

Memorandum

To: Honorable Betty T. Yee, Chairwoman
Honorable Jerome E. Horton, Vice Chair
Senator George Runner
Honorable Michelle Steel
Honorable John Chiang

Date: January 11, 2011

From: Jeffrey L. McGuire, Deputy Director
Sales and Use Tax Department



David J. Gau, Deputy Director
Property and Special Taxes Department

Anna Brannen, Chief Information Officer
Technology Services Department



Subject: Centralized Revenue Opportunity System (CROS) Project Update

This memorandum is to provide an update on the CROS project since the July 2010 Board Meeting presentation. This project will replace BOE's two current automation systems – the Integrated Revenue Information System (IRIS) and the Automated Compliance Management System (ACMS). In addition, the project will expand online taxpayer services and provide an enterprise data warehouse. This project will virtually impact all processing areas within the organization. The new technologies and tools will provide increased efficiency and will augment revenue production while incorporating “best practices” to dramatically reengineer how work is performed at BOE.

Accomplishments

The CROS project began in July 2010, and we already accomplished the below items thus far.

- Formed a CROS Steering Committee.
- Established a formal project team.
 - Business Project Manager – Mr. Larry Bergkamp
 - Technical Project Manager – Mr. Chris Kahue
- Developed a recruitment plan to provide all BOE staff the opportunity to participate on the project.
 - CROS liaisons have been identified for every BOE unit and district office.
 - SUTD and PSTD staff has been identified to work on the project.
- Developed a Project Compact (similar to a project charter).
- Developed a communication plan to introduce all BOE staff and our other customers to the CROS project.

- Completed 110 presentations entitled, “Introduction to CROS” in headquarters and in all field offices.
- Developed a long range vision and concepts for the new system.
- Meetings have been held with representatives from Department of Finance (DOF), Department of General Services (DGS), Legislative Analyst Office (LAO), and Office of the State Chief Information Officer (OCIO) to brief them on the project and answer questions.
- Sent a letter to the Legislature describing the project, the timelines, and the initial revenue estimates.
- Met with representatives from the Franchise Tax Board, Employment Development Department, State Controller, Secretary of State, and Department of Corrections to discuss their system procurements including lessons learned.
- Held informational meetings with interested vendors to provide an overview of the project and to research currently available technology.
- Initiated contacts with other state revenue departments that have recently replaced a tax revenue system.

Immediate Next Steps

The project is moving forward and below are our next steps.

- Submit Feasibility Study Report for approval by January 31, 2011 that defines the problem/opportunity, objective and evaluates alternatives for cost effectiveness to ensure expenditure is in the best interest of the state.
- Continue to meet with LAO, DOF, DGS and OCIO to provide updates on the status of the project.
- Establish business workgroups to evaluate current business process.
- Implement external outreach to local government agencies, business customers, and employee unions.
- Finalize a procurement plan.
- Begin work on the Request For Proposal (RFP).

Major Milestones Timeline

In addition, below are some major milestone timelines for the implementation of the CROS project.

- Release Request for Proposals to vendor pool: 8/29/11
- Vendor proposal evaluations: 9/1/11 – 8/31/12
- Award Contract: 9/1/12
- Begin system implementation: 9/1/12

We are off to a good start and will continue to keep you updated throughout the project. Please feel free to contact us if you have any questions.

JLM:lrb

cc: Mr. Alan LoFaso (MIC 71)
Ms. Regina Evans
Mr. Sean Wallentine (MIC 78)
Mr. Louis Barnett (MIC 77)
Ms. Marcy Jo Mandel
Ms. Kristine Cazadd (MIC 73)

STATE BOARD OF EQUALIZATION



BOARD APPROVED

At the January 27, 2011 Board Meeting

Diane G. Olson
Diane G. Olson, Chief
Board Proceedings Division