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Governor



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Director

## **ARIZONA DEPARTMENT OF ADMINISTRATION**

### **STATE PROCUREMENT OFFICE**

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**To:** Software, Hardware, and Integration Services Vendors

**From:** Arizona Department of Administration (ADOA)

**Date:** April 12, 2012

**Subject:** AFIS Replacement Project

The purpose of this memo is to provide an update to interested vendors regarding Arizona Governor Jan Brewer's efforts to procure and implement a new enterprise resource planning (ERP) system in state government. Following the mention of the Arizona Financial Information System (AFIS) replacement in Governor Brewer's fiscal year 2013 budget request, the vendor community has expressed a high level of interest in learning more about the State's plans for this project.

In the interest of promoting fair and open competition and in lieu of individual meetings with vendors, the State of Arizona (State) is pleased to provide you with information regarding this important component of the information technology (IT) modernization initiatives currently underway within the State.

The AFIS Replacement project is another critical government reform initiative under the leadership of Governor Jan Brewer, and a major step in the administration's effort to modernize and transform State government. The desired outcomes for the AFIS Replacement Project are streamlined decision-making and business processes, increased employee productivity, reduction in risks associated with obsolete administrative systems, and a more responsive government. Specific goals of the project include serving the citizens of Arizona with greater accountability, transparency, and efficiency. The replacement of AFIS and other major financial reporting systems also provides the opportunity to review the financial business functions of the State and apply (as appropriate) business process best-practices that are currently used by the public and private sectors.

In August 2011, the State began a business case assessment process to evaluate the replacement of its legacy financial, procurement, human resource, payroll, and other administrative systems with a commercially-available ERP system. Subsequent to the business case, the State has conducted a planning process to refine and confirm the preliminary scope of the project based on the business case findings. The State is presently in the process of developing detailed system requirements and a Request for Proposal (RFP) for the acquisition of ERP software and system integration services. Through its RFP, the State will seek to award a contract for the successful implementation and integration of the software.

State leadership is also working with the Governor's Office, State Legislature, and key agency stakeholders to continue the positive momentum and leadership alignment around the project. The State desires to secure the necessary project funding through the State's annual budget process by June 2012.

During the planning process referenced above, the State has established an organizational scope and a functional scope to define the State's vision for the project. The State's desire is to move all State agencies onto the same financial platform.

Although replacement of the State's procurement/purchasing and human resource/payroll systems was considered, the State's analysis indicates that retaining both systems appears to be in the long-term best interest of the State in terms of the functionality provided by these applications, cost avoidance, and overall risk reduction to a successful systems implementation.

While replacement of AFIS now remains as the central objective of the project, it should be noted that the scope of desired financial management functions is broader than those presently enabled by AFIS. The State has identified additional functionality that is needed to meet the needs of all agencies within a single system; such as Grant Management, Business Intelligence, Budget Development, and FHWA Federal Aid Billing.

Although funding for this project is still under consideration by the State Legislature, the State has prepared a tentative timeline for the solicitation process and anticipates issuing an RFP at the beginning of Fiscal Year 2013.

Additional status updates regarding the AFIS Replacement project and/or related procurement activities will be posted on the State's ProcureAZ web site, which can be accessed at <https://procure.az.gov>. Vendors interested in responding to this opportunity must be registered in ProcureAZ. All questions regarding this potential solicitation must be addressed to the State's single point of contact, Terri Johnson, Senior Procurement Specialist, at 602-542-9125, [Terri.Johnson@azdoa.gov](mailto:Terri.Johnson@azdoa.gov) or ADOA Building, 100 N. 15<sup>th</sup> Ave., Suite 201, Phoenix, AZ 85007.