California Department of Insurance (CDI)

CDI Menu Modernization Project (CMMP)

Feasibility Study Report (FSR)
(Spring Finance Letter Version)
March, 2014

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Information Technology Project Request

Feasibility Study Report
Executive Approval Transmittal

Department Name
California Department of Insurance (CDI)
Project Title (maximum of 75 characters)
CDI Menu Modernization Project

Project Acronym	Department Priority	Agency Priority
CMMP	2	N/A

I am submitting the attached Feasibility Study Report (FSR) in support of our request for the California Department of Technology's approval to undertake this project.

I certify that the FSR was prepared in accordance with State Administrative Manual Sections 4920-4930.1 and that the proposed project is consistent with our information technology strategy as expressed in our current Agency Information Management Strategy (AIMS).

I have reviewed and agree with the information in the attached Feasibility Study Report.

I also certify that the acquisition of the applicable information technology (IT) product(s) or service(s) required by my department 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	**Date Signed**
David Noronha **Printed name:** David Noronha	3/7/14
Budget Officer	**Date Signed**
Crista Hill **Printed name:** Crista Hill	3/7/14
Deputy Commissioner	**Date Signed**
Erika Sperbeck **Printed name:** Erika Sperbeck	3.7.14
Chief Deputy Commissioner	**Date Signed**
Nettie Hoge **Printed name:** Nettie Hoge	3.7.14
Agency Secretary	**Date Signed**
N/A **Printed name:** N/A	

California Technology Agency
FSR Transmittal
SIMM Section 20A

1
March 2011

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1.1 IT Accessibility Certification

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
	The IT project meets the definition of a national security system.
	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”.)
	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
	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 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.

Exceptions Requiring Alternative Means of Access for Persons with Disabilities

Yes or No	Accessibility Exception Justification
	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. Information Technology Project Summary Package

Section A: Executive Summary

1	Submittal Date	Original: July 15, 2013 Spring Finance Letter Version: March, 2014

		FSR	SPR	PSP Only	Other:
2	Type of Document	X			
	Project Number	0845-042			

			Estimated Project Dates	
3	Project Title	CDI Menu Modernization Project	Start	End
	Project Acronym	CMMP	7/1/2014	7/30/2018
4	Submitting Department	California Department of Insurance		
5	Reporting Agency	N/A		

6	Project Objectives
	The CDI Menu is the core delivery platform for all mission critical California Department of Insurance (CDI) applications. Built over twenty (20) years ago, this system now faces security and development problems, data integrity challenges and end of life support problems. The CDI Menu Modernization Project includes the following objectives: • Improve the development platform so that branch-specific Information Technology (IT) resources are no longer required within one year of implementation (cost for consultants to perform Maintenance & Operations (M&O) is eliminated) • Improve the development platform which will result in a reduction of change requests by 70% within six (6) months of implementation • Meet ITD strategic goal of ensuring that 100% Information Technology Division (ITD) staff completes at least one (1) professional improvement course annually

Major Milestones	Est. Complete Date
FSR Approved	4/1/2014
COTS/MOTS, IV&V, Project Manager, IPOC and Vendor and Developer Contracts Awarded	7/1/2014
Data Design, Configuration and Implementation of Data Management	1/31/2015
Development Platform and Proof of Concept completed- Go/No Go Decision	7/1/2015
BCP for FY 15/16 Submitted	9/15/2014
BCP for FY 16/17 Submitted	9/14/2015
BCP for FY 17/18 Submitted	9/12/2016
BCP for FY 18/19 Submitted	9/11/2017
Wave 1 Complete	7/7/2016
Wave 2 Complete	10/7/2016
Wave 3 Complete	1/7/2017

- Simplify the query and reporting process to reduce the dependency on ITD staff which will result in a reduction of the percentage of time ITD spends building reports and queries to 50% within six (6) months of reporting upgrade
- Follow ITD's strategic roadmap for centralized and secured data storage by creating and implementing an IT roadmap that aligns with CDI and California Department of Technology (CalTech) technology goals
- Improve the systems architecture to ensure it is aligned with strategic goals by eliminating required work-arounds, using Service Oriented Architecture (SOA) strategies in design and development and removing duplicated and obsolete coding
- Implement a system with a common data model and standardized terminology by providing a complete data dictionary, Entity Relationship Diagram (ERD) and data models for the new system
- Reduce incidence of functional defects by 50% within six (6) months of implementation
- Improve development platform by ensuring that at least 50% of the ITD development staff is trained on and can develop in the common development platform
- Improve the ability to restore CDI menu applications within four (4) hours of a system wide outage once the network is operational by providing a redundant system that can be used for failover or switchover

Wave 4 Complete	7/10/2017
Wave 5 Complete	10/7/2017
Wave 6 Complete	1/7/2018
Wave 7 Complete	4/7/2018
Wave 8 Complete	7/10/2018
Project Close Out Complete	7/30/2018
PIER	
Key Deliverables	
CMMP Project Plan	12/31/2014
Organizational Change Management (OCM) Plan Created	12/31/2014
Architectural Design Document	6/30/2015
Wave 1 Close Out Report	7/7/2016
Wave 2 Close Out Report	10/7/2016
Wave 3 Close Out Report	1/7/2017
Wave 4 Close Out Report	7/10/2017
Wave 5 Close Out Report	10/7/2017
Wave 6 Close Out Report	1/7/2018
Wave 7 Close Out Report	4/7/2018
Wave 8 Close Out Report	7/10/2018
Project Close Out Report	7/30/2018

* PIER (Must not be later than 18 months after the project completes)

7	Proposed Solution
	The proposed alternative is a hybrid solution. It is a State run project with contract vendor support. This option uses Commercial-Off-the-Shelf (COTS) products such as (but not limited to) an Oracle Portal (Business Intelligence (BI) Publisher) or Microsoft (SharePoint) solution that is configured by the ITD staff and contractors, and is implemented by a hybrid team of ITD resources, branch functional administrators and vendor/contractor resources. Thirty-two (32) of the existing applications will be reengineered and made available to the users through a portal whose infrastructure is built on a modern software development platform. Known security gaps will be closed. Periodic testing and auditing will be performed to ensure compliance and mitigation of new threats. It will include an internet interface which will present the CDI and public user with the functionality currently available that is built on updated technology that can not only make processing more efficient but will also allow for the development of future functionality. The approach will include: • Having strong Executive Branch support from inception, through design, development, and a phased roll-out to production • Implementing a communications plan that meets CDI business requirements while addressing resistance to change and providing a sense of familiarity on individual accountability for the success of the project • Determining and developing a standardized data model, which will include a common language amongst the branches • Building use cases for all business functionality to improve efficiency and allow for process re-engineering • Implementing a business resumption strategy that will include redundancy as well as address and mitigate the risk of a catastrophic system outage • Using business partners (CDI Subject Matter Experts who will become functional administrators) to work with ITD resources and the vendor to modernize the system while ensuring business requirements are met • Modernizing the development platform, the coding approach and the technical infrastructure to meet security, contingency and future business requirements This solution was chosen based on the strategic direction of the Department and on the necessity for increased flexibility to meet the changing needs of California's insurance information technology. In the absence of an explicit development strategy, it is easy for an organization to drift into a situation where the over-all goals of the Department are not being addressed.

Information Technology Project Summary Package

Section B: Project Contacts

Project #	0845-042
Doc. Type	FSR

Executive Contacts								
	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
Agency Secretary	N/A							
Chief Deputy Commissioner	Nettie	Hoge	916	492-3500		415	904-5889	nettie.hoge@insurance.ca.gov
Budget Officer	Crista	Hill	916	492-3390		916	445-6544	crista.hill@insurance.ca.gov
CIO	David	Noronha	916	492-3294		916	327-3481	david.noronha@insurance.ca.gov
Project Sponsor	Nettie	Hoge	916	492-3500		415	904-5889	nettie.hoge@insurance.ca.gov

Direct Contacts								
	First Name	Last Name	Area Code	Phone #	Ext.	Area Code	Fax #	E-mail
Doc. prepared by	Theresa	LeClaire	916	492-3271		916	445-4296	theresa.leclaire@insurance.ca.gov
Primary Contact	David	Noronha	916	492-3294		916	327-3481	david.noronha@insurance.ca.gov
Project Manager	Theresa	LeClaire	916	492-3271		916	445-4296	theresa.leclaire@insurance.ca.gov

Information Technology Project Summary Package

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

1	What is the date of your current Operational Recovery Plan (ORP)?	Date	4/15/2013
2	What is the date of your current Agency Information Management Strategy (AIMS)?	Date	8/31/2013
3	For the proposed project, provide the page reference in your current AIMS and/or strategic business plan.	Doc.	AIMS
		Page #	52-53

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			Yes	No
4	Is the project reportable to control agencies?		X	
	If YES, CHECK all that apply:			
	X	The project involves a budget action.		
		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	The estimated total development and acquisition cost exceeds the departmental cost threshold and the project does not meet the criteria of a desktop and mobile computing commodity expenditure (see SAM 4989 – 4989.3).		
		The project meets a condition previously imposed by the Technology Agency.		

Information Technology Project Summary Package

Section D: Budget Information

Project #	0845-042
Doc. Type	FSR

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

FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19
$1,328,556	$2,711,139	$2,651,112	$1,852,724	$278,200

PROJECT COSTS

1.	Fiscal Year	FY14/15	FY15/16	FY16/17	FY17/18	FY18/19	TOTAL
2.	One-Time Cost	$2,728,003	$4,460,189	$4,788,396	$3,492,387	$0	$15,747,376
3.	Continuing Costs	$0	$0	$ 125,600	$ 239,199	$5,278,979	$ 5,643,777
4.	TOTAL PROJECT BUDGET	$2,797,603	$4,529,789	$4,983,569	$3,801,187	$5,278,979	$21,391,153

PROJECT FINANCIAL BENEFITS

5.	Cost Savings/Avoidances	$	$	$	$	$	$
6.	Revenue Increase	$	$	$	$	$	$

Information Technology Project Summary Package

Section E: Vendor Project Budget

Project #	0845-042
Doc. Type	FSR

Vendor Cost for FSR Development (if applicable)	$95,000
Vendor Name	VIP, LLC

VENDOR PROJECT BUDGET

1	Fiscal Year	**FY14/15**	**FY15/16**	**FY16/17**	**FY17/18**	**FY18/19**	TOTAL
2	Primary Vendor Budget	$350,000	$600,000	$600,000	$250,000		$1,800,000
3	Independent Oversight Budget	$139,200	$139,200	$ 139,200	$ 139,200		$ 556,800
4	IV&V Budget	$100,000	$100,000	$100,000	$ 50,000		$ 350,000
5	Other Budget (DGS and Project Manager)	$134,856	$152,440	$149,813	$138,325		$ 575,434
6	TOTAL VENDOR BUDGET	$724,056	$991,640	$989,013	$577,525		$3,282,234

----------(Applies to SPR only)----------

PRIMARY VENDOR HISTORY SPECIFIC TO THIS PROJECT

7	**Primary Vendor**	
8	**Contract Start Date**	
9	**Contract End Date (projected)**	
10	**Amount**	$

PRIMARY VENDOR CONTACTS

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

Information Technology Project Summary package
Section E: Vendor Project Budget

Project #	0845-042
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RISK ASSESSMENT

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

General Comment(s)
The Project's risk management plan will document the processes and procedures used to identify risks associated with the CDI Menu Modernization Project (CMMP) and how they will be managed. The Project will follow the risk management processes identified by the Department's IT Project Management Office and the State Information Management Manual (SIMM). The CMMP Project Manager will have overall responsibility for risk management. The CMMP Project Manager will be responsible for assisting with risk management and mitigation. The Independent Project Oversight Consultant (IPOC), as part of their Project oversight role, will provide independent monitoring of the Project risk management efforts. The risk management plan will be developed and maintained throughout the life of the project. The Project will use a risk management approach that recognizes that risk response planning must be appropriate to the severity of the risk, cost effective in meeting the challenge, timely to be successful, realistic within the project context, agreed upon by all parties involved, and owned by a responsible person. These considerations go into choosing the response when project risks are defined. The project team evaluates risk responses in the following order, beginning with those that have the highest likelihood of effectiveness: (1) Avoidance, (2) Acceptance (3) Mitigation (4) Sharing. Mitigation efforts will be documented to ensure: • Risks are defined and properly scoped and 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 and 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 their status are formally documented and regularly reviewed • Communication among project stakeholders is appropriate and timely in order to facilitate an understanding of risk impact, develop quality responses, and minimize the associated disruption The risk management plan and risk register will be updated and completed throughout the lifecycle of the project. These can be found in Section 7 of this Feasibility Study Report (FSR).

3. Business Case

The most critical characteristic of the California Department of Insurance (CDI) Menu and its Integrated Database (IDB) is that this system is core to the business processing in every branch, division and bureau in the Department. The impact of the system's limited capability, aging technology, and its pieced together functionality ripples throughout CDI, causing users to create one-off work-arounds and programming support to expend all their resources "shoring up the dam" instead of moving the Department towards centralized efficiency. The Department's mission is to protect insurance consumers, and all CDI staff are dependent on the ability to access accurate, current and historical information about the insurance companies, agents and brokers that the Department is statutorily required to service. This section describes the business case for the California Department of Insurance CDI Menu Modernization Project (CMMP) Feasibility Study Report (FSR) which will enable the CDI to meet its strategic goals.

The Department urgently needs to improve the CDI Menu and the Integrated Database. The CDI Menu is a gateway or portal (user interface) which was developed using Oracle Forms and Reports in the early 1990's. The core of the CDI Menu is the IDB database, the backend database which includes the majority of the CDI Menu's rules and database triggers. CDI's current strategic plan includes a goal to replace/upgrade the CDI Menu along with the IDB database backend. This becomes critical as vital systems, such as the Early Warning System (EWS) which tracks findings that may affect the operations of insurance companies and facilitates detection of potential insolvency problems, reside on the outdated platform. The CDI Menu is built on a platform that has gone well past its supportable lifecycle from an application development perspective. The deadline for the period in which the technology can continue to be supported by the vendor is 2017, at which time this critical suite of processing applications will be considered to be unsupportable.

Without this improvement, CDI would have to continue to use the outdated system until it grinds to a stop no longer supportable by vendor or internal technical support. There would be a critical slowdown in completing the day to day work of the Insurance Commissioner and the Department's workforce.

3.1 Business Area Identification

The California Department of Insurance was first established in 1868 and has evolved significantly since then. A major driver of these changes was Proposition 103, voted in by the people of California in 1988. It converted the Insurance Commissioner's status from an appointed position by the Governor into a position elected by the people of California. Proposition 103 also expanded the Department's important role in consumer protection by requiring that property and casualty insurance rates be pre-approved by the Department. During the 1990's the State Legislature passed anti-fraud laws that added law enforcement to CDI's responsibility. The Enforcement Branch was created which provided sworn peace officers who have the authority to investigate and arrest those who commit insurance fraud. The Insurance Commissioner leads the CDI.

According to the 2011 Annual report of the California Department of Insurance, over 1,500 property-casualty rate filings were processed under Proposition 103 in the first eighteen (18) months[1]. They combated fraud, resulting in over 1,100 arrests and over 859 convictions for crimes that included auto insurance fraud, fiduciary theft, embezzlement, identity theft, workers' compensation fraud and other criminal activity in the underground economy. Their activities also included sponsoring regulations and legislation as well as providing consumer services through the internet and hotline and establish community services such as California Organized Investment Network (COIN) and the Insurance Diversity Task force. CDI issued or renewed over 200,000 insurance agent and broker licenses and completed over 3,000 insurance filings.

As a state-mandated regulatory agency, CDI has authority over how the insurance industry conducts business within California. The following nine (9) points represent areas where regulatory authority is exercised on a daily basis by the Department[2]:

- **Legal** – CDI possible legal enforcement actions include: Cease and Desist Orders, Notices of Noncompliance, and Administrative Law Hearings. These actions may result in fines or penalties against our licensees
- **Form/Policy Approval** – CDI reviews and approves for compliance with applicable insurance law, forms used in transacting insurance, including policy forms, policy endorsements and riders
- **Consumer Protection** – CDI regulates how insurance companies market and administer their policies
- **Licensing** – CDI holds licensing examinations for brokers and agents and investigates suspected violations of the California Insurance Code (CIC) by licensees
- **Enforcement** – The Enforcement Branch actively investigates and arrests those who commit insurance fraud. CDI also works to reduce the incidence of insurance fraud through outreach to the public, private, and government sectors
- **Certificates of Authority** – CDI accepts and reviews applications from Insurance companies that want to do business in California to determine whether or not they should be given the authority to sell insurance in this state
- **Conservation and Liquidation** – CDI takes an active, leading role to conserve, rehabilitate, or liquidate troubled insurance companies
- **Rate Regulation** – CDI's Rate Regulation Branch reviews proposed personal auto and homeowners insurance rates to ensure that they are fair, reasonable, and adequate
- **Financial Surveillance** – CDI oversees the financial condition of the insurance industry and helps to ensure stability and to protect policyholders

[1] Source:http://www.insurance.ca.gov/0400-news/0200-studies-reports/0700-commissioner-report/upload/2011CDIAnnualReportFinal.pdf

[2] Source http://www.insurance.ca.gov/0500-about-us/0100-cdi-introduction/

3.1.1 Business Areas Impacted

All of the areas of authority addressed above are dependent on the CDI Menu and the IDB for completion of their daily workflow. Examples of CDI workflow activities that use the CDI Menu and the IDB include:

- Gathering and storing information about insurance companies, agents and brokers
- Managing the applications and exams required by the State to authorize companies to sell insurance in California
- Creating regulatory reports as well as reports required by the Insurance Commissioner, executives and managers
- Storing historic information used in identification of possible insurance fraud
- Providing information to analysts who monitor the on-going health of companies licensed to sell in the State of California, to provide an early warning for companies in jeopardy of failing to meet their insurance commitments
- Time keeping activities for all CDI staff, including recording time for invoicing for services provided by CDI staff

The CDI Information Technology Division (ITD), under the administration of the Chief Information Officer (CIO), is responsible for providing support to CDI staff that have technical problems or need additional functionality or services provided by the CDI Menu. The CDI Menu provides access to over ninety (90) different functions, reports, studies and views. There are currently over 100 additional forms and features queued to be added to this portal, but the ITD does not want to expend funds unnecessarily by updating an obsolete automation solution.

3.1.2 Project Owner, Current Costs and Estimated Solution Costs

This FSR supports the Department mandate to better meet the needs of stakeholders and the public, while establishing a foundation for continuous process improvement:

- Project Sponsor: Nettie Hoge – Chief Deputy Commissioner
- Current Annual Costs to run the business:
  - Personnel Years (PY) baseline costs are $116,703,529 (1316.3 PYs)
  - Operating costs including IT are $49,797,028
  - Total operating and PY costs are $166,500,558
- Estimated Annual Costs after implementation of the proposed solution:
  - Estimated PY costs of proposed solution are $116,703,529 (1316.3 PYs)
  - Estimated operating costs including IT of the proposed solution are $50,075,228
  - Estimated total operating and PY costs are $166,778,757
  - Estimated total operating and PY costs increase after implementation is $278,200 (0 PYs)

3.2 Business Problem and Opportunities

The California Department of Insurance is currently implementing a strategic plan that outlines the vision for the next five years. CDI's strategic plan includes an objective to replace/upgrade the IDB; hence the organization has accepted temporary mitigation of current risks and is choosing to implement a more robust solution mitigating these risks through the CMMP objective. Since the CDI Menu was never developed as a single application, there are numerous risks associated with siloed data structures, manual workarounds, ad-hoc handoff of information, etc. Recent legislation such as Assembly Bill 922 and Senate Bill 1410 which affect health care related consumer services have forced CDI to develop ad hoc "work-around" processes to meet these requirements. These will all be addressed in CMMP. The problems and opportunities that can be addressed by implementing this FSR were identified by the CDI IT and branch staff during Subject Matter Expert (SME) interviews. This section describes the business problems and opportunities identified by the CDI branches, IT staff, and external stakeholders.

3.2.1 Business Problems

Business problems outlined in this section represent all lines of business within the enterprise.

3.2.1.1 Business Problem 1 – Cost of Maintenance and Operation continues to Escalate

One of the fundamental problems with a system built over a period of twenty (20) years is that it cannot adapt to the newer, more efficient integration architecture such as Enterprise Service Bus (ESB). An ESB is fundamentally an architecture framework. It is a set of rules and principles for integrating numerous applications together over a bus-like infrastructure. The core concept of the ESB architecture is that you can integrate different applications by putting a communication bus between them and then enable each application to transmit to the bus. This decouples systems from each other, allowing them to communicate without dependency on, or knowledge of, other systems on the bus.[3] The concept of ESB was born out of the need to move away from point-to-point integration, which becomes brittle and hard to manage over time. Point-to-point integration such as that in the CDI Menu, results in custom integration code being spread among applications with no central way to monitor or troubleshoot. This is often referred to as "spaghetti code" and does not scale because it creates tight dependencies between applications.

This is demonstrated by:

- Staff that are close to retirement, as well as retired annuitants, are depended upon to provide the primary support because the technology is outdated
- The system continues to become more complex as new requirements are met and old requirements become dormant but the functionality is not removed

[3] Source: http://www.mulesoft.org/what-esb

- So much time is spent on maintenance by ITD staff that ITD resources are severely constrained and long waiting periods for change requests have forced some branches to bring on outside consultants to deal with critical, branch specific problems
- ITD must use consultants for new projects and process improvement because ITD staff must focus on maintenance and operations

While CDI knows that the costs for maintaining existing systems will be reduced for multiple reasons, the savings are intangible and difficult to estimate accurately. Since the primary driver for this project is to upgrade the technology, making it easier to support and because a conservative costing approach has been used, the benefits are not quantified at this time. At every major check-point, CDI will look to quantify these as part of the continuous improvement for the project. ITD staff members will work on multiple products and applications which support the CDI operations. Once the CMMP has been completed, the staff will shift its focus to creating efficiencies in the other existing systems.

3.2.1.2 Business Problem 2 – Outdated System Architecture

All CDI staff use the CDI Menu and IDB Oracle Forms system application for various workflow activities, including timekeeping. The CDI Menu and IDB were developed in 1992 on an Oracle Forms platform which is at end of life for support (June of 2014) and upgraded versions will end support after October of 2017. The technology which includes processing methodology has evolved greatly over the last twenty (20) years while the CDI Menu and its database backend have failed to keep up with those changes. This legacy system would need extensive modification to meet the minimal business requirements. As described previously, the CDI menu with the IDB backend was developed in Oracle forms in the early 1990's and has gone past its supportable lifecycle from an application development perspective. Interviews and surveys with branch SMEs and the ITD staff reveal that the system has clearly reached a tipping point where continuing to maintain it would be uneconomical. There are currently change requests in queue that would create an additional 97 forms. CDI wants to avoid investing additional funds in an obsolete system.

Currently, CDI maintains Oracle Premier Support. In October 2016, support will change to Extended Support. Forms and Reports will no longer be certified to work on future releases of other Oracle products such as Middle Tier Servers or with any new releases of third party tools such as databases. This will freeze CDI's ability to upgrade middle tier servers running Forms and Reports. CDI will have to dedicate a server indefinitely to run just Forms and Reports using an outdated and eventually minimally supported Middle Tier. In October 2017, support changes to Sustained Support. Oracle will stop providing updates or bug fixes to Forms and Reports. Additionally, Oracle will stop providing critical security alert warnings of vulnerabilities in Forms and Reports. This will leave Forms and Reports applications and data increasingly vulnerable to malicious attacks. Finally, no further critical patching will be provided. This will mean that any identified errors and vulnerabilities in the tools will remain as long as CDI uses the legacy system.

3.2.1.3 Business Problem 3 – Reporting Function too complex

Extracting information requires complex training and advanced technical skills. The drivers for information from the IDB can range from managing programs to responding to requests from the

Insurance Commissioner or the public for ad hoc reports. The system does provide some canned reports, but many of these were created years ago, and some of the information returned is not required, while additional information is not included. This results in several responses[4], such as:

- Downloading the information and manipulating the data using either Access or Excel to create the desired report (a common work-around)
- Taking the forty (40) hour training course to learn to use Oracle Discover and muddling through to get the report on time
- Creating a report based on a canned report and interpolating information based on previous experience or "best guess" estimate based on known information
- Asking ITD to create a new report – this means having to devote ITD maintenance and development resources to creating one-off reports
- Submitting a service request to have ITD add features to the CDI Menu

Missing Functionality

- Ability for CDI staff to manipulate the system for queries and reports
- Ability to print some views and reports other than screen-shots

Manual Data Entry Process

- Download from multiple systems into Excel or Access to create a consumer ready report
- Creating multiple screen-shots and editing them together in a graphics tool to create a report

3.2.1.4 Business Problem 4– Data Integrity Issues

While data integrity is a critical value for any database, for the IDB it becomes even more valuable based on the impact of the decisions that depend on reports extracted using the CDI Menu and the IDB database. Data integrity issues are based on three (3) critical flaws in the current system and its processes. These are:

- Data that is extracted is not in the correct format or the format does not meet reporting requirements. Some of the fields are at too high a level of abstraction which results in the users having to interpolate the data. Every time this occurs, additional validation and verification is required. This could lead to flawed information being given to the public or used by the Enforcement Division in determining actions in a fraud case.
- Much of the extracted data sits in silos or one-off Access databases where it is not subjected to enterprise architecture design constraints, is not synchronized once it is created, and is created by business staff that may lack necessary IT training. This results in additional verification and validation to ensure old data is not being used in current reporting.
- Redundant manual entry is required by some processes instead of a direct integration with critical external databases. Any time manual entry occurs, higher risk of error exists. This also

[4] Many of these examples were expressed during the information gathering phase, in which CDI Branch and ITD Subject Matter Experts (SMEs) were asked to describe their current processes.

impacts the amount of verification and validation which is required to ensure the data is entered correctly and as close to real time as possible.

3.2.1.5 Business Problem 5 – Not aligned with CDI's Enterprise Architecture

The CDI Menu and the IDB backend were developed and are operated on an Oracle platform. Although this is a primary system for CDI, it is the only system that is under the operational management of the ITD application group, Application Development and Maintenance Bureau (ADAM), and not the ITD infrastructure group, Statewide Network Support Bureau (SNSB); however, help desk staff report directly to the SNSB. This de-centralizes the IT operational management and makes it difficult to maintain unified enterprise architecture. It requires that skill sets for multiple development platforms be maintained. It impacts the type of servers that have to be maintained to support the development and operational platforms and increases the level of effort for the ADAM Bureau.

3.2.2 Business Opportunities

Business opportunities outlined in this section represent all lines of business within the enterprise. Because of the broad nature of this project, some opportunities for process and service improvement become available, as follows:

3.2.2.1 Business Opportunity 1 – Create a more Efficient and Reliable Infrastructure

By ensuring that the proposed solution includes a configurable data model that allows for re-useable components, supporting future services and additional applications, CDI can maximize the opportunity to build in continuous service improvement. If technical business users could build more of the required queries and reports, it would reduce the number of service requests and relieve the strain on ITD resources.

The proposed solution would include complete documentation of the new or updated system including Data Flow Diagrams (DFD), Concept Diagrams and Entity Relationship Diagrams (ERD) that would reduce the time and impact of developing new functionality.

3.2.2.2 Business Opportunity 2 – Align the System to meet current Departmental and Technology Agency strategic goals

California Department of Technology (CalTech), formerly the California Technology Agency (CTA), Strategic Goals[5] include:

1. Information is an Asset
2. Efficient, Consolidated, and Reliable Infrastructure and Services
3. Accessible and Mobile Government
4. Capable Information Technology Workforce

[5] Source: http://www.itsp.ca.gov/pdf/2012/strategic-plan-V3b.pdf

Currently the system is unable to meet any of these goals. The solution proposed by this FSR will address each of these goals, aligning not only the Project with the ITD and Department strategic plan but also with the CalTech goals. This would improve the relationship and ability to move forward technologically.

3.3 Business Objectives

The business objectives of this project are greatly influenced by the Department's published goals[6] which include:

- Provide excellent, fair, and responsive services
- Advance effective and efficient business processes
- Value our resources and use them wisely
- Promote innovation and professional growth

In addition to aligning the Project with the Department's goals, the table below demonstrates how the objectives of this project align with the CalTech Statewide Strategic Goals.

Table 3-1 Project Objectives

CalTech Strategic Goal	Project Objectives
CalTech Strategic Goal 1 Information is an Asset	1. Improve the confidence in the CDI data integrity 4. Develop and follow IT strategic roadmap for centralized and secured data storage • Provide a unified data model • Meet failover or switchover requirements
CalTech Strategic Goal 2 Efficient, Consolidated, and Reliable Infrastructure and Services	2. Implement a system with a common data model and standardized nomenclature
CalTech Strategic Goal 3 Accessible and Mobile Government	3. Simplify the query and reporting process by providing functionality and tools that are easy to access and to use both internally and by the public consumer
CalTech Strategic Goal 4 Capable Information Technology Workforce	5. Improve the development platform to free up IT resources for • Reducing the change management queue • Training • Knowledge exchange

[6] Source: http://www.insurance.ca.gov/0500-about-us/index.cfm

3.3.1 BUSINESS OBJECTIVES/BENEFITS

1. Improve the confidence in the CDI data integrity which would reduce the time required for additional validation and verification.
2. Implement a system with a common data model and standardized nomenclature which would:
   - 2.1 Standardizing the systems so that all systems understand and use data in a standard way, reducing defects/errors and eliminating the need to continually remap data elements
   - 2.2 Bringing visibility to data elements that are obsolete and inactive, allowing the system to cull and archive unused and redundant elements–scrubbing not only the data but also the programming and making the system run more efficiently
3. Simplify the query and reporting process by providing functionality and tools that are easy to access and can be used both internally and by the public consumer:
   - 3.1 Improving the user experience and reduce the need to build external Excel and Access databases
   - 3.2 Reducing the dependence on ITD involvement for minor reporting changes
4. Develop and follow IT strategic roadmap for centralized and secured data storage:
   - 4.1 Providing a unified data model, reducing the time it takes to go from design to production
   - 4.2 Meeting failover or switchover requirements, making CDI compliant with State and industry best practices
5. Improve the development platform to free up IT resources for:
   - 5.1 Reducing the change management queue, improving internal and external consumer experience
   - 5.2 Training for ITD, meeting the Department's commitment to improve the staff skills
   - 5.3 Creating a knowledge exchange, reducing the costly dependency on contractors and building ITD's knowledge capital
6. Improve the Department's ability to bring systems back up quickly in the case of a disaster, including:
   - 6.1 Providing redundancy for field offices
   - 6.2 Providing a switch-over business resumption capability to restore critical services within four (4) hours
7. Improve the Department's ability to interact with other states and the National Association of Insurance Commissioners (NAIC). The NAIC collects information from member states and the insurance industry. CMMP offers the potential to automate many of the data centric processes.

8. Allow the Department to efficiently meet statutory and regulatory requirements such as Assembly Bill 922 and Senate Bill. CDI has developed ad hoc "work-around" processes to meet these requirements.

