



Request for Proposal

AI Chatbot Solution for Customer Support

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IT Operations
Procurement & Logistics Department

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Change History

Ver No.	Date (DD/MM/YYYY)	Modified by	Description
1.0	07/02/2025	Mac Munsayac	Original Document for business objectives and requirements of AI Chatbot Solution for Customer Support

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Chapter 1 Introduction

1.1 Purpose of the Document

This Request for Proposal (RFP) is to address the need of Philippine Airlines (PAL) to engage a third-party service provider that can deliver an AI-powered chatbot solution for handling customer inquiries across multiple digital channels. The chatbot solution must enhance customer experience, automate responses, optimize handling time, and seamlessly integrate with existing systems, including Salesforce and Amadeus.

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Philippine Airlines seeks the best response that will demonstrate clarity and soundness of the proposed in terms of its feasibility, practicality, cost effectiveness and overall benefit to Philippine Airlines.

The service providers are required to review this RFP and submit their response in accordance with the schedule included in this document.

1.2 Confidentiality

This RFP, plus any other documents released, information provided, discussions, etc., as part of the selection process, are strictly confidential and should not be divulged to anyone who is not directly involved in preparation of the response. Additionally, all information within this proposal or gained during the RFP or other processes will remain confidential by the service providers. No information or publicity will be allowed to any third party unless specific written authorization is obtained from Philippine Airlines.

It is a condition of this RFP that the information provided herein is for the purpose of allowing service providers to submit proposals to Philippine Airlines.

Information released by service providers as part of its response to this RFP will not be used in any other context nor revealed to any other party not directly involved in the review of a proposal in accordance with the terms of the RFP specification.

1.3 Terms and Conditions of the Proposal

1.3.1 General

Service Provider must strictly comply with the instructions set forth herein. Failure to do so will result in PAL disqualifying the Service Provider from the Request for Proposal (RFP) process.

1.3.2 Acknowledgement

Service Provider shall acknowledge receipt of this RFP and indicate its intention to submit a Tender within 48 hours from the date and time the RFP was issued.

1.3.3 RFP Responses Submission Guidelines

Submission Due Date: **24 February 2025 17:00 PH Time**

Form of Submission: Electronic Sealed Bids

Technical and Commercial Proposals to be sent to the following:

Commercial Proposal should be password protected. Technical Proposal need not be password protected.

- annamarie_avinante@pal.com.ph
- johann_co@pal.com.ph
- jaime_perez@pal.com.ph
- william_gtan@pal.com.ph

Please email the password separately only to the following:

- William G. Tan, VP-PLD – william_gtan@pal.com.ph
- Jaime C. Perez, AVP-CPSD – jaime_perez@pal.com.ph

Philippine Airlines management reserves the right to accept or decline late proposals at its absolute discretion.

The proposal should include the name of the person to whom Philippine Airlines may address any questions relating to the proposal.

The person indicated above should be contacted for supplementary information relating to this RFP via the above contact details. All requests should be via email.

If it deems it appropriate to do so, Philippine Airlines reserves the right to distribute any questions posed by a service provider, along with Philippine Airlines' reply thereto, to other service providers participating in the RFP.

1.3.4 Preparation of Responses (Proposals)

The preparation and submission of the proposal shall be made without obligation on the part of Philippine Airlines to acquire any items included in the proposal, or to discuss the reason why the proposal is accepted or rejected. Philippine Airlines will notify acceptance or rejection in writing to the service providers.

The requirements specified in this RFP reflect those presently known. Philippine Airlines reserves the right to vary, in detail, the final requirements.

Philippine Airlines will not be responsible for or pay any expense incurred in the preparation of any proposal or in Philippine Airlines' evaluation of it.



Philippine Airlines may require that all or part of the successful proposal be included in the contracts.

All prices shall be in **US Dollars or Philippine Peso** and all unit prices, charges and totals should be **inclusive of applicable taxes**.

Respondents should provide a clause-by-clause response to the RFP as specified.

General information, which is not specifically requested, should be attached separately and clearly labeled "**Supporting Material**".

1.3.5 Contract

This document does not constitute an offer to sell, or a solicitation of an offer to purchase.

Philippine Airlines reserves the right to accept all or part of a proposal.

