

**NEBRASKA STATE RECORDS BOARD  
MEETING: January 13, 2004**

Nebraska State Capitol  
Room 1507  
Lincoln, NE  
January 13, 2004  
9:30 A.M.

NEBRASKA STATE RECORDS BOARD

AGENDA

Room 1507 State Capitol

January 13, 2004 - 9:30 A.M.

1. Call to Order, Roll Call
2. Notice of Hearing (01/08/04 Lincoln Journal Star)
3. Approval of Minutes from October 15, 2003 meeting
4. Records Management Cash Fund Balance
5. Grant Status Report
6. Public Hearing on Fees for Electronic Access to Public Records
  - a. State Fire Marshall--Permit Filings
  - b. State Electrical Division--Permit Filings
7. Justice Project
  - a. Review Agreement with the Nebraska Supreme Court for possible amendment
8. Nebrask@ Online General Manager's Report
  - a. Project Priority List--Review and Approve
9. Report of RFP SCA-0261 Contract Subcommittee (Contract for Network Manager Services)
  - a. Review subcommittee recommendation and proposed contract
  - b. Action on network manager contract
10. Adjournment

LINCOLN JOURNAL  
STAR 1/8/04

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**NOTICE OF PUBLIC MEETING**

Notice is hereby given of a public meeting of the Nebraska State Records Board on Tuesday, January 13, 2004, at 9:30 AM in Room 1507 of the State Capitol, Lincoln, Nebraska. Included on the agenda will be action on contract award to manage the Nebrask@ Online network pursuant to Request for Proposal SCA-0261. Also included will be public hearing on establishing fees for electronic application of fireworks and electrical permits. The agenda for the meeting is available at the office of Secretary of State for public inspection during regular business hours.

#2599541-11-Jan. 8

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## NEBRASKA STATE RECORDS BOARD

### MINUTES

Meeting of October 15, 2003

The meeting was called to order by Chairman John Gale at 1:30 P.M. on October 15, 2003, in Room 1507 of the State Capitol, Lincoln, Nebraska.

The following Board members were present:

John Gale, Chairman;  
Holley Bolen, representing the Attorney General;  
Lorelee Byrd;  
Jerry Catlett;  
Lauren Hill, representing the Governor;  
Laureen Riedesel;  
Steve Schafer, representing the Director of Administrative Services;  
David Buelt.

Not present were:

William Bidrowski;  
Sarah Kohlhof;  
Diane Vicars  
Kate Witek

Chairman Gale announced that notice of the meeting had been published in the Lincoln Journal Star on October 6, 2003, and posted on the public meetings website.

Mr. Buelt moved to approve the agenda as circulated; motion seconded by Ms. Bolen.

Voting For:	Bolen Gale	Buelt Hill	Byrd Riedesel	Catlett Schafer
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Voting Against:	None
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Absent:	Bidrowski	Kohlhof	Vicars	Witek
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The motion carried.

Ms. Hill moved to approve the minutes of the meeting of September 18, 2003; motion seconded by Ms. Byrd.

Voting For:	Bolen Gale	Buelt Hill	Byrd Riedesel	Catlett Schafer
Voting Against:	None			
Absent:	Bidrowski	Kohlhof	Vicars	Witek

The motion carried.

Greg Lemon, Chief Deputy Secretary of State, reported on the Records Management Cash Fund - State Records Board balance.

Greg Lemon commented on the Grant Project Status Report. The only change to the report was the column that now shows the date the grant was awarded. Mr. Schafer explained the unknown completion dates for the CIO projects. Mr. Gale asked if the Board would like to see estimated completion dates. The Board all agreed it would be helpful.

Kate Witek arrived at the meeting at 1:50pm.

Chairman Gale asked Mr. Lemon to discuss the Local Government Grants (LB257) which was passed the 2003 legislative session and went into effect September 2003. The Board discussed how to implement LB257. Linda Arney from Columbus, who designs and develops rural community websites spoke to the Board. May Kneely from Humphrey, who also is a full time web developer discussed fees. Paul Shoemaker, an attorney from Columbus, also spoke to the Board regarding local government grants. Ms. Witek moved to allow the chair to appoint a subcommittee to review the Board's options of implementing LB257; Mr. Buelt seconded the motion.

Voting For:	Bolen Gale Witek	Buelt Hill	Byrd Riedesel	Catlett Schafer
Voting Against:	None			
Absent:	Bidrowski	Kohlhof	Vicars	

The motion carried.

Rod Armstrong, Nebraska@ Online General Manager, presented the Project Priority List. Ms. Witek moved to approve the Project Priority List; motion seconded by Mr. Catlett.

Voting For:	Bolen Gale Witek	Buelt Hill	Byrd Riedesel	Catlett Schafer
Voting Against:	None			
Absent:	Bidrowski	Kohlhof	Vicars	

The motion carried.

Mr. Lemon distributed copies of the letter of protest by Bass & Associates, Inc. This protest is handled by DAS Materiel Division but Chairman Gale felt it was something the Board should be aware of. Mr. Dan Hunt, Vice President of Huntek Systems was present.

Mr. Lemon then distributed the latest version of the contract with Nebraska Interactive, Inc. and the list of Subcommittee changes. After discussion, Mr. Buelt moved to continue discussion after DAS Materiel Divisions final review was returned and the a special meeting be set to continue final approval of contract; motion seconded by Ms. Witek.

Voting For:	Bolen	Buelt	Byrd	Catlett
	Gale	Hill	Riedesel	Schafer
	Witek			

Voting Against: None

Absent:	Bidrowski	Kohlhof	Vicars
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The motion carried.

Ms. Byrd left meeting at 3:20pm.

Mr. Lemon told the Board of the annual E-Government Conference, which is scheduled for November 18<sup>th</sup> at the Cornhusker Hotel.

No other business appearing before the Board, Ms. Hill moved that the meeting be adjourned; motion seconded by Ms. Bolen.

