

Annex 1

REPLY TO QUESTIONS CONCERNING PROCUREMENT SAP PROJECT (Res. 1243)

Bidder Questions and ITU Answers (Q & A)

The following ITU answers complete and replace the previous partial set of answers that was provided to bidders. It should be noted that some of these previous answers are herein modified: these are flagged as '**Answer 2:**'.

These answers concern only the PROCUREMENT SAP project, and not the TRAVEL MANAGEMENT project.

1. Planning and organisation

- 1.1 What is ITU's intended start or go live date for the Procurement project?

Answer 2: ITU expects the Procurement Project to be completed in the second half of 2006. The bidder should propose the go-live or cut-over date that minimises project cost, preferably excluding August 2006.

- 1.2 A fixed price proposal is requested based on a solidly outlined proposal. However the preliminary design review might cause changes in the scope and content of the final blue print. Please comment your thoughts about the potential conflict.

Answer 2: If the PDR clearly results in changes to the scope of the blue-print submitted by the Consultant, then by mutual agreement these will be reflected as changes to the scope of the contract and any corresponding changes to the fixed-price. The Consultant should allow approximately two weeks for the administrative processing of any such change of scope.

- 1.3 From a SAP point of perspective the functionality mentioned in the Request for Proposal will be covered using mySAP Enterprise modules. To choose the most valuable solution to support ITU's procurement processes now and in the future mySAP SRM might be an appropriate option. Does ITU have any thought yet about the desired solution?

Answer: ITU agrees on the usage of SRM component included in the license myERP (not the full SRM)

- 1.4 What is the project location?

Answer: ITU, Geneva

- 1.5 Is a partial set up of the system from a remote location allowed? If so, the procedure and technical requirements need to be clarified.

Answer: ITU requires that the project team shall be on-site at ITU premises.

- 1.6 Is it possible that you communicate to us your budget for the project 1: Procurement?

Answer: Regrettably the answer is negative.

- 1.7 Is it possible that we give in our offer estimation for the expenses instead of including them in the fixed price?

Answer: As 1.6 above.

- 1.8 Do you have a table with the daily rates per type of activities that you normally practice with your providers? If so, we would be pleased to receive it.

Answer: Regrettably this cannot be provided.

2. Scope

- 2.1 Will the installation and maintenance of hardware upon implementation done by ITU or by the consultant?

Answer: by ITU

- 2.2 Is the French language required in communications during the process of the business blue print creation? Will the documentation of the blue print be required to be French or English?

Answer 2: The French language is required for all communications during the process of creation of the business blueprint. See Appendix 1-A §2.8.1 User languages. All design documentation, including the blueprint shall be in English. All handouts for user training shall be in French.

- 2.3 Please provide us with an inventory and specifications of required reports and alerts, amongst others:
 - Number of purchase orders per vendor;
 - Spend per vendor;
 - Spend per G/L account;
 - Outstanding purchase requests per user;
 - Expiring contracts;
 - Call off value against contract;
 - Order with due delivery dates without goods receipt registration.

Answer: Annex 1, §2.2, 5th bullet states that diverse reporting is to be provided. Appendix 1-A §2.9 states in addition that reports are to be parametrisable and that alerting is to be provided. The reporting features are to be proposed by the consultant at PDR as part of the blueprint deliverable. The bidders may provide a list of proposed reports and alerts, which would include the reports/alerts listed in the question above.

3. Functional Requirements Specification

- 3.1 Annex 1, chapter 2.1: What is the difference between 'materials items' and 'goods items'?

Answer: 'Materials' and 'goods' can be treated as synonymous. Thus all

procured items are either 'goods/materials' (either stocked or non-stocked) or 'services'.

- 3.2 Annex 1, chapter 2.3: cost for the project part of quotation, cost for operation and maintenance only after PDR? Is it anticipated that the successful bidder will do tech/func hosting and maintenance?

Answer: ITU does not at present envisage technical/functional hosting and maintenance by the Consultant. The System to be delivered by the Consultant will have a recurrent annual cost comprising operations and system maintenance aspects. These costs are considered as features of the system, and the Consultant's presentations during PDR should include relevant estimates.

- 3.3 Annex 1, chapter 7: Is it required to have a prototype system available during the design/blue print phase (besides a development, test and productive system)?

Answer: The ITU will make available, for the use of the Consultant, three systems or IT-environment configurations: Development, Test and Production systems (see page 1 of Annex 3 to the RFP, where the Test system is labelled as the Quality system). For the sake of clarity, in this answer the term "system" will be replaced by "configuration" when referring to the three distinct technical environments that constitute an ITU deliverable. This protocol should avoid confusion with the Consultant's final deliverable that is a SAP-based software application system.

