

**Ethiopian Telecommunications Corporation-Next Generation
Program Office**

Request for Quotation

For

**Enterprise Resource Planning (ERP) Software
(January 2010)**

Request For Quotation For ERP Software

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1 OVERVIEW

Ethiopian Telecommunications Corporation (ETC) provides multiple types of communication services to a large, diverse client base – and has a vision to serve over 15 million subscribers by the end of 2010. To position itself better, ETC is presently undergoing a business transformation to align its services to the needs of its customers by: (1) deploying Next Generation technology and processes, and (2) having established a Next Generation Program Office (NGPO.) to effect the change by formation of a new telecommunications entity.

As part of its basic role in the formation of the new telecom company, NGPO realizes the essentiality of integrating business information systems into a single technology platform using a common database and common development environment. In this regard NGPO is now in the phase of designing and implementing industry standard (e-TOM/NGOSS based) processes, re-designing its organization, and focusing on IT alignment and automation of internal processes (TAM and ITIL based) that will become the foundation for making ETC a “World Class Telecom Company.”

Paramount to making the vision a reality is the ability to coordinate and make informed business decisions through access to timely and reliable information. As such, the NGPO is focused on implementing a corporate wide Enterprise Resource Planning package (ERP) system to integrate its enterprise business processes.

2 HISTORY

Ethiopian Telecommunications Corporation/Next Generation Program Office desires to license and implement an Enterprise Resource Planning (ERP) system. As part of its original plan, ETC had previously solicited and received tenders for ERP Software. However, while the tenders offered a great deal of functionality, ETC realized that the solicitations did not address the full range of requirements. That is, to truly manage for successful Transformation ETC must consider a different set of criteria and implementation strategy (discussed further in this document).

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3 PURPOSE

At present, the acquisition approach is for ETC to assess which of the leading Tier-1 ERP Software products best position ETC to meet its objectives (see Objectives below) and permit ETC to make an informed decision on implementing software by prioritizing and phasing software modules. The purpose of this document is to solicit proposals for supplying ERP software solution to Ethiopian Telecommunication Corporation, Next Generation Program Office. As such, ETC/NGPO may base its decision upon the extent to which Software and Services express short-term and long-term solutions.

Short-term solutions may be things like out-of-box functionality, libraries, use of standards, and services oriented architecture; whereas long-term solutions would need to address scalability, economic approach to pricing software and services, and productivity gains through customization and process automation.

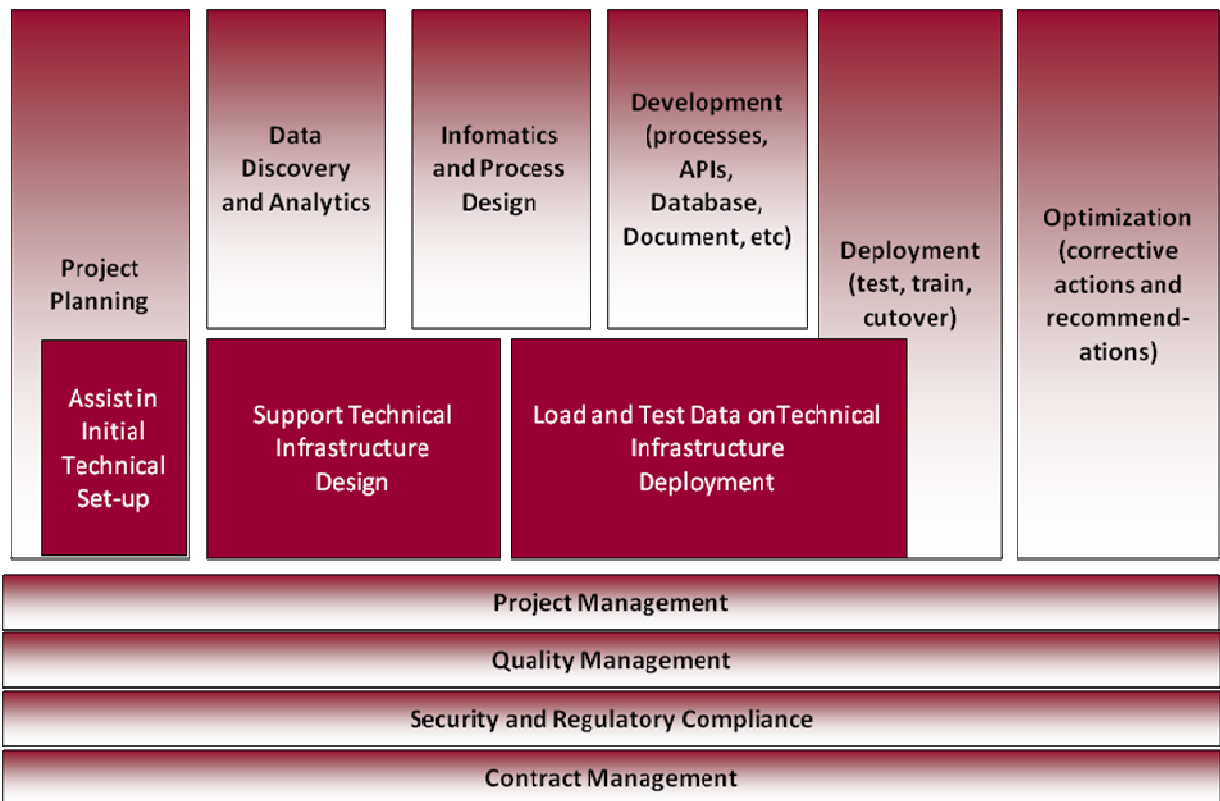
From the information provided, ETC/NGPO fully intends to make a decision as to the ERP Software Platform and will acquire licenses early in 2010 as part of the larger integration and Transformation project.

