

REQUEST FOR INFORMATION

RFI NUMBER:
DATE ISSUED: May 1, 2012

The Division of Liquor Control (DOLC) through the Department of Commerce and its Fiscal Procurement Section is requesting information for the replacement of DOLC merchandising, point-of-sale, and supply chain management support systems.

COMMENT PERIOD BEGINS: May 1, 2012

COMMENT PERIOD ENDS: May 25, 2012

LOCATION: Department of Commerce
Fiscal Procurement Section
ATTN: Todd Gable
6606 Tussing Road
Reynoldsburg, Ohio 43068

1. Purpose

This is a Request for Information (“RFI”) under Sections 125.071 and 125.18 of the Ohio Revised Code (the “Revised Code”) and Section 123:5-1-8 of the Ohio Administrative Code (the “Administrative Code”). The Ohio Department of Commerce, Division of Liquor Control (DOLC) is seeking to solicit information, interest, and comments (“comments”) from interested parties for product and services with regard to replacing and modernizing the existing applications that comprise the liquor control supply chain management, point of sale, and accounting systems. This RFI is the result of that request.

After information is received in response to this RFI, the State of Ohio (the “State”), through the Department of Commerce and on behalf of DOLC, may then issue an appropriate RFP in order to enter into a contract to have a selected contractor perform all or part of the anticipated modernization project. This RFI provides details on what type of information is requested and it will be the precursor to the issuance of a final RFP.

This RFI also gives the estimated dates for the comment period. While these dates are subject to change, prospective respondents must be prepared to meet them as they currently stand. Once comments are received and the comment period is closed, the State on behalf of DOLC may engage in the issuance of a future RFP.

The State may reject any comments if the respondent fails to meet the comment period deadline.

2. Background

Every state in the United States controls the distribution of alcohol within its borders. This control varies by state and by the type of alcohol (beer, wine, spirits). This RFI and any future RFP will deal exclusively with the supply chain and merchandising of distilled spirits (>21% alcohol) within the state. Ohio is a control state which means that distribution and sales occur from only authorized locations and are all controlled by the state. Further, brands, stocking quantities, and prices are all centrally controlled as well. DOLC is the state agency that is responsible for administering this activity.

Sale of distilled spirits generates nearly \$800 M of revenue for the State and the proceeds are used to fund a variety of projects. Given the revenue generated and the nature of the product, any prospective responder to this RFI and potential contractor should know that this is a politically sensitive issue.

The key processes the DOLC administers as it executes its responsibilities fall into the following areas:

- Order Fulfillment – Store order fulfilled from the warehouse
- Inventory Management – setting and measuring inventory levels in the store
- Revenue Collection – Revenue generated at liquor stores from liquor sales
- Audit Operations – Assessment of store and warehouse operations
- Product Management – Product introduction, retirement, and price setting, and marketing
- Financial Accounting – General Ledger, Accrual Accounting, Financial Statements

These processes are supported by two systems: LiquorBase, a desktop system written in FoxPro using a FoxPro database and CICS a mainframe application primarily using VSAM files for data storage. These systems are over 25 years old and although the software has been updated over time, they have become difficult to support. Further, some of the hardware components required to operate the systems are old and replacement components are getting more difficult to find. Thus, one of the key requirements for this project is to not only to update the software but to run it on more modern technology.

In addition to upgrading software, the DOLC has also decided to take this opportunity to review and improve processes. The purpose of this initiative was to identify high-impact improvement areas and develop a set of business and system requirements to include in the new system.

3. Objective of the RFI

There are several objectives associated with this issuance of this RFI. They include:

- Gauging the interest of the vendor community in regard to this project.
- Obtaining feedback from the vendor community on two draft RFPs with each representing a distinct path of potential implementation. One draft RFP represents a hosted and managed solution approach. It will be referred to as “RFP A – Hosted” in this RFI. The other draft RFP represents an approach based on an internally hosted, custom built integration of “best of breed” COTS solutions. This draft RFP will be referred to as “RFP B – Internal” in this RFI.
- Obtaining a general sense of feasibility associated with each draft RFP from the vendor community. Determination of feasibility with regard to both potential implementation paths is being estimated in three distinct areas: how many of the “To Be” business process can be met by respondents; under what circumstances and timelines can they be met; and under what cost.

4. Expected Comments

While the State will receive and analyze any relevant and proper comment as a result of this RFI, it is especially interested in gathering certain types of information from the vendor community. Information and comment sought includes:

Corporate Information

- Company Name
- Description of the company
- Size of the company in terms of sales and personnel
- HQ and other business locations (Ohio presence?)

Expertise

- Line(s) of business that the company is currently engaged in that would pertain to this effort
- General description of expertise in any related line of business
- Statement of Interest in draft RFP A - Hosted, draft RFP B - Internal, or both

Comment on RFP A – Hosted & managed solution

- Describe ability to implement each of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP A – Hosted, Supplements 3 through 7.
- Describe which of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP A – Hosted, Supplements 3 through 7 would be difficult to meet or implement.
- Describe which items of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP A – Hosted supplements 3 through 7 would require 3rd party assistance in implementing or the State to implement on its own.
- Describe or comment on any additional capability that would benefit the State in product ordering and replenishment; demand forecasting; inventory control; point-of-sale systems and processes including communications between sales locations and corporate; product distribution; retail space planning; retail strategies and demographics; auditing; financial controls and reconciliation as they relate to retail accounting; business intelligence and metrics; management reporting including operational metrics and financials related to sales, pricing, cost of goods sold, gross profit, and net profit.

