ALEX PADILLA | SECRETARY OF STATE | STATE OF CALIFORNIA

A Report for
State of California
Secretary of State

California Business Connect Special Project Report #2

December 2015

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Information Technology Project Request

Special Project Report
Executive Approval Transmittal

Agency/state entity Name			
Secretary of State			
Project Title (maximum of 75 characters)			**Project Acronym**
California Business Connect			CBC
FSR Project ID	**FSR Approval Date**	**State entity Priority**	**Agency Priority**
0890-47	4/1/2011	2	2

The attached Special Project Report (SPR) is being submitted in support of the Secretary of State's request for the California Department of Technology's approval to continue development and implementation of this project.

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 the information management strategy as expressed in the current Agency Information Management Strategy (AIMS).

I have reviewed and agree with the information in the attached Special Project Report.

I also certify that the acquisition of the applicable information technology (IT) product(s) or service(s) required by my Agency that are subject to Government Code 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).

APPROVAL SIGNATURES

Chief Information Officer, Acting	Date Signed
Christine McKenzie	12/28/15
Printed name: Christine McKenzie	
Budget Officer	**Date Signed**
Becky Lopez	12/28/15
Printed name: Becky Lopez	
Deputy Secretary of State, Operations	**Date Signed**
Kimberly L. Gauthier	12/28/15
Printed name: Kimberly Gauthier	
Chief Business Programs Division Secretary of State	**Date Signed**
Betsy Bogart	12/28/15
Printed name: Betsy Bogart	
Information Security Officer	**Date Signed**
	12/28/15
Printed name: Wendell Christopher	

1.0 Executive Approval Transmittal

1.1 IT Accessibility Certification

Yes or No

Yes	**The Proposed Project Meets Government Code 11135 / Section 508 Requirements and no exceptions apply.**

Exceptions Not Requiring Alternative Means of Access

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

Exceptions Requiring Alternative Means of Access for Persons with Disabilities

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

Executive Approval Transmittal

Exceptions Requiring Alternative Means of Access for Persons with Disabilities

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

2.0 Information Technology: Project Summary Package

2.1 Section A: Executive Summary

1.	Submittal Date	December 28, 2015

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

			Estimated Project Dates	
3.	Project Title	California Business Connect	Start	End
	Project Acronym	CBC	7/1/2011	01/31/2022

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

6. Project Objectives

This project has two primary objectives and metrics under each:
Ensures the Secretary of State is compliant with the law and the State
Administrative Manual

- Make all data from Statements of Information (who is running the business) available online
- Respond to Public Records Act requests within 10 days
- Process checks within 1 day
- Prevent registration of conflicting trademarks

The Secretary of State Stewardship of Records

- Capture 100% of data electronically to process, store, and retrieve records
- Allow system crosschecks and validation of 100% of entered data
- Make data available electronically to government agencies in real time
- Continue to meet the 2013 Legislative recommendation and the

8.	Major Milestones	Est. Complete Date
	Receive SPR Approval	2/01/2016
	Release of RFP	8/01/2017
	Contract Awarded	9/01/2018
	Vendor On-board	11/01/2018
	Phase 1: LLC & LP Deployment	8/31/2019
	Phase 2: Corporations Deployment	2/29/2020
	Phase 3: Uniform Commercial Code Deployment	8/31/2020
	Phase 4: Trademarks Deployment	1/31/2021
	First Year Contract Maintenance and Operations	1/31/2022
	PIER	1/31/2022
	Key Deliverables	TBD

Secretary of State goal to reduce and maintain turnaround times for business filings at an average 5 business days • Secure back-up of filed information		

7.	Proposed Solution

As of August 14, 2015, the Secretary of State and Bodhtree Solutions, Inc., through mutual consent, terminated the Systems Integration contract for the project. This Special Project Report (SPR) does not change the approach to the solution articulated in the Feasibility Study Report dated March 2011.

The Secretary of State still seeks a business-based procurement. The Secretary of State anticipates vendors will respond with a solution that provides web-based access for businesses and other government agencies to submit filings or request orders. The anticipated solution will include automated workflow capabilities. The anticipated solution will automate the filing process and eliminate the archaic, manual processes conducted today for the more than 2 million paper document filings and requests for information received each year for processing.

A Request For Proposal (RFP) will solicit a full service solution proven in the industry to support online filing, secure storage and records retrieval. The Secretary of State requires a solution that will streamline the processing and support for the lifecycle of a filing from the initial submission through processing, filing and storage, to making a copy of the record available to the public. The Secretary of State will not identify any specific hardware or software in this SPR. More details about the technical solution will be outlined in a subsequent SPR to be submitted after a vendor has been selected based on the review and evaluation of all vendor responses to the Secretary of State's RFP.

2.2 Section B: Project Contacts

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

Executive Contacts								
	First Name	**Last Name**	**Area Code**	**Phone #**	**Ext.**	**Area Code**	**Fax #**	**E-mail**
Project Co-Sponsor	Kimberly	Gauthier	916	695-1641		916	653-4795	Kim.Gauthier@sos.ca.gov
Project Co-Sponsor	Betsy	Bogart	916	695-1197		916	653-1315	Betsy.Bogart@sos.ca.gov
Budget Officer	Becky	Lopez	916	695-1502		916	653-8544	Becky.Lopez@sos.ca.gov
CIO, Acting	Christine	McKenzie	916	695-1446		916	653-2151	Christine.McKenzie@sos.ca.gov
Information Security Officer	Wendell	Christopher	916	695-1498				Wendell.Christopher@sos.ca.gov
Project Director	Barb	Shepard	916	695-1343				Barbara.Shepard@sos.ca.gov

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

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

1.	**What is the date of your current Technology Recovery Plan (TRP)?**	**Date**	10/2014
2.	**What is the date of your current Agency Information Management Strategy (AIMS)?**	**Date**	10/2015
3.	**For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.**	**Doc.**	The California Secretary of State Strategic Plan dated 6/20/2012
		Page #	Goal 1 beginning on page 1 and Goal 3 beginning on page 14

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

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

2.4 Section D: Budget Information

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

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

FY	**2016/17**	**FY**	**2017/18**	**FY**	**2018/19**	**FY**	**2019/20**	**FY**	**2020/21**
	$2,280,013		**$2,076,229**		**$16,850,471**		**$3,350,567**		**$1,748,123**

PROJECT COSTS

1.	**Fiscal Year**	**2011/12**	**2012/13**	**2013/14**	**2014/15**	**2015/16**	**2016/17**	**2017/18**	**2018/19**
2.	**One-Time Cost**	$1,037,756	$811,359	$2,026,409	$2,725,683	$2,102,698	$4,412,853	$4,117,188	$19,930,008
3.	**Continuing Costs**	$0	$0	$0	$0	$0	$0	$0	$0
4.	**TOTAL PROJECT BUDGET[1]**	**$1,037,756**	**$811,359**	**$2,026,409**	**$2,725,683**	**$2,102,698**	**$4,412,853**	**$4,117,188**	**$19,930,008**

1.	**Fiscal Year**	**2019/20**	**2020/21**	**2021/22**	**TOTAL**
2.	**One-Time Cost**	$6,554,097	$3,352,123	$0	$47,070,174
3.	**Continuing Costs**	$0	$2,093,327	$4,186,654	$6,279,981
4.	**TOTAL PROJECT BUDGET[1]**	**$6,554,097**	**$5,503,251**	**$4,186,654**	**$53,350,155**

1. In addition to this funding the Secretary of State will continue to need $320,026 (plus DGS service fees) annually for student assistants to backfill Business Programs Division staff positions redirected to the project and will be included in the project funding requests.

PROJECT FINANCIAL BENEFITS

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

5.	Fiscal Year	2019/20	2020/21	2021/22	TOTAL
6.	Cost Savings/ Avoidances	$0	$4,058,147	$8,116,293	$12,174,400
7.	Revenue Increase	$0	$4,058,147	$8,116,293	$12,174,400

2.5 Section E: Vendor Project Budget

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

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

VENDOR PROJECT BUDGET

1.	Fiscal Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
2.	Primary Vendor Budget	$0	$0	$1,143,128	$1,422,918	$0	$0
3.	Independent Oversight Budget	$0	$0	$158,750	$0	$22,210	$112,560
4.	IV&V Budget	$118,030	$102,675	$90,765	$40,990	$216,000	$216,000
5.	Other Budget	$386,369	$176,966	$0	$229,580	$246,640	$1,198,446
6.	**TOTAL VENDOR BUDGET[1]**	**$504,399**	**$279,641**	**$1,392,643**	**$1,693,488**	**$484,850**	**$1,527,006**

1.	Fiscal Year (continued)	2017/18	2018/19	2019/20	2020/21	2021/22	TOTAL
2.	Primary Vendor Budget	$0	$11,000,000	$0	$0	$0	**$11,000,000**
3.	Independent Oversight Budget	$112,560	$112,560	$112,560	$56,280	$0	**$687,480**
4.	IV&V Budget	$216,000	$216,000	$216,000	$108,000	$0	**$1,540,460**
5.	Other Budget	$667,788	$3,439,218	$1,641,708	$1,102,538	$427,500	**$12,510,299**
6.	**TOTAL VENDOR BUDGET[1]**	**$996,348**	**$14,767,778**	**$1,970,268**	**$1,266,818**	**$427,500**	**$25,738,239**

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

PRIMARY VENDOR HISTORY SPECIFIC TO THIS PROJECT

7.	**Primary Vendor**	Bodhtree Solutions Inc.	TBD
8.	**Contract Start Date (projected)**	1/10/2014	9/01/2018
9.	**Contract End Date (projected)**	8/14/2015	1/31/2022
10.	**Amount**	$2,566,046	$

PRIMARY VENDOR CONTACTS

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

2.6 Section F: Risk Assessment Information

Project #	0890-47
Doc. Type	SPR

RISK ASSESSMENT

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

General Comment(s)
The California Business Connect Project has employed a systematic approach to risk identification, management, escalation, and closure. The California Business Connect Project risk management and escalation processes ensure: • Risks are defined and properly scoped. • The correct participants are involved in the risk analysis and mitigation process. • Root causes are analyzed and recommendations are based on sound judgment. • Specific persons are named to complete action items. • Actions are tracked to resolution/completion. • Escalation to a higher level of management is available and is pursued when mitigation or intervention cannot be achieved at the project level. • Risks and associated actions and status are documented through a formal process and are reviewed regularly. • 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. Risk management is an ongoing process, from the inception to the closure of the project, and is a critical component of California Business Connect Project monitoring and control activities.