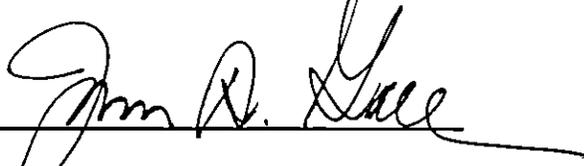
Voting For:	Bolen	Buelt	Byrd	Catlett
	Gale	Hill	Riedesel	Schafer
	Witek			

Voting Against: None

Absent:	Bidrowski	Byrd	Kohlhof	Vicars
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The motion carried.

Chairman Gale declared the meeting adjourned at 3:45 P.M.



John A. Gale  
Chairman  
State Records Board



**Grant Project Status Report  
First Quarter 2004**

Agency Name	Project Description	Date Grant Awarded	Original Grant Amount	Amount Spent To Date	Completion Date
Chief Information Officer	Business Portal Phase II	2/15/2002	\$25,000	\$17,268.25	December, 2004
Chief Information Officer	Interactive License Renewal	5/20/2002	\$25,000	\$25,000	Complete
Chief Information Officer	Citizen's Portal(Phase II approved 6/24/03)	5/20/2002	\$25,000	\$5,000	July, 2004
Chief Information Officer	Education Portal	5/20/2002	\$25,000	\$5,000	March, 2004
Chief Information Officer	Online Payment Portal	5/20/2002	\$25,000	\$22,500	July, 2004
Secretary of State	Online Rules & Regulations <i>(completed)</i> Tracking Phase <i>(not finished)</i>	5/20/2002	\$25,000	\$24,977	Winter, 2004
Bd. Of Public Accountancy	On-line review of Annual Register & submission of Applications & Forms	7/8/2003	\$25,000	-0-	April, 2005
UNL-Center for Applied Rural Innovation Connecting NE	Access eGovernment	7/8/2003	\$25,000	-0-	Spring 2004
Chief Information Officer	Interactive Licensing Phase II	9/18/2003	\$25,000	-0-	Sept., 2004

**REQUEST FOR APPROVAL TO ESTABLISH  
ELECTRONIC ACCESS FEES  
FOR ELECTRICAL INSPECTION APPLICATIONS**

Pursuant to Neb. Rev. Stat. §84-1205.03 and the *Nebraska State Records Board Guidelines for Submission of Requests for Fee Based Electronic Access*, the following information is submitted regarding online electrical inspection applications.

**1. A copy of the contract under consideration.**

Copy is attached.

**2. A description of the Public Records which are the subject of the proposed electronic access fee and the proposed fees and splits (combines #2 & 5 of State Records Board Guidelines).**

The electronic fee will apply to applications for electrical inspections by contractors or homeowners. The State Electrical Board will receive the full amount of each application fee, and will pay 2% of that amount to Nebrask@ Online. The Board will also pay electronic payment processing fees.

**3. The anticipated timeline for implementation**

The system is expected to be operational by April 1, 2004.

**4. Security Provisions**

Security will be provided in conformance with standard Nebrask@ Online security procedures. Each online application will reside on a firewall-protected server at NOL. Authorized users will be assigned a username and password to access the system. Payment processing will be handled by the NOL Payment Portal using SSL encryption.

**5. The fee and distribution of the fee for electronic access.**

Typical average fees for electrical inspections range from \$25 to \$195. The State Electrical Board will collect the fee and return 2% of the fee to Nebrask@ Online.

**6. Explanation/Justification of the need for Electronic Access**

State electrical inspectors conduct approximately 18,000 to 19,000 electrical inspections annually for contractors and homeowners, generating approximately \$1.2 million in revenue. The current process requires submission and processing of a paper application prior to inspection. Moving the process online will speed up the process and is being strongly encouraged by electrical contractors.

## **7. How fees and splits were determined**

Electrical inspection application fees are set in state statute. The 2% fee for Nebrask@ Online is consistent with several other license and permit applications that have been approved by the State Records Board.

## **8. Any pertinent statutory provisions**

The State Electrical Act, which includes the listing of statutory inspection fees, is included in Sec. 81-2010 et seq of the Nebraska statutes.

## **9. The Cost of Providing Electronic Access (Filing) and Provide Supporting Documentation for How that Cost is Computed**

Nebrask@ Online has the basic infrastructure in place to provide this service. Development of project specifications, software development work and testing (estimated 2-3 months) is necessary to bring the application online and integrate with the agency back-end system and the Payment Portal for electronic payment processing. Because of the nature of services offered by the network (most of which are provided to agencies and the public free of charge), it is difficult to allocate exact ongoing operating costs to this particular function.

## **10. Projected Volume of Activity and Revenue**

First-year adoption of the online service is expected to run about 5% of total applications, consistent with the experience of other online license services. Using total inspections of 19,000 and an average inspection fee of \$60, volume and revenue is as follows:

$19,000 \times .05 = 950$  estimated inspections conducted online  $\times$  \$60 average fee = \$57,000 total revenue from online applications (\$4,750 per month)

$\$4,750 \times 9$  months = \$42,750 total online revenue for 2004

$\$42,750 \times .02 = \$855$  Nebrask@ Online 2004 share

**Addendum One  
To the  
Interagency Agreement Between  
Nebraska State Electrical Division  
And  
Nebraska State Records Board**

This addendum to the Interagency Agreement between the Nebraska State Electrical Division and the Nebraska State Records Board sets forth certain services provided by Nebrask@ Online (operated under the auspices and authority of the Nebraska State Records Board), how the revenue from such Nebrask@ Online services is to be divided between the Nebraska State Electrical Division (R/NSED) and Nebrask@ Online (R/NOL).

This Addendum covers all data records with a statutory fee which are filed electronically through NOL at the direction of the Nebraska State Electrical Division.

R/NSED-98% of fee

R/NOL-2% of fee

**Disbursement of Fees:**

This paragraph shall supersede Section 6, Paragraph 1 of the Interagency Agreement between the Nebraska State Electrical Division and the Nebraska State Records Board. Invoices for all services rendered will be prepared by Nebrask@ Online and provided to the Nebraska State Electrical Division on a monthly basis. Rates for services shall be as provided above in this addendum. Terms of the invoice payment shall be net forty-five (45) days.

