

# Project Investment Justification

## HRIS Upgrade

### **AD18008**

## Department of Administration

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## 1. GENERAL INFORMATION

**PIJ ID:** AD18008

**PIJ Name:** HRIS Upgrade

**Account:** Department of Administration

**Business Unit Requesting:** ADOA - Human Resources

**Sponsor:** Elizabeth Thorson

**Sponsor Title:** Assistant Director, Human Resources

**Sponsor Email:** elizabeth.thorson@azdoa.gov

**Sponsor Phone:** (602) 542-8378

## 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 HRIS system Infor Lawson version 9.0.1 is currently several versions behind the versions currently within mainstream (standard) support from Infor Lawson (v10 and v11). Additionally, the HRIS system is hosted at the State of Arizona Data Center which is scheduled to close on 31 December 2018. Therefore, the HRIS system must be relocated by the closure date. Lastly, qualified technical support resources are limited and thus increases operational risk to payroll, benefits administration, and core HR processes.

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

Executing the HRIS Upgrade project will bring the State current with Infor Lawson support and thus would reduce business and operational risk as shown in the table below. This project will also enhance the State's ability to support the various agencies across the State. Components covered by different Infor Maintenance Plans:

Components	Mainstream Maintenance (Only available with upgrade)	Extended Maintenance (30% cost increase) No Upgrade	Legacy Maintenance (cost is on a Time & Materials basis at \$225 per hour) No Upgrade
Major releases/technology releases	X	X	X
Infor Xtreme access	X	X	X
Infor Xtreme access support	X	X	X
Upgrade scripts	X	X	Only Pre-existing
Updates and fixes	X	Only P1 - Critical	Only Pre-existing
Critical patch updates	X	X	
Third Party Product Certification (existing)	X	X	

Tax, Legal, Regulatory updates (i.e. BSI)	X	X	
Tax, Legal, Regulatory enhancements	X		
Third Party Product Certification (new)	X		
Most new Infor product certification	X		

2.3 Describe the proposed solution to this business need.

The proposal is to move from the State data center and upgrade to S3 v10 and LTM v11 in the Infor CloudSuite with Infor providing managed application services for the HRIS product.

Option	Risks	Comments
A – Move to Infor & Upgrade	<ul style="list-style-type: none"> <li>- Time Constraints (Requires start date no later than March 1, 2018)</li> <li>- Organizational Change</li> </ul>	<ul style="list-style-type: none"> <li>- Alignment with draft feasibility study short term recommendations</li> <li>- Operational risk is greatly reduced</li> <li>- \$600K Combined operational cost reduction in FYs 20 &amp; 21</li> </ul>
B – Move to I/O & no upgrade	<ul style="list-style-type: none"> <li>- Operational &amp; Technical Risk – turnover &amp; lack of available resources; system stability (e.g., no tax updates)</li> <li>- Software Support End of Life</li> <li>- Infor begins charging for legacy support/maintenance (includes a minimum \$1.3 M)</li> </ul>	<ul style="list-style-type: none"> <li>- Status quo, no increased functionality, limited ability to implement process improvements &amp; efficiency</li> <li>- Significant negative impact to employees as a result of incorrect taxes, deferred compensation limits</li> </ul>

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?

Yes

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

### 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).

ASET - Interfaces, Operational Support, Configuration and Software Development, Project Management, Oversight  
HRD, BSD, GAO - Responsible for reviewing of capabilities, To-Be business processes in the system, testing.  
Infor - Interfaces, Operational Support, Configuration, and Software Development

4.3 Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

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?

No

## 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

Est. Implementation End Date

3/5/2018 12:00:00 AM

8/30/2019 12:00:00 AM

5.3 How were the start and end dates determined?

Based on project plan

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
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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?

Yes

6.1a Have the identified conflicts been taken into account in the project plan?

Yes

6.2 Does your schedule have dependencies on any other projects or procurements?

Yes

6.2a Please identify the projects or procurements.

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Datacenter Migration Project impacts the schedule.

6.3 Will the implementation involve major end user view or functionality changes?

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Yes

6.4 Will the proposed solution result in a change to a public-facing application or system?

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Yes

## 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.?

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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.?

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Yes

7.3 Have all required funding sources for the project and ongoing support costs been identified?

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Yes

7.4 Will the funding for this project expire on a specific date, regardless of project timelines?

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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?

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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.

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The project is using a statewide enterprise solution

8.2 Will the technology and all required services be acquired off existing State contract(s)?

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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?

Yes

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?

Yes

8.11 Is this replacing an existing solution?

Yes

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

Original acquisition of this solution occurred in 2002, last upgrade was performed in 2012.

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

System will be upgraded.

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?

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Vendor submitted a proposal for the upgrade, ASET determined internal resource cost estimates.

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?

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Yes

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

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Yes

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

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

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Yes

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

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Yes

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?

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Yes

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

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Yes

8.16b Describe who will be customizing the solution below:

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Vendor in conjunction with ASET.

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

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Yes

8.16d Please select the application development methodology that will be used:

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Agile/Scrum

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:

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Estimated to be 50% customized development.



8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

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Yes

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](http://aset.az.gov/resources/psp)?

