MZIMA SACCO LIMITED

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REQUEST FOR PROPOSALS

Design, Development, Installation, Testing, Training And Commissioning Of An Integrated Sacco Management Information System

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1. Introduction

Mzima Sacco Limited is a SACCO based in Kenya and has a steadily growing member base. Mzima Sacco is continuously expanding and upgrading its processes to meet the changing needs of its members. To meet this objective Mzima Sacco continuously seeks to partner with competent suppliers and service providers for supply of various goods and provision of various services.

This document constitutes the formal **Request for Proposals (RFP) for Design, Development, Installation, Testing, Training and Commissioning of An Integrated Sacco Management Information System.** This RFP process is intended to lead to identification of a vendor or vendors to meet our requirements as Mzima Sacco.

2. Deliverables

The following information should be used to determine the scope of this project and provide pricing for this engagement. This engagement will be divided into the features outlined below.

2.1. Terms Of Reference

System Features Request

The system rendered will offer the following features:

- Member information management
  - **o** Member self-registration via mobile & web applications.
  - **o** Back-office member onboarding
  - **o** Payment of registration fee via M-PESA or any other mobile money platform **o** Registration of next of kin details
  - **o** Viewing & editing member details
  - **o** Support referral program for members who bring in new members.
  - **o** Access Member Statement including biodata, balances of loans by type, share capital, savings, repayment history and statement on loan guarantee;
  - **o** Access Member Statement including biodata, balances of loans by type, share capital, savings, repayment history and statement on loan guarantee;
  - **o** Review savings and loan repayment details
  - **o** Access to Sacco documents including bylaws, previous AGM documentation, members education materials e.t.c.
  - **o** Access status of loan application. Alerts (email and SMS) should be sent at various stages of processing to both the applicant and the relevant Sacco managers;
  - **o** Guarantee members loans
  - **o** Initiate request for withdrawal from the Sacco including providing a platform for relieving/replacing guarantors, transferring share capital and providing exit feedback.
  - **o** Variety of standard and customizable reports in various formats (e.g. csv, pdf, xls, docx)

- Account management
  - **o** Crediting member's deposits account via M-PESA or any other mobile money platform

- o Crediting member's deposit account via back-office entry
- o SMS notifications requesting members to save into their deposits account
- o Viewing statements on deposits & share capital accounts
- o A current account for loan & annual dividends disbursement
- o Transfer of cash from current account to M-PESA

> Loan applications management
- o Loan application via mobile & web applications
- o Guaranteeing loan application via mobile & web applications
- o Locking of member's deposits on guaranteeing loan applications
- o Enable for loan product configuration
- o Viewing loan statements via mobile & web applications
- o Loan Appraisal Management.
- o Loan Approval Management.
- o Loan Disbursement Management.
- o Loan Schedule & Repayment management and reports.
- o Guarantors Management and Tracking.
- o Loan Refinancing Application, approval and disbursement management.
- o Loan Charges/interest management on application, refinancing or penalties.
- o Loan payments due report.
- o Loan Arrears report/Loan aging report.
- o Loan prepayment and loan repayment schedule recalculation
- o Security & Collateral Management.
- o Loan Interest Management & analysis reports
- o Variety of standard and customizable reports in various formats (e.g. csv, pdf, xls, docx)
- o Loan repayment reminders via SMS
- o Loan repayment via M-PESA or any other mobile money platform
- o Loan repayment via back-office entry
- o Unlocking member's guaranteed deposits on loan repayment proportionate to amount guaranteed
- o Debt recovery from member's deposit account based on the Sacco's rules o Loan book reporting

> Accounting Module:
- o Cash management, including general receipts and payments.
- o Bills management, including invoices, payable vouchers, customers and vendors.
- o Banking, including bank reconciliation
- o Journals.
- o Tax management.
- o Asset management.
- o Budgeting, budget reviews.
- o Imprest system for petty cash
- o Inventory and purchases control
- o Financial reports including;

  - Statement of financial position
  - Statement of profit or loss, annually and between dates
  - Trial balance
  - Cashiers report
  - Savings management and summary reports
  - Share capital management and summary reports

- Transactions reports
- Loan balances summary report
- General ledger reports
- Cash Flow statement
- Variety of standard and customizable reports in various formats (e.g. csv, pdf, xls, docx)

> Human Resource Management:
  - o Payroll
  - o Employees performance management
  - o Leave management
  - o Employee Time and Attendance Management
  - o Variety of standard and customizable reports in various formats (e.g. csv, pdf, xls, docx)

