

ROMANIA
NATIONAL AGENCY FOR FISCAL ADMINISTRATION
REVENUE ADMINISTRATION MODERNIZATION PROJECT

Procurement of an Integrated Revenue Management System (RMS)

IFB: RAMP/5

PRE-BID MEETING
Bucharest, January 20th, 2016

Background

According to the provisions of Clause 10.2 of Section II. *Bid Data Sheet* in the Bidding Documents dated November 18th, 2015 (and Amendment 1, dated December 10th, 2015) all prospective bidders were invited to attend a pre-bid meeting at the Purchaser's headquarters (Room 372, Ministry of Finance, Apolodor, 17, Bucharest).

The purpose of this meeting is to facilitate a better understanding of the main provisions of the bidding documents and to clarify to the extent possible issues identified by prospective bidders – especially as they pertain to the first stage technical only bids.

Proceedings

The meeting started at 10.00 hours on January 20th, 2016 in the presence of NAFA representatives involved in this procurement. Representatives of prospective bidders attended the meeting, as per the attached Register of Attendance.

NAFA's IT Procurement Consultant made a brief presentation of the main features of the two-stage procurement procedure, as per World Bank's Standard Bidding Documents. Among other things, the Consultant pointed out that the RAMP/5 RMS Bidding Documents struck a balance between the specificity of NAFA's technical requirements for the RMS and NAFA's openness to implementation approaches proposed by the bidders. In contrast to certain other two-stage bidding processes, the first stage of the process for the RMS does NOT represent a requirements search. Instead, NAFA expects bidders to focus on responding to the requirements as they are specified in the Bidding Documents. That said ITB 13.1 (Documents Comprising First Stage Technical-Only Bid) includes an attachment (#6) in which bidders may propose – for the Purchaser's consideration – deviations to the commercial or technical requirements specified in the Bidding Documents. These would be discussed during the first stage one-on-one bid clarification meetings (as per ITB 13.1).

The Consultant also emphasized that the Technical Responsiveness Checklist forms the heart of the technical bid and anchors the technical evaluation process. In particular, the timeliness of the evaluation process (and the clarity of the evaluation record) greatly depends on bidders preparing and presenting Checklists that: (i) are complete vis-à-vis the Purchaser's Technical Requirements; (ii) clearly substantiate the compliance of their technical bid for each and every requirement; and (iii) are fully cross-referenced to supporting materials in the bid. Supporting materials are appropriate and welcomed – up to the point such materials do not distract the bid

preparation teams from preparing high quality Checklists and do not force the bid evaluation committee to wade through large volumes of marginally germane materials.

The pre-bid clarification process (of which the Pre-Bid Meeting is a constituent part) is ongoing and will continue until the bid submission deadline. NAFA indicated it would try to respond orally to all questions raised in the meeting. However, these written minutes embody NAFA's best effort to provide definitive answers.

Following the above introductory comments, the meeting turned to the prospective bidders' questions:

1. *Is there some latitude to the bidder to propose alternatives to the Implementation Schedule in the Bidding Documents?*

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). NAFA 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.

The Bid Data for ITB 40.6 (c) (i) specifies the acceptability of an implementation schedule that exceeds the one indicated in the Implementation Schedule by up to 26 weeks.

(Note: The last five columns of the Implementation Schedule are labeled "W1, W2, ... W5". This stands for Warranty Period Year 1, 2, ... – not weeks.)

2. *Changing the entire tax revenue system is challenging and the deployment of all the processes and taxes in the same time is a risky endeavor. The implementation schedule seems tight given the complexity of the assignment and the number of NAFA staff involved. Would the Purchaser consider a phased approach?*

NAFA has considered and discussed the web of risk trade-offs associated with the implementation approach and timeframe embodied in the Implementation Schedule (as well as the rest of the Bidding Documents). 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, NAFA 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.

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).

