ALEX PADILLA | SECRETARY OF STATE | STATE OF CALIFORNIA

**A Report for
State of California
Secretary of State**

California Business Connect Special Project Report #3

March 2018

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Information Technology Project Request

Special Project Report
Executive Approval Transmittal

Agency/state entity Name			
Secretary of State			

Project Title (maximum of 75 characters)			Project Acronym
California Business Connect			CBC

FSR Project ID	FSR Approval Date	State entity Priority	Agency Priority
0890-47	4/1/2011	2	2

The Secretary of State submits the attached Special Project Report #3 (SPR#3) in support of our request for the California Department of Technology's approval to continue development and implementation of California Business Connect Project.

I certify that the SPR#3 was prepared in accordance with the State Administrative Manual Sections 4945-4945.2, my Agency has considered the cost benefits analysis associated with the proposed project changes and the changes are consistent with our information management strategy as expressed in our current Agency Information Management Strategy (AIMS).

I reviewed and agree with the information in the attached SPR#3.

I also certify that the acquisition of the applicable information technology (IT) product(s) or service(s) required by my Agency that are subject to Government Code 7405 applying Section 508 of the Rehabilitation Act of 1973 as amended meets the requirements or qualifies for one or more exceptions (see following page).

APPROVAL SIGNATURES

Chief Information Officer	Date Signed
Printed name: Rita Gass	3/29/18
Budget Officer	**Date Signed**
Printed name: Russell Vaneekhoven	3/29/18
Deputy Secretary of State, Operations	**Date Signed**
Printed name: Lizette Mata	3.29.18
Chief, Business Programs Division	**Date Signed**
Printed name: Betsy Bogart	3/29/2018
Information Security Officer	**Date Signed**
Printed name: Wendell Christopher	3/29/2018

1.0 Executive Approval Transmittal

1.1 IT Accessibility Certification

Yes or No

Yes	**The Proposed Project Meets Government Code 7405 / Section 508 Requirements and no exceptions apply.**

Exceptions Not Requiring Alternative Means of Access

Yes or No	Accessibility Exception Justification
No	The IT project meets the definition of a national security system.
Yes	The IT project will be located in spaces frequented only by service personnel for maintenance, repair, or occasional monitoring of equipment (i.e., "Back Office" Exception.)
Yes	The IT acquisition is acquired by a contractor incidental to a contract.

Exceptions Requiring Alternative Means of Access for Persons with Disabilities

Yes or No	Accessibility Exception Justification
No	Meeting the accessibility requirements would constitute an "undue burden" (i.e., a significant difficulty or expense considering all agency resources). Explain: Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.
No	No commercial solution is available to meet the requirements for the IT project that provides for accessibility. Explain: Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.

Exceptions Requiring Alternative Means of Access for Persons with Disabilities

Yes or No	Accessibility Exception Justification
No	No solution is available to meet the requirements for the IT project that does not require a fundamental alteration in the nature of the product or its components. Explain: Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.

2.0 Information Technology: Project Summary Package

2.1 Section A: Executive Summary

1.	Submittal Date	March, 2018

		SPR	PSP Only	Other:
2.	Type of Document	X		
	Project Number	0890-47		

			Estimated Project Dates	
			Start	End
3.	Project Title	California Business Connect		
	Project Acronym	CBC	7/1/2011	06/30/2021

4.	Submitting Agency/state entity	Secretary of State
5.	Reporting Agency/state entity	Secretary of State

6.	Project Objectives
	This project has two primary objectives and metrics under each:
	Ensures the Secretary of State is compliant with the law and the State Statutes and Administrative Manual
	• Make all data from Statements of Information (who is running the business) available online
	• Respond to Public Records Act requests within 10 days
	• Process checks within 1 day
	• Prevent registration of conflicting trademarks
	•
	The Secretary of State Stewardship of Records
	• Capture 100% of data electronically to process, store, and retrieve records
	• Allow system crosschecks and validation of 100% of entered data
	• Make data available electronically to government agencies in real

7.	Major Milestones	Est. Complete Date
	Receive SPR#3 Approval	**04/02/2018**
	Module 1: Online Business Forms	11/15/19
	Module 2: Trademark/Service Marks Vendor Award	9/17/2018
	Module 2: Trademark/Service Marks Deployed	4/26/2019
	Module 3: UCC Vendor Award	4/5/2019
	Module 3: UCC Deployed	7/17/2020
	Module 4: BE Vendor Award	8/23/2019
	Module 4: BE Deployed	11/30/2020
	Maintenance and Operations	6/30/2021
	PIER	12/31/2021
	Key Deliverables	**TBD**

time • Continue to meet the 2013 Legislative recommendation and the Secretary of State goal to maintain turnaround times for business filings at an average 5 business days • Secure back-up of filed information	

8.	**Proposed Solution**

Since approval of the previous Special Project Report #2 (SPR#2) the California Business Connect Project has been in a re-planning phase. This SPR #3 changes the procurement method of the proposed solution from a Request for Proposal for a single systems integration contract to a smaller modular approach using the leveraged procurement process (Master Services Agreements (MSA) or California Multiple Award Schedules (CMAS)) through the Request for Offer procurement process, and changes the development order for the modules by lines of business due to changing Secretary of State business needs and priorities and legislative mandates that potentially dynamically affect Business Programs Division responsibilities and consequently supporting information systems requirements. This SPR #3 does not change the overall scope to the solution or objectives articulated in the SPR #2. SPR#3 does align with the Secretary of State's updated Agency Information Management Strategy (AIMS) and recently chaptered AB 475 (Statutes of 2017, Chapter 193) and current CDT policy to use Cloud Based Services and iterative development approaches when possible, or applicable.

The Secretary of State anticipates vendors will respond with solutions that provide web-based access for businesses and other government agencies to meet business requirements for more efficient use of electronic submission of filings and requests for information using modern technology methods. The anticipated solutions also will include automated workflow capabilities, providing another increase in service responsive to its customers. The anticipated solutions will automate the filing process and records management process and eliminate the archaic, manual processes conducted today for the millions of filings and orders received each year for processing while simultaneously replacing the outdated hardware and legacy software and databases with efficient infrastructure.

Requests for Offers (RFOs) will solicit full service solutions proven in the industry to support the Business Programs Division's business needs including processing filings, maintaining records and providing information to the public relating to (1) business entities that include corporations, limited liability companies and limited partnerships (BE); (2) Uniform Commercial Code and other lien filings (UCC); and (3) Trademarks and service marks (collectively Trademarks). The actual content of each RFO is dependent upon the final technical solutions approved by the Department of Technology and the responses received from the vendor community to these RFOs to meet Business Programs Division's requirements. The Secretary of State requires solutions that will streamline the processing and support for the lifecycle of a filing from the initial submission through processing, filing and storage, and streamline public availability of records. The Secretary of State will not identify any specific hardware, software or solution in this SPR#3. The Secretary of State has established a primary baseline of system requirements and will use an iterative approach and best practice guidelines using the California Project Management Framework (CA-PMF) to manage the project.

Section B: Project Contacts

						Project #		**0890-47**
						Doc. Type		**SPR**

Executive Contacts								
	First Name	**Last Name**	**Area Code**	**Phone #**	**Ext.**	**Area Code**	**Fax #**	**E-mail**
Project Co-Sponsor	Lizette	Mata	916	695-1649		916	653-4620	LMata@sos.ca.gov
Project Co-Sponsor	Betsy	Bogart	916	695-1197		916	653-1315	BBogart@sos.ca.gov
Budget Officer	Russell	Vaneekhoven	916	695-1500		916	653-8544	RVaneekh@sos.ca.gov
CIO	Rita	Gass	916	695-1675		916	653-2151	RGass@sos.ca.gov
Information Security Officer	Wendell	Christopher	916	695-1498				Wchristo@sos.ca.gov
Project Director	Richard	Chasteen	916	695-1343				RChasteen@sos.ca.gov

Direct Contacts								
	First Name	**Last Name**	**Area Code**	**Phone #**	**Ext.**	**Area Code**	**Fax #**	**E-mail**
Primary Contact	Richard	Chasteen	916	695-1343				RChasteen@sos.ca.gov

2.2   Section C: Project Relevance to State and/or Departmental Plans

1.	**What is the date of your current Technology Recovery Plan (TRP)?**	**Date**	10/2016		**Project #**	**0890-47**
2.	**What is the date of your current Agency Information Management Strategy (AIMS)?**	**Date**	06/05/2017		**Doc. Type**	**SPR**
3.	**For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.**	**Doc.**	AIMS 06/2017			
		Page #	Pages 7-9			

		Yes	No
4.	**Is the project reportable to control agencies?**	X	
	If YES, CHECK all that apply:		
X	**a) The project involves a budget action.**		
X	**b) A new system development or acquisition that is specifically required by legislative mandate or is subject to special legislative review as specified in budget control language or other legislation.**		
X	**c) The estimated total development and acquisition costs exceed the Department of Technology's established Agency/state entity delegated cost threshold and the project does not meet the criteria of a desktop and mobile computing commodity expenditure (see SAM 4989 – 4989.3).**		
	d) The project meets a condition previously imposed by the Department of Technology.		

2.3   Section D: Budget Information

Budget Augmentation Required?											
No											
Yes	X	If YES, indicate fiscal year(s) and associated amount:									

FY	11/12-14/15	FY	2015/16	FY	2016/17	FY	2017/18	FY	2018/19	FY	2019/20
	$4,533,592		$284,972		$906,689		$1,806,879		$16,662,801[1]		$10,785,785

FY	2020/21	FY	2021/22
	$4,524,179		$1,385,356

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[1] An additional $1.810 million from the Business Fees Fund (BFF) is also needed for temporary staff (and corresponding DGS fees) to backfill staff positions redirected to the project ($344,000) and credit card service fees (and the corresponding DGS fees) due to increased documents being submitted and paid for online as a result of the project ($1.466 million).

PROJECT COSTS

	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
1.	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
2.	One-Time Cost	$1,037,756	$811,359	$2,026,409	$2,725,683	$1,279,522	$2,283,936	$4,231,612	$20,217,970
3.	Continuing Costs	$0	$0	$0	$0	$0	$0	$0	$0
4.	TOTAL PROJECT BUDGET[1]	$1,037,756	$811,359	$2,026,409	$2,725,683	$1,279,522	$2,283,936	$4,231,612	$20,217,970

	Fiscal Year	2019/20	2020/21	2021/22	TOTAL
1.	Fiscal Year	2019/20	2020/21	2021/22	TOTAL
2.	One-Time Cost	$13,120,698	$4,916,492	$0	$52,651,438
3.	Continuing Costs	$1,262,500	3,660,084	$5,845,167	$10,767,751
4.	TOTAL PROJECT BUDGET[1]	$14,383,198	$8,576,575	$5,845,167	$63,419,188

1. An additional $1.81 million from BFF is also needed for temporary staff (and corresponding DGS fees) to backfill staff positions redirected to the project ($344,000) and credit card service fees (and the corresponding DGS fees) due to increased documents being submitted and paid for online as a result of the project ($1.466 million).

PROJECT FINANCIAL BENEFITS

	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
5.	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
6.	Cost Savings/ Avoidances	$0	$0	$0	$0	$0	$0	$0	$0
7.	Revenue Increase	$0	$0	$0	$0	$0	$0	$0	$0

5.	Fiscal Year	2019/20	2020/21	2021/22	TOTAL
6.	Cost Savings/ Avoidances	$0	$3,785,124	$7,570,247	$11,355,371
7.	Revenue Increase	$0	$3,785,124	$7,570,247	$11,355,371

2.4 Section E: Vendor Project Budget

Project #	**0890-47**
Doc. Type	**SPR**

Vendor Cost for SPR Development (if applicable)	$0.00	
Vendor Name	None	

VENDOR PROJECT BUDGET

1.	**Fiscal Year**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**
2.	**Primary Vendor Budget**	$0	$0	$1,143,128	$1,422,918	$0	$0
3.	**Independent Oversight Budget**	$0	$0	$158,750	$0	$5,760	$103,180
4.	**IV&V Budget**	$118,030	$102,675	$90,765	$40,990	$90,423	$94,280
5.	**Other Budget[2]**	$386,369	$176,966	$0	$229,580	$213,962	$954,646
6.	**TOTAL VENDOR BUDGET[3]**	**$504,399**	**$279,641**	**$1,392,643**	**$1,693,488**	**$310,145**	**$1,152,106**

1.	**Fiscal Year (continued)**	**2017/18**	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**TOTAL**
2.	**Primary Vendor Budget**	$0	$9,600,000	$5,000,000	$1,000,000	$0	**$18,166,046**
3.	**Independent Oversight Budget**	$112,560	$112,560	$112,560	$56,280	$0	**$661,650**
4.	**IV&V Budget**	$216,000	$250,000	$250,000	$125,000	$0	**$1,378,163**
5.	**Other Budget**	$611,688	$1,677,768	$1,892,708	$943,038	$0	**$7,086,725**
6.	**TOTAL VENDOR BUDGET[1]**	**$940,248**	**$12,040,328**	**$7,225,268**	**$2,124,318**	**$0**	**$27,292,584**

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[2] Other Budget (line 5) from Vendor Project Budget is determined by adding the following lines from the Students and Consultants tab of the EAW v4.0 for SPR#3; Line 43 Project Management, Line 58 Total of "Estimated Cost for Other Contract Services External" and Line 65 Total of "Estimated Cost for Other Contract Services Internal".

[3] Total Vendor Budget includes hardware, software and services.

PRIMARY VENDOR HISTORY SPECIFIC TO THIS PROJECT

7.	**Primary Vendor**	Bodhtree Solutions Inc.	ITD/BPD Online Business Filing Forms/ Workflow Configuration	Trademarks/ Service Marks (Vendor – TBD)	Uniform Commercial Code (UCC) & other Lien Notices (Vendor – TBD)	Business Entities (Vendor – TBD)
8.	**Contract Start Date (projected)**	1/10/2014	11/1/2017	9/24/2018	4/22/2019	10/19/2019
9.	**Contract End Date (projected)**	8/14/2015	9/20/2019	4/26/2019	7/17/2020	11/30/20
10.	**Amount**	$2,566,046	$TBD	$TBD	$TBD	$TBD

PRIMARY VENDOR CONTACTS

	Vendor	**First Name**	**Last Name**	**Area Code**	**Phone #**	**Ext.**	**Area Code**	**Fax #**	**E-mail**
11.									
12.									
13.									

2.5 Section F: Risk Assessment Information

Project #	0890-47
Doc. Type	SPR

RISK ASSESSMENT

	Yes	No
Has a Risk Management Plan been developed for this project?	X	

General Comment(s)
The California Business Connect Project has employed a systematic approach to risk identification, management, escalation, and closure. The California Business Connect Project risk management and escalation processes include: • Define risks correctly in accordance with approved scope. • Ensure involvement of the correct participants in the risk analysis and mitigation process. • Analyze root causes and make recommendations based on sound judgment. • Name specific persons responsible for completion of action items. • Track all actions to resolution/completion. • Escalate decisions to higher level of management, available and involved when the project level cannot effectively achieve mitigation or intervention solutions. • Document risks and associated actions and status through a formal process and review regularly. • Provide effective communication among project stakeholders appropriately and timely to facilitate an understanding of risk impact, quality responses, and minimize the disruption associated with rumor and misinformation. Risk management is an ongoing process, from the inception to the closure of the project, and is a critical component of California Business Connect Project monitoring and control activities.

3.0   Proposed Project Change

Since the approval of SPR#2 on April 1, 2016, several factors required the Secretary of State to re-evaluate and re-prioritize business needs, along with the California Business Connect project recognition of a more applicable approach and procurement strategy. Factors contributing to the Secretary of State instituting a revised Project Planning Phase using "Lessons Learned" and more consistent development methodology, included: The Secretary of State's June 5, 2017, Agency Information Management Strategy (AIMS); Secretary of State recent successes for online services; Advances in technology dynamically affecting well-grounded system development: and Changing circumstances due to enacted legislation reprioritizing urgent business needs. All of these factors contributed to the Secretary of State instituting a revised Project Planning Phase using "Lessons Learned" and more consistent development methodology.

The Project analyzed and refined Business requirements for California Business Connect with help from a vendor. However, many of the urgent business needs for the Secretary of State Business Programs Division still remain primarily through manual processes for paper filings utilizing antiquated mainframes and Microsoft (MS) Access databases as tools. Additionally, a previously automated filing system for a line of business, UCC Connect, continues degrading in reliability and increasingly more difficult and expensive to maintain.

Since CDT approved SPR#2, and due to circumstances requiring a different development and implementation order, the Secretary of State chose a different procurement method and development approach for the California Business Connect project as follows:

- The project segregated the approach into four separate modules and proposes managing the modules as separate sub-projects re-prioritized to address the current circumstances and business needs.
- The procurement approach changed from a single vendor Request for Proposal approach to a multiple vendor approach using the leveraged procurement process to use State-approved vendors to provide solutions.

As stated in SPR#2, market research confirmed there was no single solution available to fit the Secretary of State's business needs. However, during this re-planning phase, the Project performed further research on tools available through CDT Vendor Hosted Subscription Services (VHSS). With CDT's guidance and consistent with the State Computing with State Cloud Computing Policy TL 17-06, the Project developed a pilot for LLC Formation Online. The pilot achieved successful results to date. The pilot allowed the Secretary of State to leverage the previous work done to create and implement an online Trademark application pilot for Trademark registration intake in 7 weeks. However, the Secretary of State must obtain additional solutions to accomplish the remaining business needs of the Secretary of State including the development for intake of remaining online forms and administrative tools (e.g. audit trails, accounting, financial and managerial reporting, and workflow management), data conversion and migration, and the remaining infrastructure for the Trademarks, Business Entities and Uniform Commercial Code lines of business.

Additionally, the Secretary of State began additional internal organizational change management (OCM) activities. Although OCM is an ongoing effort, the Project accomplished OCM for the online submissions of filings by using the program staff using the solution in the requirements, process analysis, the online form development, and user acceptance testing (UAT) for the pilots, as well as, engaging customers for input throughout the planning and development process and including customers in UAT testing. This allowed the Secretary of State to postpone hiring an OCM vendor until later in the project. However, the Project redirected a portion of the previous OCM vendor funding to higher priority project needs. The Secretary of State still anticipates a need for hiring a vendor for OCM as the project progresses and develops and implements further functionality.

3.1   Project Background / Summary

The Secretary of State is instrumental in helping establish businesses in California by processing more than 2 million business filings and other customer orders each year.

The Business Programs Division of the Secretary of State's office manages the following business functions:
- Registering and authenticating business entities;
- Enabling banks and lenders to perfect their financial interests in personal
- property;
- Regulating notaries public;
- Registering trademarks and service marks (collectively "Trademarks");
- Registering business surety bonds; and
- Protecting individual rights by registering domestic partners and advance health care directives.

Out of Scope: Regulating notaries public; registering business surety bonds; and protecting individual rights by registering domestic partners and advance health care directives continue to be out of scope of SPR #3.

To fulfill these purposes, the Business Programs Division reviews, for statutory compliance, information submitted by businesses and government agencies for filing. This process is known as "the filing process" and a retained submission is known as a "filing." This information is available upon request to California businesses, government agencies and other customers, and specific information is required to be made available online.

Business filings provide numerous benefits to individuals, businesses and government agencies, such as providing:
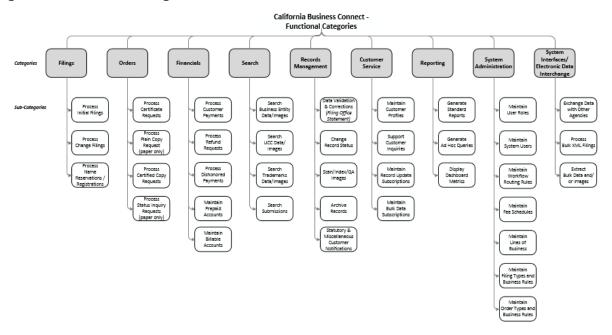- Evidence of the formation, registration, and modification of domestic and foreign business entities;
- Evidence of the key persons or entities operating corporations and limited liability companies through annual or biennial Statements of Information;
- Evidence of the registration and modification of Trademarks;
- Evidence of personal property lien notices (Uniform Commercial Code and other lien filings) and tax lien notices to secure lien priority;
- Evidence for court cases and law enforcement investigations;

- Information to government agencies for taxing, licensing, and regulatory purposes; and
- Proof of existence or good standing to open bank accounts, obtain financing, obtain licenses, enter into contracts, and conduct other official business in California.
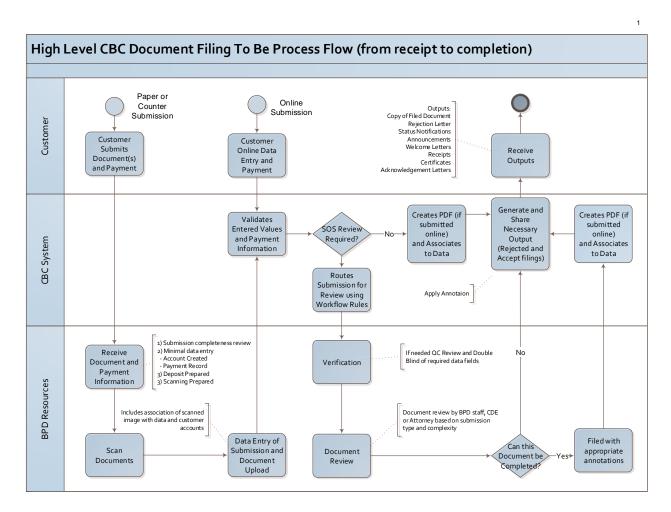
Business Process Description

The Business Programs Division performs a variety of activities in support of the core business functions.   The diagram below is an illustration of the business functions of the Business Programs Division.

