Project Investment Justification

Corporation and LLC Registration Software

CC24005

Corporation Commission

1. GENERAL INFORMATION

PIJ ID: CC24005
PIJ Name: Corporation and LLC Registration Software
Account: Corporation Commission
Business Unit Requesting: Corporations Division
Sponsor: Edward Block
Sponsor Title: CIO / IT Division Director
Sponsor Email: eblock@azcc.gov
Sponsor Phone: (602) 542-2560

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…):

By authority of the Arizona constitution, the Arizona Corporation Commission (ACC), is granted the authority for registration of Corporations and LLCs both foreign and domestic.

The ACC uses software to allow the public to file and the agency to then review and approve the required documents to start, maintain, or close any business.

The agency has had the current Customizable Off-the-Shelf (COTS) solution since May 2018 and it is at end of life and needing replacement.

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

The existing contract is end of life. Obtaining the new solution will allow the ACC to continue to provide the required services to the public, and enhance internal efficiencies in providing those services.

The new system will utilize current technologies and this will make online filing more efficient and user friendly. The platform will also allow for continuous upgrades to enhance the customer experience over time.

In addition, internal document reviewers will gain efficiencies by streamlined processes and reliable functionality.

2.3 Describe the proposed solution to this business need.

The Arizona Corporation Commission (ACC) proposed solution will replace the current software platform known as "eCorp" used to approve initial registrations, subsequent change of information filings, and termination/dissolution filings for limited liability companies and corporations both foreign and domestic to the state of Arizona as well as provide searchable records, and other services as required by state law.

The new customizable off the shelf solution will offer a high degree of office configurability and control, and a host of security advances to detect and prevent fraudulent filing, business identity theft, and cybersecurity intrusions.

The new system will utilize current technologies and this will make online filing more efficient and user friendly. The platform will allow for continuous upgrades to enhance the customer experience over time. In addition, internal document reviewers will gain efficiencies by streamlined processes and reliable

functionality.

The solution requires multiple system interfaces. This includes the Business One Stop program and data exchange with Arizona Department of Revenue (ADOR), Arizona Department of Administration (ADOA), Arizona Secretary of State (AzSOS) and the Arizona Registrar of Contractos (AzROC).

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?
Yes

3.2a Describe the reason for completing the assessment/pilot/RFP and the expected deliverables.
The RFP is required by state procurement law given the cost and need for a solution that will be customizable.

The RFP process supports the ACC's need to evaluate possible products and services in order to select one that most closely matches the business and technical requirements of the ACC.

3.2b Provide the estimated cost, if any, to conduct the assessment phase and/or Pilot and/or RFP/solicitation process.
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3.2e Based on research to date, provide a high-level cost estimate to implement the final solution.
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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 ACC will resource the following:

1. PM/Business Analyst to work with vendor on requirements, schedule and testing.

Technical developer(s) to map existing data to the new system data structure for data migration.

2. Multiple subject matter experts in the business group to provide detailed requirements elicitation and final user acceptance testing (UAT).

Vendor will resource the following:

1. Functional specifications

2. Business Analyst(s) and tester(s) for requirements and QA testing, training and implementation.

3. Developers as needed to complete customizations and configurations.

4. Database resource(s) for data migration

5. Hosting configuration

Shared responsibilities:

1. Project management

2. Testing

3. Data mapping

4. Training/transfer of knowledge

4.3 PM Name
Barbarajo Transue

4.3 PM Email
btransue@azcc.gov

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

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
4/22/2024 12:00:00 AM	12/28/2025 12:00:00 AM

5.3 How were the start and end dates determined?
Based on project plan

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
Project Initiation Project Kickoff Meeting Project Management Plan & Schedule 20 days	04/22/24	05/17/24
Detailed System Design & Requirements Sprint 0 Create User Stories Create Test Case Backlog 35 days	05/20/24	07/09/24
Signed & approved Scope of Work Payment Milestones Detailed Sprint & Project plan - Due to ASET	05/27/24	05/31/24
Communication of Detailed Project Plan Business One Stop program Department of Revenue Department of Administration Registrar of Contractors Secretary of State - Due to ASET	06/03/24	06/07/24
Design Sprint 0 Update User Stories Update Technical Design Document Review & approval 20 days	07/10/24	08/06/24

