

## Return on Investment (ROI) Program Funding Application

This template was built using the ITD ROI Submission Intranet application.

**FINAL AUDIT REQUIRED:** The Enterprise Quality Assurance Office of the Information Technology Department is required to perform post implementation outcome audits for all Pooled Technology funded projects and may perform audits on other projects.

This is an IOWAccess Funding Request. Amount of funding requested: **\$76,000**

### Section I: Proposal

**Date:** September, 2006  
**Agency Name:** Iowa Department of Inspections and Appeals (DIA)  
**Project Name:** 10207 - Online Licensing and Map Locator for Restaurants, Hotels, & Food Establishments  
**Agency Manager:** Dean Lerner, Deputy Director  
**Agency Manager Phone Number / E-Mail:** 515-281-5457 / Dean.Lerner@dia.state.ia.us  
**Executive Sponsor (Agency Director or Designee):** Steven Young, Director / Dean Lerner, Deputy Director

**A. Project Summary:** Describe the nature and use of the proposed project, including what is to be accomplished, how it will be accomplished, and what the costs and benefits will be.

The Food and Consumer Safety Bureau of DIA in combination with County Health Departments contracting with DIA inspect and license approximately 24,000 Establishments including Food Service Establishments (Restaurants), Retail Food Establishments (Grocery & Convenience Stores), Hotels/Motels, Vending Machine Operators, Food Warehouses, Food Processing Plants, Warehouses/Distribution Centers, Farmers Markets, Mobile Food Units, Egg Handlers, and Temporary Food Establishments.

In the processes of accepting and approving license applications and license renewals, conducting inspections, and investigating complaints; the Food & Consumer Safety Bureau collects a considerable amount of information about Food & Lodging Establishments throughout the state. Providing this information to the public provides a beneficial service to the state, to citizens, and to the food and lodging industry.

The intent of this project is to:

- Substantially improve the ability for the public to gain access to the information available from the Food and Consumer Safety Bureau web site and database.
- Provide an additional outlet for increasing visibility of Restaurants, Grocery Stores, and Hotels.
- Improve efficiency by streamlining the Licensing process.
- Save time and expenses for the Food & Lodging Establishments using the automated system.

- Increase food safety as accountability for inspection compliance is more easily accessible.

## **Project Goals**

This project will achieve several goals:

- Allow the public, including Iowa citizens and tourists, the ability to look up the location of restaurants, grocery/convenience stores, and hotels/motels by name, address, city, county, and zip code and provide a map display of the locations of the Food & Lodging Establishments requested. More than 17,000 restaurants, hotels, motels, grocery stores, and convenience stores would be included in the new mapping system.
- Allow new Food & Lodging Establishments to apply for a license and pay license fees online through the web-based system and ePayment system. The system will also notify new Food & Lodging Establishments with the contact information for the inspector assigned to inspect their operation.
- Allow licensed Food & Lodging Establishments to renew their license and pay their license fees online.
- Automate and streamline application and renewal processes. Attain 50% of Food & Lodging Establishments to renew online to eliminate costs and time delays for processing paper applications and payments.

## **Benefits**

The implementation of this application would provide the following benefits:

1. The graphical map interface will provide the public access to information about restaurants, motels/hotels, and grocery/convenience stores in a graphical map-based display by leveraging existing data captured by Food and Consumer Safety Bureau. In addition, the map based system will:
  - Allow patrons of restaurants, grocery/convenience stores and hotels/motels to easily select an establishment based on location and inspection history.
  - Promote licensed Restaurants, Grocery/Convenience Stores and Hotels/Motels that maintain compliance with standards.
  - Provide benefits to Restaurants, Grocery/Convenience Stores and Hotels/Motels that maintain clean, safe and healthy facilities by displaying their inspection reports.
2. As Patrons use inspection history to avoid establishments with poor compliance records, Establishments will have incentive to improve cleanliness and safety at their establishment.
3. Increase compliance with regulations without an increase in enforcement. The Graphical Map View will allow the public and patrons to easily select or de-select establishments which will increase the number of facilities that voluntarily comply with the regulations without an associated increase in enforcement.
4. An enhanced system for online applications and license renewals will reduce staff hours (DIA and Local Contracts) required to process applications for licenses and licenses renewals; reduce printing, mailing and postage expense; decrease

paperwork; increase security of handling payments; improve customer service in other program aspects; and provide licenses to Food & Lodging Establishments quicker than the current paper-based system. When fully implemented and adopted, an estimated 50% (approx 12,000) of the establishments will take advantage of the online licensing and ePayment system.

