April 15, 2020

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

The Honorable Anthony J. Portantino, Chair
Senate Appropriations Committee
State Capitol, Room 2206
Sacramento, CA 95814

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

Dear Chairpersons Mitchell, Portantino, and Gonzalez:

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 Legislative Affairs, Tiffany Mok at (916) 695-1647.

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 to address the shortcomings and vulnerabilities of the current system. The original implementation date for the new CAL-ACCESS as set forth in SB 1349 was December 2019. SB 84, signed by the Governor on June 27, 2019, extends the implementation date to February 2021.
CAL-ACCESS Replacement System Project Status – January 2020

Below is a summary of the Secretary of State’s efforts on the CAL-ACCESS Replacement System (CARS) project for this reporting period.

Unsatisfactory Product and Replacement Measures

The CARS SI performed a detailed technical assessment of the proposed solution, PCC Ethics Suite, as reported in our last report to you. The Secretary of State requested that the System Integrator identify a substitute for the inadequate system that had been part of the initial approach. As a result of the failure and other factors, the SOS issued a Cure Notice to the vendor. The vendor provided a timely reply and the two organizations (SI and SOS) have been addressing next steps.

Moving in a New Direction

The SI replaced the prior partner/subcontractor with a new subcontractor. Project activities restarted as we made the pivot away from the prior solution to the new solution which is based on the Salesforce platform. Initial efforts were to develop a new schedule, align to a new technology and concurrently, PRD team members began work with the new sub-contractor to provide an understanding of the various use cases and the derivative activities.

Development of a new schedule is the initial and most critical aspect of the pivot process. Significant efforts have been made as the project assessed the new platform and all of the changes for people, processes and technology. The SI and SOS have worked to jointly develop a new schedule and we are in the final stages of establishing a new baseline. As a result of COVID-19 some activities have been negatively impacted causing a slowness to the project. Some external vendors have been slow to respond or failed to respond to bid solicitations due to their reduced staffing as a result of COVID-19 quarantine/social distancing orders. The SOS and SI teams are working to finalize the schedule amidst these challenges and it is a dynamic process this quarter.

The shift in technology required major efforts from the SOS Information Technology Department (ITD) and the Project Management Office (PMO) teams. The prior solution was a Commercial-Off-the-Shelf (COTS) implementation. The project determined that there was too much customization required for ease of maintenance. The substitute selected was done with the lessons-learned perspective that the SOS preferred to minimize customization and optimize existing configurable platform systems. This quarter the ITD team reviewed no less than seven new technologies and their suitability for CARS as well as the impacts to the SOS ITD and PRD program.

The core work performed this quarter emanates from the PRD team and their collaboration with the new sub-contractor. The PRD staff have worked with the various teams from the system integrator and reviewed the use cases diving down into significant detailed workflows. These are then being taken into the design and development activities by the system integrator and sub-contractor.
During this past quarter, the CARS team conducted an outreach session with the Stakeholders Input Group (SIG) and is planning a follow-on discussion with the software vendor group of stakeholders this quarter.

During this first quarter of the calendar year, the SOS has been able to re-align the project to a new schedule, new technology and wrap in a new subcontractor to undertake the work. Since identification of the new platform, the Secretary of State has acquired Salesforce licenses and started on the path to begin developing the CAL-ACCESS Replacement System within the Salesforce environments.

**Upcoming Decisions**

As a result of the Cure Notice and the original concerns the SOS and system integrator are engaged in discussions about how to proceed financially. The parties are discussing whether the new schedule should result in a new cost to the CARS project. If the parties are unable to reach agreement on allocation of costs arising from the delayed implementation, the SOS will advise the committees promptly. The Department of Finance has been apprised throughout the process.

**Implementation Plan**

The CARS SI continues to develop an updated schedule for the CAL-ACCESS implementation. Below is the currently anticipated high-level schedule for the CAL-ACCESS Replacement System design, development and implementation activities.

<table>
<thead>
<tr>
<th>Project Stages</th>
<th>Milestone</th>
<th>Dates</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alternatives Analysis</td>
<td>Complete Alternatives Analysis</td>
<td>11/2016</td>
<td>Complete</td>
</tr>
<tr>
<td>Solution Development</td>
<td>Refine Business Requirements and initiate project management and procurement plans (data governance; communications; issue/risk management; project; and contract management.)</td>
<td>12/2016 – 07/2017</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Release Request for Solicitation</td>
<td>08/2017</td>
<td>Complete</td>
</tr>
<tr>
<td>Project Readiness and Approval</td>
<td>Evaluate final Vendor responses</td>
<td>2/2018 - 4/2018</td>
<td>Complete</td>
</tr>
<tr>
<td></td>
<td>Award Contract</td>
<td>5/2018</td>
<td>Complete</td>
</tr>
<tr>
<td>Initialization and Planning</td>
<td>Develop project plans and Integrated Project Schedule</td>
<td>6/2018 – 3/2019</td>
<td>Complete</td>
</tr>
<tr>
<td>Design Development &amp; Implementation</td>
<td>Requirements Validation</td>
<td>8/2018 – 12/2018</td>
<td>Complete</td>
</tr>
<tr>
<td>-------------------------------------</td>
<td>-------------------------</td>
<td>------------------</td>
<td>----------</td>
</tr>
<tr>
<td></td>
<td>Design and Development</td>
<td>11/2018 – 12/2020</td>
<td>In progress</td>
</tr>
<tr>
<td></td>
<td>Training and Testing</td>
<td>5/2020 – 1/2021</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Implementation</td>
<td>12/2020 - 2/2021</td>
<td></td>
</tr>
<tr>
<td>Maintenance and Operations</td>
<td>First Year Operation and Closeout</td>
<td>3/2021 - 2/2022</td>
<td></td>
</tr>
</tbody>
</table>