3.3.2 TRACEABILITY MATRIX & PROJECT PERFORMANCE INDICATORS EVALUATION PLAN

Table 3-2 Traceability Matrix

ID	Business Problem or Opportunity	Objective	Metric	Baseline	Target	Measurement Method
1	**Business Problem 4** Data Integrity Issues	**Business Objective 1** Improve the confidence in the CDI data integrity which would reduce errors and the time required for additional validation and verification	Data errors and functional defects	1000 errors and functional defects (10%) *1	500 errors Reduce the number of errors and functional defects by 50% within six (6) months of system implementation	Data- Compare current instances of data defects to post implementation list of data defects
2.1	**Business Problem 4** Data Integrity Issues Current system does not have a common data model and standardized nomenclature.	**Business Objective 2** 2.1 Standardize the systems so that all systems understand and use data in a standard way, reducing defects and eliminating the need to continually remap data elements	Development of a data dictionary, Entity Relationship Diagram (ERD) and data models for the new system	There is no (0) ERD and data models *2	Completed ERD and data models	Fully implemented ERD and data models.
2.2	**Business Problem 4** Data Integrity Issues Current system does not have a common data model and standardized nomenclature.	**Business Objective 2** 2.2 Bring visibility to data elements that are obsolete and inactive, allowing the system to cull and archive unused and redundant elements–scrubbing not only the data but also the programming and making the system run more efficiently	Data visibility, clean-up and standardization	There is no (0) common data model or standardized nomenclature*2	Completed ERD and data models	Fully implemented ERD and data models. Implementation of Data Governance and processes and procedures to ensure compliance

1 10,000 records from the consumer services database were imported into MS CRM and possible matches between records were assessed, additional visual entry review was conducted on 1000 of these records. An average 10% error or mismatch rate was calculated *2 Case management systems in CDI Menu were built over time and do not have standard data dictionary, ERD or Data Models

ID	Business Problem or Opportunity	Objective	Metric	Baseline	Target	Measurement Method
3.1	**Business Problem 3** Reporting function too complex	**Business Objective 3** 3.1 Simplify the query and reporting process by providing functionality and tools that are easy to access and can be used both internally and by the public and consumers, improving the user experience	Number of ad hoc reports requested by program	Currently 200 reports in CDI Menu	20 (10%) of these will be automated via self -service within six (6) months of reporting upgrade	Number of self service reports
3.2	**Business Problem 3** Reporting Function too complex	**Business Objective 3** 3.2 Reduce the number of and the need to build external Excel and Access databases	Number of Excel and Access databases across the enterprise	72 active instances of MS Access reported in enterprise. Excel on all desktops	36 active instances of Excel and Access databases. Reduce by 50% within six (6) months of implementation	Business Certification and ITD Validation of active Excel and Access databases being used.
3.3	**Business Problem 3** Reporting Function too complex	**Business Objective 3** 3.3 Reduce the dependence on ITD involvement for minor reporting changes by reducing the number of reporting related service requests	Number of submitted reporting service requests	40 Service Requests annually	20 Service Requests Reduce the number of reporting service requests by 50% within six (6) months of implementation	Number of Reporting Service Requests
4.1	**Business Problem 5** Not aligned with CDI's Enterprise Architecture	**Business Objective 4** 4.1 Develop and follow IT strategic roadmap for centralized and secured data storage by providing a unified data model, reducing the time it takes to go from design to production	IT Roadmap that aligns with CDI and CalTech technology goals and a systems architecture	There is no (0) unified data model	Data model standard is developed and implemented	Report/Roadmap

ID	Business Problem or Opportunity	Objective	Metric	Baseline	Target	Measurement Method
4.2	**Business Problem 5** Not aligned with CDI's Enterprise Architecture	**Business Objective 4** 4.2 Develop and follow IT strategic roadmap for centralized and secured data storage by meeting failover or switchover requirements, making CDI compliant with State and industry best practices	Meet failover or switchover requirements, making CDI compliant with State and industry best practices	There is no (0) secure data storage that meets failover or switchover requirements	Secure data storage is developed and implemented	Validate and Report on the failover or switchover compliance
5.1	**Business Problem 2** Outdated System Architecture and Development Platform	**Business Objective 5** 5.1 Free up IT resources for reducing the change management queue, improving internal and external consumer experience	Number of submitted change requests	62 CDI Menu Change Requests (Service Requests)	20 Service Requests Reduced by 70% within six (6) months of implementation	Number of Change Requests
5.2	**Business Problem 2** Outdated System Architecture and Development Platform	**Business Objective 5** 5.2 Free up IT resources for training for ITD, meeting the Department's commitment to improve the staff skills	Number of staff taking professional improvement courses annually	20/33 ADAM Staff (60%)	33/33 (100 %) IT staff completes at least one (1) professional improvement course annually	Training Class
5.3	**Business Problem 1** Cost of Maintenance and Operation continues to Escalate	**Business Objective 5** 5.3 Reduce outside consultant contracts to deal with critical, branch specific problems. Increase internal CDI- IT staff availability for and new projects and process improvement because ITD staff must focus on maintenance and operations	Annual cost of consultant contracts	$165,000 per year	$0 per year Branch specific IT consultants are no longer required within one (1) year of implementation (cost for consultants to perform M&O is eliminated)	IT Consultant Contract

ID	Business Problem or Opportunity	Objective	Metric	Baseline	Target	Measurement Method
6.1	**Business Opportunity 1** Create a more Efficient and Reliable Infrastructure	**Business Objective 6** 6.1 Improve the Department's ability to bring systems back up quickly in the case of a disaster, by providing redundancy for field offices	Number of field offices with redundancy	0	1 (Los Angeles)	Data center redundancy
6.2	**Business Opportunity 1** Create a more Efficient and Reliable Infrastructure	**Business Objective 6** 6.2 Improve the Department's ability to bring systems back up quickly in the case of a disaster by providing a switch-over business resumption capability to restore critical services	System failover and resumption capability	Currently 48 to 72 hours for full build & restore. Loss of data since last good backup	Within four (4) hours of disaster	System function
7	**Business Opportunity 1** Create a more Efficient and Reliable Infrastructure	**Business Objective 7** Improve the Department's ability to interact with other states and the National Association of Insurance Commissioners (NAIC). The NAIC collects information from member states and the insurance industry.	Web Service Connectivity with NAIC National Technical Architecture. Consumer SOA services from NAIC	0% Currently CDI does not consume any SOA or Web services from NAIC	100% Implement Services infrastructure, connect to NAIC service architecture. Consume or provide services where required	Architecture report and connectivity testing results
8	**Business Opportunity 2** Align the System to meet current Departmental and Technology Agency strategic goals.	**Business Objective 8** Allow the Department to efficiently meet statutory and regulatory requirements such as Assembly Bill 922 and Senate Bill 1410. CDI has developed ad hoc "work-around" processes to meet these requirements.	Required data is captured and reported within the system	0% additional data capture in CSD Case Management System	100% of data is captured and reported	User Acceptance Testing

3.3.3 BUSINESS FUNCTIONAL REQUIREMENTS

This section provides an overview of the high-level business functional requirements for the proposed system.

- The system must provide a common entry point for all applications and services supported by the IDB
- All features currently in use and available to users of the CDI Menu must be present in the new CDI Portal
- The system must provide a development platform that is current with readily available technology and can be supported by internal resources
- The system must provide the ability for business resources to extract data in a form that can be used by standard desktop productivity tools
- The system must provide the ability to print all data that results from a query (not a screen print of the application)
- The system must provide the spell and grammar checking features available in current productivity software
- The system must allow users to print labels or letters to insurers, agents/brokers and complainants from the application using a currently available productivity tool
- The system must be accessible to internal and public consumers
- The system must meet American Disabilities Act (ADA) guidelines for all public facing interfaces
- The system must be architected so that it can integrate with systems that currently integrate with the CDI Menu system
- The system must allow a Consumer Services Division (CSD) user to refer cases to other bureaus either within CSD or to an external bureau
- The system must allow for ad hoc queries, reports and views
- The system must provide a way to store certain queries, reports and views as templates made available to authorized users
- The system security must ensure that access to data and information is managed through internal security controls
- The solution must include a business resumption strategy that ensures that if systems fail, the CDI Portal will be able to recover within four (4) hours

4. Baseline Analysis

The Information Technology Division (ITD) of the California Department of Insurance (CDI) provides reliable, supportable, and innovative information technology (IT) solutions and services to the Department to achieve its business and operational requirements. The ITD consists of the following four (4) bureaus:

- **Statewide Network Support Bureau (SNSB)** provides departmental support for the technology infrastructure. Support provided consists of telecommunication services, Local Area Network (LAN), Wide Area Network (WAN), hardware/software installation, email services, security, and maintenance for personal computers.
- **Application Development and Maintenance Bureau (ADAM)** is responsible for keeping abreast of the latest advancements in application tools and technology. The Bureau provides custom software development and supports a variety of Commercial-Off-the-Shelf (COTS) products/applications to meet the business needs of CDI. ADAM monitors and maintains the Oracle Internet and Intranet application servers, commonly referred to as the "Middle Tier".
- **Project Coordination and Administrative Support Bureau (PCAS)** provides departmental and divisional support. Departmental support activities include IT procurement, IT project management, and control agency compliance. Divisional support activities include a wide range of administrative activities (e.g. division expenditure tracking, human resources coordination, IT and Department infrastructure budget tracking and monitoring, and training request coordination).
- **Web Services Bureau (WSB)** is responsible for leading CDI's ongoing effort to institutionalize website accessibility and usability wherever CDI has a web presence. The Bureau is responsible for improving usability of CDI's website content and online services while ensuring compliance to State and Federal accessibility requirements. Also supported are the CDI's 141 content contributors and content managers responsible for the Internet and intranet websites' content. The Bureau produces videos for CDI, which can be found on the Internet and intranet websites.

4.1 Current Method

4.1.1 Objectives of the Current System

The CDI Menu and the IDB backend was built, and has been maintained, by ADAM with the objective of supporting CDI's vision of providing immediate access to information for executives, inspectors, analysts, and law enforcement. Some of the functionality currently accessible by the CDI Menu, and from the IDB, includes public facing forms that collect company and individual information. It also provides information for various research requests and makes this information accessible to the public.

The primary business objective of the CDI Menu, with the IDB, is to serve the branches, divisions and bureaus as a gateway/portal for the following functions:

Table 4-1 Current CDI Menu Applications

ADAM Supported Systems/Functions	Description CDI MENU APPLICATIONS
Accounting - Financials	This system allows Department staff to create customer invoice batches to "feed" the Oracle Financials system from various functions of the Department such as 'Financial Analysis Division (FAD) Reviews', 'Certificate of Authority Billings', 'Late Filing Fees' and others. ADAM staff also maintains various Financial reports, letters, and sub systems on CDI MENU.
Application Tracking System (Filings)	This system enables Department staff to track insurance company applications and financial changes including, but not limited to, the admission to California, authorization of new lines of insurance, approving a re-insurance agreement and name change approvals.
Auto Liability Study	Department study of Liability insurance on autos in California.
Auto Physical Damage Survey	Department study of Physical Damage insurance on autos in California.
CSD Discoverer	This system offers the Consumer Services Division (CSD) the ability to run simple queries immediately by allowing CSD personnel to run ad hoc query reports and reduces the need for IT personnel to generate basic reports. IT personnel are the system administrators for the application.
Community Service Study	Department study of insurers who write personal, commercial fire and homeowner lines of insurance.
Company Information Tracking	This system allows tracking of companies or insurer information and provides that information throughout the IDB. It captures and tracks general company information, including company history (such as company license history), changes in the state of domicile, date incorporated, business start date, company addresses, company contacts, company phone numbers, company status information, authorized lines of business, company name, and ownership changes and mergers.
Consumer Services Case Tracking System	CSD enters consumer inquiries and complaints against insurers, agents or brokers, and consumer requests (case management).

ADAM Supported Systems/Functions	Description CDI MENU APPLICATIONS
Consumer Communication System	CSD uses several modules from CDI MENU to support their business. Consumer Communications Bureau (CCB) applications include a brochure tracking module which tracks inventory for brochures that are sent to consumers as well as tracks quantities on hand; a call qualifying module; premium surveys; entity information directories and earthquake/auto mediation tracking modules.
Consumer Education Outreach Tracking Brochure System	Allows the tracking of Consumer Education Outreach Bureau's (CEOB) brochures that are disseminated to consumers, consumer groups, and various organizations. The objective of this system is to accurately track bulk brochures ordered, brochures on hand, and brochures used as well as to project future inventory needed for budgeting purposes. CEOB also tracks public events.
Exam Tracking System	The Exam Tracking System is used to track financial exams and market conduct exams for companies who market insurance services. It provides information on exams conducted by Field Examination Division, Field Rating and Underwriting, and Field Claims. Scheduled exams, completed exams, exam history, exam team members, exam findings, exam recommendation, date of the next exam, and insurance code violations are some of the items entered through the Exam Tracking System.
Early Warning System	The Early Warning System (EWS) is designed to track all significant findings that may affect the operations of a company. A primary purpose is to facilitate detection of potential insolvency problems with admitted (authorized or licensed) insurance companies at the earliest possible opportunity.
Electronic Funds Transfer System	This system provides accounting staff the ability to track electronic funds received and create reports.
Fraud Integrated Database (FIDB)	FIDB serves as the Fraud Division's case management, analysis and timekeeping system. It provides on-line access to enter or retrieve case activity information, linking of cases and viewing information based on the user's authorized profile.

ADAM Supported Systems/Functions	Description CDI MENU APPLICATIONS
FIDB Discoverer	This system offers FD (Fraud Division) the ability to run simple queries immediately by allowing FD personnel to run ad hoc query reports and reduces the need for IT personnel to generate basic reports. IT personnel are the system administrators for the application
Financial Surveillance Branch System (Exam, Statement & Review Tracking Systems)	The Financial Surveillance Branch uses several modules to assist in their operations. Included are a Financials Analysis Division's (FAD) Company Review Module, a Statement Tracking Module, and FAD Exam Tracking Module that tracks both Non-California Exams and California Exams.
Investigations Case Management System	This system tracks investigative cases where evidence indicates violations of insurance statutes or regulations and tracks mail items from the time they are received until all processing is completed. In the process of being replaced with CRM and out of scope for this effort.
Licensing System(s) Licensing Reports/ Letters	The Producer Licensing Bureau (PLB) utilizes a sub-system that enables them to do a variety of things such as produce reports, generate queries, produce letters, create mailing labels, generate notices, etc.
Licensing Background Bureau Tracking System	This system provides the Licensing Background Bureau (LBB) a way to review the background of licenses of agents, brokers, agencies.
Non-Admitted Filings	This system allows the LBB to enter non-admitted insurers and surplus lines companies.
Personnel Tracking System	This system allows Human Resource (HR) staff to enter new employee information and update existing employee information, such as position number, classification, start date, supervisor, work unit, etc. This is one of multiple systems into which HR must enter data.
Personal Property Experience Study	Department study for housing data (such as fire, earthquake and loss of use) that will be used by National Association of Insurance Commissioners (NAIC), other state agencies, and Federal Emergency Agencies.

ADAM Supported Systems/Functions	Description CDI MENU APPLICATIONS
Timekeeping System (TARS)	A system designed for all CDI employees to utilize TARS for timekeeping purposes. Several branches have custom developed interfaces for their specific use, and the data is then 'transferred' to TARS programmatically.
Rate Regulation Tracking System (Filings)	The Rate Filing Tracking System allows for rate and form filing tracking and analysis. Classification Plan tracking is also included.
Resource Tracking System (Version Control; ITD Time, Resource Mgmt., Phone Lists)	Allows ITD staff to track service requests, analysis input, and internal timekeeping. The system enables version control and tracking of forms and reports; weekly reporting on projects; and various management reports in terms of time, assignments, and projections based on a service request number.

4.1.2 Ability to Meet Current and Projected Program and Workload Requirements

In its current state, the CDI Menu cannot meet the current and projected program workload requirements. ITD has delayed creating needed forms so as not to further complicate the CDI Menu and IDB problems. The system has passed its tipping point, where sophisticated work-arounds have helped to extend its feasible lifetime. In addition, perpetuating the customization process to meet business needs adds to the cost of ownership and increases the risk of system failure. The problems with this system must be addressed now-before it fails completely and brings the CDI processes to a halt.

4.1.3 Level of Current User Satisfaction

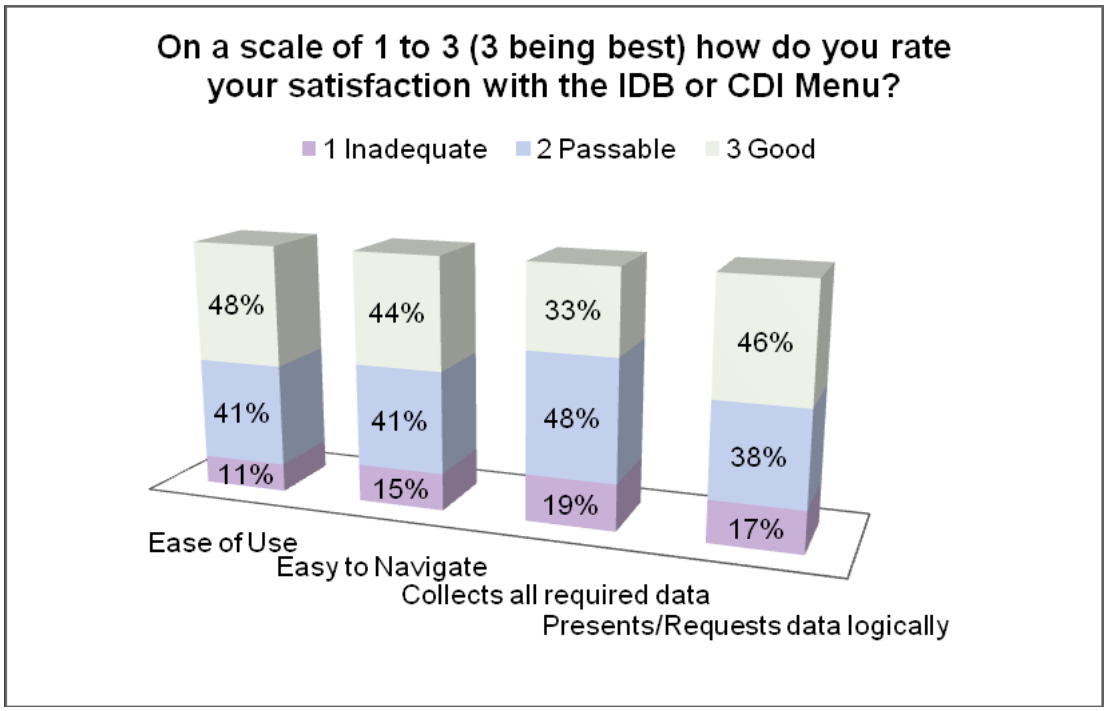
In order to understand the level of current user satisfaction, thirty (30) users from multiple branches were surveyed and asked how satisfied they were with the CDI Menu. Because of the consumer focus, ITD responses were not recorded, but ITD staff were given a chance to speak about their satisfaction levels in group and one-on-one interviews. The satisfaction levels varied widely between business users, ITD support and developers, and executive responders.

4.1.3.1 Branch Users

The business users have been working with the system for over twenty (20) years and have found various ways of making the system work for them. All CDI staff use the system to record their time at a minimum, while approximately half of the responders use the system at least 50% of their day. 78% of the users said they had to use some type of work-around to complete their process; some of this is manual entry into other systems, and some of it includes developing Excel or Access databases to

manipulate data, or create required reports. Their response to the User Satisfaction Level question is provided in the graphic below:

Figure 4-1 Branch User Satisfaction Level



4.1.3.2 ITD

Interviews with ITD managers and developers revealed that the level of technical satisfaction is poor. Reasons cited include:

- The legacy system is difficult to maintain because the skills to develop on the old platform are uncommon, and the staff that developed the system are either retired or quickly reaching retirement age
- Modifications to the current system require a redesign of the existing legacy system because of the complex relationships with the tables as they have evolved over time
- Some of the programming is obsolete but cannot be purged without extreme amounts of impact analysis
- There are numerous one-off databases and spreadsheets that are built by user groups with no design standards, no integration, and no quality controls. The resulting data is not synchronized with the database, and there is no intra-departmental visibility to the data

- Since the system is managed by ADAM, the technical support is decentralized and is not aligned with the Department's enterprise architecture strategy
- CDI could continue to enhance the legacy system indefinitely, but the application and technology are both over twenty-years old. Newer technology offers features from a customer perspective, as well as developer perspective, that are not available in the legacy technology

4.1.3.3 EXECUTIVE

The CIO and ITD managers are frustrated with the system on many levels. Several technical paradigm shifts have occurred since it was first developed. The Developers and Programmers spend up to 75% of their time repairing and responding to reporting and query requests. This leaves no time for development, cross-training, or forward training. Additional impacts to their levels of satisfaction include:

- There is no current data model
- Because of the heavy dependency on some of the primary tables and the pervasive use of obsolete programming methodology, the costs of developing within the system are high
- Changes have been made (and are currently being made) without making changes to the infrastructure to support them
- CDI is not in the technical position to comprehensively meet recent legislative requirements. Inefficient work-around processes have been developed to meet the requirements of SB 1410 and AB 922.
- Because the resources are so constrained, new technology projects are often completed by vendors without the necessary knowledge transfer required to maintain new systems, creating critically steep learning curves for the ITD support teams

4.1.4 DATA INPUT

The system is both internally and externally facing and shares information across multiple bureaus, branches, and divisions. The IDB stores the data that is collected by data entry into the CDI Menu or through web-based interfaces.

4.1.5 DATA CHARACTERISTICS

The CDI Menu contains information about insurance license applications, insurance companies, agents and brokers, and the consumers they serve. It also contains information about the health of a company, insurance rates, and historical information. It is used by the Insurance Commissioner and his delegates, and the Enforcement Branch to detect fraud, both on the corporate and on the consumer side.

The data is primarily alphanumeric with some of it derived through system functionality. The data is considered stable, only changing due to updates and new entry. The information completeness and accuracy is difficult to judge because most of the data is manually entered at some point. The system has error trapping methodology, but there is no way for it to identify if numbers were transposed. Accuracy is estimated at approximately 80% because of known errors, while some manual processes are in place to identify duplicates entries for some branch entry.

Some branches reported that additional verification and validation effort is required on some reporting that results from being extracted from the database, because the reports are at too high, or too low, in the level of information and the data has to be manipulated, introducing a risk of error.

The IDB currently contains 120 gigabytes (GB) of data and has the capacity to grow to 220GB at a rate of 20GB a year for the next five (5) years.

4.1.6 Systems Provision for Security and Confidentiality

The CDI Menu controls security, privacy, and confidentiality information by user logons that are identified by roles and responsibilities. A user cannot gain access to the system without an active user account. Strict Personal Information (PI) and Health Insurance Portability and Accountability Act (HIPAA) requirements are enforced through policy and process.

4.1.7 Equipment Requirements

The equipment requirements necessary to support CDI Menu and IDB are two (2) Application/Database servers, backup equipment, and desktop workstations.

4.1.8 Software Characteristics Platform – Oracle Financials

The current software platform is supported by ITD.

4.1.9 Internal and External Interfaces

The CDI Menu is a portal and interfaces internally and externally using Java Forms and Web Services. These systems include:

- OTech – External interface for internet connectivity
- NAIC – External Interface for flat file data exchange

4.1.10 Personnel Requirements

The CDI Menu is supported by the ITD Application Development and Maintenance Bureau (ADAM). The numbers in parenthesis indicate the number of Personnel Years (PYs) in each of the following positions:

- Bureau Chief (1)

Enterprise Application Support 1

- Sr. Programmer Analyst (Supervisor) (1)
- Sr. Programmer Analyst (1)
- Staff Programmer Analyst (2)
- Assoc. Programmer Analyst (1)

Enterprise Application Support 2

- Data Processing Manager II (1)
- Sr. Programmer Analyst (2)

- Staff Programmer Analyst (3) Vacant (1)
- Assoc. Programmer Analyst (2)

Enterprise Application Support 3

- Sr. Programmer Analyst (Supervisor) (1)
- Sr. Programmer Analyst (1)
- Sr. Staff Programmer Analyst (1)
- Staff Programmer Analyst (3)
- Staff Programmer Analyst (1) – Pending BCP Approval
- Assoc. Programmer Analyst (3)
- Asst. Information Systems Analyst (1)
- Sr. Programmer Analyst – Retired Annuitant (1)

Architecture Bureau

- System Software Spec III (Supervisor) (1)
- System Software Specialist (4)
- System Software Specialist (1)
- Assoc. Programmer Analyst (1)
- Staff Information Systems Analyst (2)
- Asst. Information Systems Analyst (1)

4.1.11 System Documentation

Documentation exists that describes processes for end users to operate the system. Technical architecture documentation is not comprehensive.

4.1.12 Failures of the Current System

Many of the failures of the current system were detailed as reasons for low satisfaction levels with the current system. They include:

- The current system has aged into a complex set of applications in a series of flat, non-relational databases
- There is no current data model or standardized terminology
- The system is built with outdated development platform and methodology
- The prolific work-arounds are being created without design controls, and there is no methodology for purging them after they are no longer being used
- The system has missing functional requirements and usability requirements
- The impaired levels of user satisfaction are directly related to the system's failures to meet goals and objectives

4.2 TECHNICAL ENVIRONMENT

4.2.1 EXPECTED OPERATIONAL LIFE OF CURRENT SYSTEM

The CDI Menu has exceeded its operational life. The Oracle Form platform we are using now is at the end of its life and will no longer be supported by the manufacturer for bug fixes. The legacy application will be difficult to modify with in-house development, and the database architecture is antiquated.

4.2.2 INTEGRATION OF PROPOSED SOLUTION WITH OTHER SYSTEMS, AGENCY PROGRAMS AND ORGANIZATION

The proposed solution must be designed with the ability to integrate with existing systems that will remain on Oracle Financials platforms as well as with web interfaces and Agency programs.

4.2.3 STATE-LEVEL INFORMATION PROCESSING POLICIES

CDI complies with applicable State information processing policies including the following:

- Statewide Information Management Manual (SIMM)
- State Administrative Manual (SAM), Section 4800, IT Policy
- State Administrative Manual (SAM), Section 5300, Information Security and Risk Management

4.2.4 FINANCIAL CONSTRAINTS

The CDI Menu project is required to meet all procurement and agency guidelines including State specified Fiscal Year (FY) deadlines for submitting a Feasibility Study Report, the project concept, and the BCP. Missing one of these date requirements could push the financial requirements into the next Fiscal Year.

4.2.5 LEGAL AND POLICY CONSTRAINTS

In order to meet the State requirements listed in the SAM and the Government Code 11019.9, as well as the Civil Code 1798 et seq., CDI has and continues to develop internal policies to safeguard its assets. It also maintains confidentiality and privacy, while tracking malicious activity that may impact the Department.

4.2.6 AGENCY POLICIES AND PROCEDURE RELATED TO INFORMATION MANAGEMENT

The CDI's Information Security Officer (ISO) and Chief Information Officer (CIO) work together to establish the IT policies for the Department and to ensure the policies align with the Department's Agency Information Management Strategy (AIMS), State Information Security Policy (SAM 5300), IT Policy (SAM 4800), and IT Fiscal Policy (SAM 6700). All IT policies are available on the CDI's intranet. The following are the primary types of IT policies.

4.2.7 IT Circulars

The CIO issues department-wide policies for the use of network equipment and services used by CDI employees. The ISO establishes new and updated security policies, gains approval from the Information Technology Executive Council (ITEC), and then releases the policies to CDI staff. The CIO and ISO collaborate on the implementation of IT security and the CIO publishes IT Circulars to provide guidance to CDI staff. The IT Circulars are announced to all employees via email and are published on CDI's intranet. The policies support CDI's need to maintain control of information technology activities and ensure that the use of IT is justified as appropriate to support CDI's mission. There are processes in place to take appropriate actions if IT policies are violated.

4.2.8 Standard Desktop and Mobile Computing Configurations

In compliance with policy defined in the SAM 4989, CDI administers a Desktop and Mobile Computing Policy (DMCP) that defines the procedures for acquisition and use of standard hardware/software that are used for desktop and mobile computing. CDI's DMCP includes a list of hardware/software that have been approved as the Department's standard equipment in support of desktop and mobile computing.

4.2.9 Anticipated Changes in Equipment, Software or Operating Environment

This information will be completed once the proposed solution is selected.

4.2.10 Resource Constraints

The CDI Menu and IDB are supported by ITD, who currently spend approximately 75% of their time in maintenance and have very little time available for development. Because the system exists on a legacy platform, the development skills are specialized. Developers and programmers must use antiquated Oracle Forms development tools. There is very little time available to transfer the knowledge capital of the long-term developers on this project. Consequently, CDI must consider expensive vendor options when new development is required.

4.3 Existing Infrastructure

The existing CDI technical infrastructure is described in detail in the sub-sections below.

4.3.1 Desktop Workstations

The minimum hardware standards of desktops and laptops for CDI are listed below.

Desktop/Monitor – HP Compaq Elite 8300 Small Form Factor Desktop (Intel Core i3-2120 Processor 3.30 GHz, 3 MB Cache), 4GB DDR3-1600 DIMM (1x4GB) RAM, 250GB 7200 RPM 3.5 1st Hard Drive, SuperMulti DVDRW Optical Drive, HP USB Standard Keyboard, HP USB Laser Mouse, HP 90% High-Efficient Chassis, 3/3/3 SFF Warranty, Windows 7 Professional 64bit (OS), HP ZR2440w 24-inch Widescreen LED Monitor.

Laptop/Notebook – HP ProBook 6570b Notebook PC (Intel® Core™ i7-3520M 2.90 GHz Processor), 15.6-inch diagonal LED-backlit HD anti-glare (1366 x 768), 4 GB 1600 MHz DDR3 SDRAM (1D), 320 GB

7200 rpm SATA hard drive, DVD±RW SuperMulti DL Drive, TouchPad Keyboard, Intel Centrino® Advanced-N 6205, Bluetooth® 4.0, 56K v.92 Modem, 65W Hardware Kit, 6-cell (55 WHr) Lithium-Ion battery Long Life, Windows® 7 Professional 64, 3 Warranty.

4.3.2 LAN/WAN SERVERS

There are a number of servers connected to the LAN in each CDI location. These servers support general data processing functions, such as file and print services, and support specific applications such as Microsoft Exchange and Microsoft SQL Server.

CDI's IT network infrastructure includes the following components:

Network Servers – CDI currently has 165 Virtual Servers and 67 Physical Servers distributed throughout fifteen (15) physical sites.

Database Server (Enterprise) – CDI utilizes a single T5120 Server 1 CPU – Eight (8) cores to support the development, test, and production database environments, and a SunFire V890 to support CDI's data warehouse. These servers are housed at the Office of Technology Services (OTech). The CDI on-premise SQL (standard + enterprise) servers consist of ten (10) Virtual Servers running Windows 2008 R2 + Windows 2012.

Web Servers – CDI's Internet/intranet websites are supported on Windows 2003 Servers. CDI's Oracle Internet Application Server also runs Apache Web Server version 2.24 (UNIX). There are six (6) web servers running Microsoft Internet Information Server (IIS) version 6 and three (3) web application servers (for the Content Management System) running Microsoft IIS 6 and ColdFusion 7. CDI uses the Microsoft FTP protocol on a Windows 2003 server with IIS enabled. The Web Servers run Windows 2003, Windows 2008, and Windows 2012 operating systems. CDI uses a Virtual Red Hat 6.0 Enterprise server on the Virtualized DMZ environment to support secure FTP communications internally/externally.

Application Servers – CDI currently has fourteen (14) application servers that support the Internet/intranet web-based applications. Five (5) of these servers also support the Development and Testing staff. The fourteen (14) application servers are running a mixture of Solaris 10, OAS 10.1.2.3, OAS 10.3.1.4, and WebLogic 10.3.1.