5. Online applications and renewals would reduce paperwork and reduce labor costs for handling the paperwork, writing checks, and mailing applications and renewals for the Food & Lodging Establishments.
6. More establishments would renew their license on time without the need for reminders.

**B. Strategic Plan:** How does the proposed project fit into the strategic plan of the requesting agency?

- A goal of the Bureau is to improve and streamline the licensing and inspections process for Food & Lodging Establishments. This project promotes this goal by automating the process and providing on-line services for applications and license renewals and ePayment options.
- Another goal of the Bureau is to provide benefits to the Establishments that help build improved relationships and facilitate compliance with regulations. This project promotes this goal by providing an additional outlet for increasing visibility of Restaurants, Grocery/Convenience Stores, and Hotels/Motels.
- A third goal of the Bureau is to improve Food Safety. As more and more restaurant patrons begin to select or de-select establishments based on the inspections, the establishments will have additional incentive to maintain quality standards.

**C. Current Technology:** Provide a summary of the technology used by the current system. How does the proposed project impact the agency's technological direction?

The current system uses a combination of a paper-based process and web-based technology. This project will automate the paper-based system for Food & Lodging Establishments that elect to use the online option for license applications and renewals. This project will substantially improve the usability of the Web-based system by adding a graphical mapping interface.

## D. Statutory or Other Requirements

Is this project or expenditure necessary for compliance with a Federal law, rule, or order?  
No

Is this project or expenditure required by state law, rule or order?  
No

Does this project or expenditure meet a health, safety or security requirement?  
No, however the project will provide additional incentives for Food Establishment to maintain healthy and safe environments for their patrons.

Is this project or expenditure necessary for compliance with an enterprise technology standard?  
No

**[This section to be scored by application evaluator.]**

### **Evaluation (15 Points Maximum)**

If the answer to these criteria is "no," the point value is zero (0). Depending upon how directly a qualifying project or expenditure may relate to a particular requirement (federal mandate, state mandate, health-safety-security issue, or compliance with an enterprise technology standard), or satisfies more than one requirement (e.g. it is mandated by state and federal law and fulfills a health and safety mandate), 1-15 points awarded.



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## E. Impact on Iowa's Citizens

**a. Project Participants** - List the project participants (i.e. single agency, multiple agencies, State government enterprise, citizens, associations, or businesses, other levels of government, etc.) and provide commentary concerning the nature of participant involvement. Be sure to specify who and how many direct users the system will impact. Also specify whether the system will be of use to other interested parties: who they may be, how many people are estimated, and how they will use the system.

- Department of Inspections and Appeals Food and Consumer Safety Bureau and County Health Departments contracting with DIA to inspect and license will be the primary recipients of the automated application and licensing process.
- Department of Revenue will be involved in the process of electronic payments by credit cards or electronic checks.
- County Health Departments contracting with DIA to inspect and license establishments in their jurisdiction. These groups will have the option to Opt In to use the automated application and renewal processes.
- 24,000 Food & Lodging Establishments will have the option to apply, renew, and pay using the streamlined, automated system.
- 17,000 Restaurants, Grocery Stores, Convenience Stores, Hotels, and Motels will benefit from the Map based interface.
- The Public (Iowa Citizens and Tourists) will benefit by using the Map based locator interface.

**b. Service Improvements** - Summarize the extent to which the project or expenditure improves service to Iowa citizens or within State government. Included would be such items as improving the quality of life, reducing the government hassle factor, providing enhanced services, improving work processes, etc.

- An enhanced system for online applications and license renewals will reduce staff hours required to process applications for licenses and licenses renewals; reduce printing, mailing and postage expense; decrease paperwork; and provide licenses to Establishments quicker than the current paper-based system.
- Online applications and renewals would reduce paperwork and reduce labor costs for handling the paperwork, writing checks, and mailing applications and renewals for up to 24,000 Food & Lodging Establishments that elect to use the online system.

