

ROMANIA
NATIONAL AGENCY FOR FISCAL ADMINISTRATION
REVENUE ADMINISTRATION MODERNIZATION PROJECT

Procurement of an Integrated Revenue Management System (RMS)

IFB: RAMP/5

MINUTES OF SITE VISIT DISCUSSIONS – Hewlett Packard Enterprise Services
Bucharest; January 21st, 2016

Background

According to the provisions of Clause 8 of Section I. *Instructions to Bidders* in the Bidding Documents dated November 18th, 2015, prospective bidders may request a site visit that would help in obtaining information necessary for the preparation of bids.

Such requests were received from a couple of prospective bidders and the Purchaser (NAFA) invited representatives of those bidders to attend meetings with the relevant parties responsible with specific business functions described in the bidding documents.

Proceedings

The with the representatives of Hewlett Packard Enterprise Services (HPE) started at 12.30 hours on January 21st, 2016 in the presence of representatives of NAFA and HPE as per the attached Register of Attendance.

Based on the requests expressed by the perspective bidder, two separate meeting were scheduled, as follows:

- one meeting with the representatives of NAFA's anti-fraud and tax audit business units. This meeting took place between 12.30 and 14.30 hours
- one meeting with the IT representatives of NAFA to discuss the current applications and data environment. The 2nd meeting took place between 15.00 and 17.00 hours.

At the beginning of the first session the RAMP IT Procurement Consultant made a brief presentation of the critical issues related to a two-stage IT procurement, as well as the challenges faced by the current procurement (a complex assignment that has to be completed within a rather tight schedule).

Representatives of HPE stated their objectives for the meeting – understanding the Purchaser's main challenges as well as priorities for this assignment, given the fact that the Bidding Documents are complex.

The questions addressed to the Purchaser and the related answers are presented in Annex 1 to the minutes.

The meetings were adjourned at 17.00 hours.

Register of Attendance

Representatives of the Purchaser:

Paul Dragan – DGAF

Adrian Banarescu – DGIF

Iuliana Tagirta – DGIF

Aron Emil Tataru – DGSRI PMU

Leonard Teiuşanu – DGSRI PMU

Craig Russell Neal – Consultant PMU

Victor Voicu – Consultant PMU

Theodor STĂNESCU – Consultant PMU

Gabriela Iosipescu – DGTI

Laurentiu Bucur - DGTI

Gabriela BANU - DGTI

Alina Meculescu – DGTI

Paul Istrate– DGTI

Representatives of Hewlett Packard Enterprise:

Milan Sterba – Business Consultant Public Sector

Andrzej Krzywda – RMS Technical Solution Lead

AncaVoiculescu – Bid Manager

Emil Enache – Project Manager

Annex 1 - Questions and Answers - Site visit Hewlett Packard Enterprise (HPE)

<i>Question:</i>	<i>Answer:</i>
<p><i>Q1. What are NAFA's main challenges and priorities, particularly with regard to fighting tax evasion? Which are the categories of taxes that are affected most by tax evasion?</i></p>	<p>A1. One priority would be to develop risk models for each taxpayer category and type of tax. NAFA is not focusing on a particular tax category, but has a rather comprehensive approach regarding tax compliance. The Agency has only recently developed tax gap models for VAT, PIT and CIT and is currently improving and further developing its Compliance Risk Management Strategy. VAT has consistently been a high priority due to its high share in the revenues collected by NAFA. One of the most important results of the RAMP project will be bringing together all the internal and external data necessary for effectively implementing the Compliance Risk Management Strategy.</p> <p>Priorities may change and the Agency will work with the Supplier to adjust to these priorities.</p>
<p><i>Q2. What is the responsibility distribution within the anti-fraud division, and are there modifications planned?</i></p>	<p>A2. Anti-fraud department is organized in central and 8 regional offices. The structure has been set up recently and there is no other restructuring envisaged.</p> <p>Large taxpayers are managed by a separate structure. Nevertheless the Anti-fraud General Directorate has control prerogatives regarding all the categories of taxpayers, regardless of their organizational form or territorial repartition.</p>
<p><i>Q3. Explain the suspension process in an anti-fraud investigation? Limitations and constraints for the staff dealing with a taxpayer who is subject to an anti-fraud investigation? For example if there is a refund, is this going to be processed?</i></p> <p><i>Is there any information not accessible to the</i></p>	<p>A3. Any other audit or investigation is suspended once an anti-fraud investigation is initiated for a particular taxpayer, primarily to prevent any information leak.</p> <p>Normal accounting operations continue during the anti-fraud investigation.</p> <p>The System must have a case management in place that would enable restricted access to certain tax staff.</p>

