AZ Lottery CRM - Digital Transformation
Agency Requesting The Project:
Lottery
Business Unit Requesting The Project:
IT
Sponsor Of the Project:
Gregg Edgar
Sponsor Title:
Executive Director

Sponsor Phone Number:	**Extension:**
(480) 921-4505	

Sponsor Email Address:
gedgar@azlottery.gov

Has a Project Request been completed for this PIJ?	
	Y

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...)
Currently every department within the Lottery relies on an internal AS400 mid-range mainframe for business processing and reporting. This system can no longer adequately address current and future business needs. Each Lottery department relies heavily on IT to generate reports and data from the system. After IT delivers the reports these departments spend even more time formatting and re-working this information to best fit their individual requirements. Every department is forced to manually develop what they actually need through time-consuming re-work that is prone to errors. This in turn, impedes overall business performance and effectiveness.

How will solving this issue or addressing this need benefit the State or the Agency?
Consolidating our data into one common CRM platform that enables each department to utilize and customize to their business needs will eliminate the need for time-consuming re-work and unnecessary processes, which will relieve IT to focus on other deliverables. Once implemented, this system will have a significant positive impact on the Lottery's ability to grow its revenue in the future and maximize return to its beneficiaries.

Describe the proposed solution to this business need:
We would like to centralize all aspects of the retailer experience in a single cloud-based mobile device capable application. The first phase is to replace the existing CRM with a cloud based online solution that can support all aspects of the retailer experience and other work groups responsible for engaging and supporting the retailer. In subsequent phases we will transition our business process support to include licensing,

security and audit from our antiquated AS400 system to the new CRM solution.

Has the existing technology environment, into which the proposed solution will be implemented, been documented?	Y

Indicate where that documentation can be found, or provide the information under separate cover before the meeting, otherwise describe below:
Lottery IT can provide additional information on the existing environment.

Have the business requirements been gathered, along with any technology requirements that have been identified?	Y

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?	N

Will you be completing an assessment/Pilot/RFP phase, i.e., an evaluation by a vendor, third party or your agency, of the current state, needs, and desired future state, in order to determine the cost, effort, approach (RFP or otherwise) and/or feasibility of a project before submitting the full PIJ?	N

Describe the reason for completing the assessment/Pilot/RFP and the expected deliverable(s) below:
ADOA was engaged to perform an assessment of our existing environment based on our technology needs to address the issues described in this PIJ. The expected deliverable of this project will be a fully functioning CRM platform that will address our technology needs and increase productivity.

Provide a projected start and finish date for implementing the final solution.			
Estimated Start	05/01/17	Estimated Finish	06/30/18

Based on research to date, provide a high-level cost estimate to implement the final solution below:
$1,625,000.00

Does the project fall into one of the following categories: - hardware technology refresh/expansion, e.g., replacement/more laptops, radios, peripherals, etc.?	N

Is the proposed procurement the result of an RFP solicitation process?	N

Is this project referenced in your agency's Strategic IT Plan?	Y

Does your agency have a formal project methodology in place?	Y

Describe the high level make-up and roles/responsibilities of the Agency, Vendor(s), and other third parties below: (i.e. …agency will do…vendor wil do…other third parties will do..)

Lottery Executive Director - Project Sponsor

Lottery CFO - Project Oversight

Lottery CIO - Provide Oversight and Technical Advisor

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

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

The Lottery will utilize a dedicated internal PM (PMP Certified)

Is a project plan available that reflects the estimated start date and end date of the project, and the supporting milestones for the project?	Y

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

Estimated Start	05/01/17		Estimated Finish	06/30/18

How were the start and end dates determined:

Based on funding approval and resource availability and allowing 18 months to complete.

Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?	Y

Will any phyciscal infrastructure improvements be required prior to the implementation of the proposed solution. e.g., building reconstruction, cabling, etc.?	N

Are there any known resource availability conflicts that could impact the project?	N

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

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

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

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.?	Y

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.?	Y

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

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

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

Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution:
ADOA is also considering a similar CRM solution as well to implement at the State level however they have not initiated a known project for this yet. In addition, other state agencies are utilizing this solution.