Philippine Airlines require that contracts covering the provision of services requested in this RFP be negotiated to the satisfaction of Philippine Airlines.

All service providers are required to acknowledge that they agree to the conditions set out in this section.

1.3.6 Acceptance and Rejection of Proposals

The contents and information provided on this RFP are meant to provide general information between Philippine Airlines and the service provider. Philippine Airlines has the authority to accept or reject a submitted proposal. A service provider's proposal shall not be accepted unless all requested information has been provided and the quotation is signed by the service provider's authorized representative. Service providers are not allowed to submit or re-submit proposals that would compromise the RFP process. Unsolicited proposals shall not be honored and may result to disqualification from future biddings.

Philippine Airlines reserves the right, at its own absolute discretion and without liability to the service provider, to accept or reject any proposal, in whole or in part, for any reason whatsoever.

Philippine Airlines is under no obligation to disclose the results of the evaluation process or to disclose the reason(s) for the rejection of any proposal.

Philippine Airlines' rejection of a proposal is final and not appealable.

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Chapter 2 Business and Project Objectives

2.1 The key objectives of this chatbot solution include:

- Enhancing customer experience through AI-driven automation, providing instant and accurate responses.
- Reducing operational costs by automating frequently asked questions and enabling self-service options.
- Increasing first-contact resolution by using AI-powered responses and ensuring seamless escalation to human agents when necessary.
- Improving response time and efficiency to minimize wait times for customers.
- Ensuring adaptability and scalability to support future service expansions and enhancements.
- Integrating AI-driven analytics for performance tracking, sentiment analysis, and continuous learning.
- Reducing operational workload on human agents by handling high-volume, repetitive inquiries.
- Enhancing multilingual support to cater to diverse customer demographics.
- Ensuring compliance with industry security, privacy, and regulatory standards.
- Achieving significant cost savings through automation, increased efficiency, and reduced agent workload.

2.2 Project Objectives

Select and deploy an AI chatbot solution that aligns with defined business requirements and enhances customer interactions through automation, AI-driven responses, and seamless integration with existing systems.

Measure of Success:

- Reduce response and resolution time. Minimize customer wait times by providing instant AI-powered responses.
- Increase automated resolution rate. Ensure at least 25% of customer inquiries are fully resolved by the chatbot without human intervention.
- Enhance customer satisfaction. Improve Customer Satisfaction Scores (CSAT) and Net Promoter Score (NPS) by delivering fast, accurate, and personalized responses.

- Optimize agent workload. Reduce agent dependency on repetitive tasks by deflecting FAQs and transactional inquiries to the chatbot.
- Improve containment rate. Target 75% of interactions handled by the chatbot without requiring live agent escalation.
- Ensure seamless escalation. Enable a context-aware handoff to human agents when necessary, retaining conversation history for a smooth customer experience.
- Enhance AI learning and adaptability. Continuously improve chatbot accuracy and efficiency through machine learning and sentiment analysis.

2.3 High Level Solution Requirement

Our aim is to have an AI chatbot solution that includes:

- Omnichannel Support – Deployable across Web Chat, Facebook Messenger, WhatsApp, Instagram, Email, SMS, and future digital touchpoints to ensure seamless customer interactions.
- Multi-Language Capabilities – Supports English, Tagalog, and additional languages based on customer demographics and business needs.
- 24/7 AI-Powered Assistance – Ensures round-the-clock availability with self-learning AI that continuously improves responses based on interactions.
- AI-Driven Customer Interaction – Utilizes Natural Language Processing (NLP), Sentiment Analysis, and Intent Recognition to understand and respond effectively to customer inquiries.
- Advanced Self-Service Automation – Handles flight bookings, baggage tracking, flight status updates, refund processing, and case status inquiries without human intervention.
- Smart Escalation to Human Agents – Enables seamless context-aware handoff to live agents, ensuring continuity in customer interactions.
- AI-Powered Insights & Reporting – Provides real-time analytics, sentiment tracking, performance dashboards, and chatbot effectiveness reports for continuous optimization.

Philippine Airlines require a **AI Chatbot Solution for Customer Support** that will address requirements below.

Refer to attached file for the list of functional, technical, and non-functional requirements.

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Chapter 3 Service Providers' Profile

All service providers must give a comprehensive profile of their organization in the following format and order.