**c. Citizen Impact** – Summarize how the project leads to a more informed citizenry, facilitates accountability, and encourages participatory democracy. If this is an extension of another project, what has been the adoption rate of Iowa’s citizens or government employees with the preceding project?

The graphical map interface will provide the public access to information about restaurants, motels/hotels, and grocery/convenience stores in a graphical map-based display by leveraging existing data captured by Food and Consumer Safety Bureau. In addition, the map based system will:

- Allow patrons of restaurants, grocery/convenience stores and hotels/motels to easily select establishment based on location and inspection history.
- Promote Restaurants, Grocery/Convenience Stores, and Hotels/Motels that maintain compliance with standards.

**d. Public Health and/or Safety** – Explain requirements or impact on the health and safety of the public.

The new system will provide benefits to Restaurants, Grocery/Convenience Stores, and Hotels/Motels that maintain clean, safe and healthy facilities with no complaints and no critical violations on inspection reports. This application will supply another incentive for these Establishments follow the regulations which will improve food and sanitation safety for the public.

*Many of these division programs address public issues and they will increase public awareness.*

<b>[This section to be scored by application evaluator.]</b>	
<b><u>Evaluation</u> (15 Points Maximum)</b> <ul style="list-style-type: none"><li>• Minimally directly impacts Iowa citizens (0-5 points).</li><li>• Moderately directly impacts Iowa citizens (6-10 points).</li><li>• Significantly directly impacts Iowa citizens (11-15 points).</li></ul>	

<b>[This section to be scored by application evaluator.]</b>	
<b><u>Evaluation</u> (10 Points Maximum)</b> <ul style="list-style-type: none"><li>• Minimally improves customer service (0-3 points).</li><li>• Moderately improves customer service (4-6 points).</li><li>• Significantly improves customer service (7-10 points).</li></ul>	

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## **F. Process Reengineering**

Provide a pre-project or pre-expenditure (before implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens interact with the current system.

### **Response**

The current process requires that Food Establishment owners and managers manually obtain and complete one of several types of applications, write a check, and deliver or mail the application to the Food and Consumer Safety Bureau or the applicable contracting County Health Department. The staff within these groups in the State must manually process the applications and enter the information into the Food License and Inspection System, then print and mail the license to the Food Establishment.

In the current process, a citizen can obtain an inspection report of an Establishment using a text-based web site. The results of a search for an inspection report also provides the address and contact information for the Food Establishment. In order to find the location of a restaurant, for example, a person must telephone the restaurant. In addition, the current system does not provide a list of restaurants or hotels/motels

within a radius of an address. For example, the current system does not provide restaurants in a neighborhood, restaurants near a hotel/motel for a business or recreational traveler. This information is already captured by the current system but not searchable nor viewable on a map.

Provide a post-project or post-expenditure (after implementation) description of the impacted system or process. Be sure to include the procedures used to administer the impacted system or process and how citizens will interact with the proposed system. In particular, note if the project or expenditure makes use of information technology in reengineering traditional government processes.

## Response

The new system will provide the opportunity for 24,000 licensed Food & Lodging Establishments to renew their license and pay their license fees online eliminating manual handling and mailing costs, check writing, waiting for renewals to be approved, and waiting for the license to arrive in the mail. Establishments renewing and paying online will have to ability to immediately print their renewed license.

The new system will provide the opportunity for new Establishments to apply for a license and pay their license fees online through the web-based system. Licenses are sent after a successful inspection. The new system will allow new Establishments to request and receive their license my email.

Streamlining and automating the process will reduce administration expenses and labor costs for Food & Lodging Establishments and the State of Iowa. In addition, delays in the process for mailing and manual handling will be eliminated.

[This section to be scored by application evaluator.]

### **Evaluation (10 Points Maximum)**

- Minimal use of information technology to reengineer government processes (0-3 points).
- Moderate use of information technology to reengineer government processes (4-6 points).
- Significant use of information technology to reengineer government processes (7-10).



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## G. Timeline

Provide a projected timeline for this project. Include such items as planning, database design, coding, implementation, testing, conversion, parallel installation, and date of final release. Also include the parties responsible for each item.