3.0 Proposed Project Change

The Secretary of State completed a previous business-based procurement solicitation and on January 7, 2014, awarded a contract to Bodhtree Solutions, Inc. as the systems integration contractor to develop and implement the California Business Connect solution. With the concurrence of California Department of Technology, the Secretary of State and Bodhtree Solutions, Inc. mutually agreed to terminate the contract on August 14, 2015. At the time of contract termination, the project was in the Design phase requirements specification and technical architecture planning were in process.

The Secretary of State is proposing to conduct business process reengineering followed by another business-based procurement solicitation for California Business Connect.

3.1 Project Background / Summary

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

The Business Programs Division of the Secretary of State's office manages the following business functions:

- Registering and authenticating business entities;
- Enabling banks and lenders to perfect their financial interests in personal
- property;
- Regulating notaries public;
- Registering trademarks and service marks (collectively “Trademarks”);
- Registering business surety bonds; and
- Protecting individual rights by registering domestic partners and advance health care directives.

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

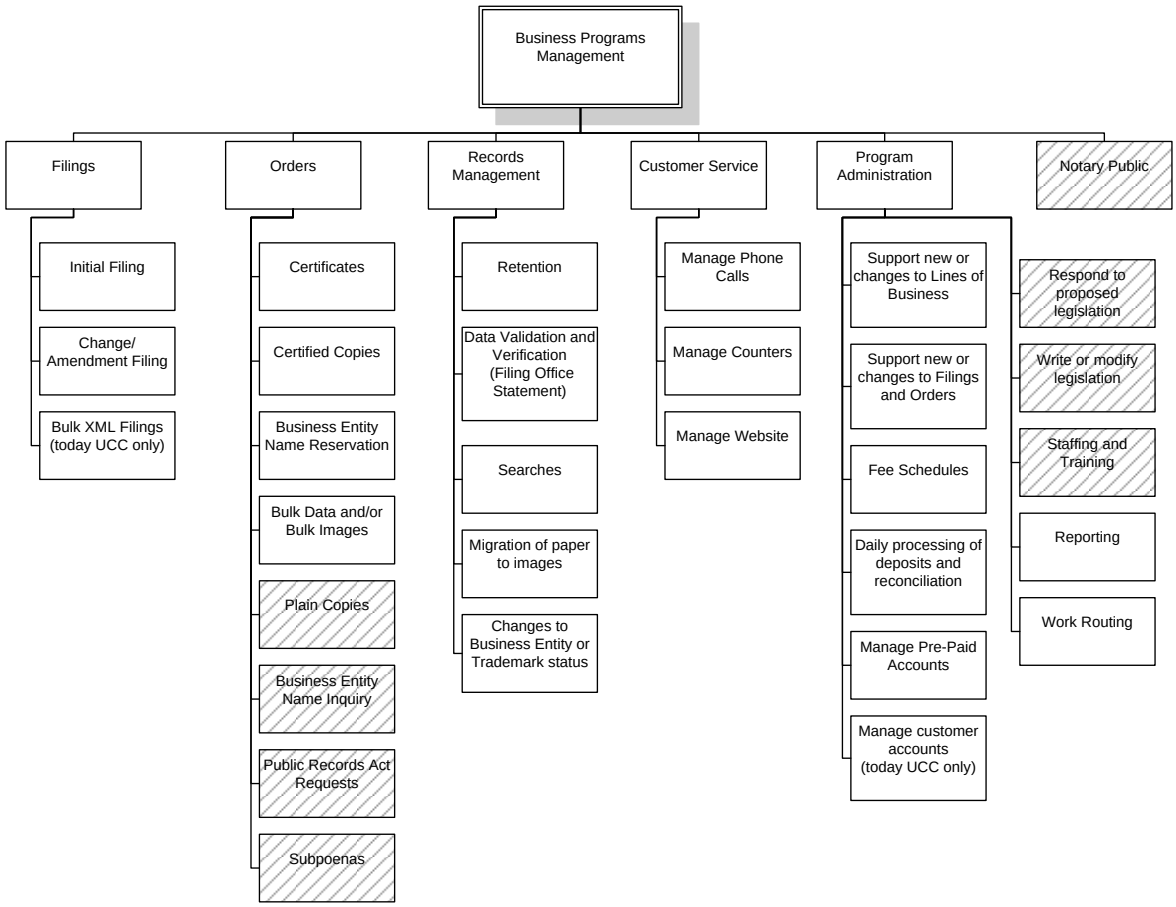
Business filings provide numerous benefits to individuals, businesses and government agencies, such as providing:

- Evidence of the formation, registration, and modification of domestic and foreign business entities;
- Evidence of the key persons or entities operating corporations and limited liability companies through annual or biennial Statements of Information;
- Evidence of the registration and modification of Trademarks;
- Evidence of personal property lien notices (Uniform Commercial Code and other lien filings) and tax lien notices to secure lien priority;
- Evidence for court cases and law enforcement investigations;
- Information to government agencies for taxing, licensing, and regulatory purposes; and
- Proof of existence or good standing to open bank accounts, obtain financing, obtain licenses, enter into contracts, and conduct other official business in California.

Business Process Description

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

Figure 3-1 Business Programs Division Functions



Shaded boxes are out of scope for CBC

The filings and orders processes today vary significantly based on the underlying information technology systems that support the filings and information requested. The desire of the Business Programs Division in the future is to have all of the filing and order types supported by a single set of common processes and a single system. Below are the high-level to-be filing and order process diagrams. The intention of the business process reengineering work is to elaborate on these process models, streamline the business processes, and provide the context for the functional requirements.

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

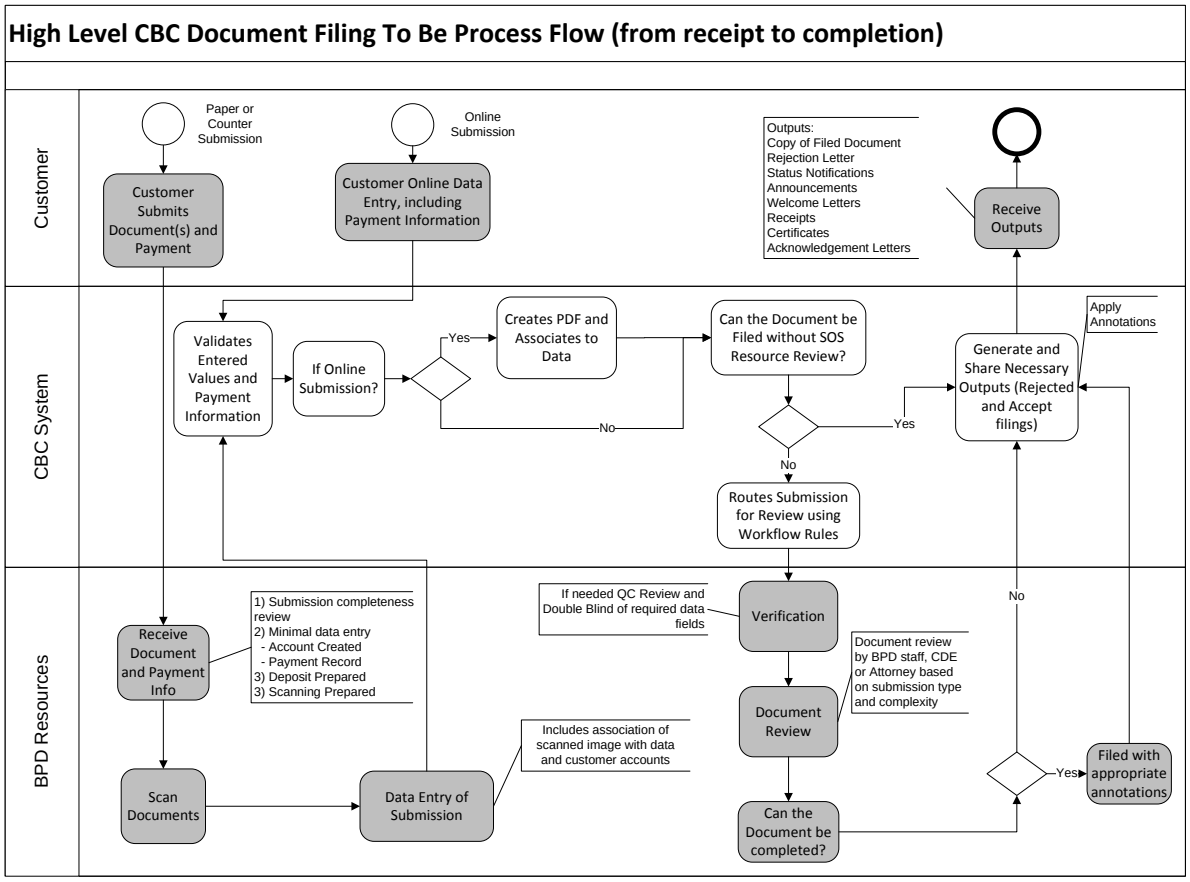
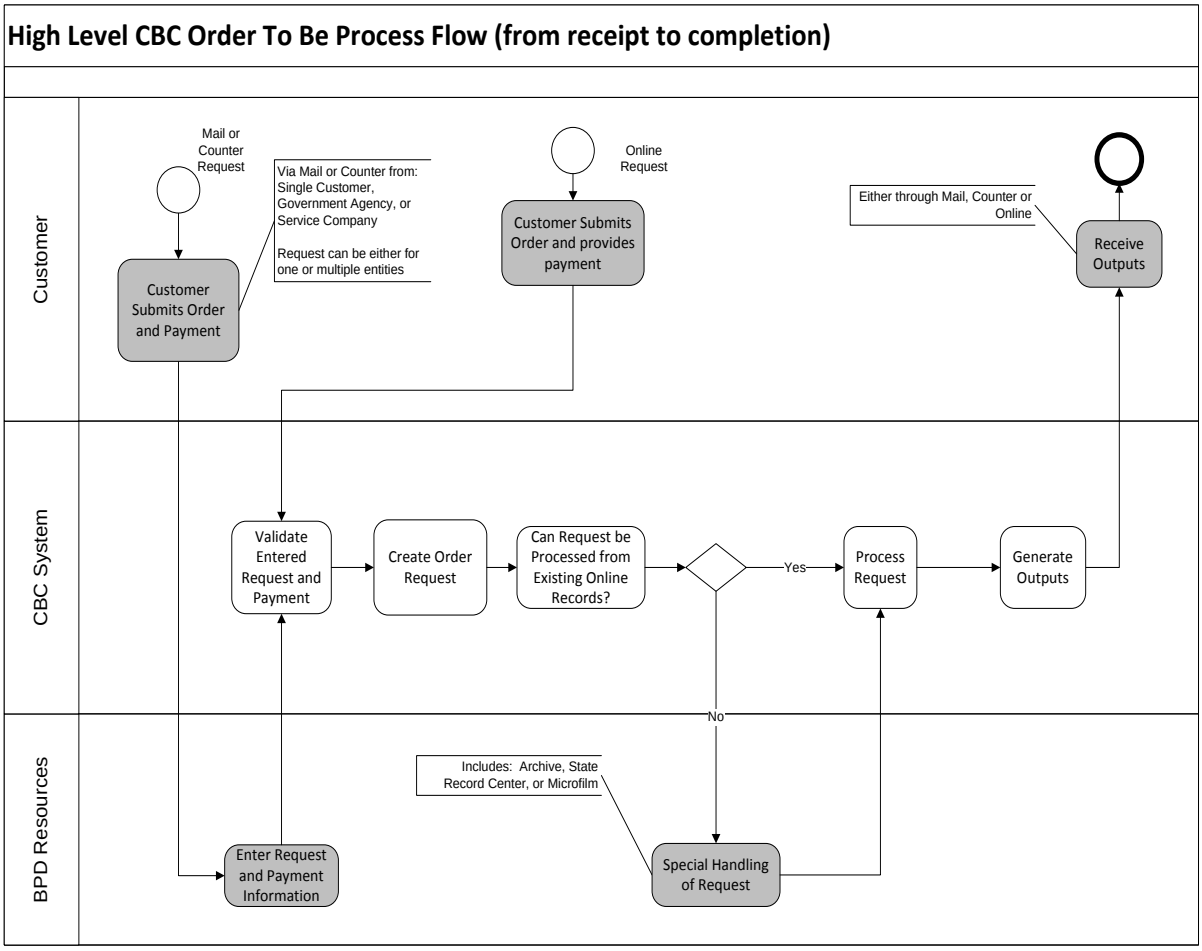


