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:** 7100 - Employment Development Department

   If Agency/State entity is not in the list, enter here with the organization code.

   Click or tap here to enter text.

2. **Proposal Name:** California Job Opening Browse System (CalJOBS) Modernization

3. **Department of Technology Project Number (0000-000):** 7100-234

4. **S2AA Version Number:** Version 1

5. **CDT Billing Case Number:** CS0037484

   Don't have a Case Number? Click here to get one.

2.2 Submittal Information

1. **Contact Information**

   Contact Name: Nicole Laktash

   Contact Email: Nicole.laktash@edd.ca.gov

   Contact Phone: 916-208-4431

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.)

   Summary of Changes: (Summarize updates made.)

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

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)**

CalJOBS' primary customers (Users) include: job seekers, employers, training providers, and workforce staff (Staff).

System Registration

Registration is a multi-step data collection process dictated by federal and state reporting requirements. There are two external processes that interface with the registration process: the Unemployment Insurance (UI) Starter Record process, and the Accounting and Compliance Enterprise System (ACES) interface.

Profile Building Supporting Processes

The data manually entered through the Profile Building tools feeds into the Labor Exchange and Case Management Supporting Processes. Some of these tools include: Background Wizard, Assessments, Contacts, and the Message Center.

Labor Exchange Supporting Processes

The Labor Exchange Supporting Processes are used by all Users and Staff. These processes include: Job Orders, Résumés, Education and Training Programs, Job Search, and Candidate Search. The Labor Exchange Supporting Processes also includes automated UI Résumé Reporting with the UI branch.

Additionally, there are two external sources of labor exchange data that feed into CalJOBS: External Job Postings (Spidering), including the National Labor Exchange (NLx), and EDD Labor Market Information (LMI).

Case Management Supporting Processes

Staff use the case management functions to enter information on Users receiving services through State and Federal workforce programs. These functions include: Program Application, Service Tracking, Document Management, Customer Relationship Management (CRM), and the Eligible Training Provider List (ETPL). There are three Local Areas that use their own case management system to capture participant data and send the participant data to CalJOBS via an Application Programming Interface (API).

Events Supporting Processes

The events calendar features allow Users to view upcoming events, track attendance, and attach services for federal reporting purposes. The Events Supporting Processes track all UI mandated events and the system performs weekly data transfers with UI's database.

Financial Management Supporting Processes

CalJOBS has two different financial management tools available to Staff: Advanced Individual Funds Tracking (AIFT) and the Cash Draw Module. AIFT does not issue payments, but allows Staff to track and monitor funds by manually creating fund streams and budgets. The Cash Draw module provides functionality for Staff to manage cash allocations of grants and subgrants, as well as track fiscal data for state and federal reporting requirements.

Data Storage and Reports

CalJOBS data is stored in a structured database and saved on the vendor's servers. This data is available for extraction as one of the hundreds of canned reports, via custom files, or using the system's Structured Query Language (SQL) tool. Ultimately, the data is pulled from CalJOBS into various Federal and State required reports and used for reporting, tracking and auditing.

The EDD is required to submit data to the Department of Labor (DOL) via the Participant Individual Record Layout (PIRL, ETA-9172), and the Eligible Training Provider report layout (ETA 9171). In order to meet these requirements, a nightly process produces files from CalJOBS data and places them on the vendor's sFTP site for EDD to manually pull down and submit to the DOL. The EDD imports data into CalJOBS from two external databases support these files: the Business Intelligence Competency Center (BICC) and the UI database.

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 of which the effort will be understood and assessed in 500 words)**

The existing CalJOBS system is the only baseline system that will be impacted by this proposal. Currently every business process outlined in section 2.3.1 happens within one commercial off-the-shelf (COTS) workforce labor exchange system. See the attached "CalJOBS Architecture SpecificationsV_0.6" document for additional information.

Attach relevant documentation to email submission (i.e., logical system environment diagrams, system interactions, business rules, application flows, stakeholder information, data flow charts). 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.

Application, System, or Component: Workforce Development System – the current solution is a single, all-in-one solution. All system modules and functions that support business functions and processes outlined in sections 2.3.1 and 2.3.2 contain the same data and security information.

    COTS, MOTS, or Custom: COTS

    Name/Primary Technology: Virtual OneStop (VOS) - Current solution named by the legacy contract vendor.

TIP: Copy and paste to add Applications, Systems, or Components as needed.