<b>Milestone</b>	<b>Date</b>	<b>Responsible</b>
<i>Complete Analysis Phase</i>	<i>9/13/06</i>	<i>DAS-ITE / DIA Core Team</i>
<i>Complete Design</i>	<i>9/29/06</i>	<i>DAS-ITE</i>
<i>Begin Execution Phase</i>	<i>10/1/06</i>	<i>DAS-ITE</i>
<i>Complete Coding for Mapping</i>	<i>10/31/06</i>	<i>DAS-ITE</i>
<i>Complete Construction/Coding</i>	<i>11/31/06</i>	<i>DAS-ITE</i>
<i>Complete System Testing</i>	<i>12/17/06</i>	<i>DAS-ITE</i>
<i>Begin Customer Acceptance Testing</i>	<i>12/13/06</i>	<i>DIA Core Team</i>
<i>Complete Customer Acceptance Testing</i>	<i>12/31/06</i>	<i>DIA Core Team</i>
<i>Complete Follow-up</i>	<i>12/31/06</i>	<i>DAS-ITE</i>
<i>Prepare for Migration to Production</i>	<i>01/11/07</i>	<i>DAS-ITE</i>
<i>Go Live Migrate to Production</i>	<i>01/17/07</i>	<i>DAS-ITE</i>
<i>Complete Closure Phase</i>	<i>02/01/07</i>	<i>DAS-ITE</i>

[This section to be scored by application evaluator.]

### **Evaluation (10 Points Maximum)**

- The timeline contains several problem areas (0-3 points).
- The timeline seems reasonable with few problem areas (4-6 points).
- The timeline seems reasonable with no problem areas (7-10).



## H. Funding Requirements

On a fiscal year basis, enter the estimated cost by funding source: Be sure to include developmental costs and ongoing costs, such as those for hosting the site, maintenance, upgrades,

	FY06		FY07		FY08	
	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost	Cost(\$)	% Total Cost
State General Fund	\$0	0%	\$0	0%		0%
Pooled Tech. Fund /lowAccess Fund	\$0	0%	\$76,000	100%	\$0	0%
Federal Funds	\$0	0%	\$0	0%	\$0	0%
Local Gov. Funds	\$0	0%	\$0	0%	\$0	0%
Grant or Private Funds	\$0	0%	\$0	0%	\$0	0%
Other Funds (Specify)	\$0	0%	\$0	0%	\$0	0%
<b>Total Project Cost</b>	<b>\$0</b>	<b>0%</b>	<b>\$76,000</b>	<b>100%</b>	<b>\$0</b>	<b>0%</b>
Non-Pooled Tech. Total	\$0	0%	\$0	0%		0%

[This section to be scored by application evaluator.]

### **Evaluation (10 Points Maximum)**

- The funding request contains questionable items (0-3 points).
- The funding request seems reasonable with few questionable items (4-6 points).
- The funding request seems reasonable with no problem areas (7-10).



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## I. Scope

Is this project the first part of a future, larger project?

YES (If "YES", explain.)      NO, it is a stand-alone project

**Explanation:**

Is this project a continuation of a previously begun project?

NO                      YES (If "YES", explain.)

Yes

**Explanation:**

This project leverages and significantly enhances the Food and Consumer Safety Bureau web site and inspection software which has been in production for nearly two years.

[This section to be scored by application evaluator.]

**Evaluation (10 Points Maximum)**

- This is the first year of a multi-year project / expenditure or project / expenditure duration is one year (0-5 points)
- The project / expenditure is of a multi-year nature and each annual component produces a definable and stand-alone outcome, result or product (2-8 points).
- This is beyond the first year of a multi-year project / expenditure (6-10 points)



The last part of this criteria involves rating the extent to which a project or expenditure is at an advanced stage of implementation and termination of the project / expenditure would waste previously invested resources.

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## J. Source of Funds

On a fiscal year basis, how much of the total project cost (\$ amount and %) would be absorbed by your agency from non-Pooled Technology and/or IOWAccess funds? If desired, provide additional comment / response below.

### Response:

Beyond the initial execution phase and initial implementation costs, DIA will absorb the ongoing operational and maintenance costs. The software deployed from this project will reside on the same infrastructure as the existing system. No incremental costs are anticipated for ongoing costs.

