

## SPECIFIC PROCUREMENT NOTICE – IT SERVICES

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| Funding source: | Asian Infrastructure Investment Bank (AIIB) |
| Sector:         | Information Technology                      |
| Project Name:   | <b>E-Procurement Solution</b>               |
| Project No.:    | <b>AIIB CP - 00091</b>                      |
| Issue Date:     | May 23, 2018                                |
| Closing date:   | June 20, 2018                               |

### 1. Background

Future growth in business and increase in numbers of business requests with respective suppliers will most certainly drive procurement business process and operation to a new level.

Procurement team is now facing large amount of pressure in terms of sourcing, managing suppliers and contracts. However, the mentioned operation functions now still largely operate based on paperwork which makes it less efficient and hard to fulfil its goals.

To cope with pressure from meeting the goals of procurement functions and future business growth, Procurement team needs to have an efficient and digitalized system that help to better interact with the supplier, more efficient sourcing and contract management. The main functions of eProcurement system are as follow:

- 1) Supplier Management
  - a. Supplier portal that enables close interaction with AIIB's pre-registered suppliers, such as, supplier category profile, and supplier base analysis
  - b. Supplier ranking management
- 2) E-Sourcing:
  - a. Enable sourcing from a dedicated supplier pool
  - b. Source to contract process automation
  - c. RFX communication and evaluation
- 3) Contract management:  
More efficient contract management in terms of version tracking, contract price and validity date control, contract performance monitoring and etc.
- 4) Procure-to-Order Process
  - a. Seamlessly integration with Bank's ERP system to complete P2P process. AIIB currently use SAP Business ByDesign (ByD) as the core ERP system.
- 5) Spend Analysis and Reporting

### 2. Objective

- 1) Supplier Management:

- Make it easy for suppliers to maintain their own information on AIIB's supplier portal
  - Enable more efficient communication channel with our suppliers
  - Help the Procurement team to manage the Bank's supplier with efficiency and consistency
  - Get a unified supplier record with a high degree of confidence in the data
  - Scale supplier risk management and compliance to our supply base
  - Synchronize to MDB debarment and sanction list.
- 2) E-Sourcing:
- Obtain global market benchmark, leverage supplier base
  - Make it easy to negotiate and obtain best-value sourcing agreements
  - Automate source to contract process to improve operation efficiency
  - Integrate to Bank's ERP system
- 3) Contract Management:
- More efficient contract management in terms of version tracking, contract price and validity date control and contract performance monitoring , etc.
  - Strengthen operational, contractual, and regulatory compliance
- 4) Procure-to-Order Process
- Enable budget control on PO commitment to enforce stronger cost control mechanism via IT system
  - Seamlessly integration with Bank's ERP system so there will be no negative impact to the invoicing process
- 5) Spend Analysis and Reporting
- To have a system which can generate spend and supplier related reporting and analysis, as well as to generate KPI around procurement activities and bank's spending behavior

The E-Procurement Solution RFP may be obtained by sending an email to [it.procurement@aiib.org](mailto:it.procurement@aiib.org) referencing the following information:

1. RFP Number
2. Company Name
3. Contact Person Name and Title
4. Address
5. Telephone Number
6. Contact's Email Address

RFP documents will be sent to organizations that have replied to and are eligible to receive this advertisement. All requests and questions regarding this solicitation shall be directed to [it.procurement@aiib.org](mailto:it.procurement@aiib.org)

