



DEBRA BOWEN | SECRETARY OF STATE
STATE OF CALIFORNIA | MANAGEMENT SERVICES
1500 11th Street, 4th Floor | Sacramento, CA 95814 | www.sos.ca.gov

February 16, 2012

Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Dear Members of the Joint Legislative Budget Committee:

The Secretary of State (SOS) is providing copies of reports requested by the Joint Legislative Budget Committee related to the voter registration database VoteCal.

Responsive to your request, we have enclosed the following reports for the period ending January 31, 2012:

1. HAVA Statewide Database Interim Solution Status Report
2. SOS VoteCal Independent Project Oversight Report

Should you have any questions, please contact Janice Lumsden, Deputy Secretary of State, Operations at (916) 653-7244.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dora Mejia".

Dora Mejia, Chief, Management Services Division
Secretary of State

Enclosures 2

cc: Members of the Joint Legislative Budget Committee
ecc: Mr. Nick Schroeder, Legislative Analyst's Office
Ms. Erika Li, Legislative Analyst's Office
Ms. Linda Leonard, California Technology Agency
Mr. John Fitzpatrick, Department of Finance, Principal Program
Budget Analyst
Ms. Susan Lapsley, Secretary of State, Deputy Secretary of State,
HAVA Director and Counsel
Mr. Jim Boyle, Secretary of State, Special Projects Manager
Ms. Linda Arviso-Hunt, Secretary of State, Fiscal Affairs Manager

**California Secretary of State
Status Report for January 2012
HAVA Statewide Voter Registration System Solution**

Pursuant to the Memorandum of Agreement (MOA) entered into between the United States Department of Justice and the California Secretary of State on November 2, 2005, the Secretary of State (SOS) provides the following monthly project status report. Please note that this report supplements the information provided in all previous SOS Database reports.

Current Status of Statewide Database and Interim Solution:

1. The statewide voter registration database was fully operational for the November 7, 2006, General Election and continues to be used as the "interim solution" to meet the requirements of HAVA Section 303.
2. The VoteCal RFP was issued to the vendor community by the state's procurement official, the Department of General Services, on October 29, 2010. The RFP included reduction in scope that was predominantly focused on technology changes. For example, the SOS is no longer requiring a mirrored site. The performance metrics for response time was made more meaningful. Allowable unplanned downtime was increased. Maintenance downtime was increased. Bidders were requested to submit a notice of intent to bid by November 12, 2010, which provided SOS with a sense of the pool of interested bidders.
3. In the month of November 2010, the SOS responded to questions from potential bidders to clarify process and project scope.
4. In December 2010, potential bidders had the opportunity to protest requirements and contract language. No vendors officially protested but several vendors submitted questions about requirements. Answers to the questions were provided to the vendor community in December.
5. Pre-qualification packages were due from bidders January 24, 2011. The Department of General Services (DGS) received two pre-qualification packages from bidders.
6. On February 8, 2011, without consultation with the Secretary of State's office, the state procurement department (DGS) returned the pre-qualification packages indicating that there may have been cost data in the pre-qualification packages. (DGS made this determination based on reading a requirement in the published RFP that it had previously approved.) The DGS indicated it would allow all vendors to respond to the next procurement round, not just those who had previously submitted pre-qualification packages.

**California Secretary of State
Status Report for January 2012
HAVA Statewide Voter Registration System Solution**

7. The Secretary of State's (SOS) office requested a meeting with DGS to discuss this action. That meeting was granted and scheduled for February 24 – over 2 ½ weeks after the decision to return the packages had been made and five weeks after the packages had been submitted. The SOS wanted to know whether the Request for Proposals (RFP) could be amended to clarify the single requirement for which the packages were returned and amended bids accepted only from those who previously bid. The DGS denied this request. The SOS is working with DGS to publish the addenda with the clarified requirement and to develop a schedule for the procurement. The SOS expects this to cause a three to five month delay in the procurement. (Five weeks were consumed from the submission of the bid packages to when DGS met with SOS to explain its actions. The SOS expects to restart the procurement since DGS is requiring that it be opened to all vendors once again, which will consume 11 weeks to get to the pre-qualification package submission date, assuming the process and approximate timeframes required by DGS initially will be followed again.)
8. During the month of March 2011, SOS continued to work with DGS to understand DGS' issues with the RFP. DGS provided SOS with a list of issues representing its complete review of the RFP on March 25 – five months after the RFP was published. Unfortunately, the list was written so cryptically that SOS could not understand what DGS' issues were in many cases. SOS has requested that DGS provide SOS with a clear understanding of the issues before the two parties can meet to resolve them. Once the issues are resolved, the RFP can be amended and the procurement restarted. As of March 31, 2011 that information had not been provided by DGS.
9. During the month of March 2011, SOS Chief Deputy met with DGS' Acting Director twice to discuss the process DGS is using to review the RFP and provide its input to SOS. The process has been time consuming and DGS staff continue to bring up issues it previously brought up and that SOS had decided in a manner with which DGS did not agree. The independent project oversight consultant has identified DGS' lack of progress as a project risk. At the very least, it has delayed the project at least five months.
10. SOS continued to work with DGS in April 2011 to resolve outstanding issues to be able to publish the addenda #4. In March, DGS sent SOS a list of 111 items it wanted changed in the RFP. Previously and in the interest of issuing the addendum in a timely fashion, DGS had agreed to limit its issues to those that were material items, with material being limited to procurement issues within DGS' purview (i.e., related to potential for abuse, fraud, or malfeasance in the procurement). After SOS received DGS' list on March 25, SOS asked DGS to identify those items on the list that were material so that SOS could focus on those items. Of the 111 originally identified, only 53 were identified by DGS as material. Upon review, not one of the 53 were related to abuse, fraud, or

