

Project: E-procurement system HR- Sports

Keller School of Management Project Part I

Contract and Procurement PM 598

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HR – Sports Procurement System

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Introduction

The following document has the purpose to expose the terms and conditions, and rules of business that will apply to the e-procurement system, in the design phase. The system will enhance the online procurement and purchasing process, request and claims for HR-Sports. The proposal will be prepared and submitted by vendors to HR-Sports.

The document has been structured in three parts : general term and conditions applying to the bidding process, conditions established for a DEMO execution, and the rules of business that will follow for the preparation of proposal and solutions.

It is expected that once this document is delivered to potential vendors, HR-Sports will allow a period of no more than 10 working days to receive formal and update service proposals that will satisfy and comply with the requirements established for the Project.

Background of Company

HR Sports is a company dedicated to sell swimming, biking and running equipment and apparel over catalogues. HR sports has been selling products for over 3 years now, and the business has been blossoming. The company has the need to outsource its products from a variety of places over the globe in order to remain competitive. The company is thinking on outsourcing most of its merchandise from production established in China, Korea and India, and a system that will control the evolving procurement process is becoming mandatory. The retail industry of sporting goods is very competitive, and cost has driven the prices of products down, to the point where most of the product needs to be outsourced to low cost production countries like China. The sports equipment business is growing, apart from the world economic downturn people intentions to remain healthy, in shape and fashionable is always part of a consumption pattern.

HR Sports is a 5+ million dollar revenue organization, and the strategic intention is to increase sales and product portfolio over the next 2 years, in order to increase sales revenue by 100%.

Scope of Services

The purpose of this RFP is to select a VENDOR to advise HR-Sports on a strategy for acquiring and implementing one or more systemwide e-procurement solutions.

The proposal will include information about:

1. Develop a consolidated statement of needs that describes a recommended e-procurement solution(s), including desired features, including:
 - a. a statement of needs
 - b. solution alternatives with pro and con
2. Assuming that the decentralized operation of HR-Sports purchasing and accounts payable systems will not change, identify and quantify the advantages and disadvantages of operating:
 - a. a common, central system/solution
 - b. a common, distributed system/solution, or
 - c. varied, distributed systems/solutions
3. The consultant will conduct a review of HR-Sports purchasing practices and identify the
 - a. Benefits expected to accrue from the implementation of an e-procurement solution(s) and a recommended strategy for acquisition and implementation. In identifying the benefits and a strategy, the consultant should:
 - b. Review HR-Sports purchasing practices, including the Planned Purchasing Program, and identify the potential for further reducing costs.
 - c. Interview campus purchasers.
 - d. Review a sample of HR-Sports purchases
 - e. Identify approaches to integration with existing systems along with estimated costs and timeframes based on the consultant's experience at other client organizations or based upon other knowledge.
4. Outline the expected costs and quantifiable benefits (ROI) of a recommended solution(s) including whether the costs of the solution should be borne by the vendor, paid by the HR-Sports and recovered through savings, or through an alternate method.

General Requirements

1. All the information included in this document is property of THE COMPANY and it will only be used by the VENDOR for the purposed hereof mentioned. The reproduction, publication and distribution of parts or full content of this document is not permitted.
2. THE VENDOR will subscribe a confidentiality agreement with THE COMPANY, the agreement will restrict any distribution of information related to processes and systems of THE COMPANY to third parties, and forbid the utilization of information away from any other aspect related to this procurement process.
3. The delivery of proposal from THE VENDOR will not define any obligation from THE COMPANY. It is understood that all proposals will be evaluated following a selection criteria established by THE COMPANY, with the purpose to select THE VENDOR with the most appropriate qualifications and that complies with the requirements expressed in this RFP.
4. THE COMPANY does not have any obligation to distribute the selection criteria process, used to evaluated the proposal and to select THE VENDOR for the service.
5. THE VENDOR must summit the proposal in a period of no more that 10 working days upon the arrival of this document.
6. Once all proposals are received, THE COMPANY will proceed to evaluate each one and notify the final selecting decision to the bidding vendors in a period no more that 30 working days.
7. THE COMPANY is not obligated to return any type of information in any type of storage system or method that is received as part of the proposal. Only logical and physical components (software and hardware) used as function field tests, etc will be returned, as agreed between both parties during the proposal evaluation process.

8. THE COMPANY reserves the right to decide the temporary or definite suspension of the project or the selection process in any of its previous phases to contracting, not involving any commitment from THE COMPANY with the vendors or other third parties involve.
9. To execute the final decision regarding the final contracting solution, it is mandatory that THE VENDOR provides the execution of a DEMO with the corresponding platform according to the specific conditions that are included in this document.