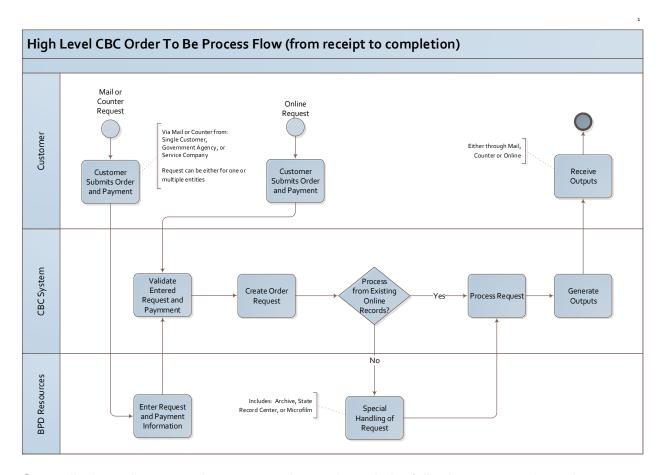**Figure 3-1 Business Programs Division Functions**

The filings and orders processes today vary based on the underlying information technology systems and paper processes that support the filings and orders. The desire of the Business Programs Division in the future is to have all the filing and order types supported by a single set of common processes using similar systems with similar architecture. Below are the high-level to-be filing and order process diagrams.

Figure 3-2 High Level CBC Document Filing "To Be" Process Flow

High Level CBC Document Filing To Be Process Flow (from receipt to completion)

Customer

- Paper or Counter Submission → Customer Submits Document(s) and Payment
- Online Submission → Customer Online Data Entry and Payment
- Outputs:
  Copy of Filed Document
  Rejection Letter
  Status Notifications
  Announcements
  Welcome Letters
  Receipts
  Certificates
  Acknowledgement Letters → Receive Outputs

CBC System

- Validates Entered Values and Payment Information → SOS Review Required? —No→ Creates PDF (if submitted online) and Associates to Data → Generate and Share Necessary Output (Rejected and Accept filings)
- Routes Submission for Review using Workflow Rules
- Apply Annotaion
- Creates PDF (if submitted online) and Associates to Data

BPD Resources

- Receive Document and Payment Information
  - 1) Submission completeness review
  - 2) Minimal data entry
    - Account Created
    - Payment Record
  - 3) Deposit Prepared
  - 3) Scanning Prepared
- Verification — If needed QC Review and Double Blind of required data fields
- Scan Documents
  - Includes association of scanned image with data and customer accounts
- Data Entry of Submission and Document Upload
- Document Review — Document review by BPD staff, CDE or Attorney based on submission type and complexity
- Can this Document be Completed? —No / —Yes→ Filed with appropriate annotations

The Trademark Registration pilot follows this High Level CBC Document Filing "To Be" Process Flow with the exception of electronic workflow. Although not yet implemented, the LLC Formation pilot follows the same High Level CBC Document Filing "To Be" Process Flow with the exception of electronic workflow and paper process.

Figure 3-3 High Level CBC Order "To Be" Process Flow

Generally, incoming paper documents today go through the following resource intensive steps:
- Documents are received by mail or are dropped off over the counter;
- Documents are sorted manually;
- Documents are stamped manually with date received by the Secretary of State;
- Documents are tracked by manual input into a legacy information technology system;
- Documents are reviewed and evaluated to determine statutory compliance;
- Responses are sent to the customers (certified copy of filed documents, acknowledgment letter, or rejection comments);
- Filing fee and, if applicable, processing expedited handling fee for filings;
- Additional information captured through manual input into one of three separate legacy information technology systems, a web application system with associated database, or input manually into an Access database, or even onto three-inch by five-inch index cards;
- Hand tallies made on paper to track workload;
- Imaging filed documents for internal and external online services; and
- Managing records and retained based on Secretary of State policy.

California Business Connect will modernize the way California does business with the Secretary of State by "going online, rather than standing in line" and will provide a means to preserve and manage the vital business records of the State.

3.2   Project Status

Since the approval of SPR#2 in April 2016, the California Business Connect Project has been in a re-planning phase while additional refinement of requirements has occurred. The Secretary of State adopted a new AIMS on June 5, 2017, and the Secretary of State completed process analysis, and associated requirements clarification. Subsequent legislation also was enacted, (S.B. 94, Statutes of 2017, Chapter 27), that required leveraging work done on the LLC Formation Online pilot to enable trademark and service mark registrations to be submitted online (**completed in 7 weeks**).

In addition, with guidance from CDT, the Secretary of State has re-planned the procurement approach to use a modular approach, with off ramps, for the business needs of the Secretary of State.

Project costs continue for services such as project management, oversight, and the Secretary of State staff time to perform re-planning activities. The project continues within budget, but the project missed an SPR#2 milestone date for procurement using a comprehensive Request for Proposal, due to the decision to change the procurement strategy and divide the project into smaller modules as opposed to a single systems integrator.

3.3 Reason for Proposed Change

The proposed changes to the California Business Connect project are primarily a result of the Secretary of State strategic direction to leverage Cloud Based Services, confirmation of market research and the successful implementation of two pilots using modern technology that enabled online intake for Trademark registrations and LLC Formations (these are only two of many filings that are included in the CBC Project)

Additional market research was performed on tools available through CDT Vendor Hosted Subscription Services (VHSS), because leveraging CDT Vendor Hosted Subscription Services (VHSS) does not require an extended procurement process to obtain the service, such as a Request for Proposal or Request for Offer. The Secretary of State used VHSS for selecting an online form submission tool for the LLC Formation pilot with the following benefits:

- Offered by California Department of Technology
- Compliant with the State Cloud First Policy (SAM 4983) and Government Code – 11545-46
- No need to perform a formal solicitation/procurement
- Negotiated through enterprise service level agreements
- Ease of onboarding
- Volume pricing
- Faster time to implement

By conducting an internal assessment of the products available in the CDT VHSS catalog, the Secretary of State determined that a tool was available to meet the project requirements for "electronic signature" and "online form filing" functionality for portions of at least two lines of business, (Business Entities Forms and Trademarks).

The selected tool, which uses a Software as a Service (SaaS) platform, minimizes issues and risks related to software customization, which could be complex and time-consuming and impede progress on the project. The Secretary of State, in consultation with CDT, developed an LLC Formation pilot using the California Business Connect requirements and one of CDT's VHSS online form intake tools. The LLC Formation pilot focused on an online filing of an LLC formation form, which is one of the highest volume form filings not already automated.

During the LLC Formation pilot, legislation was passed, (S.B. 94, Statutes of 2017, Chapter 27), that created an urgent business need to enable online trademarks and service marks by January 2018 to help with the increased workload. Leveraging the previous work done to revise business requirements, as well as the previous work done on the LLC Formation pilot, the Secretary of State was able to implement faster than a typical application development project by using a combination of lean and iterative project development approach that involves a condensed schedule, flexibility with changes, and effective collaboration of key- project personnel during the development for the Trademark Registration pilot which led to the ability for the public to perform online submissions of applications for trademarks or service mark registrations as of January 11, 2018. From inception to implementation, it took only **7 weeks** of development and testing to provide this online business service. With support from CDT, key staff from the Business Programs Division, Project Management Office, Information Technology Division, and the California Business Connect Co-Sponsors, along with staff from the automation tool vendor were involved at every stage of the process for efficient management of development and implementation.

However, the two pilots that provide for one registration form submission for each of two lines of business (BE and Trademarks) do not provide complete solutions for our business needs. The Secretary of State must obtain additional solutions to accomplish the remaining business needs of the Secretary of State including the development for intake of remaining online forms and administrative tools (e.g. audit trails, accounting, financial and managerial reporting, and workflow management), data conversion and migration, and the remaining infrastructure for the Trademarks, Business Entities and Uniform Commercial Code lines of business.
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The Secretary of State is proposing a change in procurement methodology, line of business development order and approach to reduce risk and obtain faster implementation by business lines with this SPR#3.

Additionally, to accommodate the new approach, which may alter the order of legacy system retirement, the Secretary of State is looking to add a separate vendor for data migration from the existing legacy systems, including the two BE mainframes, to cloud-based services, which will allow the Secretary of State to eliminate the legacy databases and associated costs from the project, and will allow potential solution providers to focus efforts on current and future technology.

The changes in approach also are consistent with the Secretary of State AIMS, recently chaptered AB 475 (Statutes of 2017, Chapter 193) and current CDT policy to use Cloud Based Services when possible. The Secretary of State is changing the development and procurement strategies to break up the single large project solution, originally designated to reside on the Secretary of State's White Floor, into smaller more manageable modules and sub-projects within each module to ensure a more results oriented, risk adverse approach. Instead of a single systems integrator contract to be implemented by designated business lines in phases, the project will include separate contracts for implementation of specified modules. The Secretary of State will request offers for three of the four modules, Trademarks, UCC, and Business Entities, separately through the State leveraged procurement process (master services agreement (MSA) and/or California Multiple Award Schedules (CMAS)) using already approved State vendors responding to Secretary of State RFOs. The Business Entities Forms module will be built in house using the online form tool proven during the two pilots.

This procurement approach will enable the Secretary of State greater flexibility to consider implementation priorities and maximize the benefit to our business customers, other State agencies that rely on the Secretary of State records, and the Secretary of State. This procurement process and implementation strategy also will include the benefit of decommissioning legacy systems and allowing greater flexibility for the Secretary of State to control, plan and manage resources and priorities for this project as well as other competing Secretary of State information technology projects.

Secretary of State also changed the order of modules to address urgent business needs and legislative changes. For example, the Trademarks module was moved to FY 2018/19 to address new laws effective January 1, 2018, (S.B. 94, Statutes of 2017, Chapter 27), and the UCC module was moved forward due to ongoing maintenance challenges and information security needs.

3.4 Proposed Project Change

The scope has not changed. However, the procurement method is changing from a Request for Proposal for a single systems integration contract that includes all lines of business, to a smaller modular approach for three designated primary lines of business (Trademarks, UCC and Business Entities) using MSA/CMAS contractors through the leveraged procurement process, and requiring each module to integrate with the Secretary of State's infrastructure supporting cloud-based services. This SPR #3 does not change the overall scope or objectives articulated in SPR #2.

The Secretary of State still anticipates vendors will respond with offers that provide web-based access for businesses and other government agencies to submit filings or requests for information (orders), along with automated workflow capabilities. Requests for Offers (RFOs) will solicit full service solutions proven in the industry to support the Business Programs Division's business needs, including processing all filings (paper and online), maintaining records and providing information to the public relating to (1) business entities that include corporations, limited liability companies and limited partnerships; (2) Uniform Commercial Code and other lien filings; and (3) Trademarks and service marks (collectively Trademarks). The actual content of each RFO will be dependent upon the final technical approach approved by the Department of Technology and the responses received from the vendor community to these RFOs to meet Business Programs Division's requirements. The Secretary of State requires solutions that will streamline the processing and support for the lifecycle of a filing from the initial submission through processing, filing and storage, and streamline public availability of records.

The Secretary of State will not identify any specific hardware, software or solution in this SPR. Through the re-planning phase and pilots, the Secretary of State has established a primary baseline of system requirements and will use an iterative approach and best practice guidelines using the California Project Management Framework (CA-PMF) to manage the project. Even though the scope has not changed from SPR#2 to SPR#3, the project has implemented a Scope Management Plan to ensure scope adjustments due to legislation or evolving business needs are identified as being less than a 10 percent change to the scope, schedule, quality and budget, or get elevated as necessary to obtain prior approvals for implementation. The functionality within each module and the order of deliverable of sub-projects will be determined once the vendors are on board. In summary:

- This proposal moves the project overall completion date up 6 months from January 1, 2022 to July 1, 2021, while supporting more rapid developments and multiple deployments.
- This proposal changes the total budget from $53,350,155 to $63,419,188. The Economic Analysis Worksheets (EAW) within this SPR detail all the projected budget changes.
- This proposal changes the procurement approach from a Request for Proposal for a single systems integrator for a single solution to Requests for Offer approach for separate modules for the designated primary lines of business, which will be required to integrate with the Secretary of State's infrastructure supporting cloud-based services.

Each procurement solution will be required to be consistent with the Secretary of State's AIMS, changing the project direction to use Azure Cloud Services, and will be required to be consistent with the new agency architecture.

The Secretary of State project changes also include funding for separate vendor(s) to enable extraction, and migration of relevant data from existing legacy systems, including the two BE mainframe systems, Trademarks Access database and the UCC system, to facilitate implementation of each module and decommissioning of each legacy system. With the assistance of Secretary of State project staff, the data migration vendor will be expected to perform an analysis of the legacy system data, including inventory, and application mapping, and will develop a data migration plan with Secretary of State project staff for each module, which will include a preliminary decommissioning plan. As data migration is completed for a specific module, additional decommissioning planning and management activities are anticipated to be conducted jointly by the data migration vendor and Secretary of State project staff. Secretary of State staff involved in the decommissioning process also will be trained to support the new systems for each of the modules as part of knowledge transfer requirements within each module.

The legacy systems data migration and retirements align with the new order of modules as shown in Table 3-1 below. Decommissioning of the Trademarks Access database and use of 3" x 5" index cards will occur after the remaining functionality of the Trademarks Module is implemented fully.

Decommissioning of the Uniform Commercial Code legacy system will occur after the Uniform Commercial Code Module is implemented fully.

Decommissioning of the LP/LLC and Corporations legacy mainframe systems will occur after implementation of the Business Entities Module including the Limited Liability Companies, Limited Partnerships and Corporations lines of business. The California Business Search, and LLC and Corporation Statement of Information Online applications may be leveraged by the new California Business Connect solutions.

Table 3-1: Conversion and decommissioning of legacy systems by modules

Modules-- (Line(s) of Business Being Implemented)	Legacy system	Conversion required	Note
1 -- Online Business Filing Forms/ Workflow Configuration	LP/LLC	Yes; Convert LLC & LP data from legacy system	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
	BE Image Viewer	Yes; Convert LLC & LP data from legacy system	Decommission legacy system after Business Entities Module implementation is complete and new systems are stable
	BE Filings Tracking	No conversion required data will be archived	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
2 – Trademarks -- (Trademarks and Service Marks)	Trademarks Access Database	Yes; Convert Trademarks data from legacy system	Decommission legacy system after Trademarks Module implementation is complete and new system is stable
3 – Uniform Commercial Code (UCC) & other Lien Notices	Business Entities and Secured Transactions (BEST)	Yes; Convert UCC data from legacy system	Decommission legacy system after UCC Module implementation is complete and new system is stable

4 – Business Entities (LLC LP, and Corporations)	Corporations	Yes; Convert Corporations data from legacy system	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
	Corporate Disclosure (Publicly Traded)	Yes; Convert Corporations data from legacy system	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
	Statement of Information E-File LLC and Corp	No conversion required	Will be leveraged by CBC Business Entities solution
	BE Image Viewer	Yes; Convert Corporations data from legacy system	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
	BE Filings Tracking	No conversion required data will be archived	Decommission legacy system after Online Business Filing Forms /Workflow Configuration Module and Business Entities Module implementations are complete and new systems are stable
	California Business Search	No conversion required	Will be leveraged by the CBC Business Entities solution

The scope includes the following lines of business:
- Business Entities:
    - Limited Liability Companies
    - Limited Partnerships
    - Corporations (including Foreign Name Registrations, Foreign Associations, and Unincorporated Associations)
- Uniform Commercial Code (UCC)
    - Financing Statements
    - Federal and State Tax Lien Notices
    - Other lien notices including Judgment Liens and Attachment Liens
- Trademarks

The Business Entities and Trademarks Modules vendors will be expected to leverage the work accomplished and lessons learned from the pilots using the online form intake tool, while still developing the other needed functionality for those lines of business as addressed in the requirements for each of those contracts. The UCC Module vendor will use refined business and technical requirements to determine the appropriate development and implementation approach. All modules will be required to be consistent with the Secretary of State's AIMS and to integrate and leverage common architecture, processes and functionality when possible.

The Secretary of State will complete the LLC Formation pilot for the Business Forms that will be leveraged by the California Business Connect project, using the development concepts for the automation tool proven during the LLC Formation pilot and the Trademark Registration pilot for online registrations of BE and Trademarks, including using a condensed, iterative, flexible and key-personnel intensive project methodology during the development for these modules.

3.4.1 Accessibility

The proposed solutions will be required to meet Government Code sections 7405 and 11135 (Federal section 508 of the Rehabilitation Act of 1973), and no exceptions apply. These requirements are part of the technical requirements documented for the solution and will be assessed by Secretary of State staff using assessment tools specifically designed to make such assessments. IV&V will confirm these requirements are met.

3.4.2 Impact of Proposed Change on the Project

The project objectives for the California Business Connect Project remain the same as described in the approved SPR#2. However, the strategic direction in the Secretary of State's AIMS moving to the use of cloud-based services and other changing circumstances, including advances as a result of the two pilots, other legacy systems that are degrading (UCC system), and due to legislation (S.B. 94), the overall proposed timing and order of implementation have changed, along with the procurement approach.
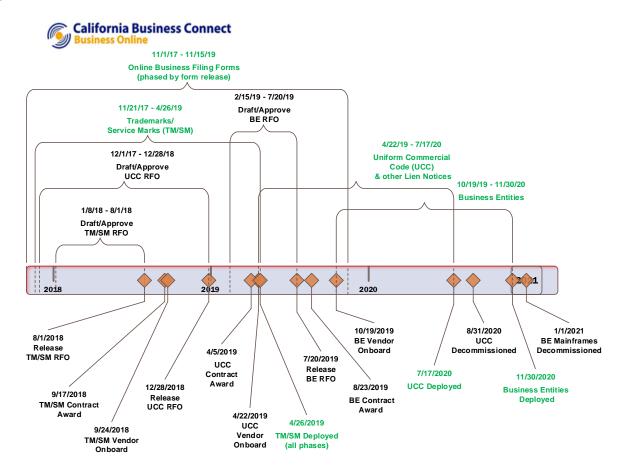
- The Trademarks module has moved forward due to recent legislation (the pilot only covered the online automation for submission of registrations (one of five forms) and did not provide a complete solution for the Trademark line of business which will include searches and the back office – administrative, accounting, reporting, security, etc.);
- The UCC module has moved forward due to degrading systems, old architecture and unavailability of continuing support; and

- The BE module now will be the last module to be completed, due to interim enhancements and improvements and the volume and complexity of filings and integration efforts.

However, the Secretary of State will develop the Online Business Entities Forms simultaneously with the other modules utilizing the online form intake tool proven to be viable with LLC Formations pilot and the Trademarks Registration pilot. The goal is to give the business community, the Secretary of State and other State Agencies that rely on the Secretary of State records more functionality, sooner.

The detailed timeline for the project has changed. Below is an illustration of the major activities and project events.

Figure 3-4 Revised Timeline for California Business Connect

The smaller modules will result in a more clear and precise presentation of the business needs and requirements for each Request for Offer, which, in turn, will result in more viable responses from the vendor community. Also, the smaller modules will allow each module to proceed in sequence, concurrently or independently based on Secretary of State priorities and resource availability and will allow for off ramps to be included within each separate module.

The budget for the project has changed. The following cost items have been adjusted as to timing or amount:

- Implementation of each module will increase the volume of online payment transactions and will result in a corresponding increase in credit card processing fees.
- Costs for the pilots, including the cost of online tool being used for form filing intake and the costs for use of cloud-based services, have been included.
- The Business Programs Division's portion of the agency disaster recovery costs have been added.
- Secretary of State staffing coverage costs for the length of the project have been adjusted.
- Maintenance and operations support costs have been advanced for the modular implementation.

- The costs for redirecting and reclassifying PYs for Secretary of State information technology support have been adjusted.
- Organizational change management has been adjusted to reflect internal efforts already being commenced to address changes.
- Changing the procurement approach results in additional Secretary of State costs and State surcharges for contract services (three main contracts and corresponding funding efforts instead of one).

Table 3-2 provides a summary of the budget changes from the last approved SPR #2. Table 3-3 provides a cost comparison between SPR #2 and SPR #3.