3. *Will NAFA staff involved in the project be exclusively dedicated to the implementation, or will they do this as a part time job?*

Excepting business system implementations in *de novo* institutional settings, the 100% dedication of key experts to such a contract is exceedingly rare and would not represent a credible up-front commitment. That said there is a clear understanding by NAFA management of the importance of being an effective party under the RMS contract and that practical solutions to key staff engagement must be arranged. Bidders are encouraged, however, to use the Preliminary Project Plan to explicitly elaborate suggested “best practices” in relation to the Purchaser’s staff engagement in the various services areas (e.g., the Project Organization and Management Sub-Plan; the Testing and Quality Assurance Sub-Plan; the Analysis and Detailed Design Sub-Plan; etc.).

4. *What is the vision for the next steps of the procurement process (e.g. site visits, demos etc.)?*

Site visits to NAFA operations have been requested in a couple of instances. Due to the practical constraints in organizing and effectively carrying out such visits, NAFA has arranged to bring key staff from the main departments at headquarters to meet with the requesting bidders. Given that NAFA does not wish to have its current operational procedures (or its existing ICT) distract/constrain bidders from proposing contemporary “best practices” in their technical bids, the importance of first-hand observations of current operations is not considered an essential priority at this stage in the bidding process. This is in sharp contrast to the critical need for the Supplier – during contract execution – to understand NAFA’s then current operational setting and to develop working relations with key operational staff. In the interim, however, if a bidder can articulate specific aspects of NAFA’s current operations and link these to the need to prepare, for example, the Production Transition and Roll-out Sub-Plan of the Preliminary Project Plan, the bidder should make this request in writing and NAFA will do its utmost to respond.

Demonstrations are planned in conjunction with the one-on-one bid clarifications meetings. Precisely what the demonstrations should address will depend on the character of the specific bid (including the bid RMS product). Accordingly, indications of NAFA’s expectations for demonstrations will be communicated by NAFA to each bidder as part of the correspondence that establishes the date and logistics for the one-on-one bid clarifications meeting. Since it is impractical for the demonstrations to cover the full range of business functions (let alone the technological underpinnings of the bid RMS), bidders should *provisionally* anticipate that NAFA’s evaluation committee would most likely be interested in seeing – for a small sample of business process – how much functionality can be delivered “out of the box”; how much functionality can be provided through simple parameterization; how much functionality be delivered through the integration of additional component products (e.g., document management); and how much functionality will require “customization”.

5. *Has the Purchaser anticipated the potential effect of this year’s elections on the tax structure?*

Change is a permanent feature of institutional development and, in particular, of major business systems implementations. There are a number of features of the Bidding Documents that anticipate and manage such change – including numerous clauses in the Contract (not the least of which is GCC 39 on the Change Order Process). The Technical Requirements also contain a number of service specifications. These, in turn, specify adherence to a variety of international standards that have been developed, and have evolved, in direct response to the challenges of managing change in major systems projects.

Further, the change management processes embedded in the RAMP/5 RMS contract sit inside a formal change management process integral to the overall RAMP project design. This includes a Coordination Council, chaired by the Minister of Public Finance and comprising NAFA Vice-Presidents, Ministry of Public Finance State Secretaries and the Presidents of National Social, Health and Unemployment Security Houses. The Council is responsible for strategic decision-making and for coordination of changes arising from the RAMP.

In short: changes to the RMS and the environment will undoubtedly arise. But they will occur within a contemporary best practices framework for managing change (with the active participation of the Supplier).

With respect specifically to legislative changes, it turns out that the Implementation Schedule is arrayed so that it mitigates the effects of the election cycles in Romania. Fortunately, the analysis and detailed design phase occurs after the forthcoming elections. Operational acceptance should occur before the next round.