Runtime Environment

    Cloud Computing Used: Yes

        If "Yes," specify: SaaS - Software as a Service

    Server/Device Function: Not published by legacy contract vendor.

    Hardware: Not published by legacy contract vendor.

    Operating System: Not published by legacy contract vendor.

    System Software: Not published by legacy contract vendor.

System Interfaces: See the listing of interfaces with descriptions in the Interfaces section of the CalJOBS Architecture SpecificationsV_0.6.docx.

Data Center Location: Commercial data center

    If Other, specify: Click or tap here to enter text.

Security

    Access: (answer Yes or No to all choices)

        Public: Yes

        Internal State Staff: Yes

        External State Staff: Yes

        Other: Yes Specify: Local Workforce Development Area staff and Community Based Organization Staff

    Type of Information (answer Yes or No to all choices)

        Personal: Yes

        Health: Yes

        Tax: No

        Financial: Yes

        Legal: Yes

Confidential: Yes

Other: Choose an item. Specify: Click or tap here to enter text.

Protective Measures (answer Yes or No to all choices)

Technical Security: Yes

Physical Security: Yes

Backup and Recovery: Yes

Identity Authorization and Authentication: Yes

Other, specify: Click or tap here to enter text.

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

Data Owner Name: Kimberlee Meyer, Nicole Laktash

Data Owner Title: Central Office Workforce Services Division Chief, CalJOBS and Program Accountability Section Chief

Data Owner Business Program area: EDD Workforce Services Branch (WSB)

Data Custodian Name: Kirstin Cordova, Munpreet Randhawa

Data Custodian Title: Program & Data Reporting Group Manager, CalJOBS Operations & Training Group Manager

Data Custodian Technical area: EDD WSB

Security - Data Classification and Categorization No

Security - Privacy Threshold & Impact Assessment. No

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: No information available

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): No

If Yes, include the data governance organization chart as an attachment to your email submission.

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 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 the existing documented security policies, standards, and controls used to 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 the existing documented policies, accessibility governance plan, and standards used to the email submission.

5. **Security Categorization Impact Table**

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

   Attach 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: High

   > Integrity: Medium

   > Availability: Medium

7. **Technical Complexity Score: 2.8**

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

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 Outcomes narratives, mid-level requirements, and/or epics/user stories to submission email.

2.5 Assumptions and Constraints

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

Assumption: Quality resources will be assigned and dedicated to the project and will remain on the project until no longer needed. Budget for backfilling these resources (business and technical) so they can be dedicated to the project.

> **Description/Potential Impact**: The Project could be delayed, and product quality could be impacted if dedicated resources are not made available.

Assumption: The CalJOBS Modernization Project Executive Steering Committee (ESC) will provide governance support and commitment throughout the project.

> **Description/Potential Impact**: Insufficient sponsorship and commitment could impact project success.

Assumption: The EDD IT Branch will continue to provide support and oversight throughout the project.

> **Description/Potential Impact**: Insufficient support and oversight could impact project success.

Assumption: The project executives will actively participate in the project, complete reviews and make decisions in a timely fashion.

Description/Potential Impact: The project could be delayed and/or required rework due to lack of timely direction from the project executives.

Assumption: Control agencies will complete review and approval of Project Approval Lifecycle (PAL) and budget related requests in a timely fashion.

> **Description/Potential Impact**: Control agencies will complete review and approval of PAL and budget related requests in a timely fashion.

Assumption: The Legislature will review and approve budget related requests and Legislative notifications in a timely fashion.

> **Description/Potential Impact**: The Project could be delayed if Legislative approvals are not received in a timely fashion.

Assumption: Internal Labor & Workforce Development Agency (LWDA) review and approvals will be completed in a timely fashion.

> **Description/Potential Impact**: The Project could be delayed if approvals are not received in a timely fashion.

Assumption: The business will drive the functional requirements for all business processes and actively provide additional Subject Matter Expert (SME) input whenever required.

> **Description/Potential Impact**: The project could be delayed and/or require rework due to the misstated or missed requirements.

Assumption: In order to realize full system potential, program areas will accept, and support process improvements (changes) necessitated by project implementation.

> **Description/Potential Impact**: Lack of timely adoption of process changes could result in delayed realization of project goals.

Assumption: In order to realize full system potential, program areas will receive all required technical training.

> **Description/Potential Impact**: The lack of timely training could result in delayed realization of project objectives.

