

5.0 REVALIDATION OF SPECIFICATION AND COST

Following the approval of the Steering Committee and a “No Objection” Certificate from the Bureau of Public Procurement (BPP) dated December 14, 2009, Accenture provided a new price for 8K Taxpayer Cards arguing that their INITIAL pricing was based on 32K card while Telnet bid for 8K. Letters from Accenture and the independent report from Oke Millet – an ICT consultant from Adam Smith International were forwarded to the BPP. The BPP after studying the documents decided to put a hold to further action on the No objection certificate earlier granted via its letter dated January 11, 2010.

This development led to further clarifications, price negotiations to obtain competitive price from the 2 (two) most responsive bidders and invitation was extended to the vendors to revalidate their prices.

5.1 Updated Technical Evaluation Result

After evaluation, the technical evaluation table in section 3.5 above was remains as follows:

S/N	Technical Evaluation		Position
	Bidder	Technical Bid Score (%)	
1	Telnet Consortium	64.7	1
2	Accenture Consortium	62.8	2
3	NADRA	54.0	3
4	Quanteq & Estarta	37.7	4

5.2 Updated Comparison of Technical Specifications

S/N	Description	ACCENTURE	TELNET
1	Software-Core Taxpayer Registration Module- Database licenses-Software dev. Kit	<p>SAP Tax & Revenue Management (TRM) is considered as part of SAP ERP. The ORACLE based TRM addresses all aspects of tax administration. However what is being considered addresses the following key functions:</p> <ul style="list-style-type: none"> · Customer Interface Management (including multiple channels such as Web and IVR)Taxpayer Registration and Identification (using Biometric features) · General Service & Workflow –reporting, Correspondence/Document Management · Taxpayer Service and Education · Data Management 	<p>SIGTAS is a fully integrated Tax administration System solution developed and maintained by CRC Sogema of Canada. For this bid the SIGTAS modules proposed are the SIGTAS Tax Roll (Taxpayer Registration), Tax Accounts, TIN Request, eTax Services, Biometric Verification, Document/File Management and Reporting modules. The solution support SSL security standard on the Server side only.</p>

1a	<p>Registration of Taxpayers' requires configuration to the base system. Therefore it was difficult to test for uniqueness of taxpayers during walkthrough. This could also be as a result of non integration of the Biometric software to the base solution. However the Biometric solution working as standalone demonstrated its ability to test for uniqueness of individuals only. The uniqueness of the non-individuals and registered entities could not be demonstrated or established. The solution can integrate with other software applications since it is part of SAP ERP. It is not a plug and play solution that has been implemented anywhere else as desired by the JTB.</p>	<p>The TIN Request module of SIGTAS generates TINs while enforcing business rules such as ensuring that individual persons who have several sole proprietorships obtain only one TIN. Whereas, incorporated businesses receive only one TIN irrespective of the number of branches. The proposed solution caters for individual and registered entities but could not address the non individuals non registered. SIGTAS has achieved integration with Biometric as seen in the Ethiopia implementation of SIGTAS.</p>
1b	<p>SAP solutions are based on service based multi-tier client-server architecture supported by SAP NetWeaver technology architecture. The flexibility of this design allows the individual logical tiers of the SAP architecture to reside either on one single or multiple physical systems. One of the key benefits of SAP system is the platform independence, as this allows adaptability to any technical infrastructure from main frame to windows servers, and all major databases</p>	<p>SIGTAS just like SAP is based on service based multi-tier client-server architecture supported by Oracle tools.</p>

2	Infrastructure-Application & Database Servers-Communication Equipment & Services-Middleware-Storage Infrastructure - Peripherals e.g. Scanners	The middleware is proprietary. HP hardware is recommended for server and desktops. Networking equipment are Cisco based in line with JTB requirement. Suggested network design was adopted with minimal amendment.	SIGTAS will be implemented on Linux based operating system. The networking equipment is Cisco based. However some amendments were made to the Network Design in the RFP. Particularly around the Server Security at the Centre
3	Contact Management Centre (CMC)-Internally Managed	Three options were provided: Internally managed, Outsourced and Hybrid. The solutions are IP based - one by Altigen supported by ConSol and the other is a Cisco based solution. Altigen's Integrated VoIP business phone system is proposed. Altigen is Tier 1 Contact centre system . It has the following features: Widows server based IP PBX, Widows Telephony Client, Auto Attendant, Voicemail (and Unified Messaging), Automatic Call Distribution, Call Recording, Interactive Voice Response, Call Reporting, Computer Telephony Integration. It supports 20,000 login ID, 9 skills and unlimited agents. All the FIRS and SBIR will be integrated seamlessly into one centralised Contact Management System (CMS)	Solidus eCare Contact Management Centre solution is proposed. Functionality of the solution is categorised into three applications: Agent, management and Administration, and Self Service. The solution can accommodate 1000 concurrent agents per MX-one. 10 System cluster, 300ACD groups and 500 Skill groups. 20,000 ID but simultaneous 1000 logins. It recommended in-sourced centralised solution with virtual branches.

