



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

**California Business Connect Special Project Report**

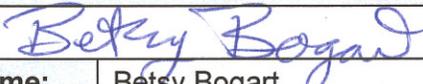
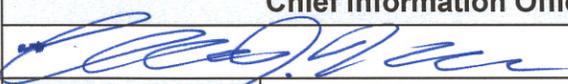
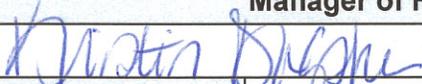
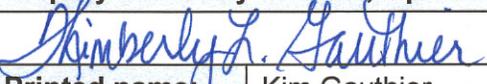
December 2013

# Table of Contents

<b>1.0</b>	<b>EXECUTIVE PROJECT APPROVAL TRANSMITTAL</b>	<b>3</b>
<b>2.0</b>	<b>UPDATED IT PROJECT SUMMARY PACKAGE</b>	<b>4</b>
<b>3.0</b>	<b>PROPOSED PROJECT CHANGE</b>	<b>14</b>
3.1	PROJECT BACKGROUND / SUMMARY	14
3.2	PROJECT STATUS	15
3.3	REASON FOR PROPOSED CHANGE	16
3.4	PROPOSED PROJECT CHANGE	16
3.4.1	SCHEDULE	16
3.4.2	BUDGET	16
3.4.3	SCOPE	17
3.4.3.1	Business Requirements	17
3.4.3.2	Backup Recovery and Disaster Recovery Requirements	18
3.5	IMPACT OF THE PROPOSED CHANGE ON THE PROJECT	18
3.5.1	PROJECT SCHEDULE	18
3.5.2	PROJECT BUDGET	19
3.5.2.1	California Business Connect Solution IT One-Time Costs	23
3.5.2.2	California Business Connect Solution IT Continuing Costs	23
3.5.2.3	California Business Connect Solution Project Total Cost	24
3.5.3	PROJECT SCOPE AND STRATEGY	24
3.6	FEASIBLE ALTERNATIVES CONSIDERED	24
3.7	RECOMMENDED ALTERNATIVE	25
3.7.1	SOLUTION DESCRIPTION	25
3.7.1.1	Hardware	25
3.7.1.2	Software	25
3.7.1.3	Technical Platform/Network	26
3.7.1.4	Technical Interfaces	27
3.7.1.5	System Security	27
3.7.1.6	Training and Testing	27
3.7.1.7	Backup and Disaster Recovery	27
3.7.1.8	Data Center	28
3.7.1.9	Data Conversion	28
3.8	IMPLEMENTATION APPROACH	29
<b>4.0</b>	<b>UPDATED PROJECT MANAGEMENT PLAN</b>	<b>30</b>
4.1	PROJECT MANAGER QUALIFICATIONS	30
4.2	PROJECT MANAGEMENT METHODOLOGY	30
4.3	PROJECT ORGANIZATION	30
4.4	PROJECT PRIORITIES	35
4.5	PROJECT PLAN	35
4.5.1	PROJECT SCOPE	35
4.5.2	PROJECT ASSUMPTIONS	35
4.5.3	PROJECT PHASING	35
4.5.4	PROJECT ROLES AND RESPONSIBILITIES	36
4.5.5	PROJECT SCHEDULE	37
4.6	PROJECT MONITORING AND OVERSIGHT	37
4.7	PROJECT QUALITY	38
4.8	CHANGE MANAGEMENT	38
4.9	AUTHORIZATION REQUIRED	38
<b>5.0</b>	<b>UPDATED RISK MANAGEMENT PLAN</b>	<b>38</b>
<b>6.0</b>	<b>UPDATED ECONOMIC ANALYSIS WORKSHEETS</b>	<b>44</b>
6.1	ECONOMIC ANALYSIS WORKSHEET FROM THE ORIGINAL FEASIBILITY STUDY REPORT	45
6.1.1	FSR EXISTING SYSTEM / BASELINE COST WORKSHEET	45
6.1.2	FSR APPROVED ALTERNATIVE	46
6.1.3	FSR ECONOMIC ANALYSIS SUMMARY	47

6.1.4 FSR PROJECT FUNDING PLAN ..... 48  
6.2 ECONOMIC ANALYSIS WORKSHEETS - SPECIAL PROJECT REPORT ..... 49  
6.2.1 SPR EXISTING SYSTEM / BASELINE COST WORKSHEET ..... 49  
6.2.2 SPR PROPOSED ALTERNATIVE ..... 50  
6.2.3 SPR ECONOMIC ANALYSIS SUMMARY ..... 51  
6.2.4 SPR PROJECT FUNDING PLAN ..... 52

# 1.0 Executive Project Approval Transmittal

<b>Information Technology Project Request</b>  <b>Special Project Report</b> <b>Executive Approval Transmittal</b>		 <b>Debra Bowen</b>
<b>Department Name</b>		
Secretary of State		
<b>Project Title (maximum of 75 characters)</b>		
California Business Connect		
<b>FSR Project ID</b>	<b>FSR Approval Date</b>	<b>FSR Project ID</b>
0890-47	4/1/2011	0890-47
<p>The attached Special Project Report (SPR) is being submitted in support of the Secretary of State's request for Department of Technology approval to continue design, development, and implementation of the California Business Connect Project.</p> <p>I certify that the SPR was prepared in accordance with the State Administrative Manual Sections 4945-4945.2 and that the proposed project changes are consistent with Secretary of State information management strategy as expressed in its current Agency Information Management Strategy (AIMS).</p> <p>I have reviewed and agree with the information in the attached SPR.</p> <p>I also certify that the acquisition of the applicable information technology (IT) product(s) or service(s) required by the Secretary of State's office that are subject to Government Code 11135 applying Section 508 of the Rehabilitation Act of 1973 as amended meets the requirements or qualifies for one or more exceptions (see following page).</p>		
<b>APPROVAL SIGNATURES</b>		
<b>Chief, Business Programs / Project Co-Sponsor</b>		<b>Date Signed</b>
		12/2/2013
<b>Printed name:</b>	Betsy Bogart	
<b>Chief Information Officer</b>		<b>Date Signed</b>
		12/2/2013
<b>Printed name:</b>	Chris Maio	
<b>Manager of Fiscal Affairs</b>		<b>Date Signed</b>
		12/2/13
<b>Printed name:</b>	Kristin Dagsher	
<b>Information Security Officer</b>		<b>Date Signed</b>
		12/2/2013
<b>Printed name:</b>	Wendell Christopher	
<b>Deputy Secretary of State, Operations / Project Co-Sponsor</b>		<b>Date Signed</b>
		12/2/13
<b>Printed name:</b>	Kim Gauthier	

## Executive Approval Transmittal IT Accessibility Certification

### 2.0 Updated IT Project Summary Package

Yes or No

<b>Yes</b>	<b>The Proposed Project Meets Government Code 11135 / Section 508 Requirements and no exceptions apply.</b>
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#### 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	<p>Meeting the accessibility requirements would constitute an "undue burden" (i.e., a significant difficulty or expense considering all agency resources).</p> <p>Explain:</p> <p><b>The Systems Integration Contractor's solution is required to meet accessibility standards.</b></p> <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>
No	<p>No commercial solution is available to meet the requirements for the IT project that provides for accessibility.</p> <p>Explain:</p> <p><b>The Systems Integration Contractor's solution is required to meet accessibility standards.</b></p> <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>

**Special Project Report  
Executive Approval Transmittal  
IT Accessibility Certification  
(continued)**

**Exceptions Requiring Alternative Means of Access for Persons with Disabilities**

<b>Yes or No</b>	<b>Accessibility Exception Justification</b>
No	<p>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:</p> <p><b>The Systems Integration Contractor's solution is required to meet accessibility standards.</b></p> <p>Describe the alternative means of access that will be provided that will allow individuals with disabilities to obtain the information or access the technology.</p>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION A: EXECUTIVE SUMMARY**

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1.	<b>Submittal Date</b>	December 2, 2013
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2.	<b>Type of Document</b>	FSR	SPR	PSP Only	Other:
	<b>Project Number</b>	0890-47			

3.	<b>Project Title</b>	California Business Connect	<b>Estimated Project Dates</b>	
	<b>Project Acronym</b>	California Business Connect	<b>Start</b>	<b>End</b>
			7/1/2011	6/30/2016

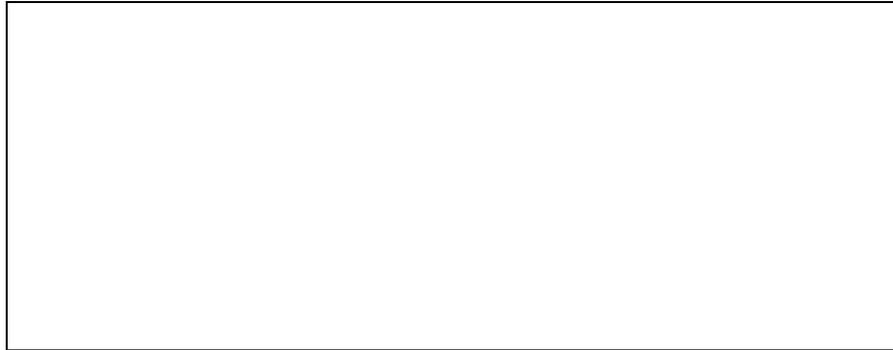
4.	<b>Submitting Department</b>	Secretary of State
5.	<b>Reporting Agency</b>	Secretary of State

6.	<b>Project Objectives</b>
	<p><b>This project has two primary objectives and metrics under each:</b>  <b>Ensures Secretary of State is compliant with the law and the State Administrative Manual</b></p> <ul style="list-style-type: none"> <li>• Make all data from Statements of Information (who is running the business) available online</li> <li>• Respond to Public Records Act requests within 10 days</li> <li>• Process checks within 1 day</li> <li>• Prevent registration of conflicting trademarks</li> </ul> <p><b>Secretary of State Stewardship of Records</b></p> <ul style="list-style-type: none"> <li>• Capture 100% of data electronically to process, store, and retrieve records</li> <li>• Allow system crosschecks and validation of 100% of entered data</li> <li>• Make data available electronically to government agencies in real time</li> <li>• Continue to meet the 2013 Legislative recommendation and Secretary of State goal to reduce and maintain turnaround times for business filings at an average 5 business days</li> <li>• Secure back-up of filed information</li> </ul>

8.	<b>Major Milestones</b>	<b>Est Complete Date</b>
	Receive FSR Approval	4/1/2011
	Release of RFP	8/29/2012
	Contract Award	2/25/2014
	Project Initiation and Planning	4/30/2014
	Design	3/16/2015
	Development	12/31/2015
	Testing	5/23/2016
	Deployment	6/30/2016
	First Year Contract Maintenance and Operations	6/30/2017
	PIER	6/30/2017
	<b>Key Deliverables</b>	
	Project Management Plan	4/30/2014
	Technical Architecture Plan	3/16/2015
	Detailed Design Specifications	3/16/2015
	Data Conversion Plan	3/16/2015
	System Security Plan	3/16/2015
	Master Test Plan	12/31/2015
	Implementation Plan	12/31/2015
	Training Materials	12/31/2015

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION A: EXECUTIVE SUMMARY**

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Maintenance and Operations Transition Plan	<b>5/23/2016</b>
Maintenance and Operations Plan	<b>5/23/2016</b>
Source Code and Documentation	<b>6/30/2016</b>
Staff Training Completed	<b>6/30/2016</b>
Certification Document of the Delivery of the California Business Connect Solution	<b>6/30/2016</b>
First Year Contract Maintenance and Operations	<b>6/30/2017</b>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE**  
**SECTION A: EXECUTIVE SUMMARY**

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<b>7.</b>	<p><b>Proposed Solution</b></p> <p>The Secretary of State's staff is instrumental in helping businesses get established in California by processing and filing more than 2 million documents and requests for information each year. The Secretary of State's California Business Connect Solution will automate the Secretary of State's archaic, labor-intensive paper processes that are prone to human error, put vital state records at risk, and present difficulties in complying with current (and new) legislative mandates.</p> <p>The California Business Connect Solution will help businesses create jobs faster and speed up the collection of sales, property, and other taxes and fees by providing California businesses with the ability to file online and receive the required response from the Secretary of State's office within a few hours or days. California Business Connect will also help avoid processing fluctuations that vacillate between days, weeks and months, depending on the time of year as was historically the case prior to receiving the additional temporary funding (FY 2013/14 through FY 2015/16) and limited term positions to reach and maintain an average 5 business days processing time.</p> <p>The information captured electronically, including online and internal automated workflow processing along with a centralized database for permanent records, will benefit businesses, the economy, and the taxpayers as well as the Secretary of State and other state government agencies.</p> <p>The proposed solution will address the requirements of the California Business Connect Project by implementing an integrated automated solution that has highly configurable, out-of-the-box components requiring minimal customization, while still being robust, secure, and easy to operate.</p> <p>The Secretary of State proposes the following to meet the California Business Connect objectives:</p> <ul style="list-style-type: none"><li>• Acquisition of Systems Integration contract services to:<ul style="list-style-type: none"><li>○ Provide and configure multiple commercial off-the-shelf products to replace 23 existing automated and manual systems that receive and process business filings.</li><li>○ Custom develop new technical interfaces with other state government agencies, including the Employment Development Department, Board of Equalization , Franchise Tax Board , Attorney General's Office, and Department of Finance, as well as other external clients.</li><li>○ Develop new databases to serve as the repository for all business filing data and images.</li><li>○ Convert and migrate legacy data to the new system.</li><li>○ Develop a web portal to provide a secure public interface to file documents, request information, and search for all publicly-accessible data and images.</li></ul></li><li>• The California Business Connect solution will leverage the Secretary of State's Statewide Voter Registration Database project implementation of a backup, restore, and disaster recovery solution.</li></ul>
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**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION B: PROJECT CONTACTS**