System Security Plan due to ASET and Homeland Security	07/15/24	08/15/24
System Development Executing Sprints Sprint 1-12 196 days	08/07/24	05/08/25
Data Conversion Analysis Data Mapping Develop conversion script packages Execute Test Script Packages UAT Conversion Production Conversion 196 days	08/07/24	05/08/25
UAT Pre-UAT training for testers UAT Testing Resolve UAT Issues 49 days	05/06/25	07/18/25
System Training & Implementation Final Training Plan & Materials User Training 20 days	07/21/25	08/15/25
Provide PDF document of training to ASET	08/15/25	08/22/25
Cutover & Go Live Installation Go-Live/Operation of System Software Go Live 6 days	08/18/25	08/26/25
Lessons Learned Closeout	08/26/25	09/26/25
Warranty Period System Warranty 3 months	08/27/25	11/27/25
Final Development payment	11/28/25	12/28/25

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?
No

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?
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)?
No

8.3 Will any software be acquired through the current State value-added reseller contract?
No

8.3a Describe how the software was selected below:

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)?
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?
Yes

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

The ACC went live with the current solution in May 2018.

8.11b Describe the planned disposition of the existing technology below, e.g., surplused, retired, used as backup, used for another purpose:
The ACC will not use the current solution for another purpose and will retire the application.

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?
Needs are based on current solution capabilities and requirements, and the number of employees in the Corporations Division requiring access.

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?
Yes

8.16a Will the customizations inhibit the ability to implement regular product updates, or to move to future versions?
No

8.16b Describe who will be customizing the solution below:
The supplier will work with the ACC to customize the solution.

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

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

Agile/Scrum

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:

80% for the COTS application

20% custom configuration & development

This estimate was determined by the response provided from the supplier outlining which requirements are available "out of the box" vs "configurable or with programming"

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

Yes

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:

Commercial data center environment, e.g AWS, Azure

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

The ACC selected a vendor-hosted option that will ensure automatic updates, up to date security protocols and operational support.

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?
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?
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
Application Enhancements;Internal Use Web Application

Database Systems
Database Consolidation/Migration/Extract Transform and Load Data;MS SQL Server

Software
COTS Application Customization

Hardware

Hosted Solution (Cloud Implementation)
Vendor Hosted

Security
Firewall

Telecommunications

Enterprise Solutions
Document Management/Imaging

Contract Services/Procurements

11. FINANCIALS

Description	PIJ Category	Cost Type	Fiscal Year Spend	Quantity	Unit Cost	Extended Cost	Tax Rate	Tax	Total Cost
Professional Services	Professional & Outside Services	Development	1	1	$112,500	$112,500	0.00%	$0	$112,500
Other Development Expenditures	Other	Development	1	1	$265,194	$265,194	0.00%	$0	$265,194
Hosting	Other	Development	1	1	$148,500	$148,500	0.00%	$0	$148,500
License & Maintenance Fees	License & Maintenance Fees	Development	1	1	$433,333	$433,333	860.00%	$37,267	$470,600
Data Migration	Other	Development	1	1	$359,792	$359,792	0.00%	$0	$359,792
Software Build/Customization Development	Software	Development	1	1	$2,209,262	$2,209,262	860.00%	$189,997	$2,399,259
Contingency	Other	Development	1	1	$321,205	$321,205	0.00%	$0	$321,205
Hosting	Other	Development	2	1	$118,800	$118,800	0.00%	$0	$118,800
Contingency	Other	Development	2	1	$68,494	$68,494	0.00%	$0	$68,494
License & Maintenance Fees	License & Maintenance Fees	Development	2	1	$280,800	$280,800	0.00%	$0	$280,800
Hosting	Other	Operational	3	1	$118,800	$118,800	0.00%	$0	$118,800
License & Maintenance Fees	Software	Operational	3	1	$258,564	$258,564	860.00%	$22,236	$280,800

License & Maintenance Fees	Software	Operational	4	1	$258,564	$258,564	860.00%	$22,236	$280,800
Hosting	Other	Operational	4	1	$118,800	$118,800	0.00%	$0	$118,800
License & Maintenance Fees	Software	Operational	5	1	$323,204	$323,204	860.00%	$27,796	$351,000
Hosting	Other	Operational	5	1	$148,500	$148,500	0.00%	$0	$148,500

