Project Investment Justification

DTS Microsoft Enterprise Agreement Renewal FY23

DE22019

Department of Economic Security

Contents

1. GENERAL INFORMATION

PIJ ID: DE22019
PIJ Name: DTS Microsoft Enterprise Agreement Renewal FY23
Account: Department of Economic Security
Business Unit Requesting: DES/Division of Technology Services (DTS)
Sponsor: Clayton Sikes
Sponsor Title: Deputy CIO
Sponsor Email: claytonsikes@azdes.gov
Sponsor Phone: (602) 542-3219

2. MEETING PRE-WORK

2.1 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...):

This is for a request for a renewed Department of Economic Security (DES) Microsoft Enterprise Agreement (MS EA). The new agreement will allow DES the ability to reduce the Office 365 footprint. The Office 365 to Google effort is continuing at DES in order to reduce the number of licenses needed going forward.   Evaluating and planning further expansion of the Google Workspace technologies provide the flexibility to reduce the number of Office 365 licenses going forward.

2.2 How will solving this issue or addressing this need benefit the State or the Agency?

The Arizona Department of Economic Security (DES) has started the effort to migrate data to the Google Workspace platform, thereby reducing the need for the Microsoft Office products. This year DES has been able to reduce the number of Office licenses by 3000 accounts. The complexity of the Microsoft Office integrations have proven to be a challenge that DES is working through in order to migrate away from the Microsoft Office products. As more people start to naturally adopt Google Workspace at DES these challenges will start to reduce allowing DES the ability to further reduce the number of licenses needed for Microsoft Office 365. DES continues to assess business continuity and impact, take the quick wins from natural adoption, and reduce business impact as future changes occur.

2.3 Describe the proposed solution to this business need.

Since this is a renewal of an existing contract it will be done through the existing contract vendor, CDW-G.

Note: Quote displays 3 years, however, renewal will be on an annual basis as the number of licenses will continue to decrease each year.

Strategic IT Plan Goal: Digital workplace transformation

Approved by Mark Darmer, CIO, on 6/2/22.

Approved by Michael Wisehart, DES Director, on 6/3/22.

2.4 Has the existing technology environment, into which the proposed solution will be implemented, been

documented?

Yes

2.4a Please describe the existing technology environment into which the proposed solution will be implemented.

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

No

2.5a Please explain below why the requirements are not available.

This is a purchase for licenses. Not a project.

3. PRE-PIJ/ASSESSMENT

3.1 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?

No

3.1a Is the final Statement of Work (SOW) for the RFP available for review?

3.2 Will you be completing an assessment/Pilot/RFP phase, i.e. an evaluation by a vendor, 3rd party or your agency, of the current state, needs, & desired future state, in order to determine the cost, effort, approach and/or feasibility of a project?

No

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.

3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.

4. PROJECT

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

Yes

4.2 Describe the high level makeup and roles/responsibilities of the Agency, Vendor(s) and other third parties (i.e. agency will do...vendor will do...third party will do).

DES will work with Microsoft, the SVAR, and internally to procure the appropriate software licenses for license compliance and success in migrating toward the Google Workspace

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

Yes

4.3a If the PM is credentialed, e.g., PMP, CPM, State certification etc., please provide certification information.

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

No

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

Yes

5. SCHEDULE

5.1 Is a project plan available that reflects the estimated Start Date and End Date of the project, and the supporting Milestones of the project?

No

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

Est. Implementation Start Date	Est. Implementation End Date
6/20/2022 12:00:00 AM	9/30/2022 12:00:00 AM

5.3 How were the start and end dates determined?

Other

5.3a List the expected high level project tasks/milestones of the project, e.g., acquire new web server, develop software interfaces, deploy new application, production go live, and estimate start/finish dates for each, if known.

Milestone / Task	Estimated Start Date	Estimated Finish Date
Order MS EA and receive the licenses	06/20/22	08/31/22
Payment of Invoices	09/01/22	09/30/22

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

Yes

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

No

5.5a Does the PIJ include the facilities costs associated with construction?

5.5b Does the project plan reflect the timeline associated with completing the construction?

