

# **OPEN SESSION AGENDA ITEM**

## **703 JANUARY 2018**

**DATE:** January 27, 2018

**TO:** Members, Board of Trustees

**FROM:** Admissions Information Management System Evaluation Team  
Keith Jenkins, Senior Program Analyst, Procurement  
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**SUBJECT:** Proposed Contracts for Admissions Information Management System

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### **EXECUTIVE SUMMARY**

The primary computer systems used by the Office of Admissions to manage its business processes are reaching the end of their useful lifespans. The software platform supporting these critical functions of the Bar, the AS/400, was custom-written in the mid-1980s in a proprietary IBM Report Program Generator language. The current production release of the AS/400 is not capable of supporting a number of important functionalities such as workflows, ad-hoc reporting, dashboard analytics or integration with web-based programs.

This report summarizes the Business Case for the State Bar of California to enter into two contracts: one with an Information Technology vendor, to purchase the license for software and cloud-based computing services, and another with a Systems Integrator to conduct a business process review and recommend business process changes in the course of implementing the new software. The contracts will allow the Bar to deploy a new Admissions Information Management System for the Office of Admissions, improving the efficiency and effectiveness of test development, examination management, moral character evaluation, and law school regulation.

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### **BACKGROUND**

For more than a decade the State Bar has been aware that it needs to migrate off of the technology that it uses to perform its principal functions. The software platform supporting many of the Bar's critical functions, the AS/400, was custom-written in the mid-1980s in a proprietary IBM Report Program Generator (RPG) language. As long ago as 2005, in a report on the "current" state of operations in the Office of Admissions, the Diagonal Group made numerous recommendations for improvements in the operations of test development, examination management, moral character evaluation, and law school regulation.

The report of the Diagonal Group (Business Case Appendix A) stated that:

The current systems are insufficiently integrated, difficult to navigate, and do not support workflow to aid in automating certain processes (tracking accommodations petitions, moral character determinations, and communicating with applicants, institutions, and others involved in the admissions process) ... the business rules underpinning the existing systems were developed over ten years ago and need to be reassessed in the light of current requirements.

A more expansive follow-up report produced by the Gartner Group in 2006 echoed these findings and provided additional recommendations. After reviewing three technology options available to the Bar – status quo, customization of the AS/400, or moving to a Commercial Off-the-Shelf (COTS) system – the Gartner Group recommended moving to a COTS system: at the time, the industry standard, best option available. Since the report by the Gartner Group, the Office of Admissions has maintained operational status quo, and now seeks to formally implement a move to the current industry standard, best option available.

To begin the process of acquiring a new system to manage the operations of the Office of Admissions, the State Bar contracted with an external consultant, Birdi and Associates, to develop a project plan and assist in developing the Request for Proposals (RFP) to source the replacement software platform itself. The Bar also formed an evaluation team comprised of representatives from the Offices of Admissions, Information Technology (IT), Procurement, and Research and Institutional Accountability (ORIA).

On April 28, 2017, the State Bar posted a Request for Proposals (RFP) that attracted five bids from potential vendors, proposing two different software platforms. Blue City, Servio, Slalom and Verbita all proposed solutions utilizing the Salesforce cloud computing platform, while ILG proposed using their proprietary software with two options (Bar-hosted, or vendor-hosted).

The remainder of this report summarizes the process that was undertaken to evaluate these bids and documents the findings of the evaluation team. The report recommends that the Board of Trustees approve entering into two contracts: one with Salesforce, to purchase the license for software and cloud-based computing services, and another with a Systems Integrator (SI), Slalom, to conduct a business process review and recommend business process changes in the course of implementing the new software.

## **DISCUSSION**

### **Proposal Development, Review and Evaluation**

The current proposal to acquire and deploy a new Admissions Information Management System (AIMS) draws on the experiences and documentation produced during previous efforts to replace the AS/400 and requirements developed by Birdi and Associates. In early 2017 an RFP was drafted with the goal of finally integrating all of the Office of Admission's needs into a single AIMS.

The RFP stated the Bar's interest in acquiring AIMS that would:

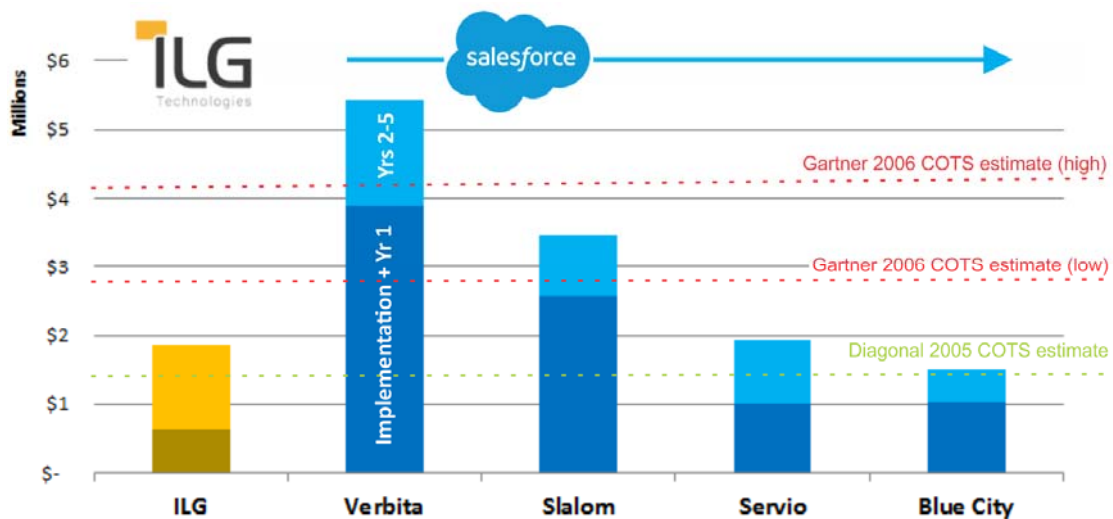
- Improve the Bar's ability to share and exchange relevant data among staff, the public and key stakeholders;

- Utilize defined work-flow processes and end-user functionality to guide users through the system during the entire life of an application, from initial registration through final disposition;
- Provide dashboard overviews to monitor key performance indicators and track workflow;
- Improve the capture of and access to information about applicants for examination processing and moral character investigations;
- Integrate law school accreditation processing and information exchange; and
- Increase efficiencies and accuracy through automation and reduction of manual entry.

The evaluation team reviewed the written proposals and scored the bids based on responses to the basic requirements of the RFP in three of the RFP's discrete categories.<sup>1</sup> As provided for in the RFP, the evaluation team used a tiered evaluation system and performed a first round cut based on this initial scoring, eliminating the highest and lowest bidders: Blue City Studios (\$1,505,876) and Verbita (\$5,418,242).<sup>2</sup> The scoring for this round can be found in Business Case Appendix H, page one. (Both of the proposals eliminated at this point were also based on the Salesforce cloud computing platform).

The initial bids received from each of the five vendors are summarized below in Figure 1, showing the relative year-one licensing and implementation cost. The dotted line overlay represents an estimate provided in the previous consulting studies adjusted by the Consumer Price Index to take into account the ten years since the costs were estimated by the Gartner Group and the Diagonal Group consulting. These estimates would apply to year-one implementation costs only and not the continuing annual support amounts.

Figure 1: AIMS Original Bids



<sup>1</sup> The categories contained in the RFP are: Submissions Requirements, Legal Terms, Technical Ability, Financial Viability, Indirect Bid Cost, and Direct Bid Cost.

<sup>2</sup> Both of these vendors scored low on Submission Requirements. Verbita also scored low on the Direct Bid Cost Legal Terms.

The remaining three vendors – ILG ,Servio, and Slalom – were each invited to participate in a live, full-day software demonstration.<sup>3</sup> Bar staff facilitated these vendor demonstrations and later conducted reference checks subsequent to them. Staff developed specific scripts for each vendor to follow. These scripts were based on the RFP's nearly 250-page Concept of Operations document previously developed by Birdi and Associates, outlining both the current and future state of the holistic Admissions process, including detailed diagrams of how data and operations should flow throughout AIMS.

The script provided by the Bar required that the vendors demonstrate their system's capabilities from various different perspectives:

- Student Applicant Portal (registrations)
- Bar Staff Use and Workflow Processing
- Examination Logistics
- Examination Maintenance/Grading
- Moral Character Processing
- Dashboards and Management Review
- System Software Administration
- Security
- Reporting Capabilities
- Document Management

One-day sessions with each vendor concluded in August 2017 and the evaluation process continued through September. Reference interviews were conducted in early October. The specifics of each written proposal and information learned from the live demonstrations and vendor reference interviews are summarized below.

#### ILG Technologies, Inc. Proposed Solution

ILG Technologies proposed the use of its existing Electronic Bar Admissions Solution (EBAS) system which has been deployed in eight jurisdictions to date:

- Alabama State Bar
- Alaska Bar Association
- Georgia Office of Bar Admissions
- Illinois Board of Bar Admissions
- Indiana State Board of Law Examiners
- Missouri Board of Law Examiners
- New Jersey Board of Bar Examiners
- Texas Board of Law Examiners

The EBAS can natively provide approximately 70% of the functions detailed in the Admissions Concept of Operations document but would require substantial custom development in the areas of applicant education evaluation, test drafting and preparation, independent contractor management, examination logistics management, and all of Legal Specialization.

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<sup>3</sup> The full proposals for the three semi-finalists are attached as Business Case Appendices E, F & G.

Although ILG reported successful implementations in all jurisdictions – reports that were confirmed in the two jurisdictions contacted as references – the company has not had experience with a jurisdiction the size of California. And, while the annual maintenance fees for ILG allow for unlimited customizations to existing modules for a fixed price, this service may also enable each jurisdiction to customize their systems so extensively that ILG runs the risk of effectively maintaining unique systems for each client.

ILG is a relatively small company with a total staff of twelve full-time and three part-time employees, and all development resources offshore in Turkey. The company's leadership consists of the chief designer of the EBAS and a former Executive Director with the Missouri Board of Law Examiners. It is clear from ILG's proposal, demonstrations, and other contact that they are experts in the Bar admissions space and heavily promote the importance of the relationship between ILG and State Bar agency clients.

The conclusion of the evaluation team was that ILG could produce a satisfactory AIMS solution as conceived, but that this option entailed risk related to ILG's staffing, finances and reliance on vendor system administration.

#### Servio Consulting

Servio Consulting is a Salesforce Systems Integrator and Salesforce Registered Partner based in Illinois; it was founded in 2016. The firm has completed twelve projects, has one Salesforce certified professional, and currently holds a customer satisfaction score of 9.43/10. Servio is focused on public sector and nonprofit work and presented the following three projects as being most similar to AIMS:

- Chicago Public Schools
- Wisconsin Indianhead Technical College
- Service of Will, Grundy and Kankakee Counties, Inc. (IL)

Servio's proposal, demonstration and other contact was professional in all aspects and made clear that they have a heavy emphasis on project management structure. The Wisconsin Indianhead Technical College reference was most applicable to the AIMS concept due to the large external access of 20,000 individuals per year, however, Bar staff were unable to secure an actual reference from the College due to scheduling conflicts .

While the Chicago Public Schools and Service of Will, Grundy and Kankakee Counties did serve as references both are much smaller organizations than the Office of Admissions in terms of internal and external use. Both of these organizations provided a positive reference regarding Servio's implementation approach, knowledge and post-implementation experience with their systems. Servio's presentation provided a high-level working demonstration of how AIMS might look and function, but did not sufficiently drill down into the specifics of the admissions processes to make it relatable.

Staff determined that Servio could produce a working AIMS solution, but remained concerned about the lack of experience with agencies that have large external user bases and their ability to fully understand the admissions process.

#### Slalom

Slalom, founded in 1999, is a Salesforce Systems Integrator and Salesforce "Platinum Partner" with offices nationwide (locally in San Francisco and Los Angeles). The firm has completed 88

projects, has 241 Salesforce certified professionals (of 4,800 employees) and currently holds a customer satisfaction score of 9.90/10. Slalom works with public and private sector agencies of all sizes and presented the following six projects as being most similar to AIMS:

- Massachusetts Board of Bar Overseers
- Law Bulletin
- JuraLaw
- Western Governors University
- Western Union
- New England Disabled Sports

Slalom's proposal, demonstration, and references provided staff with key insight into what the Salesforce platform is capable of as well as Slalom's expertise in configuring the platform. Slalom's working demonstration showed a definite understanding of the admissions process, as did their ability to speak to approaches in implementing specific modules and addressing staff's concerns in others.

The two references that staff contacted echoed Slalom's ability to review, understand and then translate industry-specific processes into satisfactory systems; Salesforce itself engages Slalom for internal projects. The Massachusetts Board of Bar Overseers is a state judicial branch entity focusing on the regulation and discipline of the legal profession in Massachusetts comprised of approximately 90,000 licensed attorneys. Slalom implemented a holistic overhaul to all applications and systems, including replacement of their enterprise resource planning system used by finance and human resources; the reference was satisfied with the result and strongly recommended Slalom's services.

Western Union engaged Slalom to implement a unified system for their support services department, connecting 5,000 service agents in 200 countries to manage an undisclosed volume of service requests; the reference reported satisfaction with the system implementation and post-engagement function. Staff determined that Slalom would be able to satisfactorily configure Salesforce to produce an AIMS solution, and that their ability to understand the admissions process and responsibilities put them on a level playing field with ILG's industry knowledge.

The evaluation team's principal concern with Slalom had to do with the cost attached to its expertise. Throughout the process Slalom's proposed price for implementation remained significantly higher than the other two viable options. However, the cost proposed in the final offer was ultimately found to be acceptable relative to other bidders and scoring in other evaluation categories.

## **Comparison of Software Solutions**

The AIMS evaluation process consisted of two interrelated evaluations: one, a comparison of two software solutions (ILG's EBAS v. Salesforce), the other, a comparison of the vendors who will implement and support those solutions (ILG for its own EBAS; Slalom or Servio as the Salesforce Systems Integrator for implementation, and Salesforce for ongoing support).

