



Stage 2 Alternatives Analysis

California Department of Technology, SIMM 19B.2 (Ver. 3.0.7, 02/28/2022)

2.1 General Information

- 1. Agency or State Entity Name:** 0511 - Secretary for Government Operations Agency If Agency/State entity is not on the list, enter here with the [organization code](#).
7600 California Department of Tax and Fee Administration (CDTFA)
- 2. Proposal Name:** CDTFA Data Analytics and Tax Return Processing Solution (DATRPS)
- 3. Department of Technology Project Number (0000-000):** 7600-095
- 4. S2AA Version Number:** Version 1
- 5. CDT Billing Case Number:** CS0045581
Don't have a Case Number? [Click here to get one.](#)

2.2 Submittal Information

1. Contact Information

Contact Name: Harry Pon

Contact Email: Harry.Pon@cdtfa.ca.gov Contact

Phone: 916-309-1738

2. Submission Type: New Submission

If Withdraw, select Reason: [Choose an item.](#)

If Other, specify reason here: [Click or tap here to enter text.](#)

Sections Changed if an update or resubmission: (List all the sections that changed.) [None](#)

Summary of Changes: (Summarize updates made.)

[None](#)

- 3. Attach [Project Approval Executive Transmittal](#) to your email submission.**
- 4. Attach [Procurement Assessment Form](#) to your email submission.**

5. Conditions from Stage 1 Approval (Enter any conditions from the Stage 1 Business Analysis approval letter issued by CDT or your AIO):

None known.

2.3 Baseline Processes and Systems

1. Current Business Environment (Describe the current business environment of which the effort will be understood and assessed in 500 words)

The California Department of Tax and Fee Administration (CDTFA) collects taxes and fees that account for more than 30 percent of the annual revenue for the state government. In doing so, the CDTFA produces valuable data that can assist policymakers, economists, researchers, and the business community at large to better understand California's business climate. The information can also enhance the understanding of the impact on the community of taxes we collect. Examples include taxable sales by city and county and by type of business, fuel consumption statistics, property tax statistics, assessed property values subject to general property taxes, and other relevant indicators.

After returns are filed, information gathered by CDTFA is used to determine if returns will need to be audited or fall into needed compliance activities. The CDTFA areas that deal with analysis, audit, and compliance activities are the Return Analysis Unit, the Data Analysis Section (DAS), and the Audit Section.

Return Analysis Unit:

Each business with an active account under any of the revenue laws administered by CDTFA must file returns, reports and/or schedules and pay amounts due at regular intervals as proscribed by law. Returns must be filed even if no business activity has occurred. The Return Analysis Unit ensures that returns and payments are timely processed, examines the tax returns for completeness, and questions tax return anomalies. DAS, the Audits Section, and the Return Analytics Work Group use the data that Return Analysis Unit processes to develop audit and compliance activities.

Data Analysis Section (DAS):

DAS is responsible for processing data and preparing management reports for both audit and compliance activities. DAS conducts and coordinates audit selection with the field offices. DAS coordinates and prepares mass mailings for the Statewide Compliance and Outreach Program (SCOP), notifies permit holders of impending visits, and maintains the SCOP database. In addition, DAS receives third-party data from various sources used in audit selection, creating non-compliance leads and several special projects.

Audit Section:

Audits are intended to enforce compliance with the laws, correct errors that result in underreporting or over-reporting, and inform business customers how to properly report taxes and fees.

In May of 2021, the Field Operations Division, in partnership with the Business Taxes and Fees Division, began the Return Analytics Audit Workgroup, which examines internal data with all available external data to identify accounts for tax underreporting. Once accounts are identified, taxpayers are informed about taking corrective actions by amending their returns to acceptable amounts and correcting future reporting habits. Accounts that the group is unable to resolve are referred for audit. Additionally, the group is tasked with identifying tax underreporting as returns are filed and notifying taxpayers shortly after. This allows taxpayers to self-correct their reporting rather than becoming aware of their errors later, possibly from a three-year audit.

(See attachment C, 2.3 Baseline Processes and Systems, 1. Current Business Environment)

Tip: Current Environment costs will be asked for in the Financial Analysis Worksheet to be completed in Section 2.12.

