

Electronic Procurement Solution	
Agency Requesting The Project: Administration Department	
Business Unit Requesting The Project: State Procurement office	
Sponsor Of the Project: Ashoke Seth	
Sponsor Title: Procurement Manager	
Sponsor Phone Number:	Extension:
Sponsor Email Address: ashoke.seth@azdoa.gov	

Has a Project Request been completed for this PIJ?	Y
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What is the operational issue or business need that the Agency is trying to solve?
Implementation of the current e-procurement system has achieved the initial goal of establishing a single statewide standardized system, however, the current contract expires in April 2017.
Standardization to a single system has provided the necessary foundation upon which the following value-added lean efforts can be launched:
<ul style="list-style-type: none"> • Big data mining capabilities and internal reports of the spend data to assist Procurement staff in identifying lower total cost opportunities. • Increased efficiency in identification and utilization of cross-agency contracts. • Full capability to capture the value of negotiated contract terms, e.g. payment terms. • Management of supplier performance and compliance to negotiated contract terms. • Increased internal and external stakeholder efficiency through user friendly system interfaces, including supplier on-boarding. • Detailed business intelligence and data analytics. • Alignment with the State’s approach in “One” Procurement. • End-to-end automation of State and supplier processes.
In addition, the system must integrate with the Arizona Financial Information System (AFIS) to allow for the flow of Purchase Order and Invoice transactions from the Source to Pay (S2P) tool to AFIS to record the appropriate accounting information.

How will solving this issue or addressing this need benefit the State or the Agency?
Provides opportunities for increased State efficiency by identifying lower total cost solutions for State business, capturing full value of negotiated contract terms, and increasing supplier performance. Also, the new system will have enhanced business intelligence and data analytics to allow the State to engage in supplier contracts from a known position, resulting in contract cost savings.

Describe the proposed solution to this business need:

Acquire a SaaS or hosted environment Source to Pay solution through a competitive Request for Proposal (RFP) that specifies technical and business requirements for the State with participation of key agencies.

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

Y

Indicate where that documentation can be found, or provide the information under separate cover before the meeting, otherwise describe below:

The current system has been fully documented and is located and managed on the ADOA shared file system. The new solution will be implemented within the Arizona Department of Administration (ADOA) network as a vendor hosted or SaaS solution.

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

Y

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?

N

Will you be completing an assessment phase, i.e., an evaluation by a vendor, third party or your agency, of the current state, needs, and desired future state, in order to determine the cost, effort, approach (RFP or otherwise) and/or feasibility of a project before submitting the full PIJ?

Y

Describe the reason for completing the assessment and the expected deliverable(s) below:

An Independent Validation and Verification (IV & V) of the Phase I of the project was completed to ensure compliance with Arizona House Bill 2703 as well as ensure project feasibility.

Provide the estimated cost, if any, to conduct the RFP/solicitation process and/or assessment phase:

\$310,000.00

Provide the estimated start and finish date for conducting the RFP solicitation/assessment phase:

Estimated Start	10/01/16	Estimated Finish	03/31/17
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Provide a projected start and finish date for implementing the final solution.

Estimated Start	04/03/17	Estimated Finish	06/30/18
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Based on research to date, provide a high-level cost estimate to implement the final solution below:

\$15,000,000.00

Does the project fall into one of the following categories: - hardware technology refresh/expansion, e.g., replacement/more laptops, radios, peripherals, etc.? - software version refresh/additional licenses, e.g., MS Office 2013 replacing 2010, extra software licenses needed for additional PCs?	N
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Is the proposed procurement the result of an RFP solicitation process?	Y
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Is this project referenced in your agency's Strategic IT Plan?	Y
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Does your agency have a formal project methodology in place?	Y
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Describe the make-up and roles/responsibilities of the project team, e.g. participants, sponsors, stakeholders, etc. below: Key Stakeholders: - Procurement Manager/Sponsor - Ashoke Seth - Procurement Officer - Terri Johnson - Source to Pay Application Owner - Christina Garza - State CIO - Morgan Reed - State Comptroller - Clark Partridge - Deputy State Comptroller - Michael Smarik - ASET Director of Technology, ERP - John Johnson - ASET ERP Program Manager - Kevin McRee - State Agency representatives from Departments of Transportation, Health, and Economic Security - Additional ADOA representatives from GAO, Directors/Budget Office, Procurement, and ASET divisions