- Systems: four (4) - T5220 Sun Micro Systems, Processors: four (4) - UltraSPARC T2 processors, 32 cores, Memory: 260GB of memory, Disk Space: 5TB (includes disk space use for RAID)
- Two (2) Production Servers: one (1) Internet and one (1) intranet application server (connecting to production DB): SUN V480R; dual 1.593 MHz processors; 4 GB RAM; 4-72 GB internal disk drives
- Six (6) Internet Application Servers: two (2) production, two (2) test, and two (2) development (connecting to production, test and development DBs, respectively): SUN V240; dual 1.5 GHz processors; one (1) - 6 GB, three (3) - 4 GB, and two (2)- 2 GB RAM; 12-72 GB and twelve (12) - 146 GB internal disk drives

- Two (2) Test Servers (connect to development, test and production DB): SUN 480R; dual 900 MHz processors; 4GB RAM; two (2) - 36 GB internal disk drives
- Two (2) Servers: one (1) production financials application, one (1) test and development financials application: SUN v480R; dual 900 MHz processors; 2-36 GB internal disk drives

Video Servers – There are seven (7) servers: four (4) Xserve Quad Xeon servers and one (1) Xserve RAID server. Additionally, there are two (2) Virtual Red Hat 6.0 Enterprise servers in the DMZ and one (1) physical HP DL380 server.

Network Protocols – CDI uses TCP/IP for network protocols.

Office Cabling – All CDI offices are wired using CAT5e cabling as the standard for network connectivity.

Anti-virus – CDI uses TrendMicro Office Suite anti-virus software, which includes OfficeScan for the desktop, ServerProtect for servers, ScanMail for Microsoft Exchange environment, and VirusWall for Internet protection. The CDI is in the process of replacing VirusWall with Brightmail using Symantec Anti-virus, and ServerProtect is being replaced by OfficeScan for the servers.

Backup Software – CDI uses CommVault Galaxy enterprise-wide backup software, and the OTech uses Legato NetBackup for the SunFire V880 database server.

Backup Tape Libraries – CDI uses HP StorageWorks backup tape library products in support of backup processes along with VMware Data Protection, EMC Data Domain, and Commvault.

Failover – Standby units are installed for CDI's firewall and Microsoft Exchange, and are ready to take control should the active unit fail to perform its functionality.

Sniffers – CDI has deployed Sniffer Distributed appliances to analyze and troubleshoot the network.

Storage Area Network (SAN) / Network Attached Storage (NAS) – CDI has installed EMC CLARiiON NS4-120, NS4-480, AX4-5f, VNX 5500, and EMC NS500, NS4-480, NS4-120 Network Attached Storage (NAS) systems. CDI uses VMware Data Protection as a backup and recovery accelerator, EMC Celerra Filemover (replication) and anti-virus products, and EMC Celerra Network Attached Storage Software. The Sacramento office is currently using approximately 55 Terabytes of data distributed between the aforementioned devices in conjunction with the NAS occupying eight (8) terabytes.

Search Engine Appliance – CDI uses two (2) Google Search Engine Appliances as a tool for searching CDI's enterprise content from various sources.

Virtual Private Network (VPN) – CDI uses the Cisco Adaptive Security Appliance (ASA) to provide secure network access to remote users. Notebooks that connect to CDI's internal network are configured with Cisco VPN Client to provide a secure encrypted data connection.

Desktop PCs – CDI's network consists of approximately 1600 desktop PCs.

Notebook PCs – CDI's network consists of approximately 550 notebook PCs.

Printers/Scanners – CDI's network includes 385 networked printers and 190 scanners (portable, flatbed and/or high-speed scanners).

4.3.3 Data Network

The CDI data network supports 100 physical Intel-based servers, 367 virtualized Intel servers, fourteen (14) Sun/Solaris systems, 1600 desktop PCs, and 550 notebook PCs distributed across the three (3) main offices, eleven (11) satellite offices and one (1) warehouse location. CDI's primary applications are hosted on the application servers at CDI and the database is hosted by CDI at the main Sacramento location.

4.3.4 Wide Area Network (WAN) Architecture

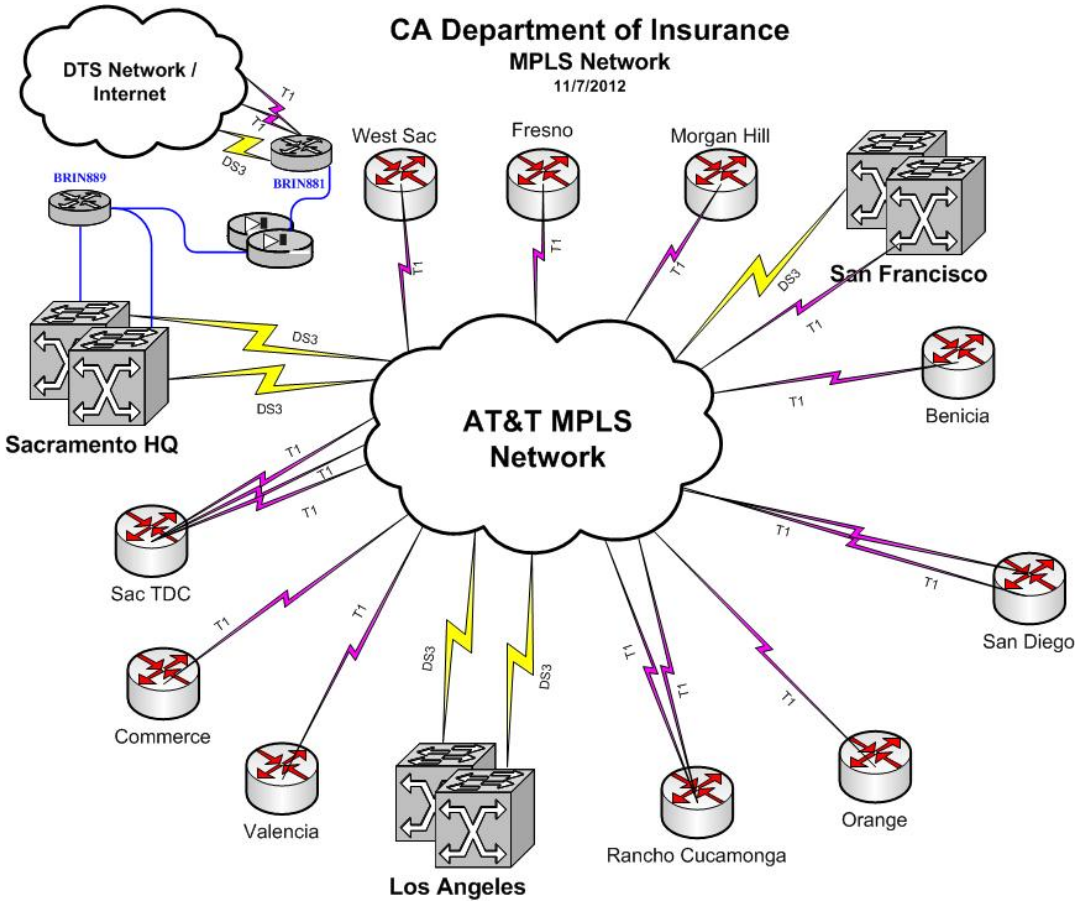
The Sacramento office provides the main connectivity to OTech via a DS3 data link (up to 45 Mbps) to the Department of Motor Vehicles (DMV) Point of Presence (POP) together with a backup route of two T1 data links to the Department of Finance (DOF) POP. OTech also provides the internet access for CDI via a DS3 data link.

Five (5) years ago, CDI implemented new technologies that combined all the point-to-point, ring, and hub/spoke data networks interconnecting the three (3) main CDI offices and multiple branch offices into a single merged network. AT&T Multiprotocol Label Switching (MPLS) Private Network Transport (PNT) provides CDI with a flexible path to migrate from legacy data networks to a high performing, scalable Internet Protocol (IP)-based network without sacrificing security. PNT is a network based IP Virtual Private Network (VPN) solution over the AT&T IP Network utilizing MPLS. This service provides any-to-any connectivity to link all statewide CDI sites to a single IP network that easily integrates new locations and applications as needs dictate.

CDI is responsible for the operation and management of the CDI WAN including the routers and the data links. The routers in the three main offices for the CDI intranet are all Cisco 7509 routers. The external router connecting the CDI intranet to OTech and to the Internet is the Cisco 7204. The satellite offices are connected to the main offices by Cisco 2651 routers.

The MLPS Network is detailed in the graphic below. Additional changes to the network infrastructure are anticipated and will need to be actively reviewed in order to prevent a future technology gap between the network infrastructure and the system requirements.

Figure 4-2 MLPS Network



4.3.5 NETWORK SECURITY

The main security for the CDI intranet is provided by dual Cisco ASA Firewalls arranged in a hot standby failover configuration. Websense™ is used to control applications that can traverse the firewall. Currently, CDI uses Intrushield for network-based intrusion protection and a host-based intrusion prevention system.

The Demilitarized Zone (DMZ) hosts the load-balanced servers for the CDI website and the external File Transfer Protocol (FTP) server. The Virtual Private Network (VPN) service for “two factor” remote login stands alone. By hosting these publicly accessible resources in the DMZ, the firewall protects the CDI intranet from potential threats.

The CDI intranet uses TrendMicro’s product line for virus and Internet security. Functionality in the implemented software includes:

- Antivirus scanning for servers and detecting and removing viruses from files and compressed files in real time before they reach the end user
- Real-time detection and removal of viruses from email and attachments before they reach the desktop
- Protection against the daily threats of file-based and network viruses as well as securing access from intruders, spyware, and other threats
- Internet gateway protection against viruses and malicious code

Any attacks (e.g., Denial-of-Service) must not be able to penetrate the firewall and compromise the intranet. Thus far, the CDI intranet has not experienced any external security breach.

4.3.6 Application Development Software

The following are the Department's standard development tools:

Application Development Tools – The Oracle Development Suite of applications is used and includes: Oracle Forms, Reports, Designer, Discoverer, JDeveloper; Balanced Score Card (BSC), Warehouse Builder, Workflow; TOAD (Tool for Oracle Application Development); SQL Navigator; Oracle Portal; Crystal Reports, WebPL/SQL; PL/SQL; Oracle Enterprise Manager, iText; Java; JavaScript, Visual Basic (VB) Script; FrontPage; CommonSpot; Cold Fusion; HTML; Macromedia Dream Weaver MX; and Subversion for version control.

Monitoring/Content Management Tools – NetTracker is used to track web statistics, LinkScan is used for website analysis; and WebSense is used for Internet filtering. Commonspot by Paperthin is the Department's standard for Content Management, and Google is used as the Department's search engine standard.

Middle Ware – Includes Oracle Internet Application Server.

4.3.7 Personal Productivity Software

All CDI PC workstations and notebooks include a standard set of personal productivity software which may include the following:

Microsoft Office Applications – The application suite installed on CDI's desktops and notebooks is Microsoft Office 2010 Professional Suite, which includes Word, Excel, PowerPoint, and Access.

E-Mail/Calendaring Software – Microsoft Outlook 2003 or 2010 is used for e-mail and calendaring functions.

Web Browser Software – Microsoft Internet Explorer is CDI's primary web browser.

Project Management Software – Microsoft Project is used for creating and tracking project plans.

Flowcharting and Diagram Software – Microsoft Visio is used to prepare flowcharts and diagrams.

Portable Document Format (PDF) Read and Write Software – Adobe products are used in support of PDF files.

Encryption – CDI uses Safend Endpoint Encryption for encryption of data on mobile computers and portable media.

Other applications that may be available to users, based on their job duties, include, but are not limited to:

- Enterprise Information Portal (EIP)
- eCounsel Legal Case/Matter Management System
- Cosmos Licensing System
- Fraud Integrated Database (FIDB)
- Time Activity Reporting System (TARS)
- Oracle Financials
- Budget Information Tracking System (BITS)
- CALSTARS
- Personnel Information Exchange (PIE)
- Controller's Payroll System

4.3.8 Operating System Software

CDI's IT network infrastructure includes the following operating system software:

Network Operating System (NOS) – Network servers are currently running Microsoft Windows Server 2003 and Microsoft Windows Server 2008R2 as its NOS.

Authentication – The CDI uses AAA server for Authentication, Authorization, and Accounting services. The devices and applications communicate with the AAA server through the Remote Authentication Dial-In User Service (RADIUS). The CDI also uses Microsoft Active Directory.

Desktop Operating System (OS) – Network desktops and notebooks are running Microsoft Windows XP Professional and Microsoft Windows 7 Professional.

Web Server Operating System – Web servers in support of the Department's public website are running Apache Web Server, version 1.3.19, and the Sun Solaris operating system, version 2.8. Microsoft IIS runs on web servers, in support of CDI's intranet, and on the web development servers.

Application Operating System/Software – CDI's application servers operate on Sun Solaris v.8 and v.19 utilizing the Oracle's application 10g software.

4.3.9 Database Management Software

The primary database management system in use at the Department is Oracle. CDI currently has version 10g of the database software in use. The primary databases are the EIP data warehouse and the IDB database on Sun servers. The NAIC database is an Oracle database, version 10g, and is located at the NAIC in Kansas City, Missouri. The protocol for accessing the NAIC Oracle database is Transmission Control Protocol/Internet Protocol (TCP/IP). All data transmissions are done using encrypted FTP.

4.3.10 Other Infrastructure Software

The following are the other software components that make up the CDI environment:

Helpdesk Tracking Software – Track-It! Version 10 is used for automated tracking of Helpdesk support requests.

Credit Authorization System Software – CDI has contracted with ViaKlix (a service provider) to perform e-commerce transactions.

4.3.11 Application Development Methodology

The IT staff are skilled and knowledgeable to support the existing systems development platform (Oracle) and have expertise in Java Programming to support other Department applications.

CDI primarily utilizes the Oracle Internet Development Tool Suite for software development. ITD has several development standards that include, but are not limited to, the following:

- CDI Content Style Guide v2.2
- CDI Web Application Style Guide v1.2
- CDI J2EE Design Guidelines
- CDI Java Coding Standards
- CDI Application Template

5. Proposed Solution

5.1 Solution Description

The CDI Menu Modernization Project (CMMP) will replace CDI's primary application development platform Oracle Forms and Reports with technology that enables architected solutions. Architected solutions are solutions that are built on a set of capabilities that are standards based and are loosely coupled to ensure interoperability between components and capabilities. The CMMP project will leverage custom off-the-shelf products to implement capabilities that provide the services enabled middle tier, with process and rules automation functionality, reporting, and portal like functionality (common point of entry to applications).

The proposed alternative is a hybrid solution which is a State-run project with Contract Vendor Support. This option uses a product such as (but not limited to) an Oracle Portal (BI Publisher) or Microsoft SharePoint solution that is configured by the ITD Staff and is implemented by a hybrid team of ITD Resources, Branch Functional Administrators and Vendor/Contractor Resources. It will include an Internet interface which will provide the branch and public users functionality built on updated technology-making processing more efficient and allowing for future development functionality.

The approach will include:

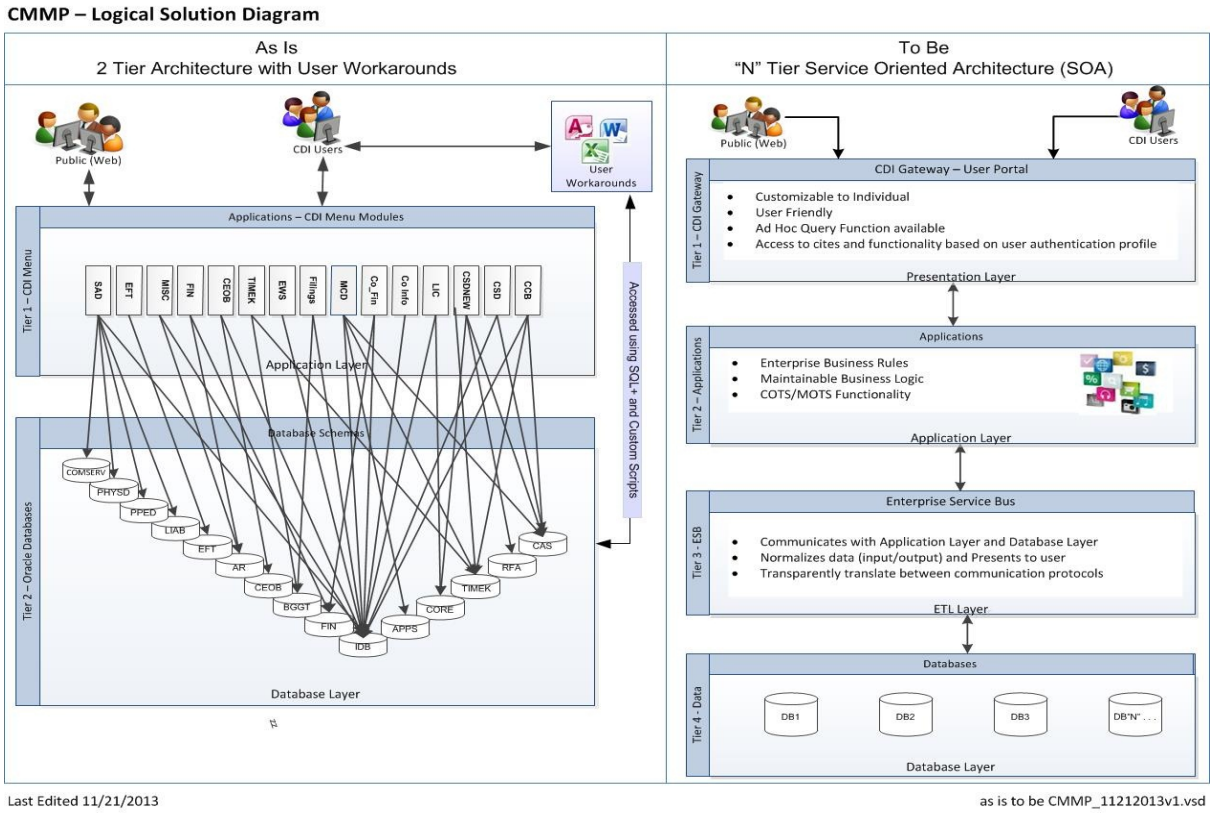
- Having strong executive support from inception through design and development, through a phased roll-out, and to production
- Implementing a communications plan that meets CDI business requirements, which will include plans to build internal support for change and overcome resistance
- Determining and developing a standardized data model, which will include a common language amongst the branches
- Building use cases for all business functionality to improve efficiency and allow for process re-engineering
- Implementing a business resumption strategy, which will include redundancy and address and mitigate the risk of a catastrophic system outage
- Using business partners (branch SMEs who will become functional administrators) to work with ITD resources and the vendor to modernize the system while ensuring business requirements are met
- Modernizing the development platform, the coding approach and the technical infrastructure to meet security, contingency, and future business requirements

This solution was chosen based on the strategic direction of the Department and on the necessity for increased flexibility to meet the changing needs of California's insurance information technology. In the absence of an explicit development strategy, it is easy for an organization to drift into a situation where the overall goals of the department are not being addressed. This approach has been called "the

accidental architecture"[7]. When each application and each form is developed or selected for the particular end or case at hand, it is likely that the Department will end up with an unnecessarily complex system and increased support and maintenance costs. Service Oriented Architecture (SOA) is an approach to developing applications using independent reusable modules called services. These may be purchased software that provides services such as creating reports. It may also be modules that are developed by ITD developers. The detail in the Logical Solution Diagram shown below describes the move from a two (2) tier architecture to an "N" tier Service Oriented Architecture (SOA). Appendix A, CMMP Module Traceability, maps the current CDI Menu applications (as-is) in Table 4-1 to the CMMP Logical Solution Diagram in Figure 5-1 and to the proposed CDI Portal (Oracle Forms/Reports Applications) participating in CMMP in Table 6-2.

[7] David Chappell, "The Enterprise Service Bus"

Figure 5-1 CMMP Logical Solution Diagram



Benefits of the Proposed Alternative:

This approach will result in the following benefits to the ITD, the CDI branches/programs and the consumer:

ITD (ADAM):

- The system will no longer have the security issues of the outdated JAVA code(JRE)
- A data model will be developed that can then be updated for future development
- The system will have redundancy built in for contingency and disaster recovery
- The data integrity will be improved because the need for work-arounds will be addressed
- The move to SOA will align the system to the Department's strategic goals for a flexible, reusable system

CDI Branches/Programs:

- The use cases developed for all processes will provide the framework for re-engineering the processes. For example, the processes can move from linear to synchronous processing, speeding up turn-around time
- The consensus of the branches and the development of a common language will provide clarity and improve the communication with CDI consumers
- Some workflow will become more efficient as it may be driven by new functionality, and processors will be trained to maximize the new system's benefits and features
- Branches will be able to do more on the business side and will be less dependent on ITD, freeing up time to resolve issues and problems
- CDI will be positioned to respond proactively to the new changes anticipated when State and Federal Affordable Care Act (ACA) requirements are put into place
- CDI data will be protected by a disaster recovery strategy that includes failover

Consumer:

- Since the public facing interaction with the system has already undergone improvement by implementing a user-friendly web interface, the changes will be seamless to the consumer
- The consumer will benefit by having a system that is modernized, flexible and has the capacity to easily accommodate the future changes that will be required to accommodate the federal changes to the insurance industry

One of the primary benefits of this approach is that CDI retains ownership and accountability for the success of this project. This means that support for the Project will come from the top. Other benefits include:

- Each branch will be able to modify reports they are required to produce without having to execute and wait for a service request
- The Project with benefit from having experienced and skilled ITD staff work side-by-side with the primary vendor, ensuring the Project stays on track and focused on user requirements

- The knowledge capital built during the development and implementation phases will remain in-house with ITD and the SMEs who represent each branch. Branch representatives will have hands-on involvement throughout the Software Development Life Cycle (SDLC)
- The proposed solution addresses the problems of an "end-of-life" development platform and the inherited complexity of the legacy system
- CDI will no longer rely on outdated technology; the proposed solution will be interoperable with current and new technology
- The proposed solution addresses the security issue of developing with the outdated JAVA code
- Though change is difficult, this project provides the opportunity for the branches to review and re-engineer their outdated processes
- The proposed solution upgrades the development backbone and provides developers the opportunity to update their development skill sets

Intangible Benefits

- Improved Security – Without extensive function point analysis, it is difficult to quantify the impact that moving to a current technology, as described by the proposed solution, will have in the near future of CDI. We do know that CDI is currently exposed to a greater risk of cyber-attack because of its use of the unsupported JAVA Runtime Engine (JRE) version currently required for development in the obsolete development platform. Moving to J2EE, or a similar enterprise environment, for developing multi-tiered, Web-based enterprise applications will significantly reduce that risk because support is available and security issues will continue to be pro-actively addressed.
- Standardized Development – Standards are documented agreements containing technical specifications or other precise criteria to be used consistently as rules, guidelines, or definitions of characteristics, to ensure that materials, products, processes and services are fit for their purpose.[8] The CDI Menu was built with the best known standards of the time. However, over its twenty-year history, changes to the infrastructure driven by the need for a timely development response have resulted in the degradation of the architecture of the current system. Bringing systems engineering and other industry standards to the development of the proposed solution replaces a convoluted and highly complex system with a new system, whose foundation is technically strong and able to interoperate with the new technologies being deployed by the State.

Primary Considerations of the Proposed Solution

The proposed solution is not the most costly alternative, but will have a cost and resource impact which will be detailed in Section 8 – Economic Analysis Worksheet (EAW). Other potential risks and issues include:

[8] ISO - 1997

- Each CDI branch or program would have to provide a functional administrator during design, development, testing and training to ensure each branch has a SME deeply involved in the success of the project
- IT resources and functional administrators would have to free-up time from their current workload and responsibilities
- Some of the branches have stated their resistance to business process change
- A considerable effort would have to be allocated to communications and training
- Since this project will be designed, developed and implemented over a four- (4) to six- (6) year period, there may be the need to perform at least one (1) technical refresh during that period. This may result in additional costs for the Project
- Because the Project is being rolled out in phases, there will be additional effort required to allow the legacy application and the modernized application to work side-by-side

Critical Success Factors

Success of this project is based on the following assumptions:

- ITD resources will be available
- Each branch is willing to provide a resource who will be assigned to the Project
- The system will be hosted at CDI (not OTech)
- The architected solution must align with the ITD strategic Information Technology plan
- The proposed solution would allow minor configuration changes by the branches, such as background colors or hiding columns. Any change requiring development would become an ITD service (no customization by branches, only configuration)
- SMEs will be responsible for ensuring the business processes are reengineered to align with system functionality

Note: The need for updating the business processes is driven by the fact that newer methodologies have remained impossible to implement because of the system's outdated functionality. Once the capability is built in, the business units will be able to implement new processes such as multi-lateral processing, taking advantage of workflow automation, and eliminating the need for one-off work-arounds.

- **Full executive leadership and top-down support is critical to the success of this project.** Leadership and staff changes over the life-span of the Project may impact the Department's technological strategic plans.

5.1.1 OBJECTIVES MET BY PROPOSED SOLUTION

Table 5-1 Objectives Met by Proposed Solution

Objective	Metric	Baseline	Target
Business Objective 1 Improve the confidence in the CDI data integrity which would reduce errors and the time required for additional validation and verification	Data errors and functional defects	1000 errors and functional defects (10%)	500 errors Reduce the number of errors and functional defects by 50% within six (6) months of system implementation
Business Objective 2 2.1 Standardize the systems so that all systems understand and use data in a standard way, reducing defects and eliminating the need to continually remap data elements	Development of a data dictionary, Entity Relationship Diagram (ERD) and data models for the new system	There is no (0) ERD and data models	Completed ERD and data models
Business Objective 2 2.2 Bring visibility to data elements that are obsolete and inactive, allowing the system to cull and archive unused and redundant elements–scrubbing not only the data but also the programming and making the system run more efficiently	Data visibility, clean-up and standardization	There is no (0) common data model or standardized nomenclature	Completed ERD and data models
Business Objective 3 3.1 Simplify the query and reporting process by providing functionality and tools that are easy to access and can be used both internally and by the public consumer, improving the user experience	Number of ad hoc reports requested by program	Currently 200 reports in CDI Menu	20 (10%) of these will be automated via self - service within six (6) months of reporting upgrade
Business Objective 3 3.2 Reduce the number of and the need to build external Excel and Access databases	Number of Excel and Access databases across the enterprise	72 active instances of MS Access reported in enterprise. Excel on all desktops	36 active instances of Excel and Access databases. Reduce by 50% within six (6) months of implementation

Objective	Metric	Baseline	Target
Business Objective 3 3.3 Reduce the dependence on ITD involvement for minor reporting changes by reducing the number of reporting related service requests	Number of submitted reporting service requests	40 Service Requests annually	20 Service Requests Reduce the number of reporting service requests by 50% within six (6) months of implementation
Business Objective 4 4.1 Develop and follow IT strategic roadmap for centralized and secured data storage by providing a unified data model, reducing the time it takes to go from design to production	IT Roadmap that aligns with CDI and CalTech technology goals and a systems architecture that is aligned with strategic goals	There is no (0) unified data model	Data model standard is developed and implemented
Business Objective 4 4.2 Develop and follow IT strategic roadmap for centralized and secured data storage by meeting failover or switchover requirements, making CDI compliant with State and industry best practices	Meet failover or switchover requirements, making CDI compliant with State and industry best practices	There is no (0) secure data storage that meets failover or switchover requirements	Secure data storage is developed and implemented
Business Objective 5 5.1 Free up IT resources for reducing the change management queue, improving internal and external consumer experience	Number of submitted change requests	62 CDI Menu Change Request (Service Requests)	20 Service Requests Reduced by 70% within six (6) months of implementation
Business Objective 5 5.2 Free up IT resources for training for ITD, meeting the Department's commitment to improve the staff skills	Number of staff taking professional improvement courses annually	20/33 ADAM Staff (60%)	33/33 (100 %) IT staff completes at least one (1) professional improvement course annually
Business Objective 5 5.3 Reduce outside consultant contracts to deal with critical, branch specific problems. Increase internal CDI- IT staff availability for and new projects and process improvement because ITD staff must focus on maintenance and operations	Annual cost of consultant contracts	$165,000 per year	$0 per year Branch specific IT consultants are no longer required within one (1) year of implementation (cost for consultants to perform M&O is eliminated)

Objective	Metric	Baseline	Target
Business Objective 6 6.1 Improve the Department's ability to bring systems back up quickly in the case of a disaster, by providing redundancy for field offices	Number of field offices with redundancy	0	1 (Los Angeles)
Business Objective 6 6.2 Improve the Department's ability to bring systems back up quickly in the case of a disaster by providing a switch-over business resumption capability to restore critical services	System failover and resumption capability	Currently 48 to 72 hours for full build & restore. Loss of data since last good backup	Within four (4) hours of disaster
Business Objective 7 Improve the Department's ability to interact with other states and the National Association of Insurance Commissioners (NAIC). The NAIC collects information from member states and the insurance industry. CMMP offers the potential to automate many of the data centric processes.	Web Service Connectivity with NAIC National Technical Architecture. Consumer SOA services from NAIC	0% Currently CDI does not consume any SOA or Web services from NAIC	100% Implement Services infrastructure, connect to NAIC service architecture. Consume or provide services where required
Business Objective 8 Allow the Department to efficiently meet statutory and regulatory requirements such as Assembly Bill 922 and Senate Bill 1410. CDI has developed ad hoc "work-around" processes to meet these requirements.	Required data is captured and reported within the system	0% additional data capture in CSD Case Management System	100% of data is captured and reported

5.1.2 HARDWARE

Hardware for the proposed solution will be required for the development, test, and production platforms as well as for the redundancy improvement requirements. Because of the increased capacity required for redundancy and the ability to restore service within four (4) hours, the network infrastructure will have to be expanded. It is anticipated that hardware requirements will include:

- One (1) terabyte of additional memory
- Four (4) Servers – two (2) for development, test, and production and two (2) for redundancy
- Upgraded hardware for two routers
- UPS
- Maintenance costs of 20% annually for new equipment beginning the second year of ownership

Note: The CMMP project will implement limited capacity (capacity being volume of transaction in any given time period) disaster recovery (DR) for all CMMP components. The DR capacity will be determined at requirements. CDI operates virtualized server environments and, depending on business needs, has the ability to increase cores and memory. CDI will dedicate the equivalent of two servers to DR and organizational governance will determine how resources are allocated in a DR situation, which may include shutting down non-critical applications and diverting resources to critical applications.

5.1.3 SOFTWARE

Software for the proposed solutions includes:

- Enterprise License for Oracle
- Oracle Web Logic License
- Oracle Fusion
- Oracle Portal
- Oracle Business Intelligence
- Maintenance costs of 20% for licenses beginning the second year of ownership
- Increase in Telecom Bandwidth in the current subscription to twice the current amount

Note: ITD does not intend to prescribe to a specific product or development genre. Instead of Oracle and Web Logic, ITD may determine that a Microsoft or other industry standard would be more suitable. This will be determined during the design and requirements phase, in preparation for procurement.

5.1.4 TECHNICAL PLATFORM

The equipment for the proposed solution will be housed at CDI in Sacramento with the failover (redundancy) equipment anticipated to be housed in San Francisco or Los Angeles. It is anticipated that CDI will continue to use the existing technical platform as described in Section 4 – Current Analysis with hardware and software upgrades to meet the proposed solution requirements. The upgrade of the

contingency strategy will require improved throughput to accommodate the retrieval of information from the failover servers. CDI anticipates this will increase the telecommunications costs, which will be reflected in the Economic Analysis Worksheets (EAWs).