\_\_\_\_\_  
DATE

Authorized Officer  
Nebraska State Electrical Division

\_\_\_\_\_  
DATE

Authorized Officer  
Nebraska State Records Board

**NOTIFICATION OF INTENT TO ESTABLISH FEES  
NEBRASKA SUPREME COURT  
ONLINE ACCESS TO COURT INFORMATION (JUSTICE)**

Pursuant to Neb. Rev. State. Sec. 84-1205.03 and the *Nebraska State Records Board Guidelines for Submission of Requests for Fee-Based Electronic Access*, the following information is submitted regarding the Nebraska Supreme Court's intent to establish bulk fees for online access to district and county court information via the JUSTICE system.

**1. A copy of the contract under consideration.**

A copy of the proposed addendum is enclosed.

**2. A description of the Public Records which are the subject of the proposed electronic access fee and the proposed fees and splits (combines #2 & #5 of the State Records Board Guidelines).**

This request is to inform the Nebraska State Records Board of NSC's intent to establish bulk fees for online access to district and county court records via the JUSTICE system. The fee establishment will be executed by Addendum Three to the existing agreement between the NSC and the NSRB (attached).

Addendum Three will provide an alternate pricing option to the \$1.00 per record fee specified in Addendum Two, signed by the State Court Administrator and NSRB Chairman in September, 2002. Pricing will be set at \$500 per month or \$5,000 per year for unlimited retrieval of court records for end-users of the records. The alternate pricing will not be available to resellers of records. The monthly and annual fees will be split between NSC and NOL on the same percentage basis as the per-record fee (25% NSC, 75% NOL).

**3. The anticipated timeline for implementation.**

The system was deployed on January 5, 2004 and offers Nebrask@ Online subscribers free access to records until February 1, 2004. At that time, both the per-record and bulk pricing will be offered.

**4. Security Provisions**

Access to JUSTICE indices and data will be via a secure connection between NOL and the JUSTICE system. Users will access data through an NOL subscription arrangement with monthly billing, through which they will be assigned a username and password to access the system.

**5. The fee and distribution of the fee for electronic access.**

See #2 above.

**6. Explanation/Justification of the need for electronic access.**

Court records are of significant interest to many sectors, including legal, real estate, financial, and businesses conducting background checks on prospective employees. Many users do not make extensive use of court records, but some have indicated the need for a high volume of records. The bulk pricing provides an alternative to the per-record charge for end users that will conduct a large number of searches on a consistent basis.

**7. How fees and splits were determined.**

The access fee and revenue splits were determined through negotiations between NOL and the State Court Administrator.

**8. Any pertinent statutory provisions.**

Section 29-3521, Reissue Revised Statutes of Nebraska, specifies that court records of any judicial proceeding are public records.

**9. The cost of providing electronic access and how that cost is computed.**

The bulk pricing was determined based on pricing offered elsewhere in the Midwest and provides financial support for enhancing the NOL network to accommodate high volume users. It is difficult to allocate specific costs given the nature of NOL operations.

**10. Projected Volume of Activity and Revenue**

The just-launched system replaces a prior electronic access system for Douglas, Sarpy and Lancaster counties. Volume data is not available from the prior system. However, data is available on simultaneous system use, which indicates that on average there are 35 users accessing data at any given point in time. It is difficult to determine which users may opt for bulk pricing.

**Addendum Three**  
**to the**  
**Interagency Agreement Between**  
**Nebraska Supreme Court**  
**And**  
**Nebraska State Records Board**

This Addendum Three to the Interagency Agreement between the Nebraska Supreme Court (NSC) and the Nebraska State Records Board (NSRB) sets forth certain services provided by Nebrask@ Online (NOL, operated under the auspices and authority of the NSRB), the price (P) to be charged for such NOL services, and how the revenue from such NOL services is to be divided between NSC (R/NSC) and NOL (R/NOL). All revenue received pursuant to this addendum shall be deposited by the NOL network manager into the State Records Board Cash Fund pursuant to the provisions of the contract between NSRB and Nebraska Interactive, Inc. and any addenda thereto, and distributed back to NOL and NSC as provided below.

**Data Records to be Accessed:** District and County Court Records (JUSTICE)

	P	R/NSC	R/NOL
Monthly Price for Unlimited Access to End-Users of Records who Do Not Re-sell Records to Other Users	\$500	\$125	\$375
Annual Price for Unlimited Access to End-Users of Records who Do Not Re-sell Records to Other Users	\$5,000	\$1,250	\$3,750

\_\_\_\_\_ Date \_\_\_\_\_  
 Frank Goodroe, Court Administrator  
 Nebraska Supreme Court

\_\_\_\_\_ Date \_\_\_\_\_  
 John Gale, Chairman  
 Nebraska State Records Board

