



## **TERMS OF REFERENCE: CONSULTANCY TO PROVIDE QUALITY ASSURANCE SERVICES FOR THE LOCAL ADMINISTRATIVE ENTITIES DEVELOPMENT AGENCY (LODA) PROJECT TO IMPROVE THE MEIS SOCIAL PAYMENTS PLATFORM**

### **1. Introduction**

#### **About Access to Finance Rwanda (AFR)**

AFR is a Rwandan not for Profit organization, established in March 2010 by the governments of the United Kingdom (UK) and Rwanda and with support from DFID, the UK Department for International Development and the World Bank. Existing funders of AFR include DFID, The MasterCard Foundation, Sweden, USAID, and KfW. AFR's strategic focus is stimulating financial sector development by partnering with financial institutions and other stakeholders to increase access to and use of financial services. We identify and address constraints that prevent the financial market from reaching Rwanda's low-income population, and promote innovations and learnings that result in sustainable change in the financial sector. Improving access to financial services for the rural poor and women is a particular focus.

AFR is guided by the making Markets work for the Poor (M4P) approach recognizing that efforts to increase financial inclusion have to be market led and profitable for sustainability. AFR supports the Government of Rwanda's development objectives by aligning all its interventions to the national policy frameworks including the Financial Sector Development Programme (FSDP) II and the Economic Development and Poverty Reduction Strategy (EDPRS). These documents reflect the importance of electronic payments to the achievement of Rwanda Vision 2020, specifically through the promotion of electronic transactions to drive a cashless economy. The emphasis is to utilize the payment system to facilitate the transformation of Rwanda into a cashless economy. According to FSDP II and the NPS strategy Vision 2020, electronic payments should account for 75% of all payment transaction in Rwanda.

The potential of Digital Financial Services (DFS) is big given the relatively high levels of mobile penetration, 85% of Rwandan adults have access to mobile phone, while 73% own a mobile phone. There are a few regulatory impediments to bank and non-bank DFS, with many guidelines currently in draft form, guided by extensive consultations within the industry. There is a largely unexploited opportunity to convert high volume payments transfers to electronic, if some levels of interoperability or real time reconciliation can be implemented. In addition, the current product range of providers is limited, which also hinders uptake. AFR plans to contribute to the development of DFS in Rwanda. Two major areas of support include the development of agent networks and the digitization of P2G and G2P payment. There will be other areas of support to consider as the need arises.

#### **About Local Administrative Entities Development Agency (LODA)**

The Local Administrative Entities Development Agency (LODA) is a public institution under the supervision of the Ministry of Local Government (MINALOC). LODA focuses on Local Economic & Community Development, Social Protection, and capacity building of local administrative entities. It does Monitoring and Evaluation on the implementation process of development programs in Local Governments with the view of contributing to the capacity building of the population and decentralized entities as well as reducing extreme poverty in the country.

#### **Context of the Vision Umurenge 2020**



Rwanda's Vision 2020 Umurenge Program (VUP) provides income support in the form of cash transfers to over 300,000 households living in extreme poverty and those vulnerable to falling into poverty; thus enabling poor households to overcome potential financial barriers and economic shocks.

As identified in a study carried out by LODA, VUP Social Protection Payments beneficiaries do not usually receive funds within the timelines set out in the VUP guideline. The guideline requires payments to occur within 10 days of the designated payment date, which in reality does not happen. The delays are caused by lengthy manual workflows that require several approvals at every stage of the payment process. This means that beneficiaries are likely unable to meet their financial obligations for the delayed period given their level of vulnerability. LODA, with the support of AFR, is upgrading the MEIS software platform used to manage social payments, to review and improve the automated generation of payment orders, authorization workflows and introduce a payments module. This module will include features that help manage the electronic payments by integrating to the ministry of finance and the Central Bank (BNR), and keep track of the entire cash transfer process by leveraging already existing RTGS and other payment service infrastructure. It will mainly provide the following four operational features:

- a) XML Integration to Integrated Financial Management Information System (IFMIS) to upload the beneficiary payroll and their account numbers
- b) Beneficiary options to receive payments in their SACCO, MTN or TiGO-Airtel accounts
- c) Automation of gross settlement between the beneficiaries' account holding financial institutions and LODA through the National Bank of Rwanda
- d) Reconciliation, reporting, updating and messaging

This upgrade will remove delays and ensure payments are processed within the targeted 10 days.