Will a PM be assigned to manage the project, regardless of whether internal or vendor provided?	Y
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If the PM is credentialed, e.g., PMP, CPM, etc., please provide certification information below: Project Management Professional (PMP)

Is a project plan available that reflects the estimated start date and end date of the project, and the supporting milestones for the project?	Y
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Has a test/pilot phase been incorporated?	Y
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Have steps needed to roll-out to all impacted parties been incorporated, e.g. communications, planned outages, deployment plan?	Y
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Will the implementation require any physical infrastructure improvements, e.g., building reconstruction, major re-wiring, etc.?	N
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Are there any known resource availability conflicts that could impact the project?	N
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Does your schedule have dependencies on any other projects or procurements?	N
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Will the implementation involve major end user view or functionality changes?	Y
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Will the proposed solution result in a change to a public-facing application or system?	Y
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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.?	Y
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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.?	Y
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Have all required funding sources for the project and ongoing support costs been identified?	Y
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Will the funding for this project expire on a specific date, regardless of project timelines?	Y
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Provide the dates for the funding availability below:			
Estimated Start	07/01/16	Estimated Finish	06/30/17

Will the funding allocated for this project include any contingency, in the event of cost over-runs or potential changes in scope?	Y
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Please indicate whether a statewide enterprise solution will be used or select the primary reason for not choosing an enterprise solution:
Statewide Enterprise Solution

Will the technology and all required services be acquired off existing State contract(s)?	N
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Will any software be acquired through the current State value-added reseller contract?	N
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Does the project involve any technology that is new and/or unfamiliar to your agency, e.g., software tool never used before, virtualized server environment?	N
Does your agency have experience with the vendor (if known)?	
Does the vendor (if known) have professional experience with similar projects?	Y
Does the project involve any coordination across multiple vendors?	Y
Does this project require multiple system interfaces, e.g., APIs, data exchange with other external application systems/agencies or other internal systems/divisions?	Y
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?	N
Will a migration/conversion step be required, i.e., data extract, transformation and load?	Y
Is this replacing an existing solution?	Y
Indicate below when the solution being replaced was originally acquired?	
2009	
Describe the planned disposition of the existing technology below, e.g., surplus, retired, used as backup, used for another purpose:	
Not applicable	
Describe how the agency determined the quantities reflected in the PIJ, e.g., number of hours of P&OS, disk capacity required, etc. for the proposed solution?	
Business requirements and desired functionality were identified as a result of lessons learned from previous RFP and through agency focus groups.	
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?	Y
Does the proposed solution and associated costs include failover and disaster recovery contingencies?	Y
Will the vendor need to configure the proposed solution for use by your agency?	Y
Are the costs associated with that configuration included in the PIJ financials?	Y

Will any application development or customization of the proposed solution be required for the agency to use the product in the current/planned technology environment, e.g., a COTS application that will require custom programming, an agency application that will be entirely custom developed?

Y

Describe who will be customizing the solution below:

The selected S2P vendor.

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

Y

Please select the application development methodology that will be used:

combination of Agile and Waterfall

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:

Broad range estimate of 25%.

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

Y

Have you determined that this project is in compliance with all applicable statutes, regulations, policies, standards, and procedures, including those for network, security, platform, software/application, and/or data/information found at <https://aset.az.gov/resources/psp>?

Y

Are there other high risk project items not identified?

N

Will the proposed solution be vendor-hosted?

Y

Please select from the following vendor-hosted options:

Vendor Hosted or SaaS

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

This will support ADOA's Strategic Plan to build and launch new capabilities, modernize our infrastructure and applications, and move services to the cloud.

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

Y

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

Y

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

N

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?

N

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

N

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

Y

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

The proposed solution will comply with the Arizona security baseline controls.

