



DEBRA BOWEN | SECRETARY OF STATE | STATE OF CALIFORNIA
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October 16, 2014

The Honorable Mark Leno, Chairman
The Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

Dear Senator Leno:

In accordance with the Supplemental Report of the 2014-15 Budget Package, Item 0890-001-0228, attached is my office's quarterly report on the progress of the California Business Connect project. If you have any questions about this report, please feel free to contact me at (916) 653-7244, or have your staff contact my Chief of the Business Programs Division, Betsy Bogart, at (916) 651-6973.

Sincerely,

A handwritten signature in blue ink that reads "Debra Bowen".

Debra Bowen
Secretary of State

Attachment

cc: Mr. Daniel Alvarez, Secretary of the Senate
Mr. E. Dotson Wilson, Chief Clerk of the Assembly
Ms. Diane Boyer-Vine, Legislative Counsel
Mr. Mac Taylor, Legislative Analyst

Secretary of State's Office
Business Programs Division
BL 14-23 Supplemental Language Report
Item 0890-001-0228
October 15, 2014

Introduction

In its "Supplemental Report of the 2014-15 Budget," the Legislative Analyst's Office requires the Secretary of State to provide a quarterly report on the progress of the California Business Connect project on or before October 15, 2014, and on or before every April 15, July 15, October 15, and January 15 thereafter, to the chairs of the Joint Legislative Budget Committee and the fiscal committees of the Legislature. The Secretary of State (SOS) is also required to certify whether the SOS (a) anticipates making or has made any changes to the project's scope, schedule, or budget and (b) believes there are any problems that would preclude it from meeting the approved project schedule and budget. This reporting requirement will end upon the completion or termination of the California Business Connect project.

Background

The California Business Connect project will change how people interact with the Business Programs Division of the Secretary of State's Office. The California Business Connect project will affect nearly every Business Programs Division process, including most of the business filings for corporations, limited liability companies, limited partnerships, statements of information, and other statutorily-required filings which currently are processed and filed in a paper driven production environment (exceptions include Uniform Commercial Code filings and corporate statements of information, which have online services). California Business Connect is an integrated automated solution that has highly configurable, out-of-the-box components requiring minimal customization, while still being robust, secure, and easy to operate and maintain. In the new California Business Connect environment, scheduled for roll out in June 2016, the processes will be almost entirely paperless, with many of the filings and requests for information completely automated through online services.

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The Secretary of State has not made and does not anticipate making any changes to the project in terms of overall scope, schedule or budget. The California Business Connect scope remains as defined in the Systems Integration Contract Request for Proposal SOS 0890-047 dated August 2012. The project remains on track to deploy in June 2016. The project is currently within budget.

While the estimated completion date for Phase 2 of the project has been pushed from March 16, 2015, to May 28, 2015, Phase 3 has already begun so the remaining phases stay on track in a fashion that will allow the project to complete on time.

There is currently only one risk that the project team has documented that theoretically could impact the implementation schedule, but aggressive steps are being taken to ensure the risk is not realized. Specifically, California Business Connect will be largely based on a commercial off-the-shelf (COTS) software system. The team was unable to proceed effectively without a full understanding of the COTS software's capabilities. To mitigate this risk, the Systems Integration Contractor team is exploring options for improving the project team's understanding of the capabilities and limitations of the COTS software, including the use of process flow diagrams and use-case scenarios. In addition, a product knowledgeable expert will be on hand to allow for the team to confidently acquire a full understanding of the built-in capabilities of the COTS software.

Timeline

Major Milestones	Estimated Completion Date	Actual Completion Date
Receive Feasibility Study Report Approval	4/1/2011	4/1/2011
Release of Request for Proposal	8/29/2012	8/29/2012
Contract Award	2/25/2014	1/10/2014
Project Initiation and Planning	4/30/2014	06/06/2014
Design	3/16/2015	
Development	12/31/2015	
Testing	5/23/2016	
Deployment	6/30/2016	
First Year Contract Maintenance and Operations	6/30/2017	
Post Implementation Evaluation Report	6/30/2017	