5.1.5 DEVELOPMENT APPROACH

The overarching goal of the system redesign is to implement a modernized CDI Menu that includes all of the business components of the current legacy system, utilizes modernized web technologies and integrates common system components. The goal is to deploy a COTS application and use a CDI standard development framework such as, Java EE or .NET. The application should utilize commonly accepted standardized web services to ensure interoperability with future CDI information system components, reliability, security, and performance. The intent of this approach is to promote the sharing of data and reduce the number of point-to-point connections required to allow applications to communicate.

CDI plans to partner with a vendor for the development and implementation of this project. CDI will use its own Project Management Institute (PMI) certified project manager from the ITD Project Management Office (PMO) as the program manager and will seek to contract for a certified project manager to assist the CDI program manager in the performance of project management tasks. CDI will use a resource from each branch as a Subject Matter Expert (SME) who will transition to a functional administrator once their branch is in production. These SMEs will be backfilled with limited-term resources and will be charged as one-time costs to the Project. CDI will also employ limited-term state resources to backfill for ITD resources who will be allocated to the Project. The backfill will be for a portion of resources and ITD will absorb the remaining tasks with existing staff. This will be made possible because ITD plans to place a hold on new development in the existing CDI menu, which will free up development resources. ITD will continue to support the branches for any maintenance or development requests once the Project is completed.

ITD will develop and maintain a roadmap and a project plan for this project. The project plan will be scheduled to align SDLC phases/waves with budget cycles. This will allow for check points at logical times during the life of the Project. The various phases/waves are directly tied to the budget cycle and Fiscal Year (FY) funding. ITD will be creating a data model and documenting this model throughout the lifetime of the system. ITD plans to gather detailed-level functional and system requirements. Functional or business requirements will rely on use cases that will be developed by the branches to document their business processes.

Once the requirements are known at a level detailed enough to proceed, ITD will choose a development and production platform that best meets both enterprise and functional requirements with the least amount of training required and programming effort. CDI's phased development approach will mitigate project risk in that all of the data in the IDB will be re-architected and a Proof of Concept (POC) and pilot application will be developed in the first year of the project. Legacy applications will be built in waves which will ensure that we have standalone systems in place by the end of each wave and FY. Each application will be a single SDLC phase; there will be multiple applications within a wave. Checkpoints/milestones will be unique to each application that is implemented. The POC and a pilot

application will serve as a proof of technology to establish whether the system satisfies requirements. The POC and pilot will be implemented with existing resources. A decision checkpoint will determine whether CDI proceeds with the remaining applications in waves 1-8. ITD will work with vendors during the development and systems integration phase to bring in additional required skills and knowledge capital. (Note: As mentioned in Section 5.1.3, for the purposes of planning, CDI assumes a COTS software development platform amongst the higher tier for costs in the marketplace to ensure costs are not underestimated. They may determine that another vendor's product line is better suited to meet the specific requirements and will follow SIMM and DGS guidelines for the creation of an SPR if required.)

In this case, custom development refers to using a development platform that provides tools to create interfaces, queries, views, reports and scripts that will both move the legacy functionality to the new technology platform and address new functional requirements as they evolve.

- ☒ COTS 20% ☒ MOTS 30% ☒ Custom Development 50% ☐ Others % __ ☐ None

COTS and MOTS refer to the development platform for the web-based CDI Menu and its reporting functionality.

The Project will be designed to roll out in phases. At some point in the implementation cycle, the legacy and the new system will work side by side until all modules are rolled out and are operational.

5.1.6 Integration Issues

Additional integration issues will be determined during the configuration of the system. By using a phased approach, along with strenuous test cases and pilots for each wave, integration issues will be identified and resolved before going into full production. Software and hardware efforts associated with CMMP will adhere to the guidelines for security and data exchange as identified in the "Enterprise Architecture for California"[9] documentation.

5.1.7 Procurement Approach

CDI staff have the technical expertise required for the full procurement development process. The Project will be run primarily with State staff and two (2) primary contracts for data architect and development processes. CDI anticipates using Leveraged Procurement Agreements (LPA's).

RFP Development or Contract

With an approved FSR and working directly with DGS or CalTech, CDI will follow the State defined policies and guidelines in the development of a detailed procurement vehicle. CDI does not anticipate the need to create a formal RFP, but will work with DGS and CalTech to select the appropriate procurement vehicles.

[9] http://www.cio.ca.gov/Business/Enterprise_Architecture/EA.html

Primary Vendor Contract

Upon the completion of the procurement process, a vendor will be selected that best meets the project objectives. CDI is working directly with DGS and CalTech and will follow the State policies and guidelines in order to acquire the primary vendor(s) and oversight consultant(s) including Independent Project Oversight Consultant (IPOC), Project Management, and Independent Verification and Validation (IV&V) services. Vendors will be selected to add technical expertise necessary for the Project and to ensure industry best practices are followed.

As indicated in section 6.2.2 Project Schedule, the milestones and deliverables will be broken into to eight (8) waves in an effort to capitalize investment. The earlier waves are intended to automate those business practices most commonly encountered as rapidly as possible. In order to provide flexibility and the ability to address the modules deemed most critical or having the greatest impact, the module development priority will be established early in the design phase but will have the ability to move up or down in priority based on bureau or branch direction.

The procurement(s) for the CMMP solution will be valued at more than $100,000; therefore, a signed certification of compliance with State information technology policies is required.

5.1.7.1 Use of Personal Services

Section 19130 of the Government Code addresses circumstances under which State agencies may make agreements with non-State entities for personal services. Specifically, Government Code Section 19130(a) addresses procurement of personal services to achieve cost savings, and 19130(b) addresses when procurement of personal services is permissible. According to Section 19130(b), contracting for personal services is permissible when any of ten (10) conditions are met. For the CDI Menu Modernization Project, CDI intends to make agreements with non-State entities under the provisions of Section 19130(b)(3), which states:

> The services contracted are not available within civil service, cannot be performed satisfactorily by civil service employees, or are of such a highly specialized or technical nature that the necessary expert knowledge, experience, and ability are not available through the civil service system.

This project requires CDI to contract for technical consulting services during development and integration of the CMMP. The Department is electing to contract for these team members because the depth of this specific type of technical expertise are not currently available within State service.

5.1.7.2 Indicate the effort to achieve Small Business and Disabled Veteran Business Enterprise goals

Throughout the procurement process, CDI will work with DGS and/or CalTech to make every effort to achieve certified Small Business (SB) and certified Disabled Veteran Business Enterprise (DVBE) goals. CDI will contact at least three (3) Leveraged Procurement Agreement (LPA); California Multiple Award Schedule (CMAS) or Master Services Agreement (MSA) vendors for each procurement to ensure a fair market survey, including at least one small business and one DVBE vendor. Offers will not be mixed using different types of LPAs to execute a single order.

5.1.7.3 INDICATE THE CONTRACT(S) TERM, INCLUDING MAINTENANCE YEARS.

The contracts will be created as needed and will span the duration of the Project, which is expected to be four (4) years plus one (1) year for maintenance.

5.1.7.4 Matrix of Goods and Services

This table describes the services that will be required and the type of financing options.

Table 5-2 Contract Tables

Consulting Contracts

Consulting Contract	FY Start	Term	One-Time Cost	Comment
Primary Vendor (System Development)	2015-16	7/8/2015 – 12/31/2018	$1,450,000	External Contract (LPA) for System Development Consulting Services
Enterprise Data Assessment	2014-15	7/8/2014 – 12/31/2015	$350,000	External Contract (LPA) for System Analysis Consulting Services
Project Management	2014-15	7/8/2014 – 7/30/2018	$500,000	External Contract (LPA) for Project Management and Organizational Change Management Consulting Services
IV&V and DGS Services	2014-15	7/8/2014 – 7/30/2018	$425,400	External Contract (LPA) for Independent Verification and Validation Consulting Services DGS costs at 1.39/5 of estimate purchase order for goods and services
IPOC	2014-15	7/8/2014 – 7/30/2018	$556,800	Contract (IAA) Services to be provided through Inter-Agency Agreement with CalTech

Hardware Contracts

Hardware	FY of Purchase	Unit Cost	One-Time Cost	Annual Ongoing Cost	Comment
Development Servers (Qty. – 2)	2015-16	$34,000	$68,000		Because of the high price point and the desire to use "worst case" example in a conservative approach to estimating costs, this alternative assumes the use of higher tier for costs development platform
Redundant Servers (Qty. – 2)	2016-17	$34,000	$68,000		Redundant servers were assumed to be implemented after development servers were in productions
Development Server Maintenance	Start 2016-17	$6,800		$13,600	Development server maintenance begins the year after the purchase of the hardware
Redundant Server Maintenance	Start 2017-18	$6,800		$13,600	Redundant server maintenance begins the year after the purchase of the hardware.

Software Contracts

Software	FY of Purchase	Unit Cost	One-Time Cost	Annual Ongoing Cost	Comment
Oracle DB License (Qty. – 4)	2015-16	$30,000 per CPU	$120,000		COTS Development platform
Oracle Web Logic Licenses (Qty. – 4)	2015-16	$10,000 per CPU	$40,000		COTS Development Platform
Oracle DB License Renewal (Qty. – 4)	Start 2016-17	$6,000		$24,000	
Oracle Web Logic License Renewal (Qty. – 4)	Start 2016-17	$2,000		$8,000	

Software	FY of Purchase	Unit Cost	One-Time Cost	Annual Ongoing Cost	Comment
CDI Menu Development Platform (COTS Products)					
Oracle Fusion and/or Portal (POC)	2015-16		$400,000		Software licensing is based on the use of a higher tier for costs development platform, this was used for estimate purposes and is not intended to restrict CDI should they determine that other COTS development platforms such as MS SharePoint would be a better choice based on design requirements
Oracle Business Intelligence (BI)	2016-17		$500,000		
Additional Oracle Fusion and/or Portal	2017-18		$200,000		
Oracle Fusion and/or Portal (POC) License Renewal	Start 2016-17			$80,000	
Oracle BI License Renewal	Start 2017-18			$100,000	
Additional Oracle Fusion and/or Portal License Renewal	Start 2018-19			$40,000	

*Primary vendor(s) selected through Master Services Agreement (MSA), the IPOC will use an IAA with the CalTech.

**Enterprise Data Assessment, Project Manager, & IV&V will be selected from available Leveraged Procurement Agreements (LPAs).

5.1.8 TECHNICAL INTERFACES

The CDI Menu is a portal and interfaces internally and externally using Java Forms and Web Services. These systems include:

- HRIS Replacement – Internal interface with Oracle eBusiness Suite (HR)
- OTech – External interface for internet connectivity
- Fi$CAL – Possible external interface, TBD
- NAIC – External Interface for flat file data exchange

5.1.9 ACCESSIBILITY

The proposed solution must meet the Americans with Disability Act (ADA), Federal and State requirements and comply with Department policy regarding web design and standards. Section 508 of the Rehabilitation Act of 1973 requires that electronic and information technology is accessible to people with disabilities. During the design and development processes, ITD will work with its vendor partners to produce products and services that conform to State and Department accessibility requirements. ITD's web developer will ensure the web pages comply with Federal, State and CDI requirements.

5.1.10 TESTING PLAN

CDI will implement a testing methodology that will be used by all business and technical staff (both in-house and contracted staff). In addition, existing functional SMEs will be involved and responsible for review of the project deliverables and acceptance testing.

Table 5-3 Test Plan Sample Table

Test Level	Objective	Subject
Requirements	• Establish actual detailed test plan based on user requirements	• To be developed based on use cases developed by branches
Modular	• Establish reliability of the system software • Incrementally build/configure/or modify application system	• System software • COTS/MOTS package • Customized add-ins
Integration/ System	• Ensure that platform functions as required in target environment • Verify that interfaces operate as required	• Platform (Firewall, Web and Application Server, Database Server, and Lightweight Directory Access Protocol (LDAP) • Potential system interfaces
Data Conversion	• Validate that legacy data has been converted accurately	• Application legacy data

Test Level	Objective	Subject
Test		
Out of the Box Test	• Demonstrate that the Application platform and software function as expected when installed	• Platform • COTS/MOTS Package unmodified • Existing systems
User Acceptance Test (UAT)	• Validate that the application platform hardware and software accurately demonstrate compliance to the Requirements Traceability Matrix from the Actual Detailed Test Plan and with the service levels required • Stress and Load Testing	• Platform • Full System Acceptance • Performance Requirements

Planning

Formal test scripts will be developed and used to execute comprehensive tests and test results will be recorded. Any problems encountered will be forwarded through the system problem correction process so that problems, their solutions and subsequent retesting will be tracked.

Integration and System Testing

This phase will be supported by integration testing. This testing will be executed to ensure that individual components of the solution and the Department's existing applications and infrastructure work together as required. All test results will be formally documented and problems will be documented and all documents will be forwarded through the problem correction process. After problems are corrected (if necessary) and successfully unit tested, retesting will be done to ensure the problem has been corrected in the application environment context.

This phase will also include dedicated system testing. The System Test Plan will control all phases of testing. All test results will be formally documented and any problems will be documented and all documents will be forwarded through the system defect correction process. After defects are corrected and successfully retested, system regression testing will be done to ensure the problem has been corrected in the system context.

User Acceptance

User Acceptance Testing (UAT) will be conducted prior to conducting a pilot or phased rollout. A dedicated environment will be made available to a targeted set of users to conduct integrated end-to-end testing of all solution components. This will help ensure that the solution is verified and ready for implementation. All test results will be formally documented and any problems will be documented and all documents will be forwarded through the defect correction process. After defects are corrected and successfully retested, system regression testing will be done to ensure the problem has been corrected in the system context and has not introduced additional issues. Once UAT is successful, pilot and Phased Rollouts will begin.

5.1.11 RESOURCE REQUIREMENTS

The resource requirements for the proposed solution will require a combination of existing CDI staff and vendor support. The costs for positions and the fiscal years that are incurred are detailed in Section 8 – Economic Analysis Worksheets. It is anticipated that the resources in the table below will be required to complete the CMMP.

Table 5-4 Roles, Percent (%) Participation, and Classification

Project Team Role	Level of Participation	ITD Resources Required (Classifications)
Two (2) CDI Business Analysts	100% throughout project	Staff/Senior Information Systems Specialist Internal redirect
One (1) Project Program Manager	50% throughout project	Data Processing Manager II Internal redirect
Four (4) CDI Project Managers	50-75% throughout project	Senior Information Systems Analyst ,Specialist Internal redirect
One (1) Database Administrator	100% (during data design and requirements) 50% remainder of project	System Software Specialist III Will require limited-term fill behind for twelve (12) months
One (1) Data Architect	100% throughout project	SSS III Internal redirect
One (1) Enterprise Architect	50% throughout project	SSS III Supervisor Will require limited-term fill behind for entire project
Three (3) Application Developers One (1) Application Developer	100% throughout project As required	Staff Programmer Analyst Will require two (2) limited-term fill behind for entire project One (1) redirect within ITD One (1) additional Staff Programmer Analyst will be used to assist during Systems integration One (1) redirect within ITD

Project Team Role	Level of Participation	ITD Resources Required (Classifications)
Two (2) Senior Application Developers	100% throughout project	Senior Programmer Analyst Internal redirect
Two (2) Testers	100% throughout project	Staff Information Systems Analyst Will require one (1) limited-term fill behind for entire project One (1) Internal redirect
One (1) Network Staff	100% throughout project	System Software Specialist III (SSSIII) Will require limited-term fill behind for entire project
One (1) Web Services Staff	10% throughout project	Staff Information Systems Analyst (ADA Compliance)
Ten (10) CDI IT Help Desk Staff	10% throughout project	Five (5) - Staff Information Systems Analyst Five (5) - Associate Information Systems Analyst Approximately two (2) months of participation during testing and pilot phases to gain experience with the system Internal redirect
Subject Matter Experts from Branches	Varies throughout the Project Lifecycle	It is estimated that thirteen (13) Staff Services Manager (SSM) II or similar classification staff will be brought in as limited term to backfill the SMEs throughout the project lifecycle
Data Assessment Vendor (Data Analysis)	100% through first year of project	Data Architect
Primary Vendor (System Development)	100% throughout project	Vendor Team Software Developers/Programmers

5.1.12 Training Plan

CDI staff who will use the proposed solution will require training prior to using the application. The selected consulting vendor will be responsible for developing the training materials and for end-user training. A highly customized and repeatable training program will be needed to ensure user acceptance of the new system and revised business processes. Specific requirements for the training program and training materials will be developed during the procurement phase.

The vendor will also be responsible for training CDI technical staff on the operation and maintenance of the system, including creation and management of workflows. During the project implementation phase, the solution vendor will be required to provide technical training to CDI IT staff, including both formal classroom training for branches and knowledge transfer sessions to ensure CDI branch and IT staff are prepared to use and manage the delivered system.

5.1.13 Ongoing Maintenance

Ongoing operations of servers, applications, and databases, including backup and recovery, will be managed by CDI ITD and limited-term staff brought in to backfill as resources are required on the Project.

5.1.14 Information Security

As business moves into an all-digital era, security and assurance have become even more important. Attacks on core-infrastructure are no longer mere graffiti – they are commercial crimes with sophisticated actors and profound consequences. A deep understanding of strong authentication and security is valuable for any administrator, but for those who finds themselves to be custodians of critical data, it is essential.[10] CDI ITD understands the value of having the Information Security Officer (ISO) involved from the start and intends to ensure the ISO plays a part in developing the security strategy. Security is critical to the selection of the proposed solution. Key elements include:

- **Network and transaction firewalls:** Managed by ITD
- **Network Access Security:** Managed by ITD
- **Application Security:** Roles and rule based application access controls must be built into the solution. Administration of roles and rules will be managed by ITD Application Management
- **Confidentiality of data:** Use of secure web browser and Internet technology will be managed by ITD with guidance from ISO and State policy (SAM 5300)
- **Audit and Logging:** Access to sensitive data will require separate logging and audit trails

5.1.15 Confidentiality

The proposed solution will be designed to address specified information security requirements with a focus on minimization of risks associated with the potential misuse, loss or destruction of data. The Project will be guided

[10] Source: Mark Shuttleworth - http://pubs.gpaterno.com//2011/strong_auth_sec_oracle_apex.pdf

by the ISO and State Information Security Policy (SAM 5300) and will be consistent with State and Federal regulations concerning the confidentiality and privacy of data.

5.1.16 Impact on End Users

This system collects and provides information for two (2) distinct end user groups; CDI branch users and the consumers (Public). The consumers will be impacted positively by the data clean up, the strengthened disaster recovery strategy and because branch personnel will be able to shift focus from data entering to addressing the more complex consumer oriented requests and questions.

CDI branch users will benefit from a reengineering of their processes, which will include the efficiencies gained by the evolution of methodology over the last two decades and new functionality made possible by updated technologies. CDI branch users will be trained in the new system. They will then be able to individualize some of their views and queries without having to depend on ITD.

Those end users who are selected to become SMEs will not only be able to provide input from the business point of view, but will also be able to benefit from being involved in the Project from design, through development and implementation, and into production. They will be become “super users” and will be the functional administrator for their branch. Branch users will then have a representative from their own business area who will have a deep understanding of the system and will be able to explain why some of the process changes will be necessary using business oriented, non-technical language.

5.1.17 Impact on Existing System

There is not a COTS product that can replace all of the activity and functionality currently built into the aging CDI Menu. The proposed solution is expected to replace about 90% of the existing system. Some components will be candidates for other solutions and are out of scope for this project. The other components are heavily dependent on Oracle Financials.

Transition from the old system accomplishes more than bringing more functionality and providing improved contingency services, it also builds in a very strong foundation of a modernized infrastructure, a strong data model, and a normalized and unified nomenclature that provide transparency and clarity throughout the Department. It untangles a complex development model, using a platform that is commonplace and allows for the growth of an individual and institutional development knowledge base.

CDI understands the constraints on bringing new resources into the program. It plans to rely on its strength, the talent it has grown in both the ITD and the branches. It will use a core team of managers and developers from ITD that will be backfilled with limited term State hires. It will also use a resource representing each branch as a SME who will be dedicated to the project and trained as a functional administrator and will be the liaison between the system and the branch users.

CDI understands that the use of a COTS product will require the reengineering of many business processes. This project relies heavily on the executive commitment to extending the viability of the Department. CDI must make these changes in order to keep meet the requirements that have already been put into place for healthcare and insurance reform, which come into effect in the next two to three years.

Data conversion strategies will depend on the COTS product selected for the proposed solution. Common best practices such as loosely coupled mapping will be used where required to ensure that the system is flexible and agile.

5.1.18 Consistency with Overall Strategies

The proposed project is aligned with CDI's Agency Information Management Strategy (AIMS), strategic business plan, and the State's strategic direction for information technology.

5.1.19 Impact on Current Infrastructure

The proposed solution will not change the CDI IT strategy. It will be designed to meet the infrastructure goals of both CDI and the State. The improvements will enhance CDI's ability to protect the data, improve on data integrity and provide a four- (4) hour service level agreement (SLA) for disaster recovery. The proposed solution, which includes redundancy, will require an increase in bandwidth. This not only provides the throughput required in the event that failover is required; it also positions CDI to be able to scale over the next twelve (12) years. These costs will be included as part of the project costs.

5.1.20 Impact on Data Center(s)

As an independently elected Constitutional Officer, the Insurance Commissioner and the Department of Insurance, Insurance Code §12903 are not under the Governor's direct authority. As such, departments not under the Governor's direct authority may voluntarily comply with Executive Orders, such as S-03-10 (which requires departments to use OTech managed or hosted services) and similar requirements, and may request assistance for the California Technology Agency to do so.

5.1.21 System Hosting/Data Center Consolidation

n/a

5.1.22 Backup and Operational Recovery

CDI is aware of the criticality of an efficient backup and operational recovery strategy. While CDI currently backs up to tape, every incident including planned outages occurring during business hours affect both the CDI operations and its ability to service the public. Part of the proposed solution includes restructuring the backup strategy to provide redundancy. This would allow the system to switch over to a secondary set of servers during maintenance or in the event of a server failure.

5.1.23 Public Access

While public users may be able to seek information, the CDI database is not made available to or accessible by the public. Public access will continue to be controlled based on State and CDI policy.

5.2 RATIONALE FOR SELECTION

CDI ITD reviewed all options for addressing the problems and meeting the business objectives. It was concluded that the proposed alternative, which is a hybrid of using ITD skills and experience and employing the use of a vendor expert in the implementation of the COTS product, meets CDI requirements.

No single COTS product will meet every requirement, not even with heavy modification which is not optimal in terms of software upgrades. Because CDI must continually respond to regulatory decisions, it is not a simple question of insisting that the user undergo process changes to meet the COTS system requirements.

Alternative 1 is simply a re-engineering of the existing applications to fit them for a supportable modernized development and production system. It does not allow for any improvements on the development methodology that was used to build the system over twenty years ago. Although it seems like Alternative 1 is minimally more expensive than the proposed alternative, it does not meet many of the stated objectives for CDI.

Alternative 2 makes no attempt to modernize the development and production platforms. This alternative is very costly and fails to meet most of the objectives.

The table below provides a brief description of the proposed solution and the alternatives considered.

Table 5-5 Analysis of Proposed Alternatives

Proposed Solution	Alternative #1	Alternative #2
• Hybrid Solution – State Run with contract/vendor support • This option implements a COTS product to address 30 – 50% of the legacy modules, and development to address the remaining modules. Vendor experts in various COTS products will provide platform and development expertise. A vendor may also be used for database and integration services • This option provides the ability to redesign the development architecture • This option provides for a redundant system to meet disaster recovery requirements	• Build In-House (Upgrade) • This options uses ITD resources with staff augmentation to keep CDI Menu primarily as it is but upgraded to a viable oracle version • No re-engineering of development processes or methodologies	• Vendor Run - Deliverable Based Implementation • This option puts all of the development and implementation tasks in the hands of the Primary Solution Vendor. PM, SME and IPOC and IV&V will be provided by ITD or contracted out • No reengineering of development processes or methodologies

The proposed solution was selected for the following reasons:

- Long-term value because new development will use known best practices and a development platform that is familiar to existing and new development staff
- Provides an investment into a new technology platform as opposed to an investment into an end of life legacy system that will be replaced within the next five (5) years
- Better technical fit, solution is reliable, stable and easier to maintain and will provide for easy expansion and of replacement of existing system
- Meets all CDI's business objectives

An in-depth description of the proposed solution and its benefits can be found in Section 5.1 - Solution Description. A discussion of the benefits and challenges of the other alternatives follows the table below that describes which of the business objectives can be met with the implementation of the feasible alternatives. The table below gives a quick view of the primary objectives and the ability of the proposed and alternative solutions to meet these objectives.

Table 5-6 Comparison of Objectives Met by Alternatives

Business Objectives	Proposed Alternative	Alternative 1	Alternative 2
Improve the development platform	☒	☒	☒
Simplify the Query and Reporting process to reduce the dependency on ITD	☒	☒	☒
Improve Confidence in Data Integrity	☒	☒	
Follow IT strategic roadmap for centralized and secured data storage	☒	☒	
Implement a system with a common data model and standardized nomenclature	☒		
Improve the ability to restore systems in the case of a disaster	☒		

Besides the solution alternatives listed above, several other alternatives were identified but were determined to be unfeasible because they did not address the business objective and requirements and, therefore, are not included in the analysis per the SIMM-20 Instructions. These include:

- Do Nothing – This was dubbed "Do Nothing and Get Nothing" to define how much of the business problems would be resolved. Doing nothing would continue to put CDI data at risk because of the problems caused by using a JAVA version, which is no longer being updated with security patches. It would not address the fact that the aging owners of the institutional knowledge required to maintain and update the system will no longer be available within the next few years. It also does not provide a way to address the lack of redundancy to meet the improvements required for disaster recovery. It was deemed to be infeasible.

- State Run Build from Scratch – This option would not use any COTS products to provide functionality but instead would have developers working with SMEs to map the old system to a new system on a module by module basis. Seen as a "Never Ending Project", the downside to this approach includes having the developer's code functionality that already exists in the marketplace, essentially reinventing the wheel. CDI would be responsible for all of the project risk, unable to mitigate by using vendor experience and lessons learned. Because of risks and costs, and lack of available resources, this option was deemed to be infeasible.
- Use or Collaborate with an agency with similar requirements – It was determined that this Agency does not exist in California. CDI is a constitutional department, responsive to state and federal regulators with functional dependencies on multiple modules of functionalities. Because there is no likelihood of finding an agency to collaborate with, this option was deemed to be infeasible.

5.2.1 Alternative 1 – Build In House

Alternative 1 – Build in-house (upgrade) uses ITD resources (with limited-term State hires for staff backfill) to keep CDI Menu primarily as it is but upgraded to a viable Oracle version. The system would be hosted at ITD who would most likely implement Oracle Apex.

PROS (Assumes upgrading to Oracle APEX)

- The newest Oracle APEX Listener is a J2EE based alternative for Oracle HTTP Server (OHS) and mod_plsql. The J2EE implementation offers increased functionality including a web-based configuration, enhanced security and file caching
- The APEX Listener also provides flexibility by supporting deployments using Oracle Web Logic Server (WLS), Oracle Glassfish Server and OC4J. The Oracle Application Express architecture requires some form of Web server to proxy requests between a Web browser and the Oracle Application Express engine
- Data clean-up and data modeling would be in scope and would improve the developers' ability for rapid development
- The dependency on legacy institutional knowledge would be decreased

CONS

- The upgrade from old to new does not resolve the problem of the complex relationships and inherited dependencies amongst applications
- There is no clear migration path from the legacy version or Oracle Forms to the then current version of Oracle Apex
- No reengineering of the business processes would be accomplished. This will prohibit the branches from realizing the benefits of process reengineering
- Functional improvement would be limited

5.2.2 Alternative 2 – Vendor Run – Deliverable Based Implementation

Alternative 2 – This alternative includes using an RFP to procure a vendor who will implement its solution to providing CDI insurance processing functionality using modernized application development, implementation and production technology. Other than Project Management, IPOC and IV&V and a few SMEs, all resources will be supplied by the primary vendor. No ITD resources will be involved in the application design, development

and implementation other than in an advisory or subject matter expert role. The vendor shall have experience in modernizing legacy insurance systems from the regulatory side.

PROS

- Limited impact on ITD and CDI branches
- Development and implementation risk is transferred to the primary vendor
- Vendors will bring in expertise in modernizing legacy insurance applications

CONS

- Knowledge capital leaves when vendor completes implementation. CDI has had experience in multiple projects where Maintenance and Operations (M&O) is transferred with very little knowledge transfer, forcing ITD into steep learning curves and eventually having to backwards engineer the product in order to understand the functions and features enough to maintain them
- Vendors would have little understanding at the detail level of the business requirements for the Department
- Unless the product is kept “COTS/simple” with little or no tailoring to CDI specific requirements, patching and upgrading will be costly and time consuming
- Because no customization will be allowed, this will have the greatest impact on the branches and their processes. The branches have a tendency to build work-arounds to soften the impact of a system that appears to not meet requirements. ITD is working hard to centralize databases and systems in order to maximize their ability to support the users’ needs. This alternative would make that effort much more difficult

6. Project Management Plan

6.1 Project Organization

6.1.1 Project Governance

CDI's Governance Framework components include but are not limited to, a project charter, governance plan, and issue and escalation process. CDI will develop a detailed governance plan which will describe the specific roles and responsibilities of the project and its stakeholders, focusing primarily on authority level and decision-making structure. CDI's Information Technology Executive Council (ITEC) will serve as the Project Executive Steering Committee, while appropriate project stakeholders will serve as members of the change control board.

6.1.2 Project Team

The table below represents the project team including the number and classification of the team members.

Table 6-1 Project Team

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
Three (3) CDI Business Analysts	100%	Two (2) Staff Information Analyst Specialists/ one (1) Sr. ISA Specialist Internal redirect	The Business Analyst (BA) will be responsible to work with the business unit to create and document business requirements; functional requirements, i.e., use case scenarios, work instructions, reports; As-Is processes and flowcharts; and To-Be processes and flowcharts. The BA will facilitate business process reengineering (BPR) to create efficiencies in the business workflow(s). The BA will validate that the developed system meets the business and functional requirements by participating in User Acceptance Testing.
One (1) Internal Project Program Manager	50%	Data Processing Manager II Internal redirect	The PMO Program Manager (PM) will oversee the entire project, coordinate resources, maintain the Master Project Schedule and provide status reporting to the Executive Steering Committee, Sponsor(s) and Control Agencies

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
Four (4) CDI Project Managers	50-75%	Senior Information Systems Analyst, Specialist CDI proposes that project managers be assigned to designated business program areas, their associated CDI Menu applications and planned development waves Internal redirect	The PM(s) will ensure that the project team completes the project for their designated development wave. The PM(s) will assist with the development of the project plan and manages the team's performance of project tasks. The PM(s) will secure acceptance and approval of deliverables from the Project Sponsor and stakeholders. The PM(s) will be responsible for communication, including status reporting, risk management, escalation of issues that cannot be resolved in the team.
One (1) Contracted Project Manager	100%	Contracted Certified Project Manager	The contracted PM will assist the PMO Program Manager and mentor the CDI PMO staff. The contracted manager's emphasis will be on stakeholder management, organizational change management and communication management.
One (1) Database Administrator	100% (during data design and requirements) 50% remainder of project	System Software Specialist III Will require limited-term fill behind for twelve (12) months	The Database Administrator will participate in the development and design of database strategies; provide system monitoring of database performance and capacity. They will also work with the technical team to plan, co-ordinate and implement security measures to safeguard the database.
One (1) Data Architect	100% throughout project	SSS III Internal redirect	The Data Architect will create the end-to-end vision to see how a logical design will translate into the CMMP; will determine how the data will flow through data migration (validation, clean-up and mapping); and will standardize the metadata used in CMMP, such as meaning, relationships to other data, origin, usage, and format. The Data Architect will develop documentation that describes how data is processed, stored, and utilized in CMMP. The documentation will set criteria for data processing operations that make it possible to design data flows and also control the flow of data in the system.