**California Secretary of State
Status Report for January 2012
HAVA Statewide Voter Registration System Solution**

malfeasance of the procurement. A number of the larger issues that SOS believes are business driven (and therefore under SOS' purview to decide) have been escalated to DGS' Director for resolution. These include:

- SOS' ownership of source code to minimize risk of being dependent on a vendor that no longer supports its proprietary application as SOS is currently. (DGS' Procurement Division Director had previously indicated it was an SOS decision, but is now prohibiting SOS from including it in the RFP so it was appealed to DGS' Director.)
- Including indemnification of the state if the vendor harms intangible property (e.g., data or other software). On April 28, 2011, DGS sent an email to SOS indicating they now support including this language in the RFP.
- Limiting to non-payment of an approved invoice as the only reason a vendor can terminate the contract with the state so that a vendor cannot end the contract if it no longer is a venture in which the vendor wants to be engaged.

11. On May 18, SOS convened a meeting with DGS and the California Technology Agency (CTA) to discuss CTA's letter to DGS recommending DGS stop the procurement and issue a Request for Information (RFI). The CTA recommended issuing an RFI to solicit input from the vendor community on issues raised by Hewlett-Packard in its March letter to DGS. After it was explained that the current procurement process would achieve the same effect, CTA agreed that the RFI was not necessary. With regard to the specific issues Hewlett-Packard raised that CTA echoed, DGS explained that it supported the letter of credit at 25% of contract value and the 20% withhold on payments to the vendors. With regard to the lengthy and shifting procurement cycle, DGS indicated that SOS is accepting language that would allow the vendors to propose different staff at final proposal from those submitted at the pre-qualification stage as long as the proposed replacements met the minimum RFP requirements. The most significant issue still unresolved was SOS' desire to be able to have a third-party vendor support the application once deployed. DGS had in the past indicated that short of ownership, which DGS did not support, no licensing language could be written to allow a third-party vendor to support the application. In the May 18th meeting, however DGS volunteered to write language to accomplish this (and other) SOS goal. On May 20th, DGS sent four versions of language from other procurements that it invited SOS to edit to meet its needs. DGS accepted SOS' edits on May 25th. Since then, SOS has been working to ensure the remainder of the RFP conforms to the agreed-upon language. DGS has indicated that it needs four business days to review the RFP language before it can publish the RFP. Thus, SOS anticipates publication June 7, 2011.

12. The addenda #4 was published on June 10, 2011. DGS would not permit ownership of source code language and removed SOS' remedies to withhold payment on invoices if there is a material breach. Confidential discussions were held with three bidding teams at the end of June. The next procurement milestone is on July 12, 2011 when questions are due from the bidders.

**California Secretary of State
Status Report for January 2012
HAVA Statewide Voter Registration System Solution**

13. The DGS received 41 questions from two bidders on July 12, 2011 and provided these to SOS on July 13, 2011. The SOS submitted responses to DGS on July 20, 2011. The DGS returned a second set of edits to SOS on July 28, 2011. The next procurement milestone is the last day to protest the RFP requirements on August 26, 2011.
14. DGS published answers to bidders' questions on August 18, 2011.
15. DGS received requirements protests from two firms on August 26, 2011. DGS provided SOS with the protests on August 29, 2011 and SOS returned its responses to DGS on August 30, 2011. DGS is currently reviewing those protest responses.
16. On September 14, DGS sent responses to bidders' protests directly to protesting bidder.
17. On September 22, DGS published addenda #5, which made changes to the RFP to respond to bidders' questions, which had been answered on August 18, and the protests that were decided in favor of the bidders. Additionally, the addenda delayed pre-qualification package submission to September 30, 2011.
18. On September 30, 2011 DGS received pre-qualification packages for evaluation.
19. On October 3, 2011 DGS Procurement Official initiated the evaluation by evaluating the administrative requirements. On October 4, 2011, the SOS evaluation team began evaluating the pre-qualification packages. Evaluation of the pre-qualification packages was completed.
20. On October 25, 2011 the SOS team submitted the Evaluation and Selection (E&S) Report to DGS for review and approval.
21. On November 10, 2011, DGS approved the E&S Report.
22. Confidential discussions began on November 16, 2011 and continued throughout the month. Should there be a need, confidential discussions will continue through the first two weeks of December.
23. Confidential discussions concluded in December. On December 6, 2011, the SOS submitted Addendum #6, which reflected content discussed with bidders in confidential discussions that was published by DGS on December 16, 2011.
24. December 9 - December 21, 2011, the SOS received additional written questions from bidders.

**California Secretary of State
Status Report for January 2012
HAVA Statewide Voter Registration System Solution**

25. DGS and SOS jointly developed new Key Action Dates (KADs) and published them in Addendum #7 on January 23, 2012.
26. SOS completed responses to the questions received from bidders in December and provided the responses to DGS on January 31, 2012.

Independent Project Oversight Report

Project Name: Secretary of State VoteCal **Assessment Date:** January 2012
Frequency: Monthly

Oversight Provider Information

Oversight Leader: Michelle Colodzin **Organization:** MetaVista Consulting Group
Phone Number: 530-798-1656 **Email:** mcolodzin@metavista.com

Project Information

Project Number: 0890-46 **Department:** Secretary of State
Criticality: High **Agency:** N/A
Last Approved Document/Date: SPR3-09/2010 **Total One-time IT Cost:** \$45,188.638
Start Date: December 2007 **End Date:** June 2014
Project Manager: Kerry Washburn **Organization:** VIP Consulting
Phone Number: (916) 653-3785 **Email:** Kerry.Washburn@sos.ca.gov

Summary: Current Status – If multiple current phases, use section at end to assess the status of additional phases.

