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

TERMS OF REFERENCE

Procurement of Card Management System (CMS), Switch and Three (3) Units of Automated Teller Machine (ATM)
1. BACKGROUND

Al-Amanah Islamic Investment Bank of the Philippines (“AAIIBP”), a Government financial institution duly organized and existing under and by virtue of the laws of the Republic Act No. 6848, with principal office address at G/F PHIDCO Building A, Veterans Avenue, Zamboanga City, Philippines, and Makati Executive Office address at 4th Floor AAIIBP Building, Sen. Gil Puyat Avenue corner Makati Avenue, Makati City, Philippines.

AAIIBP intends to acquire, customize, and implement a card management system for its card business requirements. The solution it seeks must be comprehensive, flexible and customizable to address all card business, operational and management needs of the Bank across issuance, acquisition, settlement and other card related processes.

2. OBJECTIVE

The initiative of AAIIBP to invest in a fully functional Card Management System, Switch and Automated Teller Machine is driven by its desire to make the Bank attuned and relevant in the industry and expand its market by providing alternative payment channels and non-traditional products and services responsive to the increasing demand for solutions to evolving client requirements. The acquisition of the Card Management System, Switch and Automated Teller Machine aims to achieve the following:

2.1. Address the issuance, acquisition and settlement requirements of the Bank;
2.2. Streamline and automate operational processes to minimize, if not eliminate errors caused by manual interventions;
2.3. Increase employee efficiency and effectiveness and reduce operational costs;
2.4. Improve customer service and position the bank for growth;
2.5. Improve risk and regulatory compliance management;
2.6. Provide analytics that will generate relevant data to Top Management for effective, strategic decisions;
2.7. Develop complementary business and more creative products/services that will provide additional revenue streams for the bank;
2.8. Enhance customer information, provide behavioral insight and establish proactive relationship management.

3. PROJECT SCOPE

The acquisition shall include hardware, software, vendor implementation, training and interface, and Card Management and 3rd Party Solutions licenses for testing, production, and disaster recovery environments.
ATM SYSTEM
  a) Card Management  
  b) Batch Loading Facility  
  c) Card Balance and Transaction System  
  d) REPORTS (Account History, List of Transactions, Outstanding Balance)

Three Units Brand New ATM Machine
  a) Three (3) Cassette Cash Dispenser  
  b) ATM Controller Software License  
  c) Application Software for ATM Emulation

ATM Management

ATM Switch System (with the capacity to accommodate numerous ATMs)

ATM On – Us Transaction Processing

Hosted HSM (Host Security Module)

Installation and Training Services
  a) Test Server Preparation  
  b) IP Address/Connection Preparation  
  c) Database Preparation  
  d) ATM Terminal Preparation  
  e) Live Test Cards Preparation  
  f) Database Server Configuration  
  g) ATM Cards  
  h) ATM Test Transactions

Mobile Financial Services
  a) Balance Inquiry  
  b) Fund Transfer  
  c) Bills Payment

4. APPROVED BUDGET FOR THE CONTRACT (ABC)
   The maximum possible contract price for the Procurement of Card Management System, Switch and Automated Teller Machine is Ten Million Philippine Pesos: Php10,000,000.00. This amount shall be inclusive of the software license, hardware, third party operating systems and databases needed to run the software, implementation and integration costs, twelve percent (12%) Value Added Tax (VAT) and other taxes imposed by the government. Likewise, this shall be inclusive of any and all out-of-pocket expenses such as but not limited to fund for travel, meals and lodging, fees for additional and/or Contingency Developers and other related expenses.

5. TECHNICAL AND FUNCTIONAL SPECIFICATIONS (SOFTWARE AND HARDWARE)
   a. Application  
      d) ATM System  
         a) Card Management  
         b) Batch Loading Facility  
         c) Card Balance and Transaction System
d) REPORTS (Account History, List of Transactions, Outstanding Balance)
e) Interface with CASA System
f) ATM Switch System

b. Hardware
   PC Sever
   - Server of any brand (globally known brand in the market)
   - 4-Core Processor
   - at least 32 GB RAM
   - At least 1TB SATA Disk
   - Gigabit Ethernet NIC

   PC Workstation
   - PC of any brand (globally known brand in the market)
   - At least Intel i5 Core Processor
   - At least 4GB RAM
   - At least 1TB SATA HDD
   - Gigabit Ethernet NIC