Summary of PIJ Financials

Total of Development Cost: **Please Verify Sheet**

Total of Operational Cost: \$ -

Total Costs: **Please Verify Sheet**

14690000

Project Cost - Itemized

Item	Description	Category	Development (Implementation) or Operational (Ongoing)	Fiscal Year Spend	Qty or Hours	Unit Cost	Extended Cost	Enter Tax Rate if Applicable (Generally 8.3% for PHX)	Tax	Total Cost
1	This project has a \$15 M budget; the remaining \$14,690,000 of budget covers costs for Professional Services, software and other related project costs)	Other	Development		1	\$15,000,000	\$0		\$0	\$15,000,000
2		[--Select--]	[--Select--]	[--Select--]						
3		[--Select--]	[--Select--]	[--Select--]						
4		[--Select--]	[--Select--]	[--Select--]						
5		[--Select--]	[--Select--]	[--Select--]						
6		[--Select--]	[--Select--]	[--Select--]						
7		[--Select--]	[--Select--]	[--Select--]						
8		[--Select--]	[--Select--]	[--Select--]						
9		[--Select--]	[--Select--]	[--Select--]						
10		[--Select--]	[--Select--]	[--Select--]						
11		[--Select--]	[--Select--]	[--Select--]						
12		[--Select--]	[--Select--]	[--Select--]						
13		[--Select--]	[--Select--]	[--Select--]						
14		[--Select--]	[--Select--]	[--Select--]						
15		[--Select--]	[--Select--]	[--Select--]						
16		[--Select--]	[--Select--]	[--Select--]						
17		[--Select--]	[--Select--]	[--Select--]						
									Total Development Cost	\$15,000,000
									Total Operational Cost	\$0
									Total Itemization of Costs:	\$15,000,000

Summary of Funding Sources			
Fund Type	% of Project	\$ of Project (Available)	\$ of Project (To Be Requested)
Base Budget	%		
APF			
Other Appropriated			
Federal			
Other Non-Appropriated			

Total costs available to distribute between funding sources
#VALUE!

PIJ Development & Operational Cost Summary

Description	Type	Year 1	Year 2	Year 3	Year 4	Year 5	Extended Cost
Professional & Outside Services	Development	\$2,200,000 - \$2,500,000	\$0	\$0	\$0	\$0	\$2,200,000 - \$2,500,000
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Hardware	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Software	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Communications	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Facilities	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Licensing & Maintenance Fees	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$2,300,000 - \$2,800,000	\$2,300,000 - \$2,800,000	\$2,300,000 - \$2,800,000	\$2,300,000 - \$2,800,000	\$2,300,000 - \$2,800,000
Other	Development	\$0	\$0	\$0	\$0	\$0	\$0
	Operational	\$0	\$0	\$0	\$0	\$0	\$0
Development Cost:		\$0	\$0	\$0	\$0	\$0	\$0
Operational Cost:		\$0	\$0	\$0	\$0	\$0	\$0
Total Cost:							\$0

Areas of Impact

1 Application Systems

- | | | |
|-------------------------------------|---|-------------------------------------|
| <input type="checkbox"/> | Application Enhancements | |
| <input type="checkbox"/> | Internal Use Web Application | |
| <input type="checkbox"/> | Mobile Application Development | |
| <input type="checkbox"/> | Arizona Enterprise Solution Platform (AESP) based Application | |
| <input type="checkbox"/> | New Application Development | |
| <input type="checkbox"/> | az.gov Web Portal Application | |
| <input checked="" type="checkbox"/> | Other: (Please specify below) | Replacement/upgrade of eProcurement |

2 Database Systems

- | | | |
|-------------------------------------|--|---|
| <input type="checkbox"/> | Data Warehouse/Mart | |
| <input type="checkbox"/> | Database Consolidation/Migration/Extract Transform and Load Data | |
| <input type="checkbox"/> | Database Products and Tools: | |
| <input type="checkbox"/> | Oracle | |
| <input type="checkbox"/> | MySQL | |
| <input type="checkbox"/> | DB2 | |
| <input type="checkbox"/> | MS SQL Server | |
| <input checked="" type="checkbox"/> | Other: (Please specify below) | Replacement/upgrade of existing eProcurement system |

