



Stage 4 Project Readiness and Approval

California Department of Technology, SIMM 19 D.2 (Rev. 3.0.8, 2/28/2022)

4.1 General Information

1. **Agency or State Entity Name:** [0840 - Controller, State](#)
2. **Proposal Name:** California State Payroll System (CSPS) Project
3. **Department of Technology Project Number (0000-000):** 0840-086
4. **S4PRA Version Number:** [Version 1](#)
5. **CDT Billing Case Number:** PDX221

4.2 Submittal Information

1. Contact Information

Contact Name: [Jennifer Burkett](#)

Contact Email: JBurkett@sco.ca.gov

Contact Phone: [916-322-4362](#)

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 updated or resubmission (List all the sections that have changed.)

[Click or tap here to enter text.](#)

Summary of Changes (Summarize updates made.)

[Click or tap here to enter text.](#)

3. Attach [Project Approval Executive Transmittal](#) to your email submission. (Attachment A Project Approval Executive Transmittal – CSPS PAL Stage 4)

4. Attach Final [Procurement Assessment Form](#) to your email submission.

Note: Not needed for CSPS - confirmed by STP and PAO

5. Conditions from Stage 3 Approval:

Contract execution cannot take place until release of the S4 Approval Letter

4.3 Contract Management

The Contract Manager must be a State Employee and should not be the Project Manager. Please complete the questions below in reference to the **primary solicitation**.

Is the Contract Management Plan complete, 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.

1. **Contract Management Plan (Approved):** Yes

Status: Completed

2. **Has the role of Contract Manager been assigned, and has the Contract Manager reviewed and gained an understanding of the scope, activities, tasks, and deliverables of the contract?** Yes
3. **Does the assigned Contract Manager understand the processes for post-award contract activities, including contract amendments, contract work authorizations, terms and conditions, and contract escalation/resolution?** Yes
4. **Has a post-award kickoff meeting between the Contract Manager and state project team members been scheduled to align state and contractor expectations related to contract, budget, invoicing, requirements review, and contractor incentives?** Yes
5. **Does the Contract Manager understand the Agency/state entity and federal processes, policy, and applicable procedures?** Yes
6. **Does the Contract Manager have a plan to collect and assess contractor and project performance information on a regular basis (e.g., establish meetings with Project Managers, communication techniques)?** Yes

4.4 Organizational Readiness

Is the Implementation Management Plan draft complete, 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.

1. **Implementation Management Plan (Draft):** No

Status: The Implementation Management Plan is an identified Deliverable (DLV 1.3) for the chosen system integrator which is due during the initial planning phase after contract award.

2. Does the Agency/state entity currently have a mature release management process with a repeatable and scalable testing methodology that supports all stages of testing (system, integration, security, performance, interfaces, regression, user acceptance, and accessibility)? No

If “No,” briefly describe below the release management process that will be used to manage, plan, schedule, and control a software release through the different phases and environments, including testing and deploying software releases:

The CSPS Test Plan is identified as Contractor DLV 4.1. The Test Plan minimum requirements include:

- Roles and Responsibilities for both state and contractor
- Detailed approach to Contractor’s testing for unit, system, integration, interface, regression and compatibility testing
- Approach to support the State’s User Acceptance Testing (UAT)
- Multi-instance environments that the Contractor will manage including unit, system, integration, interface, regression, performance/stress testing, parallel, UAT, training, sandbox, conversion, and staging for production.
- Scope of testing identifying specific features and functions that will be included in the scope of testing and which ones are not in scope
- Test report content and format that reports metrics for all stages of testing using the State’s test management tool (IBM DOORS)
- Defect management including the processes used to track, report, and resolve defects found during testing using the State’s defect management tool (IBM DOORS)
- Test case, scenario, and script development, maintenance, and traceability using the State’s test management tool (IBM DOORS).
- UAT entry and exit criteria
- System test entry and exit criteria

For more details regarding the expected testing services required of the Contractor, refer to the statement of work (SOW) Section 2.7.4.