Project Phase: Procurement
Planned Start Date (Based on last approved CTA Document): Sept 15, 2010 **Planned End Date (Based on last approved CTA Document):** Sept 30, 2011
Actual Start Date: Sept 15, 2010

Schedule

Select the statement that most closely applies, measured against the last Finance approved document.

Ahead-of-schedule:

One or more major tasks or milestones have been completed and approved early (> 5%). All other major tasks and milestones completed and approved according to plan.

Behind Schedule

On-schedule:

All major tasks and milestones have been completed and approved according to plan. (Within 5%)

Behind Schedule:

One or more major tasks or milestones are expected to be delayed. (> 5%)

Comments:

DGS and SOS jointly developed new Key Action Dates (KADs) and published them in Addendum #7 on Jan. 23rd. These new KADs are reflected below. Another addendum, Addendum #8 will be released to clarify and refine requirements and respond to bidders' questions submitted in December.

The new schedule moves out the date for submission of draft proposals by approximately three months, from Feb. 8, 2012 to May 4, 2012. It also moves out the date for contract award and execution by almost four months from Oct. 5, 2012 to Jan. 31, 2013. These new dates are based on several assumptions explicitly discussed between SOS and DGS and documented by SOS. The key assumptions are:

1. Addendum #8 will contain responses to all of the questions submitted by bidders in December and that it will be released by Mar. 22, 2012.
2. Bidders will not submit a large number of questions regarding terms and conditions as they did after the confidential discussions that followed the pre-qualification decision announcement.
3. No addendum will be published between the close of confidential discussions prior to the draft proposals and submission of draft proposals
4. DGS/OLS will complete its review process for Addendum #8 within ten days of submission of the complete document by SOS and will adhere to the ten-day consolidated DGS/OLS review period throughout the remainder of the procurement process*
5. DGS suggested that CTA and DOF will agree to perform an expedited review and parallel processing of the SPR and Section 11 after the intent to award is announced.**

*IPOC believes that given the length of time required by DGS/OLS in the past to respond to drafts of smaller addenda, Assumption #4 may be unrealistic.

If the DGS/OLS review cycle for Addendum #8 is significantly longer than ten days, it could push out the May 4th, deadline for submission of draft proposals, potentially pushing out subsequent KADs as well.

** DGS Procurement Division management has suggested that VoteCal is of sufficiently high profile that this may occur, but formal discussions on this topic between DGS, SOS, CTA and DOF have not yet taken place. During an informal discussion between IPOC, CTA and DOF, both CTA and DOF agreed this may be possible.

An additional area that IPOC will watch as the procurement progresses is the time allotted for the processing of the SPR and Section 11. The schedule includes 2.5 months, including at least four State holidays between the notification of intent to contract award. With the assumption that the review by CTA and DOF of the SPR and Section 11 are expedited and completed in parallel, there will be sufficient time for the thirty-day period allowed for the legislative review and approval of the Section 11 that must be completed prior to contract award. If the date for the notification of intent to award slips, it will decrease the time available to complete

these activities without effecting the contract award date.

The Key Action Dates (KADs,) beginning with the release of Addendum #7, are listed below. *Dates updated since the last report are italicized and in blue text.* The next milestone date is highlighted for easy reference:

- | | |
|---|----------------------------|
| 1. Release of Addendum #7 | 01/23/12 |
| 2. <i>Last day to protest the RFP requirements prior to Draft Proposals Due</i> | <i>03/29/12</i> |
| 3. <i>Confidential Discussions prior to Draft Proposals</i> | <i>04/02/12 – 04/13/12</i> |
| 4. <i>Submission of Draft Proposals due to DGS</i> | <i>05/04/12</i> |
| 5. <i>Confidential Discussions (and potentially demonstrations) concerning Draft Proposals</i> | <i>06/04/12 – 06/15/12</i> |
| 6. <i>Last Day to submit (1) requests for contract language changes (2) questions for clarification, or (3) requests for changes to the RFP requirements prior to Final Proposals Due</i> | <i>06/22/12</i> |
| 7. <i>Last day to protest RFP requirements prior to Final Proposals Due</i> | <i>08/24/12</i> |
| 8. <i>Submission of Final Proposals due to DGS</i> | <i>09/10/12</i> |
| 9. <i>Cost Opening</i> | <i>10/24/12</i> |
| 10. <i>Notification of Intent to Award</i> | <i>11/13/12</i> |
| 11. <i>Last Day to Protest Selection</i> | <i>11/16/12</i> |
| 12. <i>Contract Award and Execution</i> | <i>01/31/13</i> |

Resources (Level of Effort) Choose the statement that most closely applies.

Fewer Resources

Completion of one or more major tasks and/or acceptable products has required or is expected to require materially (>5%) fewer hours/staff than planned.

Within Resources

Within Resources

All major tasks have been completed and acceptable products created using the planned number of hours/staff (within 5%).

More Resources

Completion of major tasks and/or acceptable products has required or is expected to require materially (>5%) more hours/staff than planned.

Comments: No change since last month. VoteCal is in the Procurement phase and when the contract is awarded and a refined schedule established, an SPR will be submitted.

Resources (Budget/Cost) Choose the statement that most closely applies.

Less cost

The project is (>5%) under budget.

Within Cost

Within cost

The project is operating within budget.

Higher cost

Material budget increases (>5%) are likely.

Comments: No change since last month. At this time the project is operating within budget and is expected to stay at or below budget throughout this fiscal year. Future budget overruns are likely due to the lengthy procurement process.