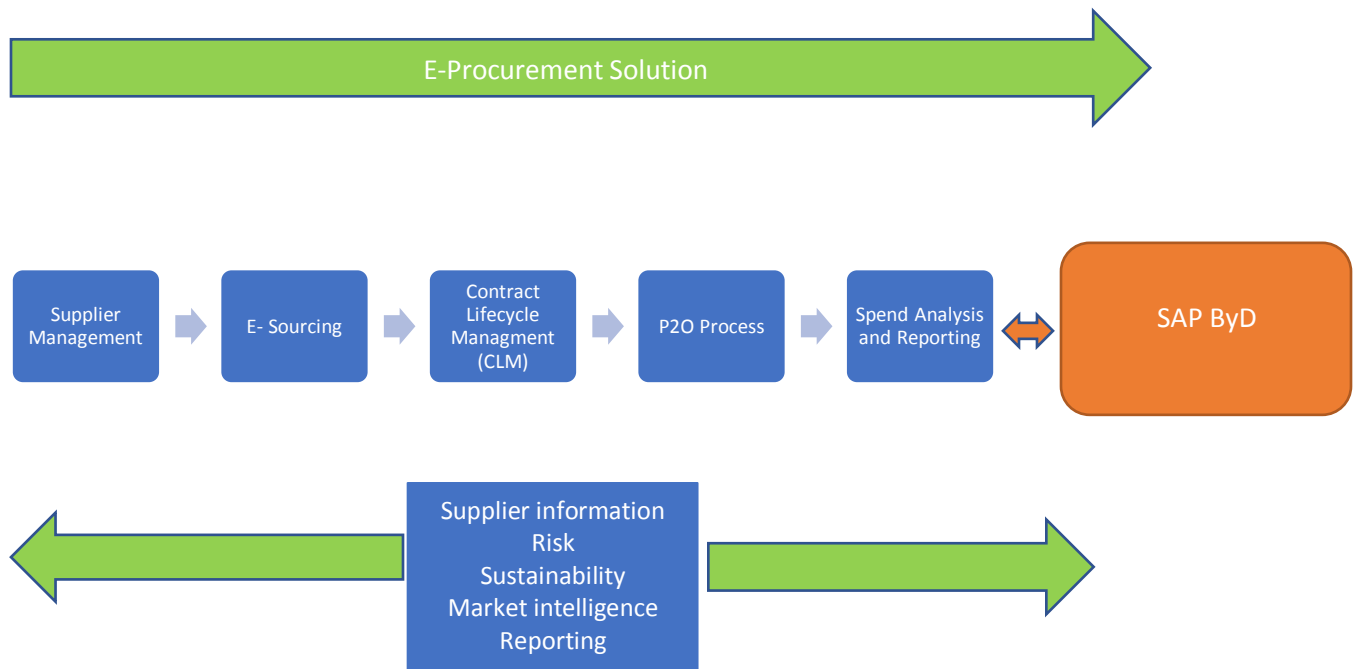
The AIIB reserves the right to publicly disclose contract award information, including but not limited to, name of company receiving the award, brief description of services, and contract award amount, for any contract award valued over US\$200,000. Suppliers' proposal and contractual documents will remain confidential and therefore not subject to disclosure.

The AIIB reserves the right to reject any or all responses without recourse.

## ANNEX- TERMS OF REFERENCE

AIIB requires a Software as a Service (SaaS) eProcurement solution as illustrated below with robust analysis and reporting capability.

Figure 1



### Supplier Management:

- Needs to collect supplier organization information from suppliers
- Collect supplier data required for creating/updating ERP Supplier Master
- Supplier profile approval workflows based on conditions such as company code
- Ability to engage supplier with sourcing and contracting in eProcurement solution before supplier is set up in ERP Supplier Master
- Manage supplier performance evaluation activities
- Define scorecard and survey templates
- Conduct stakeholder survey and scoring

### E-Sourcing:

- Manage sourcing activities and data in eProcurement solution, such as track tasks, set due dates, documents, etc.
- Conduct and track RFx events and auction
- Score RFx responses with weights
- Award supplier(s)
- Enable sourcing event approvals (for publish and award)
- Perform savings tracking and reporting

#### Contract Management

- Manage contracting activities
- Have a common contract document repository
- Contract approvals
- E-signature
- Contract change/renewal/termination

#### Procure-to-Order Process

- Budget Management
- Goods/Service Receipt
- Seamlessly integration with Bank's ERP system to complete P2P process

#### Spend Analysis and Reporting

- Within each key component, provide key analysis and performance reporting to help decision making.

### **Integration/interface with Bank's other departments and IT systems:**

The End-to-end business process shows the full scale of the Source to Order business process. This is very important for the Bank to identify, understand and evaluate the key business processes that may influence the effectiveness of the whole process when achieving performance objectives. The planned future system landscape is as below. However, we would welcome your professional suggestion or experience sharing in better planning the solution implementation. To ensure the stability and ease the risk of implementation, AIIB is considering the phase by phase approach.