Figure 3-3 High Level CBC Order "To Be" Process Flow



Almost all incoming paper documents today go through the following resource intensive steps:

- Documents are received by mail or are dropped off over the counter;
- Documents are sorted manually;
- Documents are stamped manually with date received by the Secretary of State;
- Documents are tracked by manual input into a legacy information technology system;
- Documents are reviewed and evaluated to determine statutory compliance;
- Response is sent to the customer (certified copy of filed documents, acknowledgment letter, or rejection comments with return of filing fee);
- Filing fee and, if applicable, expedited handling fee are processed for filings;
- Additional information is captured through manual input into one of three separate legacy information technology systems, or input manually into an Access database, or even onto three-inch by five-inch index cards;
- Hand tallies are made on paper to track workload; and
- Records are retained based on the Secretary of State policy.

The California Business Connect solution with reengineered business processes will revolutionize the way California does business and provide a means to preserve the vital business records of the State.

3.2 Project Status

On August 14, 2015, with the concurrence of the California Department of Technology, the Secretary of State and Bodhtree Solutions, Inc. mutually agreed to terminate the California Business Connect systems integrator contract. At the time of contract termination, phase 1 was completed, and phase 2 was behind schedule. Since the termination, the Secretary of State with guidance from the California Department of Technology has been re-planning the project and analyzing alternatives for the new system.

Project costs continue to be incurred for services such as project management, oversight, and the Secretary of State staff time to perform re-planning activities. At the time of the systems integrator contract termination, the project was on budget.

3.3 Reason for Proposed Change

The proposed changes to the California Business Connect Project are primarily a result of the mutually agreed upon termination of the systems integrator contract, but also are a result of lessons learned from previous project experiences. Instead of a big bang implementation of all filings, a more results oriented, risk based approach is proposed. In addition, the project will include a fewer number of filing types to focus resources on the most common and largest volume filing types. The Business Programs Division will add the low volume, niche filings to the system after this project is completed thus reducing the initial complexity of the core implementation. The project approach will be to phase the system and accompanying functionality into production by lines of business, to minimize the risk to the organization and to maximize the benefit to the organization including the benefit of decommissioning legacy systems.

3.4 Proposed Project Change

The project changes affect schedule, scope, and budget:

- This proposal changes the project completion date from June 30, 2017 to January 31, 2022.
- This proposal changes the total budget from $26,925,079 to $53,350,155. The Economic Analysis Worksheets (EAW) within this SPR details all of the projected budget changes.
- This proposal reduces the scope of the project from over 500 filing types to approximately 100 filing types, to focus on the higher volume filings, thus maximizing project benefit while reducing overall risk and project complexity.

The Secretary of State proposes additional time and resources to complete needed business process reengineering, process analysis, and associated requirements clarification. Lessons learned from the execution of previous project activities highlighted the downstream benefit of making these refinements prior to solution procurement. Performing this work in advance of procurement will improve the quality of the bids and clarify the business needs for potential vendors. Contracting with external resources with experience in business process reengineering and requirements development, along with active involvement from Independent Verification and Validation resources, will help ensure this work will meet the business needs of

the Business Programs Division and be performed according to industry standards. This effort must transfer knowledge to internal staff that will continue the project efforts into procurement.

Per discussions with Department of Technology and Department of Finance, the Secretary of State is proposing organizational change management (OCM) activities to begin before the technology vendor is on-board. The Secretary of State is proposing to begin OCM activities immediately after the business process reengineering work is complete. The Secretary of State will engage a vendor experienced in OCM to lead the effort of planning and implementing the business process changes identified in the reengineering as well as the changes expected due to the implementation of the new technology solution. The Secretary of State staff have been performing work with minimal system changes over the last 10 to 20 years, and as a result have entrenched ways of performing job duties. While the Secretary of State is very open and excited about the changes that will occur, the project anticipates a significant amount of natural resistance to change, not to mention the significant amount of business process changes that will come from a primarily paper based process consolidating to a single automated system and process for filings and orders, including re-organization, changing job duties and new technology.

Additional time and resources are needed to re-plan and procure a solution, including performing additional market research, securing funding, planning and conducting a request for proposal (RFP), securing Department of Technology's approval of the proposed vendor, and submitting a revised SPR for approval by the control agencies and Legislature. The fiscal budget planning cycle also affects this timeframe.

The Secretary of State proposes reducing project scope to focus on the largest annual volume of paper flings in phases, while also replacing outdated legacy systems. The revised project scope reduces the project complexity and overall work effort, while still meeting the objectives of the project. Functionality will focus on the largest volume of paper filings/documents to obtain the maximum possible benefit to the public and cost avoidances to the State. The Business Programs Division will add the low-volume niche filings to the system after the initial system implementation, but are outside the scope of this project.

The legacy system conversions and retirements align with the phased implementation as shown in Table 3-1 below. Decommissioning of the LP/LLC legacy system will occur after implementation of phase 1 for the Limited Liability Companies and Limited Partnerships lines of business. Decommissioning of six additional legacy systems will occur after phase 2 for the Corporations line of business. Decommissioning of the Uniform Commercial Code legacy system will occur after phase 3 for the Uniform Commercial Code line of business, and the decommissioning of the Trademarks use of index cards and database will occur after phase 4 for the Trademarks line of business transition to the new platform.

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

Phase	Legacy system	Conversion required	Note
1 -- LLC & LP	LP/LLC	Yes; Convert LLC & LP data from legacy system	Decommission legacy system after phase 1 implementation is complete and new system is stable.
	BE Imaging	Yes; Convert LLC & LP data from legacy system	Decommission legacy system after phase 2 implementation is complete and new system is stable
2 -- Corporations	Corporations	Yes; Convert Corporations data from legacy system	Decommission legacy system after phase 2 implementation is complete and new system is stable
	Corporate Disclosure	Yes; Convert Corporations data from legacy system	Decommission legacy system after phase 2 implementation is complete and new system is stable
	Statement of Information E-File	Yes; Convert Corporations data from legacy system	Decommission legacy system after phase 2 implementation is complete and new system is stable
	BE Imaging	Yes; Convert Corporations data from legacy system	Decommission legacy system after phase 2 implementation is complete and new system is stable
	BE Filing Tracking	No conversion required	Decommission legacy system after phase 2 implementation is complete and new system is stable
	California Business Search	No conversion required	Decommission legacy system after phase 2 implementation is complete and new system is stable
3 – Uniform Commercial Code	Business Entities and Secured Transactions (BEST)	Yes; Convert UCC data from legacy system	Decommission legacy system after phase 3 implementation is complete and new system is stable
4 – Trademarks	Trademarks	Yes; Convert Trademarks from legacy system	Decommission legacy system after phase 4 implementation is complete and new system is stable

The revised scope now includes the following lines of business:

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

The lines of business removed from scope include:

- All other business filings for business entities not listed above, including General Partnerships, Limited Liability Partnerships, and Foreign Partnerships.
- All other special filings, including Brands and Insignias, Surety Bonds, Registries, and Government Filings.

The Secretary of State proposes using Microsoft SharePoint for Office 365 for team member collaboration and management of project documentation. Currently, project documentation is stored on a network file share with limited collaboration and search capabilities. Microsoft SharePoint for Office 365 capabilities also provide for remote access needed for any potentially remote workers such as IPOC and IV&V. The current electronic document storage location provides no ability for off-site access without the Secretary of State provided equipment. The Secretary of State does not currently use Microsoft SharePoint, so this proposal includes budgeted items for initial configuration and training for the Secretary of State staff, and consulting dollars to ensure SharePoint is governed using best practices. The Secretary of State will reclassify one position from the Business Programs Division for a Microsoft SharePoint administrator to provide technical administrative support of the environment.