Quality (Client Functionality) Choose the statement that most closely applies.

Adequately Defined

Required client functionality is adequately defined, and is being successfully built into the system, given the current project phase.

Adequately Defined

Inadequately Defined

One or more significant components of required client functionality are inadequately defined, or are not being successfully built into the system, given the current project phase.

Comments: No change from last month. Adequately defined for this phase of the project.

Quality (Architecture/System Performance) Choose the statement that most closely applies.

Adequately Defined

The system technical architecture is adequately defined, and modeling, benchmarking and testing are being conducted (or are planned) appropriate to the current project phase.

N/A

Inadequately Defined

The system technical architecture is not adequately defined, or modeling, benchmarking and testing are not being conducted (or are planned) appropriate to the current project phase.

Comments: Not applicable at this time.

New Project Risks

No new risks were opened during the reporting period.

Progress Toward Addressing Prior Risks

Identifier: Failed Procurement
140

Risk Statement: If SOS encounters either too-few Bidders for a "competitive" procurement or insufficiently qualified Bidders by the due date for Final Proposals or the contract award target date, the procurement effort will fail and will need to start anew, resulting in a delay in excess of a year.

Probability: H Impact: H Time Frame – M (Overall severity: H)

Status:

January 2012 – DGS and SOS have developed a new KAD schedule that pushes out the procurement schedule by approximately three months for submission of draft proposals and almost four months for contract award and execution. This could discourage bidders; however, the new schedule appears to be more realistic as compared to the original schedule, which could be viewed by bidders as a positive step.

It is worth noting that IPOC has concerns with some of the assumptions made in developing the new procurement schedule – see the Schedule Section above for details. This means that while the new KADs appear to be more realistic than the previous schedule, there is still a risk of further slippage in the future.

The probability of this risk remains high, but is unchanged since last month.

December 2011 – The likelihood of a delay in the date for vendors to submit draft proposals coupled with the potential slip of the contract award and execution date increase the probability of a failed procurement.

November 2011 – The procurement process continues to move forward with the pre-qualification decision announced on Nov. 10th as scheduled and confidential discussions on track to finish on time by Dec. 9th. However, the likely slippage of the next, and potentially subsequent, KADs (as described in the Schedule Section above) could further frustrate vendors, possibly causing one or more to drop out of the procurement.

October 2011 – No update since previous report. Information will be forthcoming after the pre-qualification decision announcement.

September 2011 – Addendum 5 was published on Sept. 22nd, resulting in a slip of one week in the dates for submission of the pre-qualification packages and the announcement of the pre-qualification decision. These dates were pushed out in order to provide vendors the required five business days after publication of the addendum to update their pre-qualification packages.

On September 30, 2011, DGS received pre-qualification materials for evaluation. SOS began the materials review process and is currently on track to meet the Nov. 10th pre-qualification decision announcement.

August 2011 – The overall severity of this risk continues to be very high due to potential delays in upcoming Key Action Dates. In addition, DGS received protests on the RFP requirements from two vendors by the August 26th deadline. DGS plans to release Addendum 5, although no estimated publication date has been determined. Based on information from DGS, SOS expects a second protest after publication of Addendum 5 related to the publication of Addendum 5 not occurring in time for bidders to respond by the August 26th Key Action Date. The time required to address the current and anticipated protests has the potential to push out the Sept. 23rd date for vendors to submit pre-qualification packages and potentially subsequent Key Action Dates as well.

July 2011 – After the completion of the initial confidential discussions, vendors submitted a total of 41 questions and requests for clarification regarding the RFP. SOS is preparing an addendum with responses

intended to mitigate this risk based on several bidders' questions and requests for changes and clarifications. As of August 9th, these proposed changes were still under discussion. For reasons described in the Schedule Section of this IPOR, it is likely that the next Key Action Date, the last day to protest the RFP requirements prior to pre-qualification, scheduled for Aug. 26th will slip. This is very likely to frustrate vendors who have already expressed concern regarding the lengthy procurement and changing timeline, increasing the probability that this risk will be realized.

June 2011 – DGS and SOS conducted confidential discussions with 3 prospective vendors during the week of June 27, during which the vendors expressed concerns about some of the provisions in the RFP. SOS is waiting for vendors to submit their questions and requests for RFP changes and, based on these, will evaluate alternatives and reach decisions for moving forward. Vendor questions are due on July 12th.

May 2011 – DGS will conduct confidential discussions with interested bidders prior to the Question and Answer period. These sessions are intended to provide bidders the opportunity to express any concerns they may have with the RFP requirements and terms and conditions.

This will allow SOS and DGS to determine early in the procurement process if there are any critical issues with the RFP and provide an opportunity to address them. This should encourage qualified bidder participation and reduce the risk of a failed procurement.

April 2011 – This risk continues to be a high severity risk. The ongoing delay in releasing the addendum makes it increasingly likely that the procurement will fail. In this time of decreased budgets and limited resources, vendors may become impatient or find other, more promising opportunities and direct their resources to other bids.

March 2011 – The probability of this risk has increased from medium to high. A vendor with many successful HAVA implementations sent a letter to the State expressing its concerns with this procurement and notifying the State that it may withdraw from the bidding process. Per information received from DGS, SOS reported that the vendor cited three primary concerns:

1. A project budget it considers insufficient for the work requested
2. Terms and conditions it considers unreasonable, including payment terms and letter of credit requirements
3. A lengthy procurement process and schedule that keeps changing

The VoteCal Team previously opened an issue related to this risk:

Issue #139 (High priority): DGS has advised SOS that a previously accepted financial prequalification requirement must be revised, has returned pre-qualification packages to bidders, and instructed the vendor community that the procurement will be re-opened. Impacts: (1) Re-opening the procurement raises probability of the risk that one or both of the existing Bidders will decide to drop out. (Risk #140, which is also heightened in severity due to the bidder letter received by DGS); (2) Re-opening the procurement coupled with the delay in completion of DGS review of the RFP is delaying the reopening and therefore contract award by 5-6 months.