> Analytics & reporting
  - o Analysis on loan applications: monthly loans uptake, loans repaid on time, defaulted loans.
  - o Average loan repayment duration per loan type
  - o Loan uptake & repayment per customer
  - o Analysis on members deposits: available deposits, locked deposits, trends on savings

> System Administration and Security
  - o System backend management
  - o User account management
  - o User roles, rights and permissions management
  - o Automated backups
  - o Encryption of data in transit
  - o Audit trails
  - o Archiving, Restore and rollbacks
  - o Server replication
  - o Variety of standard and customizable reports in various formats (e.g. csv, pdf, xls, docx)

2.2. System narration.

1. Access Medium
   - i. Mobile App [Android / IOS]
   - ii. USSD
   - iii. WEB
2. Onboarding / Recruitment
   - i. Agent Registration [Mass Agent registration]
   - ii. Invite Link [WhatsApp / SMS]
   - iii. USSD [*000#] Example
   - iv. Mobile App Registration [Register Tab]
   - v. Web Registration
3. User Experience [UX] - [Mobile App / USSD / WEB]
   - a. Registration
     - i. Applicant Personal Information
     - ii. Payment Phase
     - iii. Redirect to Login page
     - iv. Reminder to update any member details
   - b. Dashboard / Home

- i. Recent Activity / Transactions
- ii. Current Balances / Remittances in all products
- iii. Graphs and Pie on transactions
- c. Transact
  - i. Deposit
    1. From Mobile Wallet [MPESA/AIRTEL MONEY/T-KASH]
    2. From Bank [Via Bank Integration]
    3. From M-pesa /Airtel Money Agent [Cash Point]
    4. From a member Account
  - ii. Withdraw
    1. To Mobile Wallet [MPESA/AIRTEL MONEY/T-KASH]
    2. To Bank [VIA-PAYBILL]
    3. To a member Account Wallet
- d. Balances Check
- e. Reports
  - i. SASRA Compliant Reports
  - ii. Transaction Reports
  - iii. Full Statement
  - iv. Mini - Statement
  - v. Deposits
  - vi. Withdrawals
  - vii. User Activity Reports
    - a. Login / Logout
    - b. Security Alerts
- f. User Customizations
- g. Details Update
  - i. Profile Update
  - ii. Password Change / Update
  - iii. Profile photo
  - iv. Email Change
- h. Contact change / update
  - i. Dependent Update
  - ii. Add Spouse
  - iii. Add Children
  - iv. Add statutory documents of dependents
- i. Package Upgrade / Downgrade
- j. Ability to downgrade / Upgrade a package
- k. Notifications / Alerts
  - i. Inbox
  - ii. Push Notification
  - iii. Reminders
- l. Blog / Media Center
  - i. Press Center
  - ii. FAQ / [Knowledge Base]
- m. Recruitment
  - i. Add new Member
  - ii. Invite Member

      n.   Exit / Termination
          i. Termination option based on the minimum exit eligibility as per the Terms and Conditions.
          ii. Calculation of welfare benefits on exit with withdrawal package.

1. User Interface [UI]
    a. Mobile APP & WEB
    b. Fluid UI and [Interactive]
2. Admin Interface
    a. USER INTERFACE [UI]
        i. Mobile APP & WEB
        ii. MZIMA SPRINGS SACCO Branding
        iii. Fluid UI and [Interactive]
    b. USSD
        i. Full Menu on MZIMA SPRINGS SACCO USSD
        ii. Sub-menu on MZIMA SPRINGS SACCO USSD
    c. Dashboard
    d. On Transactions
    e. Withdrawals
    f. Deposits
    g. On Membership
    h. New Members
    i. Current Members
    j. Active / Inactive Members
    k. On Agents
    l. Performance on recruitment
3. User Management
    a. Add / Remove / Disable / Suspend a member
    b. Change Password for members
    c. Role Management
    d. Members
    e. Agents
    f. Staff
4. Sacco Admin
    a. Reports Management
    b. On all transactions
    c. On all recruitments
    d. On Members
5. Notice Management
    a. Alerts and notice board
    b. Media Center and Knowledge Base
    c. Support Management
    d. User support and Issue's resolution
6. Staff Interface
    a. Member Management
    b. Support / Issues Resolution
    c. Notice / Alerts / Media Center
    d. Profile Management