Attach relevant documentation to email submission (i.e., business process, workflow, problem analysis, user/stakeholder list, research findings). If these types of documents are not available, please indicate “Not Available,” and explain the reason below:

Not available reason: [Click or tap here to enter text.](#)

2. Technical Context (Describe the technical environment in which the effort will be understood and assessed in 500 words)

Centralized Revenue Opportunity System (CROS)

This section provides an overview of the California Department of Tax and Fee Administration (CDTFA) current technical environment. The current environment includes the following:

- Centralized Revenue Opportunity System (CROS);
- Pre-Audit Analysis Tool (PAAT); and
- Geographic Information System (GIS)/Environmental Systems Research Institute (ESRI).

CROS is a Tax Administration System designed to provide California Taxpayers and CDFTA team members an enhanced experience by maximizing the effectiveness of operations, generating additional revenue, and providing efficiencies that benefit California businesses. CROS is configured to include activities common to a Tax Administration System, including Tax Returns, Audits, Compliance, Customer Letters/Notifications, Tax Return Penalties, Interest, Various Transactions, Customer Types, Workflow, Screen Layouts, and much more.

The foundation of CROS is Fast Enterprises “GenTax” Modified Off-The Shelf (MOTS) product (www.fastenterprises.com/solutions/gentax/). GenTax is a service-oriented enterprise application that operates in a Microsoft-based environment and architecture. The core architecture utilizes a Visual Basic .NET framework, and the development of custom components are built on the same industry-standard platform using Microsoft Visual Studio. CROS is a scalable web-based application that can interface and integrate securely with other

CDTFA applications and external agency data partners. Currently, CROS has over 300 + interfaces with 50 plus external agencies. CROS also maintains terabytes of data in the SQL server database with multiple databases for applications, configuration, images, external data etc.

The system was built specifically to support the business of CDTFA using Microsoft tools and technology to run on an industry-standard server platform, modern web browser clients, and relational database management systems. It was architected for performance and scalability using N-tier architecture, which clearly separates user interface control and data presentation from application logic. Currently, CROS is hosted at the CDT data center in a tenant management environment for production, non-production, and disaster recovery.

(See attachment D, 2.3 Baseline Processes and Systems, 2. Technical Context)

Pre-Audit Analysis Tool (PAAT)

Currently, the account information is being exported from CROS by staff in the Data Analysis Section. The Access database and PAAT spreadsheet are then directly distributed to auditors in various areas.

The application under development is intended to adapt this process to make the PAAT spreadsheet accessible to users through a web interface. This involves users requesting account data, retrieving a targeted dataset from CROS, and using the returned data to populate the PAAT spreadsheet and provide users with a download link. CROS data is accessed by submitting an input flat data file with user search criteria to be run in an overnight batch process. This results in an output data file imported into the web application's SQL database.

(See attachment E, 2.3 Baseline Processes and Systems, 2. Technical Context)

Geographic Information System (GIS)/Environmental Systems Research Institute (ESRI)

GIS is used for data visualization, validation, and decision support in CDTFA's Local Revenue Branch, Tax Policy Branch, Data Analysis Section, Field Operations Division, and Board of Equalization.

The GIS infrastructure includes a subscription to Bing Maps Geocoding API, ESRI's Premium Data Store to share public GIS data, ESRI ArcGIS Enterprise for confidential GIS data, and ESRI ArcGIS Pro desktop software.

Data is extracted from CROS periodically by ETL for specific projects such as cigarette taxes and the SCOP team heat maps. The data must first be geocoded using the Bing Maps API, as CROS does not store any coordinates. The data is then transformed into GIS maps using ESRI's ArcGIS Pro desktop software and published to ArcGIS Enterprise or ArcGIS Online for use in GIS applications.

The Tax Rate API is a REST API that CROS and the public use to allocate the correct tax rate and jurisdiction. This uses the Bing Maps API and tax rate GIS maps stored in CDTFA's ArcGIS Online Premium Data Store.

(See attachment F, 2.3 Baseline Processes and Systems, 2. Technical Context)

3. Data Management (Enter the information to indicate the data owner and custodian of the current system, if applicable.)

(See attachment G: CDTTA Data Governance Organization Chart)

Data Owner Name: James Dahlen

Data Owner Title: Chief, Program and Compliance Bureau

Data Owner Business Program area: Business Tax and Fees

Data Custodian Name: Christian Turner

Data Custodian Title: Information Technology Manager II

Data Custodian Technical area: Fiona Renton

Security - Data Classification and Categorization Yes

Security - Privacy Threshold & Impact Assessment. Yes

4. Existing Data Governance and Data

- a) Do you have existing data that must be migrated to your new solution? **Answer** (Unknown, Yes, No): Yes

If data migration is required, please rate the quality of the data.