<b>Project #</b>	<b>0890-47</b>
<b>Doc. Type</b>	<b>SPR</b>

<b>Executive Contacts</b>								
	<b>First Name</b>	<b>Last Name</b>	<b>Area Code</b>	<b>Phone #</b>	<b>Ext.</b>	<b>Area Code</b>	<b>Fax #</b>	<b>E-mail</b>
<b>Project Co-Sponsor</b>	Kim	Gauthier	916	654-8365		916	653-4795	<a href="mailto:Kim.Gauthier@sos.ca.gov">Kim.Gauthier@sos.ca.gov</a>
<b>Project Co-Sponsor</b>	Betsy	Bogart	916	651-6973		916	653-1315	<a href="mailto:Betsy.Bogart@sos.ca.gov">Betsy.Bogart@sos.ca.gov</a>
<b>Fiscal Affairs Manager</b>	Kristin	Dagsher	916	653-7288		916	653-8544	<a href="mailto:Kristin.Dagsher@sos.ca.gov">Kristin.Dagsher@sos.ca.gov</a>
<b>CIO</b>	Chris	Maio	916	653-7835		916	653-2151	<a href="mailto:Chris.Maio@sos.ca.gov">Chris.Maio@sos.ca.gov</a>
<b>Project Director</b>	Keson	Khieu	916	651-5471		916	653-4834	<a href="mailto:Keson.Khieu@sos.ca.gov">Keson.Khieu@sos.ca.gov</a>

<b>Direct Contacts</b>								
	<b>First Name</b>	<b>Last Name</b>	<b>Area Code</b>	<b>Phone #</b>	<b>Ext.</b>	<b>Area Code</b>	<b>Fax #</b>	<b>E-mail</b>
<b>Doc. prepared by</b>	Secretary of State Staff from ITD, BPD, MSD and PMO		916	653-6113		916	653-4620	<a href="mailto:Eric.Kapucinski@sos.ca.gov">Eric.Kapucinski@sos.ca.gov</a>
<b>Primary contact</b>	Betsy	Bogart	916	651-6973		916	653-1315	<a href="mailto:Betsy.Bogart@sos.ca.gov">Betsy.Bogart@sos.ca.gov</a>
<b>Project Manager</b>	Eric	Kapucinski	916	653-6113		916	653-4620	<a href="mailto:Eric.Kapucinski@sos.ca.gov">Eric.Kapucinski@sos.ca.gov</a>

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION D: BUDGET INFORMATION**

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**Project Relevance to State and/or Departmental Plans**

1.	What is the date of your current Operational Recovery Plan (ORP)?	Date	10/2012
2.	What is the date of your current Agency Information Management Strategy (AIMS)?	Date	12/2000
3.	For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.	Doc.	Strategic Plan 2010-2012
		Page #	4-6

Project #	0890-47
Doc. Type	SPR

4.	Is the project reportable to control agencies?	X	Yes
	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 cost exceeds the departmental 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.	

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION D: BUDGET INFORMATION**

**Budget Information**

<b>Project #</b>	<b>0890-47</b>
<b>Doc. Type</b>	<b>SPR</b>

<b>Budget Augmentation Required?</b>												
	<b>No</b>											
	<b>Yes</b>	<b>X</b>	<b>If YES, indicate fiscal year(s) and associated amount:</b>									
			<b>FY</b>	<b>2011/12</b>	<b>FY</b>	<b>2012/13</b>	<b>FY</b>	<b>2013/14</b>	<b>FY</b>	<b>2014/15</b>	<b>FY</b>	<b>2015/16</b>
				\$ 561,134		\$386,175		\$1,506,865		\$4,313,339		\$7,481,187

**PROJECT COSTS**

1.	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	TOTAL
2.	One-Time Cost	\$1,037,756	\$809,652	\$2,755,851	\$7,165,763	\$10,376,715		\$22,145,737
3.	Continuing Costs						\$4,779,342	\$4,779,342
4.	<b>TOTAL PROJECT BUDGET<sup>1</sup></b>	<b>\$1,037,756</b>	<b>\$809,652</b>	<b>\$2,755,851</b>	<b>\$7,165,763</b>	<b>\$10,376,715</b>	<b>\$4,779,342</b>	<b>\$26,925,079</b>

**PROJECT FINANCIAL BENEFITS**

5.	Cost Savings/Avoidances	\$	\$	\$	\$	\$	\$7,096,546	\$7,096,546
6.	Revenue Increase	\$	\$	\$	\$	\$	\$	\$

<sup>1</sup> In addition to this funding the Secretary of State 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.

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION E: VENDOR PROJECT BUDGET**

**Vendor Project Budget**

<b>Vendor Cost for SPR Development (if applicable)</b>	\$40,200
<b>Vendor Name</b>	Informatix, Inc.

<b>Project #</b>	0890-47
<b>Doc. Type</b>	SPR

**VENDOR PROJECT BUDGET**

1.	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	
2.	<b>Primary Vendor Budget</b>			\$1,143,128	\$2,446,241	\$4,626,026	\$729,820	<b>\$8,945,215</b>
3.	<b>Independent Oversight Budget</b>			\$78,750	\$105,000	\$105,000		<b>\$288,750</b>
4.	<b>IV&amp;V Budget</b>	\$118,030	\$96,300	\$130,000	\$130,000	\$130,000		<b>\$604,330</b>
5.	<b>Other Budget</b>	\$386,369	\$185,046	\$150,000	\$405,500	\$1,280,500	\$800,000	<b>\$3,207,415</b>
6.	<b>TOTAL VENDOR BUDGET</b>	<b>\$504,399</b>	<b>\$281,346</b>	<b>\$1,501,878</b>	<b>\$3,086,741</b>	<b>\$6,141,526</b>	<b>\$1,529,820</b>	<b>\$13,045,710</b>

------(Applies to SPR only)-----

**PRIMARY VENDOR HISTORY SPECIFIC TO THIS PROJECT**

7.	<b>Primary Vendor</b>	Bodhtree Solutions, Inc.
8.	<b>Contract Start Date (projected)</b>	2/25/2014
9.	<b>Contract End Date (projected)</b>	6/30/2017
10.	<b>Amount</b>	\$8,945,215

**PRIMARY VENDOR CONTACTS**

	Vendor	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
11.	Bodhtree Solutions, Inc.	Manju	Devadas	510	676-5064		866	372-8620	mdevadas@bodhtree.com
12.									
13.									

**INFORMATION TECHNOLOGY PROJECT SUMMARY PACKAGE  
SECTION F: RISK ASSESSMENT**

<b>Project #</b>	<b>0890-47</b>
<b>Doc. Type</b>	<b>SPR</b>

**RISK ASSESSMENT**

	<b>Yes</b>	<b>No</b>
<b>Has a Risk Management Plan been developed for this project?</b>	<b>X</b>	

<b>General Comment(s)</b>
<p>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 ensure:</p> <ul style="list-style-type: none"> <li>• Risks are defined and properly scoped.</li> <li>• The correct participants are involved in the risk analysis and mitigation process.</li> <li>• Root causes are analyzed and recommendations are based on sound judgment.</li> <li>• Specific persons are named to complete action items.</li> <li>• Actions are tracked to resolution/completion.</li> <li>• Escalation to a higher level of management is available and is pursued when mitigation or intervention cannot be achieved at the project level.</li> <li>• Risks and associated actions and status are documented through a formal process and are reviewed regularly.</li> <li>• Communication among project stakeholders is appropriate and timely in order to facilitate an understanding of risk impact, develop quality responses, and minimize the disruption associated with rumor and misinformation.</li> </ul> <p>Risk management is an ongoing process, from the inception to the closure of the project, and it is a critical component of California Business Connect Project monitoring and control activities.</p>

### 3.0 Proposed Project Change

The Secretary of State's staff is instrumental in helping businesses get established in California by processing more than 2 million documents for filing and requests for information each year. The Secretary of State has completed a solutions-based procurement solicitation and has selected Bodhtree Solutions, Inc. as the contractor to develop and implement the California Business Connect Solution. As stated in the Feasibility Study Report (FSR) and confirmed in this SPR, it is estimated that the California Business Connect Solution will be fully deployed on or before June 30, 2016. The contract with Bodhtree Solutions, Inc. is expected to be awarded by February 25, 2014, to adjust the contract award date to coincide with the budget cycle. Based on the costs proposed by the contractor, the new total project budget is estimated to be approximately \$26,925,079 (inclusive of one-year maintenance and operations and concurrent warranty period). Details of all projected budget changes can be found in the Economic Analysis Worksheets (EAWs) in this SPR.

#### 3.1 Project Background / Summary

The Secretary of State serves as the filing office for various statutorily authorized business-related documents and currently is mandated to accept approximately 250 different filing documents from businesses and other submitters. For each document, the Secretary of State's office, at a minimum, must receive the document; route the document to the appropriate staff for assessing the legal acceptability of the filing; and maintain a record of the submission. If the document is accepted for filing, the Secretary of State's office must then calculate, collect, and process fees; in some cases, make copies of the filed document to return to the customer; distribute information about the filing; image the filing and store the original paper filing; and make information available to businesses, government agencies, and the general public. These filings have been grouped into 23 separate filing types according to processing, distribution, publication and other requirements, and by the current limited availability of automation (e.g., legacy computer systems, access databases, 3" x 5" index cards). Although the general business processes for each filing are similar, separate application systems and processes have evolved over time for each filing type. As a result, at least 23 separate automated systems are currently in use to support 15 of the filing types; the remaining 8 filing types are essentially paper-based manual systems supported only with basic office automation tools, such as Microsoft Access, Word and Excel, or 3" x 5" index cards.

The Secretary of State is confident that by implementing a single intake process for the paper and online filings with imaging and automated workflow processes behind the scenes, the average 5 business day processing times can be maintained without the additional temporary funding and temporary staffing provided through FY 2015/16 (54 limited term positions and \$6.198 million in FY 2014/15 and FY 2015/16). Upon full implementation of the California Business Connect Solution, the Secretary of State anticipates eliminating, through attrition, 45 permanent positions<sup>2</sup> in addition to the 54 limited term positions that will expire June 30, 2016. These savings will be offset by the increase in Program Costs of \$1.2 million for credit card service fees plus the corresponding DGS fee. Existing staff roles and responsibilities are

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<sup>2</sup> According to the FSR, the cost savings included the reduction of 48 PYs. 3 of the anticipated 48 PYs in the Business Programs Division were abolished in accordance with Budget Letter 12-03 Salary Savings Elimination effective July 1, 2012. However, the dollars associated with the remaining 45 permanent positions being abolished increased from \$2,607,592 to \$2,979,530 because of the higher-level classifications and higher benefit rate.

anticipated to change and a higher-level of staff will be needed to maintain the system and deliver help desk support. 10 office assistant/program technician positions will be converted to 10 Associate Governmental Program Analyst positions. In addition to one (1) program position that was converted to an IT position in Fiscal Year (FY) 2013/14, eight (8) additional program positions will be converted to IT positions. As a result of the California Business Connect Solution, business filings will take hours or days, not weeks or months, allowing businesses to launch quickly, generating jobs and tax revenues while providing services and products to Californians.

The California Business Connect Solution will provide the foundation to expedite the way California does business and provide a means to preserve the vital business records of the State.

### **3.2 Project Status**

On April 1, 2011, the California Technology Agency (now Department of Technology and hereinafter referred to as Department of Technology) approved the FSR for the California Business Connect Project. Funding for the procurement portion of the California Business Connect Project was approved in the FY 2011/12 Budget Act. Approval also was granted to proceed through the procurement phase to solicit, evaluate, and select a Systems Integration Contractor based on the State contracting processes.

Since the approval of the FSR, the Secretary of State has adhered to the Department of General Services (DGS) comprehensive procurement guidelines and worked closely with DGS procurement and legal officials on the development of the California Business Connect Project Request for Proposal (RFP). On August 29, 2012, the California Business Connect Request for Proposal for a Systems Integration Contractor was released to the public. The first two rounds of Confidential Discussions with bidders were completed and Addendum 1 of the Request for Proposal for Systems Integration Contractor was released to the public on December 19, 2012. The Bidders' Draft Proposals were received on or before January 22, 2013; the Evaluation Selection Team reviewed the Draft Proposals and provided detailed feedback to each Bidder individually in the third round of Confidential Discussions conducted March 22, 2013, through May 2, 2013. Because of the Confidential Discussions and bidders' questions, Addendums 2 and 3 of the Request for Proposal for Systems Integration Contractor were released to the public on May 29, 2013, and June 19, 2013, respectively. Addendum 4 of the Request for Proposal for Systems Integration Contractor was released to the public on June 27, 2013, to reflect the move of the State information technology procurement process from the Department of General Services to the Department of Technology.

The Secretary of State, with assistance from the Department of Technology, has evaluated the final proposals and has selected a proposed solution. Because of these procurement activities, the Secretary of State has completed the competitive, solutions-based procurement, evaluation, and selection of a contractor to develop and implement the California Business Connect Solution. This SPR is being submitted to the Department of Technology for review and approval prior to final contract award of the Systems Integration Contract to Bodhtree Solutions, Inc., and a corresponding funding request for FY 2014/15 is being submitted to the Department of Finance.

### **3.3 Reason for Proposed Change**

This SPR describes the solution proposed and selected during the solutions-based California Business Connect Project procurement process and presents the revised California Business Connect Project costs and schedule based on the selected Systems Integration Contractor. This SPR documents the complete proposed schedule and budget resulting from the completion of the procurement solicitation phase. With this SPR, the Secretary of State is requesting approval to enter into the contract with Bodhtree Solutions, Inc. and proceed with the California Business Connect Project through full system implementation and one year of maintenance and operations as outlined herein.

### **3.4 Proposed Project Change**

The solutions-based procurement process has resulted in the selection of a comprehensive California Business Connect Solution for meeting 100% of the Secretary of State's requirements for the California Business Connect Project. Based on the selected solution, this SPR proposes the following changes to the California Business Connect Project from the approved FSR.

