

TERMS OF REFERENCE

Online Inventory System for Customs Bonded Warehouses

I. INTRODUCTION

The Customs Bonded Warehousing (CBW) system in the Philippines has long played a critical role in our nation's export development program. It is part of an economic incentive system in the form of tax and duty exemption on imported raw materials to help propel the growth of the export industry, boost local employment and generate revenue in the process.

Lately, the Philippine CBW system has come under fire, with Congress exercising its oversight functions by conducting investigations on reported smuggling through the CBW system.

The implementation of an Online Inventory System for Customs Bonded Warehouses will employ advanced technology in order to monitor the real time status and accounting of imported raw materials from the time of its transfer from the port of discharge to the CBW of destination, the withdrawal thereof either for production, transfer to another CBW or to a freezone registered enterprise up to the exportation of finished goods and liquidation of the goods declaration filed for the warehoused imported raw materials to guard against revenue loss caused by possible diversion of raw materials, unauthorized withdrawal or ghost exportations.

The said system must likewise be capable of interfacing with the Bureau's cargo clearance process for both imports and exports, either under its existing E2M Customs System or the soon to be developed Customs Processing System (CPS) which would re-engineer the entire Customs processes and procedures.

II. QUALIFICATIONS OF FIRM

Applicants for accreditation as service provider of the system must have the following basic requirements:

1. A reputable company registered in the Philippines;
2. Has been continuously operational in the Philippines for the immediately preceding five (5) consecutive years;
3. Of good track record in relevant and modern customs ICT/IT operations for a minimum of five (5) years;
4. Must not have been blacklisted or any of its services terminated by any entity, whether government or private;

5. 5. Technical knowledge in utilizing the Cloud technology for hosting the application and database servers which will be used in the system;
6. Capability to service all identified BOC collection districts, including sub ports nationwide;
7. Must be able to submit a comprehensive Capacity Building Program not only for BOC end-user personnel but for CBW operators and their personnel as well; and
8. Must be able to deliver the solution to end users within 15 days from receipt of Notice to Proceed.

III. TECHNICAL REQUIREMENTS

The Service Provider shall provide Online Inventory System for Customs Bonded Warehouses with the following specifications.

1. The system should be hosted in the cloud (AWS, Google Cloud, or Azure) utilizing either PAAS or SAAS.
2. The system should be a web-based application and accessible through standard web browsers (IE, Chrome, Firefox, Safari, etc) and shouldn't require installation of any tools or software on end user workstation for accessing the inventory system.
3. Provide BOC with real-time access to dashboard and periodic or real time/Adhoc Reports on Importation, Inventory, Work-in-Process, Finished Goods, wastages. etc.
4. 24x7 access to real-time reports and dashboard to monitor performance of the entire operation. All dashboards and reports are accessible in any device – computer, tablet or mobile phone anytime and anywhere.
5. Must have a multi-hierarchy administrative function to manage security of access to the application and an audit trail that records every activity on the platform. Records must be kept for at least 5 years.
6. The application can be modified in an acceptable time frame as coordinated and approved by the Bureau of Customs Change Management Group to suit changes in the requirements of the operation and to monitor compliance with Customs rules and regulations.
7. The application and database servers shall be hosted in the Cloud utilizing either PAAS or SAAS to prevent any downtime. The current industry IT Security standard should also be in place.

8. The system should include extensive Audit Trail for transactions performed or changes in the system and shall be properly recorded in the Audit Trail.

