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ARIZONA DEPARTMENT OF ADMINISTRATION

OFFICE OF THE DIRECTOR

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May 22, 2014

Mr. Henry R. Darwin, Director
Arizona Department of Environment Quality
1110 West Washington Street
Phoenix, AZ 85007

Dear Henry:

In response to the Project Investment Justification (PIJ) for the “**myDEQ Phase 2**” project, my staff has reviewed your proposal to develop and deploy 22 business processes to the myDEQ portal during Fiscal Year 2015 (FY15).

The PIJ implies funding is available from the appropriated Automation Projects Fund in the amount of \$6,800.0 thousand, and the Regulated Substance Fund in the amount of \$480.6 thousand, for the total five-year life cycle cost for the project of \$7,280.6 thousand.

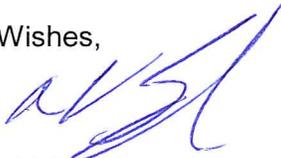
This is notification of Arizona Strategic Enterprise Technology Office's recommendation to the Information Technology Authorization Committee (ITAC) for **Approval with Conditions** of the technology project as follows:

1. As a result of the final procurement, development, implementation or integration efforts, should there be any differences in the scope of work, costs, implementation schedule or proposed technology, ADEQ must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and to the Information Technology Authorization Committee (ITAC) if necessary, for review and approval prior to further expenditure of funds.
2. Given the required independent third-party reviews of project progress, ADEQ will make the results of the planned quarterly reviews available to ITAC, if requested.
3. Prior to starting any work on myDEQ Phase 2, ADEQ will provide ADOA-ASET with the following:
 - A review of myDEQ Phase 1 development results.
 - An architectural review describing how myDEQ Phase 2 will integrate or take advantage of the Arizona Enterprise Services Platform features/functionality.

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The ITAC is scheduled to meet on May 27, 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

cl

cc: Misael Cabrera, ADEQ
Gary Heller, ADEQ
Khursheed Mallick, ADEQ
Ben Henderson, JLBC
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Phil Manfredi, ADOA-ASET
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ASET# EV14004

<i>Agency Name & Address</i>	<i>Contact Information</i>
Arizona Department of Environmental Quality (ADEQ) 1110 West Washington Street Phoenix, Arizona 85007	Khursheed Mallick 602-771-4377 mallick.khursheed@azdeq.gov
<i>Project and Investment Justification Name</i>	<i>Date Submitted</i>
myDEQ Phase 2	May 19, 2014

Project Overview

Problem Description

ADEQ processes roughly 28,000 transactions annually via paper form for various permits and reports, and receives payments from roughly 16,000 facilities. This causes ADEQ and the regulated community to enter the data multiple times, as well as an increased amount of re-work and manual reporting. This results in permits taking too long to issue, an increased number of facilities out of compliance, and an inefficient process for ADEQ's customers. It can take as many as three weeks to issue a permit, report or notification to ADEQ customers. ADEQ's customers are unsatisfied with these delays as they negatively impact their businesses. Furthermore, ADEQ staff handling and processing times for these permits and notifications are unsatisfactorily high. For example, ADEQ handles about 4000 invoices and payments each year and it takes about 2 full-time staff hours per transaction. This equates to more than 4 full-time staff members engaged in handling invoices and payments. For the most part, this is non-value added time for ADEQ staff.

Solution

With the prior EV14003 MyDEQ Phase 1 PIJ, ADEQ embarked upon a web portal development project to automate most of the agency's permitting and compliance processes. During myDEQ Phase 1, the agency determined that their customers would be better served by developing deeper and expanded functionality within each business process, instead of the very basic functionality originally estimated for Phase 1. Therefore, development was reconfigured to deliver automation for thirteen business processes with an increased level of functionality for four of the originally estimated Phase 1 business processes. Building upon the successes and leveraging the momentum of myDEQ Phase 1, ADEQ is proposing to continue its development of the web portal, with myDEQ Phase 2. The second phase of myDEQ will provide additional functionality for the myDEQ portal by developing and delivering an additional 22 automated business processes. These expanded portal capabilities will further enable ADEQ customers to conduct permitting functions, billings and payments, and data submissions via the Internet instead of through paper-based processes.

ADEQ will also continue with quarterly independent third-party reviews of project progress to help ensure Phase 2 project success. Results of the independent third-party reviews will be provided to the Joint Legislative Budget Committee (JLBC) and Arizona Department of Administration Arizona Strategic Enterprise Technology Office (ADOA-ASET).

Major Deliverables and Outcomes

With myDEQ Phase 2, ADEQ is proposing to develop, test and implement the following 22 business processes:

- Customer - Manage Account
- Landing Page - View Self-Monitoring Report Form Alerts

- View Bills
- Pay Bills
- View Invoice Transactions History
- Crushing and Screening - Get Authorization to Operate and Field Operator's Guide
- Crushing and Screening - Terminate Authorization to Operate
- Crushing and Screening - Submit Compliance Certification
- Crushing and Screening - Automate Emissions Calculations
- Resource Conservation and Recovery Act - Get New EPA ID
- Resource Conservation and Recovery Act - Edit EPA ID Registration Information
- Resource Conservation and Recovery Act - De-activate EPA ID
- Resource Conservation and Recovery Act - View Detail EPA ID
- Landing Page - View My Notices
- Hot Mix Asphalt - Get Authorization to Operate and Field Operator's Guide
- Hot Mix Asphalt - Terminate Authorization to Operate
- Hot Mix Asphalt - Submit Compliance Certification
- Hot Mix Asphalt - Automate Emissions Calculations
- Concrete Batch Plant - Get Authorization to Operate and Field Operator's Guide
- Concrete Batch Plant - Terminate Authorization to Operate
- Concrete Batch Plant - Submit Compliance Certification
- Concrete Batch Plant - Automate Emissions Calculations

To support this development effort, ADEQ is proposing to acquire the following:

- Cisco UCS Blade Server and Chassis
 - Required to expand the host virtualization platform that supports the myDEQ System
- XIO Primary Storage for Virtual Machine (VM) Operating Systems
 - Needed to expand storage capacity in support of the VMs that make up the myDEQ System
- Hardware Support Services for the above Hardware
- Software Support Services
 - WSO2 Production Support
 - Oracle Linux Production Support

Benefits

ADEQ anticipates that expanded automation of the agency's permitting and compliance processes will provide the following benefits to ADEQ customers and Arizona citizens:

- Convenience and efficiency of electronic processes
- Increased environmental compliance
 - Ohio experienced a 90% decrease in violations after implementing electronic Self-Monitoring Report Forms
- Reduction of regulatory review time of 75% to 95%
- Reduction in data errors
- Reduction/elimination of manual, paper-based processes
- Increased access to public record environmental information

Project Management

The myDEQ Phase 2 project will be managed by a program manager and a project manager, reporting to the agency CIO and project sponsor. The program and project managers will work with the myDEQ Phase 2 project team and stakeholders to ensure completion of project deliverables.

Enterprise Architecture

Compliant.

Summary of Proposed Costs

<i>All Figures in Thousands (\$000)</i>						
<i>Cost Description</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>	<i>Total</i>
Development Costs	7,128.0	0.0	0.0	0.0	0.0	7,128.0
Operational Costs	22.5	32.5	32.5	32.5	32.5	152.6
Total Project Costs	7,150.5	32.5	32.5	32.5	32.5	7,280.6

Recommendation: Approval with Conditions

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