DEMO Requirements

1. For the completion of test of the selected platform it is mandatory the execution of a DEMO in test mode environment (over real operations).
2. THE VENDOR before preparing any service proposal, must evaluate their capacity to provide a DEMO, as referred in the conditions of this document. The DEMO will be execute with the selected VENDOR.
3. THE COMPANY will distribute to the selected VENDOR a document with the technical specifications related to the DEMO to be assembled. The DEMO will include the full operation of a reduced platform that will comply with the following characteristics:
 - a. Must generate a Workflow to facilitate the administration and the level of service of each of the areas involve, in each one of the hierarchical levels. It will include the automatic capture of the Legacy source data for profiling and a sample of the customizable fields by the type of requirement.
 - b. Generate traceability, and parametric statistical reports, register, canalization, follow ups, reply under a stratify scheme of response for service type, region, office and any other dimension that is consider during the design phase.

- c. Generate an alarm system by due dates or periods, that will notified the need of interaction to the emails or communication among involved parties in the procurement process, and their related reports
 - d. Manage the automatic designation of each phase or discretionary distribution of the parties involve.
 - e. Manage maintenance of creation and modification of events by an internal administrator.
4. THE VENDOR will supply the necessary equipments of the DEMO execution, which will remain under custody of THE COMPANY during the test performance, and later they will be return to THE VENDOR once the test in concluded.
 5. THE VENDOR will provide a platform for the DEMO, with similar characteristics, at least functional, to what will be include as the product proposal.
 6. It is necessary that THE VENDOR assigns a technical representative that will participate in conjunction with the technical team of THE COMPANY, in the conditions and schedule agreed among both parties.
 7. The estimated time to execute the DEMO will be 30 calendar days, once the start-up conditions and environment are set by THE VENDOR.
 8. Once the DEMO is concluded, THE COMPANY will proceed to validate the specifications compliance according to what was included the service proposal, analyze test results, and to review against the selection criteria indicators to support the selection process for the final solution.

Project Context Information

THE VENDOR will include the following information as part of the proposal, and for each one of the companies that will participate as a service provider to THE COMPANY:

Company information	1. Name of the company 2. Area of expertise 3. Years in the market 4. Headquarters location and overseas office if applicable 5. Contact representative 6. Brand representations 7. Strategic Alliances 8. Number of implemented projects with the related topic in this proposal. Indicate projects by sector industry. (banks, manufacturing, etc) 9. References of completed implementation projects (Company, dates and contact information) 10. Support infrastructure (customer service and after-sales services) installed. Include a procedure customer claims and reports.
Solution Characteristics	Explain in detail the recommended solution, and the approach that will be used to aboard the project. Include a master project schedule by phases.
Requirements	Explain in detail the resources and requirements that should be available as part of HR-Goods need for the initiation, execution and completion of the project.
Project Team	Describe in detail the propose project team for the execution of the project. Indicate the dedication or available time of each person or group of people included in the project team as part of the human resource allocation strategy.

Experience	Describe in detail similar project execution en companies in the US territory or abroad.
Value Added	Provide information over the value added results that will be generated over the execution of the proposal.
Products	Provide a detail description of the approach and methodology that will be used for the solicited documentation. Include a list and explanation of documents that will be release during the project. It will be required documentation in paper and digital. (editable)
Commercial Terms	The costs and prices of the proposal will presented in US dollars (\$) as the official currency of the project.

Note: initially the proposal will be dimensioned for 20 procurement analyst and 500 representatives of other third party vendors, it will be able to hold data for more than 5000+ SKU or individual items.

Platform Requirements

A systems is required to manage the reception, registration, canalization, follow up and response to the requirements establish in RFQ's and purchasing orders between HR- Sports and its vendors. The system will also allow to manage request for quotation and claims from THE COMPANY to the VENDORS globally. The system will allow a stratified structure by VENDOR type and transaction type, the system will generate a workflow among the parties involve in the procurement process, and measurable in each phase, with alarms for escalation, with canalization flows up to 3 levels up , and through out it will be have special attention and solutions to the parties involved. Additionally and due to the physical configuration, and specifics competencies that the procurement department will handle by type of product, it will be required that the solution is integrated to the company's ERP system in order to update data for production and inventory purposes.