IV. FUNCTIONAL REQUIREMENTS

The Service Provider shall provide Online Inventory System for Customs Bonded Warehouses with the following functionalities:

1. The system must be able to store scanned and other documents as attachments such as Surety bond Policy, Commercial Invoice, Warehouse Receipt and others.
2. Real time access to dashboard and reports such as:
 - a. 201 profile of CBW
 - b. Formula of Manufacture and List of Importables
 - c. Arrival of imported goods for storage and production by CBW
 - d. Withdrawal of bonded materials for production, transfer to sub-contractors, transfer to another CBW or to freezones of for local sales.
 - e. Current inventory
 - f. Assessment and bonds charging
 - g. Overstaying goods
 - h. Amount and volume of wastages
 - i. Amount and volume of local sales
 - j. Volume of raw materials exported
3. Executive Dashboard for the exclusive use of BOC Commissioner.
4. Facilitate powerful search engine for conducting various search functions.
5. Robust user management and security features, including password policies, user reminding settings and complete login security features.

V. RESPONSIBILITIES OF SERVICE PROVIDER

1. Provide the necessary system access to the following BOC offices:
 - i. Office of the Commissioner
 - ii. Office of the Deputy Commissioner for AOCG
 - iii. Office of the Deputy Commissioner for MISTG
 - iv. Office of the District Collector at every port
 - v. Office of the Deputy Collector for operations at every port
 - vi. Chief of the warehousing operating division concerned
 - vii. Chief, Warehouse Coordinating Division
 - viii. Other offices as may be determined by the BOC.

2. Conduct Stakeholders orientation with BOC
3. Provide real-time information or report when required by the Bureau
4. Provide 24x7 support to BOC users and stakeholders
5. Perform a weekly backup of the database, including health check.
6. Maintain the confidentiality of business-related information of their clients as may be received in the course of performing the services under this agreement.
7. Provide training session for End-Users, for a maximum of fifty users on the functionalities and operation of the application. Training materials and user manuals should be provided.
8. Training for BOC system administrators will also be provided.

VI. RESPONSIBILITIES OF BOC

1. BOC shall also provide all necessary data, files and/or documents, as will be enumerated in the Inception Report, that the Service Provider shall require to perform and accomplish the services.
2. BOC shall provide support during the User Acceptance Testing, End user Trainings, Implementation, Monitoring and Evaluation.

VII. CONFIDENTIALITY OF DATA

1. SERVICE PROVIDER shall document detailed procedures/techniques in identifying system security risks and breach(es) and how such shall be handled on a monthly basis.
2. All project staff of the SERVICE PROVIDER shall be required to sign a Service Level Undertaking and execute a Non-Disclosure Agreement in favor and in such form as required by the Bureau of Customs.
3. The BOC system, its components, parts and all product samples and specifications, data, ideas, technology, and technical and non-technical materials, all or any of which may be derived from any of the foregoing (all of which, individually and collectively, referred to as "Proprietary Information") are confidential and shall be held in strict confidence by the SERVICE PROVIDER.
4. To ensure the confidentiality of all information that will come to the knowledge of the SERVICE PROVIDER and its employees detailed with the

BOC, the SERVICE PROVIDER and its employees assigned therein shall be considered agents of the BOC. The contract that will be executed heretofore shall categorically provide that the SERVICE PROVIDER and its employees, as agents of the BOC, shall uphold strict confidentiality of any information regarding the business of users.

5. The SERVICE PROVIDER agrees not to reproduce, transcribe or disclose the Proprietary Information to third parties without prior written approval of the Bureau of Customs.
6. In case of any unlawful divulgence of any information regarding the business of users, the SERVICE PROVIDER and its employees detailed with the BOC shall be subject to penalties and sanctions as determined by the Bureau in accordance with existing laws.

VIII. OWNERSHIP

Any data that may be acquired through the system shall be proprietary to the Bureau of Customs. During the duration of the contract, the superuser/highest admin account of the cloud hosting the system shall be turned over to the Bureau of Customs.

IX. FEES & CHARGES

Fees and charges for the use of the system shall be in accordance with rates imposed by the Bureau as approved by the Secretary of Finance

X. PERIODIC REVIEW

The terms of this TOR shall be subject to further review by the Bureau for changes or modifications on the system requirements as may be needed by the Bureau.