Full Scope is best depicted as a systemic approach and through phases envisioned by ETC (see graphic below). It is expected that ETC/NGPO will be responsible for a large part of the planning, data gathering, and approval of design. ETC/NGPO would also be responsible for the Hardware and associate infrastructure, but will seek the Vendor's support in identifying the best platforms, sizing processors and storage, and in loading and testing data or in the connectivity with other systems.

Design , development and deployment of an ERP must integrate with ETC's BSS & OSS applications [such as Customer Care and Billing (CC&B), Network Operation Center (NOC), provide support to ETC's Call Center, Pay Phone, E-Card and other internal automation processes], as well as ETC/NGPO's e-TOM based business processes.

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ETC/NGPO contemplates two project phases with the first being the selection of an ERP software system and second is the acquisition and deployment of the ERP System through a contract for Integration services. The primary goal of this phase is to establish automation using ERP software that shall include software for Financial Operations (e.g. order entry, accounts receivable and payable, general ledger), Purchasing, Warehousing and Transportation, and Human Resources [See Appendix-A for required software functionality] and Analytics (Business Intelligence).



The graphic above is a high level depiction of the complete set of Transformation phases.

4 PROJECT OBJECTIVES

ETC’s Transformation Project will be the Ethiopian Telecommunications Corporation's progression from a bureaucratic monopoly into a healthy, forward-thinking company capable of serving and connecting Ethiopia to the world. At the heart of this is for ETC to create an information based organization and world-class operation. As a subset, the ERP Project must result in a set of consistent practices and automated processes across the enterprise, which enhance business capabilities, customer responsiveness, improve market competitiveness and

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can meet the growth plans of ETC. Thus, project outcomes can be expressed in five Objectives:

- Support business needs through dependable and reliable information
- Minimize disruption and provide rapid access to critical Management information
- Create visibility into short-term and long-term economic benefits
- Build in flexibility to meet ETC's changing environment
- Standardize and automate the business processes and apply technology solutions using industry leading practices

5 SCHEDULE

Bearing in mind the current state of ETC and the vision for Transformation, ETC intends to make a choice on Software Platforms and then move to acquire product and services. The estimated schedule of Milestones of the project is:

Release RFQ	January 18, 2010
Market information and Responses (closing date)	February 2, 2010
Platform Selection	February 2010
RFP for System Integrator	February 2010
Proposals due	March 2010
Award	May 2010

Note: This document is purely intended for purposes of market research and ETC/NGPO makes no representation as to a commitment for further opportunity, nor will ETC/ NGPO reimburse firms for the preparation cost of its responses to this Request for Information. In addition, firms shall not contact ETC personnel about this request. Questions are due by January 25th 4:00 pm Ethiopian Time GMT +3. If you have any questions or clarifications regarding this RFQ contact: -

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6 INFORMATION REQUESTED

Please constrain information to the desired page limits provided with each question below. Where responses are enhanced by use of graphics or other supporting documents then responses may be expanded to include additional information. However, please do not include references to URLs or insert standard marketing information unless such information clearly supports the response.

