



CT 2225/2012

16 May 2014

To all Prospective Bidders:

Corporate Financial Management Solution for the Government of Malta.

Clarification Number 9

Reference is made to the above-mentioned tender with closing date on the 22nd May 2014 at 10.00hrs.

Enclosed herewith please find a set of clarifications (including the clarifications presented during the second clarification meeting held on the 30th of April), which are construed to form an integral part of the Tender Document.

All clarifications requested through info.contracts@gov.mt are being replied to in this clarification.

Question 1:

(i) In Volume 2 – Section 3, paragraph 2.3.10 Training Programmes it is requested the tenders to present detailed training plans for the following trainings:

- User training
- Database Administration training
- User development training
- Training the Trainer
- Training for Support Services
- Other Training

We kindly ask the Government to provide number of trainees per category:

| Category | Number |
|----------------------------------|----------------------------------|
| User training | Please define number of trainees |
| Database Administration training | Please define number of trainees |
| User development training | Please define number of trainees |
| Training the Trainer | Please define number of trainees |
| Training for Support Services | Please define number of trainees |

(ii) In addition, since it is requested to offer Train the Trainers Program, we kindly ask the Government to confirm if a Candidate is allowed to offer only Train the Trainers Program.

Answer 1:

- (i) The following table of training by categories outlines the minimum number of users required for purpose of tender evaluation:

| Category | Number |
|----------------------------------|--|
| User training | 2,000 for Core Systems and 500 for Potential Systems |
| Database Administration training | 50 persons |
| User development training | 50 persons |
| Training the Trainer | 50 persons |
| Training for Support Services | 60 persons |
| Other Training | Refer to Volume 2 Section 3 Item 10 |

- (ii) Train the Trainer programmes are meant for key users within each department to be in a position to address new users following implementation (succession planning). During the implementation all user are to be trained on the application as the table above outlines.

Question 2: In Form 1.4.9 – Interoperability Standards and Specification, it is requested to specify which standards are adopted for the implementation of our solution in accordance to GMIT Policy and Standards. However the link provided in the Tender document does not work. We kindly ask the Ministry to provide the correct link.

Question 2: The link is to read: www.ictpolicies.gov.mt

Question 3: Due to the volume of questions raised during the information day and the pending answers to clarifications by the Ministry, we kindly ask for a further extension of the submission deadline of at least one month so that our proposal encompasses all introduced changes in a coherent and accurate manner.

Question 3: The Business Owner deems that sufficient time has been provided. No extensions are being allowed.

Question 4: Does the Financial Guarantee referred to in article 27 of the General Conditions for Services Contracts apply to this tender?

Answer 4: Yes it applies. Further information on performance guarantee can be found in Article 34.7 of Volume 1, Section 1 (Instructions to Tenderers).

Question 5: Should we be taking into consideration the General Conditions for Services Contracts (Ver 1.02 dated 1st December 2011) or (Ver 1.04 26th April 2013)?

Answer 5: The version indicated in the Tender document should apply in relation to the General Conditions for Service Contracts. Refer to Volume 4 Section 1 Schedule 15. The latest one as uploaded through www.etenders.gov.mt/resources.

Question 6: Is it the intention of the Customer to keep paying the annual licence fee to make use of the solution if the Customer decides to terminate the Contract (or the contract expires)?

Answer 6: If the contract is terminated, Government shall have the right to continue using the licenses as set out in Article 28.2:

"The licences provided pursuant to Article 28.1 shall be perpetual, royalty free and non-exclusive. As a result of the perpetual right to use the licence, the Customer shall be entitled to continue operating the Contractor Software and the Third Party Software beyond the expiry or termination of the Contract, without incurring additional costs"

Question 7: In Schedule 9 (Charges), Appendix 2, article 2(b) it is stated that "If the Deliverable has been delivered and successfully implemented or commissioned, 25% of the payment to be made.....". Does this mean that, if for example, the Contractor has delivered successfully the hardware and was paid the 50% on delivery, he may only be paid 25% of the remaining 50% due on successful implementation or commissioning of the said hardware even though it was already successfully certified, commissioned and accepted?

Answer 7: The objective of Schedule 9 (payment upon termination for Convenience (art 48.7)) focuses on the concept of compensation to the contractor. The Contractor will be paid for any deliverables made as regulated by the relative Price schedule. However, the compensation is due over and above any payments that become due. It is a payment made by the Customer to the Contractor in order for the Customer to be able to terminate the contract without giving any justification to the Contractor.

Question 8: Moreover, please confirm that all services and expenses (including all software licences) that have been completed by the Contractor up to the date of termination by the Customer will be paid for.