Select data quality rating: Some issues identified with the existing data.

- b) Does the Agency/state entity have an established data governance body with well-defined roles and responsibilities to support data governance activities?

Answer (Unknown, Yes, No): Yes

If Yes, include the data governance organization chart as an attachment to your email submission. *(Attachment G)*

- c) Does the Agency/state entity have data governance policies (data policies, data standards, etc.) formally defined, documented, and implemented?

Answer (Unknown, Yes, No): Yes

If Yes, include the data governance policies as an attachment ([Attachment H](#)) to your email submission.

- d) Does the Agency/state entity have data security policies, standards, controls, and procedures formally defined, documented, and implemented?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, attach ([Attachment I](#)) the existing documented security policies, standards, and controls for your email submission.

- e) Does the Agency/state entity have user accessibility policies, standards, controls, and procedures formally defined, documented, and implemented?

Answer (Unknown, Yes, No): [Yes](#)

If Yes, attach ([Attachment J](#)) the existing documented policies, accessibility governance plan, and standards used for the email submission.

5. Security Categorization Impact Table

Consult the [SIMM 5305-A Information Security Program Management Standard - Security Categorization Impact Table](#).

Attach ([Attachment K](#)) a table (in PDF) that categorizes and classifies the agency/state entity's information assets related to this effort (e.g., paper, and electronic records, automated files, databases requiring appropriate protection from unauthorized use, access, disclosure, modification, loss, or deletion). Each information asset for which the agency/state entity has ownership responsibility shall be inventoried and identified.

6. Security Categorization Impact Table Summary

Consult the [SIMM 5305-A Information Security Program Management Standard - Security Categorization Impact Table](#) to provide potential impact levels of the following areas:

Confidentiality: [Low](#)

Integrity: [Low](#)

Availability: [Low](#)

7. Technical Complexity Score: 1.6

(Attach a [SIMM Section 45 Appendix C](#) with Business and Technical Complexity sections completed to the email submission.) ([Attachment M](#))

2.4 Requirements and Outcomes

At this time in the project planning process, requirements and outcomes should be documented and indicative of how the Agency/State Entity envisions the final solution. This shall be accomplished either in the form of mid-level requirements (predictive methodology)/business capabilities or representative epics and user stories (adaptive methodology) that will become part of the product

backlog. The requirements or representative epics and user stories must tie back to the Objectives detailed in the Stage 1 Business Analysis. Regardless of which tool/method is used, an understanding of the following, at a minimum, must be clearly articulated:

- Functional requirements
- Expected user experience(s)
- Expected system outcome
- Expected business operations (e.g., How do you envision operations in the future?)
- Alignment to the project's objectives identified in Stage 1
- Product ownership (e.g., Who owns these requirements?); and
- Verification of need(s) fulfillment (e.g., How will success be measured?)

Tip: If providing requirements, the recommended range of requirements is between 50 and 100.

Attach Requirements and/or Outcome narratives, mid-level requirements, and/or epics/user stories to the submission email.

[See attachment N - Requirements and Outcomes](#)

2.5 Assumptions and Constraints

Relevant assumptions and constraints help define boundaries and opportunities to shape the scope and complexity of the project.

Assumption:

1. The project team members needed to complete the project will be available as scheduled.

Description/Potential Impact: If project team members are not available could cause delays in the project schedule.

2. Funding will be allocated to procure, maintain, and operate the solution.

Description/Potential Impact:: Changes to project funding will impact the ability to meet deadlines and/or may require a change to the established deadline.

3. Training for any new capabilities or technologies used in the solution that CDTFA does not currently support will be provided to designated staff who will support and maintain the new solution. Any required training not included in the solution will also be funded.

Description/Potential Impact: Internal staff will need the training to support and maintain the new technology.

4. The systems and technologies listed below are currently used at CDTFA. The contractor will understand and, when feasible, use or integrate with them, or their agreed-upon equivalents, in the solution unless otherwise agreed to by CDTFA.