<p><i>regular tax staff during such an anti-fraud investigation?</i></p>	
<p><i>Q4. Does NAFA have any specialized anti-fraud tools that should be kept in the new system? Can you provide the names of such tools?</i></p>	<p>A4. The specialized tools used for anti-fraud in ANAF are:</p> <ul style="list-style-type: none"> - IBM i2 Analyze - an intelligence analysis tool in a dedicated environment for information fusion and sharing, used by Anti-Fraud/Criminal Investigation and Internal Control departments. IBM i2 Analyze must be kept, access to the future RMS Data warehouse is needed for integration. - ACVILA - is the information system for the management of the activity of the Anti-fraud structures. ACVILA includes annual management module of objectives of the institution and can be used in planning daily activities. The functionalities and database of ACVILA will be taken over by the new integrated RMS, together with any other applications that might be developed by the Anti-fraud General Directorate by the date of the implementation of the RMS. <p>More generally, Informational Annex 4 indicates the list of applications to be replaced by the RMS and those that will continue to operate.</p>
<p><i>Q5. What is the number of anti-fraud inspectors? What is the average number of antifraud cases running in parallel? What is the average time span of an antifraud case?</i></p>	<p>A5. There are currently approximately 1.400 anti-fraud inspectors, expected to be increase to 2.000.</p> <p>Currently there are some thousands of cases running in parallel. The duration of completing a case varies from one single day to as much as one year, depending on the complexity of the case. One complex case may include 50 entities under analysis.</p> <p>ANAF expects the new case management system, embedded in the new RMS, to shorten the duration of solving each case.</p>
<p><i>Q6. Knowledge management is not detailed in the Bidding Documents (reference from previous cases, red flags that would automatically trigger a certain action from the anti-fraud inspectors)</i></p>	<p>A6. There is no automated system for knowledge management, <i>per se</i>. The Technical Requirements do NOT specify a distinct knowledge management subsystem.</p> <p>Presently, references and lessons learned from previous cases that are documented in anti-fraud databases in the existing Document Management System (based on Lotus</p>

	<p>Notes / Domino technology).</p> <p>The Technical Requirement 2.13 includes a predictive analysis tool, into which patterns and other analysis performed will be included.</p> <p>The Technical Requirement 3.4.2 - Business Intelligence includes a transactional system that will support audit and antifraud functions.</p>
<p><i>Q7. Call center requirements – IVR stands for IV Response or Recognition?</i></p>	<p>A7. IVR means “Interactive Voice Response”</p> <p>The preferred channel of interaction with the taxpayers is over internet via the portal (WebSpace) or over the counter, in the tax office.</p> <p>Other channels (email, SMS, post, fax etc.) are also used for notifications.</p> <p>The call center is used for Taxpayers Assistance, to provide only information on legislation and procedures, to respond to the taxpayers’ complaints, etc. The call center is not intended to replace over the counter operations or interaction via the WebSpace.</p>
<p><i>Q8. The current Avaya system already has the basic functionalities. The obligation of the Supplier would be to integrate/upgrade/replace?</i></p>	<p>A8. The new RMS will need to support more call center users than the existing capacities provide.</p> <p>Bidders should propose their best technical approach to achieve the capacity and the integration required for the new RMS. This may entail either upgrading or replacing the current system.</p> <p>for the new RMS. This may entail either upgrading or replacing the current system.</p>
<p><i>Q9. To which extent can we count on certain existing platforms or license schemes?</i></p>	<p>A9. The Purchaser does not wish to have its existing ICT constrain best-practices in the implementation of the new RMS.</p> <p>Excepting the possible reuse of the Call center capacities, the Bidder should propose its best technical approach for the System assuming no reuse of ANAF’s existing technologies or licenses. Among other things, this will help keep bidding and bid</p>