Table 3-2: California Business Connect Project Budget

One-Time IT Project Costs	Last Approved Budget	Total Spent to Date as of 06/30/2017	New Proposed Budget w/out cumulative actuals	Total New Proposed Budget
Staff (Salaries & Benefits)	$19,157,902.00	$4,421,044.00	$14,780,603.00	$19,201,647.00
Hardware Purchase	$1,000,000.00		$1,000,000.00	$1,000,000.00
Software Purchase/License	$1,270,000.00		$1,604,672.00	$1,604,672.00
Contract Services - Software Customization	$13,566,046.00	$2,566,046.00	$15,600,000.00	$18,166,046.00
Contract Services - Project Management	$1,578,475.00	$689,223.00	$1,487,000.00	$2,176,223.00
Contract Services - Project Oversight	$687,480.00	$267,690.00	$393,960.00	$661,650.00
Contract Services - IV&V Services	$1,540,460.00	$537,163.00	$841,000.00	$1,378,163.00
Contract Services - Other Contract Services	$5,027,028.00	$1,272,300.00	$3,638,202.00	$4,910,502.00
Agency Facilities	$4,736.00	$4,736.00	$0.00	$4,736.00
Other	$3,238,048.00	$386,463.00	$3,161,336.00	$3,547,799.00
Total One-time IT Costs	$47,070,174.00	$10,144,665.00	$42,506,773.00	$52,651,438.00
Continuing IT Project Costs				
Staff (Salaries & Benefits)	$5,225,432.00	$0.00	$6,058,437.00	$6,058,437.00
Hardware Lease/Maintenance	$187,500.00	$0.00	$312,500.00	$312,500.00
Software Maintenance/Licenses	$453,750.00	$0.00	$3,903,750.00	$3,903,750.00
Contract Services	$0.00	$0.00	$0.00	$0.00
Other	$413,300.00	$0.00	$493,064.00	$493,064.00
Total Continuing IT Costs	$6,279,981.00	$0.00	$10,767,751.00	$10,767,751.00
TOTAL	$53,350,155.00	$10,144,665.00	$53,274,524.00	$63,419,188.00

Table 3-3: Cost comparison between SPR #2 and SPR #3

SPR Cost Variance Table				
Project Costs	**Costs per SPR#2**	**Costs per SPR#3**	**Variance**	**Reason for Variance**
One-Time IT Project Costs				
Staff (Salaries & Benefits)	$19,157,902	$19,201,647	$43,745	• Added 2 Senior Programmer Analysts for support. • SPR#3 contains a salary increase, based on the current CalHR pay scales. • For FY15/16 and FY16/17, actual salary costs were entered (lower than original estimates).
Hardware Purchase	$1,000,000	$1,000,000	$0	No change. Although making use of cloud services, there will be hardware purchases needed for support of UCC and BE. The final costs will be determined when the UCC and BE vendors are on board.
Software Purchase/Licenses	$1,270,000	$1,604,672	$334,672	• Removed $12K per year for 5 years (SharePoint Services Licenses) • Added ThinkSmart initial software purchase costs
Telecommunications	$0	$0	$0	No Change
Contract Services	$22,399,489	$27,292,584	$4,893,095	• Reduced Software Customization for FY18/19 from $11 to $10M. (Primarily UCC RFO and to complete BE Online Forms) • Increased from $0 to $5M for FY19/20 (Primarily BE RFO) • Increased from $0 to $1M for FY20/21 (To complete Data Migration and decommission servers) • The actual costs for PM, IPO and IV&V were entered for FY15/16 and FY16/17, which were lower than the original estimates. • Added (1) PM for FY18/19 through first half of FY20/21 due to modular approach. • Increased IV&V due to project comparison and modular from $216 to $250K for FY18/19 through first half of FY20/21 • Reduced software customization for FY 18/19 by $400K to shift resources towards ThinkSmart contract costs.
Data Center Services	$0	$0	$0	No Change
Agency Facilities	$4,736	$4,736	$0	No Change
Other (OE&E and Indirect)	$3,238,048	$3,547,799	$309,751	• Additional staffing costs in SPR#3 including OE&E related to redirected and reclassified positions and promotions • Added 2 Senior Programmer Analysts for support • Higher costs related to DGS (increased % of contracts) and Department of Technology contract procurement charges.
Total One-Time Costs	**$47,070,175**	**$52,651,438**	**$5,581,263**	
Project Costs	**Costs per SPR#2**	**Costs per SPR#3**	**Variance**	**Reason for Variance**
Continuing Costs				
Staff	$5,225,432	$6,058,437	$833,005	• Staff costs reflect a larger team than what was budgeted in SPR#2. • SPR#3 estimates contain a salary increase for positions beginning in FY 2018/19 and beyond.
Hardware Lease/Maintenance	$187,500	$312,500	$125,000	• Due to iterative rollout through separate modules earlier than planned in SPR#2, Hardware M&O is needed earlier in the project for ongoing support
Software Maintenance/Licenses	$453,750	$3,903,750	$3,450,000	• Costs increased due to: o There was a formula error within SPR#2 which prevented the help desk software costs ($1,250) from being captured in FY 20/21. o Adding Azure, ThinkSmart, VSTS and VS to support beginning FY18/19 going forward. o Due to modular rollout, Software M&O is needed earlier in the project for ongoing support
Telecommunications	$0	$0	$0	No Change
Contract Services	$0	$0	$0	No Change
Data Center Services	$0	$0	$0	No Change
Agency Facilities	$0	$0	$0	No Change
Other (OE&E and Indirect)	$413,300	$493,064	$79,764	• Additional staffing costs in SPR#3 including OE&E related to redirected and reclassified positions and promotions • Added 2 Senior Programmer Analysts for support • Higher costs related to DGS (increased % of contracts) and Department of Technology contract procurement charges.
Total Continuing Costs	**$6,279,982**	**$10,767,751**	**$4,487,769**	
Total Costs	**$53,350,157**	**$63,419,188**	**$10,069,031**	

3.4.3 Feasible Alternatives Considered

Business-Based Procurement and Implementation

On September 4, 2015, the Secretary of State released Request for Information (RFI) 15-028 to elicit the advice and best analysis of knowledgeable persons in the vendor community to inform the Secretary of State of viable solutions that will meet the requirements of California Business Connect. The deadline for submitting responses to the RFI was October 9, 2015.

A total of 15 RFI responses were received and evaluated. The project team used the collective information provided by vendors to develop alternatives for consideration and to estimate costs related to system acquisition for a proposed solution. The Secretary of State received responses from individual software development firms for custom-developed solutions, software vendors, and systems integration vendors. As a result, the Secretary of State believes there are solutions available in the marketplace that will meet the needs of California Business Connect based on a modular approach combining the available solutions.

Transfer solution from another state

For SPR#2 planning, the Secretary of State completed a market research effort to determine if any of the other 49 States or the District of Columbia had a system in use that would meet the needs of the Secretary of State and would transfer or sell a replica system to California. Research showed that 24 States had deployed a COTS or MOTS system or had private partnership systems, 13 States lack sufficient functionality or were unwilling to share or sell a replica system, and eight lacked online filings or had insufficient capabilities. Of the remaining five States, two were in the procurement process for a new system and two had purchased a system from the one remaining state, Massachusetts.

Therefore, Massachusetts was the only state that met the criteria for consideration as an alternative. First, in evaluating the Massachusetts system, the Secretary of State participated in a WebEx demonstration with representatives of the Massachusetts Secretary of State's office. The evaluation of the demonstration was strong enough to send a select California Secretary of State team for an onsite visit/consultation to continue assessment of the viability of the Massachusetts system.

However, upon further evaluation, it was determined that the technology used for the Massachusetts solution did not meet current California Secretary of State technology infrastructure standards and could cost more in customization and ongoing maintenance and support than any benefit derived from the system.

Because of the aforementioned limitations, the Massachusetts solution was determined not to be feasible for a project alternative.

In-House Developed Solution

For SPR#2 planning, the Secretary of State also created a proposal for an in-house solution for development and implementation by the Secretary of State's Information Technology Division. The Information Technology Division completed a response to the same RFI that the Secretary of State released to the vendor community to streamline comparison efforts. Along with the RFI response questionnaire, the Information Technology Division proposal also included a full breakdown of the necessary internal and external resources and associated costs required to complete the project.

After consideration and comparison to the information contained in the 15 RFI vendor responses, the Secretary of State felt that the timeline was too long, and the cost proposed by the Information Technology Division (ITD) was too high to consider as a project alternative. The Information Technology Division in-house implementation approach was a big bang implementation at the end of all development activities. While this may be more cost effective, it presents more risk to the project and delays realization of the system benefits until the end of the project, which is not the preferred approach.

For SPR#3, some work will be completed by ITD to support the smaller module approach using external vendors; however, the arguments against an In-House Developed solution remain valid and are not the preferred approach.

3.4.4 Implementation Plan

The implementation of smaller modules will enable the deployment of functionality based on business value. The Secretary of State plans to expand the LLC Formation pilot to other online Business Filing forms. Trademarks will be a separate module and will expand on the work already accomplished for the Trademarks Registration pilot and will complete the functionality for that line of business. UCC will be a separate module and may be a stand-alone system. Another module will be Business Entities, including implementation of the LLC, LP and Corporations lines of business, which will include integration of the Online Business Filings Forms / Workflow Configuration and complete the Business Entities functionality for the line of business including the back end pieces. The modules reduce the project risk by allowing the project team to focus on the development, testing, training, and rollout to support a reduced scope for specific business needs. A modular approach also allows the Secretary of State to maximize the efficiencies and benefits obtained for the State, as well as provide numerous benefits to individuals, businesses and government agencies that use the Secretary of State's services. The project team will develop a master schedule and implementation plan prior to completing each RFO and the schedule and implementation plan will be refined with the participation of each of the selected vendors.

4.0 Updated Project Management Plan

The Secretary of State recognizes that a structured approach to project management is required to ensure the successful implementation of California Business Connect. As such, California Business Connect will continue utilizing project management methodologies based on the CA-PMF and will continue to update the existing project management plan to reflect the new project strategy, project processes, master schedule and work breakdown structures for each RFO.

4.1 Project Manager Qualifications

The project management team will continue to be responsible for all aspects of the California Business Connect Project including the schedule, identifying and tracking issues and risks, ensuring appropriate communications are occurring, overseeing quality including subject matter experts, and managing to the budget.

4.2 Project Management Methodology

The project management team will continue to subscribe to the CA-PMF (as defined in State Information Management Manual [SIMM] 17) as the primary methodology for managing the California Business Connect Project and supplemented by the Project Management Institute's (PMI) methodology if the CA-PMF proves to be insufficient.

The Secretary of State also will state expectations in the Requests for Offers (RFOs) for the vendors to conform to the state's project management framework and methodologies.

4.3 Project Organization

The California Business Connect Project revised organization chart (Figure 4-1) represents the current California Business Connect Project structure. The organization charts for the Information Technology Division (Figure 4-2), and for the Business Programs Division (Figure 4-3), also are provided.

Figure 4-1: California Business Connect Project Organization Chart

California Business Connect
Business Online

CALIFORNIA BUSINESS CONNECT
PROJECT TEAM
Revision v04.00 03-16-2018

EXECUTIVE STEERING COMMITTEE
SOS
Chief Deputy
Deputy Chief - Operations
BPD Chief
ITD Chief
MSD Chief
PMO DPM IV

IPO
Dept of Technology

PROJECT Co-SPONSORS
Deputy Chief - Operations
BPD Chief

BPD LEGAL COUNSEL
Attorney III

IV&V
Vendor

PROJECT DIRECTOR
DPM II

CHANGE CONTROL
Deputy Chief – Operations
BPD Chief

RISK/ISSUE MANAGER
Sr. ISA

CONTRACT MANAGER
Sr. ISA

CBC PROJECT MANAGEMENT OFFICE
DPM III
Sr. ISA
Vendors

Information Security
Sr. ISA
Vendor TBD

DATA MIGRATION/ DECOMMISSION
Vendors TBD

ORGANIZATIONAL CHANGE MANAGEMENT
Vendor TBD

QUALITY ASSURANCE
SISA
Vendor TBD

RFO VENDOR
Project Manager TBD

SOS SUBJECT MATTER EXPERTS SMEs
(multiple classes)

CBC-Project-Team-Organization-Chart-v04.00

Figure 4-2: California Information Technology Division Organization

SECRETARY OF STATE
INFORMATION TECHNOLOGY DIVISION
AGENCY NUMBER 785
January 1, 2018
(Page 1 of 1)

CHIEF OF INFORMATION TECHNOLOGY
CEA (B)
250-7500-001

Civil Service: 32
Limited Term: 1
Retired Annuitants: 2
Vacancies: 9

1 – Office Technician (Typing)
250-1139-002

INFRASTRUCTURE SERVICES
1 –Data Processing Manager III
250-1393-911

ENTERPRISE ARCHITECT &
DATABASE ADMINISTRATOR
4 – Systems Software Specialist III
(Technical)
250-1367-001
VACANT
250-1367-003

250-1367-004
VACANT
250-1367-005
VACANT (CARS)

APPLICATION DEVELOPMENT &
SUPPORT
1 –Data Processing Manager III
250-1393-001

OFFICE AUTOMATION / HELP
DESK
1 – Data Processing Manager II
250-1384-002

2 – Staff Information Systems
Analyst (Specialist)
250-1312-014

250-1312-015

1 – Systems Software
Specialist I (Technical)
250-1587-004

2 – Associate Information Systems
Analyst (Specialist)
250-1470-019

250-1470-023

1 – Information System Technician
250-1360-002

INFRASTRUCTURE SUPPORT UNIT
1 – Senior Information
Systems Analyst (Specialist)
250-1337-005

4 – Systems Software
Specialist II (Technical)
250-1373-003

250-1373-004

250-1373-005
(VC)
250-1373-007
VACANT
3– Systems Software
Specialist I (Technical)
250-1587-002

250-1587-005

250-1587-006

1 – Associate Information Systems
Analyst (Specialist)
250-1470-022

BUDGETS & PROCUREMENT
1 – Senior Programmer
Analyst (Supervisor)
250-1584-003
VACANT
1 – Associate Programmer
Analyst (Specialist)
250-1579-022
VACANT

BUSINESS PROGRAMS
APPLICATIONS
1 – Senior Programmer Analyst
(Supervisor)
250-1584-001

4 – Senior Programmer
Analyst (Specialist)
250-1583-005

250-1583-007

250-1583-008

250-1583-009
VACANT
2 – Systems Software
Specialist II (Technical)
250-1373-008

250-1373-911
(RA)
3 – Staff Programmer
Analyst (Specialist)
250-1581-028

250-1581-037

250-1581-038

WEB APPLICATION
DEVELOPMENT & MAINTENANCE
1 – Senior Programmer Analyst
(Supervisor)
250-1584-002

3 – Senior Programmer
Analyst (Specialist)
250-1583-006
(VC)
250-1583-010

250-1583-011
(CARS)
1-Systems Software Specialist II
(Technical)
250-1373-006
VACANT
4 – Staff Programmer
Analyst (Specialist)
250-1581-024

250-1581-032
VACANT
250-1581-035

250-1581-036

KEY:
(LT) Limited Term
(RA) Retired Annuitant
Vacant Positions
(VC) VoteCal Funding
(CBC) California Business
Connect
(CARS) Cal- Access
Replacement System

_____   _____
Chief, Information Technology Division   Date

Figure 4-3: Business Programs Division Organization

4.4 Project Priorities (No Change from SPR #2)

Managing a project requires balancing four factors: scope, resources, schedule, and quality. These factors are interrelated; a change in one will likely cause the others to change.

The original FSR contained a prioritization matrix containing three factors based on the then-existing project reporting requirements relating to financing: scope, schedule, and budget. Within that matrix, scope was "constrained" (meaning that the functionality has little to no flexibility), schedule was '"accepted" (meaning that the schedule has some flexibility) and finally budget was "improved" (meaning that the budget has the greatest flexibility).

The following prioritization matrix reflects the project priorities for the California Business Connect Project as of the date of this SPR #3 and has not changed from SPR #2. Only the California Business Connect Executive Steering Committee (ESC) can make changes to these priorities.

The below matrix uses a scale of 1 to 4 to differentiate the relative importance of the four factors; one being the highest importance and four being the lowest importance.

Scope	Resources	Schedule	Quality
1	4	2	3

4.5 Project Plan

4.5.1 Project Scope (No Change from SPR #2)

The project scope has not changed from SPR#2 and continues to focus on the highest volume of filings.

The project scope includes the following items:

- A computer system to manage the business processes, filings, orders and records for the following lines of business:
  o Business Entities:
      1. Limited Liability Companies
      2. Limited Partnerships
      3. Corporations (including Foreign Name Registrations, Foreign Associations, and Unincorporated Associations)
  o Uniform Commercial Code (UCC)
      1. Financing Statements
      2. Federal and State Tax Lien Notices
      3. Other lien notices including Judgment Liens and Attachment Liens
  o Trademarks
- Process payments and associate payments to filings and orders.
- Provide online access to search for and view records via the Secretary of State website.
- Provide online access for customers to submit selected filings via the Secretary of State website.
- Automatically route filings and orders to appropriate workflow queues.
- Generate notifications and reports.

- Provide role-based security for internal and external users.
- Replace existing file interfaces.
- Conversion and migration of data and images from current electronic systems, and the subsequent retirement of legacy systems.
- Secure electronic storage, retrieval and management of records in the system.
- Ability to create Records and associated images from paper and microfilm/microfiche records.
- Consolidation of current filing and order processes for Limited Liability Companies, Limited Partnerships, Corporations, Uniform Commercial Code and Trademarks into a single set of common processes.
- Modification of forms, certificates, letters and reports impacted by the consolidation of business processes.
- Organizational change management for impacts caused by the consolidation of business processes and the new system, including staffing, skill set, job description, and reporting structure changes.
- System documentation, technical training and user training so that the Secretary of State staff has the knowledge to operate, configure and maintain the system.
- Back Up and Restore capabilities.

4.5.2 Project Assumptions

The following assumptions exist:

- The California Business Connect Project and ongoing maintenance is funded from dedicated funding sources (Business Fees Fund and Business Programs Modernization Fund/Reimbursements) established in statute.

- The Secretary of State, Department of Technology, Department of Finance, and Legislature conclude the approval processes in a timely manner so as not to delay project approval, vendor procurements, and contract awards.

- There will be no new deadlines imposed by statute for the Secretary of State to provide existing or new functionality electronically.

- There will be timely review and feedback on all written project deliverables by reviewers.

- Subject matter expertise is available in a timely manner throughout the project lifecycle.

- Resources for one-time and ongoing activities, e.g. to backfill and upgrade the level of staff needed to implement and maintain the system, IPO, IV&V, security, and testing services will be retained.

- The Secretary of State will ensure the solution contains all appropriate information security controls as described in SAM and SIMM Chapters 5300.

- Customer payment/financial information (credit card, EFT routing numbers, etc.) will not be stored within the system. An external PCI compliant system/service will be used to process online payments.

Changes to these assumptions may require changes to the proposed solution, schedule, and cost estimates.

4.5.3 Project Phasing

Project Modules with smaller Sub-Projects

The Secretary of State is revising the procurement method for project development phasing to modules with smaller sub-projects to reduce risk and to obtain useful and measurable results for California businesses as soon as possible. Dividing the project into modules ensures delivery of substantial business value at frequent intervals and allows for more off ramps to be built into the project. An example of an off ramp would be that if funding stops (although not recommended) after a module, the SOS still will have made meaningful progress towards reducing filing review and processing times, improving financial processing and will improve the customer experience. Completing each module and implementation as planned, continues to improve the Secretary of State's business services, reduces costs and improves the customer experience.
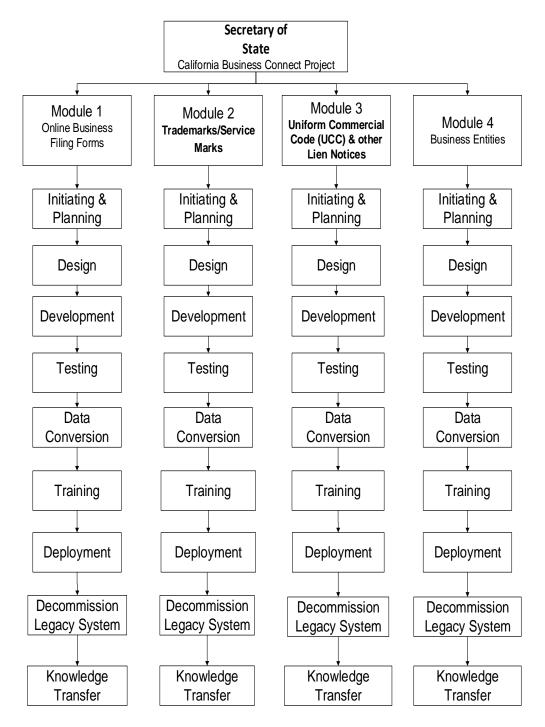
During the first module, the Secretary of State will continue the work completed on the pilot for LLC Formation by adding additional online business filing forms based on volumes and business needs. This module enables the impacted Business Programs Division staff to be incorporated into the development and testing processes and to be organized for training and organizational change management, while also allowing the fine-tuning of the project deployment processes and minimizing the risks of a big bang implementation.

To ensure effective transitioning from legacy systems to the new solution, the Secretary of State is adding a data conversion/migration vendor to assist with planning, mapping and execution of data migration for the new system databases and decommissioning of the mainframes and other legacy systems, which also will reduce risk significantly and will enable faster implementation, while allowing the RFO vendors to focus on the new solutions, rather than on legacy systems.

The UCC module can be developed independently of the other modules and is needed sooner due to business and security needs. The Trademark module also can be developed independently of the other modules and will integrate the work completed for the Trademarks Registration pilot, as well as develop the remaining filings and functionality. The Business Entities module will integrate the work done on the online business filing forms in the Online BE Forms module and may leverage the California Business Search and other enhancements. A modular approach allows the Secretary of State to have flexibility to compensate each vendor based on the successful delivery of each separate module, as each module will have distinct business value. Each module will have a defined set of activities and deliverables pertaining to the specific line of business including financials, filings, orders, and searches.

The figure below identifies the California Business Connect Project modules.

Figure 4-4: Project Modules

4.5.4 Project Roles and Responsibilities

Except as indicated below, this section has not changed from SPR #2. The following identifies the revised roles and responsibilities within the California Business Connect Project. Note that one person may have multiple responsibilities, or several people may share one role. The roles of Executive Steering Committee, Co-Sponsors, SOS Project Director, SOS Project Manager, Independent Project Oversight and Independent Verification and Validation Consultant are provided for context and have not changed.

