

IT Project Proposal Report - Detail
Agency: 035 - LIQUOR CONTROL COMMISSION
Budget Cycle: 2019-2021 Biennium **Version: AF - AGENCY FINAL REQUEST**

IT Project : NLCC Licensing Software

General Section

Contact Name : Hobert Rupe	E-mail : Hobert.Rupe@nebraska.gov	Agency Priority :
Address : State Office Building - 301 Centennial	Telephone : 4024712574	NITC Priority :
City : Lincoln		NITC Score :
State : Nebraska	Zip : 68508	

Expenditures

IT Project Costs	Total	Prior Exp	FY18 Appr/Reappr	FY20 Request	FY21 Request	Future Add
Contractual Services						
Design	0	0	0	0	0	0
Programming	0	0	0	0	0	0
Project Management	0	0	0	0	0	0
Data Conversion	0	0	0	0	0	0
Other	15,000	0	0	15,000	0	0
Subtotal Contractual Services	15,000	0	0	15,000	0	0
Telecommunications						
Data	0	0	0	0	0	0
Video	0	0	0	0	0	0
Voice	0	0	0	0	0	0
Wireless	0	0	0	0	0	0
Subtotal Telecommunications	0	0	0	0	0	0
Training						
Technical Staff	0	0	0	0	0	0
End-user Staff	0	0	0	0	0	0
Subtotal Training	0	0	0	0	0	0

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Expenditures

IT Project Costs	Total	Prior Exp	FY18 Appr/Reappr	FY20 Request	FY21 Request	Future Add
Other Project Costs						
Personnel Cost	0	0	0	0	0	0
Supplies & Materials	0	0	0	0	0	0
Travel	0	0	0	0	0	0
Other	468,000	0	0	156,000	156,000	156,000
Subtotal Other Project Costs	468,000	0	0	156,000	156,000	156,000
Capital Expenditures						
Hardware	0	0	0	0	0	0
Software	650,000	0	0	650,000	0	0
Network	0	0	0	0	0	0
Other	0	0	0	0	0	0
Subtotal Capital Expenditures	650,000	0	0	650,000	0	0
TOTAL PROJECT COST	1,133,000	0	0	821,000	156,000	156,000

Funding

Fund Type	Total	Prior Exp	FY18 Appr/Reappr	FY20 Request	FY21 Request	Future Add
General Fund	1,133,000	0	0	821,000	156,000	156,000
Cash Fund	0	0	0	0	0	0
Federal Fund	0	0	0	0	0	0
Revolving Fund	0	0	0	0	0	0
Other Fund	0	0	0	0	0	0
TOTAL FUNDING	1,133,000	0	0	821,000	156,000	156,000
VARIANCE	0	0	0	0	0	0

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IT Project: NLCC Licensing Software

EXECUTIVE SUMMARY:

NLCC is requesting to purchase an off-the-shelf alcoholic beverage licensing software system to streamline the statutory processes to manage the business and data relevant to Liquor Licensing and Licensee Compliance and Enforcement. POSSE is a flexible browser-based software product that will increase efficiency for internal staff, licensees, and citizens. The current database used by NLCC is a C1 system designed in 1987. By the purchase of POSSE, the NLCC would be able to continue to use that system and avoid the cost of a new database while also bringing modern functionality to the Commission and the public users.

GOALS, OBJECTIVES, AND OUTCOMES (15 PTS):

Because NLCC staff has seen this software in action in another state, NLCC is confident it has the capabilities to perform all the liquor licensing and licensee compliance and enforcement that is needed in the alcohol beverage industry for the State of Nebraska. (See Case Study-State of Kansas attached)

The Licensing module will allow NLCC to perform one-stop management for all license-related activity. It is closely interconnected with the Enforcement module, enabling seamless connecting between license and any related inspection activities. The POSSE software can accommodate unlimited amounts of license types and allows for our staff to manage all our licenses in one place. POSSE also has automated, template-based communications with license holders. POSSE can interface with payment solutions already in place at NLCC.

The Enforcement module enables our liquor investigators and enforcement officials to investigate, track and close cases easily. Because it is closely tied to the licensing module, staff can easily view any and all related license or business information about any licensee. Mobile connectivity empowers investigators in the field and allows fast and efficient reporting to NLCC. The online portal allows citizens to record complaints and licensees to schedule inspections.