[This section to be scored by application evaluator.]

#### Evaluation (5 Points Maximum)

- 0% (0 points)
- 1%-12% (1 point)
- 13%-25% (2 points)
- 25%-38% (3 points)
- 39%-50% (4 points)
- Over 50% (5 points)



## Section II: Financial Analysis

### A. Project Budget Table

It is necessary to estimate and assign a useful life figure to each cost identified in the project budget. Useful life is the amount of time that project related equipment, products, or services are utilized before they are updated or replaced. In general, the useful life of hardware is three (3) years and the useful life of software is four (4) years. Depending upon the nature of the expense, the useful life for other project costs will vary between one (1) and four (4) years. On an exception basis, the useful life of individual project elements or the project as a whole may exceed four (4) years. Additionally, the ROI calculation must include all new annual ongoing costs that are project related.

The Total Annual Prorated Cost (State Share) will be calculated based on the following equation:

$$\left[ \left( \frac{\text{Budget Amount}}{\text{Useful Life}} \right) \times \% \text{ State Share} \right] + (\text{Annual Ongoing Cost} \times \% \text{ State Share}) = \text{Annual Prorated Cost}$$

Budget Line Items	Budget Amount (1st Year Cost)	Useful Life (Years)	% State Share	Annual Ongoing Cost (After 1st Year)	% State Share	Annual Prorated Cost
Agency Staff						
Software						
Hardware						
Training						
Facilities						
Professional Services						
ITE Services	\$76,000		100%	\$0	100%	
Supplies, Maint, etc.						
Other						
<b>Totals</b>	<b>\$76,000</b>		<b>100%</b>	<b>\$0</b>	<b>100%</b>	

### B. Spending plan

Explain how the funds will be allocated.

The funds allocated would be used to complete Phase 2 – Design, Execution, and Closure of this project.

### C. Tangible and/or Intangible Benefits

Respond to the following and transfer data to the ROI Financial Worksheet as necessary:

1. **Annual Pre-Project Cost** - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

**Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process prior to project implementation.

**Describe Annual Pre-Project Cost:**

**Quantify Annual Pre-Project Cost:**

	<b>State Total</b>
<b>FTE Cost(salary plus benefits):</b>	\$
<b>Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):</b>	\$0.00
<b>Other Cost (expense items other than FTEs &amp; support costs, i.e. indirect costs if applicable, etc.):</b>	\$0.00
<b>Total Annual Pre-Project Cost:</b>	

2. **Annual Post-Project Cost** - This section should be completed only if state government operations costs are expected to be reduced as a result of project implementation.

**Quantify actual state government direct and indirect costs** (personnel, support, equipment, etc.) associated with the activity, system or process after project implementation.

**Describe Annual Post-Project Cost Savings:**

Annual cost savings are achieved when 50% or 12,000 Establishments renew their licenses on-line each year. Across various county Health Departments and the Department of Inspection and Appeals, the new system will provide reductions in time required to manually process license applications and reduce costs for postage, stationary, and telephone 1-800 service.

**Quantify Annual Post-Project Cost Savings:**

	<b>State Total</b>
<b>FTE Cost(salary plus benefits):</b>	<b>\$23,500</b>
<b>Support Cost (i.e. office supplies, telephone, pagers, travel, etc.):</b>	<b>\$48,500</b>
<b>Other Cost (expense items other than FTEs &amp; support costs, i.e. indirect costs if applicable, etc.):</b>	<b>\$0.00</b>
<b>Total Annual Post-Project Cost:</b>	<b>\$72,000</b>

**3. Citizen Benefit** - Quantify the estimated annual value of the project to Iowa citizens. This includes the "hard cost" value of avoiding expenses ("hidden taxes") related to conducting business with State government. These expenses may be of a personal or business nature. They could be related to transportation, the time expended on the manual processing of governmental paperwork such as licenses or applications, taking time off work, mailing, or other similar expenses. As a "rule of thumb," use a value of \$10 per hour for citizen time.