4 Implementation (local services) Scope specified in RFP:-Project Management-Data Migration-Training & Knowledge Transfer-Documentation-Software testing-Change Mgt & Communication,-Post-Implementation Support

Accenture - leader of the consortium is to provide total project management based on Prince2 and PMP methodologies. Implementation plan spans over a period of 49 weeks. However, the SAP customised solution would be available after nine months during the implementation. This could have adverse effect on the planned pilot phase scheduled for second quarter of next year. They provided detailed Training Plan and Change Management plan. Some of the training plans covered technical and end users training. Lack of involvement from the key business users and line management which was identified as a risk was not appropriately rated and therefore the proffered mitigate will not address the identified risk. Accenture claimed having local SAP expertise. However, during the solution walkthrough the Accenture personnel used came from South Africa. Also, the relationship between Accenture and other members of the consortium does not empower Accenture to act on their behalf and could create potential failure of the project. Project Manager will be a staff of Accenture Nigeria but currently engaged in some other projects.

Telnet implementation plan includes: Project Management, Data migration, Training and knowledge transfer; for different levels of manpower involved in the project. Project Manager is from SIGTAS. The availability of this person is doubtful as he is deeply involved in an ongoing deployment of similar solution in Ethiopia. However, CRC Sogema of Canada being at the centre of the implementation a good replacement is envisaged to mitigate this risk of non availability of the proposed project manager. Implementation plan spans a period of 64 weeks with March 2011 proposed for implementation in 6 pilot states, FIRS and JTB. Although timing for completion of Pilot stage of the project is at variance with the project timeline, time that might be lost at the pilot will be regained at the project roll out. The overall completion time of 64weeks is in order. There is need to ensure the use of CRC Sogema for Project Management on permanent basis for the success of the project.

5	Training-Card Generation & Biometrics-Disaster Recovery Support-WAN Maintenance & 2 system Administrators per site	The consortium agreed to the Disaster Recovery (DR) plan of JTB without any amendment. Field officers would be trained on the use of the Biometric equipment for fingerprint and photograph capturing of individual taxpayers.	Detailed Training Curriculum was presented. The training took into cognisance various level of users of the system from the System Administrators to End Users.
6	Production and Personalisation	The Consortium provided for 5,000,000 cards as proposed in the RFP. Decentralised personalisation was proposed. AFIS was also introduced. The proposed cards are 8Kb. <i>?? mobile units</i>	Solution proposed can Support 5 Million TaxPayers immediately & Scale to over 100Million. The Biometric solution is AFIS based. Mobile Registration Units - Standard Model proposed consist of <ul style="list-style-type: none"> • Integrated laptop personal computer • A digital camera for capturing the photo • A live slap fingerprint capturing device capable of capturing 10 fingerprints in 3 steps (4Right - 4 Left, 2Thumbs. • Signature capture device • Barcode scanner Proposed card are 8Kb. We requested for 4Kb in our RFP. Telnet's quote for similar size of GPMC Card is less than Accenture's offer. Therefore the difference in the size of the GPMC Memory would not alter the difference in Accenture and Telnet total pricing.

schedule of equipment??
- individual costs??