- GenTax System Version 11 (Centralized Revenue Opportunity System (CROS))

- Azure and AWS clouds
- Box (Enterprise cloud content management)
- Microsoft SQL Server and Access (Databases)
- Microsoft SQL (T-SQL)
- Microsoft Power Platform (Power Apps, Power BI, etc.)
- ESRI ArcGIS Enterprise 10.9.1 in Azure
- ESRI ArcGIS Pro 3.x desktop software
- Microsoft 365 Office Products (SharePoint, OneDrive, Word, Excel, etc.)
- Microsoft Windows 10 Enterprise OS (moving to Windows 11)
- Programming Languages - C#, VB .Net, Java, JavaScript, Python
- Browsers - Chrome, Firefox, Safari, Edge
- Interfaces - ETL, web services, file transfers, SOAP, REST, Anaconda EST
- Formats – tab-delimited text, csv, xml, xls, etc.

Description/Potential Impact: Not finding a vendor that can work with some of our existing systems will complicate the implementation and system start-up and cause delays due to additional staff training and new, unfamiliar platforms and interfaces.

Constraint:

- CDTFA must be able to access and maintain the data analytics models in the solution.
- CDTFA has limited access to non-government-related data sources.

Description/Potential Impact: Without access and the ability to collaborate, modify, maintain, and train machine learning, data analytics models will severely hamper the full implementation of the solution to the fullest.

TIP: Copy and paste to add Assumptions/Constraints with Descriptions/Impacts as needed.

2.6 Dependencies

Dependencies are elements or relationships in a project reliant on something else occurring before the function, service, interface, task, or action can begin or continue.

Dependency Element:

- GenTax resources to provide system-specific knowledge; assist with access, interfaces, and integrate results to perform business functions.
- Data Governance effort is underway but not implemented. Any outcomes from that effort affecting this one will have to be considered case-by-case for implementation.

Dependency Description: If GenTax resources are unavailable to help develop interfaces to the new solution, that will hamper the full benefits of the solution to add back in key account data for analysis for deterministic taxpayer action. Outcomes from not having our Data Governance in full swing will have to be handled on a case-by-case basis.

TIP: Copy and paste to add Dependency Elements and Descriptions as needed.

2.7 Market Research

Market Research ([CDT Market Research Guidelines](#)) determines whether products or services available in the marketplace can meet the business needs identified in this proposal. Market Research can also determine whether commercial practices regarding customizing/modifying products or tailoring services are available, or even necessary, to meet the business needs and objectives of the business.

Before undertaking a Market Research approach, contact your PAO Manager to schedule a collaborative review to review planning to date and discuss the procurement approach.

1. **Project Management Methodology:** [Predictive Approach \(Waterfall\)](#)
2. **Procurement approach recommended:** [Challenge-based Procurement](#)
3. **Market Research Approach**

Provide a concise narrative description of the approach used to perform market research. [Market Research Approach](#) is attached. ([Attachment O-1](#))

4. **Market Research Artifacts**

Market Research Artifacts can include internet research, collaboration with other governmental entities, or other documentation.

Attach Market Research artifacts to the email submission. ([Attachments O-2, O-3, O-4, O-5](#))

Viable Alternative Solutions

The CDT expects Agencies/state entities to thoroughly analyze all feasible alternatives that will meet the proposal's objectives and requirements. Agencies/state entities should provide, at minimum, the three (3) most viable solutions, one (1) of which could be leveraging and/or enhancing the existing solution (if applicable).

1. **Viable Alternative Solution #1**

Name: [Cloud-Based Data Analytics Solution](#)

Description: The top viable solution is a cloud-based solution that is either a Software as a Service (SaaS) or Application that is built in the cloud. It can be vendor-hosted or hosted by CDTFA. Since CDTFA is open to creative solutions proposed by bidders, the details about this solution's specific technology platform, toolset, processing, and capabilities will be based on the winning bidder's proposal.

The solution will include the following capabilities:

- Data Ingestion of CDTFA, the Franchise Tax Board (FTB), and Employment Development Department (EDD) data from GenTax
- Data Cleansing and Matching

- Data Warehouse
- Data Modeling
- Data Analytics Engine
- Data Visualization/Consumption of Business Models, Taxpayer Actions, and Market Trend Analysis

A cloud-based solution was chosen as the most viable for the following reasons:

- Alignment with CDTFA's cloud migration strategy (GenTax cloud migration is in progress)
- Alignment with SAM 4983-4983.1 Cloud Computing Policy; and
- Employment of the capabilities outlined in SIMM 5315-B Cloud Security Standard.