Historically, software solutions have fallen into two categories: Commercial Off-the-Shelf (COTS) solutions that only require *configuration* for a specific clients' needs, and *custom-*

*designed* solutions that are developed from scratch. For AIMS, the proposed solutions represent two software platforms that do not fit within these traditional categories.

### ILG

ILG's EBAS is more accurately classified as Software as a Service (SaaS): a model where a specific application is offered through a cloud infrastructure (meaning, hosted in the cloud rather than on-premise). For practical purposes, EBAS can be considered a COTS product, as it was built specifically for Bar admissions management and provides immediate functionality in many operational areas. However, to achieve the full functionality required by the California State Bar's Office of Admissions, a full 30% of the system would require custom development by ILG.

As a result, the benefits of a traditional COTS implementation are reduced, and the solution takes on an element of risk normally associated with custom design. ILG's annual support fee permits unlimited support and customizations for existing modules. However, all future customization, as well as regular support and system administration, must be handled by requests submitted to ILG through its IT ticketing system. If selected, EBAS would be a stand-alone product without any ready-made integration with other State Bar systems.

### Salesforce

Salesforce.com is a leading cloud services provider and the developer of the Salesforce Platform as a Service (PaaS) environment. A PaaS provides a flexible foundation and set of tools that can be configured into multiple applications based on client design, and largely without custom software development. While this solution does not provide a ready-made Admissions system, it is a platform specifically designed to be adapted to meet most business needs, modified as needs change, and extended to new operational areas as may be desired.

In effect, Salesforce is a platform that can be configured into a COTS, but is not set up as catering to any particular market by default. Slalom indicates that 93% of AIMS functionality can be achieved through configuration, another six percent through AppExchange software, and the remaining 1% through custom design spread across multiple modules. Another important feature of the Salesforce license model is that it enables every client to be on the latest platform version. This means that any System Integrator (SI) is capable of working on any client system. Salesforce provides several certification paths that enable clients to take over the administration and further development of their own systems.

## **Best and Final Offer Process, and Selection of Two Finalists**

Following the demonstrations, reference checks and additional review of the proposals, the three semi-finalists were asked to submit a Best and Final Offer (BAFO).

The BAFO included:

- A new Itemized Cost Proposal with all configuration, integration, customization, professional services, training, travel and other items clearly identified and included in order to deliver a fully functional system;
- An additional system functionality check to refine the original Concept of Operations, to break out each module into the percentage of a module's functionality that can be

achieved through standard platform configuration; third-party software integration; custom development; and functionality that cannot be achieved. The Bar requested that vendors identify and explain any gaps in functionality, identify solutions to these functionality gaps, and estimate their team's work effort for each module;

- A Final Question Set designed to wrap up any lingering issues and questions raised during the post-demonstration period.

As a result of the BAFO process, the evaluation team obtained final, firm pricing; confirmed that there were no remaining functionality gaps; and confirmed each bidders' specific planned methods to achieve the 100% functionality across all the functional workflows required.

In comparing the final offers, and the previous proposals, demonstrations and reference checks, the evaluation team determined that between the two Salesforce integrators, Slalom was the preferred choice. As described above, Servio presented only a high-level demonstration that did not address admissions processes in much detail; Slalom, in contrast, was capable of addressing the nuances of the admissions process and provided immediate answers to staff questions about technical and functional matters.

References for both vendors were positive, but Slalom proved to have greater experience with organizations of comparable size to the Bar, and with comparable levels of external interaction. Slalom also has more experience in implementations (88 vs. 12), a larger pool of Salesforce-certified resources (241 vs. 1), the ability to implement more of the AIMS through configuration (93% vs. 80%), and more years in operation (19 vs. 1). Based on these factors, the evaluation team selected Slalom along with ILG as the final two bidders.

### **Final Evaluations with the Evaluation Team Expanded to Include Key Stakeholders**

The two remaining bids under consideration at this point represented starkly different technology solutions with significantly different costs of implementation. Due to the fiscal and organizational implications of this selection, the Executive Director of the Bar requested additional input from outside of the existing staff evaluation team. The two Board IT liaisons and representatives from the Committee of Bar Examiners and the Board of Legal Specialization were invited to participate in an additional full-day of evaluation, consisting of a half day of demonstrations from ILG and Slalom, and a discussion with staff about technical, functional and financial issues.

The demonstrations and discussion revealed the following:

#### **System Functionality**

Both solutions can provide a satisfactory Admissions Information Management System. ILG's EBAS is a proven admissions system, with significantly lower implementation costs. But there are concerns about its ability to provide the full functionality currently required or to adapt to future needs. Salesforce is a proven applications and infrastructure platform with over 150,000 customers; it is flexible, expandable and scalable. But it has significantly higher implementation costs, and there are no known admissions systems deployed on the platform.



### Long-Term Viability of the Vendors

ILG Technologies is a small company with a small number of full-time staff, roughly half of which are based outside of the United States in a country with known political instability. Relative to their annual revenue they appear to have significant debt. If the Bar selected ILG, we would be their largest client by far. Although ILG appears to be paying down their debt, their original financial statement was accompanied by a letter from their auditor which explicitly stated that the auditor did not certify the information within the statement. The evaluation team was concerned with the risk that these financial statements were not audited.

ILG's long term prospects were also unclear to the expanded evaluation team. It is possible that ILG is relying on the State Bar of California contract as both a source of revenue to shore up its financials, and to attract other Bar organization clients. The Bar's Interim Chief Financial Officer noted that the Certified Public Accounting firm ILG used compiled, but did not audit, financial statements that indicate the following: ILG's liabilities exceed their assets, they have negative net income for 2016, did not provide financial information for 2017, and have only \$30k cash in bank.

As a Salesforce system integrator partner, Slalom would be contracted only for a roughly ten-month implementation period. Their own financials are therefore less relevant than those of Salesforce itself, which would provide support over the lifetime of the system. Salesforce is a multi-billion dollar company with detailed financials published quarterly, along with an annual report. Based on their latest reports, the breadth of private and public agencies that have engaged them, and the structure of their platform (every user is always on the latest version), there is little doubt that Salesforce is secure in its position as a leading platform for the next ten to twenty years.

### The IT Strategic Plan

In selecting a new system for the Office of Admissions, the expanded evaluation team sought to keep in mind the fact that AIMS is only one of a number of technology projects that the Bar will undertake in the near future. Even after the Office of Admissions migrates off of the AS/400, the Office of Attorney Regulation and Consumer Resources (ARCR, formerly known as Member Records and Compliance) will remain on the AS/400; the Bar will need to begin the process of acquiring and deploying a new information system for managing the records of the 250,000 active and inactive attorneys licensed in California in the near future.

ILG is, ultimately, a stand-alone solution which, by itself, is incompatible with the Bar's Strategic IT Plan. When looking at the long term operational efficiency of the Bar as a whole, the solution for the Office of Admissions should allow for integration with multiple Bar applications and external entities. Salesforce PaaS would allow for integration with nearly any enterprise-grade system.

### **Procurement and Licensing**

Implementation of the Salesforce product by Slalom will cost a total of \$2,303,357 in year one; ILG's parallel costs total \$605,000. In addition to these costs, estimated to be incurred in 2018, annual software licensing expenses will be incurred. ILG's annual licensing costs total \$1,189,800 over the timeframe outlined in the proposal (years two through five), or an average

of \$297,450 per year; Salesforce's annual licensing fees total \$1,075,204 over the same period, or an average of \$268,801 per year.

Over the five year total timeline reflected in bid proposals, the difference between the Slalom and ILG proposals totals \$1,570,179 as outlined in the following table:

Table 1: AIMS System Procurement Costs<sup>4</sup>

Vendor	ILG	Slalom/Salesforce
Year 1 Implementations + Licenses	\$605,000	\$2,303,357
Annual Licensing and Support (Years 2-5 combined)	\$1,189,800	\$1,075,204
<b>Totals</b>	<b>\$1,794,800</b>	<b>\$3,378,661</b>

Beginning in year five, ILG agreed to limit annual increases to the average of previous years' Consumer Price Index, with a cap of 2% per year. Salesforce has proposed a flat annual software license fee until year five, when it then increases by 7% per year.

The difference between ILG's and Slalom's year 1 implementation and licensing costs totals \$1,733,472; the difference between the ILG and Slalom's proposals over the five year period contemplated by the RFP process totals \$1,583,761. While the ILG proposal is clearly less costly than the Salesforce solution, Bar staff believes that the ILG internal development costs are understated because of the approximately 30% of functionality that will need to be custom developed. These functionalities, discussed above, do not exist in ILG's other bar implementations. Additionally, ILG's proposal did not include the number of hours needed to conduct the business process reengineering efforts recommended in the Gartner business case.

The Salesforce cloud software will be updated three times per year, ensuring that systems are always at a current state with no support expense from IT. The AppExchange community represents a vibrant development base, offering enhancements and new solutions that build on the Salesforce Platform as a Service environment conceptually similar to buying an app from Apple or Google play for your cellular phone. This robust development community offers future functionality and lower cost to a custom-development environment. This positioning is consistent with the Bar's IT Strategic plan for integrating existing applications, retiring physical server hardware, and lowering the costs involved in continuous upgrade cycles and custom in-house developments.

### Proposed Funding Sources

Annual licensing fees will be absorbed in the State Bar's operating budget; as such, funding sources have been identified for only the limited-term costs associated with development and deployment. These costs total: \$2,303,357

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<sup>4</sup> Costs shown include bidder estimates of travel and Per-diem expenses. All contracts require vendors to limit amounts reimbursed to that of the prevailing State Bar travel policy. Though Slalom's estimates of its costs in these categories were over three times the others estimates, we expect, due to closer proximity to both State bar offices, the actual amounts to be significantly less.

- Slalom and Salesforce Contracts: \$2,303,357
- Project Management and SME's: \$0 (no back-fill budgeted)

The project will be funded as follows:

Table 3: Project Funding Sources

<b>Funding Source</b>	
Contribution from Legal Specialization Fund	\$500,000
Contribution from Admissions Fund <sup>5</sup>	\$1,000,000
Contribution from Admissions Fund in 2012	\$1,000,000
<b>Total Costs</b>	<b>\$2,500,000</b>

### Timeline and Project Plan

This project relies on the execution of two separate sets of agreements. The Master Services Agreement (MSA) and licensing order forms for Salesforce have been negotiated by the Bar's Procurement Unit and reviewed by legal counsel and are awaiting Board approval to execute. The timing is critical for this contract as the bid pricing and special terms received during the BAFO process are dependent on execution by the end of the Salesforce fiscal year, January 31, 2018. In order to preserve the 0% pricing increase for years two through four, the Bar must initiate the licenses no later than February 14.

The second set of agreements includes an MSA and Statement of Work (SOW) for the Systems Integrator, Slalom Consulting. These documents were submitted in mid-January by the vendor and are in early draft form as of this report to the Board. There is no fiscal-year close date governing the SOW execution, though Slalom would like to begin this work in February and staff has responded that March is more realistic. The Office of Admissions needs to negotiate the timeline to suit its master calendar of examinations and grading cycles before the contract can be finalized.

### Summary of Decision Process and Staff Recommendation

The RFP used in this competitive bidding process contained clear criteria the Bar would use in reviewing responsive proposals. Those criteria included the right to review the proposals using a tiered evaluation system, with top candidates advancing as finalists and receiving a full evaluation. The review of the five proposals received and subsequent first-round scoring was based solely on responsiveness, contracting terms acceptance and direct costs.

After the first product demonstrations the three semi-finalists were then scored on the merits of the technical ability/experience category and any adjustments needed to reflect the new bid pricing and clarifications received from the BAFO round. The final scoring of the last two categories occurred only after the second demonstration with an expanded evaluation team consisting of stakeholders from the Board, CBE, and Board of Legal Specialization. During the day of the second demonstration, the expanded evaluation team received additional information

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<sup>5</sup> Based on loan from the Legal Specialization Fund

from the Bar's IT team on the Bar's IT Strategic plan and from the Interim Chief Financial Officer on the financial viability of the two finalists.<sup>6</sup>

Staff concludes that of the two finalists' bids, Slalom's Salesforce cloud computing offers the most benefits with the fewest risks to the Bar, and the greatest likelihood of timely and successful implementation. In light of consultant reports going back at least 12 years outlining numerous problems with the status quo legacy system, and previous efforts with business studies and succession-planning, the evaluation team believes that the State Bar cannot afford to take the risk of acquiring a niche solution such as ILG. The concerns about a stand-alone solution are magnified when considering the strong likelihood of future software implementations for ARCR. Despite the higher cost implied in selecting Slalom's Salesforce cloud computing bid, the evaluation team believes that the cost is justified by the solution and that it is a proposal consistent with the findings of the studies conducted by the Diagonal Group and Gartner Group.

### **FISCAL/PERSONNEL IMPACT**

The implementation and Year 1 licensing cost of the proposed solution is \$2,303,357.

### **RULE AMENDMENTS**

None.

### **BOARD BOOK IMPACT**

None.

### **STRATEGIC PLAN GOALS & OBJECTIVES 2017-2022**

Goal: 2. Ensure a timely, fair, and appropriately resourced admissions, discipline, and regulatory system for the more than 250,000 lawyers licensed in California.

Objective: Implement the 2017-2020 technology plan.

### **RECOMMENDATION**

Staff recommends that the Board of Trustees approve the following resolution:

**RESOLVED**, that the Board of Trustees approves the contracts with Salesforce.com and Slalom Consulting, as described herein

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<sup>6</sup> The round one and final scoring are attached as Business Case Appendix H.

**ATTACHMENT(S) LIST**

- A.** Admissions Information Management System Business Case

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THE STATE BAR OF CALIFORNIA

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**ADMISSIONS INFORMATION MANAGEMENT SYSTEM  
BUSINESS CASE**

Submitted pursuant to and satisfying State Bar Policy:

“For all contracts, projects and expenditures reasonably expected to exceed \$2,000,000, State Bar staff will develop and present a written cost-benefit analysis to the Board of Trustees before committing to, or making a binding agreement for the contract, project or expenditure.”

