



# ADOA - ASET

Arizona Strategic Enterprise Technology

## Project Investment Justification

Version 01.01

A Statewide Standard Document for Information Technology Projects

### Project Title:

**ELECTRONIC TOBACCO TAX FILING SYSTEM**

Agency Name:	Department of Revenue
Date:	11/24/14
Agency Contact Name:	Janice Swim
Agency Contact Phone:	(602) 716-6249
Agency Contact Email:	jswim@azdor.gov

[Hover for Instructions](#)

## I. Management Summary\*

The Arizona Department of Revenue (ADOR) has a need to acquire and deploy tax processing and revenue accounting system for luxury tax that has the capability of processing tobacco tax returns, inventory tracking, issue billings, Preventing All Cigarette Trafficking (PACT) reports etc. The system is required by ARS §42-3053(B) and (C). The application would provide MSA tracking functionality and allow for electronic filing of tobacco returns and schedules. It would also have the ability to post and accept electronic transfers of funds related to the purchase of tobacco tax stamps.

## II. Project Investment Justification (PIJ) Type\*

Yes  No Is this document being provided for a Pre-PIJ / Assessment phase?

The funding needs for this project have been provided in FY15 budget for the Department of Revenue.

Identify any cost to be incurred during the Assessment phase.	
Based on research done to date, provide a high-level estimate or range of development costs anticipated for the full PIJ.	

Explain:

[Click here to enter text.](#)

Yes  No Will a Request for Proposal (RFP) be issued as part of the Pre-PIJ or PIJ?

## III. Business Case

### A. Business Problem\*

The State of Arizona, in a combined effort of the Arizona Department of Revenue (ADOR) and Arizona Attorney General's Office (AGO), is obligated to ensure that the provisions of the tobacco manufacturers' Master Settlement Agreement (MSA) are being adequately met in order to receive the annual \$100 million payment from the Participating Manufacturers (PMs). Recent PM challenges against states, including Arizona, made claims of inadequate enforcement efforts which may have resulted in downward adjustments to this annual payment (PMs were the original and subsequent signatories to the MSA). On March 13, 2013 ("2013 Settlement"), an arbitration panel approved a settlement between the PMs and 19 States/Territories (including Arizona) to resolve a dispute concerning the 2003 Non-Participating Manufacturer (NPM) adjustment. Under the terms of the 2013 Settlement, the next year that will come under diligent enforcement scrutiny is 2015, when the escrow payment is due for calendar year 2014 tobacco sales.

In addition to the day-to-day responsibilities of administering and enforcing the luxury tax laws, pursuant to ADOR's interpretation of the MSA statutes (Exhibit A), ADOR is also required to perform the following duties:

- Design, receive, and process monthly reports from tobacco distributors that include specified NPM and Roll-Your-Own tobacco ("RYO") sales information;

- License tobacco distributors and suspend or revoke such licenses for violations of luxury tax laws, the MSA, and other state laws governing tobacco products;
- Process refund requests from licensed tobacco distributors for cigarettes that have been "delisted" from the AGO directory and thus not permitted for sale in Arizona;
- Seize and destroy contraband cigarettes and seize other tobacco products that are not compliant with MSA, tobacco enforcement, or luxury tax laws;
- Imposing civil penalties on distributors violating luxury tax or MSA provisions;
- Receive filings of annual certifications by tobacco product manufacturers;
- Publish and maintain a list of all tobacco distributors; and
- Receive MSA reports containing documentation of cigarettes and RYO product sales.

The terms of the 2013 Settlement requires ADOR to do more than what was originally required under the MSA. The Division's MSA-related obligations now include:

- Review monthly tobacco reports for accuracy and completeness;
- Conduct MSA compliance audits to support the integrity of NPM sales;
- Conduct nonresident distributor audits;
- Track all NPM sales including tribal sales, and determine the amount of taxes paid for, broken out by PM/NPM.
- Within the limits of federal law protecting tribal sovereignty, exercise diligent enforcement in tracking and enforcing tax laws and the MSA with on-reservation retailers; and
- Refer noncompliant NPMs to AGO for escrow enforcement.