Nebraska@ Online Project List -- January 13, 2004

**Projects Completed**

<i>Agency</i>	<i>Project</i>	<i>Public Benefit</i>	<i>Time Sensit.</i>	<i>Complexity</i>	<i>Payment</i>	<i>Staff</i>	<i>Comments</i>	<i>Due</i>
Administrative Services	TSB Batch Run	Low	High	Low	Non-Fee	Pfister		
Agriculture	Pesticide renewal updates	Moderate	High	Moderate	Fee	Pabian		
Appraiser Board	Web site hosting	Moderate	Flexible	Moderate	Non-Fee	Pfister		
Attorney General	Web site staff attorney directory	Moderate	High	Moderate	Fixed Cost	M. Lyons		
Auditor	2003 updates	Large	High	Moderate	Non-Fee	Pabian		
Bankers Assn	User Management System	Moderate	Flexible	Moderate	Non-fee	Pfister		
Courts	JUSTICE	Extensive	Flexible	High	Trans. Fee	Lyons		
Engineers & Architects	License renewal update	Moderate	Rigid	High	Non-Fee	Pfister		
Governor	Gov. Biotech Web site hosting	Moderate	Firm	Moderate	Non-Fee	Norton		
Grain Sorghum Board	Web Site Redesign/Conversion	Large	Flexible	Moderate	Non-Fee	Duffy		
Health & Human Services	Well Drillers License Renewal	Large	Rigid	High	Grant	Lyons		
NEMA	Web Site Redesign/Password Section	Large	Flexible	Very High	Fixed Cost	M. Lyons		
Power Review Board	Web Site Redesign	Moderate	Flexible	Low	Non-Fee	Duffy		
Racing Commission	Password protected staff page	Modest	Flexible	Moderate	Non-Fee	Duffy		
Real Estate Commission	License renewal update	Large	Rigid	High	Non-Fee	Pfister		
Revenue	Contractor Tax Exemption Web Form	Large	High	Moderate	Non-Fee	Pabian		
Secretary of State	County Survey	Moderate	High	High	Non-Fee	Pfister		
Secretary of State	Provisional Voting site	Extensive	High	High	Non-Fee	Pfister		
Neb. Trans. Providers	Web Site Design & Training	Moderate	Flexible	Moderate	Non-fee	M. Lyons		
Wheat Board	Web Site update	Moderate	Flexible	Low	Non-fee	Duffy		

**Pending Approval**

<i>Agency</i>	<i>Project</i>	<i>Received</i>	<i>Benefit</i>	<i>Sensit.</i>	<i>Complexity</i>	<i>Payment</i>	<i>Staff</i>	<i>Complete</i>	<i>Due</i>
Agriculture	Forms Automation	09/15/03	Large	Low	Low	Fixed Cost	Duffy	95%	11/15/2003
Counties: Clay County	Web Site Design	08/14/03	Modest	Flexible	Moderate	Approp.	Duffy	95%	11/30/2003
Counties: Nuckolls County	Web Site Design	10/03/03	Modest	Flexible	Moderate	Approp.	Duffy	95%	11/30/2003
Counties	Marriage License Application	07/01/02	High	High	High	Non-Fee	Bush	90%	8/1/2003
Crime Commission	Searchable Database #2	07/31/03	Large	Flexible	High	Non-Fee	Pabian	90%	12/1/2003
Crime Commission	Searchable Database #3	07/31/03	Large	Flexible	High	Non-Fee	Pabian	90%	12/1/2003
Electrical Board	Form Automation	05/01/03	Large	Rigid	Moderate	Grant	Brown	95%	12/31/2003
Fire Marshal	Web Site Hosting & Redesign	05/19/03	Large	Flexible	Moderate	Non-Fee	Fitzgerald	90%	2/16/2004

Health & Human Services	Behavioral Health/SICA Web site	07/09/03	High	High	Moderate	Non-Fee	Duffy	85%	12/1/2003
Library Commission	Databases Access/Portals	02/04/03	Extensive	High	Moderate	Non-Fee	Warriner	95%	11/1/2003
National Guard	Message Board	10/01/03	Moderate	Firm	High	Non-Fee	Lyons/Bills	95%	1/15/2004
Retail Federation	Website Redesign/Conversion	06/06/03	Large	Flexible	Low Extremely	Non-Fee Trans.	Fitzgerald	95%	11/1/2003
Secretary of State	UCC Filing/Search Upgrades	04/20/02	Large	Firm	High	Fee Fixed	Pfister	95%	12/31/2003
Tourism (DED)	Forms Automation	08/15/03	Large	Low	Low	Cost	M. Lyons	95%	12/31/2003

### Projects Underway

Agency	Project	Received	Benefit	Sensit.	Complexity	Payment	Staff	Complete	Due
Account. & Disclosure	Database Conversion & Search	06/23/03	Extensive	High	High	Fixed Cost	Pfister/Bush	75%	2/1/2004
Administrative Services	Wellness Walking Web page	11/15/03	Modest	Flexible	Low	Non-Fee	Norton	85%	1/15/2004
Adminstratlve Serv/CIO	Automated Gen. Ledger Transmission	09/24/03	High	High	Very High	Non-Fee Fixed Cost	Pfister	10%	Ongoing
Agriculture	Web Site Redesign/Password section	02/11/03	High	High	High Extremely	Fixed Cost	Duffy	50%	2/1/2004
Arts Council	E-Granting	08/18/03	Large	Rigid	High	Cost	Warriner	80%	1/15/2004
Banking	Bank Financial Info Section/Un& Pw	05/07/03	Large	High	Moderate	Non-fee	Lyons	30%	3/1/2004
Chief Information Officer	Forms Automation	03/15/01	Extensive	Flexible	Very High	Grant	All	75%	Ongoing
Chief Information Officer	Ed Portal Enhancement/College App	06/01/03	Extensive	Flexible	High	Grant	M.Lyons	50%	2/29/2004
Chief Information Officer	Ed Portal Enhancement/IT Calendar	06/01/03	Extensive	Flexible	High	Grant	M.Lyons	50%	2/29/2004
Chief Information Officer	Citizen Portal Enhance/Press Releases	01/07/03	Extensive	Flexible	Moderate	Grant	Norton	0%	2/1/2004
Chief Information Officer	Pub. Meet. Calendar E-mail Notification	06/01/03	Extensive	High	High	Non-Fee	Pfister	90%	2/1/2004
Counties	County Project Maintenance	07/01/00	Extensive	Flexible	Moderate	Approp.	Brown	80%	Ongoing
Counties: Merrick County	Web Site Design	08/14/03	Modest	Flexible	Moderate	Approp. Fixed Cost	Duffy	50%	2/15/2004
Crime Commission	Web Site Redesign	08/01/03	Large	Flexible	Moderate	Fixed Cost	Benes	50%	2/1/2004
Energy Office	GEC page password protection	10/03/03	Modest	High	High	Cost	Norton	85%	1/20/2004
Health & Human Services	Veterinary License renewal	12/15/03	Large	Rigid	High	Grant	K. Lyons	80%	2/1/2004
Health & Human Services	Podiatry License renewal	12/15/03	Large	Rigid	High	Grant	K. Lyons	20%	2/1/2004
Health & Human Services	Practitioner Lists	03/12/03	Large	High	Moderate	Trans. Fee Fixed Cost	Pfister/Bills	90%	2/15/2004
Health & Human Services	SICA Site - Online conf. registration	12/20/03	Moderate	High	Moderate	Fixed Cost	Norton	70%	1/20/2004
Insurance	Summary of Business Report online	10/01/03	Moderate	High	High	Cost	Bush	80%	3/1/2004
Investment Council	Web site design	01/02/04	Large	Flexible	Moderate	Non-Fee	Benes	50%	2/15/2004

