

# 2024 - 2026 IT Strategic Plan

Agency: 161 Department of Taxation

Date: 11/17/2023

## Current IT State

**In this section, describe the high-level strategy the agency will use to manage existing operational IT investments over the next year to 5 years. This section should align with identified Business Requirements for Existing Technology (BReTs). At minimum, please address the following questions in your description of your agency's strategy for managing existing operational IT investments:**

**Are there existing IT investments that will require additional funding over the next year to 5 years, such as license renewals, re-competition of current IT contracts, or system enhancements required by the Agency Strategic Plan?**

**If there are systems that will no longer support the agency's business needs, either through poor performance or excessive cost, how does IT leadership in the agency plan to address the issues?**

**If the agency does not have the staff or funding to meet increasing demand for IT services, how will IT leadership fulfill the requests?**

The Department of Taxation has made Information Security its number one priority. In support of this priority as well as ongoing agency operations, technology has placed primary emphasis on upgrades, maintenance, mandated enhancements, and desired enhancement to IRMS, our agency application suite. In addition, the agency spends considerable time coordinating activities with VITA and Outside Contractors related to the Commonwealth's outsourced infrastructure to ensure compliance with enterprise mandates and standards.

Current technology projects for the agency are:

As stated, TAX's primary focus is currently on information security. Tax is a highly automated agency and houses approximately 60 terabytes of highly sensitive state and federal taxpayer information, plus hundreds of COTS products and numerous custom large scale applications. Ensuring our security profile is effective is a large undertaking.

Compounding our size, is our external offerings. Constituent self-service is a goal of the Commonwealth, a demand of taxpayers, and an excellent method to reduce agency operational costs and/or compensate for a shrinking workforce. Taxation has embraced the self-service concept, and Agency applications give taxpayer's access to their tax accounts via the internet, basically allowing taxpayers access to their information from anywhere in the world.

In addition to a wide-variety of internet based applications serving taxpayers, Taxation also has internet based applications that service other Agencies, Virginia Localities, and Courts. Added to this is a robust telework environment for agency staff that allows sensitive data access from outside our primary office space. Given the breath of our applications and the numerous access point, Taxation has a higher than average risk for data loss. Storage of highly sensitive information and a belief that state systems are directly tied to Federal systems have made the Commonwealth a highly-valued target for hackers. Unfortunately, hackers become more sophisticated every day, and ensuring data and applications are as protected as possible is a continual activity and requires significant automation, especially given the agency's limited resources. Government entities are the number two target of hackers and VITA reports that over 117 million attack attempts have been blocked at the Commonwealth's Data Center. Unfortunately, not all attempts are blocked. Every day Commonwealth agencies, including Taxation, deal with security incidents, with viruses and malware being the most common.

To ensure TAX systems continues to meet or exceed Commonwealth and IRS security standards, TAX continues to focus on applying security patches and upgrading computer-off-the-shelf-software (COTS) products and VITA out of scope agency infrastructure items, for technology whose vendor support has expired, or will expire in the near future. This process is required to maintain vendor support in order to receive vendor supplied security patches and updates and to ensure continuity of operations for TAX's mission critical applications and to ensure the agency takes advantage of new security features and increased functionality with new versions or releases in order to improve security and operational efficiency.

TAX has significant focus on refund review. This focus is needed to prevent fraudulent refunds from being issued. Unfortunately, as hackers have become more sophisticated in obtaining sensitive information so have those seeking fraudulent refunds, as such to ensure requested refunds are validated TAX must continually perform refund review activities which require significant automation.

The mandated upgrades to VITA/Outside Contractor's (OC) enterprise infrastructure continue to consume a large portion of the agencies technical resources. TAX staff completed numerous projects working with VITA/OC such as: PC Refresh, Messaging Migration, Windows Server Upgrade, and various Security initiatives.

We are currently, either independently, or in conjunction with VITA/OC, seeking opportunities to leverage cloud services. Virginia Tax is performing analysis to move remittance processing to the cloud. We continuously monitor our systems to detect and treat vulnerabilities all while applying security patches to help maximize our security profile. TAX has focused extensively on expanding our electronic interactions, both from an internal and external perspective.

Our Virginia Tax's online applications provide customers quality online resources to meet their needs while ensuring their information is secure. These applications enable taxpayers, tax preparers, and businesses to file returns and pay tax bills; check refund statuses, 1099G, and other information; send secure messages and review correspondences; maintain their account information; and provide feedback to Virginia Tax via satisfaction surveys.

We continue to expand our e-File and eForms systems, which allows our taxpayers and preparers to file their business and individual taxes electronically. The E-File and eForms system currently supports, individual income, corporate income, fiduciary and pass through entity tax filing. Since going live in 2011, E-File has processed over 42 million tax returns.

These initiatives reduce agency operational costs, improve efficiencies, and provide new services to our taxpayers. TAX continues to maintain the various aspects of IRMS, our enterprise application, and make requested enhancements to its base functionality. In addition, each year brings legislatively mandated updates to tax regulation, which must be incorporate into our IRMS applications to ensure proper processing of tax returns and revenues. This maintenance and enhancement ensures efficient operations for both our technology users and for taxpayers by streamlining existing processes, or easing the burden of filing and paying taxes. As a result of the existing IT investments TAX is understaffed and will require additional funding to continue our goal of enhanced security, improved taxpayer self-service, and improved operational efficiency. TAX will use staff augmentation when necessary to meets the demands of the required work where Full Time Equivalent (FTE) staffing are not required, if the result of the project necessitates ongoing support, TAX will request FTE or convert staff augmentation resources to FTE. Due to insufficient staffing and funds, the agency continually addresses the highest priority work that will provide the greatest benefit to the Commonwealth. Lower priority items are tracked for future consideration. Annual License maintenance and support renewals is required for the following products: Oracle database, Siebel (CRM solution), Remit Vision, IBM FileNet, IBM DataCap workload and automation to enable TAX Business operations.