3.4.1 Accessibility

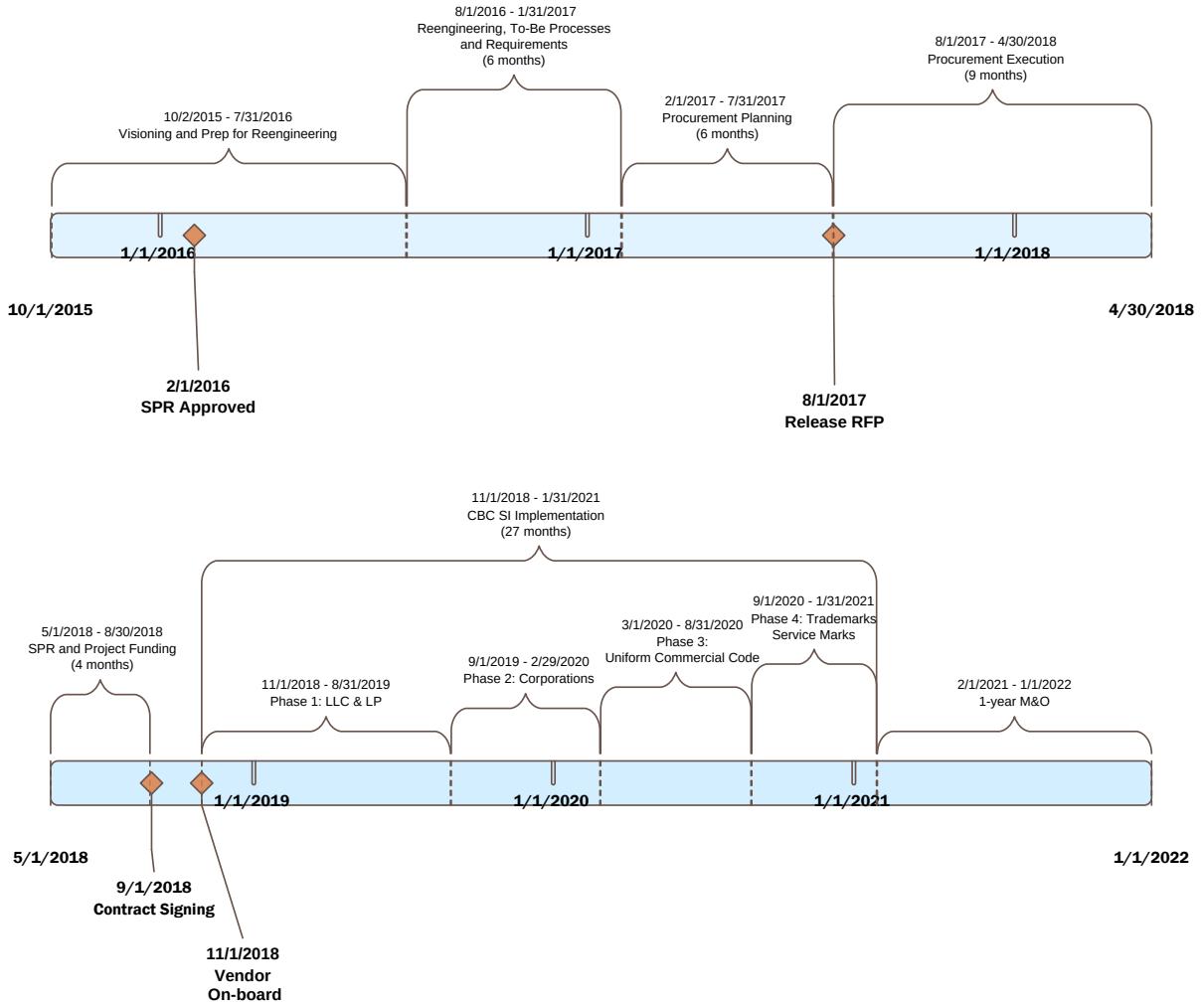
As stated in the Feasibility Study Report, the proposed solution intends to meet Government Code section 11135 (Federal section 508 of the Rehabilitation Act of 1973), and no exceptions apply.

3.4.2 Impact of Proposed Change on the Project

The strategic direction and project objectives for the California Business Connect Project remain the same as described in the approved Feasibility Study Report.

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

Figure 3-4 Revised Timeline for California Business Connect



The scope reduction and the additional business process work will result in a more clear and precise presentation of the business needs and requirements for the Request for Proposal, which, in turn, will result in more viable responses from the vendor community.

The budget for the project has changed. Table 3-2 provides a summary of the budget changes from the last approved SPR #1 from December 2013, the actual expenditures through September 2015, and the new proposed budget based on lessons learned and market research. Table 3-3 provides a cost comparison between SPR #1 and SPR #2.

Table 3-2: California Business Connect Project Budget

One-Time IT Project Costs	Last Approved Budget	Cumulative Actual Cost as of 9/30/2015	New Proposed Budget w/out cumulative actuals	Total New Proposed Budget
Staff (Salaries & Benefits)[1]	$8,963,266	$2,508,191	$16,649,711	$19,157,902
Hardware Purchase	$0	$0	$1,000,000	$1,000,000
Softare Purchase/License	$10,000	$0	$1,270,000	$1,270,000
Contract Services - Software Customization[2]	$8,215,395	$2,566,046	$11,000,000	$13,566,046
Contract Services - Project Management[3]	$621,175	$326,665	$1,251,810	$1,578,475
Contract Services - Project Oversight[4]	$288,750	$115,920	$571,560	$687,480
Contract Services - IV&V Services[5]	$604,330	$356,570	$1,183,890	$1,540,460
Contract Services - Other Contract Services[6]	$1,786,240	$517,580	$4,509,448	$5,027,028
Agency Facilities	$0	$4,736	$0	$4,736
Other[7]	$1,656,581	$415,053	$2,822,995	$3,238,048
Total One-Time Costs	$22,145,737	$6,810,761	$40,259,413	$47,070,174
Continuing IT Project Costs[8]				
Staff (Salaries & Benefits)	$2,975,902	$0	$5,225,432	$5,225,432
Hardware Lease/Maintenance	$24,049	$0	$187,500	$187,500
Software Maintence/ Licenses	$708,271	$0	$453,750	$453,750
Contract Services	$800,000	$0	$0	$0
Other	$271,120	$0	$413,300	$413,300
Total Continuing IT Project Costs	$4,779,342	$0	$6,279,981	$6,279,981
TOTAL	$26,925,079	$6,810,761	$46,539,394	$53,350,155
Project Duration:	72 month duration (6 years) Start: July 2011 End: June 2017		76 month duration (6.4 years) Start: Oct 2015 End: Jan 2022	127 month duration (10.7 years) Start: July 2011 End: Jan 2022

[1] New Proposed Budget includes increases in Benefit Rate, salary increase, increased staffing to assist with business reengineering, reclassified staff, and improved timekeeping.

[2] Last Approved Budget figure included hardware and software lines. The RFI informed the new estimate.

[3] Last Approved Budget only included project management time for 2.5 years, New Proposed Budget includes project management time for 6.5 years.

[4] New Proposed Budget moves Independent Oversight to Department of Technology at a higher bill rate than Last Approved Budget (at Technology's request).

[5] New Proposed Budget includes dollars for increased use of IV&V. Last Approved Budget provided for limited capabilities.

[6] New Proposed Budget includes dollars for reengineering, more user acceptance testing assistance, more organizational change management and training assistance.

[7] New Proposed and Last Approved Budget includes Credit Card Service Fees due to anticipated increased volume and Department of Technology and DGS fees.

[8] New Proposed Budget includes 1.5 years of continuing expenses based on SPR Guidelines since project is completing mid fiscal year, and the Last Approved Budget included 1 year of continuing expenses since project completion date was aligned with the fiscal year end.

Table 3-2: Cost comparison between SPR #1 and SPR #2

Project Costs	Costs per SPR1	Costs per SPR2	Variance	Reason for Variance
One-Time IT Project Costs				
Staff (Salaries & Benefits)	$8,963,266	$19,157,902	$10,194,636	Staff costs reflect a larger team for a longer duration than what was budgeted in SPR1. Additionally SPR2 estimates contain a salary increase, an increase in the benefit percentage and budgeting positions at max step vs. mid step.
Hardware Purchase	$0	$1,000,000	$1,000,000	SPR1 captured Hardware costs in the Systems Integration Contract are were previously reflected previously in the Software Customization line.
Software Purchase/Licenses	$10,000	$1,270,000	$1,260,000	SPR1 captured the bulk of Software costs in the Systems Integration Contract and were previously reflected in the Software Customization line-item. Software costs in SPR1 related only to GWI Help Desk software.
Telecommunications	$0	$0	$0	Not applicable
Contract Services	$11,515,890	$22,399,489	$10,883,599	Contract services costs are higher due to the additional duration of the project, and additional services related to Business Process Reengineering, Organizational Change Management, User Acceptance Test Management, Training and Sharepoint Consulting.
Data Center Services	$0	$0	$0	Not applicable
Agency Facilities	$0	$4,736	$4,736	Costs related to configuring the project workspace have been included in SPR2.
Other (OE&E and Indirect)	$1,656,581	$3,238,048	$1,581,467	Additional costs in SPR2 include OE&E related to redirected and reclassified positions for a longer duration, and additional costs related to DGS and Department of Technology contract procurement charges.
Total One-Time Costs	**$22,145,737**	**$47,070,174**	**$24,924,437**	

Project Costs	Costs per SPR1	Costs per SPR2	Variance	Reason for Variance
Continuing Costs				
Staff	$2,975,902	$5,225,432	$2,249,530	In SPR1 the implementation date was the end of the fiscal year and budgeted only 1 year in on-going costs. In SPR2, implementation date is at the end of the calendar year and budgets 1.5 years of on-going staff costs. Additionally SPR2 estimates contain a salary increase, an increase in the benefit percentage and budgeting positions at max step vs. mid step.
Hardware Lease/Maintenance	$24,049	$187,500	$163,451	Based on an analysis of industry costs it was determined that HW maintenance costs were under budgeted in SPR1.
Software Maintenance/Licenses	$708,271	$453,750	($254,521)	Based on an analysis of industry costs it was determined that SW maintenance costs were over budgeted in SPR1.
Telecommunications	$0	$0	$0	Not applicable
Contract Services	$800,000	$0	($800,000)	Disaster recovery has been removed from the scope of the project. This effort will be handled at an enterprise level.
Data Center Services	$0	$0	$0	Not applicable
Agency Facilities	$0	$0	$0	Not applicable.
Other (OE&E and Indirect)	$271,120	$413,300	$142,180	In SPR1 the implementation date was the end of the fiscal year and budgeted only 1 year in on-going costs. In SPR2 implementation date is at the end of the calendar year and budgets 1.5 years of on-going staff costs. This line item captures additional OE&E costs related to the additional 1/2 year of on-going staff being budgeted in the project.
Total Continuing Costs	**$4,779,342**	**$6,279,981**	**$1,500,639**	

3.4.3 Feasible Alternatives Considered

Business-Based Procurement and Implementation

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

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

Transfer solution from another state

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

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

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

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

In-House Developed solution

The Secretary of State also created a proposal for an in-house solution for development and implementation by the Secretary of State’s Information Technology Division. The Information Technology Division completed a response to the same RFI that the Secretary of State released to the vendor community in an effort to streamline comparison efforts. Along with the RFI response questionnaire, the Information Technology Division proposal also included a full

breakdown of the necessary internal and external resources and associated costs required to complete the project.