Complicating the Division's ability to enforce both MSA requirements and tobacco tax enforcement, ADOR does not have an adequate return processing, billing and collection system in place for tobacco tax (the limited data we do collect is currently tracked on a Microsoft Access Database developed in the late 1990s. It was written in Access 1997 and has gone through numerous conversions which can compromise the integrity of the data. The database also fails to perform any of the following critical functions required of the ADOR for both effective MSA and luxury tax enforcement:

- track delinquent returns and missing returns;
- accounts receivables and accounts payable;
- identify incomplete returns, calculate interest and penalties, and issue billing notices license renewals;
- calculate accurate discounts for rebates/refunds;
- track any NPM data from the MSA-related schedules attached to the returns (Process Administration only keys page 1 data);
- suspend returns based on criteria and compare reported versus calculated discrepancies;
- track sales of NPM product on and off the reservations;
- track tobacco products, brands and manufacturers;
- track cigarette stamp inventory;
- track retail sales of tobacco products on and off the reservation;
- track daily deposits of distributor payments and reconcile the Luxury Tax Unit's monthly income statements;
- track non-compliant manufacturers; audit inventory, audit leads and inquiries;
- provide case management for an effective collection function;
- match manufacturer invoices and distributor invoices;

- track out-of-state export sales, and U.S. Government sales;
- track distributor-to-distributor sales;
- track federal PACT Act reports

ADOR collected over \$300 million in tobacco taxes during FY2013, yet payments for the tobacco stamp purchases are not processed through the Tax Administration System (TAS) or any standalone processing system. Furthermore, the Division, which is also responsible for tobacco stamp inventory and revenue accounting, uses a manual inventory process to perform its required tracking of stamps from receipt at the loading docks to the point-of-sale. The tobacco stamp revenue accounting system is manual, labor intensive and contains several redundancies (to allow for the proper separation of duties) which create inefficiencies. Since these processes are manual, they are subject to human error, and take a greater amount of time and effort to ensure that inventory is properly controlled and tobacco tax revenues are collected, distributed, and accurately reported. The State is obligated under the MSA and 2013 Settlement to ensure that the integrity of the NPM sales data is not compromised or risk a downward adjustment in MSA monies received.

Of the additional duties ADOR is assuming after the 2013 Settlement, one that poses a significant challenge in light of the problems already identified is the requirement that the State track all on-reservation cigarette and RYO sales and diligently enforce laws governing such sales and tobacco products. The few Inter-Governmental Agreements that ADOR currently holds with tribes provides for extremely limited power to inspect the on-reservation businesses, provided that the agency obtains prior permission from the tribal authorities and conducts the inspections jointly with such authorities; to date, ADOR has not successfully obtained permission to exercise this authority. Given the steep downward adjustments PMs can make to their annual payments based on the State's failure to exercise diligent enforcement, the Department has initiated efforts to encourage tribal nations to enter into Inter-Governmental Agreements with the Department that will allow for improved monitoring.

This effort to close the distributor-to-retailer information gap and improve the quality of data submitted would allow the ADOR, and the AGO to demonstrate diligent enforcement to the PMs while avoiding any equal protection challenges from the regulated community by having the law be generally applicable (*i.e.*, not targeted to tribal retailers). Moreover, it allows the State to advance a unique solution to the problem faced by all state signatories to the 2013 Settlement—and, indeed, state signatories to the original MSA—in terms of enforcing state laws while respecting tribal sovereignty. Nevertheless, the effort will require an investment through additional resources to: (a) establish and implement a tobacco retailer licensing system; (b) process and review additional retail sales data filed through the new system; and (c) address any legal disputes, questions, or appeals regarding the new system.

### ***B. Proposed Business Solution\****

The proposed solution is to acquire and deploy a Commercial off the Shelf (COTS) tobacco tax processing and revenue accounting system to eliminate the manual process and, more importantly, ensure the integrity of the NPM data and that the State's payments under the MSA cannot be reduced by the NPM adjustment.

The anticipated solution should include all required upgrades, security systems, data archiving, system back-up and recovery, resolving hardware/software communication issues, end of day backup, training for distributors, and 24X7 help desk support.

The Department established a committee to review proposals submitted in response to its Request for Proposal (RFP). The committee assessed the proposals and, where appropriate, submitted follow-up inquiries to the vendors. After considering numerous factors, the Department selected an approach to meet the needs of the Audit Division and the Attorney General Office for effective and efficient administration of the tobacco tax program.