Four (4) Uninterruptible Power Supply for Server and Automated Teller Machine
One (1) Security Firewall
One (1) Modem

c. Software
   - Microsoft Server SQL 2012
   - Microsoft Windows Server 2012
   - Windows Server CAL’s 2012

d. Others
   a. EMV Compliant
   b. 5000 EMV ATM Cards
   c. 5000 Pin Mailer Sets

- **Storage.** For any storage requirement, the proposed architecture should make use of the existing external storage device of AAIIBP as much as possible.
- **System.** For system requirement, the solution should be able to integrate with the existing Core Banking System of AAIIBP.
- **Network.** For connectivity requirement, the Solution should make use of the existing network infrastructure of AAIIBP.
- **Security.** The solution should support the required Security and Encryption, password protection, and audit trail/logs.
6. 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, 2018. Delivery should take into consideration the User Acceptance Test (UAT). In addition, guarantee the delivery of the products / solutions within the specified period; otherwise a penalty shall be imposed equivalent to 1/10\(^{th}\) 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 trainers
- Technical training to include but not limited to: Database Administration, Systems Administration, System Security and First level troubleshooting.

f) Other Fees

a) Transaction within AAIIBP

- Balance inquiry, Withdrawal Transactions and other related services by AAIIBP cardholders will be free of charge.

b) Transaction with other Bank

- Balance Inquiry
### Particulars

<table>
<thead>
<tr>
<th></th>
<th>BancNet Intranetwork</th>
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<tbody>
<tr>
<td>Issuer Bank</td>
<td>0.25</td>
</tr>
<tr>
<td>Acquiring Bank</td>
<td>0.25</td>
</tr>
<tr>
<td>Winning Bidder</td>
<td>0.75</td>
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<tr>
<td>Bancnet</td>
<td>0.75</td>
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<tr>
<td><strong>Total Charge</strong></td>
<td><strong>2.00</strong></td>
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b) Withdrawal Transaction without convenience fee

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<thead>
<tr>
<th></th>
<th>Issuer Bank</th>
<th>Acquirer Bank</th>
<th>Winning Bidder</th>
<th>Bancnet</th>
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<tbody>
<tr>
<td>CardholderPay 10-15</td>
<td>1.0</td>
<td>5.0</td>
<td>3.00</td>
<td>3.00</td>
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</table>

c) Bills Payment

<table>
<thead>
<tr>
<th></th>
<th>Issuer Bank</th>
<th>Acquirer Bank</th>
<th>Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>For Institutions paying P7</td>
<td>2.50</td>
<td>2.50</td>
<td>2.00</td>
</tr>
</tbody>
</table>

d) Other service fees/charges that may incur shall be agreed by both parties (AAIIBP and Winning Bidder).

### 7. TERMS AND CONDITIONS

a) The maximum possible contract price for the Card Management System, Switch and Automated Teller Machine is **Ten Million Philippine Pesos**: Php10,000,000.00. This amount shall be inclusive of the software license, hardware, third party operating systems and databases needed to run the software, implementation and integration costs, twelve percent (12%) Value Added Tax (VAT) and other taxes imposed by the government, and shall be inclusive of any and all out-of-pocket expenses such as but not limited to fund for travel, meals and lodging, fees for additional and/or Contingency Developers and other related expenses.
b) Three year warranty for both hardware and software components.

c) 24 hour response time for technical support. Support service coverage from 8:00am to 5:00pm Mondays to Fridays except holidays.

d) Delivery Lead Time:

   i. PC Workstation, Server and Automated Teller Machine – Must be delivered and operational not later than February 28, 2018.

8. PAYMENT SCHEDULE and PAYMENT SCHEME

   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)

9. 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 BDS, which shall be not less than the percentage of the ABC in accordance with the following schedule:

   a) Cash, cashier’s/manager’s check.

