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ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

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October 20, 2014

Mr. Clarence H. Carter, Director
Arizona Department of Economic Security
1717 W. Jefferson
Phoenix, AZ 85007

Dear Clarence:

In response to the Project Investment Justification (PIJ) for the **"DES Data Center Relocation – Network Implementation"** project, my staff has reviewed your proposal to procure hardware and professional services to establish and connect the Department of Economic Security (DES) Data Center network to a new co-location multi-tenant data center facility.

The PIJ implies that funding is available from the Department of Child Safety (DCS) Transition – DES Data Center Relocation Fund in the amount of $2,304.8 thousand, and from various federal funds in the amount of $576.2 thousand, for a total five-year life cycle cost for the project of $2,881.0 thousand. Operational costs have not been included in the total costs for the project, as those are not expected to exceed current DES facilities and maintenance / support costs.

This is the Arizona Strategic Enterprise Technology Office's recommendation to the Information Technology Authorization Committee (ITAC) for **Approval with Conditions** of the technology project as follows:

1. Should final costs exceed the proposed costs by 10% or more, or should there be significant changes to the technology approach, scope of work, or implementation schedule, the Department of Economic Security (DES) must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and to ITAC, for review and approval prior to further expenditure of funds.

The ITAC is scheduled to meet on October 22, 2014 to review this project. Should the ITAC approve the project, you may then proceed to secure additional approvals as required from the Joint Legislative Budget Committee, the Office of Strategic Planning and Budgeting, and the State Procurement Office.

Best Wishes,

Aaron V. Sandeen
State CIO and Deputy Director
Arizona Strategic Enterprise Technology (ASET) Office

jd

cc: Michael Dellner, DES
Kathleen Huse, DES
Kim Hartleroad, DES
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James Dean, ADOA-ASET

ASET# DE15003

Analyst: James Dean **PIJ Summary - ASET** Project Number: DE15003

Agency Name & Address	*Contact Information*
Arizona Department of Economic Security 1717 W. Jefferson Phoenix, AZ 85007	Kim Hartleroad 602-542-0592 KHartleroad@azdes.gov
Project and Investment Justification Name	*Date Submitted*
DES Data Center Relocation – Network Implementation	October 17, 2014

Project Overview

Problem Description

During the past few years, the Department of Economic Security (DES) data center has experienced a number of unexpected events related to facility failures that have caused disruption and complete outages of DES IT processing services. The DES data center has been impacted by three significant facility outages over the last 18 months, and the condition continues to deteriorate. These facility issues have included fire, flood, power outages, leaks, asbestos abatement, generator issues, and Halon deployments. The resultant outages have prevented DES field personnel from accessing application systems designed to provide services and benefits to the citizens of Arizona, and have impacted the productivity of approximately 10,000 DES employees.

Solution

The DES is proposing to procure the hardware and professional services needed to prepare for a planned relocation of the current DES data center to a new co-location data center site within the multi-tenant CenturyLink / IO facility. This project will establish a new DES local area network infrastructure, including the core switches, network connections and firewalls needed to support the handoff from the State AZNETII network, and to complete the build-out of the DES data center.

Major Deliverables and Outcomes

The DES will purchase new core switches supporting both the access layer and storage fabric that will be required for the eventual build-out of the new co-location facility. The proposed design is intended to ensure that all network paths are redundant, and that any dependencies on the existing DES data center can ultimately be removed.

Equipment to be purchased includes:

- Cisco Core/Top of Rack/Fiber Channel Switches
- Palo Alto Networks PA-5050 Firewalls
- F5 Big-IP Load Balancers and ancillary software
- Cisco Catalyst Switches for the DES Main Office
- BlueCat DNS/DHCP/IPAM Appliances and ancillary software

During the project, the DES will utilize professional services to establish network connectivity to the new co-location, multi-tenant data center. The proposed design will isolate DES network traffic by division through dedicated subnets, isolate the fiber channel storage network from the user network, and ensure that regulatory and statute requirements are met.

Benefits

The project will establish the network foundation required to support the planned move of the existing DES data center to the new co-location, multi-tenant site. Anticipated benefits from the eventual move of the data center include elimination of the infrastructure problems resulting from the age of the existing facility and associated service failures due to those conditions.

Project Management

The DES Division of Technology Services (DTS) will manage the overall project, and work with contracted resources to install and configure the new hardware. Staff training on the new environment will also be provided by the professional and outside services vendor.

Enterprise Architecture

Compliant

Summary of Proposed Costs

All Figures in Thousands ($000)						
Cost Description	*2015*	*2016*	*2017*	*2018*	*2019*	*Total*
Development Costs	2,465.2	0.0	0.0	0.0	0.0	2,465.2
Operational Costs	415.9	0.0	0.0	0.0	0.0	415.9
Total Project Costs	2,881.0	0.0	0.0	0.0	0.0	2,881.0

Recommendation: **Approval with Conditions**

1. Should final costs exceed the proposed costs by 10% or more, or should there be significant changes to the technology approach, scope of work, or implementation schedule, the Department of Economic Security (DES) must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and to ITAC, for review and approval prior to further expenditure of funds.