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

3.4.4 Implementation Plan

The Secretary of State is planning a phased implementation by line of business rather than the previously approved big bang implementation. A phased implementation will enable the deployment of functionality based on business value. Limited Liability Companies and Limited Partnerships will be the first phase, Corporations will be the second phase, UCC will be the third phase, and Trademarks will be the fourth and final phase. A phased implementation reduces the project risk by allowing the project team to focus on the development, testing, training, and rollout to support a reduced scope of specific business needs. The project team will develop a master schedule and implementation plan prior to completing the procurement solicitation and will be refined with the participation of the new systems integrator.

4.0 Updated Project Management Plan

The Secretary of State recognizes that a structured approach to project management is required to ensure the successful implementation of the California Business Connect solution. As such, California Business Connect will continue utilizing project management methodologies based on the State Information Management Manual (SIMM), and will continue to update the existing project management plan to reflect the new project strategy and master schedule.

4.1 Project Manager Qualifications

As stated in the Feasibility Study Report, the Secretary of State understands how critical an experienced project manager is to the success of this project. The project manager or project management team will be responsible for all aspects of the California Business Connect Project including the schedule, identifying and tracking issues and risks, ensuring appropriate communications are occurring, overseeing quality including subject matter experts, and managing to the budget. Due to the size of the project, with the Secretary of State plans to meet the project management needs through multiple project management resources to ensure sufficient coverage for the project. The Secretary of State currently does not have internal staff with the skills and experience required for a project of this size and will look to supplement its resources with an externally vended resource.

A successful project manager will have experience on a project of commensurate size and complexity as this project. Based on the results of the complexity assessment, the project manager should have three to five years as a project manager on medium or large, high criticality Information Technology (IT) projects.

The project manager should have strong working knowledge of the CA-PMM and the Software Development Life Cycle. California requires a structured approach to managing projects, and requires periodic reporting to various control agencies. The project manager needs to

understand the amount of time and effort required to manage a project with a rigorous methodology that requires periodic reporting on project status to control agencies. Having experience using CA-PMM and reporting to control agencies would be beneficial experience for the project manager to have. The project manager should also have a Project Manager Professional (PMP) certificate.

A preference but not a requirement is that the project manager be familiar with the state's budgeting, contracting, and procurement policies and procedures. By having this experience, the project manager will know when specific activities need to be undertaken. Experience managing a California state department IT project would be helpful because of the many departments with which the project manager must interact. Working with state employees requires knowledge of state personnel guidelines established by the Department of Personnel Administration (DPA), and policies and procedures for the acquisition of goods and services established by the Department of General Services (DGS) and the Department of Technology. Securing approval from control agencies and the Legislature is a necessity at each major phase of the project. It would be beneficial, but not a requirement, if the project manager had experience interacting with state departments that establish and enforce policies and procedures related to the needs of IT projects. The Secretary of State, however, has sufficient staff with this experience that can provide this service for the project should the project manager not have the exposure or experience.

The California Business Connect Project will require coordination of state employees and contractor personnel. The successful project manager will have knowledge and experience with team leadership principles to affect the desired outcome.

Although the Secretary of State will have an IV&V vendor serving the California Business Connect Project, it would be helpful for the project manager to have knowledge and experience with International Organization for Standardization (ISO) 9000, Capability Maturity Model Integration (CMMI), and Institute of Electrical and Electronics Engineers (IEEE) standards. Additionally, the Secretary of State would prefer that the project manager have experience on at least one integration project.

Since the Secretary of State does not have a staff member that can be devoted to the California Business Connect Project who has this experience, the Secretary of State intends to contract for a project manager to lead the project management office services noted above.

4.2 Project Management Methodology

As stated in the Feasibility Study Report, the project manager will subscribe to the CA-PMM (as defined in the State Information Management Manual [SIMM] 17) as the primary methodology for managing the California Business Connect Project, and supplemented by the Project Management Institute's (PMI) methodology in the event that the CA-PMM proves to be insufficient.

The Secretary of State will also state expectations in the Request for Proposal (RFP) for the solution vendor to conform to the state's project management methodologies.

4.3 Project Organization

The California Business Connect Project revised organization chart (Figure 4-1) represents the current California Business Connect Project structure. The organization charts for the

Information Technology Division (Figure 4-2), and for the Business Programs Division (Figure 4-3), also are provided.

To address concerns that surfaced during the lessons learned sessions after the systems integration contract termination, the Secretary of State has revised the project team structure including the SOS Core Team and the SOS Leadership Team roles and responsibilities. The new project structure is now more team oriented, allowing for a greater degree of contributions across functional areas by core team members. Greater overall team participation will support a more creative and problem-solving type of environment and a more successful project.