The Department anticipates project success, primarily due to the expectation of acquiring and deploying a robust and highly configurable COTS application that will meet the Department’s needs and requirements, as outlined in the RFP.

**C. Quantified Benefits\***

- Service enhancement
- Increased revenue
- Cost reduction
- Problem avoidance
- Risk avoidance

Explain: Benefits of an automated tobacco tax processing and revenue accounting system would be:

Improvement	Description
Compliance with MSA 2013	Auditors will be able to conduct the necessary reviews to comply with MSA 2013. -5 auditors
Continued receipt of MSA funds in the amount of \$100 million annually	
Accelerated delivery of information	Information will be provided electronically – 1 mailroom clerk. Approx. salary savings would be \$5,000 per year
Automate manual tasks	Mailroom clerk is required to open and separate mail related to tobacco tax. The returns are sent to Processing Administration and all other mail related to tobacco is sent to the Audit Division. Data entry operators input the returns in a database. One auditor reviews the data entry and makes all corrections as necessary. Another auditor reconciles and tracks all purchases of tobacco stamps. 1 mailroom clerk, 2-3 data entry operators and 2 auditors will result in salary savings of approximately \$30,000 per year.
Increased productivity	Eliminate manual input and review of returns, no longer necessary to input stamp purchases in an Excel spreadsheet to reconcile. 2-3 data entry operators and 2 auditors will result in salary savings of approximately \$30,000 per year.

Increased accuracy	Auditor from Audit Division would no longer have to review data entry input and make corrects to the current database. – 1 auditor
Increased audit review	All tobacco tax auditors – 5 auditors
Increased customer confidence	
Increased ability to respond to changes in taxpayers history	Data will be more readily available to query and review – 5 auditors
Improved employee satisfaction	Reduce the amount of redundant work. 5 auditors, 1 mailroom clerk and 2-3 data entry operators

The Audit Division predicts that this system will enable audit staff to conduct more audits related to Tobacco Tax by eliminating the current manual tasks associated with the filing of tobacco tax returns.

#### IV. Technology Approach

##### A. *Proposed Technology Solution\**

The envisioned solution will have a vendor provide an on-line application which would impact the Department's website that allows tobacco distributors to file returns, complete license applications, order tobacco stamps and process payments via the use of credit cards on-line. The vendor would also provide an interface from the current cashier system (INOVAH) used by ADOR to post tobacco tax payments to the system.

In addition the vendor would be required to create a file that can be interfaced with State of Arizona's financial system to transfer financial data, such as deposits and the distribution of tobacco funds.

The application would also be accessible by the Attorney General's Office (AGO). AGO will be able to review the taxpayer's returns and create their own reports as necessary.

##### B. *Technology Environment*

Currently, tobacco tax returns and schedules are filed using paper forms which can be downloaded from the ADOR's website. The returns are scanned and a portion of the information provided on these forms is entered into an Access database which was created in 2001. Auditors in the Luxury Tax Unit review the returns and schedules submitted by the taxpayer. Copies of the scanned returns are forwarded to the AGO for review to ensure that escrow requirements are met.

The envisioned new system will interface with the Department's website and INOVAH cashier system to provide tobacco distributors the ability to file returns, complete license applications, order tobacco stamps and complete payments. In addition, taxpayers would be able to upload returns, and filings and to order tobacco stamps online.

The Department Anticipates an application based on an n-tier architecture, which would provide a mechanism for a clear separation of user interface control and data presentation from application logic.

### **C. Selection Process**

The ADOR Audit staff contacted various states which provide electronic filing of tobacco tax returns and inquired as to whether or not these systems were purchased by a vendor or built in-house. Audit staff also, contacted the tobacco distributors and conducted a survey to determine which states had better electronic filing systems than other states. In addition, ADOR staff visited other states with electronic tobacco tax filing system to have a better understanding how this types of systems. Therefore, based on the research conducted it was decided to submit a Request for Proposal (RFP) to obtain an outside vendor to provide an electronic tobacco tax filing system. ADOR issued solicitation number ADSP014-00004252 and received and reviewed the various responses. After reviewing the proposals submitted in response to the RFP, the Department completed their evaluation and selected an approach that could be suitable for both the Audit Division and Attorney General's Office.