Assumption: The Organizational Change Management (OCM) efforts will be sufficient to support successful project implementation.

> **Description/Potential Impact**: The lack of effective OCM efforts could result in delayed realization of project objectives.

Assumption: System requirements and Vendor contract will address scalability to anticipate any new legislative mandates that impact the project.

> **Description/Potential Impact**: The solution may not be able to address business needs then current at the time of implementation.

Constraint: The project could be delayed and/or require rework due to the misstated or missed requirements.

> **Description/Potential Impact**: Without supporting, efficient business processes, project objectives may not be met.

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: OCM Support Staff

> **Dependency Description**: Staff OCM needs are captured and addressed timely including required business and technical training.

Dependency Element: Process

> **Dependency Description**: Organizational structure is aligned to support the Re-engineered processes.

Dependency Element: Expert Program and Technical Staff

> **Dependency Description**: Program and Technical Staff must be secured on an on-going basis to support the configuration and implementation of the capabilities and help with discovery, data quality analysis, and system implementation support.

Dependency Element: The solution may have unexpected downtime where the system will not be available.

> **Dependency Description**: Solutions are generally reliable and vendor will be held to service level agreements; however, EDD will be dependent on the service provider. This will be outside of EDD's control.

Dependency Element: Data/System Migration

> **Dependency Description**: Solutions may require data migration throughout project implementation. This may affect overall project timeline.

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:** Hybrid

2. **Procurement approach recommended:** Standard Procurement

3. **Market Research Approach**

The EDD conducted market as a part of Stage 2 using the following methodologies: Request for Information (RFI), internet research, published literature, existing agreements, collaboration with other agencies/state entities and governmental entities, and stakeholder engagement. The EDD's early efforts included surveying multiple states to learn the solutions they have implemented to deliver their workforce programs. From the initial market scan, the EDD learned of various Software as a Service (SaaS) solutions available in the workforce administration space that had the potential to meet the EDD's business needs. The EDD also issued a RFI inviting the vendor community to review our mid-level solution requirements, and to describe how their products could meet the needs of the CalJOBS Modernization Project. This initial market research was used in the development of the CalJOBS Stage 2 Alternatives Analysis (S2AA).

The LWDA is a member agency of the National Association of State Workforce Agencies (NASWA). NASWA limits risks and increases Information Technology (IT) compatibility among states by operating as the national clearinghouse of technical information and knowledge repository agencies across the country, most commonly tied to UI agencies. The EDD leveraged the LWDA's membership and analyzed the NASWA's published data on other workforce agency's legacy system modernization projects to determine solution alternatives that would offer the greatest opportunity for success. The EDD worked with NASWA to analyze and review the most current information on developments in state workforce systems, including emerging challenges and issues facing state workforce agencies and their local partners.

The EDD concluded the following:

- In most states, the administration of the various workforce programs is managed by multiple agencies within the state and the data is not consistent.

- More than 90% of these successful implementations used SaaS solution.

- Two major SaaS vendors in this space dominate the current market— primarily focused on delivering the compliance requirements of EDD programs (e.g., implement the WIOA programs and meets the PIRL reporting requirements).

- There has been several niche players and some innovative solutions as well that challenge the compliance-based systems.

This initial research showed that there are viable solutions available in the market. Thus, the EDD should purchase a solution instead of custom-building a solution.

The EDD released an RFI to survey the vendor community with EDD-specific business needs. The RFI included the mid-level requirements developed as part of Stage 2 with an evaluation matrix to determine if vendor products were a good fit for the EDD and could meet the CalJOBS

Modernization Project needs. In addition, the respondents were asked to self-assess their capacity to meet the EDD's mid-level requirements. The RFI included a vendor questionnaire to gather Rough Order of Magnitude platform and implementation costs, project team composition, infrastructure requirements, and implementation options.

A total of eleven vendors responded to the RFI. Results were analyzed by program and technical staff and five vendors were invited to demonstrate their solutions. Most vendor responses included viable solution options that were based on SaaS solution platform offerings. Nine of the eleven vendor responses indicated a mid-high degree of alignment between their products and the EDD's mid-level solution requirements, and that minimal customization would be required to meet the EDD's compliance needs. Some of the vendors offered a solution made up of multiple SaaS products to meet the intake, program compliance, labor exchange, and data analytics requirements. Two of the vendors offered a solution made of a single SaaS product. This aligned with the other market research performed. The vendors' Rough Order of Magnitude costs covered a wide range, and included several assumptions. The RFI identified vendors that have experience in workforce benefit agencies and compiled information regarding vendor experience, methods, capability, and tools.