Motor Vehicles	Insurance database	09/01/03	Large	High	High	Trans. Fee	Pfister	15%	6/1/2004
Real Estate Commission	License applications	09/01/03	Moderate	High	Moderate	Fee	Pfister	40%	11/1/2003
Revenue	Income Tax 1040N (Long Form)	01/01/03	Extensive	Flexible	High	Trans. Fee	Pabian	95%	1/15/2004
Revenue	Income Tax 1040NS	01/01/03	Extensive	Flexible	High	Trans. Fee	Pabian	95%	1/15/2004
Roads	Forms Automation/Map Order Form	12/15/03	High	High	Low	Fixed Cost	Benes	0%	7/1/2004
Secretary of State	Rule & Regulations updating	Ongoing	Extensive	High	High	Non-Fee	Bush	90%	Ongoing

### Projects Requested

Agency	Project	Received	Benefit	Sensit.	Complexity	Payment	Staff	Complete	Due
Abstracters Board	License renewals	10/01/03	Large	High	High	Fee	Brown	0%	2/1/2004
Deaf & Hard of Hearing	Database	11/01/03	Moderate	Flexible	Low	Non-Fee	Duffy	0%	
Electrical Board	Online electrical permits	12/15/03	Large	High	High	Trans. Fee	K.Lyons	0%	4/1/2004
Energy Office	Energy Loan Program Automation	05/15/00	Modest	Flexible	Very High	Grant	Bush	85%	4/1/2004
Fire Marshal	Fireworks permits	10/10/03	Large	High	High	Fee	K.Lyons	0%	2/17/2004
Health & Human Services	Respiratory Care License Renewals	12/15/03	Large	Rigid	High	Grant	K.Lyons	0%	6/1/2004
Health & Human Services	Chiropralitioners License Renewals	12/15/03	Large	Rigid	High	Grant	K.Lyons	0%	8/1/2004
Health & Human Services	Optometrists License Renewals	12/15/03	Large	Rigid	High	Grant	Bush	0%	8/1/2004
Health & Human Services	Occupational Therapists Renewals	12/15/03	Large	Rigid	High	Grant	K.Lyons	0%	8/1/2004
Indian Affairs	Online Resource Directory	11/01/03	Modest	Flexible	Moderate	Fixed Cost	Norton	0%	
Legislature	Online Bill Tracking System	12/18/03	Extensive	Flexible	High	Trans. Fee	Bills	0%	
Motor Vehicles	Commercial Plate Search	01/02/04	Moderate	High	High	Fee	Pfister	0%	
Motor Vehicles	Tax Estimator	01/02/04	Large	High	High	Unknown	Pfister	0%	
Motor Vehicles	Message Plate Ordering	01/02/04	Large	Flexible	High	Unknown	Pfister	0%	
NRCSA	Web site design & hosting	11/01/03	Modest	Flexible	Moderate	Fixed Cost	Duffy	0%	
Racing Commission	Payment portal account transfer	11/01/03	Moderate	Flexible	High	Non-Fee	Gibbs	0%	2/15/2004
Rural Development Comm	Web site design	01/07/04	Large	Flexible	Low	Non-Fee	Duffy	0%	
Secretary of State	Provisional Voting database/forms	08/18/03	Extensive	High	Low	Non-Fee	Pfister	0%	

### Projects On Hold

Agency	Project	Received	Benefit	Sensit.	Complexity	Payment	Staff	Complete	Due
Administrative Services	State Employment App. Upgrade	04/08/03	Extensive	Firm	High	Grant/Fee	Lyons	50%	

Administrative Services	Vehicle Checkout enhancements		Modest	Low	Moderate	Non-Fee	Pfister	0%
Administrative Services	Vehicle Checkout Enhancements	07/15/02	Modest	Flexible	Moderate	Non-Fee	Pfister	30%
Historical Society	Photo Image database	07/01/03	Large	Low	Very High	Non-Fee	Pfister	0%
Motor Vehicles	Drivers License Reinstatement	02/01/02	Modest	Flexible	High	Unknown Trans.	Pfister	10%
Secretary of State	EFS Filing	02/02/02	Large	Firm	High	Fee	Pfister	0%
Workers' Comp Court	Password-protected Directory	01/05/04	Moderate	Flexible	Low	Non-Fee	Norton	75%

**Possible Projects**

<i>Agency</i>	<i>Project</i>	<i>Received</i>	<i>Benefit</i>	<i>Sensit.</i>	<i>Complexity</i>	<i>Payment</i>	<i>Staff</i>	<i>Complete</i>	<i>Due</i>
Account. & Disclosure	Campaign Statement Filings		Large	High	High	Fixed Cost	Pfister		
Account. & Disclosure	Web Site redesign		Extensive	Flexible	Moderate	Non-Fee Trans.	Fitzgerald		
Historical Society	Suite of E-Government Services		Large	Flexible	High	Fee	Gibbs		
Historical Society	Photo Image database	01/15/03	Large	Flexible	High	Non-Fee	Pfister		
Library Commission	Drawdown Accounts/ACH Transfers	06/03/03	Large	Flexible	High	Proc. Fee	Unassigned		
Nebraska Diplomats	Web Site Hosting /Conf. Registration		Moderate	Flexible	Moderate Extremely	Non-Fee	Gibbs/Brown		
Patrol	Criminal History Searches		Extensive	Flexible	High	Fee	Gibbs/Lyons		
Revenue	Sales Tax Permits Online Credit Card		Large	High	High	Unknown	Armstrong		
Revenue/SOS	State Tax Lien Filings		Extensive		High	Unknown	Armstrong		
Roads	Online Shopping Cart		Extensive	Flexible	High	Unknown	Gibbs		
Secretary of State/IRS	Federal Tax Lien Filings		Extensive		High	Unknown	Armstrong		
Secretary of State	Web Site Design & Training		Large	Flexible	Moderate	Non-fee	Benes		