	<p>evaluation on a level basis. During Contract execution, the Purchaser and Supplier may choose to use the Change Order Process to fine-tune the match between the contracted deliverables and ANAF's then existing technologies.</p>
<p><i>Q10. Can the bidder submit a bill of materials with the first stage bid, based on which the Purchaser can select which technologies are already available and should be re-used?</i></p>	<p>A10. As per ITB 13.1(c)(iv), the Bidder must provide during the First Stage Technical-Only Bid a Software List and a List of Custom Materials (see also Section III. Sample Bid Forms).</p> <p>As noted above, the <i>option</i> to re-use existing technologies in the context of bidding is limited to Call center. Among other things, this will help keep bidding and bid evaluation on a level basis. During Contract execution, the Purchaser and Supplier may choose to use the Change Order Process to fine-tune the match between the contracted deliverables and ANAF's then existing technologies.</p>
<p><i>Q11. Clustering and virtualization solutions – presumably there are currently some virtualization tools being used. Shall the Supplier provide a system that complies with the existing virtualization and propose a clustering, or it can propose a new virtualization solution?</i></p>	<p>A11. The Purchaser does not wish to have its existing ICT constrain best-practices in the implementation of the new RMS.</p> <p>The Bidder should propose its best technical approach for the System, including clustering and virtualization in such a manner for the System to achieve Technical Requirements 4 and 5 regarding Sizing and Performance.</p>
<p><i>Q12. Connection of RMS implementation with the separate purchase of equipment. How are these going to be linked/managed?</i></p>	<p>A12. Technical Requirement 6.5 and 6.6 specifies that the Supplier must prepare specifications for the ICT Platform to underpin the RMS (and achieve the performance and reliability norms specified in Technical Requirement 4 and 5.) ANAF will acquire the specified ICT (and related implementation services) under a separate contract.</p> <p>During Contract execution, as part of the Project Plan specified in Technical Requirements 6.1, the Purchaser and Supplier will fine-tune the shared roles and responsibilities for coordinating the RMS and ICT Platform implementation in the relevant Sub-Plan(s).</p>

	<p>However, achieving the overall performance of the System (inclusive of the ICT Platform) shall be the responsibility of the Supplier and be the subject of the Operational Acceptance processes specified in Technical Requirement 8.3.</p>
<p><i>Q13. Has the Purchaser considered a phased approach to the implementation (tax by tax, for example)? We consider to propose such an approach, nevertheless the procurement of the infrastructure through one single contract will be a major obstacle for this.</i></p>	<p>A13. The Implementation Schedule is a flexible high-level framework that, among other things, supports the specification of the key services in Sub-section 6 of the Technical Requirements, as well as key milestones/deliverables that are linked to the GCC/SCC (the SCC for GCC 12 on Payment for example). ANAF expects the bidders to elaborate an implementation schedule that corresponds to the bidder’s particular implementation methodology – as well as its experiences from other RMS implementations.</p> <p>The indicated approach in the Implementation Schedule embodies phasing in terms of system configuration/development/deployment steps (i.e., the sequence of configurations leading to operational roll-out of the full RMS). The implementation needs a “finish line” (i.e., Operational Acceptance of the full production system). However, this does not mandate a “big bang” implementation of all functions and all tax types at a single moment. Within the high-level framework of the Implementation Schedule, ANAF would consider more detailed phasing on the basis of, for example, the main business function segments (i.e., the segments that are described in Sub-section 2 of the Technical Requirements). The seven quarters prior to Operational Acceptance (of the full production system) are rather lightly specified in the Implementation Schedule and quite amenable to phasing along additional dimensions such as main business functions, tax types, and/or taxpayer segments.</p> <p>Bidders are encouraged to align their bid approach to the indicated Implementation Schedule – in part due to the many logical linkages the Implementation Schedule has to other parts of the Bidding Documents. However, if a bidder feels it is important to propose a significant departure from the high level framework in the Implementation Schedule or timeline, it should do this via Attachment 6 (Deviations) to the First Stage Technical Only Bid (as per ITB 13.1).</p>