February 2011 – SOS met several times with DGS during March to try to keep the RFP review process moving forward. DGS required changes to at least two business requirements as well as administrative requirements related to financial viability. VoteCal disagrees with these changes and has escalated the issue to the Chief Deputy Secretary of State who will contact a DGS executive for further discussion.

Identifier
60:

Control Agency Coordination

Risk Statement: If resolving procurement- and project-related decisions entails more-than-planned coordination and consultation with control agencies, then the project will experience delays in review and approval of procurement-related documents and diversion of project resources from other project work, and as a result, the procurement schedule and entire project schedule will be delayed.

Probability: H (realized)

Impact: H

Timeframe: Short

Status:

January 2012 – DGS has assigned the VoteCal Project a new Procurement Analyst due to transfer of the previous analyst to a new position. The new DGS analyst has a desk at SOS and spent significant time working with the VoteCal PMO this month. This appears to be working well and is likely to cut down on the kind of miscommunication and confusion that has occurred in the past.

December 2011 – No change since last month

November 2011 – Communications issues between SOS and DGS regarding the procurement process continued throughout the reporting period. As of the end of November DGS had not responded to SOS' requests to document a formal decision-making process.

October 2011 – No change since last month.

September 2011 - No change since last month.

August 2011 – DGS released the responses to vendor questions on August 18th. DGS is investigating how to define appropriate language that would enable SOS to reduce the burden on vendors related to two key areas of vendor concern; liquidated damages and letter of credit. DGS continues to work on this, but as of the end of August there was no estimated date of completion and release of Addendum 5. This coupled with the current and anticipated protests, is likely to push out upcoming Key Action Dates.

July 2011 – A retired annuitant is now working with SOS and DGS to evaluate the existing processes and make recommendations for expediting the procurement process.

June 2011 – Addendum #4 of the RFP was released on June 10th. At this time the procurement is progressing as shown in the KADs listed in the Schedule Section above. The next procurement milestone is on July 11, 2011 when questions are due from the bidders.

May 2011 – DGS and SOS executives worked together during May and addressed the remaining open issues with the RFP. SOS completed the necessary updates and DGS expects to complete its final review and release the RFP in early June.

April 2011 - SOS and DGS worked together in April to conduct a working session during which several items were resolved. Two key open issues remained unresolved at the end of the working session (see General Comments Section for details.) These have been escalated to DGS' Director for resolution; until DGS and SOS can reach a mutually agreeable solution the schedule will continue to slip.

March 2011 – The ongoing DGS RFP review process is causing further project delays, and as of the end of March it remains uncertain when the review process will be completed. The project is now 6 to 7 months behind schedule based on the KADs in the RFP and the assumption that SOS will receive bid packages from four qualified vendors, and further delays will occur if the RFP review process is not completed quickly.

The VoteCal Team previously opened the following issue related to this realized risk:

Issue #135 (High priority): Unclear DGS process and multiple-month delay in DGS review of RFP have caused severe delays in the procurement phase and more than-expected PMO effort to finalize content for RFP addenda and responses to Bidder communications.

February 2011 – Delays in DGS' review of the RFP and the return of the pre-qualification packages to vendors resulted in a significant delay in the project schedule. If additional delays occur in DGS' review and formal approval of the RFP, the schedule will be further impacted.

January 2011 – The team is working to understand more about the required interim procurement steps so that they may assess the impact of control-agency delays and refine the target procurement dates.

Identifier: **Changes in Regulatory Requirements**
59

Risk Statement: If the State or Federal governments mandate functionality not in the current requirements, the resulting scope change could threaten schedule and budget

Probability: M Impact: H Timeframe: Medium

Status:

January 2012 – IPOC will remove this risk from the IPOR beginning next month. The project continues to monitor the situation and IPOC will update and return this risk to the report if changes warrant.

December 2011 – No change since last month

November 2011 - No change from last month

October 2011 - No change from last month
September 2011 - No change from last month
August 2011 - No change from last month
July 2011 - No change from last month
June 2011 - No change from last month
May 2011 - No change from last month
April 2011 - No change from last month
March 2011 – No change from last month
February 2011 – No change from last month
January 2011 – No change from last month
December 2010 – No change from last month
November 2010 – No change from last month
October 2010 – No change from last month
September 2010 – No change. Project continues to monitor.
June 2010 – Timeframe changed to Medium in light of re-procurement effort currently underway. Project continues to monitor.

Closed Project Risks

No risks were closed during the reporting period.

General Comments

NEW KAD SCHEDULE

SOS and DGS worked together during January to develop a new schedule of Key Action Dates (KADs) which was released in Addendum #7 on Jan. 23rd. The new KADs push out the submission of draft proposals by approximately three months from Feb. 8th to May 4th, and the contract award and execution by almost four months from Oct. 5, 2012 to Jan. 31, 2013.

Addendum #7 was intended to notify bidders of the new KADs as well as the change in DGS contact. It did not include the responses to bidders' questions submitted in December or the clarifications and updates to RFP requirements SOS has been working on. Addendum #8 is expected to be released in March and will include this information.