7. Agent Interface
    a. Recruitment dashboard
    b. Tasks Management
    c. Notice / Alerts / Media Center
    d. Profile Management
8. Integration
    a. API Call to IPRS
    b. API Call to KRA
9. Security
    a. Infrastructure Security [AWS / AZURE / GOOGLE CLOUD / HQ BRANCH]
    b. Application Security [MOBILE APP / IOS / USSD]
    c. Database Security [ORACLE / SQL / IMPERVA]
    d. Regulatory Security on Intergovernmental APIs [IPSEC / FIREWALL]
10. System Availability
    a. Primary Server [99.99% Uptime]
    b. Cloud Server [99.99% Uptime]
    c. Backup Server [99.99% Uptime]
11. Customer Experience [CX] / SUPPORT
    a. Fast Reaction contact center experience on mobile Calls
    b. Quick response on Social Media Channels Twitter, Facebook, Instagram, WhatsApp, Robust Chat Bot

2.3. Format for Technical Proposal

General Information about the bidder

The service provider's proposal shall be submitted in several parts as summarised below. The service provider will confine their submission to those matters sufficient to define its proposal and to provide an adequate basis for Mzima Sacco's evaluation of the service provider's proposal.

In summary, the submitted proposals are required to include each of the following sections:
1. General information of the bidder
2. Executive Summary
3. Key Implementation aspects
    a. Approach and Methodology
    b. Project Deliverables
    c. Project Management Approach and support structure
    d. Statement of Compliance
    e. Detailed and Itemized Pricing
4. Improvements
5. Commitment
6. Appendix: Company Overview

The detailed requirements for each of the above-mentioned sections are outlined below.

Management Summary

The management summary should contain overview information covering:

- The Supplier's vision for the solution itself, including key technical considerations.
- The Supplier's understanding of the major factors to be considered in achieving the goals of the project.
- The Supplier's approach to the project, with particular attention to the most important of these factors.
- The proposed arrangements for the management of 3rd Party relationships, if applicable.

Key Implementation Aspects

This section should include the tools, techniques and the approach that will be used to conduct the development and implementation of the platform. The key areas of focus include:

1) The main tasks in the Project, including who would be responsible for carrying out each of the tasks

2) Detailed draft Project Plan

3) The supplier's view of Project Milestones and Time-scales

4) Project Management Approach
   a) Include the method and approach used to manage the overall project and client correspondence. Briefly describe how the engagement proceeds from beginning to end.
   b) Deliverables – Include descriptions of the types of reports used to summarize and provide detailed information on development and implementation of the platform.
   c) The supplier's view of implementation
   d) Expected dependencies and constraints
   e) Detailed Statement of Compliance (SoC) response (where applicable)

5) Risk Analysis Approach
   a) Include details on how risks are identified and assessed for their impact on the organization (vulnerabilities, threats, probability & impact assessment), thereafter guiding the selection of appropriate controls.
   b) This should be supported with appropriate samples / screenshots to further illustrate the risk analysis approach.
   c) The explanation should also include details on whether the approach taken is qualitative or quantitative, and the rationale behind the approach taken.
   d) Also include any references to internationally recognized industry standards that guide the service providers approach to risk analysis.

6) Knowledge Transfer / User Training proposal
   a) Include a description of how the service provider will facilitate knowledge transfer during the engagement. This should include the observation approach (e.g. over-the-shoulder training) and documentation approach throughout the engagement, that will help explain key aspects of the project, answering all reasonable queries asked of the service provider by Mzima Sacco personnel.
   b) The description should articulate how the approach will help ensure that Mzima Sacco personnel understand the project, enabling them to carry out similar tasks as part of Mzima Sacco's ongoing risk management program.

Improvements

Taking into account the requirements that Mzima Sacco has outlined, please give a description of any improvements that you can recommend to:

- The project's scope and approach
- The underlying business processes
- Any technical capabilities of the proposed solution not covered

Commitment

A Cover letter confirming that the RFP response has been submitted with full understanding of the terms in the RFP document and that the bidder commits to abide by those terms

Response instructions

- The Supplier is asked to provide a point per point an answer to all requirements presented in this document
- The Supplier shall answer to the Technical Requirements, described with the following table template, according to following levels of compliance on the requirement:
  - **Mandatory (M):** The Compliancy statement shall be stated with a short description of the requirement implementation on the "Tenderer´s Response Field"
  - **Optional (O):** The requirement is optional and it should be supported as at Jan 2011.
  - **Information (I):** For information purposes. These are open questions and the Supplier is required to answer with a complete but clear and unambiguous answer. The intention of these questions is to obtain more background on a specific topic rather than asking for mere compliance.

i.**Format for Commercial Proposal**

The Financial proposal **<u>MUST</u>** be submitted in the format below. Failure to comply with this will be subject to penalization.

