Mr. Will Kempton, Director  
Department of Transportation  
1120 N Street  
Sacramento, CA 95814

Dear Mr. Kempton:

Special Project Report for the Construction Management System Project, Project Number 2660-416

The Office of the Chief Information Officer (OCIO) has completed its review of the Department of Transportation’s (Caltrans) Special Project Report (SPR) for the Construction Management System (CMS) project. Based on our review of the SPR, the OCIO approves the continuation of this project subject to the conditions specified in this letter.

<table>
<thead>
<tr>
<th>Description</th>
<th>Last Approved (January 10, 2006)</th>
<th>Approved Revision</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Cost</td>
<td>$24,970,000</td>
<td>$25,593,000</td>
<td>$623,000</td>
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<tr>
<td>One-Time</td>
<td>$20,773,000</td>
<td>$20,454,000</td>
<td>($319,000)</td>
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<td>Continuing</td>
<td>$4,197,000</td>
<td>$5,139,000</td>
<td>$942,000</td>
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<td>Funding Source</td>
<td>State Transportation Account</td>
<td>State Transportation Account</td>
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<td>Project Schedule</td>
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<td></td>
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<tr>
<td>Start Date</td>
<td>July 2006</td>
<td>July 2006</td>
<td></td>
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<tr>
<td>Implementation Date</td>
<td>March 2010</td>
<td>June 2012</td>
<td>27 months</td>
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<tr>
<td>PIER Date</td>
<td>June 2011</td>
<td>September 2012</td>
<td>27 months</td>
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<tr>
<td>Criticality Rating</td>
<td>High</td>
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In 2006, Caltrans received approval to procure a commercial-off-the-shelf Construction Management System from the American Association of State Highway and Transportation Officials (AASHTO). Caltrans intended to use the AASHTO CMS as a model for developing specifications for a Caltrans specific CMS. The department would then use these specifications to bid CMS as a custom developed system. The CMS will be used by Caltrans to manage record keeping for construction projects. Upon full implementation, Caltrans expected the CMS to generate $18,800,000 in annual cost savings and avoidances and a reduction of 12.3 personnel years in staffing beginning in fiscal year 2012-13.

Negotiations with AASHTO for use of their software are taking longer than anticipated. Caltrans now anticipates reaching closure on a contract with AASHTO by the end of April 2008. Overall, the project implementation is delayed approximately 27 months. The SPR is reporting this schedule delay, minor cost changes, and no change to the scope of the effort as originally proposed. Caltrans was initially approved to proceed with this project only through creation of the Request for Proposal (RFP) for development of the Caltrans specific CMS. It is still the intent of the OCIO that Caltrans submit the RFP to the OCIO for review before proceeding with the procurement.
Please note that this approval does not in itself guarantee that funds or expenditure authority for the project will be available. The project is funded from both existing departmental resources and additionally approved State Highway Account funds. There is no General Fund on this project. The continuation of any information technology project remains subject to the availability of funding and legislative concurrence for funding and expenditure authority in accordance with the normal state budget process. In addition, we note that the April Revision to the 2008-09 Governor's Budget includes a reduction of $10,442,000 for this project as a result of the project delay.

This project is subject to the project reporting and oversight requirements of the OCIO. Should the project costs, benefits, or schedule change by ten percent or more, or should the project scope or methodology change, an SPR will be required. Refer to the Information Technology Project Oversight Framework to determine the minimum level of project management and oversight activities required for this project. At the conclusion of the project, please submit a Post Implementation Evaluation Report to the OCIO.

If you have any questions or need additional information regarding this matter, please call Jack Gibbons, at (916) 445-1777, extension 3258, or e-mail at jack.gibbons@cio.ca.gov. Please refer to Project Number 2660-415 in any future correspondence regarding this project.

Sincerely,

Debbie D. Leibrock
Office of the State Chief Information Officer

cc: Mr. Michael Liang, Deputy Secretary for Information Technology, Business, Transportation, and Housing Agency
Ms. Ann Barsotti, Deputy Director, Administration and Information Technology, Department of Transportation
Ms. Lori Knott, Chief, Information Technology Project Management Office, Department of Transportation
Ms. Kathy Curtis, Principal Fiscal and Policy Analyst, Legislative Analyst's Office
Mr. Adrian Farley, Interim Deputy Director, Procurement Division, Department of General Services
Ms. Marnell Voss, Acquisitions Branch Manager, Procurement Division, Department of General Services
Mr. Richard Gillihan, Chief, Office of Information Technology Services and Consulting, Department of Finance
Mr. Mark Hill, Program Budget Manager, Department of Finance
Mr. John Lloyd, Assistant Program Budget Manager, Department of Finance
Mr. Mark Monroe, Principal Budget Analyst, Department of Finance
Mr. Jim Parks, Budget Analyst, Department of Finance
Ms. Colleen Pedroza, State Information Security Officer, Office of Information Security and Privacy Protection