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<p>TAXATION AND CUSTOMS UNION DG</p> <p>SUBJECT:</p> <p>DLV-0.1-1_Hardware and Software Procurement</p>		
<p>CUST-DEV2</p> <p>[REMOVED]</p>		

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HARDWARE AND SOFTWARE PROCUREMENT	
DOCUMENT HISTORY	

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Version	Date	Description	Action (*)	Pages
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0.02	22/10/2010	Internal Review	R	All
0.03	25/10/2010	Submitted for Information		
1.00	15/11/2010	Submitted for Acceptance		
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(*) Action: I = Insert R = Replace

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1 INTRODUCTION

The procedure for procurement of HW and SW has been created under SC02.

1.1 References

RD#	Title	Originator	Version	Date
[RD1]	Framework Quality Plan	CUST-DEV2	00.01.00	

Table 1-1: Reference documents

1.2 Acronyms and Abbreviations

A table with the used Acronyms and Abbreviations can be found in Annex 19 of the FQP [RD1].

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2 WP.0.11 MANAGE PROCUREMENT OF PRODUCTS & SERVICES

The goal of the procedure described below is to properly organise, plan and perform the purchasing of the required IT and Telecom products and Services within the scope of the Framework contract **[REMOVED]** which will allow the CUST-DEV2 contractor team to perform its activities and provide the requested services in an effective and efficient manner in accordance to the defined plans (FQP and CQPs).

These items to be procured might have been already included in the "Price List for Hardware and Software Infrastructure", referred to as Price List in this document, and annexed to the Framework Contract. If the item has been already included in the Price List, an update of the list is not required. If not, the item must be added to the Price List first.

The activity diagram below describes the key activities as well as their sequence from the identification of a procurement need down to the conclusion of the procurement and final acceptance. The involved actors within the activity diagram include:

- CUST-DEV2 contractor;
- DG TAXUD;

The involved actors will meet in the bilateral monthly meetings (BMM) and/or ad hoc technical meetings and shall perform the activities mentioned (produce agenda, minutes of the meetings and follow-up of the actions committed). .