The ITU envisages the prototype system as a deliverable by the Consultant, about halfway through the project and before any formal testing or training: it is an early but incomplete version of the software system that the Consultant will design and develop. The prototype system should be made available either in the Development configuration or in the Test/Quality configuration. The prototype should provide visibility of key user features and / or interfaces to enable a significant verification of the approved blueprint by the principal users.

- 3.4 To our understanding the prototype system is the development system. If a system is required for the prototype review the development system will be used?

Answer: this understanding is correct. See also answer 3.3 above

- 3.5 The pre-production system is the test system. In this system the User Acceptance Test will take place?

Answer: Yes

- 3.6 Annex 1, chapter 6: Data migration is mentioned. To prevent wrong assumptions: From what source systems are objects to be migrated? And what objects are to be migrated? Will there be similar master data records objects (i.e. material master data, vendor master data, project master data)

coming from different source systems? Is data harmonization foreseen for certain objects? If so, please name these objects.

Answer: All the data records objects necessary to move the functionalities from BDT applications to SAP will be migrated to SAP, the data format of the import file will be defined and agreed jointly by ITU and the Consultant. The required data harmonization and file preparation will be undertaken by ITU. The implementation and the correct execution of the data load interface to SAP from the import file will be under the responsibility of the Consultant.

- 3.7 Annex 1, chapter 6: Will technical installation of additional SAP components be performed by ITU or by the consultant?

Answer 2: SAP modules will be installed by ITU in consultation with the Consultant. SAP-based software developed or customised by the Consultant will be installed by the Consultant in consultation with ITU.

- 3.8 Appendix 1-A, chapter 2.5: A document called File Completion is mentioned? Is this a real document and how will it fit into the workflow?

Answer: 'File Completion' is a task consisting of the collection and checking for validity of all documents necessary for the Contracts Committee to consider the dossier. Within the workflow, this could be a 'checkbox' for the centralizing service manager to complete. This confirmation of completion is then available to the system for assessing or displaying status, or for triggering subsequent actions.

- 3.9 Is Funds Management (PSM-FM) implemented in SAP R/3? If so, for which departments (SG/SC and SG/IS only)?

Answer: Yes. Funds management is used throughout the ITU, not only for SG/SC and SG/IS.

- 3.10 Is Project System (PS) implemented in SAP R/3? If so, for which departments (SG/SC and SG/IS only)?

Answer: It is not implemented

- 3.11 Is Controlling (CO) implemented in R/3 for Internal Orders? If so, for which departments (SG/SC and SG/IS only)?

Answer: ITU is using both cost centres and internal orders in ITU CO implementation. Cost centres represent ITU's organizational structure (e.g 1 cost centre represents one Unit, or one Division). Internal orders can represent ITU Outputs (services or products provided to the member States) (e.g. internal orders can represent Conferences).

There are several groups of Internal orders:

- 4 groups represent ITU Outputs, classed as, BR, TSB, BDT or Intersectoral
- 1 represents Income
- 1 represents Funds
- 1 represents services rendered within IS (Statistical orders)

- 1 represents ITU Objectives
 - 1 will represent Projects
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- 3.12 Appendix 1-A, chapter 3.1.1: The consultant links the procurement system to BDT project management application. In Annex 1 chapter 5 is mentioned that the in-house technical team will develop interfaces with existing applications. What is meant by 'consultant links the procurement system to BDT project management application'?
- Answer:** The reference to the in-house team is in Annex 1 §6 (not §5). The consultant will provide an export file from the delivered System to the existing (non-SAP) BDT project management application. Importation of the file will be handled by the ITU in-house technical team.
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- 3.13 Appendix 1-A chapter 3.1.1, appendix 1-K and the process flows in appendix 1-G: The process flow doesn't show what is done in SAP today for BDT related processes. i.e. what/how is (pre)commitment created in SAP? As in the new situation the SAP procurement will be leading (and legacy systems will be slaves) we anticipate that the use of systems BCS and ISAP will be discontinued after the go-live of the new SAP system or will they be used as a database for other systems (like RCA and FEL)? Will the consultant need to develop an interface or export file to EQT and SCO if these systems will not be replaced ?
- Answer:** In the current system, (pre)commitment is not managed in SAP. Only the Budget Consumption (expenditures) will have to be exported to ISAP. BCS, EQT and SCO will be discontinued. The consultant will develop an export file, as stated in Appendix 1-A §3.1.1.
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- 3.14 Appendix 1-A, chapter 3.1.2: For certain designated units only read-only access is required to the BDT project management system.
Is access needed to:
 - purchasing transactions;
 - master data such as e-catalogues, suppliers;
 - reports?
 Write-access is not required. Is it a must-have requirement that these units will not have write-access or are they allowed in principle to have write-access as well?
- Answer:** Yes, only read-access is needed.
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- 3.15 Appendix 1-B, chapter 1: Several purchase order types are used. It is stated that they are used to ease communication. Is that the only function or does it initiate different processing logic in the system?
- Answer:** For each of these current purchase order 'types', the processing is the same