Answer 8: Payments will be made according to the price schedule. In case of termination, Tenderers should refer to Articles 51 and 52 of the main Contract and Schedule 13 (Exit Management).

Question 9: Whether the requirement for providing the Source Code to the customer on termination covers only customisation done to the standard software, or whether it includes also the source code of the standard software.

Answer 9: Refer to article 31 of the draft contract (Volume 4 Section 1) which clearly explains what is required from the successful tenderer.

Article 31.1 specifically states the following:

The Contractor shall, within thirty (30) Working Days from the day on which the Customer so requests, deposit the Source Code of the Software (including any Third Party components and database schemas and structures necessary for the Solution to operate in accordance with the terms of this Contract) in escrow with the escrow custodian under the terms and conditions of the agreement set out in Schedule 4 (Escrow Agreement) or such other terms and conditions requested by the escrow custodian and approved by the Customer.

In Schedule 1 – Definitions and Interpretations Software is defined as "Specially Written Software, Contractor Software and Third Party Software".

Therefore the requirement is that the Contractor deposits any software implemented by the Contractor that will enable the Customer to continue using the Solution.

Question 10: In view of the recent significant clarifications that have been only issued on the 29th April and also the ones that are still pending (including the ones raised in the Clarification Meeting held on the 30th April) and given that more clarifications can be requested up to today, please let us know whether the closing date of the tender will be extended?

Answer 10: The Business Owner deems that sufficient time has been provided. No extensions are being allowed.

Question 11: Reference is being made to Schedule 14 Strategic Initiatives, in the section about Internships. Kindly confirm that in the event that the person/s selected to take up an internship are Maltese and are living in Malta on a regular basis, such a person/s would not be entitled to any remuneration, including remuneration which is intended to cover travelling, accommodation and living expenses.

Answer 11: Volume 4 Section 1, Schedule 14 Item 3.2.2 (a) ii states " The Contractor shall also be responsible to: provide a monthly remuneration to each selected participant during the term of the internship which is sufficient enough for the selected participant to cover travelling, accommodation and living expenses."

Moreover, Volume 3 Section 1 - Mandatory Requirements, Item 0.4.02 States "6 internships for 6 participants, each having a duration of 6 months together with remuneration for the participants sufficient to cover travel, accommodation and living cost throughout the duration of the contract"

This is a mandatory requirement irrespective of the participants' nationality. The remuneration shall be similar to an apprentice and shall cater for travelling, accommodation and living expenses as may be applicable.

Question 12: "On Form 1.4.7 (Financial Statement) it is requested to calculate the Quick Ratio Indicator (Page 47). The quick ratio is usually defined as (Cash & Cash equivalents + Debtors)/Current Liabilities, however, on the form it is defined as (Current Assets – Stocks – Debtors > 1)/Short term debt. Please explain further what exactly is meant by (Current Assets – Stocks – Debtors > 1).

Answer 12: Yes, there was a misprint. The Quick ratio can also be defined as follows:

$$\frac{\text{Current Assets} - \text{Stocks}}{\text{Short term Debts}}$$

The validation of > 1 is included in the formula to assess the liquidity of the tenderer. The formula is being amended accordingly.

Question 13: If the tenderer is to be a Joint Venture/Consortium, will the contracting authority accept separate bid bonds from all partners that add up to €80,000 or there must only be one bid bond in the name of the lead partner (or in the name of all partners)?"

Answer 13: The Bid Bond should be drawn up in the name of the Joint Venture/Consortium. If this is not permitted by the Bank, the Bid Bond should be drawn up on the Lead partner on behalf of the Joint Venture/ Consortium.

The following are Clarifications presented during Tender Briefing session held on 30/04/2014:-

Question 14: Where is the participation fee to submit this tender listed?

Answer 14: There is no participation fee for this tender.

Question 15: If two companies bearing the same name (one in Malta and one abroad) but being two legal entities (with different shareholders, company registration, etc) would want to bid for the same tender, separately, is this allowed?

Answer 15: In case of two companies bearing the same name but being two different legal entities may bid for the same tender separately.

Question 16: Does DoC require certificates requested from the Bidders to be originals, or certified true copies, or just copies?

Answer 16: In case where original certificates cannot be provided, copies are accepted provided they are certified to be a true copy of the originals.

Question 17: In case of a consortium or joint venture, the Tender Form is to be signed by all members of the consortium, clearly indicating the LEAD tenderer and its partners. In this case, the bid bond needs to be on the LEAD Tenderer or on any partner forming the consortium?

Answer 17: The Bid Bond should be drawn up in the name of the Joint Venture/Consortium. If this is not permitted by the Bank, the Bid Bond should be drawn up on the Lead partner on behalf of the Joint Venture/ Consortium.