### **V. Project Approach**

#### **A. Project Schedule\***

Project Start Date: 9/19/2014      Project End Date: 7/1/2015

#### **B. Project Milestones**

<b>Major Milestones</b>	<b>Start Date</b>	<b>Finish Date</b>
RFP Process	9/19/14	12/31/14
Technology Procurement	12/19/14	1/6/15
Project Preparation – Develop Business Profiles	1/6/15	1/17/15
Installation of Software	1/6/15	1/17/15
Base Configuration – Implementation Specifications	1/20/15	3/9/15
Development	3/9/15	5/5/15
Conversion of Data	2/6/15	5/20/15
Testing of Software	3/1/15	5/20/15
Training of staff	4/1/15	5/15/15
User Acceptance	5/30/15	6/30/15
Release Project Resources	6/30/15	7/1/15
Project Closeout	6/30/15	7/1/15

## VI. Roles and Responsibilities

### A. Project Roles and Responsibilities

Role	Responsibilities
Business Owner and Sponsor Tom Johnson Assistant Director, ADOR Audit Division	<ul style="list-style-type: none"> <li>▪ Ultimate decision-maker and tie-breaker</li> <li>▪ Provide project oversight and guidance</li> <li>▪ Review/approve project elements</li> <li>▪ Commits department resources</li> <li>▪ Approves resource allocation strategies, and significant changes to resource allocation</li> <li>▪ Resolves conflicts and issues</li> <li>▪ Provides direction to the Analyst</li> <li>▪ Review deliverables</li> </ul>
ADOR Project Manager	<ul style="list-style-type: none"> <li>▪ Manages projects in accordance to the appropriate methodology or framework</li> <li>▪ Communicate and coordinate with outside vendors</li> <li>▪ Manage the project progress of outside vendors</li> <li>▪ Serves as SME to the sponsor(s)</li> <li>▪ Receive direction and guidance from the sponsors</li> <li>▪ Provides regular updates to sponsors</li> <li>▪ Provide overall project direction</li> <li>▪ Direct/lead team members toward project objectives</li> <li>▪ Market projects to agency staff/units</li> </ul>
ADOR Audit, Process Administration, Taxpayer & External Services and Information Technology Divisions Subject Matter Experts	<ul style="list-style-type: none"> <li>▪ Complete Assigned Tasks</li> <li>▪ Lend expertise and guidance as needed</li> <li>▪ Understand the user needs and business processes of their area</li> <li>▪ Act as consumer advocate in representing their area</li> <li>▪ Communicate project goals, status and progress throughout the project to personnel in their area</li> <li>▪ Review and approve deliverables</li> <li>▪ Provide knowledge and recommendations</li> <li>▪ Helps identify and remove barriers</li> <li>▪ Assure quality of deliverables that will meet the project goals and objectives</li> <li>▪ Identify risks and issues and help in resolutions</li> <li>▪ Equipment Acquisition</li> <li>▪ Information Security</li> </ul>
ADOA Information Technology Divisions	<ul style="list-style-type: none"> <li>▪ Identify risks and issues and help in resolutions</li> <li>▪ Equipment Acquisition</li> <li>▪ Information Security</li> <li>▪ AFIS modifications and integration</li> </ul>

Role	Responsibilities
Vendor	<ul style="list-style-type: none"> <li>▪ Requirements Documentation</li> <li>▪ Work with identified ADOR resources to complete required Hardware and/or Software installation and configuration</li> <li>▪ Testing</li> <li>▪ Training</li> </ul>

**B. Project Manager Certification**

- Project Management Professional (PMP) Certified
- State of Arizona Certified
- Project Management Certification not required