In addition to the CSPS Test Plan DLV 7.1 CSPS Deployment Plan will be required, and the minimum requirements include:

- Roles and responsibilities for both state and contractor staff
- Tools and processes used to coordinate tasks, track and report issue sand communicate status to all stakeholders
- Format and content of release notes
- Walkthrough processes for the upcoming deployment
- Post-deployment validation processes and testing required
- Deployment assessment approach and methodology to assess the deployment activities
- Deployment risk assessment

For more details regarding the deployment services required of the Contractor, refer to the SOW Section 2.7.7

3. Does the project team have a clear understanding of the areas of business (identified in Stage 1) that will be impacted by the project? **Yes**
4. Does the Agency/state entity have processes and methodologies in place to support Organizational Change Management (OCM) activities identified in Stage 2, Section 2.9 Organizational Change Management? **Yes**
5. Does the Agency/state entity have dedicated knowledge transfer resources assigned to business process improvement or business process reengineering activities resulting from the new solution? **Yes**

If “Yes,” specify the areas of business process improvement:

The CSPS Project conducted a business process reengineering effort in 2017 which was used as in input to the requirements development process. The CSPS team followed the California Organizational Change Management Framework to guide our reengineering effort. As a result of the reengineering effort the CSPS Project is pursuing several business process improvements in all functional areas in scope. Some of these business process improvements include:

- Improving Employee Pay – Moving away from a custom pay period month (i.e., 21/22 day pay periods); running payroll in arrears instead of anticipatory payroll and moving from monthly pay cycle to a bi-weekly pay cycle.
- Overpayment (Accounts Receivable) Collection improvements – streamlining the method in which the state collects on account’s receivables which should allow for automatic collection through payroll deduction.
- Elimination of paper-based transactions – all current human resource and payroll related forms used for transactions will be done within the future solution through online form entry, system audits and automated workflows for approvals.
- The CSPS Project Organizational Change Management Team will be responsible for ensuring knowledge transfer is completed related to all business process changes through the established Department Agency Readiness Teams.

6. Attachment B: CSPS Project Organizational Chart

4.5 Project Readiness

1. Select the system development methodology you plan to use to design and develop the new system: **Hybrid**
2. Has the Agency/state entity engaged the Office of Technology Services (OTech) for capacity planning and the development of the solution delivery timeline? **Not applicable**

3. Have resource commitments been obtained for all those identified in the Resource Management Plan? [Yes](#)
4. Does the Resource Management Plan ensure resources are sufficiently committed to perform project activities if they are also committed to other responsibilities? [Yes](#)
5. Have all identified project leads received at a minimum basic project management training? [Yes](#)

4.6 Business Objective Valuation

1. Attachment C: CSPS Solution Requirements
2. Insert your Objectives (ID, Objective, Metric, Baseline, and Target Result) from Stage 1 Section 1.7, along with changes and reason for changes, and assign a percent score value to each. The total of all scores should be 100%.

See attachment D: CSPS Project Business Objective Valuation

4.7 Schedule Baseline

1. Schedule Summary

Project Execution Start Dates

Proposed Project Start Date (from PAL Stage 2): [7/5/2022](#)

Baseline Project Start Date: [4/10/2025](#)

Variance: [2 years 9 months](#)

Project End Dates

Proposed Project Finish Date (from PAL Stage 2): [2/2/2028](#)

Baseline Project Finish Date: [3/30/2032](#)

Variance: [4 years 2 months](#)

2. Reason(s) for Variances

Provide reasons for any date variances: [First round of solicitation activities took longer than planned due to non-responsive bid. Stage 4 Delay \(Failed Negotiations\) \(approx. 1.2 years for re-planning, solicitation document updates and conducting solicitation\); RFP Addendum 4 had a contract term of 4 years project execution and 5 optional years; RFP Addendum 5 changed to 6 years project execution and 14 optional years based on first round of Stage 4 activities. BAFO resulted in the final contract term of 7 years project execution and 13 optional years. Project execution phase changed from 4 years to 7 years \(3 years variance\) + 1.2 for Stage 4 delay = 4.2 years](#)

3. Master Schedule and Key Milestones

Attachment E: CSPS Master Schedule

4.8 Cost Baseline

Is the Cost Management Plan complete, 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.