Why is this a viable solution? Please explain:

Advantages

- Aligns with CDTFA's cloud migration strategy
- Complies with SAM 4983-4983.1 Cloud Computing Policy
- Employs the capabilities outlined in SIMM 5315-B Cloud Security Standard
- If vendor-hosted, then infrastructure, solution, maintenance, and support costs are the responsibility of the vendor
- If vendor-hosted, then staffing resources and costs are the responsibility of the vendor
- If vendor-hosted, then implementation will be quicker and easier
- If CDTFA-hosted, then CDTFA has control of the infrastructure, solution, maintenance, and support.
- If CDTFA-hosted, then CDTFA has control of the staffing resources and provides faster tool service request response times; and
- SaaS solutions tend to be more scalable than on-premises solutions.

Disadvantages

- If vendor-hosted, then CDTFA loses control of the infrastructure, solution, maintenance, and support.
- If CDTFA-hosted, then infrastructure, solution, maintenance, and support costs are the responsibility of CDTFA; and
- If CDTFA-hosted, then staffing resource costs are the responsibility of CDTFA.

Approach

Increase staff – new or existing capabilities: **No**

Modify the existing business process or create a new business process: **Yes**

Reduce the services or level of services provided: **No**

Utilize new or increased contracted services: **Yes**

Enhance the existing IT system: **No**

Modify Statute/Policy/Regulations: **No**

Please Specify:

Create a new IT system: [Yes](#)

Other: [No](#) Specify:

Architecture Information

Business Function(s)/Process(es): [Data Analysis Section – Tax Return Analytics](#)

Business Function(s)/Process(es): [Audit and Information Section – Tax Return Audits](#)

Business Function(s)/Process(es): [Compliance and Technology Section – Tax Compliance](#)

Business Function(s)/Process(es): [Research and Statistics Section – Market Trend Analysis](#)

TIP: Copy and paste or click the + button in the lower right corner to add business processes with the same application, system, or component; COTS/Cloud Technology or custom solution; runtime environment; system interfaces, data center location; and security.

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission. ([Attachment P-1](#))

COTS/SaaS/Cloud Technology or Custom: [COTS/SaaS/Cloud Technology](#)

Name/Primary Technology: [TBD – Based on Bidder Proposal](#)

TIP: Copy and paste or click the + button in the lower right corner to add system software information if the application, system, or component uses additional system software.

Explain Existing System Interfaces:

1. [GenTax – Taxpayer Account, Tax Return, Audit Data](#)
2. [FTB – 1099-K and Forms 100, 565, 568, and 540 Data](#)
3. [EDD – Wage and Employment Data](#)

Explain New System Interfaces:

1. [Argus Information and Advisory Services – Credit Card Transaction Data](#)

Data Center Location of the To-be Solution: [Other](#)

If Other, specify: [TBD – Based on Bidder Proposal](#)

Security

Access

Public: [No](#)

Internal State Staff: [Yes](#)

External State Staff: [No](#)

Other: [Yes](#) Specify: [Contractor Staff](#)

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: Yes

Health: No

Tax: Yes

Financial: Yes

Legal: No

Confidential: Yes

Other: Yes Specify: Federal Tax Information (FTI)

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: Yes

Physical Security: Yes

Backup and Recovery: Yes

Identity Authorization and Authentication: Yes

Other, specify: FedRAMP Authorized

Total Viable Alternative #1 Solution Cost (copy from FAW spreadsheet – Executive Cost Summary tab, cells E7 through E11):

Planning Costs: \$1,322,342 (E7 from FAW)

One-Time (Project) Costs: \$5,626,818 (E8 from FAW)

Total Future Ops. IT Staff OE&E Costs: \$1,663,928 (E9 from FAW)

Total Proposed Cost: \$8,613,088 (E10 from FAW)

Annual Future Ops. Costs (M&O): \$1,662,928 (E11 from FAW = ALT1 OPS Future AC363 from FAW)

2. Viable Alternative Solution #2

Name: On-Premises Commercial-Off-The-Shelf (COTS) Data Analytics Solution

Description: The second alternative viable solution is the same as the top viable solution, except it will be an on-premises Commercial-Off-The-Shelf (COTS) solution that is hosted by CDTFA instead of a cloud-based Software as a Service (SaaS) solution. Since CDTFA is open to creative solutions proposed by bidders, the details about this solution's specific technology platform, toolset, processing, and capabilities will be based on the winning bidder's proposal.

Why is this a viable solution? Please explain:

Advantages

- CDTFA has control of the infrastructure, solution, maintenance, and support.