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Appendix A: [\*Project Summary, Office of Admissions\*](#), a Report for the State Bar of California, Office of Admissions, The Diagonal Group, August 2005

Appendix B: [\*High-Level Business Case for Admissions System\*](#), a Report for the State Bar of California, Gartner, Inc., November 3, 2006

Appendix C: [Process Improvement Analysis](#), a Report for the State Bar of California, Chief Financial Officer, Framework LLC, December 14, 2012 and June 20, 2013 (additional Moral Character draft review)

Appendix D: [Admissions Information Management System Concept of Operations](#), a Report for the State Bar of California, Information Technology, Birdi and Associates , Inc., June 2016

Appendix E: [Response to RFP for an Admissions Information Management System, ILG Technologies](#), April 24, 2017

Appendix F: [Response to RFP for an Admissions Information Management System, Servio Consulting LLC](#), April 28, 2017

Appendix G: [Response to RFP for an Admissions Information Management System, Slalom LLC](#), April 28, 2017

Appendix H: [RFP Scoring Summary](#) (Round One and post-BAFO Final Scoring)

Appendix I: [Functionality Comparisons](#) (Post BAFO Check)

## Executive Summary

State Bar of California (Bar) staff are proposing that the Bar enter into a contract with Salesforce.com (Salesforce) and Slalom Consulting (Slalom) to purchase and deploy a new Admissions Information Management System (AIMS) for the Office of Admissions. Consistent with best practices articulated by the California State Department of Technology and Bar policy on major Information Technology (IT) projects, this report provides the Business Case for the staff proposal to enter into these two contracts. This Business Case also serves as the vehicle for complying with the Board of Trustees policy requiring that a written cost-benefit analysis be submitted to the Board prior to the procurement of any services anticipated to cost over \$2,000,000<sup>1</sup> as well as satisfying the requirement contained in Business and Professions Code Section 6008.6 that all contracts for information technology goods, services, or both, for an aggregate amount in excess of \$100,000 be approved by the Board of Trustees.<sup>2</sup>

The staff recommendation is based on:

- A review of the historical development of information management systems in the Office of Admissions and the current state of these systems, focusing on the manner in which information technology is currently used by the Office of Admissions' general administration, Examination, Moral Character and Legal Specialization operations;
- Documentation of the specific functions for which the new technology is expected to improve efficiency and effectiveness in the Office of Admissions and estimates of the benefits of deploying a new AIMS;
- A 2005 report on the current state of operations in the Office of Admissions by The Diagonal Group with specific recommendations for improvements in the operations of Examinations, Moral Character, Registration, Examination Application, and Test Development (Appendix A);
- A 2006 business case analysis by the Gartner Group to identify feasible options to enhance the quality and timeliness of services offered to prospective licensees (applicants) by the Office of Admissions (Appendix B).
- A 2012 analysis prepared by Framework consultants to identify process improvements, identify certain high-risk functions, and address concerns regarding long-term employee tenure and knowledge transfer (Appendix C);
- A detailed evaluation and rating of three bids presented to the Bar – two proposing a Salesforce software-as-a service (SaaS) solution from Servio Consulting and Slalom Consulting, and a third proposal, a proprietary solution from ILG Technologies – in response to a 2017 Request for Proposals (RFP);

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<sup>1</sup> See Agenda Item 147, July 2015.

<sup>2</sup> See SB-36 amendment to SEC. 3. Section 6008.6 of the Business and Professions Code.

- A presentation and final ranking of the Best and Final Offer of the two finalists – Slalom and ILG – which included the expansion of the Bar’s evaluation team to include members of the Board of Trustees, the Committee of Bar Examiners, and the Board of Legal Specialization.

In response to the RFPs that was posted for this work, the Bar received six bids from five potential vendors. The five bids were narrowed to three vendors, two of which proposed implementing a Salesforce SaaS, cloud-based solution, and a third which proposed a proprietary solution. This narrowing was based on each vendor’s Submission Requirements, Legal Terms Acceptance and raw cost scores in their written proposals.

After software demonstrations, the Technical Ability/Capacity/Flexibility category was scored by the Bar evaluation team and the two best solutions were promoted to a final round for consideration. For the final round of evaluation, Slalom and ILG were invited to the Bar to give a presentation of their offers. At this point in the process, the team evaluating the offers was expanded to include the two Board IT liaisons and a one representative each from the Committee of Bar Examiners and the Board of Legal Specialization. The team concluded Slalom’s Salesforce proposal offers the most benefits with the fewest long-term risks to the Bar.

Salesforce’s *Enterprise Edition* software service is a modular, highly configurable cloud platform which, along with the inclusion of Slalom’s proposed change management component, makes the staff recommendation consistent with the findings of studies conducted by Diagonal, the Gartner Group and Framework. Specifically:

- the status quo was unacceptable and would fail to meet the needs of Examinations, Moral Character and Legal Specialization;
- a proprietary (custom-build) solution was risky and offered uncertain long-term benefits for the Bar (Admissions, as well as other potentially integrated areas);
- a contemporary configurable platform option provided the optimal balance of benefits while mitigating the risks inherent in the acquisition and deployment of a large IT system.

The Salesforce platform is the enterprise cloud computing market leader in over 1,000 government agencies including all Federal cabinet level Government agencies and 45 US states. Salesforce software is built with multi-tenant application architecture that has been designed to enable customers to scale their services reliably and cost-effectively to accommodate millions of users. The Bar will not need to maintain any hardware or software, unlike the existing AS/400 infrastructure. Not only will this cloud-based architecture allow the Bar to deploy AIMS rapidly, it will allow the Bar to extend the use of this software to other areas outside of the Office of Admissions.

The International Data Corporation ranks Salesforce as number one in Enterprise Cloud Computing and number one in Customer Relations Management (CRM). Gartner ranks Salesforce as a leader in the “magic quadrant” for Customer Engagement Centers (for SaaS) and Enterprise Platform as a Service (PaaS). Forbes Magazine named Salesforce “Innovator of the Decade” and one of the “World’s Most Innovative Companies” for the past six years in a row.

The implementation of Salesforce will require entering into a contract with a system integrator. Slalom is an established consulting firm (16 years) headquartered in Seattle with 25 offices, including both Bar locations in San Francisco and Los Angeles. Slalom is a “Platinum” partner listed as the sixth largest Salesforce partner for growth with 4,800 employees. Their pool of resources for system integration, data conversion, and change management, is both broad and deep. Slalom reports completing over 500 Salesforce projects for hundreds of clients over the past nine years since becoming a Salesforce partner.

This report recommends that two contracts be awarded as a result of the eight month competitive bidding process: one agreement with Salesforce for the licensing of their cloud computing Enterprise Edition (SaaS) for internal staff and external “communities;” and one agreement with Slalom to consult on business process reengineering, change management, software and portal configuration, reporting needs and training.

Although the initial five-year cost of entering into a contract with Salesforce/Slalom will exceed that of the other two fully-evaluated bids, State Bar staff believe that agreements with Salesforce/Slalom will, in the long-run, result in the most effective solution for the Bar with the lowest risk of unanticipated, unbudgeted project costs, lowest risk of overall project failure, and the greatest likelihood of timely AIMS deployment for Admissions.

A large portion of the difference in cost appears in two important year-one categories: Process Improvement and Training. These two categories alone represent a difference in effort of \$617,950 when compared to ILG and \$575,336 compared to Servio. The evaluation team, however, was concerned that the ILG and Servio bids did not include sufficient hours for both, underestimating the effort needed in these two important categories. Both the Gartner Group and Diagonal consulting identified transformation of the twenty-five year-old processes in the Office of Admissions as a critical need. This cost differential is invested exclusively in year one, with years two-through-five projected to be at a lower overall cost from the Salesforce/Slalom solution than the ILG solution.<sup>3</sup>

Over the long run, and considering the long term IT strategic planning goals, the evaluation team concluded that Salesforce/Slalom is the best value selection.

Following the review of the alternatives available to the Bar and the evaluation of the bids presented in response to the RFP, this report concludes with a timeline and project plan for deployment of the new system and a discussion of risk-mitigation strategies.

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<sup>3</sup> This savings begins to reverse over the course of 20 years as the 7% annual increases to the Salesforce Enterprise service begin at the start of year five.

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# 1 Overview

This report documents the Business Case for the State Bar of California (Bar) to enter into two contracts: one with an Information Technology (IT) vendor, to purchase the license for software and cloud-based computing services, and another with a Systems Integrator (SI) to conduct a business process review and recommend business process changes in the course of implementing the new software. The contracts will allow the Bar to deploy a new Admissions Information Management System (AIMS) for the Office of Admissions.

A Business Cases provides a high-level evaluation of whether an organization should make a particular investment and, if so, provides guidance for selecting among various alternatives. In 2013 the California State Department of Technology drafted a Project Management Methodology indicating that a Business Case should communicate essential information about a proposed technology project to stakeholders and participants, identifying, among other things, “the program background, strategic alignment, business drivers, business problems, opportunities and measurable objectives.”<sup>4</sup> Similarly, in 2015, the State Bar Board of Trustees (BOT) approved a policy requiring a cost-benefit analysis for major projects, such as capital or IT projects that cost more than two million dollars. Specifically, the policy dictates that:

For all contracts, projects, and expenditures reasonably expected to exceed \$2,000,000, State Bar staff will develop and present a written cost-benefit analysis to the Board of Trustees before committing to, or making a binding agreement for the contract, project, or expenditure. The Board of Trustees, or the relevant Board committee, must then affirmatively approve the contract, project, or expenditure. All such cost-benefit analyses must discuss a recommended course of action and alternatives.<sup>5</sup>

Thus, consistent with both the California State Department of Technology’s Project Management Methodology and the BOT policy on contracts expected to exceed \$2 million, this report will provide the following information and analysis:

- Background on the historical development of information management systems in the Office of Admissions and the current state of these systems;
- Documentation of the specific functions for which the new technology is expected to improve efficiency and effectiveness in the Office of Admissions and estimates of the benefits of deploying a new AIMS;
- A summary of information management systems options and alternatives for the Office of Admissions provided by multiple independent technology consulting firms;
- A review of the responses to the RFP issued for this project by three technology vendors: Servio Consulting (Servio), Slalom Consulting (Slalom) and ILG Technologies (ILG);
- The timeline and project plan for deployment of the new system including overall project cost;
- A discussion of risk-mitigation strategies.

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<sup>4</sup> See *State of California Department of Technology, California Project Management Methodology, Reference Manual Statewide Information Management Manual* – Section 17A, July 2013, p. 17.

<sup>5</sup> See Agenda Item 147, July 2015.

## **1.1 Background**

### **1.1.1 The Current State of Information Technology in Admissions**

The primary computer systems used by the Office of Admissions to manage its business processes are reaching the end of their useful lifespans. The software supporting these critical functions of the Bar, the AS/400, was custom-written in the mid-1980s in a proprietary IBM Report Program Generator (RPG) language. The current production release of the AS/400 is not capable of supporting a number of important functionalities such as workflows, ad-hoc reporting, dashboard analytics or integration with web-based programs.

Although some of the principal administrative support functions of the Bar run on newer systems the Office of Admissions and Office of Attorney Regulation and Consumer Resources (ARCR, formerly known as Member Records and Compliance) still rely on the AS/400 for the management of applications, testing, moral character evaluations, and licensee record management. Increasingly the system itself has become a barrier to the efficient and effective performance of these functions. The system is currently:

- incompatible with modern IT industry standards and development platforms;
- costly and soon impossible to maintain as the pool of IT developers who can work with the code that runs the AS/400 continues to shrink
- incapable of supporting essential modern functions such as integration with web sites;
- inefficient for users who must navigate irrelevant and redundant screens to find and enter data required for the management of exam applicants, law schools, and other agencies;
- inflexible in its configuration making it:
  - difficult to streamline business processes, and;
  - difficult to extract data, run reports, and monitor business flow analytics.

### **1.1.2 Office of Admissions Functions and Responsibilities**

Staff in the Office of Admissions assist the Committee of Bar Examiners of the State Bar to meet its statutory responsibilities to:

- Determine the moral character of applicants for admission to practice law in California;
- Develop, administer, and grade the California Bar Examination, the First-Year Law Students' Examination, and the Legal Specialization Examination; and
- Oversee the accreditation and performance of unaccredited California law schools not approved by the American Bar Association, which includes developing a portal for the facilitation of data sharing.

The Office of Admissions is headquartered in San Francisco with 40 employees and another 25 employees in Los Angeles. The office is structured into these functional areas, with staff indicated by current location:



- Administration (5/SF)
- Educational Standards (2/SF)
- Moral Character Determinations (13/SF)
- Examinations/Testing Accommodations (13/SF)
- Operations and Management (25/LA)
- Legal Specialization/Special Admissions (7/SF)

Admissions use the AS/400 to track applicants to the Bar. The system serves as the electronic record of the many forms of applications for students and attorneys seeking special admissions from initial registration and application through moral character evaluation, testing, and ultimately licensing for successful applicants. In 2017, the Office of Admissions processed just under 9,000 total registrations and over twenty-three thousand other forms of applications using the AS/400.

Applicant management using the AS/400 requires that staff perform a large number of repetitive tasks to move applicants through the various phases required for licensing and certification. Redundant data entry is driven, in part, by a lack of integration among different components of the AS/400, external web-processing by outside systems and stand-alone independent work-around processes that have evolved over many years. Even where specific actions and processes are not redundant, the AS/400 programs require a linear progression through their functions, some of which may not be relevant to a particular need. In other words, staff are required to scroll through screens that have no relevance to the function that they are performing simply because there is no other path within the program to the screens that are pertinent to their work. There are also identified gaps in the ability of staff to monitor applicants over the course of their Admissions activities, as well as for managers to juggle staff workloads and monitor timeliness of applicant processing. There is no user-friendly method for querying data captured in the system, which is a critical when prioritizing work.

### **1.1.3 AIMS Project Objective**

The proposed AIMS replacement system should integrate functions of existing systems; improve communication between and within offices; improve applicants' experience submitting applications; provide a user-friendly system for staff; decrease the reliance on paper; and increase efficiency of current processes especially as it relates to timeliness of application processing. The requirements of new system include:

- Improving the State Bar's ability to share and exchange relevant data among staff, the public and key stakeholders;
- Implementing a modern system that utilizes defined work flow processes and end-user functionality to guide users through the system during core Office of Admissions processes, Including application; exam development; exam management; and grading;
- Providing dashboard overviews to monitor Key Performance Indicators and track workflows, including tools for State Bar staff to create dashboards as needed;
- Increasing efficiency and accuracy through automation and reduction of manual entry applications and supporting information.