The new KADs are based on several assumptions explicitly discussed by SOS and DGS and documented by SOS. The key assumptions are listed in the Schedule Section, above. IPOC has concerns regarding two of the key assumptions. These assumptions and IPOC's concerns are:

- DGS OLS will complete its review process for Addendum #8 within ten days of submission of the complete document by SOS and will adhere to the ten-day review period throughout the remainder of the procurement process
IPOC believes that given the length of time required by DGS/OLS in the past to respond to drafts of smaller addenda, this assumption may be unrealistic both for Addendum #8 and any future addenda. If the DGS/OLS review cycle for Addendum #8 is significantly longer than ten days, it could push out the May 4th deadline for submission of draft proposals, potentially pushing out subsequent KADs as well.
- DGS suggested that CTA and DOF will agree to and perform an expedited review and parallel processing of the SPR and Section 11 after the intent to award is announced.
DGS Procurement Division management has suggested that VoteCal is of sufficiently high profile that this may occur, but formal discussions on this topic between DGS, SOS, CTA and DOF have not yet taken place. During an informal discussion between IPOC, CTA and DOF, both CTA and DOF agreed this may be possible.

An additional area that IPOC will watch as the procurement progresses is the time in the allotted for the processing of the SPR and Section 11. The schedule includes 2.5 months, including at least four State holidays, between the notification of intent to contract award. With the assumption that the review by CTA and DOF of the SPR and Section 11 are expedited and completed in parallel, there will be sufficient time for the thirty-day period allowed for legislative review and approval of the Section 11, which must be completed prior to contract award. If the date for the notification of intent to award slips, it will decrease the time available to complete these activities without effecting the contract award date.

ADDENDUM #8 STATUS

SOS and DGS discussed at a high level what the responses to bidder's questions for Addendum #8 should communicate. SOS and IPOC are optimistic that this advance cooperation will expedite the DGS/OLS review cycle. SOS submitted a draft of the responses to bidders' questions to DGS on January 31, 2012, so at this time the release of Addendum #8 appears to be on track.

SCHEDULE MANAGEMENT PROCESS

IPOC worked with the Project Schedulers and Sr. Project Manager to review the proposed schedule management process and offer recommendations and suggestions for changes that would make it easier to manage and reduce the amount of time it is likely to take to maintain and analyze the project schedule. The group reached agreement on what IPOC considers to be a viable process and the PMO will be updating the Schedule Management Plan accordingly.

Based on the process defined in these discussions, IPOC strongly recommends that the schedule update cycle be on 2-week basis instead of a weekly cycle as stated in the RFP.

For a project the size and complexity of VoteCal, updating the project schedule, for vendors and SOS will

require sufficient time not only to gather update information and enter it into the VoteCal schedule, but it will require time for the VoteCal Project Schedulers to do a complete analysis of the impact of any schedule changes. Once the analysis is complete, the PMO will need to follow up with the SI, EMS vendors and/or SOS VoteCal staff to determine how potential slippage can be avoided and/or to offer alternatives to the Sr. Project Manager for minimizing the impact.

It is very likely that gathering schedule update data, entering it into the project schedule and producing weekly schedule reports will require most of a one-week cycle, leaving minimal, and probably insufficient, time for thorough analysis and follow up before the next schedule update cycle begins. This poses a significant risk to the project because it is through good project scheduling and analysis techniques that the Sr. Project Manager is informed of potential problems while there is still time to avoid or mitigate them.

Executive Oversight Findings and Recommendations for the VoteCal Project as of January 31, 2012

Findings appearing in the table for the first time, and any changes to priority, findings, recommendations or status will be in **bold type**.

ID Number	Priority	Finding	Recommendations	Status
20110830.01	1	The procurement process is taking significantly longer than expected causing project delays and increased cost.	<p>IPOC has observed the following issues regarding the procurement process and makes the following recommendations to address them:</p> <ul style="list-style-type: none"> • DGS and SOS sometimes disagree about what has been decided and what is still open for discussion <ul style="list-style-type: none"> ○ IPOC recommends that DGS and SOS agree on a method of tracking and validating decisions and that the selected method be clearly documented; including specific due dates or turnaround times for any action items ○ Once both parties agree that a decision has been accurately documented and is valid, it should be considered closed and not re-opened at a later date ○ In the event that consensus about a decision is not reached, develop an escalation process within both SOS and DGS that clearly defines the final decision maker(s) and the criteria for escalation to this level. • DGS staff attending meetings with SOS is not always the same <ul style="list-style-type: none"> ○ DGS should assign specific staff members to work on the SOS procurement and avoid changing those assignments as much as possible ○ This may result in longer intervals between meetings to accommodate staff schedules, but in the long run it should minimize confusion and minimize or eliminate discussions on topics previously covered • At times, sections of addenda were reviewed 	<p>January 2012 – DGS has assigned a new Procurement Analyst to the VoteCal Project due to the transfer of the previous analyst to a new position. The new analyst has been given a desk at SOS and spent significant time working with the VoteCal PMO in January. IPOC believes this will likely improve communication between SOS and DGS and minimize the confusion that has been an issue in the past.</p> <p>SOS and DGS developed a new procurement schedule and released the new KADs to bidders in Addendum #7. These dates appear to be more realistic than the previous KADs, although IPOC has some concerns regarding the assumptions made in developing the new dates.</p> <p>If communication between DGS and SOS continues as it has in January and if a decision tracking process is defined and implemented, IPOC will close this finding.</p> <p>December 2011 – The Feb 8th deadline to submit draft proposals will most certainly slip, due to the complexity of Addendum #7, and receipt of 55 additional substantive questions from bidders on Dec. 21. DGS and SOS began discussions concerning the schedule in late December, and SOS provided their “best case” which, unlike the current schedule, incorporated Addendum #7; discussions will continue next month. As stated in the November 2011 update below, IPOC recommends that the schedule work incorporate probabilities of additional addenda and account for the time required to process them.</p> <p>November 2011 – As stated in the General Comments Section, above, it is likely that the Dec. 23rd KAD will slip, which is very likely to push out the Feb. 8th deadline to submit draft proposals and potentially all subsequent KADs.</p> <p>If this occurs, IPOC recommends that SOS and DGS work</p>