Executive Steering Committee
- Role:
  - Acts as the decision-making authority on strategic issues as the primary stakeholders of the California Business Connect Project.
- Responsibilities:
  - Provides oversight of the project;
  - Ensures functionality is achieved according to the approved plans;
  - Resolves issues not resolved at lower level;
  - Makes decisions regarding the direction of the project;
  - Ensures that business and technical resources are made available;
  - Removes obstacles to project success;
  - Makes decisions affecting project scope, schedule, quality or resources over 10%;
  - Ensures inter-division coordination and prioritization of the project;
  - Evaluates progress on the project against established metrics to make go/no-go decisions.

Project Co-Sponsors
- Role:
  - Act as the champions and advocate for the California Business Connect Project within the Secretary of State and with external agencies.
- Responsibilities:
  - Advocate the project within the Secretary of State;
  - Provide policy leadership;
  - Provide project oversight and manages IPO as its primary internal customer;
  - Commit time and political capital to the project;
  - Ensure sustained buy-in at all levels of the Secretary of State management;
  - Ensure timely availability of needed resources including administrative support;
  - Keep informed about project status;
  - Provide direction and guidance for key strategies;
  - Resolve strategic and politically sensitive issues;
  - Own responsibility for project success;
  - Remove obstacles to project success;
  - Resolve project issues not resolved at lower levels;
  - Make decisions that affect project scope, schedule, quality or resources by 5-10%;
  - Chair the Executive Steering Committee.

Project Director
- Role:
  - Acts as the project oversight authority for the California Business Connect Project.
- Responsibilities:

- o Is responsible for overall project success and is accountable to the Project Co-Sponsors and Executive Steering Committee;
- o Establishes the governance structure for the team;
- o Provides overall oversight of the project;
- o Ensures project management practices are being employed successfully;
- o Ensures deliverables and functionality are achieved as defined in the Project Charter and project plans;
- o Decides changes to scope, schedule, quality and resources up to 5% variance;
- o Ensures effective management of all resources assigned to the project;
- o Serves as the primary liaison between the project and the Co-Sponsors and the Executive Steering Committee;
- o Facilitates resolution of all issues;
- o Escalates decisions and issues as needed to the Co-Sponsors, who may then choose to escalate to the Executive Steering Committee;
- o Reviews and resolves project issues not resolved at lower levels;
- o Ensures effective project management remains in place for the duration of the project;
- o Resolves all contractual issues;
- o Acts as the principal interface to the project contractors when escalation is needed;
- o Principal spokesperson for the project.

CBC Project Management Office
- • Role:
  - o Provides the day-to-day project management of the California Business Connect Project Modules.
- • Responsibilities:
  - o Plans the project;
  - o Ensures deliverables and functionality are achieved as defined in the project plans;
  - o Provides accountability to the SOS Project Director and/or Project Co-Sponsors for all the project management-related activities;
  - o Plans, guides, and oversees the day-to-day internal activities that support the project;
  - o Oversees all contractors to ensure all deliverables meet contractual obligations;
  - o Develops or assists in the development of the master project schedule and all other project work plans;
  - o Coordinates and manages the project schedule;
  - o Tracks actual progress against the project schedule and reports weekly to the SOS Project Director;
  - o Tracks progress on prime contractors and other participants' schedules;
  - o Ensures accountability for the development, maintenance, and adherence to the CA-PMF (e.g. processes, procedures, standards, and templates);
  - o Ensures IPO and IV&V recommendations are implemented or provides an analysis to the Project Director as to why the recommendations should not be implemented;
  - o Provides implementation leadership through planning, organizing, coordinating, and monitoring implementation activities.

SOS Subject Matter Experts (SME)
- • Role:
  - o Act as the Secretary of State resource for the California Business Connect Project.

- Responsibilities:
  - Take ownership of assigned tasks and collaborate with other SMEs to ensure that work products and deliverables encompass the needs of all impacted divisions;
  - Contribute toward the completion and review of work products produced by other SOS SMEs;
  - Analyze assigned decision items, documents alternatives, develops recommendations, and present recommendations to the SOS Leadership Team;
  - Participate in meetings;
  - Represent the needs of the customers and internal users;
  - Participate in defining the "to-be" business processes;
  - Identify related changes to forms, notifications, and report to support the revised business processes;
  - Identify and report potential risks or issues to the SOS Project Management Office;
  - Analyze issues, risks, and change requests, as needed;
  - Review work products and project deliverables, as assigned;
  - Report project time using ARTS;
  - Provide estimated amount of effort and duration of assigned tasks;
  - Report status of assigned tasks to the SOS Project Management.

Contract Manager
- Role:
  - Acts as the Secretary of State primary resource for contract management of the California Business Connect Project.

- Responsibilities:
  - Develops contracts;
  - Develops performance metrics for managing contractual obligations;
  - Manages contracts to ensure vendors submit quality deliverables per the schedule and contractual obligations;
  - Develops amendments as needed;
  - Reviews work authorizations and invoices to make recommendation to Project Director for approval;
  - Ensures the vendor secures performance bond, if one is required;
  - Reports periodically to PM on vendors' ability to meet contractual obligations;
  - Ensures that all contractual terms and deliverables are met.

Risk/Issue Manager
- Role:
  - Acts as the Secretary of State primary resource for monitoring and controlling the risk and issue processes as outlined in the Risk Management and Issue Management Plan for the California Business Connect Project.
- Responsibilities:
  - Chairs risk/issue management meetings;
  - Develops agenda for the risk and issue meetings, determining which risks and issues need to be discussed;
  - Identifies risks and issues;
  - Updates the risk and issue register using information received from risk and issue owners;
  - Updates the risk and issue register based on decisions from risk and issue meetings;

- o Manages the risk and issue register, making changes and distributing upon request;
- o Assesses, prioritizes and assigns risks and issues;
- o Notifies risk and issue owners of assignments;
- o Monitors the status of risks and issues;
- o Escalates risks and issues when necessary to the project manager or project director; and
- o Closes risks and issues.

RFO Vendor Project Manager
- Role:
  - o Acts as the day-to-day project manager for the vendor and oversees the responsibilities of the vendor.
- Responsibilities:
  - o Ensures vendor performance of the detailed responsibilities listed in the vendor's contract;
  - o Ensures deliverables and functionality are achieved as defined in the contract and project plans;
  - o Provides accountability to the SOS Project Manager, the SOS Project Director and Project Co-Sponsors for all the vendor's project activities;
  - o Plans, guides, and oversees vendor's day-to-day internal activities that support the project; and
  - o Oversees all vendors' subcontractors to ensure all deliverables meet contractual obligations.

Information Security
- Role:
  - o Technical expert for information security.
- Responsibilities:
  - o Reviews and makes recommendations as applicable for the system design for each module from an information security perspective;
  - o Reviews implementation from an information security perspective during the test phase of each module.

Quality Assurance
- Role:
  - o Acts as the resource and leadership for the quality assurance and testing of the application software and overall system.
- Responsibilities:
  - o Develops Test Plans;
  - o Conducts testing to confirm from a business perspective that requirements are met;
  - o Develops test scripts and leads user acceptance tests of applications and hardware;
  - o Executes business test cases to meet the defined acceptance criteria expected results;
  - o Identifies and reports defects, issues, changes in scope/design, and enhancements;
  - o Performs regression testing and defect retesting; and
  - o Provides supplemental information for defects (e.g., error messages, screen images, and descriptions of actions before identification of the defect).

Organizational Change Manager

- Role:
  - o Acts as the primary resource and leadership for organizational change management, and internal and external user training.
- Responsibilities:
  - o Develops the Organizational Change Management Plan;
  - o Oversees the Organizational Change Management Plan activities;
  - o Monitors the effectiveness of organizational change management activities and recommends corrective action as needed;
  - o Conducts impact analysis, assesses change impacts, and determines appropriate solutions;
  - o Assists with implementation of business program and process changes
  - o Develops and schedules outreach programs, workshops, system demonstrations and town hall meetings;
  - o Documents proposed changes and associated impacts and resolutions;
  - o Develops written communication materials (newsletters, Web content, emails, posters);
  - o Identifies knowledge and skill transfer needs;
  - o Monitors knowledge and skill transfer status;
  - o Assesses knowledge and skill transfer outcomes;
  - o Creates Business Procedure Manuals and Training Materials; and
  - o Conducts training on the new system.

Independent Project Oversight

- Role:
  - o CDT Staff that reviews project management approach to identify variances from project management standards;
  - o CDT Staff that reviews all project management processes and activities to identify areas in need of improvement.
- Responsibilities:
  - o Makes recommendations on ways in which both the Secretary of State and integration vendor can improve management of the project;
  - o Identifies project risks;
  - o Offers suggestions for problem and issue resolution;
  - o Reports periodically to the Project Director.

Independent Verification and Validation

- Role:
  - o Provides verification and validation services for the California Business Connect Project.
- Responsibilities:
  - o Ensures that the California Business Connect solution is built according to requirements;
  - o Ensures that the California Business Connect solution meets the intended project objectives;
  - o Ensures that the California Business Connect solution provides the functionality specified in the requirements;
  - o Provides independent testing and review of technical specifications and functionality;
  - o Offers suggestions for problem and issue resolution;

o Reports periodically to the SOS Project Manager and the SOS Project Director.

Data Migration
- Role:
  o Acts as primary resource and lead for analysis and planning for data extraction from legacy systems, data profiling and data cleansing, transformation to meet requirements for the new solutions and loading of data and images into the new California Business Connect target database.
- Responsibilities:
  o Analysis of source legacy systems for identified data to be extracted and migrated to project solution databases.
  o Document, create and implement a process for extraction, transformation and loading (Extract, Transform and Load or ETL) of data from various legacy system data sources into the target databases of the project solution, including a process for identifying and resolving extraction, conversion and migration errors.
  o Provide reporting features and metrics.
  o Migration of legacy data to new databases for use in project solution.
  o Test data retrieval and integrity for downstream applications.
  o Formulate acceptance tests to be performed to determine accuracy, functionality, interoperability, and other requirements as specified in project documentation.
  o Formulate data conversion/migration plan, including quality assurance, necessary environments.
  o Create Data Conversion and Migration Plan and requirements.
  o Create a set of system acceptance validations/tests that demonstrates compliance with the Data Conversion and Migration Plan.
  o Design and create staging and environments for data extraction, conversion/transformation, testing and implementation.

Decommissioning Legacy Systems
- Role:
  o Act as primary resource and lead of analysis and planning for the decommissioning of SOS Legacy Systems.
- Responsibilities:
  o Create a document gathering all the conditions that must be met for system shutdown.
  o Create and implement decommissioning checklist, including process of alerting business and technical teams prior to, during and after shutdown.
  o Decommission all affected legacy systems.

BPD Legal Counsel
- Role:
  o Acts as legal counsel to the Co-Sponsors and Executive Steering Committee
  o Member of risk team
  o Member of Change Control Board
- Responsibilities:
  o Advises Co-Sponsors and Executive Steering Committee regarding legal issues arising on the project
  o Reviews project documentation and contracts, as needed
  o Monitors legislative and regulatory changes affecting the project
  o Advises and consults with SOS project staff on other legal issues, as needed

Change Control
- Role:
  - Ensures changes to previously approved project scope, schedule, budget and quality follow the Change Control Plan
  - Ensures change requests are managed and assessed using the change control activities, processes, and tools in the Change Control Plan and according to the California Project Management Framework and industry standards and best practices
- Responsibilities:
  - Screening, validating and assessing change requests
  - Documenting analysis and assessment of change requests
  - Determining the disposition of requested changes with an estimated project impact less than 10% of total project scope, schedule, quality or cost
  - Elevating change requests with an estimated project equal to or greater than 10% of total project scope, schedule, quality or cost

4.5.5 Project Schedule

Attached as Addendum A, is a more detailed anticipated project schedule for the project and each module. The chart below shows anticipated schedule variance for the California Business Connect Project major milestones:

Last Approved Project Phases (SPR December 2015)	Last Approved Date (SPR December 2015)	SPR #3 Proposed Project Modules (January 2018)	SPR #3 Proposed Date (January 2018)
Contract Award (Single RFP)	9/01/2018	Contract Award for Module 4: Business Entities RFO	8/23/2019
Phase 1: LLC & LP	8/31/2019	Module 1: Online Business Filing Forms	11/15/2019
Phase 2: Corporations	2/29/2020	Module 4: Business Entities	11/30/2020
-	-	Contract Award for Module 3: UCC RFO	4/5/2019
Phase 3: UCC	8/31/2020	Module 3: Uniform Commercial Code (UCC) & other Lien Notices	7/17/2020
-	-	Contract Award for Module 2: Trademark RFO	9/17/2018
Phase 4: Trademarks	1/31/2021	Module 2: Trademarks/Service	4/26/2019

Last Approved Project Phases (SPR December 2015)	Last Approved Date (SPR December 2015)	SPR #3 Proposed Project Modules (January 2018)	SPR #3 Proposed Date (January 2018)
		Marks	
Phase 5: First Year Maintenance and Operations	1/31/2022	M&O will be after each module	M&O will be performed iteratively for each module throughout the project allowing the project to conclude 6/30/2021

Note: There will be a month of stabilization after Module 4 is deployed before the Maintenance and Operations begins.

Note: The Trademark RFO completes development for filings, workflow, an administrative tool and data migration. Six months to a year after implementation of each Module, if appropriate at the time, SOS will provide a Closeout document for deployed functionality.

Figure 4-6: California Business Connect Project Waves

Project: California Business Connect		CBC Project Phasing					
		Year 1	Year 2	Year 3	Year 4	Year 5	Year6
Activity	Personnel	FY16/17	FY17/18	FY18/19	FY19/20	FY20/21	FY21/22
Planning	SME, BA, PM, QA, EA, DBA	Planning					
Procurement	PM, Legal, Contract Services		Procurement				
Requirements and Design	SME, BA, PM, QA, EA, DBA	Requirements and Design					
Enterprise Development Standards	EA, DBA, DEV	Data Re-Architecting (ERDs, AIMS Plan, Standards)					
Development	EA, DBA, DEV		Development				
QA, UAT, SI	QA, SME, PM, EA		QA, UAT, SI				
Organizational Change Management	PM, Mgrs, OCM		Organizational Change Management				
Data Cleanup and Migration	EA, DBA, DEV		Data Cleanup and Migration				
Decommissioning Legacy Systems	EA, PM, DBA, DEV					Decommission Legacy Systems	
Project Management	PM		Project Management				
Module (M) & Project Closeout	PM			M 2	M M 1 3	M 4	Close
Maintenance (Modular Rollout)	PM, EA, DBA, DEV		Maintenance				

Note: Due to the iterative release of over 100 online forms, the planning, development, quality assurance testing, organization change management, and data cleanup/migration waves are continual throughout the project, performed during several modules. Requirements and Design is shown as continual to allow for adjustment due to dynamic business and legislative needs. Regarding procurement, once completed for the 1st RFO (Module 2: Trademarks) the 2nd RFO (Module 3: UCC) already will be underway, then the process will begin to complete the 3rd RFO (Module 4: Business Entities), thus the procurement wave also is continual through the end of FY19/20. There will be 4 closures performed, one for each module, then a separate closure for the CBC project. Maintenance is shown as continual beginning with the delivery of the first release within a module to the end of the project. Project management is required throughout the entire project.

4.6   Project Monitoring and Oversight

The Secretary of State project manager is the first person responsible for monitoring the health of the California Business Connect Project. Through regularly scheduled meetings with vendors and other team members, the project manager will evaluate and address risks and issues against the scope, schedule, budget, and quality.

The project manager will conduct an evaluation periodically based on the CA-PMF Monitoring Vital Signs Scorecard, and take corrective action, if necessary. The project manager then provides this scorecard to the Department of Technology in monthly project progress reports. The scorecard is one of several facets of the Department of Technology's periodic project progress report that the Secretary of State will be submitting. Other aspects of the report require the PM to analyze and report on milestones, schedule, resources, quality, scope, and budget variances from the plan. The periodic progress report also requires the project manager to evaluate the project's ability to complete future activities in a timely fashion.

The project manager will use the team's monthly risk meetings as one means to identify and mitigate potential risks.

In conjunction with the above internal project monitoring, the Secretary of State also is utilizing IPO services provided by the Department of Technology. The expectation is the IPO will provide services in accordance with Department of Technology Information Technology Project Oversight Framework, PMBOK®, and IEEE standards. The oversight effort will include inspection, measurement, tracking, and observation activities to ensure achievement of the project objectives within the approved project plan. In addition, the oversight effort includes the review of vendor provided deliverables for adherence to accepted standards.

The IPO will monitor the progress of the project and provide information on project issues, risks, and status to the Secretary of State's Project Manager, Project Director, Project Co-Sponsors, Steering Committee, and the oversight agencies, as appropriate. Focus will be on early detection of potential risks or impediments to project progress to ensure successful implementation of the project.

The Secretary of State also will use a vendor for Independent Verification and Validation (IV&V). The expectation is the IV&V will provide services in accordance with Department of Technology Information Technology Project Oversight Framework, PMBOK®, and IEEE standards. The oversight effort will include inspection, measurement, tracking, and testing activities to ensure achievement of the project objectives and ensure that the California Business Connect solutions are built according to specifications and requirements, meet the intended project objectives, and provide the functionality specified in the requirements. When necessary, IV&V will offer suggestions for problem and issue resolution. IV&V will report periodically and as needed to the SOS Project Manager and the SOS Project Director.

4.7   Project Quality

As stated in the last approved Special Project Report #2, Quality Management will continue as described in the approved Feasibility Study Report. The Secretary of State's project team will monitor the overall quality of the project processes and deliverables. The planning and coordination of the California Business Connect Project Team's quality assurance (QA)/quality control (QC) activities will include the use of a Quality Assurance vendor, the California Business Connect Project IV&V vendor, IPO, and the solution vendors' Quality Assurance leads, under the direction of the Secretary of State Quality Assurance lead. The change from SPR #2 reflects more than one vendor for each module.

4.8 Change Management (No Change, except to reference Modules instead of Phases)

Change is an inevitable occurrence on any project. The definition of a change is as any alteration to the scope of the project including requirements, hardware, software, application, network, operations or environment that adds to, deletes from, or in any way modifies the scope of work. The CBC Change Management (control) Plan defines the process, procedures and outputs for all change-related project activities. The plan identifies the parties responsible for identifying, resolving, supporting, and making project changes. The major goal of this change management strategy is to ensure changes use standardized methods and procedures that minimize negative and maximize positive impacts to the requirements, design, development, implementation, and maintenance of the system.

The change management process defines the processes and procedures for reporting an identified need for change, for analyzing and documenting a change request, for reviewing and approving the change, and for incorporating the change into the project management plan. The implemented plan will:

- Minimize project risk;
- Provide documentation for all changes;
- Minimize disruption to the project due to rework;
- Measure project volatility;
- Provide open disclosure of changes;
- Communicate changes to stakeholders;
- Ensure methodical review of proposed changes;
- Maximize system/application value; and
- Minimize unanticipated impacts to schedule and/or budget.

The change management (control) plan describes the manner of evaluating all changes for potential scope, budget, quality and schedule impacts. The process provides decision-makers with the opportunity to evaluate changes in a systematic manner as a component of the overall project risk management strategy. Without a method for evaluating, prioritizing, and implementing changes, schedule delays, poorly defined requirements, and/or cost overruns are potential results for any system development effort. Alternatively, a well-defined and properly utilized change management process reduces risk and increases the likelihood of project success.

The change management process for this project provides a mechanism for the review and approval of changes or additions to the scope, requirements, or design of the system. This process allows the Secretary of State's program areas and the solution vendors to jointly discuss, review, prioritize, and approve changes to requirements and design through all modules of the project.

The change management process tracks all proposed changes. All requested changes are analyzed with respect to cost and benefit, and necessity to the project's success. The appropriate governance body based on rules described in the change management (control) plan will approve change requests. Approved changes will be included in an updated and approved schedule and assigned to the responsible party for execution. Updates to affected documentation and other work products will be in accordance with the approved document management process.

4.9 Authorization Required (No Change)

Special Project Report approval by the Department of Technology is required. In addition, funding approvals through the standard State budget process are necessary, along with annual funding approvals through the standard budget process. A Section 11.00 notification to the Legislature may be required as well.

5.0 Updated Risk Management Plan

As described in the last approved SPR #2, the California Business Connect Project will continue to employ a systematic approach to risk and issue (collectively referred to as risk in this section) identification, management, escalation, and closure.

5.1   Risk Register

Figure 5-1 Risk Management Log

The Risk Register describes the open risks identified for the California Business Connect Project at this time and rates risks accordingly.