**C. Full-Time Employee (FTE) Project Hours**

Total Full-Time Employee Hours	10,500
Total Full-Time Employee Cost	\$283,200

**VII. Risk Matrix, Areas of Impact, Itemized List, PIJ Financials**



Project Investment  
Justification.xlsx

## VIII. Project Approvals

### A. Agency CIO Review\*

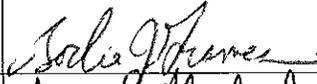
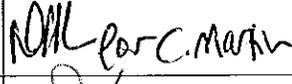
Key Management Information	Yes	No
1. Is this project for a mission-critical application system?	X	
2. Is this project referenced in your agency's Strategic IT Plan?	X	
3. Is this project in compliance with all agency and State standards and policies for network, security, platform, software/application, and/or data/information as defined in <a href="http://aset.azdoa.gov/security/policies-standards-and-procedures">http://aset.azdoa.gov/security/policies-standards-and-procedures</a> , and applicable to this project? If <b>NO</b> , explain in detail in the "XI. Additional Information" section below.	X	
4. Will this project transmit, store, or process sensitive, confidential or Personally Identifiable Information (PII) data? If <b>YES</b> , in the "XI. Additional Information" section below, describe what security controls are being put in place to protect the data.	X	
5. Is this project in compliance with the Arizona Revised Statutes (A.R.S.) and GRRC rules?	X	
6. Is this project in compliance with the statewide policy regarding the accessibility to equipment and information technology for citizens with disabilities?	X	

### B. Project Values\*

The following table should be populated with summary information from other sections of the PIJ.

Description	Section	Number or Cost
Assessment Cost (if applicable for Pre-PIJ)	II. PIJ Type - Pre-PIJ Assessment Cost	Unknown
Total Development Cost	VII. PIJ Financials tab	\$1,100,000 to \$1,400,000
Total Project Cost	VII. PIJ Financials tab	\$3,100,000 to \$4,400,000
FTE Hours	VI. Roles and Responsibilities	10,500

### C. Agency Approvals\*

Contact	Printed Name	Signature	Email and Phone
Project Manager:	Monique Gregory		MGregory@azdor.gov
Agency Information Security Officer:	Fawn Medesha		FMedesha@azdor.gov
Agency CIO:	Carole Martin		CMartin@azdor.gov
Project Sponsor:	Tom Johnson		TJohnson@azdor.gov
Agency Director:	David Raber		DRaber@azdor.gov

## IX. Optional Attachments

### A. *Vendor Quotes – N/A in the process of reviewing vendor's bids.*

## X. Glossary

## XI. Additional Information

### A. *Security and Data Storage of Information Submitted by Taxpayers*

- The software shall be password protected and shall verify the taxpayer's account number(s).
- The software shall store the taxpayer's data until submitted by the taxpayer. Once the data is transmitted and accepted by ADOR the system shall assign a confirmation number and provide it to the taxpayer and ADOR. The completed stamp order or return will be stored in the current database for at least four (4) years.
- The software shall accept an unlimited number of detail schedule line items for each return.
- The system shall provide the storage of all submitted data for a period of four (4) years or longer depending on current retention schedule requirements.
- The software shall provide multiple levels of ADOR security access.
- The system shall be capable of retaining all data for four (4) year period. Information that exceeds four (4) years from filing shall be archived. The vendor will transferred to the ADOR on a regular basis to be determined by ADOR..

### B. *Compliance with the State of Arizona Enterprise IT Architecture and Security Standards*

- The State of Arizona Enterprise IT Architecture and Standards reflect a set of principles for information, technology, applications, and organization. These standards provide guidelines, policies, directional statements and sets of standards for information technology. It defines, for ADOR, functional and information needs so that technology choices can be made based on business objectives and service delivery. The Vendor shall stay knowledgeable and shall abide by these standards for all related work.
- The software deployment and all Vendor services shall abide by security standards as outlined in the State of Arizona Information Technology Policies.

### C. *Special Requirements – SSAE-16 Review*

- The Vendor must provide ADOR with the name of a contact person(s) who will coordinate all information exchange, communication, audit activities and dates with ADOR. At the same time, ADOR will provide the Vendor with the name of a contact person(s) managing the audit and coordinate with the Vendor representative to establish the audit activities and dates.

