ANNEX II: TERMS OF REFERENCE SEED

1. BACKGROUND INFORMATION

1.1. Beneficiary country

Romania

1.2. Contracting Authority

Ministry of Public Finance – Central Financing and Contracting Unit

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1.3. Relevant country background

The National Programme of Development of Romania specifies the several priorities in the field of taxation. Among them to introduce and operate an integrated tax IT system adapted to the needs of such users as the tax administration, governmental agencies and the EU, and to adopt the system to the EU standards.

Relevant Directives of the European Union provide for an electronic exchange information concerning indirect taxes. The requirements and principles are set by VIES and SEED, and regarding financial crimes, by FISCAL SCENT. The requirements apply not only to legal and administrative arrangements, but also for the principles of data processing, data security and for data transmission technologies. In the process of preparing for the exchange of information with the tax administrations of the EU Member States according to the requirements of the EU information systems, the Romanian National Agency of Tax Administration will be challenged by the complexity of developing legislative, procedural and technical conditions according to the EU specifications. The project will help dealing with these challenges.

1.4. Current state of affairs in the relevant sector

At the present moment the integrated IT system of the MoPF/NATA, based on Oracle 8, is used to handle for all types of tax information, excluded Custom information. The basic needs of NATA are covered in higher or lower degree.

The integrated IT system (ITIS) consists of sub-systems defined to support each main function of the MoPF/NATA, all integrated by the two back-bones represented by General Registers: Taxpayers General Register and Budgetary Classification General Register, to which General Lists are added.

The IT system runs on three levels (according to the administrative organisation of MoPF/NATA) and data exchange is performed between these three levels. All information regarding tax returns is consolidated at central level, in two steps. Instead, no consolidation of Public Accounting information was available until beginning of 2005 year.

Detailed tax data is captured at local level, but data concerning the identification of taxpayers are valid only after validation at central level. The central Taxpayers Register ensures the issue of a unique, national wide valid ID number and its management. Even more, the taxpayer's ID number is mandatory to be used on all official documents issued by taxpayers.

Terms of reference

The taxpayer's ID number (generally recognised as CUI – Code for Unique Identification) is issued and managed by MoPF since 1993 and covers all legal entities having a relationship with the administration. Since 1999 queries about the validity of a specific CUI are available on the MoPF web site www.mfinante.ro . CUI is a non-significant number of 9 digits, of which the last is one check digit and is sequentially issued from the central Oracle database.

Real persons are identified by the so-called CNP (Numeric Personal Code), issued by the Ministry of Interior Affairs and used as it is by the MoPF/NATA for their needs. CNP is a significant number of 13 digits, of which the last is one check digit. Monthly data transfer ensures the updated register for real persons. Within the MoPF/NATA IT system, the register is managed on central Oracle database.

Register of Authorised Warehouse Keepers and Registered Traders (further more called Excise Register) is kept at central level. In Annex 76 the structure of the Excise ID number is detailed, as well as the attributes registered in the Excise Register. Strong relationships are developed between the Excise Register and the Taxpayers Register and the National Lists, for integration purposes.

Generally ITIS structure of databases is the same on each of the three levels. Oracle 8.1.7 is used at present, in client-server technology, but projects to move to Oracle 10g in central architecture, with web enabled applications are in progress both for the tax administration and for public accounting.

The centralised architecture and the new version of Oracle are required to improve the quality of data, to respond to security demands as to requirements for traceability and accountancy of processes.

The main technical choices for the ITIS architecture are described in detail in Technical Specifications for project Phare RO 2003/005-551.03.04.01 (Annex 1).

The directions of change are: centralised database architecture, multi-tier architecture, migration from client/server applications to web-enabled applications, with the implementation of security facilities as SSL protocol, use of Public Key Infrastructure, unique LDAP related to Single Sign-On mechanisms, portal technologies to implement services for clients from Internet as well as for clients from Intranet.

As specified in the above-mentioned Technical Specifications, the RDBMS will be Oracle 10g and the application server will be Oracle 10g Application Server. Internet Development Suite is the set of design and development tools to be used.

The Contractor shall use the same technology to develop the system.

Regarding the e-mail system, MoPF has in place Lotus Domino system to support e-mail and document management. Functions such as electronic signature, encryption, logs, cross-certification between servers, programmed data transmissions between Oracle applications using Lotus Domino support are largely in function.

So, in general, three main areas to be improved with present architecture:

- Data reliability and availability
- Improved access time to necessary data
- Quality and security features enhanced

Decision 1152/2003/CE is the base for the set up the Excise Movement and Control System. The EMCS Computerisation Project (ECP) specifies, deploy and support the operation of the EMCS across all the Member States. EMCS is introduced in "1+3" phases from 2002 to 2009 (Phase 0 and Phases 1,2, 3)

Phase 0 refers to the operational support and maintenance of the existing systems (SEED, MVS and EWSE) used in the excise field, waiting for the operation of EMCS.

In Phase 1 the system specifications are prepared and Phases 2 and 3 are both development and implementation phases.

In view of Accession to European Union, Romania has to align its systems to the requirements of inter-operability and exchange of information in the field of excises.

That is the reason for which Romanian administration must develop and implement the existing systems used in the field of excises (SEED, EWSE and MVS) in respect of the latest functional and technical specifications (according to EMCS Phase 0).

In the same time, Romanian administration has to prepare itself to the new EMCS system, by keeping informed with the latest developments of the system, recommendations and specifications and preparing projects to face the need for further developments (to mobilise resources and capabilities).

The implementation of the present project will allow to the employees working in the Excise Liaison Office and in the Local Excise Offices to exercise their tasks according to Phase 0 and to prepare the MoPF/NATA for EMCS development and implementation.

ELO and LEO are organised today within the Fiscal Inspection Department and are responsible for the management of both VAT and excises exchange of information with the other Member States. Other end users of the information are employees of Fiscal Inspection and Control, Customs, as well as people from the management of the taxes or responsible for the revenues collection. Statistic information shall reach the highest level of management in MoPF/NATA.

Recent decisions were taken to transfer the excise activities to the National Customs Authority (part of NATA) starting with year 2007 (exact date undecided yet). That is why joint working groups are set up under the coordination of NATA, in order to jointly prepare the future system, to train the first specialists that will work in the field of excise exchange of information in the Customs and to use their previous experience with similar systems (NCTS).

1.5.   Related programmes and other donor activities:

1.5.1. Recommendations of Commission regarding SEED v0

Official documents are governing the development of SEED v0 and defining the further developments to come within EMCS project. New specifications are expected to be finalised by DG TAXUD during 2005, in due time for the works for this project.

1.5.2. Phare R0 2002/000.586.03.04.15

"Improvement of the Information System and the infrastructure of Hardware, Software and Communications, Support of the Ministry of Public Finance functions in Romania" – services project.

Expected results are focused on two axes: global information security (strategy, politics, standards, procedures, Disaster Recovery Centre – plan, organisation recommendations) and internal communication (strategy, politics, standards, procedures, IT specific tools).

Recommendations regarding security have to be taken into account when designing solutions to achieve the objectives of the present project.

1.5.3. PHARE RO 2003/005-551.03.04.01

"Development and implementation of the integrated solution for the IT system, part of the IT strategy of the Ministry of Public Finance (phase 2003)" – supply project.

Supply consists in hardware and software for the Central Servers and the Disaster Recovery Centre and Infrastructure management solution. See Technical Specification in Annex 1 to Terms of Reference.

1.5.4. PHARE RO 2003/005-551.03.04.02

"Development and implementation of the integrated solution for the IT system, part of the IT strategy of the Ministry of Public Finance (phase 2003)" – supply project.

Supply consists in workstations, printers, scanners, connectivity; bandwidth in order to support thousands of simultaneous accesses through Internet and the communication solution for Bucharest locations; communications for territorial locations.

1.5.5. PHARE RO 2003/005-551.03.04.03

"Development and implementation of the integrated solution for the IT system, part of the IT strategy of the Ministry of Public Finance (phase 2003)" – services project.

Services consist mainly in providing web portal enhanced to accept electronic tax returns; migration from distributed to centralised Oracle databases and from client/server to web enabled applications. See Terms of Reference in Annex 2 to Terms of Reference.

1.5.6. PHARE RO 03/IB/FI 07 TL

"Transposition of the acquis communautaire in the field of information exchange for VAT and excises"

The global objective of the project is the improving of the collection system of budgetary revenues and preparing the legislative mechanism regarding the VAT and excises fields, as support for the information exchange system with other Member States.

1.5.7. World Bank Loan no. 4491RO, IFB Number: 3

"Centralised Real-Time Public Accounting Ledger – Phase 1 –" – supply project.

Supply consists in workstations, printers, and connectivity for more than 3,500 working posts, implemented in all Public Accounting operative units.

1.5.8. World Bank Loan no. 4491RO, IFB Number: 5

"Centralised Real-Time Public Accounting Ledger – Phase 2 –" – supply project.

Supply consists in Central Production and Recovery Database servers, and the necessary Oracle database software for the Production Database Server to support the centralised activity of the Public Accounting and create the conditions to connect the State Treasury to the Electronic Interbank Payment System. The hardware and software solution is in line with the requirements defined in supply projects Phare 2003, to preserve the uniformity and to protect the previous material and human investments.

1.5.9. World Bank Loan no. 4491RO, IFB Number: 2

"Connection of the State Treasury to the Electronic Interbank Payment System" – design, supply and installation of information system project.

Terms of reference

The result of the project is a turnkey solution to ensure the participation of the State Treasury to the Electronic Interbank Payment System, as defined by the National Bank of Romania and its agent, TransFonD. The necessary hardware, software, application and connection to EIPS and SWIFT have been provided.