ID	Statement	Strategy	Probability	Impact	Timing	Level	Status	Mitigation Strategy
1	The Corporation System currently does not capture century information and will need to be addressed by year 2020. The current application uses 20 as the determining factor for the century. If the year is 20 or less, the century defaults to 19 making the year 1920. This method for determining the century will no longer work in the year 2020.					0	Closed	

2	If CDT opposes SOS's request to use the SPR process, the current project will be cancelled and SOS will have to restart the project causing a delay in providing a solution for BPD.	Mitigate	3	5	1	15	Closed	Ongoing conversations with Cal Tech regarding ongoing SOS work, including breakdown of the steps taken with regards to evaluating current 3 options. Complete all of Stage 1 and Stage 2 materials for the new Cal Tech Project Approval Lifecycle process (Gate Process). If current project is to be closed, SOS will be more prepared to submit project through new process.
3	If CBC team does not obtain necessary approval of SPR by February 1, 2016 there may be a delay to the project schedule.	Mitigate	3	5	1	15	Closed	Verify that all work necessary to meet the deadline is scheduled and has been assigned sufficient resources to ensure completion. If not, then additional SOS resources will need to be secured. Continuous communications and reviews with Dept. of Technology and Dept. of Finance to be sure oversight agencies involved with and agree with project progress and direction.

| 4 | Given that the current system is not fully documented ("as is" business and system processes) the requirements of the CBC project may increase. | Mitigate | 2 | 2 | 0.66 | 3 | Closed | Before the requirements phase, work with Core Project Team, SMEs and ITD to validate that the current business processes, system capabilities, including system dependencies, batch processes and interfaces are documented. |
| 5 | Estimates are created by resources that may not be doing the work of the project leading to the schedule/budget estimates being less accurate which in turn may cause schedule delays. | Mitigate | 3 | 3 | 1 | 9 | Closed | Use order of magnitude estimating using similar projects as a guide. Monitor estimates to actuals and deviations from assumptions. |

| 6 | The lack of a singular vision for the new business processes may cause project schedule and costs to increase downstream. | Mitigate | 4 | 4 | 0.66 | 11 | Closed | Mitigate by conducting market research, MA visit and learning more about COTS products currently in the market.

Plan to reach out to RFI respondents to learn more about how their system works and request demonstrations.

Conduct future-state visioning sessions with the BPD managers starting with the high-level to-be process flows for filings and orders. Continue to remove the barriers and constraints associated with the common process flows. |
| 7 | The lack of team cohesiveness will likely impact the time required to complete project tasks and work products which could impact the overall project schedule. | Mitigate | 3 | 3 | 1 | 9 | Closed | Define team roles and responsibilities.

Set expectations that the core project team members need to work together to develop work products that meet the needs of all impacted business areas.

Define decision making process that enables assigned team members to analyze options and make recommendations to the project leadership team.

Review work products and share decisions with the core project team to promote a shared understanding and improve communication within the team.

Encourage team building activities. |

8	The lack of well-defined Agency software quality assurance processes may result in the identification of incidents after software is released to the production environment.	Mitigate	3	3	0.33	3	Closed	The primary vendor will be responsible for the planning, management, and execution of system integration tests. SOS will review and validate system integration test plans, results, and defect metrics. SOS plans to contract for a UAT Manager that will plan and manage the UAT effort and establish acceptance criteria for each release. IV&V to review and provide feedback on both what will be tested by the SI (UAT and System Integration Testing) and results. RFP to include specific language regarding expectations of the SI with respect to QA.
18	Due to the change of procurement approach, from a full RFP to multiple RFOs (MSAs), there will be a planned delay in the scheduled procurement releases to the vendor community.		4	4	1	16	Open	

9	The lack of well-defined Agency schedule management processes may lead to delays in the overall project schedule and increase costs.	Mitigate	3	3	1	9	Open	SOS will develop and approve a schedule management plan and define metrics to monitor schedule variances. Once the schedule is approved and base lined, the schedule manager will update the schedule on a bi-weekly basis, analyze schedule variances, and provide schedule metrics as dictated in the Schedule Management Plan.
14	Potential resistance to changes of current Agency processes may impact the effectiveness of change and development of functional requirements thus the project objectives may not be achieved.	Mitigate	3	3	1	9	Open	Use external Business Analyst vendor to validate planned business changes and define functional requirements. Monitor change recommendations from vendor on a regular basis by Project Leadership Team. Institute robust training approach and communication campaign. Use experienced Organization Change Management (OCM) vendor to plan and execute OCM activities.

16	Because the Secretary of State has several competing agency projects and other priorities, key resources may not be available to complete CBC tasks, which may cause delays in the project schedule.	Accept	2	4	1	8	Open	If competing Secretary of State project/priorities effect CBC, Project Team will immediately bring issue to the Co-Sponsor and Steering Committee as needed for resolution.
13	Because there are up to 8 different vendor procurements it may be difficult to manage all the contracts and vendors simultaneously by a single Contract Manager.	Mitigate	2	2	0.33	1	Closed	Determine timing and duties of the vendors to be brought on as those needs arise in the project.

Additional Project Management Staffing or shifting of responsibilities may be necessary. |

| 15 | External factors, such as changes in government leadership (Governor or Secretary of State) or internal SOS leadership structure may affect support for the project. | Mitigate | 2 | 5 | 0.33 | 3 | Closed | Often and continual communication and updates with external stakeholders both internal and external, including SOS Agency, other Agencies and the Executive branch staff of the importance of the project to CA.

GO-Biz (Governor's Office of Business and Economic Development) is intended to provide a one-stop shop for new CA businesses. Because there is an existing relationship with between "GO-Biz" and the Governor's office; need to provide periodic updates to "GO-Biz" to keep their stakeholders informed and engaged. (William Welch is the Secretary of State's contact for "GO-Biz") |
| 12 | Due to the limited number of ITD resources, ITD may not be able to support both the current BPD systems and implementation of the CBC solution. | Mitigate | 3 | 3 | 0.33 | 3 | Open | BPD is reallocating a number of resources to ITD to fill key positions to support CBC project. |

10	The required coordination and testing of the interfaces with other State Agencies may impact schedule, quality and costs.	Mitigate	4	2	0.33	3	Open	Communicate with government agencies to discuss requirements, project phases, timeline and resource requirements to coordinate development of requirements, development of interfaces and testing solutions.
17	Since the Secretary of State plans to proceed with a procurement for either a COTS/MOTS or custom solution the effort to develop the RFP and evaluation" criteria will take more time to clarify the requirements for custom solution bidders and not preclude COTS/MOTS bidders.	Mitigate	4	4	1	16	Closed	Continue ongoing internal discussions between ITD, PMO and BPD to determine best approach for the Agency as a whole.

| 11 | Due to the length of the project (end date of 2022 - 6+ years) there may be a large amount of turnover and changes in overall resources and levels of involvement leading to a loss of continuity among the project team resources. | Mitigate | 3 | 2 | 0.33 | 2 | Closed | Create detailed estimates of resource demands in advance.

Cross train existing Project Team Members in project processes and business functions to develop a broader project resource pool.

Communicate project/schedule impact of resource changes as early as possible to Leadership Team.

Onboarding process including project documentation to more efficiently bring new team members up to speed on the project. |
| 19 | If Contract Services resources are constrained due to the competing priorities, such as Fi$CAL, CARS contracts and Election contracts then the release of the first CBC RFO may be delayed. | | | | | | Open | Draft of SPR#3 has been initiated

RFO will be submitted in March 2018

SOW's for IV&V & PM has been drafted and will be submitted in November/December. |

6.0   Updated Economic Analysis Worksheets

The following section includes the updated Economic Analysis Worksheets for the California Business Connect Project.

- Economic Analysis Worksheets from the Original Feasibility Study Report
- Economic Analysis Worksheets - Special Project Report – December 2013
- Economic Analysis Worksheets – Special Project Report – April 2016
- Economic Analysis Worksheets – Proposed Change

Economic Analysis Worksheet from the Original Feasibility Study Report

6.1   FSR Existing System / Baseline Cost Worksheet

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Department: **Secretary of State**

Project: **California Business Connect**

Date Prepared: January 2011, revised 3/02/11

	Gather Project Team, Prepare RFP Requirements & Release RFP for Application Dev Solution (Include Proof of Concept) FY 2011/12		Award Application Dev Contract FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		Ongoing Maintenance FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	45.0	5,290,920
Hardware Lease/Maintenance		10,000		10,000		10,000		10,000		10,000		10,000		60,000
Software Maintenance/Licenses		78,000		78,000		78,000		78,000		78,000		78,000		468,000
Contract Services		255,420		255,420		255,420		255,420		255,420		255,420		1,532,520
Data Center Services		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		8,874,000
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	45.0	16,225,440
Continuing Program Costs:														
Staff	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	1413.6	80,028,000
Other		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		40,014,000
Total Program Costs	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	1413.6	120,042,000
TOTAL EXISTING SYSTEM COSTS	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	1458.6	136,267,440

6.2 FSR Approved Alternative

PROPOSED ALTERNATIVE: Application Development

Date Prepared: January 2011, revised 3/02/11

Department: Secretary of State

Project: California Business Connect

All Costs Should be shown in whole (unrounded) dollars.

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	13.6	1,044,817	16.5	1,241,726	20.5	1,651,576	21.5	1,736,615	21.5	1,736,615	0.0	0	93.6	7,411,349
Hardware Purchase		0		560,000		22,000		20,000		20,000		0		622,000
Software Purchase/License		0		290,000		0		0		0		0		290,000
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		0		500,000		2,500,000		2,500,000		2,500,000		0		8,000,000
Project Management		160,000		200,000		200,000		200,000		200,000		0		960,000
Project Oversight		84,000		105,000		105,000		105,000		105,000		0		504,000
IV&V Services		104,000		130,000		130,000		130,000		130,000		0		624,000
Other Contract Services		470,000		210,000		160,000		160,000		160,000		0		1,160,000
TOTAL Contract Services		818,000		1,145,000		3,095,000		3,095,000		3,095,000		0		11,248,000
Data Center Services		0		4,320		17,280		17,280		17,280		0		56,160
Agency Facilities		0		0		0		0		0		0		0
Other		238,116		347,896		373,256		386,256		386,256		0		1,731,780
Total One-time IT Costs	13.6	2,100,933	16.5	3,588,942	20.5	5,159,112	21.5	5,255,151	21.5	5,255,151	0.0	0	93.6	21,359,289
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	13.5	1,478,464	13.5	1,478,464
Hardware Lease/Maintenance		0		0		112,000		112,000		112,000		112,000		448,000
Software Maintenance/Licenses		0		0		87,000		87,000		87,000		87,000		348,000
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		17,280		17,280
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		78,000		78,000
Total Continuing IT Costs	0.0	0	0.0	0	0.0	199,000	0.0	199,000	0.0	199,000	13.5	1,772,744	13.5	2,369,744
Total Project Costs	13.6	2,100,933	16.5	3,588,942	20.5	5,358,112	21.5	5,454,151	21.5	5,454,151	13.5	1,772,744	107.1	23,729,033
Continuing Existing Costs														
Information Technology Staff	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	0.0	0	37.5	4,409,100
Other IT Costs		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		0		9,112,100
Total Continuing Existing IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	0.0	0	37.5	13,521,200
Program Staff	222.0	12,293,183	219.1	12,147,151	215.1	11,942,226	202.1	11,403,644	178.1	10,408,198	181.6	10,972,296	1218.0	69,166,698
Other Program Costs		6,773,176		6,697,599		6,492,674		6,294,154		5,982,154		4,353,688		36,593,445
Total Continuing Existing Program Costs	222.0	19,066,359	219.1	18,844,750	215.1	18,434,900	202.1	17,697,798	178.1	16,390,352	181.6	15,325,984	1218.0	105,760,143
Total Continuing Existing Costs	229.5	21,770,599	226.6	21,548,990	222.6	21,139,140	209.6	20,402,038	185.6	19,094,592	181.6	15,325,984	1255.5	119,281,343
TOTAL ALTERNATIVE COSTS	243.1	23,871,532	243.1	25,137,932	243.1	26,497,252	231.1	25,856,189	207.1	24,548,743	195.1	17,098,728	1362.6	143,010,376
INCREASED REVENUES		0		0		0		0		0		0		0

6.3 FSR Economic Analysis Summary

ECONOMIC ANALYSIS SUMMARY
All costs to be shown in whole (unrounded) dollars.

Date Prepared: January 2011, revised 3/02/11

Department: Secretary of State
Project: California Business Connect

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	45.0	16,225,440
Total Program Costs	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	1413.6	120,042,000
Total Existing System Costs	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	1458.6	136,267,440
PROPOSED ALTERNATIVE				**Application Development**										
Total Project Costs	13.6	2,100,933	16.5	3,588,942	20.5	5,358,112	21.5	5,454,151	21.5	5,454,151	13.5	1,772,744	107.1	23,729,033
Total Cont. Exist. Costs	229.5	21,770,599	226.6	21,548,990	222.6	21,139,140	209.6	20,402,038	185.6	19,094,592	181.6	15,325,984	1255.5	119,281,343
Total Alternative Costs	243.1	23,871,532	243.1	25,137,932	243.1	26,497,252	231.1	25,856,189	207.1	24,548,743	195.1	17,098,728	1362.6	143,010,376
COST SAVINGS/AVOIDANCES	0.0	(1,160,292)	0.0	(2,426,692)	0.0	(3,786,012)	12.0	(3,144,949)	36.0	(1,837,503)	48.0	5,612,512	96.0	(6,742,936)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(1,160,292)	0.0	(2,426,692)	0.0	(3,786,012)	12.0	(3,144,949)	36.0	(1,837,503)	48.0	5,612,512	96.0	(6,742,936)
Cum. Net (Cost) or Benefit	0.0	(1,160,292)	0.0	(3,586,984)	0.0	(7,372,996)	12.0	(10,517,945)	48.0	(12,355,448)	96.0	(6,742,936)		

The proposed project will produce a $5.6 million annual benefit with a breakeven point after the second full year of implementation.
Considering the SOS is requesting $14.7 million, the return on investment is 2.6 years ($14.7 million /$5.6 million.)

6.4 FSR Project Funding Plan

PROJECT FUNDING PLAN

Department: Secretary of State

Project: California Business Connect

All Costs to be in whole (unrounded) dollars

э Prepared: January 2011, revised 3/02/11

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	13.6	2,100,933	16.5	3,588,942	20.5	5,358,112	21.5	5,454,151	21.5	5,454,151	13.5	1,772,744	**107.1**	**23,729,033**
RESOURCES TO BE REDIRECTED														
Staff	13.6	1,221,617	16.5	1,456,226	20.5	1,918,076	21.5	2,016,115	21.5	2,016,115	13.5	1,772,744	**107.1**	**10,400,893**
Funds:														
Existing System	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0		**0**
Other Fund Sources		0		0		0		0		0		0		**0**
TOTAL REDIRECTED RESOURCES	13.6	1,221,617	16.5	1,456,226	20.5	1,918,076	21.5	2,016,115	21.5	2,016,115	13.5	1,772,744	**107.1**	**10,400,893**
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	879,316	0.0	2,132,716	0.0	3,241,036	0.0	3,239,036	0.0	3,239,036	0.0	0	**0.0**	**12,731,140**
Continuing Project Costs	0.0	0	0.0	0	0.0	199,000	0.0	199,000	0.0	199,000	0.0	0	**0.0**	**597,000**
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR*	**0.0**	**879,316**	**0.0**	**2,132,716**	**0.0**	**3,440,036**	**0.0**	**3,438,036**	**0.0**	**3,438,036**	**0.0**	**0**	**0.0**	**13,328,140**
TOTAL PROJECT FUNDING	13.6	2,100,933	16.5	3,588,942	20.5	5,358,112	21.5	5,454,151	21.5	5,454,151	13.5	1,772,744	**107.1**	**23,729,033**
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	**0.0**	**0**
Total Estimated Cost Savings	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	4,213,732	**0.0**	**4,213,732**

FUNDING SOURCE														
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Special Fund**	49%	1,026,158	34%	1,223,230	30%	1,611,184	31%	1,693,537	31%	1,693,537	84%	1,489,105	37%	8,736,751
Reimbursement	51%	1,074,775	66%	2,365,712	70%	3,746,928	69%	3,760,614	69%	3,760,614	16%	283,639	63%	14,992,282
TOTAL FUNDING	100%	2,100,933	100%	3,588,942	100%	5,358,112	100%	5,454,151	100%	5,454,151	100%	1,772,744	100%	23,729,033

* In addition to this funding the SOS will need $280,976 annually in FY 2011/12 through FY 2015/16 for student assistants and DGS fees to backfill BPD staff positions redirected to the project and will be included in the project funding request.

**Type: Special Fund = 0228 Secretary of State's Business Fees Fund

This project does not fall into the category of a delegated project since one-time costs and redirected resources exceed our delegation of $500,000 in accordance with CTA Guidelines. One-time costs are: $23,132,033

Economic Analysis Worksheets – Last Approved Special Project Report

6.5   SPR1 Existing System / Baseline Cost Worksheet – December 2013

SIMM 20C30C, Rev. 03/2011
Department: Secretary of State

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 11/08/13

Project: California Business Connect

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	45.0	5,290,920
Hardware Lease/Maintenance		10,000		10,000		10,000		10,000		10,000		10,000		60,000
Software Maintenance/Licenses		78,000		78,000		78,000		78,000		78,000		78,000		468,000
Contract Services		255,420		255,420		255,420		255,420		255,420		255,420		1,532,520
Data Center Services		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		8,874,000
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	45.0	16,225,440
Continuing Program Costs:														
Staff	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	1413.6	80,028,000
Other		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		40,014,000
Total Program Costs	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	1413.6	120,042,000
TOTAL EXISTING SYSTEM COSTS	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	1458.6	136,267,440

6.6 SPR1 Approved Alternative- December 2013

PROPOSED ALTERNATIVE: Award contract to Bodhtree Solutions, Inc.

Date Prepared: 11/08/13

Department: Secretary of State
Project: California Business Connect

All Costs Should be shown in whole (unrounded) dollars.

	*FY 2011/12		*FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	4.7	415,522	4.0	371,477	11.4	1,101,436	35.0	3,500,119	35.7	3,574,712	0.0	0	90.8	8,963,266
Hardware Purchase		0		0		0		0		0		0		0
Software Purchase/License		0		0		0		0		10,000		0		10,000
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		0		0		1,143,128		2,446,241		4,626,026		0		8,215,395
Project Management		53,169		18,006		150,000		200,000		200,000		0		621,175
Project Oversight		0		0		78,750		105,000		105,000		0		288,750
IV&V Services		118,030		96,300		130,000		130,000		130,000		0		604,330
Other Contract Services		333,200		167,040		0		205,500		1,080,500		0		1,786,240
TOTAL Contract Services		504,399		281,346		1,501,878		3,086,741		6,141,526		0		11,515,890
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		117,835		156,829		152,537		578,903		650,477		0		1,656,581
Total One-time IT Costs	4.7	1,037,756	4.0	809,652	11.4	2,755,851	35.0	7,165,763	35.7	10,376,715	0.0	0	90.8	22,145,737
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	27.5	2,975,902	27.5	2,975,902
Hardware Lease/Maintenance		0		0		0		0		0		24,049		24,049
Software Maintenance/Licenses		0		0		0		0		0		708,271		708,271
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		800,000		800,000
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		271,120		271,120
Total Continuing IT Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	27.5	4,779,342	27.5	4,779,342
Total Project Costs	4.7	1,037,756	4.0	809,652	11.4	2,755,851	35.0	7,165,763	35.7	10,376,715	27.5	4,779,342	118.3	26,925,079
Continuing Existing Costs														
Information Technology Staff	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	0.0	0	37.5	4,409,100
Other IT Costs		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		0		9,112,100
Total Continuing Existing IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	0.0	0	37.5	13,521,200
Program Staff	230.9	12,922,478	231.6	12,966,523	224.3	12,236,564	200.6	10,940,576	199.9	10,906,572	170.6	9,908,882	1257.9	69,881,595
Other Program Costs		6,888,876		6,897,976		6,799,437		6,491,987		6,686,987		5,725,690		39,490,953
Total Continuing Existing Program Costs	230.9	19,811,354	231.6	19,864,499	224.3	19,036,001	200.6	17,432,563	199.9	17,593,559	170.6	15,634,572	1257.9	109,372,548
Total Continuing Existing Costs	238.4	22,515,594	239.1	22,568,739	231.8	21,740,241	208.1	20,136,803	207.4	20,297,799	170.6	15,634,572	1295.4	122,893,748
TOTAL ALTERNATIVE COSTS	243.1	23,553,350	243.1	23,378,391	243.1	24,496,092	243.1	27,302,566	243.1	30,674,514	198.1	20,413,914	1413.6	149,818,827
INCREASED REVENUES		0		0		0		0		0		0		0

* FY 2011/12 and 2012/13 represent Actual Expenditures.

6.7 SPR1 Economic Analysis Summary – December 2013

ECONOMIC ANALYSIS SUMMARY
All costs to be shown in whole (unrounded) dollars.