**Contract for Network Manager Services**

**Between**

**The Nebraska State Records Board  
on behalf of the**

**State of Nebraska**

**And**

**Nebraska Interactive, Inc.**

**January 13, 2004**

- e. Additional and leveraged resources for NSRB to assist in its records management, information management, data collection, and access functions;  
and

WHEREAS, in order to effectuate this enhancement, NSRB, as the Nebrask@ Online network authority, issued a request for proposals for a public-private partnership with a private network manager, dated April 14, 2003. The request hereinafter referred to as "the RFP"; and

WHEREAS, NII submitted a proposal in response to the RFP, and such proposal was determined by the NSRB to be the one best-suited to the goals of the NSRB and the needs of an enhanced Nebrask@ Online. The proposal is hereinafter referred to as the "NII Proposal"; and

WHEREAS, NSRB desires to enter into a contract with NII for NII to serve as network manager in a public-private partnership to enhance, develop, operate, maintain and expand Nebrask@ Online (hereinafter referred to as "the Network") for increased electronic access to and collection of public and other useful and relevant information as contemplated by the grant of authority to NSRB, in Section §84-1204 R.R.S. 1943, which provides in part that NSRB shall develop and maintain a gateway or electronic network for accessing public records; and

WHEREAS, pursuant to Section §84-1204 R.R.S. 1943, the NSRB also supports and advises the Nebraska Records Management Division and State Records Administrator in accomplishing their legislative purposes, and for which the Network will furnish further valuable support; and

the parent company of NII, hereinafter "NICUSA", or any of its affiliates and utilized pursuant to this contract, hereinafter collectively referred to as "The Software".

The following terms and conditions shall govern this contract:

a. By January 31, 2007, or upon termination as provided for in the terms of this contract, NSRB shall be entitled to a non-exclusive perpetual right-to-use-only license with rights to modify as it desires (either itself or using Approved Contractors), for no additional compensation, to The Software as it exists as of that date. Thereafter, at the end of each renewal period exercised by NSRB, or upon termination as provided for in the terms of this contract, NSRB shall be entitled to the same license to The Software as it exists on each such date for no additional compensation.

b. The perpetual right to use license shall not apply to software or documentation created by third parties (other than NICUSA or its affiliates) and purchased by or licensed to NII, (hereinafter referred to as "Third Party Software") together with any amendments thereto made by NII.

c. A copy of The Software, or such portion as NSRB may elect to license, as it exists upon such date, shall be delivered to NSRB upon termination as provided for in the terms of this contract, or upon January 31, 2007, or the end of any renewal periods beyond that date, exercised by NSRB.

d. NII shall deposit on a quarterly basis, at its own expense a copy of the most recent version of all source code of The Software in escrow with a neutral third party mutually chosen by NII and NSRB. Over the term of the contract NII will have the authority to remove superseded source code. Upon notice of termination or expiration of

expiration and shall become the property of NSRB. NII shall be entitled to retain copies of the same, which may be used only for defensive and archival purposes.

NII will be responsible during the term of this Contract for maintaining Network hardware and software (including items provided to the Department of Administrative Services, Division of Information Management Services, hereafter referred to as "IMServices", as allowed by IMServices).

g. Upon termination or expiration of this contract the NSRB shall have the right to purchase, at its depreciated value used for federal income tax purposes, all computer hardware owned and used in Nebraska by NII in association with operating the Network. Such hardware shall have all current software relating to NII applications and operating systems intact to provide a fully-functional production environment, and administrative authority required for access and operation of such hardware shall be transferred by NII to appropriate personnel to be designated by NSRB.

Upon termination or expiration the NSRB shall also have the right to purchase or have transferred to them for consideration to be determined by the parties any third-party commercial software licenses used in the operation of network at its depreciated value used for federal income tax purposes.

### **3. CONNECTIONS BETWEEN NETWORK AND STATE AGENCIES**

Costs associated with and maintenance of communication links from state facilities to NII facilities for Network purposes, including but not limited to leased circuits from telephone or cable companies, shall be paid as expenses from the Network revenue account.

security, and any other reasonable special requirements (such as—providing credit card authorization service for State's Credit Card Payment Program with regard to certain services made available via the Internet) for access to and collection of DP/CE data. (NSRB will cooperate in obtaining electronic access to DP/CE's for NII which will be funded by NSRB only if specifically approved by the NSRB.)

d. Unless otherwise specifically provided in statute, all electronic access fees for state government information collected by NII shall be deposited by electronic means in the Records Management Cash Fund by NII. Deposits by NII shall be made as follows:

i. On the 15<sup>th</sup> day of each month, or the next following business day to the 15<sup>th</sup> of the month if the fifteenth does not fall on a business day, NII shall deposit in the Records Management Cash Fund by electronic means payment for the estimated portion of funds received for services rendered in the prior month ultimately retained by NSRB and DP/CE under all agreements for such payment in effect between the NSRB and DP/CEs and NSRB and NII.

ii. On the last business day of the month NII shall deposit in the Records Management Cash Fund by electronic means the total amount of funds payable to NSRB for services rendered in the prior month payable to NSRB and DP/CEs under all agreements for such payment in effect between NSRB and DP/CEs or NSRB and NII less amounts received from the mid-month payment provided in paragraph (i) above.

iii. At least seven days prior to the last business day of the month NII shall provide an itemized statement of all payments to be deposited for that

appropriateness. In establishing such Network prices NII and NSRB shall consider the following factors:

- a. The need to reward innovation and efficiency in Network management.
- b. A commitment to the public policy requirement to provide electronic access to public records or electronic transactions with the public at the most reasonable prices possible.
- c. That the prices to be charged may be adjusted to permit funding of special projects and enhancement of public service.
- d. The fact that some public records may already be provided electronically by the State.
- e. The entrepreneurial and start-up nature of the business and attendant risk of capital for NII and the need for them to earn an acceptable rate of return.
- f. The need to invest in expansion of and improvement in The Network and its information services.
- g. The need of NII to earn a reasonable profit on Network operations.
- h. The need to comply with Legislative requirements.
- i. Any other reasonable factor which in the opinion of NSRB should be considered.