### **Factors Impacting the Current IT**

**In this section, the agency will describe the changes in their business environment that will require or mandate changes to the agencies current IT investments. These are requirements and mandates from external sources, such as other agencies or business partners, the agencies customer base, product and service providers, or new federal or state legislation or regulations. The agency must identify the business value of the change, any important deadlines that must be met, and the consequences if the deadlines are not met. In your discussion, be sure to note whether the proposed enhancements are funded or not. If the**

**agency's existing current IT investments will not need enhancement due to requirements or mandates from external sources in the foreseeable future, the agency should enter the following text rather than leave the Factors Impacting the Current IT section blank**

**For each mandated change, summarize your agency's response from your Agency Strategic Plan, and is it the opinion of agency IT leadership that the IT portion of the response is adequately funded?**

**Do the mandated changes effect IT in other Commonwealth agencies, or in other states? If so, how?**

Technology systems, including application software and hardware, must be upgraded and refreshed on an ongoing basis to ensure they operate correctly and are available for use by end users. Further, TAX must refresh hardware, upgrade and patch software versions in a timely manner to eliminate the risk of the Commonwealth's revenue systems becoming vulnerable to security breached, obsolete or unsupported, jeopardizing all of TAX's business operations. These items are funded via the agency's core budget. VITA/OC's roadmap for enterprise systems often heavily impact agency staff as VITA's plans do not consider the agency's initiatives that are mandated by the general assembly. These items, if known prior to budget prep, are included in the agency's core budget. Most TAX-related legislative changes necessitate changes to TAX's automated systems. The variety of filing and service "channels" provided by TAX often means the change must be made in several systems, each supporting a different channel. Shared Services scope, timeframes and budget could severely impact Technology's ability to meet business constituents needs.

These items are not funded in the agency's core budget: SECURITY SHARED SERVICES (TAX will hire a contractor or contract staff to perform security and audit functions), Cloud Services (SAAS, PAAS and IAAS). The customer demand for and use of electronic, self-help services continue to increase, requiring continued capacity expansions within existing services. Decision packages are prepared as required to fund these activities. Taxpayers, agency management and general staff continue to demand automated solutions to replace historically manual tasks. This results in increased operating efficiency and improved customer services, but requires an ongoing commitment to information technology services. Where funding exists, the agency moves forward with changes that will benefit the Commonwealth. The necessity to assign staff to support VITA/OC enterprise roadmap activities impact agency's ability to meet its internal technology needs.

### **Proposed IT Solutions**

**In this section, describe the high-level strategy the agency will use to initiate new IT investments over the next year to 5 years in support of the agency strategic objectives documented in your Agency Strategic Plan. The agency does not need to consider specific technologies at this time, however, the strategy should identify how the IT implementation will provide business value to the organization. This section should align with identified Business Requirements for New Technology (BRnTs). At minimum, please address the following questions in your description of your agency's strategy for initiating new IT investments:**

**What are the most important solutions, based on the priority assigned to the requirements by the business sponsors in your agency, and what is the approach to achieving these priority solutions?**

**If any new IT initiatives will be started in the upcoming budget biennium, is it the opinion of agency IT leadership that it is adequately funded?**

**Does the agency's current IT staff have the appropriate skill set needed to support future agency technologies? If not, what skill sets need to be acquired?**

**If the agency will be engaged in multiple new IT initiatives, how will agency IT staff and agency subject matter experts be used across the initiatives?**

TAX continuously implements numerous changes to its technology environment which includes annual legislative mandates and IRMS (Integrated Revenue Managed System) technical improvements. IRMS is an 18-year-old core TAX system that was fully implemented in 2005, it consists of legacy systems that require modernization in order to fully enable digital business. The age and customization of the core IRMS technologies and related supporting

applications has created functional gaps and technological debt that impact the Commonwealth's ability to efficiently perform tax operations and limits the agency's ability to make timely changes in response to annual legislative mandates. The programming language used by IRMS core tax administrations system is functional but outdated. To address these challenges and in consistent with the 2022 report required by the general assembly (HB30), the agency is looking into options for funding to replace the legacy IRMS systems. Technology changes rapidly and the Agency must position itself to stay current in order to meet the increasing demands of constituents, taxpayers and Commonwealth personnel. However, the current Agency resources are insufficient to meet all the requested (and in some cases required) enhancements, with this increase in demand in the forethought, the following IT changes are anticipated (TAX will evaluate the support required for each proposed IT solution to determine if the development resources will be needed ongoing. In the event, ongoing support is needed, TAX will investigate the option of requesting FTE rather than staff augmentation resources. Agency commercial off-the-shelf products (whether customized or used out-of-the-box) and VITA out of scope agency infrastructure items, will be upgraded to the most current stable versions on a continual and rotating basis. This will ensure that COTS products maintain vendor support, and that our systems avail themselves on all new, and stable, functionality offered. By ensuring a supported platform, all users of our technology, internal and external, will be served through improved security features, higher availability and enhanced functionality. Associated BRTs: TAX BRT VoIP System Upgrade and Maint FY24 –FY28, IRMS Modernization FY22-FY25- BRT and TAX BRT FIS VisionRemit FY24-28, Medallia Customer Exp BRT-Fy23 - FY25

The Agency ongoing security initiatives will augment staff as needed and procure additional security software products to ensure enhanced security of taxpayer data. TAX will utilize software and staff that will not only track access, but assist with granting and terminating access, access reconciliations, reporting, and ensuring proper protocol has been followed when utilizing/consuming taxpayer data. TAX has an extremely robust technical environment, with a significant number of sensitive applications, COTS products, and a large data foot-print. Constituent self-service is a goal of the Commonwealth, a demand of taxpayers, and an excellent method to reduce agency operational costs or compensate for a shrinking workforce. Taxation has embraced the self-service concept, and Agency applications give taxpayer's access to their tax accounts via the internet, basically allowing taxpayers access to their information from anywhere in the world. In addition to a wide-variety of internet based applications serving taxpayers, Taxation also has internet based applications that service other Agencies, Virginia Localities, and Courts, further increasing the risk of data loss. Associated BRTs: TAX Security Initiatives FY23 - FY25 BRT