Figure 4-1: California Business Connect Project Organization Chart

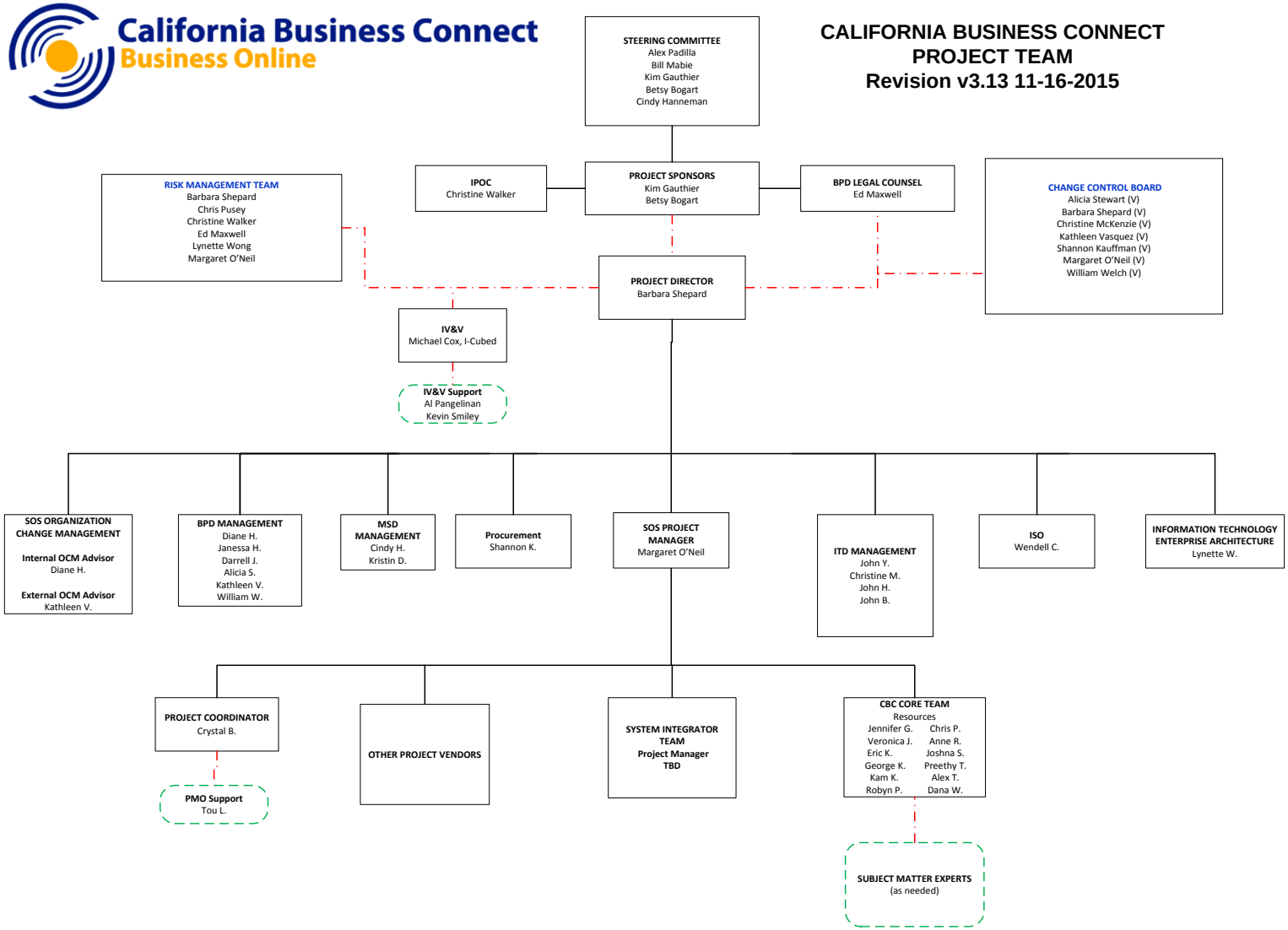


Figure 4-2: California Information Technology Division Organization

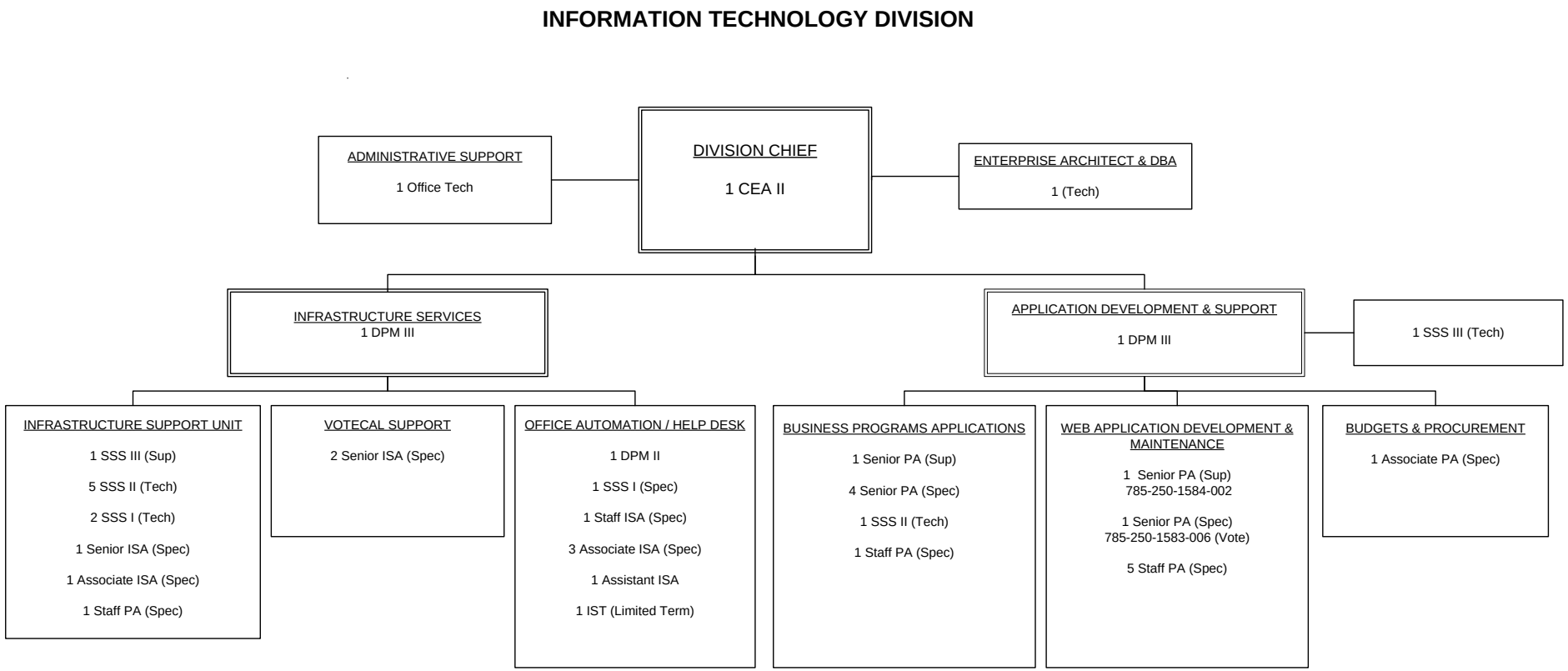
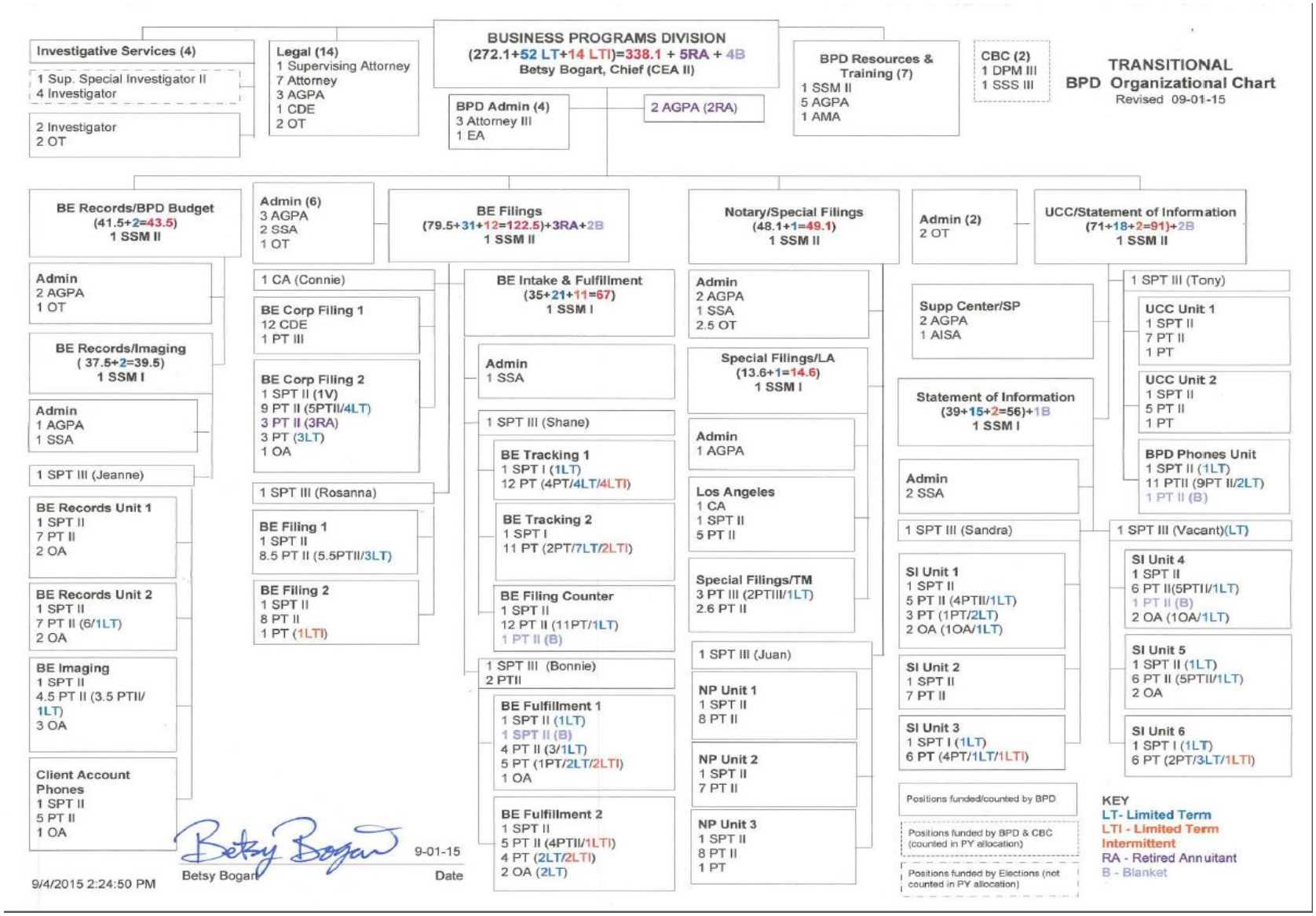


Figure 4-3: Business Programs Division Organization



4.4 Project Priorities

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

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

The following prioritization matrix reflects the project priorities for the California Business Connect Project as of the date of this SPR. The California Business Connect Executive Steering Committee (ESC) can only make changes to these priorities.

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

Scope	Resources	Schedule	Quality
1	4	2	3

4.5 Project Plan

4.5.1 Project Scope

The project scope has changed from the approved Feasibility Study Report and previously approved Special Project Report to focus on the highest volume of filings.

The project scope includes the following items:

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

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

4.5.2 Project Assumptions

The following assumptions have not changed from the last SPR:

- The California Business Connect Project and ongoing maintenance is funded from dedicated funding sources (Business Fees Fund and Business Programs Modernization Fund/Reimbursements) established in statute.
- The Secretary of State, Department of Technology, Department of Finance, and Legislative conclude the approval processes in a timely manner so as not to delay project approval, vendor procurements, and contract awards.
- There will be no new deadlines imposed by statute for the Secretary of State to provide existing or new functionality electronically.
- There will be timely review and feedback on all written project deliverables by reviewers.
- Subject matter expertise is available in a timely manner throughout the project lifecycle.
- Resources for one-time and ongoing activities, e.g. to backfill and upgrade the level of staff needed to implement and maintain the system, IPOC, IV&V, security, and testing services will be retained.
- 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.

The following assumptions have changed or added since the last SPR:

- There will be no lapse in the Secretary of State project management and IV&V contract services. – This is a new project assumption. Given these contracts are scheduled to end on June 30, 2016; the assumption will be the project has funding to procure these services starting on July 1, 2016.
- Any scope changes may necessitate changes to schedule, quality, budget or resources. – Assumption modified to include quality per new SPR guidelines for project priorities.

- Customer payment/financial information (credit card, EFT routing numbers, etc.) will not be stored within the system. An external system/service will be used to process online payments – This is a new project assumption, and affects the systems security requirements.
- The system will not have a real-time interface with the Secretary of State's accounting system, (CalStars or Fi$cal). – This is a new project assumption not stated in the last SPR.
- Foreign Associations, Unincorporated Associations, Statements by Common Interest Development Associations (SI-CID filings) are included in the project scope because those are currently maintained in the Corporations and BE Imaging Systems which will be decommissioned. – This is a new project assumption; these filings are not lines of business but enable the Corporation systems to be decommissioned and as such will be included in the Corporations phase.
- Victims of Corporate Fraud Compensation Fund (VCFCF) functionality is limited to the ability to change a corporation's status for VCFCF suspension, forfeiture or reviver. All other VCFCF functionality (claims, notices/notifications etc.) remain out of scope. – This is a new project assumption, consistent with the original project intent but not documented.