1.5.10. World Bank Loan no. 4491RO, IFB Number: 4

"Technical Assistance for Migration from a Client/Server Distributed Oracle Database Architecture to Web Oriented Centralised Database Architecture".

The result of the project is a report consisting of recommendations for migration, taking into account the existing IT system in place. The recommendations have been used to drown up the present Terms of Reference, in order to obtain the most effective and efficient solution for migration. This report will be available for the Contractor.

2. CONTRACT OBJECTIVES & EXPECTED RESULTS

2.1. Overall objectives

The overall objectives of the project are as follows:

- At EU Accession date, Romanian Administration will be able to exchange information regarding tax warehouse keepers, tax warehouses, goods under suspension of duty with other Member States, as well as messages and alerts regarding these goods movements (SEED v0 is implemented, as well as EWSE and MVS).

- Business change strategy on EMCS phase 2 is drafted and recommendations for the Terms of Reference and Technical Specifications for the EMCS phase 2 are made.

2.2. Specific objectives

The objectives of this contract are as follows:

At EU Accession date, Romanian Administration will be able to exchange information regarding tax warehouse keepers, tax warehouses, goods under suspension of duty with other Member States, as well as messages and alerts regarding these goods movements

The Contractor will have to develop, test and implement the following applications:

- Exchange of data regarding the Register of Authorised Warehousekeepers and Registered Traders – SEED, according to the description in document "Register of tax warehouses, authorised warehousekeepers and registered traders" – SEED v0.

- Early Warning System Exchange (EWSE) according to "The Functional System Specifications (FSS) for EWSE".

- Movement Verification System (MVS) according to "The Functional System Specifications (FSS) for MVS".

- Development, testing and implementation of interfaces to the back-office software applications, part of the ITIS, to provide ELO staff with information about Accompanying Administrative Documents (AAD).

It is recommended that the development of the SEED/EMCS application (generic name used in this Terms of Reference for the entire system for excises field to be develop) be done according to the following level of priority:

1. SEED;

2. EWSE and MVS;

3. Interfaces to the back-office software application;

Business change strategy on EMCS phase 2 is drafted and recommendations for the Terms of Reference and Technical Specifications for the EMCS phase 2 are made

- The Contractor will keep informed with the new recommendations of the Commission regarding EMCS phase 2 and will work with the Beneficiary to prepare the conditions to implement these recommendations. The Contractor will conduct workshops, seminars and meetings with NATA/NCA specialists with regard to the new documents, in order to prepare the organisation for change.

- The Contractor will prepare the organisation to deeply understand and develop skills to use complex risk analysis by seminars, workshops and practical user cases.

- The Contractor will help the organisation to evaluate the needs for implementation, with respect to existing situation on business and IT sides. Evaluations of data flows, data volumes, and IT infrastructure needs will be conducted during these works. In these evaluations, the existing IT infrastructure, as well as the existing IT staff will be assessed to make proposals for the future.

- In these activities, the Contractor will have to collaborate with twinning projects running in parallel in NATA to enhance the administrative capacity in view of the Accession in year 2007.

- Preparation of recommendations for Terms of Reference and Technical Specifications for projects to support the implementation of EMCS Phases 2.

Personnel able to use the systems in their daily activity and to take-over the system at the end of the project

1. Training addressed to NATA personnel, by category, to provide knowledge of the use of the systems in day-to-day activity
2. Training addressed to GDIT personnel, by category, to be able to take-over the systems at the end of the project.

2.3. Results to be achieved by the Consultant

1. NATA is able to exchange information regarding the Register of Authorised Warehousekeepers and Registered Traders – SEED v0

2. NATA is able to exchange information regarding the products subject to excise duty – EWSE is operational according to the Acceptance Test Specifications.

3. NATA is able to exchange data regarding movements of products subject to excise duty – MVS is operational according to the acceptance Test Specifications.

4. Interfaces to the back-office application for data collection regarding the AADs.

5. Personnel working in ELO and LEO are trained to use the system; trainers are trained to train other personnel categories using the system.

6. During the project, applications are maintained in order to properly perform their tasks.

7. Staff implied in excise field is informed and prepared for the changes proposed by the implementation of EMCS Phase 2.

8. Staff with responsibilities in defining working procedures and tools is trained in risk analysis theory and practice.

9. Recommendations for Terms of Reference and Technical Specifications for projects to support the implementation of EMCS Phases 2 are made.

3. ASSUMPTIONS & RISKS

3.1. Assumptions underlying the project intervention

1. Full support of the NATA for the project.

2. Full support of the GDIT staff for the projects.

3. All Phare 2003/2004 projects contracted in due time.

4. Full commitment of the Contractor to meet the constraints to finish the Acceptance Tests by the 31st of July 2006 for SEED/EMCS components regarding SEED v0.

5. Full commitment of the Contractor to put the entire system in production on the 1st of January 2007.

6. Previous contracted projects will respect the proposed timetable, to offer their inputs to this project.

7. The project must be adjusted and connected by interfaces with the Electronic tax returns declared by web (Project Phare 2003/005-551/03.04.03).

8. GDIT providing all needed background information to the project to allow the development of the related IT systems and working in mixed teams with project team.

9. Some recommendations are being defined by the Commission and the project will be prepared to take them into account (examples are: release of documents for EWSE, MVS in Phase 0 of EMCS project: the new specifications for EWSE/MVS are currently under approval procedure by the Excise Committee and are planned to become operational on 1st July 2005 using CCN Mail II).

3.2. Risks

1. Difficult co-operation and co-ordination of the projects in progress.

2. The needed legislation and procedures on Excises and SEED/EMCS may not by adopt in suitable time.

3. Insufficient human and financial resources are allocated to the following up of the project.

4. The project has a tight time frame, delay in tendering process.

5. Contractor is unable to meet the constraints to finish the Acceptance Tests by the 31st of July 2006 and to put the system into production on the 1st of January 2007.

6. Organisational changes in the organisation of the National Agency for Tax Administration, changes in the responsibilities of the separate divisions inside NATA.

7. No clear decisions or good preparation of the excise activities transfer to the NCA.

4. SCOPE OF THE WORK

4.1. General

4.1.1. Project description

The Contractor shall have to carry out the development and implementation of national SEED in compliance with the requirements of the European Union (EU) to provide NATA information system needed to exchange information with EU Information System (IS). That means that the correctness of the data and its timely supply/receive to the EU information system must be ensured. These are the minimal requirements to the Contractor.

The minimal requirements to the Contractor must be met by the **31st of July 2006**.

The Contractor will implement the national SEED/EMCS integrated with the existing tax information system within NATA and will customise the system to meet Beneficiary's requirements.

In the same time, the Contractor is responsible to provide the necessary resources and to act in order to maintain the system until the end of the project (30th of November 2007).

The Contractor is responsible to ensure the entire accountability of all operations with respect to SEED/EMCS and with the interfaces to the back-office applications.

The system is intended for the use at central and county levels in different units within NATA, therefore suitable functions for audit purposes will be required.

GDIT will take the responsibility to adapt the existing systems to the requirements of the project: capture of the national data will be perform by the component "web portal enhanced to accept electronic tax returns" of project PHARE RO 2003/005-551.03.04.03; management of Registers will be performed by the dedicated subsystems of ITIS.

The Contractor is responsible to continue the Contract with the change management within the Administration in order to cope with EMCS implementation.

The Contractor is also responsible to make recommendations for Terms of Reference and Technical Specifications for further Phare projects to support EMCS Phases 2.

4.1.2. Geographical area to be covered

The project will touch the whole organisation (meaning that all three levels of the organisation will be involved in the changes needed to implement the project and will use the results).

Instead, the Contractor will have to implement the solution at central level, with interface with the existing Integrated IT system (ITIS). The users from the Central Liaison Office in Bucharest and for the county Local Excise Offices (LEO) (42) (see Table Locations of Implementation), as from the other offices all over the country, will have only to be trained in using the application at their disposal. High level of management of MoPF/NATA will have access to the system for information. Audits will be supported by the system.

4.1.3. Target groups

Different objectives have different target groups as follows:

- Key persons in ELO and LEO.

- Key persons in tax returns management

- Key persons in revenue collection

- Key persons in National Customs Authority

- Management levels in MoPF/NATA/NCA

- Taxpayers performing Intra Community operations

- Key persons in data processing (GDIT)

- Key persons in database administration (GDIT)

- Key persons in infrastructure administration (GDIT)

- Key persons responsible for security (GDIT and MoPF/NATA/NCA)

- IT administrators in operative units part of the implementation.

4.2. Specific activities

4.2.1. Development, testing and implementation of software applications for SEED/EMCS

Overview of the expected SEED/EMCS system

The expected system has to cover the gap between the present situation and other Member States systems at the date of Accession to the European Union in the field of inter-operability relative to excises.

The Contractor shall have to analyse, design, develop, test and implement the following sub-systems:

(a) Exchange of data regarding the Register of Authorised Warehousekeepers and Registered Traders – SEED, according to the description in document "Register of tax warehouses, authorised warehousekeepers and registered traders" – SEED v0.

- Monthly exchange of a file regarding Register of Authorised Warehousekeepers and Registered Traders (shortly named Excise Register) with the other Member States

The national Excise Register is developed and maintained at central level

The SEED sub-system will have to form the file starting with the Excise Register and to send it to the Commission via CCN mail

In the same time, regular updates will be received from the Commission via CCN mail and will be stored in SEED sub-system

Users will have the possibility to request additional extracts via web interface or by other means (fax, telephone).

