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## ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

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June 18, 2014

Mr. Charles L. Ryan, Director  
Arizona Department of Corrections  
1601 West Jefferson Street  
Phoenix, AZ 85007

Dear Charles:

In response to the **Amended** Project Investment Justification (PIJ) for the “**Adult Inmate Management System (AIMS) Replacement**” project, my staff has reviewed your updated proposal to replace the legacy application currently used to manage inmates throughout Arizona.

The original PIJ implied funding was available from Base Budget General Funds in the amount of \$24,000.0 thousand for the total five-year life cycle cost of the project. The amended PIJ implies that \$8,000.0 thousand in FY2014 Automation Projects Fund (APF) funding was allocated to the project, which is still currently available, and that additional APF funding will be requested in the amount of \$16,000.0 thousand, for a total five-year life cycle cost for the project of \$24,000.0 thousand. Operational costs have not been included in the total costs for the project, as those are not expected to exceed costs that ADC is incurring today for ongoing maintenance / support of the current system.

The PIJ was originally approved to proceed by the Information Technology Authorization Committee (ITAC) on May 30, 2013 with the following Conditions:

1. The Request for Proposal (RFP) for the proposed system shall only be issued upon agreement between ADC and ASET regarding the technology requirements and evaluation process identified in the Statement of Work (SOW).
2. ADC may not award the solicitation until an updated PIJ reflecting the results of its evaluation, including the selected technology approach, scope of work, implementation schedule, and detailed itemization of the development and operational costs for the project, has been submitted for review to ASET and approved by the Information Technology Authorization Committee (ITAC), in Executive Session if applicable.
3. ADC shall retain the services of the vendor currently engaged as an Independent Advisory Consultant (IAC) to assist in the development of the RFP, for the duration of the solicitation process. Costs to retain the current vendor, or other qualified vendor, as an IAC for the duration of the project, must be reflected in the updated PIJ.

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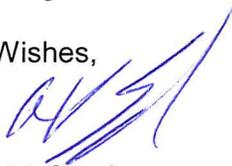
This is notification of the Arizona Strategic Enterprise Technology Office's recommendation to the Information Technology Authorization Committee (ITAC) for **Approval with Conditions** of the **Amended** technology project as follows:

1. ADC may proceed to award the solicitation, with project development and total costs not to exceed PIJ approved amounts without further approval by ADOA-ASET and ITAC. Upon award, ADC must provide a formal communication to ADOA-ASET and ITAC regarding the identity of the selected vendor and a detailed summary of the vendor proposed costs.
2. As a result of the final design and procurement efforts, ADC must provide additional details regarding the supporting components required to implement the proposed solution to ADOA-ASET, and to the Information Technology Authorization Committee (ITAC) if necessary, for review and approval prior to further expenditure of funds.
3. ADC shall work with ADOA-ASET to ensure that the selected solution is in compliance with the Arizona Baseline Security Controls needed to provide an appropriate level of protection for State data.
4. Given the required independent third-party reviews of project progress, ADE will make the results of the reviews available to ITAC as of the end of each calendar quarter, if requested.

The ITAC is scheduled to meet on June 24, 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: Robert Allen, ADC  
Stephen Welsh, ADC  
Michael Kearns, ADC  
Andrew Smith, JLBC  
John Arnold, OSPB  
Barbara Corella, SPO  
Phil Manfredi, ADOA-ASET  
Susan Quinn, ADOA-ASET  
Veronica Garcia, ADOA-ASET  
Joyce Raschiatore, ADOA-ASET  
James Dean, ADOA-ASET

ASET# DC13007\_A

Analyst: James Dean

**PIJ Summary - ASET**

Project Number: DC13007\_A

<i>Agency Name &amp; Address</i>	<i>Contact Name &amp; Phone</i>
AZ Department of Corrections 1601 W. Jefferson Phoenix AZ 85007	Robert Allen 602-542-8467 Rallen4@azcorrections.gov
<i>Project and Investment Justification Name</i>	<i>Date Submitted</i>
Adult Inmate Management System (AIMS) Replacement	May 8, 2013 – Original PIJ <b>June 9, 2014 – Amended PIJ</b>

**Project Overview**

**Problem Description**

The Arizona Department of Corrections (ADC) currently operates 10 adult institutions and also supplies offender management for 5 private prisons within the State, with an approximate number of adult inmate offenders currently totaling 40,200. Used to support a number of offender management functions, the current Adult Inmate Management System (AIMS) is a COBOL/CICS based legacy mainframe application with multiple subsystems, originally implemented by ADC in 1985. The system is essential to the daily operations of the Agency, which currently relies on AIMS to provide critical information and core business services such as Inmate Identification, Movement, Location, Count, Sentencing, Disciplinary Actions, Trust Accounting, and Time Computation. Without access and availability to AIMS, the activities of various offices within ADC would not be able to continue.