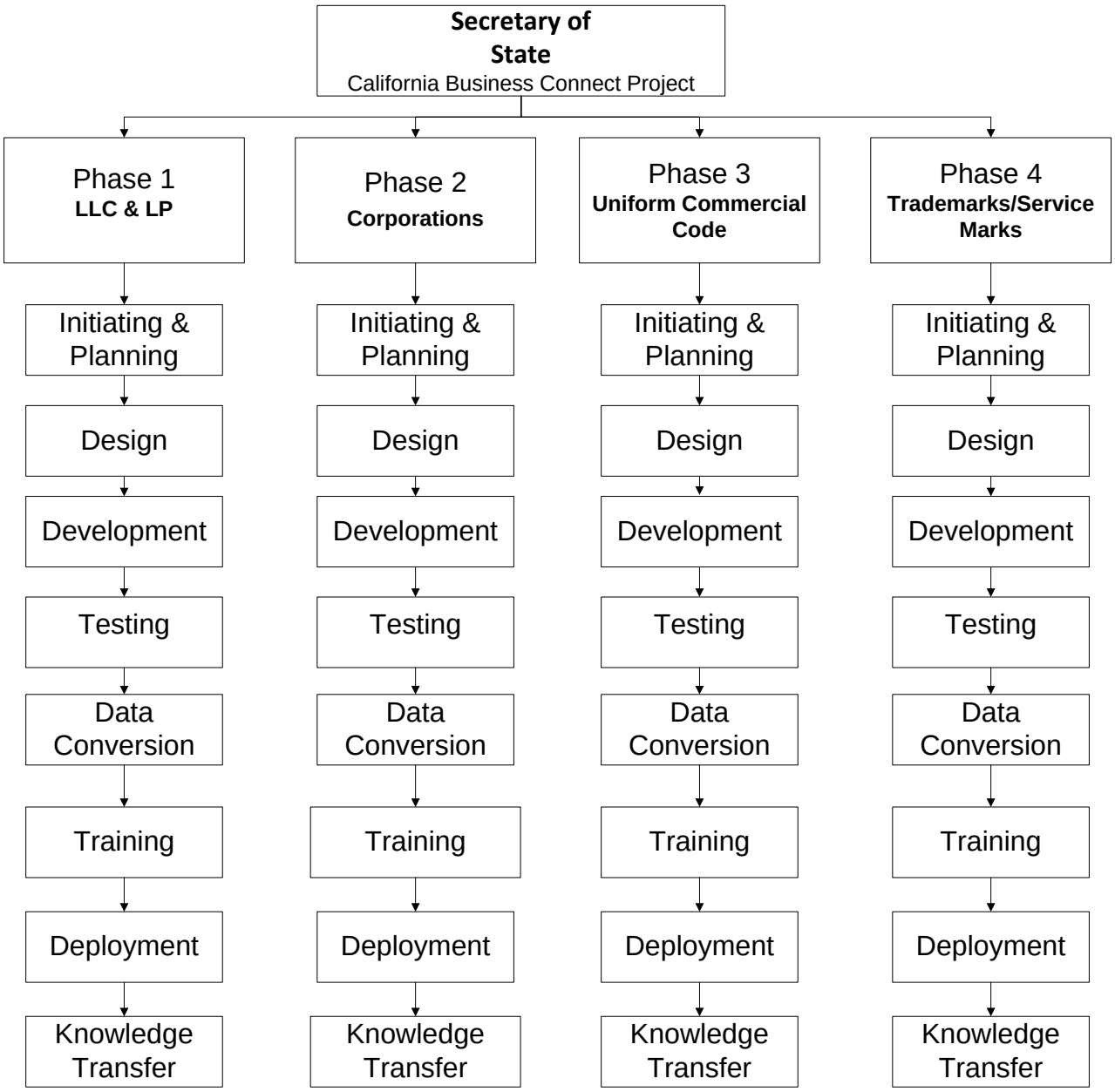
4.5.3 Project Phasing

The Secretary of State is revising the project phasing to reduce risk and to obtain useful and measurable business results as soon as possible. Dividing the project into four different phases ensures delivery of substantial business value at frequent intervals. The first phase includes the core infrastructure and the LLC and LP lines of business. This phasing approach isolates the impacted Business Programs Division staff for training and organizational change management allowing fine-tuning of the project deployment processes before the next phase while minimizing risk of a big bang implementation. The LLC line of business reflect the largest volume of business filings with the least amount of forms with no online services currently, so automating LLC first is a priority for the Business Programs Division. LP line of business, although a smaller volume, has minimal forms and allows the Secretary of State to decommission the LP/LLC legacy system after the implementation and stabilization of phase 1. If funding stops after the first phase, the Business Programs Division will still have a meaningful system that could standalone and support the LLC and LP lines of business.

The project team can perform phases 2, 3 and 4 independently from each other, but due to the business entity naming regulations for Corporations phase 2 must be occur after phase 1. Phases 2, 3, and 4 build upon the foundation deployed in phase 1. This provides the Secretary of State the flexibility to compensate a vendor based on the successful delivery of each project phase, as each project phase will have distinct business value. Each phase will have a defined set of activities and deliverables pertaining to the specific line of business including filings and orders.

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

Figure 4-5: Project Phasing



4.5.4 Project Roles and Responsibilities

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

Executive Steering Committee

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

Co-Sponsors

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

SOS Project Director

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

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

SOS Leadership Team

- Role:
  - Acts as the decision-making body for recommended business process changes, assists with resolving issues and assists with development of risk mitigation and contingency plans. The SOS Leadership Team is comprised of the Secretary of State management stakeholders from the Business Programs Division, Management Services Division and the Information Technology Division, the SOS Enterprise Architect, the SOS procurement and the SOS Information Security Officer.
- Responsibilities:
  - Ensures that the project remains aligned with the vision and information management strategy;
  - Ensures project decisions and deliverables encompass the needs of all impacted divisions;
  - Makes project/business decisions based on area of accountability.
  - Assigns staff as the SOS Core Team members or project Subject Matter Experts;
  - Facilitates communication between the Project Leadership Team and the SOS Core Project Team;
  - Removes project barriers;
  - Monitors project status;
  - Reviews and approves project deliverables;
  - Assists with resolution of project issues;
  - Assists with development of risk mitigation and contingency plans; and
  - Reviews change requests; may make recommendations for requests affecting project scope, schedule, quality or resources

SOS Project Manager (Vendor)

- Role:

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

SOS Core Team

- Role:
    - Acts as the Secretary of State primary resource for the California Business Connect Project.
- Responsibilities:
    - Takes ownership of assigned tasks and collaborate with other team members to ensure that work products and deliverables encompass the needs of all impacted divisions;
    - Contributes toward the completion and review of work products produced by other SOS Core Project Team members;
    - Analyzes assigned decision items, documents alternatives, develops recommendations, and presents recommendations to the SOS Leadership Team;
    - Participates in weekly SOS Core Project Team meetings;
    - Represents the needs of the customers and internal users;
    - Participates in defining the “to-be” business processes;
    - Identifies related changes to forms, notifications, and reports to support the revised business processes;
    - Identifies and reports potential risks or issues to the SOS Project Manager;
    - Analyzes issues, risks, and change requests, as needed;
    - Reviews work products and project deliverables, as assigned;
    - Reports project time using ARTS;
    - Provides estimated amount of effort and duration of assigned tasks;
    - Report status of assigned tasks to the SOS Project Manager on a weekly basis.

SOS Contract Manager

- Role:

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

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

SOS Risk/Issue Manager

- Role:
  - Acts as the Secretary of State primary resource for monitoring and controlling the risk and issue processes as outlined in the Risk Management and Issue Management Plan for the California Business Connect Project.
- Responsibilities:
  - Chairs risk/issue management meetings;
  - Develops agenda for the risk and issue meetings, determining which risks and issues need to be discussed;
  - Identifies risks and issues;
  - Updates the risk and issue register using information received from risk and issue owners;
  - Updates the risk and issue register based on decisions from risk and issue meetings;
  - Manages the risk and issue register, making changes and distributing upon request;
  - Assesses, prioritizes and assigns risks and issues;
  - Notifies risk and issue owners of assignments;
  - Monitors the status of risks and issues;
  - Escalates risks and issues when necessary to the project manager or project director; and
  - Closes risks and issues.

Primary Vendor's Project Manager

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

- Oversees all vendors' subcontractors to ensure all deliverables meet contractual obligations.

SOS and SOS Information Security Specialist (Vendor)

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

SOS plus SOS User Acceptance Test Team (Vendor)

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

SOS plus SOS Organizational Change Management and Training Team (Vendor)

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

SOS and SOS Business Process Reengineering and Requirements Team (Vendor)

- Role:
  - Acts as the primary resource and leadership for the business process analysis, reengineering, and requirements clarification activities prior to procurement.
- Responsibilities:
  - Leads business process analysis work in collaboration with all levels of the Secretary of State staff, e.g. technical, business leads and contractor staff;
  - Leads and works in collaboration with the Secretary of State staff to develop “to-be” business processing work flows that maximize the usage of technology and automation meeting the project goals and objectives;
  - Leads and works in collaboration with the Secretary of State staff to develop “to-be” process models and narratives;
  - Provides recommendations for areas of improvement based on industry standards or best practices for similar systems, and recommendations that would enhance the end user experience or internal efficiencies;
  - Assesses and documents potential business process changes, including alternatives considered, recommended changes, divisions affected, staffing impacts, and suggested timing for implementing the proposed changes;
  - Documents recommended modifications to forms, notifications, and reports required to support the “to-be” business processes;
  - Provides information, e.g. tasks, dependencies, and resource needs, to the SOS Project Manager for developing the Project Schedule and planning future project activities;
  - Identifies, monitors, and reports project risks and issues related to business process analysis;
  - Leads effort to review and revise the functional requirements supporting the “to-be” business processes.

Independent Project Oversight Consultant

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

Independent Verification and Validation (Vendor)

- Role:
  - Provides verification and validation services for the California Business Connect Project.
- Responsibilities:
  - Ensures that the California Business Connect solution is built according to requirements;

- Ensures that the California Business Connect solution meets the intended project objectives;
- Ensures that the California Business Connect solution provides the functionality specified in the requirements;
- Provides independent testing and review of technical specifications and functionality;
- Offers suggestions for problem and issue resolution;
- Reports periodically to the SOS Project Manager and the SOS Project Director.

4.5.5 Project Schedule

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

Figure 4-2: California Business Connect Project Phases Dates & Schedule Variance

Last Approved Project Phases (SPR December 2013)	Last Approved Date (SPR December 2013)	SPR Proposed Project Phases (December 2015)	SPR Proposed Date (December 2015)
Contract Award	01/07/2014	Contract Award	9/01/2018
Phase 1: Initiation and Planning	04/30/2014	Phase 1: LLC & LP	8/31/2019
Phase 2: Design	03/16/2015	Phase 2: Corporations	2/29/2020
Phase 3: Development	12/31/2015	Phase 3: UCC	8/31/2020
Phase 4: Testing	05/23/2016	Phase 4: Trademarks	1/31/2021
Phase 5: Deployment	06/30/2016	Phase 5: First Year Maintenance and Operations	1/31/2022
Phase 6: First Year Contract Maintenance and Operations	06/30/2017	N/A	N/A

4.6 Project Monitoring and Oversight

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

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

variances from the plan. The periodic progress report also requires the project manager to evaluate the project's ability to complete future activities in a timely fashion.

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

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

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

4.7 Project Quality

As stated in the last approved Special Project Report, Quality Management will continue as described in the approved Feasibility Study Report. The Secretary of State's project team will monitor the overall quality of the project processes and deliverables. The planning and coordination of the California Business Connect Project Team's quality assurance (QA)/quality control (QC) activities will include the California Business Connect Project IV&V vendor, IPOC, and the primary solution vendor's Quality Assurance lead.

4.8 Change Management

As described in the Feasibility Study Report, change is an inevitable occurrence on any project. The definition of a change is as any alteration to the scope of the project including requirements, hardware, software, application, network, operations or environment that adds to, deletes from, or in any way modifies the scope of work. A change management (control) plan will define the process, procedures and outputs for all change-related project activities and will be prepared as discussed in the introduction to this section. The plan will identify the parties responsible for identifying, resolving, supporting, and making project changes. The major goal of this change management strategy is to ensure changes use standardized methods and procedures that minimize negative and maximize positive impacts to the requirements, design, development, implementation, and maintenance of the system.

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

- Minimize project risk;
- Provide documentation for all changes;
- Minimize disruption to the project due to rework;
- Measure project volatility;
- Provide open disclosure of changes;

- Communicate changes to stakeholders;
- Ensure methodical review of proposed changes;
- Maximize system/application value; and
- Minimize unanticipated impacts to schedule and/or budget.