## **2. Objectives of the Consultancy**

AFR will contract a software development firm to upgrade the LODA MEIS system. During this process, LODA and AFR require the services of external consultant(s) to:

- a) Ensure high standards of quality are maintained in the development and installation of the MEIS payment module
- b) Ensure AFR and LODA pay commensurate rates for the payment module development.

## **3. Scope of Work**

AFR and LODA would like to contract consultant (s) to support in providing quality assurance services to cover the following:

- Review the terms of reference for the payment module development service drafted by AFR and LODA. This is to ensure they are clear, concise and fully capture LODA's needs, based on the issues identified in the feasibility study and existing MEIS system functionalities
- Design quality management strategy to ensure success of the project
- Define the quality requirements for each phase of software development and the tests to assess the quality of the work done. The consultant should ensure quality is maintained all throughout the delivery of the project, particularly in:
  - Requirements gathering
  - System integration
  - Hardware deployment, hosting, and networking set-up



- Business rules logic creation and implementation
- System/ data workflow management
- Authorization workflow handling, to ensure it is handled in accordance with the pre-defined hierarchy within LODA
- Advise LODA and AFR on the quality of the deliverables by the software developer, including but not limited to completeness of functionalities, performance, security and vulnerability, and make recommendations that would allow for regular monitoring of the software performance post launch
- Carry out testing, together with LODA staff, during each phase to ensure quality is obtained before moving to the next phase
- Document tests performed and results achieved
- Review and approve, upon documentation, the quality of software coding design and structure, software debugging strategy, the procedures for software releases' installations, supporting developer documentation, workflow and error management protocol, ease of use and seamless user management in accordance with the project goals
- Define and document business process mapping, user role identification and definition
- Carry out software change request management to ensure necessary changes relating to the defined requirements as identified by LODA MEIS system users are implemented. Additionally, to ensure that the change management process is controlled, staying on track within the scope of the project.
- Review pilot implementation protocol document for end-to-end completeness and identification of any loopholes.
- Review trainings materials for gaps and suggest improvements for easy adoption by LODA and district staff
- Assess quality of training delivered to LODA and district staff, providing feedback to ensure good quality is achieved
- Review AHT's knowledge transfer strategy to LODA staff.
- Ensure that a good quality handover of the upgraded system to the LODA staff is performed once the upgrade is successfully completed.

The consultant will be working on the above tasks with LODA staff but will be responsible for taking the lead on quality assurance. They will be solely responsible for the report writing.

The consultant will be provided full access to the MEIS for testing purposes. They will be required to sign relevant non-disclosure and/or data privacy agreements.

#### **4. Deliverables**

The consultants will provide the following deliverables:

- a) Final terms of reference for the development of the MEIS payment module
- b) Project quality management and supervision strategy
- c) Quality reports for the different phases of software development
- d) Software change management and control policy aiming at putting in place the best strategies for the prevention of any error that may be caused by a change in LODA processes due to the introduction of the payment module
- e) Acceptance test procedures
- f) Pilot implementation protocol document
- g) Evaluation report of the assessment and confirmation whether the developed software payments module meets LODA's functionality and requirements specifications

## 5. Timeline

The assignment is expected to commence in October 2018 and will run for a period of up to 16 months. The Quality assurance services will be rendered under a framework contract and payment executed according to the deliverables related to each project phase.

## 6. Competences required

- a) Over 5 years' proven experience in software audit services, specifically in providing support and quality assurance services for software development projects including software change management, user acceptance testing and end user training.
- b) Previous experience in payment systems integration such as 3rd party API integration with Core Banking Systems, Mobile Network Operators (MNO) through their mobile wallet platforms is required
- c) IT Technical knowledge and skills in the following:
  - I. Digital Financial services/systems: Banking systems; Mobile Network Operators Mobile wallet systems; Payment Gateways
  - II. Broad knowledge of Linux OS, JAVA EE technologies, Postgresql, Jboss operate and interact
  - III. High level understanding of IT infrastructure set-up including but not limited to Network design & setup/LAN & WAN
  - IV. Servers setup, hosting domain name, IP allocation/provisioning and internet access, backup and recovery, storage Management (virtual/physical servers), Database High Availability, failover & Clustering, Disaster recovery and business continuity
- d) Strong analytical and writing ability
- e) Experience in effectively engaging with senior public and private sector officials and obtaining needed information and insights into the local environment;
- f) Be ready to start immediately.