TAX currently utilizes Microsoft Word to generate all outbound taxpayer correspondence. The Agency currently prints upwards of 12 million taxpayer letters annually based on approximately 800 unique Microsoft Word templates. The complexity compounds itself because Virginia Tax maintains previous versions of the correspondence templates which brings the total number of unique templates up to more than 2,500. The Agency has standardized on Office 2016 but wants to break the dependency between taxpayer correspondence and Microsoft Word in order to recognize substantial internal savings, as well as, providing flexibility with important and strategic communications to our taxpayers. Associated BRT: BReT Taxpayer Correspondence Replacement

# IT Strategic Plan Budget Tables

<b>Agency:</b>	161 Department of Taxation			
<b>Date:</b>	9/6/2023			
<b>Current IT Services</b>				
	<b>Costs Year 1</b>		<b>Costs Year 2</b>	
<b>Category</b>	<b>GF</b>	<b>NGF</b>	<b>GF</b>	<b>NGF</b>
<b>Projected Service Fees</b>	\$12,615,901.77	\$404,134.94	\$12,994,378.82	\$416,258.99
<b>VITA Infrastructure Changes</b>	\$2,531,399.00		\$2,910,287.00	
<b>Estimated VITA Infrastructure</b>	\$15,147,300.77	\$404,134.94	\$15,904,665.82	\$416,258.99
<b>Specialized Infrastructure</b>	\$9,382,368.00		\$9,851,486.00	
<b>Agency IT Staff</b>	\$23,226,742.00		\$24,388,079.00	
<b>Non-agency IT Staff</b>	\$367,503.00		\$385,878.00	
<b>Cloud Computing Service</b>	\$400,000.00		\$420,000.00	
<b>Other Application Costs</b>	\$2,561,627.00		\$1,744,708.00	
<b>Total:</b>	\$51,085,540.77	\$404,134.94	\$52,694,816.82	\$416,258.99
<b>Proposed IT Investments</b>				
	<b>Costs Year 1</b>		<b>Costs Year 2</b>	
<b>Category</b>	<b>GF</b>	<b>NGF</b>	<b>GF</b>	<b>NGF</b>
<b>Major IT Projects:</b>	\$1,756,492.00		\$1,140,000.00	
<b>Non-Major IT Projects:</b>	\$500,000.00		\$650,000.00	
<b>Agency-Level IT Projects:</b>	\$750,000.00		\$800,000.00	
<b>Major Stand Alone IT Procurements:</b>				
<b>Non-Major Stand Alone IT Procurements:</b>	\$450,000.00		\$500,000.00	
<b>Agency-Level Stand Alone IT Procurements:</b>	\$5,266,884.00		\$6,890,000.00	
<b>Procurement Adjustment for Staffing:</b>				
<b>Total:</b>	\$8,723,376.00	\$0.00	\$9,980,000.00	\$0.00

Projected Total IT Budget				
	Costs Year 1		Costs Year 2	
Category	GF	NGF	GF	NGF
Current IT Services	\$51,085,540.77	\$404,134.94	\$52,694,816.82	\$416,258.99
Proposed IT Investments	\$8,723,376.00	\$0.00	\$9,980,000.00	\$0.00
Total	\$59,808,916.77	\$404,134.94	\$62,674,816.82	\$416,258.99

## Business Requirements For Technology

<b>Agency:</b>	161 Department of Taxation
<b>Date:</b>	9/20/2023
<b>161 TAX BReT Cloud Readiness Assessment TACS</b>	
<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	8/1/2023
<b>Mandate:</b>	Yes
<b>Mission Critical:</b>	Yes
<b>Description:</b>	<p>In support of E019 TAX is seeking approval to procure the resources needed to progress towards the desired goal of cloud readiness for Advantage Revenue system. This effort will include but not limited to updating applications and migrating from physical servers to VMs.</p> <p>Governor Ralph Northam’s “Executive Order 19: Cloud Service Utilization and Readiness” requires agencies to take specific actions starting this month and continuing through fall 2019.</p> <p>The order requires VITA to adopt a model for evaluating and incorporating cloud services into the commonwealth’s information technology (IT) strategy and services. VITA has:</p> <ul style="list-style-type: none"> <li>Started the process of creating a cloud services model</li> <li>Begun obtaining information about agency systems that can be migrated to a cloud environment</li> <li>Provided an overview of the process at the recent agency information technology resources (AITR) meeting</li> <li>Planned additional announcements to AITRs regarding remaining steps</li> <li>Included cloud-related services and migration to the new data center in the recently awarded infrastructure contracts</li> </ul>

Additionally, VITA and all systems must move from the Commonwealth Enterprise Solutions Center (CESC) in Chester by December of 2021. One related strategy is to reduce the number of physical servicers at CESC to prepare for the move. This means migration to the cloud must be completed by that time. It is imperative to start planning now.

Agencies' IT staff members have been asked to complete cloud assessments and should be using the results to identify resource requirements. VITA encourages agencies to evaluate their resources and discuss resource planning with the appropriate financial staff to ensure work can begin as required. Resource needs should be included requests in the upcoming budget cycle.

To identify which existing solutions can be migrated to the cloud and ensure all new IT solutions proposed be cloud-enabled, VITA will issue a hosting standard in the coming weeks. This standard will define terminology and identify requirements agencies must consider when implementing cloud-based IT solutions.

### Active Data Guard BRT

**BRT Type:** Business Requirement for Existing Technology

**Date Submitted:** 8/1/2023

**Mandate:**

**Mission Critical:**

**Description:**

Tax is requesting approval to Oracle Active Data Guard. This procurement will allow for improved database performance and avoid operational cost to the agency. In support of E019, Virginia Tax moved from physical servers to Virtual servers significantly reducing the processing power of the database due to limitations of the Virtual infrastructure.. Virginia Tax would like to procure the Active Data Guard to reduce the load on the Advantage Revenue database by offloading the auditors, developers, policy team to the standby database. This leverages the return on investment as the primary database is used in a more optimal way. Also, due to processor based licensing requirements for Virginia Tax online application, a standby database of Advantage revenue database is required. Implementing the Active Data Guard will help in this regard.