Item Description	Qty (Man days)	Unit Price	Total Price
Needs Analysis and Mobilization			
Web Development			
Mobile App Development			
Knowledge Transfer & training			
Project Management			
Any other costs not mentioned above (kindly provide details)			
All Taxes (VAT, Withholding tax etc…)			
Grand Total			

Notes

1. Payment Terms: Licenses and support to be paid yearly in advance, 60 days after invoice receipt (3 year contract)
2. VAT: Clearly indicate if the above costs are subject to 16% VAT.
3. Withholding Tax: Indicate if 5% withholding tax is applicable for the costs.
4. In the summarized commercial proposal, it is MANDATORY you use the above format.
5. Total costs provided MUST be duty paid and delivered (landed costs).
6. All costs provided MUST be in Kenya Shillings

3. **General Conditions of Contract**

3.1. Introduction

Specific terms of contract shall be discussed with the bidder whose proposal will be accepted by Mzima Sacco. The resulting contract shall include but not be limited to the general terms of contract as stated below from 3.2 to 3.17 and to Mzima Sacco's Standard Terms and Conditions of Contract.

3.2. Award of Contract

Following the opening and evaluation of proposals, Mzima Sacco will award the Contract to the successful bidder whose bid has been determined to be substantially responsive and has been determined as the best evaluated bid.

Mzima Sacco will communicate to the selected bidder its intention to finalize the draft conditions of engagement submitted earlier with his proposals. After agreement will have been reached, the successful Bidder shall be invited for agreement and signing of the Contract Agreement to be prepared by Mzima Sacco in consultation with the Bidder.

3.3. Application of General Conditions of Contract
These General Conditions (sections 3.2 to 3.15) shall apply to the extent that they are not superseded by provisions in other parts of the Contract that shall be signed.

3.4. Bid Validity Period
Bidders are requested to hold their proposals valid for ninety (90) days from the closing date for the submission, or as specified in the RFP document.

3.5. Non-variation of Costs
The prices quoted for the service and subsequently agreed and incorporated into the contract shall be held fixed for the contract period.

3.6. Performance Security

3.6.1. Mzima Sacco may at it's discretion require the successful bidder to furnish it with Performance Security in the amount specified in the accepted Bid.

3.6.2. The Performance Security shall be in the form of a Company guarantee issued by a commercial Company operating in Kenya and shall be in a format prescribed by Mzima Sacco. The performance guarantee shall be submitted within 10 days of notification of award.

3.6.3. The proceeds of the Performance Security shall be payable to the Mzima Sacco Limited as compensation for any loss resulting from the Bidder's failure to complete its obligations under the Contract.

The Performance Security will be discharged by Mzima Sacco not later than two months following the date of completion of the Bidder's performance obligations, and Mzima Sacco's acceptance of the final report as specified in the contract.

3.7. Delays in the Bidder's Performance

3.7.1. If at any time during the performance of the Contract, the Bidder should encounter conditions impeding timely delivery and performance of the Services, the Bidder shall promptly notify Mzima Sacco in writing of the fact of the delay, its likely duration and its cause(s). As soon as practicable after receipt of the Bidder's notice, Mzima Sacco shall evaluate the situation and may at its discretion extend the

Bidder's time for performance, with or without liquidated damages, in which case the extension shall be ratified by the parties by amendment of the Contract.

3.7.2. Except in the case of "force majeure" as provided in Clause 3.14, a delay by the Bidder in the performance of its delivery obligations shall render the Bidder liable to the imposition of liquidated damages pursuant to Clause 3.8.

3.8. Liquidated damages for delay
The contract resulting out of this RFP shall incorporate suitable provisions for the payment of liquidated damages by the bidders in case of delays in performance of contract.

3.9. Governing Language
The Contract shall be written in the English Language. All correspondence and other documents pertaining to the Contract which are exchanged by the parties shall also be in English.

3.10. Applicable Law
This agreement arising out of this RFP shall be governed by, and construed in accordance with the laws of Kenya and the parties submit to the exclusive jurisdiction of the Kenyan Courts.

3.11. Bidder's Obligations
3.11.1. The Bidder is obliged to work closely with Mzima Sacco's staff, act within its own authority, and abide by directives issued by Mzima Sacco that are consistent with the terms of the Contract.

3.11.2. The Bidder will abide by the job safety measures and will indemnify Mzima Sacco from all demands or responsibilities arising from accidents or loss of life, the cause of which is the Bidder's negligence. The Bidder will pay all indemnities arising from such incidents and will not hold Mzima Sacco responsible or obligated.

3.11.3. The Bidder is responsible for managing the activities of its personnel, or subcontracted personnel, and will hold itself responsible for any misdemeanors.