Disadvantages

- Does not align with CDTFA's cloud migration strategy.
- Does not comply with SAM 4983-4983.1 - Cloud Computing Policy.
- Does not employ the capabilities outlined in SIMM 5315-B Cloud Security Standard.
- Infrastructure, solution, maintenance, and support costs are the responsibility of CDTFA. • Staffing resource costs are the responsibility of CDTFA; and
- Implementation will take longer and cost more.
- Implementation will take longer and cost more.

Approach

Increase staff – new or existing capabilities: **No**

Modify the existing business process or create a new business process: **Yes**

Reduce the services or level of services provided: **No**

Utilize new or increased contracted services: **Yes**

Enhance the existing IT system: **No**

Modify Statute/Policy/Regulations: **No**

Please Specify:

Create a new IT system: **Yes**

Architecture Information

Business Function(s)/Process(es): Data Analysis Section – Tax Return Analytics

Business Function(s)/Process(es): Audit and Information Section – Tax Return Audits

Business Function(s)/Process(es): Compliance and Technology Section – Tax Compliance

Business Function(s)/Process(es): Research and Statistics Section – Market Trend Analysis

TIP: Copy and paste or click the + button in the lower right corner to add business processes with the same application, system, or component; COTS/Cloud Technology or custom solution; runtime environment; system interfaces, data center location; and security.

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission. ([Attachment P-2](#))

COTS/SaaS/Cloud Technology or Custom: COTS/SaaS/Cloud Technology

Name/Primary Technology: TBD – Based on Bidder Proposal

TIP: Copy and paste or click the + button in the lower right corner to add system software information if the application, system, or component uses additional system software.

Explain Existing System Interfaces:

1. GenTax – Taxpayer Account, Tax Return, Audit Data
2. FTB – 1099-K and Forms 100, 565, 568, and 540 Data
3. EDD – Wage and Employment Data

Explain New System Interfaces:

1. Argus Information and Advisory Services – Credit Card Transaction Data

Data Center Location of the To-be Solution: State data center operated by CDT

If Other, specify:

Security

Access:

Public: No

Internal State Staff: Yes

External State Staff: No

Other: Yes Specify: Contractor Staff

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: Yes

Health: No

Tax: Yes

Financial: Yes

Legal: No

Confidential: Yes

Other: Yes Specify: Federal Tax Information (FTI)

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: Yes

Physical Security: Yes

Backup and Recovery: Yes

Identity Authorization and Authentication: Yes

Other, specify: FedRAMP Authorized

Total Viable Alternative #2 Solution Cost (copy from FAW spreadsheet– Summary tab, cell AL33):

Total Proposed Cost: \$18,051,921 (AL33 from FAW)

3. Viable Alternative Solution #3

Name: On-Premises – Custom Built Data Analytics Solution

Description: The third viable alternative solution is the same as the top viable solution, except it will be an on-premises custom-built solution hosted by CDTFA instead of a cloud-based Software as a Service (SaaS) solution. Since CDTFA is open to creative solutions proposed by bidders, the details about this solution's specific technology platform, toolset, processing, and capabilities will be based on the winning bidder's proposal.

Why is this a viable solution? Please explain:

Advantages

- CDTFA has control of the infrastructure, solution, maintenance, and support.

Disadvantages

- Does not align with CDTFA's cloud migration strategy.
- Does not comply with SAM 4983-4983.1 - Cloud Computing Policy.
- Does not employ the capabilities outlined in SIMM 5315-B Cloud Security Standard.
- Infrastructure, solution, maintenance, and support costs are the responsibility of CDTFA.
- Staffing resource costs are the responsibility of CDTFA; and
- Implementation will take longer and cost more.

Approach

Increase staff – new or existing capabilities: No

Modify the existing business process or create a new business process: Yes

Reduce the services or level of services provided: No

Utilize new or increased contracted services: Yes

Enhance the existing IT system: No

Modify Statute/Policy/Regulations: No

Please Specify:

Create a new IT system: Yes

Other: No Specify:

Architecture Information

Business Function(s)/Process(es): Data Analysis Section – Tax Return Analytics

Business Function(s)/Process(es): Audit and Information Section – Tax Return Audits

Business Function(s)/Process(es): Compliance and Technology Section – Tax Compliance

Business Function(s)/Process(es): [Research and Statistics Section – Market Trend Analysis](#)

TIP: Copy and paste or click the + button in the lower right corner to add business processes with the same application, system, or component; COTS/Cloud Technology or custom solution; runtime environment; system interfaces, data center location; and security.

