TERMS OF REFERENCE FOR THE PROVISION OF IFRS16 SOFTWARE SOLUTION TO FINCA UGANDA LTD (MDI)

1. Introduction

FINCA Uganda MDI seeks to automate the IFRS 16 compliance process for its 28 leased branches. This TOR outlines the requirements and expectations for potential vendors with the capacity to provide a comprehensive and automated solution for IFRS 16 compliance.

2. Project Scope

The project scope includes the following key areas:

a) Automation of IFRS 16 compliance process for 28 leased branches
b) Integration with the Orbit R core banking system for posting all transactions, or alternative use of an independent system.
c) Provision of accurate and timely lease accounting calculations and disclosures
d) Compliance with IFRS 16 requirements for lessees, including recognition of assets and liabilities, and determination of lease payments.

3. Requirements

The selected vendor must provide a solution that meets the following requirements:

ID #	Category	Requirement Description	Priority
1		**Data, Rules & Parameters**	
FR1.1	**Functional**	Automation of lease accounting calculations and disclosures for IFRS 16 compliance	Mandatory
FR1.2	**Functional**	Automation of Reports to include the debt database and excel report for monthly reporting.	Mandatory
FR1.3	**Functional**	Integration with the Orbit R core banking system for posting all transactions, or alternative use of an independent system.	Mandatory
FR1.4	**Functional**	Ability to handle complex lease structures, including lease terms, lease payments, expiry alerts and options.	Mandatory
FR1.5	**Functional**	Provision of accurate and timely lease accounting calculations and disclosures, in compliance with IFRS 16 requirements.	Mandatory
2		**Application Architecture and Integration Capabilities**	
FR2.1	**Non-Functional**	Layered (Three / N-Tier) architecture Software should be engineered to have the processing, data management and presentation functions (layers/tiers) physically and logically separated. These different functions (layers/tiers) will be hosted on several machines or clusters, ensuring that services are provided without resources	Mandatory
FR2.2	**Non-Functional**	Modular architecture –application functions must be separated into independent pieces or building blocks, each containing all the parts needed to execute a single aspect of the functionality. Together, the modules make up the executable application program.	Mandatory
FR2.3	**Non-Functional**	The application should support multiple integration technologies, including the common API standards and protocols, such as: SOAP, XML-RPC, JSON-RPC, REST. Integration features of the application should support: - Synchronous and Asynchronous nature of API function. - Event-driven and Data-driven integrations.	Mandatory
FR2.4	**Non-Functional**	Support of batch data upload through (CVS or other flat format) - single or package file modes.	Preferable
FR2.5	**Non-Functional**	Capability for publishing the Custom APIs (without vendor support services).	Preferable