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
One (1) Enterprise Architect	50% throughout Project	SSS III Supervisor Will require limited-term fill behind for entire project	The Enterprise Architect works with stakeholders, both leadership and subject matter experts, to build a holistic view of the CMMP strategy, processes, information, and information technology assets. The Enterprise Architect will ensure that the business and IT solution are in alignment, linking the business mission, strategy, and processes of an organization to its IT strategy using multiple architectural models that show how the current and future needs of the business will be met in an efficient, sustainable, and adaptable manner.
Three (3) Application Developers	100% throughout Project	Staff Programmer Analyst Will require two (2) limited-term fill behind for entire project One (1) redirect within ITD	The Application Developers will: • Participate as a member of project development and methodology standards meetings and activities • Analyze customer business requirements • Recommend solutions • Design systems to implement • Develop thorough system implementation plan • Test programs and systems • Prepare system and program documentation • Responsible for creating unit/system test plans • Maintain system • Prepare user operation manuals
Two (2) Senior Application Developers	100% throughout project	Senior Programmer Analyst Internal redirect	The Senior Application Developers will: • Examine the business/functional requirements and develop technical specifications • Make decisions or recommendations concerning technical issues based on knowledge of CDI and/or industry standards • Agree on project scope and guard against scope creep for all application development activities • Provide the technical expertise in developing the system • Develop or augment the logical and physical database design.

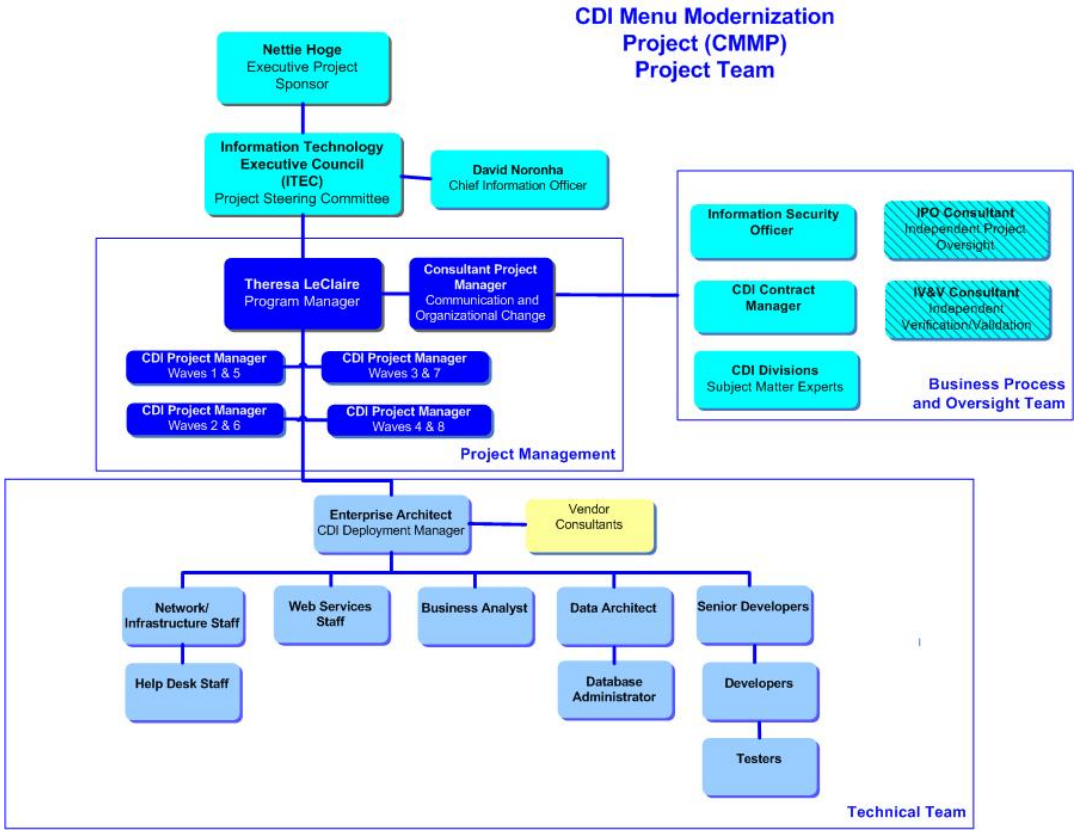
Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
			• Responsible for design, development, installation, testing and maintenance of the system • Develops well-defined tasks, deliverables and time estimates for Application Developer responsibilities • Completes tasks and deliverables on time or reports deviations immediately to the PM • Participates in network activities, if applicable • Provides training on the system to appropriate staff • Provides status reports to the PM • Provides PM with electronic version of development project schedule to be included in the project master schedule maintained by the PMO
Two (2) Testers	100% throughout project	Staff Information Systems Analyst Will require one (1) limited-term fill behind for entire project One (1) internal redirect	Testers will participate in system requirements meetings to understand the systems they test and will work with the PM and project team to create testing plans for the system. System testers perform testing based on the test plan including each option in the system and ensure it navigates to the appropriate place in the software or provides the correct result. They document any issues/bugs in a project log within the project schedule. Once a bug has been fixed by a developer, a system tester retests the bug and declares it fixed or reports any remaining issue/bug on the project log until all issues/bugs have been successfully tested.
One (1) Network Staff	100% throughout project	System Software Specialist III Will require limited-term fill behind for entire project	The Network Staff tests products and solutions that meet the CMMP business and system requirements. The Network Staff will participate in project planning meetings; assess and analyze business and system requirements for CMMP solutions; and install, configure, deploy, monitor, maintain and support the network infrastructure for the CMMP.
One (1) Web	10% throughout	Staff Information Systems Analyst	The Web Services Staff will be responsible to

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
Services Staff	Project	(ADA Compliance)	ensure that all CMMP systems meet CDI's institutionalize website accessibility, usability, findability requirements. They will work with the PM, project staff, internal and external business areas to test, document, design and improve the usability and accessibility of CDI's website content and online services.
Ten (10) CDI IT Help Desk Staff	10%	Five (5) - Staff Information Systems Analyst(s) Five (5) - Associate Information Systems Analyst(s) Approximately two (2) months of participation during testing and pilot phases to gain experience with the system Internal redirect	The Help Desk will be the central point of contact between ITD system experts and users/customers on a day-to-day basis. They will actively monitor incidents and user questions, and provide the communications channel for post-development systems.
Thirteen (13) Program Subject Matter Experts	Two (2) 25% throughout the project lifecycle Eleven (11) required 50% while their functionality is designed and tested	These will come from program staff and will be backfilled by SSM II (Limited Term) as their subject areas are addressed throughout the project lifecycle	The Subject Matter Experts will: • Provide business knowledge specific to the project • Recommend decisions on issues concerning business operations • Develop and agree to project scope • Assists with issue management as required by the program manager • Define business requirements, review and approve design solution and other deliverables appropriate to the business area • Assist in the development of well-defined tasks and deliverables • Work with the PM to develop end user acceptance test scripts and perform acceptance testing • Review deliverables and recommend approval of deliverables/end-of-wave signoffs • Assist with the creation of user documentation •
Contracted Data Assessment	As needed	Software Development Team	Provide the most highly technical expertise to the CDI CMMP project. Provide oversight over

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
and Software Customization			the design and development and offer recommendations based on experience and expertise with utilizing best practices to CDI's technical team.
Executive Sponsor	Throughout the lifecycle of the project as required	Chief Deputy Commissioner	The Executive Sponsor will act as a vocal and visible champion, legitimize the project's goals and objectives, keeps abreast of major project activities, and is the ultimate decision-maker for the project. The Executive Sponsor will provide support for the Project Sponsor and/or Project Director and Project Manager and will have final approval of all scope changes. The Executive Sponsor may elect to delegate some of the above responsibilities to the Project Sponsor and/or Project Director.
Project Sponsor	Throughout the lifecycle of the project as required	Branch Deputy Commissioner Administration and Licensing Services Branch	The Project Sponsor provides support for the Project Manager; assists with major issues, problems, and policy conflicts; removes obstacles; is active in planning the scope; approves scope changes; signs off on major deliverables; and signs off on approvals to proceed to each succeeding project phase. The Project Sponsor generally chairs the steering committee on large projects. The Project Sponsor may elect to delegate any of the above responsibilities to other personnel either on or outside the Project Team
Executive Steering Committee	Throughout the lifecycle of the project as required	Information Technology Executive Council (ITEC) 12 Deputy Branch Commissioners representing the entire organization	CDI's Information Technology Executive Council (ITEC) will serve as the Project Executive Steering Committee. The Steering Committee acts individually and collectively as a vocal and visible project champion throughout their representative organizations; generally they will approve project deliverables, help resolve issues and policy decisions, approve scope changes, and provide direction and guidance to the project.
Change Control Board	Throughout the lifecycle of the	Appropriate Project Stakeholders	The Change Control Board prioritizes, approves, plans, and integrates requests for changes and bug fixes during project execution after

Project Team Role	Level of Participation	ITD Resources Required (Classifications)	Responsibilities
	project as required		requirements and/or design freeze and into future releases.
ISO	Throughout the lifecycle of the project as required	Information Security Officer and staff	The ISO provides information security guidelines and oversight.
Administrative Support	Throughout the lifecycle of the project as required	Budget Officer, Accounting, Procurement, etc.	These individuals provide administrative support in their related areas for the project.

Figure 6-1 CMMP Project Team



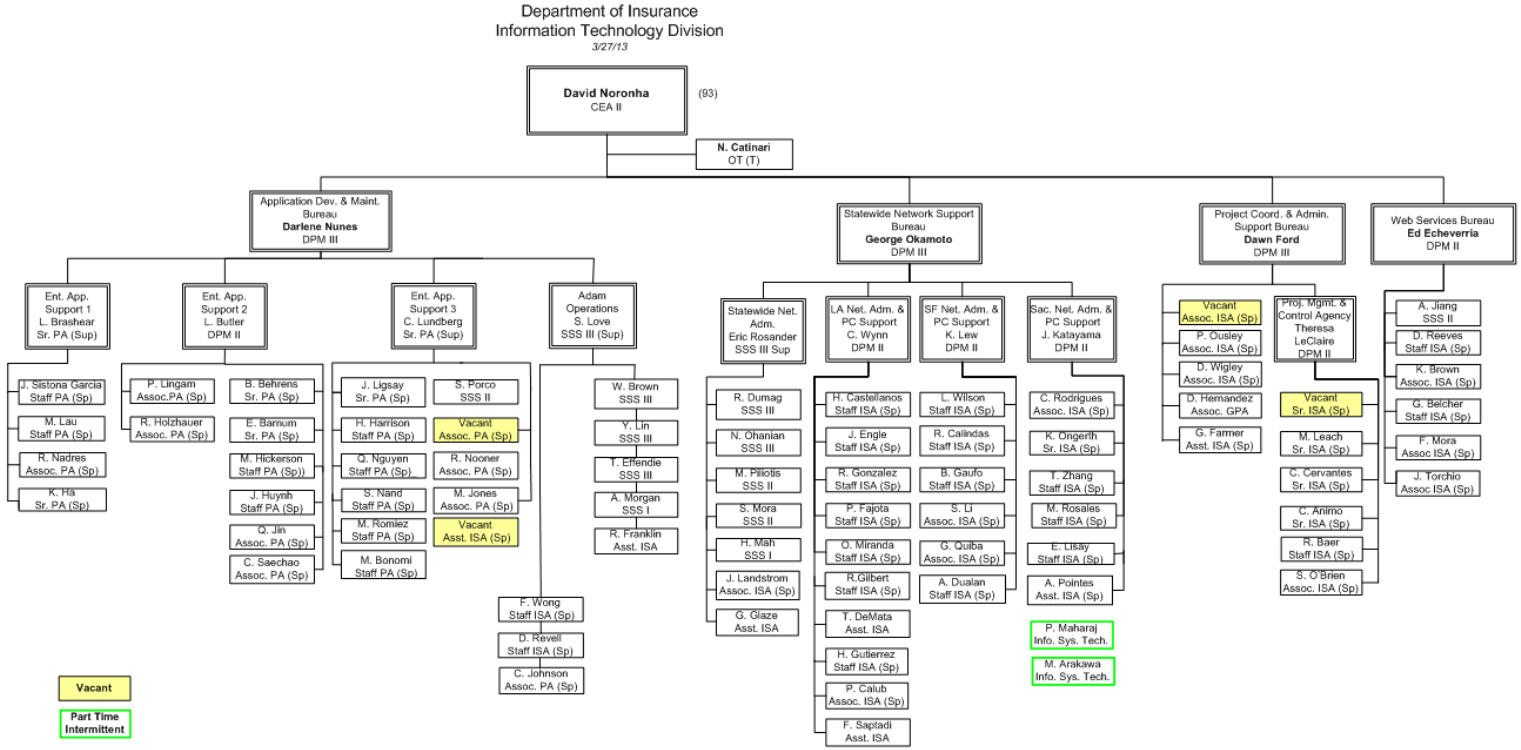
6.1.3 IMPACTED PROGRAM ORGANIZATION(S)

The following Program Organizations will be impacted:

- Administration and Licensing Services Branch
- Consumer Services and Market Conduct Branch
- Enforcement Branch
- Financial Surveillance Branch
- Legal Branch
- Corporate and Regulatory Affairs Branch
- Community Programs and Policy Initiatives Branch
- Rate Regulation Branch
- Health Policy & Reform Branch
- Legislative Branch
- Communications & Press Relations Branch

6.1.3.1 CDI Information Technology Branch Organization

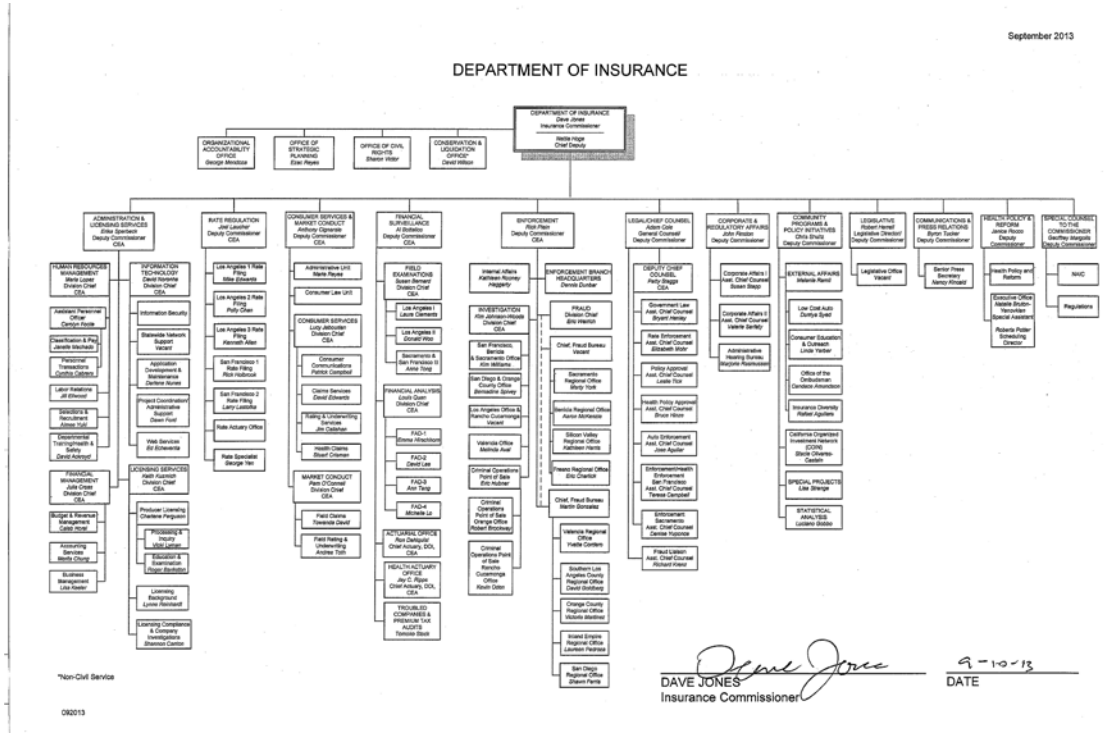
Figure 6-2 Organization Chart for the Information Technology Branch[11]



[11] As of March 2013

6.1.3.2 CDI INFORMATION TECHNOLOGY BRANCH

Figure 6-3 Department of Insurance Organizational Structure[12]



[12] Source: http://cdiintranet.insurance.ca.gov/aboutcid/Org-Chart-Text.cfm as of September 2013

6.2 PROJECT PLAN

The systems listed in the table below will be moved off of the current legacy platform onto the web-based platform as detailed in the proposed solution. **NOTE:** The sequence of which module will be addressed will be determined once the system-level requirements are fully gathered and understood. The Enterprise Architect, Sr. Developers, Program Manager and Project Managers will work together to determine a logical development sequencing strategy.

Table 6-2 CDI Menu (Oracle Forms/Reports Applications) Participating in CMMP

#	CDI Menu Systems and FIDB
1	• Input Screens and Reports
2	Statistical Analysis Division (SAD) System • Community Service Study • Physical Damage • Personal Property • Auto Liability
3	Legal System • Co_Info
4	FIN System • EFT • Address, Validate • PTAB • Accounting
5	CEOB System • OMB
6	HR System • Time K (Timekeeping) • All Users • BMB Form 700 Tracking
7	FSB System

#	CDI Menu Systems and FIDB
	• Applications Filings • Co_FIN • EWS • Financial Statements
8	Rate Filings System • Rate Regulation Branch Filings
9	Market Conduct System • Case Management
10	Licensing System • Non-Admitted Filings (NAF) • LBB Case Management • LCB Case Management
11	CSD • CSD Discoverer • CCB • CSD_New
12	ITD System • ITS, Time, Resource Tracking • RFS • Phone Lists
13	Fraud Integrated Database (FIDB) • FIDB Discoverer

6.2.1 PROJECT PHASING

Table 6-3 Project Phases with Deliverables

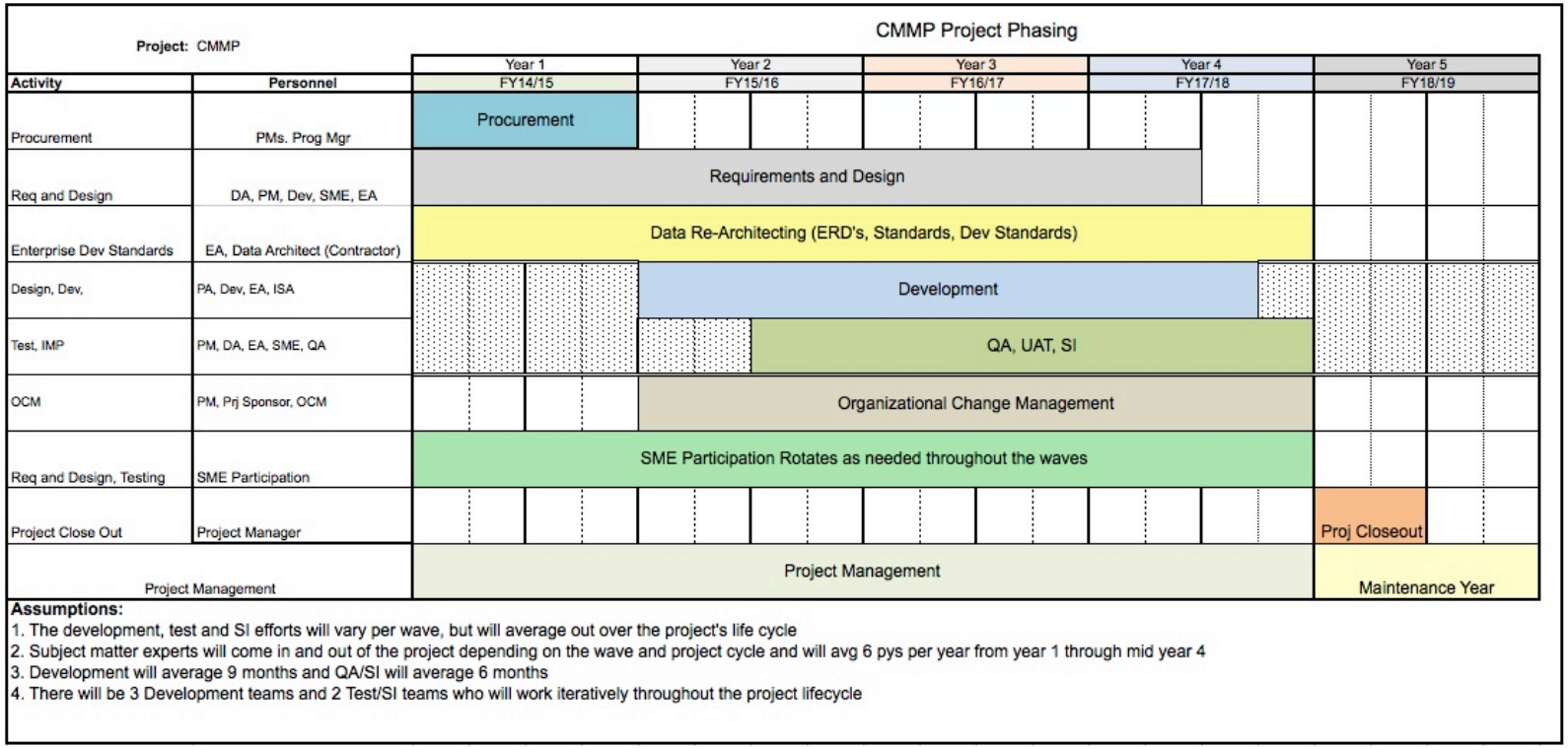
Project Phase	Phase Deliverables
Initiation	• Complete FSR • FSR approved
Procurement	• Vendor selection and Contract(s) Award (LPAs and IAAs approved)
Project Planning – Covers all stages	• The Department project management team completes initial planning and scoping activities. Work with the CalTech to get approvals and authorizations • Develop Project Plans o Master Project Management Plan o Staff Management Plan o Communication Plan o Risk Management Plan o Contract Management Plan o Cost Management Plan o Quality Management Plan o Governance Plan o Issue and Escalation Process o Document Management Plan o Schedule Management Plan • Develop Configuration Management Plan • Develop Maintenance and Operations Plan
Organizational Change Management and Business Process Reengineering – Training and Testing for pilot and Full Implementation stages. Conduct technical and end-user training for all stages as applicable for all stages	• Develop organizational change management plan • Develop a Business Process Reengineering Plan for those processes and applications within the scope of the CMMP • Develop testing scenarios and scripts for all stages • Execute integration, system, and user acceptance testing to validate that the solution meets all requirements and specifications for all stages • End-user training
Development, Test, and Implementation	• Proof of Concept/Pilot • Data Conversion/Migration

Project Phase	Phase Deliverables
	o Data profiling o Data cleansing o Data exception mitigation • Design • Development • Develop acceptance report • Execute training and testing • Migrate data necessary to support data • Move pilot to production • Phase closeout • Full implementation (will be completed in waves)
Post-Implementation Maintenance and Operations	• Provide maintenance and support for the new environment • Create project close out report • Create Post implementation Evaluation Report (PIER)

6.2.1.1 Development and Implementation Waves

Development and implementation will be broken into eight (8) overlapping waves in order to make the most efficient use of resources.

Figure 6-4 Phasing of Project Waves



6.2.2 PROJECT SCHEDULE

Table 6-4 Project Schedule/Deliverables

Project Phase	Milestones and Deliverables	Start Date	End Date
Pre-Project			
	FSR approved		4/1/2014
Procurement and Initiation			
Procurement	Oversight and Project Management Procurement vehicles development and approvals	4/1/2014	8/1/2014
Procurement	All other procurement vehicle(s) development	7/1/2014	6/30/2015
Initiation	Project management plan	7/1/2014	12/31/2014
Initiation	Analysis and requirements deliverable(s)	7/1/2014	12/31/2017
Planning	COTS/MOTS Development Platform selected Proof of Concept (POC) and Pilot	7/1/2014	6/30/2015
Initiation	Organizational change management plan	12/1/2014	12/31/2014
Procurement	Procure vendors through LPAs	1/1/2015	2/22/2015
Procurement	Hardware contract award	6/30/2015	6/30/2015
Procurement	COTS/MOTS Vendor and Developer contract award	6/30/2015	6/30/2015
Procurement	Hardware contract execution	7/1/2015	6/30/2017
Procurement	COTS/MOTS Vendor and Developer contract execution	7/1/2015	6/30/2019
POC/Pilot			
POC/Pilot Design	Design document deliverable	7/1/2014	3/30/2015
Data Analysis and Conversion Activities	Data Design, Conversion Plan and implementation of data management	7/1/2014	1/31/2015
POC/Pilot	Development acceptance report	9/1/2014	3/30/2015
POC/Pilot Testing	Test acceptance report	12/1/2014	3/30/2015

Project Phase	Milestones and Deliverables	Start Date	End Date
Decision Checkpoint	Approve POC/Pilot (Go/No Go to Wave 1-8)		7/1/2015
Budget Action	Prepare and submit Budget Change Proposal (BCP) to Department of Finance for FY 15/16	7/1/2014	9/14/2014
Wave Rollouts			
Wave 1			
Design	Design document deliverable	7/1/2015	3/30/2016
Software Customization	Development acceptance report	9/1/2015	3/30/2016
Testing	Test acceptance report	12/1/2015	3/30/2016
Implementation	Move to production	4/1/2016	6/30/2016
Budget Action	Prepare and submit Budget Change Proposal (BCP) to Department of Finance for FY 16/17	7/1/2015	9/14/2015
Production	Wave 1 Closeout report	7/1/2016	7/7/2016
Wave 2			
Design	Design document deliverable	10/1/2015	6/30/2016
Software Customization	Development acceptance report	12/1/2015	6/30/2016
Testing	Test Acceptance Report	4/1/2016	6/30/2016
Budget Action	Prepare and submit Budget Change Proposal (BCP) to Department of Finance for FY 17/18	8/1/2016	9/12/2016
Implementation	Move to production	7/1/2016	9/30/2016
Production	Wave 2 Closeout report	10/1/2016	10/7/2016
Wave 3			
Design	Design document deliverable	10/1/2015	6/30/2016
Software Customization	Development acceptance report	12/1/2015	6/30/2016
Testing	Test acceptance report	7/1/2016	9/30/2016

Project Phase	Milestones and Deliverables	Start Date	End Date
Implementation	Move to production	10/1/2016	12/31/2016
Production	Wave 3 Closeout report	1/1/2017	1/7/2017
Wave 4			
Design	Design document deliverable	7/1/2016	3/30/2017
Software Customization	Development acceptance report	10/1/2016	3/30/2017
Testing	Test acceptance report	1/1/2017	3/30/2017
Implementation	Move to production	4/1/2017	6/30/2017
Budget Action	Prepare and submit Budget Change Proposal (BCP) to Department of Finance for FY 18/19	7/1/2017	9/11/2017
Production	Wave 4 Closeout report	7/1/2017	7/10/2017
Wave 5			
Design	Design document deliverable	10/1/2016	6/30/2017
Software Customization	Development acceptance report	12/1/2016	6/30/2017
Testing	Test acceptance report	4/1/2017	6/30/2017
Implementation	Move to production	7/1/2017	9/30/2017
Production	Wave 5 Closeout report	10/1/2017	10/7/2017
Wave 6			
Design	Design document deliverable	10/1/2016	6/30/2017
Software Customization	Development acceptance report	4/1/2016	6/30/2017
Testing	Test acceptance report	7/1/2017	9/30/2017
Implementation	Move to production	10/1/2017	12/31/2017
Production	Wave 6 Closeout report	1/1/2018	1/7/2018

Wave 7			
Design	Design document deliverable	4/1/2017	12/31/2017
Software Customization	Development acceptance report	6/1/2017	12/31/2017
Testing	Test acceptance report	10/1/2017	12/31/2017
Implementation	Move to production	1/1/2018	3/31/2018
Production	Wave 7 Closeout report	4/1/2018	4/7/2018
Wave 8			
Design	Design document deliverable	7/1/2017	3/31/2018
Software Customization	Development acceptance report	10/1/2017	3/31/2018
Testing	Test acceptance report	1/1/2018	3/31/2018
Implementation	Move to production	4/1/2018	6/30/2018
Production	Wave 8 Closeout report	7/1/2018	7/10/2018
Communication and Training			
OCM	Training	7/1/2016	7/10/2018
Post Implementation and Project Closeout			
Post Implementation and Maintenance	Project Closeout report	7/1/2018	7/30/2018
Post Implementation and Maintenance	Post Implementation Evaluation Report (PIER)	7/1/2019	9/30/2019

6.3 AUTHORIZATION REQUIRED

Approval of this FSR is required internally from CDI's Executive Office, the CIO, and the Budget Officer. CDI's Information Technology Executive Council (ITEC) is responsible for evaluating proposals for new technology project and making recommendations and decisions regarding CDI's IT best practices. ITEC has been involved with driving the Project and must approve the FSR internally before it will be sent further in the approval process. Approval is required from the CalTech formerly CTA as part of the standard FSR review process. Included in CalTech's review are representatives from DGS and from CalTech's Statewide Technology Procurement Division to ensure procurement processes have been properly thought through. A copy of the FSR will also be provided to the Legislative Analyst's Office.

6.4 PROJECT GOVERNANCE

CDI's Governance Framework components include but are not limited to, a project charter, governance plan, and issue and escalation process. CDI will develop a detailed governance plan which will describe the specific roles and responsibilities of the project and its stakeholders, focusing primarily on authority level and decision-making structure. CDI's Information Technology Executive Council (ITEC) will serve as the Project Executive Steering Committee.

7. Risk Register

Figure 7-1 Risk Management Plan and Risk Register

Project Name: CDI Menu Modernization Project (CMMP)

Technology Agency Project #:

Department: ITD

Revision Date:

Risk Management Plan

What process(es) will be used to identify risks?

The following process(es) will be used to identify risks
The Project Manager working technical SMEs will prepare a baseline Risk Management Plan in accordance with the CA-PMM and submit it to the CDI within 30 days of project initiation. This plan will be used on an ongoing basis to identify and monitor risks, quantify the potential impact of each identified risk, present mitigation plans for each identified risk and enact appropriate risk responses. Mitigation measures and contingency plans will be developed and implemented as high-priority risks are identified and monitored. Project reserves (i.e., time, personnel, funding) will be allocated at the discretion of the Project Director and/or Project Sponsor as appropriate.

Describe the process to be used to escalate risks the resolutions of which are beyond the project manager's level of authority?