6. IMPACT

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

No

6.1a Have the identified conflicts been taken into account in the project plan?

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

No

6.2a Please identify the projects or procurements.

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

No

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

No

7. BUDGET

7.1 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.?

Yes

7.2 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.?

No

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

Yes

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

No

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

No

8. TECHNOLOGY

8.1 Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution.

The project is using a statewide enterprise solution

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

Yes

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

Yes

8.3a Describe how the software was selected below:

This purchase is an extension of an existing contract from an existing SVAR.

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

No

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

Yes

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

Yes

8.7 Does the project involve any coordination across multiple vendors?

No

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

No

8.9 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?

No

8.9a Describe below the issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you.

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

No

8.11 Is this replacing an existing solution?

No

8.11a Indicate below when the solution being replaced was originally acquired.

8.11b Describe the planned disposition of the existing technology below, e.g., surplused, retired, used as backup, used for another purpose:

8.12 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?

This is an extension of the existing Microsoft licenses that DES owns.

8.13 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?

No

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

No

8.14a Please select why failover and disaster recovery is not included in the proposed solution.

Not needed

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

No

8.15a Are the costs associated with that configuration included in the PIJ financials?

8.16 Will any app dev or customization of the proposed solution be required for the agency to use the project in the current/planned tech environment, e.g. a COTS app that will req custom programming, an agency app that will be entirely custom developed?

No

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?

8.16b Describe who will be customizing the solution below:

8.16c Do the resources that will be customizing the application have experience with the technology platform being used, e.g., .NET, Java, Drupal?

8.16d Please select the application development methodology that will be used:

8.16e 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:

8.16f Are any/all Professional & Outside Services costs associated with the customized development included in the PIJ financials?

8.17 Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards & procedures, incl. those for network, security, platform, software/application &/or data/info found at aset.az.gov/resources/psp?

Yes

8.17a Describe below the compliance issues that were identified and how they have been/will be resolved, or whether an ADOA-ASET representative should contact you:

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

No

8.18a Please explain all unidentified high risk project issues below:

9. SECURITY

9.1 Will the proposed solution be vendor-hosted?

Yes

9.1a Please select from the following vendor-hosted options:

Other

9.1b Describe the rationale for selecting the vendor-hosted option below:

This is a request to extend the current Microsoft Enterprise Agreement for 1 year. DES utilizes office 365 and Azure AD Connect.

9.1c Has the agency been able to confirm the long-term viability of the vendor hosted environment?

Yes

9.1d Has the agency addressed contract termination contingencies, e.g., solution ownership, data ownership, application portability, migration plans upon contract/support termination?

Yes

9.1e Has a Conceptual Design/Network Diagram been provided and reviewed by ASET-SPR?

No

9.1f 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?

No

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

Yes

9.2a Where will the on-premise solution be located:

Agency's data center

9.2b Were vendor-hosted options available and reviewed?

Yes

9.2c Describe the rationale for selecting an on-premise option below:

DES utilizes office 365 and Azure AD Connect.

9.2d Will any data be transmitted into or out of the agency's on-premise environment or the State Data Center?

No

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

No

9.3a Describe below what security infrastructure/controls are/will be put in place to safeguard this data:

10. AREAS OF IMPACT

Application Systems

Database Systems

Software

Hardware

Hosted Solution (Cloud Implementation)