Conceptual Architecture

Attach a copy of the conceptual architecture to your email submission. ([Attachment P-3](#))

COTS/SaaS/Cloud Technology or Custom: [Custom](#)

Name/Primary Technology: [TBD – Based on Bidder Proposal](#)

TIP: Copy and paste or click the + button in the lower right corner to add system software information if the application, system, or component uses additional system software.

Explain Existing System Interfaces:

1. [GenTax – Taxpayer Account, Tax Return, Audit Data](#)
2. [FTB – 1099-K and Forms 100, 565, 568, and 540 Data](#)
3. [EDD – Wage and Employment Data](#)

Explain New System Interfaces:

1. [Argus Information and Advisory Services – Credit Card Transaction Data](#)

Data Center Location of the To-be Solution: [State data center operated by CDT](#)

If Other, specify:

Security

Access:

Public: [No](#)

Internal State Staff: [Yes](#)

External State Staff: [No](#)

Other: [Yes](#) Specify: [Contractor Staff](#)

Type of Information (Select Yes or No for each to identify the type of information that requires protection. See the SAM Section 5305.5 for more information.)

Personal: [Yes](#)

Health: [No](#)

Tax: [Yes](#)

Financial: [Yes](#)

Legal: [No](#)

Confidential: [Yes](#)

Other: [Yes](#) Specify: Federal Tax Information (FTI)

Protective Measures (Select Yes or No to identify the protective measures used to protect information.)

Technical Security: [Yes](#)

Physical Security: [Yes](#)

Backup and Recovery: [Yes](#)

Identity Authorization and Authentication: [Yes](#)

Other, specify: FedRAMP Authorized

Total Viable Alternative #3 Solution Cost (copy from FAW spreadsheet – Summary tab, cell AL50): Total Proposed Cost: **\$18,083,750** ([AL50 from FAW](#))

2.8 Project Organization

Project planning includes identifying how and when specific labor skill sets are needed to ensure that the proposed project has sufficient staff with the appropriate knowledge and experience by the time the project moves into execution. All staff identified in the following sections should be included in the Financial Analysis Worksheet to be completed in Section 2.12.

1. Project Organization Chart:

Attach the Project Organization Chart to your email submission. ([Attachment Q](#))

2. Is the department running this project as a matrixed or projectized organization?

[Matrixed](#)

In each of the following sections, provide a concise description of the approach to staffing the proposed project, including contingencies for business/program, IT, or administrative areas to maintain ongoing operations in conjunction with the proposed project.

1. Administrative

All IT and business/program administrative and resource needs are directed through and by the technical project manager to the CIO and business/program manager(s). All needs and issues are identified at project meetings, working meetings, or emails to the technical project manager for dispositioning.

2. Business Program

The technical project manager directs all business program needs and requests from the project.

3. Information Technology

The technical project manager directs all IT resources and issues to the CIO via weekly CIO leadership staff meetings.

4. Testing

No testing is required at this PAL Stage 2 of the project, but it will be determined in later phases depending on the solution procured.

5. Data Conversion/Migration

No data conversion or migration is required at this PAL Stage 2 of the project. Data conversion and any migration will be reviewed and evaluated at a later project phase.

6. Training

No training is required at this PAL Stage 2 of the project, but it will be determined in later phases depending on the solution procured.

7. Organizational Change Management (OCM)

CDTFA will manage OCM with the introduction of the new solution.

8. Resource Capacity/Skills/Knowledge for Stage 3 Solution Development

This narrative should include the experience level and quantity of procurement, contract management, and budget staff responsible for Stage 3 Solution Development.

All the current business analysts, enterprise architects, technical managers, software developers, and infrastructure IT specialists will transition to Stage 3 solution development. Any new resources or SMEs will be drawn upon as needed in Stage 3.

2.9 Project Planning

1. Project Management Risk Assessment

Updated Project Management Risk Score: 1.1

Attach Updated PM Risk Assessment to your email submission. [SIMM Section 45A \(Attachment R1\)](#)

2. Project Charter

Is your project charter approved by the designated Agency/state entity authority and available for the Department of Technology to review? **Choose:** 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided.