6. *There will be a gap in business processes between the “as is” and “to be” configurations. How will transition be managed and the risks mitigated?*

A comprehensive set of business process analysis (BPA) and business process reengineering (BPR) exercises have been conducted (with the assistance of various consultants) as integral elements of the overall RAMP project. These exercises have extensively and deeply engaged key experts of the NAFA main departments. These exercises have also led to a rich body of formally documented – and formally accepted – business process descriptions. These descriptions are distilled in Sub-section 2 of the Technical Requirements and somewhat more fully captured in the Informational Annex 5. Also, the complete documentation will be provided to the Supplier at the outset of the Contract. Accordingly, NAFA is a rather well prepared agency to perform its part of the detailed design activities in relation to the “to be” process which the new RMS must embody.

Implementation of and transition to the new business processes using the new RMS will be managed with a number of instruments – including the change management instruments noted above and the specific sub-plans of the Agreed Project Plan. In the development of the Project Plan, NAFA anticipates to benefit from the experience of the bidders (via the Preliminary Project Plans) and, during contract execution, from the experience of Supplier.

In addition to the formal processes and documents noted above, NAFA also has the advantage of being a relatively disciplined organization – with process and procedures detailed at headquarters and carried out at the operational levels with a fair degree of rigor.

From a technological perspective, the present system is increasing a centralized one. And the new RMS will be a fully centralized system. This should mitigate some of the commonly observed risks in transition.

7. *Who is going to be responsible for modifications in response to changing legislation?*

The task of managing the ramifications of legislative change arises in numerous points within the RMS RAMP/5 project. Monitoring and anticipating legislative changes is clearly the responsibility of the Purchaser. From there, responsibilities are – in practice – shared and entail a continuous dialogue between the Supplier and Purchaser teams (e.g., in updating NAFA’s formal business process documentation). The formal responsibilities will be governed by, among other things, the various sub-plans in the Agreed Project Plan, as well as the relevant clauses in the Technical Requirements and the GCC/SCC (such as the Change Order Process). Once again, bidders are encouraged to draft the various sub-plans of the Preliminary Project Plan to accentuate this issue via suggested procedures and responsibilities.

8. *Please explain the concepts “COTS” and “existing RMS product”*

As noted in Informational Annex 7, “COTS” is defined as “Customized/Commercial Off The Shelf”. The use of the notions of “customized” as well as “commercial” render this acronym fairly ambiguous and subject to interpretation/dispute. Accordingly, it has been downplayed in the Bidding Documents. That said, the main issue arises in the context of the experience qualification criteria: “... the bid Revenue Management System (RMS) software product (including previous versions) ...”. In this context, the key aspect that makes software a recognizable “product” is the continuity of the business logic embedded in the software from one version/implementation to another (For example, two distinct custom-developed RMS that do not share the same business logic would generally not be recognized as a “product”). Any ambiguity that might arise on this point would be a key matter for discussion during the one-on-one bid clarification meetings. Any bidder that is uncertain of how its proposed software would be assessed as a product or not (by NAFA) may also avail itself of the written clarification process prior to submitting its bid.

On the topic of definitions, the Consultant underscored the GCC specifies a set of contractually defined (i.e., capitalized) terms (e.g., “Standard Software”, “System Software”, “Applications Software”, “Custom Software”, among many others). NAFA will do its best to closely adhere to the defined terms, as well as to uniformly use the terms defined and used in the rest of the Bidding Documents. Bidders are strongly encouraged to use the terms in Bidding Documents. Otherwise time and effort will need to be expended on avoidable clarifications (and misunderstandings).

9. *Data migration is an obligation of the Supplier. How is this supposed to happen? Because the Supplier cannot be expected to handle the cleaning of duplicates. Would there be a NAFA team dedicated to data migration? Or will the supplier be responsible for data cleaning?*

Technical Requirements 6.7, 6.8, 6.9 specify the responsibilities of the Supplier and of the Purchaser for various aspects of data quality and data migration. On this basis, detailed procedures and the respective responsibilities would be formalized in the Data Migration Sub-Plan of the Agreed Project Plan. This, in turn, would be based on the Supplier’s Preliminary Project Plan submitted with, as part of its bid. Accordingly,

NAFA expects the agreed process would benefit from the Supplier's experience in data migration. Given the known challenges in this area, bidders should anticipate that the one-on-one bid clarification meetings would devote significant time to the discussion of the Data Migration Sub-Plan of the bidder's Preliminary Project Plan.