Comment on RFP B – Internal, custom built integration of “best of breed” COTS solutions

- Describe ability to implement each of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP B - Internal supplements 3 through 7.
- Describe which of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP B - Internal supplements 3 through 7 would be difficult to meet or implement.
- Describe which items of the “To Be” business processes, system requirements, interfaces, reports, and gaps found in the draft RFP B - Internal supplements 3 through 7 would require 3rd party assistance in implementing or the State to implement on its own.
- Describe or comment on any additional capability that would benefit the State in product ordering and replenishment; demand forecasting; inventory control; point-of-sale systems and processes including communications between sales locations and corporate; product distribution; retail space planning; retail strategies and demographics; auditing; financial controls and reconciliation as they relate to retail accounting; business intelligence and metrics; management reporting including operational metrics and financials related to sales, pricing, cost of goods sold, gross profit, and net profit.

Comment on Feasibility of Cost Parameters

Cost is a very important factor in the issuance of any future RFP. Typically cost proposals will receive 30% of the weight for the RFP response. Although, the State will evaluate the future RFP responses based on best value, it is important to bound the cost and to prevent unrealistic solutions. To that end, the State has allocated a “seven figure” amount to complete this project. For draft RFP B - Internal this does not include hardware costs and every effort should be made to utilize existing State resources for development, testing/QA, and production environments as suggested in draft RFP B - Internal. For RFP A - Hosted, various types of costs can be incurred and various methods can be suggested to cover those costs. For this RFI, the State would like comments on:

- The allocated seven figure amount to eventually complete one of the draft RFPs
- Any special contractual arrangements that a potential provider to RFP A - Hosted could suggest to benefit the State in the implementation of draft RFP A - Hosted and the control of on-going costs associated with hosting and managing the system after implementation.

5. Out of Scope for this RFI

The following areas are out of scope for this RFI.

- Liquor Information Tracking System (LITS2)

6. Recommendations and Notice to RFI Respondents

It is highly recommended that respondents to this RFI thoroughly review the draft RFP's that they are interested in making comment on, before they submit comments to the State.

By submitting a response, each Respondent agrees that it will not bring any claim or have any cause of action against the DOLC, the State of Ohio, or any employee of DOLC or the State, based on any misunderstanding concerning the information provided or concerning the DOLC or State's failure, negligent or otherwise, to provide the Respondent with pertinent information as intended by this RFI. Information submitted in response to this RFI will become property of the State of Ohio. The State of Ohio will not pay for any information herein requested nor is it liable for any cost incurred by the vendor.

7. Contacts for this RFI

The following sections provide details on how to get more information about how to respond to this RFP. All responses must be complete and in the prescribed format.

The person listed below will represent the State during the RFI process.

Procurement Representative:

Mr. Todd Gable
Procurement Manager
Department of Commerce
Division Of Administration – Fiscal Section
6606 Tussing Road
Reynoldsburg, Ohio 43068

8. Submission of Comments

Respondents may make comments regarding this RFI anytime during the comment period listed on the first page of the RFI. To make comments, respondents must use the process below.

- Submit at least one three ring binder clearly labeled with respondents name.
- An electronic copy of the binder's contents should be placed on a CD in PDF format and included with the binder.
- The first page of the binder should contain the corporate information.

All information submitted in response to this RFI constitutes and shall be treated as a public record under section 149.43 of the Ohio Revised Code, and will be available for public inspection and copying unless a statutory exception exists that exempts it from public release. Respondents are therefore strongly discouraged from including in a RFI any information that the Respondent considers to be a "trade secret," as that term is defined in Section 1333.61(D) of the Ohio Revised Code. . If any information in response to this RFI is intended to be treated as a trade secret, the RFI Respondent must:

- Identify each and every occurrence of the information within the RFI with an asterisk before and after each line containing trade secret information and underline the trade secret information itself.
- When submitting the requested response (see Section 6 below) place on the required binder's cover the following notice: "This RFI response includes information considered a trade secret and thus confidential."

- Include a page immediately after the Respondent Corporate Information Page that lists each page in the RFI response that includes trade secret information and the number of occurrences of trade secret information on that page.
- Information so designated shall be readily separable from the bid response in order to facilitate public inspection of the non-confidential portions of the response.

To determine what qualifies as trade secret information, refer to the definition of “trade secret” in the Ohio Revised Code, which is reproduced below for reference:

ORC 1333.61(D) “Trade Secret” means information, including the whole or any portion or phase of any scientific or technical information, design, process, procedure, formula, pattern, compilation, program, device, method, technique, or improvement, or any business information or plans, financial information, or listing of names, addresses, or telephone numbers, that satisfies both of the following:

1. It derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.
2. It is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

A respondent submitting a comment will receive an email acknowledgement that the State has received the response. The respondent will not receive a personalized response to the comment nor notification when the State has reviewed the comment.

The State does not consider comments made during the RFI comment period or through this entire RFI process as exceptions to any terms and conditions of any future RFP.

9. Attachments

Attached to this RFI are two draft RFPs. As stated above, one is entitled RFP A – Hosted and the other is named RFP B – Internal. Each draft RFP consists of two major parts; the draft RFP and its corresponding supplements. There are many similarities between the two draft RFPs, however there are a few, but very important, differences between the two.

Within both of the proposed and draft RFPs there are sections which contain an executive summary, structure of the draft RFP, general instructions, evaluation of proposals, award of the contract, and attachments. All are typical of a State issued RFP.

Within both of the proposed and draft supplements related to the draft RFPs, there are supplement sections on the “As Is” business processes and the “To Be” business processes, a requirements list, system interfaces, and a list of reports.