In addition to the research, collaboration between agencies, and the RFI, the EDD hired a third-party vendor to complete stakeholder engagement interviews. This effort completed market research in Stage 2, gathering feedback and data from Local Workforce Development Areas (Local Areas), EDD WSB Field Divisions, researchers, and Community Based Organizations. The EDD hired Gartner to conduct interviews with 55 different entities, with 100% participation. This included 45 Local Areas, 3 WSB Field Divisions, 2 researchers, and 5 Community Based Organizations. Gartner used the content of the interviews to create solution requirements, personas, and journey maps. These interviews and the subsequent deliverables helped the EDD identify the recommended alternative for Stage 2.

In conclusion, the market research results indicate that there are a number of vendors that can meet the EDD's business needs, as well as the stakeholder needs identified in interviews, using a workforce service system created from one or more SaaS products.

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.

2.8 Viable Alternative Solutions

The CDT expects Agencies/state entities to conduct a thorough analysis of 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: Single Vendor Cloud-Based SaaS Solution

   Description:

   This solution meets the EDD's business requirements using one or more SaaS products to build a comprehensive workforce solution. The EDD will contract with a single vendor who has a proven workforce solution consisting of one or more integrated SaaS products. The EDD will work with the vendor to develop a solution that will meet the State's specific needs that are aligned with federal and state requirements. This solution will be located in a vendor selected or EDD preferred cloud environment with all applications and interconnected services managed by the vendor. Additionally, this solution supports the use of third-party integrations through APIs and is scalable for future business needs.

   Why is this a viable solution? Please explain:

   Alternative 1 provides a workforce solution that is most viable according to market research. The research shows the majority of vendors in the workforce solution space use SaaS as the delivery method for their solutions. In product demonstrations requested by EDD, each vendor presented their ideas as to what solution offered the best approach for the State's request for workforce modernization. All vendor demos included systems built on core SaaS applications to fullfil the State's requirements. Some demonstrated a solution comprised of a single, all-encompassing application, while others leveraged the benefits of multiple integrated SaaS packages that produced the required results.

   The EDD has determined that this approach meets the objectives outlined in the S1BA. This solution will transform the EDD's customer experience through enhanced business agility, improved operational efficiency, and modernized system functionality. The market research demonstrates that objectives can be met by leveraging the leading SaaS product(s) currently in the market, and that the EDD does not need to build a custom workforce solution. Additionally, a cloud-based service is the most viable option due to security considerations, disaster recovery, and the reduction of cost associated with maintaining multiple data centers.

   Accordingly, Alternative 1 offers a single vendor, proven-workforce product rather than coordinating multiple vendors and products in Alternative 2 or an EDD custom build in Alternative 3, minimizing risk and increasing viability. First, there is a lower risk in a solution with a single vendor, single contract, and one product for EDD to maintain. Alternative 1 benefits the state by providing a single vendor who is responsible for all phases of system design, build, test, and implementation. Product development is streamlined in a single vendor approach, as all components of the solution are delivered by the same technical team. There is only one point of contact for the entire solution, regardless of the number of SaaS products, creating a centralized responsibility for all solution components and interfaces.This will simplify troubleshooting during product acceptance and long-term maintenance and operations and avoid potential conflict between multiple vendors.

   Alternative 1 is the lowest in cost, removing the dependency on a Budget Change Proposal and the General Fund. Alternative 2 and 3 cost more as they require multiple vendor contracts, which increases EDD resources for project and future operations, including the administration of multiple

contracts. The single vendor solution in Alternative 1 allows for more efficient use of EDD's resources, especially Workforce Services Branch (WSB) and Information Technology Branch (ITB), as it bypasses the need for the EDD to manage and support multiple contracts, build a custom solution, or hire additional support staff. Regardless of configuration, a solution based on single vendor implementation and support provides the state with the best option.

Lastly, Alternative 1 offers the possibility of a customer-centric solution while being lowest in risk and cost. The market research demonstrated that the products to be included in this approach are flexible, configurable, and user-friendly. Additionally, with the use of APIs, the solution will be scalable for future business needs and flexible for integration of third-party products. Therefore, based on the leading SaaS products in the market, the EDD can meet the project goals and objectives with a single vendor solution and continue to serve California through future policy changes.