3 Software

- | | | |
|-------------------------------------|--------------------------------|---|
| <input type="checkbox"/> | COTS Application Customization | |
| <input type="checkbox"/> | COTS Application Acquisition | |
| <input type="checkbox"/> | Mainframe Systems Software | |
| <input type="checkbox"/> | Open Source | |
| <input type="checkbox"/> | PC/LAN Systems Software | |
| <input type="checkbox"/> | Virtualization | |
| <input checked="" type="checkbox"/> | Other: (Please specify below) | Replacement/upgrade of existing eProcurement system |

4 Hardware

- | | | |
|-------------------------------------|-------------------------------|--------------------------------|
| <input type="checkbox"/> | LAN/WAN Infrastructure | |
| <input type="checkbox"/> | Mainframe Infrastructure | |
| <input type="checkbox"/> | Storage Area Network Devices | |
| <input type="checkbox"/> | Public Safety Radios, Systems | |
| <input type="checkbox"/> | PC Purchases, Peripherals | |
| <input type="checkbox"/> | Tape Libraries/Silos | |
| <input type="checkbox"/> | UPS Devices | |
| <input checked="" type="checkbox"/> | Other: (Please specify below) | TBD based on solution selected |

5 Hosted Solution (Cloud Implementation)

- State Data Center
- Commercially Hosted:
 - Amazon (AWS) GovCloud
 - Century Link - I/O Data Center
 - AWS (non-government) cloud
 - Microsoft Azure
- Vendor Hosted
- Other: (Please explain below)

6 Security

- Encryption
- Security Appliances:
 - Firewall
 - Intrusion Detection System (IDS)
 - Intrusion Prevention System (IPS)
- SecurityControls/Systems - Other: (Please specify below)
- Physical Controls (Badging Systems, Iris Scanners, Other: (Please specify below))
- Other: (Please specify below)

7 Telecommunications

- Network Communications Infrastructure
- Telephone Upgrade-Business-Specific
- Cabling
- Wireless Access Points
- Telephony Upgrade-EIC Solution
- Trenching
- Videoconferencing
- Other: (Please specify below)

8 Enterprise Solutions

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Business Intelligence System |
| <input type="checkbox"/> | E-Signatures |
| <input type="checkbox"/> | Geographic Information Systems |
| <input type="checkbox"/> | Other Imaging - Photos, Fingerprints, etc. |
| <input type="checkbox"/> | Document Management/Imaging |
| <input type="checkbox"/> | eLicensing |
| <input checked="" type="checkbox"/> | Management Systems - Financial, Grants, Asset |
| <input checked="" type="checkbox"/> | Disaster Recovery/Business Continuity |
| <input type="checkbox"/> | Other: (Please specify below) |

9 Contract Services/Procurement

- | | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Contracted Project Management |
| <input checked="" type="checkbox"/> | Contractor Support Services |
| <input checked="" type="checkbox"/> | Install/Configuration Contract Services |
| <input checked="" type="checkbox"/> | State Contract |
| <input checked="" type="checkbox"/> | Vendor provided |
| <input checked="" type="checkbox"/> | Procurement (RFP, IFB, DPR, etc.) |
| <input type="checkbox"/> | Other: (Please specify below) |