Consideration will be given to explanations that most thoroughly address how the choice for System Software will help ETC achieved the objectives stated above. ETC/NGPO wishes to remind Offerors that any response should first focus on Telecommunications / Utility services, and then address the merits of the Software in providing a means for integrating information and providing automation across all departments within the enterprise.

Secondarily, the Ethiopian Telecommunications Company (ETC) desires to use packaged ERP software. To the extent practical, it is most desirable that the ERP modules deploy “out-of-box” and interface with the organization's existing software; or replace (with varying degrees) and augment many of the labour based processes used within ETC today.

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6.1 Scope

The scope of this RFQ covers the following modules Financials and Operations (e.g. order entry, accounts receivable and payable, general ledger), Purchasing, Warehousing and Transportation, Human Resources and Analytics (Business Intelligence). [See Appendix-A for Detail required software functionality]

6.2 Supplier Questioner

6.2.1 Compliancy

In order to provide a direct comparison between the various suppliers during the bid evaluation time, we request all the suppliers to clearly state their compliancy to the “Detail required software functionality” found in Appendix-A, labelled “ETC/NGPO ERP High Level Functional Requirements”. The supplier is requested to respond one by one for the detail Functional requirements. Offerors should use the column named “Supplier Response” to explain their compliancy for each of the functional requirements. Additional information can also be included in separate column(s) as you wish.

6.2.2 General Information

Supplier should provide the following information regarding your organization:

- Provide company name and headquarters location.
- The organizational chart for the regional office that serves Ethiopia
- Contact information of the most senior of representatives of each company that responsible for overseeing East African Region
- Provide the names, emails, telephone and fax numbers of persons authorized by your company to conduct negotiations with NGPO.

6.3 Evaluation criteria

The support model or design of the system processes should be considered a “Greenfield.” That is responders should assume that there is little process maturity and, as such, products will be evaluated heavily on solution descriptions and the ability to provide ETC with the best

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value. It should be noted that “best value” is a term of art and is used to express ETC’s judgment as to responses that best answer each question.

The key areas on which ETC will be evaluating potential Vendors include, in no particular order:

- Out-of-box functionality applied to ETC (i.e. understanding of ETC’s goals balanced by Risk Management)
- Product Performance and Reliability
- General System Features
- Support in Eastern Africa (Ethiopia)
- Technology Platform and Compatibility
- Product Vision and Future Enhancements
- Ease of implementation
- Pricing Methods and Total Cost to ETC

6.3.1 Out-of-box functionality (NTE 10 pages)

Given the description of ETCs current environment, responses should address the extent to which an out-of-box" deployment solves issues or can support objectives. For example, how can – and to what extent – does the software solve ETC objectives without customization (i.e., lower cost, lower headcount, improve business metrics, shorten activities like closing the books, etc.)? (Refer to Appendix-A for ETC/NGPO ERP High Level Functional Requirements)

Q1: Please address how ERP software has been applied in similar circumstances for Telco or utility companies. Are there direct references to such application?

Q2: Comment on how should ETC prepare its environment (Organizational and Technological)?

Q3: Comments on any other aspects of functionality that you deem important?

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6.3.2 Product Performance (NTE 5 pages)

Product Performance should address mechanisms for simple and measurable performance metrics associated with ERP Software. For example, product performance metrics can be represented in terms of hard implications (time to deploy, quality of results, and total cost) and soft implications (sizing, setting managerial priorities, and quality of process mapping and of training potentially) that impact results or expectations.

Q1: Describe essential features of the solution you would contemplate and technical product support. What product service measures are used and reported to customers? [E.g. planned releases, patches, testing, etc]

Q2: When implementing in a real-time processing environment what controls are instituted and how can overall operational costs be reduced?

Q3: What assurances are provided that one ERP solution is better for ETC than another?

Q4: Please comment on what responsibilities are inherent to ETC and how can it prepare for and support the implementation and operational state of the solutions so as to not impact product performance?