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	45.0	16,225,440
Total Program Costs	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	1413.6	120,042,000
Total Existing System Costs	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	1458.6	136,267,440
PROPOSED ALTERNATIVE	Award contract to Bodhtree Solutions, Inc.													
Total Project Costs	4.7	1,037,756	4.0	809,652	11.4	2,755,851	35.0	7,165,763	35.7	10,376,715	27.5	4,779,342	118.3	26,925,079
Total Cont. Exist. Costs	238.4	22,515,594	239.1	22,568,739	231.8	21,740,241	208.1	20,136,803	207.4	20,297,799	170.6	15,634,572	1295.4	122,893,748
Total Alternative Costs	243.1	23,553,350	243.1	23,378,391	243.1	24,496,092	243.1	27,302,566	243.1	30,674,514	198.1	20,413,914	1413.6	149,818,827
COST SAVINGS/AVOIDANCES	0.0	(842,110)	0.0	(667,151)	0.0	(1,784,852)	0.0	(4,591,326)	0.0	(7,963,274)	45.0	2,297,326	45.0	(13,551,387)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(842,110)	0.0	(667,151)	0.0	(1,784,852)	0.0	(4,591,326)	0.0	(7,963,274)	45.0	2,297,326	45.0	(13,551,387)
Cum. Net (Cost) or Benefit	0.0	(842,110)	0.0	(1,509,261)	0.0	(3,294,113)	0.0	(7,885,439)	0.0	(15,848,713)	45.0	(13,551,387)		

6.8 SPR1 Project Funding Plan – December 2013

SIMM 20C30C, Rev. 03/2011

Department: Secretary of State

Project: California Business Connect

PROJECT FUNDING PLAN

All Costs to be in whole (unrounded) dollars

Date Prepared: 11/08/13

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	4.7	1,037,756	4.0	809,652	11.4	2,755,851	35.0	7,165,763	35.7	10,376,715	27.5	4,779,342	118.3	26,925,079
RESOURCES TO BE REDIRECTED														
Staff	4.7	476,622	4.0	423,477	11.4	1,248,986	35.0	2,852,424	35.7	2,895,528	27.5	2,092,618	118.3	9,989,655
Funds:														
Existing System		0		0		0		0		0		1,822,420		1,822,420
Other Fund Sources		0		0		0		0		0		864,304		864,304
TOTAL REDIRECTED RESOURCES	4.7	476,622	4.0	423,477	11.4	1,248,986	35.0	2,852,424	35.7	2,895,528	27.5	4,779,342	118.3	12,676,379
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	561,134	0.0	386,175	0.0	1,506,865	0.0	4,313,339	0.0	7,481,187	0.0	0	0.0	14,248,700
Continuing Project Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR *	0.0	561,134	0.0	386,175	0.0	1,506,865	0.0	4,313,339	0.0	7,481,187	0.0	0	0.0	14,248,700
TOTAL PROJECT FUNDING	4.7	1,037,756	4.0	809,652	11.4	2,755,851	35.0	7,165,763	35.7	10,376,715	27.5	4,779,342	118.3	26,925,079
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Estimated Cost Savings / Avoidance**	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	(45.0)	(7,096,546)	(45.0)	(7,096,546)

FUNDING SOURCE														
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Special Fund***	39%	400,362	44%	355,721	38%	1,049,148	100%	7,165,763	100%	10,376,715	100%	4,779,342	90%	24,127,051
Reimbursement	61%	637,394	56%	453,931	62%	1,706,703	0%	0	0%	0	0%	0	10%	2,798,028
TOTAL FUNDING	100%	1,037,756	100%	809,652	100%	2,755,851	100%	7,165,763	100%	10,376,715	100%	4,779,342	100%	26,925,079

* In addition to this funding, the SOS will continue to need $274,176 (plus DGS service fees) annually for student assistants to backfill BPD staff positions redirected to the project and will be included in the project funding requests through FY 2015/16.

**45.0 Positions being eliminated through attrition after full implementation.

***Type: Special Fund = 3254 Business Programs Modernization Fund will be used as follows: FY 2014/15 $500,000, FY 2015/16 $1,000,000 and FY 2016/17 $1,000,000. The remaining funds needed in FY 2014/15, FY 2015/16 and FY 2016/17 will be from 0228 Secretary of State's Business Fees Fund.

Economic Analysis Worksheets - Special Project Report

6.9 SPR2 Existing System / Baseline Cost Worksheet

SIMM 30C, Rev. 06/2014
Agency/state entity: Secretary of State

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 12/14/2015

Project: California Business Connect

	FY 11/12-14/15 PYs	FY 11/12-14/15 Amts	FY 2015/16 PYs	FY 2015/16 Amts	FY 2016/17 PYs	FY 2016/17 Amts	FY 2017/18 PYs	FY 2017/18 Amts	FY 2018/19 PYs	FY 2018/19 Amts	FY 2019/20 PYs	FY 2019/20 Amts	SUBTOTAL PYs	SUBTOTAL Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Hardware Lease/Maintenance		40,000		10,000		10,000		10,000		10,000		10,000		90,000
Software Maintenance/Licenses		312,000		78,000		78,000		78,000		78,000		78,000		702,000
Contract Services		1,021,680		255,420		255,420		255,420		255,420		255,420		2,298,780
Data Center Services		5,916,000		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		13,311,000
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Continuing Program Costs:														
Staff	942.4	53,352,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	2120.4	120,042,000
Other		26,676,000		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		60,021,000
Total Program Costs	942.4	80,028,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2120.4	180,063,000
TOTAL EXISTING SYSTEM COSTS	972.4	90,844,960	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2187.9	204,401,160

Agency/state entity: Secretary of State

EXISTING SYSTEM/BASELINE COST WORKSHEET

All costs to be shown in whole (unrounded) dollars.   Date Prepared: 12/14/2015

Project: California Business Connect

	Subtotal		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs										
Staff (salaries & benefits)	67.5	7,936,380	7.5	881,820	7.5	881,820	7.5	881,820	90.0	10,581,840
Hardware Lease/Maintenance		90,000		10,000		10,000		10,000		120,000
Software Maintenance/Licenses		702,000		78,000		78,000		78,000		936,000
Contract Services		2,298,780		255,420		255,420		255,420		3,065,040
Data Center Services		13,311,000		1,479,000		1,479,000		1,479,000		17,748,000
Agency Facilities		0		0		0		0		0
Other		0		0		0		0		0
Total IT Costs	**67.5**	**24,338,160**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**90.0**	**32,450,880**
Continuing Program Costs:										
Staff	2120.4	120,042,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	2827.2	160,056,000
Other		60,021,000		6,669,000		6,669,000		6,669,000		80,028,000
Total Program Costs	**2120.4**	**180,063,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**2827.2**	**240,084,000**
TOTAL EXISTING SYSTEM COSTS	**2187.9**	**204,401,160**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**2917.2**	**272,534,880**

6.10 SPR2 Proposed Alternative Worksheet

PROPOSED ALTERNATIVE: **Business-Based Procurement & Implementation**

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

All Costs Should be shown in whole (unrounded) dollars.

Project: California Business Connect

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	24.4	2,311,247	12.9	1,485,530	21.0	2,589,321	21.7	2,774,835	31.7	3,862,543	33.9	4,089,621	145.5	17,113,097
Hardware Purchase		0		0		0		0		1,000,000		0		1,000,000
Software Purchase/License		0		0		12,000		12,000		1,222,000		12,000		1,258,000
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		2,566,046		0		0		0		11,000,000		0		13,566,046
Project Management		275,335		236,640		237,000		237,000		237,000		237,000		1,459,975
Project Oversight		158,750		22,210		112,560		112,560		112,560		112,560		631,200
IV&V Services		352,460		216,000		216,000		216,000		216,000		216,000		1,432,460
Other Contract Services		517,580		10,000		949,446		418,788		980,218		1,392,708		4,268,740
TOTAL Contract Services		3,870,171		484,850		1,515,006		984,348		12,545,778		1,958,268		21,358,421
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		4,736		0		0		0		0		0		4,736
Other		415,053		132,318		296,526		346,005		1,299,687		494,208		2,983,797
Total One-time IT Costs	**24.4**	**6,601,207**	**12.9**	**2,102,698**	**21.0**	**4,412,853**	**21.7**	**4,117,188**	**31.7**	**19,930,008**	**33.9**	**6,554,097**	**145.5**	**43,718,051**
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hardware Lease/Maintenance		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total Continuing IT Costs	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**
Total Project Costs	**24.4**	**6,601,207**	**12.9**	**2,102,698**	**21.0**	**4,412,853**	**21.7**	**4,117,188**	**31.7**	**19,930,008**	**33.9**	**6,554,097**	**145.5**	**43,718,051**
Continuing Existing Costs														
Information Technology Staff	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Other IT Costs		7,289,680		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		16,401,780
Total Continuing Existing IT Costs	**30.0**	**10,816,960**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**67.5**	**24,338,160**
Program Staff	918.0	51,431,824	222.7	12,292,197	214.6	11,477,943	213.9	11,579,141	204.0	10,669,913	201.7	10,575,170	1974.9	108,026,188
Other Program Costs		27,090,513		6,857,573		6,720,466		6,711,150		6,581,800		6,552,550		60,514,051
Total Continuing Existing Program Costs	**918.0**	**78,522,337**	**222.7**	**19,149,770**	**214.6**	**18,198,409**	**213.9**	**18,290,291**	**204.0**	**17,251,713**	**201.7**	**17,127,720**	**1974.9**	**168,540,239**
Total Continuing Existing Costs	**948.0**	**89,339,297**	**230.2**	**21,854,010**	**222.1**	**20,902,649**	**221.4**	**20,994,531**	**211.5**	**19,955,953**	**209.2**	**19,831,960**	**2042.4**	**192,878,399**
TOTAL ALTERNATIVE COSTS	**972.4**	**95,940,504**	**243.1**	**23,956,708**	**243.1**	**25,315,503**	**243.1**	**25,111,719**	**243.1**	**39,885,961**	**243.1**	**26,386,057**	**2187.9**	**236,596,450**
INCREASED REVENUES		0		0		0		0		0		0		**0**

PROPOSED ALTERNATIVE: <u>Business-Based Procurement & Implementation</u>

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State   All Costs Should be shown in whole (unrounded) dollars.

Project: California Business Connect

	Subtotal		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT _Project_ Costs										
Staff (Salaries & Benefits)	145.5	17,113,097	17.0	2,044,805	0.0	0	0.0	0	162.5	19,157,902
Hardware Purchase		1,000,000		0		0		0		1,000,000
Software Purchase/License		1,258,000		12,000		0		0		1,270,000
Telecommunications		0		0		0		0		0
Contract Services										
Software Customization		13,566,046		0		0		0		13,566,046
Project Management		1,459,975		118,500		0		0		1,578,475
Project Oversight		631,200		56,280		0		0		687,480
IV&V Services		1,432,460		108,000		0		0		1,540,460
Other Contract Services		4,268,740		758,288		0		0		5,027,028
TOTAL Contract Services		21,358,421		1,041,068		0		0		22,399,489
Data Center Services		0		0		0		0		0
Agency Facilities		4,736		0		0		0		4,736
Other		2,983,797		254,251		0		0		3,238,048
Total One-time IT Costs	**145.5**	**43,718,051**	**17.0**	**3,352,123**	**0.0**	**0**	**0.0**	**0**	**162.5**	**47,070,174**
Continuing IT _Project_ Costs										
Staff (Salaries & Benefits)	0.0	0	14.3	1,741,811	28.5	3,483,621	0.0	0	42.8	5,225,432
Hardware Lease/Maintenance		0		62,500		125,000		0		187,500
Software Maintenance/Licenses		0		151,250		302,500		0		453,750
Telecommunications		0		0		0		0		0
Contract Services		0		0		0		0		0
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		0		137,767		275,533		0		413,300
Total Continuing IT Costs	**0.0**	**0**	**14.3**	**2,093,327**	**28.5**	**4,186,654**	**0.0**	**0**	**42.8**	**6,279,981**
Total Project Costs	**145.5**	**43,718,051**	**31.3**	**5,445,450**	**28.5**	**4,186,654**	**0.0**	**0**	**205.3**	**53,350,155**
Continuing _Existing_ Costs										
Information Technology Staff	67.5	7,936,380	3.8	440,910	0.0	0	0.0	0	71.3	8,377,290
Other IT Costs		16,401,780		911,210		0		0		17,312,990
Total Continuing _Existing_ IT Costs	**67.5**	**24,338,160**	**3.8**	**1,352,120**	**0.0**	**0**	**0.0**	**0**	**71.3**	**25,690,280**
Program Staff	1974.9	108,026,188	185.6	10,077,318	169.6	9,495,663	0.0	0	2330.0	127,599,169
Other Program Costs		60,514,051		6,789,695		5,711,850		0		73,015,596
Total Continuing _Existing_ Program Costs	**1974.9**	**168,540,239**	**185.6**	**16,867,013**	**169.6**	**15,207,513**	**0.0**	**0**	**2330.0**	**200,614,765**
Total Continuing Existing Costs	**2042.4**	**192,878,399**	**189.4**	**18,219,133**	**169.6**	**15,207,513**	**0.0**	**0**	**2401.3**	**226,305,045**
TOTAL ALTERNATIVE COSTS	**2187.9**	**236,596,450**	**220.6**	**23,664,583**	**198.1**	**19,394,167**	**0.0**	**0**	**2606.6**	**279,655,200**
INCREASED REVENUES		0		0		0		0		**0**

6.11 SPR2 Alternative System Worksheet

SIMM 30C, Rev. 06/2014   **ALTERNATIVE #1:**   In-House Developed Solution

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State   All Costs Should be shown in whole (unrounded) dollars.
Project: California Business Connect

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	24.4	2,311,247	12.9	1,514,867	21.2	2,618,658	21.7	2,762,269	36.6	4,551,655	39.5	4,869,477	156.3	18,628,173
Hardware Purchase		0		0		0		0		215,000		237,000		452,000
Software Purchase/License		0		0		12,000		12,000		427,000		127,000		578,000
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		2,566,046		0		0		0		1,772,460		3,544,920		7,883,426
Project Management		275,335		236,640		237,000		237,000		237,000		237,000		1,459,975
Project Oversight		158,750		22,210		112,560		112,560		112,560		112,560		631,200
IV&V Services		352,460		216,000		216,000		216,000		216,000		216,000		1,432,460
Other Contract Services		517,580		10,000		949,446		418,788		590,968		1,132,458		3,619,240
TOTAL Contract Services		3,870,171		484,850		1,515,006		984,348		2,928,988		5,242,938		15,026,301
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		4,736		0		0		0		0		0		4,736
Other		415,053		135,568		299,776		346,005		1,335,174		615,012		3,146,588
Total One-time IT Costs	24.4	6,601,207	12.9	2,135,285	21.2	4,445,440	21.7	4,104,622	36.6	9,457,817	39.5	11,091,427	156.3	37,835,798
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hardware Lease/Maintenance		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total Continuing IT Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Project Costs	24.4	6,601,207	12.9	2,135,285	21.2	4,445,440	21.7	4,104,622	36.6	9,457,817	39.5	11,091,427	156.3	37,835,798
Continuing Existing Costs														
Information Technology Staff	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Other IT Costs		7,289,680		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		16,401,780
Total Continuing Existing IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Program Staff	918.0	51,431,824	222.7	12,260,048	214.4	11,448,605	213.9	11,579,141	199.1	10,082,311	196.1	9,954,113	1964.1	106,756,042
Other Program Costs		27,090,513		6,854,323		6,717,216		6,711,150		6,518,100		6,479,750		60,371,051
Total Continuing Existing Program Costs	918.0	78,522,337	222.7	19,114,371	214.4	18,165,821	213.9	18,290,291	199.1	16,600,411	196.1	16,433,863	1964.1	167,127,093
Total Continuing Existing Costs	948.0	89,339,297	230.2	21,818,611	221.9	20,870,061	221.4	20,994,531	206.6	19,304,651	203.6	19,138,103	2031.6	191,465,253
TOTAL ALTERNATIVE COSTS	972.4	95,940,504	243.1	23,953,896	243.1	25,315,502	243.1	25,099,153	243.1	28,762,467	243.1	30,229,530	2187.9	229,301,051
INCREASED REVENUES		0		0		0		0		0		0		0

ALTERNATIVE #1: In-House Developed Solution

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

Project: California Business Connect

All Costs Should be shown in whole (unrounded) dollars.

	SUBTOTAL		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs										
Staff (Salaries & Benefits)	156.3	18,628,173	39.3	4,837,001	39.3	4,837,001	0.0	0	234.9	28,302,175
Hardware Purchase		452,000		425,000		120,000		0		997,000
Software Purchase/License		578,000		412,000		307,000		0		1,297,000
Telecommunications		0		0		0		0		0
Contract Services										
Software Customization		7,883,426		5,238,045		3,873,870		0		16,995,341
Project Management		1,459,975		237,000		237,000		0		1,933,975
Project Oversight		631,200		112,560		112,560		0		856,320
IV&V Services		1,432,460		216,000		216,000		0		1,864,460
Other Contract Services		3,619,240		1,083,038		324,750		0		5,027,028
TOTAL Contract Services		15,026,301		6,886,643		4,764,180		0		26,677,124
Data Center Services		0		0		0		0		0
Agency Facilities		4,736		0		0		0		4,736
Other		3,146,588		632,852		513,400		0		4,292,840
Total One-time IT Costs	**156.3**	**37,835,798**	**39.3**	**13,193,496**	**39.3**	**10,541,581**	**0.0**	**0**	**234.9**	**61,570,875**
Continuing IT Project Costs										
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	29.5	3,637,541	29.5	3,637,541
Hardware Lease/Maintenance		0		0		0		125,000		125,000
Software Maintenance/Licenses		0		0		0		302,500		302,500
Telecommunications		0		0		0		0		0
Contract Services		0		0		0		0		0
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		0		0		0		389,143		389,143
Total Continuing IT Costs	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**29.5**	**4,454,184**	**29.5**	**4,454,184**
Total Project Costs	**156.3**	**37,835,798**	**39.3**	**13,193,496**	**39.3**	**10,541,581**	**29.5**	**4,454,184**	**264.4**	**66,025,059**
Continuing Existing Costs										
Information Technology Staff	67.5	7,936,380	7.5	881,820	7.5	881,820	0.0	0	82.5	9,700,020
Other IT Costs		16,401,780		1,822,420		1,822,420		0		20,046,620
Total Continuing Existing IT Costs	**67.5**	**24,338,160**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**0.0**	**0**	**82.5**	**29,746,640**
Program Staff	1964.1	106,756,042	196.3	9,986,589	196.3	9,986,589	168.6	9,439,429	2525.3	136,168,649
Other Program Costs		60,371,051		6,482,350		6,482,350		5,698,850		79,034,600
Total Continuing Existing Program Costs	**1964.1**	**167,127,093**	**196.3**	**16,468,939**	**196.3**	**16,468,939**	**168.6**	**15,138,279**	**2525.3**	**215,203,249**
Total Continuing Existing Costs	**2031.6**	**191,465,253**	**203.8**	**19,173,179**	**203.8**	**19,173,179**	**168.6**	**15,138,279**	**2607.8**	**244,949,889**
TOTAL ALTERNATIVE COSTS	**2187.9**	**229,301,051**	**243.1**	**32,366,675**	**243.1**	**29,714,760**	**198.1**	**19,592,463**	**2872.2**	**310,974,948**
INCREASED REVENUES		0		0		0		0		**0**

State of California Secretary of State
California Business Connect Special Project Report

6.12 SPR2 Economic Analysis Summary

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Total Program Costs	942.4	80,028,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2120.4	180,063,000
Total Existing System Costs	972.4	90,844,960	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2187.9	204,401,160
PROPOSED ALTERNATIVE				**Business-Based Procurement & Implementation**										
Total Project Costs	24.4	6,601,207	12.9	2,102,698	21.0	4,412,853	21.7	4,117,188	31.7	19,930,008	33.9	6,554,097	145.5	43,718,051
Total Cont. Exist. Costs	948.0	89,339,297	230.2	21,854,010	222.1	20,902,649	221.4	20,994,531	211.5	19,955,953	209.2	19,831,960	2042.4	192,878,399
Total Alternative Costs	972.4	95,940,504	243.1	23,956,708	243.1	25,315,503	243.1	25,111,719	243.1	39,885,961	243.1	26,386,057	2187.9	236,596,450
COST SAVINGS/AVOIDANCES	0.0	(5,095,544)	0.0	(1,245,468)	0.0	(2,604,263)	0.0	(2,400,479)	0.0	(17,174,721)	0.0	(3,674,817)	(0.0)	(32,195,290)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(1,245,468)	0.0	(2,604,263)	0.0	(2,400,479)	0.0	(17,174,721)	0.0	(3,674,817)	(0.0)	(32,195,290)
Cum. Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(6,341,012)	0.0	(8,945,274)	0.0	(11,345,753)	0.0	(28,520,473)	0.0	(32,195,290)		
ALTERNATIVE #1				**In-House Developed Solution**										
Total Project Costs	24.4	6,601,207	12.9	2,135,285	21.2	4,445,440	21.7	4,104,622	36.6	9,457,817	39.5	11,091,427	156.3	37,835,798
Total Cont. Exist. Costs	948.0	89,339,297	230.2	21,818,611	221.9	20,870,061	221.4	20,994,531	206.6	19,304,651	203.6	19,138,103	2031.6	191,465,253
Total Alternative Costs	972.4	95,940,504	243.1	23,953,896	243.1	25,315,502	243.1	25,099,153	243.1	28,762,467	243.1	30,229,530	2187.9	229,301,051
COST SAVINGS/AVOIDANCES	0.0	(5,095,544)	0.0	(1,242,656)	0.0	(2,604,262)	0.0	(2,387,913)	0.0	(6,051,227)	0.0	(7,518,290)	0.0	(24,899,891)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(1,242,656)	0.0	(2,604,262)	0.0	(2,387,913)	0.0	(6,051,227)	0.0	(7,518,290)	0.0	(24,899,891)
Cum. Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(6,338,200)	0.0	(8,942,461)	0.0	(11,330,374)	0.0	(17,381,601)	0.0	(24,899,891)		

ECONOMIC ANALYSIS SUMMARY

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

All costs to be shown in whole (unrounded) dollars.