#### **3.4.1 Schedule**

The projected contract award date for the contractor is February 25, 2014, with completion of deployment by June 30, 2016, and completion of one year of maintenance and operations by June 30, 2017. While the procurement took longer than anticipated, the design, development, and implementation are taking less time due to the highly configurable nature of the commercial off-the-shelf (COTS) integrated solution being proposed by the Systems Integration Contractor.

#### **3.4.2 Budget**

IT project costs have been revised to reflect the selected Systems Integration Contractor's cost for the California Business Connect Solution and other required contract services and project support activities. Although the Systems Integration Contractor costs, including hardware and software, were lower than estimated in the FSR, the EAWs reflect additional dollars for the off-site back up and disaster recovery vendor. In addition, the number of reclassified staff has been clarified based on the proposed solution and the dollars associated with the increased level of staff have been included. The total estimated one time IT project cost is \$22,145,737. This amount represents an increase of \$786,448 from the approved FSR amount of \$21,359,289.

In addition, due to the complexity and importance of the California Business Connect Project, lessons learned from VoteCal needing a dedicated full-time Project Director and the additional responsibilities of the Chief of the Business Programs Division of reducing and maintaining an average processing time of 5 business days for business filings, it was determined to reclassify an existing program staff position to a Data Processing Manager III (DPM III) to serve as the Project Director and elevate the current Project Director, who is the Business Programs Division Chief, to the position of Co-Sponsor. Effective October 2, 2013, Keson Khieu became the Project Director.

Based on the selected Systems Integration Contractor's solution, the continuing IT costs have been revised to reflect the change in staffing classifications and continuing IT costs (e.g., software licenses). In addition, the EAWs reflect additional dollars for the continuing costs for the off-site back up and disaster recovery vendor. The total estimated continuing IT project

costs are \$4,779,342.<sup>3</sup> This amount represents an increase of \$2,409,598 from the approved FSR amount of \$2,369,744. Although this amount reflects an additional \$800,000 for backup recovery and disaster recovery, and \$1,143,284 for reclassified staff, this amount is offset by 1) the 45 positions being eliminated through attrition after full implementation in the amount of \$2,979,530, 2) the expiration of the 54 limited term positions, temporary help, and overtime in the amount of \$6,198,000, as well as 3) the decrease of charges to run the existing systems in the amount of \$1,822,420. The **total net benefit** (cost savings and cost avoidance) of the California Business Connect Solution once fully implemented and through the first year of maintenance and operations, **has increased** from \$5.6 million as set forth in the FSR to \$7.1 million in this SPR.

### 3.4.3 Scope

The scope and strategic direction for the California Business Connect Project remain fundamentally the same as described in the approved FSR. This SPR does not propose any major change to the Secretary of State's approach towards meeting its requirements as described in the approved FSR. No changes have been made to the functional scope of the California Business Connect Solution that was approved as part of the original FSR, except for reducing the requirement of processing business filings to 5 business days as opposed to 10 business days and having the actual backup and disaster recovery handled off-site by a separately chosen vendor as discussed below.

The Secretary of State clarified and refined some of the business and technical requirements as a result of developing the California Business Connect Project RFP, bringing the California Business Connect Solution's total scope and complexity into even sharper focus. The Secretary of State anticipates that the revised requirements will enhance the overall quality of the California Business Connect Solution without incurring any significant increase in cost.

The list that follows briefly describes the primary California Business Connect business and technical requirements that have changed since the approved FSR as a consequence of the Secretary of State further clarifying and refining existing requirements during the procurement process.

#### 3.4.3.1 Business Requirements

The selected solution will meet the needs of the diverse Secretary of State customer base, improve statutory compliance, and automate the way the Secretary of State does business thus allowing the Secretary of State to meet the legislative recommendation and Secretary of State goal of an average 5 business days processing time without the need for the additional temporary funding and limited term positions. This 5 business days change from 10 business days was the only major modification to business requirements, other than having a separate vendor performing the actual off-site back up and disaster recovery services.

The automation proposed here not only will allow for faster processing with fewer staff, it will allow the Secretary of State to make the information about the businesses available to the business community and other government agencies online.

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<sup>3</sup> This amount does not include the increased business expense of \$1.2 million for additional credit card service fees (plus the corresponding DGS fee) due to the increased vendor fees for electronic payment transactions which will be offset by the cost savings.

### **3.4.3.2 Backup Recovery and Disaster Recovery Requirements**

The Secretary of State did not plan to use a backup and disaster recovery vendor at the time of the FSR approval so the fees associated with backup and disaster recovery stated in the FSR relate to backup only. For overall agency needs, the Secretary of State will have a separate off-site backup and disaster recovery vendor, but the Systems Integration Contractor for California Business Connect must ensure that no more than two (2) hours of committed data and images (i.e., data added to the database) are lost in the event of any system failure or system component failure regardless of the cause of failure and must back up data, operating systems, application code, and configuration of all components to a Secretary of State designated backup and restore site on a Secretary of State defined periodic basis in full and on an incremental, differential or item basis. The Systems Integration Contractor also must ensure that data, operating systems, application code, and configuration of all system components can be activated by the backup and disaster recovery vendor and the Secretary of State at the alternate site, as well as ensure that full system restoration can be accomplished at a new Secretary of State designated site after a disaster occurs.

The Secretary of State plans initially to procure these services for the VoteCal project, with an option to add the California Business Connect project.

## **3.5 Impact of the Proposed Change on the Project**

Below are specifics as to how the California Business Connect Project will be impacted because of the proposed change.

### **3.5.1 Project Schedule**

The schedule proposed in this SPR and reflected in the attached EAWs is based on the selected contractor's proposed schedule and the requirements specified in the Statement of Work. The projected contract award date for the selected contractor is February 25, 2014, with completion of deployment by June 30, 2016, and completion of one year of maintenance and operations by June 30, 2017. Based on the selected Systems Integration Contractor's proposal, there is no variance from the approved FSR for the deployment of the California Business Connect Solution.

However, the selected Systems Integration Contractor's implementation plan proposes different phases than the phases identified in the approved FSR; the selected Systems Integration Contractor's approach provides for a "Big Bang" implementation approach as opposed to a piecemeal approach based on filing types, as was proposed in the approved FSR. Although the FSR contained one possible approach, the FSR also allowed the vendor to propose its own approach based on its proposed solution. The Systems Integration Contractor's roll-out strategy for the California Business Connect Solution is structured to address "... the key business challenges such as filing backlogs, while paying attention to critical implementation issues like ensuring the integrity of existing data."

The chart that follows shows anticipated schedule variance for the California Business Connect Project major milestones:

**Figure 3-1: California Business Connect Project Phases Dates & Schedule Variance**

California Business Connect Project Phases Per Approved FSR	Approved FSR (April 2011)	SPR Proposed Project Phases	SPR Proposed Date (September 2013)
Contract Award	02/22/2013		02/25/2014
Phase 1: Validate Requirements and Design Database	08/23/2013	Phase 1: Initiation and Planning	04/30/2014
Phase 2: LP/LLC & Miscellaneous Entity Filings	06/30/2016	Phase 2: Design	03/16/2015
Phase 3: Corporations	06/30/2016	Phase 3: Development	12/31/2015
Phase 4: Trademarks	06/30/2016	Phase 4: Testing	05/23/2016
Phase 5: UCC	06/30/2016	Phase 5: Deployment	06/30/2016
Maintenance and Operations	06/30/2017	Phase 6: First Year Contract Maintenance and Operations	06/30/2017

The proposed "Big Bang" implementation approach mitigates risks and complications of having to synchronize concurrent legacy systems and applications in production with the California Business Connect Solution until full system acceptance. The "Big Bang" implementation approach also eliminates the risk associated with a piecemeal approach by eliminating the risks associated with multiple software releases for overlapping business processes made necessary by the testing and defect correction process until full system acceptance.

### 3.5.2 Project Budget

The California Business Connect Project budget has been revised to reflect the solution proposed by the selected Systems Integration Contractor and to integrate actual project costs incurred since approval of the FSR. Due to the increased time taken to prepare the Request for Proposal with detailed business and technical requirements, conducting three Confidential Discussions with an increased volume of proposed Bidders and performing a detailed review of each Draft Proposal, the procurement solicitation phase took longer than expected. Now, rather than issuing the Contract Award in February 2013, Contract Award has been moved to February 25, 2014, to account for the lengthier procurement and to coincide with the budget cycle. However, based on the selected Systems Integration Contractor, the Deployment date of the new system remains scheduled for on or before June 30, 2016. All budget details are reflected in the EAWs included in this SPR's Section 6 - Updated Economic Analysis Worksheets. Project cost categories are summarized in the figures below; a brief description is provided for those categories that have increased since the approved FSR following the figures.

**Figure 3-2: One-Time IT Project Costs**

One-Time	FSR	SPR	Difference	Notes
Staff (Salaries & Benefits)	\$7,411,349	\$8,963,266	\$1,551,917	The increase in one-time costs is a result of the increase in redirected and reclassified subject matter experts and project support staff Salaries and Benefit costs. In order to minimize the risk of project delays and to maintain the project after full implementation, the Business Programs Division is

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

One-Time	FSR	SPR	Difference	Notes
				reclassifying staff to allow more analysts to serve as subject matter experts for testing, training, and maintaining the California Business Connect Solution than originally estimated in the FSR. Also, positions are being redirected from the Business Programs Division to the Information Technology Division and reclassified to a higher technical level staff earlier to provide time to solicit the required talent and allow time to be educated in the California Business Connect Project.
H/W purchase	\$622,000	\$0	(\$622,000)	This decrease is a result of the Hardware and Software costs being included in the winning bidder's proposal and included in the Software Customization line item.
Software Purchase/License	\$290,000	\$10,000	(\$280,000)	This decrease is a result of the Hardware and Software costs being included in the winning bidder's proposal and included in the Software Customization line item. The \$10,000 amount in the SPR represents one-time costs associated with the Help Desk Staff Groupware Incorporated (GWI).
Telecommunications	\$0	\$0	\$0	
Contract Services – Software Customization	\$8,000,000	\$8,215,395	\$215,395	Project Initiation and Planning = \$408,260 Design=\$1,020,650 Development = \$816,520 Testing=\$1,224,780 Deployment=\$612,390 Software=\$2,390,383 Hardware= \$929,211 and 10% unanticipated costs=\$813,201. (This increase is a result of the Hardware and Software costs being included in the winning bidder's proposal.)
Contract Services – Project Management	\$960,000	\$621,175	(\$338,825)	The change in duration from contract award to full system implementation, combined with the usage of Secretary of State project management staff during the procurement phase of the California Business Connect Project, has led to a reduction in the project management costs. The shorter duration of design through full implementation reduces total quantity of monthly

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

One-Time	FSR	SPR	Difference	Notes
				and weekly reports justifying the reduced cost estimate.
Contract Services – Project Oversight	\$504,000	\$288,750	(\$215,250)	The change in duration from contract award to full system implementation, combined with Department of Technology's approval to use Secretary of State's internal Auditor and Information Security Officer project oversight during the procurement phase of the California Business Connect Project, reduced the Independent Project Oversight Consultant costs. The shorter duration of design through full implementation reduces total quantity of monthly and weekly reports justifying the reduced cost estimate.
Contract Services - IV&V Services	\$624,000	\$604,330	(\$19,670)	The change in duration from contract award to full system implementation has led to a reduction in the Independent Validation & Verification costs. The shorter duration of design through full implementation reduces total quantity of monthly and weekly reports justifying the reduced cost estimate.
Contract Services - Other Contract Services	\$1,160,000	\$1,786,240	\$626,240	This includes Test Manager, Information Security Vendor (PCI DSS) and backup and disaster recovery. Increased due to the inclusion of the backup and disaster recovery vendor.
Data Center Services	\$56,160	\$0	(\$56,160)	Decreased as a result of the change in implementation strategy from a phased approach to a "Big Bang" approach.
Agency Facilities	\$0	\$0	\$0	
Other	\$1,731,780	\$1,656,581	(\$75,199)	Other includes: OE&E for Reclassified and Redirected Staff. Increased as a result of the staff being redirected to the project sooner. DGS Fee on contracts: Calculation is 1.39% of contract value. Decreased slightly due to the reduction of total one-time contract services.
<b>Total One-Time</b>	<b>\$21,359,289</b>	<b>\$22,145,737</b>	<b>\$786,448</b>	

**Figure 3-3 Continuing IT Project Costs**

Continuing	FSR	SPR	Difference	Notes
Staff (Salaries & Benefits)	\$1,478,464	\$2,975,902	\$1,497,438	The increase in continuing costs is a result of the increase in reclassified support staff Salaries and Benefit costs. To maintain the project after full implementation, the Business Programs Division is reclassifying staff to allow more analysts to serve as subject matter experts for testing, training and maintaining the California Business Connect Solution than originally estimated in the FSR. Also, positions are being redirected from the Business Programs Division to the Information Technology Division and reclassified to a higher technical level staff.
H/W Lease/Maintenance	\$448,000	\$24,049	(\$423,951)	California Business Connect Solution hardware and software costs are based on vendor's solution.
Software Maintenance/Licenses	\$348,000	\$708,271	\$360,271	California Business Connect Solution hardware and software costs are based on vendor's solution.
Telecommunications	\$0	\$0	\$0	
Contract Services	\$0	\$800,000	\$800,000	This increase is a result of the \$800,000 backup and disaster recovery costs.
Data Center Services	\$17,280	\$0	(\$17,280)	FSR included backup costs at the Data Center. This SPR has backup and disaster recovery hosted by a third party vendor.
Agency Facilities	\$0	\$0	\$0	
Other	\$78,000	\$271,120	\$193,120	Other includes: OE&E for Reclassified Staff. DGS Fee on contracts: Calculation is 1.39% of contract value. Increase is a result of increase in on-going contract services.
<b>Total Continuing</b>	<b>\$2,369,744</b>	<b>\$4,779,342</b>	<b>\$2,409,598</b>	
<b>Total Project Costs</b>	<b>\$23,729,033</b>	<b>\$26,925,079</b>	<b>\$3,196,046</b>	

Notably, as also included in the FSR, the funds needed to pay for the proposed solution are available through existing sources (Business Fees Fund, Business Programs Modernization Fund (AB 554) and Reimbursements). The Secretary of State needs only an increase in spending authority to use these existing sources as described in the Project Funding Plan of the Economic Analysis Worksheets. The Secretary of State intends to submit annual funding requests for FY 2015/16 and FY 2016/17, and a permanent maintenance and operations funding request starting in FY 2017/18.