Base Budget (Available)	Base Budget (To Be Req)	Base Budget % of Project
$0	$0	0%
APF (Available)	**APF (To Be Req)**	**APF % of Project**
$7,000,000	$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
$7,000,000	$4,545,144
Total Budget To Be Req	**Total Operational Cost**
$0	$1,298,700
Total Budget	**Total Cost**
$7,000,000	$5,843,844

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

Updated, stable and more robust technology with an enhanced customer experience by providing an easy to use, user friendly, intuitive, efficient public online filing platform that will increase

the online adoption rate, thereby reducing paper filings and rejections.

•   In FY23, there were a total of 505,047 filings with 423,037 filings done online and 82,010 paper

filings. The FY23 online adoption rate is 84%. Within 12 months of implementation, the expected online adoption rate will be 90%. Therefore, the number of paper filings will decrease by 6% (about 5,000 filings) to approximately 77,090 paper filings. This decrease in paper filings would result in saving approximately 200 staff hours of scanning documents per year. The increase in online filings will reduce the rejection rate and decrease the re-review by staff.

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 June 15, 2024.

Prior to system production environment launch or go live, the Agency must work with the Department of Administration (ADOA) and Department of Homeland Security (AZDOHS) Cyber Command, to assure the System Security Plan document is completed and approved by Cyber Command in order to ensure that the selected solution will provide an appropriate level of protection for State data.

14. OVERSIGHT SUMMARY

Project Background
What is the role of the agency? What does the agency do?
The Arizona Corporation Commission's mission is to ensure safe, reliable, and affordable utility services; have railroad and pipeline systems that are operated and maintained in a safe manner; grow Arizona's economy as we help local entrepreneurs achieve their dream of starting a business; modernize an efficient, effective, and responsive government agency; and protect Arizona citizens by enforcing an ethical securities marketplace.
The agency governs the offer and sale of securities and investment advice in or from Arizona, licenses investment advisers and their representatives, registers securities dealers and salesmen, and regulates several hundred public utilities serving the state, including setting the rates and charges for service and ensuring adequate, reliable service.

What is the role of a specific unit within the agency (if applicable)? N/A

What problem is the agency resolving with this PIJ?
The current software has reached its end and needs to be replaced.

Business Justification
What metrics will improve by adopting the new solution and by how much?
Within 12 months of implementation, the expected online adoption rate will go from 84% to 90%.

How does implementing this solution benefit the State?
The number of paper filings will decrease by 6% (about 5,000 filings) to approximately 77,090 paper filings. This decrease in paper filings would result in saving approximately 200 staff hours of scanning documents per year. The increase in online filings will reduce the rejection rate and decrease the re-review by staff.

Implementation Plan
Vendor hosting the data (AuditBoard) is AZRAMP Authorized. System Security Plan is required.

Project Manager: Barbarajo Transue

Agency Responsibilities:
Project management
Data mapping
Gathering requirements
Testing
Final UAT
Training/transfer of knowledge

Vendor Responsibilities:
Project management
Hosting configuration
Development
Functional specifications
Data mapping
Data migration
Testing
Training/transfer of knowledge
How will the solution be hosted?
Via vendor on Azure GovCloud in a full-cloud environment

Describe the roles involved in implementing the new solution and who/which agency.
ACC Roles
Barbarajo Transue - Project Manager
WSD Roles
Anand Balasubramanian - CTO/Security Lead
Vaidy Sreenivasan - Project Executive
Isabel Burgos-Dumani - Project Manager
Kimberly Perondi - SME Lead Business Analyst
Vinaya Kumar - QA Lead
Ganesh Kumar Veerabathiran - Infrastructure/Security Architect

Vendor Selection
WSD

Budget or Funding Considerations
100% APF

15. PIJ REVIEW CHECKLIST

Agency Project Sponsor

Edward Block

Agency CIO (or Designee)
Edward Block

Agency ISO (or designee)
Edward Block

OSPB Representative

ASET Engagement Manager
Bob Mussey

ASET SPR Representative
Emily Gross

Agency SPO Representative
Yanneth Montes

Agency CFO
Cristi Thatcher