Approach

Increase staff – new or existing capabilities: Yes

Modify the existing business process or create a new business process: No

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: Click or tap here to enter text.

Create a new IT system: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

Architecture Information

Business Function(s)/Process(es): System Registration

Business Function(s)/Process(es): Profile Building Supporting Processes

Business Function(s)/Process(es): Labor Exchange Supporting Processes

Business Function(s)/Process(es): Events Supporting Processes

Business Function(s)/Process(es): Case Management Supporting Processes

Business Function(s)/Process(es): Financial Management Supporting Processes

Business Function(s)/Process(es): Reports

Business Function(s)/Process(es): Data Storage/Data Management

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.

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

Name/Primary Technology: Primary Technology will be determined by the vendor choice during procurement.

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: Currently, the existing solution interfaces with the UI Database, ACES, External Job Posting platforms, CalASSIST, VOSGreeter and VOScan, the BICC, EDD Labor Market Information, and Third Party Case Management Systems used by Local Areas in California.

Explain New System Interfaces: The chosen solution will need to support the existing system interfaces.

Data Center Location of the To-be Solution: Other

If Other, specify: Vendor selected or EDD preferred cloud environment

Security

Access

Public: Yes

Internal State Staff: Yes

External State Staff: Yes

Other: Yes Specify: Local Workforce Development Area staff and Community Based Organization 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: Yes

Tax: No

Financial: Yes

Legal: Yes

Confidential: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

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: Click or tap here to enter text.

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

> Planning Costs: $4,430,103
>
> One-Time (Project) Costs: $38,212,209
>
> Total Future Ops. IT Staff OE&E Costs: $22,857,021
>
> Total Proposed Cost: $65,499,332
>
> Annual Future Ops. Costs (M&O) IT Only: $12,263,870

2. **Viable Alternative Solution #2**

Name: Multi-Vendor, Multi-Product

Description:

This solution will meet the business requirements using multiple products (IaaS, PaaS, or SaaS) to form a comprehensive workforce solution. In this alternative, the products would be managed by multiple vendors and integrated by a systems integrator. The EDD would need to work with multiple vendors for multiple products and an additional vendor as a systems integrator during project implementation. The difference between Alternative 1 and Alternative 2 is that the EDD would work with numerous vendors for different parts of the system. For instance, different products could be utilized for the labor exchange, case management, and data management areas. The EDD would need to use a systems integrator during the project to ensure a cohesive front-facing solution and data management. The EDD would then manage the contracts and vendors after the go-live date.

Why is this a viable solution? Please explain:

The market research showed that the second option would be a multi-vendor, multi-product solution. Based on the market research, some vendors are specialized in utilizing a specific product and presented the option of integrating with other products to meet the business requirements. While the market research showed that 90% of successful implementations used SaaS products, there are vendors who may utilize IaaS or PaaS products. Alternative 2 broadens the possibility to select a vendor who uses those product types. With the vendors' varying expertise and product types, the EDD can contract with each vendor for their area of expertise

and product, and then hire a systems integrator to ensure a cohesive solution. The EDD would be able to control the products selected, and would have more contract offramps if the selected products were not performing well in the future.

While a multi-vendor, multi-product solution is capable of meeting EDD's business requirements and the objectives outlined in the S1BA, it comes with higher risk and cost. Contracting with multiple vendors presents a higher maintenance and operations risk. There is a higher chance of breakdowns in the different parts of the solution, as well as mismanagement of vendor relationships and operations. A multi-vendor, multi-product solution requires the EDD to manage multiple vendor contracts, which creates de-centralized responsibility and increases ongoing staff costs. Utilizing multiple products also requires in-house expertise that would raise the cost for both WSB and ITB support staff. Each product would require new groups of EDD operations and support staff to communicate customer and technical issues with that particular product vendor. Ultimately, Alternative 2 requires a Budget Change Proposal and the use of the General Fund.

This approach has a low speed of business value, as it would take longer to deliver a quantifiable business impact. Overall, the multi-vendor, multi-product solution is capable of meeting the business requirements but will increase the cost and risk compared to the single vendor solution in Alternative 1. Alternative 2 is not the EDD's preferred solution.

Approach

Increase staff – new or existing capabilities: Yes

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: Click or tap here to enter text.