### **3.5.2.1 California Business Connect Solution IT One-Time Costs**

The increase in one-time costs are mainly attributable to the increase in redirected and reclassified subject matter experts and project support staff Salaries, Benefits, Operating Expenses, and Equipment costs. In order to minimize the risk of project delays and to maintain the project after full implementation, the Business Programs Division is reclassifying staff to allow more analysts to serve as subject matter experts for testing, training, and maintaining the California Business Connect Solution than originally estimated in the FSR. Also, positions are being redirected from the Business Programs Division to the Information Technology Division and reclassified to higher level technical staff earlier to provide time to solicit the required talent and allow time to be educated in the California Business Connect Project. The higher-level staff represents a cost increase of \$1,143,284.

The selected Systems Integration Contractor's proposed one-time cost for the California Business Connect Solution is \$8,215,395, plus \$10,000 for Help Desk staff Groupware Incorporated (GWI). This cost represents a \$686,605 decrease when compared to the approved FSR estimates for one-time Software Customization and the purchases of one-time Hardware and Software categories. This decrease is a result of the winning bidder's total cost being lower than originally anticipated.

The change in duration from contract award to full system implementation, combined with the usage of Secretary of State project management services and Department of Technology's approval to use internal staff as project oversight during the procurement phase of the California Business Connect Project, has led to a reduction in the Independent Validation & Verification, Project Management, and Independent Project Oversight Consultant costs. The shorter duration of design through full implementation reduces total quantity of monthly and weekly reports justifying the reduced cost estimate.

The previous Project Management vendor services contract was terminated during the procurement phase because there was not enough workload to justify keeping project management vendor services in place during the procurement phase. Project Management needs were being met between internal Secretary of State Project Management Staff and the Procurement Support Services contract. As the project enters the next phase, the Project Management needs will significantly increase. Therefore, the Secretary of State will be seeking additional project management services once the new Project Director is in place but prior to the Systems Integration Contract execution.

The Independent Validation & Verification, Project Management, and Independent Project Oversight Consultant costs represent a total cost decrease of \$573,745.

The cost for the Other Contract Services, including Test Manager, Information Security Vendor (PCI DSS), and backup and disaster recovery results in a cost increase of \$626,240.

The combined changes result in a net increase to one-time IT project costs of \$786,448.

### **3.5.2.2 California Business Connect Solution Continuing IT Costs**

The increase in continuing IT costs are mainly attributable to the increase in reclassified staff Salaries, Benefits, Operating Expenses, and Equipment costs. This increase in continuing reclassified staff is necessary to have higher-level staff help with testing, training, help desk, continuing training of internal and external users, and maintenance of the California Business

Connect Solution after full implementation, as well as future system modifications related to changes in process, law, or regulations. The FSR identified the need for the increased classification levels but did not identify costs for these higher staffing classification needs. These staffing needs represent an increase in the Business Programs Division and the Information Technology Division continuing costs by \$1,497,438.

Although backup costs were included in the FSR, the disaster recovery costs were not included in the FSR. The continuing need for the backup and disaster recovery vendor results in an increase of \$800,000 to continuing IT costs.

The California Business Connect Project will allow more online filings and orders (for business entities, special filings, and trademarks/service marks). Having experienced the significant increase in online filings and orders for Uniform Commercial Code (secured transactions) when the Business Programs Automation project was implemented in 2004, the Secretary of State foresees a similar increase in online filings and orders for business entities, which has a much wider customer base than secured transactions.

In addition, other costs including OE&E for reclassified staff and DGS fees increased by \$193,120.

These changes result in a net increase to continuing IT costs of \$2,409,598.

The continuing IT costs will be offset by the elimination of 45 positions through attrition after full implementation in the amount of \$2,979,530 and the cost avoidance of the ongoing need for the 54 limited term positions, temporary help, and overtime, in the amount of \$6,198,000. It is anticipated that the corresponding Program credit card service fees paid by the Secretary of State will increase by \$1.2 million.

### **3.5.2.3 California Business Connect Solution Project Total Cost**

The net result of the changes detailed in this SPR is an increase to total project cost of \$3,196,046.

### **3.5.3 Project Scope and Strategy**

The project scope and strategy has not changed since the approved FSR.

## **3.6 Feasible Alternatives Considered**

A solutions-based procurement solicitation was conducted and a Systems Integration Contractor has been selected to provide a complete solution including software, hardware and network infrastructure, implementation, training, and support services to meet the requirements of the California Business Connect Project. The competitive solutions-based procurement process produced one winning feasible solution out of multiple bidders and the California Business Connect Evaluation Team has evaluated and confirmed that the proposed solution meets the project requirements.

Another alternative would be to cancel the project and to continue manual archaic processes. This would require the temporary funding of approximately \$6.2 million and resources (54.0 limited term positions) allocated for FY 2014/15 and FY 2015/16 to become permanent in order to process the paper using the manual processes and archaic systems. This alternative does not resolve the business needs faced by the Secretary of State nor will this alternative allow the

Secretary of State to maintain the average 5 business days processing times without the permanent funding. In addition, the State would fail to realize the net benefit of abolishing 45.0 permanent positions.

### **3.7 Recommended Alternative**

#### **3.7.1 Solution Description**

The selected Systems Integration Contractor, Bodhtree Solutions, Inc., has proposed an integrated solution that addresses the functional, technical and implementation requirements essential to the success of California Business Connect. The Systems Integration Contractor has proposed implementing an integrated automated system that has highly configurable, out-of-the-box components requiring minimal customization, while still being robust, secure, and easy to operate.

##### **3.7.1.1 Hardware**

The Systems Integration Contractor will provide a Vblock™300 System from VCE that will serve as a singular infrastructure that contains a comprehensive suite of management, security, and virtual pooled resources to support the California Business Connect Project. This hardware platform is a cloud-based architecture fully capable of supporting the development, test, training, and production environments required by the California Business Connect Project, while also providing a platform to accommodate future growth.

The combination of VMware, Cisco, and the EMC (VCE) coalition Vblock™300 provides a single point of integration and management for virtualization, networks, servers, and storage in a data center class system with an appreciably diminished footprint, while providing the highest level of virtualization and application performance.

The hardware includes robust 6GBps serial attached SCSI storage, enterprise flash drives, large core and memory processor banks with the latest Intel chipsets, 2.7Ghz Nehalem dual processors per server blade, 12 server blades, 96GB RAM per blade (totaling 1.152TB), 16.3TB of useable storage capacity, over 112GB of storage cache, complete data de-duplication backup system to support 16TB physically and up to 160TB logically, a 40GBps backplane, and 10Gbps network uplinks. To facilitate optimized performance, VMware accelerator APIs, EMC Fully Automated Storage Tiering, UCS policy QoS organizations, and VMware DRS tools are leveraged throughout the cloud based architecture.

The Systems Integration Contractor solution proposes to use existing Secretary of State personal computers, monitors, printers, and point of sale terminals and to supplement Secretary of State existing scanners with an OPEX DS2200 multifunctional 110 ppm/220 ipm drop feed, package feed, and auto feed scanner.

##### **3.7.1.2 Software**

The Systems Integration Contractor will provide a COTS-centric, highly functional out-of-the-box integrated enterprise solution. The solution provides a suite of software that includes market proven, technically advanced, and capable products, including several components from the Oracle suite of products as the foundational components of the solution. These Oracle products include Oracle Database, Oracle Service Oriented Architecture, Oracle Access Manager, Oracle Web Portal, Oracle Business Rules Engine, and Oracle Business Intelligence Publisher. For Content Management, EMC products will be used including Captiva for scanning, Documentum for document management and workflow, and DocSciences xPression for customer

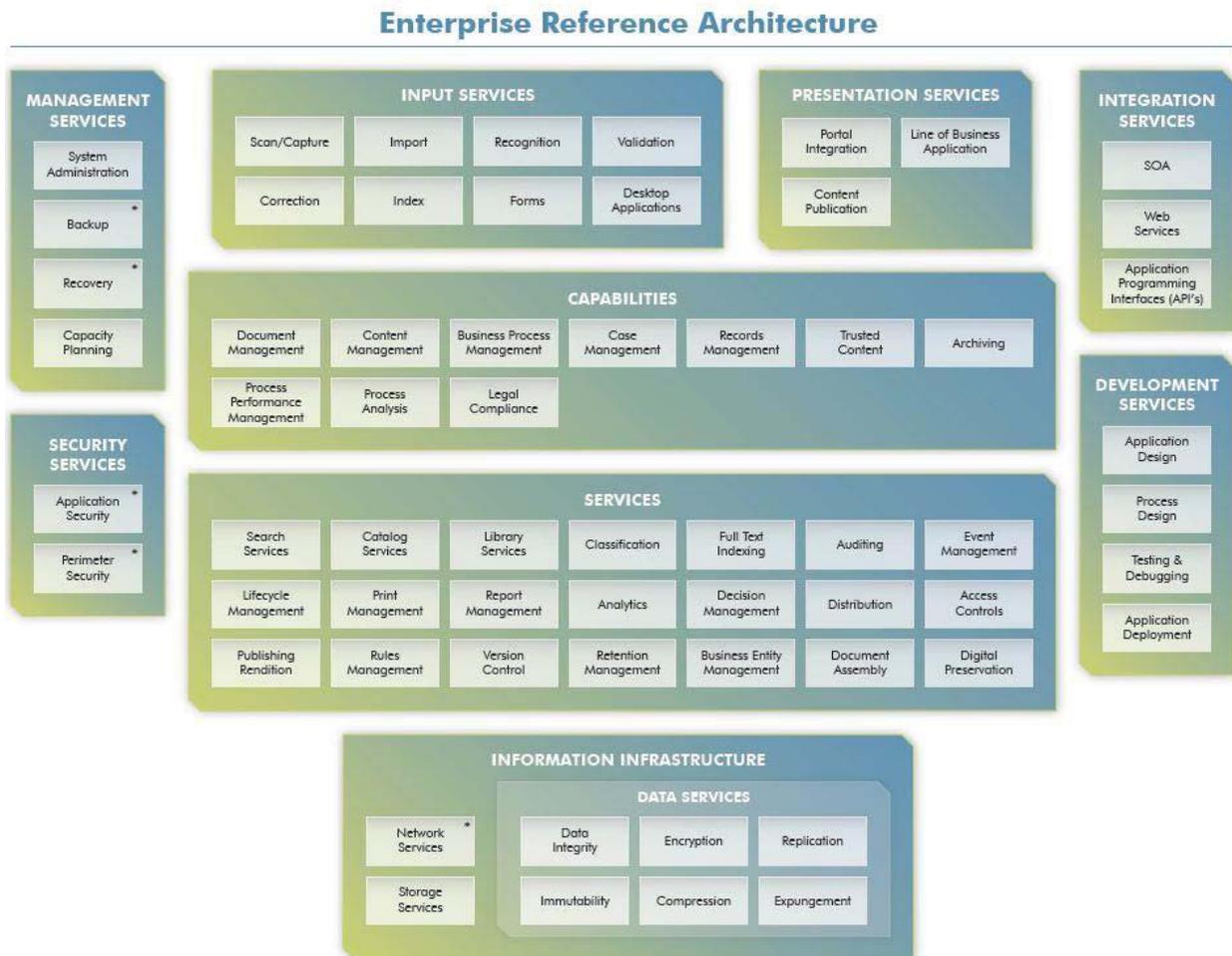
communications. Brava! Viewer will be used for annotations, BlackMark+ for redaction, DepositCritical for check processing, and CYA HOTBackup and Smart Recovery for instantaneous backup of the content. CommVault Simpana also will be used to facilitate Backup and Recovery with a Secretary of State separately chosen backup and disaster recovery vendor.

The solution has been designed to use a Service Oriented Architecture and Enterprise Service Bus that allows for the COTS products to interact with the custom services that will be created as part of the solution. By using this approach, the solution eliminates much of the custom code that normally would be required, reducing risk and the time required to complete the implementation of the solution.

### 3.7.1.3 Technical Platform/Network

The Systems Integration Contractor is providing the following Enterprise Architecture providing the necessary elements required by the California Business Connect Project:

Figure 3-4: California Business Connect Enterprise Architecture



The California Business Connect Solution will operate on a Vblock™300 System from VCE on a Windows platform in a highly virtualized environment. Traditional network segments are contained within the virtual environments and separated by virtual firewalls.

#### **3.7.1.4 Technical Interfaces**

The Systems Integration Contractor's Solution will interface with other government agencies including Employment Development Department (EDD), Board of Equalization (BOE), Franchise Tax Board (FTB), and Attorney General's office (AG), as well as external clients using web services to send and receive data and/or images according to the Secretary of State's business rules. The Systems Integration Contractor's Solution will use out-of-the-box integration capabilities to send and receive data for external agencies. The data interchange will be bi-directional for select partners. All communications will be over an encrypted channel. The Secretary of State and the Systems Integration Contractor will work with these government agencies to establish the new interfaces.

#### **3.7.1.5 System Security**

The Systems Integration Contractor's Solution will provide a multi-layered approach to security, beginning at the network and finishing at the document repository. The solution will employ hardening techniques on each component of the system including the servers, virtual machines, and virtual network segments to enable only required services, isolate network traffic and encrypt data. Data protection will be handled through EMC RecoverPoint allowing for system rollback or migration to another virtual platform if required. Within the application, the solution will use the Oracle Access Manager to provide access control services including authentication, authorization, web single sign-on, policy administration, enforcement agent management, session control, systems monitoring, reporting, logging, and auditing.