Over time, additional functionality has been incorporated into the system to address operational and legislative requirements, without sufficient documentation to support ongoing changes. Difficulty in adapting complex release calculations to legislative updates, in particular, can have very serious consequences and legal implications for the Agency. The system has become increasingly difficult to maintain, with limited availability of resources familiar with the outdated technology and programming techniques used. The DL/I database used by the system is hierarchical in design, resulting in significant cost and difficulty in retrieving data compared to modern relational databases. The current design does not support a graphical user interface presentation layer or a distributed processing model. To run the legacy system at the State Data Center, ADC spends over \$2.0 million annually in operational support costs.

Due to its age, complexity and outdated technology, AIMS is unable to reasonably meet the growing demands placed upon it, or take advantage of new technologies currently being employed. The Agency is experiencing an increasing need to maintain more detailed information about each offender, along with constant pressure to share that information with outside entities, i.e. Electronic Health Care/Medical Records systems. The lack of automation, inability to easily exchange data, and process inefficiencies related to AIMS have resulted in additional verification, duplicate work and other impacts throughout the Agency. The risk of catastrophic system failure continues to increase, with the potential for very serious impacts to ADC's operational capabilities.

**Solution**

In order to ensure the accurate day-to-day management of inmates and the long-term effectiveness and efficiency of its operations, ADC is proposing to issue a Request for Proposal (RFP) for a new Offender Management System (OMS) to replace AIMS. As part of a prior Pre-PIJ, ADC contracted with an independent consultant to assist in the development of the proposed RFP. Similar systems implemented by other states have also been reviewed, in order to gain a better understanding of the scope, high level requirements and estimated cost of replacing AIMS, which are reflected in the PIJ. Operational costs have not been included in the

PIJ at this time, as those are not expected to exceed costs that ADC is incurring today for ongoing maintenance / support of the current system.

The objective of the RFP will be the acquisition and development of a replacement OMS that is able to provide data and information needed to support the practice and management of both institutional and community supervision functions within ADC. The new OMS will include a comprehensive database and data structure to serve the expanding needs of the Agency and its customers. The new OMS is expected to provide a wider and deeper view of corrections-related data, facilitate user navigation, and be flexible in its ability to provide for data integration and system access.

***As proposed in the original PIJ, in conjunction with a separate Pre-PIJ for outside consulting services, ADC issued a solicitation via the RFP process for a new Offender Management System (OMS), to which four (4) vendors responded – Business and Decision, Abilis, Capita Technologies, and HP Enterprise. The ADC evaluation team completed a comprehensive evaluation of qualified responses, including a four (4) day review process consisting of a one (1) day overview, two (2) days of product demonstrations, and one (1) day of hands-on labs, allowing ADC to utilize and test specific areas of interest. ADC traveled to vendor referred Correctional sites in order to view the systems in daily use by other active prisons. The evaluation process is now complete and ADC is proposing to award the solicitation to one of the responding vendors. The selected solution is a fully integrated, multi-agency Offender Case Management System (OCMS), enabling complete offender lifecycle management with full visibility to all users and agencies involved in the inmate management process, from Intake through Parole and Probation. As this is a complete solution, the chosen vendor will be providing all required infrastructure and application components, as well as ongoing maintenance and support.***

### **Major Deliverables and Outcomes**

The processing and database characteristics of the current system will be evaluated in conjunction with current user requirements, to establish a foundation for identifying software solutions capable of meeting ADC needs. While details regarding the technology cannot be specified at this time, ADC will require that the proposed solution be compliant with Statewide and ADC Enterprise Architecture standards. Systems will be considered that allow for modern data exchange to enable long-term interoperability, and employ the use of industry-standard technologies such as XML, wherever possible. The new OMS is expected to be web-based, single sign-on capable, operated on a hosted platform, and able to accommodate the level of software development that is expected to be required to customize a solution specific to Arizona's needs. Specific areas of focus include the inmate time calculation subsystem and system security. To support the expected level of testing as well as ongoing production operations, the supporting hardware infrastructure must accommodate required development, test, and training platforms apart from the production environment.