Create a new IT system: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

Architecture Information

Public Facing Intake and Analytics

   Business Function(s)/Process(es): System Registration

   Business Function(s)/Process(es): Profile Building Supporting Processes

   Business Function(s)/Process(es): Events Supporting Processes

Public Facing Labor Exchange & Training Tools

Business Function(s)/Process(es): Labor Exchange Supporting Processes

Internal Facing Case Management

Business Function(s)/Process(es): Case Management Supporting Processes

Business Function(s)/Process(es): Events Supporting Processes

Business Function(s)/Process(es): Financial Management Supporting Processes

Data and Analytics

Business Function(s)/Process(es): Data Storage/Data Management

Business Function(s)/Process(es): Reports

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.

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

Name/Primary Technology: Primary technologies will be determined by the vendor choice during procurement.

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: Currently, the existing solution interfaces with the UI Database, ACES, External Job Posting platforms, CalASSIST, VOSGreeter and VOScan, the BICC, EDD Labor Market Information, and Third Party Case Management Systems used by Local Areas in California.

Explain New System Interfaces: The new solution needs to support the existing system interfaces as well as new system interfaces between the multiple products, as shown in the architecture diagram attached.

Data Center Location of the To-be Solution: Other

If Other, specify: Vendor selected or EDD preferred cloud environment

Security

Access

Public: Yes

Internal State Staff: Yes

External State Staff: Yes

Other: Yes Specify: Local Workforce Development Area staff and Community Based Organization 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: Yes

Tax: No

Financial: Yes

Legal: Yes

Confidential: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

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: Click or tap here to enter text.

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

Total Proposed Cost: $82,115,142

3. Viable Alternative Solution #3

Name: EDD Custom Build

Description: This solution will meet the business requirements with a custom build solution. The EDD would utilize multiple products (IaaS, PaaS, SaaS) to build a custom workforce solution. All work for the design, development, implementation, and maintenance would occur in-house.

Why is this a viable solution? Please explain:

Alternative 3 is a custom build using multiple products to build a workforce solution. This alternative allows the EDD to ensure complete customization of all components and control of future enhancements. Additionally, it eliminates the administration and management of multiple vendors. While a custom solution will allow the EDD to meet the business requirements, the market research shows that there are leading SaaS products in the market that vendors have utilized to build successful, sustainable, and scalable workforce solutions. Therefore, it is not necessary to complete a custom build.

This alternative is the most expensive solution, requiring a Budget Change Proposal and the use of the General Fund. It will require significant increase in EDD staff support from both WSB and

ITB because sole responsibility will fall on the EDD to manage things like operating system, runtime environment, and application code. This will require extensive ITB resources to manage the different types of products, on top of the extremely complex configuration of the solution modules. In addition to product management, this solution would require an increase of contract management for each product used.

Alternative 3 comes with the highest risk because there is no evidence of a successful implementation of a state custom build workforce services solution. The EDD would be operating with many assumptions, presenting a risk of project failure. While this is a viable alternative, it is not the recommended solution because it would take significantly longer to implement, has a higher cost and risk of failure.

Approach

Increase staff – new or existing capabilities: Yes

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: Click or tap here to enter text.

Create a new IT system: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

Architecture Information

Public Facing Intake and Analytics

Business Function(s)/Process(es): System Registration

Business Function(s)/Process(es): Profile Building Supporting Processes

Business Function(s)/Process(es): Events Supporting Processes

Public Facing Labor Exchange & Training Tools

Business Function(s)/Process(es): Labor Exchange Supporting Processes

Internal Facing Case Management

Business Function(s)/Process(es): Case Management Supporting Processes

Business Function(s)/Process(es): Events Supporting Processes

Business Function(s)/Process(es): Financial Management Supporting Processes

Data and Analytics

Business Function(s)/Process(es): Data Storage/Data Management

Business Function(s)/Process(es): Reports

Enter any content that you want to repeat, including other content controls. You can also insert this control around table rows in order to repeat parts of a table.

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.

COTS/SaaS/Cloud Technology or Custom: Custom

Name/Primary Technology: Not yet determined.

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: Currently, the existing solution interfaces with the UI Database, ACES, External Job Posting platforms, CalASSIST, VOSGreeter and VOScan, the BICC, EDD Labor Market Information, and Third Party Case Management Systems used by Local Areas in California.

Explain New System Interfaces: The new solution may require new interfaces, depending on the selected vendor.