#### **3.7.1.6 Training and Testing**

The Systems Integration Contractor will provide an easy-to-use interface similar to tools such as Microsoft Office and industry standard internet browsers. The Systems Integration Contractor will provide a training program that will support and ease the transition for users, and alleviate the frustrations that are common when using a new system. The Systems Integration Contractor will provide training to program staff, technical staff and train-the-trainer staff. The train-the-trainer staff will be responsible for training new staff and external users.

Testing will be used to discover defects early, report defects to developers quickly, acknowledge defects promptly, and manage defect repairs. Testing will occur within each stage, Unit Testing, Functional Testing (including includes web-services testing, database validation), Systems Integration Testing, Regression Testing, retesting (general, across all testing), Performance/Stress Testing, and User Acceptance Testing (UAT).

#### **3.7.1.7 Backup and Disaster Recovery**

For overall agency needs, the Secretary of State will have a separate off-site backup and disaster recovery vendor but the Systems Integration Contractor for California Business Connect must ensure that no more than two (2) hours of committed data and images (i.e., data added to the database) are lost in the event of any system failure or system component failure regardless of the cause of failure and must back up data, operating systems, application code, and configuration of all components to a Secretary of State designated Backup and Restore site on a Secretary of State defined periodic basis in full and on an incremental, differential, or item basis. The Systems Integration Contractor also must ensure that data, operating systems, application code, and configuration of all system components can be activated by the backup and disaster recovery vendor and Secretary of State at the alternate site, as well as ensure that full system restoration can be accomplished at a new Secretary of State designated site after a disaster occurs.

### **3.7.1.8 Data Center**

Due to the mission-critical nature of California Business Connect as it relates to the conduct of business in California, the Secretary of State is proposing to house the primary system at the Secretary of State headquarters so the agency has the ability to make support and continuity its top priority. To this end, the primary servers will be installed at the Secretary of State's headquarters with backup systems located at the facility of a backup and disaster recovery vendor. Based on the solution proposed by the Systems Integration Contractor, the Secretary of State does not need to build out its existing floor space to accommodate the solution. This hosting strategy also remains consistent with the Secretary of State's VoteCal Project.

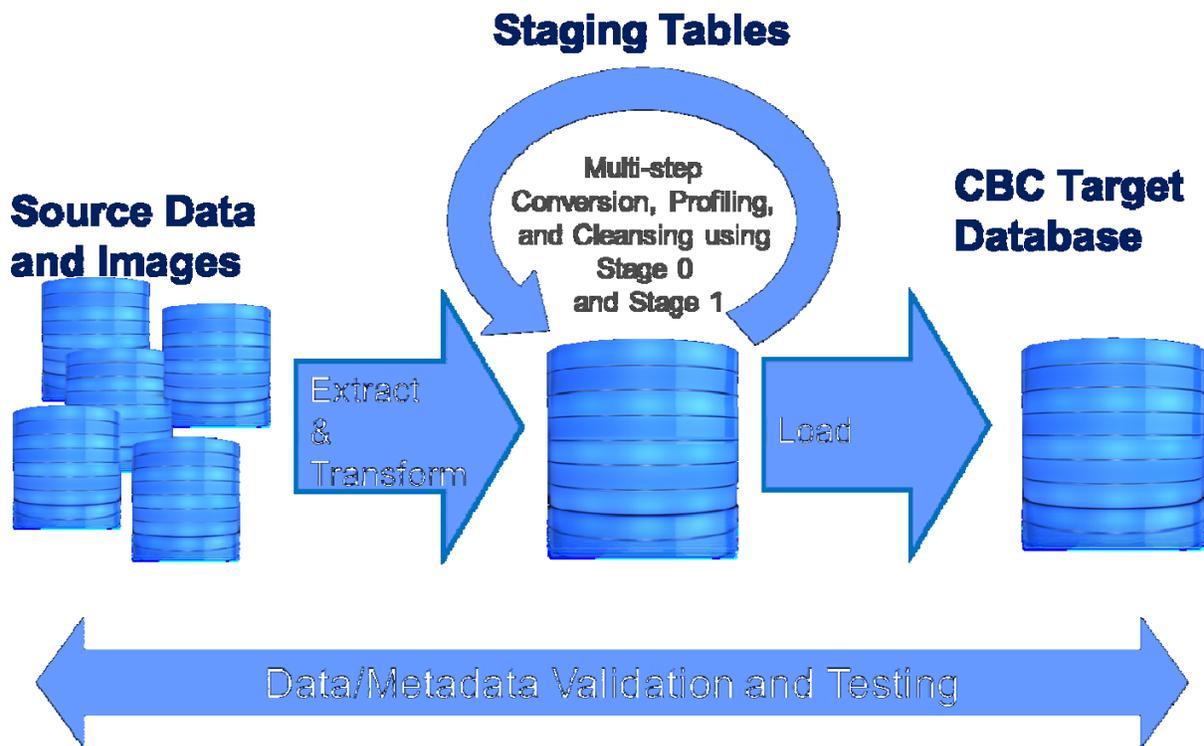
The Secretary of State facility provides a high-security environment, including a 24-hour, 7-days-a-week private security detail with guards who make rounds through the server room outside of regular business hours. The room itself has its own perimeter and interior internet protocol (IP) video surveillance system, smoke/fire/water leak detection, IP sensors for temperature and humidity detection and reporting, five air handlers with humidification and chilled water independent of the central plant, Uninterruptable Power Supply (UPS), and power filtration with a backup diesel power generator.

### **3.7.1.9 Data Conversion**

The Systems Integration Contractor for the California Business Connect Project has identified a data conversion plan that details the Systems Integration Contractor's approach to the conversion and integration of data and image files from the various legacy application systems. The diagram below summarizes the Systems Integration Contractor's approach that includes the following:

- Data extraction from legacy source
- Data Profiling and Data Cleansing
- Transformation to meet requirements for the new solution
- Loading of data into the new CBC Target Data and Image databases.

The conversion approach also includes the steps necessary to profile, validate and integrate the data that is currently being supported on a variety of platforms. The data cleansing activities will be coordinated with Secretary of State staff. The image conversion steps will run in-synchronization with the data conversion to generate an integrated solution that takes into account the metadata dependencies.



### 3.8 Implementation Approach

The California Business Connect Project implementation plan will follow a phased approach as proposed by the Systems Integration Contractor with a “Big Bang” implementation approach. This approach is designed to minimize deployment risk. The project will be conducted in the following phases:

- Phase 1: Initiation and Planning
- Phase 2: Design
- Phase 3: Development
- Phase 4: Testing
- Phase 5: Deployment
- Phase 6: First year of contract warranty and maintenance

These phases are different than the phases identified in the FSR and provide for a “Big Bang” implementation approach as opposed to a piecemeal approach by filing types, proposed as one option in the approved FSR. The Systems Integration Contractor’s roll-out strategy for the California Business Connect Solution is designed with the objective of “...addressing the key business challenges such as filing backlogs, while paying attention to critical implementation issues like ensuring the integrity of existing data.”

The proposed “Big Bang” implementation approach mitigates risks and complications of having to synchronize concurrent legacy systems and applications in production with the California Business Connect Solution until full system acceptance. The “Big Bang” implementation approach also eliminates the risk associated with a piecemeal approach by eliminating the risks

associated with multiple software releases for overlapping business processes made necessary by the testing and defect correction process, until full system acceptance. Although SOS recognizes there is some risk associated with a “Big Bang” implementation, to mitigate this risk, the legacy systems will remain intact through full system acceptance in the event rollback to the legacy systems is required.

The Systems Integration Contractor’s intent is to transition users from legacy systems to the new consolidated solution after the completion of successful user acceptance testing. The legacy systems will remain available for a period of time after transition to the new California Business Connect Solution in the event of the need to rollback. The Systems Integration Contractor’s approach includes adopting the Solution through business process and organizational change management, converting data and images from legacy systems, releasing the infrastructure, preparing by testing the new solution, detailed contingency planning, “big bang” cutover to the new solution, and providing help desk support with defect management and monitoring the system for performance.

The following high-level modules have been identified for the California Business Connect implementation:

- Core and Common Functionality
- Business Entities (limited liability companies, limited partnerships, general partnerships, limited liability partnerships, and other business entities)
- Business Entities (corporations and statements of information)
- Special Filings
- Trademarks
- UCC
- Other Services

The Systems Integration Contractor will provide detailed activities for each module including design, development, test, and deployment cycles for each module.

## **4.0 Updated Project Management Plan**

### **4.1 Project Manager Qualifications**

No changes from the approved FSR.

### **4.2 Project Management Methodology**

No changes from the approved FSR.

### **4.3 Project Organization**

The California Business Connect Project organization chart (Figure 4-1) represents the current California Business Connect Project structure. Figure 4-1 accounts for the new Project Director and the current Project Director becoming a Project Co-Sponsor. The Secretary of State’s organization chart is in Figure 4-2, the Information Technology Division (ITD) organization chart is shown in Figure 4-3, and the Business Programs Division organization chart is shown in Figure 4-4.