With respect to the stage of released recommendations of the Commission, the following two sub-systems will be developed and implemented as such or as one common application (as it is proposed for the next release). For respect of the existing recommendations two sub-systems are described.

(b) Early Warning System Exchange (EWSE) according to "The Functional System Specifications (FSS) for EWSE" :

- The Contractor will align to the latest recommendations of the Commission regarding EWSE (see also EWSE Functional process in Annex 8̶7)

- The Contractor shall implement the EWSE and:

  The Contractor shall develop modules to fill the EWSE e-form from the AAD records

(c) Movement Verification System (MVS) according to "The Functional System Specifications (FSS) for MVS":

- The Contractor will align to the latest recommendations of the Commission regarding MVS (see also Functional description in Annex 1̶0̶9)

  Standard messages (see example in Annex 1̶1̶0) will have to be exchange with other Member States after the goods are consigned, in order to ask action (control or inspection)

(d) Interfaces to the back-office software application

- The Contractor shall develop the central database to keep the AADs received (from Romanian traders and from other Member States administrations), alerts and controls, as well as the feed-back to alerts and controls

- The Contractor shall develop user interfaces with the web-declarations sub-system in order to receive the Accompanying Administrative Documents (AAD) (see AAD form in Annex 9̶8) and with the Excise Register for easy access to information of the authorised personnel;

- The Contractor shall record all operations for audit purposes.

System architecture shall be in-line with the general architecture of the ITIS system, in order to keep integrity and to ensure an easy transition of the final system to the Beneficiary administration.

Detailed specification of services

When building the SEED/EMCS system to improve the fiscal control and inspection activity in the field of Excises the Contractor shall have to ensure the following:

1. The proposed system building tools shall have to be a part of a joint integrated platform of software products and services.

2. The proposed solutions shall have to be adjusted with the information systems under development or already developed information systems – Electronic Tax Return sub-system, Electronic Archive sub-system and others, envisaging information relationships with the systems, conducting automation of the relationships and recording the errors.

3. The proposed solutions shall have to comply with the following main principles:

- Data accessible to all the authorised system users, irrespective of data storage place and place of the users.

- The communications lines have to be loaded as little as possible, taking advantage of the mandatory electronic submission of the documents at central level and of the possibility to programme massive processes during the night.

Terms of reference

    – In view of the new centralised IT system (based on Oracle 10g central database and web enabled applications, supported by the communications network), solutions proposed for the system will be designed in the view of this central architecture.

    – The system has to operate real time, that means to maintain its operability and quick recovery shall be envisaged. The full redundant hardware and software infrastructure to support the system is available due to supply projects Phare 2003, 2004.

        System user (including taxpayers) shall wait for the beginning of the session no more than 2 minutes

        All the information reaching the information system shall be distributed no later than in 1 hour for AADs and Excise Traders.

    – System shall be operable, reliable and quickly recoverable after breakdowns.

The system shall be fully auditable.

User interfaces shall be in Romanian, while those of system administration could be in Romanian or in English. Unicode character set will be used.

All the project documentation of the system shall be submitted in Romanian language.

Detailed activities

The Contractor is required to present his generic activities of analysis, design, development, testing and implementation, detailed by each main stream: SEED, EWSE and MVS and for each of them by user interface, logics and database, with relations to communication with other Member States and connectivity to other internal IT systems.

In same time, the organisation, planning, allocated resources and deliverables are clearly stated and easy to understand and evaluate.

In order to evaluate the Offer, the capacity to provide a robust solution with respect to the deadlines, the Offer must contain:

    – detailed description of the database design (Data Model) to show, for each component (AAD, SEED, EWSE e-form, MVS request form, log):

        quality of design

        respondness to functional needs

    – system decomposition in modules:

        completeness

        degree of detail

        respect to design rules

    – user interface:

        completeness

        usable (easy to navigate to see information and information is presented in understandable form – capacity to communicate with the user)

        user friendly (standard design, sensitive help etc.)

Terms of reference

Analysis phase:

A1. To assess the relationship with other ITIS subsystems in order to preserve the integration of ITIS and to use all the existing National Lists and General Registers.

A2. To analyse the EU recommendations and the Romanian procedures in force to define the models of processes and data.

A3. To define the detailed requirements (functional and information) for software components so to be able to present the final proposal for solution, amending the proposed solution from the Tender. On the bases of this final solution further works will be conducted. Detailed solution and detailed project plan (according to the proposed detailed solution) will be submitted to approval to the Beneficiary in no less than 1 month after the signature of the Contract.

Expected results of the Analysis Phase:

R1. First Analysis Report with the detailed proposed solution, amending the proposed solution from the Tender regarding SEED/EMCS application and interfaces to back-office application. The First Analysis Report shall be presented with the Inception Report.

R2. Planning for Other Analysis Activities will be presented with the Inception Report (if the case) and will state the expected periods for further analysis, in correlation with the Commission documents release.

Design phase:

A4. The Contractor shall design the SEED/EMCS sub-system database (back-office) to support the ELO and LEO activity

A5. The Contractor shall design user interfaces to collect data received by Internet from the operators and field inspectors (AADs), to assist LEO and ELO personnel in creating/receiving EWSE e-form or MVS standard messages, to create the feed-back response, to interface with the risk analysis sub-module

A6. The Contractor shall design the recording modules to track all actions on the concerned data (archive and logs) and to monitor the activity (regular reports, statistics on activity)

A7. The Contractor shall develop the plan of authorisations for CCN mail clients

Expected results of the Design Phase

R3. *Design Data Model for SEED/EMCS database*

R4. *Design Process Model for SEED/EMCS database*

R5. *Design User Interfaces for SEED and EWSE/MVS*

R6. *Design System Architecture*

R7. *Design complete set of tests of the system*

R8. *Plan of authorisations for mail clients*

R9. *Outline the User Manual – the first version of the user documentation, where the functions carried out by the user (in order to satisfy the activity needs) are described as well as the procedure for their implementation*

R10. *Technical Documentation*

The above expected results of the design phase shall be produced using the Internet Development Suite of Oracle and shall be documented according to the methodology. Electronic Repository, Data Dictionary and schemes shall be produced and will be accompanied by specific prints.

Development Phase

A8. The Contractor shall develop the proposed solution according to the Analysis Phase and to the Design Phase results.

A9.   The Contractor shall develop the local and remote tests.

A10. The Contractor shall implement the CCN mail clients, using MoPF IT personnel form the remote offices.

Expected results of the Development Phase

R11. *Sub-system for SEED developed and locally tested*

R12. *Sub-system for EWSE/MVS developed and locally tested*

R13. *Sub-system for back-office developed and locally tested*

R14. *CCN mail clients installed*

R15. U*ser manual – complete version of the user documentation of the created and tested component*

R16. *Operation Manual – complete version of the administrator documentation*

R17. *Updated Technical Documentation*

Testing Phase

A11. System is tested according to conformity and interoperability tests set by the Commission in corresponding documents.

A12. System is tested to integrity with the existing ITIS.

These tests must be fulfilled by the **31st of July 2006**. The minimum functions to be tested by then are:

SEED sub-system exchanges files or messages.

EWSE/MVS sub-system containing EWSE e-form transmission.

A13. The other modules for which analysis, design and development were performed must be tested for integration by the **30th of October 2006**.

A14. Modules or updates to the developed system will be tested according to the specific planning for implementation and according to the Commission recommendations, if any.

Expected results of the Testing Phase

R18. *SEED sub-system accepted by the 31st of July 2006.*

R19. *EWSE/MVS accepted according to integration tests by the 30th of October 2006.*

R20. *Later developed modules accepted according to appropriate tests.*

R21. *Tests documentation.*

Implementation Phase

A15. After Acceptance Tests the system shall be implemented in the production environment and the Contractor shall perform configuration of the hardware, software and communications to ensure the required performance of the system.

A16. The Contractor shall develop and put in place administrative procedures for HW, SW, Comm. and database

A17. The Contractor shall produce HW, SW, Comm. and database administration documentation that shall accompany the fine-tuning and the developed administrative procedures.

Expected results of the Implementation Phase

R22. *System in production.*

R23. The *source texts (codes) of the created and tested software modules handed over*, except for standard software modules, which are to be acquired under licenses

Maintenance Phase

The scope of this project is the implementation of SEED/EMCS phase 0. Any other modification issued from other phases will not be object of this project. Nevertheless minor modifications could occur during the project timeframe. Maintenance phase addresses these modifications.

That is why the Contractor is required to keep informed and be prepared to perform some adjustments to the developed system within the total amount of the contract.

Each modification resulting from a recommendation will follow the same cycle of analysis, design, development, test and implementation, but proportional to the required effect.

A18. Modifications are performed.

A19. Modifications resulting from errors or requirements for improvement are performed.

A20. During the Maintenance Phase the Contractor assists the system administration.

Expected results of the Maintenance Phase

R24. Up-dated system and fixed errors.

R25. Assistance to the system administration.

Comments:

The above activities/tasks are generic. It remains for the Contractor to propose how he will organise his activity to achieve each one of the specific objectives. A detailed description of methods to use during the contract, of the main activities in the light of the Contractor's own experience, related to the project organisation, key experts, schedule and deliverables is expected. This description must be clear enough though the Contracting Authority be able to identify the results for each objective.

4.2.2. Business change strategy on EMCS phase 2 is drafted and recommendations for the Terms of Reference and Technical Specifications for the EMCS phase 2 are made

Decision 1152/2003/CE is the base for the set up the Excise Movement and Control System. The EMCS Computerisation Project (ECP) specifies, deploy and support the operation of the EMCS across all the Member States. EMCS is introduced in "1+3" phases from 2002 to 2009 (Phase 0 and Phases 1,2, 3)

Romanian administration has to prepare itself to the new EMCS system, by keeping informed with the latest developments of the system, recommendations and specifications and preparing projects to face the need for further developments (to mobilise resources and capabilities).