Business Requirements

The proposal solution must satisfy the following minimum requirements and the ones indicated in Appendix A in order to fulfill the selection criteria:

Functional Requirements

Number	Requirement
01	Generate traceability and statistical reports, registration, canalization, follow up and response under a distribution scheme of stratify requirements according to the type of service, region, office, product line, item an any other dimension that is define in the project.
02	Allow the capture of data automatically from “Legacy” sources for the creation of profiles
03	Manage the automatic assignation for each phase, or discretional distribution of the parties involve the pending notifications, following define rules, according to the procurement design to be implemented.
04	Generate a workflow that facilitates to manage the administration and the quality and reliability of data interchange among parties involved, in each of the approval levels and according to a sequence of approvals to define the product and supply procurement approval.
05	Generate an alarm automatic alarm system for due dates or periods, that will notify the need of interaction among emails of the parties involved and their report levels of approval.
06	Able to maintenance and modification of any event or module by an internal administrator inside the COMPANY, including process design changes include as part of the tool
07	Assign by previous determination area and responsible person of the possible solution by transaction type. Will allow 3 escalation levels.
08	Capacity to generate and consult, maintain and update a knowledge database by problem type and solutions recommended
09	Capacity to generate a complete profile, email or cellular phone contact, name and other attributes to define and establish a VENDOR profile.

10	Must generate a customer satisfaction survey by VENDOR type
11	Must generate a quality performance and indicator tracking of VENDOR performance related to price, supply and quality of service according the COMPANY performance standards base on cost, people, quality, responsiveness, environment.
12	Capacity to generate information related to contracts and warranty related to the product and service provided.
13	Capacity to generate general statistics reports for delivery times, production control entry, outputs, inventory in transit, inventory on hand, inventory in process, purchase orders. Statistics reports will be able to classified by graphs, reports, areas, problem type, customer, product line, product, analyst, VENDOR)
14	Will be easy to identify and classify case histories, incidents/problems by category, priority, responsible team, individual user, according to a classification tree previously established in the process
15	Will include training and capacity of users, administrator users and IT personnel of the COMPANY
16	Will allow to keep an updated Database with the profile information of VENDORS and service USERS, with the sole purposes of validation and management optimization.
17	Capacity to generate profile number and sequencing for each VENDOR
18	Capacity to generate a tracking record number for Problem resolution type cases and as part of the knowledge database.
19	Capacity to include attachments in documents, graphs and files formats (such as .doc, .ppt, .pdf, .xls and other format define during the project) that will be part of a profile case, in order to keep the knowledge database base feed with profile information share between the COMPANY and the VENDOR

Technical Requirements

Number	Requirement
01	The system will support and be compatible with our Windows platform, Linux, etc. Preferable Windows.

02	Multiuser capacity
03	Capable of handling an estimate of monthly and annual registers and to maintain a history backup of minimum 3 years.
04	The system will be supported by a data base structure, preferable SQL Server or higher
05	The system will be develop under an actualize programming language, we enable, with capacity to handle remote and centralized modules
06	Capacity to handle roles and security profiles for the application users
07	The system will be easy to install, from the server level to the work stations, without generating excessive work load to the network.
08	Support and integration with the Active Directory (AD) del Windows Server
09	The tool will be certified under ITIL V2 or V3 standards
10	The solution will have the capacity to create an interface for a second phase of the project to integrate the operational systems ERP handle in our COMPANY and its database.
11	The propose solution will be scalable, in a second phase the technology will be expanded to a CTI to allow a CRM scheme.

Assumptions

1. The offering company (VENDOR) understands that the proposal for service will be deliver in the morning of September 30th, 2009 or before.
2. The offering company (VENDOR) will propose the approach to follow on the service, based on the requirements and assumptions explained in this RFP
3. The offering company (VENDOR) will propose the project team according the approach that will be followed. The offering company must remark the experience of the team project in similar activities.
4. HR-Sports will design a Project Manager responsible for the project planning and monitoring. THE VENDOR will assign a Project Leader for the team assigned to the project, in order to centralize and communicate with the Project Manager.

Proposal Presentation Requirements

Contact People

In case of requiring additional information or any clarification of the aspects contained in this present document RFP, please contact the following people:

Hector Rodriguez Supply and Procurement Manager Email: Achiles6408@hotmail.com Phone = 305 5889665	Jose Ortiz IT Manager Email: JOrtiz912@hotmail.com
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Due Date

The proposals will be received between 8:30 am and 12:30 pm of September 30th, 2009

Delivery Conditions

THE VENDOR must turn in two (2) complete originals of the proposal. Each copy must be sealed in order to maintain the confidentiality and to guaranteed the transparency in the process. The proposal will be also sent electronically via email to the contacts above.

The envelopes will be indented with a sticker including this exact title:

“ E-Procurement System – Project HR Sports” and to the attention of :

Jose Ortiz IT Manager Email: JOrtiz912@hotmail.com

This page will not be included in the RFP document, is only for the internal records purpose.