Project: California Business Connect

	SUBTOTAL		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM										
Total IT Costs	67.5	24,338,160	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	90.0	32,450,880
Total Program Costs	2120.4	180,063,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2827.2	240,084,000
Total Existing System Costs	2187.9	204,401,160	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2917.2	272,534,880
PROPOSED ALTERNATIVE		**Business-Based Procurement & Implementation**								
Total Project Costs	145.5	43,718,051	31.3	5,445,450	28.5	4,186,654	0.0	0	205.3	53,350,155
Total Cont. Exist. Costs	2042.4	192,878,399	189.4	18,219,133	169.6	15,207,513	0.0	0	2401.3	226,305,045
Total Alternative Costs	2187.9	236,596,450	220.6	23,664,583	198.1	19,394,167	0.0	0	2606.6	279,655,200
COST SAVINGS/AVOIDANCES	0.0	(32,195,290)	22.5	(953,343)	45.0	3,317,073	243.1	22,711,240	310.6	(7,120,320)
Increased Revenues		0		0		0		0		0
Net (Cost) or Benefit	0.0	(32,195,290)	22.5	(953,343)	45.0	3,317,073	243.1	22,711,240	310.6	(7,120,320)
Cum. Net (Cost) or Benefit	0.0	(32,195,290)	22.5	(953,343)	45.0	3,317,073	243.1	22,711,240	310.6	(7,120,320)
ALTERNATIVE #1		**In-House Developed Solution**								
Total Project Costs	156.3	37,835,798	39.3	13,193,496	39.3	10,541,581	29.5	4,454,184	264.4	66,025,059
Total Cont. Exist. Costs	2031.6	191,465,253	203.8	19,173,179	203.8	19,173,179	168.6	15,138,279	2607.8	244,949,889
Total Alternative Costs	2187.9	229,301,051	243.1	32,366,675	243.1	29,714,760	198.1	19,592,463	2872.2	310,974,948
COST SAVINGS/AVOIDANCES	0.0	(24,899,891)	0.0	(9,655,435)	0.0	(7,003,520)	45.0	3,118,777	45.0	(38,440,068)
Increased Revenues		0		0		0		0		0
Net (Cost) or Benefit	0.0	(24,899,891)	0.0	(9,655,435)	0.0	(7,003,520)	45.0	3,118,777	45.0	(38,440,068)
Cum. Net (Cost) or Benefit	0.0	(24,899,891)	0.0	(9,655,435)	0.0	(7,003,520)	45.0	3,118,777	45.0	(38,440,068)

* Proposed Alternative will complete 1 year M&O in FY 2021/22, and the project will close. Cost Savings data in FY 2022/23 for the Proposed Alternative is erroneous.

6.13 SPR2 Project Funding Plan

PROJECT FUNDING PLAN

Agency/state entity: Secretary of State — All Costs to be in whole (unrounded) dollars — Date Prepared: 12/14/2015

Project: California Business Connect

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	24.4	6,601,207	12.9	2,102,698	21.0	4,412,853	21.7	4,117,188	31.7	19,930,008	33.9	6,554,097	145.5	43,718,051
RESOURCES TO BE REDIRECTED														
Staff	24.4	2,067,615	12.9	1,158,253	21.0	2,132,840	21.7	2,040,959	31.7	3,079,537	33.9	3,203,530	145.5	13,682,734
Funds:														
Existing System		0		0		0		0		0		0		0
Other Fund Sources		0		0		0		0		0		0		0
TOTAL REDIRECTED RESOURCES	24.4	2,067,615	12.9	1,158,253	21.0	2,132,840	21.7	2,040,959	31.7	3,079,537	33.9	3,203,530	145.5	13,682,734
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	4,533,592	0.0	944,445	0.0	2,280,013	0.0	2,076,229	0.0	16,850,471	0.0	3,350,567	0.0	30,035,317
Continuing Project Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR*	0.0	4,533,592	0.0	944,445	0.0	2,280,013	0.0	2,076,229	0.0	16,850,471	0.0	3,350,567	0.0	30,035,317
TOTAL PROJECT FUNDING	24.4	6,601,207	12.9	2,102,698	21.0	4,412,853	21.7	4,117,188	31.7	19,930,008	33.9	6,554,097	145.5	43,718,051
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Estimated Cost Savings	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
FUNDING SOURCE**														
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Special Fund	100%	6,601,207	100%	2,102,698	100%	4,412,853	100%	4,117,188	100%	19,930,008	100%	6,554,097	100%	43,718,051
Reimbursement	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
TOTAL FUNDING	100%	6,601,207	100%	2,102,698	100%	4,412,853	100%	4,117,188	100%	19,930,008	100%	6,554,097	100%	43,718,051

* In addition to this funding, the SOS will continue to need $320,026 (plus DGS service fees) annually for student assistants to backfill BPD staff positions redirected to the project and will be included in the project funding requests through 12/31/2020.

****Type**: If applicable, for each funding source, describe what type of funding is included, such as local assistance or grant funding, the date the funding is to become available, and the duration of the funding.

Special Funds: Business Modernization Fund $1.5 million per Fiscal Year with the remaining funding coming from the Business Fees Fund.

PROJECT FUNDING PLAN

Agency/state entity: Secretary of State   All Costs to be in whole (unrounded) dollars   Date Prepared: 12/14/2015

Project: California Business Connect

	SUBTOTALS		FY 2020/21		FY 2021/22		FY 2022/23		FY 0		FY 0		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	145.5	43,718,051	31.3	5,445,450	28.5	4,186,654	0.0	0	0.0	0	0.0	0	205.3	53,350,155
RESOURCES TO BE REDIRECTED														
Staff	145.5	13,682,734	31.3	2,786,117	28.5	2,368,717	0.0	0	0.0	0	0.0	0	205.3	18,092,410
Funds:														
Existing System		0		911,210		1,817,937		0		0		0		2,729,147
Other Fund Sources		0		0		0		0		0		0		0
TOTAL REDIRECTED RESOURCES	145.5	13,682,734	31.3	3,697,327	28.5	4,186,654	0.0	0	0.0	0	0.0	0	205.3	21,566,715
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	30,035,317	0.0	1,748,123	0.0	0	0.0	0	0.0	0	0.0	0	**0.0**	31,783,440
Continuing Project Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	**0.0**	0
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR*	**0.0**	**30,035,317**	**0.0**	**1,748,123**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**0**	**0.0**	**31,783,440**
TOTAL PROJECT FUNDING	145.5	43,718,051	31.3	5,445,450	28.5	4,186,654	0.0	0	0.0	0	0.0	0	205.3	53,350,155
Difference: Funding - Costs	0.0	0	(0.0)	0	0.0	0	0.0	0	0.0	0	0.0	0	(0.0)	0
Total Estimated Cost Savings	0.0	0	(22.5)	(4,058,147)	(45.0)	(8,116,293)	0.0	0					(67.5)	(12,174,440)
FUNDING SOURCE**														
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Special Fund	100%	43,718,051	100%	5,445,450	100%	4,186,654	0%	0	0%	0	0%	0	100%	53,350,155
Reimbursement	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
TOTAL FUNDING	100%	43,718,051	100%	5,445,450	100%	4,186,654	0%	0	0%	0	0%	0	100%	53,350,155

* In addition to this funding, the SOS will continue to need $320,026 (plus DGS service fees) annually for student assistants to backfill BPD staff positions redirected to the project and will be included in the project funding requests through 12/31/2020.

****Type**: If applicable, for each funding source, describe what type of funding is included, such as local assistance or grant funding, the date the funding is to become available, and the duration of the funding.

Special Funds: Business Modernization Fund $1.5 million per Fiscal Year with the remaining funding coming from the Business Fees Fund.

6.14 SPR 3 Existing System / Baseline Cost Worksheet

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 3/29/2018

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Hardware Lease/Maintenance		40,000		10,000		10,000		10,000		10,000		10,000		90,000
Software Maintenance/Licenses		312,000		78,000		78,000		78,000		78,000		78,000		702,000
Contract Services		1,021,680		255,420		255,420		255,420		255,420		255,420		2,298,780
Data Center Services		5,916,000		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		13,311,000
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Continuing Program Costs:														
Staff	942.4	53,352,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	2120.4	120,042,000
Other		26,676,000		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		60,021,000
Total Program Costs	942.4	80,028,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2120.4	180,063,000
TOTAL EXISTING SYSTEM COSTS	972.4	90,844,960	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2187.9	204,401,160

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 3/29/2018

	Subtotal		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs										
Staff (salaries & benefits)	67.5	7,936,380	7.5	881,820	7.5	881,820	7.5	881,820	90.0	10,581,840
Hardware Lease/Maintenance		90,000		10,000		10,000		10,000		120,000
Software Maintenance/Licenses		702,000		78,000		78,000		78,000		936,000
Contract Services		2,298,780		255,420		255,420		255,420		3,065,040
Data Center Services		13,311,000		1,479,000		1,479,000		1,479,000		17,748,000
Agency Facilities		0		0		0		0		0
Other		0		0		0		0		0
Total IT Costs	67.5	24,338,160	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	90.0	32,450,880
Continuing Program Costs:										
Staff	2120.4	120,042,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	2827.2	160,056,000
Other		60,021,000		6,669,000		6,669,000		6,669,000		80,028,000
Total Program Costs	2120.4	180,063,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2827.2	240,084,000
TOTAL EXISTING SYSTEM COSTS	2187.9	204,401,160	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2917.2	272,534,880

6.15 SPR3 Proposed Alternative Worksheet

SIMM 30C, Rev. 06/2014	PROPOSED ALTERNATIVE:	Business-Based Procurement & Implementation					Date Prepared: 3/29/2018

Agency/state entity: Secretary of State — All Costs Should be shown in whole (unrounded) dollars.
Project: California Business Connect

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	24.4	2,311,247	8.7	994,550	10.2	1,115,247	21.7	2,945,517	36.0	4,642,169	37.2	4,822,897	138.2	16,831,627
Hardware Purchase		0		0		0		0		1,000,000		0		1,000,000
Software Purchase/License		0		0		0		0		1,604,672		0		1,604,672
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		2,566,046		0		0		0		9,600,000		5,000,000		17,166,046
Project Management		275,335		213,962		199,926		237,000		500,000		500,000		1,926,223
Project Oversight		158,750		5,760		103,180		112,560		112,560		112,560		605,370
IV&V Services		352,460		90,423		94,280		216,000		250,000		250,000		1,253,163
Other Contract Services		517,580		0		754,720		374,688		1,177,768		1,392,708		4,217,464
TOTAL Contract Services		3,870,171		310,145		1,152,106		940,248		11,640,328		7,255,268		25,168,266
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		4,736		0		0		0		0		0		4,736
Other		415,054		(25,173)		16,583		345,847		1,330,801		1,042,533		3,125,645
Total One-time IT Costs	24.4	6,601,208	8.7	1,279,522	10.2	2,283,936	21.7	4,231,612	36.0	20,217,970	37.2	13,120,698	138.2	47,734,946
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hardware Lease/Maintenance		0		0		0		0		0		62,500		62,500
Software Maintenance/Licenses		0		0		0		0		0		1,200,000		1,200,000
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total Continuing IT Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	1,262,500	0.0	1,262,500
Total Project Costs	24.4	6,601,208	8.7	1,279,522	10.2	2,283,936	21.7	4,231,612	36.0	20,217,970	37.2	14,383,198	138.2	48,997,446
Continuing Existing Costs														
Information Technology Staff	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Other IT Costs		7,289,680		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		16,401,780
Total Continuing Existing IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Program Staff	918.0	51,431,824	226.9	12,243,143	225.4	11,365,617	213.9	11,457,367	199.7	10,250,181	198.4	10,224,187	1982.3	106,972,319
Other Program Costs		27,090,513		6,857,573		6,720,466		6,711,150		8,010,643		8,023,046		63,413,392
Total Continuing Existing Program Costs	918.0	78,522,337	226.9	19,100,716	225.4	18,086,083	213.9	18,168,517	199.7	18,260,824	198.4	18,247,233	1982.3	170,385,710
Total Continuing Existing Costs	948.0	89,339,297	234.4	21,804,956	232.9	20,790,323	221.4	20,872,757	207.2	20,965,064	205.9	20,951,473	2049.8	194,723,870
TOTAL ALTERNATIVE COSTS	972.4	95,940,505	243.1	23,084,478	243.1	23,074,259	243.1	25,104,369	243.1	41,183,034	243.1	35,334,671	2187.9	243,721,316
INCREASED REVENUES		0		0		0		0		0		0		0

SIMM 30C, Rev. 06/2014   **PROPOSED ALTERNATIVE: Business-Based Procurement & Implementation**

Date Prepared: 3/29/2018

Agency/state entity: Secretary of State   All Costs Should be shown in whole (unrounded) dollars.

Project: California Business Connect

	Subtotal		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs										
Staff (Salaries & Benefits)	138.2	16,831,627	18.8	2,370,020	0.0	0	0.0	0	157.0	19,201,647
Hardware Purchase		1,000,000		0		0		0		1,000,000
Software Purchase/License		1,604,672		0		0		0		1,604,672
Telecommunications		0		0		0		0		0
Contract Services										
Software Customization		17,166,046		1,000,000		0		0		18,166,046
Project Management		1,926,223		250,000		0		0		2,176,223
Project Oversight		605,370		56,280		0		0		661,650
IV&V Services		1,253,163		125,000		0		0		1,378,163
Other Contract Services		4,217,464		693,038		0		0		4,910,502
TOTAL Contract Services		25,168,266		2,124,318		0		0		27,292,584
Data Center Services		0		0		0		0		0
Agency Facilities		4,736		0		0		0		4,736
Other		3,125,645		422,154		0		0		3,547,799
Total One-time IT Costs	**138.2**	**47,734,946**	**18.8**	**4,916,492**	**0.0**	**0**	**0.0**	**0**	**157.0**	**52,651,438**
Continuing IT Project Costs										
Staff (Salaries & Benefits)	0.0	0	15.8	2,019,479	31.5	4,038,958	0.0	0	47.3	6,058,437
Hardware Lease/Maintenance		62,500		125,000		125,000		0		312,500
Software Maintenance/Licenses		1,200,000		1,351,250		1,352,500		0		3,903,750
Telecommunications		0		0		0		0		0
Contract Services		0		0		0		0		0
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		0		164,355		328,709		0		493,064
Total Continuing IT Costs	**0.0**	**1,262,500**	**15.8**	**3,660,084**	**31.5**	**5,845,167**	**0.0**	**0**	**47.3**	**10,767,751**
Total Project Costs	**138.2**	**48,997,446**	**34.6**	**8,576,575**	**31.5**	**5,845,167**	**0.0**	**0**	**204.2**	**63,419,188**
Continuing Existing Costs										
Information Technology Staff	67.5	7,936,380	3.8	440,910	0.0	0	0.0	0	71.3	8,377,290
Other IT Costs		16,401,780		911,210		0		0		17,312,990
Total Continuing Existing IT Costs	**67.5**	**24,338,160**	**3.8**	**1,352,120**	**0.0**	**0**	**0.0**	**0**	**71.3**	**25,690,280**
Program Staff	1982.3	106,972,319	182.3	9,685,884	166.6	9,102,975	0.0	0	2331.1	125,761,177
Other Program Costs		63,413,392		7,681,335		6,042,071		0		77,136,798
Total Continuing Existing Program	**1982.3**	**170,385,710**	**182.3**	**17,367,219**	**166.6**	**15,145,046**	**0.0**	**0**	**2331.1**	**202,897,975**
Total Continuing Existing Costs	**2049.8**	**194,723,870**	**186.1**	**18,719,339**	**166.6**	**15,145,046**	**0.0**	**0**	**2402.4**	**228,588,255**
TOTAL ALTERNATIVE COSTS	**2187.9**	**243,721,316**	**220.6**	**27,295,914**	**198.1**	**20,990,213**	**0.0**	**0**	**2606.6**	**292,007,443**
INCREASED REVENUES		0		0		0		0		0

6.16 SPR3 Alternative System Worksheet

SIMM 30C, Rev. 06/2014

ALTERNATIVE #1: In-House Developed Solution

Date Prepared: 3/29/2018

Agency/state entity: Secretary of State

Project: California Business Connect

All Costs Should be shown in whole (unrounded) dollars.

	FY 11/12-14/15 PYs	Amts	FY 2015/16 PYs	Amts	FY 2016/17 PYs	Amts	FY 2017/18 PYs	Amts	FY 2018/19 PYs	Amts	FY 2019/20 PYs	Amts	SUBTOTAL PYs	Amts
One-Time IT Project Costs														
Staff (Salaries & Benefits)	24.4	2,311,247	12.9	1,570,400	21.2	2,750,985	21.7	2,894,058	36.6	4,764,128	39.5	5,094,997	156.3	19,385,815
Hardware Purchase		0		0		0		0		215,000		237,000		452,000
Software Purchase/License		0		0		12,000		12,000		427,000		127,000		578,000
Telecommunications		0		0		0		0		0		0		0
Contract Services														
Software Customization		2,566,046		0		0		0		1,772,460		3,544,920		7,883,426
Project Management		275,335		236,640		237,000		237,000		237,000		237,000		1,459,975
Project Oversight		158,750		22,210		112,560		112,560		112,560		112,560		631,200
IV&V Services		352,460		216,000		216,000		216,000		216,000		216,000		1,432,460
Other Contract Services		517,580		0		949,446		418,788		590,968		1,132,458		3,609,240
TOTAL Contract Services		3,870,171		474,850		1,515,006		984,348		2,928,988		5,242,938		15,016,301
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		4,736		0		0		0		0		0		4,736
Other		415,053		135,568		299,776		346,005		1,335,174		615,012		3,146,588
Total One-time IT Costs	24.4	6,601,207	12.9	2,180,818	21.2	4,577,767	21.7	4,236,411	36.6	9,670,290	39.5	11,316,947	156.3	38,583,440
Continuing IT Project Costs														
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Hardware Lease/Maintenance		0		0		0		0		0		0		0
Software Maintenance/Licenses		0		0		0		0		0		0		0
Telecommunications		0		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0		0
Other		0		0		0		0		0		0		0
Total Continuing IT Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Project Costs	24.4	6,601,207	12.9	2,180,818	21.2	4,577,767	21.7	4,236,411	36.6	9,670,290	39.5	11,316,947	156.3	38,583,440
Continuing Existing Costs														
Information Technology Staff	30.0	3,527,280	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	67.5	7,936,380
Other IT Costs		7,289,680		1,822,420		1,822,420		1,822,420		1,822,420		1,822,420		16,401,780
Total Continuing Existing IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Program Staff	918.0	51,431,824	222.7	12,219,945	214.4	11,355,573	213.9	11,495,742	199.1	9,924,355	196.1	9,788,020	1964.1	106,215,459
Other Program Costs		27,090,513		6,854,323		6,717,216		6,711,150		6,518,100		6,479,750		60,371,051
Total Continuing Existing Program Co	918.0	78,522,337	222.7	19,074,268	214.4	18,072,789	213.9	18,206,892	199.1	16,442,455	196.1	16,267,770	1964.1	166,586,510
Total Continuing Existing Costs	948.0	89,339,297	230.2	21,778,508	221.9	20,777,029	221.4	20,911,132	206.6	19,146,695	203.6	18,972,010	2031.6	190,924,670
TOTAL ALTERNATIVE COSTS	972.4	95,940,504	243.1	23,959,326	243.1	25,354,797	243.1	25,147,543	243.1	28,816,984	243.1	30,288,957	2187.9	229,508,110
INCREASED REVENUES		0		0		0		0		0		0		0

ALTERNATIVE #1: In-House Developed Solution

Date Prepared: 3/29/2018

Agency/state entity: Secretary of State

All Costs Should be shown in whole (unrounded) dollars.