<p><i>Q14. Approach to the access management component – what is the preference between continuing to use the existing system and the implementation of an entirely new system?</i></p>	<p>A14. The Purchaser does not wish to have its existing ICT constrain best-practices in the implementation of the new RMS.</p> <p>Accordingly, the ANAF has no preferences between re-use and replacement.</p>
<p><i>Q15. Is there a centralized taxpayer registry, or the registries are decentralized at the local level?</i></p> <p><i>Tax returns database is also centralized?</i></p>	<p>A15. There is one centralized taxpayer register and all applications use it.</p> <p>As indicated in Informational Annex 6, most of the current databases are already centralized – at the logical level not only at the physical level.</p> <p>The individuals tax returns database is centralized for and is located in the Primary Data Center, with back-up copies in the Secondary Data Center.</p> <p>For legal persons only the online filing of tax returns through the application DeDoc is centralized.</p> <p>The management of tax returns through the DECIMP application is decentralized.</p> <p>Revenue accounting, payment and refunds databases are almost entirely centralized.</p> <p>Presently, the decentralized database for receivables management (SIAC) is being centralized and will be completely centralized by date the RMS implementation will start.</p>
<p><i>Q16. Do you use different applications for different categories of taxes: VAT, CIT, PIT?</i></p>	<p>A16. ANAF uses distinct applications to manage individuals and legal persons. Within each application all types of taxes and contributions are managed in the same way..</p>
<p><i>Q17. How is the information (e.g. tax returns) processed?</i></p>	<p>A17. The Informational Annex 5 – Detailed Functional Goals presents the detailed functional design goals arising from ANAF’s various business process re-engineering initiatives (including Returns Processing (RP)). These design goals are not requirements of the System. Rather they are the required point of departure for the Supplier’s Analysis and Detailed Design Services (as per Technical Requirement 6.4).</p>

	<p>In the course of the Analysis and Detailed Design, the Supplier must present its best design; describe the design and the related trade-offs.</p> <p>This applies to the quoted functions as well as the other functions described in Annex 5.</p> <p>Tax returns prepared by the taxpayers are submitted either in person to the tax office or prepared electronically and submitted physically at the counter (memory stick), e-mailed or uploaded (via the WebSpace), via intelligent forms. Processing is a centralized process.</p> <p>For large taxpayers ANAF provides interfaces with the company's ERP systems for the information to be submitted through those systems.</p> <p>ANAF is providing Java code to be embedded in the taxpayers' own ERP systems. All this needs to be taken over by the new RMS.</p> <p>See Informational Annex 4, Standard Forms in pages 386-404.</p>
<p><i>Q18. The Supplier will have multi-national staff. How the communication and documentation work with NAFA staff at the operational level?</i></p>	<p>A18. The Contract governing language is English (see Bid Data Sheet and GCC 3.1 Governing Language).</p> <p>English will be the working language with foreign staff. Most of the interactions of the Supplier's team will be with staff from the central level of NAFA where an extensive experience in working with international consultants exists.</p> <p>The Supplier must provide translation for its own staff, when needed, like for certain legal documents, etc.</p> <p>The Supplier must perform all the translations needed to customize the System or to produce the deliverables specifically requested in Romanian (like for example the User's Manuals).</p>
<p><i>Q19. Do you currently use any architecture tools or instruments? Will we be obliged to adopt these</i></p>	<p>A19. The Technical Requirements specify standards for architectural <i>documentation</i> (BPMN 2.0 and TOGAF 9) – but not architecture tools and instruments.</p>

instruments?

Business Process Model and Notation (BPMN) 2.0 samples and templates are freely available for download from the Object Management Group site (<http://www.bpmn.org/>).

Look for ""BPMN 2.0 by Example: non-normative OMG document with BPMN 2.0 examples".

The TOGAF® 9 Template Artifacts and Deliverables are available from the Open Group (www.opengroup.org). It includes example artifacts for all catalogs, matrices, and diagrams, and template deliverables. Download is free, upon registration with the Open Group. The 1st set of templates is archive "I091" and the second one is "I093".