- Eliminating or reducing the use of hardcopy paper documents and associated filing processes;
- Reducing the overall cost of the admissions process to the State Bar;
- Incorporating an adaptable grading module that can be adjusted for the number of questions and normalization of information.

#### **1.1.4 Previous Efforts to Replace the AS/400**

Over more than a decade, State Bar staff have attempted to replace the AS/400. Although piecemeal modifications and upgrades have been made to the system over the years, efforts to completely replace the system have failed. Before the Tyler integration solution was selected for the Office of Chief Trial Counsel (OCTC), State Bar Court (SBC), and Probation, the earlier attempts to acquire a new CMS were conducted in relative isolation by different segments of the Bar with little consideration of the integrated nature of the work.

As early as 2003, the State Bar issued a RFP seeking consulting services to develop a project plan and software functional requirements necessary to upgrade the existing OCTC case management system. The resulting contract, awarded to COPLAN and Company, and a similar effort awarded to Gartner for SBC both concluded with recommendations to implement a COTS system as the option with the greatest likelihood of success. OCTC initially tried unsuccessfully to develop a more customized solution. A subsequent RFP in early 2016 led to the acquisition of a single solution that encompasses OCTC, SBC and the Office of Probation.<sup>6</sup>

Similarly, the 2004 implementation of the JDEdwards Enterprise One software integrated the Bar's Finance and Human Resources stand-alone software onto a shared platform. The IT strategic plan has established 2018 as a target for the start of a long-awaited upgrade to this integrated Enterprise One system from a local-hosted server deployment to Oracle's cloud computing solution. Although this business case is focused solely on replacing the existing AS/400 systems for Admissions, integrations with other Bar systems and external entities is a strategic goal that need to be kept in mind as the remaining systems are replaced and the AS/400 ultimately retired.

## **Strategic Alignment, Challenges and Opportunities**

### **1.2 Essential Functions of the California State Bar**

Business and Professions Code section 6001.2 establishes that "Protection of the public shall be the highest priority for the State Bar of California and the Board of Trustees in exercising their licensing, regulatory, and disciplinary functions." In the Office of Admissions, protection of the public is operationalized by the accreditation and review of California law schools, determining applicants' moral

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<sup>6</sup> Member Records and Compliance was originally included as an optional module, but dropped during the evaluation process when vendor demonstrations proved to be missing key member-based functionality.

character and testing to confirm the knowledge necessary to practice law in the State of California, or holding oneself out as a legal specialist.

The essential functions of the Office of Admissions are documented in the Diagonal, Gartner and Framework studies alongside some of the challenges represented by performing these functions using the AS/400. In general, the legacy CMS application built on the AS/400 platform requires duplicative data entry, prevents users from moving directly to the screens dictated by the applicant's progress in the workflow. For example, essential web-portal services for applicants are currently provided by an outside vendor because the AS/400 cannot provide this integrated functionality.<sup>7</sup> This requires data to be downloaded daily from this provider and manually applied to the existing AS/400 systems.

The intersection between these inefficiencies and the essential purpose for which the Bar exists – public protection- can be seen in:

- Lack of integration of related business process areas leading to duplicative efforts, the squandering of staff resources, and unacceptably high error rates that occur during the application data entry process;
- Lack of automated interfaces (data and document transfer) between external stakeholders (e.g., DMV, DOJ, and educational institutions) which requires excessive copying, filing, and storage of documents within an applicant's physical file;
- Inefficient operational practices requiring higher numbers of staff devoted to maintaining and operating the AS/400 and, as a result, fewer resources available for serving applicants;
- Weak controls for tracking compliance with policies and procedures and statutory mandates;
- Inability to query cases to prioritize specific applications based on certain conditions (i.e., prioritizing bar exam passers with applications that have been active for over 8 months);
- Poor reporting functionality requiring labor-intensive extraction and transformation of data for purposes of reporting making it difficult to track examination applicants and moral character review processing.

The report commissioned from the Diagonal Group in 2005 to assist in the assessment of what is required to replace the existing Office of Admissions systems with a single system commented that:

The current systems are insufficiently integrated, difficult to navigate, and do not support workflow to aid in automating certain processes (tracking accommodations petitions, moral character determinations, and communicating with applicants, institutions, and others involved in the admissions process) ... the business rules underpinning the existing systems were developed over ten years ago and need to be reassessed in the light of current requirements.

The initial project plan consisted of two discrete projects. Diagonal Project 1 involved analysis of the business and functional requirements of the new system; documentation of the requirements for

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<sup>7</sup> The contracts with XAP for the web-application services , valued at \$84,137 + 6% increase annually, will no longer be needed with an integrated AIMS solution.

system design purposes; design of the new system's technical architecture; and development of a high-level project plan for completing system development.<sup>8</sup> Diagonal Project 2, was to involve the actual system design and construction, based on the results of Project 1. This portion was never initiated, but the work was later awarded to Gartner Consulting, which was used to evaluate options to consider for improving the information systems used by all programs in the Office of Admissions.<sup>9</sup>

### **1.3 Anticipated Benefits of Acquiring and Deploying a New AIMS**

The anticipated benefits of acquiring and deploying a new AIMS for the Office of Admissions are documented in the business cases developed by Gartner, and additional recommendations for business process improvements highlighted by Diagonal and Framework. There is substantial overlap between the benefits identified by each of the consulting firms. Those benefits include:

- Improving the Bar's ability to provide the public and member licensees with Internet access to information;
- Improving the Bar's ability to comply with operational standards of efficiency and effectiveness;
- Improving data sharing among key stakeholders and across different entities within the Bar;
- Allowing for the timely development and delivery of system reports including standard, customizable and ad hoc reports;
- Creating defined workflow processes and end user help functionality to guide users through system and staff functions during the entire applicant licensing process from applicant management through attorney admittance;
- Automating business processes, workflow and reducing applicant-processing time frames, enabling redirection of staff to moral character processing activities to reduce the amount of time applicants must wait;
- Assisting with the balancing of staff workload, conducting data quality assurance activities;
- Tracking and reporting on additional applicant data facilitating increased transparency and accountability.

In the aggregate, these improvements in applicant and examination processing will result in the more efficient utilization of State Bar staffing resources allowing the Office of Admissions to provide better services to those seeking to practice law in California and more resources directed to public protection activities.

### **1.4 Strategic Benefits of Using New Platform Beyond AIMS**

In addition to the current needs within the Office of Admissions, there exists a need for a future development of the remaining legacy systems outside of Admissions, but still hosted on the AS/400 platform.

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<sup>8</sup> See Appendix A: Diagonal Project Summary.

<sup>9</sup> See Appendix B: Gartner High-Level Business Case.

The 2017-2019 IT Technology Plan (ITTP) identified four goals, their respective objectives, and key strategies. This ITTP focused on strategies pivotal for creating the effective use of existing and emerging technologies including tactical ideas based on a high-level framework:

- Increase Access to State Bar Services;
- Increase Efficiency, Transparency and Accountability;
- Ensure Security of Data and Systems;
- Effectively Budget, Plan, Monitor and Support IT Resources.

This business case for AIMS builds upon previous efforts to satisfy all of the above, however this strategic plan is global in nature, and not exclusive to other parallel CMS and Oracle projects.

The previous business case submittal for a new case management system for the Office of Trial Counsel, State Bar Court and Probation highlighted previous difficulties with both the California State judiciary's case management systems (CCMS) as well as the Bar's own attempts to build a CMS using Sustain Technologies developers. The decision to implement Tyler Technology's Odyssey software, currently under development, was made primarily to utilize a proven court-based system widely deployed, but with a limited customization.

Although ARCR (at the time, Member Records) was originally included as an optional component in the RFP for a CMS for OCTC, SBC, and the Office of Probation, this option was dropped with the selection of Tyler technology. While the Commercial Off-the Shelf (COTS) solution made sense for the discipline system, it was not considered a viable solution for ARCR which was better suited for a CRM-based solution. Thus, while ARCR is not formally part of the evaluation of AIMS, ARCR's future needs were considered during this AIMS review, and played a role in the strategic recommendations here. This project is slated for 2019 and may be faced with similar options in the CRM cloud computing market.

## **2 Admissions Information Management System Options and Alternatives**

The Gartner Group defined three primary options available to the Bar – Status Quo, Conversion of Code with Continued Modifications, and Transition to a New Technology – and then ranked these in seven broad categories:

- Address Immediate & Future Needs
- Ability to Address Opportunities for Improvement
- Cost and Value
- Applicant Satisfaction
- Position for Addressing Future Needs
- Opportunity to Leverage System
- Risk

## **2.1 Option 1: Maintaining the Status Quo**

Under a status-quo scenario, the State Bar would continue using the existing AIMS to support the Office of Admissions. In order to continue operating under the status quo, however, the AS/400 would require significant enhancements. The previous business case to move CMS off the AS/400 considered this same option, which was rejected in favor of the move to a case management COTS. This option is also at odds with the Bar's strategic IT planning. In essence, this option, while viable for consideration during the 2006 Gartner study, is no longer so today. However, to continue to validate this current assessment for this subsequent report, the Gartner summary was clear in the limitations of this status quo approach by noting significant gaps between what the AS/400 is capable of and the requirements identified by Admissions staff.

Similar to the findings of COPLAN and Company and the Gartner Group when they looked at the AS/400 and its viability for OCTC, SBC, and the Office of Probation, Gartner found that upgrading the AS/400 was not a viable option for needs of the Office of Admission. The Gartner Group's equivalent to a "status quo" option for the AS/400 as a solution for the SBC found that it met system requirements in *none* of the seven categories on which it was assessed. The two categories in which this option ranked the highest – the Cost and Value and Risk – merited only a rating of "caution."

## **2.2 Option 2: Convert Code to Contemporary Platform and Continue to Modify**

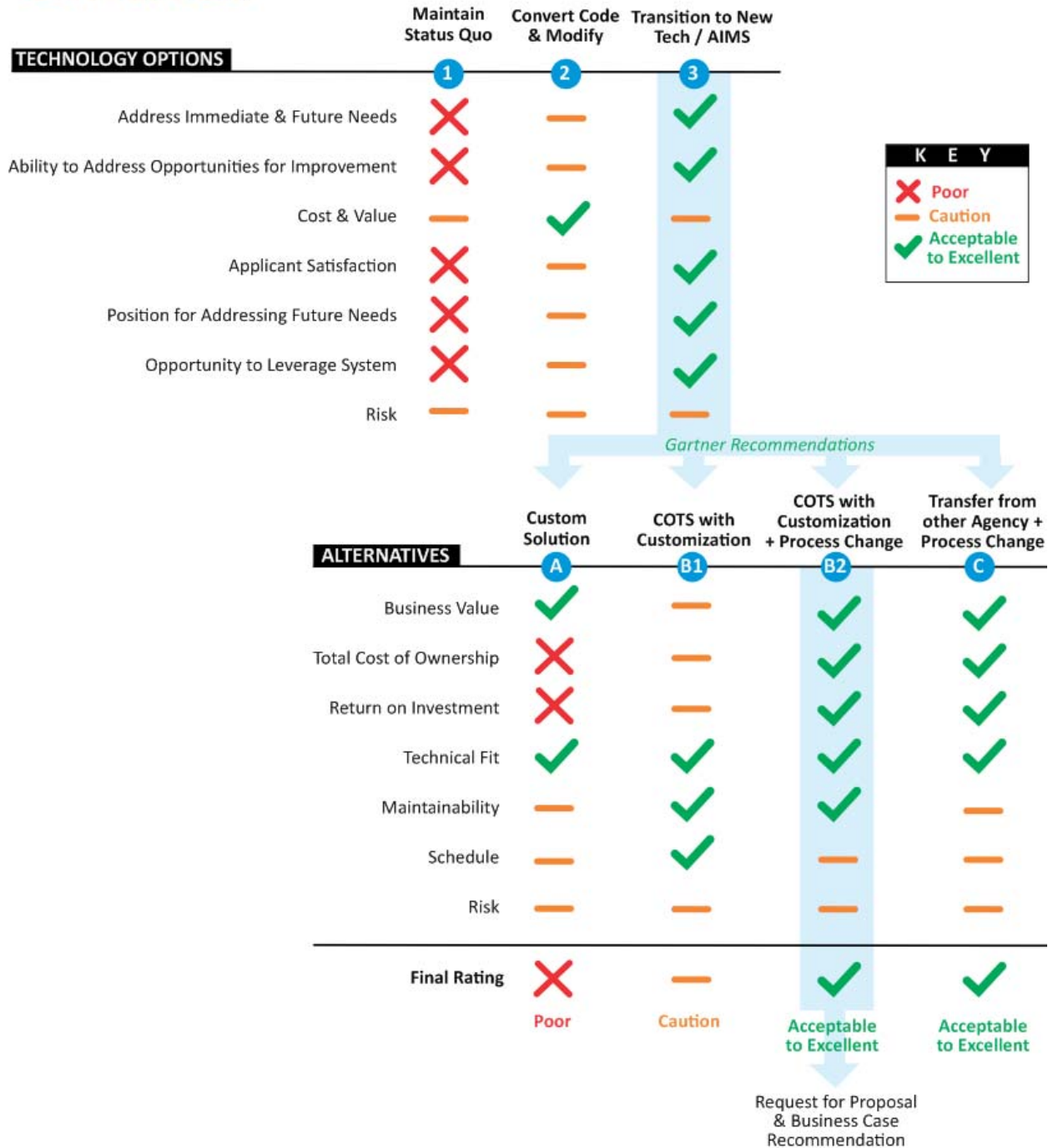
This alternative suggested making significant improvements to the AS/400 platform, code, operating system and selected functionality. With this approach, Gartner recommended that business process operations be streamlined to reduce redundancy, gain efficiencies and better match system capabilities, including tracking applicants and providing for online application processes for all applications and automating workflows.