- If as a normal business practice, the Vendor has had SSAE-16 review completed by an independent third party auditing firm, then the Vendor must provide a copy of the auditor's report, the Vendor's response and a status report on the progress or completion of action items and recommendations. The Vendor must also provide ADOR with the date of their next SSAE-16 review.
- Notwithstanding this, ADOR retains the right to audit the Vendor's systems, facilities, book, records, processes and internal control procedures at reasonable times for items or performance related to this contract. Vendor agrees to make all books and records available and allow access to all areas where work is performed on behalf of ADOR.
- The Vendor shall complete the ADOR Contractor Self-Assessment Questionnaire annually. The Vendor shall also agree to allow ADOR staff access to their location to conduct an in-depth security review.
- Upon completion of the audit ADOR will provide a final report to the Vendor detailing the audit findings, action items and any recommendations. The Vendor must provide a response to the audit report, findings and any "accepted" recommendations within 60 days from receipt of the audit report. The Vendor's response must include an action plan and a timeline for addressing the audit findings and recommendations.
- Any recommendations made in the auditor's report that are "not accepted" by the Vendor, must be included in the Vendors response with an explanation of the business reasons why, the recommendations were not accepted and implemented.
- As part of the audit report, or as a separate report, the independent third party will include a financial statement that specifically identifies receipts, processing, and disbursement of all funds collected on behalf of ADOR.
- The audit must report on the internal controls of the Vendor's system(s) used to manage ADOR information. The scope of the audit will include all accounts assigned by ADOR. The period covered will include the Vendor's current fiscal year and any prior year(s) that ADOR deems appropriate. The audit must provide an audited and certified financial statement of the Vendor's company.
- ADOR recognizes that the audit report of the Vendor may constitute proprietary and confidential information and agrees that it will take such reasonable steps, as available under Arizona law to protect the confidentiality of the audit report and financial statements.

Links:

[ADOA-ASET Website](#)

[ADOA-ASET Project Investment Justification Information Templates and Contacts](#)

Email Addresses:

[Strategic Oversight](#)

[ADOA-ASET\\_Webmaster@azdoa.gov](mailto:ADOA-ASET_Webmaster@azdoa.gov)

## ADOA-ASET - Arizona Strategic Enterprise Technology

### Project Investment Justification - Risk Matrix

Project ID:

RV15003

Date Accepted:

11/25/14

#### Project Information

Agency Name	Project Name	Date Submitted
Department of Revenue	Electronic Tobacco Tax Filing System	11/24/14

Project Questions	Agency Response (Y/N)
Does the project involve customized software not previously implemented by your agency?	Y
Does the project involve a customized application not previously developed by your agency?	Y
Does the project involve any technology that is new and/or unfamiliar to your agency?	Y
Does the project involve multi-agency and/or multiple vendor coordination?	Y
Is there any possibility that project implementation costs could reach \$1 million or more? (Include professional services, hardware, software, license fees, taxes, shipping, etc.)	Y
Will the project require that a Request for Proposal (RFP) be issued?	N
Are there any known schedule or budget constraints?	Y
Does this system interface among 2 or more applications?	Y
Will the implementation involve major end user view or functionality changes?	Y
Will the project involve the use of any Personally Identifiable information (PII) or Protected Health Information (PHI)?	Y
Are there other high risk project items not identified? If so, please explain below:	N
Does the project fall into one of the following categories: - hardware technology refresh, e.g., PCs, laptops, radios, peripherals, etc.? - software version refresh, e.g., MS Office 2010 replacing 2007? - enhancements to an existing application, e.g., web app, internal system?	Y
Will the technology and all required services be acquired off existing State contract(s)?	N
Does the project have the correct skillset and number of in-house resources assigned to meet the objectives?	Y
Will a dedicated Project Manager (PM) be assigned?	Y
Does your agency have experience with the vendor (if used), and does the vendor have professional experience with similar projects?	N

Investment Sustainability Questions	Agency Response (Y/N)
Are ongoing/5-year support costs, once the project has been implemented, reflected in the operational costs for the PIJ?	Y
Has your agency addressed supporting components to ensure the investment can be sustained, e.g., documentation, application ownership, portability, plans upon contract/support termination?	Y
Does the production site have sufficient failover and disaster recovery plans in place to assure your agency will be able to recover from an unplanned incident?	Y
Does your agency and/or the proposed vendor have the resources and supporting infrastructure currently in place to sustain the proposed investment?	Y

Agency Questions	Agency Response (Y/N)
Are all current agency projects in "Green" status, with no outstanding issues that ADOA-ASET is monitoring?	N
Does your agency currently have any projects that are in "Red" status?	Y
Has your agency demonstrated a consistent reporting relationship with ADOA-ASET Oversight, e.g. reports submitted on time and accurate (verified by CIO)?	Y
Is this your agency's first PIJ?	N
Has it been more than 2 years since your agency submitted a PIJ?	N
Does your agency have a formal project methodology in place?	Y

# ADOA-ASET - Arizona Strategic Enterprise Technology

## Areas of Impact

Please check which of the following technology areas will be included in the proposed solution - check all that apply:

