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| **DOCUMENT TYPE** | **PROJECT PROPOSAL** |
| **PROJECT** | **DEVELOPMENT OF E-PROCUREMENT SYSTEM** |
| **BUDGETARY REQUIREMENT & SOURCE** |  |
| **TIMELINE** | **JULY - DECEMBER 2024** |
| **DIVISION RESPONSIBLE** | **MANAGEMENT INFORMATION SYSTEMS UNIT (MISU) / ADMINISTRATIVE AND FINANCE DIVISION** |

1. **BACKGROUND/RATIONALE**

The Council for the Welfare of Children (CWC) is the focal inter-agency body of the Philippine Government for children, responsible for coordinating the implementation and enforcement of all laws related to children's welfare. The CWC plays a crucial role in safeguarding children's rights and ensuring their well-being through various programs, initiatives, and partnerships. However, the CWC faces challenges in efficiently managing its procurement processes, which are heavily reliant on manual operations, leading to time-consuming, error-prone, and delayed transactions. These inefficiencies hinder the timely availability of resources necessary for the effective implementation of programs.

Additionally, manual processes often lack transparency and accountability, making it difficult to track procurement activities and ensure compliance with regulatory requirements. Limited human resources further strain the CWC’s administrative capacities, detracting from their ability to focus on core functions related to children's welfare. To address these challenges, the development of an E-Procurement System for the CWC is proposed. This system aims to modernize and streamline procurement processes, enhancing operational efficiency and effectiveness.

By automating procurement tasks, the system will reduce processing time, minimize human error, and ensure accurate record-keeping. It will also provide a clear audit trail of all procurement activities, increasing transparency and accountability. The E-Procurement System will facilitate better supplier management and competitive bidding, leading to cost savings and more effective procurement decisions. Additionally, it will enhance communication with suppliers and centralize the management of supplier information and contracts.

The implementation of this system aligns with the CWC’s mission to manage resources effectively and ensure the welfare of children in the Philippines. Ultimately, the E-Procurement System will enhance the CWC’s operational capacity and ensure the timely delivery of programs to better serve the needs of children across the country.

1. **PROJECT DESCRIPTION**

An e-Procurement ERP system will be developed as part of this project from start to finish, encompassing all necessary stages such as requirements collecting, design, development, testing, installation, and maintenance. Every stage of the procurement lifecycle will be covered by the system, including planning, budgeting, requisitioning, tendering, contract administration, receiving, processing invoices, and payment. Developing a solid, effective solution that improves overall efficiency and simplifies procurement processes is the aim.

1. e-Tendering Module: Facilitates the creation, publication, and evaluation of tender notices.
2. Supplier Management Module: Handles supplier registration, pre-qualification, performance tracking, and communication.
3. Contract Management Module: Enables the creation, storage, monitoring, and amendment of contracts.
4. Procurement Workflow Modules: Includes requisitioning, purchase order management, receiving, and invoice processing for a seamless procurement workflow.
5. Reporting and Analytics Module: Generates standard reports and customizable dashboards for data-driven decision-making.
6. **OBJECTIVES**

The objective of this project is to develop and implement an E-Procurement System for the Council for the Welfare of Children (CWC) to:

* Streamline and automate procurement processes.
* Reduce processing time and minimize errors.
* Ensure compliance with regulatory requirements.
* Enhance transparency and accountability.
* Improve resource management.
* Facilitate timely and cost-effective procurement decisions.
* Enhance communication and management of supplier information.
* Support the timely delivery of programs for children's welfare in the Philippines.

1. **SCOPE**

The entire creation of the Council for the Welfare of Children's (CWC) E-Procurement System, including requirements collection, design, development, testing, implementation, and maintenance, is covered under the project scope. To guarantee thorough coverage of all procurement-related activities, the system will engage the Accounting and Budget Unit, the Management Information Systems Unit (MISU), and the Bids and Awards Committee (BAC).

Initially, requirements will be gathered through collaboration with the BAC, Accounting and Budget Unit, and MIS Unit, followed by an analysis of current procurement processes to identify areas for improvement. The design phase will focus on developing a user-friendly system with robust security measures and integration capabilities with existing systems.

The development phase will create the E-Procurement System, including modules for planning and budgeting, requisitioning, tendering, contract management, receiving, invoice processing, and payment. Collaboration with the BAC will ensure accurate procurement workflows, while integration with the Accounting and Budget Unit will support budget tracking and financial reporting. Comprehensive testing will ensure the system meets all requirements. User training will ensure staff proficiency, and data migration will ensure a seamless transition.

Finally, the project will include the deployment of the E-Procurement System, followed by ongoing support and maintenance to address any issues and ensure continued optimal performance. This comprehensive scope aims to deliver a fully functional E-Procurement System that enhances efficiency, accuracy, and transparency in the CWC’s procurement processes.

1. **Project Duration**

The development of the e-procurement System Project will commence on (Date), or upon receipt of the Notice to Proceed. Delivery is anticipated on or before December 31, 2024.