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
O365 G3 FSA GCC Sub Per User	License & Maintenance Fees	Development	1	5480	$199	$1,091,780	860.00 %	$93,893	$1,185,674
EntMobandSecE3 FromSAGCC ShrdSvr ALNG SubsVL MVL PerUsr	License & Maintenance Fees	Development	1	8500	$80	$676,600	860.00 %	$58,188	$734,788
EntMobandSecE3 Full GCC ShrdSvr ALNG SubsVL MVL PerUsr	License & Maintenance Fees	Development	1	1480	$102	$151,004	860.00 %	$12,986	$163,991
"M365 E3 "	License & Maintenance Fees	Development	1	20	$373	$7,469	860.00 %	$642	$8,111
VisioPlan2FrmSA GCC ShrdSvr ALNG SubsVL MVL PerUsr	License & Maintenance Fees	Development	1	426	$115	$49,024	860.00 %	$4,216	$53,240
VisioPlan2GCC ShrdSvr ALNG SubsVL MVL PerUsr	License & Maintenance Fees	Development	1	142	$135	$19,221	860.00 %	$1,653	$20,874
Power BI Pro GCC Sub Per User	License & Maintenance Fees	Development	1	15	$90	$1,352	860.00 %	$116	$1,468
"Project Plan3 frmSA GCC Shared All Lng Subs VL MVL Per User "	License & Maintenance Fees	Development	1	204	$230	$46,953	860.00 %	$4,038	$50,991
ProjectPlan5GCC ShrdSvr ALNG SubsVL MVL PerUsr	License & Maintenance Fees	Development	1	65	$496	$32,253	860.00 %	$2,774	$35,027
VSEntSubMSDN ALNG SA MVL	License & Maintenance Fees	Development	1	118	$1,064	$125,572	860.00 %	$10,799	$136,371
VSProSubMSDN ALNG SA MVL	License & Maintenance Fees	Development	1	32	$305	$9,752	860.00 %	$839	$10,591
"VSTstProSubMSDN ALNG SA MVL "	License & Maintenance Fees	Development	1	10	$306	$3,063	860.00 %	$263	$3,327
Biztalk Svr Ent ALng SA 2 Lic Core Lic	License & Maintenance Fees	Development	1	8	$3,589	$28,713	860.00 %	$2,469	$31,183
Biztalk Svr Std ALng SA 2 Lic Core Lic	License & Maintenance Fees	Development	1	4	$823	$3,291	860.00 %	$283	$3,574
CIS Suite Datacenter Core ALng SA 2L	License & Maintenance Fees	Development	1	567	$165	$93,544	860.00 %	$8,045	$101,588
SQLCAL ALNG SA MVL UsrCAL	License & Maintenance Fees	Development	1	10	$34	$339	860.00 %	$29	$368

SQLSvrEntCore ALNG SA MVL 2Lic CoreLic	License & Maintenance Fees	Development	1	139	$2,231	$310,156	860.00 %	$26,673	$336,830
SQLSvrStd ALNG SA MVL	License & Maintenance Fees	Development	1	1	$146	$146	860.00 %	$13	$158
Win Remote Desktop Services CAL ALng SA UCAL	License & Maintenance Fees	Development	1	3600	$24	$84,672	860.00 %	$7,282	$91,954
Win Server Std 2 core SA	License & Maintenance Fees	Development	1	64	$19	$1,228	860.00 %	$106	$1,333
Win Enterprise Device SLng Upgrade SA	License & Maintenance Fees	Development	1	10000	$102	$1,019,200	860.00 %	$87,651	$1,106,851
Win VDA Device SLng Sub Per Device	License & Maintenance Fees	Development	1	200	$118	$23,518	860.00 %	$2,023	$25,541

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
$476,871	$0	12%
APF (Available)	**APF (To Be Req)**	**APF % of Project**
$0	$0	0%
Other Appropriated (Available)	**Other Appropriated (To Be Req)**	**Other Appropriated % of Project**
$30,008	$0	1%
Federal (Available)	**Federal (To Be Req)**	**Federal % of Project**
$1,898,082	$0	46%
Other Non-Appropriated (Available)	**Other Non-Appropriated (To Be Req)**	**Other Non-Appropriated % of Project**
$1,698,836	$0	41%

Total Budget Available	Total Development Cost
$4,103,797	$4,103,832
Total Budget To Be Req	**Total Operational Cost**
$0	$0
Total Budget	**Total Cost**
$4,103,797	$4,103,832

12. PROJECT SUCCESS

Please specify what performance indicator(s) will be referenced in determining the success of the proposed project (e.g. increased productivity, improved customer service, etc.)? (A minimum of one performance indicator must be specified)

Please provide the performance objective as a quantifiable metric for each performance indicator specified.
Note: The performance objective should provide the current performance level, the performance goal, and the time period within which that performance goal is intended to be achieved. You should have an auditable means to measure and take corrective action to address any deviations.
Example: Within 6 months of project completion, the agency would hope to increase "Neighborhood Beautification" program registration by 20% (3,986 registrants) from the current registration count of 19,930 active participants.

