



Al-Amanah Islamic Investment Bank of the Philippines (AAIIBP)

TERMS OF REFERENCE

PROCUREMENT OF AAIIBP CHECK IMAGE CLEARING SYSTEM (CICS)

I. ABOUT THE PROCURING ENTITY

Al-Amanah Islamic Investment Bank of the Philippines (“AAIIBP”), a government financial institution duly organized and existing under and by virtue of the Republic Act No. 6848, with principal office address at G/F PHIDCO Building A, Veterans Avenue, Zamboanga City, Philippines, and Metro Manila Executive Office address MA 104-B McKinley Arcade, Ortigas Avenue corner Club Filipino Street, Greenhills, San Juan City, Metro Manila, Philippines.

II. PROJECT OVERVIEW / OBJECTIVES

The Initiative of AAIIBP is to invest in a Check Image Clearing System (CICS) solution to comply with all PCHC technical and functional requirements. The acquisition of the AAIIBP CICS aims to achieve the following objectives:

1. To comply with BSP and PCHC regulations on CICS.
2. To address geographical limitation by eliminating movement of physical paper.
3. To identify operational efficiencies that would streamline/reengineer existing cheque clearing processes.
4. To create a faster & more secured payment exchange environment that caters to local cheque clearing transactions.
5. To reduce/minimize fraud.
6. To deliver optimal customer satisfaction.
7. To ensure smooth migration of conventional check clearing to a fully automated environment.

III. PROJECT SCOPE

The acquisition and implementation of the **AAIIBP Check Image Clearing System (CICS)** shall include the required hardware and software to be provided by the vendor as follows:

- a) CICS Front-End Solution and Licenses including databases
- b) Servers, Workstations and Scanners
- c) Signature Verification System (SVS)
- d) Scanning/Archiving and retrieval of check images/storage.
- e) Post Dated Check Management System
- f) Conduct of User trainings to nine (9) branches and Central Clearing Unit *

IV. APPROVED BUDGET FOR THE CONTRACT (ABC)

The Approved Budget for the Contract (ABC) price is **Three Million Six Hundred Thousand Pesos (Php 3,600,000.00)**. This amount shall be inclusive of the software license, hardware, third party operating systems and database needed to run the software, implementation and integration cost, twelve percent (12%) Value Added Tax (VAT) and other taxes imposed by the Government.

V. TECHNICAL AND FUNCTIONAL SPECIFICATIONS (SOFTWARE AND HARDWARE)

A. Check Image Clearing System – Application

Features:

- a) Different access levels, such as:
 - Supervisor Access
 - Central Data Entry
 - Central Correction and Balancing
 - Branch Data Entry
- b) Exception processing users-mark returns manually or via standard file import
- c) Archive capability
- d) Std export to 3rd party SV
- e) Web enquiry users to CB archive
- f) Access to standard PCHC reports /status
- g) ICL generation/parsing Outward, Inward, Return
- h) IQA Inclearings
- i) UV Inclearings
- j) Signature Verification System (At least side by side check image and signature)

B. Check Image Clearing System – Hardware

- a) **Ten (10 Scanners)** – with the following specifications:

Scanner:

- 155 Document per Minute throughput or up to 80 Documents per Minute while capturing UV Images.
- UV Ready Scanner
- Automatic Document Feeder with Double Document Detection
- E13B and CMC7 read w5th a4t6-detect
- CCITT and JPEG Image capture (Grayscale 256bit)
- Rear Programmable Endorser 1 to 4 lines of UIC endorsement
- Single Pocket

- b) **At least One (1) PC Workstations for CCU**

- PC of Any Brand
- Single Processor 3.3GHZ
- Intel Core i7
- Minimum 8 GB RAM
- 1TB SATA Disk 7.2K rpm 3.0GB/s.
- 1GB Ethernet NIC

- c) **Central Clearing Server and SVS Server**

Description	Small Configuration Up to 1,000 items per day
PC Server	<ul style="list-style-type: none"> • PC Server of Any Brand • Single Processor 3.3GHZ • Processor has 4 cores 8 threads • 16GB RAM

	<ul style="list-style-type: none"> • 2TB SATA Disk 6.0GB/s • 1GB Ethernet NIC • Win Server 2012 R2
	<ul style="list-style-type: none"> • Microsoft SQL 2014 Standard Edition
Miscellaneous	Backup and management tools as defined by member bank; or use standard MS tools provided with Windows and SQL

C. Storage. For any storage requirement, the proposed architecture should make use of the existing external storage device of AAIIBP as much as possible.

D. Network. For connectivity requirement, the CICS Solution should make use of the existing network infrastructure of AAIIBP.