## **2.3 Option 3: Transition to Newer Technology and Implement a New Admissions System**

This alternative entails replacement of platform and technology, and hosting a new Admissions system that provides for best practices in admissions systems including: workflow, online application entry, error reduction, reporting, etc. In addition, this alternative would enable a new Admissions system to function as a module integrated with future Bar systems (e.g., a system encompassing membership, back-office applications, and outside entities).

Gartner recommended this final option (Option 3) and presented the following alternatives for implementation to consider: a Custom Solution, a Commercial Off-the-Shelf (COTS) System with Customization, a Commercial Off-the-Shelf (COTS) System with Customization + policy, procedure and process change, and a Transfer Solution modified from another state bar entity. Below is a summary of the four options and associated evaluation results for the identified Execution Alternatives. Figure 1, below, summarizes the three options for technology and the four implementation options.

Figure 1: Gartner Consulting AIMS Business Case Recommendations



**Custom Solution (A):** Contract with an application development vendor to custom-develop a new, comprehensive application to meet the business and technical requirements of the Office of Admissions.

**Commercial Off-the-Shelf (COTS) System with Customization (B-1):** Procure a COTS product and customize the product to meet business requirements that are not met off-the-shelf. No business policy, procedure or process change will occur.

**Commercial Off-the-Shelf (COTS) System with Customization and Policy, Procedure and Process Change (B-2):** Procure a COTS product and implement the solution with some customization. Admissions' business policy, procedure and processes will also be changed to match the COTS product workflow.

**Transfer Solution (C):** Transfer/purchase an existing custom solution developed for another state bar and modify the solution to meet Admissions' business and technical requirements.

## 2.4 Summary of the Three Options and Recommendations

Based on the strategic recommendation to transition to a contemporary IT environment and implement a new Admissions system (including re-engineering of business processes), Gartner recommended Execution Alternative B-2—that Admissions should purchase and implement an integrated Commercial off-the-Shelf (COTS) system and customize it to meet Admissions' requirements. In addition, due to Admission's need for significant business process re-engineering, change management was a critical component of this recommendation and should serve as the foundation to implement the new AIMS. It was noted that the 2006 business processes were developed over fifteen years prior and were based on antiquated technology and manual processes, with no insight into the pervasive nature and value the Internet offers the Admissions process. Although some processes have been modified in the intervening eleven years, many are still based on these original models.

Gartner also recommended that the State Bar and Admissions utilize both the services of a system integrator and an outside project manager to review business processes, customize the COTS system, and implement and test the new Admissions System. While this business case concurs with contracting with an outside system integrator with strong change and process management skills, the recommendation here is that project management be kept in-house (though outside of the Office of Admissions), by assignment to the newly created Office of Research and Institutional Accountability (ORIA). This recommendation is consistent with the current assignments to this office of PM to the CMS initiative and the soon to launch, Oracle cloud implementation for Finance and Human Resources. As ORIA did not exist at the State Bar at the time of the 2005 Gartner report, its purpose was conceived to function as a cost-effective counterpart to the office needing this business process reengineering.

The COTS option assumes that a product exists in the marketplace with the functionality needed by the Office of Admissions that the State Bar can purchase. To evaluate this option, it is necessary to further assume that a suitable vendor exists with an application software package that is available for



organizations with technical and business needs similar to those of the State Bar, often unique in the size and scope of programs offered.

Looking at the four alternatives evaluated by Gartner, the customized COTS Solution with Policy, Procedure and Process Change is clearly preferable to either the status quo or the customized COTS without change management. The second preferable option is to transfer a solution from another state bar entity and customize, though concerns about the ability to maintain into the future were noted with this approach.

## **2.5 Additional Preparations for AIMS Request for Proposals**

In order to pursue Gartner's recommendation, the Bar's IT team posted a RFPs seeking qualified vendors to provide Project Management Services for the AIMS Software Replacement Project in early 2015. The Request for Proposals noted the previous consultants' conclusions that the existing Admissions systems were insufficiently integrated, difficult to navigate, and did not support the required business processes and workflows necessary to aid in automating core activities. The Request for Proposals also noted that these systems are inconsistent with the State Bar's strategic direction to migrate off the current AS/400 systems and onto more current, highly configurable platform or vertical COTS solution. The Request for Proposals ruled out any interest in developing a custom developed solution.

Bids were received from Gartner, Integrated Project Management (IPM) and Birdi and Associates (Birdi) and awarded to Birdi to develop a project plan and assist in developing the RFP to source the replacement software itself.

Birdi was contracted to provide project management services and oversight under fixed bid for the Procurement and Implementation phases including: development of a project charter, detailed project plan with risk/issues/change management, develop of a Statement of Work (SOW), defining functional, technical and service requirements, coordinating bidder conferences and QA, product demonstrations and facilitating vendor cost evaluations, selection and negotiations. The bulk of the work product delivered by Birdi can be found in the detailed Concept of Operations for the Office of Admissions.<sup>10</sup> This report documented the functional workflows of the 66 major business processes, illustrating both current conditions and future states desired in a new AIMS.

## **3 Responses to the Current Request for Proposals**

### **3.1 Solicitation of Requests for Proposals for a new AIMS**

The current proposal to acquire and deploy a new AIMS draws on the experiences and documentation produced during previous efforts to replace the AS/400 and requirements developed during the Birdi review and bid material development. In early 2017 a RFP was drafted with the goal of finally integrating all of Admission's needs into a single AIMS.

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<sup>10</sup> See Appendix E: Birdi Admissions Information Management System Concept of Operations

The RFP stated the Bar's interest in acquiring an AIMS that would:

- Improve the Bar's ability to share and exchange relevant data among staff, the public and key stakeholders;
- Utilize defined work-flow processes and end-user functionality to guide users through the system during the entire life of the applicant, from initial registration through final disposition;
- Provide dashboard overviews to monitor key performance indicators and track workflow;
- Improve the capture of and access to information about applicants for examination processing and moral character investigations;
- Integrate law school accreditation processing and information exchange; and
- Increase efficiencies and accuracy through automation and reduction of manual entry.

The RFP divided the system requirements into specific functions components identified during the Birdi discovery and attached as Appendix D: Concept of Operations.

Table 8: AIMS RFP, Mandatory System Requirements

System Wide	Admissions		Service	Technical	Accessibility
Forms Management & Generation	Pre-registration	Applicant Registration	Project Management	Database	Compliance with WCAG 2.0,
Document Management	MJP/FLC Processing	Legal Education Evaluation	System Design & Configuration	Availability	Level AA accessibility guidelines
System Administration	Law School Regulation	Exam Application	System testing	Interoperability	
Event Management	Eligibility Verification	Exam Question Preparation	System Delivery	Operating System	
Ad Hoc Reporting	Performance Testing	Proctor Management	System Implementation	Environment	
User interface	Testing Accommodations	Grading	Training	Architecture	
Inventory Management	Moral Character Processing	Event management	System Support	Performance	Web Access
Barcode Integration	Legal Specialization	Contract Management	Problem Resolution Protocol	Security	
Outside Agency Integration	Master Calendar Management	Practical Training Law Students			
Dashboards					

The RFP, posted for eight weeks and due April 28, 2017, attracted six bids from five potential vendors, proposing two differing software models. Blue City, Verbita, Servio and Slalom (system integrators) all proposed solutions utilizing the Salesforce cloud computing platform, while ILG proposed using their

proprietary software with two options (Bar-hosted, or vendor-hosted). An evaluation team consisting of representatives from Admissions, IT, ORIA (managed by Procurement), was formed to begin the analysis of written proposals responses to the functional requirements developed by Birdi, as well as required technical, service, security and accessibility requirements.

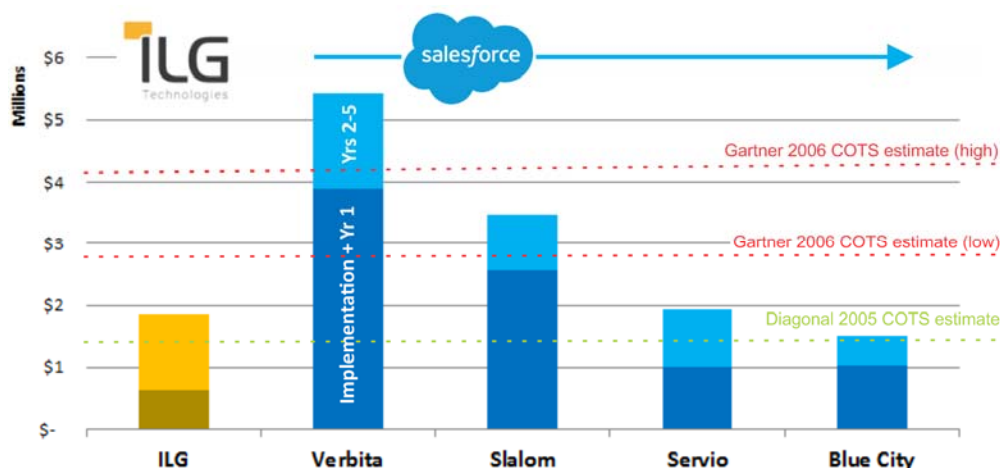
During the course of reviewing the five proposals, several factors were taken into consideration by the IT team and Procurement staff:

- The number of customers for whom each vendor has installed their system (the “install base”);
- Implementation experience of the vendor with similar IT systems;
- System integration capabilities;
- Portal application and e-capabilities;
- Compatibility and capacity for integration with document management systems;
- IT resources needed to administer, support, and maintain the solution; and vendor support and maintenance.

### 3.2 Preliminary Proposal Reviews

The evaluation team reviewed the written proposals and scored three of the discrete five categories contained in the RFP, and eliminated both the highest and lowest cost solutions (Verbita \$5,418,242 and Blue City at \$1,505,876 respectively) from the competition.<sup>11</sup> The Scoring for this round can be found in Appendix H, page one. Both these proposals eliminated at this point were also based on the Salesforce (SaaS) platform. The initial bids received from each of the five vendors are illustrated below in table 9, showing the relative year-one licensing and implementation expense. The dotted overlay represents estimates provided in the previous consulting studies, plus a 2007-2017 CPI index increase of 19.9%. These estimates would apply to year-one implementation costs only and not the continuing annual support amounts.

Figure 2: AIMS Initial Bids



<sup>11</sup> The round one elimination was based on RFP scoring categories for Submission Requirements (5%), Legal Terms (5%) and Initial Bid Cost (20%).

### **3.2.2 Round Two Review of Semi-Finalists**

Live full-day software demonstrations were scheduled for ILG, Servio and Slalom.<sup>12</sup> The IT team and Procurement facilitated these reviews, reference checks, and vendor demonstrations. Procurement developed specific scripts that each vendor was to base to their presentations on. These scripts were based on the RFP's nearly 250-page Concept of Operations document previously developed by Birdi, outlining both the current and future state of the many-varied Admissions processes, including detailed diagrams of how data and operations should flow throughout AIMS.

The Bar provided a detailed script for each vendor to follow including various differing perspectives:

- Student Applicant Portal (registrations)
- SBC Staff Use and Workflow Processing
- Examination Maintenance/Grading
- Moral Character Processing
- Dashboards and Management Review
- System Software Administration
- Security
- Reporting Capabilities
- Document Management

The scripts sent to the three included language that acknowledged the possibility that any one single software package might not be able to successfully complete all of the detailed requirements, but that the objective was for the vendors to showcase how their products perform specific tasks central to Admissions' operations, while allowing for the needed business process reengineering. During the course of the demonstration, any features shown that were not part of the basic package were to be noted and clarified as necessary.

This two-way exchange enabled the evaluation team to question potential system limitations as well as for the vendors to learn the Office of Admissions processes and requirements in greater detail. It was important to determine if any functionality shown would require software customization, as compared to only needing configuration to the out-of-the-box state to achieve full functionality. Following the demonstrations of the functional scripts, a separate session focused on the technologies employed was held for IT staff. These sessions were concluded the third week of August.

The evaluation process continued through September and reference interviews conduct in early October. The specifics of each written proposal and information learned from the live demonstrations and vendor reference interviews are summarized in each of the three bidders' summaries below.

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<sup>12</sup> The full proposals for the three semi-finalists are attached as Appendices E, F & G.

### **3.3.1 ILG Technologies, Inc. Proposed Solution (COTS)**

ILG Technologies proposed the use of its existing Electronic Bar Admissions Solution (EBAS) system which has been deployed in eight jurisdictions to date:

- Alabama State Bar
- Alaska Bar Association
- Georgia Office of Bar Admissions
- Illinois Board of Bar Admissions
- Indiana State Board of Law Examiners
- Missouri Board of Law Examiners
- New Jersey Board of Bar Examiners
- Texas Board of Law Examiners

The EBAS can natively provide approximately 70% of the functions detailed in the Admissions Concept of Operations document, with the areas requiring substantial custom development to be applicant education evaluation, test drafting and preparation, independent contractor management, examination logistics management, and all of the Legal Specialization requirements.

ILG reported successful implementations in all jurisdictions: reports that were confirmed in the two jurisdictions contacted as references. ILG has not, however, had experience with jurisdictions the size of California. The EBAS is a COTS solution which would provide AIMS infrastructure on-premise, through a thirdparty hosting facility, or in a hybrid structure.

The annual maintenance fees for ILG allow for unlimited customizations to existing modules for a fixed price and, given the Bar's size and needs, would be a very advantageous model. On the other hand, this may also enable each jurisdiction to customize their systems so extensively that ILG runs the risk of effectively maintaining unique systems for each client.

ILG has a total staff of twelve employees with all development resources offshore in Turkey, and their leadership consisting of the chief designer of the EBAS and a former Missouri Board of Law Examiners Executive Director. It is clear from ILG's proposal, demonstrations and other contact that they are experts in the Bar admissions space and heavily promote the importance of the relationship between ILG and State Bar agency clients.

In May 2017, one of ILG's jurisdiction's system was breached by a malicious entity and their public website, which was integrated with the system, was defaced although no data was extracted. The breach was due to vulnerability in an open source software component integral to the EBAS and sub-standard security practices; delay in patching that vulnerability appears to have led to the breach. ILG has confirmed this breach and provided information on improved security practices. ILG has also proposed moving some EBAS systems to proprietary enterprise-grade systems (Microsoft SQL) for the Bar's implementation to provide stronger security, but has no experience in doing so to date.