3.11.4. The Bidder will not disclose Mzima Sacco's information it has access to, during the course of the work, to any other third parties without the prior written authorization of Mzima Sacco. This clause shall survive the expiry or earlier termination of the contract.

3.12. Mzima Sacco's Obligations
In addition to providing Bidder with such information as may be required by the bidder to complete the bid submission, Mzima Sacco shall,

3.12.1. Provide the Bidder with specific and detailed relevant information concerning the requirements.

3.12.2. In general, provide all information and access to Company's personnel;

3.12.3. Make available to the Bidder, for the Bidder's use in fulfillment of this Agreement, conventional office facilities for use by the employees of Bidder, if agreed and required; and

3.12.4. Appoint a coordinator who shall arrange any access to its information and staff required by Bidder for its performance under the contract, if agreed and required

3.13. Confidentiality

The parties undertake on behalf of themselves and their employees, agents and permitted subcontractors that they will keep confidential and will not use for their own purposes (other than fulfilling their obligations under the contemplated contract) nor without the prior written consent of the other disclose to any third party any information of a confidential nature relating to the other (including, without limitation, any trade secrets, confidential or proprietary technical information, trading and financial details and any other information of commercial value) which may become known to them under or in connection with the contemplated contract. The terms of this Clause shall survive the expiry or earlier termination of the contract.

3.14. Force Majeure

- **Definition of Force Majeure**

  For the purposes of this Agreement, **"Force Majeure"** means an event which could not reasonably have been avoided by a diligent party in the circumstances, which is beyond the reasonable control of a party and which makes a party's performance of its responsibilities hereunder impossible or so impractical as reasonably to be considered impossible in the circumstances and includes, but is not limited to, war, riots, civil disorder, earthquake, storm, flood or adverse weather conditions, strikes, lockouts or other industrial action, terrorist acts, confiscation or any other action by government agencies.

- **Negligence and intentional acts**

  Force Majeure shall not include any event which is caused by the negligence or intentional action of a party or such party's subcontractors or agents or employees, or by a failure to observe good professional practice.

- **Financial constraints**

  Force Majeure shall not include insufficiency of funds or failure to make any payment required hereunder.

- **Performance excused**

  The failure of a party to fulfill any of its obligations hereunder shall not be considered to be a breach of, or default under, this Agreement insofar as such inability arises from an event of Force Majeure, provided that the party affected by such an event has taken all reasonable precautions, due care and reasonable alternative measures, all with the objective of carrying out the terms of this Agreement.

- **Duty to mitigate**

  A party affected by an event of Force Majeure shall take all reasonable measures to remove such party's inability to fulfill its obligations hereunder with a minimum of delay. The parties shall take all reasonable measures to minimize the consequence of any event of Force Majeure.

- **Notification**

  A party affected by an event of Force Majeure shall notify in writing the other party of such event as soon as possible, and in any event not later than five (5) days following the occurrence of such event, providing evidence of the nature and cause of such event, and shall similarly give notice of the restoration of normal conditions as soon as possible.

- **Consultation**

    Not later than thirty (30) days after Supplier, as a result of an event of Force Majeure, has become unable to discharge a material portion of the Operations, the parties shall consult with each other with a view to agreeing on appropriate measures to be taken in the circumstances.

3.15. Dispute resolution

3.15.1.   Amicable Settlement
The parties shall use their best efforts to settle amicably any dispute arising from or in connection with the agreement resulting out of this RFP or the interpretation thereof.

3.15.2.   Arbitration
If the dispute has not been settled pursuant to the mediation within ten (10) days from when the mediation was instituted, any party may elect to commence arbitration. Such arbitration shall be referred to arbitration by a single arbitrator to be appointed by agreement between the Parties or in default of such agreement within fourteen (14) days of the notification of a dispute, upon the application of either Party, by the Chairman for the time being of the Kenya Branch of the Chartered Institute of Arbitration of the United Kingdom.

Such arbitration shall be conducted in Nairobi in accordance with the Rules of Arbitration of the said Institute and subject to and in accordance with the provisions of the Arbitration Act 1995. To the extent permissible by Law, the determination of the Arbitrator shall be final, conclusive and binding upon the Parties hereto. Pending final settlement or determination of a dispute, the Parties shall continue to perform their subsisting obligations hereunder. Nothing in this Agreement shall prevent or delay a Party seeking urgent injunctive or interlocutory relief in a court having jurisdiction.

3.16. Payment
Payment shall be on Mzima Sacco's Standard payment terms which are 30 days after invoice date. Invoicing shall be at the certified completion and delivery of milestones as stipulated in the agreed project plan incorporated into the resultant contract.