3		**User Interface**	
FR3.1	**Non-Functional**	Web-based architecture, compatible with major web browsers (such as: Internet Explorer, Microsoft Edge, Google Chrome). Browser agnostic solutions are preferable.	Mandatory
FR3.2	**Non-Functional**	Mobile Optimized or Responsive Web User Interface	Mandatory
FR3.3	**Non-Functional**	Availability of Mobile Capabilities – through a Mobile App installed on User's mobile device (smartphone, tablet). Mobile App aims to support major functionality features of the application.	Preferable
4		**Reporting Capabilities**	
FR4.1	**Non-Functional**	Built-In or Integrated Reporting Module / Platform, offering a set of preliminary designed reports and business intelligence (BI) features that can accurately monitor and measure customer service factors.	Mandatory
FR4.2	**Non-Functional**	Ability to develop additional and modified reports and dashboards (without Vendor Support services) using the reporting platform offered by the application.	Mandatory
FR4.3	**Non-Functional**	Support for Ad-hoc reports and Dashboards (through embedded or integrated tool) - allowing application users to easily create customized reports and dashboards without scripting.	Preferable
FR4.4	**Non-Functional**	Availability of Filtered Views, enabling access to application data through SQL.	Preferable
5		**Application Security, Access and Log Management**	
FR5.1	**Non-Functional**	The Connection between User Interface and Application Service should be secured via an up-to-date protocol (SSL encrypted through the latest available and non-compromised algorithms).	Mandatory
FR5.2	**Non-Functional**	Each user must have a unique user ID and authentication credentials. All credentials should be managed from a centralized console, either through Active Directory or specific to the Application.	Mandatory
FR5.3	**Non-Functional**	It is strongly preferred to synchronize the application access management with the existing Active Directory. This allows users to authenticate and login using their corporate AD credentials (and MFA settings).	Preferable
FR5.4	**Non-Functional**	If the application cannot be integrated with FINCA corporate Active Directory: The application should allow configuration of requirements for strong user password - such as: length, age and complexity criteria.	Mandatory
FR5.5	**Non-Functional**	If the application cannot be integrated with FINCA corporate Active Directory: The application should support Multi-Factor Authentication for remotely connected users.	Mandatory
FR5.6	**Non-Functional**	The application should support the definition of user roles and configuration of permissions for data access, transaction processing and authorization (for each role). The application should support segregation of duties including access controls to prevent users from viewing data without explicit authorization (e.g., each user can only view data within their own unit and consistent with their job function).	Mandatory
FR5.7	**Non-Functional**	The application features should allow restriction of data deletion.	Mandatory
FR5.8	**Non-Functional**	A User Activity Log maintenance on the application level – This creates and maintains a running log of all administrative and user actions.	Mandatory
FR5.9	**Non-Functional**	The User Interface and/or reports should allow for the inquiry, filter and view of User Activity Logs and Audit Trails (specific to transactions and users).	Preferable
FR5.10	**Non-Functional**	Off-the Shelf support for sending the User Activity Log data in real time to a distinct Log Management System	Preferable
FR5.11	**Non-Functional**	An embedded or integrated solution for Data Archiving, supporting Criteria-based and Schedule-based moving of application data into a dedicated instance.	Preferable
6		**Technology Environment and Deployment**	
FR6.1	**Non-Functional**	Versions of all environment software components (such as: OS, DBMS, Middleware, Runtime, etc.) of Software Application must be on active support by manufacturer.	Mandatory
FR6.2	**Non-Functional**	The technology should have an architecture that enables the deployment of disaster recovery environments without restrictions of RTO and RPO.	Mandatory
FR6.3	**Non-Functional**	The application should be certified for deployment within a Highly Virtualized environment	Mandatory
FR6.4	**Non-Functional**	Cloud ready application – Available as Software as a Service or The application should be compatible with cloud-hosted environments.	Preferable
7		**User Documentation**	

FR7.1	**Non-Functional**	Availability of up-to-date documentation for the acquired Application, including : - Solution Architecture & as-built guide - User Manual	Mandatory

4. Evaluation Criteria

The evaluation of potential vendors will be based on the following criteria:

a) Technical capabilities and experience in providing automated IFRS 16 compliance solutions.
b) References and case studies demonstrating successful implementation of similar projects.
c) Pricing and value for money. Quotations being in Ugx and including all associated costs ensure transparency and enable a fair comparison between vendors.
d) Ability to meet the project timeline and milestones, including the completion deadline of within 2 months of contract signing.
e) Flexibility to work with an independent system if system integration is not feasible.
f) Ability to potentially scale and deploy the same solution to other FINCA Impact Finance subsidiaries in various countries for purposes of standardizing financial reporting. *Please note that a successful bid with FINCA Uganda Limited (MDI) will not constitute and does not imply an offer, order, or contractual obligation between the successful bidder and other FINCA entities.*

5. Project Timeline

The anticipated project timeline is as follows:

- Vendor selection: 26-April-2024
- Vendor Onboarding & Contracting: 10-May-2024
- Solution implementation and integration: *TBD based on the proposal*.
- Training and support: *TBD based on the proposal.*
- Go-live and ongoing maintenance: 2-July-2024
- Project completion: 7-July-2024

6. Bid Submission Details

Eligible bidders are invited to request the complete bid documents by emailing francis.turinawe@fincaug.org, with a copy to emily.abitegeka@fincaug.org, by **6th April 2024**. Proposals must be enclosed in a sealed envelope, prominently labeled:

"PROVISION OF IFRS16 SOFTWARE SOLUTION TO FINCA UGANDA LTD (MDI)"

Submit the sealed envelope to the address below by Thursday at **4 pm EAT on 11th April 2024**:

Chairperson Procurement Committee
FINCA Uganda
Plot 11B Acacia Avenue, Kololo,
Kampala
P.O. BOX 24450, Kampala.

For online submissions, the financial proposal must be in a password protected .pdf format, with the password sent exclusively to Evelyn.Ezaru@fincaug.org. The email should provide details on the submission.

FINCA Uganda MDI looks forward to receiving your proposals and exploring potential partnerships to automate our IFRS 16 compliance process by the specified deadline, with the option to work with an independent system if integration is not feasible.