Performance Indicators

This extension will maintain current business levels; DES will perform Google product migration feasibility and strategy during the Extension period.

13. CONDITIONS

Conditions for Approval

Should development costs exceed the approved estimates by 10% or more, or should there be significant changes to the proposed technology scope of work or implementation schedule, the Agency must amend the PIJ to reflect the changes and submit it to ADOA-ASET, and ITAC if required, for review and approval prior to further expenditure of funds.

Monthly reporting on the project status is due to ADOA-ASET no later than the 15th of the month following the start of the project. Failure to comply with timely project status reporting will affect the overall project health. The first status report for this project is due on July 15, 2022.

14. OVERSIGHT SUMMARY

Project Background

The Arizona Department of Economic Security makes Arizona stronger by helping Arizonans reach their potential through temporary assistance for those in need, and care for the vulnerable.

The department provides an array of services for low-income households and others in need. These services are provided through the following divisions: Administration; Developmental Disabilities; Benefits and Medical Eligibility; Child Support Enforcement; Aging and Community Services; and Employment and Rehabilitation Services.

The Division of Technology Services has implemented Enterprise Policies for all Executive Branch State employees served by DTS. These Enterprise Policies help protect the confidentiality, integrity, and availability of the State's information and information systems. We appreciate your cooperation and collaboration in effectively keeping State data secure.

This is for a request for a renewed Department of Economic Security (DES) Microsoft Enterprise Agreement (MS EA). The new agreement will allow DES the ability to reduce the Office 365 footprint. The Office 365 to Google effort is continuing at DES in order to reduce the number of licenses needed going forward.

The proposed solution addresses the stated problem. The proposed project aligns with the budget unit's Strategic IT Plan; and the proposed solution complies with statewide IT standards.

Business Justification

This extension will maintain current business levels; DES will perform Google product migration feasibility and strategy during the Extension period.

The Arizona Department of Economic Security (DES) has started the effort to migrate data to the Google Workspace platform, thereby reducing the need for the Microsoft Office products. This year DES has been able to reduce the number of Office licenses by 3000 accounts.

As more people start to naturally adopt Google Workspace at DES these challenges will start to reduce allowing DES the ability to further reduce the number of licenses needed for Microsoft Office 365. DES continues to assess business continuity and impact, take the quick wins from natural adoption, and reduce business impact as future changes occur.

There is sufficient sponsorship and support by budget unit leadership, ADOA-ASET spoke with the project sponsor as well as the PIJ submitter.

Implementation Plan

This is vendor-hosted.

This enterprise agreement applies to all Microsoft products that DES owns and operates, including Office 365.

This is a request to extend the current Microsoft Enterprise Agreement for 1 year, which is a 11% increase over last year. DES utilizes office 365 and Azure AD Connect.

DES will work with Microsoft, the SVAR, and internally to procure the appropriate software licenses for license compliance and success in migrating toward the Google Workspace.

ADOA-ASET believes that the business unit is competent to carry out the project successfully; and supported by sponsorship and budget unit leadership.

Vendor Selection

Since this is a renewal of an existing contract it will be done through the existing contract vendor, CDW-G.

Note: Quote displays 3 years, however, renewal will be on an annual basis as the number of licenses will continue to decrease each year.

Per security Vendor is FedRAMP Authorized.

Budget or Funding Considerations

The project development and implementation are accounted
for in the following manner:
Base Budget (Available) = 12% $ 476,871.37
Other Appropriated (Available) = 1% $ 30,008.16
Federal (Available) = 46% $ 1,898,116.41
Other Non-Appropriated (Available) = 41% $ 1,698,835.92
Total Project: $ 4,103,831.86
Available in the agency's FY22 budget.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Clayton Sikes

Agency CIO (or Designee)

Mark Darmer

Agency ISO (or designee)

Dan Wilkins

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Emily Gross

Agency SPO Representative
David Steuber

Agency CFO
Roberta Harrison