter experts | New to this type of project | 2 |
| **Team Member Availability** | Dedicated staff for project activities only as assigned | Staff is in place, few interrupts for non project tasks are expected and have been accounted for | Available, some turnover expected, some interrupts for non project issues likely | Dedicated team not available; staff will be assigned based on capacity | 2 |
| **# of Agencies involved in Development activity** | 1 | 2 | 3 | > 3 | 0 |
| **Vendor (if used)** | No Vendor required | Vendor has been used previously with success | Vendor has been used previously with some management support required | New Vendor and/or multiple vendors | 1 |
| **Project Schedule** | Schedule is flex ble | Schedule can handle minor variations, but deadlines are somewhat firm | Scope or budget can handle minor variations, but deadlines are firm | Scope, Budget and Deadlines are fixed and cannot be changed | 1 |
| **Project Scope** | Scope is defined and approved | Scope is defined and pending approval | Scope being defined | High level definition only at this point | 3 |
| **Budget Constraints** | Funds allocated | Funds pending approval | Allocation of funds in doubt or subject to change without notice | No funding allocated | 1 |
| **Project Methodology** | Defined methodology | Defined methodology, no templates | High level methodology framework only | No formal methodology | 0 |
| **IT Solution Complexity** | | | | | |
| **Product Maturity (if purchased)** | Product implemented & working in > 1 state agency or business of similar size | Product implemented & working in 1 agency or business of similar size | Product implemented & working only in an agency or business of smaller size | Product not implemented in any agency or business | 0 |
| **Solution Dependencies** | No dependencies or interrelated projects | Some minor dependencies or interrelated projects but considered low risk | Some major dependencies or interrelated projects but considered medium risk | Major high-risk dependencies or interrelated projects | 1 |
| **System Interface Profile** | No other system interfaces | 1-2 required interfaces | 3-4 required interfaces | > 4 required interfaces | 2 |
| **IT Architectural Impact** | Follows State IT approved design; principles, practice & standards | New to the State but follows established industry standards | Evolving "industry standard" | No standards, leading edge technology | 0 |
| **Deployment Impact** | | | | | |
| **Process Impact** | No business process changes | Agency wide process changes | Multi-State Agency process changes | State-wide process changes | 1 |
| **Scope of End User Impact** | Department or Division level only | Multiple Division or Agency wide impacts | Multi-Agency impacts | State-wide impacts | 1 |
| **Training Impact** | No training is required | Minimal training is required | Considerable training is required | Extensive training is required | 1 |
| | | | | **Total Risk Score** | **16** |

## X. Project Approvals

### *X.A CIO Review {A}*

| 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? | | N |
| 3. Is this project consistent with agency and State policies, standards and procedures? | Y | |
| 4. Is this project in compliance with the Arizona Revised Statutes and GRRC rules? | Y | |
| 5. Is this project in compliance with the statewide policy regarding the Accessibility to Equipment and Information Technology for Citizens with Disabilities? | Y | |
| 6. Is this project mandated by law, court case or rule? If yes, cite the federal requirement, ARS Reference or Court Case.<br><br>Details: *Provide details related to technology as part of the requirement.* | | N |

### *X.B Project Values*

*Summary of information documented throughout.*

The following table contains summary information taken from the other sections of the PIJ document.

| Description | Section | Significance |
|---|---|---|
| Assessment Cost *{A)* | VIII. Project Financials **{Required for Pre-Assessment PIJ Approval Only}** | $ |
| | | |
| Economic Benefits | VI. Benefits to the State | 24 |
| Value Rating | VI. Value to the Public | 17 |
| Total Development Cost | VIII. Project Financials | $ 617,198 |
| Total Project Cost | VIII. Project Financials | $ 783,628 |
| FTE Hours | VIII. Project Financials | 3700 |
| Project Risk Factors | IX. Risk Summary | 16 |

*The PIJ must be transmitted to ASET by email as a Word document. Project approvals may be sent to ASET by email in PDF format. Include the Project Title below for identification. Send to your ASET Oversight Manager, or if not sure who is assigned to your Agency, PIJ docs can be sent to ASET_Projects@azdoa.gov.*

### *X.C Project Approvals {A}*

**Select One** ☐ **Pre PIJ Assessment Approval Only** ☒ **PIJ Project Approval**

*Select above if this approval is related to Pre PIJ Assessment only or full Project Approval. In all cases, signatures must be obtained from the Agency Sponsor and Agency CIO. Agency Director's signature is required on projects of $1 million or more, and on projects considered critical in nature to the Agency.*

**Project Title:**

| *Responsibility* | *Printed Name* | *Approval Signature* | *Date* |
|---|---|---|---|
| Project Manager: | Monique Gregory | | |
| Agency CIO: | Carole Martin | | |
| Project Sponsor: | Anthony Forschino | | |
| Agency Director: | David Raber | | |

## Appendix

## Glossary

**Document Information**

| | |
|---|---|
| Title: | Project Investment Justification – PIJ Version January 2013 |
| Originator: | Arizona Department of Administration – AZ Strategic Enterprise Technology Office |
| Date: | January 2013 |
| Download: | http://aset.azdoa.gov/ |
| Contacts: | **ASET Oversight Managers:**<br>http://aset.azdoa.gov/content/project-investment-justification<br><br>**Web Design (NOI Contact):**<br>http://aset.azdoa.gov/webtools |