

Project Investment Justification

ARICS Replacement

DE19023

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE19023

PIJ Name: ARICS Replacement

Account: Department of Economic Security

Business Unit Requesting: DES/Division of Business and Finance (DBF)/Office of Accounts Receivables and Collections (OARC)

Sponsor: Debi Peterson

Sponsor Title: Assistant Director

Sponsor Email: dpeterson@azdes.gov

Sponsor Phone: 602-542-8905

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 current system is called Accounts Receivable Integrated Collections System (ARICS) and it is a 24-year old homegrown mainframe application. ARICS is the department-wide accounts receivable (AR) and collections system managed and administered by the Office of Accounts Receivables and Collections (OARC) in the DES Division of Business and Finance (DBF). ARICS facilitates the business functions associated to the AR and collections for over 30 programs within DES. Typically, the ARICS accounts receivables are established due to clients and providers receiving overpayments from DES either accidentally or because of clients' fraudulent activities. ARICS usually has approximately 120,000 clients/providers with outstanding balances of approximately \$250 million on all claims.

DES' technology vision is to move off the mainframe platform as soon as possible which is consistent to the technology vision of most organizations both public and private sectors. Many of the software vendors are dropping maintenance on their mainframe products so the ARICS' technology will be obsolete in the not-so-distance future. ARICS' database (ADABAS) and programming language (Natural) are no longer supported/maintained by the vendor who owns these technology solutions which creates operational risks for DES. It is important DES moves off this unsupported technology soon before the operational risks come to fruition.

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

The replacement system will be part of the emerging technology of cloud-based solutions. This technology provides many benefits including better security features, more configurable functionality, shorter timelines for implementation, and adaptable to mobile technology.

The solution will facilitate the business requirements of OARC with their daily operations of managing the accounts receivable and collection activities for the 120,000 clients/providers owing DES monies due to previous overpayment activities.

2.3 Describe the proposed solution to this business need.

The solution will be a custom-built application on the Salesforce platform with the implementation project being led by an experienced vendor. There were four vendors who submitted offers: Accenture, CCI, CGI, and MST. DES has selected CGI as the implementer of the application.

CGI was selected based on their knowledge, experience, and positive track record working with the Salesforce platform. (Note: CGI is rated by Salesforce as a “Platinum” implementer of the Salesforce platform.) Another reason CGI was selected is due to its experience and knowledge implementing account receivable and collection applications.

MST was not selected because it did not have the level of experience with the Salesforce platform and the experience with implementing account receivable and collection applications as compared to CGI.

CCI was not selected due to its lack of experience with the Salesforce platform and implementing account receivable and collection applications. They also did not provide a quote for the entire project.

Accenture was not selected due to its proposal being weak in certain important areas (e.g., data conversions) in addition to the cost of the project.

The solution will be constructed mostly through software configuration since the Salesforce platform is designed to be highly configurable with software customizations/modifications being utilized only as last resort. The Salesforce platform is hosted by Salesforce on their cloud located in the U.S. while the application will be maintained by DES technical and business analyst resources.

Mulesoft Developers are needed to build the APIs. Two vendors, Asipero and Parsus, responded. DES evaluated both quotes with the Office of Procurement and selected Apisero as the best fit for the needs of the project.

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).

DES will be responsible for project and budget oversight/management, subject matter expertise (SME) in the business policies, processes, and practices as well as conducting user acceptance testing (UAT). In addition, DES will provide technical resources to perform design, construction, and testing for interfaces, reports, and data conversions.

The vendor will be responsible for: project management, technical architecture, software configuration/modification, train-the-trainers, manage data conversations, provide support to DES during its construction activities, and provide post-implementation support.

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?

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?

No

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

Est. Implementation Start Date

Est. Implementation End Date

12/1/2019 12:00:00 AM

10/15/2020 12:00:00 AM

5.3 How were the start and end dates determined?

Other

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
Configuration/Construction of application	12/01/19	08/15/20
Construction of interfaces, data conversions, and reports	12/16/19	08/31/20
Conduct training	08/16/20	08/31/20
Convert data from existing system to new application	08/20/20	08/31/20
Deploy new application	09/01/20	09/01/20
Post-implementation support	09/01/20	10/15/20

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?

Yes

6.2a Please identify the projects or procurements.

The mainframe migration project does not have the same go-live dates but there will be resource contention during the implementation phases of the two projects. Also, if one or both of the projects have a change in the go-live date then there could be additional challenges to be dealt with by the two projects.

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

Yes

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

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.?

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?

No

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.

There is not a statewide enterprise solution available

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?

Yes

8.3a Describe how the software was selected below:

DES' technology organization (DTS) has made a commitment to the use of the Salesforce platform as a departmental standard technology platform.

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?

Yes

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.

March 1995 - The current system ARICS is a homegrown application.

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

Retired

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?

The PIJ numbers were determined from both the vendors' bids and DES technical experts.

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?

Yes

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

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?

Yes

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

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?

Yes

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

No

8.16b Describe who will be customizing the solution below:

The customizations/configurations will be completed by a combination of the implementation vendor (CGI) and in-house DES technical resources.