[Project Charter \(Approved\)](#): Yes

Status: Completed

Attach a copy of the Project Charter to your email submission. [\(Attachment R2\)](#)

3. Project Plans

Are the following project management plans or project artifacts approved by the designated Agency/state entity authority and available for the Department of Technology to review?
Choose: 'Yes,' 'No,' or 'Not Applicable.' If 'No' or 'Not Applicable,' provide the artifact status in the space provided.

Note: For Low to medium-complexity and cost projects, discuss with your PAO manager the option of submitting a Master Project Management Plan in place of individual plans.

[Scope Management Plan \(Approved\)](#): No

Status: *Please refer to the Master Project Management Plan attached. (Attachment R3)*

[Communication Management Plan \(Approved\)](#): No

Status: See Master Project Management Plan

[Schedule Management Plan \(Approved\)](#) : No

Status: See Master Project Management Plan

[Procurement Management Plan \(Approved\)](#): No

Status: See Master Project Management Plan

[Requirements Management Plan \(Approved\)](#): No

Status: See Master Project Management Plan

[Stakeholder Management Plan \(Draft\)](#): No

Status: See Master Project Management Plan

[Governance Plan \(Draft\)](#): No

Status: See Master Project Management Plan

[Contract Management Plan \(Draft\)](#): No

Status: See Master Project Management Plan [Resource](#)

[Management Plan \(Draft\)](#): No

Status: See Master Project Management Plan

[Change Control Management Plan \(Draft\)](#): No

Status: See Master Project Management Plan

[Risk Management Plan \(Draft + Risk Log\)](#): No

Status: See Master Project Management Plan

[Issue and Action Item Management Plan \(Draft + Issue Log\)](#): No

Status: See Master Project Management Plan

[Cost Management Plan \(Approved if planning BCP approved\)](#): No Status:

See Master Project Management Plan

4. Project Roadmap (High-Level)

Attach a high-level Project Roadmap showing the remainder of the planning phase and transition into the execution phase to the email submission. ([Attachment R4](#))

- a) Planning Start Date: [7/1/2021](#)
- b) Estimated Planning End Date: [3/31/2024](#)
- c) Estimated Project Start Date (Wave 1 Pilot): [4/1/2024](#)
- d) Estimated Project End Date (Wave 1 Pilot): [6/30/2025](#) (if POC is successful)
- e) Estimated Project Start Date (Wave 2 and Wave 3): [7/1/2025](#)
- f) Estimated Project End Date (Wave 2 and Wave 3): [6/30/2027](#) (If pilot is successful)
- g) Estimated Project Start Date (M&O Phase): [7/1/2027](#)
- h) Estimated Project End Date (M&O Phase): [6/30/2028](#) and ongoing

2.10 Data Cleansing, Conversion, and Migration

If in Section 2.3 (above) the answer to the question “Do you have existing data that must be migrated to your new solution?” was marked “Yes,” please complete this section.

The California Department of Technology recommends having a Data Consultant start data cleansing, conversion, and migration activities as soon as possible.

Identify the status of each of the following data activities. If “Not Applicable” is chosen, explain why the activity is not applicable or if “Not Started” is chosen, explain when the activity will start and its anticipated duration:

1. Current Environment Analysis: **Completed**

[See As-Is Documentation](#)

2. Data Migration Plan: **Not Started**

[To be determined in the pilot phase of the project.](#)

3. Data Profiling: **Not Started**

[To be determined in the pilot phase of the project.](#)

4. Data Cleansing and Correction: **Not Started**

[To be determined in the pilot phase of the project.](#)

5. Data Quality Assessment: Not Started

6. Data Quality Business Rules: Completed

Exists with Return Processing and Audit Team.

7. Data Dictionaries: In Progress

Enterprise Data Action Committee has started a data catalog and data dictionary.

8. Data Conversion/Migration Requirements: Not Started

Will be completed during the pilot phase of the project.

2.11 Financial Analysis Worksheets

Attach [F.2 Financial Analysis Worksheet\(s\)](#) to the email submission. (Attachment S)

End of agency/state entity document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 2 and all attachments in an email to ProjectOversight@state.ca.gov.

Department of Technology Use Only

Original “New Submission” Date: [2/14/2023](#)

Form Received Date: [6/2/2023](#)

Form Accepted Date: [6/2/2023](#)

Form Status: [Completed](#)

Form Status Date: [6/5/2023](#)

Form Disposition: [Approved](#)

Form Disposition Date: [6/5/2023](#)