Describe savings justification:

**Potential Cost Savings / Benefits for Food & Lodging Industry**

**Assumptions:**

- 24,000 Licensed Food & Lodging Establishments
- 12,000 Establishments that will renew online when adopted over a 3 – 5 year period
- 60 Minutes for each establishment to renew license manually to obtain renewal form, complete the form, write check, insert in envelope.
- \$ 10 Per hour for citizen time.
- 15 Minutes for each online renewal
- 2.00 Estimated handling and mailing costs per renewal application

**Estimated Annual Cost Savings**

- \$ 90,000 Annual Cost Savings - Staff Time for Industry
- \$ 24,000 Annual Savings - Handling and Mailing Expense Savings

**\$ 114,000 Total Annual Cost Savings for Food Industry**

<b>ROI Financial Worksheet</b>	
A. Total Annual Pre-Project cost (State Share from Section II C1):	
B. Total Annual Post-Project cost (State Share from Section II C2):	
State Government Benefit (= A-B):	
Annual Benefit Summary:	\$72,000
State Government Benefit:	\$72,000
Citizen Benefit:	\$114,000
Opportunity Value or Risk/Loss Avoidance Benefit:	
C. Total Annual Project Benefit:	\$ 186,000
D. Annual Prorated Cost (From Budget Table):	\$76,000
<b>Benefit / Cost Ratio: (C/D) =</b>	2.45
<b>Return On Investment (ROI): ((C-D) / Requested Project Funds) * 100</b>	144.86
=	

**4. Opportunity Value/Risk or Loss Avoidance** - Quantify the estimated annual non-operations benefit to State government. This could include such items as qualifying for additional matching funds, avoiding the loss of matching funds, avoiding program penalties/sanctions or interest charges, avoiding risks to health/security/safety, avoiding the consequences of not complying with State or Federal laws, providing enhanced services, avoiding the consequences of not complying with enterprise technology standards, etc.

**Response:**

**5. Benefits Not Readily Quantifiable** - List and summarize the overall non-quantifiable benefits (i.e., IT innovation, unique system application, utilization of new technology, hidden taxes, improving the quality of life, reducing the government hassle factor, meeting a strategic goal, etc.).

**Response:**

- Promotes tourism and economic health for the State of Iowa and Licensees by providing ability for visitors and traveler to find Food & Lodging Establishments with mapping interface.
- New system will provide mapping capability for other state agencies including DPS, IDPH, and Homeland Security.
- Seven business days of elapsed time will be eliminated with online automated processing of new applications of licenses for mailing, handling and manually processing
- Application and renewal processing and payments will be available 24 hours per day seven days per week
- The new system will provide Immediate feedback for Application and Renewal Process
- The new system will provide immediate receipt for payment
- When using the new system there are no mail delays for checks. Licensing fee penalties are based on receipt date not on post mark date.
- Online renewals close to deadline eliminate need for Establishment to deliver payment to avoid penalty fees
- The ability to pay online is requested by more than 500 establishments each
- A simpler fee selection for Establishment with more than one license will be provided in the new system
- Online renewals will provides state employees more time to work with Establishments regarding complaints, explaining rules & regulations, and more time to provide safety education for the public
- Online renewals will provide improved data integrity – accuracy and completeness.
- E-Payment will reduce the potential for mishandling of funds by the establishments, through the mail or by state employees.

[This section to be scored by application evaluator.]

**Evaluation (15 Points Maximum)**

- The financial analysis contains several questionable entries and provides minimal financial benefit to citizens (0-5 points).
- The financial analysis seems reasonable with few questionable entries and provides a moderate financial benefit to citizens (6-10 points).
- The financial analysis seems reasonable with no problem areas and provides maximum financial benefit to citizens (11-15).



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## Appendix A. Auditable Outcome Measures

For each of the following categories, list the auditable metrics for success after implementation and identify how they will be measured.

### 1. Improved customer service

Improve Customer Service measured by:

- Number of and growth in the number of Establishments renewing online.
- Reduced number of Establishment mailing in license forms
- Survey of Establishments

### 2. Citizen impact

Customer Impact will be measured by the volume of visitors to the web site and the number of “hits” to the pages with the maps interface.

### 3. Cost Savings

### 4. Project reengineering

### 5. Source of funds (Budget %)

### 6. Tangible/Intangible benefits

Benefit of 24 X 7 features will be measured by the number of renewals after business hours and during weekends.