Question 18: Form 1.4.7 is the Financial Statement form. In case of a consortium, can this form be completed separately for each member of the consortium and signed by a different Auditor for each? If not and only one form has to be completed for all the members, can we waive off the requirement for an auditor to sign it off? Feedback was that an auditor would not sign off multiple companies accounts which companies are not within his remit, especially if the companies are foreign.

Answer 18: In the case of a consortium, each partner can submit his own form signed by his own auditor.

Question 19: The prospective bidders stated that under Section 2.3.7 titled Number of End- Users in the Tender Document, the Tenderer has to service 2,000 users as minimum number of Registered users on implementation of the Core Systems and a minimum of 500 Registered Users on implementation of the Potential Systems. In addition, did it also state that this number is expected to increase up to 25% over a period of 5 years from implementation date?

Answer 19: This query was answered in Clarification Number 6 Question 26. The Clarification stated that the Tenderer should provide for minimum of 814 active users and 2,000 registered users of the Core Systems. The Tenderer should also provide for a minimum of 500 registered users for the Potential Systems. Regarding the 25% increase over a period of 5 years, for purpose of tender evaluation the 25% increase shall be spread equally over the 5 year period.

Question 20: Under Volume 3 section 3 – Financial Bid, the Price Schedule should provide for 2,000 registered core users. However, the Government would only have utilized part of these users by the time the Core Systems are implemented in Phase 1 – piloting stage. Therefore unnecessary license costs will be incurred by the selected tenderer as it would have to factor the cost of all. Can the Government give an indication of the pattern, in which the remaining users will be phased in, as this will help extensively in the pricing strategy adopted by the tenderer.

Answer 20: The implementation process shall be carried out in two phases; Phase 1 – Core systems within pilot sites and Phase 2 – Core systems within the rest of Government Ministries and Departments (re volume 5 section 1A); Phase 3 is optional. During Phase 2, It is expected that a number of ministries and departments will be grouped based on their readiness for implementation and all will be implemented within the 12 month period stipulated in the tender roadmap (vol 2.2.3).

The following table below illustrates for tender evaluation purposes only:

| | | | |
|---|--------------------|----------------|---|
| Minimum Users | Core (*) | Potential | For purpose of tender evaluation purposes only |
| Registered | 2,000 | 500 | |
| Active | 814 | n/a | (Regard potential active as registered, 500 where applicable) |
| Current (includes 25% increase) | 700 | n/a | |
| 25% increase over 5 years | 500 | n/a | Equivalent to 100 users per annum |
| (*) Phase 1 and 2 – Core Systems | | | |
| Based on clarification no 8 question 22 (pilot sites); the estimated Core registered users shall be as follows: | | | |
| Phase 1 Registered | Phase 2 Registered | Total Core | |
| 300 | 1,700 | 2,000 licences | |

Unless otherwise declared all other figures shall apply with effect from the implementation date of the Solution or part thereof.

For purpose of implementation and training, Volume 5 section 1A and 1B functional responsibilities by Ministry, Department and System apply.

Question 21: Again under Volume 3 Section 3 – Financial Bid in Part 2A: Price Schedules – Core Systems and Part 2B: Price Schedules – Potential System, the prospective Tenderers asked whether they were required to abide to the Pricing formats provided, given that they were to adopt other costing methods?

Answer 21: Pricing formats cannot be changed as this will affect comparability of price schedules. Tenderers have to follow the stipulated requirements as provided in the Tender document otherwise it would lead to disqualification. However, in volume 3 section 3 – Financial bid, tenderers can provide 'a detailed breakdown of the cost elements to explain further the Price Schedules.' under the section '**Supplementary information on Price Schedule**' at the end of the price schedules.

Question 22: If a Tenderer quotes a higher price for the hardware and a lower price for the software, how will the marks be assigned?

Answer 22: The Adjudication Board will select the bidder with the cheapest bid during package 3 in accordance to tender procedure specified under Vol 1 – section 1, item 29 – Tender Evaluation Process. By then the Board would have completed the evaluation of package 2, where marks are allocated for the whole Solution, including the hardware (re: volume 1 – section 1, item 29.4 Part 3: Technical Compliance). However as stipulated in the Tender, the Government has the right to decide prior to award of the tender whether to procure the hardware from the tenderer or seek alternative options.

Please be guided by Volume 1 Section 1, parts D, E, F which outline the tender submission, evaluation and award procedures.

Question 23: Can further clarifications on the potential systems and the number of users be provided?