E. Security. The solution should support the required Security and Encryption, password protection, and audit trail/logs.

F. Services

a) Customization

This covers all activities that are needed in the development, customization and implementation of the system. These activities shall include system customization, all phases of testing and system integration, testing of interfaces with existing application systems.

b) Installation

Deadline for the delivery of products / solutions shall be reckoned from awarding of the contract. Hardware and software should be delivered and operational not later than February 29, 2020. Delivery should take into consideration the UAT. In addition, guarantee the delivery of the products / solutions within the specified period; otherwise a penalty shall be imposed equivalent to 1/10th of 1% of contract price for every calendar day of delay.

c) Testing - Allows testing prior to delivery

d) Acceptance test support

e) Training - The proponent shall provide the following training:

- Executive training / Orientation
- Train the trainer
- Technical training to include but not limited to: Database Administration, Systems Administration, System Security and First level troubleshooting.

VI. TERMS AND CONDITIONS

- a) The Approved Budget for the Contract (ABC) price is **Three Million Six Hundred Thousand Pesos (Php 3,600,000.00)**. This amount shall be inclusive of the software license, hardware, third party operating systems and database needed to run the software, implementation and integration cost, twelve percent (12%) Value Added Tax (VAT) and other taxes imposed by the Government.
- b) Three-year warranty for both hardware and software components.
- c) Support service coverage from 8:00am to 5:00pm Mondays to Fridays except holidays.
- d) Delivery Lead Time:
 - i. CICS application (ready for testing with AAIIBP PBM) – Must be delivered and operational before February 29, 2020.
 - ii. Central Clearing Server - Must be delivered and operational before February 29, 2020.
 - iii. PC Workstation and UV ready Scanner (All Branches) – Must be delivered and operational before February 29, 2020.
 - iv. PC Workstations for Data Correction and Balancing (DCB), Supervisor and SVS- Must be delivered and operational before February 29, 2020.
 - v. SVS Server – Must be delivered and operational before February 29, 2020.

VII. PAYMENT SCHEDULE

- a. The payment shall be made within Thirty (30) calendar days after full delivery and live production/ implementation. Submission of the following documents shall be required:
 - i. Statement of Account /Billing
 - ii. Original Certificate of User Acceptance issued by authorized officer of AAIIBP
- b. The Payment Scheme as follows:
 - i. 90% Full implementation
 - ii. 10% Retention Money (1 Year)

VIII. PERFORMANCE SECURITY

To guarantee the faithful performance by the winning Bidder of its obligations under the contract, The Bidder shall submit a Bid Securing Declaration or any form of Bid Security in the amount stated in the Bid Data Sheet (**BDS**), which shall be not less than the percentage of the ABC in accordance with the following schedule:

- a) Cash;
- b) Cashier's/Manager's check

IX. LIQUIDATED DAMAGES

The winning Bidder obligates itself to perform and complete all services within the specified period beginning from the starting date, exclusive of such extensions of time as may be mutually agreed upon. Should the winning Bidder fail to complete the services within the stipulated time, liquidated damages, not by way of penalty, shall be paid to AAIIBP by the winning Bidder in an amount equal to one-tenth of one percent (1/10 of 1%) of the total contract price for each calendar day of delay until the services are completed.

X. NON-DISCLOSURE

Information about AAIIBP and its operation in this document is considered proprietary and confidential and must be treated as such by the recipients of this Term of Reference (TOR). In the same manner, the responses to this TOR which shall be specified as confidential shall not be disclosed to any Third Party.

- a) Each party agrees to hold and maintain confidential all materials and information which shall come into its possession or knowledge in connection with the project or its performance, and not to make use thereof other than for the purpose of this project.
- b) After completion of the project, all materials, data, proprietary information and other related documents provided to the winning Bidder and which are hereby deemed owned and shall be returned to AAIIBP.
- c) The winning Bidder undertake that it shall make appropriate instructions to its employees who need to have access to such information and materials to satisfy and comply with its confidential obligation as set forth in this Section.
- d) This confidentiality obligation shall survive even after the termination of the CONTRACT.
- e) The winning Bidder shall, likewise, oblige the supplier/service provider to be bound by this confidentiality contract.
- f) The winning Bidder's breach of this confidentiality provision shall entitle AAIIBP to legal and other equitable remedies including but not limited to the immediate cancellation of this Contract and shall entitle AAIIBP for claim for damages and injunctive relief under the circumstances. AAIIBP may also elect to terminate further access by the winning Bidder to any data and information.
- g) A Non-Disclosure Agreement between AAIIBP and the winning Bidder will form part of the contract that outlines confidential material, knowledge, or information that both parties wish to share with one another for certain purposes but wish to restrict access to or by third parties.