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

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

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

4.9 Authorization Required

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

5.0 Updated Risk Management Plan

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

5.1 Risk Register

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

Figure 5-1 Risk Management Log

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
3	If CBC team does not obtain necessary approval of SPR by February 1, 2016 there may be a delay to the project schedule.	Mitigate	3	5	The Secretary of State may be delayed up to one additional year in the deployment of the California Business Connect solution and achievement of the project objectives.	1	15 - High	Verify that all work necessary to meet the deadline is scheduled and assigned sufficient resources to ensure completion. If not then, additional resources need to be secured. Continuous communications and reviews with Dept. of Technology and Dept. of Finance to be sure oversight agencies involved with and agree with project progress and direction.
4	Given that the current system is not fully documented ("as is" business and system processes) the requirements of the CBC project may increase.	Mitigate	2	2	If system capabilities are identified that are not included in the RFP requirements, a change request will be required to evaluate the potential cost and schedule impact.	0.66	2.64 - Low	Before the BPR and requirements phase, work with Core Project Team, SMEs and ITD to validate that the current business processes, system capabilities, including system dependencies, batch processes and interfaces are documented.
5	Estimates are created by resources that may not be doing the work	Mitigate	3	3	There may be a need to adjust the schedule and resources estimates.	1	9 - Low	Use order of magnitude estimating using similar projects as a guide. Monitor estimates to actuals, and deviations from assumptions.

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
	of the project leading to the schedule/budget estimates being less accurate which in turn may cause schedule delays.							
6	The lack of a singular vision for the new business processes may cause project schedule and costs to increase downstream.	Mitigate	5	5	Changes in requirements would cause changes to schedule and cost.	1	25 - High	Mitigate by conducting market research, MA visit and learning more about COTS products currently in the market. Reach out to RFI respondents to learn more about how their system works and request demonstrations. Conduct "future-state" visioning sessions with the BPD managers starting with the high-level to-be process flows for filings and orders. Continue to remove the barriers and constraints associated with the common process flows.
7	The lack of team cohesiveness will likely affect the time required to complete project tasks and work products, which could affect the overall project	Mitigate	4	5	Project tasks may require additional time to complete or may require re-work if the team does not have a common understanding of the project objectives or requirements.	1	20 - High	Define team roles and responsibilities. Set expectations that the core project team members need to work together to develop work products that meet the needs of all impacted business areas. Define decision-making process that enables assigned team members to analyze options and make recommendations to the project

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
	schedule.							leadership team. Review work products and share decisions with the core project team to promote a shared understanding and improve communication within the team. Encourage team-building activities.
8	The lack of well-defined Agency software quality assurance processes may result in the identification of incidents after software is released to the production environment.	Mitigate	3	3	Software quality issues may impact the schedule of subsequent project phases or releases as additional time would be necessary to address quality issues. User confidence may also be diminished if numerous or significant incidents are identified after changes are migrated to production.	0.33	2.97 - Low	The primary vendor will be responsible for the planning, management, and execution of system integration tests. The SOS will review and validate system integration test plans, results, and defect metrics. The SOS plans to contract for a UAT Manager that will plan and manage the UAT effort, and establish acceptance criteria for each release. IV&V to review and provide feedback on what will be tested and the results. RFP to include specific language regarding expectations of the vendor with respect to QA.
9	The lack of well-defined Agency schedule management processes may lead to delays in the overall project schedule	Mitigate	3	3	If project tasks, estimated effort, and resource assignments are not accurately defined and updated, project tasks may be delayed, resources	1	9 - Low	The SOS will develop and approve a schedule management plan and define metrics to monitor schedule variances. Upon approval of the schedule, the schedule manager will update the schedule on a weekly basis, analyze schedule variances, and provide schedule metrics.

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
	and increased costs.				may be over-allocated, or additional tasks may need to be added to the project schedule.			
10	The required coordination and testing of the interfaces with FTB (suspension files) may impact schedule, quality and costs.	Mitigate	4	2	Inaccurate output and/or processing of incoming files to and from FTB interfaces with respect to suspension files may impact the SOS and/or FTB business processes or possible delay go-live date.	0.33	2.64 - Low	Communicate with FTB to discuss project phases, timeline and resource requirements to coordinate development and testing,
11	Due to the length of the project (end date of 2022 - 6+ years) there may be a large amount of turnover leading to a loss of continuity among the project team resources.	Mitigate	3	2	Staff turnover, retirement, and promotion opportunities may lead to insufficient resources with project knowledge. This in turn could cause schedule delays and poor quality.	0.33	1.98-Low	Create detailed estimates of resource demands in advance. Cross train existing Project Team Members in project processes and business functions to develop a broader project resource pool. Communicate project/schedule impact of resource changes as early as possible to Leadership Team. Onboarding process including project documentation to more efficiently bring new team members up to speed on the project.
12	Due to the limited number	Mitigate	3	3	With limited resources, choices	0.33	2.97 - Low	BPD is reallocating a number of resources to ITD to fill key positions to support CBC

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
	of ITD resources, ITD may not be able to support both the current BPD systems and implementation of the CBC solution.				will need to be made between project needs and supporting current operations (keeping the lights on).			project.
13	Because there are up to 8 different vendor procurements it may be difficult to manage all the contracts and vendors simultaneously by a single Contract Manager.	Mitigate	2	2	With the up to 8 contract vendors it may require a full time (or more) internal resource to perform all the necessary Contract Management duties. This could possibly increase the budget of reduce overall quality if the Contract Manager has other assigned tasks.	0.33	1.32 - Low	Determine timing and duties of the vendors as those needs arise in the project. Additional Project Management staffing or shifting of responsibilities may be necessary.
14	Potential resistance to changes of current Agency processes may impact the effectiveness of BPR and development of	Mitigate	3	3	Schedule delays as BPR and requirement work may take longer if the SOS resources are resistant.	1	9 - Low	Use external Business Process Reengineering (BPR) vendor to lead reengineering and requirement refinement tasks Monitor change recommendations from vendor on a regular basis by Project Leadership Team.

ID	Risk Statement	Strategy	Probability	Impact	Impact Statement	Timing	Level	Mitigation Strategy
	functional requirements thus the project objectives may not be achieved.							Institute robust training approach and communication campaign. Use experienced Organization Change Management (OCM) vendor to plan and execute OCM activities.
15	External factors, such as changes in government leadership (Governor or the Secretary of State) or the internal SOS leadership structure may affect support for the project.	Mitigate	2	5	Should future administrations not champion the project, overall support both internal and external would decrease and may result in the project failing to meet its full objectives.	0.33	3.3 - Low	Often and continual communication and updates with external stakeholders both internal and external, including the SOS Agency, other Agencies and the Executive branch staff of the importance of the project to CA.

6.0 Updated Economic Analysis Worksheets

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

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

Economic Analysis Worksheet from the Original Feasibility Study Report

6.1 FSR Existing System / Baseline Cost Worksheet

EXISTING SYSTEM/BASELINE COST WORKSHEET

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

Department: **Secretary of State**

Project: **California Business Connect**

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

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

6.2 FSR Approved Alternative

PROPOSED ALTERNATIVE: **Application Development**

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

Department: Secretary of State
Project: California Business Connect

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

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

6.3 FSR Economic Analysis Summary

ECONOMIC ANALYSIS SUMMARY

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

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

Department: Secretary of State

Project: California Business Connect

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

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

6.4 FSR Project Funding Plan

PROJECT FUNDING PLAN

Department: Secretary of State — All Costs to be in whole (unrounded) dollars — e Prepared: January 2011, revised 3/02/11

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

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

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

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

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

Economic Analysis Worksheets – Last Approved Special Project Report

6.5 SPR1 Existing System / Baseline Cost Worksheet – December 2013

SIMM 20C30C, Rev. 03/2011
Department: Secretary of State
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	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	7.5	881,820	**45.0**	**5,290,920**
Hardware Lease/Maintenance		10,000		10,000		10,000		10,000		10,000		10,000		**60,000**
Software Maintenance/Licenses		78,000		78,000		78,000		78,000		78,000		78,000		**468,000**
Contract Services		255,420		255,420		255,420		255,420		255,420		255,420		**1,532,520**
Data Center Services		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		1,479,000		**8,874,000**
Agency Facilities		0		0		0		0		0		0		**0**
Other		0		0		0		0		0		0		**0**
Total IT Costs	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**7.5**	**2,704,240**	**45.0**	**16,225,440**
Continuing Program Costs:														
Staff	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	235.6	13,338,000	**1413.6**	**80,028,000**
Other		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		6,669,000		**40,014,000**
Total Program Costs	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**235.6**	**20,007,000**	**1413.6**	**120,042,000**
TOTAL EXISTING SYSTEM COSTS	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**243.1**	**22,711,240**	**1458.6**	**136,267,440**

6.6 SPR1 Approved Alternative- December 2013

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

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

6.7 SPR1 Economic Analysis Summary – December 2013

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

6.8 SPR1 Project Funding Plan – December 2013

SIMM 20C30C, Rev. 03/2011

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

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

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

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

6.9 SPR2 Existing System / Baseline Cost Worksheet

SIMM 30C, Rev. 06/2014

EXISTING SYSTEM/BASELINE COST WORKSHEET

Agency/state entity: Secretary of State

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

Date Prepared: 12/14/2015

Project: California Business Connect

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

SIMM 30C, Rev. 06/2014

EXISTING SYSTEM/BASELINE COST WORKSHEET

Agency/state entity: Secretary of State

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

Date Prepared: 12/14/2015

Project: California Business Connect

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

6.10 SPR2 Proposed Alternative Worksheet

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

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

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

Project: California Business Connect

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

SIMM 30C, Rev. 06/2014

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

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

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

Project: California Business Connect

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

6.11 SPR2 Alternative System Worksheet

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

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

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

Project: California Business Connect

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

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

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

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

Project: California Business Connect

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

6.12 SPR2 Economic Analysis Summary

SIMM 30C, Rev. 06/2014 | **ECONOMIC ANALYSIS SUMMARY** | Date Prepared: 12/14/2015

Agency/state entity: Secretary of State | All costs to be shown in whole (unrounded) dollars.

Project: California Business Connect

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

SIMM 30C, Rev. 06/2014

ECONOMIC ANALYSIS SUMMARY

Date Prepared: 12/14/2015

Agency/state entity: Secretary of State

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

Project: California Business Connect

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

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

6.13 SPR2 Project Funding Plan

SIMM 30C, Rev. 06/2014

PROJECT FUNDING PLAN

Agency/state entity: Secretary of State

All Costs to be in whole (unrounded) dollars

Date Prepared: 12/14/2015

Project: California Business Connect

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

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

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

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

SIMM 30C, Rev. 06/2014

PROJECT FUNDING PLAN

Agency/state entity: Secretary of State

All Costs to be in whole (unrounded) dollars

Date Prepared: 12/14/2015

Project: California Business Connect

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

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

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

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