Detailed specification of services

The Contractor shall use its professional capacity to follow up the Phase 1 results in order to draw up the national solution and, according to this proposal, to write down at least recommendations for Terms of Reference and Technical Specifications for the development and implementation of Phase 2.

The proposal for the development of EMCS will be made taking into account the Commission recommendations and the ITIS environment.

Functional and technical specifications shall be presented in English and Romanian language.

Detailed activities

The Contractor is required to present his generic activities to produce the functional and technical specifications with respect to Commission recommendations and the existing internal IT systems and hardware, software and communications infrastructure.

In same time, the organisation, planning, allocated resources and deliverables are clearly stated and easy to understand and evaluate.

A21. The Contractor shall analyse the official documents of the Commission (EMCS Phase 2)

A22. The Contractor will prepare and conduct workshops, seminars and meetings with NATA/NCA specialists with regard to the new documents, in order to prepare the organization to change. The main purpose of these workshops is to accommodate the specialists with what the recommendations of the Commission bring new in the field of excise control and interoperability, to help the organisation to develop its own planning for change.

A23. The Contractor will prepare the organisation to deeply understand and develop appropriate skills to define and, consequently use, complex risk analysis by workshops, user cases, analysis of the already available data or supplementary needed data.

A24. The Contractor shall analyse the existing IT system of MoPF/NATA to help the organisation to evaluate the needs for implementation, with respect to existing situation on business and IT sides. Evaluations of data flows, data volumes, and IT infrastructure needs will be conducted during these works. In these evaluations, the existing IT infrastructure, as well as the existing IT staff will be assessed to make proposals for the future.

A25. In these activities, the Contractor will have to collaborate with twinning projects running in parallel in NATA to enhance the administrative capacity in view of the Accession in year 2007.

A26. The Contractor shall draw recommendations for Terms of Reference and Technical Specifications for the implementation of EMCS Phase 2.

Expected results:

R26. *Planning of change* for the implementation of EMCS Phase 2.

R27. *Functional Specifications* and *Technical Specifications* for the implementation of EMCS Phase 2.

4.2.3. Training

(a) Training for NATA/NCA staff

Training for the ITIS shall be an inseparable part of works to implement the System.

The procedure to establish the training courses cycle:

The Contractor shall have to agree the training programme with the Beneficiary within a month before beginning of implementation works.

The Contractor shall prepare the package of methodology made up from:

- Training programme
- Summary of training topics to be handed out to participants of the courses
- Practice tasks of the training course
- Training database

   ▪ Schedule of training course cycle

The training works will be conducted after Beneficiary approves the methodology and the schedule.

No more than 16 NATA employees shall be trained at a time and a place.

Duration of a training course – no less than one day.

The number of minimum NATA/NCA employees to be trained:

100 employees from ELO and LEO and other central offices

5 trainers to train employees from other offices (tax return management, revenue collection, customs etc)

4 employees in project management and IT quality management

12 employees in UML – to be used as the main tool to describe the analysis findings and to have a common language within the project team

10 employees in risk analysis fundamentals (statistics, forecasts etc.)

5 database administrators to administrate the system.

(b) Training for taxpayers

The Contractor shall prepare Internet training tools for the use of taxpayers, in addition of general information posted on the web site.

4.2.4. Technical support

General requirements

The SEED/EMCS system shall be workable, reliable and quickly recoverable after breakdowns. All the operations with the system database shall be recorded.

Target maintenance works:

The components implemented under the terms of the present tender.

The period of reaction and removal of breakdowns shall be such that the software is able to operate in the real time regime:

   – Response to a breakdown or error within 30 minutes

   – Conclusions of the analysis of the breakdown or error within 2 hours

   – Removal of minor breakdowns or errors within 4 hours

   – Removal of major breakdowns or errors within 16 hours

Maintenance works shall consist of:

   – support works – supporting of the Beneficiary employees on the issues of the system by telephone (hot-line) and e-mail

   – services of removing the breakdowns and errors

   – recovery of the operability of the operated system, for instance, in cases of the disruption of works of database or its separate components

   – recovery of the destroyed data, when the cause of disruption is inadequate operation of the Contractor supplied software

    –   minor modification works of minor operating applications that do not require changes in documentation and tests of software.

Extent of maintenance services:

    –   until the end of the project (the 30th of November 2007).

4.2.5. Documentation to be handed over

Data model

Functional model

Description of data structures

Module descriptions

User manual

Help on-line

Manual of administrator

4.2.6. Deliverables proprietary

All deliverables (Technical Reports and Products) will be Beneficiary's proprietary at the end of the project. The Contractor will preserve no intellectual rights on the results of the project.

All information concerning the project will be subject to the restrictions of confidentiality according to the Contract. All materials exchanged between the Beneficiary and Contractor will be registered and returned in the end of the project.

4.3. Project management

4.3.1. Responsible body

The project will be managed under PRAG ("Practical Guide for Phare, ISPA and SAPARD contracting procedures").

The responsible body for implementation is the General Directorate for Information Technology (GDIT) within the Ministry of Public Finance.

Contracting Authority:

The Central Finance and Contracts Unit (CFCU) within the Ministry of Public Finance will be the Contracting Authority for this project, and as such responsible for all procedural aspects of the tendering process, contracting matters and financial management of the project activities.

Contractor

The contractor is responsible for the timely execution of the project and of the work tasks set out in this Terms of Reference.

The delivery of information, data, and feedback on the outputs produced is crucial for the timely implementation of the project. For this reason it is important that the consultant takes the responsibility of making clear written document and data requests indicating the date by which these information are required in order for the project to proceed according to the timetable.

Information and data gathered through this project could be commercially sensitive and it should be stressed that the confidentiality of any such data or information should be respected. Any information and data gathered through this project may only be published with the written approval of the Implementing Authority.

Terms of reference

The Contractor will support the expenses related to the implementation of the project. In particular, the Contractor shall make provisions for daily allowances and international/ internal travel for the proposed experts. Fees should include all these expenses and the offers are to be fee based.

The Contractor will propose and use experts with a relevant background in the fields related to the project. The CVs of the key experts involved will be included in the offer according to the EU PHARE format.

Implementing Authority:

The Implementing Authority for this project will be the Ministry of Public Finance through General Directorate for IT which is responsible for the implementation of the project.

The implementing Authority will be in charge with ensuring the access of the foreign experts to all the data and information necessary in the operational development of the project. At the same time, the Romanian experts team, designed to co-ordinate the project implementation, must be available and have all the skills necessary for the achievement of the established objectives.

Beneficiary

The beneficiary of the project is Ministry of public Finance through General Directorate for IT. The beneficiary is responsible for the day to day collaboration with the consultant and for providing documents and data which are necessary for the consultants to perform the tasks of the project, in line with the written requests of the consultant (see below). The Beneficiary is responsible for the co-financing part (including payments).
Beneficiary will facilitate the easy access for the experts to the relevant persons witch are not directly involved within the project but are beneficiaries of the project and can positively contribute to a proper implementation of the project.
The staff within the beneficiary directorate that are named to work within the project will work as a workgroup officially approved by GDIT general director.

4.3.2. Management structure

The Contracting Authority is the Ministry of Public Finance and the Beneficiary is the General Directorate for Information Technology. Central Finance and Contracts Unit (CFCU) is the Implementing Authority. GDIT will appoint a Romanian Project Leader and one Project Team, lead by a Team Leader.

A Steering Committee will be established, that will deal with the technical co-ordination of the project's activities. It will be organised every 3 months, or more often, if required. The Steering Committee will be responsible for the overall co-ordination of the project and for providing guidance to the Contractor. The committee will review the progress and the outputs of the consultant and will propose solutions, where necessary.

The Project Leader will be the unique point of contact of the Contractor's Project Manager.

The Contractor Project Manager will have to cooperate with the other projects running within GDIT in order to amend functional requirements, to ensure that prerequisite results are ready in due time, that infrastructure is in place and ready to work.

The Project Leader and the Contractor's Project Manager will plan periodic meetings (weekly or at two weeks) to follow up the project and the coordination with the other projects. Formal documents will be exchange among them (change requests, issue management, time sheets etc.) according to the project organisation and management methodology that the contractor will use. Team Leaders of the two parties will be invited to these weekly meetings.

During the first two quarters a tight monitoring will be focused on the activities related to the applications that **must be** accepted by the **31st of July 2006** and further more, to those that **must be** accepted by the **30th of October 2006**.

To cope with this constraint, the Contractor shall propose a very detailed schedule of activities in order to prove its commitment for the deadlines and in the same time to provide a tool for monitoring weekly activities and resources consumed.

When no consensus between Phare projects is reached, the Contractor's Project Manager will inform the Project Leader that will act as Beneficiary representative to solve the problem in Beneficiary's best interest.

Project Leader will approve changes with no impact on the budget or on the scope of the project. The Romanian Project Leader to the Steering Committee will submit more important changes with impact on the scope of work or on the budget.

The Steering Committee will quarterly meet (and when is necessary) to monitories progress Major changes needing a decision, issues during the previous time, new identified risks etc. are other subjects to be raised to the Committee.

4.3.3. Facilities to be provided by the Contracting Authority and/or other parties

The Ministry of Public Finance and other parties involved will facilitate for the Contractor the direct access to the information within this specific activity field and which are relevant for the project and will lead to a proper implementation of the project.