## 7. Confidentiality of information

All documents and data will be treated as confidential and use solely to facilitate analysis. The production of the midterm evaluation report will be the liability of the firm covering all the aspects as outlined in this terms of reference. AFR will be responsible for coordinating the exercise. The report will be produced in English and should be simple in expression and easy to understand.

## 8. Format of bids

A technical and financial proposal should be submitted.

The **technical proposal** should include the following but it should not exceed 15 pages:

- Names and CVs of lead consultant (s) including qualifications and relevant experience in providing the kind of services required and an outline of team structure
- A summary of the firm's experience in providing the kind of analysis called for in these terms of reference.
- A description of understanding of your role as outlined in these Terms of Reference and detailed methodology plus work plan for the consultancy.
- A description of how your firm intend(s) to fulfil the services within the suggested timeline.

- The technical proposal accounts for 70% of total score awarded. The criteria for scoring on the technical proposals is broken down in the table below. The total technical score will be derived using the formula  $(\text{total score}/100)*70$ .

The **Financial proposals** should include the information below;

- Clearly state full daily rate for professional fees in U.S. dollars (\$) per consultant.
- The daily rate must be inclusive of all taxes (such as withholding and value added taxes).
- Other expenses to be incurred while undertaking this assignment including travel, accommodation and transfers among others.
- The financial proposal accounts for 30% of the total score awarded. The total financial score will be derived using the formula  $(\text{lowest financial bid of all bidders}/\text{your financial bid})*30$ .

#### Evaluation criteria

Criteria	Maximum Score	Weight	Maximum points allocated
Specific experience of the consultancy firm in providing Quality Assurance for software/technical projects	5	4	20
Key Personnel experience and qualifications	5	8	40
Technical Approach and methodology	5	5	25
Quality, practicality and detail of the Work plan	5	2	10
Ability to transfer Knowledge to LODA on quality assurance mechanisms	5	1	5
Total technical score out of 100 total points			100
Formula explaining how 100 is converted to 70			$(\text{Points} * 100)/70$
Total Technical Score			70
<b>Criteria for financial proposal</b>			<b>Maximum Allocated Score</b>
Financial Evaluation – (fees and expenses, value for money)			30
<b>Total</b>			<b>100</b>

Only shortlisted firms will be contacted.

AFR reserves the right, at their sole discretion, to reject all tenders received and seek fresh tenders, to defer the award of a contract or to cancel the competition and make no contract award.



## 9. How to Apply

Proposals should be submitted by email to AFR: [procurement@afr.rw](mailto:procurement@ afr.rw) clearly indicating the Subject Line:  
**“QUALITY ASSURANCE SERVICES FOR THE DEVELOPMENT OF A PAYMENTS MODULE FOR THE LOCAL ADMINISTRATIVE ENTITIES DEVELOPMENT AGENCY (LODA) MEIS PLATFORM”**

Please send proposals by 6 September 2018 before 5pm.



## ANNEX 1: TECHNICAL PROPOSAL SUBMISSION SHEET

*[Complete this form with all the requested details and submit it as the first page of your technical proposal, with the documents requested above attached. Ensure that your technical proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected.]*

Proposal Addressed to:	Access to Finance Rwanda
Date of Technical Proposal:	
Subject of Procurement:	

We offer to provide the services described in the Statement of Requirements, in accordance with the terms and conditions stated in your Request for Proposals referenced above.

We confirm that we are eligible to participate in public procurement and meet the eligibility criteria specified in Part 1: Proposal Procedures of your Request for Proposals.

We have signed and undertake to abide by the Code of Ethical Conduct for Bidders and Providers attached during the procurement process and the execution of any resulting contract;

Our proposal shall be valid until \_\_\_\_\_ *[insert date, month and year]* and it shall remain binding upon us and may be accepted at any time before or on that date;

I/We enclose a separate financial proposal.