1. **Cost Management Plan (Approved):** Yes

Status: Completed/Approved

2. **Cost Summary**

Total Planning Cost (One-Time)

Estimated Proposed Cost (from most recently approved FAW): \$39,987,590

Baseline Cost: \$91,576,896

Variance: \$51,589,306

Total Project Cost (One-Time)

Estimated Proposed Cost (from Stage 2 FAW): \$627,433,812

Baseline Cost: \$935,984,937

Variance: \$308,551,125

Total Future Operations IT Staff and OE&E Cost (Continuing)

Estimated Proposed Cost (from Stage 2 FAW): \$99,385,162

Baseline Cost: \$114,984,865

Variance: \$15,599,703

Total Cost

Estimated Proposed Cost (from most recently approved FAW): \$766,806,564

Baseline Cost: \$1,142,546,699

Variance: \$375,740,135

Annual Future Operations IT Costs (Annual M&O)

Estimated Proposed Cost (from most recently approved FAW): \$39,754,065

Baseline Cost: \$74,970,212

Variance: \$35,216,147

3. **Reason(s) for Variances**

Provide reasons for any cost variances: See Attachment F Addendum S4PRA Cost Variance

4. Budget Change Proposal (BCP) Summary

Budget Request ID: SFL – ID Unknown

Budget Request Year (0000-00): [FY 25/26](#)

Requested Amount (specific to the project): [\\$116,846,844](#)

Status: [Future](#)

Budget Bill Language (if supported): [Click or tap here to enter text.](#)

TIP: Copy and paste or click the + button in the lower right corner to add BCPs as needed (e.g., Planning and Project related).

5. Financial Analysis Worksheets (Baseline)

Attachment F: CSPS FAW Stage 4

4.9 Primary Solicitation Results

1. Attachment G: CSPS Evaluation and Selection Report.

2. Attachment H: CSPS Proposed Contract.

3. Was one of the viable solutions in Stage 2 selected for final contract award? [Yes](#)

If “No”, please describe:

[Click or tap here to enter text.](#)

4. Selected Vendor Name: [Refer to Attachment H](#)

5. Contract Number: [CSPS90121](#)

a. Contract Start Date: [4/10/2025](#)

b. Contract End Date: [3/30/2032](#)

6. Total Contract Cost (without optional years): [\\$524,719,703](#)

a. Optional Years (Number of Months): [13 Optional Years](#)

7. Total Cost of Optional Years: [\\$270,469,680](#)

8. Total Contract Cost (with optional years): [\\$795,189,383](#)

Are the following Project Management Plan Drafts 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. These plans may be completed with the selected primary vendor.

1. [Configuration Management Plan \(Draft\)](#): No

Status: [Plan to be completed with the selected primary vendor – identified in SOW as DLV 2.8](#)

2. **Data Management Plan (Draft)**: No

Status: Plan to be completed with the selected primary vendor – identified in SOW as DLV 3.1

3. **Maintenance and Operations Transition Management Plan (Draft)**: No

Status: Plan to be completed with the selected primary vendor – identified in SOW as DLV 11.1

4.10 Risk Register

See Attachment I: CSPA Project Risk Register

End of Stage 4 Project Readiness and Approval Document.

Please ensure ADA compliance before submitting this document to CDT.

When ready, submit Stage 4 and all attachments in an email to ProjectOversight@state.ca.gov.

Department of Technology Use Only

Original "New Submission" Date: 12/11/2024

Form Received Date: 12/11/2024

Form Accepted Date: 12/11/2024

Form Status: Completed

Form Status Date: 01/17/2025

Form Disposition: Approved

Form Disposition Date: 01/17/2025