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April 13, 2018

The Honorable Holly Mitchell, Chair
The Joint Legislative Budget Committee
1020 N Street, Room 553
Sacramento, CA 95814

The Honorable Ricardo Lara, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

The Honorable Lorena Gonzalez Fletcher, Chair
Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, California 95814

Dear Chairpersons Mitchell, Lara, and Gonzalez Fletcher:

Attached is my office's quarterly report on the progress of the CAL-ACCESS Replacement System Project, in accordance with Government Code section 84602(c). Previous reports are posted on the Secretary of State's office website at www.sos.ca.gov/administration/agency-reports/cal-access-replacement-project-cars-agency-reports. 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 Political Reform Division, Mary Wray, at (916) 695-1524.

Sincerely,

Alex Padilla
Secretary of State

Attachment

Introduction

In September of 2016, the Governor signed into law Senate Bill (SB) 1349, the Political Reform Act of 1974: Secretary of State: online filing and disclosure system. The bill requires the Secretary of State, in consultation with the Fair Political Practices Commission (FPPC), to develop and certify for public use an online filing and disclosure system for campaign statements and reports that provides public disclosure of campaign finance and lobbying information in a user-friendly, easily understandable format.

The law calls for the Secretary of State to submit a report to the chairs of the Joint Legislative Budget Committee and the fiscal committees of the Legislature on or before December 31, 2017, and on or before every April 15, July 15, October 15, and January 15 thereafter, that certifies whether changes are anticipated to the project's scope, schedule, or budget and any problem that is considered a risk to the project's completion according to the approved project schedule and budget.

Background

The California Automated Lobbyist and Campaign Contribution and Expenditure Search System (CAL-ACCESS) was developed to provide greater public access to campaign contribution and expenditure data, and state lobbying financial activity. CAL-ACCESS was developed to respond to the objectives of the Online Disclosure Act, added to the Political Reform Act of 1974 (PRA) by Ch 866, Stats of 1997. CAL-ACCESS is the public's window into California's campaign disclosure and lobbying financial activity, providing financial information supplied by state candidates, donors, lobbyists, lobbyist employers, and others.

CAL-ACCESS was deployed in June 2000, and, since that time, nearly two (2) million filings have been submitted by filers. However, CAL-ACCESS is an old and fragile system that is at the end of life and operating on an unsupported information technology platform. The current system design has technological restrictions that prevent it from being modified or updated. It lacks data display and reporting features that are commonly used for data analytics.

CAL-ACCESS users and stakeholder groups have identified the following business problems:

- Program business operations are negatively affected by the current system design.
- Program business operations are at risk due to an old, unsupported information technology platform.
- The Secretary of State's Political Reform Division (PRD) and stakeholders have limited information access and reporting capabilities.

SB 1349 requires the Secretary of State to implement a CAL-ACCESS Replacement System (CARS) to address the shortcomings and vulnerabilities of the current system.

CARS Status – April 2018

Below is a summary of the Secretary of State's efforts on the CAL-ACCESS replacement system project to date.

Procurement

As noted in the December 2018 report, the CARS Project issued a Request for Offer (RFO) using the Department of General Services (DGS) Information Technology Consulting Services Master Service Agreement (IT MSA) on October 19, 2017. Based on questions received from the vendors, the project issued Addendum #1 on December 18, 2017.

Since the December 2017 report, the Secretary of State received more clarification requests from potential bidders. The CARS project team reviewed all requests and based on clarifications provided, Addendum #2 was issued on January 25, 2018, which included extending the bidders' submittal date to February 20, 2018.

The Secretary of State is currently evaluating the offers received. It is anticipated that the contract award will be made by early May 2018. The Secretary of State will confirm the final implementation schedule once the System Integration vendor has been selected and the contract fully executed.

Legislative Updates

The Secretary of State, in consultation with the FPPC, has drafted the initial legislative changes necessary to implement CARS. Senate Bill 1329 was introduced by Senator Hertzberg to promote the legislative changes and is set for hearing on April 17, 2018, in the Senate Elections and Constitutional Amendments Committee.

Planning

The CARS project team is updating the Project Plan and all ancillary plans to review readiness for bringing the System Integrator (SI) onboard. The Secretary of State staff continues working with a group of consultants including Enterprise Architects, Business Analysts, Independent Validation and Verification consultants, and subject matter experts (including staff from the FPPC). The collaborative working groups continued developing the CARS enterprise architecture and detailed business rules.

The CARS project team has begun identifying any issues and the need for cleaning up the current CAL-ACCESS data in preparation for migration to the new CARS system. Utilizing the California Multiple Award Schedule (CMAS) Information Technology (IT) for consulting services, the project released a Request for Offer for acquiring services of a Data Conversion vendor to migrate existing data to the new CARS database.

Currently Perceived Challenges

At this time the Secretary of State CARS project team does not anticipate any changes to the scope of the project. Based on information gathered from internal and external stakeholder discussions and SI offers the project team has identified the following challenges with the implementation date of February 1, 2019, as required by SB 1349:

- **Information from the offers:** Looking at the schedule proposed by the offeror(s), the CARS project team currently estimates insufficient time is available for solution development, testing and implementation of the new system. Considering the time required for requirements clarification, solution design, system development, filing vendor integration, performance testing, solution and infrastructure security review and implementation, the project anticipates risks associated with the proposed schedule for thorough testing and Secretary of State and FPPC staff user acceptance testing of the new system.
- **Filing deadline:** The February 1, 2019, implementation date also overlaps with statutory filing deadlines associated with the 2018 and 2020 election cycles.
- **Stakeholder involvement:** The current CAL-ACCESS system and the envisioned CARS system serve the needs of various stakeholders including but not limited to the FPPC, Franchise Tax Board (FTB), public, media, filing community, good government entities and electronic filing vendors. The CARS project team is currently working on Organizational Change Management that will establish the plan for effectively engaging these stakeholders in CARS implementation. In order to plan for a smooth transition to the new system, the CARS project has identified a need for thorough integration testing with the FPPC staff, FTB staff and, critically, the electronic filing vendors. Business operations and processes for these stakeholders are critically impacted by CARS. The Secretary of State CARS team requires sufficient time so expectations of these stakeholders are met by the envisioned new system.

In order to effectively mitigate these challenges, the Secretary of State is evaluating and discussing extending the CARS implementation date to December 2019, as contemplated and permitted by Government Code section 84602.(b).(4).

Implementation Plan

A detailed plan for the development and implementation of the plan will be finalized once the System Integration vendor has been selected and the contract fully executed. Following high level schedule is currently anticipated.

Project Stages	Milestone	Dates	Status
Alternatives Analysis	Complete Alternatives Analysis	11/2016	Complete
Solution Development	Refine Business Requirements and initiate project management and procurement plans (data governance; communications; issue/risk management; project; and contract management.)	12/2016 –07/2017	Complete
	Release Request for Solicitation	08/2017	Complete
Project Readiness and Approval	Evaluate final Vendor responses	2/2018-4/2018	In progress
	Award Contract	5/2018	
Design Development & Implementation	Requirements Validation	5/2018 – 6/2018	
	Design and Development	7/2018 – 12/2018	
	Testing	10/2018 – 02/2019	
Maintenance and Operations	Implementation	02/2019-12/2019	
	First Year Operation and Closeout	02/2020-12/2020	