IT felt that ILG may be underestimating the effort required in implementing AIMS relative to their previous experiences with other jurisdictions. The State Bar of California is the largest and likely most demanding organization of its kind. For example, all current EBAS implementations have only provide pre-made static reports, and offer no ad-hoc reporting. Although ILG recently informed staff they were hoping to add this functionality in the future, they could not demonstrate any form of ad-hoc reporting Admissions requires. ILG is a boutique developer in the State Bar admissions niche, with no direct competitors, and has spoken earnestly about weaknesses in structure and platform while actively seeking to the mitigate and remediate these deficiencies. The conclusion of the evaluation team was that ILG could produce a satisfactory AIMS solution as conceived, but that this option entailed risk related to ILG's staffing, finances and reliance on vendor system administration.

Pros:

- Proven admissions system, implemented in eight state bar agencies
- Three types of infrastructure options: on-premise, hosted, and hybrid
- Unlimited customization as part of its annual software maintenance cost, as conveyed by Baris Misman (ILG principal)
- Solutions module available for an electronic exams and grading system—Exam360 (Alternatives to the ExamSoft and Web Grader applications currently in use by the Bar)
- Participation with the National Conference of Bar Examiners (they are able to keep up with new requirements and standards for bar admissions and exams, and then apply them to their application)
- Price of the solution and services

Cons:

- Used in small scale implementations only
- Inability on our part to determine the flexibility and capabilities of the application
  - The size to which ILG's customer base serves is a potential issue as the CA State Bar's applicant volume is over three times the size of their largest customer, Texas Board of Law Examiners
- Financial solvency of ILG
- A "soft-cost" with customization that ILG may not be realizing
  - Based on Admissions service request for 2016, there were 151 service requests submitted for application enhancements and for 2017 to present, 122 services requests
- Future cost of support and upgrades in addition to the current costs to enhance/develop their base application
  - If ILG is selected, we will be their biggest customer with a more complex implementation than their current customers
- Extensive testing of their software to ensure it works well with their existing customer base when they add features or functions in the form of a future upgrade or product update
- Compatibility issues

- ILG will have to account for the backward and forward compatibility of the modified solution with the rest of their customer base, solely because not all their customers will immediately implement a new release of their software when published.
- Security risks in Open Source
  - Open Source is built by communities of developers with the source code publicly available. Therefore, Open Source is susceptible to security breaches as malicious users and hackers have access to the source code.

### **3.3.2 Salesforce.com, Inc.'s Cloud Enterprise Solution (SaaS)**

Salesforce.com is a leading cloud services provider and the developer of the Salesforce Platform as a Service (PaaS) environment. Where SaaS solutions offer a specific application through a cloud infrastructure, a PaaS provides a flexible foundation and set of tools that can be configured into multiple applications based on client design, and largely without custom software development. Due to this nature, the Salesforce platform can be adapted to meet most business needs, modified as needs change, and extended to new operational areas as may be desired. Further, the platform, configuration tools and programming language are ubiquitous throughout every implementation, as the license model enables every client to be on the latest platform version, and so any System Integrator (SI) is capable of working on any client system. Salesforce provides all hosting as part of its licensing structure, and places all government agencies in data centers that meet Federal Risk and Authorization Management Program (FedRAMP)<sup>13</sup> requirements. The Salesforce business model intends for a systems integrator to design and implement the platform for a client, and for the client to then takeover standard administration of the system with annual licensing paid to Salesforce; the recommended award would produce one short-term contract with the SI Slalom for the implementation and one other long-term contract with Salesforce directly for the continued use of AIMS. Salesforce provides several certification paths that enable clients to take over the administration and further development of their systems.

Pros:

- Proven applications and infrastructure platform with approximately 150,000 customers
- Broad applications capability and the ability to configure full enterprise-wide solutions on a single, secure, and scalable platform
- Proven reliability on software releases and upgrades
- AppExchange community has approximately 3,000 applications that can be added to the base Salesforce application
- Proven rapid deployment of solutions

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<sup>13</sup> The Federal Risk and Authorization Management Program, or FedRAMP, is a government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services.

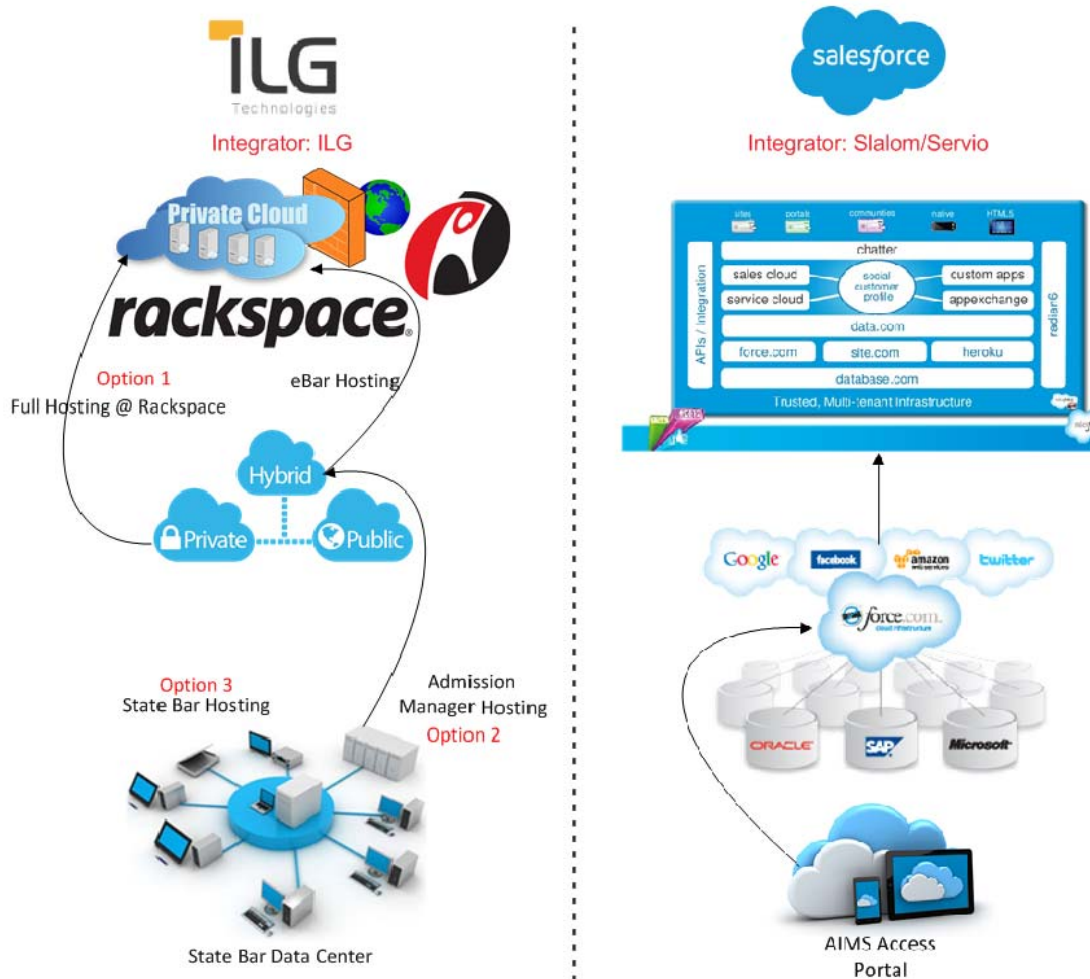
- User-friendly configuration tools that department SMEs can configure and deploy (Salesforce Lightning App Builder).
- Standardized approach
  - Force.com has a platform environment that is Federal Risk and Authorization Management Program (FedRAMP) compliant, a Federal government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services.

Cons:

- Licensing model can be confusing
- No known Salesforce admissions licensing systems deployed

Figure 3 below illustrates the structural differences between the ILG and the Salesforce technology solution architecture.

Figure 3: Solution Architecture Comparison





### 3.3.3 Servio Consulting's Proposed Solution Using Salesforce (SaaS)

Servio Consulting is a Salesforce SI and Salesforce Registered Partner based in Illinois and founded in 2016. The firm has completed twelve projects, has one Salesforce certified professional and currently holds a customer satisfaction score of 9.43/10; publicly available on Salesforce's AppExchange website. Servio is focused on public sector and nonprofit work and presented the following three projects as being most similar to AIMS:

- Chicago Public Schools
- Wisconsin Indianhead Technical College
- Service of Will, Grundy and Kankakee Counties, Inc. (IL)

Servio's proposal, demonstration and other contact was professional in all aspects and made clear that they have a heavy emphasis on project management structure. The Wisconsin Indianhead Technical College reference was most applicable to the AIMS concept due to the large external access of 20,000 per year, but contacts were unable to resolve scheduling conflicts and the other two references were contacted. While both references are much smaller organizations than the Office of Admissions in terms of internal and external use, they both provided positive reference to Servio's implementation approach, knowledge and post-implementation experience with their systems. Servio's demonstration presented a high-level working demonstration of how AIMS might look and function, but did not sufficiently drill down into the specifics of the admissions processes to make it relatable. Staff determined that Servio could produce a working AIMS solution, but remained concerned over the lack of experience with agencies that have large external user bases and their ability to fully understand the admissions process.

#### Pros:

- Registered Salesforce Business Partner for Non Profits and Government
- Good track record for consulting, development/configuration, migration, integration, and training and support of the Salesforce platform

#### Cons:

- Falls short of their competitor
  - Based on information gathered from the demo, the Servio team only provided a high-level overview of what can be done with the Salesforce platform. There is no doubt about the capability of what the Salesforce platform is capable of, but the IT's assessment from the demo leaves Servio short of their competitor.
- New entity, small consulting staff, all based in the Midwest

### 3.3.4 Slalom Consulting's Proposed Solution Using Salesforce (SaaS)

Slalom is a Salesforce SI and Salesforce Platinum Partner with offices nationwide (locally in San Francisco and Los Angeles) and was founded in 1999. The firm has completed eighty-eight projects, has 241 Salesforce certified professionals (of 4,800 employees) and currently holds a customer satisfaction score of 9.90/10; publicly available on Salesforce's AppExchange website. Slalom works with public and private sector agencies of all sizes and presented the following six projects as being most similar to AIMS:

- Massachusetts Board of Bar Overseers
- Law Bulletin
- JuraLaw
- Western Governors University
- Western Union
- New England Disabled Sports

Slalom's proposal, demonstration and other contacts provided staff with key insight into what the Salesforce platform is capable of, and Slalom's expertise in configuring the platform. Slalom's working demonstration showed a definite understanding of the admissions process, as did their ability to speak to approaches in implementing specific modules and addressing staff's concerns in others. The two references that staff contacted echoed Slalom's ability to review, understand and then translate industry-specific processes into satisfactory systems; Salesforce itself engages Slalom for internal projects. The Massachusetts Board of Bar Overseers is a state judicial branch entity focusing on the regulation and discipline of the legal profession and excludes licensing, but interacts with a licensee population of approximately 90,000. Slalom implemented a holistic overhaul to all applications and systems, including replacement of their enterprise resource planning (ERP) used by finance and human resources; the reference was satisfied with the result and strongly recommended Slalom's services. Western Union engaged Slalom to implement a unified system for their support services department, connecting 5,000 service agents in 200 countries to manage an undisclosed volume of service requests; the reference reported satisfaction with the system implementation and post-engagement function. Staff determined that Slalom would be able to satisfactorily configure Salesforce to produce an AIMS solution, and that their ability to understand the admissions process and responsibilities put them on a level playing field with ILG's industry knowledge. Staff were most concerned with the cost attached to this expertise, as throughout the process Slalom's proposed price for implementation remained significantly higher than the other two viable options; the cost proposed in the final offer was ultimately found to be acceptable relative to other bidders and scoring in other evaluation sections.

Pros:

- Platinum (highest) Salesforce Business Partner for Non Profits and Government
- Excellent track record for consulting, development/configuration, migration, integration, and training and support of the Salesforce platform
- Highest customer engagement satisfaction percentage of 99%
- Strong references

- Both references the evaluation team spoke with were very enthusiastic about what Slalom has accomplished
- Highly skilled and knowledgeable team
  - The team that provided the demo were highly skilled and very knowledgeable of the Salesforce platform. Their demonstration illustrated creative business processing and ability to configure cloud computing products to service an examination environment.
- Over 4,800 employees and growing, with offices in San Francisco and Los Angeles, and close proximity to both Bar offices
- Addressed many of the requirements specified in the demo script
- Broad range of customers from small business, large corporations, non-profits and government agencies
- Change Management services (part of the engagement)

Cons:

- Cost of the proposal

### **3.3.4 Semi-Finalists Solutions Comparisons and Contrasts**

The following is a summary of ILG's proprietary system EBAS software .vs Salesforce enterprise cloud computing systems:

- ILG software installed in eight other state bars .vs Salesforce used only in Massachusetts Board of Bar Overseers
- ILG used in no other industries .vs Salesforce utilized by thousands of clients in hundreds of industries
- ILG in business for 10 years .vs Salesforce for 19 years
- ILG employees 12 full-time employees .vs Salesforce's 10,000+ employees
- ILG software built on open-source software .vs Salesforce's proprietary platform with software-as-a service model
- ILG open-source software security (and breach) .vs Salesforce's government cloud security is FedRAMP-compliant
- ILG offers no current ad-hoc reporting functionality .vs Salesforce's fully functional ad-hoc reporting capabilities
- ILG software developers are based off-shore .vs Salesforce's developers nationwide
- ILG software applications and reports can only be modified by the developer .vs Salesforce software configuration and reports can be configured by any system integrator and/or client using SFDC tools

The following is a summary of ILG's development/deployment solution .vs Slalom and Servio's system integration services:

- ILG software installed in eight 8 entities .vs Slalom 500+ installations .vs Servio's 12 installations
- ILG in business for 10 years .vs Slalom for 23 years .vs Servio's single year
- ILG has 12 full-time employees .vs Slalom's 4,800 employees .vs Servio's 10 employees
- ILG customer service center based in mid-west .vs Slalom in SF/LA .vs Servio in mid-west

Reference checks with each of these entities indicated that all three providers are capable of delivering on the representations made in its bid, though often the reference used the system in a much more limited implementation and with far fewer "customers" and outside agency integration than we will require. The responsiveness of the bidders and timeliness of some of the deliverables seemed to be correlated to the size of the implementer and depth of their resource bench.