The Education module provides a comprehensive suite of tools for managing all aspects of NLCC's educational activities. It allows instructors to schedule courses, and licensees can ensure that their employees have received the appropriate training. NLCC can confidently provide state-wide training which will help elevate compliance and reduce alcohol compliance violations.

Attachments:

Kansas-Case-Study.pdf

PROJECT JUSTIFICATION / BUSINESS CASE (25 PTS):

NLCC accepts all applications in paper form or via email and manually enters these into our database system. All changes and updates are completed in the same manner. With

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the increased demands of liquor licenses in the State of Nebraska and the goals of Governor to become more customer focused, NLCC is at a crossroads to either increase staff to maintain a high-level of efficiency or increase the waiting times for issuance of liquor licenses.

In the same way, NLCC's liquor investigators employed by the Nebraska State Patrol have had to maintain a manual process of reporting to NLCC via paper forms. This reporting is also manually entered and manually cited for violations. Each step of the legal process is manual as well.

To have an off-the-shelf product be suited specifically for these processes is exactly what is needed. To use a customized approach would be re-inventing which NLCC believes unnecessary because it would increase the risk to complete timely and perform in a manner with no issues. Because NLCC is limited with the number of staff that can devote time to this large licensing project, it does not seem feasible to accommodate addressing issues on a customized programming scenario, making the off-the-shelf option even more appealing.

TECHNICAL IMPACT (20 PTS):

In order to provide a technical impact, let's look at the State of Kansas. The quote from the Director, "Implementing POSSE ABC has made our division more accessible and professional. We have been able to reduce paper use and work more efficiently." POSSE ABC has improved business processes across the board for the Kansas Alcoholic Beverage Control Division, helping all employees, from the enforcement agents in the field to the staff in the office.

NLCC staff toured and spoke with the staff in Kansas and it was amazing how tailored the software was to the alcohol beverage regulatory system. NLCC believes this software could do the same for Nebraska as it did in Kansas.

NLCC has been assured by the dealer of POSSE ABC that Nebraska's OCIO could take on the annual management and hosting services alleviating much of the annual hosting services. NLCC is hoping OCIO will be open to this option which may save substantial annual fees.

PRELIMINARY PLAN FOR IMPLEMENTATION (10 PTS):

POSSE ABC would take approximately 18 months to implement and NLCC staff would be highly motivated make this a reality. NLCC is not wanting to create a custom approach to processes but would rather create new, more efficient processes with regard to managing all licensing, enforcement and legal needs.

Included with this proposal, NLCC intends to spend approximately \$15,000 for a needs analysis to determine the needs of the public as well as the processes of acquiring a liquor license and enforcement of liquor violations. The needs analysis will end with a Request For Proposal which will enable NLCC to solicit for bids for comparison.

RISK ASSESSMENT (10 PTS):

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POSSE ABC vendor is Computronix and has been in business for 35 years and has received positive reviews by neighboring states: <https://www.computronix.com/case-studies/>

Although NLCC is positive about this company, because of NLCC's lack of I.T. knowledge, we wish to rely on OCIO to assist in this process and would welcome an overall review and, as mentioned earlier, would view annual hosting services by OCIO to be a win-win solution for NLCC.

FINANCIAL ANALYSIS AND BUDGET (20 PTS):

The cost estimate of POSSE ABC is attached. NLCC respectfully requests OCIO to go into negotiations for this off-the-shelf software.

NLCC cannot absorb the cost of the software or the annual hosting services.

NLCC is requesting NITC to review and make their recommendations.

Attachments:

POSSE ABC System_Cost Estimate for Nebraska.docx

Additional Nebraska Scope and Pricing Assumptions.docx

CASE STUDY

State of Kansas

KEY BENEFITS



Kansas State Capitol

The Challenge

The State of Kansas Alcoholic Beverage Control Division (Kansas ABC) of the Kansas Department of Revenue enforces Kansas liquor laws through issuing state licenses and permits, monitoring product flow, conducting compliance checks of licensed premises, and enforcing restrictions on underage access to alcohol and a variety of other statutory violations. Within the largely rural state, which has a population of about 2.9 million, Kansas ABC is responsible for managing over 5,000 active liquor licenses, as well as issuing hundreds of temporary permits each year.

