

I. Project Identification

Project Title:

Agency Name	Agency Business Unit
<input type="text" value="Department of Revenue Services"/>	<input type="text" value="Strategic Plan Administration Office"/>

Your Name (Submitter)	Phone	Email
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II. Project Details

A. Project Dates

Proposed Start Date (MM/DD/YYYY)	Expected Completion Date (MM/DD/YYYY)	Project Duration (in months)
<input type="text" value="2/1/2016"/>	<input type="text" value="4/30/2016"/>	<input type="text" value="3 months"/>

B. **Project Description** - This information will be used for listings and report to the Governor and General Assembly on capital funded projects.

This project will enable the Department of Revenue Services (DRS) to secure the services of an outside IT Consultant to assist with the development of a business case for a future IT solution. It will identify IT and business solutions that will maintain and enhance DRS's ability to collect and administer Connecticut taxes and revenue. DRS seeks an independent, highly experienced third-party consultant to develop a sensible and comprehensive tax system modernization business case and roadmap. This project will utilize the information gathered from its ongoing IT Modernization Project.

C. Summary.

Summary - Describe the high level summary of this project in plain English without technical jargon

In 2012 DRS began its IT Modernization Project to plan for future investments and improvements in its process and technology solutions. The project analyzed its current state and identified short and long term improvement opportunities. The DRS IT systems provide significant value to the State of Connecticut and its taxpayers, as such, DRS has the responsibility to plan for replacement of aging systems (ITAS and other core systems) that support DRS's core functions of revenue collection and tax compliance. This project will present alternatives to improve the majority of the DRS's systems with industry best practice solutions that will maintain and enhance DRS's ability to collect and administer Connecticut taxes. The project's deliverables will provide a rationale for this change, suggest an implementation approach, outline key risks and mitigation strategies and provide estimated costs and benefits to the State of Connecticut.

Purpose – Describe the purpose of the project

To utilize the services of an outside consultant to assist DRS in analyzing its current state of processes and technologies, and develop alternatives to when and how to improve or replace its current tax system. The project will help direct the agency's efforts in a coordinated, strategic and time-efficient way. The consultant will examine best practices within information technology in regards to tax processing trends from other jurisdictions.

Importance – Describe why this project is important

This project is critical to the long-term health of the DRS in terms of its revenue collection efforts and customer service. Our IT systems and applications are outdated and offer us inconsistent support across the varied tax programs.

The DRS hopes to continue its planful approach to process and technology improvements that will:

- Enhance and expedite tax collection and administration
- Enhance DRS compliance with current and future tax policy and legislation
- Increase operational productivity and reduce costs
- Enhance DRS's relationship with taxpayers
- Enhance the effectiveness of managerial decision making

Outcomes – What are the expected outcomes of this project

The deliverables of the project will include:

- A Technical Assessment and Validation of the current state in regards to processes, technology and organization. Additionally, identify the business capabilities within the DRS application portfolio and analyze the rate of change to determine the target state.
- A Business Capability Model will be developed based on the analysis of available documentation and interviews with key internal and external stakeholders.
- A Strategic Alternative Report that will outline several strategic alternatives that optimally address the requirements with a comparative analysis of how these solutions meet the key business and technical drivers of the modernization initiative.
- A DRS Business Case for Modernization which will outline the strategic goals, a case for change, a future business capability model, strategic solution alternatives, cost estimates and benefits. The consultant will also develop an Executive Briefing that summarizes the engagement and deliverables.

Approach and Success Evaluation – Provide details of how the success of the project will be evaluated

The project will be evaluated based on meeting the objectives and quality of deliverables as required in the Statement of Work. Success will be achieved by high engagement of all parties and stakeholders.

- D. **Business Goals.** List up to 10 key business goals you have for this project, when (FY) the goal is expected to be achieved, and how you will measure achievement, Must have at least one. Please use action phrases beginning with a verb to state each goal. Example: "Reduce the Permitting process by 50%". In the Expected Result column, please explain what data you will use to demonstrate the goal is being achieved and any current metrics.