### BReT Corr - Taxpayer Correspondence Replacement

**BRT Type:** Business Requirement for Existing Technology

**Date Submitted:** 8/1/2023

**Mandate:**

**Mission  
Critical:**

**Description:**

Virginia Tax currently utilizes Microsoft Word to generate all outbound taxpayer correspondence. The Agency currently prints upwards of 12 million taxpayer letters annually based on approximately 800 unique Microsoft Word templates. The complexity compounds itself because Virginia Tax maintains previous versions of the correspondence templates which brings the total number of unique templates up to more than 2,500. The Agency has standardized on Office 2007 for the past 10 years due to the significant level of effort required to upgrade Microsoft Office and test each of these unique templates. The Agency is currently undergoing that upgrade process to standardize on Office 2016 but wants to break the dependency between taxpayer correspondence and Microsoft Word in order to recognize substantial internal savings as well as providing flexibility with important and strategic communications to our taxpayers.

In addition to eliminating 3rd party (Microsoft Word) dependencies and establishing a real-time communication platform, the correspondence engines on the market also provide multiple features that would aid in the Agency's ability to communicate with its customers including:

- Customer Service Improvements – modern correspondence engines offer improved methods of communication that are designed to decrease expensive calls to Virginia Tax's three call centers.
- Omni-channel support – taxpayers could opt in for email and mobile correspondence allowing them to communicate in the channel of their preference which will drive higher satisfaction and expedited payment. Multiple studies have shown customers across all industries are using mobile apps 50% more to conduct business than 10 years ago.
- Template consolidation – based on industry standards Virginia Tax could go from maintaining 800 current templates to less than 100 templates which would dramatically decrease the day to day support costs of the current system.
- Global changes – the Agency would have the capability to make changes to all templates or a subset of templates. i.e., a global change to logo or seal. This functionality would allow the Agency to react or plan for Cyber Security attacks/threats or other important communications in hours versus days.
- Advertising campaigns – Virginia Tax could use the excess whitespace on correspondence to push initiatives like opting in for electronic correspondence empowering the Agency to optimize all communications delivered.
- Archival – Agency will be able to directly update the Enterprise Content Management system with an archived copy of the correspondence. Current archive copies are dependent on 3rd party (Microsoft Word) putting the Agency at risk at recreating past communications. A modern correspondence engine would allow the Agency to create a digital image (PDF) for archive.
- Business Driven – Modern correspondence engines empower the Business User and are far less dependent on IT resources. This allows the Agency to be much more efficient and strategic with all communications as the Business User is able to make changes in hours/days instead of weeks.
- Platform consolidation – Capability to combine forms design with correspondence design will further consolidate the number of applications Virginia Tax maintains. The ability to import regulated forms into the Correspondence Systems will allow for far greater efficiencies, cost savings and improved design capabilities.
- Field Auditor communication improvements – A modern correspondence engine will

provide a guided experience for Field Auditors improving their ability to easily and effectively generate accurate correspondence that utilizes pre-approved content and templates. This will eliminate expensive calls to the call center as all communications will follow strict Agency guidelines.

**BReT Filenet P8 Cloud Upgrade**

**BRT Type:** Business Requirement for Existing Technology

**Date Submitted:** 8/1/2023

**Mandate:**

**Mission Critical:**

**Description:**

This Procurement will cover the services and support for the Filenet cloud solution for base and optional years. Additionally, this procurement will utilize professional services to support and provide technical assistance to TAX with migrating on premise FileNet P8 to the cloud along with upgrading various additional tools related to TAX's mission critical imaging application, Filenet.

**BRnT Cobol Migration to Java**

**BRT Type:** Business Requirement for New Technology

**Date Submitted:** 8/1/2023

**Mandate:**

**Mission Critical:**

**Description:**

Cobol migration to Java involves a complete rewrite of COBOL programs to Java. Currently the IRMS Advantage Revenue application contains a total of 38 COBOL programs. The purpose of this project is to rewrite AR Cobol batch jobs in JAVA using the Spring Batch framework.

Requirements:

- o Provide cost saving and avoidance for the Commonwealth by eliminating the need for Cobol licenses
- o Save hardware costs by reducing the number of AR batch servers.
- o Ensure process scalability to improve performance during peak times
- o Ensure the framework is reusable to support shorter implementation times
- o Ensure the ability to maintain staffing, since Java skills are readily available and are not as scarce as COBOL skills.

o Provide the ability to support resource retooling and retention. Learning a new technology increases leverage and motivation to Cobol and PowerBuilder developers.

### IRMS Modernization FY22-FY25- BRT

**BRT Type:** Business Requirement for Existing Technology

**Date Submitted:** 7/1/2023

**Mandate:**

**Mission Critical:**

**Description:**

The Department of Taxation requests approval to procure resources via COTS solution, professional services to include but limited to staff augmentation for support to modernize TAX Integrated Revenue Management System (IRMS). These resources will assist with implementing legislative changes and systems enhancements while rearchitecting IRMS with the goal of achieving additional operational efficiency, cost savings, cost avoidance, improved customer service and reducing technical debt.

These resources will be used to re-architect tax systems to more desirable platforms such as .net and Java which aligns with agency strategic plans to Optimize and reengineer Technology.

TAX has considered hiring full time staff but has opted not because the additional full time staff will not be needed once the modernization has been implemented.

This request is to provide application analysis, design and development support for Taxation's Enterprise Applications - Advantage Revenue, Virginia Tax Online (internet registration (iReg), Ifile, Quickpay, external entity secure messaging center (EESMC), ARweb, Individual Online Portal, Survey, and non profit organization (NPO)), STAUDN (audit), Share Point Online, Siebel, CACSG, and Team Foundation Server (TFS) for Application Lifecycle Management.