Potential VENDORS

The potential suppliers for this project will be the following:

- Accenture
- Deloitte
- Peoplesoft
- SAP

Suppliers were selected from a pool of Software, Consultants and IT vendors dedicated to Operations and Supply systems. Company leaders in online and cloud computing were selected in order to expand the current ERP capacity of the company with newly design CRM system in later stages.

Selection Criteria

The selection criteria process will depend upon the compliance of each VENDOR to the aspects detailed in the functional and technical requirements. THE COMPANY will perform a selection process based on the following requirements:

1. Buying entity features
2. Selling entities features
3. Consulting services
4. Marketplace
5. Asset management
6. Product technology.

All vendors will be evaluated in these aspects in order to rate their performance in the proposal solution. The TechnologyEvaluation.com process will be followed to determine the selected VENDOR. Appendix A shows the table to define the selection criteria.

References

1. Word Class Contracting. 4th Edition – CCH, Gregory a. Garrett 2007
2. ACM group RFP proposal: “ Proyecto: Adquisicion de herramientas para el seguimiento integral del proceso de gestion de solicitudes, quejas y reclamos”
3. University of California RFP Eprocurement Consulting Services, UC , 2001
<http://www.ucop.edu/irc/nba/eprorfp.pdf>
4. TechnologyEvaluation.com evaluation criteria worksheet
<http://rfp.technology-evaluation.com/store.asp?catid=14>
5. E-Procurement RFP for GoC
<http://www.chips.nic.in/GoC%20e-Proc%20Vol%20I%20-%20Final.pdf>

1.1.1.17	Catalog contains multimedia
1.1.1.18	Randomized display of equivalent vendor products
1.1.1.19	Buyer can add searchable synonymns to catalog data
1.1.1.20	Offers real-time access to supplier's price and item availability
1.1.1.21	Can show in-stock items
1.1.1.22	Company can add (links to) product comparison data
1.1.1.23	Product types This category contains 7 criteria below it.
1.1.1.24	Advertising This category contains 6 criteria below it.
1.1.2	Search This category contains 36 criteria below it.
1.1.3	Browse This category contains 24 criteria below it.
1.1.4	Administration This category contains 14 criteria below it.
1.1.5	Updates This category contains 31 criteria below it.
1.1.6	Prices This category contains 3 criteria below it.
1.2	Administration This category contains 15 criteria below it.
1.3	Workflow This category contains 56 criteria below it.
1.4	End-User features This category contains 66 criteria below it.
1.5	Purchase Cards This category contains 6 criteria below it.
1.6	Receiving This category contains 11 criteria below it.
1.7	Requisitions and Ordering This category contains 46 criteria below it.
1.8	Corporate Buyer features This category contains 42

[illegible]

3.1	Security							
4	Marketplace							
4.1	Supports auctions							
4.2	Supports reverse auctions							
4.3	Marketplace includes multiple buying organizations							
4.4	Marketplace includes multiple selling organizations							
4.5	Partnerships							
	This category contains 2 criteria below it.							
5	Asset Management							
5.1	Asset and Inventory Management							
5.1.1	Hardware Components Tracked							
5.1.1.1	CPU Type							
5.1.1.2	Operating System Details							
5.1.1.3	Memory							
5.1.1.4	Local Drives							
5.1.1.5	Keyboard							
5.1.1.6	Display Adapter							
5.1.1.7	Network Adapter							
5.1.1.8	Network Overview							
5.1.1.9	Bios Date							
5.1.1.10	BIOS ID String							
5.1.1.11	I/O Ports							
5.1.1.12	Serial Numbers for Hard Drives							
5.1.1.13	Screen Resolution							
5.1.1.14	Full DMI Inventory Support							
5.1.1.15	Capable of smooth integration with all SMS components							
5.1.1.16	Ability to use packages for SMS deliveries							
5.1.1.17	Ability to use advertisements for SMS schedule deliveries							
5.1.1.18	Ability to use queries to obtain real time SMS results							
5.1.1.19	Ability to use queries as a doorway to remote tool function to clients							
5.1.1.20	Ability to use queries as an interactive tool							
5.1.1.21	Ability to use resource explorer to browse hardware and software information							
5.1.1.22	Ability to monitor real time make/model/serial/branch/client scanning results							
5.1.2	Inventory and Asset Profile Development							
	This category contains 13							

6.1	Selling organization integration capabilities This category contains 403 criteria below it.								
6.11	Buying organization integration capabilities This category contains 405 criteria below it.								
6.12	Security This category contains 37 criteria below it.								
6.13	Personalization This category contains 2 criteria below it.								
6.13.3	Catalog presentation can be targeted to individuals								