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

Will any software be acquired through the current State value-added reseller contract?	Y

Describe how the software was selected below:
The software selected was based on its ability to meet Lottery's business requirements and it was recommended by ADOA ASET (State Chief Technology Officer) after completing a thorough review of the Lottery's business requirements.

Does the project involve any technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?	Y

Does your agency have experience with the vendor (if known)?	N

Does the vendor (if known) have professional experience with similar projects?	Y

Does the project involve any coordination across multiple vendors?	Y

Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?	Y

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?	N

Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:
We have been working with ADOA ASET and there are no major issues. There will be requirements regarding the interface between the CRM solution and the Lottery's official system of record. Customized Application Program Interfaces (APIs) will be utilized where necessary as part of the solution build-out.

Will a migration/conversion step be required, i.e., data extract, transformation and load?	Y

Is this replacing an existing solution?	Y

Indicate below when the solution being replaced was originally acquired?
The original solution was acquired in 1981 at the Lottery's inception with an AS400 mainframe. The mainframe hardware and software have been upgraded since 1981 however, the underlying technology and programming language has remained. This system can no longer support the business requirements of the Lottery.

Describe the planned disposition of the existing technology below, e.g., surplused, retired, used as backup, used for another purpose:
The existing technology will be retired.

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?
These quantities were determined by the needs of the business units as analyzed by the ADOA Business Analysis engagement that was conducted along with the number of Lottery users requiring access to the various components of the solution.

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?	Y

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

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

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

Will any application development or customization of the proposed solution be required for the agency to use the product in the current/planned technology environment, e.g., a COTS application that will require custom programming, an agency application that will be entirely custom developed?	Y

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

Describe who will be customizing the solution below:
A State-preferred vendor has been identified and will be engaged via the State Procurement Office (SPO) process.

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

Please select the application development methodology that will be used:
Agile/Scrum

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 proposed CRM solution is a COTS application and it is estimated that there will be 20-25% customization.

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

Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards, and procedures, including those for network, security, platform, software/application, and/or data/information found at https://aset.az.gov/resources/psp?	Y

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

Will the proposed solution be vendor-hosted?	Y

Please select from the following vendor-hosted options:
Vendor Hosted

Describe the rationale for selecting the vendor-hosted option below:
The CRM solution will be GovCloud-based: - The solution will be hosted in the GovCloud environment. Everything stays in the United States and is maintained only by US Citizens. - No additional Infrastructure costs - Automated maintenance and support

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

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

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

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?	Y

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

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

Describe below what security infrastructure/controls are/will be put in place to safeguard this data:
This solution will reside on the GovCloud and will have all processes and procedures included as addressed in the Arizona Baseline Security Controls documentation and FedRAMP documentation. This solution requires that all data is to be stored in the US and supported by US Citizens only.

What help could ASET offer to increase the probability of project success?
Assist with anything related to successful project approval. And any policy and/or security reviews during the design phase.

Summary of PIJ Financials

Total of Development Cost:	$	1,625,000
Total of Operational Cost:	$	5,173,517
Total Costs:	$	6,798,517

