

Project Investment Justification

DEERS Child Care Attendance Tracking Solution

DE22003

Department of Economic Security

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1. GENERAL INFORMATION

PIJ ID: DE22003

PIJ Name: DERS Child Care Attendance Tracking Solution

Account: Department of Economic Security

Business Unit Requesting: DES/Department of Employment and Rehabilitation Services (DERS)

Sponsor: Anna Hunter

Sponsor Title: Assistant Director, DERS

Sponsor Email: ahunter@azdes.gov

Sponsor Phone: (602) 542-7874

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...):

Child Care Administration (CCA) currently manages a resource intensive, paper-based, manual operation for time and attendance tracking, billing and payments that is susceptible to error. Additionally, the current process requires child care providers to complete duplicative administrative work to meet CCA requirements which has deterred many child care providers from serving subsidy families. The CCA requirements are intended to minimize fraud and improve compliance with child care standards. However, with over 1,700 child care providers contracted with CCA, monitoring for fraud and contract compliance is limited to what can manually be reviewed each month.

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

The child care attendance tracking solution will allow authorized users (clients) to submit attendance data for payment processing for children eligible for state or federally funded child care subsidies. CCA will utilize the solution to import the attendance data of all children enrolled in CCA licensed or certified child care facilities, including children who are not eligible for state funded child care subsidies. The State's goal is to implement a standardized, automated solution to:

- Improve the timeliness and accuracy of time and attendance tracking through the use of automation;
- Lessen the burden of manual processes for child care providers;
- Provide an incentive to child care providers to utilize Child Care Management Software, by helping to stabilize their operations;
- Decrease the administrative burden on state agency staff;
- Enhance child safety and improve location efforts in child care settings in the event of a disaster or other emergency;
- Enhance monitoring of child to staff ratios in licensed child care facilities; and
- Increase fiscal accountability, including enhancing fraud prevention efforts.
- Improve the timeliness and accuracy of time and attendance tracking through the use of automation;
- Lessen the burden of manual processes for child care providers;
- Provide an incentive to child care providers to utilize Child Care Management Software, by helping to stabilize their operations;

- Decrease the administrative burden on state agency staff;
- Enhance child safety and improve location efforts in child care settings in the event of a disaster or other emergency;
- Enhance monitoring of child to staff ratios in licensed child care facilities; and
- Increase fiscal accountability, including enhancing fraud prevention efforts.

2.3 Describe the proposed solution to this business need.

The Contractor and/or Partner Shall:

- Provide a web-based Software as a Service (SaaS) solution that shall track child care time and attendance and monitor financial compliance for the CCA, in accordance with the provisions and requirements.
- Provide a solution that is hosted, managed, and maintained by the Contractor and/or Partner.
- Provide a solution that will be available to all regulated child care providers across the State of Arizona.
- Include functionality that allows for low touch or no touch interaction for entering electronic time and attendance information for all children enrolled in a DES contracted child care provider facility e.g. interoperability with POS and or other mobile technologies.

Procurement

- DERS/CCA worked with the non-profit Opportunities Exchange to research other states current subsidy management systems. CCA gathered information and developed requirements for a solicitation for solution options.
- DERS/CCA created a task order solicitation. The solicitation was sent out to all three state cloud contractors; SHI, CDW-G, and Carasoft.
- The solicitation was open for 30 days. Two vendors responded to the DERS/CCA solicitation, -Controltec (SHI) and Simply Gov (CDW-G).
- Controltec was the only vendor who met the requirements of the task order solicitation.

IT Strategic Plan

Goal: Technology Modernization:

Approved by Mark Darmer, CIO, on 09/16/2021

Approved by Michael Wisheart, DES Director, on 9/17/2021.

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?

Yes

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

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).

The vendor will: Configure and Implement the software solution, complete application testing, host the solution in the cloud, configure and deploy tablets, deliver training to CCA, and child care providers, and the vendor will provide support for the application and hardware for the child care providers and parents.

The agency will: Provide contract oversight to ensure project milestones are met by the vendor, participate in project meetings to fully communicate project requirements, provide SME as needed, complete data exports and imports, complete user acceptance testing, review and acceptance of the milestone deliverables.

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?

Yes

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

Est. Implementation Start Date

Est. Implementation End Date

10/23/2021 12:00:00 AM

1/31/2023 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
Milestone 1 - Project Plans update and review.	10/23/21	12/15/21
Milestone 2 - Design and Training Plan	12/15/21	12/31/21
Milestone 3 - configuration, Training plans, documentation.	01/01/22	01/31/22
Milestone 4 - Interface and testing plans	02/01/22	02/28/22
Milestone 5 - Device Management plan and training plan	03/01/22	03/31/22
Milestone 6 - Testing	04/01/22	04/30/22
Milestone 7 - documentation, testing complete, go live	05/01/22	06/30/22
Milestone 8 - 1 - EA Rollout Complete 2 - EA Rollout Report	07/01/22	07/31/22
Milestone 9 1 - Full Rollout Complete 2 - Final Delivery Report	08/01/22	10/31/22
Milestone 10 DES CCA to Pay Outstanding Invoices	11/01/22	01/31/23

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?