### Medallia Customer Exp BRT-Fy23 -FY25

**BRT Type:** Business Requirement for New Technology

**Date Submitted:** 7/1/2023

**Mandate:**

**Mission Critical:**

**Description:**  
 Virginia Tax is seeking approval to procure Medallia cloud solutions to implement customer experience surveys for various Virginia Tax Online (VTOL) and other agency applications. Technology modernization efforts related to VTOL applications require us to replace our aging ColdFusion environment – which is approaching end-of-life status by July 2023 – with a new solution.

**Tax BRT FIS VisionRemit fy24-28**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/1/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes

**Description:**  
 Tax is seeking approval to renew maintenance and support for the FIS Global VisionRemit Remittance (paper check) processing cloud solution. The FIS Global VisionRemit system a proprietary tool used in support of Advantage Revenue Tax core financial system by processing paper check for deposit to banks. The Licenses, maintenance and support renewal of VisionRemit cloud solution is required to ensure Tax maintain audit and security compliance. This is renewal required in order for Tax to continue to use of FIS Global proprietary tools. Furthermore, vendor support is required to ensure Tax systems receive security updates and maintain operational efficiency.

**TAX BRT Oracle renew License & Maint FY24 - FY28**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	6/30/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes

**Description:**  
 Virginia Tax is requesting approval to renew Oracle annual licenses maintenance and support. There are will not be any changes in service, product or functionality for the annual renewal.

Tax BRT renew Siebel Lic, Maint and Sup FY24/FY28	
<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	5/31/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes
<b>Description:</b>	
Virginia Tax is requesting approval to renew Siebel annual licenses, maintenance and support. There are will not be any changes in service, product or functionality for the annual renewal. Siebel is the CRM solution used by Virginia Tax.	
TAX BRT Smartsheet Lic Sup and Maint FY25 - FY29	
<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	6/1/2024
<b>Mandate:</b>	
<b>Mission Critical:</b>	
<b>Description:</b>	
Virginia Tax is requesting approval to procure annual renewal of Smartsheet licenses, maintenance and support.	
TAX BRT VoIP System Upgrade and Maint FY24 -FY28	
<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/2/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes
<b>Description:</b>	
Virginia Tax is requesting approval to procure hardware and support to upgrade and maintain the agency's VoIP system, The VoIP system is tax Call Center solution including all telephony and related services. Virginia Tax provides mature and best in class call center operations for	

support of the administration of Virginia taxes, driven by our technology. Virginia Tax call center utilizes the Cisco VoIP phone system Cisco Unified Call Center eXpress (UCCX) and Verint, to provide Workforce Management, Quality Monitoring, and instant reporting using UCCX's Cisco Unified Information Center (CUIC) reporting on a Cisco UCS blade system. This system has proved superior to other systems in it's ability to efficiently manage and staff the call center and ensure quality compliance of the agent's interactions, while maximizing our workforce efficiencies. This system offers Outbound Predictive Dialing and Post Call Survey, along with advanced Analytics powered by Speech to Text, making the Voice of the Citizens the driver in communications management decisions. Because it offers full control of call scripting and testing, integrated screen pop with Tax's legacy Advantage Revenue Accounting Systems and other applications in Tax's Integrated Revenue Management System (IRMS) has proven effective to quickly adapt to changing Tax Law requirements and the citizens of the Commonwealth of Virginia's needs. Tax has maximized its integrations into it's operational areas with many custom configurations to promote the right agent gets the right call with the right skills to provide first call resolution despite all the complex disparate kinds of paradigms Tax supports. Tax's call center fielded over eight hundred thousand calls last year from Virginia's taxpayers. Tax's call center is mostly homebased, and utilizes both Physical Phones with VPN security, and Softphones as contingency backup with full support on both, allowing workers in severely remote areas with limited internet employment. Virginia Tax looked at other options including Verizon services offered by VITA, but these services are more costly and do not meet critical and mandatory business requirements of the agency.

**TAX IRMS Maint and Support FY24 -FY26 BRT**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/1/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes

**Description:**  
 The Department of Taxation requests approval to allocate TAX staff and enter into a Staff Augmentation (CAI) contract for developers to perform maintenance and enhancement support TAX Integrated Revenue Management System (IRMS). These resources will also assist with implementing legislative changes, routine maintenance, and systems enhancements aimed at operational efficiency, cost savings, cost avoidance, and improved customer service. Virginia TAX has considered hiring full time staff but has opted not because the additional full-time staff will not be needed once the changes have been implemented. This request is to provide application analysis, design testing and development support for Taxation's Enterprise Applications – Integrated Revenue Management System (IRMS) Advantage Revenue, Virginia Tax Online (internet registration (iReg), Quickpay, external entity secure messaging center (EESMC), ARweb, Individual Online Portal, Survey, and Non profit organization (NPO)), VFACT, STAUDN (audit), Share Point Online, Siebel, CACSG, and Team Foundation Server (DevOps) for Application Lifecycle Management.


**TAX SD-WAN Upgrade**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	3/1/2023
<b>Mandate:</b>	Yes
<b>Mission Critical:</b>	Yes

**Description:**

Configure existing routers to support SD-WAN capability across all agency locations. This approach prepares agency location(s) with the ability to add additional network capabilities (multiprotocol label switching (MPLS), broadband, wireless (i.e., Cradlepoint)) to take advantage of application -aware routing over private and public networks.

Three step process:

- Remote internetwork operating system (IOS) software upgrade on the router.
- Remote SD-WAN deployment
- Circuit deployment as needed


**TAX Security Initiatives FY23 - FY25 BRT**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/1/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes

**Description:**

TAX requires approval to procure security tools to ensure enhanced security of taxpayer data. This request will provide staff and tools to not only track access, but assist with granting and terminating access, access reconciliations, reporting, and ensuring proper protocol has been followed when utilizing/consuming taxpayer data. This request will also support Tax's ability to detect and remediate areas of concern to improve the agency's overall security posture.

Tax will use this approval to license 2FA solution as well as tools to support vulnerability remediation and scanning.