The process used to escalate risks beyond the PM's level of authority is:

The Program Manager will be directly responsible for managing project risks and will regularly report the status of risk issues to the CDI Project Management Team throughout the project. The Project Director will approve the Risk Management Plan and will work with the Project Management Team and solution vendor Project Manager to develop the process for tracking and managing issues and risk factors. The Director will also be responsible for elevating risks to the Project Sponsor when appropriate, consistent with this plan. The Risk Management Plan will include an escalation plan that clearly defines the escalation path. This may include:

* Identifying and Tracking risk issues
* Notifying Key Stakeholders at status meetings
* Escalating to Project Director
* Escalating to the Project Sponsor

Definition of Probability and Impact Scales

Instructions: Assess the probability and the impact of potential risk items, and develop a response strategy for risks rated High and, where feasible or appropriate, for other risks rated Medium or Low.

	Probability Scale
1	<20%
2	21 - 40%
3	41 - 60%
4	61 - 80%
5	>80%

	Impact Scale
1	Less than a 5% change to schedule, scope, budget, or
2	5 - 10% change to schedule, scope, budget, or quality
3	11 - 15% change to schedule, scope, budget, or quality
4	16 - 24% change to schedule, scope, budget, or quality
5	25% or greater change to schedule, scope, budget, or

Instructions: Consider each potential risk and quantify the risk level. Use the definitions in the student notebook for clarity. Add other constraints and obstacles to the list as you identify them.

*** 1-9 = Low Risk Level, 10-15 = Medium Risk Level, 16-25 = High Risk Level**

#	Risks	Probability	Potential Impact	Risk Management	Risk Level* (1 - 25)		Cause	Consequences	Avoidance Plan	Mitigation Plan
1	**Lack of adequate involvement by CDI leadership in sponsorship and support for the project**	**4**	**5**	Over a year from now	**0**	0	Lack of transparency and understanding of the urgency of the business problem	SME support will dwindle, funds may be unavailable	Build a strong communication plan, get top-down involvement and commitment early and continue to proivde full communication throughout the project lifecycle	Prioritize Project Objectives, shorten project lifecycle
2	**Subject Matter Experts will not be provided by Branches and Bureaus**	**4**	**4**	Over a year from now	**0**	0	Lack of transparency and understanding of the urgency of the business problem	User needs may go unidentified, testing may be inadequate	Build a strong communication plan, get top-down involvement and commitment early and	Use ITD resouces familiar with the specific Bureau's requirements and processes
3	**Institutional Knowledge will leave the program before the project can be accomplished**	**2**	**4**	Over a year from now	**0**	0	Aging staff or opportunity for resources to promote	Replacement staff will need retraining	Complete design and requirements early, identify critical objectives and	Document all new development and processes to reduce the
4	**Funding support will diminish as project progresses**	**3**	**5**	Over a year from now	**0**	0	Lack of support from Top-Down or changes in the State Economy	Project Objectives may not be met	Complete design and requirements early, identify critical objectives and	Keep communications open and actively involve all project stakeholders
5	**Development Resources are constrained by operational requirements**	**3**	**4**	Over a year from now	**0**	0	Critical requirements for existing systems are identified	Development resources are taken off the project	Place a moratorium development in the CDI Menu.	Prioritize so that critical requirements are met early
6	**Commissioner will leave office and project support will lapse.**	**5**	**3**	Over a year from now	**0**	0	Changes in Commissioner goals	Project support may be suspended	Complete design and requirements early, identify	Prioritize Project Objectives, shorten project

8. Economic Analysis Worksheet

8.1 Existing System/Baseline Costs

8.1.1 Assumptions and Descriptions

8.1.1.1 Assumptions

- All baseline costs except for PY and salaries are based on FY11/12 Year-End Expenditures (as of 4/18/2013)
- Costs were provided for the program and were detailed at the ITD and CDI (program) level
- Costs for ADAM (the system) were derived from the total ITD costs at 10% of the entire program costs
- The costs for ITD Other was derived by adding the total O&E line items costs, and subtracting it from the "All ITD O&E" costs
- All baseline costs are point in time values – the assumption is that these values will remain stable throughout the project lifecycle
- All bureaus and branches of CDI touch the system on a daily basis
- The baseline for continuing program costs include all CDI costs except those used to support ADAM

8.1.1.2 Continuing Information Technology Costs

- Staff (Salaries & Benefits)
    - Staff PY's were sourced from the Department of Finance (DOF) proposed Budget[13] and used the highest salary for the proposed FY 13/14
    - The Benefit load was calculated at 45.37%
    - The PY's represent the resources that maintain the ADAM system – with the assumption that 100% of their time is spent supporting the system
    - PY's are as of March 24, 2013
- Hardware Lease/Maintenance
    - Computed at 10% of the total costs extracted from the Q16 FY 11/12 Year End Object codes; 436,446 (use all Agency Object codes), 449 and 435-30 ITD ALSB and Program Support indexes only
    - Include the costs for building a redundant system
- Software Maintenance/Licenses
    - Computed at 10% of the total costs extracted from the Q16 FY 11-12 Year-end, Object Codes: 445 (all Agency Object codes) and 435-20 ITD ALSB & Program Support Indexes only

[13] Source: http://2013-14.archives.ebudget.ca.gov/pdf/GovernorsBudget/0010/0845.pdf

- Contract Services
    - Computed at 10% of the total costs extracted from the Q16 FY 11-12 Year-end, Object Codes: 434-00 & 435-00, 447, 448; and 409-00 ITD ALSB & Program Support Indexes only
- Data Center Services
    - Computed at 10% of the total costs extracted from the Q16 FY 11-12 Year-end, Object Codes: 428-00 ITD ALSB & Program Support Indexes only
- Agency Facilities
    - Computed at 10% of the total costs extracted from the Q16 FY 11-12 Year-end, Object Codes: 341 through 358
- Other
    - Computed by adding all the line items for ITD O&E ($8,536,644) and subtracting this value from the Total ITD O&E ($8,629,833) then taking 10% of the result ($93,289 x .10 = $9,319)

8.1.1.3 Continuing Program Costs

- Staff
    - Includes all ITD PY's and costs not supporting ADAM, including Exec Ops, Financial Services Branch, Corporate and Regulatory Affairs Branch, Legal Branch, Communications and Press Branch, Legislative Branch, Administration and Licensing Branch, Consumer Services and Market Conduct Branch, Enforcement Branch, Rate Regulation Branch
    - Does not include amounts for Temporary Help and Personal Leave Program (PLP) reduction based on 2011-2012 year end values
    - Values are loaded at the 45.37% load assumed for all PY's
    - Includes the O&E for all CDI less the 10% assumed to be the cost of O&E for ADAM

8.1.2 EXISTING SYSTEM/BASELINE COSTS WORKSHEET

Figure 8-EAW Page 8-1: Baseline Cost Worksheet

SIMM 20C30C, Rev. 03/2011
Department: California Department of Insurance
Project: CDI Menu Modernization Project (CMMP)

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

3/1/2014

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/2020		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs														
Staff (salaries & benefits)	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	0.0	0	**180.0**	**20,777,240**
Hardware Lease/Maintenance		230,330		230,330		230,330		230,330		230,330		0		**1,151,650**
Software Maintenance/Licenses		261,096		261,096		261,096		261,096		261,096		0		**1,305,480**
Contract Services		273,908		273,908		273,908		273,908		273,908		0		**1,369,540**
Data Center Services		53,514		53,514		53,514		53,514		53,514		0		**267,570**
Agency Facilities		2,762		2,762		2,762		2,762		2,762		0		**13,810**
Other		23,723		23,723		23,723		23,723		23,723		0		**118,615**
Total IT Costs	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**0.0**	**0**	**180.0**	**25,003,905**
Continuing Program Costs:														
Staff	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	0.0	0	**6401.5**	**562,740,405**
Other		48,951,696		48,951,696		48,951,696		48,951,696		48,951,696		0		**244,758,481**
Total Program Costs	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**0.0**	**0**	**6401.5**	**807,498,886**
TOTAL EXISTING SYSTEM COSTS	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**0.0**	**0**	**6581.5**	**832,502,791**

* Continuing IT Costs Staff are the PY's and cost that support ADAM (the system)
* Continuing IT Costs (Other) = O&E estimated at 10% of ITD O&E Costs
* Continuing Program Staff are all CDI PY's and Costs except those that support ADAM

8.1.3 EXISTING SYSTEM/BASELINE COSTS WORKSHEET DETAIL

Figure 8-EAW Page 8-2: Baseline Cost Worksheet Detail

SIMM 20C30C, Rev. 03/2011
Department: California Department of Insurance
Project: CDI Menu Modernization Project (CMMP)

EXISTING SYSTEM/BASELINE COST WORKSHEET
All costs to be shown in whole (unrounded) dollars.

Date Prepared: 03/01/2014

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
Continuing Information Technology Costs												
Staff (salaries & benefits) *	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	36.0	4,155,448	**180.0**	**20,777,240**
Assoc Programmer Analyst	9.0	925,827	9.0	925,827	9.0	925,827	9.0	925,827	9.0	925,827	**45.0**	**4,629,133**
Asst. ISA (Spec)	2.0	171,060	2.0	171,060	2.0	171,060	2.0	171,060	2.0	171,060	**10.0**	**855,299**
DPM III	1.0	143,724	1.0	143,724	1.0	143,724	1.0	143,724	1.0	143,724	**5.0**	**718,622**
Sr PA (Spec)	1.0	124,012	1.0	124,012	1.0	124,012	1.0	124,012	1.0	124,012	**5.0**	**620,061**
Sr PA (Supvr)	2.0	260,445	2.0	260,445	2.0	260,445	2.0	260,445	2.0	260,445	**10.0**	**1,302,224**
SSS II	1.0	123,803	1.0	123,803	1.0	123,803	1.0	123,803	1.0	123,803	**5.0**	**619,015**
Staff Programmer Analyst (Spec)	8.0	902,364	8.0	902,364	8.0	902,364	8.0	902,364	8.0	902,364	**40.0**	**4,511,820**
SSS I	1.0	112,778	1.0	112,778	1.0	112,778	1.0	112,778	1.0	112,778	**5.0**	**563,890**
DPM II	1.0	130,205	1.0	130,205	1.0	130,205	1.0	130,205	1.0	130,205	**5.0**	**651,025**
Sr PA (Spec)	3.0	372,037	3.0	372,037	3.0	372,037	3.0	372,037	3.0	372,037	**15.0**	**1,860,184**
SSS III	3.0	407,990	3.0	407,990	3.0	407,990	3.0	407,990	3.0	407,990	**15.0**	**2,039,948**
SSS III Supvr	1.0	142,817	1.0	142,817	1.0	142,817	1.0	142,817	1.0	142,817	**5.0**	**714,087**
Staff Programmer Analyst (Spec)	3.0	338,386	3.0	338,386	3.0	338,386	3.0	338,386	3.0	338,386	**15.0**	**1,691,932**
Hardware Lease/Maintenance		230,330		230,330		230,330		230,330		230,330		**1,151,650**
Software Maintenance/Licenses		261,096		261,096		261,096		261,096		261,096		**1,305,480**
Contract Services		273,908		273,908		273,908		273,908		273,908		**1,369,540**
Data Center Services		53,514		53,514		53,514		53,514		53,514		**267,570**
Agency Facilities		2,762		2,762		2,762		2,762		2,762		**13,810**
Other		23,723		23,723		23,723		23,723		23,723		**118,615**
Training		14,404		14,404		14,404		14,404		14,404		**72,020**
Other		9,319		9,319		9,319		9,319		9,319		**46,595**
Total IT Costs	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**36.0**	**5,000,781**	**180.0**	**25,003,905**
Continuing Program Costs:												
Staff *	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	**6401.5**	**562,740,405**
Other *		48,951,696		48,951,696		48,951,696		48,951,696		48,951,696		**244,758,481**
Total Program Costs	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**6401.5**	**807,498,886**
TOTAL EXISTING SYSTEM COSTS	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**1316.3**	**166,500,558**	**6581.5**	**832,502,791**

* Continuing IT Costs Staff are the PY's and cost that support ADAM (the system)
* Continuing Program Staff are all CDI PY's and Costs except those that support ADAM

8.2 Proposed Alternative: Hybrid Solution – State-run with Contract/Vendor Support

8.2.1 Assumptions and Descriptions

8.2.1.1 Assumptions:

- 30 – 50% of the development will be provided by the solution
- Resources are loaded based on general SDLC phases and resources will move in and out of the project throughout the project lifecycle
- This alternative includes the modernization of the ITD's development platform, development strategy including a re-architected design and development strategy
- This alternative includes the modernization of the disaster recovery strategy, including the implementation of a redundant system co-located in Los Angeles
- This alternative includes backfilling for ITD staff and branch SMEs as required throughout the project life cycle
- OCM activities will be assumed by ITD PMO resources assigned to the project
- Contract staff will be able to backfill with minimal training
- SME time will be dedicated to the project as assigned with minimal distraction from their non-project activities
- Key resources will remain at CDI ITD for the duration of the project or will be backfilled seamlessly to the project status
- All baseline costs except for PY and salaries are based on FY11/12 Year-End Expenditures (as of 4/18/2013)
- Costs for ADAM (the system) were derived from the total ITD costs at 10% of the entire program costs
- The costs for ITD Other was derived by adding the total O&E line items costs and subtracting it from the "All ITD O&E" costs
- All baseline costs are point in time values – the assumption is that these values will remain stable throughout the project lifecycle
- All costs are estimated

8.2.1.2 One-Time IT Project Costs:

- Staff (Salaries & Benefits)
    - ADAM staff will be primarily responsible for the development and configuration of the modernized CDI Menu
    - Branch personnel will be provided as Subject Matter Experts (SMEs) and will be authorized to make decisions on behalf of the branch
    - Branch SMEs will participate in developing a "common language" for data elements that will be used by the system and visible to all branches

  - SMEs are part of the staff quantity and dollar amount but are not included as redirected resources
  - During the Procurement Period, design staff will be gathering system requirements and developing the development strategy
  - Some ITD staff not currently assigned to ADAM will participate in the Project at various times throughout the project lifecycle
  - All One-Time IT Project PY costs will be redirected except the costs and PY for SMEs and Limited-Term resources that represent backfill for program resources
- Hardware Lease/Maintenance
  - Because of the high price point and the desire to use "worst case" example in a conservative approach to estimating costs, this alternative assumes the use of higher tier for costs development platform
  - Hardware estimated costs includes redundant servers for the modernization of the disaster recovery strategy
- Software Purchase/Licenses
  - Software licensing is based on the use of a higher tier for costs development platform, this was used for estimate purposes and is not intended to restrict CDI should they determine that other COTS development platforms such as Microsoft SharePoint would be a better choice based on design requirements
- Telecommunications
  - Includes estimated costs for network services for redundant servers in Los Angeles for the modernized disaster recovery strategy
  - Costs represents the estimate of the additional costs for added throughput and was provided by ITD engineers
- Contract Services
  - Software Customization – Includes the costs of contracting services such as a data architect and developers with expertise in the chosen development platform
  - IV&V – Will be at contracted rate
  - Project Management – Includes the cost of a CA-PMM and PMI certified contractor
  - Other Contracted Services – Include the estimated costs for DGS services at 1.39% of contracts for goods and services and the costs for IPOC contracted through CalTech
- Agency Facilities
  - Includes estimated facility costs for the redundant system
- Other
  - Includes the estimated costs for travel and training

8.2.1.3 CONTINUING IT PROJECT COSTS:

- Staff
  - Includes costs of limited-term staff hires for backfill support for continuing ADAM support

- Hardware Lease/Maintenance
    - Includes continuing costs for hardware maintenance based on 20% of new project hardware
    - Assumes 20% per year maintenance costs after the purchase year
- Software Maintenance Licensing
    - Includes continuing costs for software licensing and renewals based on 20% of new project software
    - Assumes 20% per year license renewal after the first year of purchase
- Telecommunications
    - Includes estimated costs for ongoing Network Services for redundant servers in Los Angeles for the modernized Disaster Recovery strategy
- Agency Facilities
    - Includes estimated on-going facility costs for the redundant system

8.2.1.4 CONTINUING EXISTING COSTS:

- Includes Continuing Program staffing costs and other program costs including all branches and bureaus of CDI except those supporting ADAM and/or the Project

8.2.2 PROPOSED ALTERNATIVE: HYBRID SOLUTION – WORKSHEET

Figure 8-EAW Page 8-3: Proposed Alternative: Hybrid Solution

SIMM 20C30C, Rev. 03/2011 **PROPOSED ALTERNATIVE:** **Hybrid Solution - State Run with Contract/Vendor Support** 3/1/2014

Department: California Department of Insurance All Costs Should be shown in whole (unrounded) dollars.

Project: CDI Menu Modernization Project (CMMP)

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs												
Staff (Salaries & Benefits) *	16.1	2,073,547	22.1	2,810,149	25.6	3,194,983	21.6	2,678,462	0.0	0	85.4	10,757,142
Hardware Purchase		0		68,000		68,000		0		0		136,000
Software Purchase/License		0		560,000		500,000		200,000		0		1,260,000
Telecommunications		0		0		6,000		6,000		0		12,000
Contract Services												
Software Customization		0		500,000		500,000		250,000		0		1,250,000
Project Management		125,000		125,000		125,000		125,000		0		500,000
Project Oversight		139,200		139,200		139,200		139,200		0		556,800
IV&V Services		100,000		100,000		100,000		50,000		0		350,000
Other Contract Services *		359,856		127,440		124,813		13,325		0		625,434
TOTAL Contract Services		724,056		991,640		989,013		577,525		0		3,282,234
Data Center Services		0		0		0				0		0
Agency Facilities		0		0		0		0		0		0
Other		0		100,000		100,000		100,000		0		300,000
Total One-time IT Costs	**16.1**	**2,797,603**	**22.1**	**4,529,789**	**25.6**	**4,857,996**	**21.6**	**3,561,987**	**0.0**	**0**	**85.4**	**15,747,376**
Continuing IT Project Costs												
Staff (Salaries & Benefits)									36.0	4,155,448	36.0	4,155,448
Hardware Lease/Maintenance		0		0		13,600		27,199		27,199		67,998
Software Maintenance/Licenses		0		0		112,000		212,000		220,000		544,000
Telecommunications		0		0		0		0		6,000		6,000
Contract Services		0		0		0		0				0
Data Center Services		0		0		0		0				0
Agency Facilities		0		0		0		0		25,000		25,000
Other		0		0		0		0		845,332		845,332
Total Continuing IT Costs	**0.0**	**0**	**0.0**	**0**	**0.0**	**125,600**	**0.0**	**239,199**	**36.0**	**5,278,979**	**36.0**	**5,643,777**
Total Project Costs	**16.1**	**2,797,603**	**22.1**	**4,529,789**	**25.6**	**4,983,596**	**21.6**	**3,801,186**	**36.0**	**5,278,979**	**121.4**	**21,391,153**
Continuing Existing Costs												
Information Technology Staff	28.0	3,126,115	27.5	3,069,717	26.0	2,900,524	28.0	3,160,533	0.0	0	109.5	12,256,889
Other IT Costs		845,332		845,332		845,332		845,332		0		3,381,328
Total Continuing Existing IT Costs *	**28.0**	**3,971,447**	**27.5**	**3,915,049**	**26.0**	**3,745,856**	**28.0**	**4,005,865**	**0.0**	**0**	**109.5**	**15,638,217**
Program Staff	1276.7	112,108,367	1274.2	111,815,161	1271.2	111,470,521	1272.2	111,594,533	1280.3	112,548,081	6374.6	559,536,663
Other Program Costs		48,951,696		48,951,696		48,951,696		48,951,696		48,951,696	0.0	244,758,480
Total Continuing Existing Program Costs	**1276.7**	**161,060,063**	**1274.2**	**160,766,857**	**1271.2**	**160,422,217**	**1272.2**	**160,546,229**	**1280.3**	**161,499,777**	**6374.6**	**804,295,143**
Total Continuing Existing Costs	**1304.7**	**165,031,510**	**1301.7**	**164,681,907**	**1297.2**	**164,168,073**	**1300.2**	**164,552,094**	**1280.3**	**161,499,777**	**6484.1**	**819,933,360**
TOTAL ALTERNATIVE COSTS	**1320.8**	**167,829,113**	**1323.8**	**169,211,696**	**1322.8**	**169,151,669**	**1321.8**	**168,353,280**	**1316.3**	**166,778,756**	**6605.5**	**841,324,513**
INCREASED REVENUES		0		0		0		0		0		**0**

Staff Salaries include ADAM Staff that will be redirected to the project, SMEs from branches and Limited Term staff brought in to support the effort and backfill for redirected ADAM staff

FY18/19 is the maintenance year

Continuing Program Staff and Other Program Costs include all branches and bureaus of CDI except those supporting ADAM and/or the Project

Contract Service Costs include IV&V @ $50 per hr and procurement services from DGS @ 1.39% of contracts for goods and services

8.2.3 PROPOSED ALTERNATIVE: HYBRID SOLUTION – WORKSHEET DETAIL 1 OF 2

Figure 8-EAW Page 8-4: Proposed Alternative: Hybrid Solution - Detail p. 1

						Proposed Alternative:			Hybrid Solution - State Run with Contract/Vendor Support												
Department: CDI						Includes addressing and updating development strategy – Includes building an off-site redundant system for Disaster Recovery													3/1/2014		
Project: CDI Menu Modernization Project (CMMP)																					
Proposed System – Summary	FY14/15			FY15/16			FY16/17			FY17/18			FY18/19			Total				
One-Time IT Project Costs	PY	AMT		PY	AMT		PY	AMT		PY	AMT		PY	AMT		PY	AMT			
Total Staff (Salaries & Benefits)	16.1	$	2,073,547	22.1	$	2,810,149	25.6	$	3,194,983	21.6	$	2,678,462	0.0	$	-	85.4	$	10,757,142			
Assoc ISA 5 @ 10% CDI IT Help Desk	0.0	$	-	0.0	$	-	0.5	$	51,435	0.5	$	51,435	0.0	$	-	1.0	$	102,870			
Sr. ISA CDI BA	1.0	$	124,012	1.0	$	124,012	1.0	$	124,012	1.0	$	124,012	0.0	$	-	4.0	$	496,049			
Sr. ISA Spec. - PM's 4 @ .75%	2.0	$	248,024	3.0	$	372,037	4.0	$	496,049	3.0	$	372,037	0.0	$	-	12.0	$	1,488,147			
Staff ISA - 100% - Testers	0.0	$	-	1.0	$	112,795	2.0	$	225,591	2.0	$	225,591	0.0	$	-	5.0	$	563,977			
Staff ISA - CDI BAs	0.5	$	56,398	1.0	$	112,795	1.0	$	112,795	1.0	$	112,795	0.0	$	-	3.5	$	394,784			
Staff ISA @ 10% - Web Ser Staff	0.1	$	11,280	0.1	$	11,280	0.1	$	11,280	0.1	$	11,280	0.0	$	-	0.4	$	45,118			
Staff ISA 5 @ 10% - CDI IT Help Desk	0.0	$	-	0.0	$	-	0.5	$	56,398	0.5	$	56,398	0.0	$	-	1.0	$	112,795			
DPM II (Project Program Manager @ .5	0.5	$	65,103	0.5	$	65,103	0.5	$	65,103	0.5	$	65,103	0.0	$	-	2.0	$	260,410			
Sr. PA Sp 100% - App Dev	2.0	$	248,024	2.0	$	248,024	2.0	$	248,024	1.0	$	124,012	0.0	$	-	7.0	$	868,086			
Sr. PA Sp 100% - SI	1.0	$	124,012	1.0	$	124,012	1.0	$	124,012	1.0	$	124,012	0.0	$	-	4.0	$	496,049			
SSS III - 100% Network	1.0	$	135,997	1.0	$	135,997	1.0	$	135,997	0.5	$	67,998	0.0	$	-	3.5	$	475,988			
SSS III 100% - Data Architect	1.0	$	135,997	1.0	$	135,997	1.0	$	135,997	1.0	$	135,997	0.0	$	-	4.0	$	543,986			
SSS III 100% during Design and Dev D	1.0	$	135,997	1.0	$	135,997	1.0	$	135,997	0.5	$	67,998	0.0	$	-	3.5	$	475,988			
SSS III Supvr @ 50% Enterprise Archite	0.5	$	71,409	0.5	$	71,409	0.5	$	71,409	0.5	$	71,409	0.0	$	-	2.0	$	285,635			
Staff PA 100% - App Developers	1.0	$	112,795	1.5	$	169,193	3.0	$	338,386	3.0	$	338,386	0.0	$	-	8.5	$	958,762			
SSM II SME Staff (cost to backfill)	0.5	$	64,500	3.5	$	451,499	2.5	$	322,499	2.0	$	258,000	0.0	$	-	8.5	$	1,096,498			
Limited Term Positions	4.0	$	540,000	4.0	$	540,000	4.0	$	540,000	3.5	$	472,000	0.0	$	-	15.5	$	2,092,000			
DBA - SSS III Spec	1.0	$	136,000	1.0	$	136,000	1.0	$	136,000	0.5	$	68,000	0.0	$	-	3.5	$	476,000			
EA - SSS III Sup	1.0	$	143,000	1.0	$	143,000	1.0	$	143,000	1.0	$	143,000	0.0	$	-	4.0	$	572,000			
Network Staff - SSS II Spec	1.0	$	125,000	1.0	$	125,000	1.0	$	125,000	1.0	$	125,000	0.0	$	-	4.0	$	500,000			
SI - Sr PA Spec	1.0	$	136,000	1.0	$	136,000	1.0	$	136,000	1.0	$	136,000	0.0	$	-	4.0	$	544,000			
Total Hardware Purchase *		$	-		$	68,000		$	68,000		$	-		$	-		$	136,000			
2 servers @ $34,000 (Dev/Prod)		$	-		$	68,000		$	-		$	-					$	68,000			
2 servers @ $34,000 for redundancy		$	-		$	-		$	68,000		$	-					$	68,000			
		$	-		$	-											$	-			
Total Software Purchase/License *					$	560,000		$	500,000		$	200,000		$	-		$	1,260,000			
4 Oracle DB License @ $30k ea					$	120,000											$	120,000			
4 Oracle Web Logic @ $10k each					$	40,000											$	40,000			
Oracle Fusion/Portal					$	400,000											$	400,000			
Oracle Business Intelligence					$	-		$	500,000								$	500,000			
Oracle Fusion/Portal					$	-					$	200,000					$	200,000			
Telecommunications								$	6,000		$	6,000					$	12,000			
Contract Services																	$	-			
Software Customization *		$	-		$	500,000		$	500,000		$	250,000		$	-		$	1,250,000			
Project Management		$	125,000		$	125,000		$	125,000		$	125,000		$	-		$	500,000			
Project Oversight		$	139,200		$	139,200		$	139,200		$	139,200		$	-		$	556,800			
IV&V Services		$	100,000		$	100,000		$	100,000		$	50,000		$	-		$	350,000			
Other Contract Services *		$	359,856		$	127,440		$	124,813		$	13,325		$	-		$	625,434			
TOTAL Contract Services		$	724,056		$	991,640		$	989,013			$577,525		$	-		$	3,282,234			
Data Center Services																	$	-			
Agency Facilities								$	-		$	-					$	-			
Other - Training, Travel, etc.					$	100,000		$	100,000		$	100,000		$	-		$	300,000			
Total One-Time Project Costs	16.1	$	2,797,603	22.1	$	4,529,789	25.6	$	4,857,996	21.6	$	3,561,987	0.0	$	-	85.4	$	15,747,376			

PROPOSED ALTERNATIVE: HYBRID SOLUTION – WORKSHEET DETAIL 2 OF 2

Figure 8-EAW Page 8-5: Proposed Alternative: Hybrid Solution- Detail p. 2

Proposed Alternative: Hybrid Solution - State Run with Contract/Vendor Support

Department: CDI — Includes addressing and updating development strategy – Includes building an off-site redundant system for Disaster Recovery — 3/1/2014

Project: CDI Menu Modernization Project (CMMP)

Proposed System - Summary	FY14/15		FY15/16		FY16/17		FY17/18		FY18/19		Total	
Continuing IT Project Costs												
Total Staff (Salaries & Benefits)	**0.0**	**$ -**	**0.0**	**$ -**	**0.0**	**$ -**	**0.0**	**$ -**	**36.0**	**$ 4,155,448**	**36.0**	**$ 4,155,448**
Hardware Lease/Maintenance						$ 13,600		$ 27,199		$ 27,199		$ 67,998
Software Purchase/License						$ 112,000		$ 212,000		$ 220,000		$ 544,000
Telecommunications										$6,000		$ 6,000
Contract Services												$ -
Data Center Services												$ -
Agency Facilities *										$25,000		$ 25,000
Other										$845,332		$ 845,332
Total Cont IT Costs	**0.0**	**$ -**	**0.0**	**$ -**	**0.0**	**$ 125,600**	**0.0**	**$ 239,199**	**36.0**	**$ 5,278,979**	**36.0**	**$ 5,643,778**
Total Project Costs	**16.1**	**$ 2,797,603**	**22.1**	**$ 4,529,789**	**25.6**	**$ 4,983,596**	**21.6**	**$3,801,186**	**36.0**	**$ 5,278,979**	**121.4**	**$ 21,391,153**
Continuing Existing Costs												
Total Information Technology S	**28.0**	**$ 3,126,115**	**27.5**	**$ 3,069,717**	**26.0**	**$ 2,900,524**	**28.0**	**$ 3,160,533**	**0.0**	**$ -**	**109.5**	**$ 12,256,889**
Assoc Programmer Analyst	9.0	$ 925,827	9.0	$ 925,827	9.0	$ 925,827	9.0	$ 925,827	0.0		36.0	$ 3,703,334
Asst. ISA (Spec)	2.0	$ 171,060	2.0	$ 171,060	2.0	$ 171,060	2.0	$ 171,060	0.0		8.0	$ 684,245
Staff PA (Spec)	8.0	$ 902,364	8.0	$ 902,364	8.0	$ 902,364	8.0	$ 902,364	0.0		32.0	$ 3,609,480
DPM III	1.0	$ 143,724	1.0	$ 143,724	1.0	$ 143,724	1.0	$ 143,724	0.0		4.0	$ 574,901
Sr PA Spec	1.0	$ 124,012	1.0	$ 124,012	1.0	$ 124,012	1.0	$ 124,012	0.0		4.0	$ 496,052
Sr PA Supvr	2.0	$ 260,445	2.0	$ 260,445	2.0	$ 260,445	2.0	$ 260,445	0.0		8.0	$ 1,041,786
SSS I	1.0	$ 112,778	1.0	$ 112,778	1.0	$ 112,778	1.0	$ 112,778	0.0		4.0	$ 451,115
SSS II	1.0	$ 123,803	1.0	$ 123,803	1.0	$ 123,803	1.0	$ 123,803	0.0		4.0	$ 495,215
DPM II	0.5	$ 65,103	0.5	$ 65,103	0.5	$ 65,103	0.5	$ 65,103	0.0		2.0	$ 260,412
Sr PA Spec -Dev	0.0	$ -	0.0	$ -	0.0	$ -	1.0	$ 124,012	0.0		1.0	$ 124,013
SSS III	0.0	$ -	0.0	$ -	0.0	$ -	0.5	$ 67,998	0.0		0.5	$ 67,999
SSS III	0.0	$ -	0.0	$ -	0.0	$ -	0.5	$ 67,998	0.0		0.5	$ 67,999
SSS III Supvr	0.5	$ 71,409	0.5	$ 71,409	0.5	$ 71,409	0.5	$ 71,409	0.0		2.0	$ 285,636
Staff PA (Spec)	2.0	$ 225,591	1.5	$ 169,193	0.0	$ -	0.0	$ -	0.0		3.5	$ 394,786
Other IT Costs		$ 845,332		$ 845,332		$ 845,332		$ 845,332		$ -		$ 3,381,329
Total Continuing Existing IT Co	**28.0**	**$ 3,971,447**	**27.5**	**$ 3,915,050**	**26.0**	**$ 3,745,856**	**28.0**	**$ 4,005,865**	**0.0**	**$ -**	**109.5**	**$ 15,638,218**
Program Staff *	1276.7	$ 112,108,367	1274.2	$ 111,815,161	1271.2	$ 111,470,521	1272.2	$ 111,594,533	1280.3	$ 112,548,081	6374.6	$ 559,536,663
Other Program Costs		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696	0.0	$ 244,758,480
Total Continuing Existing Prog	**####**	**$ 161,060,063**	**1274.2**	**$ 160,766,857**	**1271.2**	**$ 160,422,217**	**1272.2**	**$ 160,546,229**	**1280.3**	**$ 161,499,777**	**6374.6**	**$ 804,295,143**
Total Continuing Existing Costs	**####**	**$ 165,031,510**	**1301.7**	$ 164,681,907	**1297.2**	$ 164,168,073	**1300.2**	$ 164,552,094	**1280.3**	$ 161,499,777	6484.1	**$ 819,933,362**
Total Alternative Costs	1320.8	$ 167,829,113	1323.8	$ 169,211,696	1322.8	$ 169,151,669	1321.8	$ 168,353,281	1316.3	$ 166,778,756	6605.5	$ 841,324,515
Cost Compared to Baseline	**4.5**	**$ 1,328,555**	**7.5**	**$ 2,711,138**	**6.5**	**$ 2,651,111**	**5.5**	**$ 1,852,723**	**0.0**	**$ 278,198**	**24.0**	**$ 8,821,725**

* Staff and Salaries + Benefits includes some ITD Program Staff that will go in and out of the project. These ITD costs will be redirected. SME costs will NOT be redirected.