Business Goal (Action Phase)	Target FY for Goal	Current Condition	Expected Result
Develop and implement strategies to maintain and improve the state's ability to process returns and collect tax revenue.	FY2016	Systems in place are at or near the end of their useful life.	Achieve efficiencies in servicing the agency's diverse customer base as described in the summary above.
Evaluate 2-3 strategic options for modernization.	FY2016	We have a DRS supported legacy tax system and multiple stand-alone systems.	Provide an analysis of when it is cost effective to replace our system in order to improve our services and streamline processing.
Provide best practice information and alternative forms of communication and front end self-service capabilities.	FY2016	Lack of integration with our current systems and have limited self-service options.	Define a technology strategy that will support multiple communication methods in the areas of self-service, secure e-mail, data exchange and mobile applications.
Provide information to identify the strengths and weaknesses of our current systems.	FY2016	Our current system has limited reporting and analysis capabilities.	The analysis will provide available options for improvements and identify best practices.

- E. **Technology Goals.** From a technical perspective, following the above example, list up to 10 key technology goals you have for this project and in which Fiscal Year (FY) the goal is expected to be achieved. Please use action phrases beginning with a verb to state each goal. Example: "Improve transaction response time by 10%".

Technology Goal	Target FY for Goal	Current Condition	Expected Result
Develop a strategic plan on when to implement a fully integrated tax system.	FY2016	Current systems are not integrated and are ineffective. Additionally, many are challenging to maintain and upgrade.	Effective systems for managing the agency's programs.
Explore standardization of hardware/software systems and applications.	FY2016	We have many different operating systems, versions/types, and hardware vendors which makes version control cumbersome.	Provide an analysis of the cost of IT maintenance of our current systems and suggestions to improve upon these inefficiencies.
Identify front-end self-service capabilities.	FY2016	We have limited self-service options.	Deliver an analysis where technology is trending for delivering enhanced self service capabilities.
Plan for the capability of improved security	FY2016	Continued evolution and added complexity of security requirements.	Engage the consultant to define the Best Practices to ensure continuous monitoring of security controls along with tools to maintain the latest versions.

F. **Priority Alignment.** The criteria in this table, in concert with other factors, will be used to determine project priorities in the capital funding approval process. Briefly describe how the proposed projects will align with each criterion.

Priority Criterion	Y/N	Explanation
Is this project aligned with the Governor's Key Priorities?	Yes	This project will illustrate self-service capabilities which will lead to greater voluntary compliance.
Is this project aligned with business and IT goals of your agency?	Yes	This project will reflect the agency's business plan and its statutory requirements.
Does this project reduce or prevent future increases to the agency's operating budget?	Yes	This project will provide a cost benefit analysis of when to replace our current systems.
Will this project result in shared capabilities?	No	This project will help identify a plan for increased capabilities by reviewing our internal tax systems. DRS currently provides some mail and records services to other agencies.
Is this project being Co-developed through participation of multiple agencies?	No	N/A

Has the agency demonstrated readiness to manage project of this size and scope?	Yes	DRS employs a formal Project Management approach, and has successfully completed many projects. DRS is prepared for this project and will meet all of the responsibilities outlined in the vendor's statement of work.
Is the agency ready to deliver the business value proposed?	Yes	The plan should provide the agency when it is most cost effective to replace our current tax systems.

G. **Organizational Preparedness.** Is your agency prepared to undertake this project? Is senior management committed, willing to participate, and willing to allocate the necessary time, energy and staffing resources? How will the project be managed and/or governed and who will make the key project decisions?

Yes. The commissioner and senior staff, which comprise the Executive Steering Committee, have approved this project. This is the fourth phase of our IT Modernization project plan. Project managers have been assigned and will be assisted by the Strategic Plan Administration Office.