**IV. SPECIFICATIONS**

The development of e-procurement will lead to the following:

1. User Registration/Authentication

- Multi-factor authentication (MFA)

- Role-based access control (RBAC)

- Single sign-on (SSO) integration

- User profile management

2. Customization and Configuration

- Customizable user interface

- Configurable workflows and approval processes

- Multi-language support

- Customizable templates for reports and documents

3. Security and Data Privacy

- Data encryption (at rest and in transit)

-Compliance with GDPR and other relevant data protection regulations

- Regular security audits and vulnerability assessments

- Secure backup and disaster recovery plans

4. Contract Management

- Contract creation and storage

- Contract monitoring and milestone tracking

- Automated contract renewal reminders

- Version control and audit trail for contract amendments

5. Requisitioning

- Electronic requisition form creation

- Approval routing and workflow management

- Budget checking and allocation

- Real-time status tracking of requisitions

6. Purchase Order Management

- PO creation and issuance

- PO tracking and status updates

- Supplier acknowledgment and communication

- Integration with inventory and finance systems

7. Receiving and Invoice Processing

- Goods receipt and inspection

- Three-way matching (PO, goods receipt, and invoice)

- Automated invoice approval workflows

- Integration with accounting systems for payment processing

8. Reporting and Analytics

- Standard and customizable reports

- Real-time dashboards and KPIs

- Data export capabilities (CSV, Excel, PDF)

- Predictive analytics and trend analysis

9. Supplier Management

- Supplier registration and profile management

- Supplier pre-qualification and evaluation

- Performance tracking and scorecards

- Supplier communication and collaboration tools

Note: The complete **Terms of Reference** is herein attached as **“Annex 1”.**

**V. RECOMMENDATION**

**VI. IMPLEMENTATION ARRANGEMENT**

The Management Information Systems Unit (MISU) will oversee the development, monitoring, and evaluation of the e-procurement system. MISU is responsible for ensuring the project adheres to its timeline and budget, evaluating system performance and functionality, and raising concerns to the system supplier as necessary. Procurement officers will be the primary users, utilizing the e-tendering module for creating, publishing, and evaluating tender notices, managing supplier registration, pre-qualification, performance tracking, and communication, and providing feedback on system usability. Budget holders will use the system for requisitioning and purchase order management, monitoring budget compliance and expenditure, and approving purchase requisitions and orders. Approvers will review and authorize transactions, ensuring compliance with organizational policies and authorizing contract management processes. Finance staff will process invoices, manage receiving transactions, monitor financial transactions, ensure accuracy, generate financial reports, and support data-driven decision-making.

The implementation will be carried out in five phases. In the Planning and Design phase, a needs assessment will be conducted, system requirements defined, a project plan and timeline developed, and input from all key users engaged. The Development and Testing phase will involve the system supplier developing the system, conducting unit and integration testing, and training key users. During the Deployment phase, the system will be deployed in a controlled environment, user acceptance testing (UAT) conducted, and any issues addressed. In the Live and Monitoring phase, the system will be launched for all users, with continuous monitoring of performance and user feedback, and ongoing support and training provided as needed. Finally, in the Evaluation and Improvement phase, regular evaluations of system performance will be conducted, feedback gathered from all user groups, and improvements and updates implemented based on feedback and evaluation results.

Communication and reporting will be maintained through regular status meetings between Supplier, MISU and key users, issue tracking and resolution logs maintained by MISU, and feedback sessions with users to identify areas for improvement. This structured and collaborative approach will ensure the successful development and deployment of the e-procurement system, aligning with organizational goals and user needs.

**Contact Persons:**

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Unit Head

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**IX. DELIVERY SITE**

Council for the Welfare of Children

#10 Apo St. Sta. Mesa Heights, Brgy. Teresita

Quezon City, Philippines

**X. PAYMENT TERMS**

All payments shall be made in accordance with applicable laws and regulations, and shall be properly documented and recorded in the financial records of the organization. The matrix below shall determine the budget parameters of each tranche amounting to a total of **P4,000,000.00 or Four Million Pesos** only. A separate Purchase Request Form shall be prepared and submitted.

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| **PAYMENT** | **DELIVERABLES** | **MOV** | **AMOUNT** |
| 1st Tranche | Upon signing of contract and payment of performance bond, submission of detailed project plan, including work breakdown structure, timeline, and resource allocation | Signed contract and proof of performance bond payment.  Work breakdown structure  Timeline  Resource allocation | 800,000  (20%) |
| 2nd Tranche | Prototype System with Basic Functionality  Completion of pilot testing phase with documented results, successful User Acceptance Testing (UAT) sign-off by CWC, and submission of final system documentation | Presentation of prototype system with basic functionality  Documented pilot testing results and UAT sign-off. | 1,800,000  (45%) |
| 3rd Tranche | Incorporation of feedback from pilot testing and UAT.  End-user Training | Revised system documentation or a report detailing the feedback implementation process.  Training Manual and Certificates | 600,000  (15%) |
| Last Payment | Delivery of fully functional system, final system acceptance by CWC, and handover of all system documentation and training materials | Final system acceptance by CWC and provision of system documentation and training materials. | 800,000  (20%) |
| **GRAND TOTAL** | | **4,000,000.00** | |

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| **CERTIFICATE OF AVAILABILITY OF FUNDS**  **Charged to CI-LFP P4,000,000.00**  **HAYDEE D. TORRALBA** Administrative Officer V (Budget Officer III)  Administrative and Finance Division  Date:  Fund Source (Please check):  \_\_\_\_ 101  \_\_\_\_ 151  \_\_\_\_ 184  \_\_\_\_ Others (specify): |

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| Prepared by:  **GRANT LEMUEL A. LEDESMA**  Information Systems Analyst II  Management Information Systems Unit | Noted by:  **ROMER ANTHONY A. LARIBA**  Information Technology Officer I  Management Information Systems Unit |
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| Approved by:  **USEC. ANGELO M. TAPALES**  Executive Director V  Council for the Welfare of Children | |