Yes

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

Yes

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

Yes

6.2a Please identify the projects or procurements.

If the answer is yes, identify the projects or procurements: Vendor fulfillment of tablet equipment based on chip shortage.

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

Yes

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

Yes

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.?

Yes

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?

Yes

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

Yes

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.

There is not a statewide enterprise solution available

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:

A task order solicitation was sent to SHI, CDW-G, and Carasoft to gather interested parties. Two responses were received and one no bid. The selected vendor was the only vendor that met the SOW and provided a quote.

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?

Yes

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

No

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?

Yes

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?

Yes

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., surplus, 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?

Vendor SOW

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?

Yes

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

Yes

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

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

Yes

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

Yes

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:

The ADOA state guidance recommends using vendor hosted solutions in the cloud.

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?

Yes

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?

No

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

9.2b Were vendor-hosted options available and reviewed?

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

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

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?

Yes

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

- Hosted in a FedRAMP certified government cloud environment (need to ensure that both the platform and the software/application are secure): Yes FedRAMP Medium and High Compliant
- Whether or not DES's data is segregated and isolated from other client's data (for vendor-hosted environments): Single Tenant Solution with data segregation
- How the data will be accessed: User authentication and role based security
- Is it encrypted in transit as well as "at rest"? : All encryption used is FIPS 140-2 compliant. All virtual machines have their disks encrypted at rest using server-side encryption (SSE), leveraging the Azure Key Vault.
- Is the Data Center located within U.S. boundaries? Are the data and any data backups stored within the U.S.? : Azure Government Cloud: GOV-Arizona (primary site), GOV-Texas (disaster recovery site), and GOV-Virginia (backup storage location)
- Data passing between DES and non-DES hosted environments. Yes we will be following the DES guidelines.

10. AREAS OF IMPACT

Application Systems

Database Systems

Database Consolidation/Migration/Extract Transform and Load Data

Software

COTS Application Acquisition

Hardware

Other

Tablets

Hosted Solution (Cloud Implementation)

Microsoft Azure

Security

Telecommunications

Enterprise Solutions

Contract Services/Procurements

11. FINANCIALS

Description	PJJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
Milestone 1	Professional & Outside Services	Development	1	1	\$61,871	\$61,871	0.00 %	\$0	\$61,871
Mobile Devices Management	License & Maintenance Fees	Development	1	12	\$1,870	\$22,440	860.00 %	\$1,930	\$24,370
Devices	Hardware	Development	1	1700	\$320	\$544,000	860.00 %	\$46,784	\$590,784
Milestone 2	Professional & Outside Services	Development	1	1	\$82,495	\$82,495	0.00 %	\$0	\$82,495
Milestone 3	Professional & Outside Services	Development	1	1	\$103,118	\$103,118	0.00 %	\$0	\$103,118
Milestone 4	Professional & Outside Services	Development	1	1	\$82,495	\$82,495	0.00 %	\$0	\$82,495
Milestone 5	Professional & Outside Services	Development	1	1	\$41,247	\$41,247	0.00 %	\$0	\$41,247
Milestone 6	Professional & Outside Services	Development	1	1	\$82,495	\$82,495	0.00 %	\$0	\$82,495
Milestone 7	Professional & Outside Services	Development	1	1	\$164,989	\$164,989	0.00 %	\$0	\$164,989
Milestone 8	Professional & Outside Services	Development	1	1	\$103,118	\$103,118	0.00 %	\$0	\$103,118
Milestone 9	Professional & Outside Services	Development	1	1	\$103,118	\$103,118	0.00 %	\$0	\$103,118
Recurring SaaS Invoices, Year 1	License & Maintenance Fees	Development	1	12	\$78,539	\$942,472	860.00 %	\$81,053	\$1,023,525
Recurring SaaS Invoices, Year 2	License & Maintenance Fees	Operational	2	12	\$80,503	\$966,034	860.00 %	\$83,079	\$1,049,113
Mobile Device Management	License & Maintenance Fees	Operational	2	12	\$1,870	\$22,440	860.00 %	\$1,930	\$24,370
Recurring SaaS Invoices, Year 3	License & Maintenance Fees	Operational	3	12	\$82,515	\$990,185	860.00 %	\$85,156	\$1,075,340
Mobile Device Management	License & Maintenance Fees	Operational	3	12	\$1,870	\$22,440	860.00 %	\$1,930	\$24,370