Data Center Location of the To-be Solution: Other

If Other, specify: EDD preferred cloud environment

Security

Access

Public: Yes

Internal State Staff: Yes

External State Staff: Yes

Other: Yes Specify: Local Workforce Development Area staff and Community Based Organization 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: Yes

Tax: No

Financial: Yes

Legal: Yes

Confidential: Yes

Other: Choose Yes or No. Specify: Click or tap here to enter text.

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: Click or tap here to enter text.

Total Viable Alternative #3 Solution Cost (copy from FAW – Summary tab, cell AL50):

Total Proposed Cost: $113,691,533

2.9   Project Organization

Project planning includes the process of 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.

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**

   The EDD's Administration Branch will provide sufficient support for all procurement needs and reviews and approvals of project financial documents. The Business, Operations, and Planning Support Division (BOPSD) has sufficient experienced staff to perform the procurement related duties. The Fiscal Programs Division (FPD) has sufficient experienced staff to perform the necessary reviews and approval of project financial documents, such as the Financial Analysis

Worksheets (FAWs). The IT Procurement Group has sufficient experienced staff to perform the necessary procurement processes required for this effort.

2. **Business Program**

   The WSB currently has multiple units of business program support in the CalJOBS & Program Accountability Section (CPAS), including the CalJOBS Operations Unit, Program Reporting and Analysis Unit, and Statewide Training Unit, that will maintain ongoing operations in conjunction with the proposed project. A new unit, the CalJOBS Project Team, was created within CPAS to conduct all business related to the CalJOBS Modernization. The CalJOBS Project Team will perform the duties related to the planning, procurement, and project phases of the proposed solution, with supplementation from Subject Matter Experts (SMEs) and program staff in specific phases of the project. The other units within CPAS will transition to maintenance and operations of the new solution after implementation, and there is no need for new staff in the proposed alternative.

3. **Information Technology**

   The EDD's ITB resources have sufficient experience to provide current project support. The ITB will need to hire new temporary staff to support the increased workload during the project, as shown in the Financial Analysis Worksheets (FAWs). No new staff will be needed for maintenance and operations of the proposed alternative.

4. **Testing**

   The existing ITB resources have the capacity and capability needed to maintain the EDD's testing needs for current operations in conjunction with the proposed project workload. The EDD has a dedicated section, the Enterprise Testing Office, which performs all aspects of testing needed for new systems/sub-systems and programs.

   All business operations testing will be performed by WSB and Local Area staff that use CalJOBS to support state and federal programs. The following units/groups will be part of the testing: CalJOBS Project Team, CalJOBS Operations Unit, Program Analysis and Reporting Unit, Financial Management Unit, and program SMEs from WSB Field Divisions, Central Office Workforce Services Division, and Management Information Systems Administrators from Local Areas.

   The project will use state staff to the extent the necessary skillsets exist and are available, utilizing SMEs from the various divisions within ITB and WSB. They will be appointed by the respective management teams based on their knowledge, experience, and skillset. While not a permanent part of the project team, they will respond to specific requests as needed.

   The EDD may supplement the state staff with expert vendor resources and testing software.

5. **Data Conversion/Migration**

   Data Conversion/Migration plans will be established once the vendor has been selected and the implementation plan is developed. Once the implementation plan has been completed, the

EDD will select the resources within WSB COWSD and ITB to support the Data Conversion/Migration plan.

6. Training

The CalJOBS Project Team will work closely with the vendor to train the WSB's designated CalJOBS training unit, the Statewide Training Unit. The CalJOBS Project Team and the Statewide Training Unit will dedicate staff to develop initial and ongoing course offerings for the new solution for all CalJOBS staff users. These training materials and course offerings will be available to internal staff users. By training all staff members thoroughly, the EDD will limit disruption and equip staff to continue to serve clients through the transition.

The Public Affairs Branch (PAB) will create online marketing materials for the new solution for external users, such as employers, providers, and job seekers.

7. Organizational Change Management

There are anticipated business disruptions and customer impacts expected to result from this project. If we implement a new CalJOBS solution, all users, administrators, staff, individuals, employers, and training providers, will experience a change in many ways. The EDD plans to prepare stakeholders for the upcoming project by leveraging existing resources within ITB, WSB, and PAB. The OCM activities will include continuing to work with the stakeholders; educating them about the changes, allowing them to participate in the project phases when appropriate, providing them the opportunity to buy-in to the vision and structure of the change, and eventually adopt the change. The team will seek to prepare staff and the EDD organization for new processes and technology through services that educate the staff about the change and how they will successfully perform their responsibilities in the new system.