### Technical Proposal Authorised By:

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Position: \_\_\_\_\_ Date: \_\_\_\_\_  
(DD/MM/YY)

Authorised for and on behalf of:

Company: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

## CODE OF ETHICAL CONDUCT IN BUSINESS FOR BIDDERS AND PROVIDERS

### 1. Ethical Principles

Bidders and providers shall at all times-

- (a) maintain integrity and independence in their professional judgement and conduct;
- (b) comply with both the letter and the spirit of-
  - i. the laws of Rwanda; and
  - ii. Any contract awarded.
- (c) Avoid associations with businesses and organisations which are in conflict with this code.

### 2. Standards

Bidders and providers shall-

- (a) strive to provide works, services and supplies of high quality and accept full responsibility for all works, services or supplies provided;
- (b) Comply with the professional standards of their industry or of any professional body of which they are members.

### 3. Conflict of Interest

Bidders and providers shall not accept contracts which would constitute a conflict of interest with, any prior or current contract with AFR. Bidders and providers shall disclose to all concerned parties those conflicts of interest that cannot reasonably be avoided or escaped.

### 4. Confidentiality and Accuracy of Information

- (1) Information given by bidders and providers in the course of procurement processes or the performance of contracts shall be true, fair and not designed to mislead.
- (2) Providers shall respect the confidentiality of information received in the course of performance of a contract and shall not use such information for personal gain.

### 5. Gifts and Hospitality

Bidders and providers shall not offer gifts or hospitality directly or indirectly, to staff of AFR that might be viewed by others as having an influence on a government procurement decision.

### 6. Inducements

- (1) Bidders and providers shall not offer or give anything of value to influence the action of a public official in the procurement process or in contract execution.
- (2) Bidders and providers shall not ask a public official to do anything which is inconsistent with the Act, Regulations, Guidelines or the Code of Ethical Conduct in Business.

### 7. Fraudulent Practices

Bidders and providers shall not-

- (a) collude with other businesses and organisations with the intention of depriving AFR of the benefits of free and open competition;
- (b) enter into business arrangements that might prevent the effective operation of fair competition;
- (c) engage in deceptive financial practices, such as bribery, double billing or other improper financial practices;
- (d) misrepresent facts in order to influence a procurement process or the execution of a contract to the detriment of AFR; or utter false documents;
- (e) unlawfully obtain information relating to a procurement process in order to influence the process or execution of a contract to the detriment of the AFR;
- (f) Withholding information from the Procuring Disposing Entity during contract execution to the detriment of the AFR.





I ..... agree to comply with the above code of ethical conduct in business.

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AUTHORISED SIGNATORY

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NAME OF CONSULTANT

## ANNEX 2: FINANCIAL PROPOSAL SUBMISSION SHEET

*[Complete this form with all the requested details and submit it as the first page of your financial proposal, with the documents requested above attached. Ensure that your proposal is authorised in the signature block below. A signature and authorisation on this form will confirm that the terms and conditions of this RFP prevail over any attachments. If your proposal is not authorised, it may be rejected. The total price of the proposal should be expressed in the currency or currencies permitted in the instructions above.]*

Proposal Addressed :	Access to Finance Rwanda (AFR)
Date of Financial Proposal:	
Subject of Procurement:	

The total price of our proposal is: \_\_\_\_\_

We confirm that the rates quoted in our Financial Proposal are fixed and firm for the duration of the validity period and will not be subject to revision or variation.

### Financial Proposal Authorised By:

Signature: \_\_\_\_\_ Name: \_\_\_\_\_

Position: \_\_\_\_\_ Date: \_\_\_\_\_  
(DD/MM/YY)

Authorised for and on behalf of:

Company: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## Breakdown of Lump Sum Price

[Complete this form with details of all your costs and submit it as part of your financial proposal. Where your costs are in more than one currency, submit a separate form for each currency. Authorise the rates quoted in the signature block below.]

CURRENCY OF COSTS: \_\_\_\_\_

FEES				
Name and Position of Personnel	Input Quantity	Unit of Input	Rate	Total Price
TOTAL:				

REIMBURSABLE AND MISCELLANEOUS COSTS				
Description of Cost	Quantity	Unit Measure	of Unit Price	Total Price
TOTAL:				

TOTAL LUMP SUM PRICE IN CURRENCY: \_\_\_\_\_

Breakdown of Lump Sum Price Authorised By:

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Position: \_\_\_\_\_

Date: \_\_\_\_\_

(DD/MM/YY)

Authorised for and on behalf of:

Company: \_\_\_\_\_