<b>TAX Website Modernization</b>	
<b>BRT Type:</b>	Business Requirement for New Technology
<b>Date Submitted:</b>	6/18/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	Yes
<b>Description:</b>	
The primary objective of the COV Website Modernization and the CMS Virginia.gov projects are to ensure all state sites are on a single common platform and are following required VITA, COV and 508 standards	
<b>Web Upload &amp; eForms Support and Maint FY22-25 BRT</b>	
<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/28/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	
<b>Description:</b>	
Virginia Tax is requesting approval to utilize professional service from NGNious to perform Maintenance and Enhancements activities on it's proprietary Web Upload and eForms software. In 2008, Virginia Tax purchased customized Web Upload software from NGNious, LLC. The software allowed tax preparer, payroll providers and businesses to upload tax returns in bulk for multiple clients with one submission directly from their own computer systems to Virginia Tax's web servers, eliminating duplicate entry of information by preparers and created a streamlined electronic filing option for Virginia Tax that did not previously exist. Web Upload continues to be the primary electronic channel for businesses who are submitting large volumes of annual wage statements, withholding payments, and Virginia Tax purchased customized eForms software from NGNious in 2012. Since 2012, NGNious has successfully developed and implemented 44 online fillable forms through the customized eForms software accessible by taxpayers from Virginia Tax's website. Utilizing the same platform, NGNious has also successfully developed and implemented 25 forms into an internal online data entry program streamlining the data entry process of prior year tax forms and other seldom used forms. NGNious is the only practical supplier in this instance because the software on which the current eForms is developed is solely owned by N'Nious who is the software creator/licensor.	

**Westmoreland Datacenter upgrade to Tier III - BRT**

<b>BRT Type:</b>	Business Requirement for Existing Technology
<b>Date Submitted:</b>	7/1/2023
<b>Mandate:</b>	
<b>Mission Critical:</b>	

**Description:**

Virginia Tax is requesting approval to procure resources to upgrade the Westmoreland (WM) Datacenter to Tier III per VITA requirements. This datacenter must be maintained to support Virginia Tax Datacap (paper tax return processing) and IBML high speed paper scanning systems. Tax attempted to move these systems to QTS in 2020 and 2021 but during the POC these systems encountered system operation failures and poor processing performance. Tax worked with VITA and Software vendors to resolve the issues to no avail. These systems are critical to processing paper tax returns which can result in refunds to citizens of Virginia. The following BReT "E019\_TAX\_Infrastructure TAX\_Repurchase Procurement" was submitted seeking approval to upgrade the WM VM infrastructure to ensure it would be cloud ready in support E019. The resources required may include but is not limited to an assessment of the data center, electrical and Cooling redundancy ...etc.

Tax WM data Center supports many of the agency specific systems such as VOIP, Remit (Payment processing) and Total Automated Capture systems (Paper Tax return processing). These systems are vital to Tax's daily operation thus much care must be taken during this effort to ensure the Tax infrastructure is working properly. The Infrastructure will require detailed testing efforts to include but not limited to: (Unit testing, System testing, User acceptance testing and performance testing) to ensure full functionality and performance that meets or exceeds current al business requirements/standards.

# Commonwealth Projects >= \$250,000.00

<b>Agency:</b>	161 Department of Taxation		
<b>Date:</b>	9/20/2023		
eGovernment Self Help Expansion My Virginia TAX			
Category 2	Investment Business Case Approval		
<p>My Virginia TAX is the Department’s version of “My Account” which will allow taxpayers (individuals and businesses) to access their data/information online with the use of a more robust single sign-on/authentication portal with security questions to allow for self-service when they forget their password.&amp;#x0D;</p> <p>Today TAX maintains multiple systems with multiple Login entry points. Taxpayers have long complained about not being able to go to one place on our website to access our online systems.&amp;#x0D;</p> <p>The My Virginia TAX concept would include an improved version of the functionality we provide today, as well as provide new functionality that is not there today.&amp;#x0D;</p> <p>Taxpayers would be able to electronically file and pay any tax.&amp;#x0D;</p> <p>Taxpayers would be able to access a complete history of their account including past filings, payments made, refunds issued (including Where’s My Refund status while pending), correspondence that was sent assessments/bills pending (and paid).</p>			
Project Start Date	4/28/2021	Project End Date	9/8/2023
<b>Estimated Costs:</b>	<b>Total</b>	<b>General Fund</b>	<b>Non-General Fund</b>
Project Cost	\$2,506,492.00	\$2,506,492.00	
Estimated first year of biennium:	\$0.00	\$0.00	\$0.00
Estimated second year of biennium:	\$0.00	\$0.00	\$0.00

## Project Related Procurements

There are no procurements for this project

TAX VoIP System Upgrade and Maint Project	
Category 4	Project Initiation Approval
<p>Virginia Tax is requesting approval to procure hardware and support to upgrade VoIP HW which will reach EOL Feb 2024. Additionally, this approval will allow the agency to procure continued vendor maintenance and support for the agency’s VoIP system. The Vendor will provide all services related to the upgrade of the HW. The VoIP system is tax Call Center solution including all telephony and related</p>	

services. Virginia Tax provides mature and best in class call center operations for support of the administration of Virginia taxes, driven by our technology. Virginia Tax call center utilizes the Cisco VoIP phone system Cisco Unified Call Center eXpress (UCCX) and Verint, to provide Workforce Management, Quality Monitoring, and instant reporting using UCCX's Cisco Unified Information Center (CUIC) reporting on a Cisco UCS blade system. This system has proved superior to other systems in it's ability to efficiently manage and staff the call center and ensure quality compliance of the agent's interactions, while maximizing our workforce efficiencies. This system offers Outbound Predictive Dialing and Post Call Survey, along with advanced Analytics powered by Speech to Text, making the Voice of the Citizens the driver in communications management decisions. Because it offers full control of call scripting and testing, integrated screen pop with Tax's legacy Advantage Revenue Accounting Systems and other applications in Tax's Integrated Revenue Management System (IRMS) has proven effective to quickly adapt to changing Tax Law requirements and the citizens of the Commonwealth of Virginia's needs. Tax has maximized its integrations into it's operational areas with many custom configurations to promote the right agent gets the right call with the right skills to provide first call resolution despite all the complex disparate kinds of paradigms Tax supports. Tax's call center fielded over eight hundred thousand calls last year from Virginia's taxpayers. Tax's call center is mostly homebased, and utilizes both Physical Phones with VPN security, and Softphones as contingency backup with full support on both, allowing workers in severely remote areas with limited internet employment. Virginia Tax looked at other options including Verizon services offered by VITA, but these services are more costly and do not meet critical and mandatory business requirements of the agency.