3.1 Organization

'Organization' concerns the structure and size of the company both in terms of its head office and other worldwide regional locations.

- Please provide information as to whether the organization is independent or part of a larger conglomerate. If the latter, please provide details on your parent company (or companies).
- If the organization's parent company (or companies) has any other subsidiaries, identify them by their registered corporate name, the parent company's percentage of ownership, and the industry each is engaged in.
- If the organization has its own subsidiaries, identify them by their registered corporate name, the organization's percentage of ownership, and the industry each is engaged in.
- Please provide information of any company that merged with or that was purchased by the organization.
- Please provide a chart showing the corporate structure of the organization, beginning from the level of the ultimate individual owner(s)/stockholders to the holding or parent company (or companies), if any, down to the organization's own subsidiaries.
- Please provide information of any alliance or affiliation with which the organization partners (e.g., tool or service supplier, standard groups, industry groups).

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- Please provide information of the organization statistics (e.g., geographic distribution, market share, reputation, company highlights, etc.).
- Please provide information of your organization's performance against others in the industry.

3.2 Location

'Location' concerns the location and size of operations at the head office and any regional offices.

Philippine Airlines is interested to know the operations at the locations with which it would coordinate with during the project and for post consultancy support. For each location please state:

- Number of employees by function
- Whether the offices are wholly owned subsidiaries of the main head office or if it is a third-party managed operation (VARs).

3.3 Growth

'Growth' concerns the manner in which the company has progressed since its inception. Please provide information:

- The year when the company was first established.
- The place where the company was first established.
- The size of the company per year since its inception in terms of locations and staff numbers and within this, the number of consultants.
- If the company has been in operation for a number of years, please summarize up until the last five years, then provide detailed information from this period.
- The history in sales and consulting revenue over the last five years: product sales, personal growth (local, regional, and global) and R&D expenditure (money and man-hours).

3.4 Experience

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3.5 Reference Clients:

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For each reference client, please provide the following:

- Client company name
- Client contact person
- Client address (street, city, country, post code), email address, telephone and fax number
- Client number of employee
- Client industry
- Scope of project engagement
- The date of the delivery of projects

3.6 Other Information

Please also provide us with any other information which you see as relevant to the consultancy engagement.

Chapter 4 Solution Implementation Plan

5.1 Plan

The plan must indicate the specific tasks, estimate efforts involved and the time frames (both elapsed and man days) required for the solution/service implementation. It should also provide checks to be made and deliverables required at the end of each phase. Please also include the date/lead time for the project to be started.

4.2 Project Organization

Provide details of the proposed project structure identifying key individuals, e.g., Project Managers and their roles. Due to the expected impact on the business processes, it is extremely important that Philippine Airlines obtain a thorough understanding of the roles of both the service provider's project team members and Philippine Airlines staff. Service provider should give details of sub-contractors likely to be involved. Indicate the number of full time equivalent staff that will be required. Resumes or a personal profile may be provided for key personnel within the project.

It is desired that Philippine Airlines' business and IT staff be directly involved in the assessment and in the development of the roadmap to build the internal support skills. Provide estimates of the proposed number of Philippine Airlines staff and identify the skills required. Provide details for the following:

- Number of Full Time Equivalent (separate IT and Business) required throughout the duration of the project
- Key roles to be included from the business
- Key roles to be included from IT

Provide details of governance roles including:

- Steering committee

- Project management
- Number and frequency of meeting

4.3 Training

Provide training details and plans as part of the implementation delivery. Training needs, covering functional, technical and application support, must also be identified as part of the requirements to enable the airline to manage the application post cutover. Training plan should also clearly indicate what type of training should be covered during each phase of the project and where, with due consideration for the location and travel costs. The service provider must also indicate the number of man-days of training and support provided free of charge.

Chapter 5 Cost

To assist Philippine Airlines in the evaluation and analysis of the costs associated with the proposal, service providers should show each cost item and clearly identify what is included within the associated charge.