H. **Project Ramp Up.** If capital funds are awarded for this project, how long will it take to ramp up? What are the key ramp-up requirements and have any of these already been started? For example, has a project manager been identified? Has an RFI been issued? Is a major procurement required such as an RFP?

We are ready. Three previous phases of this project have been completed. Project managers have been identified and interviews have been conducted with prospective vendors that are already contracted with the State and a recommended vendor has been identified.

I. **Organizational Skills.** Do you have the experienced staff with the proper training to sustain this initiative once it's a production system? Do you anticipate having to hire additional staff to sustain this? What training efforts are expected to be needed to maintain this system?

Yes, we have experienced staff to analyze the current state. The impact on staff is minimal and we will not need to hire additional staff. The majority of the work will be done by the vendor. Training is not expected since the project is to plan for a new production system not to implement one.

J. **Financial Estimates.**

Estimated Total Development Cost	Estimated total Capital Funding Request	Estimated Annual Operating Cost	One Time Financial Benefit	Recurring Annual Financial Benefit
TBD	\$300,000	TBD	TBD	TBD
Explanation of Estimates				
Our request is for \$300,000 to develop a business case for a future IT solution.				
Assumptions: Please list key assumptions you are using to estimate project development and implementation costs				
Key DRS personnel will be available to participate. Vendor project team will perform as indicated in the Statement of Work. Existing documentation will be made available to the vendor for all areas in scope and they will be allowed to review them throughout the project. The project duration is expected to be twelve (12) weeks.				

III. Expanded Business Case

A. **Project Impact.** Beyond the top business goals identified in Section II, 1) What impacts will this project have, if any, in the targeted areas below, 2) What would be the impact of not doing this project, 3) How will the project demonstrate benefits are achieved.

(1) Impact Area (Vision)	Y/N	Description of Project Impact
Will this project provide efficient and easily accessible services for all constituents?	Yes	The plan will illustrate where the agency can streamline its business processes and improve self-service.
Will this project promote open and transparent government with the citizens of the state?	Yes	This project will provide a proper plan on how we can best serve our citizens.
Will this project establish efficient and modern business processes?	Yes	We are bringing in an independent, highly experienced third party vendor to analyze our current processes and determine when it would be best to replace our current systems and determine improvements to get us to a modern business system.
Will this project increase accuracy and timeliness of data for policy making, service delivery and results evaluation?	Yes	This project will provide a plan to analyze where we can have increased efficiencies with a new system.

2) What is the expected impact of NOT doing this project?
The agency has the responsibility to properly analyze the current state and maintain its operational capabilities. DRS requests the assistance of an experienced third party vendor to broaden our perspective on what is in the market for future opportunities. Without this project, DRS cannot pursue a substantive and efficient integrated tax management solution to lessen current costs and risks while enhancing collections.

(3) How will you demonstrate achievement of benefits?
The project will enable the agency to identify the costs and benefits associated with each strategic option for IT Modernization to determine when and how to replace our legacy systems.

B. **Statutory/Regulatory Mandates.** 1) Cite and describe federal and state mandates that this project in intended to address. 2) What would be the impact of non-compliance?

(1) Statutory / Regulatory Mandates:
Not applicable.

(2) Impact of non-compliance:
Not applicable.

- C. Primary Beneficiaries.** Who will benefit from this project (citizens businesses, municipalities, other state agencies, staff in your agency, other stakeholders) and in what way?

The state's citizens, all taxpayers, businesses, agency staff, and other stakeholders will all benefit. By hiring an experienced consultant we will not need to spend our own resources in an inefficient fashion researching when it is best to replace our tax systems.

Important:

- **If you have any questions or need assistance completing the form please contact Jim Hadfield or John Vittner**
- **Once you have completed the form and the [IT Capital Investment Fund Financial Spreadsheet](#) please e-mail them to Jim Hadfield and John Vittner**

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