Answer 23: In Section 2.2.3 titled The Corporate Financial Management Solution Roadmap, the Tender document does not provide timeframes since the potential systems depend on the implementation of the Core Systems and decisions which Government shall be taking in the near future. The number of active users for Potential Systems is not available since most of these applications are either not in place or running manually. A major deliverable of the tender is the Business Process re-engineering of current systems and procedures which shall have an impact on the number of users. The tenderer is expected to provide the expertise, regarding the Business Process Re-engineering required within Government, for successful implementation of these systems. For purpose of tender evaluation, a list of potential registered users by Ministry and by System is available at Volume 5 section 1B. Tenderers are to be guided accordingly.

In addition, clarification no 6 questions no 22, 26 and 29 apply.

Question 24: What will the duration of the contract be?

Answer 24: Refer to Clarification Number 8 Question 11.

Question 25: What is the total number of years required for maintenance and support required?

Answer 25: The CFMS Tender states that the Government is prepared to enter into a minimum of nine years maintenance and support agreement. Clarification no 8 question 11 defines the duration and conditions applicable to Maintenance and Support. For a complete definition of the Maintenance and Support terms and conditions refer to Volume 3 section 1 item 19 and volume 4 Schedule 5.

For the potential systems, the same applies, i.e. maintenance and support starts after the one (1) year warranty period has expired. Since the tender is not stipulating when the potential systems are to be procured and implemented, Government shall reserves the right to decide on the procurement of the Potential Systems within 5 years from signing of the contract.

For further clarification, refer to volume 2.2.3 – The CFMS Roadmap, volume 2.5.4 – CFMS Contractual Roadmap and Clarification 8 question 11.

Question 26: What are the requirements for the Business Model for Hands on Evaluation of the Solution? How can the Government assess the performance from a Business Model and can this be provided through on-site visits?

Answer 26: The Business Model will include all the basic requirements as outlined in the Tender document. It does not mean that it will have all the functionality in place but will give an understanding of the processes that can be carried out by the System. The Adjudication Board also reserves the right to make onsite inspection, in order to gain a better understanding of the Proposed Solution. Tender evaluation and award procedures in volume 1 section 1 item 29 – Tendering process, apply.

Question 27: Will training be provided as a 'Train the Trainer' approach or is the bidder to provide training to all users?

Answer 27: The tenderer has to provide training to all users as detailed in the volume 2.3.10. In addition, be guided by other provisions found under Volume 3, section 1 – Mandatory requirements item 16 and Volume 3 section 2 – Response section Part 3.

Question 28: Can you indicate the budget cost of this project?

Answer 28: This project was taken on board, following the Government's commitment to the project. It is a project considered for EU funding but currently the total price cannot

be announced. However the current bid bond should give an indication on the budget relating to the Core Systems.

Question 29: Are the Tenderers expected to quote for dual active servers or active/passive servers?

Answer 29: The Tender document stipulates that the tenderer must achieve the service levels and provide the required business continuity as outlined in the tender document (Vol 3 Sec 1 and Volume 4 Schedules 1-10). It is up to the tenderer to decide which servers can meet the 99.9% Service availability and service level response times as defined in Volume 4 Schedule 5.

Question 30: Are Tenderers expected to identify the longest process? For what purpose? Can the Government provide a list of the priority areas for which the Government would need the processes to be the most efficient? What will happen if any Tenderers do not provide the correct replies? Will the tender be disqualified?

Answer 30: All processes need to be run as efficiently as possible and the Adjudication Board will decide which system is run most efficiently based on the information provided by each bidder. The criteria which the Board shall apply is clearly defined in the relative form 1.4.13 – Performance. Inaccurate responses are regulated by the Tendering procedures.

Question 31: Why are new clauses in the Tender document, being issued 3 weeks from the closing date?

Answer 31: Yes it is acknowledged that new clauses are being included in the Draft Tender Document through the clarifications issued.

Question 32: With respect to tender CT2225/2012 (Corporate Financial Management Solution for the Government of Malta) we have the following question regarding the preparation and signing of tenders. In Section 21.2 of Volume 1 – Section 1, it is stated that “All pages must be numbered consecutively by hand, machine or in any other way acceptable to the Central Government Authority”. Would it be acceptable to restart our consecutive numbering for each tender document? I.e. Use separate consecutive numbering for tender documents (a) Bid Bond, (b) General/Administrative Information, (c) Financial and Economic Standing, (d) Technical Capacity, (e) Conditions of Employment, (f) Evaluation Criteria/Technical Specifications, (g) Financial Offer?

Answer 32: Pages of each package are to be numbered consecutively, starting afresh in each.

All other tender documents, conditions and requirements, which are not superseded by this Clarification, remain in place.


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