Project: California Business Connect

	SUBTOTAL		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs										
Staff (Salaries & Benefits)	156.3	19,385,815	39.3	5,059,831	39.3	5,059,831	0.0	0	234.9	29,505,477
Hardware Purchase		452,000		425,000		120,000		0		997,000
Software Purchase/License		578,000		412,000		307,000		0		1,297,000
Telecommunications		0		0		0		0		0
Contract Services										
Software Customization		7,883,426		5,238,045		3,873,870		0		16,995,341
Project Management		1,459,975		237,000		237,000		0		1,933,975
Project Oversight		631,200		112,560		112,560		0		856,320
IV&V Services		1,432,460		216,000		216,000		0		1,864,460
Other Contract Services		3,609,240		1,083,038		324,750		0		5,017,028
TOTAL Contract Services		15,016,301		6,886,643		4,764,180		0		26,667,124
Data Center Services		0		0		0		0		0
Agency Facilities		4,736		0		0		0		4,736
Other		3,146,588		632,852		513,400		0		4,292,840
Total One-time IT Costs	156.3	38,583,440	39.3	13,416,326	39.3	10,764,411	0.0	0	234.9	62,764,177
Continuing IT Project Costs										
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	29.5	3,757,914	29.5	3,757,914
Hardware Lease/Maintenance		0		0		0		125,000		125,000
Software Maintenance/Licenses		0		0		0		302,500		302,500
Telecommunications		0		0		0		0		0
Contract Services		0		0		0		0		0
Data Center Services		0		0		0		0		0
Agency Facilities		0		0		0		0		0
Other		0		0		0		389,143		389,143
Total Continuing IT Costs	0.0	0	0.0	0	0.0	0	29.5	4,574,557	29.5	4,574,557
Total Project Costs	156.3	38,583,440	39.3	13,416,326	39.3	10,764,411	29.5	4,574,557	264.4	67,338,734
Continuing Existing Costs										
Information Technology Staff	67.5	7,936,380	7.5	881,820	7.5	881,820	0.0	0	82.5	9,700,020
Other IT Costs		16,401,780		1,822,420		1,822,420		0		20,046,620
Total Continuing Existing IT Costs	67.5	24,338,160	7.5	2,704,240	7.5	2,704,240	0.0	0	82.5	29,746,640
Program Staff	1964.1	106,215,459	196.3	9,823,186	196.3	9,823,186	168.6	9,219,952	2525.3	135,081,783
Other Program Costs		60,371,051		6,482,350		6,482,350		5,698,850		79,034,600
Total Continuing Existing Program Costs	1964.1	166,586,510	196.3	16,305,536	196.3	16,305,536	168.6	14,918,802	2525.3	214,116,383
Total Continuing Existing Costs	2031.6	190,924,670	203.8	19,009,776	203.8	19,009,776	168.6	14,918,802	2607.8	243,863,023
TOTAL ALTERNATIVE COSTS	2187.9	229,508,110	243.1	32,426,102	243.1	29,774,187	198.1	19,493,359	2872.2	311,201,757
INCREASED REVENUES		0		0		0		0		0

6.17 SPR3 Economic Analysis Summary

ECONOMIC ANALYSIS SUMMARY
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 3/29/2018

	FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		SUBTOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM														
Total IT Costs	30.0	10,816,960	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	67.5	24,338,160
Total Program Costs	942.4	80,028,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2120.4	180,063,000
Total Existing System Costs	972.4	90,844,960	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2187.9	204,401,160
PROPOSED ALTERNATIVE						Business-Based Procurement & Implementation								
Total Project Costs	24.4	6,601,208	8.7	1,279,522	10.2	2,283,936	21.7	4,231,612	36.0	20,217,970	37.2	14,383,198	138.2	48,997,446
Total Cont. Exist. Costs	948.0	89,339,297	234.4	21,804,956	232.9	20,790,323	221.4	20,872,757	207.2	20,965,064	205.9	20,951,473	2049.8	194,723,870
Total Alternative Costs	972.4	95,940,505	243.1	23,084,478	243.1	23,074,259	243.1	25,104,369	243.1	41,183,034	243.1	35,334,671	2187.9	243,721,316
COST SAVINGS/AVOIDANCES	0.0	(5,095,545)	0.0	(373,238)	0.0	(363,019)	0.0	(2,393,129)	0.0	(18,471,794)	0.0	(12,623,431)	(0.0)	(39,320,156)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(5,095,545)	0.0	(373,238)	0.0	(363,019)	0.0	(2,393,129)	0.0	(18,471,794)	0.0	(12,623,431)	(0.0)	(39,320,156)
Cum. Net (Cost) or Benefit	0.0	(5,095,545)	0.0	(5,468,783)	0.0	(5,831,802)	0.0	(8,224,931)	0.0	(26,696,725)	0.0	(39,320,156)		
ALTERNATIVE #1						In-House Developed Solution								
Total Project Costs	24.4	6,601,207	12.9	2,180,818	21.2	4,577,767	21.7	4,236,411	36.6	9,670,290	39.5	11,316,947	156.3	38,583,440
Total Cont. Exist. Costs	948.0	89,339,297	230.2	21,778,508	221.9	20,777,029	221.4	20,911,132	206.6	19,146,695	203.6	18,972,010	2031.6	190,924,670
Total Alternative Costs	972.4	95,940,504	243.1	23,959,326	243.1	25,354,797	243.1	25,147,543	243.1	28,816,984	243.1	30,288,957	2187.9	229,508,110
COST SAVINGS/AVOIDANCES	0.0	(5,095,544)	0.0	(1,248,086)	0.0	(2,643,557)	0.0	(2,436,303)	0.0	(6,105,744)	0.0	(7,577,717)	0.0	(25,106,950)
Increased Revenues		0		0		0		0		0		0		0
Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(1,248,086)	0.0	(2,643,557)	0.0	(2,436,303)	0.0	(6,105,744)	0.0	(7,577,717)	0.0	(25,106,950)
Cum. Net (Cost) or Benefit	0.0	(5,095,544)	0.0	(6,343,630)	0.0	(8,987,186)	0.0	(11,423,489)	0.0	(17,529,233)	0.0	(25,106,950)		

ECONOMIC ANALYSIS SUMMARY

Date Prepared: 3/29/2018

Agency/state entity: Secretary of State

All costs to be shown in whole (unrounded) dollars.

Project: California Business Connect

	SUBTOTAL		FY 2020/21		FY 2021/22		FY 2022/23		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTIING SYSTEM										
Total IT Costs	67.5	24,338,160	7.5	2,704,240	7.5	2,704,240	7.5	2,704,240	90.0	32,450,880
Total Program Costs	2120.4	180,063,000	235.6	20,007,000	235.6	20,007,000	235.6	20,007,000	2827.2	240,084,000
Total Existing System Costs	2187.9	204,401,160	243.1	22,711,240	243.1	22,711,240	243.1	22,711,240	2917.2	272,534,880
PROPOSED ALTERNATIVE	**Business-Based Procurement & Implementation**									
Total Project Costs	138.2	48,997,446	34.6	8,576,575	31.5	5,845,167	0.0	0	204.2	63,419,188
Total Cont. Exist. Costs	2049.8	194,723,870	186.1	18,719,339	166.6	15,145,046	0.0	0	2402.4	228,588,255
Total Alternative Costs	2187.9	243,721,316	220.6	27,295,914	198.1	20,990,213	0.0	0	2606.6	292,007,443
COST SAVINGS/AVOIDANCES	0.0	(39,320,156)	22.5	(4,584,674)	45.0	1,721,027	243.1	22,711,240	310.6	(19,472,563)
Increased Revenues		0		0		0		0		0
Net (Cost) or Benefit	0.0	(39,320,156)	22.5	(4,584,674)	45.0	1,721,027	243.1	22,711,240	310.6	(19,472,563)
Cum. Net (Cost) or Benefit	0.0	(39,320,156)	22.5	(4,584,674)	45.0	1,721,027	243.1	22,711,240	310.6	(19,472,563)
ALTERNATIVE #1	**In-House Developed Solution**									
Total Project Costs	156.3	38,583,440	39.3	13,416,326	39.3	10,764,411	29.5	4,574,557	264.4	67,338,734
Total Cont. Exist. Costs	2031.6	190,924,670	203.8	19,009,776	203.8	19,009,776	168.6	14,918,802	2607.8	243,863,023
Total Alternative Costs	2187.9	229,508,110	243.1	32,426,102	243.1	29,774,187	198.1	19,493,359	2872.2	311,201,757
COST SAVINGS/AVOIDANCES	0.0	(25,106,950)	0.0	(9,714,862)	0.0	(7,062,947)	45.0	3,217,881	45.0	(38,666,877)
Increased Revenues		0		0		0		0		0
Net (Cost) or Benefit	0.0	(25,106,950)	0.0	(9,714,862)	0.0	(7,062,947)	45.0	3,217,881	45.0	(38,666,877)
Cum. Net (Cost) or Benefit	0.0	(25,106,950)	0.0	(9,714,862)	0.0	(7,062,947)	45.0	3,217,881	45.0	(38,666,877)

* Proposed Alternative will complete 1 year M&O in FY 2021/22, and the project will close. Cost Savings data in FY 2022/23 for the Proposed Alternative is erroneous.

6.18 SPR3 Project Funding Plan

PROJECT FUNDING PLAN

All Costs to be in whole (unrounded) dollars

Date Prepared: 3/29/2018

FY	11/12-14/15	FY	2015/16	FY	2016/17	FY	2017/18	FY	2018/19	FY	2019/20	SUBTOTALS	
PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
24.4	6,601,208	8.7	1,279,522	10.2	2,283,936	21.7	4,231,612	36.0	20,217,970	37.2	14,383,198	138.2	48,997,446
24.4	2,067,615	8.7	994,550	10.2	1,115,247	21.7	2,162,733	36.0	3,555,169	37.2	3,597,413	138.2	13,492,727
	0		0		0		0		0		0		0
	0		0		262,000		262,000		0		0		524,000
24.4	2,067,615	8.7	994,550	10.2	1,377,247	21.7	2,424,733	36.0	3,555,169	37.2	3,597,413	138.2	14,016,727
0.0	4,533,593	0.0	284,972	0.0	906,689	0.0	1,806,879	0.0	16,662,801	0.0	10,785,785	0.0	34,980,719
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0.0	4,533,593	0.0	284,972	0.0	906,689	0.0	1,806,879	0.0	16,662,801	0.0	10,785,785	0.0	34,980,719
24.4	6,601,208	8.7	1,279,522	10.2	2,283,936	21.7	4,231,612	36.0	20,217,970	37.2	14,383,198	138.2	48,997,446
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
100%	6,601,208	100%	1,279,522	100%	2,283,936	100%	4,231,612	100%	20,217,970	100%	14,383,198	100%	48,997,446
0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
100%	6,601,208	100%	1,279,522	100%	2,283,936	100%	4,231,612	100%	20,217,970	100%	14,383,198	100%	48,997,446

also needed for temporary staff (and corresponding DGS fees) to backfill staff positions redirected to the project ($344,000) and credit card service fees
increased documents being submitted and paid for online as a result of the project ($1.466 million).

ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET

Date Prepared: 3/29/2018

FY 11/12-14/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20	
PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
0.0	0	0.0	4,533,593	0.0	284,972	0.0	906,689	0.0	1,806,879	0.0	16,662,801
0.0	4,533,593	0.0	(4,248,621)	0.0	621,717	0.0	900,190	0.0	14,855,922	0.0	(5,877,016)
0.0	4,533,593	0.0	284,972	0.0	906,689	0.0	1,806,879	0.0	16,662,801	0.0	10,785,785
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
0.0	4,533,593	0.0	(4,248,621)	0.0	621,717	0.0	900,190	0.0	14,855,922	0.0	(5,877,016)

Needed [B + D]

s

| 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 | 0.0 | 0 |
| | 0 | | 0 | | 0 | | 0 | | 0 | | 0 |

PROJECT FUNDING PLAN

Agency/state entity: Secretary of State

All Costs to be in whole (unrounded) dollars

Date Prepared: 3/29/2018

Project: California Business Connect

	SUBTOTALS		FY 2020/21		FY 2021/22		FY 2022/23		FY 0		FY 0		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	138.2	48,997,446	34.6	8,576,575	31.5	5,845,167	0.0	0	0.0	0	0.0	0	204.2	63,419,188
RESOURCES TO BE REDIRECTED														
Staff	138.2	13,492,727	34.6	3,141,186	31.5	2,641,874	0.0	0	0.0	0	0.0	0	204.2	18,297,334
Funds:														
Existing System		0		911,210		1,817,937		0		0		0		2,729,147
Other Fund Sources		524,000		0		0		0		0		0		524,000
TOTAL REDIRECTED RESOURCE	138.2	14,016,727	34.6	4,052,396	31.5	4,459,811	0.0	0	0.0	0	0.0	0	204.2	22,528,934
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	0.0	34,980,719	0.0	1,640,605	0.0	0	0.0	0	0.0	0	0.0	0	0.0	36,621,324
Continuing Project Costs	0.0	0	0.0	2,883,574	0.0	1,385,356	0.0	0	0.0	0	0.0	0	0.0	4,268,930
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR*	0.0	34,980,719	0.0	4,524,179	0.0	1,385,356	0.0	0	0.0	0	0.0	0	0.0	40,890,254
TOTAL PROJECT FUNDING	138.2	48,997,446	34.6	8,576,575	31.5	5,845,167	0.0	0	0.0	0	0.0	0	204.2	63,419,188
Difference: Funding - Costs	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0
Total Estimated Cost Savings	0.0	0	(22.5)	(3,785,124)	(45.0)	(7,570,247)	0.0	0					(67.5)	(11,355,371)
FUNDING SOURCE														
General Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Federal Fund	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
Special Fund	100%	48,997,446	100%	8,576,575	100%	5,845,167	0%	0	0%	0	0%	0	100%	63,419,188
Reimbursement	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
TOTAL FUNDING	100%	48,997,446	100%	8,576,575	100%	5,845,167	0%	0	0%	0	0%	0	100%	63,419,188

*1. An additional $1.81 million from BFF is also needed for temporary staff (and corresponding DGS fees) to backfill staff positions redirected to the project ($344,000) and credit card service fees (and the corresponding DGS fees) due to increased documents being submitted and paid for online as a result of the project ($1.466 million).

ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET

Date Prepared: 3/29/2018

Annual Project Adjustments		FY 2020/21 PYs	FY 2020/21 Amts	FY 2021/22 PYs	FY 2021/22 Amts	FY 2022/23 PYs	FY 2022/23 Amts	FY 0 PYs	FY 0 Amts	FY 0 PYs	FY 0 Amts	Net Adjustments PYs	Net Adjustments Amts
One-time Costs													
Previous Year's Baseline		0.0	10,785,785	0.0	1,640,605	0.0	0	0.0	0	0.0	0		
(A) Annual Augmentation /(Reduction)		0.0	(9,145,180)	0.0	(1,640,605)	0.0	0	0.0	0	0.0	0		
(B) Total One-Time Budget Actions		0.0	1,640,605	0.0	0	0.0	0	0.0	0	0.0	0	0.0	36,621,324
Continuing Costs													
Previous Year's Baseline		0.0	0	0.0	0	0.0	(1,498,218)	0.0	(2,883,574)	0.0	(2,883,574)		
(C) Annual Augmentation /(Reduction)		0.0	0	0.0	(1,498,218)	0.0	(1,385,356)	0.0	0	0.0	0		
(D) Total Continuing Budget Actions		0.0	0	0.0	(1,498,218)	0.0	(2,883,574)	0.0	(2,883,574)	0.0	(2,883,574)	0.0	(10,148,940)
Total Annual Project Budget Augmentation /(Reduction) [A + C]		0.0	(9,145,180)	0.0	(3,138,823)	0.0	(1,385,356)	0.0	0	0.0	0		

[A, C] Excludes Redirected Resources

Total Additional Project Funds Needed [B + D]   0.0   26,472,384

Annual Savings/Revenue Adjustments

		FY 2020/21 PYs	FY 2020/21 Amts	FY 2021/22 PYs	FY 2021/22 Amts	FY 2022/23 PYs	FY 2022/23 Amts	FY 0 PYs	FY 0 Amts	FY 0 PYs	FY 0 Amts
Cost Savings		(22.5)	(3,785,124)	(22.5)	(3,785,124)	45.0	7,570,247	0.0	0	0.0	0
Increased Program Revenues			0		0		0		0		0

Addendum A: Project Schedule

Project Phase	Milestones and Deliverables	Start Date	End Date
Planning (Re-plan)			
	SPR#3 approved	10/2/2017	4/2018
Project Phase	Milestones and Deliverables	Start Date	End Date
Budget Action	Prepare and submit Budget Change Proposal (BCP) to Department of Finance for FY18/19	7/3/2017	2/9/2018
Module Rollouts			
Module 1: BE Online Forms (repeatable, iterative planning, development, testing and implementation)			
Decision Checkpoint	Approve (Go/No Go for Module 1 - Pilot)	7/24/2017	7/24/2017
Procurement	Procurement of Form Builder and Workflow tool using CDT VHSS	7/24/2017	8/30/2017
Planning	Pilot (LLC Formation – 1st form)	7/24/2017	8/14/2017
Decision Checkpoint	Organizational change management - (Pilot; decision to handle internally due to urgency and smaller project team to train)	7/31/2017	7/31/2017
Initiation	Pilot form requirements determined	8/9/2017	8/21/2017
Design	Pilot Design (based on ITD AIMS design modules)	8/2/2017	8/21/2017
Software Customization	Form and workflow developed using Form Builder Workflow tool (Started as proof of concept; proof of concept completed, but remaining development placed on hold due to Trademarks pilot, restarted after Trademarks pilot completed)	8/21/2017	4/2018
Data Migration	Data Migration will take place in Module 4	See Module 4	See Module 4
Testing	Pilot testing	10/13/2017	4/2018
Implementation	Move pilot to production	5/2018	5/2018
Production	Pilot Stabilization Period	5/2018	6/2018
…….with completion of successful pilot, the following tasks will be performed in an iterative process for high volume BE forms between May 2018 and November 2019			
Initiation	Update Project Management Plans (work with IPO to revise CBC plans for modular rollout)	5/2018	7/2018
Initiation	Form requirements determined	5/2018	9/2019

Software Customization	Form and workflow developed using Form Builder Workflow tool	5/2018	10/2019
Data Migration	Data Migration will take place in Module 4	See Module 4	See Module 4
Testing	Testing	5/2018	10/2019
Implementation	Move final form to Production	11/15/2019	11/15/2019
Stabilization	....Final stabilization period	11/18/2019	12/20/2019
Legacy System Decommission	Legacy Decommission of Mainframe performed after completion of Module 4	See Module 4	See Module 4
Production	Module 1 Closeout report	12/20/2019	1/31/2019

Module 2: Trademarks			
Decision Checkpoint	Approve (Go/No Go for Module 2 Pilot)	11/17/2017	11/17/2017
Procurement	Used software from Module 1 pilot	See Module 1	See Module 1
Planning	Pilot – Trademarks Registration	11/21/2017	11/21/2017
Initiation	Pilot form requirements determined	11/20/2017	11/28/17
Decision Checkpoint	Organizational change management - (decision to handle internally due to urgency and smaller project team to train)	11/30/2017	11/30/2017
Design	Pilot Design (based on ITD AIMS design modules)	11/21/2017	11/21/2017
Software Customization	Form and workflow developed using Form Builder Workflow tool	11/22/2017	12/8/17
Testing	Pilot testing	12/11/18	12/28/18
Implementation	Move pilot to production	1/11/18	1/11/18
Production	Pilot Stabilization Period	1/12/18	2/9/18
…… with the successful completion of the Trademarks/Service Marks Registration pilot, to complete Module 2 the following tasks are planned			

Initiation	Determine remaining requirements	1/2018	5/2018
Initiation	Update Project Management Plans (work with IPO to revise CBC plans for modular rollout)	5/2018	7/2018
Procurement	Release TM/SM RFO	8/1/2018	8/1/2018
Procurement	TM/SM Contract Award	9/17/2018	9/17/2018
Procurement	TM/SM Vendor Onboard	9/24/2018	9/24/2018
Software Customization	Develop remaining functionality	9/2018	3/2019
Data Migration	Vendor will migrate legacy data from Access DB	2/2019	5/30/2019
Testing	Testing	3/2019	4/2019
Implementation	Final move to Production	4/26/2019	4/26/2019
Production	Stabilization Period	4/29/2018	5/31/2019
Legacy System Decommission	Decommission small Access DB on server	5/31/2019	5/31/2019
Production	Module 2 Closeout report	5/31/2019	6/26/2019

Module 3: Uniform Commercial Code (UCC)			
Decision Checkpoint	Approve (Go/No Go for Module 3)	7/2/2018	7/2/2018
Initiation	Determine UCC requirements	3/2018	7/2018
Procurement	Organizational Change Management RFO	7/2018	9/2018
Procurement	Release UCC RFO Procure development vendor(s) through RFO (will include UCC Data Migration and Legacy mainframe decommission)	12/28/2018	12/28/2018
Procurement	UCC Contract Award	4/5/2019	4/5/2019
Procurement	UCC Vendor Onboard	4/22/2019	4/22/2019
Initiation	Project management plan (update CBC)	5/2019	6/2019
Initiation	Organizational change management plan (update CBC)	5/2019	6/2019
Design	Design (follow Agency AIMS plan)	5/2019	6/2019
Software Customization	Development UCC Replacement System	5/2019	4/2020
Data Migration	Migrate Data from Legacy Mainframe	4/2020	7/17/2020
Testing	Testing	5/2020	7/14/2020
Implementation	Move to production	7/17/2020	7/17/2020
Production	Stabilization Period	7/17/2020	8/28/2020
Legacy System Decommission	Vendor, SOS and CDT perform decommission tasks	8/28/2020	8/28/2020
Production	Module 3 Closeout report	8/28/2020	9/30/2020

Module 4: Business Entities (remaining features/functionality)			
Decision Checkpoint	Approve (Go/No Go for Module 4)	7/1/2019	7/1/2019
Initiation	Determine remaining BE requirements	1/2019	3/2019
Procurement	Release BE RFO Procure development vendor(s) through RFO (will include BE Data Migration and Legacy mainframe decommission)	7/20/2019	7/20/2019
Procurement	BE Contract Award	8/23/2019	8/23/2019
Procurement	BE Vendor Onboard	10/19/2019	10/19/2019
Initiation	Project management plan (update CBC)	10/2019	11/2019
Initiation	Organizational change management plan (update CBC)	11/2019	12/2019
Design	Design document deliverable	10//2019	11//2019
Software Customization	Development remaining BE functionality	10/2019	10/2020
Production	Migrate or archive any remaining data from legacy mainframe according to CBC Data Migration Plan	8/2020	11/30/2020
Testing	Testing	10/20/2020	11/20/2020
Implementation	Move to production	11/30/2020	11/30/2020
Production	Stabilization Period	11/30/2020	12/31/2020
Production	Decommission Mainframe	1/2/2021	1/2/2021
Production	Module 4 Closeout report	1/4/2021	2/5/2021

Post Implementation and Project Closeout			
Post Implementation	Project Closeout report	2/6/2021	6/30/2021
Post Implementation	Maintenance (M&O performed at completion of all modules)	9/1/2018	6/30/2021
Post Implementation	Post Implementation Evaluation Report (PIER)	7/1/2021	12/31/2021