Q5: Comments on any other aspects of Product Performance you deem important?

6.3.3 Reliability (NTE 5 pages)

Reliability can be defined in terms of repeatability (achieving expected or same results using same processes or data) and consistency through use of standards, thoroughness, and documentation. For example, some vendors traditionally embrace more J2EE standards and more Web services standards than others. Some will provide BPEL editing but converts BPEL into a proprietary runtime format. Most of the leading vendors also use proprietary technologies to optimize the performance of their architectures (some optimizes at the database layer while others optimize at the application platform layer and at the Web-user interface).

Q1: Please comment on the use of foundation standards [e.g. Java/J2EE, Web services, the Business Process Execution Language (BPEL), and HTTP] and the impact on ETC to scale.

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Q2: How are migration paths supported and at what point does customization impact future releases?

Q3: How is the OEM's software market strategy applied and how can it support ETC in its environment with standard use (e.g. SOA, repurposing code, and support of customized software to ETC users)?

Q4: Please address any subjects that support the concept of reliability [e.g. adherence to industry standards (e.g. IEEE, GAAP, ISO, etc), user training, testing, and Test Plans].

Q5: Comments on any other aspects of Reliability you deem important?

6.3.4 General System Features (NTE 15 pages)

Responses should focus on the TELCO / Utility environment with emphasis on solution attributes such as business intelligence content offered and how analytics are incorporated into their next-generation architectures.

Q1: To what extent is the ERP Software used to support large Telecoms with the response focusing on understanding of challenges with Utility operations or integration with CRM. Responses are more favourably reviewed with use of Past Performance References in a TELCO or Utility environment.

Q2: How has subject matter material been for TELCO / Utility environments been incorporated as a standard feature, or can be specifically used by ETC?

Q3: What amount of Business Intelligence content is offered and how are analytics incorporated into the solution?

Q4: How will alignment with e-TOM/ITIL based and telecom industry standard business processes be documented and supported?

Q5: How is thin client with remote browser access (e.g. explanation of licensing for remote access) and Bandwidth requirements determined?

Q6: Please explain how modules/application are tightly integrated with unified data semantics

Q7: Please explain the OEM's relationship and strategy with Microsoft. How does the ERP platform integrate with Microsoft Office [Data import and export features (i.e. txt, xml, rtf, xls,pdf, etc)] and with Adobe Acrobat [Forms and Data import]?

Q8: Comments on any other aspects of General System Features you deem important?

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6.3.5 Support (NTE 4 pages)

Support should provide a thorough description of the standard service offerings and how they are provided and priced. Emphasis should be placed on unique capabilities like Composite applications and how SOA is used to create next-generation application suites (meaning what features are made extensible via Web services, or standard apps built using transaction management and workflow patterns that can be used by ETC).

Q1: What is included as part of the basic price (e.g. training, Tier 1 support, manuals and documentation)?

Q2: Please address how your solution would make use of resources for implementation activities and down-stream transformation of ETC. That is, describe your experience in supporting projects of this size and complexity, source of resources (local, Continental, near-Continent); of any constraining factors on resources (e.g. offices, languages, etc).

Q3: Comments on any other aspects of Support you deem important?

Q4: Provide info on your support facilities in East Africa in specific Ethiopia

6.3.6 Technology Platform Compatibility (NTE 10 pages)

Given your solution please address the Product strategy in the following areas:

- Open Standards based Architecture
- Product maturity and support for SOA and SaaS
- Product support for Model Driven Business Process Management
- Product maturity and support for Master Data Management (MDM)
- Hardware and Software Plat-forming
- Database strategy based on your software

Specifically address compatibility with various platforms and what consideration ETC should have for storage strategies. How are architectural designs considered at all layers (e.g. application layer, middleware,)? How does the OSM's Middleware licensing affect future platform strategies (e.g. can products interface with IBM Web sphere -as an example)?

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Q1: Can the ERP Software run on anything? How does Support differ by various infrastructure types?

Q2: What actions results in proprietary optimizations and what are the costs of these?