Priority 1 (Urgent – immediate action recommended)

Priority 2 (Important – address within 1-3 months)

Priority 3 (Necessary – address within 1-6 months)

ID Number	Priority	Finding	Recommendations	Status
			<p>separately and feedback documented independently by different DGS groups (e.g., OLS and Procurement), sometimes resulting in apparently contradictory comments and revised recommendations once review of the remaining sections of the document are completed</p> <ul style="list-style-type: none"> o All appropriate DGS groups should review documentation in full and all comments should be consolidated into a single response document prior to sending comments and recommendations to SOS o This may increase the interval between receipt of documentation and response, but should minimize the need for rework and reduce potentially contradictory feedback <ul style="list-style-type: none"> • SOS provides DGS with meeting documentation that may contain more detail than necessary to communicate SOS' understanding of decisions and discussions <ul style="list-style-type: none"> o SOS meeting documentation that is sent to DGS should be concise, summarize discussions at a high level and include specific decisions reached and action items o SOS should avoid using meeting minutes to capture entire discussions; SOS may continue to produce that documentation as project artifacts, if desired o DGS may choose to use SOS' meeting minutes as a record of the meeting or may create its own meeting record. In either case, both SOS and DGS should review all meeting documentation and agree that it is complete and correct 	<p>together to re-evaluate the KADs taking into consideration how likely they believe the need for additional addenda may be and build a more realistic timeline that accounts for the time required to processes them.</p> <p>In doing so, DGS and SOS should apply the recommendations in this finding in order to avoid any delays in reaching a decision regarding how to adjust the KAD schedule.</p> <p>September 2011 – The Key Action Dates (KADs) for the submission of pre-qualification packages and the announcement of the pre-qualification decision have been pushed back one week due to the later than expected release of Addendum 5, which occurred on Sept. 22nd.</p> <p>At this time, no other Key Action Dates have slipped. The pre-qualification decision date is dependent upon SOS completing its review of the prequalification materials and submitting the Evaluation and Selection Report to DGS no later than Oct. 26th to allow DGS the ten-day turnaround time for review and approval it committed to SOS. If DGS takes longer than the agreed-upon ten days to review and approve the Evaluation and Selection Report, the pre-qualification announcement and potentially subsequent KADs will slip.</p> <p>August 2011- SOS produced meeting documentation that was shorter and remained at a high level for a meeting held in August. This is a step in the right direction and IPOC encourages SOS to continue this practice.</p> <p>IPOC recommends that DGS review this documentation and provide feedback to SOS that would help them to better meet DGS' needs in this area</p>

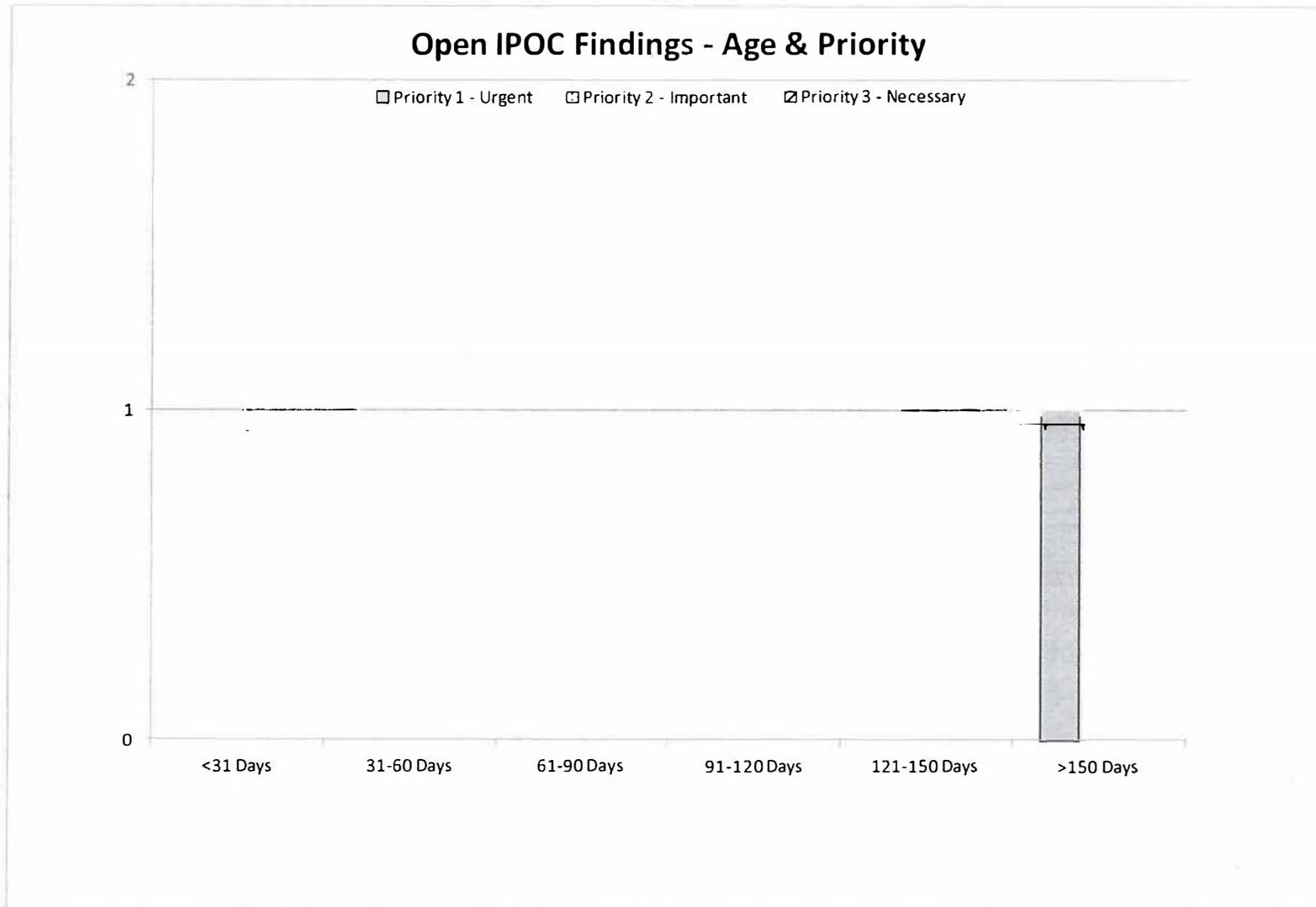
Priority 1 (Urgent – immediate action recommended)
Priority 2 (Important – address within 1-3 months)
Priority 3 (Necessary – address within 1-6 months)