XI. MANUALS

User Manuals, Technical/Reference Manuals and System Operation/Troubleshooting and Installation Guides shall be provided by the vendor which must be in hard and soft copies accompanied with a compact disk / USB copy on **Microsoft Word for Windows** format.

XII. SYSTEM SOURCE CODE ESCROW

In order to ensure that the Procuring Entity obtains access to the Source Code of the software, should the supplier cease to do business or fail to maintain and update the software in accordance to its obligations under this contract, the Parties shall agree, within thirty (30) calendar days before the expiration of the system warranty, to enter into either a Source Code Escrow agreement (“Escrow Agreement”) with an independent Third Party Escrow agent whose principal business is providing intellectual property escrow services (“Escrow Agent”) or a Memorandum of Agreement (“MOA”) requiring the winning bidder to surrender the source code.

XIII. TECHNICAL & FUNCTIONAL VALIDATION

Shortlisted bidders will be required to demonstrate their system for technical & functional validation. Each shortlisted Bidder will be allowed four (4) hours inclusive of installation and set-up of IT peripherals. The TFV will be conducted at the cost of the bidders. The Bidders shall be responsible for providing all the hardware, software and services needed for the demonstration. All demo units shall be **the same specifications** for delivery. AAIIBP’s responsibility is limited to providing workspace.

Purpose of the TFV:

- 1) Demonstrate how the proposed solution addresses the AAIIBP requirements.
- 2) Meet the objectives outlined in the evaluation criteria.
- 3) Evaluate all features to understand cost benefit, and other various efficiency benefits.
- 4) Understand the limitations of the proposed solution within the scope of the technical & functional validation

Guidelines for the TFV:

- 1) The technical & functional validation shall be demonstrated in either of the following languages: English/Filipino.
- 2) The demonstration could be done using a part of an existing solution and should provide a representative solution through a relatively small number of users acting in business roles to satisfy various aspects of the requirements.
- 3) In the course of the TFV, the Bidders should point out which items in the BTFS it addresses. This will serve as a guide for the users to locate their listed items in the “User Requirements” and relate it to the system technical review at hand.
- 4) Oral presentation shall start with the introduction of the company, technical experiences and number of installations of CICS and other related projects and a high-level implementation plan to meet the timetable

XIV. SCORING MECHANISM

The Bid evaluation of short-listed bidders shall be rated using below scoring mechanism:

Factor/Criteria	Weight	Factor Value	Rating System/Score
A. Financial Proposal a) CICS Front-End Solution and Licenses including databases <ul style="list-style-type: none"> • Servers, Workstations and Scanners • Signature Verification System (SVS) • Scanning/Archiving and retrieval of check images/storage. • Post Dated Check Management System c) Conduct of User trainings to nine (9) branches and Central Clearing Unit*		40%	
B. Warranty/Support Services (See Annex 1) a) Warranty b) Support Services	50% 50%	15%	Bidders shall be rated / evaluated by the AAIIBP-TWG Panel of Subject-Matter-Experts. 4– Exceeds minimum Standard
C. CICS-Application (See Annex 1) a) Front-End System <ul style="list-style-type: none"> • Outward (Regular/Return) • Inward (Regular/Return) • CBS Interface b) Front End System (Additional Features) c) SVS d) Archive e) PDC	40% 10% 20% 20% 10%	30%	2 – Meets Minimum Standard, additional customization required (No Cost) 0 – Below Minimum Standard ✓ Minimum Technical Score is 50%
D. CICS-Hardware (See Annex 1) a) Scanners b) PC Workstations c) Servers	40% 20% 40%	15%	Note: The minimum standard shall refer to the requirements

			contained in this TOR.
TOTAL		100%	

The Lowest Financial Proposal shall be given a perfect financial score of 40%. While the financial score of other proponent that qualified the minimum technical score shall be computed with the formula:

$$FS = (LFP/FP) \times 40\%$$

Where:

FS = Financial Score of proponent

LFP = Lowest Financial Proposal

FP = Financial Proposal of proponent under consideration

Example of computation is as follows:

Assumption:

Bidder 1 = P 1.4M

Bidder 2 = P1.6M

Bidder 3 = P1.8M

Computation:

FS of Bidder 1 = 40%

FS of Bidder 2 = $(P\ 1.4M/P1.6M) \times 40\%$
= 35%

FS of Bidder 3 = $(P1.4M/P1.8) \times 40\%$
= 31.11%

Bids shall then be ranked according to the combined weights of the Technical and Financial Proposals. The bidder with combined highest score shall be declared as the **Highest Rated Bidder**

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