Q3: How are APIs supported (developed, maintained, and portability from OEM)

Q4: Describe the Application Core (single data model, common middleware, common service and process definitions)

Q5: Please note that Database strategy is more than "Database Platforms Supported." It would be extremely important for ETC to understand architectural considerations to repository strategies used in development and runtime (from the perspective of support of dynamic and ease of change to applications). For example, how are service and process definitions, user interface, user and platform metadata stored?

6.3.7 Product Vision and Future Enhancements (NTE 7 pages)

This section should address the OEM's vision and planned enhancements for the ERP Software Suite. The following characteristics should be addressed in sufficient detail so as to permit ETC to understand the value proposition of the products as applied to ETC.

- Investment in products and services
- Company financials, stability, external audit reporting and compliance (no page limit)
- Revenue from Telecom sector
- Planned Innovation (e.g. short-term and long-term vision - including major upgrades)
- Generic process for patch releases, testing, and back-out
- Testing patch release specifically for ETC
- Skills availability from market for RICE Objects
- Embedded Analytics
- Considerations to Ecosystem

Q1: In terms of Governance how are the above reflected in Application development and maintenance?

Q2: Based on typical demand for service how will demand management be performed for ETC (i.e., attention to development processes, life-cycle management practices, project management, and budgets)?

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Q3: How will the OEM prioritize competing demands among customers and still support ETC?

Q4: How might ETC create in-house ability to modify practices or stay abreast of changes?

6.3.8 Scalability (NTE 2 pages)

Scalability: ETC plans significant growth and historically, delivery of a new generation of applications (as opposed to an incremental release) is followed by a two-year ramp-up period of bug fixes, functional completion, and performance hardening. Please address how underlying platforms can shorten this customary maturing process.

6.3.9 Ease of Implementation (NTE 15 pages)

Q1: Please provide info on your implementation methodologies (if any) that are proven with successful implementations.

Q2: What is your change management approach with a “green field” customer like ETC?

7 PRICING TEXT (NTE 25 pages)

ETC seeks "flexible" and "transparent" pricing and an understanding of pricing methodologies, and what is right for ETC. Consideration will be given to thorough responses that address cost elements and risk that ETC should plan for as part of the Total Cost of Ownership (total lifecycle from initiation through operational support). **All prices quotes must be valid for a period of 12 months**

Q1: What pricing metrics are used and how can TCO be gauged (e.g. yardsticks, parametric estimating to similar deals, market pricing)?

Q2: How do your experiences translate "cost avoidance" by ETC (lower Transition and greater productivity metrics)?

Price Details:

1. Please provide One-time Software Cost and recurring fees (e.g. annual maintenance charges)
2. Please provide Consulting Services (SME) Cost

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3. Please provide Training Cost
4. Please provide assumptions and any other pertinent information

8 OTHER REQUIREMENTS (10 pages)

Responses should address how Vendors will attend to the following requirements and identify potential issues, clear allocation of responsibility, and costs. Requirements are provided for gauging the complete scope of potential activities.

8.1 Information confidentiality and security

The Vendor must abide by all ETC requirements for security regarding systems and data.

8.2 Audit support

The Vendor shall provide necessary and required support to facilitate audits requested by ETC.

8.3 Warranties and representations

The Vendor shall deliver work that is of an acceptable professional standard. Deliverables of any kind that are found to be incorrect or defective shall be reworked to bring into a non-defective state at no additional cost or fee to ETC.

8.4 SOX compliance

The Vendor will adhere to appropriate Sarbanes-Oxley regulatory statutes and standard interpretations of implementation within scope of services. Understanding and capability in providing SOX compliant delivery will be exhibited by the delivery team, specific to SOX 404, 302, 409, and 802.

8.5 Business ethics

The Vendor must abide by all ETC requirements for conduct on ETC projects, contracts, and locations.

8.6 Health, safety, and environmental policies

The Vendor personnel shall adhere to specific ETC site practices when visiting or working at ETC locations.

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9 INSTRUCTIONS TO OFFERORS--COMMERCIAL ITEMS

9.1 Submission of Offers

- a. Submit signed and dated proposals on or before January 21th 2010.
- b. Proposals **shall be delivered** to the address below:

Ato Esayas Dagne

NGPO-Application Program Director

Ethiopian Telecommunication Corporation

Next Generation Program Office

Mickey Leyland Road

NB Building

5th Floor

Mobile: +251 911 22 70 24

Tel: +251 11 6622107

Fax: +251 11 6621983

P.O.Box: 1047

Addis Ababa, Ethiopia

- c. Offerors shall submit questions/comments pertaining to this solicitation at the earliest possible before January 25th 4:00 pm Ethiopian Time GMT +3 after receipt of the solicitation.