2) Such services will thereafter be subject to periodic review and adjustment by NSRB, in conformance with the appropriate Reissue Revised Statutes of Nebraska. Recommendations for amended rates shall be made by NII to NSRB as deemed necessary or desirable.

a. NSRB will operate the Network within the records management cash fund allocation allowed by the Reissue Revised Statutes of Nebraska and the revenue generated from electronic access fees generated from new services implemented during and/or between Legislative Sessions.

b. NII shall be entitled to 90% of the net transaction revenue for services enumerated in Appendix B of the RFP. 10% of such net transaction revenue shall be retained by NSRB, at least one-half of the 10% retained shall be reserved and paid to NII for services as directed by NSRB. For purposes of this section of the agreement, "net transaction revenue" shall mean all transaction fees collected by Nebrask@ Online for services enumerated in Appendix B of the RFP less payment of agency portions of transaction fees.

c. NII shall be entitled to retain all revenue generated from subscription fees and connect time charges. NII shall be paid the revenue generated from electronic access fees for currently existing services by NSRB according to the terms currently applicable or as modified at some future date pursuant to Nebraska law and/or by mutual agreement after payment of the fees specified in the respective DP/CE agreements, and payments specified in paragraph b. above. Revenue from electronic access fees for new services shall be divided as agreed upon at the time the NSRB approves the fees for the services or as modified at some future date pursuant to Nebraska law and/or by mutual agreement.

designated by NSRB. Monthly income statement and balance sheet information will be provided to NSRB by NII.

NII also agrees to make other changes requested by NSRB to comply with recommendations made in any applicable audit or compliance review. NII shall have the opportunity to address the Board should they have any concerns or supplemental information regarding any request to comply pursuant to this section.

#### **10. FINANCES AND RECORDS**

On an annual basis, NII will provide audited financial statements to NSRB. To the extent the financial audit report discloses any discrepancies in the NII charges, billings or financial records, and following a period for review and verification by NII, NII will adjust the next monthly bill as soon as reasonably possible, but not to exceed 90 days. NII shall cooperate to assure that verification is completed in a timely manner.

The accounting system is to include a numbered chart of accounts, books or original entry of all transactions, appropriate subsidiary ledgers, a general ledger which includes to-date posting and an audit trail through financial statements. Such books may either be maintained on paper or on computer with appropriate backup. NII shall adopt the calendar year ending December 31, for reporting purposes.

The financial audit performed pursuant to this section shall be performed by a competent and reputable CPA licensed in Nebraska.

Financial information concerning NICUSA is and shall continue to be made available at their website: <http://www.nicusa.com> or at such successor website(s) that shall be used for such purpose.

b. In consultation with NII, NSRB shall establish guidelines and procedures for project management to be utilized by NII. Such procedures shall include:

- Identify and agree upon with the agency or entity involved the scope of work
- Identification of resources needed for the project including:
  - Identify participants in the project and their roles and responsibilities
  - Identify equipment, hardware and software needs
- Define Deliverables
- Establish a timeline
- Establish a reporting procedure to the agency or entity for whom the work is being performed
- Identify and develop risk mitigation strategy as necessary

Documentation of these project management procedures shall be submitted to NSRB in such manner and such times as NSRB may determine.

### **13. PROHIBITION ON CERTAIN PAYMENTS TO INTERESTED PARTIES**

“Interested party” means any NII officer, director, stockholder and any state employee directly involved in negotiation of the Contract, and any immediate family member of the foregoing.

b. System development costs, including programming (to the extent not covered by regular salary under ordinary operating expenses) and purchases or upgrades of software or hardware.

c. Payment to owners of NII.

d. Any other payments to NSRB.

#### **16. CORPORATE SUPPORT**

NII shall monitor and notify NSRB of any new applications developed by its parent company or other subsidiaries of its parent company for possible implementation as part of Nebrask@ Online at no additional license cost to the State. When implemented as part of Nebrask@ Online, such applications will be governed by Section 2 of this contract which gives NSRB a perpetual right-to-use license.

#### **17. PROBLEM REPORTS**

NII shall log and track complaint and suggestions submitted pursuant to any online chat, online support, or help desk functions utilized by NII. Such logs shall be available to NSRB upon request.

NII shall log and track any complaint, delays, or disputes associated with the development of applications for agencies or entities under this contract. Such logs shall be made available to NSRB at any time upon request, and shall be reported to the NSRB at such times and in such manner as NSRB may determine.

#### **18. PEER REVIEW**

NSRB shall develop and NII shall submit to an annual peer review of technical architecture, security, quality assurance, and project management methodology

Section III, Subsection CC for any one particular instance allowing recovery under these sections. This section should in no way be construed to limit the NSRB's ability to recover separately or conjunctively, under either Section III, subsection BB or subsection CC of the RFP should any action or inaction by NII create grounds for recovery under these sections.