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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:

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8.18 Are there other high risk project issues that have not been identified as part of this PIJ?

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No

8.18a Please explain all unidentified high risk project issues below:

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## 9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

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Yes

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

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Commercial data center environment, e.g AWS, Azure

9.1b Describe the rationale for selecting the vendor-hosted option below:

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Reduced complexity and enhanced stability of the product. Supportability is increased, as well.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

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Yes

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

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Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

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No

9.1f Has the spreadsheet located at <https://aset.az.gov/arizona-baseline-security-controls-excel> already been completed by the vendor and approved by ASET-SPR?

No

9.2 Will the proposed solution be hosted on-premise in a state agency?

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 PII, PHI, CGIS, or other Protected Information as defined in the 8110 Statewide Data Classification Policy be transmitted, stored, or processed with this project?

Yes

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

Vendor will be responsible for data protection, will complete the Arizona Baseline Security Controls, and will be hosted in an environment previously approved by ASET - SPR.

## 10. AREAS OF IMPACT

Application Systems

Other

HRIS

Database Systems

Other

HRIS

Software

COTS Application Customization

Hardware

Hosted Solution (Cloud Implementation)

Amazon (AWS) GovCloud; Vendor Hosted

Security

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Telecommunications

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Enterprise Solutions

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Other

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Contract Services/Procurements

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## 11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
Professional Services - Year 1	Professional & Outside Services	Development	1	1	\$785,579	\$785,579	0.00 %	\$0	\$785,579
Professional Services - Year 2	Professional & Outside Services	Development	2	1	\$1,446,900	\$1,446,900	0.00 %	\$0	\$1,446,900
Professional Services - Year 3	Professional & Outside Services	Development	3	1	\$88,208	\$88,208	0.00 %	\$0	\$88,208

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$1,298,787	\$171,900	63%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$850,000	37%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$0	\$0	0%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$0	\$0	0%

Total Budget Available	Total Development Cost
\$1,298,787	\$2,320,687
Total Budget To Be Req	Total Operational Cost
\$1,021,900	\$0
Total Budget	Total Cost
\$2,320,687	\$2,320,687

## 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

Not applicable as this is an upgrade to existing system for legal and regulatory updates.

## 13. CONDITIONS

#### Conditions for Approval

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The Arizona Baseline Security Controls document must be completed in order to ensure that the selected solution will provide an appropriate level of protection for State data.

## 14. ENGAGEMENT MANAGER COMMENTS

#### Project Background

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The Department of Administration is seeking to upgrade the Infor Lawson HRIS system used by the State of Arizona. The software was last upgraded in 2012, and is now several versions behind Mainstream Support. This results in increased risk to the State.

In order to better understand the issue, and potential solutions, the Department of Administration sought advice in the form of a Feasibility Study, which was recently completed by Accenture. The recommendations laid out in the Feasibility Study align with the overall strategy of moving applications to the Cloud where possible. Thus, several of the potential strategies in the Study were considered by ADOA, and ultimately it was determined the best course of action at this time is to upgrade the HRIS system and move it to the vendor-hosted solution. Due to the closure of the State Datacenter on December 31, 2018, work on this project will need to begin now in order to provide adequate time to complete the work and ensure the application can be moved prior to that deadline.

#### Business Justification

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Because the HRIS system is not receiving Mainstream Maintenance support by Infor, there is operational risk to the State payroll, benefits administration, and core HR processes. This risk stems from limited technical resources onsite, the limited ability to recruit key resources, as well as potentially losing critical patches and legal and regulatory updates from the vendor. Finally, the State Datacenter is scheduled to close on December 31, 2018 and the HRIS product must be moved out of facility by that time, either to the new Hosted Datacenter at IO, or to a Cloud provider.

#### Implementation Plan

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The Department of Administration in conjunction with the vendor have developed a project plan and timeline to perform the upgrade in two phases. In the first phase, the HRIS system will be upgraded from Version 9 to Version 10 for S3 (core HR) and Version 11 for Lawson Talent Management (LTM) and migrated to the Infor SaaS CloudSuite. This will bring the software into a Mainstream Support state. Phase two will be finalizing the migration to LTM v11 for Benefits and leave Planning (Absence Management). Timeframe for Phase 1 is approximately March to December 2018 and Phase 2 is approximately late January to August 2019.

#### Vendor Selection

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As this project is an upgrade to the existing Infor Lawson HRIS system, the existing vendor is the most qualified to perform the work and already has existing contract vehicles in place.

#### Budget or Funding Considerations

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All funding for this project comes from sources already identified within the current fiscal year budgets. Re-allocation of funds from within ADOA will allow the team to undertake this project without the need to ask for additional monies this year. ADOA found savings and efficiencies within the existing HRD appropriation, redirected excess Feasibility Study funds, and redirected resources from the Executive Budget.

## 15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Elizabeth Thorson

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Agency CIO (or Designee)

Morgan Reed

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Agency ISO (or designee)

Mike Lettman

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OSPB Representative

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ASET Engagement Manager

David Tischler

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ASET SPR Representative

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Agency SPO Representative

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Agency CFO

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