### **3.4 Best-and Final-Offer Bid Process (BAFO)**

The primary demonstration of each bidders' solution coupled with the additional information gleaned from the reference checking and additional research was used to craft a final bid round to determine:

- that the solutions being offered would be able to provide the 66 discrete Birdi functional requirements necessary;
- that all the entirety of the Birdi functional requirements were included in the deliverables bid;
- that the methods used to achieve these deliverables were identified as to whether they were either achieved through:
  - functionality provided in the existing base software application with simple configuration
  - additional software customization
  - application of other 3<sup>rd</sup> party software; and
- that the final pricing for software licensing and implementation services were the most favorable to us as a non-profit governmental regulatory entity.

Invitations were sent to the three semi-finalists and were due October 20, 2017. Materials requested included a new Itemized Cost Proposal with the instructions that all configuration, integration, customization, professional services, training, travel and other items be clearly identified and included in the final in order to deliver a fully functional system for Admissions. An additional system functionality check was included to refine the original Concept of Operations based on what had been previously demonstrated to break out each module into the percentage of a module's functionality that can be achieved through standard platform configuration; third-party software integration; custom development; and functionality that cannot be achieved. This required each bidder to review the Birdi Concept of Operations diagrams and future state and reaffirm inclusion within the implementation bid. We requested that vendors use their best reasoning to estimate how this functionality could be achieved between the options offered, identify and explain any gaps in functionality, identify solutions to these functionality gaps, and estimate their team's work effort for each module. The BAFO also included a Final Question Set designed to wrap up any lingering issues and questions raised during the post-demonstration period. By that time, it was acknowledged that both the bidders and the Bar

evaluation team was better-informed as to the benefits **and** limitations of each bidders' solution proposed.

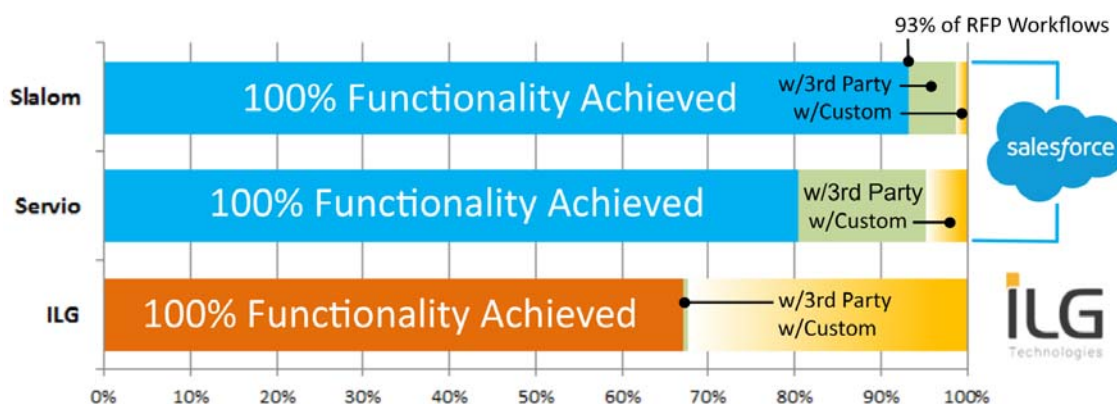
Bidders were provided the instruction that the prices, functionality and responses presented in their final offer would be incorporated into the binding contract, should it be ultimately awarded to them. This final offer request required that their final bid must encompass the work and costs required to develop a functional AIMS platform – no software, hardware or services was to be left without a price; all functionality presented in the Birdi Concept of Operations (included) be achievable at the proposed pricing. We independently began to negotiate with Salesforce directly to determine the best models and pricing strategies to lock in the lowest pricing for both the internal Admissions staff use and the external log-in costs associated with the cloud computing offering.

We received responsive offers from all three bidders (ILG, Servio, Slalom) containing the best and final pricing as requested. The resolved issues were also included, in addition to individual sets of specific questions for each:

- ILG's software support costs for Years 4 & 5
- ILG's cash flow statement to use for the Financial Viability portion of the RFP scoring. It was decided that in Servio and Slalom's case, the Salesforce financials would be used as they would be the long-term provider of software support.
- Revised quotes from Salesforce on annual licensing costs, including options for the addition of a "Full Copy" sandbox for IT to use for a more robust data migration effort.<sup>14</sup>

Aside from obtaining this final pricing, the evaluation team was able to confirm there were no remaining functionality gaps, as well as having the three remaining bidders affirm their methods they planned to achieve the 100% functionality across all the functional workflows required<sup>15</sup>:

Figure 4: AIMS System Functionality by Method<sup>16</sup>



<sup>14</sup> Option later added by IT.

<sup>15</sup> Bidders confirmed whether the deliverables would be achieved only using native vendor software with configuration, by using a 3<sup>rd</sup> party application, or by customizing native code.

<sup>16</sup> See Appendix I for functionality detail by workflow process.

### **3.5 Post Software Demonstration Evaluation**

Following the BAFO process, parallel discussions began with Salesforce to understand and negotiate the best fit within their government cloud environment from the many licensing models offered. At this point, a decision was made to focus the final selection round on the top two highest-scoring finalists, based on demonstrated technical ability and provider capacity. The final selection stages for AIMS were expanded beyond the original evaluation team comprised of Admissions, IT, and ORIA. This was due to the result that the two finalists ILG and Salesforce (with Slalom chosen as the best of breed SI) were starkly contrasting in platform type, cost and overall functionality. Typically at this point, staff would prepare a business case analysis and bring that, along with a recommendation, to the Board to seek approval. Due to the fiscal and organizational implications of this selection, the Executive Director determined that expanding the decision base beyond the existing staff evaluation team to outside governance input would be beneficial in vetting this important decision. The two Board IT liaisons, as well as representatives from the Committee of Bar Examiners and The Board of Legal Specialization participated in an additional full-day demonstration of the two chosen finalists: ILG and Slalom. This last final presentation of the two competing platforms was held on December 19, 2017 and consisted of a morning presentation from IT on the Bar's strategic technology plan and how each proposed solution would dovetail within, followed by two-hour demonstrations of both the ILG EBAS software and the Salesforce Enterprise cloud computing solution by Slalom. Following the second finalists' presentation, the Bar's CFO summarized the stark differences between the two solutions to address the Financial Viability scoring component that remained. The day concluded with an evaluation from Procurement and a frank discussion on the technological fork-in-the-road that the evaluation team was facing, consistent with the Bar's IT Strategic planning goals.

### **3.6 RFP Evaluation Scoring and Selection Criteria**

The RFP contained clear criteria that the Bar would use in reviewing the responsive proposals received from this solicitation, including the right to review the proposals using a tiered evaluation system, with top candidates advancing as finalists and receiving a full evaluation. Each of the six categories was weighted to reflect the relative importance in the overall decision:

- A. Responsiveness of the proposal to the submission requirements (5%, how well vendors followed bid instructions and submissions requested).
- B. Agreement with the State Bar's contracting requirements (5%, degree of acceptance and/or reservation of rights for future negotiation).
- C. The technical ability, capacity, and flexibility of the bidder to perform the contract in a timely manner, on budget, and to the State Bar's standards of efficiency, professionalism and customer service, including the quality of any demonstration; client references and demonstrated success in projects with similar requirements; the Bidder's market share or reputation in the marketplace (55%, how qualified and experienced they are in this market space).

D. The financial viability of the bidder as (5%, evidenced by standard financial reports, balance sheets, auditor statements).

E1. Indirect costs (10%, assessment of proposed cost relative to scope of work, implementation factors and other impact to organization, including risk factors).

E2. Direct costs (20%, itemized rates, per piece pricing, licenses, etc. over five year maximum contract term).

The review of the initial five proposals received was based solely on responsiveness, contracting terms acceptance and raw direct costs. The three semi-finalists then were scored on the merits of the largest technical ability/experience category after the first product demonstration and on a rescoring of the direct cost component based on new BAFO pricing received. The final scoring occurred only after the second demonstration with stakeholder group, which included reporting from IT on the long-range strategic technology plan and from Finance on the financial viability of the two finalists.

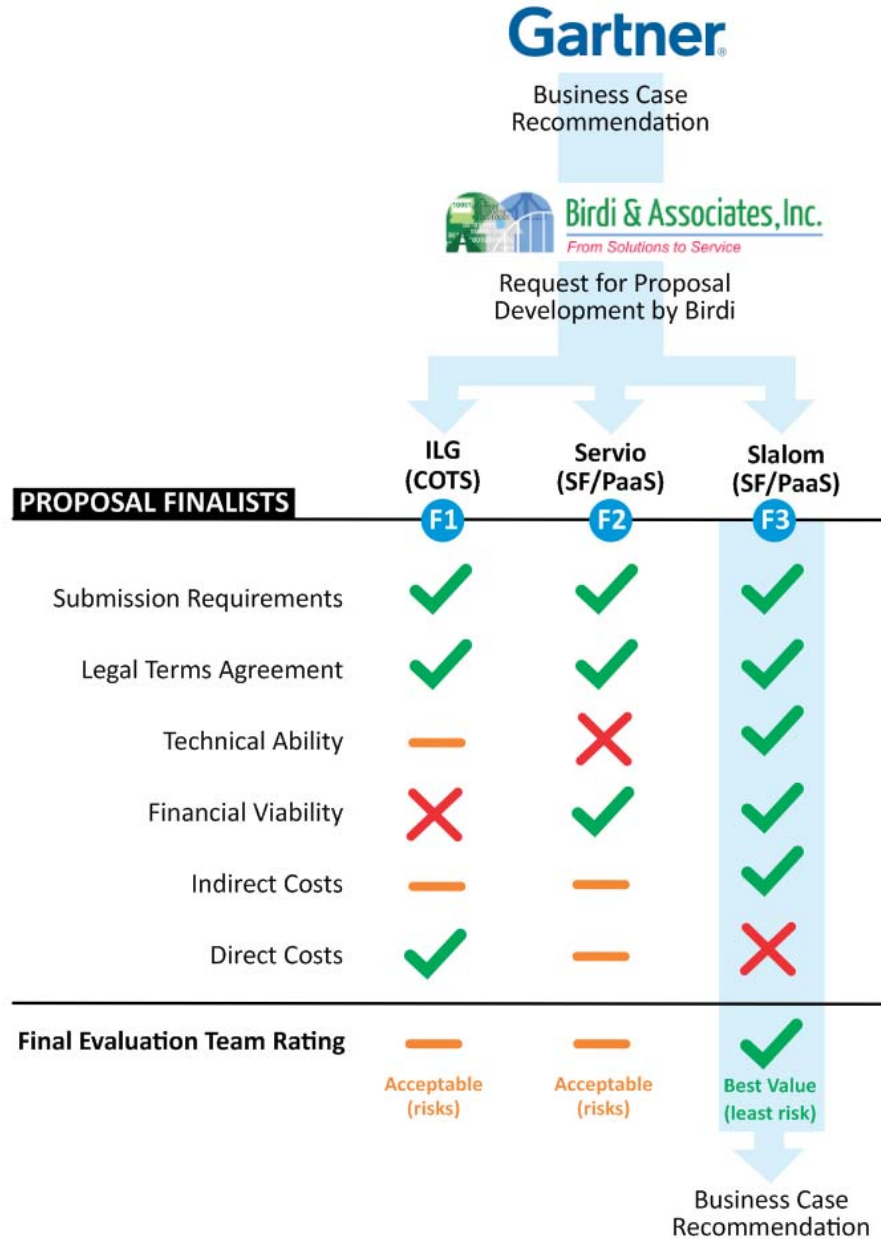
This tiered, weighted scoring process determined the proposal from Slalom Consulting to be the highest-scoring bidder for this project. The full category breakdown and individual points garnered for each can be found in Appendix H.<sup>17</sup> Figure 5 below illustrates the strengths and weakness of the three semi-finalists' proposals.<sup>18</sup>

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<sup>17</sup> Fully articulated pricing is provided as Appendix H. For purposes of the Business Case, Implementation and Annual Licensing Costs, the primary cost drivers, are reflected. Note that Appendix H pricing includes estimates for certain ancillary costs generated by the Bar's Procurement staff pursuant to a standard bid analysis approach. Only the actual costs identified by ILG, Salesforce, Slalom and Servio are reflected here.

<sup>18</sup> The RFP scoring categories are numerically weighted, but shown here for consistency with the original Gartner consultant rating scale for illustration purposes only. See Appendix H for detailed numerical scores by RFP category.

Figure 5: RFP Decision Summary





## 4 Project Cost and Summary of Cost-Benefit Analysis

### 4.1 AIMS Procurement and Licensing

Implementation of Salesforce Enterprise Edition cloud computing (PaaS and SaaS) product by Slalom will total \$2,350,336 million in year one; ILG's parallel costs total \$605,000. In addition to these costs, estimated to be incurred in 2018, annual software licensing expenses will be incurred. ILG's annual licensing costs total \$1,189,800 over the timeframe outlined in the proposal (years two through five), or an average of \$297,450 per year; Salesforce's annual licensing fees total \$1,026,507 over the same period, or an average of \$256,626 annually. Over the five year total timeline reflected in bid proposals, the difference between the Slalom and ILG proposals totals \$1,570,179 as outlined in the following table:

Table 11: AIMS System Procurement Costs<sup>19</sup>

Vendor	ILG	Servio/Salesforce	Slalom/Salesforce
Year 1 Implementations + Licenses	\$605,000	\$1,177,376	\$2,303,357
Annual Licensing and Support (Years 2-5 combined)	\$1,189,800	\$1,112,307	\$1,075,204
<b>Totals</b>	<b>\$1,794,800</b>	<b>\$2,277,719</b>	<b>\$3,378,661</b>

Beginning in year five, ILG agreed to limit annual increases to the average of previous years' CPI index, with a cap of 2% per year. Salesforce has proposed a flat annual software license until year five, when it then increases by 7% per year.