Project Cost - Itemized

Item	Description	Category	Development (Implementation) or Operational (Ongoing)	Fiscal Year Spend	Qty or Hours	Unit Cost	Extended Cost	Enter Tax Rate if Applicable (Generally 8.6% for PHX)	Tax	Total Cost
1	Analysis	Prof & Outside Services	Development	1	1	$50,000	$50,000		$0	$50,000
2	CRM/Security/Investigations	Prof & Outside Services	Development	1	1	$200,000	$200,000		$0	$200,000
3	Community Portal	Prof & Outside Services	Development	1	1	$300,000	$300,000		$0	$300,000
4	Marketing Cloud	Prof & Outside Services	Development	1	1	$200,000	$200,000		$0	$200,000
5	Lottery Application Development	Prof & Outside Services	Development	1	1	$75,000	$75,000		$0	$75,000
6	Data Integration and Migration	Prof & Outside Services	Development	1	1	$300,000	$300,000		$0	$300,000
7	Claims and Case Management	Prof & Outside Services	Development	1	1	$100,000	$100,000		$0	$100,000
8	Wave Analytics	Prof & Outside Services	Development	1	1	$100,000	$100,000		$0	$100,000
9	Accounting and Audit	Prof & Outside Services	Development	1	1	$300,000	$300,000		$0	$300,000
10	Lightening Sales Cloud	Software	Operational	1	40	$2,268	$90,720		$0	$90,720
11	Lightening Sales Cloud (FY2-5)	Software	Operational	FY2-5	40	$2,268	$90,720		$0	$362,880
12	Lightening Service Cloud	Software	Operational	1	20	$2,268	$45,360		$0	$45,360
13	Lightening Service Cloud (FY2-5)	Software	Operational	FY2-5	20	$2,268	$45,360		$0	$181,440
14	Lightening Force 100	Software	Operational	1	58	$522	$30,276		$0	$30,276
15	Lightening Force 100 (FY2-5)	Software	Operational	FY2-5	58	$522	$30,276		$0	$121,104
16	Lightening Force 100 ADMIN	Software	Operational	1	2	$522	$1,044		$0	$1,044
17	Lightening Force 100 ADMIN (FY2-5)	Software	Operational	FY2-5	2	$522	$1,044		$0	$4,176
18	Customer Community Plus Member	Software	Operational	1	3000	$90	$270,000		$0	$270,000
19	Customer Community Plus Member (FY2-5)	Software	Operational	FY2-5	3000	$90	$270,000		$0	$1,080,000
20	Knowledge	Software	Operational	1	5	$477	$2,385		$0	$2,385
21	Knowledge (FY2-5)	Software	Operational	FY2-5	5	$477	$2,385		$0	$9,540

22	Analytics Cloud - Wave Analytics Platform	Software	Operational	1	10	$1,548	$15,480		$0	$15,480
23	Analytics Cloud - Wave Analytics Platform (FY2-5)	Software	Operational	FY2-5	10	$1,548	$15,480		$0	$61,920
24	Analytics Cloud - Sales Wave Analytics App	Software	Operational	1	10	$810	$8,100		$0	$8,100
25	Analytics Cloud - Sales Wave Analytics App (FY2-5)	Software	Operational	FY2-5	10	$810	$8,100		$0	$32,400
26	Marketing Cloud	Software	Operational	1	1	$164,000	$164,000		$0	$164,000
27	Marketing Cloud (FY2-5)	Software	Operational	FY2-5	1	$164,000	$164,000		$0	$656,000
28	Salesforce Shield	Software	Operational	1	1	$142,942	$142,942		$0	$142,942
29	Salesforce Shield (FY2-5)	Software	Operational	FY2-5	1	$142,942	$142,942		$0	$571,768
30	GovCloud	Software	Operational	1	1	$50,500	$50,500		$0	$50,500
31	GovCloud (FY2-5)	Software	Operational	FY2-5	1	$50,500	$50,500		$0	$202,000
32	Distributor	Software	Operational	1	1	$90,289	$90,289		$0	$90,289
33	Distributor (FY2-5)	Software	Operational	FY2-5	1	$90,289	$90,289		$0	$361,156
34	Customer Community Login	Software	Operational	1	1	$75,000	$75,000		$0	$75,000
36	4 % increase for software licenses over FY2-5	Software	Operational	3	1	$39,444	$39,444		$0	$39,444
37	4 % increase for software licenses over FY2-5	Software	Operational	4	1	$80,465	$80,465		$0	$80,465
38	4 % increase for software licenses over FY2-5	Software	Operational	5	1	$123,128	$123,128		$0	$123,128
39	Customer Community Login (FY2-5)	Software	Operational	FY2-5	1	$75,000	$75,000		$0	$300,000

Total Development Cost	$1,625,000
Total Operational Cost	$5,173,517
Total Itemization of Costs:	**$6,798,517**

Summary of Funding Sources

Fund Type	% of Project	$ of Project (Available)	$ of Project (To Be Requested)
Base Budget			
APF			
Other Appropriated	100.00%		$6,798,517
Federal			
Other Non-Appropriated			