* Hardware assumes Oracle servers for development and for redundancy

*Software Purchases and Customization line items assume that the current vendor costs for will remain the same and that the development platform will be Oracle and Web Logix

*Agency Facility Costs are for additional space for co-location of the Contingency solution

*Continuing Information Technology Staff includes Limited Term Staff brought in to backfill and support the system

*Program Staff includes all of CDI

* IVV moved back to Project Oversight from Other Contract Services per advice from CTA 02/28/2014

*IPOC services through CTA at $133,200 annual (includes all costs) per CTA Analyst

8.3 Alternative 1: Build In-House (Upgrade)

8.3.1 Assumptions and Descriptions

8.3.1.1 Assumptions:

- This alternative is centered around moving off the outdated development platform and using the Oracle software that replaced Oracle Forms (such as APEX) to move the CDI Menu on to a viable platform
- There will be no effort to modernize the disaster recovery strategy and no redundant system will be put into place
- There will be no effort to re-architect the system or the development strategy

8.3.1.2 One-Time IT Project Costs:

- Staff (Salaries & Benefits)
    - To mitigate the fact that this is a “build from scratch” alternative, additional resources will be allocated to the Project
    - Branch personnel will be provided as Subject Matter Experts (SMEs) and will be authorized to make decisions on behalf of the branch
    - SMEs are part of the staff quantity and dollar amount but are not included as redirected resources
    - During the procurement period, design staff will be gathering system requirements and developing the development strategy
    - Some ITD staff not currently assigned to ADAM will participate in the project at various times throughout the project lifecycle
    - All One-Time IT Project PY costs will be redirected except the costs and PY for SMEs and Limited-Term resources that represent backfill for program resources
- Hardware Lease/Maintenance
    - Hardware costs will include the purchase of two (2) servers
    - No servers will be purchased for redundancy
- Software Maintenance/Licenses
    - Oracle database licenses and development platform software such as Web Logix or Apex will be purchased
    - Software licensing is based on the use of a higher tier for costs development platform, this was used for estimate purposes and is not intended to restrict CDI should they determine that other development platforms such as Microsoft SharePoint would be a better choice based on design requirements
- Telecommunications – None, redundancy is not included in this alternative
- Contract Services
    - Software Customization – Includes the costs of contracting services such as an external data architect and developers with expertise in the chosen development platform

  - Project Management – Includes the cost of a CA PMM certified contractor
  - IPOC and IV&V – Will be at standard CalTech and contractor rate
  - Other Contract Services – Include the estimated costs for DGS support
- Data Center Services – None
- Agency Facilities – None
- Other
  - Includes estimated costs travel and training – training costs increased because it is anticipated that ITD staff will need additional training support

8.3.1.3 Continuing IT Project Costs:

- Staff
  - Includes costs of limited-term staff hires for backfill support for continuing ADAM support
- Hardware Lease/Maintenance
  - Lease is assumed to be 20% of the costs starting the year after purchase
  - Includes continuing costs for hardware maintenance based on 20% of new project hardware
- Software Maintenance Licensing
  - License renewal is assumed to be 20% of the estimated software costs beginning the year after purchase
  - Includes continuing costs for software licensing and renewals based on 20% of new project software

8.3.1.4 Continuing Existing Costs:

- Includes Continuing Program staffing costs and other program costs including all branches and bureaus of CDI except those supporting ADAM and/or the Project

8.3.2 ALTERNATIVE 1: BUILD IN-HOUSE (UPGRADE) – WORKSHEET

Figure 8-EAW Page 8-6: Alternative 1: Build In House

SIMM 20C30C, Rev. 03/2011 **ALTERNATIVE #1:** Build In-House (Upgrade) 41699

Department: California Department of Insurance All Costs Should be shown in whole (unrounded) dollars.
Project: CDI Menu Modernization Project (CMMP)

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs												
Staff (Salaries & Benefits)	18.1	2,301,342	25.6	3,190,921	28.6	3,516,345	25.1	3,065,836	0.0	0	97.4	12,074,445
Hardware Purchase		0		68,000						0		68,000
Software Purchase/License		0		480,000		500,000		200,000		0		1,180,000
Telecommunications		0		0		0		0		0		0
Contract Services												
Software Customization		100,000		600,000		600,000		150,000		0		1,450,000
Project Management		125,000		125,000		125,000		125,000		0		500,000
Project Oversight		139,200		139,200		139,200		139,200		0		556,800
IV&V Services		50,000		100,000		100,000		50,000		0		300,000
Other Contract Services		363,345		130,693		130,859		16,396		0		641,293
TOTAL Contract Services		777,545		1,094,893		1,095,059		480,596		0		**3,448,093**
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other				150,000		150,000		150,000		0		450,000
Total One-time IT Costs	**18.1**	**3,078,887**	**25.6**	**4,983,814**	**28.6**	**5,261,404**	**25.1**	**3,896,432**	**0.0**	**0**	**97.4**	**17,220,538**
Continuing IT Project Costs												
Staff (Salaries & Benefits)									36.0	4,155,448	36.0	4,155,448
Hardware Lease/Maintenance		0		0		13,600		13,600		13,600		40,800
Software Maintenance/Licenses		0		0		96,000		196,000		236,000		528,000
Telecommunications		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other		0		0		0		0		845,332		845,332
Total Continuing IT Costs	**0.0**	**0**	**0.0**	**0**	**0.0**	**109,600**	**0.0**	**209,600**	**36.0**	**5,250,380**	**36.0**	**5,569,580**
Total Project Costs	**18.1**	**3,078,887**	**25.6**	**4,983,814**	**28.6**	**5,371,004**	**25.1**	**4,106,032**	**36.0**	**5,250,380**	**133.4**	**22,790,118**
Continuing Existing Costs												
Information Technology Staff	27.0	3,013,319	25.0	2,787,729	24.0	2,674,933	26.0	2,934,942	0.0	0	102.0	11,410,923
Other IT Costs		845,332		845,332		845,332		845,332				3,381,328
Total Continuing Existing IT Costs	**27.0**	**3,858,651**	**25.0**	**3,633,061**	**24.0**	**3,520,265**	**26.0**	**3,780,274**	**0.0**	**0**	**102.0**	**14,792,251**
Program Staff	1276.7	112,108,367	1274.2	111,826,378	1272.2	111,605,750	1272.2	111,605,750	1280.3	112,548,081	6375.6	559,694,326
Other Program Costs		48,951,696		48,951,696		48,951,696		48,951,696		48,951,696		244,758,480
Total Continuing Existing Program Costs	**1276.7**	**161,060,063**	**1274.2**	**160,778,074**	**1272.2**	**160,557,446**	**1272.2**	**160,557,446**	**1280.3**	**161,499,777**	**6375.6**	**804,452,806**
Total Continuing Existing Costs	**1303.7**	**164,918,714**	**1299.2**	**164,411,135**	**1296.2**	**164,077,711**	**1298.2**	**164,337,720**	**1280.3**	**161,499,777**	**6477.6**	**819,245,057**
TOTAL ALTERNATIVE COSTS	**1321.8**	**167,997,602**	**1324.8**	**169,394,949**	**1324.8**	**169,448,715**	**1323.3**	**168,443,752**	**1316.3**	**166,750,157**	**6611.0**	**842,035,175**
INCREASED REVENUES		0		0		0		0		0		**0**

* One Time IT Project Costs for Staff include SME backfill costs and PY
* FY18/19 is the maintenance year
* Continuing IT Project Costs, IT Staff includes Limited Term positions brought in to back-fill during the project life cycle
* Continuing Program Staff and Other Program Costs include all branches and bureaus of CDI except those supporting ADAM and/or the Project

8.3.3 ALTERNATIVE 1: BUILD IN-HOUSE (UPGRADE) – WORKSHEET DETAIL PAGE 1

Figure 8-EAW Page 8-7: Alternative 1: Build In House - Detail p. 1

Alternative 1: Build In-House Upgrade

Department: CDI — n Scratch - Some ReArchitecting to N Tier and ERD Development - No upgrade to Disaster Recove 3/11/2014

Project: CDI Menu Modernization Project (CMMP)

Alternative 1 - Summary	FY14/15		FY15/16		FY16/17		FY17/18		FY18/19		Total	
One-Time IT Project Costs	PY	AMT	PY	AMT	PY	AMT	PY	AMT	PY	AMT	PY	AMT
Staff (Salaries & Benefits)*	18.1	$ 2,301,342	25.6	$ 3,190,921	28.6	$ 3,516,345	25.1	$ 3,065,836			97.4	**$12,074,445**
Assoc ISA 5 @ 10% CDI IT Help Desk	-	$0	-	-	0.5	$ 51,435	0.5	51,435	-	$ -	1.0	$102,870
Sr. ISA CDI BA	1.0	$124,012	1.0	124,012.2	1.0	$ 124,012	1.0	124,012	-	$ -	4.0	$496,049
Sr. ISA Spec. - PM's 4 @ .75%	2.0	$248,024	2.0	248,024.5	2.0	$ 248,024	2.0	248,024	-	$ -	8.0	$992,098
Staff ISA - 100% - Testers	-	$0	2.0	225,591.0	3.0	$ 338,386	3.0	338,386	-	$ -	8.0	$902,364
Staff ISA - CDI BAs	0.5	$56,398	1.0	112,795.5	1.0	$ 112,795	1.0	112,795	-	$ -	3.5	$394,784
Staff ISA @ 10% - Web Ser Staff	0.1	$11,280	0.1	11,279.5	0.1	$ 11,280	0.1	11,280	-	$ -	0.4	$45,118
Staff ISA 5 @ 10% - CDI IT Help Desk	-	$0	-	-	0.5	$ 56,398	0.5	56,398	-	$ -	1.0	$112,795
DPM II (Project Program Manager @ .50%)	0.5	$65,103	0.5	65,102.5	0.5	$ 65,103	0.5	65,103	-	$ -	2.0	$260,410
Sr. PA Sp 100% - App Dev	2.0	$248,024	2.0	248,024.5	2.0	$ 248,024	1.0	124,012	-	$ -	7.0	$868,086
Sr. PA Sp 100% - SI	1.0	$124,012	1.0	124,012.2	1.0	$ 124,012	1.0	124,012	-	$ -	4.0	$496,049
SSS III - 100% Network	1.0	$135,997	1.0	135,996.5	1.0	$ 135,997	0.5	67,998	-	$ -	3.5	$475,988
SSS III 100% - Data Architect	1.0	$135,997	1.0	135,996.5	1.0	$ 135,997	1.0	135,997	-	$ -	4.0	$543,986
SSS III 100% during Design and Dev DBA	1.0	$135,997	1.0	135,996.5	1.0	$ 135,997	0.5	67,998	-	$ -	3.5	$475,988
SSS III Supvr @ 50% Enterprise Architect	0.5	$71,409	0.5	71,408.7	0.5	$ 71,409	0.5	71,409	-	$ -	2.0	$285,635
Staff PA 100% - App Developers	2.0	$225,591	4.0	$451,182	5.0	$563,977	5.0	$563,977	-	$0	16.0	$1,804,728
SSM II SME	0.5	$ 64,500	3.5	$ 451,499	2.5	$ 322,499	2.0	$ 258,000	-	$ -	8.5	$1,096,498
Limited Term Positions	5.0	$ 655,000	5.0	$ 650,000	6.0	$ 771,000	5.0	$ 645,000				**$2,721,000**
SSS III Tech - DBA Ltd Term Backfill	1.0	$ 136,000	0.5	$ 68,000	-	$ -	-	$ -		$ -	1.5	$204,000
SSS III Supv - EA Ltd Term Backfill	1.0	$ 143,000	1.0	$ 143,000	1.0	$ 143,000	1.0	$ 143,000		$ -	4.0	$572,000
SSS II - Network Staff Ltd Term Backfill	1.0	$ 125,000	1.0	$ 125,000	1.0	$ 125,000	1.0	$ 125,000		$ -	4.0	$500,000
SSS II Spec Ltd Term Backfill	1.0	$ 125,000	1.0	$ 125,000	1.0	$ 125,000	1.0	$ 125,000		$ -	4.0	$500,000
SPA Spec - Developers Ltd Term Backfill	1.0	$ 126,000	1.5	$ 189,000	2.0	$ 252,000	1.0	$ 126,000		$ -	5.5	$693,000
SPA Spec - Testing Ltd Term Backfill	-	$ -	-	$ -	1.0	$ 126,000	1.0	$ 126,000		$ -	2.0	$252,000
Hardware Purchase *		$0		$ 68,000		$ -		$ -		$ -		**$68,000**
2 servers @ $34,000 ea		$ -		$ 68,000		$ -		$ -		$ -		$68,000
Maintenance = 20% of Hardware costs		$ -		$ -						$ -		$0
Software Purchase/License *		$0		$480,000		$500,000		$200,000				**$1,180,000**
2 Oracle DB License @$30k ea		$ -		$ 60,000		$ -		$ -		$ -		$60,000
2 Oracle Web Logic @ $10k each		$ -		$ 20,000		$ -		$ -		$ -		$20,000
Web Logic renewal		$ -		$ -		$ -		$ -		$ -		$0
Oracle Fusion		$ -		$ 400,000		$ -		$ -		$ -		$400,000
Oracle Business Intelligence		$ -		$ -		$ 500,000		$ -		$ -		$500,000
Oracle Portal		$ -		$ -		$ -		$ 200,000		$ -		$200,000
Telecommunications												**$0**
Contract Services												
Software Customization/Staff Augmentation		$ 100,000		$ 600,000		$ 600,000		$ 150,000		$ -		$1,450,000
Project Management		$ 125,000		$ 125,000		$ 125,000		$ 125,000		$ -		$500,000
Project Oversight		$ 139,200		$ 139,200		$ 139,200		$ 139,200		$ -		$556,800
IV&V Services		$ 50,000		$ 100,000		$ 100,000		$ 50,000		$ -		$300,000
Other Contract Services		$ 363,345		$ 130,693		$ 130,859		$ 16,396		$ -		$641,293
TOTAL Contract Services		**$ 777,545**		**$1,094,893**		**$1,095,059**		**$ 480,596**		$ -		**$3,448,093**
Data Center Services												$0
Agency Facilities												$0
Other - Training, Travel, etc.		$ -		$ 150,000		$ 150,000		$ 150,000		$ -		$450,000
Total One-Time Project Costs	**18.1**	**$ 3,078,887**	**25.6**	**$4,983,814**	**28.6**	**$5,261,404**	**25.1**	**$ 3,896,432**	-	**$** -	**##**	**$ 17,220,538**

8.3.4 ALTERNATIVE 1: BUILD IN-HOUSE (UPGRADE) – WORKSHEET DETAIL PAGE 2

Figure 8-EAW Page 8-8: Alternative 1: Build In House - Detail p. 2

Continuing IT Project Costs												
Staff (Salaries & Benefits) *		$ -		$ -					36.0	$ 4,155,448	36.0	$4,155,448
Hardware Lease/Maintenance		$ -		$ -		$ 13,600		$ 13,600		$ 13,600		$40,800
Software Purchase/License		$ -		$ -		$ -		$ -		$ -		$0
Oracle License renewal		$ -		$ -		$ 16,000		$ 16,000		$ 16,000		$48,000
License renewal for Fusion, Portal and BI		$ -		$ -		$ 80,000		$ 180,000		$ 220,000		$480,000
Telecommunications												$0
Contract Services												$0
Data Center Services												$0
Agency Facilities												$0
Other										$ 845,332		$845,332
Total Cont IT Project Costs	-	$ -	-	$ -	-	$ 109,600	-	$ 209,600	36.0	$ 5,250,380	36.0	$5,569,580
Total Project Costs	18.1	$ 3,078,887	25.6	$ 4,983,814	28.6	$ 5,371,004	25.1	$ 4,106,032	36.0	$ 5,250,380	133.4	$22,790,118
Continuing Existing Costs												
Information Technology Staff	27.0	$ 3,013,319	25.0	$ 2,787,729	24.0	$ 2,674,933	26.0	$ 2,934,942	-	$ -	102.0	$ 11,410,923
Other IT Costs		$ 845,332		$ 845,332		$ 845,332		$ 845,332				$ 3,381,328
Total Continuing Existing IT Costs	27.0	$ 3,858,651	25.0	$ 3,633,061	24.0	$ 3,520,265	26.0	$ 3,780,274	-	$ -	102.0	$ 14,792,251
Program Staff *	1,276.7	$ 112,108,367	1,274.2	$ 111,826,378	1,272.2	$ 111,605,750	1,272.2	$ 111,605,750	1,280.3	$ 112,548,081	6375.6	$ 559,694,326
Other Program Costs		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 244,758,480
Total Continuing Existing Program Costs	1,276.7	$ 161,060,063	1,274.2	$ 160,778,074	1,272.2	$ 160,557,446	1,272.2	$ 160,557,446	1,280.3	$ 161,499,777	6375.6	$ 804,452,806
Total Continuing Existing Costs	1,303.7	$ 164,918,714	1,299.2	$ 164,411,135	1,296.2	$ 164,077,711	1,298.2	$ 164,337,720	1,280.3	$ 161,499,777	6477.6	$ 819,245,057
Total Alternative Costs	1,321.8	$ 167,997,602	1,324.8	$ 169,394,949	1,324.8	$ 169,448,715	1,323.3	$ 168,443,752	1,316.3	$ 166,750,157	6611.0	$ 842,035,175
Cost Compared to Baseline	5.5	$ 1,497,044	8.5	$ 2,894,391	8.5	$ 2,948,157	7.0	$ 1,943,194	0.0	$ 249,599	29.5	$ 9,532,385

* Staff and Salaries + Benefits includes some ITD Program Staff that will go in and out of the project. These ITD costs will be redirected - SME and Limited Term costs will NOT be re-directed

*One Time Project Staff includes Limited Term Staff brought in to backfill and support the system but is not redirected

* Hardware assumes Oracle servers for development and for redundancy

*Software Purchases assume that the current vendor costs will remain the same and that the development plaform will be Oracle and Web Logix

*Continuing Information Technology Staff includes Limited Term Staff brought in to backfill and support the system

*Program Staff includes all of CDI

Data Architect moved to Other Contract Services per CTA Analyst - IPOC Services provided through CTA 2 $139,200 per year and moved back to Project Oversight per CTA Analyst 02/28/2014

8.4 Alternative 2: Vendor Run – Deliverable Based Implementation

8.4.1 Assumptions and Descriptions:

Assumptions:

- This alternative assumes that the vendor will be selected based on its ability to provide a turnkey solution that will replace the CDI Menu
- Vendor and contracting staff will be brought in to configure the vendor solution to meet CDI requirements
- No attempt will be made to re-architect the existing development strategy
- Modernization to the business resumption strategy and redundancy for disaster recovery is out of scope for this alternative
- CDI ITD staff will be used to support the integration of the new system with the other impacted existing systems such as Oracle Financials
- SME's will be increased to ensure branch requirements are documented by the vendor and the new system meets branch business needs

8.4.1.1 Continuing IT Costs:

- Staff (Salaries & Benefits)
    - ADAM staff will be primarily responsible for providing SME expertise and to assist in the integration effort
    - Branch personnel will be provided as Subject Matter Experts (SMEs) for the business needs and will be authorized to make decisions on behalf of the branch
    - During the procurement period, design staff will be gathering system requirements
    - Some ITD staff not currently assigned to ADAM will participate in the project at various times throughout the project lifecycle
    - All One-Time IT Project PY costs will be redirected except the costs and PY for SMEs that represent backfill for program resources
- Hardware Lease/Maintenance
    - Hardware costs will be limited to the two (s) Oracle Servers needed for development and production
    - Oracle database licenses and development platform software such as Web Logix or Apex will be purchased
- Software Licensing Costs
    - Software licensing in this case is limited to the purchase of the vendor software solution product
- Telecommunications – None, redundancy is not included in this alternative
- Contract Services
    - Software Customization – Includes the costs of configuration of the vendor software as well as customization that will be required to integrate the system into the CDI system
    - Project Management – Includes the cost of a CA PMM certified contractor

  - IPOC and IV&V – Will be at standard CalTech and contractor rates. IV&V is brought in earlier than the other two alternatives in order to provide governance and oversight to the vendor once they are on-boarded
  - Other Contract Services – Include the estimated costs for DGS support
- Data Center Services – None
- Agency Facilities – None
- Other
  - Includes estimated costs for travel and training

8.4.1.2 CONTINUING IT PROJECT COSTS:

- Staff
  - Because the use of ITD staff will be limited to supporting the effort, ITD will absorb the project costs to backfill for ITD resources used during the project
- Hardware Lease/Maintenance
  - Hardware maintenance costs will be 20% of the new hardware costs and will begin the year after the hardware is purchased
  - Includes continuing costs for hardware maintenance based on 20% of new project hardware
- Software Maintenance Licensing
  - License renewal is assumed to be 20% of the estimated software costs beginning the year after purchase
  - Includes continuing costs for vendor software licensing and renewals based on 20% of new project software

8.4.1.3 CONTINUING EXISTING COSTS:

- Includes Continuing Program staffing costs and other program costs including all branches and bureaus of CDI except those supporting ADAM and/or the Project

8.4.2 ALTERNATIVE 2: VENDOR RUN – DELIVERABLE BASED IMPLEMENTATION WORKSHEET

Figure 8-EAW Page 8-9: Alternative 2: Vendor Run - Deliverable Based Implementation

SIMM 20C30C, Rev. 03/2011 — **ALTERNATIVE #2:** Vendor Run Deliverable Based Implementation — 41699 — 03/01/14

Department: California Department of Insurance — All Costs Should be shown in whole (unrounded) dollars.

Project: CDI Menu Modernization Project (CMMP)

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
One-Time IT Project Costs												
Staff (Salaries & Benefits)	6.3	801,333	9.0	1,240,914	8.0	1,089,954	7.5	1,066,113	0.0	0	30.8	4,198,314
Hardware Purchase		68,000		0		0		0		0		68,000
Software Purchase/License		560,000		0		0		0		0		560,000
Telecommunications		0		0		0		0		0		0
Contract Services												
Software Customization		1,542,500		2,180,000		2,180,000		1,820,000		0		7,722,500
Project Management		125,000		125,000		125,000		125,000		0		500,000
Project Oversight		139,200		139,200		139,200		139,200		0		556,800
IV&V Services		100,000		100,000		100,000		100,000		0		400,000
Other Contract Services		243,865		247,669		245,570		241,730		0		978,834
TOTAL Contract Services		2,150,565		2,791,869		2,789,770		2,425,930		0		10,158,194
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other				150,000		150,000		150,000		0		450,000
Total One-time IT Costs	**6.3**	**3,580,498**	**9.0**	**4,182,783**	**8.0**	**4,029,724**	**7.5**	**3,642,103**	**0.0**	**0**	**30.8**	**15,435,108**
Continuing IT Project Costs												
Staff (Salaries & Benefits)	0.0	0	0.0	0	0.0	0	0.0	0	36.0	4,155,448	36.0	4,155,448
Hardware Lease/Maintenance		0		13,600		13,600		13,600		13,600		54,400
Software Maintenance/Licenses		0		112,000		112,000		112,000		112,000		448,000
Telecommunications		0		0		0		0		0		0
Contract Services		0		0		0		0		0		0
Data Center Services		0		0		0		0		0		0
Agency Facilities		0		0		0		0		0		0
Other		0		0		0		0		845,332		845,332
Total Continuing IT Costs	**0.0**	**0**	**0.0**	**125,600**	**0.0**	**125,600**	**0.0**	**125,600**	**36.0**	**5,126,380**	**36.0**	**5,503,180**
Total Project Costs	**6.3**	**3,580,498**	**9.0**	**4,308,383**	**8.0**	**4,155,324**	**7.5**	**3,767,703**	**36.0**	**5,126,380**	**66.8**	**20,938,288**
Continuing Existing Costs												
Information Technology Staff	33.5	3,844,135	32.0	3,669,334	32.0	3,669,334	33.5	3,844,135	0.0	0	131.0	15,026,938
Other IT Costs		845,332		845,332		845,332		845,332				3,381,328
Total Continuing Existing IT Costs	**33.5**	**4,689,467**	**32.0**	**4,514,666**	**32.0**	**4,514,666**	**33.5**	**4,689,467**	**0.0**	**0**	**131.0**	**18,408,266**
Program Staff	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	1280.3	112,548,081	6401.5	562,740,405
Other Program Costs		48,951,696		48,951,696		48,951,696		48,951,696		48,951,696		244,758,480
Total Continuing Existing Program Costs	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**1280.3**	**161,499,777**	**6401.5**	**807,498,885**
Total Continuing Existing Costs	**1313.8**	**166,189,244**	**1312.3**	**166,014,443**	**1312.3**	**166,014,443**	**1313.8**	**166,189,244**	**1280.3**	**161,499,777**	**6532.5**	**825,907,151**
TOTAL ALTERNATIVE COSTS	**1320.1**	**169,769,742**	**1321.3**	**170,322,826**	**1320.3**	**170,169,767**	**1321.3**	**169,956,947**	**1316.3**	**166,626,157**	**6599.3**	**846,845,439**
INCREASED REVENUES		0		0		0		0		0		**0**

* One Time IT Project Costs for Staff include SME backfill costs and PY
* FY18/19 is the maintenance year
* Continuing Program Staff and Other Program Costs include all branches and bureaus of CDI except those supporting ADAM and/or the Project

8.4.3 ALTERNATIVE 2: VENDOR RUN – DETAIL P.1

Figure 8-EAW Page 8-10: Alternative 2: Vendor Run - Deliverable Based Implementation - Detail p. 1

					Alternative 2:	Vendor Run Deliverable Based Implementation							
Department: CDI					emented by Vendor with ITD Support - Modernization of CDI Menu Functionality only - No Upgrade to Disaster Recove						Date Prepared: 09/07/2013		
Project: CDI Menu Modernization Project (CMMP)													
Alternative 2 - Summary	**FY14/15**		**FY15/16**		**FY16/17**		**FY17/18**		**FY18/19**		**Total**	
One-Time IT Project Costs	**PY**	**AMT**	**PY**	**AMT**	**PY**	**AMT**	**PY**	**AMT**	**PY**	**AMT**	**PY**	**AMT**
Staff (Salaries & Benefits)	6.3	$ 801,933	9.0	$ 1,240,914	8.0	$ 1,089,954	7.5	$ 1,066,113	-	$ -	30.8	4,198,914
DPM II (Project Program Manager @ .50%)	0.5	$ 65,103	0.5	$ 65,103	0.5	$ 65,103	0.5	$ 65,103	-	$ -		260,410
Sr PA Spec	0.5	$ 62,006	1.0	$ 124,012	1.0	$ 124,012	0.5	$ 62,006	-	$ -		372,037
Staff PA Spec	1.0	$ 112,795	2.0	$ 225,591	2.0	$ 225,591	1.0	$ 112,795	-	$ -		676,773
SSS III Supvr @ 50% Enterprise Architect	0.5	$ 71,409	0.5	$ 71,409	0.5	$ 71,409	0.5	$ 71,409	-	$ -		285,635
SSM II SME - Backfill	3.8	$ 490,620	5.0	$ 754,800	4.0	$ 603,840	5.0	$ 754,800				2,604,060
Hardware Purchase		$ 68,000		$ -		$ -		$ -		$ -		68,000
2 servers @ $34,000 eq		$ 68,000		$ -		$ -		$ -				68,000
Maintenance												-
Software Purchase/License *		$ 560,000		$ -		$ -		$ -		$ -		$ 560,000
2 Oracle DB License @$30k ea		$ 60,000										$ 60,000
Vendor Solution Software		$ 500,000										$ 500,000
												$ -
												$ -
Telecommunications												-
Contract Services												
Software Customization		$ 1,742,500		$ 2,380,000		$ 2,380,000		$ 2,020,000		-		8,522,500
Project Management		$ 125,000		$ 125,000		$ 125,000		$ 125,000		-		500,000
Project Oversight		$ 69,600		$ 69,600		$ 69,600		$ 69,600		-		278,400
IV&V Services		$ -		$ -		$ -		$ -		-		-
Other Contract Services		$ 143,865		$ 147,669		$ 145,570		$ 91,970		-		529,073
TOTAL Contract Services		**$ 2,080,965**		**$ 2,722,269**		**$ 2,720,170**		**$ 2,306,570**		-		**9,829,973**
Data Center Services		-		-		-		-		-		-
Agency Facilities										-		
Other - Training, Travel, etc.				150,000		150,000		150,000				450,000
Total One-Time Project Costs	**6.3**	**$ 3,510,897**	**9.0**	**$ 4,113,183**	**8.0**	**$ 3,960,125**	**7.5**	**$ 3,522,682**	-	-	**30.8**	**$15,106,887**

8.4.4 ALTERNATIVE 2: VENDOR RUN – DETAIL P.2

Figure 8-EAW Page 8-11: Alternative 2: Vendor Run - Deliverable Based Implementation-- Detail p. 2