As of 2012, Kansas ABC was using multiple databases and spreadsheets to manage licenses and permits – meaning the same information often had to be entered several

times, into several different systems. This duplication of time and effort resulted in reduced productivity and lowered efficiency. Some forms had data that did not have a corresponding place in the databases, forcing the State to store hard copies in dozens of filing cabinets. The databases also frequently required updates and maintenance, causing hours-long periods of system downtime.

For Kansans who wanted to renew or apply for a license or permit, they needed to either physically deliver their application to the ABC office in Topeka or mail it. The application license would need to go through a manual approval process, after which a license document was mailed back. This turnaround could take up to 30 days.

Wanting to reduce inefficiencies and duplication, decrease reliance on paper copies, and expedite the licensing process for its citizens and licensees, Kansas ABC decided it needed to update its licensing and enforcement management solution.

The Solution

In late 2012, the Kansas Department of Revenue and the Alcoholic Beverage Control Division conducted a thorough review of available solutions in the market. Following a six-month evaluation period, ABC selected Computronix to implement its industry leading POSSE ABC solution. Debbi Beavers, the Kansas ABC director, explained that “POSSE ABC was chosen because it was a

- ✓ Automated system for licensing and inspections has saved Kansas time and money
- ✓ Staff can now enter data into one system rather than multiple systems, streamlining a formerly cumbersome process
- ✓ Efficient workflows help staff save time and process applications quickly
- ✓ More accurate data tracking and reporting
- ✓ 57% of license and permit applications are now done online
- ✓ Elimination of paperwork has reduced the number of filing cabinets from 35 to 11, an estimated reduction of over 200,000 stored papers.



Kansas Landscape



flexible and all-encompassing solution – able to manage all of our licensing, enforcement, and legal needs”

POSSE ABC is built on the POSSE platform, designed to streamline ABC business processes to allow organizations to proactively manage the business and data relevant to liquor licensing and licensee compliance and enforcement. It includes web applications for internal staff, external applicants, mobile inspectors, contractors, and citizens.

For Kansas, POSSE ABC allows citizens to apply for licenses and permits online and get approvals without ever having to visit the state office. Leveraging the power of a contemporary relational database, POSSE ABC links data from across the system. Information only needs to be entered a single time. Kansas ABC staff are now able to enter data in a much simpler process and have better tools to track performance and

measure quantitative data.

With POSSE ABC, having a single system to manage all data saves a substantial amount of time. For example, when a violation is discovered during an inspection, it now takes only about an hour to file a report that previously could take up to a full day.

POSSE ABC has improved business processes across the board for the Kansas Alcoholic Beverage Control Division, helping all employees, from the enforcement agents in the field to the staff in the central office. As Debbi Beavers describes, “Implementing POSSE ABC has made our division more accessible and professional. We have been able to reduce paper use and work more efficiently.”

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*Debbi Beavers
Alcoholic Beverage Division Director
State of Kansas Department of Revenue*



computronix.com

Computronix (U.S.A.), Inc.
Denver, CO

Phone: 720.962.6300
Toll free: 866.962.6300

Computronix (Canada) Ltd.
Edmonton, AB

Phone: 780.454.3700
Toll free: 800.359.3758

Cost Estimate – Nebraska Liquor Control Commission

Please note: All information in this Cost Estimate should be considered **CONFIDENTIAL – COMPUTRONIX TRADE SECRET INFORMATION**.