PIJ Development & Operational Cost Summary

Description	Type	Year 1	Year 2	Year 3	Year 4	Year 5	Extended Cost
Professional & Outside Services	Development	$1,625,000	$0	$0	$0	$0	$1,625,000
	Operational	$0	$0	$0	$0	$0	$0
Hardware	Development	$0	$0	$0	$0	$0	$0
	Operational	$0	$0	$0	$0	$0	$0
Software	Development	$0	$0	$0	$0	$0	$0
	Operational	$986,096	$986,096	$1,025,540	$1,066,561	$1,109,224	$5,173,517
Communications	Development	$0	$0	$0	$0	$0	$0
	Operational	$0	$0	$0	$0	$0	$0
Facilities	Development	$0	$0	$0	$0	$0	$0
	Operational	$0	$0	$0	$0	$0	$0
Licensing & Maintenance Fees	Development	$0	$0	$0	$0	$0	$0
	Operational	$0	$0	$0	$0	$0	$0
Other	Development	$0	$0	$0	$0	$0	$0
	Operational	$0	$0	$0	$0	$0	$0
	Development Cost:	$1,625,000	$0	$0	$0	$0	$1,625,000
	Operational Cost:	$986,096	$986,096	$1,025,540	$1,066,561	$1,109,224	$5,173,517
	Total Cost:						$6,798,517

Areas of Impact

1 Application Systems

X	Application Enhancements
X	Internal Use Web Application
X	Mobile Application Development
	Arizona Enterprise Solution Platform (AESP) based Application
X	New Application Development
	az.gov Web Portal Application
	Other: (Please specify below)

2 Database Systems

	Data Warehouse/Mart
	Database Consolidation/Migration/Extract Transform and Load Data
X	Database Products and Tools:
	Oracle
	MySQL
	DB2
X	MS SQL Server
	Other: (Please specify below)

3 Software

X	COTS Application Customization
X	COTS Application Acquisition
X	Mainframe Systems Software
	Open Source
	PC/LAN Systems Software
	Virtualization
	Other: (Please specify below)

4 Hardware

	LAN/WAN Infrastructure
X	Mainframe Infrastructure
	Storage Area Network Devices
	Public Safety Radios, Systems
	PC Purchases, Peripherals
	Tape Libraries/Silos
	UPS Devices
	Other: (Please specify below)

5 Hosted Solution (Cloud Implementation)

	State Data Center
	Commercially Hosted:
	Amazon (AWS) GovCloud
	Century Link - I/O Data Center
	AWS (non-government) cloud
	Microsoft Azure
X	Vendor Hosted
X	Other: (Please explain below) Vendor Hosted GovCloud

6 Security

	Encryption
	Security Appliances:
	Firewall
	Intrusion Detection System (IDS)
	Intrusion Prevention System (IPS)
	SecurityControls/Systems - Other: (Please specify below)
	Physical Controls (Badging Systems, Iris Scanners, Other: (Please specify below)
	Other: (Please specify below)

7 Telecommunications

	Network Communications Infrastructure
	Telephone Upgrade-Business-Specific
	Cabling
	Wireless Access Points
	Telephony Upgrade-EIC Solution
	Trenching
	Videoconferencing
	Other: (Please specify below)

8 **Enterprise Solutions**

- [ ] Business Intelligence System
- [ ] E-Signatures
- [ ] Geographic Information Systems
- [ ] Other Imaging - Photos, Fingerprints, etc.
- [ ] Document Management/Imaging
- [X] eLicensing
- [ ] Management Systems - Financial, Grants, Asset
- [ ] Disaster Recovery/Business Continuity
- [ ] Other: (Please specify below)

9 **Contract Services/Procurement**

- [X] Contracted Project Management
- [X] Contractor Support Services
- [X] Install/Configuration Contract Services
- [X] State Contract
- [X] Vendor provided
- [ ] Procurement (RFP, IFB, DPR, etc.)
- [ ] Other: (Please specify below)