Continuing IT Project Costs												
Staff (Salaries & Benefits)									36.0	$ 4,155,448	36.0	$4,155,448
Hardware Lease/Maintenance		$ -		$ 13,600		$ 13,600		$ 13,600		$ 13,600		$54,400
Software Purchase/License		$ -		$ 112,000		$ 112,000		$ 112,000		$ 112,000		$448,000
Telecommunications												$0
Contract Services												$0
Data Center Services												$0
Agency Facilities										$ -		$0
Other										$ 845,332		$845,332
Total Cont IT Project Costs	-	$ -	-	$ 125,600	-	$ 125,600	-	$ 125,600	36.0	$ 5,126,380	36.0	$5,503,180
Total Project Costs	6.3	$ 3,580,498	9.0	$ 4,308,383	8.0	$ 4,155,324	7.5	$ 3,767,703	36.0	$ 5,126,380	66.8	$20,938,288
Continuing Existing Costs												
Information Technology Staff	33.5	$ 3,844,135	32.0	$ 3,669,334	32.0	$ 3,669,334	33.5	$ 3,844,135	-	$ -	131	$ 15,026,938
Other IT Costs		$ 845,332		$ 845,332		$ 845,332		$ 845,332		$ -		$ 3,381,328
Total Continuing Existing IT Costs	33.5	$ 4,689,467	32.0	$ 4,514,666	32.0	$ 4,514,666	33.5	$ 4,689,467	-	$ -	131	$ 18,408,266
Program Staff *	1,280.3	$ 112,548,081	1,280.3	$ 112,548,081	1,280.3	$ 112,548,081	1,280.3	$ 112,548,081	$ 1,280	$ 112,548,081	6402	$ 562,740,405
Other Program Costs		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 48,951,696		$ 244,758,480
Total Continuing Existing Program Costs	1,280.3	$ 161,499,777	1,280.3	$ 161,499,777	1,280.3	$ 161,499,777	1,280.3	$ 161,499,777	$ 1,280	$ 161,499,777	6402	$ 807,498,885
Total Continuing Existing Costs	1,313.8	$ 166,189,244	1,312.3	$ 166,014,443	1,312.3	$ 166,014,443	1,313.8	$ 166,189,244	1,316.3	$ 161,499,777	6,569	$ 825,907,151
Total Alternative Costs	1320.1	$ 169,769,742	1,321.3	$ 170,322,826	1,320.3	$ 170,169,767	1,321.3	$ 169,956,947	1,316.3	$ 166,626,157	6,599	$ 846,845,439
Cost Compared to Baseline	3.75	$ 3,269,184	5.00	$ 3,822,268	4.00	$ 3,669,209	5.00	$ 3,456,389	0.00	$ 125,599	6599	$ 14,342,649
* Staff and Salaries + Benefits includes some ITD Program Staff that will go in and out of the project. These ITD costs will be redirected - SME costs will NOT be re-directed												
* Hardware assumes Oracle servers for development and production only												
*Software Purchases assume that the development plaform will be Oracle and Web Logix												
*Other Program Staff includes all of CDI except those members supporting ADAM or the project												

8.4.5 ECONOMIC ANALYSIS SUMMARY

Figure 8-EAW Page 8-12: Economic Analysis Summary

SIMM 20C30C, Rev. 03/2011 — **ECONOMIC ANALYSIS SUMMARY** — 3/1/2014
Department: California Department of Insurance — All costs to be shown in whole (unrounded) dollars.
Project: CDI Menu Modernization Project (CMMP)

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		TOTAL	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
EXISTING SYSTEM												
Total IT Costs	36.0	5,000,781	36.0	5,000,781	36.0	5,000,781	36.0	5,000,781	36.0	5,000,781	180.0	25,003,905
Total Program Costs	0.0	161,499,777	1280.3	161,499,777	1280.3	161,499,777	1280.3	161,499,777	1280.3	161,499,777	6401.5	807,498,886
Total Existing System Costs	1316.3	166,500,558	1316.3	166,500,558	1316.3	166,500,558	1316.3	166,500,558	1316.3	166,500,558	6581.5	832,502,791
PROPOSED ALTERNATIVE	**Hybrid Solution - State Run with Contract/Vendor Support**											
Total Project Costs	16.1	2,797,603	22.1	4,529,789	25.6	4,983,596	21.6	3,801,186	36.0	5,278,979	121.4	21,391,153
Total Cont. Exist. Costs	1304.7	165,031,510	1301.7	164,681,907	1297.2	164,168,073	1300.2	164,552,094	1280.3	161,499,777	6484.1	819,933,360
Total Alternative Costs	1320.8	167,829,113	1323.8	169,211,696	1322.8	169,151,669	1321.8	168,353,280	1316.3	166,778,756	6605.5	841,324,513
COST SAVINGS/AVOIDANCES	(4.5)	(1,328,555)	(7.5)	(2,711,138)	(6.5)	(2,651,111)	(5.5)	(1,852,722)	0.0	(278,198)	(24.0)	(8,821,723)
Increased Revenues		0		0		0		0		0		0
Net (Cost) or Benefit	(4.5)	(1,328,555)	(7.5)	(2,711,138)	(6.5)	(2,651,111)	(5.5)	(1,852,722)	0.0	(278,198)	(24.0)	(8,821,723)
Cum. Net (Cost) or Benefit	(4.5)	(1,328,555)	(12.0)	(4,039,692)	(18.5)	(6,690,803)	(24.0)	(8,543,525)	(24.0)	(8,821,723)		
ALTERNATIVE #1	**Build In-House (Upgrade)**											
Total Project Costs	18.1	3,078,887	25.6	4,983,814	28.6	5,371,004	25.1	4,106,032	36.0	5,250,380	133.4	22,790,118
Total Cont. Exist. Costs	1303.7	164,918,714	1299.2	164,411,135	1296.2	164,077,711	1298.2	164,337,720	1280.3	161,499,777	6477.6	819,245,057
Total Alternative Costs	1321.8	167,997,602	1324.8	169,394,949	1324.8	169,448,715	1323.3	168,443,752	1316.3	166,750,157	6611.0	842,035,175
COST SAVINGS/AVOIDANCES	(5.5)	(1,497,044)	(8.5)	(2,894,391)	(8.5)	(2,948,157)	(7.0)	(1,943,194)	0.0	(249,599)	(29.5)	(9,532,384)
Increased Revenues		0		0		0		0		0		0
Net (Cost) or Benefit	(5.5)	(1,497,044)	(8.5)	(2,894,391)	(8.5)	(2,948,157)	(7.0)	(1,943,194)	0.0	(249,599)	(29.5)	(9,532,384)
Cum. Net (Cost) or Benefit	(5.5)	(1,497,044)	(14.0)	(4,391,434)	(22.5)	(7,339,591)	(29.5)	(9,282,786)	(29.5)	(9,532,384)		
	2609.0											
ALTERNATIVE #2	**Vendor Run Deliverable Based Implementation**											
Total Project Costs	6.3	3,580,498	9.0	4,308,383	8.0	4,155,324	7.5	3,767,703	36.0	5,126,380	66.8	20,938,288
Total Cont. Exist. Costs	1313.8	166,189,244	1312.3	166,014,443	1312.3	166,014,443	1313.8	166,189,244	1280.3	161,499,777	6532.5	825,907,151
Total Alternative Costs	1320.1	169,769,742	1321.3	170,322,826	1320.3	170,169,767	1321.3	169,956,947	1316.3	166,626,157	6599.3	846,845,439
COST SAVINGS/AVOIDANCES	(3.8)	(3,269,184)	(5.0)	(3,822,268)	(4.0)	(3,669,209)	(5.0)	(3,456,389)	0.0	(125,599)	(17.8)	(14,342,649)
Increased Revenues		0		0		0		0		0		0
Net (Cost) or Benefit	(3.8)	(3,269,184)	(5.0)	(3,822,268)	(4.0)	(3,669,209)	(5.0)	(3,456,389)	0.0	(125,599)	(17.8)	(14,342,649)
Cum. Net (Cost) or Benefit	(3.8)	(3,269,184)	(8.8)	(7,091,452)	(12.8)	(10,760,661)	(17.8)	(14,217,050)	(17.8)	(14,342,649)		

8.4.6 PROJECT FUNDING PLAN

Figure 8-EAW Page 8-13: Project Funding Plan

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PROJECT FUNDING PLAN

Department: California Department of Insurance

All Costs to be in whole (unrounded) dollars

41699.0

Project: CDI Menu Modernization Project (CMMP)

	FY 2014/15		FY 2015/16		FY 2016/17		FY 2017/18		FY 2018/19		FY 2019/20		TOTALS	
	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts	PYs	Amts
TOTAL PROJECT COSTS	**16.1**	**2,797,603**	**22.1**	**4,529,789**	**25.6**	**4,983,596**	**21.6**	**3,801,186**	**36.0**	**5,278,979**	**0.0**	**0**	**121.4**	**21,391,153**
RESOURCES TO BE REDIRECTED														
Staff *	11.6	1,469,047	14.6	1,818,650	19.1	2,332,484	16.1	1,948,463	36.0	4,155,448	0.0	0	**97.4**	**11,724,092**
Funds:														
Existing System	0.0	0	0.0	0	0.0	0		0		845,332		0		**845,332**
Other Fund Sources	0.0	0	0.0	0	0.0	0	0.0			0		0		**0**
TOTAL REDIRECTED RESOURCES	**11.6**	**1,469,047**	**14.6**	**1,818,650**	**19.1**	**2,332,484**	**16.1**	**1,948,463**	**36.0**	**5,000,780**	**0.0**	**0**	**97.4**	**12,569,424**
ADDITIONAL PROJECT FUNDING NEEDED														
One-Time Project Costs	4.5	1,328,556	7.5	2,711,139	6.5	2,525,512	5.5	1,613,525	0.0	0	0.0	0	**24.0**	**8,178,732**
Continuing Project Costs	0.0	0	0.0		0.0	125,600	0.0	239,199	0.0	278,200	0.0	0	**0.0**	**642,998**
TOTAL ADDITIONAL PROJECT FUNDS NEEDED BY FISCAL YEAR	**4.5**	**1,328,556**	**7.5**	**2,711,139**	**6.5**	**2,651,112**	**5.5**	**1,852,724**	**0.0**	**278,200**	0.0	0	**24.0**	**8,821,730**
TOTAL PROJECT FUNDING	**16.1**	**2,797,603**	**22.1**	**4,529,789**	**25.6**	**4,983,596**	**21.6**	**3,801,187**	**36.0**	**5,278,979**	**0.0**	**0**	**121.4**	**21,391,153**
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	13%	2,797,603	21%	4,529,789	23%	4,983,596	18%	3,801,187	25%	5,278,979	0%	0	100%	21,391,153
Reimbursement	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%	0
TOTAL FUNDING	13%	2,797,603	21%	4,529,789	23%	4,983,596	18%	3,801,187	25%	5,278,979	0%	0	100%	21,391,153

***Type**: If applicable, for each funding source, beginning on row 29, 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.

* The California Department of Insurance (CDI) and its projects are funded through the California Insurance Fund 0217. The funding is primarily based on the revenue collected by CDI for License fees, assessments, and Proposition 103 recoupment fee.

Note: Values in Redirected staff does **NOT** include Limited Term or Subject Matter Experts from Branches. As indicated in the Maintenance Year (FY18/19) the on-going additional costs will be $278,200. Because the project teams cycle throughout the project, FY16/17 will have all 3 teams working throughout the year - raising the the resources requirements.

8.4.7 ADJUSTMENTS, SAVINGS, AND REVENUES WORKSHEET

Figure 8-EAW Page 8-14: Adjustments, Savings, and Revenues Worksheet

SIMM 20C30C, Rev. 03/2011

ADJUSTMENTS, SAVINGS AND REVENUES WORKSHEET

Department: California Department of Insurance

41699

Project: CDI Menu Modernization Project (CMMP)

Annual Project Adjustments	FY 2014/15 PYs	FY 2014/15 Amts	FY 2015/16 PYs	FY 2015/16 Amts	FY 2016/17 PYs	FY 2016/17 Amts	FY 2017/18 PYs	FY 2017/18 Amts	FY 2018/19 PYs	FY 2018/19 Amts	FY 2019/2020 PYs	FY 2019/2020 Amts	Net Adjustments PYs	Net Adjustments Amts
One-time Costs														
Previous Year's Baseline	0.0	0	4.5	1,328,556	7.5	2,711,139	6.5	2,525,512	5.5	1,613,525	0.0	0		
(A) Annual Augmentation /(Reduction)	**4.5**	**1,328,556**	**3.0**	**1,382,583**	**(1.0)**	**(185,627)**	**(1.0)**	**(911,988)**	**(5.5)**	**(1,613,525)**	**0.0**	**0**		
(B) Total One-Time Budget Actions	4.5	1,328,556	7.5	2,711,139	6.5	2,525,512	5.5	1,613,525	0.0	0	0.0	0	**24.0**	**8,178,732**
Continuing Costs														
Previous Year's Baseline	0.0	0	0.0	0	0.0	0	0.0	125,600	0.0	239,199	0.0	278,200		
(C) Annual Augmentation /(Reduction)	**0.0**	**0**	**0.0**	**0**	**0.0**	**125,600**	**0.0**	**113,600**	**0.0**	**39,001**	**0.0**	**(278,200)**		
(D) Total Continuing Budget Actions	0.0	0	0.0	0	0.0	125,600	0.0	239,199	0.0	278,200	0.0	0	**0.0**	**642,998**
Total Annual Project Budget Augmentation /(Reduction) [A + C]	**4.5**	**1,328,556**	**3.0**	**1,382,583**	**(1.0)**	**(60,027)**	**(1.0)**	**(798,388)**	**(5.5)**	**(1,574,524)**	**0.0**	**(278,200)**		

[A, C] Excludes Redirected Resources

Total Additional Project Funds Needed [B + D]	**24.0**	**8,821,730**

Annual Savings/Revenue Adjustments

Cost Savings	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0		
Increased Program Revenues		0		0		0		0		0		0		

9. Glossary of Acronyms and Terms

Acronym	Expanded Description
AB	Assembly Bill
ACA	Affordable Care Act – A Federal Statute signed into law in 2010 which is designed to increase the number of Americans who are insured and by increasing the risk-pool, thereby reducing the overall cost of Healthcare. It has a tremendous impact on the way the State of California will handle Insurance business and on the functional requirements for technical support in the California Department of Insurance (CDI)
ACH	Automated Clearing House – A secure payment transfer system that connects all United States (US) financial institutions
ADA	American Disabilities Act – The Americans with Disabilities Act (ADA) gives civil rights protections to individuals with disabilities that are like those provided to individuals on the basis of race, sex, national origin, and religion. It guarantees equal opportunity for individuals with disabilities in employment, public accommodations, transportation, State and local government services (including telecommunications)
ADAM	Applications Development and Maintenance Bureau – Provides continuous optimization, maintenance and custom software development to meet the business needs of CDI, including the Integrated Database, the Fraud Integrated Database system, Internet/intranet development, and custom interfaces. ADAM monitors and maintains the Oracle Application Server, commonly referred to as the 'middle tier', and works with Data Administrators at OTech where CDI's departmental data is stored
AIMS	Agency Information Management Strategy – The Department's comprehensive plan for using Information Technology (IT) to support its business need. It defines the IT strategy as well as setting IT goals
BITS	Budget Information Tracking System
BREQ	Business Requirement
CA PMM	California Project Management Methodology (SIMM 17)
CALSTARS	California State Accounting and Recording System
CCB	Consumer Communications Bureau – Provides consumer services through the CDI toll-free telephone line and resolves consumer complaints
CDI	California Department of Insurance – Sometimes referred to as the Department is primarily responsible for protecting the California insurance consumer

Acronym	Expanded Description
CEOB	Consumer Education Outreach Bureau – Provide staff to handle workshops, health forums, town hall meetings, seminars, educational panels, and partner with other governmental agencies to promote comprehensive consumer education
CIC	California Insurance Code – The code not only covers requirements for home, auto, medical and business insurance policies, but also covers the licensing of bail bond agents, workers' compensation, motor club services, and other related business types. The CDI oversees the enforcement of the code and the execution of its policies
CIO	Chief Information Officer
CMAS	California Multiple Award Schedules – A State contracting vehicle that offers a wide variety of commodity, non-IT Services, and information technology products and services at prices that have been assessed to be fair, reasonable and competitive
CMMP	CDI Menu Modernization Project – Acronym and Title for this project
COIN	California Organized Investment Network – Is a collaborative effort between CDI, the insurance industry, community affordable housing and economic development organizations, and community advocates. COIN was established in 1996 at the request of the insurance industry as an alternative to state legislation that would have required insurance companies to invest in underserved communities, similar to the federal Community Reinvestment Act (CRA) that applies to the banking industry. The COIN Internet-based application provides automated insurer access to community development investment opportunities and provides the Community Development Organizations access to insurers
COTS	Commercial Off the Shelf – Products that are designed to be easily installed with little or no configuration and able to interoperate with existing system components
CRM	Customer Relationship Manager – Refers to software designed to organize, automate and synchronize an entity's sales, marketing, customer service and technical support
CTA or CalTech	California Technology Agency – The California Technology Agency is a cabinet-level agency with statutory authority over IT strategic vision and planning, enterprise architecture, policy, and project approval and oversight. On July 1, the California Technology Agency (CTA) changed its name to the California Department of Technology (CalTech)
DFD	Data Flow Diagrams - Is a graphical representation of the "flow" of data through an information system, modeling its *process* aspects

Acronym	Expanded Description
DGS	Department of General Services - Acts as the business manager for the State of California, helping the State government better serve the public by providing services to state agencies including procurement and acquisition solutions, real estate management, leasing and design services, transportation and architectural oversight and funding for the construction of safe schools
DMV	Department of Motor Vehicles – The California DMV registers vehicles in California and licenses their drivers. This amounts to about 33 million vehicles registered and approximately 23 million licensed drivers
DMZ	Demilitarized Zone – In computer security, a DMZ (sometimes referred to as a perimeter network) is a physical or logical sub network that contains and exposes an organization's external-facing services to a larger untrusted network, usually the internet
DOF	Department of Finance – Serves as the Governor's chief financial advisor, promotes responsible resource allocation and ensures the financial integrity of the State
DVBE	Disabled Veterans Business Enterprise
EAW	Economic Analysis Worksheet – Contains summary level information, which provides the basis for an objective evaluation of the economic feasibility of a proposed information technology (IT) project by the Technology Agency
EIP	Enterprise Information Portal – Is a business intelligence (BI) and data warehousing software solution that gives management user-friendly access to information about CDI's operational status via a self-service portal
ERD	Entity Relationship Diagram – Represents the structure of relational database
ESB	Enterprise Service Bus – Is a software architecture model used for designing and implementing the interaction and communication between mutually interacting software applications in Service Oriented Architecture (SOA)
EWS	Early Warning System – A module in the current CDI Menu. It is used by the Financial Services Bureau to facilitate early detection of potential insolvency problems with admitted (authorized or licensed) insurance companies.
FI$CAL	Financial Information System for California – FI$Cal is an historic partnership of the Department of Finance (DOF), the State Controller's Office (SCO), the State Treasurer's Office (STO) and the Department of General Services (DGS) which will prepare the State systems and workforce to function in an integrated financial management system environment

Acronym	Expanded Description
FIDB	Fraud Integrated Database – This database allows Fraud staff to examine and analyze database information contained in FIDB to produce ad hoc reports to meet their daily business needs
FSR	Feasibility Study Report – Used to define the business case and document the alternatives for resolving the business problems
FTP	File Transfer Protocol (FTP) – Is a standard network protocol used to transfer files from one host to another host over a TCP-based network, such as the Internet
FY	Fiscal Year – A "fiscal year" is a 12-month period that is designated for accounting purposes. For the State of California, the fiscal year begins on July 1 and ends June 30 of the following calendar year
GC	Government Code
HRIS	Human Resources Information System
IAA	Inter-Agency Agreement – A contract between two or more agencies
IPO	Independent Project Oversight – Independent oversight required by the State of California for IT project in order to enable the early detection and remediation of potential issues before they grow into costly project-threatening obstacles
IPOC	Independent Project Oversight Contractor – An independent party outside the Department who is contracted to provide project oversight services
ISO	Information Security Officer – Manages the Department's Information Security
IT	Information Technology
ITD	Information Technology Division – Develops and supports the technology for the California Department of Insurance
ITPP	Information Technology Procurement Plan
IV & V	Independent Verification & Validation – An in-depth technical analysis of the products and processes of system development, conducted by an unbiased third party for the purpose of ensuring that the system is being developed according to the client's requirements
LDAP	Lightweight Directory Access Protocol – Is an application protocol for accessing and maintaining distributed directory information services over an Internet Protocol (IP) network
LPA	Leveraged Procurement Agreement – Statewide contract that allows departments to buy directly from suppliers through existing contracts and agreements

Acronym	Expanded Description
M & O	Maintenance and Operations – The phase of the project life cycle when the project goes into projection and is maintained by the IT staff
MOTS	Modified Off the Shelf – Is typically a COTS product whose source code can be modified
MPLS	Multiprotocol Label Switching – Is a mechanism in high-performance telecommunications networks that directs data from one network node to the next based on short path labels rather than long network addresses
MS	Microsoft®
MSA	Master Services Agreement – State contract that is competitively bid by DGS, who then establishes a prequalified list of vendors and simplifies the purchasing process for the end user
NAIC	National Association of Insurance Commissioners – Through the NAIC, state insurance regulators establish standards and best practices, conduct peer review, and coordinate their regulatory oversight. NAIC members, together with the central resources of the NAIC, form the national system of state-based insurance regulation in the U.S.
NOS	Network Operating System – Refers to software that implements an operating system of some kind that is oriented to computer networking
O & E	Operations and Expenditures – Costs of running an entity exclusive of the Personnel resources
OCIO	Office of the State Chief Information Officer (Now the Secretary of California Technology)
OCM	Organizational Change Management – Managing the effects of changes to business processes, including addressing training needs, creating communication plans and ensuring that expectations are set at an appropriate level
OS	Operating System – The software that supports a computer's basic functions, such as scheduling tasks, executing applications, and controlling peripherals
OTech	Office of Technology Services under the management of the California Department of Technology (CalTech)
PCAS	Project Coordination and Administrative Support Bureau – provides support including procurement, IT Project Management, and control agency compliance
PDF	Portable Document Format – Is a file format used to represent documents in a manner independent of application software, hardware, and operating systems
PIE	Personnel Information Exchange – A subscription-based online system to help State human resources professionals access information related to their jobs (personnel, labor

Acronym	Expanded Description
	relations, and other specialties)
PIER	Post Implementation Evaluation Report – Documents the successes and failures of the Project. It provides an historical record of planned and actual budget and schedule
PLB	Producer Licensing Bureau – Is responsible for protecting the public by determining the qualifications and eligibility of applicants for licenses to act as insurance producers, bail agents, and insurance adjusters in California. The PLB is also responsible for issuing, maintaining and updating records of all licenses; to develop; and to administer written qualifying license examinations
PM	Project Manager – Has the responsibility of the planning, execution and closing the project. Responsible for maintaining the schedule, identifying potential risk, managing change and ensuring the project is completed within the expected budget and meeting the expected requirements
PMBOK	Project Management Body of Knowledge
PMI	Project Management Institute
PNT	Private Network Transport
POP	Point of Presence – Is the point at which two or more different networks or communication devices build a connection with each other. POP mainly refers to an access point, location or facility that connects to and helps other devices establish a connection with the Internet
POC	Proof of Concept – A technology prototype that is designed to determine feasibility of the system
PYs	Personnel Years – The actual or estimated portion of a position expended for the performance of work
RFP	Request for Proposal – A procurement vehicle; a solicitation made, often through a bidding process, by an agency interested in procurement of a commodity, service or valuable asset to potential suppliers to submit a proposal or offer of work
SAM	State Administrative Manual
SB	Senate Bill
SDLC	System Development Life Cycle
SME	Subject Matter Expert – In this case it means the Key Individuals from each branch or bureau who will provide the requirements for their area. They will be responsible for communication with their branches and keeping them aware of changes that may be required in their business processes

Acronym	Expanded Description
SNSB	Statewide Network Support Bureau – Provides technical support for the Department's computer network including the Local Area Network (LAN),Wide Area Network (WAN), Internet, intranet; telecommunications network, and personal computers including hardware & software installation and maintenance
SOA	Service Oriented Architecture
SSA	Staff Services Analyst
SSM	Staff Services Manager
TARS	Time Activity Reporting System – Used by all program staff to track the time spent on specific activities
UAT	User Acceptance Test
VPN	Virtual Private Network – Is a network that uses a public telecommunication infrastructure, such as the internet, to provide remote offices or individual users with secure access to their organization's network
WSB	Web Services Bureau – Responsible for improving usability of CDI's website content and online services while ensuring compliance to State and Federal accessibility requirements. Also supported are the CDI's 141 content contributors and content managers responsible for the Internet and intranet websites' content

10. Appendix A CMMP Module Traceability

Table 4-1 Current CDI Menu Applications	Figure 5-1 CMMP Logical Solution Diagram	Table 6-2 CDI Menu (Oracle Forms/ Reports Applications) Participating in CMMP	Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Accounting - Financials	This system allows Department staff to create customer invoice batches to "feed" the Oracle Financials system from various functions of the Department such as 'Financial Analysis Division (FAD) Reviews', 'Certificate of Authority Billings', 'Late Filing Fees' and others. ADAM staff also maintain various financial reports, letters, and subsystems on the CDI MENU.	FIN	AR, FIN	4	FIN System • Address • PTAB (New) • Accounting*	In scope *Out of Scope *The components that we consider out of scope are accounting functions based on Oracle Financials.*

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Application Tracking System (Filings)	This system enables Department staff to track insurance company applications and financial changes including, but not limited to, the admission to California, authorization of new lines of insurance, approving a re-insurance agreement, and name change approvals.	Filings	BGGT, IDB	7	FSB System • Applications Filings • Legal	In Scope
Auto Liability Study	Department study of Liability insurance on autos in California.	SAD	LIAB	2	SAD System • Liability Study	In Scope
Auto Physical Damage Survey	Department study of Physical Damage insurance on autos in California.	SAD	PHYSD	2	SAD • Physical Damage	In Scope
CSD Discoverer	This system offers CSD (Consumer Services Division) the ability to run simple queries immediately by allowing CSD personnel to run ad hoc query reports and reduces the need for IT personnel to generate basic reports. IT personnel are the system administrators for the application.	Stand Alone	IDB, CAS	11	CSD • CSD Discoverer	In Scope
Community Service Study	Department study of insurers who write personal, commercial fire and homeowner lines of insurance.	SAD	COMSERV, IDB	2	SAD • Community Service	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Company Information Tracking	This system allows tracking of companies or insurer information and provides that information throughout the IDB. It captures and tracks general company information, including company history (such as company license history), changes in the state of domicile, date incorporated, business start date, company addresses, company contacts, company phone numbers, company status information, authorized lines of business, company name, and ownership changes and mergers.	Co_Info	IDB	4	Legal System • Co_Info	In Scope
Consumer Services Case Tracking System	Consumer Services enters consumer inquiries and complaints against insurers, agents or brokers, and consumer requests (case management).	CSD	IDB, CAS	11	CSD • CSD_New	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Consumer Communication System	Consumer Services Division (CSD) uses several modules from the CDI MENU to support its business. Consumer Communications Bureau (CCB) applications include a brochure tracking module to track inventories for brochures that are sent to consumers, as well as to track quantities on hand; a call qualifying module; premium surveys; entity information directories and earthquake/auto mediation tracking modules.	CSD, CCB, Time K	IDB, CAS, Time K	11	CSD • CCB • CSD_New HR System • Time K	In Scope
Consumer Education Outreach Tracking Brochure System	Allows the tracking of Consumer Education Outreach Bureau's (CEOB) brochures that are disseminated to consumers, consumer groups, and various organizations. The objective of this system is to accurately track bulk brochures ordered, brochures on hand, and brochures used as well as to project future inventory needed for budgeting purposes. CEOB also tracks public events.	CEOB	CEOB, IDB, CAS	5	CEOB System • OMB	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Exam Tracking System	The Exam Tracking System is used to track financial exams and market conduct exams for companies who market insurance services. It provides information on exams conducted by Field Examination Division, Field Rating and Underwriting, and Field Claims. Scheduled exams, completed exams, exam history, exam team members, exam findings, exam recommendation, date of the next exam, and insurance code violations are some of the items entered through the Exam Tracking System.	MCD, Co_Fin	IDB, FIN	9 7	Co_Fin • Case Management MCD • Case Management	In Scope
Early Warning System	The Early Warning System (EWS) is designed to track all significant findings that may affect the operations of a company. A primary purpose is to facilitate detection of potential insolvency problems with admitted (authorized or licensed) insurance companies at the earliest possible opportunity.	EWS	IDB	7	FSB System • EWS	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Electronic Funds Transfer System	This system provides accounting staff the ability to track electronic funds received and to create reports.	EFT	EFT	4	FIN System • EFT	In Scope
Fraud Integrated Database (FIDB)	FIDB serves as the Fraud Division's case management, analysis and timekeeping system. It provides on-line access to entering or retrieving case activity information, linking of cases and viewing information based on the user's authorized profile.	Stand Alone	FIDB, IDB, CORE	13	FIDB	In Scope
FDB Discoverer	This system offers FD (Fraud Division) the ability to run simple queries immediately by allowing FD personnel to run ad hoc query reports and reduces the need for IT personnel to generate basic reports. IT personnel are the system administrators for the application.	Stand Alone	FIDB	13	FIDB	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Financial Surveillance Branch System (Exam, Statement & Review Tracking Systems)	Financial Surveillance Branch uses several modules to assist in their operations. Included are a Financials Analysis Division's (FAD) Company Review Module, a Statement Tracking Module, and a FAD Exam Tracking Module that tracks both Non-California Exams and California Exams.	Co_Fin	FIN, IDB	7	FSB • App Filings • Co-Fin • EWS	In Scope
Investigations Case Management System	This system tracks investigative cases where evidence indicates violations of insurance statutes or regulations and tracks mail items from the time they are received until all processing is completed.					Out of Scope
Licensing System(s) Licensing Reports/ Letters	The Producer Licensing Bureau (PLB) utilizes a subsystem that enables it to do a variety of things such as produce reports, generate queries, produce letters, create mailing labels, generate notices, etc.	LIC	CORE, IDB	10	Licensing System • LCB	In Scope
Licensing Background Bureau Tracking System	This system provides the Licensing Background Bureau (LBB) a way to review the background of licenses of agents, brokers, agencies.	LIC	CORE, CAS	10	Licensing System • LBB	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Non-Admitted Filings	This system allows the Licensing Background Bureau (LBB) to enter non-admitted insurers and surplus lines companies.	Co_INFO	IDB	10	Licensing System • Non-Admitted Filings	In Scope
Personnel Tracking System	This system allows Human Resource (HR) staff to enter new employee information and update existing employee information such as position number, classification, start date, supervisor, work unit, etc. This is one of multiple systems into which HR must enter data.	MISC	IDB	6	HR System • Time K	In Scope
Personal Property Experience Study	Department study for housing data (such as fire, earthquake and loss of use) that will be used by National Association of Insurance Commissioners (NAIC), other State Agencies, and Federal Emergency Agencies.	SAD	PPED, IDB	2	SAD • Personal Property	In Scope

ADAM Supported Systems/ Functions	CDI Menu Applications	Applications – CDI Menu Modules	Database Layer	ID	CDI Menu Systems and FIDB	In Scope of CMMP
Timekeeping System (TARS)	System designed for all CDI employees to utilize TARS for timekeeping purposes. Several branches have custom developed interfaces for their specific use, and the data is then 'transferred' to TARS programmatically.	Time K	IDB	6	HR System • Time K	In Scope
Rate Regulation Tracking System (Filings)	Rate Filing Tracking System allows for rate and form filing tracking and analysis. Classification Plan tracking is also included.	Filings	IDB	8	Rate Filing System	In Scope
Resource Tracking System (Version Control; ITD Time, Resource Mgmt., Phone Lists)	Allows ITD staff to track service requests, analysis input, and internal timekeeping. System enables version control and tracking of forms and reports; weekly reporting on projects; and various management reports in terms of time, assignments, and projections based on a service request number.	MISC	IDB, Time K	12	ITD System • Resource Tracking	In Scope