## **22. TERMINATION OF CONTRACT**

1). NSRB may terminate this Contract immediately for the following reasons:

- a. if directed to do so by statute;
- b. if there is a substantial cessation of services provided through the gateway by NII for more than ten consecutive days, NSRB shall notify NICUSA of any substantial cessation of network services within 24 hours of such cessation and the ten days shall run from the time of cessation as long as the notification is provided in within 24 hours;
- c. failure of appropriation by the Legislature as found in section III, Y of the RFP;
- d. dissolution of NII or forfeiture of its corporate existence without the creation or assignment of a successor business entity assuming the obligations of this contract; insolvency or bankruptcy of NII,;
- e. Fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under this contract by NII, its employees, officers, directors or shareholders;
- f. Intentional disclosure of any confidential information;

unless otherwise specified in this Contract, for NII to cure such causes under this Contract of which it receives written notice.

For purposes of this Contract, the phrase "for cause" shall exclude items enumerated in Section 22, but shall include, but not be limited to, the following events:

- a. Any material breach or evasion by NII of the terms or conditions of this Contract and its amendments, if any.
- b. Material breach of an agreement with any state agency or political subdivision.
- c. Substantial cessation of services provided through the gateway by NII for less than ten consecutive days.

2). NII shall have the right to terminate this Agreement for cause, subject to cure, by providing written notice of termination to NSRB. Such notice shall specify the time, the specific provision of this Agreement or "for cause" reason that gives rise to the termination, and shall specify reasonable appropriate action that can be taken by NSRB to avoid termination of the Agreement. NSRB shall have of up to sixty (60) calendar days, unless otherwise specified in this Agreement, for the NSRB to cure breaches and deficiencies of its performance obligations under this Agreement. For purposes of paragraph 3, the phrase "for cause" shall mean:

- a. Any material breach or evasion by NSRB of the terms or conditions of this Agreement and its amendments, if any.

#### **24. STANDARD USE MESSAGES**

The Network shall display such standard use message(s) to all subscribers upon initial access to the Network or a part thereof as may from time to time be appropriate, and a subscriber shall be required to indicate the subscriber's compliance with said message terms.

d. NII shall notify affected DP/CEs and NSRB within two hours of unauthorized attempts to gain access to password protected data. The notice shall contain detailed information to aid the DP/CE to examine the matter.

## **26. PATENT, COPYRIGHT, TRADEMARK AND TRADE SECRET INDEMNITY**

NII warrants that its proposed operation of the Network does not and shall not infringe on the United States patent, copyright, trademark or trade secret rights of any person or entity. NSRB shall provide NII with prompt notice of any claim against NSRB or the State, and NII shall have the duty to defend or settle such claim as NII deems appropriate. NSRB shall be provided with prompt notice of any such claim of infringement against NII and NII shall have the exclusive right to defend or settle such claim at NII's option. NSRB shall cooperate with NII in its defense or settlement of such claim at no expense to NSRB. If NII determines that, as a result of such claim the right of users to use the Network is likely to be abridged, NII shall (a) take all reasonable steps necessary to procure for users the right to continue to use the Network; or (b) modify the Network so that no such abridgment will occur and correspondingly reduce charges if the modified Network is not substantially equivalent or better than what it was before the modification.

## **27. LIABILITY**

NSRB and the State of Nebraska, its agents and employees shall not be legally responsible to NII for errors due to Network problems.

NII agrees for itself, its agents, employees and assigns to hold harmless, indemnify and defend NSRB and the State of Nebraska, its agents and employees from any

## **29. TERMS OF CONTRACT**

This Contract shall be for a term of 3 years, commencing February 1, 2004, and expiring at the hour of midnight Central Daylight time, between January 31 and February 1, 2007, unless earlier terminated by NSRB.

Subject to the agreement in writing of the parties, this Contract may be renewed for (a) one additional term of 2 years followed by (b) a subsequent additional term of 1 year. Renewals under (a) and (b) may be exercised by one act of renewal. Notification of renewal shall be given by NSRB to NII at least 1 year before the expiration of the initial term and of any renewal term. The term "this Contract" as used in this Agreement shall mean the initial term, together with any renewal terms which are approved. NSRB acknowledges that the length of this Contract and the length of any renewal term or terms has a material effect on the capital invested in the Network considering the potential profit margin hereunder.

## **30. RELATIONSHIP OF PARTIES**

Notwithstanding any other provisions contained herein, it is expressly agreed that NII is an independent contractor in the performance of each and every part of this Contract. As such, NII is solely and personally liable for all labor and expenses in furtherance of such performance and for any and all damages which may be occasioned on account of its performance hereunder.

NII may become an agent of NSRB only by the expressed written consent of NSRB.

NII will not pledge any assets of NSRB in its care, custody or control, or cause any type of lien to attach to such.

NEBRASKA INTERACTIVE, INC.:

\_\_\_\_\_  
PRESIDENT

\_\_\_\_\_  
Date

STATE OF NEBRASKA )

) ss.

COUNTY OF LANCASTER)

Rod Armstrong, of lawful age, being first duly sworn, deposes and says that he is President of Nebrask@ Interactive, Inc. and has been duly authorized to execute this Contract on its behalf.

\_\_\_\_\_

SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of January, 2004.

\_\_\_\_\_

Notary Public

My Commission expires: \_\_\_\_\_

**GUARANTEE OF PERFORMANCE**

NICUSA, Inc. guarantees performance of Nebraska Interactive Inc. under the terms of the contract for Network Manager Services executed between the Nebraska State Records Board and NII on January \_\_\_\_\_, 2004, and will promptly take all necessary steps to ensure continued uninterrupted operation of the Network and provide the necessary support to ensure compliance with contractual provisions upon written notice by NSRB of nonperformance or breach.

\_\_\_\_\_  
President or CEO

\_\_\_\_\_  
Date

STATE OF NEBRASKA    )  
                                  ) ss.  
COUNTY OF LANCASTER)

\_\_\_\_\_, of lawful age, being first duly sworn, deposes and says that he is President or CEO of NICUSA, Inc. and has been duly authorized to execute this Contract on its behalf.

\_\_\_\_\_  
SUBSCRIBED AND SWORN to before me this \_\_\_\_ day of January, 2004.

\_\_\_\_\_  
Notary Public

My Commission expires: \_\_\_\_\_