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 who will be responsible for the Stage 3 Solution Development.

Procurement

The EDD has been successful in IT procurements the past several years with the experienced IT contracting business staff. The EDD Branches and Business Divisions are strong supporters of implementing the proposed CalJOBS Modernization, and the ITB has provided key resources for this solution development.

The EDD has sufficient experienced contract and budget staff in ITB's Cost Management Group and Procurement Group, as well as in the WSB's CalJOBS Project Team. These staff will work closely with the California Department of Technology's Statewide Technology Procurement group to develop the primary and ancillary solicitation packages. The IT Procurement Group has experience using the proposed procurement methodologies identified in this proposal and is familiar with the protest types or use of Public Contract Code (PCC) 6611.

Contract Management

All applicable contract management, as needed for the proposed CalJOBS Modernization, will be performed by an experienced contract manager in conjunction with assistance from the ITB Technology Governance Division (TGD). The contract manager will oversee the CalJOBS Modernization contract/s and all associated activities.

Budget

The proposed project budget related workload is part of the existing duties of the Administration Branch's Fiscal Programs Division (FPD), WSB, and the ITB TGD staff. The ITB TGD and WSB, with the support from the Administration Branch's FPD, will provide budget-related assistance and guidance to the proposed project team.

Furthermore, the proposed CalJOBS Modernization will utilize the WSB's Human Resources Division to perform and manage all human resource related functions.

Any additional information, if necessary, will be provided in Stage 4.

2.10 Project Planning

1. **Project Management Risk Assessment**

   Updated Project Management Risk Score: 0.1

   Attach Updated PM Risk Assessment to your email submission. SIMM Section 45A

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:

   Attach a copy of the Project Charter to your email submission.

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: Initial draft included in the Project Management Plan; under executive review

   Communication Management Plan (Approved): No

Status: Initial draft included in the Project Management Plan; under executive review

Schedule Management Plan (Approved) : No

Status: Initial draft included in the Project Management Plan

Procurement Management Plan (Approved): No

Status:

Initial draft included in the Project Management Plan; under executive review

Requirements Management Plan (Approved): No

Status:

Initial draft included in the Project Management Plan; under executive review

Stakeholder Management Plan (Draft): No

Status: Initial draft included in the Project Management Plan; under executive review

Governance Plan (Draft): No

Status: Initial draft included in the Project Management Plan; under executive review

Contract Management Plan (Draft): No

Status:

Initial draft included in the Project Management Plan; under executive review

Resource Management Plan (Draft): No

Status: Initial draft included in the Project Management Plan; under executive review

Change Control Management Plan (Draft): No

Status:

Initial draft included in the Project Management Plan; under executive review

Risk Management Plan (Draft + Risk Log): No

Status: Initial draft included in the Project Management Plan; under executive review

Issue and Action Item Management Plan (Draft + Issue Log): No

Status: Initial draft included in the Project Management Plan; under executive review

Cost Management Plan (Approved if planning BCP approved): No

Status: This plan will be developed as part of PAL, Stage 4.

4. **Project Roadmap (High-Level)**

Attach a high-level Project Roadmap showing remainder of planning phase and transition into execution phase to the email submission.

a) Planning Start Date: 10/1/2020

b) Estimated Planning End Date: 7/8/2025

c) Estimated Project Start Date: 9/1/2025

d) Estimated Project End Date: 8/31/2027

2.11 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: Not Started**

   It will begin after procurement

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

   It will begin after procurement

3. **Data Profiling: Not Started**

   It will begin after procurement

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

   It will begin after procurement

5. **Data Quality Assessment: Not Started**

   It will begin after procurement

6. **Data Quality Business Rules: Not Started**

   It will begin after procurement

7. **Data Dictionaries: Not Started**

   It will begin after procurement

8. **Data Conversion/Migration Requirements: Not Started**

   It will begin after procurement

2.12   Financial Analysis Worksheets

Attach F.2 Financial Analysis Worksheet(s) to the email submission.

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: 4/9/2024

Form Received Date: 4/9/2024

Form Accepted Date: 4/9/2024

Form Status: Completed

Form Status Date: 4/9/2024

Form Disposition: Approved.

Form Disposition Date: 07/19/2024