10. 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.
11. 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 confidentiality on all materials and information which shall come into its possession or knowledge in connection with the project or its performance and incidental thereto, 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 shall undertake to give necessary directives and specific instructions to its employees who shall have or need to have access to any information and materials pertaining to the project to bind themselves with the confidential nature of said information and materials and to satisfy and comply with the obligation of their employer as set forth under this Section.

d) This confidentiality obligation shall survive and subsist after the termination of the CONTRACT.

e) The winning Bidder shall, likewise, oblige the supplier/service provider to be bound by this confidentiality terms and condition.

f) The winning Bidder’s breach of this confidentiality provision shall entitle AAIIBP to legal and other equitable remedies, including but not limited to automatic cancellation of this Contract. Notwithstanding the continuity of the contract, such breach shall also entitle AAIIBP to claim for damages and/or secure injunctive relief under the circumstances. In all instances, AAIIBP may also terminate further access by the winning Bidder to any confidential data, information and material.

g) A Non-Disclosure Agreement between AAIIBP and the winning Bidder shall automatically form an integral part of the Contract between them specifically that which outlines confidential materials, 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.

12. 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.
13. TECHNICAL & FUNCTIONAL VALIDATION

Shortlisted bidders will be required to demonstrate their system for technical & functional validation. Each shortlisted Bidder will be allowed eight (8) 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 as well as the venue needed for the demonstration. All demo units shall be the same specifications for delivery.

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 Bidders Technical and Functional Score sheet (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 ATM and CMS Solutions and other related projects and a high level implementation plan to meet the timetable

14. Scoring Mechanism

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

<table>
<thead>
<tr>
<th>Factor/Criteria</th>
<th>Weight</th>
<th>Factor Value</th>
<th>Rating System/Score</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Financial Proposal</td>
<td>40%</td>
<td>2.</td>
<td>3.</td>
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</table>
### ATM SYSTEM
- a) Card Management
- b) Batch Loading Facility
- c) Card Balance and Transaction System
- d) REPORTS (Approved/Rejected - On-Us Transaction, Acquirer Transaction, Issuer Transaction)

- 3 Units Brand New ATM Machine
  - a) Three (3) Cassette Cash Dispenser
  - b) ATM Controller Software License
  - c) Application Software for ATM Emulation

### ATM Management
- ATM Switch System
- ATM On–Us Transaction Processing
- Hosted HSM (Host Security Module)

### B. Warranty/Support Services (See Annex 1)
- 15.1.1. Warranty
- 15.1.2. Support Services

### C. Application (See Annex 1)
- 19.1.3. ATM System
  - a) Card Management
  - b) Batch Loading Facility
  - c) Card Balance and Transaction System
  - d) REPORTS (Account History, List of Transactions, Outstanding Balance, Trail Logs)
  - Interface with CASA System
  - ATM Switch System

### D. Hardware (See Annex 1)
- 28.1.1. a) PC Workstation
  - b) Server

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<table>
<thead>
<tr>
<th>Item</th>
<th>Rating</th>
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<tbody>
<tr>
<td>15.1.1. Warranty</td>
<td>50%</td>
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<tr>
<td>15.1.2. Support Services</td>
<td>50%</td>
</tr>
<tr>
<td>19.1.3. ATM System</td>
<td>45%</td>
</tr>
<tr>
<td>a) Card Management</td>
<td>20%</td>
</tr>
<tr>
<td>b) Batch Loading Facility</td>
<td>21%</td>
</tr>
<tr>
<td>c) Card Balance and Transaction System</td>
<td>22%</td>
</tr>
<tr>
<td>d) REPORTS (Account History, List of Transactions, Outstanding Balance, Trail Logs)</td>
<td>24%</td>
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<tr>
<td>Interface with CASA System</td>
<td>105%</td>
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<tr>
<td>ATM Switch System</td>
<td>455%</td>
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<thead>
<tr>
<th>Item</th>
<th>Rating</th>
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</thead>
<tbody>
<tr>
<td>PC Workstation</td>
<td>5%</td>
</tr>
<tr>
<td>Server</td>
<td>50%</td>
</tr>
</tbody>
</table>


4– Exceeds minimum Standard

2 – Meets Minimum Standard, additional customizaton required (No Cost)
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:

\[
FS = \left(\frac{LFP}{FP}\right) \times 40\%
\]

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 = P9.4M
- Bidder 2 = P9.6M
- Bidder 3 = P9.8M

**Computation:**

\[FS \text{ of Bidder 1} = 40\%\]
FS of Bidder 2  \[= \left( \frac{9.4M}{9.6M} \right) \times 40\% \]
\[= 39.17\% \]

FS of Bidder 3  \[= \left( \frac{9.4M}{9.8} \right) \times 40\% \]
\[= 38.37\% \]

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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