Costs are to be provided in **US Dollars or Philippine Peso**. All costs and prices quoted in the proposal are assumed to be valid until the engagement is completed. **All costs, including additional or optional, and thresholds should be explicitly stated. Otherwise, it is assumed that these costs are already inclusive and the thresholds as unlimited.**

Include the following costs, as applicable:

- 1. Implementation Services**
- 2. Integration Fees**
- 3. Customization Fees**
- 4. Application Development**
- 5. Licenses**
- 6. Infrastructure**
- 7. Training**
- 8. Migration**
- 9. Maintenance/Annual Maintenance**
- 10. Business Process Review & Transformation**
- 11. Consultancy**
- 12. Travels, accommodation, per diem**
- 13. Man-day Rate**
- 14. Escalation**
- 15. Others**

Specify one-time cost separately from annual cost to arrive at the total cost of ownership for a **3-year engagement**.

Specify the **payment term and warranty**. In case service provider will require a down payment, Philippine Airlines will also require service provider to post an unconditional performance guarantee bond in favor of Philippine Airlines.

- Service provider should explicitly state all costs, including additional or optional. Otherwise, it is assumed that these costs are already inclusive of all (including additional and optional).

Chapter 6 Service Levels

6.1 Service Support

Provide Service Support Matrix:

- Priority/classification of service support;
- Response time;
- Resolution time; and
- Problem escalation process.

Service provider must be able to guarantee minimum response and resolution times.

Classification of service support must be mapped against Philippine Airlines' Severity/Business Impact matrix as below:

P1 - Impacts across entire organization. Critical processes are halted until resolution.

P2 - Impacts individual business unit or workgroup. Critical business processes are hindered until resolution.

P3 - Impacts individual business unit or workgroup. Non-critical business processes are hindered.

P4 - Impacts an individual end-user; workaround readily available.

P5 - Service not disrupted.

Enumerate all exceptions to minimum response and resolution times.

6.2 System Availability

Provide minimum guaranteed system availability and indicate how system availability is computed. Service provider should state the mathematical formula used to compute system availability.

Enumerate all exceptions to minimum guaranteed system availability.

6.3 Delivery Schedule(s)

Service provider must guarantee compliance with agreed delivery schedules for engagements which involve the purchase and delivery of goods, whether tangible or intangible (e.g., hardware, customized software, audit reports, etc.) and whether an intermediate (e.g., deliveries made in batches or installments) or final deliverable.

Enumerate all exceptions to minimum guaranteed system availability.

Chapter 7 Legal Aspects

To facilitate initial review of the legal aspects of the prospective engagement, service provider is requested to reply to the following. Service provider is also requested to quote verbatim, as part of its proposal, the appropriate articles, clauses, or sections from its template general terms, master or service agreement.

7.1 Term and Termination

- Is service provider able to agree to termination for convenience by Philippine Airlines? If yes, describe the proposed terms.
- Describe redress service provider is able to offer Philippine Airlines if termination is due to service provider's performance default (see also 8.2).
- Provide a specific term for this agreement. All renewals, if any, shall be agreed to by the parties in writing.

7.2 Remedies

- Response and Resolution Times,

Service provider should enumerate:

- remedies (e.g., credits, liquidated damages, termination) available to Philippine Airlines in case response and resolution times are not complied with by service provider due to its fault; and
- the conditions or rules under which Philippine Airlines will be able to avail of or claim the remedies.

- Service Availability

Service provider should enumerate:

- remedies (e.g., credits, reduction in fees, liquidated damages, termination) available to Philippine Airlines if service availability times are not complied with by service provider due to its fault; and

- conditions or rules under which Philippine Airlines will be able to avail of or claim the remedies.

- Delivery Schedule(s)

Service provider should enumerate:

- remedies (e.g., credits, liquidated damages, termination) available to Philippine Airlines in case delivery schedules are not complied with by service provider due to its fault.

- indicate whether the remedies are available under general law or whether they are in addition to, an elaboration or enhancement of such already available remedies; and

- the conditions or rules under which Philippine Airlines will be able to avail of or claim the remedies.

7.3 Liability and Indemnity

- Describe the general liability regime followed by service provider. Specifically, provide liability for damages in case of breach, negligence, fraud, willful misconduct, or fault in general. Describe limits of liabilities if any.

7.4 Insurance

- Describe insurance coverage carried by service provider in relation to the products or services to be supplied to or performed for Philippine Airlines.
- When appropriate to the project, describe in detail any insurance coverage service provider may require Philippine Airlines to carry, including liability limits, coverage, exceptions, etc.