Figure 4-1: California Business Connect Project Organization

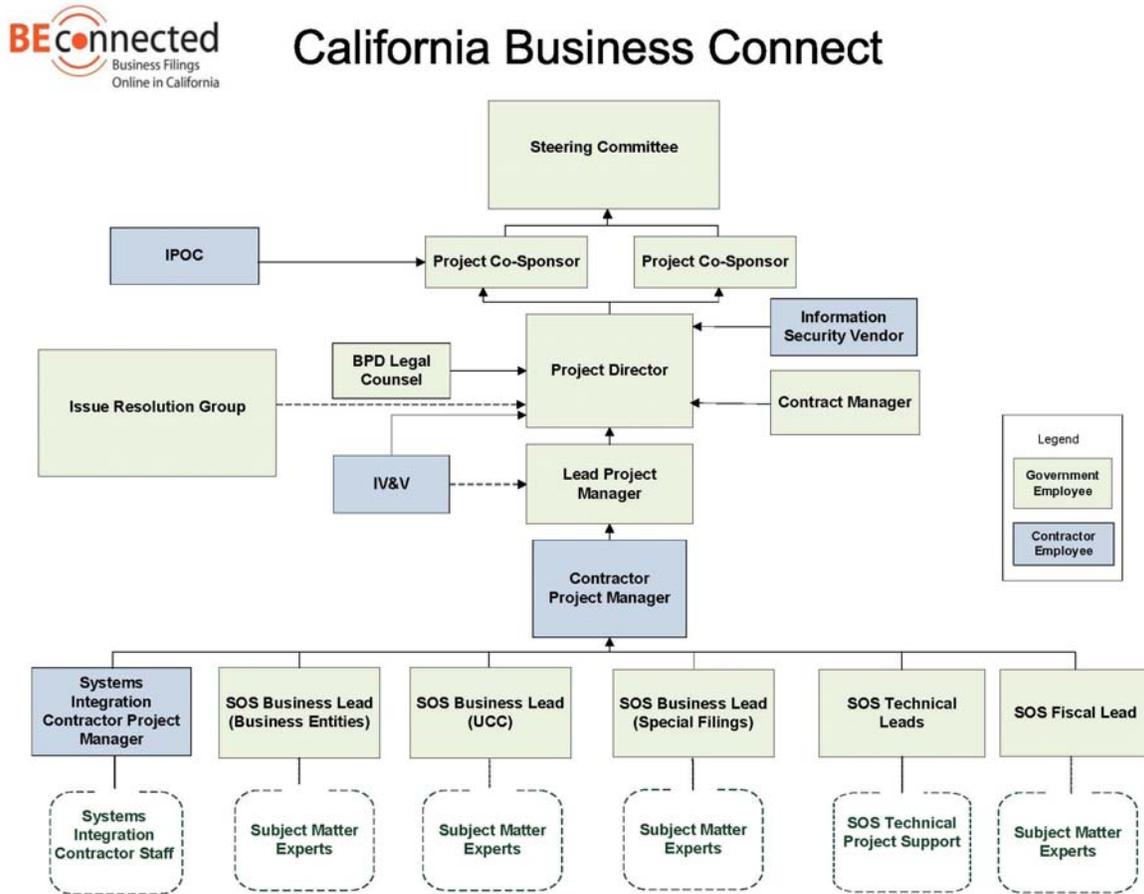


Figure 4-2: California Secretary of State

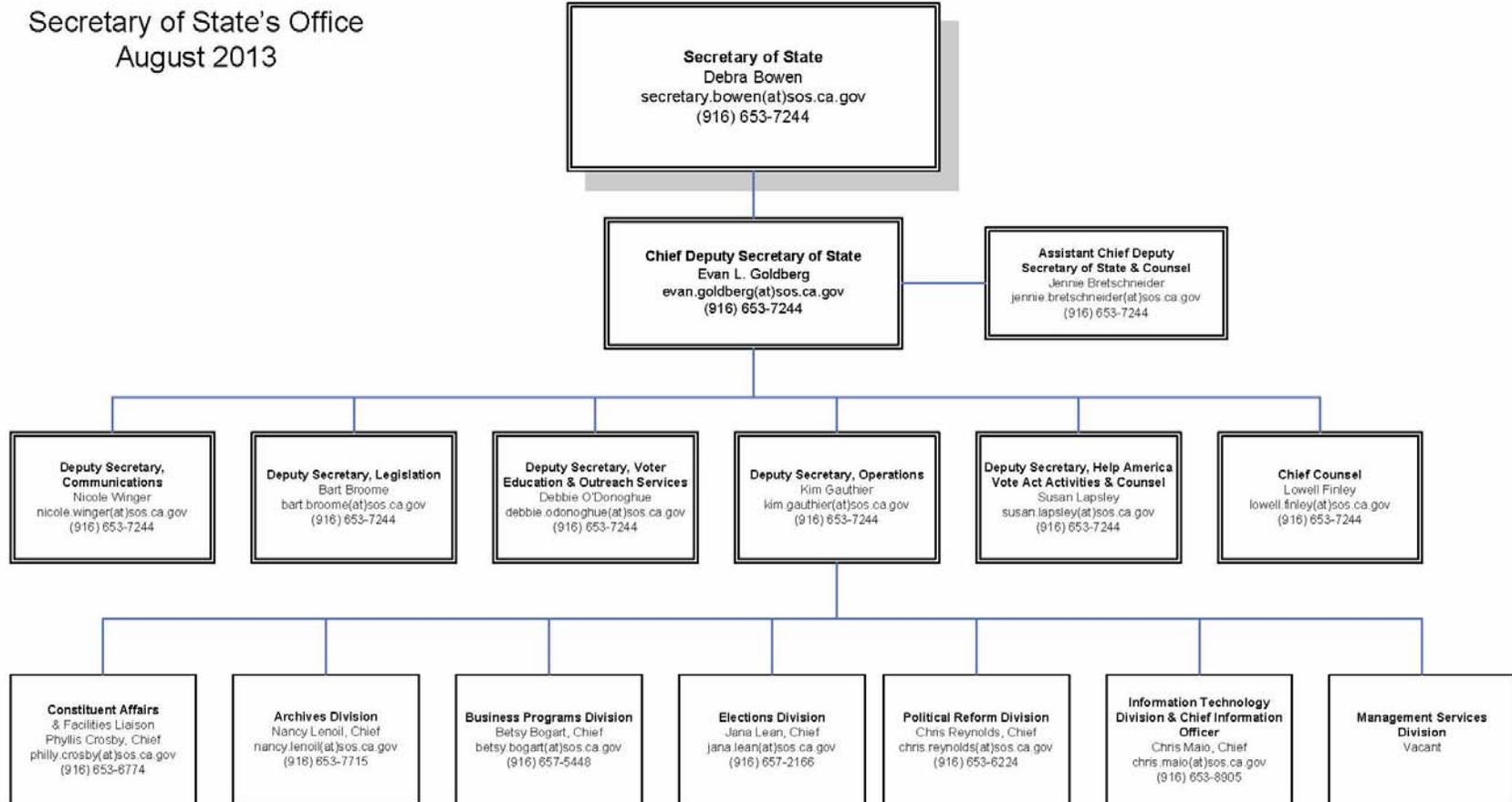


Figure 4-3: California Information Technology Division (ITD) Organization

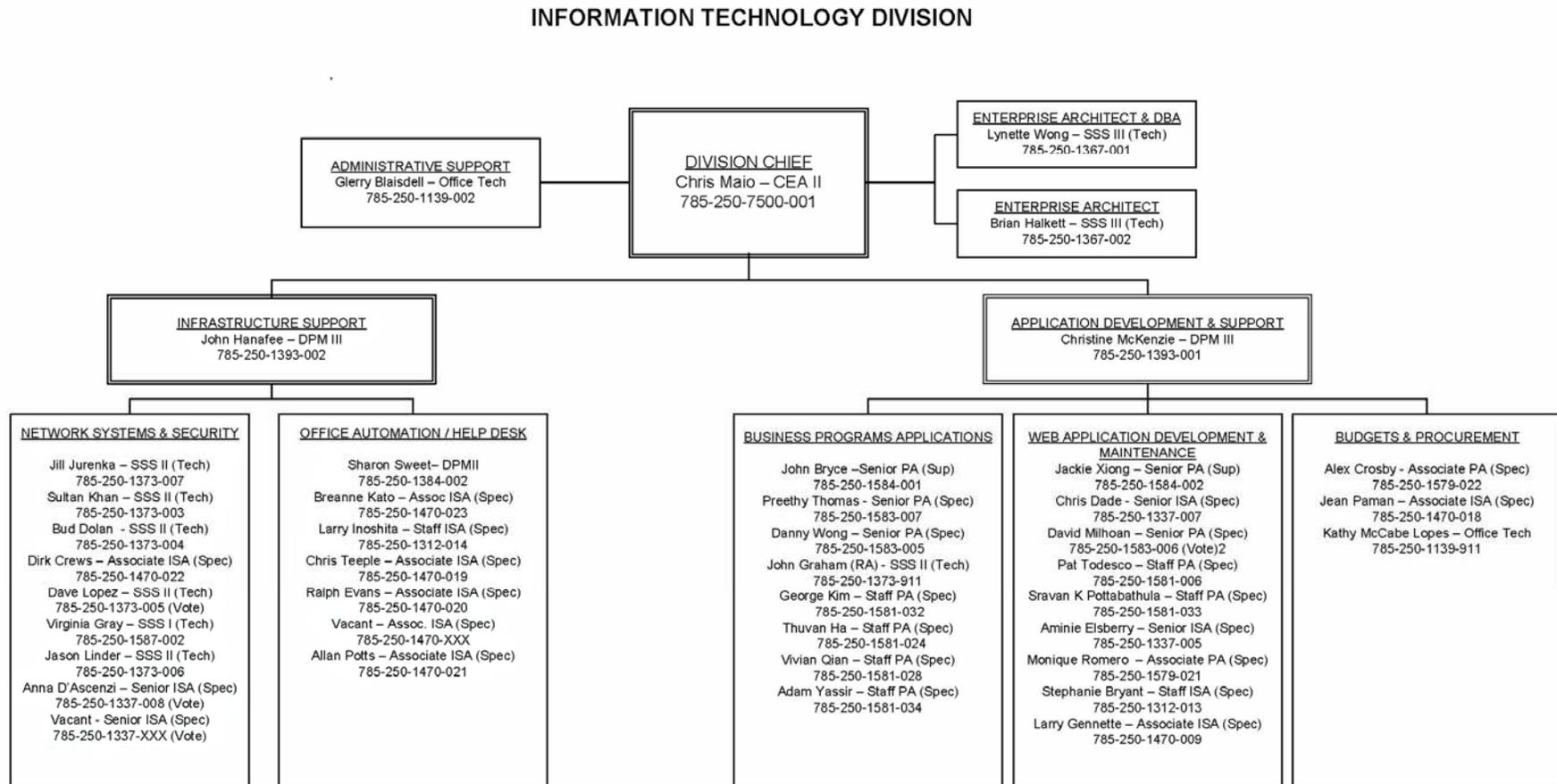
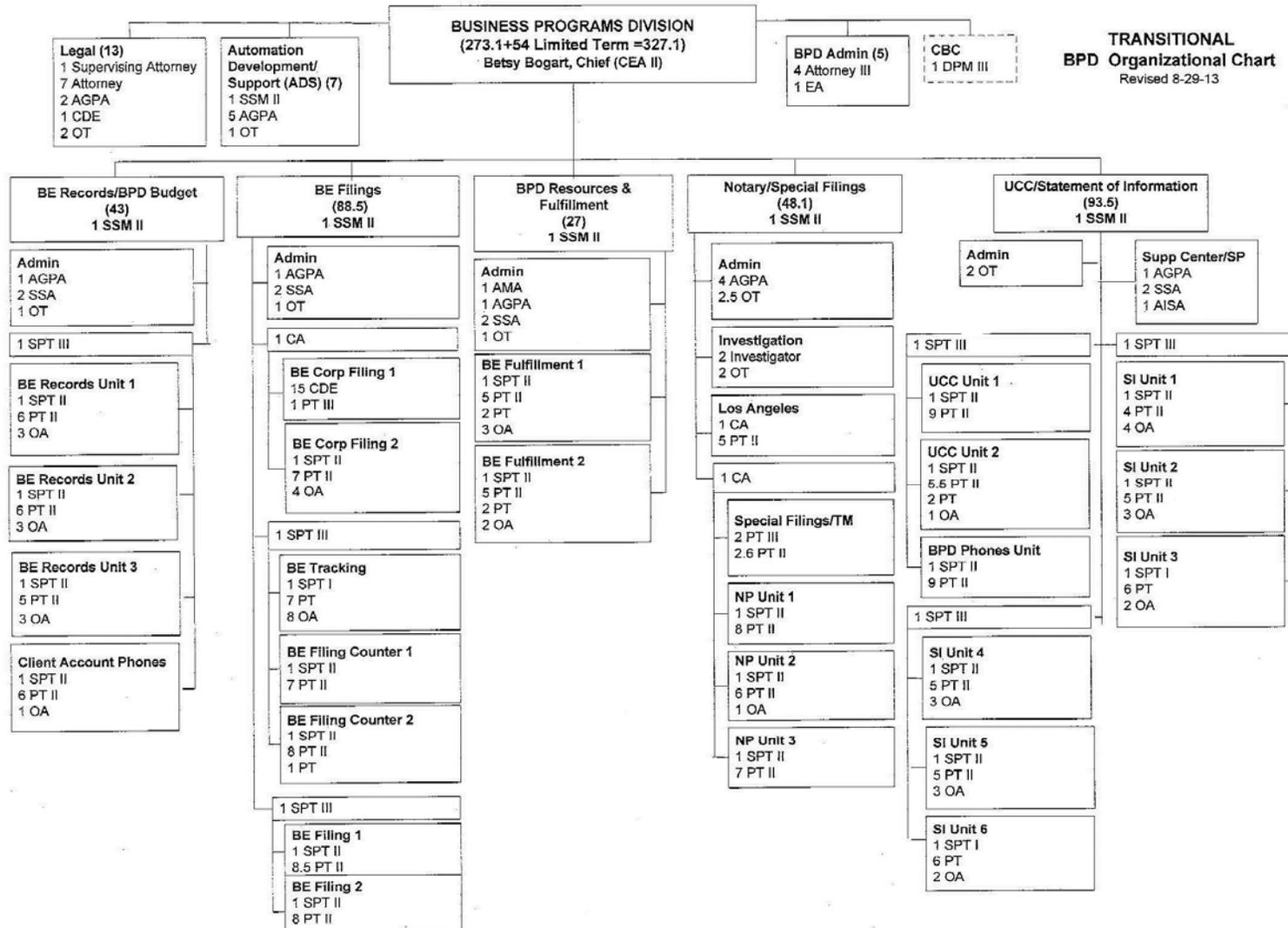


Figure 4-4: Business Programs Division Organization



8/29/2013 5:07:36 PM

#### **4.4 Project Priorities**

No changes from the approved FSR.

#### **4.5 Project Plan**

##### **4.5.1 Project Scope**

The project scope has not changed from the approved FSR.

##### **4.5.2 Project Assumptions**

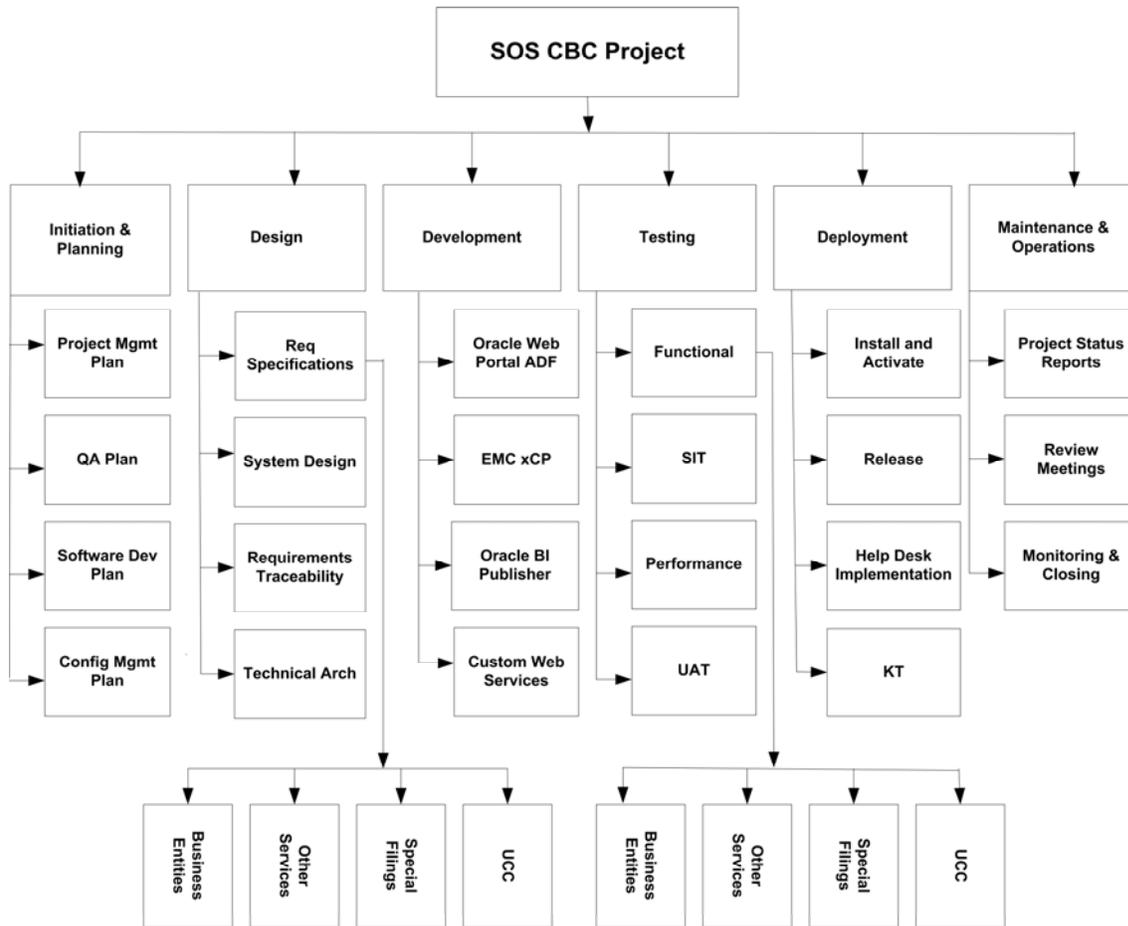
The assumptions under which the California Business Connect Project will be executed include:

- Current state budget limitations do not limit the funding and/or allocation of state resources to the California Business Connect Project and ongoing maintenance since there is a dedicated funding source (Business Fees Fund and AB 554 Business Programs Modernization Fund/Reimbursements) for this project established in statute.
- Any scope changes may necessitate changes to schedule or budget.
- Secretary of State, Department of Technology, Department of Finance, and Legislative approval processes will be concluded in a timely manner so as to not delay project approval, vendor procurements, and contract awards.
- There are no new deadlines imposed by statute for the Secretary of State to provide this functionality electronically.
- There will be timely review and feedback on all project deliverables by reviewers.
- Subject matter expertise is essential to this effort and will be made available for the entire project.
- The additional project management services and IPOC services will be acquired within 6 months of Contract Award.
- Sufficient resources do not exist within the Secretary of State's office; therefore, additional resources are required for one-time and ongoing activities, e.g. to backfill and upgrade the level of staff needed to implement and maintain the system, IPOC, IV&V, security, and testing services.
- Twelve months of maintenance and operations begins when the complete system is fully functional and fully implemented.
- Changes to these assumptions may require changes to the proposed solution, schedule, and cost estimates.