9.2 Proposal Submission Instructions

9.2.1 Evaluation Processes

- a. An evaluation will be performed to validate that the bidder appears to be fully compliant to the technical requirements. To pass the preliminary examination, bidders must provide documentary evidence of compliance with the basic scope, availability of technical documentation and operational manuals, warranty, post award technical support, etc.
- b. No allocation of points shall be made in carrying out the Preliminary Examination. Rather, “Complied” or “Not complied” technique shall be used in evaluating each Offer.

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- c. The final evaluation will be made based on 100 total points with a relative weight of 60 Technical and 40 commercial.
- d. The successful bid shall be the one who scores the highest point when both technical and financial points weighted and is deemed to provide the “BEST VALUE”.
- e. The winner shall sign memorandum of understanding until the contract signed.

❖ *Based on the winner’s platform (Enterprise Resource Planning (ERP) Software we will identify integrators. And immediately after we select the integrator we will sign the contract with the winner for the platform.*

9.2.2 Proposal Format.

- a. To be considered for selection, the Offeror must submit a complete response to this RFQ using the sequence and format provided herein.
- b. The proposal shall be divided into separate volumes and provided in the number of copies specified below. Each hard-copy volume must be in a separate three ring binder with the identification of the Offeror and Volume number on the spine of the binder.

Volume	Title	Hard Copies	Electronic Copies
I	Technical	Original + 5 copies	2
II	Price	Original + 5 copies	2

- c. Information shall be provided in the appropriate volume and tab as indicated in this provision.
- f. The Offeror shall use a uniform paragraph numbering system.
- g. Offerors are hereby notified that the content of electronic copies of the proposal must be identical to the hard copy proposal submitted in response to this RFQ. ETC is not responsible for identifying inconsistencies between the two and may rely on either version at its discretion.

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9.2.3 Electronic Submission

- a. Each proposal shall be in uncompressed files submitted on CD-ROM. A directory listing of the disk shall accompany the submission with a listing of file names and content of each file. Size permitting, the electronic files for all proposal volumes may be submitted on a single CD-ROM; however, a separate folder shall be used for each proposal volume.
- b. The electronic version of the proposal text shall be in Microsoft Word, except the Price Model, which shall be in Microsoft Excel format.
- c. The electronic version of proposal spreadsheets shall be in Microsoft Excel format. The electronic spreadsheets shall not be compiled or password protected; all cells and formulas shall be visible, editable and unprotected. Offerors shall not establish links referencing other spreadsheet files.

9.3 Proposal Volume Breakout

9.3.1 Proposal Volume Tabs and Page Limitations

Hard copy proposals shall be tabbed as follows. Proposal submissions shall be limited to the number of pages indicated in the table below. Any additional proposal material in excess of the page limits set forth below will not be evaluated. Printed or Copied on Recycled Paper is preferred, all proposal pages shall be front only, letter-size (approximately 8 1/2" x 11" with no fold-outs). Font size for the main text of the proposal shall be no smaller than 10 point (smaller fonts are acceptable for graphics, figures, tables, footnotes and legends); however, such graphics, figures, tables, footnotes and legends cannot constitute more than half of any tab of a page-limited section of the proposal. Text shall be single-spaced with 1" margins.

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VOLUME I - TECHNICAL

Tab Description

1 Executive Summary (2 pages)

2 Technical Solution:

Section 1: Offeror shall provide a description of its software and how it meets the functional requirements of this RFQ (35 pages)

Section 2: Offeror shall also describe additional administrative and software support services, administrative support (15 pages)

Section 3: Offeror shall address the specifics of Section 6 and 8 above (see page limits shown with each sub-section)

VOLUME II - PRICE (Unlimited)

Tab Description

1 Pricing Summary and Explanation (NTE 15 pages)

2 Response to Section 7(NTE 25 pages)

2 Price Model (no page limit, however thoroughness and simplicity count)

(All proposed prices shall be in whole U.S. dollars)