Beneficiary institution will facilitate the easy access for the experts to the relevant persons witch are not directly involved within the project but are beneficiaries of the project and can positively contribute to a proper implementation of the project.

The personnel within the beneficiary directorate that are named to work within the project will work as a workgroup officially approved by GDIT general director.

The GDIT has a strong team of professionals with wide qualifications in business analysis, application design and development, technical architecture, database design, database administrator, network analysis, software / hardware engineering, computer and network support. Besides the appointed working groups, professionals implied in the area of the project by their previous tasks, will be available for information and collaboration.

For each of the phases of this project and each Contractor's working team, a similar team will be organised by GDIT with tasks to assist the Contractor's teams and to receive the transfer of know-how.

The Contractor's working team will have office facilities allocated on GDIT premises and access to the hardware, software, tools and communications necessary for the project will be granted.

5. LOGISTICS AND TIMING

5.1. Location

The operational base for the project will be in Bucharest, at the General Directorate for Information Technology, 3-5, Poenaru Bordea Street.

The solution will be implemented on central servers in GDIT, end users are located in Bucharest, at MoPF/NATA HQ and in the General Directorates for Public Finance in each county listed in the Table "Locations of Implementation", but they will use only web-based applications (that do not need installation). Any component to be installed within the remote offices will be installed by the MoPF IT local personnel.

Training can be organized at GDIT and School for Public Finance premises, where proper training conditions exists. Four regional training classrooms are available in the regional points of presence of School for Public Finance.

5.2. Commencement date & Period of execution

The intended commencement date is the 2nd of December 2005 and the period of execution of the contract will be 24~~2~~ months from this date. Please refer to Articles 4 and 5 of the Special Conditions for the actual commencement date and period of execution.

However, the main deliverables regarding SEED/EMCS must be implemented by end of **June 2006** (see Project Plan Proposal in Annex 1~~1~~2) and production must start on **1st of January 2007**.

6. REQUIREMENTS

6.1. Personnel

6.1.1. Key experts

All experts who have a crucial role in implementing the contract are referred to as key experts. Their presence at the Headquarters of GDTI is necessary to be 75% of the allocated man days in the first 6 months of the project. The profiles of the key experts for this contract are as follows:

Key expert 1: Team Leader – (minimum 100 mandays)

The Project Manager has to direct, lead and control the project. He/she establishes objectives, schedules and resources. Carries on reviews with users. Supervises the advancement and the work done within the project. Represents the Contractor in daily work.

He/she has to organise the training activity.

He/she is not expected to permanently work on the project, but his/her involvement in the first two quarters should be more intensive than for the rest of duration of the project

Qualifications and skills

> University degree
>
> Project management courses, certificate will be an advantage
>
> Managing a team composed of international and local specialists, good communication skills, team work
>
> Very good communication skills in English.

General professional experience

> Providing experience in supervising and coordinating all technical aspects of a contract: knowledge of the management of change, experience in complex IT solution architecture
>
> Experience in managing a team composed of international and local specialists
>
> Knowledge about procedures of Phare programmes
>
> Design and implementation of Information Systems, software development

Specific professional experience

> Minimum 10 years of activity in IT field of which at least 3 years as team leader or project manager.

Minimum 3 years professional experience in project management of information system development in international projects. Experience in projects for the public administration will be an advantage.

Minimum 3 years experience in defining IT complex solutions, including several fields like portals, Internet/Intranet, centralised databases, web-enabled applications.

Participation in minimum 2 similar projects (size and complexity): complex, covering a large territory, with a variety of activities to be achieved.

Key expert 2: Architect (functional and system) – (minimum 70 mandays)

The Architect analyses the functional specifications. Determines and agrees the contents of the specifications with the user. Design the global architecture, technology and data model of the application.

He/she shall have to acquire a high proficiency of the SEED/EMCS functional specifications, CCN/CSI architecture (System overview) and organisational procedures involved. The Architect analyses the functional and technical specifications issued by the Commission and drafts the Functional and Technical Specifications for the national EMCS Phase 2, according to the Commission documents and with the user agreement.

Qualifications and skills

University degree

Professional training courses appropriate for the position in the project; analyst and/or Oracle designer (or comparable) certificate will be an advantage

Planning and organisation skills, leadership, capacity to work in large heterogeneous teams, good communication skills

Very good communication skills in English.

General professional experience

Information system and software development, analysis of information system requirements, information system global architecture, technology and data model of the application

Experience in relational Oracle databases design, multi-tier technologies, web-applications design

Experience in using of Oracle Internet Development Suite.

Specific professional experience

Minimum 5 years of activity in IT field of which at least 3 years as Oracle analyst and as solution architect

Minimum 3 years experience in information systems and business analysis, software and hardware analysis, design of databases, software specifications, participation in web-based integrated information systems development, analysis of requirements of information systems for public institutions.

Minimum 3 years experience in drafting Functional and/or Technical Specifications in Phare projects environment for at least one project.

Participation in a project for public sector would be an advantage.

Participation in minimum 2 similar projects (size and complexity).

Key expert 3: Designer-Developer – (minim 100 workdays)

Terms of reference

The Designer-Developer designs the sub-systems of the application and the interfaces with the existing ITIS and CCN/ mail.

Specifies API, determine the design, log database. Defines the detailed design of the modules by him/her self or by the team he/she is coordinating.

Directs the development and testing of the software. Coordinate the module and integrity testing.

If necessary, programmes and carry on tests as well.

Shall have or acquire a high proficiency of the SEED/EMCS functional and technical specifications.

Qualifications and skills

> University degree
>
> Professional training courses appropriate for the position in the project
>
> Planning and organisation skills, leadership, capacity to work in large heterogeneous teams, good communication skills
>
> Very good communication skills in English.

General professional experience

> Expertise and practical skills in designing and developing Oracle web enabled applications using a variety of specific tools provided by Oracle within Oracle Internet Development Suite or other appropriate tools. Experience in implementing security features within Oracle applications.

Specific professional experience

> Minimum 5 years of activity in IT field of which at least 3 years in Oracle environment.
>
> Minimum 3 years experience in designing and developing Oracle web enabled applications, using Oracle Internet Development Suite, in large environments with Oracle 9i or 10g version; database and web technologies integration, database security design.
>
> Participation in a project for public sector would be an advantage.
>
> Participation in minimum 2 similar projects (size and complexity).

Key expert 4: Database Administrator – (minim 50 workdays)

The Database Administrator determines the fine-tuning of the database to respond to the constraints of performance. Specifies administration procedures for the system, within the general framework used by ITIS.

Specifies and develop automated administration procedures for normal and abnormal work of the system. Defines the detailed design of the modules to monitor the function of the system, implementing alerts, reports etc.

Coordinates the database administration team.

Qualifications and skills

> University degree
>
> Professional training courses appropriate for the position in the project, Oracle DBA certificates will be an advantage
>
> Planning and organisation skills, good communication skills

Very good communication skills in English.

General professional experience

Expertise and practical skills in Oracle database administration using a variety of specific tools provided by Oracle or third parties. Experience in Oracle database administration for complex, central databases, in redundant configurations, in multi-tier architecture.

Specific professional experience

Minimum 5 years of activity in IT field of which at least 3 years in Oracle environment.

Minimum 3 years experience in administration of Oracle databases in large environments with Oracle 9i or 10g version; database and web technologies, database security administration.3199875

Participation in minimum 2 similar projects (size and complexity).

Key expert 5: Change Management Expert – (minim 60 workdays)

The Change Management Expert is a Senior Expert with large experience in public sector area, able to conduct a working team formed by the Beneficiary in order to prepare the organisation to face the changes in excise field once EMCS phase 2 will be implemented.

He/she will have to use management best practices to help the Beneficiary team to create the path of change, define the needs for organisational and IT changes, plan the actions, get new skills and abilities for the new tasks.

The Expert will have to organise the activity of the team to get the right knowledge on the new recommendations of the Commission regarding EMCS phase 2, to evaluate the existing resources and the need for supplementary assistance.

His/her activity will be mostly oriented to aspects related to IT and will closely cooperate with experts working in the twinning projects, more oriented to the business and functional aspects.

Qualifications and skills

University degree

Project management courses, certificate will be an advantage

Managing a team composed of international and local specialists, good communication skills, team work

Very good communication skills in English.

General professional experience

Providing experience and knowledge of the management of change, experience in conducting change in large organisations

Experience in managing a team composed of international and local specialists, including Beneficiary specialists too

Experience in the use of different analysis methods, organising workshops, case studies etc with the Beneficiary's key representatives

Specific professional experience

Minimum 10 years of activity in IT field of which at least 3 years as team leader or project manager in charge with change management.

Professional experience in project management of information system development in international projects and in conducting the change in the organisation. Experience in projects for the public administration will be an advantage.

Minimum 3 years experience in use of a variety of methods to help the Beneficiary's key representatives in order to define their needs and to assume the change.

Participation in minimum 2 similar projects (size and complexity): complex, covering a large territory, with a variety of activities to be achieved.

6.1.2. Other experts

CVs for experts other than the key experts are not examined prior to the signature of the contract. They should not have been included in tenders.
The Consultant shall select and hire other experts as required according to the profiles identified in the Organization & Methodology. These profiles must indicate whether they are to be regarded as long-term/short-term, international/local and senior/junior so that it is clear which fee rate in the budget breakdown will apply to each profile. For the purposes of this contract, international experts are considered to be those whose permanent residence is outside the beneficiary country while local experts are considered to be those whose permanent residence is in the beneficiary country. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.
The selection procedures used by the Consultant to select these other experts shall be transparent, and shall be based on pre-defined criteria, including professional qualifications, language skills and work experience. The findings of the selection panel shall be recorded. The selection of experts shall be subject to approval by the Contracting Authority and by the Implementing Authority.