TAX will submit a separate PGR for the purchase of equipment.

Project Start Date	7/2/2023	Project End Date	7/30/2023
<b>Estimated Costs:</b>	<b>Total</b>	<b>General Fund</b>	<b>Non-General Fund</b>
Project Cost	\$3,220,000.00		
Estimated first year of biennium:	\$0.00	\$0.00	\$0.00
Estimated second year of biennium:	\$0.00	\$0.00	\$0.00

### Project Related Procurements

There are no procurements for this project

# Commonwealth Procurements >= \$250,000.00

<b>Agency:</b>	161 Department of Taxation
<b>Date:</b>	9/20/2023
<b>Stand Alone Procurements:</b>	
<b>Procurement Name:</b>	AREMOS Forecasting Software FY21 thru FY25
<b>Procurement Date</b>	6/15/2020
<b>Procurement Description:</b>	Virginia Tax is seeking approval to renew the Professional Document and Publication Services Subscription with IHS Markit for the AREMOS software. Virginia Tax has been purchasing the non-customized national and state forecasts from IHS Markit for almost 30years. Under the Code of Virginia § 2.2.1503. Filing of six-year revenue plan by Governor, Virginia Tax economist develop and prepare economic forecasts for the Governor to submit to the General Assembly. The econometric data, services, and proprietary AREMOS software that IHS Markit subscription provides are essential to those forecasts since IHS Markit is recognized by NASBO (National Association of State Budget Officers), FTA (Federal of Tax Administrators), a majority of states, the Fortune Global 500 and the World Bank as the premier economic forecasting firm.
<b>Procurement Name:</b>	IBM Datacap/WorkLoad Automation FY21 thru FY25
<b>Procurement Date</b>	5/25/2020
<b>Procurement Description:</b>	Tax is seeking approval to renew Licenses, Maintenance and support IBM Datacap Workload Automation a proprietary tool used in support of Advantage Revenue Tax core financial system. The Licenses, maintenance and support renewal of IBM Datacap Workload Automation is required to ensure Tax maintain audit and security compliance. This is renewal required in order for Tax to continue to use the IBM proprietary tools. Furthermore, vendor support is required to ensure Tax systems receive security updates and maintain operational efficiency.
<b>Procurement Name:</b>	IBML hardware maintenance FY19-23
<b>Procurement Date</b>	6/29/2018
<b>Procurement Description:</b>	IBML is the sole manufacturer, distributor and provider of maintenance and support for their ImageTrac scanners and software. We have verified this with IBML and other sources. It is

	only practicable that Virginia Tax would only want the manufacturer and provider of maintenance and support to work on these high speed scanners, especially since these scanners are used to create images for approximately 15 million tax returns, payments and correspondence.
Procurement Name:	IBML Scanner Replacement with maint - FY21-FY26
Procurement Date	3/23/2021
Procurement Description:	Virginia Tax is seeking approval to replace its three ((3) IT5) high-speed document scanners before they reach the end of their life cycle with two (2) new next generation of IBML high document scanners (IBML 7400 Fusion Scanners). The 3 scanners in use are 9 years old and will need to be replaced before they reach end of lifecycle
Procurement Name:	Informatica Maintenance and Support FY21 thru FY25
Procurement Date	6/27/2020
Procurement Description:	Tax is seeking approval to renew Licenses, Maintenance and support Informatica a proprietary tool used in support of Advantage Revenue Tax core financial system. The Licenses, maintenance and support renewal of Informatica is required to ensure Tax maintain audit and security compliance. This is renewal required in order for Tax to continue to use Informatica proprietary tools. Furthermore, vendor support is required to ensure Tax systems receive security updates and maintain operational efficiency.ficiency.
Procurement Name:	IRMS Modernization FY22 -FY25 Procurement
Procurement Date	12/31/2024
Procurement Description:	<p>The Department of Taxation requests approval to procure resources via COTS solution, professional services to include but limited to staff augmentation for support to modernize TAX Integrated Revenue Management System (IRMS). These resources will assist with implementing legislative changes and systems enhancements while rearchitcting IRMS with the goal of achieving additional operational efficiency, cost savings, cost avoidance, and improved customer service.</p> <p>TAX has considered hiring full time staff but has opted not because the additional full time staff will not be needed once the modernization has been implemented.</p> <p>This request is to provide application analysis, design and development support for Taxation’s Enterprise Applications - Advantage Revenue, Virginia Tax Online (internet</p>

	<p>registration (iReg), Ifile, Quickpay, external entity secure messaging center (EESMC), ARweb, Individual Online Portal, Survey, and non profit organization (NPO)), STAUDN (audit), Share Point Online, Siebel, CACSG, and Team Foundation Server (TFS) for Application Lifecycle Management.</p> <p>Additionally, Virginia Tax will require use of Sole Source Procured by Agency to engage professional services from selected vendors. At such time, Tax will update the PGR with the Agency approved Sole Source documentation.</p>
Procurement Name:	Medallia Customer Exp Fy23 -FY25
Procurement Date	12/30/2022
Procurement Description:	<p>Virginia Tax is seeking approval to procure Medallia cloud solutions to implement customer experience surveys for various Virginia Tax Online (VTOL) and other agency applications. Technology modernization efforts related to VTOL applications require us to replace our aging ColdFusion environment – which is approaching end-of-life status by July 2023 – with a new solution.</p> <p>This tool will provide the agency and customers with more functionality. For example, customers will be able to create their own survey, built-in workflow processes, and users will have many options for capturing customer sentiment and producing useful reports and analytics. This will enable the agency to use data to implement improvement items to enhance and improve overall customer experience. Additionally, by procuring this cloud solution Virginia Tax will fully meet Sec 501 security compliance and further the support of VITA initiative to utilize cloud solutions.</p>
Procurement Name:	Oce Printer - PBA
Procurement Date	1/28/2021
Procurement Description:	The current OCe printers will reach end of Life 12/31/2020. TAX must replace the printers in order to maintain vendor support. These printers are used to print all correspondence that is mailed to taxpayers, i.e bills and letters.
Procurement Name:	Security Initiatives FY23 - FY25 Procurement
Procurement Date	7/1/2022
Procurement Description:	Tax will use this approval to license the 2FA solution as well as tools to support vulnerability remediation and scanning.