### Application Systems

- Application Enhancements
- New Application Development

### Database Systems

- Data Warehouse/Mart
- Database Consolidation/Migration/Extract Transform and Load Data
- Database Products and Tools

### Hardware

- LAN/WAN Infrastructure
- Mainframe Infrastructure
- PC Purchases, Peripherals
- Public Safety Radios, Systems
- Storage Area Network Devices
- All Other Hardware

### Software

- COTS Application Acquisition
- COTS Application Customization
- Mainframe Systems Software
- Open Source
- PC/LAN Systems Software
- All Other Software

### Telecommunications

- Network Communications Infrastructure
- Telephony Upgrade-Business-Specific
- Telephony Upgrade-EIC Solution
- Videoconferencing

### Web

- az.gov Web Portal Interface
- Internal Use Web Application
- Mobile App Business-Specific Acquisition
- Mobile App Development

### Specialty Products

- Business Intelligence System
- Disaster Recovery/ Business Continuity Plan
- Document Management/Imaging
- eLicensing
- E-Signatures
- Geographic Information System
- Management Systems - Financial, Grants, Asset
- Multi-agency project

- Other Imaging - Photos, Fingerprints, etc.
- RFP Required
- Security
- Statewide/Enterprise Solution
- Thin Client/Virtual
- Wireless
- All Other

**Services**

- Contract Project Mgmt
- Contractor Support Services
- Install/Configuration Contract Services
- Outsource/Hosting
- All Other

**Other - Please specify:**

- Enter text below.

**ADOA-ASET - Arizona Strategic Enterprise Technology  
Project Investment Justification - Itemized List**

Project ID:

Date Accepted:

**Project Information**

Project Name	Agency Name	Date Submitted
Electronic Tobacco Tax Filing System	Department of Revenue	11/24/14

**Project Cost - Itemized**

Item	Description	Category	Development or Operational	Qty or Hours	Unit Cost	Tax (if app)	Extended Cost
1		Prof & Outside Services					\$0.00
2		Software					\$0.00
3		Prof & Outside Services					\$0.00
4		Prof & Outside Services					\$0.00
5		Prof & Outside Services					\$0.00
6		Prof & Outside Services					\$0.00
7		License & Maint Fees					\$0.00
8		Prof & Outside Services					\$0.00
9		Prof & Outside Services					\$0.00
10		Other					\$0.00

Total of Development Cost      \$0.00  
 Total of Operational Cost      \$0.00  
**Total Itemization of Costs:**      \$0.00

**ADOA-ASET - Arizona Strategic Enterprise Technology**  
**Project Investment Justification - Financials**

Project ID:

RV15003

Date Accepted:

11/25/14

**Project Information**

Agency Name	Project Name	Date Submitted
Department of Revenue	Electronic Tobacco Tax Filing System	11/24/14

**PIJ Development & Operational Cost Summary**

Description	Type	Year 1	Year 2	Year 3	Year 4	Year 5	Extended Cost
Professional & Outside Services	Development						\$0.00
	Operational						\$0.00
Hardware	Development						\$0.00
	Operational						\$0.00
Software	Development						\$0.00
	Operational						\$0.00
Communications	Development						\$0.00
	Operational						\$0.00
Facilities	Development						\$0.00
	Operational						\$0.00
Licensing & Maintenance Fees	Development						\$0.00
	Operational						\$0.00
Other	Development						\$0.00
	Operational						\$0.00

**Development Cost:** \$1,100,000 - \$1,400,00  
**Operational Cost:** \$2,000,000 - \$3,000,000  
**Total Cost:** \$3,100,000 - \$4,400,000

**Project Funding (add sources as appropriate)**

Funding Source Category	Fund Name	Development Budget (\$)		Operational Budget (\$)		Total (\$)
		Currently Available	New Request	Currently Available	New Request	
General Funds		\$100,000 - \$400,000			\$2,000,000 - \$3,000,000	\$2,100,000 - \$3,400,000
Federal Funds						\$0
Other Appropriated Funds	Automation Projects Fund	\$1,000,000				\$1,000,000
Other Non-Appropriated Funds						\$0
<b>Total Funding</b>		\$1,100,000 - \$1,400,000	\$0.00	\$0.00	\$2,000,000 - \$3,000,000	\$3,100,000 - \$4,400,000