- 3.16 Appendix 1-G, chapter 2.6.12 and 2.6.16: We assume that contracts are not yet used in the SAP R/3 system for any of the units. If this assumption is not correct, do you have call-off orders against the contract before goods (service) receipt in R/3?

Answer: The assumption is correct.

- 3.17 SG/IS is using SAP R/3 Enterprise. In Appendix 1-F and the process flows in Appendix 1-G it is mentioned that requests are registered in a system ASSYST (former system HRIR). This system is not mentioned in Appendix 1-K as a linked-in system. Is the ASSYST system still being used? Is the use of the system anticipated in the to be implemented purchasing solution?

Answer: The ASSYST system is not linked in to SAP for procurement. ASSYST is still being used, but will not be used in the delivered System.

- 3.18 Appendix 1-G, process flows: What do the red flags in the flows represent?

Answer: Red flags refer to table in §2.7 of Appendix 1-G, 'Issues of existing processes, and opportunities for change'. The flags relate to the current systems, where review/improvement is particularly welcomed.

- 3.19 Appendix 1-G, chapter 2: Log/Economat presently has web catalogues. Are these catalogues connected to the SAP R/3 system or are they stand-alone?

Answer: LOG/Economat has a single web catalogue (i.e. called up via the web). It currently consists of a database using Access which is not connected to the SAP R/3.

- 3.20 Appendix 1-G, chapter 2.6.1 / 2.6.2 / 2.6.3 / 2.6.5: How is a (pre)commitment currently created in SAP R/3? Is a commitment created only once, so not per purchase request? Is there a posting of liability (commitment to supplier and to CO cost object) upon purchase order creation?

Answer: Currently ITU does not use a pre-commitment. In the future we will have firstly a pre-commitment and then a commitment will be created only when we have a purchase request.

Currently, a commitment is typically created in SAP by a Department for more than one purchase request. A user-exit checks commitment at the time of goods issue and updates the consumption. The transaction gives an error message if insufficient committed provision remains for the goods issued. This is an ITU specificity to be reviewed eventually.

- 3.21 Appendix 1-G, chapter 2.6.4: What is meant with an activity (versus a project)? Can an activity be related to a so called Internal Order in SAP R/3? For clarification, an internal order is an instrument used to monitor costs of an organisation. Internal orders can be used for the following purposes:
 - Monitoring the costs of short-term jobs
 - Monitoring the costs of a specific service
 - Ongoing cost control

Internal orders are divided (amongst others) into the following categories:

- Overhead orders - For short-term monitoring of the indirect costs arising from jobs. They can also be used for continuous monitoring of sub areas of indirect costs. Overhead orders can collect plan and actual costs independently of organizational cost centre structures and business processes, enabling continuous cost control in the enterprise.
- Investment orders - Monitor investment costs that can be capitalized and settled to fixed assets.

Answer: There is a predefined list of ITU Products and Services (the main consumers being the ITU Member States). Each product or service is an 'output' and is implemented as an Internal Order in SAP R/3.

In the cost accounting system, each Internal Order is related to one or more predefined activities that contribute to the overall cost of the Internal Order in question. Every staff member of the ITU uses a time-tracking system where the staff time is allocated to activity-output pairs.

Examples of activities are: management of the Operational Bulletin (an internal activity); translation of a document (an external activity if services are provided by an external Translator); building maintenance (including indirect costs, e.g. electricity).

In ITU, predefined activities are used for monitoring and overall analysis of expenditures within biennial budgets approved by the ITU Council.

- 3.22 Appendix 1-G, chapter 2.7, item 3: What is the meaning of 'PMP price in SAP'?

Answer: Moving average price/periodic unit price (French: Prix Moyen Pondéré).

- 3.23 Is Inventory Management (MM-IM) implemented in R/3? If so, for which departments (SG/SC and SG/IS only)?

Answer: Inventory management by SG/SC Economat is via an Access database, not connected to R/3. Inventory management by SG/IS is via R/3.