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
\$0	\$0	0%
APF (Available)	APF (To Be Req)	APF % of Project
\$4,868,817	\$0	100%
Other Appropriated (Available)	Other Appropriated (To Be Req)	Other Appropriated % of Project
\$0	\$0	0%
Federal (Available)	Federal (To Be Req)	Federal % of Project
\$0	\$0	0%
Other Non-Appropriated (Available)	Other Non-Appropriated (To Be Req)	Other Non-Appropriated % of Project
\$0	\$0	0%

Total Budget Available	Total Development Cost
\$4,868,817	\$2,463,624
Total Budget To Be Req	Total Operational Cost
\$0	\$2,173,193
Total Budget	Total Cost
\$4,868,817	\$4,636,817

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

Providers without existing software solutions will be able to collect sign in and sign out records from parents and submit billing through the automated system.

Providers with approved 3rd party solutions will be able to electronically submit time and attendance data.

The agency will be able to reduce time spent on monitoring, auditing, billing (including mailing), and sign in and out documents.

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 November 15, 2021.

14. OVERSIGHT SUMMARY

Project Background

The Department of Economic Security (DES) strengthens Arizona by helping residents reach their potential through temporary assistance for those in need, and care for the vulnerable. The Child Care Administration (CCA) provides child care assistance to eligible families who participate in employment activities and specific education and training activities related to employment by providing financial support intended to offset a portion of child care costs.

With this project, Child Care Administration (CCA) will obtain an automated child care business information solution which allows for a comprehensive, time efficient administration of the child care subsidy program. CCA is acquiring a vendor-hosted solution accessible via the current or previous version of Microsoft's Internet Explorer, FireFox, Safari, and/or Chrome browsers. The vendor is providing a web-based Software as a Service (SaaS) solution that shall track child care time and attendance and monitor financial compliance for the CCA.

The child care business information solution will allow authorized users to document attendance for payment processing for children eligible for state or federally funded child care subsidies. CCA will also utilize this solution to document attendance of all children enrolled in CCA licensed or certified child care facilities, including children who are not eligible for state funded child care subsidies.

Business Justification

With the current process the Child Care Payment Unit reviews and processes paper invoices within 2 business days of receipt and payment is issued within 5 business days and monitoring of child to staff ratios in licensed child care facilities is conducted through manual review of sign in and sign out records; this manual monitoring can make locating a child in the event of a disaster or other emergency is a manual multi-layered process. Fraud is currently determined by manual review of sign in and sign out records and comparing signatures. This process does not provide for an automated audit function to prevent or reduce fraud.

DES will be partnering with Controltec to improve the timeliness and accuracy of collecting check in and check out attendance information, reduce the potential for fraud by improving the authentication process for the responsible party during the check in and check out process, and reduce the administrative burden on child care providers and state agency staff by automating the collection and validation of check in and check out and responsible party data. Additionally, this solution will improve the cycle time and accuracy for payments to childcare providers for services rendered, promote accountability and transparency by making collected data auditable and available to providers and responsible parties via web portal and empower providers to run their businesses accurately and professionally.

Implementation Plan

Controltec and DES will each have a project manager to oversee the responsibilities and complete the tasks for the acquisition of and integration/implementation of the proposed solution. The vendor will handle implementation, integration, configuration, training, and on-going maintenance and support services. Training for the users of the proposed solution (including child care providers and state agency staff) will include administrative functions associated with the proposed solution to approximately 3000 Licensed DHS Providers and other regulated providers (such as tribal and military providers), 300 Certified Family Providers, 100 state agency staff. This may include a variety of different methods to meet objectives (e.g., computer-based training, classroom lectures,

written material, demonstrations, and ADA compliant).

This cloud based, vendor hosted (Azure), SaaS solution. ADOA-ASET has confirmed that this solution is AZRamp Authorized.

Vendor Selection

The Division of Employment & Rehabilitation Services (DERS)/CCA created a task order solicitation. The solicitation was sent out to all three state cloud contractors; SHI, CDW-G, and Carasoft. Two vendors responded to the solicitation, Controltec with SHI and Simply Gov with CDW-G. Controltec was the only vendor who met the requirements of the task order solicitation.

Budget or Funding Considerations

The payment schedule is a firm fixed price milestone/deliverable based project. Milestones are based on vendor provided task order and the agency's internal timeline. Payments will be made on deliverables outlined in the vendor provided task order. Funding for this effort is 100% APF. APF monies are allocated to ADOA for use by the agencies responsible for delivering the proposed projects, and require prior JLBC Favorable Review. JLBC review is set to occur December 2021.

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Anna Hunter

Agency CIO (or Designee)

Mark Darmer

Agency ISO (or designee)

Dan Wilkins

OSPB Representative

ASET Engagement Manager

ASET SPR Representative

Thomas Considine

Agency SPO Representative

David Steuber

Agency CFO

Roberta Harrison