6.0 FINANCIAL EVALUATION

Revalidated prices from the two most responsive bidders were evaluated and graded as follows:

Table 6.3 Financial Evaluation

Bidder	Bid Price 1.0US\$=N150		Evaluated Bid Price (C)	$\frac{C_{low}}{C} \times X$
	US\$	NGN		
TELNET CONSORTIUM	22,274,089.56	40,593,000.00	3,381,706,434.44	15
ACCENTURE CONSORTIUM	16,654,582.52	1,611,392,706.22	4,109,580,083.92	13.1120

Table 6.4 Updated Responsiveness Check:

Bidder	Evaluated Bid Price (C) (NGN)	Technical Bid Score (T)	$\frac{C_{low}}{C} \times X$	$\frac{T}{T_{high}} \times (1 - X)$	Evaluated Bid Score (B)
(a)	(b)	(c)	(d)	(e)	(f)=(d)+(e)
TELNET CONSORTIUM	3,381,706,434.44	48.5	.15	.85	1.0
ACCENTURE CONSORTIUM	4,109,580,083.92	47.1	0.1311	.79	0.92112
Award Recommendation	Bidder with Highest Evaluated Bid score(B)is the Most Economically Advantageous Bid (MEAB)				

- Note:
- C = Evaluated Bid Price
 - C_{low} = the lowest of all Evaluated Bid Prices among responsive bids
 - T = the total Technical Score awarded to the bid
 - T_{high} = the Technical Score achieved by the bid that was scored highest among all responsive bids
 - X = weight for the Price as specified above.

Table 6.1 overleaf gives the comparison of bids from the two bidders.

Table 6.1: Comparison of Re-validated Bids from Accenture and Telnet

S/N	Item Description	ACCENTURE			Item Description	TELNET		
		Foreign	Local	Equivalent in Naira		Foreign	Local	Equivalent in Naira
1	Implementation Services	6,000,001.37		900,000,205.50		1,378,850.00		206,827,500.00
2	SAP ERP Software	3,421,369.63		513,205,444.50	SIGTAS License - International Version	637,260.00		95,589,000.00
3	Biometric and Card Generation		1,019,976,570.00	1,019,976,570.00		8,969,931.31		1,345,489,696.5
4	Hardware and Peripherals	2,400,012.60		360,001,890.00		1,955,247.55		293,287,132.50
5	Contact Management Services		360,967,335.21	360,967,335.21		1,839,227.51		275,884,126.50
6	Network and Data Infrastructure	2,613,862.56	100,745,815.00	492,825,199.00		1,462,025.71		219,303,856.50
7	Training	74,000.00	52,970,000.00	64,070,000.00		659,387.00		98,908,050.00
8	Installation Services & Project Management					4,237,447.90		635,617,185.00
9	Reimbursable	1,352,261		202,839,150.00				0.00
10	Customs & Duties						15,300,000.00	15,300,000.00
11	Dedicated Project Management Team					526,000.00	18,360,000.00	97,260,000.00
12	Local Transportation to Locations						5,000,000.00	5,000,000.00
13	Total	15,861,507.16	1,534,659,720.21	3,913,885,794.21		21,562,057.00	38,660,000.00	3,272,968,550.00
14	VAT	793,075.36	76,732,986.01	195,694,289.71		1,078,102.85	1,933,000.00	163,648,427.50
15	Total (VAT inclusive)	16,654,582.52	1,611,392,706.22	4,109,580,083.92		22,640,159.85	40,593,000.00	3,436,616,977.50
16	Discount					469,390.27		70,408,540.50
17	Total (After discount)	16,654,582.52	1,611,392,706.22	4,109,580,083.92		22,274,089.56	40,593,000.00	3,381,706,434.44

7.0 OBSERVATIONS AND SUGGESTIONS

The following were the observations and suggestions from the Evaluation Committee:

- i. There is dearth of skilled SAP resources in the country. This could pose a problem for the State Boards of Inland Revenue (SBIR) if SAP is implemented.
- ii. The learning curve of SAP is steep while SOGEMA SIGTAS will be easier to acquire, transfer knowledge and support. The implementation of Sogema system could be simpler while SAP implementation could be quite complex. It was observed that SOGEMA had experience in the integration of SIGTAS with an AFIS system. For instance the implementation of SIGTAS in Ethiopia is integrated with AFIS and Biometric solution with capability to capture ten fingerprints. This is not the case with SAP.
- iii. For effective and wide coverage JTB may decide to increase the number of mobile registration unit proposed by Telnet from 38 (thirty eight) to 120 (one hundred and twenty) units at the unit price of the item after contract award and at implementation stage. However, the Accenture Consortium did not provide for mobile devices.
- iv. JTB should include sighting of Bandwidth payment voucher or receipts as condition in the Service Level Agreement (SLA) with the vendor.
- v. Maintenance on Hardware and Software run after one year warranty.
- vi. JTB should pursue further the possibility of obtaining discount on Oracle Relational Database License by relating directly with Oracle Corporation. The discussion with Oracle on licensing has not been concluded. However whatever we pay for Oracle license now will be credited in the future, when we conclude discussion.