##### **4.5.3 Project Phasing**

The Figure below identifies the California Business Connect Project major phases.

Figure 4-5: Project Phasing



The selected Systems Integration Contractor’s implementation plan provides for a “Big Bang” approach as opposed to a piecemeal approach based on filing types, as was envisioned in the approved FSR. The Systems Integration Contractor’s roll-out strategy for the California Business Connect Solution is designed to address “... the key business challenges such as filing backlogs, while paying attention to critical implementation issues like ensuring the integrity of existing data.”

**4.5.4 Project Roles and Responsibilities**

A Data Processing Manager III is being added as Project Director to the project team. The current Project Director is becoming a Co-Sponsor with the Deputy Secretary, Operations. The new Project Director is PMP Certified, ITIL V3 certified, has experience aligning business and IT activities, has experience as a PMO Director at several State of California Agencies managing 19 large IT projects with budgets varying from \$20 million to \$62 million and has been a department Chief Information Officer.

The Co-Sponsors will continue to provide executive sponsorship, have authority over California Business Connect Project, provide direction and guidance for key strategies, resolve strategic and politically sensitive issues and conflicts and remove obstacles to ensure California Business

Connect’s success. Both have an equally weighted vote and are members of the project’s Steering Committee. The Co-Sponsors will make every effort to resolve issues in the best interest of the California Business Connect Project. Any issues that are not resolved by the Co-Sponsors will be elevated to the project’s Steering Committee for decision. The Division Chief (formerly the Project Director) and the Deputy Secretary, Operations have overall responsibility for Business Programs Division and have both a vested interest and an intense commitment to the success of the California Business Connect Project.

#### 4.5.5 Project Schedule

The table below summarizes the project phases and estimated schedule.

Project Phases	Estimated Completion Date
Contract Award	02/25/2014
Phase 1: Initiation and Planning	04/30/2014
Phase 2: Design	03/16/2015
Phase 3: Development	12/31/2015
Phase 4: Testing	05/23/2016
Phase 5: Deployment	06/30/2016
Phase 6: First Year Contract Maintenance and Operations	06/30/2017

#### 4.6 Project Monitoring and Oversight

The Secretary of State is in the process of procuring Independent Project Oversight Consultant (IPOC) services. The Secretary of State’s internal auditor and Security Officer will continue to provide IPOC services until IPOC services are procured. The IPOC vendor will provide independent and objective inputs to the Secretary of State’s Project Co-Sponsors and Steering Committee, and the Department of Technology.

IPOC staff will provide services in accordance with Department of Technology Information Technology Project Oversight Framework, PMBOK<sup>®</sup>, and IEEE standards. The oversight effort will include inspection, measurement, tracking, and observation activities to ensure that the project objectives are achieved within the approved project plan. Systems Integration Contractor deliverables will be reviewed for adherence to accepted standards.

IPOC, in conjunction with IV&V staff, 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 so that appropriate actions can be taken to ensure successful implementation of the project.

Based on lessons learned from VoteCal, the Project Management needs will significantly increase. Therefore, the Secretary of State will be acquiring additional vendor project management services once the new Project Director is in place and prior to the Systems Integration Contract execution.

#### **4.7 Project Quality**

Quality Management will continue as described in the approved FSR. The Secretary of State's Project Team will monitor the overall quality of the project processes and deliverables. The quality assurance (QA)/quality control (QC) activities of the California Business Connect Project Team will be planned and coordinated with the California Business Connect Project IV&V contractor, and IPOC contractor, along with the Systems Integration Contractor's Quality Assurance lead.

#### **4.8 Change Management**

Due to the business critical nature of the project, the Secretary of State will work closely with the Systems Integration Contractor's change management team to manage and control transition of the Secretary of State staff from the current environment to the environment envisioned by the California Business Connect Project. The Organizational Change Management approach will begin during the Project Initiation phase and continue throughout the project. It encompasses the following high-level activities:

- Change Readiness Assessment: identifying opportunities, barriers, and points of leverage that must be addressed.
- Capability Transfer Processes: including training that is necessary to sustain the operation once the California Business Connect solution is fully implemented
- Launch Leadership Team: ensure the Secretary of State's Leadership Team is aligned and committed and that team members clearly understand their roles and responsibilities as well as overall accountability for the successful project outcome.
- Communication Planning and Execution: assess stakeholders, create a communication plan, and begin initial communications.
- Change Enrollment: implement the Communication Strategy and Plan, create a process for communication between the project team and end users, and gain an understanding of end users' concerns and ideas about the change.
- Job Skills Identification: identify new job skills and any necessary organizational infrastructure redesign.

In all project phases, the Systems Integration Contractor will identify lessons learned and implement process improvements to the overall Organizational Change Management approach.

#### **4.9 Authorization Required**

SPR 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**

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.

Figure 5-1 Risk Management Log lists the highest-severity risks identified for the California Business Connect Project at this time.

**Figure 5-1 Risk Management Log**

<b>Risk Category/Event</b>	<b>Prob.</b>	<b>Assumptions</b>	<b>Preventive Measures</b>	<b>Contingency Measures</b>
<b>Project Management Risks</b>				
Vendor does not understand necessity and value of rigorous project management methodology.	Med. - .50	Rigorous project management methodology is critical for project success.	Develop procurement document that rates methodology proposed with at least as many points as the solution.	Secretary of State sits with vendor once selected to establish and document expectations. Secretary of State rigorously manages vendor to project management methodology.
Vendor and Secretary of State disagree on how project should be managed.	Med. - .50	Vendor assigns staff with little experience in California IT deployments.	Review contract and state IT requirements with vendor as soon as contract is signed.	Stop project until vendor and Secretary of State discuss project management expectations and come to agreement.
Project requires input of several other departments including: FTB, EDD, BOE, and AG.	Med. - .50	These departments want to work with Secretary of State as they need the information to be readily available to do their jobs.	Explain the project early and update these stakeholders often.	Defer the functionality these departments need until they can actively participate.
Control Agency and Legislative review and budget approval process will impact contract award date and vendor's offer will expire.	High – 1.0	Budget cycle will impact ability to submit Section 11.00 Letter for Legislative approval until after January 10, 2014.	Seek written extension of offer from vendor.	Unknown.
<b>Governance</b>				
Lack of effectiveness of Secretary of State and/or Executive Steering Committee (ESC) decision-making processes.	Low - .20	Secretary of State and Executive Steering Committee view project as a top priority. Review and approval process meets project timelines.	Clearly explain roles and responsibilities and review frequently when project is initiated to ensure single understanding, especially by those who have not participated on an IT project in the past. Schedule meetings in advance ensuring full participation. Provide materials in advance to facilitate decision-making process.	Adjust schedule as necessary.
Project scope changes that require additional review/approval by control agencies and Legislature.	Low - .20	Control agencies and Legislature will require additional time in order to review and approve any scope changes.	Ensure the scope of the project is clearly defined and agreed to by the vendor to minimize changes. Only allow changes to scope that are crucial for project	Adjust schedule as necessary.

Risk Category/Event	Prob.	Assumptions	Preventive Measures	Contingency Measures
			success.	
<b>Resources</b>				
Access to knowledgeable subject matter experts within BPD and ITD.	Med. - .50	Skilled Secretary of State staff may not be available to support this project due to competing priorities.	Define in advance the skill sets required at each phase of the project. Coordinate with the ITD Chief to ensure necessary ITD staff members are available. Dedicate BPD subject matter experts (SME) to represent their areas. Hire student assistants and allow overtime to backfill SMEs production work to ensure no additional backlog due to SMEs being dedicated to the project.	Train existing ITD staff in existing technologies and alert them to other enterprise activities so that they accurately represent IT in the core team. Identify multiple potential SMEs in each area, designate alternates and ensure alternates are kept informed of project status.
Availability of sufficient vendor resources.	Med. - .50	Given the economic situation in California, vendors may not want to bid the work knowing getting paid is difficult.	Request automatic rollover authority for spending allocated funds so that a budget delay does not delay payment.	
Continuity of state project personnel throughout the life of the project	Med. - .50	Staff turnover, retirement, and promotion opportunities are high likely leaving the project without knowledgeable staff.	Create detailed estimates of resource demands in advance. Hire temporary help and cross train existing Secretary of State staff in BPD functions to enable experienced staff to focus on project implementation tasks. Communicate resource demands to senior executives as early as possible.	Adjust schedule as necessary.
<b>Scope</b>				
Business rules change at the federal level.	Med. - .50	Changes at the federal level will impact the project's schedule and scope.	None	Allow greater variance in budget and scope before SPR required.
<b>Schedule</b>				
Vendor inability to implement system to meet project timeline.	Med. - .50	Vendors may not have the resources available to meet the project timeline.	Review and identify resource availability at the start of the project and obtain agreement from the vendors to provide these resources.	Adjust the schedule as necessary.

Risk Category/Event	Prob.	Assumptions	Preventive Measures	Contingency Measures
<b>Financial</b>				
Underestimated Costs.	Med. - .50	The cost of the project could be underestimated given the fact that vendor estimates are based on assumptions that are made before entering the actual environment. A selected vendor may issue change order requests to recover these underestimated costs. The State's economic health will make funding this project an ongoing challenge even though statute provides funds for this project, and the project will use Business Fees Fund, Business Programs Modernization Fund and Secretary of State Reimbursements.	Develop conservative cost estimates that take into consideration the complexity and risks associated with this project. Strong project management and oversight functions will be employed to closely monitor all costs throughout the project's lifecycle.	Request additional funding.
Funding stream is not guaranteed.	High - .75	Although statute requires the collection of \$2.50/filing for purpose of deploying this system and sufficient funds are collected in the Business Fees Fund to cover the project, the funds have been swept to meet General Fund needs.	Explain need to Governor's Office and Legislature that businesses are paying for the Secretary of State services. AB 554 (Mullin) Business Programs Modernization and Transparency sponsored by the Secretary of State creates a separate fund (Business Programs Modernization Fund) for the \$2.50 disclosure fee and will combine the Reimbursements and Business Fees Fund into the Business Fees Fund. The Governor signed AB 554 on September 26, 2013.	Schedule project to be deployed in independent phases so that if funding evaporates whatever has been delivered is functional.

<b>Risk Category/Event</b>	<b>Prob.</b>	<b>Assumptions</b>	<b>Preventive Measures</b>	<b>Contingency Measures</b>
Project budget changes by greater than + 10% requiring additional review/approval by control agencies and Legislature.	Low - .20	Control agencies and Legislature will require additional time in order to review and approve any budget changes greater than +10%.	Only allow changes to budget that are crucial for project success.	Adjust schedule as necessary.
<b>Technology</b>				
Use of non-integrated multiple current systems will not be abandoned.	High - 1.0	Staff owning existing workarounds may resist giving up 'their' system.	Communicate benefits of new system to staff from project initiation through project close out. Provide sufficient training.	Provide additional training as an identified need by supervisor.
System developed does not meet performance requirements.	High - 1.0	Users will expect access to the system to perform function at any time day or night. System must function in a robust manner to meet users' needs.	Develop test cases and validate the robustness of the application and the supporting technology will meet performance requirements.	Adjust schedule as necessary.
Security of data must be assured in new system.	High - 1.0	Some BPD data, including credit card information, is sensitive and must be protected accordingly. The new system must be PCI compliant.	Develop test cases and validate that all security requirements have been met.	Hire a security vendor to evaluate security protections and make recommendations for enhancement.
Vendor's existing COTS products do not meet Secretary of State's needs.	Low - .20	Although the vendor is proposing multiple integrated COTS as a solution, the use of these technologies in the California Secretary of State environment is new.	Establishing clear, concise requirements and agreement with the vendor as a preventative measure.	Modify the vendor's COTS products, if feasible.
<b>Data Conversion</b>				
Data conversion activities will require significant manual resources.	High - .80	Data conversion will be a problem due to the quality of data residing in existing systems and that much data is on paper and will need to be manually entered.	Develop a formal plan for data analysis, conversion and integration. Institute a formal data quality assurance and improvement process. Create meaningful metrics for measuring data quality, including criteria for acceptance of the data prior to system implementation. Actively assess and improve data quality up to system implementation and thereafter.	Adjust schedule as necessary.

Risk Category/Event	Prob.	Assumptions	Preventive Measures	Contingency Measures
Data synchronization will be a challenge given the variety of business processes and data models for the various forms.	Med. - .50	Manual intervention will be required.	Facilitate a consensus-based resolution of this issue with the data synchronization team. Build a common data dictionary. Develop clear data synchronization standards. Automate data synchronization to the maximum extent possible.	Adjust schedule as necessary.
<b>Change Management / Operational</b>				
Significant change in how BPD business is done may increase resistance to adopt system by staff.	High - 1.0	The system will completely automate existing paper based processes. This significant change is likely to disrupt staff.	Use SMEs to communicate throughout the project the benefits of the project to their colleagues. Develop robust training approach and communication campaign. Develop Organization Change Management Plan.	Continuously monitor staff for training needs.
System impacts every business in California.	Med. - .50	Users want to use system but do not know how.	The Secretary of State will provide project updates to stakeholders and also provide training as it did when it deployed the UCC system, which is used online in 99% of requests for information and 66% of filings.	Continue to allow users to file on paper as they do today.