Meeting Invite Checklist

Role	Name	Email Address	Date Reviewed
Agency Project Sponsor*	Ashoke Seth by Terri Johnson	ashoke.seth@azdoa.gov	03/08/17
Agency Chief Information Officer (CIO) (or designee)*	Morgan Reed by J.R. Sloan	morgan.reed@azdoa.gov	03/08/17
Agency Information Security Officer (ISO) (or designee)*	Tim Guerriero for Mike Lettman	Tim.Guerriero@azdoa.gov	03/08/17
Joint Legislative Budget Committee (JLBC) representative			03/08/17
Office of Strategic Planning & Budgeting (OSP) representative			03/08/17
ADOA-ASET Strategic Program Manager *	David Tischler	David.Tischler@azdoa.gov	03/08/17
ADOA-ASET Security, Privacy & Risk (ASET-SPR) representative*	Tim Guerriero	Tim.Guerriero@azdoa.gov	03/08/17
Agency CPO or State Procurement Office (SPO) representative	Terri Johnson	terri.johnson@azdoa.gov	03/08/17
Agency CFO or Finance representative (if different from CPO)	Derik Leavitt	derik.leavitt@azdoa.gov	03/08/17
Others to Invite (if applicable):			
State Comptroller	Clark Partridge	clark.partridge@azdoa.gov	03/08/17
State Deputy Comptroller	Michael Smarik	michael.smarik@azdoa.gov	03/08/17
SPO Applications	Christina Garza	christina.garza@azdoa.gov	03/08/17
State Deputy CIO	J.R. Sloan	jr.sloan@azdoa.gov	03/08/17
Director of Technology - ERP	John Johnson	john.johnson@azdoa.gov	03/08/17
ERP Program Manager	Kevin McRee	kevin.mcree@azdoa.gov	03/08/17
	Joyce Wright	joyce.wright@azdoa.gov	03/08/17

* Required Attendee

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x	Has the value of the IT project to the public and the State been identified?
x	Does the proposed solution address the stated problem or situation?
x	Has the budget unit demonstrated competency to carry out the project successfully?
x	Have all applicable questions in the PIJ been addressed?
x	Have the Areas of Impact associated with the project been identified?
x	Is sufficient sponsorship and support by budget unit leadership evidenced in the meeting?
x	Has the compatibility of the proposed solution with other budget unit solutions been addressed?
x	Has a reasonable Project Plan been provided?
x	Has the compliance of the proposed solution with all applicable statewide standards been confirmed?
x	Have any potential risks or issues associated with the project or the proposed solution been identified and appropriately addressed to minimize unintended consequences?
x	Have the cost estimates for the project been vetted for accuracy?
x	Have the PIJ Financials been completed?
x	Have any/all of the following startup costs to implement the project been included under Development in the financial tables, if applicable - tax; shipping; upfront maintenance and support; professional services (P&OS); ancillary software to run on equipment; ancillary hardware to install equipment, e.g., cables; other associated costs, e.g., training, travel, documentation, etc.?
x	Have any/all of the following ongoing/5-year support costs, once the project is implemented, been included under Operational in the financial tables, if applicable - ongoing vendor hosting costs, including any projected increase over time; annual maintenance and support not acquired upfront; extended costs after warranty expiration; P&OS commitments beyond implementation?
x	Have you confirmed that no Full Time Employee (FTE) related costs have been included in the project costs?
x	Have quotes been provided for all itemized costs in the PIJ, e.g., professional services, hardware, software, licensing, etc.?
x	Do the quotes match the itemized list and only reflect those items and costs (within 5%) associated with this project?
	If not, describe below how the costs in the PIJ differ from the quotes, e.g., if quantities are different, costs are comprised of portions of multiple quotes provided, etc.:

If any of the above are not complete, the PIJ cannot be approved at this time.....

x

PIJ Disposition

Approved

Approved with conditions

Not Approved

Strategic Program Manager Analysis

Project Background: The Arizona Department of Administration will implement a new Source to Pay enterprise procurement solution. This will allow for streamlined workflows, enhanced business analytics, and improved RFP, contract, and vendor management.

Business Justification: The Arizona Department of Administration is acquiring a new procurement system to address shortcomings with the current system that result in reconciliation errors and large amounts of rework. Additionally, the new solution will align with the State’s Strategic direction of enterprise software hosted in the cloud.

Implementation Plan: The Department of Administration has proposed a Phased approach and has a Project Manager allocated to the project. Additionally, as a cloud based solution is sought, there will be minimal, if any, implementation on-site.

Vendor Selection: The process included an RFP that several vendors responded to, and a selection committee consisting of representatives of multiple Agencies was used to evaluate and choose a solution.

Budget or Funding Considerations: There is funding available in the current Fiscal Year, an ask has been made for FY18, and then additional years will be addressed by future budget asks, for ongoing licensing and subscription costs.

This project is approved via delegated authority.

Authorized Approver:	David Tischler	Approval Date:	3/8/17
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Condition (If Applicable)

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