- verifiable performance delivery from past clients needed !! (i.e. NNPC & FIRS)

8.0 UPDATED RECOMMENDATIONS AND CONCLUSION

From the analysis of the BULL/SAS, price negotiation and revalidation by the (2) two most technically qualified vendors, the Evaluation Committee adjudged that Telnet and Accenture submitted economically advantageous bids for the implementation of UTIN system with Telnet Consortium being the most technically competent and financially responsive bidder. The Evaluation Committee therefore recommends the award of contract for the Design, Supply and Implementation of Unique Taxpayer Identification Number Infrastructure and Systems in favour Messrs TELNET Consortium (subject to the contract conditions below) in the sum of **US\$22,274,089.56** and **N40,593,000.00** equivalent to **N3,381,706,434.44** at exchange rate of US\$1.00=N150 (Inclusive of VAT)

Contract Conditions:

- vi. CRC Sogema Canada to provide full time Project Team (Program and Project Managers) for the systems implementation to mitigate uncertainty around Telnet's Project Management capabilities.
- vii. Contract sum should be denominated in Naira
- viii. Provision of Performance bond of 10% of the total contract sum.
- ix. Delivery period of 64 (sixty four) weeks maximum from date of signing of contract
- x. Project deliverables include the following products and implementation services:

Reportable bank needed

v.1 Required Software Products

- i. SIGTAS License (International Version)Tax Roll Module
- ii. TIN Request sub-module Document/File Handling Module and eTax services
- iii. Biometrics including AFIS
- iv. Relational Database Software (Oracle 11 Enterprise Edition)
- v. Other associated system software including standard utilities and other software tools that may be needed to run the package.

v.2 Infrastructure

- i. Application, Database and Web Servers at the Central Data Center and Disaster Recovery Site, FIRS and 36 SBIR

- ii. Storage Infrastructure
- iii. Peripheral e.g. Scanners, printers, etc ⇒ quantity??
- iv. All other Data Center and computing infrastructure required for the operation of the Central Data Center and Disaster Recovery Centre
- v. Provision of 5 Systems on LAN at the 36 States Board of Internal Revenue (SBIR) with both active and non active components.
- vi. Supply and installation of communication infrastructure to interconnect the JTB, FIRS and the 36 SBIR in VSAT equipment, internet links and backup links.

v.3 Contact Management Centre

- i. 40 Agents
- ii. 84,800 calls handled by agents per month
- iii. 240 Enquiries a month via Integrated Voice Recorder (IVR)
- iv. 1,152 Million SMS Enquiries/month
- v. Unlimited Web Enquiries/Month

v.4 Training

- i. System Administrators
- ii. End Users
- iii. Super Users (trainers)

v.5 Implementation Services

- i. Design & customization of the software - Systems design supporting Open Architecture and Application interface for hybrid systems connectivity
- ii. Data migration
- iii. Training of JTB staff, SBIR staff including technical training & end user functional training ⇒ deliverables? scope? timeline?
- iv. Installation & configuration of hardware and peripherals Support of JTB's organizational Change Management initiatives
- v. Risk Management
- vi. Software Quality Assurance including systems tests and supporting User Acceptance Testing activities
- vii. Project Management and Quality Assurance Services

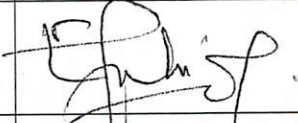
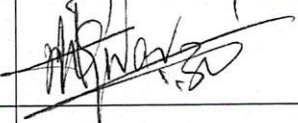
9.0 APPRECIATION

Members of the Evaluation Committee wish to thank the Steering Committee for the opportunity to participate in this evaluation exercise.

S/N	Name	Organization	Membership	Signature and date
i	Oduba Oduba	FIRS	Chairman	
ii.	Hassan M. Isa	NIMC	Member	
iii.	Seyi Akinyede	IT Consultant	Member	
iv	Chinedu Ekeh	Project Team	Member	
v	Akinwale O. Akinlolu	Project Team	Member & Secretary	

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iii.	Seyi Akinyede	IT Consultant	Member	O.A Akinyede
iv	Chinedu Ekeh	Project Team/ JTB	Member	
v	Akinwale O. Akinlolu	Project Team/ JTB	Member & Secretary	