



Term of Reference (TOR): Government e-Procurement Enterprise Resource Planning (ERP) System

1. Introduction

- **Background:**
 - Current challenges: Manual paperwork leading to inefficiencies and delays, lack of transparency posing risks of corruption, lengthy approval cycles, difficulty in tracking spending accurately.
 - Need for e-Procurement ERP: Modernization and streamlining of operations, enhancing transparency and accountability.
- **Purpose:**
 - Guide the entire process from selection to maintenance of an e-Procurement ERP system.
 - Objective: Automation and optimization of procurement processes, ensuring compliance, and maximizing value for money in government spending.
- **Scope:**
 - Comprehensive coverage of the procurement lifecycle: Planning, budgeting, requisitioning, tendering, contract management, receiving, invoice processing, and payment.
- **Target Audience:**
 - Key stakeholders: Procurement officers, budget holders, approvers, suppliers, finance staff.

2. Project Objectives

- **Overall Objective:**
 - Establish a highly efficient, transparent, compliant, and cost-effective procurement system.
- **Specific Objectives:**
 - Reduce procurement cycle time by X%, enhance supplier participation in tenders, improve contract compliance rates, automate invoice processing for faster payments.

3. Functional Requirements (Procurement-Focused)

- **e-Tendering:**
 - Creation and publication of tender notices to online platforms.
 - Seamless online submission of bids by suppliers, including secure bid evaluation.



- Efficient contract award processes to ensure transparency and fairness.
 - **Supplier Management:**
 - User-friendly registration and pre-qualification processes.
 - Ongoing supplier performance tracking and evaluation mechanisms.
 - Dedicated communication portal for effective collaboration.
 - **Contract Management:**
 - Centralized repository for contract creation, storage, and management.
 - Real-time tracking and monitoring of contract milestones, deliverables, and payments.
 - Flexible contract amendment and renewal/termination processes.
 - **Requisitioning, Purchase Order Management, Receiving, and Invoice Processing:**
 - Streamlined requisition creation and approval workflows.
 - Integration with budgeting systems for seamless budget allocation.
 - Purchase order issuance and status tracking for efficient procurement management.
 - Automated goods receipt verification against purchase orders.
 - Invoice matching and approval processes integrated with financial systems for timely payments.
 - **Reporting and Analytics:**
 - Standard procurement reports generation for spending analysis, contract status tracking, and supplier performance evaluation.
 - Customizable dashboards and analytics tools for informed decision-making.
4. **Technical Requirements**
- **Secure Supplier Portal:**
 - Robust security measures to safeguard sensitive supplier data.
 - **Integration with Government Financial Systems:**
 - Seamless integration with existing financial systems to ensure data consistency and accuracy.
 - **Compliance with Procurement Regulations:**
 - Adherence to relevant procurement regulations and standards to mitigate compliance risks.
5. **Implementation Approach**
- **Change Management:**



- Comprehensive change management strategy to facilitate smooth transition and user adoption.
 - **Training and Communication:**
 - Tailored training programs and effective communication strategies for both internal staff and external suppliers.
 - **Stakeholder Engagement:**
 - Continuous engagement with key stakeholders to address concerns and ensure alignment with project goals.
6. **Evaluation and Acceptance Criteria**
- **Procurement-Specific Metrics:**
 - Evaluation criteria based on procurement cycle time reduction, cost savings, compliance rates, and user satisfaction.
7. **Budget and Procurement**
- **Budget Allocation:**
 - Detailed breakdown of budget allocations for implementation and potential cost savings from process automation.
 - **Procurement Process:**
 - Consideration of procurement regulations and guidelines in the selection of vendors and procurement processes.
8. **Additional Considerations (Procurement-Specific)**
- **Supplier Onboarding and Training:**
 - Comprehensive plan for supplier onboarding and training to ensure proficiency in using the e-Procurement portal.
 - **Data Security and Privacy:**
 - Implementation of robust data security measures to protect supplier information and financial transactions.
 - **Data Migration:**
 - Strategy for seamless data migration from existing systems with minimal disruption.
 - **Change Management:**
 - Proactive measures to manage organizational change and promote user acceptance.
 - **Risk Management:**
 - Identification of potential risks and proactive mitigation strategies to ensure project success.



In conclusion, this elaborated Term of Reference (ToR) outlines a comprehensive roadmap for the selection, implementation, and maintenance of an e-Procurement Enterprise Resource Planning (ERP) system tailored to address the specific needs and challenges faced by the government agency. By emphasizing the importance of automation, transparency, compliance, and efficiency in procurement processes, this ToR aims to guide stakeholders towards achieving a more streamlined, accountable, and cost-effective procurement system. Through careful consideration of functional and technical requirements, implementation strategies, evaluation criteria, and additional considerations, this ToR sets a clear direction for the successful deployment of the e-Procurement ERP system, ultimately contributing to improved governance, resource optimization, and public trust in government spending.