7.5 Intellectual Property Rights

- If the project will result in the production of intellectual property (e.g. customized software, an audit report, etc.), service provider should describe in detail its proposal with respect to rights each party will have over the resulting intellectual property.

- If service provider proposes to grant customer a license (rather than full ownership) over resulting intellectual property, describe the terms of the proposed license in detail, including terms with respect to, exclusivity, duration of the license, transferability, restrictions on use, etc.

7.6 Data Privacy

- If the project involves the handling and/or processing of personal data by service provider, briefly describe your company's internal data classification standards (e.g., personal information vs. sensitive personal information) and rules and procedures (e.g., opt in vs. opt out) applicable to the handling and/or processing of such data. Finally, briefly describe the systems in place (e.g., PCI-DSS) within your organization for the handling and processing of personal data.
- List the data privacy laws directly applicable and adhered to by your company.
- Describe liability regime for breach of data privacy due to fault, negligence, willful misconduct of service provider.

7.7 Non-Exclusivity

- As a general policy, Philippine Airlines does not enter into exclusive contracts for the supply of goods. Contractual exclusivity for projects involving the performance of services is evaluated on a case-to-case basis. However, even in the case of the latter, the exclusivity must be limited in time and scope. Other exceptions to exclusivity must also be recognized (e.g., in case of service provider's inability to perform).
- Describe your company's proposal with respect to contractual exclusivity, including exceptions or limitations thereto.

7.8 Governing Law

- As a general rule, where service provider is a Philippine national or service provider is a foreign person acting through its Philippine office or representative, Philippine Airlines will require that Philippine law be the governing law of the contract.
- Where a service provider is a foreign person located and contracting from outside the Philippines, Philippine Airlines is able to agree to the law of a neutral jurisdiction as the governing law of the contract. The neutral jurisdiction must be a major jurisdiction with an internationally recognized and well-developed legal system.
- Describe your company's proposal with respect to the governing law of the contract, including whether the courts of the proposed jurisdiction will have exclusivity to hear disputes which the parties are unable to resolve among themselves.

7.9 Dispute Settlement mechanisms

- Describe your company's proposed dispute settlement mechanism/process/procedure, including that for dispute escalation (i.e. first internal consultations, if unresolved, move on to mediation or arbitration or litigation).
- If arbitration or mediation is proposed, identify the proposed rule and location for the mediation or arbitration.
- At a minimum, any mediation or arbitration must be conducted in the English language with the location being a major city in the country of the governing law.

For the preferred service provider, Philippine Airlines will handle negotiations to agree on a contract. The agreed contract will stipulate that the engagement will satisfy the requirements as stated in this RFP or, as applicable, as stated in service provider's proposal, as may have been agreed to with Philippine Airlines.

7.10 Compliance to IOSA and Audit Requirements

Service Providers must submit the following, but not limited to, documents for hosted systems to comply with IOSA and other system audit requirements:

- a. Back-up and Restore Procedure
- b. Back-up and Restore Validation Procedure
- c. Deletion and Archiving Procedure
- d. Deletion and Archiving Validation Procedure
- e. Proof of Implementation for items a-d

Service Providers may be required to provide additional documentary requirements, when necessary, upon notice.

Chapter 8 Proposal Response format

This section outlines the format and sequence in which a service provider is required to respond to this RFP. All service providers will be required to provide the information as specified. Any other information that may be relevant to the decision-making process must be supplied as addenda.

8.1 Summary of Proposal

The RFP response document must have a summary section containing the following information:

- Solution being offered
- Airline references where the same solution has been implemented
- Approximate cost of each applicable component



- Strengths of the recommended solution
- Project timetable

8.2 Compliance to Business Requirements

Service provider should provide their RFP responses by submitting the latest TOR.

8.3 Service Provider's Profile

Service provider should include in this section all information pertaining to the service provider's profile in Chapter 4..

8.4 Solution Implementation Plan

Service provider should include in this section all details pertaining to the solution implementation plan in Chapter 5

8.5 Cost

Service provider should include in this section all cost detailed in Chapter 6.

8.6 Legal Aspects

Service provider should include in this section its replies to queries posed and information requested, as detailed in Chapter 7.

(Nothing Follows)

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