The complexity of the project requires a strong team putting together a variety of skills and competences. In our estimation, experts like: Web programmer, Oracle developer, Java programmer, administrators (Operating System, Oracle Database, Oracle Applications, web site, security) will have to be added to the key experts to accomplish the tasks in order to achieve the expected results.

A minimum of 9 experts, working for minimum 650 man days is expected.

The Contractor will state how he is organising his teams, how many experts will allocate (per phase and activity), their generic profile and the estimated effort.

As required for "Organisation and Methodology", a clear reference between activities (tasks) scheduled in the Project Plan and experts' effort is expected.

The Contractor should pay attention to the need to ensure the active participation of local professional skills where available, and a suitable mix of international and local staff in the project teams. All experts must be independent and free from conflicts of interest in the responsibilities accorded to them.

Note that civil servants and other staff of the public administration of the beneficiary country cannot be recruited as experts.

6.1.3. Support staff & backstopping

Backstopping costs are considered to be included in the fee rates.

Support staff may be included in the project, especially for Project Manager office administration.

The costs of support staff must be included in the fee rates of the experts.

6.2. Office accommodation

Office accommodation of a reasonable standard and of approximately 20 square meters for Contractor's project team working on the Contract is to be provided by the Implementing Authority at the General Directorate for Information Technology address.

The office will have maximum 5 PCs connected to the MoPF network with access to general information databases, e-mail and Internet, office automation, printer, access to copying machine, telephone and fax machine, international telephone connection.

Two classrooms (of max. 40, respectively 12 attendees) could be used for training in the same building. They are equipped with white board, flip chart, display, video-projector, workstations connected to a training server.

The large classroom can be transformed in conference room, with all the necessary facilities (two simultaneous translation cabinets and installation).

Other classrooms are available, on demand, at the School for the Public Finance.

6.3. Facilities to be provided by the Consultant

The Contractor shall ensure that experts are adequately supported and equipped. In particular it shall ensure that there is sufficient administrative, secretarial and interpreting provision to enable experts to concentrate on their primary responsibilities. It must also transfer funds as necessary to support its activities under the contract and to ensure that its employees are paid regularly and in a timely fashion.

The Contractor will have to pay the telephone fees and costs, office consumables.

He will be responsible to provide sufficient documentation for the courses (for each participant) and the logistical support for training – trainer manual, electronic manuals, guides and presentations.

If the Contractor is a consortium, the arrangements should allow for the maximum flexibility in project implementation. Arrangements offering each consortium partner a fixed percentage of the work to be undertaken under the contract should be avoided.

6.4. Equipment

No equipment is to be purchased as part of this service.

6.5. Incidental expenditure

The Provision for incidental expenditure covers the eligible incidental expenditure incurred under this contract. It cannot be used for costs, which should be covered by the Consultant as part of its fee rates, as defined above. Its use is governed by the provisions in the General Conditions and the notes in Annex V of the contract. It covers:

- Travel costs and subsistence allowances for missions to be undertaken as part of this contract from the base of operations in the b`

- Translation / Interpretation

- Logistic arrangements for training programme

The Provision for incidental expenditure for this contract is EUR 158,990.000. This amount must be included **without modification** in the Budget breakdown.

Any subsistence allowances to be paid for missions undertaken as part of this contract from the base of operations in the beneficiary country must not exceed the per diem rates published on the Web site http://europa.eu.int/comm/europeaid/index_en.htm at the start of each such mission.

7. REPORTS

7.1. Standard Reporting requirements

The Contractor will prepare an *Inception Report*, one month after the beginning of the project activities. On the basis of the detailed information obtained during the first month of the project, the Contractor will present within the Inception Report the necessary data related to the strategy and action plan of the project development. Also, the Contractor should present a detailed chart of the activities and allocated experts, as integrated part of the *Inception Report*.

Interim Reports must be prepared every six months during the period of execution of the Contract. Every six months after the *Inception Report*, must be accompanied by a corresponding invoice and an updated monitoring spreadsheet. The monitoring spreadsheet must contain details of the time inputs of the experts and of the incidental expenditure. It must also update the cash flow forecast.

There must be a *Final Report* at the end of the period of execution. The draft final report must be submitted at least one month before the end of the period of execution of the Contract. As well as the final invoice and final update of the monitoring spreadsheet, this must be accompanied by an audit certificate confirming the final certified value of the contract. Please refer to Article 28 of the General Conditions.

All the reports will be presented in English and Romanian for approval to the Beneficiary.

Another one copy in English and Romanian will be submitted for information to the CFCU, 2 copies for EC Delegation in Romanian and 1 copy in English and Romanian for the General Directorate of Approximation Legislation and European Integration (PIU) – (hard and electronic copies).

In addition, an updated financial report must be submitted with each of the above progress reports. The updated financial report must contain details of the time inputs of the experts and of the incidental expenditure. The final progress report must be accompanied by the final invoice and an audit certificate (as defined in Article 30 of the General Conditions and in accordance with the template in Annex VI of the contract) confirming the final certified value of the contract.]

7.2. Submission & approval of progress reports

The inception, progress and final reports will be prepared in English and translated into Romanian with observance of the EU PHARE format and guidelines. The reports will be submitted for approval to the Implementing Authority in hard copy and in electronic format in English and Romanian language. The Implementing Authority will approve the Standard Reports also in relationship with the Acceptance Reports issued for deliverables, as described in Chapter 7.4.

The Inception, the Progress and the Final Reports will be, upon their approval, milestones for release of interim and final payments.
One copy of all reports (draft and final), plus electronic version in the English language, should be submitted directly to the EU Delegation, Str. Jules Michelet, 18, Sector 1, Bucharest, Romania, for the attention of Mrs. Anca Griu, Task Manager .

One copy of all final (approved) reports should be submitted to the CFCU, the Contracting Authority. One copy of all final (approved) reports will be transmitted to PIU.

7.3.   Technical Reports and Products requirements

The *Technical Reports* and *Products* will be presented to the Romanian Project Leader according to the agreed Project Plan. The mandatory milestones will be defined in the Project Plan, according to the regroupment of the Technical Reports and Products.

The *Technical Reports* should be short, easy to understand the background, the proposed solution and the actions to be taken and with the respect to the standard methodology.

Training and help on-line to be proposed for the taxpayers' use should be drawn for a medium educated person, easy to follow and to apply, assistance being provided be examples, drawings, images etc.

Implemented electronic procedures for interface with end-users (taxpayers or MoPF/NATA staff) must use Romanian language, as they address to Romanian citizen.

7.4.   Submission & approval of Technical Reports and Products

All *Technical Reports* will be presented in Romanian and English language to be discussed and approved by the Romanian Project Leader.

According to the Project Plan, the *Products* will be approved against the requirements and tests successfully past. *The Project Manager will issue Acceptance Reports* at the end of each phase (as described in Chapter 4.2.)

For formal purposes, all *Technical Reports* produced between two *Interim Reports* will be attached to the *Interim Reports* both in English and Romanian (one copy will be submitted for information to the CFCU, 2 copies for EC Delegation and 1 copy for the General Directorate of Approximation Legislation and European Integration).

7.5.   PIU monitoring system

The project team (the Beneficiary and Contractor) must report to the Programme Implementation Unit within the Ministry of Public Finance regarding the status of the project development.

In this matter, the PIU has established a monitoring and reporting system for all projects currently under development in MoPF. This system comprises of three components: the **Monitoring component** (that requests information on the activities developed during a month in the project and for each training activity organised within the project), the **Communication component** (the PIU, with the support of the specialised directorates, will publish on the MoPF site (www.mfinante.ro) information regarding the progresses obtained for this project) and the **Evaluation component** (that requests information on the all reports drawn up during the project implementation and on the project Steering Committee meetings).

All the documents must be sent in English and Romanian, both in electronic format and signed hard copy to the PIU representative in charge with the monitoring implementation process.

8. MONITORING AND EVALUATION

8.1.   Definition of indicators

Monitoring will be conducted on the basis of completion of contractual deliverables as specified in the Contract Objectives, Scope of Work and Specific Outputs sections in Terms of Reference. These outputs shall be the primary monitoring indicators.

The project will be delivered into sub-systems. A description of the sub-systems will be presented. For each sub-system an initial plan will be presented showing the milestones with the corresponding completion dates. A Gant chart should be used to help with this presentation.

Terms of reference

A comprehensive list of all deliverables, as agreed in the Contract, should be supplied. Deliverables, not explicitly defined in the Contract, should also be defined. A complete description of the deliverable, in terms of type, language, delivery medium, date, reference etc. should be made.

By the end of the inception phase the Contractor will agree with the GDIT and Steering Committee a system of measuring the progress made by this project towards achieving the required outputs: This system will include performance measurements and benchmarking criteria established by GDIT and agreed with the Steering Committee.

8.2. Special requirements

The Contractor will pay a special attention to the mandatory deadlines: **31st of July 2006** and **1st of January 2007**. Failure in reaching these milestones may determine the failure of the project.

The maximum amount allocated for the project is Euro 1,000,000.