Findings Closed During Reporting

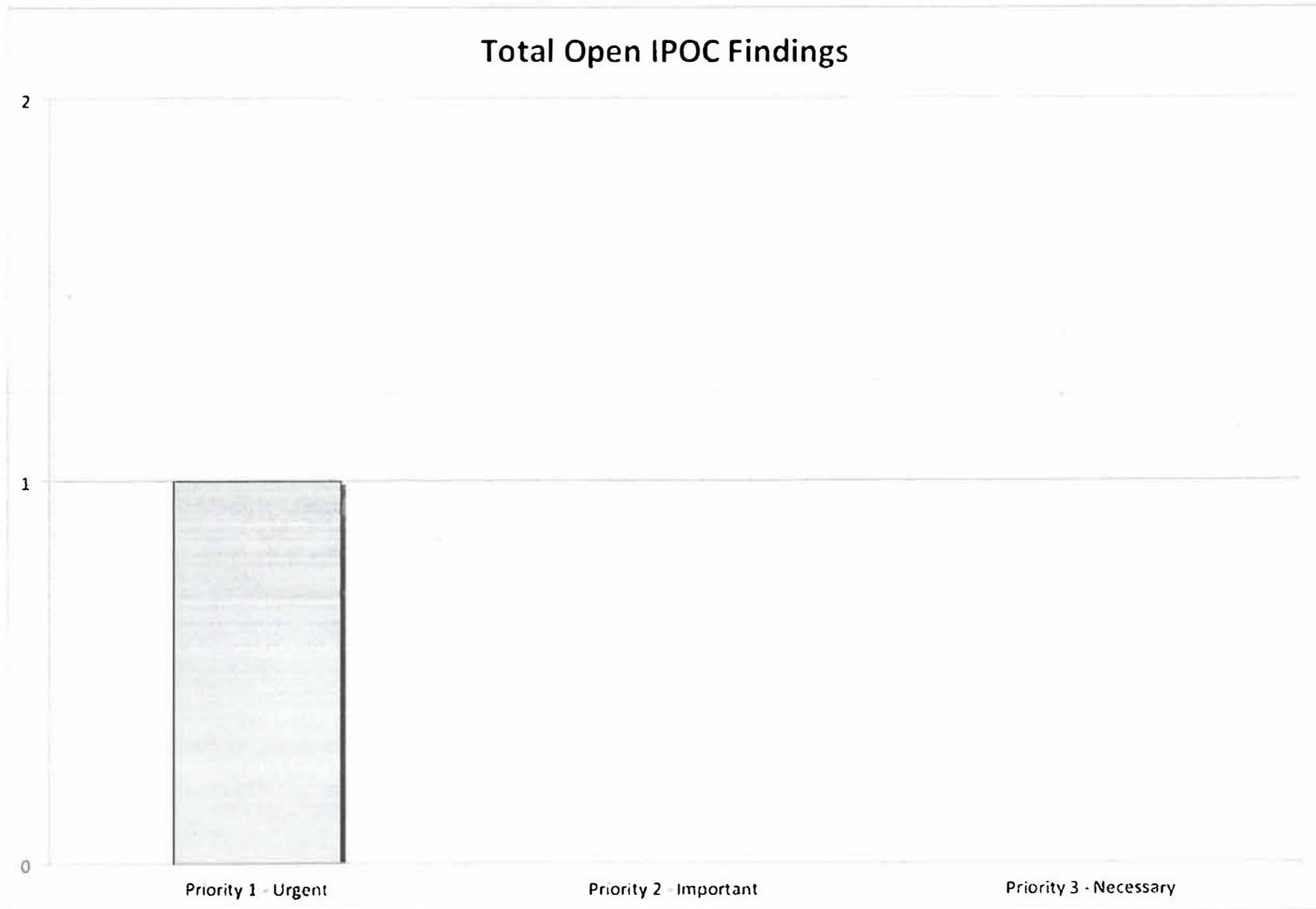
Period No findings were closed during the reporting period.

The following charts show:

- Progress toward addressing prior findings & their priority
- Current number of open findings by priority



Priority 1 (Urgent – immediate action recommended)
Priority 2 (Important – address within 1-3 months)
Priority 3 (Necessary – address within 1-6 months)



Priority 1 (Urgent – immediate action recommended) Priority 2 (Important – address within 1-3 months) Priority 3 (Necessary – address within 1-6 months)