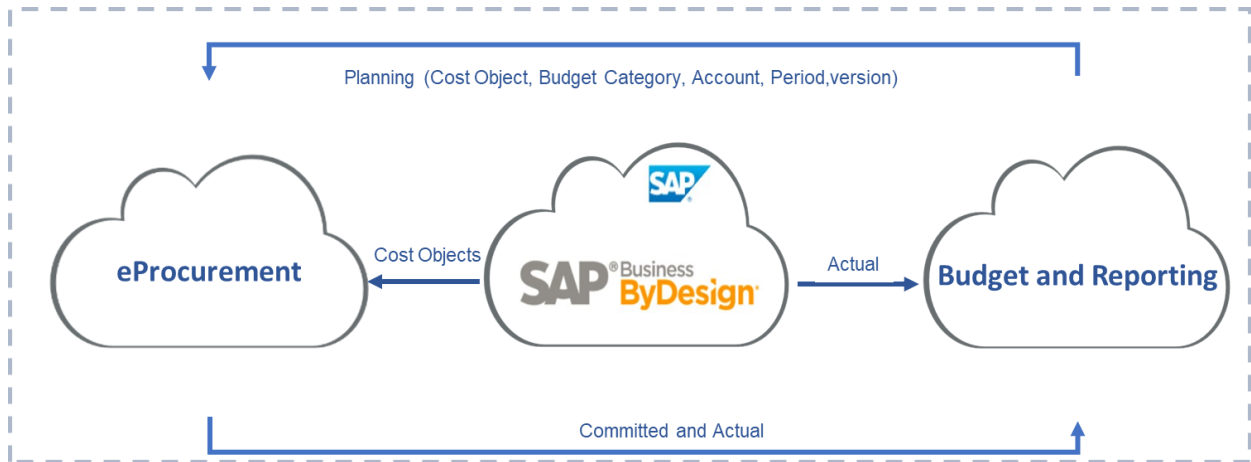
Phase I – Implement the supplier management, sourcing and contract management.

Phase II – Build up the interface from eProcurement solution to the current ERP (SAP Business ByDesign).

To enable the end of end business process, the eProcurement solution need to be fully integrated with Bank's current IT landscape as below:

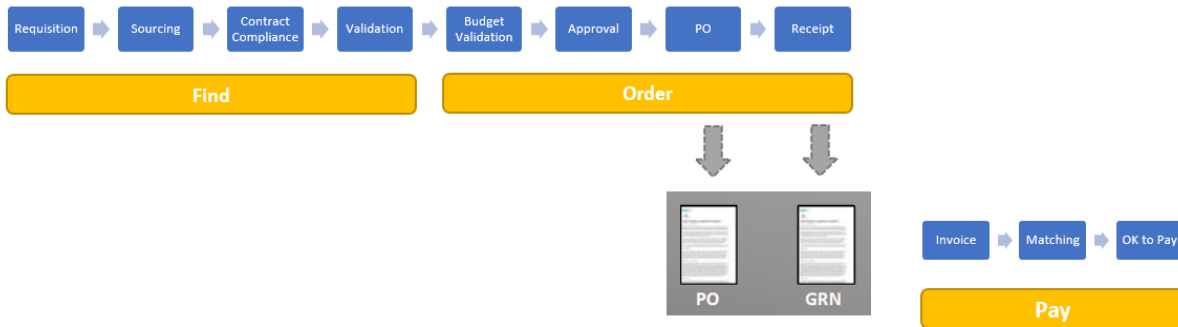
- eProcurement system needs to be integrated with Bank's Financial Accounting system to perform correct posting if necessary
- eProcurement system needs to interface with Bank's budget management system to obtain correct budget data to perform cost control for each PO raised

Figure 2



As AIIB has chosen to stay with the existing ERP system (SAP-ByD) for invoice processing, purchase order and goods receipt need to be interfaced from eProcurement solution to ByD to perform 2 or 3-way matching.

Figure 3

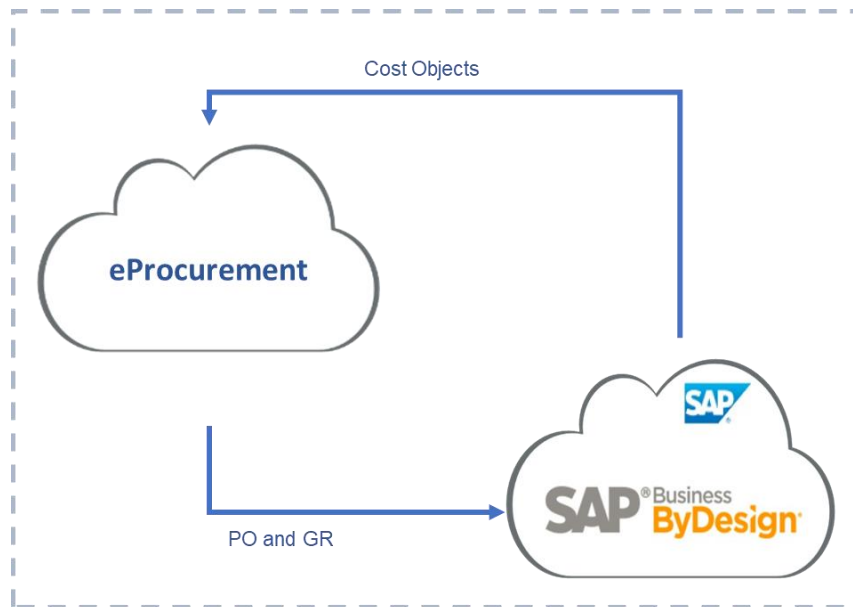


**Data flow across IT systems (example) for controlling and monitoring process:**

As indicated in Figure 4 and 5 below, the following data objects need to be interfaced between different systems:

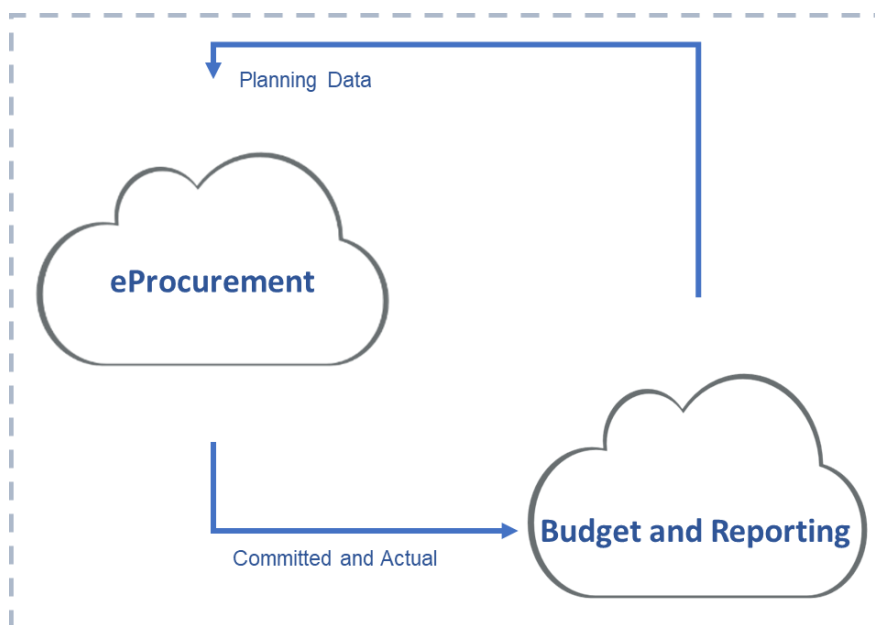
- Cost objects need to be created from SAP ByDesign and interfaced to eProcurement and Budget and planning system as cost controlling master data
- Purchase order and Goods/Service Receipt need to be interfaced from eProcurement to SAP ByD to complete the invoice processing

Figure 4



- Planning data, including budgets, account, period, versions need to be interfaced to eProcurement system
- Committed and actual purchasing data need interface to Budget and Reporting system for spend and cost reporting purpose

Figure 5



#### 4. Deliverable

With the above requirements on the main functions, we need the IT solution meeting our requirements as well as the implementation service to conduct the below activities and complete the relevant deliverables.

- 1) Rollout Preparation
  - Project Plan preparation
  - Resource preparation
  - System Environment preparation
- 2) Requirements Understanding and System BluePrint
  - Understand the as-is and design to-be business process
  - Complete system design blueprint document and obtain sign-off
- 3) System Development and Testing
  - Complete system customizing and development
  - Complete unit and integration testing
  - Conduct structured-walkthrough with key users to ensure system design functionality meets business requirements
- 4) UAT and Training
  - Prepare necessary UAT testing data in testing environment.
  - Identify UAT test resources
  - Finalize and confirm UAT Test Plan
  - Prepare UAT Test script for various business scenarios and per department
  - Review and Finalize the test scripts
  - Perform UAT testing
  - Execute Fine-Tuning activities in UAT
  - Complete Training to key users and support training for end-users
- 5) Deployment and Go-live
  - Finalize the complete and detail Cutover Schedule Prepare go-live for production system
  - Support to Migrate and Synchronize Transaction Data in Production System if necessary.
  - Check and review updated master data, Fine tuning tasks in productive system based on Deployment document
  - Go-Live: Release Productive system for Procurement process to end users
- 6) Post go-live support
  - Implementation team need to provide post go-live hypercare support for 4-6 weeks to ensure the function is working properly.

After the hyper care period, the implementation need to complete official training to the support team.



## **5. Qualification**

- The firm undertaking the assignment should have a minimum of 5 years of direct experience in the related solutions implementation.
- Experience with implementing the related solutions with leading standards or frameworks.
- Experience with the system architecture and connectivity/integration of the related solutions.
- Experience with system integration between eProcurement to SAP ByD is a plus.