### 4.2 Other Implementation Costs

The State Bar will incur other costs as related to AIMS development and deployment.

Some of these costs, specifically personnel costs, will be realized as in-kind contributions. Table 12 outlines anticipated these in-kind personnel costs:

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<sup>19</sup> Costs shown include bidder estimates of travel and Per-diem expenses. All contracts to require vendors to limit amounts reimbursed to that of the prevailing State Bar travel policy in effect. Though Slalom's estimations were over three times the closest competitor, we expect, due to closer proximity to both State bar offices, these actual amounts to be significantly less.

Table 12: Other Implementation Costs

Expenses	AIMS Total Project Costs		Project Total	FTE
	Feb-Dec 2018	Jan-Dec 2019*		
<b>Personnel</b> <sup>20</sup>				
Project Manager <sup>21</sup>	\$0	\$0	TBD	.75
Admissions SMEs <sup>22</sup>	\$0	\$0	TBD	4.25
IT Staff <sup>23</sup>	\$0	\$0	TBD	1.0
<b>Total Personnel Costs</b>	<b>\$0</b>	<b>\$0</b>	<b>TBD</b>	<b>5.25</b>
<b>Procurement</b>				
Slalom Consulting	\$2,037,750	*	\$2,037,750	
Salesforce Enterprise License	\$233,956	*	\$233,956	
Salesforce App Exchange <sup>24</sup>	\$31,650	*	\$31,650	
<b>Total Procurement Costs</b>	<b>\$2,303,357</b>	<b>*</b>	<b>\$2,303,357</b>	
<b>Total AIMS Project Costs</b>	<b>\$2,303,357</b>	<b>*</b>	<b>\$2,303,357</b>	

\* The draft implementation plan estimates a typical 10-month effort from kick-off to go-live. If implementation begins at the end of February the entire project would conclude by the end of fiscal year 2018. No expenses are shown above for FY2019, though a later start would roll-over into this period.

#### 4.3 Total Cost Analysis

The difference between ILG's and Slalom's Year 1 implementation and licensing costs totals \$1,733,472; the difference between the ILG and Slalom's proposals over the five year period contemplated by the RFP process totals \$1,570,179. Although it is accurate that the ILG proposal is less costly than the Salesforce solution (with Slalom implementing), staff believes that the ILG costs are understated, in that thirty percent of the functionality will need to be developed, as it does not exist in other bar

<sup>20</sup> Personnel assigned to this project are shown below and reflected in the total FTE column for each category, but no amounts were included in the 2018 budget to back-fill these positions (as in previous CMS). SME work effort will be captured each month and reported as a running internal expense for this purpose.

<sup>21</sup> ORIA project manager (.75 FTE).

<sup>22</sup> Admissions identified 4.25 FTE with staff contributions coming from: Pre-processing, Moral Character, Legal Specialization, Exam Development, Exam Administration, Grading, Testing Accommodations, Law School Regulation, Special Admission, Eligibility, and Dashboard & Reporting.

<sup>23</sup> IT identified a total of 1.0 FTE split across four positions.

<sup>24</sup> Estimated Salesforce Application Exchange software licensing.

installations. Both the Servio and ILG proposals lack the amount of hours necessary to conduct the business processing reengineering efforts recommended in the Gartner business case.

Salesforce's integrated applications, experience with a wide variety of business processes across the broad spectrum of industries and easily configurable product will minimize the level of State Bar IT and subject matter expert (SME) investment needed to develop and implement the system. In addition, the impact of learning a new system on the Bar's end users will be minimized by the fact that all modules and interfaces will all be part of an integrated cloud-based solution, thereby reducing the number of disparate applications and tools that users must learn.

The Salesforce cloud software will continually be updated three times per year, ensuring that systems are always at a current state with no support expense from IT. The AppExchange community represents a vibrant development base, offering enhancements and new solutions that build on the Salesforce PaaS environment conceptually similar to buying an application from Apple or the Google Play store for your cellular phone. This robust development community offers future functionality and lower cost to a custom-development environment. This positioning is very much in sync with the Bar's IT Strategic plan for integrating existing applications, retiring physical server hardware, and lowering the costs involved in continuous upgrade cycles and custom in-house developments.

#### 4.4 Proposed Funding Sources

Annual licensing fees will be absorbed in the State Bar's operating budget; as such, funding sources have been identified for only the limited-term costs associated with development and deployment. These costs total \$:

- Slalom and Salesforce Contracts: \$2,303,357
- Project Management and SME's: \$0 (no back-fill budgeted)

The project will be funded as follows:

Table 13: Project Funding Sources

<b>Funding Source</b>	
Contribution from Legal Specialization Fund	\$500,000
Contribution from Admissions Fund <sup>25</sup>	\$1,000,000
Contribution from Admissions Fund in 2012	\$1,000,000
<b>Total Costs</b>	<b>\$2,500,000</b>

## 5 Timeline, and Project Plan

This project relies on the execution of two separate agreements. The Master Services Agreement (MSA) and licensing order forms for Salesforce have been negotiated by Procurement and reviewed by legal counsel and are awaiting Board approval to execute. The timing is critical for this contract as the bid

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<sup>25</sup> Based on loan from Legal Specialization Fund

pricing received during the BAFO process was dependent on execution by the end of the Salesforce fiscal year, January 31, 2018. In order to preserve the 0% pricing increase for years two through four, we must initiate the licenses no later than February 14.

The second set: The MSA and Statement of Work (SOW) for the system integrator, Slalom Consulting, was just submitted by the vendor and is in early draft form as of this business case draft. There is no fiscal-year close date governing the SOW execution, though Slalom would like to begin this work in February, staff has responded that March is more realistic. Admissions needs to negotiate the implementation timeline to suit their master calendar of examinations and grading cycles before the contract can be finalized. The following information is sourced from the initial draft plan for what we anticipate represents the main components of this project.

## **5.1 Business Objectives**

Slalom has identified the for business objectives for this project:

- Attorney Preferred Destination & Community
  - Provide collaborative, informative and educational community
  - Platform that supports increased communication and transparency amongst SBC staff, public, and key stakeholders
- Improved User Experience throughout Attorney Lifecycle
  - User-friendly experience and configured workflows to guide users through admissions process across application, exam development & grading
  - Reduce manual entry of data, improve data validations through automation and sharing of information across departments
  - Improve efficiency and accuracy through automation and reduction of manual entry of applications and supporting information
  - Reduce or eliminate the use of hardcopy paper documents and associated filing processes
- Modern Platform that is strong foundation for the Future
  - Implement a modern system that utilizes work flow processes to guide users through the core Admissions processes
  - Enable ability to implement enhancements, add-ons through App-Exchange and support of future channels such as Mobile / SMS to continue to enhance experience
  - Improve SBC's ability to share and exchange relevant data among staff, the public and key stakeholders to support a connected experience from university through admissions process
  - Provide dashboard views to monitor key performance indicators and track workflows, including tools for SBC staff to create dashboards as needed

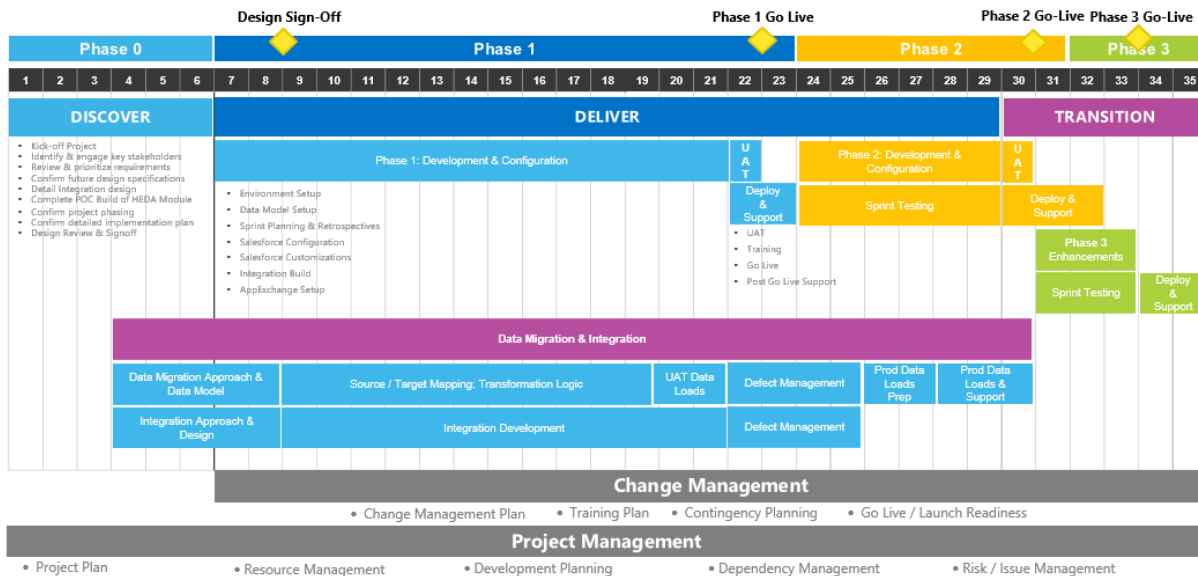
## 5.2 Project Deliverables

Slalom's implementation approach involves four major phases of work: discovery, delivery, extend and transition. The major deliverables have been identified as:

- Project Kick-Off Materials
- Salesforce Solution Design document(s)
- Community Page Mock Ups / Wireframes
- MVP Product Definition
- Integration Approach and Plan
- Data Migration Approach and Plan
- Change Management Approach and Plan
- User Stories in Product Backlog
- Scrum Ceremonies and Team Cadence
- QA Approach
- Data Conversion Tests
- UAT Test Scenarios and Scripts
- Operational Salesforce Production Environment delivered in Phases
- Training Approach
- Trainer Sessions
- Deployment plan and cutover strategy

The details of each individual phase have yet to be determined. The chart on the following page illustrates a tentative sample timeline presented by Slalom in their bid. This has been adjusted around a hypothetical start date of February 18, 2018 to illustrate the approximate timing and sequence of the project. As noted, the contractual events prompting this Business Case timing is driven by Salesforce and to initiate the software licensees necessary to begin this project. The second contract with Slalom to implement this Salesforce solution is not as time-sensitive and the dates presented are in draft form only. The pricing is fixed, however, the actual start and end dates of each phase need to be synced with the rather tight Admissions schedule to allow for SME availability and key peak exam, admittance and accreditation cycles. Final details related to the exact project schedule will need to be evaluated and negotiated further before entering into the final agreement. We understand that a typical engagement of this type runs approximately ten months, assuming no stoppage due to exam interruptions.

Figure 1: Draft Timetable for Completion of Major Phases of Work



## 6 Risk Mitigation Strategies

Staff concludes that of the two finalists' bids, Slalom's Salesforce cloud computing offers the most benefits with the fewest risks to the Bar, and the greatest likelihood of timely and successful implementation. In light of consultant reports going back at least 12 years outlining numerous problems with the status quo legacy system, and previous efforts with business studies and succession-planning, the State Bar cannot afford to take the risk that engaging in a niche solution such as ILG. The likelihood of future software implementations for ARCR is too great to ignore the future potential integrations with this solution. Salesforce is the market leader in business solutions and cloud computing today, which makes the staff recommendation consistent with the findings of the studies conducted by Diagonal and the Gartner Group.

The many struggles that the State Bar has faced over the years to implement other major systems like CMS, provide important lessons to be learned that will help the Bar achieve its strategic plan and retire its aging AS/400 systems infrastructure. These lessons are documented in many of the reports provided to the Bar by technology consultants. By following these recommendations, the Bar can mitigate the risk inherent in large IT projects while improving its ability to protect the public.

The first and most important recommendation for mitigating risk relates to selecting a market-leading cloud system. Although the Gartner Group specifically listed a COTS solution as the lowest risk technology option with the highest benefit relative to costs, the business enterprise market has moved away from this dedicated COTS approach to the flexibility of user-configured cloud computing. COTS products represent the more antiquated market segment, with the longevity of players in this market in doubt over the long term. Salesforce commanded roughly 22% of the CRM market in 2016, according to

Gartner and Forbes,<sup>26</sup> double that of both SAP and Oracle and four times that of Microsoft and Adobe. Choosing a market leader and including the business processing components is deemed to represent the least risk with the greater chance of scalability for other Bar software needs in the future. As COTS products can sometimes be viewed as unattractive because they force users to follow a pre-defined rigid solution, the current generation of configurable SaaS and PaaS offerings satisfies the best-of-breed needs with an increased level of user-defined workflow options.

Another key challenge facing the previous (first) CMS software implementations was referred to in a MTG Management Consultants report as a “project leadership gap,” noting that “there was no OCTC or Bar staff member authorized to lead the project and ensure that the application is implemented effectively for the organization.” A key part of the project management plan for the **current** CMS effort, was the creation of a project manager position within ORIA whose work is focused exclusively on the successful implementation of the CMS. Likewise, this AIMS effort and the Oracle cloud effort will be managed by ORIA for consistency and independent project control and accountability.

Further mitigation of the risk is typically handled through the allocation of funding to free subject-matter experts (SMEs) from their regular work so that they can devote themselves completely to the successful development of the new AIMS. IT projects can be hindered by failing to devote adequate resources to securing the institutional knowledge necessary for success, because key staff are not available to participate in business process review, configuration and design, or testing. As there is no specific funding set aside for the backfill funding for the 4+ full-time equivalent staff, SMEs from Admissions will not be able to devote themselves fully to the implementation of the new AIMS. This risk is noted here, but remains an unmitigated risk as of this business case summary. Staff plans to monitor and address as resources allow.

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<sup>26</sup> Forbes referenced in a June 2017 article, “Going forward, we expect Salesforce to maintain its competitive edge and continue to add significant market share by leveraging artificial intelligence and machine learning. The entire software industry has seen a gradual shift towards cloud-based implementation and the SaaS (software as a service) model because of its reduced upfront costs, flexibility and easy implementation.”