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

Yes

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

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:

The application is planned to be implemented using 80% software configuration and 20% software customizations. The customizations/configurations will be completed by a combination of the implementation vendor (CGI) and in-house DES technical resources. CGI will complete most of the customizations/configurations (approximately 90%)

while DES will complete a small portion of the customizations/configurations to the application (approximately 10%). Apisero and DES resources will complete approximately 90% (70% Apisero and 20% DES) associated to the interfaces and data conversions while CGI will complete the remainder of work in interfaces and conversions (approximately 10%).

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

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?

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 vendor-hosted?

Yes

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

Vendor's data center environment

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

DES's strategic vision is to move towards a platform as a service. By moving to a platform as a service, DES will use less internal resources to manage our applications, which makes them available for other activities. In addition, disaster recovery is already built into the Salesforce solution, which will reduce DES's operating costs.

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

Yes

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

Yes

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

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?

No

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:

The Salesforce platform is FedRAMP certified.

The Salesforce platform will properly segregate DES' data from other clients' data.

Secure sign-on.

The Salesforce Shield security product ensures the data is encrypted "in transit" and "at rest".

The Salesforce "gov" cloud is located in the U.S. The data will be stored in the Elk Grove, IL and the Ashburn, VA data center locations.

Secure encrypted API's will be used thru MuleSoft

10. AREAS OF IMPACT

Application Systems

Other

New API's will be developed

Database Systems

Database Consolidation/Migration/Extract Transform and Load Data

Software

COTS Application Customization;COTS Application Acquisition

Hardware

Hosted Solution (Cloud Implementation)

Vendor Hosted

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
In the cost proposal from the implementation vendor CGI, they included the total cost for P&O. These costs will be spread over fiscal year 1 and 2. This line item is for year 1 CGI P&O costs.	Professional & Outside Services	Development	1	1	\$751,000	\$751,000	0.00 %	\$0	\$751,000
Salesforce license for fiscal year 1.	License & Maintenance Fees	Development	1	1	\$186,442	\$186,442	860.00 %	\$16,034	\$202,476
P&O costs in fiscal year 1 for developers building the interfaces and data conversions with the Mulesoft product.	Professional & Outside Services	Development	1	1	\$94,000	\$94,000	0.00 %	\$0	\$94,000
Fiscal year 2 of the CGI P&O costs.	Professional & Outside Services	Development	2	1	\$370,000	\$370,000	0.00 %	\$0	\$370,000
P&O costs in fiscal year 2 for developers building the interfaces and data conversions with the Mulesoft product.	Professional & Outside Services	Development	2	1	\$23,600	\$23,600	0.00 %	\$0	\$23,600
Salesforce License for Fiscal year 2	License & Maintenance Fees	Operational	2	1	\$193,899	\$193,899	860.00 %	\$16,675	\$210,574
Salesforce license for fiscal year 3	License & Maintenance Fees	Operational	3	1	\$201,655	\$201,655	860.00 %	\$17,342	\$218,997
Salesforce license for fiscal year 4	License & Maintenance Fees	Operational	4	1	\$209,721	\$209,721	860.00 %	\$18,036	\$227,757
Salesforce license for fiscal year 5	License & Maintenance Fees	Operational	5	1	\$218,110	\$218,110	860.00 %	\$18,757	\$236,867

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$0	\$0	0%
APF (Available)	APF (To Be Req)	APF % of Project
\$0	\$0	0%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$420,349	\$0	18%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$817,345	\$0	35%

Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
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\$1,097,578	\$0	47%
Total Budget Available	Total Development Cost	
\$2,335,272	\$1,441,076	
Total Budget To Be Req	Total Operational Cost	
\$0	\$894,196	
Total Budget	Total Cost	
\$2,335,272	\$2,335,272	

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

After successful migration of all remaining ARICS functionality to Salesforce, the ARICS system will be retired, reducing the impact of maintaining an aged system to AZ DES data center and programming staff.

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.

14. OVERSIGHT SUMMARY

Project Background

DES is a social services agency that works with families, community organizations, advocates and state and federal partners to ensure that every child, adult, and family in Arizona is safe and economically secure. The Division of Business and Finance (DBF) supports DES in their business functions. DBF is replacing the Accounts Receivable Integrated Collections System (ARICS). The mainframe system is 24 years old and facilitates accounts receivable and collections for over 30 programs within DES. ARICS typically has 120,000 clients or providers with outstanding balances that total approximately \$250 million in claims. DES is seeking to modernize their system with a Salesforce solution.

Business Justification

Salesforce solution provides better security features, more configurable functionality, and is adaptable to mobile technology.

Implementation Plan

DES is working with CGI to configure and implement the Salesforce Solution. They will also be using Mulesoft to create all the needed API's. Asipero will be the vendor completing the API/Mulesoft work.

Vendor Selection

DES received four quotes for the Salesforce implementation. The responses came from Accenture, CCI, CGI and MST. DES selected CGI as the best fit for the cost. DES solicited quotes for the Mulesoft API's and received two responses. The vendors that responded were Asipero and Parsus. DES conducted a formal evaluation of the quotes with the Office of Procurement and determined Asipero was the best fit for the project.

Budget or Funding Considerations

Funding for this project will be 18% Other Appropriated, 35% Federal and 47% Other Non-Appropriated.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Deb Peterson

Agency CIO (or Designee)

Doug Crane (CIO designee)

Agency ISO (or designee)

Todd Luther

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Thomas Considine

Agency SPO Representative

Agency CFO

Wes Fletcher