ACRONYMS

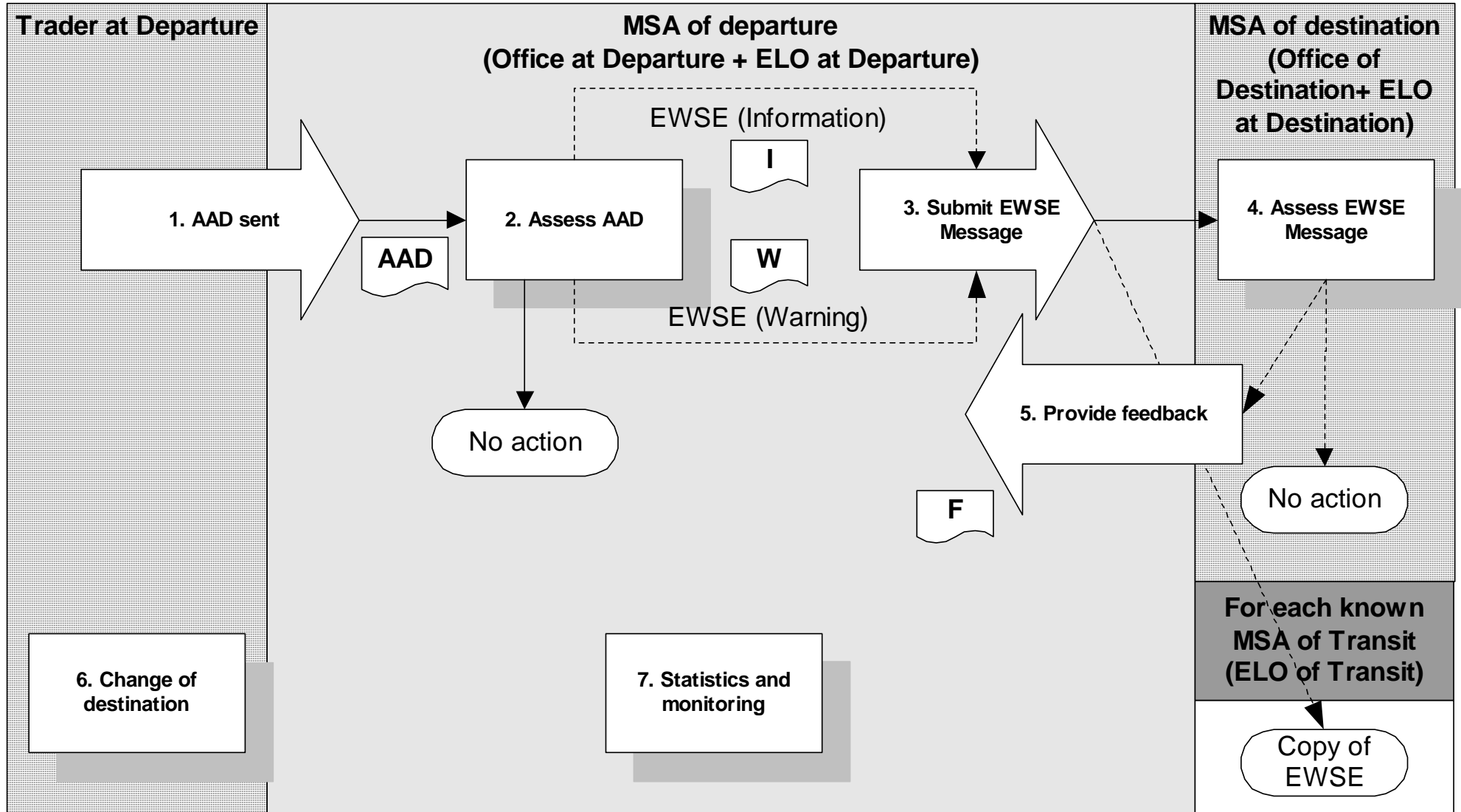| Term	Explanation
AAD	Accompanying Administrative Documents
APF	Administration of Public Finance
API	Application Program Interface
CASE	Computer Aided System Engineering
CCN/CSI	Common Communication Network/Common System Interface
CLO	Central Liaison Office
CNP	Numeric Personal Code
CUI	Code for Unique Identification
DB	Data Base
EIPS	Electronic Interbank Payment System
ELO	Excise Liaison Office
EMCS	Excise Movement and Control System
EU	European Union
EWSE	Early Warning System Exchange
GB	Gigabyte
GDIT	General Directorate for Information Technology
GDPF	General Directorate for Public Finance
HW	Hardware
ID	Identification
ISDN	Integrated Services Digital Network
ISO	United Nations International Standards Organisation
ITIS	IT Integrated System (of MoPF/NATA)
KB	Kilobyte
LAN	Local Area Network
LEO	Local Excise Office
MAN	Metropolitan Area Network
MB	Megabyte
MoPF	Ministry of Public Finance
MS	Member State (of European Union)
MSA	Member State Administration
MVS	Movement Verification System
NATA	National Agency for Tax Administration
NCA	National Customs Authority
ODBC	Open Database Connectivity

Terms of reference

Term	Explanation
OLE	Object Linking and Embedding
OS	Operating system
PKI	Public key infrastructure
RDBMS	Relational Database Management System
RISC	Reduced instruction-set computer
SAN	Storage Area Network
SEED	System for Exchange of Excise Data
SQL	Structured Query Language
SW	Software
SWIFT	Society for Worldwide Interbank Financial Telecommunication
TB	Terabyte
TCP/IP	Transmission Control Protocol / Internet Protocol
VPN	Virtual private network
WAN	Wide Area Network

Anexa 6

ROMANIA

RONNNNNJJAAUU

RO	NNNNN	JJ	AA	UU	13 characters
					Tax warehousekeeper within the county
			Activity code		
		Authority in charge (county office)			
	Tax warehausekeeper No.				
ISO County No.					

Trader at Departure

**MSA of departure
(Office at Departure + ELO at Departure)**

**MSA of destination
(Office of
Destination+ ELO
at Destination)**

EWSE (Information)

I

1. AAD sent

AAD

2. Assess AAD

**3. Submit EWSE
Message**

**4. Assess EWSE
Message**

W

EWSE (Warning)

No action

5. Provide feedback

No action

F

**For each known
MSA of Transit
(ELO of Transit)**

**6. Change of
destination**

**7. Statistics and
monitoring**

Copy of
EWSE

Annex 8

COMUNIDAD ECONÓMICA EUROPEA
PRODUCTOS OBJETO DE IMPUESTOS ESPECIALES

500

DOCUMENTO ADMINISTRATIVO DE ACOMPAÑAMIENTO

1 Expedidor NIF IVA	2 NIF–Impuestos especiales– Remitente	3 N.º de referencia
☐	4 NIF–Impuestos especiales– Destinatario	5 N.º de factura
	6 Fecha	

7 Destinatario NIF IVA	8 Autoridad competente en el lugar de despacho de las mercancías
7a Lugar de entrega	10 Garantía
9 Agente de transporte	12 País de despacho	13 País de destino
11 Pormenores sobre el transporte	14 Representante fiscal

15 Lugar de despacho	16 Fecha de despacho	17 Duración del transporte

...as ...es, ..., ...ón ...ías		19a Código de las mercancías (Código NC)
		20a Cantidad	21a Peso bruto (kg)
			22a Peso neto (kg)

...as ...es, ..., ...ón ...ías		19b Código de las mercancías (Código NC)
		20b Cantidad	21b Peso bruto (kg)
			22b Peso neto (kg)

...as ...es, ..., ...ón ...ías		19c Código de las mercancías (Código NC)
		20c Cantidad	21c Peso bruto (kg)
			22c Peso neto (kg)

23 Certificados (Algunos vinos y bebidas espirituosas, pequeñas fábricas de cerveza y destilerías)

A Registro de los controles. Utilización exclusiva de las autoridades competentes	24 Casillas 1 a 22 – Declaradas válidas
	Empresa y n.º de teléfono del firmante
	Nombre y apellidos del firmante
	Lugar y fecha
	Firma

Member State A

Member State B

Local
Excise Office

Local
Excise Office

Local
Excise Office

Local
Excise Office

1

2 + 3

Excise Liaison
Office (ELO)

Excise Liaison
Office (ELO)