ADC will issue an RFP and evaluate responses, in order to select a vendor capable of installing and configuring a replacement OMS to meet ADC's requirements in a timely fashion. In the RFP, ADC will also consider the possibility and feasibility of a phased or modular approach to replacing AIMS. Specifics regarding project deliverables will be developed once the vendor has been selected and the analysis is completed. Upon implementation, ADC plans to maintain the current AIMS in parallel mode, in order to ensure all programs, functions and data records have been accurately migrated to the new system, prior to archival of the legacy AIMS system and project close. The replacement OMS system is expected to provide improved capture and processing of inmate-related data, as well as facilitate timely, accurate, and readily accessible information in support of ADC operational, legislative, and civic requirements.

***ADC has completed a comprehensive and thorough evaluation and scoring process, and has updated the PIJ to provide additional information regarding the RFP evaluation process, and details on security controls surrounding Personally Identifiable Information (PII). While the specific vendor solution is not reflected in the PIJ due to procurement rules, development costs for the selected solution include:***

- ***a completely integrated solution customized for Arizona needs***
- ***staff augmentation to backfill for existing ADC personnel assigned to work and train on the system***
- ***ancillary equipment to provide access to the OCMS from prison facilities and ADC partners***
- ***the required services of a third-party independent reviewer***
- ***a contingency amount.***

***Operational costs have not been included in the PIJ, as those are not expected to exceed costs that ADC is incurring today for ongoing maintenance / support of the current system.***

### **Benefits**

By replacing AIMS, ADC expects to realize business benefits in three major areas:

- Benefits related to the technology the new system has been built upon;
- Benefits accruing from specific systems functionality, including but not limited to, automation of business processes to provide efficiency and effectiveness to numerous manual processes currently in place throughout ADC;
- Benefits of risk mitigation for inmate releases, outdated technology and limited available future resources.

A new OMS is expected to provide considerable benefits in the areas of security, public safety, records and efficiency, both upon implementation and over the life of the system. The selected system is expected to facilitate employee use, enhance the creation, maintenance, and retrieval of inmate information, and expand the capability of the Agency to meet its mandated objectives. Business benefits will be realized as a result of the newer technologies upon which the system will be built, and the additional functionality provided. Of paramount importance, the replacement system is expected to mitigate current risks associated with day-to-day management of inmates, and the potential for system failure as a result of outdated technology and limited availability of resources to support AIMS moving forward.

***The new system will provide improved capture and processing of inmate-related data into a modern data storage mechanism that will facilitate timely, accurate, and readily accessible information for operational, legislative, and civic purposes.***

### **Project Management**

ADC IT personnel will manage the project and will partner with ADC Procurement and ADC Offender Operations staff to facilitate the RFP and evaluation process. Upon award, vendor personnel will be responsible for implementing the proposed solution, with the involvement of existing ADC staff to help plan and design the system solution, and provide ongoing support.

***The selected vendor will be responsible for implementing the proposed solution with the involvement of existing ADC staff. An additional independent reviewer will be involved during the development process for verification and validation of the project.***

**Enterprise Architecture**

Compliant

**Original Summary of Proposed Costs**

<i>All Figures in Thousands (\$000)</i>						
<i>Cost Description</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>Total</i>
Development Costs	0.0	5,200.0	14,800.0	4,000.0	0.0	24,000.0
Operational Costs	0.0	0.0	0.0	0.0	0.0	0.0
Total Project Costs	0.0	5,200.0	14,800.0	4,000.0	0.0	24,000.0

**Amended Summary of Proposed Costs**

<i>All Figures in Thousands (\$000)</i>						
<i>Cost Description</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>Total</i>
Development Costs	0.0	9,759.1	6,178.8	8,062.1	0.0	24,000.0
Operational Costs	0.0	0.0	0.0	0.0	0.0	0.0
Total Project Costs	0.0	9,759.1	6,178.8	8,062.1	0.0	24,000.0

**Recommendation: Approval with Conditions**

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