	<p>This request will provide tools to not only track access, but assist with granting and terminating access, access reconciliations, reporting, and ensuring proper protocol has been followed when utilizing/consuming taxpayer data. This request will also support Tax's ability to detect and remediate vulnerabilities as well as areas of concern to improve the agency's overall security posture.</p> <p>TAX will renew licenses for Rapid7 (security scanning tool) and Dou.</p>
Procurement Name:	TAX PGR Oracle renew License and Maint FY24 - FY28
Procurement Date	6/30/2028
Procurement Description:	<p>Virginia Tax is requesting approval to renew Oracle annual licenses maintenance and support. There are will not be any changes in service, product or functionality for the annual renewal.</p> <p>TAX says they are on Siebel 23.3</p>
Procurement Name:	TAX PGR VoIP System Upgrade and Maint FY24 -FY28
Procurement Date	6/30/2028
Procurement Description:	<p>Virginia Tax is requesting approval to procure hardware and support to upgrade VoIP system, The VoIP system tax Call Center solution including all telephony and related services. Virginia Tax call center utilizes the Cisco VoIP phone system Cisco Unified Call Center eXpress (UCCX) and Verint, to provide Workforce Management, Quality Monitoring, and instant reporting using UCCX's Cisco Unified Information Center (CUIC) reporting on a Cisco UCS blade system. This system has proved superior to other systems in it's ability to efficiently manage and staff the call center and ensure quality compliance of the agent's interactions. This system offers Outbound Predictive Dialing and Post Call Survey, along with advanced Analytics powered by Speech to Text. Because it offers full control of call scripting and testing, integrated screen pop with Tax's legacy Advantage Revenue Accounting Systems and other applications in Tax's Integrated Revenue Management System (IRMS) has proven effective to quickly adapt to changing Tax Law requirements and the citizens of the Commonwealth of Virginia's needs. Tax's call center fielded over eight hundred thousand calls last year from Virginia's taxpayers. Tax's call center is mostly homebased, and utilizes both Physical Phones with VPN security, and Softphones as contingency backup with full support on both, allowing workers in severely remote areas with limited internet employment. Virginia Tax looked at other options including Verizon services offered by VITA, but these services are more costly and do not meet critical and mandatory business requirements of the agency.</p>

Procurement Name:	Twilio Procurement
Procurement Date	
Procurement Description:	<p>Virginia Tax will be implementing Two-Factor Authentication (2FA) Security to support Virginia Tax Online (VTOL) applications. Two-factor authentication (2FA), sometimes referred to as multifactor authentication, is a method Tax will use to verify user's identity when they are trying to access VTOL applications. In addition to a password, 2FA requires the user to provide a second piece of information to confirm his or her identity. With 2FA, an extra layer of security is added to the user's account to prevent someone from logging in, even if they have the user's password. This extra security measure requires user to verify his or her identity using a randomized code sent to the user each time he or she attempts to log in.</p>
Procurement Name:	Web Upload & eForms Support and Maint FY22-25 PGR
Procurement Date	6/30/2025
Procurement Description:	<p>Virginia Tax is requesting approval to utilize professional service from NGNious to perform maintenance and enhancement activities on its proprietary Web Upload and eForms software.</p> <p>In 2008, Virginia Tax purchased customized Web Upload software from NGNious, LLC. The software allowed tax preparers, payroll providers and businesses to upload tax returns in bulk for multiple clients with one submission directly from their own computer systems to Virginia Tax's web servers, eliminating duplicate entry of information by preparers and created a streamlined electronic filing option for Virginia Tax that did not previously exist. Web Upload continues to be the primary electronic channel for businesses who are submitting large volumes of annual wage statements, withholding payments, and sales tax returns.</p> <p>Virginia Tax purchased customized eForms software from NGNious in 2012. Since 2012, NGNious has successfully developed and implemented 44 online fillable forms through the customized eForms software accessible by taxpayers from Virginia Tax's website. Utilizing the same platform, NGNious has also successfully developed and implemented 25 forms into an internal online data entry program streamlining the data entry process of prior year tax forms and other seldom used forms. NGNious is the only practical supplier in this instance because the software on which the current eForms is developed is solely owned by NGNious who is the software creator/licensor.</p> <p>This PGR covers an existing maintenance contract for FY22 to FY 5. This totals \$174,560.00</p> <p>This PGR also covers a new enhancements and legislative requirements contract for FY22 to FY25. This totals \$914,160.00</p>

Procurement Name:	Westmoreland Datacenter upgrade to Tier III PGR
Procurement Date	6/30/2024
Procurement Description:	<p>Virginia Tax is requesting approval to procure resources to upgrade the Westmoreland Datacenter to Tier III per VITA requirements. This datacenter must be maintained to support Virginia Tax Datacap (paper tax return processing) and IBML high speed paper scanning systems. Tax attempted to move these systems to QTS in 2020 and 2021 but during the POC these systems encountered system operation failures and poor processing performance. Tax worked with VITA and Software vendors to resolve the issues to no avail. These systems are critical to processing paper tax returns which can result in refunds to citizens of Virginia.</p> <p>These improvements include electrical and mechanical systems as detailed in the VA Tax DC Assessment document attached to the procurement.</p>