## **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

## 6.1 Economic Analysis Worksheet from the Original Feasibility Study Report

### 6.1.1 FSR Existing System / Baseline Cost Worksheet

Department: **Secretary of State**      EXISTING SYSTEM/BASELINE COST WORKSHEET      Date Prepared: January 2011, revised 3/02/11  
Project: **California Business Connect**      All costs to be shown in whole (unrounded) dollars.

Gather Project Team,  
Prepare RFP  
Requirements &  
Release RFP for  
Application Dev Solution  
(Include Proof of  
Concept)      Award Application Dev  
Contract      Ongoing Maintenance

	FY 2011/12		FY 2012/13		FY 2013/14		FY 2014/15		FY 2015/16		FY 2016/17		TOTAL	
	PYs	Amts	PYs	Amts										
<b>Continuing Information</b>														
<b>Technology Costs</b>														
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
<b>Total IT Costs</b>	<b>7.5</b>	<b>2,704,240</b>	<b>45.0</b>	<b>16,225,440</b>										
<b>Continuing Program Costs:</b>														
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
<b>Total Program Costs</b>	<b>235.6</b>	<b>20,007,000</b>	<b>1413.6</b>	<b>120,042,000</b>										
<b>TOTAL EXISTING SYSTEM COSTS</b>	<b>243.1</b>	<b>22,711,240</b>	<b>1458.6</b>	<b>136,267,440</b>										

6.1.2 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										
<b>One-Time IT Project Costs</b>														
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
<b>Contract Services</b>														
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
<b>TOTAL Contract Services</b>		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
<b>Total One-time IT Costs</b>	<b>13.6</b>	<b>2,100,933</b>	<b>16.5</b>	<b>3,588,942</b>	<b>20.5</b>	<b>5,159,112</b>	<b>21.5</b>	<b>5,255,151</b>	<b>21.5</b>	<b>5,255,151</b>	<b>0.0</b>	<b>0</b>	<b>93.6</b>	<b>21,359,289</b>
<b>Continuing IT Project Costs</b>														
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
<b>Total Continuing IT Costs</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>199,000</b>	<b>0.0</b>	<b>199,000</b>	<b>0.0</b>	<b>199,000</b>	<b>13.5</b>	<b>1,772,744</b>	<b>13.5</b>	<b>2,369,744</b>
<b>Total Project Costs</b>	<b>13.6</b>	<b>2,100,933</b>	<b>16.5</b>	<b>3,588,942</b>	<b>20.5</b>	<b>5,358,112</b>	<b>21.5</b>	<b>5,454,151</b>	<b>21.5</b>	<b>5,454,151</b>	<b>13.5</b>	<b>1,772,744</b>	<b>107.1</b>	<b>23,729,033</b>
<b>Continuing Existing Costs</b>														
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
<b>Total Continuing Existing IT Costs</b>	<b>7.5</b>	<b>2,704,240</b>	<b>0.0</b>	<b>0</b>	<b>37.5</b>	<b>13,521,200</b>								
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
<b>Total Continuing Existing Program Costs</b>	<b>222.0</b>	<b>19,066,359</b>	<b>219.1</b>	<b>18,844,750</b>	<b>215.1</b>	<b>18,434,900</b>	<b>202.1</b>	<b>17,697,798</b>	<b>178.1</b>	<b>16,390,352</b>	<b>181.6</b>	<b>15,325,984</b>	<b>1218.0</b>	<b>105,760,143</b>
<b>Total Continuing Existing Costs</b>	<b>229.5</b>	<b>21,770,599</b>	<b>226.6</b>	<b>21,548,990</b>	<b>222.6</b>	<b>21,139,140</b>	<b>209.6</b>	<b>20,402,038</b>	<b>185.6</b>	<b>19,094,592</b>	<b>181.6</b>	<b>15,325,984</b>	<b>1255.5</b>	<b>119,281,343</b>
<b>TOTAL ALTERNATIVE COSTS</b>	<b>243.1</b>	<b>23,871,532</b>	<b>243.1</b>	<b>25,137,932</b>	<b>243.1</b>	<b>26,497,252</b>	<b>231.1</b>	<b>25,856,189</b>	<b>207.1</b>	<b>24,548,743</b>	<b>195.1</b>	<b>17,098,728</b>	<b>1362.6</b>	<b>143,010,376</b>
INCREASED REVENUES		0		0		0		0		0		0		0

### 6.1.3 FSR Economic Analysis Summary

**ECONOMIC ANALYSIS SUMMARY**

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

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

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
<b>EXISTING SYSTEM</b>														
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
<b>PROPOSED ALTERNATIVE</b>														
	<b>Application Development</b>													
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.)

### 6.1.4 FSR Project Funding Plan

**PROJECT FUNDING PLAN**

Department: Secretary of State  
Project: California Business Connect

All Costs to be in whole (unrounded) dollars

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										
<b>TOTAL PROJECT COSTS</b>	<b>13.6</b>	<b>2,100,933</b>	<b>16.5</b>	<b>3,588,942</b>	<b>20.5</b>	<b>5,358,112</b>	<b>21.5</b>	<b>5,454,151</b>	<b>21.5</b>	<b>5,454,151</b>	<b>13.5</b>	<b>1,772,744</b>	<b>107.1</b>	<b>23,729,033</b>
<b>RESOURCES TO BE REDIRECTED</b>														
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
<b>TOTAL REDIRECTED RESOURCES</b>	<b>13.6</b>	<b>1,221,617</b>	<b>16.5</b>	<b>1,456,226</b>	<b>20.5</b>	<b>1,918,076</b>	<b>21.5</b>	<b>2,016,115</b>	<b>21.5</b>	<b>2,016,115</b>	<b>13.5</b>	<b>1,772,744</b>	<b>107.1</b>	<b>10,400,893</b>
<b>ADDITIONAL PROJECT FUNDING NEEDED</b>														
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
<b>TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR*</b>	<b>0.0</b>	<b>879,316</b>	<b>0.0</b>	<b>2,132,716</b>	<b>0.0</b>	<b>3,440,036</b>	<b>0.0</b>	<b>3,438,036</b>	<b>0.0</b>	<b>3,438,036</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>13,328,140</b>
<b>TOTAL PROJECT FUNDING</b>	<b>13.6</b>	<b>2,100,933</b>	<b>16.5</b>	<b>3,588,942</b>	<b>20.5</b>	<b>5,358,112</b>	<b>21.5</b>	<b>5,454,151</b>	<b>21.5</b>	<b>5,454,151</b>	<b>13.5</b>	<b>1,772,744</b>	<b>107.1</b>	<b>23,729,033</b>
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
<b>FUNDING SOURCE</b>														
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
<b>TOTAL FUNDING</b>	<b>100%</b>	<b>2,100,933</b>	<b>100%</b>	<b>3,588,942</b>	<b>100%</b>	<b>5,358,112</b>	<b>100%</b>	<b>5,454,151</b>	<b>100%</b>	<b>5,454,151</b>	<b>100%</b>	<b>1,772,744</b>	<b>100%</b>	<b>23,729,033</b>

\* 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

## 6.2 Economic Analysis Worksheets - Special Project Report

### 6.2.1 SPR Existing System / Baseline Cost Worksheet

SIMM 20C30C, Rev. 03/2011  
Department: Secretary of State  
Project: California Business Connect

EXISTING SYSTEM/BASELINE COST WORKSHEET  
All costs to be shown 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		TOTAL	
	PYs	Amts	PYs	Amts										
<b>Continuing Information</b>														
<b>Technology Costs</b>														
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
<b>Total IT Costs</b>	<b>7.5</b>	<b>2,704,240</b>	<b>45.0</b>	<b>16,225,440</b>										
<b>Continuing Program Costs:</b>														
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
<b>Total Program Costs</b>	<b>235.6</b>	<b>20,007,000</b>	<b>1413.6</b>	<b>120,042,000</b>										
<b>TOTAL EXISTING SYSTEM COSTS</b>	<b>243.1</b>	<b>22,711,240</b>	<b>1458.6</b>	<b>136,267,440</b>										

## 6.2.2 SPR Proposed Alternative

SIMM 20C30C, Rev. 03/2011

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										
<b>One-Time IT Project Costs</b>														
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
<b>Total One-time IT Costs</b>	<b>4.7</b>	<b>1,037,756</b>	<b>4.0</b>	<b>809,652</b>	<b>11.4</b>	<b>2,755,851</b>	<b>35.0</b>	<b>7,165,763</b>	<b>35.7</b>	<b>10,376,715</b>	<b>0.0</b>	<b>0</b>	<b>90.8</b>	<b>22,145,737</b>
<b>Continuing IT Project Costs</b>														
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
<b>Total Continuing IT Costs</b>	<b>0.0</b>	<b>0</b>	<b>27.5</b>	<b>4,779,342</b>	<b>27.5</b>	<b>4,779,342</b>								
<b>Total Project Costs</b>	<b>4.7</b>	<b>1,037,756</b>	<b>4.0</b>	<b>809,652</b>	<b>11.4</b>	<b>2,755,851</b>	<b>35.0</b>	<b>7,165,763</b>	<b>35.7</b>	<b>10,376,715</b>	<b>27.5</b>	<b>4,779,342</b>	<b>118.3</b>	<b>26,925,079</b>
<b>Continuing Existing Costs</b>														
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
<b>Total Continuing Existing IT Costs</b>	<b>7.5</b>	<b>2,704,240</b>	<b>0.0</b>	<b>0</b>	<b>37.5</b>	<b>13,521,200</b>								
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
<b>Total Continuing Existing Program Costs</b>	<b>230.9</b>	<b>19,811,354</b>	<b>231.6</b>	<b>19,864,499</b>	<b>224.3</b>	<b>19,036,001</b>	<b>200.6</b>	<b>17,432,563</b>	<b>199.9</b>	<b>17,593,559</b>	<b>170.6</b>	<b>15,634,572</b>	<b>1257.9</b>	<b>109,372,548</b>
<b>Total Continuing Existing Costs</b>	<b>238.4</b>	<b>22,515,594</b>	<b>239.1</b>	<b>22,568,739</b>	<b>231.8</b>	<b>21,740,241</b>	<b>208.1</b>	<b>20,136,803</b>	<b>207.4</b>	<b>20,297,799</b>	<b>170.6</b>	<b>15,634,572</b>	<b>1295.4</b>	<b>122,893,748</b>
<b>TOTAL ALTERNATIVE COSTS</b>	<b>243.1</b>	<b>23,553,350</b>	<b>243.1</b>	<b>23,378,391</b>	<b>243.1</b>	<b>24,496,092</b>	<b>243.1</b>	<b>27,302,566</b>	<b>243.1</b>	<b>30,674,514</b>	<b>198.1</b>	<b>20,413,914</b>	<b>1413.6</b>	<b>149,818,827</b>
INCREASED REVENUES		0		0		0		0		0		0		0

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

### 6.2.3 SPR Economic Analysis Summary

SIMM 20C30C, Rev. 03/2011  
Department: Secretary of State  
Project: California Business Connect

**ECONOMIC ANALYSIS SUMMARY**  
All costs to be shown 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		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
<b>EXISTING SYSTEM</b>														
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
<b>PROPOSED ALTERNATIVE</b>														
	<b>Award contract to Bodhtree Solutions, Inc.</b>													
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)		

## 6.2.4 SPR Project Funding Plan

SIMM 20C30C, Rev. 03/2011

### PROJECT FUNDING PLAN

Department: Secretary of State

All Costs to be 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		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
<b>TOTAL PROJECT COSTS</b>	<b>4.7</b>	<b>1,037,756</b>	<b>4.0</b>	<b>809,652</b>	<b>11.4</b>	<b>2,755,851</b>	<b>35.0</b>	<b>7,165,763</b>	<b>35.7</b>	<b>10,376,715</b>	<b>27.5</b>	<b>4,779,342</b>	<b>118.3</b>	<b>26,925,079</b>
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
<b>TOTAL REDIRECTED RESOURCES</b>	<b>4.7</b>	<b>476,622</b>	<b>4.0</b>	<b>423,477</b>	<b>11.4</b>	<b>1,248,986</b>	<b>35.0</b>	<b>2,852,424</b>	<b>35.7</b>	<b>2,895,528</b>	<b>27.5</b>	<b>4,779,342</b>	<b>118.3</b>	<b>12,676,379</b>
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
<b>TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR *</b>	<b>0.0</b>	<b>561,134</b>	<b>0.0</b>	<b>386,175</b>	<b>0.0</b>	<b>1,506,865</b>	<b>0.0</b>	<b>4,313,339</b>	<b>0.0</b>	<b>7,481,187</b>	<b>0.0</b>	<b>0</b>	<b>0.0</b>	<b>14,248,700</b>
<b>TOTAL PROJECT FUNDING</b>	<b>4.7</b>	<b>1,037,756</b>	<b>4.0</b>	<b>809,652</b>	<b>11.4</b>	<b>2,755,851</b>	<b>35.0</b>	<b>7,165,763</b>	<b>35.7</b>	<b>10,376,715</b>	<b>27.5</b>	<b>4,779,342</b>	<b>118.3</b>	<b>26,925,079</b>
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)
<b>FUNDING SOURCE</b>														
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
<b>TOTAL FUNDING</b>	<b>100%</b>	<b>1,037,756</b>	<b>100%</b>	<b>809,652</b>	<b>100%</b>	<b>2,755,851</b>	<b>100%</b>	<b>7,165,763</b>	<b>100%</b>	<b>10,376,715</b>	<b>100%</b>	<b>4,779,342</b>	<b>100%</b>	<b>26,925,079</b>

\* 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.