2

3

4

5

5

5.1

5.2

5.3

5.1

5.2

5.3

DG TAXUD
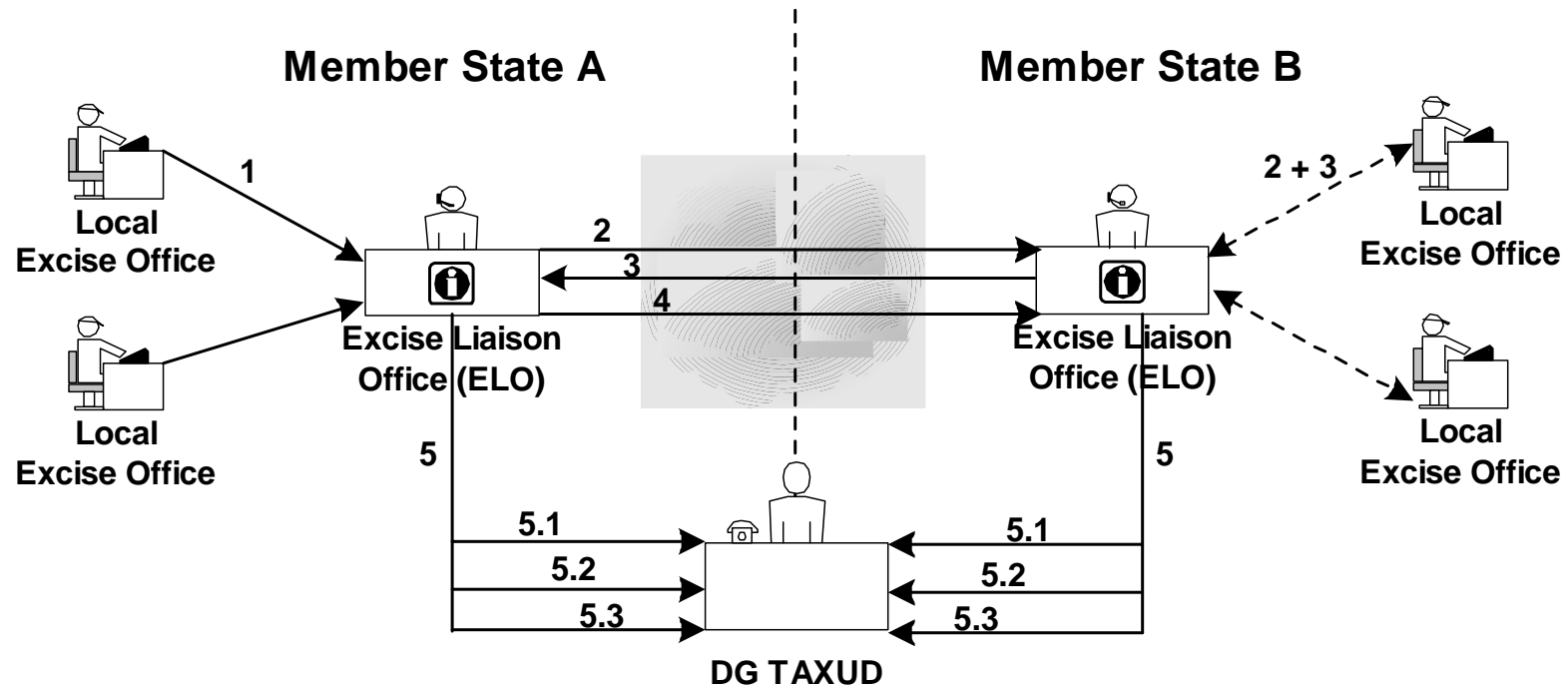
Overview of the current MVS procedures

Verification of movement of excise goods
DIRECTIVE 77/799/EEC of 19 DECEMBER 1977 and DIRECTIVE 92/12/EEC OF 25 FEBRUARY 1992
(Articles 15b and 19(6))

EUROPEAN COMMUNITY
Logo or name of requesting country

The Member State named in Box 3 hereby requests the authorities of the Member State named in Box 4 to supply the following information. This request is made under Articles 15b and 19(6) of Directive 92/12/EEC and Articles 7 and 8 of Directive 77/799/EEC concerning mutual administrative assistance.

1. a. ☐ check flow of

   b. ☒ goods individual operation: The AAD/SAAD documents to be checked are:

Document	No	Date	Attached copies
AAD	IETW 1095(5010)	23.07.04	yes
AAD			*.*
AAD			^.*

The goods have been declared as moving between the traders named in Boxes 13 and 14.

2. Arrangements under which the goods are moving:

   a. ☒ under suspension of excise duties arrangements

   b. ☐ under duty paid arrangements

A	3. Requesting country	4. Country addressed	5. Date of Request	6. Request No	7. Date of transmission	8. Transmission No	9. Final date for answer
	IE	ES	11.10.04				

10. Liaison office in requesting country:
Office code: **IE**

Name: *Briege Buckley*

11. Liaison office in country addressed:
Office code: **ES**
Name:

12. Originating authority in requesting country:
Office code: **IE**

Name: *Pat O'Sullivan*
Full Address:
Customs & Excise, Administration Unit,
Government Offices, The Glen,
Waterford,
Ireland

13. Registration number of trader in Member State of dispatch:

Excise No of place of collection: IETW1095(5010)
Name: *The House of Donohoe Ltd.*
Full Address:
Industrial Estate, Ballinaneasogh,
Cork Road,
Waterford,
Ireland.

14. Registration number of trader in Member State of destination:

Excise No of place of delivery: _____
Name: *La Cava De Los Faros*
Full Address:
Plaza Universidad 5,
08007 Barcelona,
Spain.

15 Authority competent to inspect trader in Member State of dispatch:

Office code: **IE**

16. Authority competent to inspect trader in Member State of destination:

Office code: **ES**

Annex 10

B	17. Grounds for request for verification issued by country of dispatch or destination:

a. ☒ Copy 3 not returned to consignor

b. ☐ Reverse of Copy 3 endorsed to show excess or shortfall (give explanation)

c. ☐ Certification of receipt/dispatch in Box C of Copy 3 incomplete (not signed/stamped by company, not stamped by Customs, stamp missing/illegible, ...)

d. ☐ Consignee's excise number not in SEED database: is it non-existent, expired or invalid for the goods covered by the AAD?

e. ☐ Particulars deleted/overwritten without official endorsement: Box No

f. ☒ Have goods/quantities specified on AAD been entered in consignee's stock records?

g. ☐ Check that goods have actually left EU (date on which export certified by customs)

h. ☐ Placing of goods under a suspensive customs procedure (export warehouse, victualling warehouse, outward processing, ...)

i. ☐ Reimbursement of excise duty requested

j. ☐ Spot checks

k. ☐ Other:

l. ☒ see attached document

C	18/19. Points to be checked at destination or place of dispatch:	20/21 Results of check: State findings and accounting outcome (payment of excise duty).

	18. At destination
	a. ☒ Confirm entry in trader's records
	
	b. ☒ Confirm quantity received
		20. At destination
		a. Entry in trader's records:
		  ☐ confirmed / ☐ not confirmed
		b. Quantities received:
		  ☐ confirmed / ☐ not confirmed

	c. ☒ Confirm whether trader is authorised to receive these goods under suspension and give excise number
	
	d. ☐ Confirm the particulars in Box No(s)
	
	e. ☐ Confirm trader's authorisation and SEED data
	
	f. ☐ Confirm authenticity of Customs stamp
	
	g. ☐ Confirm authenticity of company's stamp and trader's signature
	
	h. ☐ Confirm identity of the carrier and the number of the vehicle
	
	i. ☐ Confirm payment of duty
	
	j. ☐ Confirm that goods have actually left the EU
	
	k. ☐ Other at destination:
	
	l. ☒ see attached document
		c. Trader's authorisation to receive these goods under suspension:
		  ☐ confirmed / ☐ not confirmed.
		Trader's excise number:
		d. Particulars in Box No(s):
		  ☐ confirmed / ☐ not confirmed
		e. Trader's authorisation and SEED data:
		  ☐ confirmed / ☐ not confirmed.
		f. Authenticity of Customs stamp:
		  ☐ confirmed / ☐ not confirmed
		g. Authenticity of company stamp and trader's signature
		  ☐ confirmed / ☐ not confirmed
		h. Identity of the carrier and the number of the vehicle:
		  ☐ confirmed / ☐ not confirmed
		i. Payment of duty:
		  ☐ confirmed / ☐ not confirmed
		j. Export of goods from the EU:
		  ☐ confirmed / ☐ not confirmed
		k. ☐ Other at destination:
		l. ☐ see attached document

ID	ⓘ	Task Name	Duration	Start	Finish
1		**SEED/EMCS**	**25 mo**	**03.01.06**	**03.12.07**
2		**SEED**	**3 mo**	**03.01.06**	**27.03.06**
3		Analysis of exisiting Excise Register and adapt it to SEED requirements	1 mo	03.01.06	30.01.06
4		Develop interfaces with Commission and with users from ELO (& local tests)	2 mo	31.01.06	27.03.06
5		**EWSE integration**	**4 mo**	**03.01.06**	**24.04.06**
6		Analyse-design (interfaces with Web Declarations sub-system, MS, database)	2 mo	03.01.06	27.02.06
7		Analyse-design solution to fill EWSE e-form	1 mo	28.02.06	27.03.06
8		Develop (& local tests)	2 mo	28.02.06	24.04.06
9		**MVS integration**	**3 mo**	**03.01.06**	**27.03.06**
10		Analyse-design (database)	1 mo	03.01.06	30.01.06
11		Analyse-design solution for fill Standard messages	1 mo	31.01.06	27.02.06
12		Develop (& local tests)	2 mo	31.01.06	27.03.06
13		**Back-office software application**	**6 mo**	**03.01.06**	**19.06.06**
14		Analyse-design database	1 mo	03.01.06	30.01.06
15		Develop (& local tests)	3 mo	28.03.06	19.06.06
16		**CCN mail implementation**	**3 mo**	**03.01.06**	**27.03.06**
17		Develop the plan of authorisations and implement CCN mail clients	3 mo	03.01.06	27.03.06
18		**Tests**	**4,5 mo**	**01.05.06**	**04.09.06**
19	▦	National integrity tests	1 mo	01.05.06	26.05.06
20	▦	Perform tests with the Commission	1 mo	05.06.06	30.06.06
21	▦	Tests performed for conformity to EMCS Phase 0	0 mo	03.07.06	03.07.06
22	▦	Tests for supplementary software	1 mo	17.07.06	11.08.06
23	▦	Tests performed	0 mo	04.09.06	04.09.06
24		**Implementation in production**	**6,5 mo**	**04.07.06**	**01.01.07**
25	▦	Implementation in production	6,5 mo	04.07.06	01.01.07
26		**Maintenance**	**13 mo**	**05.12.06**	**03.12.07**
27	▦	Adjustments for existing system	13 mo	05.12.06	03.12.07
28		**Preparation for EMCS Phases 2 and 3 *)**	**12 mo**	**03.01.06**	**04.12.06**
29		Change Management	12 mo	03.01.06	04.12.06
30	▦	Draw Functional & Technical Specifications for Phases 2 and 3 (* Related to availability of official documents - as soon as possible)	1 mo	27.03.06	21.04.06