PIJ Review Checklist

Role	Name	Email Address	Date Reviewed
Agency Project Sponsor*	**Gregg Edgar**	gedgar@azlottery.gov	08/24/16
Agency Chief Information Officer (CIO) (or designee)*	**Steve O'Ney**	soney@azlottery.gov	08/24/16
Agency Information Security Officer (ISO) (or designee)*	**Lisa Wahlin**	lwahlin@azlottery.gov	08/24/16
ADOA-ASET Engagement Manager *	**Clark Lathrum**	clark.lathrum@azdoa.gov	09/09/16
ADOA-ASET Security, Privacy & Risk (ASET-SPR) representative	**Tim Guerriero**	Timothy.Guerriero@azdoa.gov	09/06/16
Agency CPO or State Procurement Office (SPO) representative	**Jennifer Wenger**	jennifer.wenger@azdoa.gov	08/24/16
Agency CFO or Finance representative (if different from CPO)	**Biju Kamaleswaran**	bkamaleswaran@azlottery.gov	08/24/16
Agency Sr. Manager Business Analyst	**Darlene Miller**	dmiller@azlottery.gov	08/24/16
Agency Sr. Budget Manager	**Pam DiNunzio**	pdinunzio@azlottery.gov	08/24/16
Others to Review (if applicable):			

* Required Attendee

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X	Has the value of the IT project to the public and the State been identified?
X	Does the proposed solution address the stated problem or situation?
X	Has the budget unit demonstrated competency to carry out the project successfully?
X	Have all applicable questions in the PIJ been addressed?
X	Have the Areas of Impact associated with the project been identified?
X	Is sufficient sponsorship and support by budget unit leadership evidenced in the meeting?
X	Has the compatibility of the proposed solution with other budget unit solutions been addressed?
X	Has a reasonable Project Plan been provided?
X	Has the compliance of the proposed solution with all applicable statewide standards been confirmed?
X	Have any potential risks or issues associated with the project or the proposed solution been identified and appropriately addressed to minimize unintended consequences?
X	Have the cost estimates for the project been vetted for accuracy?
X	Have the PIJ Financials been completed?
X	Have any/all of the following startup costs to implement the project been included under Development in the financial tables, if applicable - tax; shipping; upfront maintenance and support; professional services (P&OS); ancillary software to run on equipment; ancillary hardware to install equipment, e.g., cables; other associated costs, e.g., training, travel, documentation, etc.?
X	Have any/all of the following ongoing/5-year support costs, once the project is implemented, been included under Operational in the financial tables, if applicable - ongoing vendor hosting costs, including any projected increase over time; annual maintenance and support not acquired upfront; extended costs after warranty expiration; P&OS commitments beyond implementation?
X	Have you confirmed that no Full Time Employee (FTE) related costs have been included in the project costs?
X	Have quotes been provided for all itemized costs in the PIJ, e.g., professional services, hardware, software, licensing, etc.?
X	Do the quotes match the itemized list and only reflect those items and costs (within 5%) associated with this project?
X	If not, describe below how the costs in the PIJ differ from the quotes, e.g., if quantities are different, costs are comprised of portions of multiple quotes provided, etc.:

If any of the above are not complete, the PIJ cannot be approved at this time…..

PIJ Disposition

X	ITAC Recommendation
	ITAC Recommendation with conditions
	Not Approved

Strategic Program Manager Analysis

The Arizona Lottery Commission (Lottery) currently uses many manual processess and workflows for business processing and reporting. Lottery is also reliant on an aging and outdated mid-range computing system for disparate data storage and siloed processing. As a result, each Lottery department is currently compelled to manually develop the needed reports and data views which is inefficient, time-consuming and prone to errors and re-work. This situation impedes overall business performance and effectiveness. Lottery proposed to consolidate their data and business processes into one common Customer Relationship (CRM) platform to enable each Lottery department to automate and customize to their business processing needs, eliminating the need for time-consuming re-work, unnecessary manual processes and the enablement of Lottery IT resources to focus on other priorities. When implemented, it is anticipated that the CRM system will have a significant positive impact on the Lottery's ability to grow its revenue in the future and maximize return to its beneficiaries.

There are no known issues or concerns with the project as described.

Recommended for Approval via delegated authority.

Authorized Approver:	Clark Lathrum	Recommendation Date:	9/9/2016

Condition (If Applicable)