Bidder's attention was drawn to the Informational Annex 6 and Annex 4, which describes data to be migrated and legacy systems (respectively). This annex indicates that presently most of the major applications and the corresponding data are already centralized. In the course of the centralization process, significant amounts of data cleaning has already been undertaken. Challenges will invariably arise, but NAFA does not anticipate "show-stoppers".

10. Is NAFA's preference to contract directly with the company that holds the intellectual property rights?

NAFA's experience qualification criteria is that the bidder – or lead partner in a joint venture – can demonstrate a successful implementation of an RMS – using the product bid – where the (single) bidder, or lead venture partner was the contracted party. The intellectual property for the RMS product bid need not be held by the lead partner and may be sourced, for example, from another part of the corporate structure which it belongs.

11. Can an entity that is part of a group submit a bid, if another part of the entity has the direct experience?

The bidder (as a single legal entity) or the lead partner in joint venture must demonstrate the experience as the contracted party in the referenced RMS implementation(s). Experience of an entity in, for example, the corporate group that is not the lead partner (or the single bidder) would NOT contribute to the qualification requirement.

The attendees were thanked for their participation and the meeting adjourned at 12.30 hours.

Representatives of the Purchaser:

Aron Emil Tătaru - RAMP PMU

Elena Timofte - RAMP PMU

Leonard Teiușanu - RAMP PMU

Theodor Stănescu - RAMP/CS/1 Consultant

Craig Neal - PMU Consultant

Victor Voicu - PMU Consultant

Laura ALECU – DGTI

Dan Peștină – DGTI

Mihai Mironov - DGTI

Gabriela Iosipescu – DGTI

Laurențiu Bucur – DGTI
Bogdan Florea - DGTI
Gabriela BANU – DGTI
Alina Meculescu – DGTI
Paul Istrate – DGTI
Lucian Neacsu – DGAC
Eugen Șerban– DGCPVF
Dan Voicu – DGIF
IulianaTagirta – DGIF
Tiberiu Stanciu – DGCIF
Viorel Iliescu - DGCIF

Representatives of prospective bidders:

RevenueSolutions, Inc.

Mark Havens, RSI
Paul Panariello, RSI
Marc Kamel, C2D
ClaudiuConstantinescu, Endava
Andrei Mocan, Endava
Alexandra Nanu, CapGemini
Toni Calugaru, CapGemini

Hewlett-Packard Enterprise

Gabriel Voicila
Milan Sterba
Anca Voiculescu

IBM ROMANIA

Alina Chitu
Brindusa Manea
Andrei Nagy

TELEKOM

Dana Niculescu

Elena Păun

INTRAROM S.A.

Daniel Pisaru

Adrian Stefan

LOGIKA IT SOLUTIONS

Mihai Mirica

SC YMENS TEAMNET SRL

Razvan Savu

Adrian Tosca

ORACLE ROMANIA

Adrian Ciocan

Anca Gheorghe

Ionel Zota

Razvan Moldoveanu

ROMSYS

Iulia Alecu

Cristian Florea

Gabriela Grigori

Mariana Andreea Toporcea

Florin Bomboescu

Lucian Gagean

S&T

Anca Elena Ileana

Radu Vintila

Computer Sharing Bucuresti

Madalina COZEA

SIVECO

Liviu Grecu

Mirela Tacu

Vlad Tutunaru

Bogdan Savu

FastEnterprises

James Harrison

Jim Goatcher

Denisa Albu

Sogema Technologies Inc.

Etienne Poulin

Don Joyce

Atos

Jack Wright

Adrian Radu

Mihaela Tudorica

Intrasoft International

Alexandra Filip