SOFTWARE COSTS

Annual Subscription License (includes Annual Support Services)

Assumptions:

Item	Description of Software	Total Cost
1.	1 – POSSE Basic Edition License	Included
2.	1 – POSSE ABC Licensing Module	Included
3.	21 – POSSE Named User Licenses <ul style="list-style-type: none"> • 4 Special Event system users • 17 CI system users 	Included
TOTAL ANNUAL SUBSCRIPTION POSSE SOFTWARE COST: (includes license fees, warranty services, help desk services, upgrades)		\$40,000 per year
Annual Managed Hosting Services (using Computronix Data Center at Denver, CO)		\$96,000 - \$108,000 per year (\$8,000 - \$9,000 per month)
TOTAL ALL-IN ANNUAL COST FOR HOSTED SOLUTION:		\$136,000 - \$148,000 per year
<u>OPTIONAL:</u> Add POSSE ABC Enforcement/Inspections Module and 9 Mobile Inspectors		Add \$8,000 per year

ONE-TIME SERVICES COSTS

Assumptions:

- Assumes implementation of POSSE ABC Licensing Module only

Item	Description of Software	Total Cost
1.	Project Planning / Fit-Gap Exercise	Included
2.	System Configuration (internal back office, external web portal, canned reports)	Included
3.	Interfaces:	Included

	<ul style="list-style-type: none"> Interface to Nebraska PayPort e-payment system 	
4.	Data Conversions from two sources: <ul style="list-style-type: none"> Green-screen CICS system – main back office system Standalone Special Event Licenses system with external-facing portal 	Included
5.	Remote UAT Support	Included
6.	POSSE ABC Orientation Training / Pre-UAT Usage Training / System Administration and Support Training	Included
7.	Go-Live System Start-up Support	Included
<u>ADD:</u> ONE-TIME HOSTING SET-UP SERVICES COST:		Included
TOTAL ONE-TIME SERVICES COST:		\$600,000 - \$650,000

*Notes:

We recommend a project contingency budget of 10% -15% of total Services costs.

Scope and Pricing Assumptions

Configuration Changes

POSSE ABC comes with out-of-box pre-configured best practice templates for various functional areas. Once the fit-gap analysis is complete, configuration effort will be required to close any gaps between desired business process and these pre-configured templates. The following table identifies the business processes to be included, and the number of configuration elements that have been apportioned per phase of the project to allow for the end-to-end workflows to be configured.

Proposed Phase Number	Functionality Covered	Included Configuration Changes
One	Functionality includes: <ul style="list-style-type: none"> • Best Practice business processes – standardized workflow for all License Types. <ul style="list-style-type: none"> ○ New Application ○ Amendment Application ○ Renewal Application ○ Reinstatement Application ○ Expiration ○ Batch Renewal Notification ○ Daily Close 	The following number of configuration modifications are included. This does not limit the configuration done by State staff in cooperation with Computronix using the POSSE ABC Administration website or the POSSE Stage Configuration Tool (requires additional Enablement Training). <ul style="list-style-type: none"> • Up to 10 core workflow changes • Up to 35 field changes • Up to 10 relationship changes • Up to 2 table or grid changes • Up to 2 business rules

Reports

Computronix anticipated that many of the existing reports can be addressed using pre-defined POSSE ABC pre-configured reports, ad-hoc reports, and the use of robust system search functionality within POSSE. Recognizing that the State will have some specific reporting needs not currently met by the out-of-the box POSSE ABC reporting capabilities, the proposed implementation effort includes the modification of existing POSSE ABC reports or the development of State-specific reports as summarized below:

Proposed Phase Number	Reports Included
ONE	Licensing Reports <ul style="list-style-type: none"> • License Certificate • Batch Renewal Notification Letter • Batch Renewal Notification Licenses • Batch Renewal Second Notification Letter

Proposed Phase Number	Reports Included
	<ul style="list-style-type: none"> • Batch Renewal Second Notification Licenses Common Finance <ul style="list-style-type: none"> • Receipt • Deposit Slip

Proposed Integration with POSSE ABC

The table below lists the interfaces/integrations that Computronix has included in its proposal.

Interface	Direction	Type
Customer Portal Payment Gateway	Send/Receive	TBD

Data Conversion

The following assumptions are based on our standard data conversion methodology. Additional services could be provided, if desired, for additional cost.

Included in our fixed price for data conversion are up to 40 hours of Data Conversion Mapping effort and up to 88 hours of Mentoring and Support for State staff to understand the POSSE ABC data conversion staging environment. Mentoring and Support includes collaboration on the data mapping exercise as well as reporting back to the State any data quality issues identified by the Computronix data conversion process or tool.

Scope and Pricing Assumptions

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