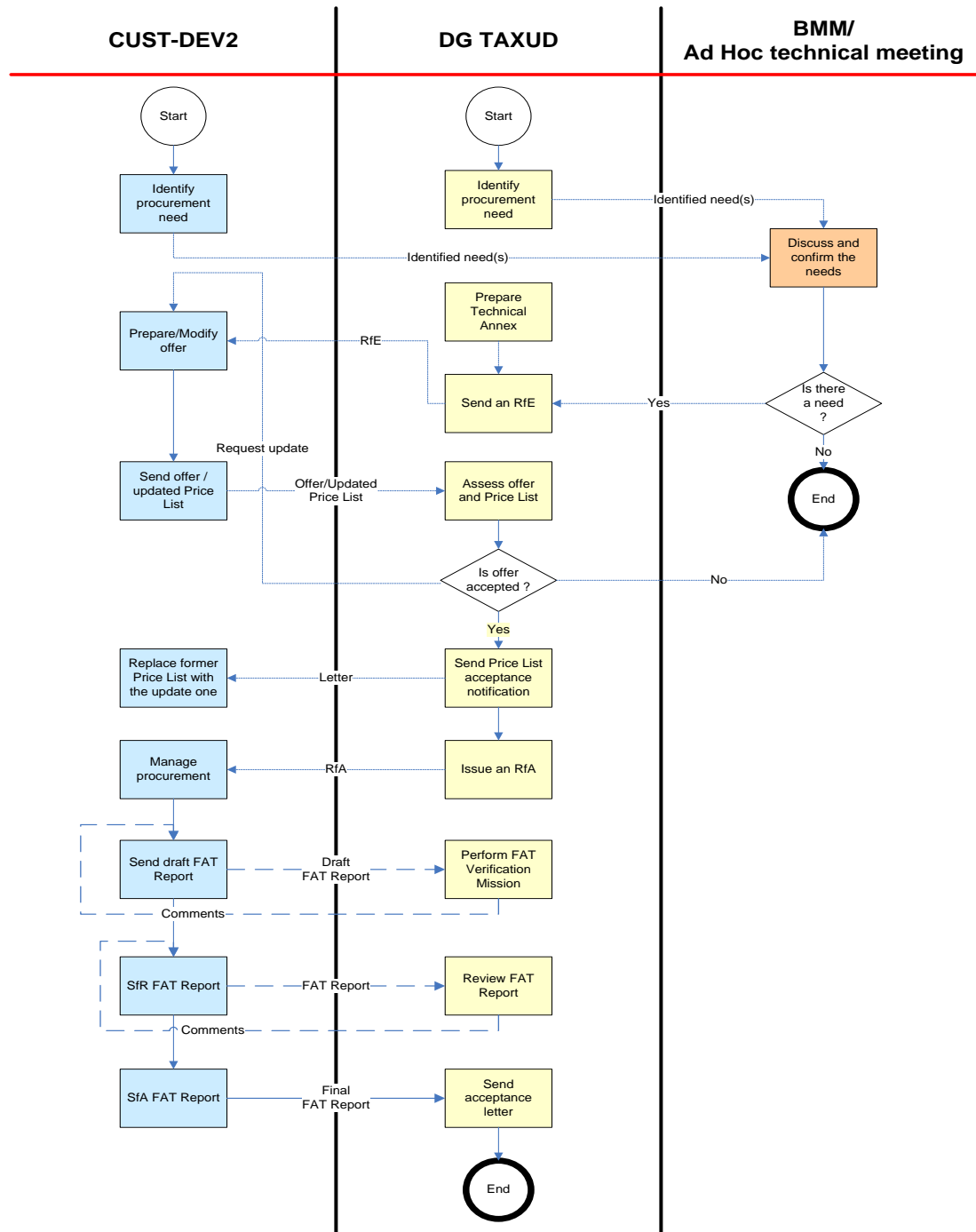


Figure 2-1: Time Sequence Diagram of the HW/SW Procurement

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CUST-DEV2 activities:

The activities to be performed by CUST-DEV2 contractor within the context of this process are the following.

Identify procurement need: CUST-DEV2 contractor may identify and propose to DG TAXUD in the context of its activities the procurement of HW and/or SW items. The need for the procurement of each item is discussed with DG TAXUD during the scheduled monthly meetings (BMM) or during ad hoc meetings. The result of this discussion is either the acceptance or the rejection of the proposed procurement need(s).

Prepare/modify offer: after a mutual agreement is reached between DG TAXUD and CUST-DEV2 contractor, DG TAXUD issues a Request for Estimate (RfE) regarding this procurement. Upon receipt of the request, CUST-DEV2 contractor prepares an offer. The key elements to be included in the offer are:

- a) The description of the item(s) to be procured;
- b) The reasons for the procurement;
- c) The procurement time plan;
- d) The deliverables (normally the FAT Report);
- e) The cost of the procurement per item.

With regard to the last element, CUST-DEV2 contractor will quote a price as defined in article 1.4 of the General Terms and Conditions for Information Technologies Contracts of the Framework Contract or provide an updated price if the item is not yet included in the Price List. CUST-DEV2 contractor includes in the offer an updated Price List if required. In case the offer has been rejected for reasons such as ambiguity, lack of clarity, high or unjustified cost, CUST-DEV2 contractor has to amend the original offer and resubmit it to DG TAXUD. If no agreement on the modification can be reached, the issue is escalated to the Steering Committee. DG TAXUD can also decide to stop the cycle at that point.

Send offer/updated list: the prepared offer/updated Price List is submitted to DG TAXUD within a reasonable timeframe.

Replace former list with the updated one: CUST-DEV2 contractor replaces the existing "Price List for HW and SW infrastructure" with the updated one on reception of the formal "acceptance letter" issued by DG TAXUD. Any procurement will be based on the pricing reflected in the updated list.

Manage procurement: on receipt of the signed Request for Action (RfA) issued by DG TAXUD, CUST-DEV2 contractor starts the procurement lifecycle from its ordering phase down to its delivery, installation and acceptance by DG TAXUD. Progress of the procurement activity is reported in the MPR package of the relevant Specific Contract.

Send draft FAT report: prior to the FAT verification mission of DG TAXUD at the premises of CUST-DEV2 contractor, a draft report has to be sent to DG TAXUD for the preparation of its mission. DG TAXUD has to communicate its comments to CUST-DEV2 contractor before the FAT report is submitted for review. If the QA Contractor is invited to witness/complement the FAT mission, a copy of the draft report is sent also to them. However, it is the responsibility of CUST-DEV2 contractor to send, to the QA

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Contractor a version of the FAT report that does not include confidential information such as prices.

SfR FAT report: CUST-DEV2 contractor has to submit the FAT report for review according to the time plan defined in the RfA or the DTM. Comments are communicated to CUST-DEV2 contractor within the defined review cycle.

SfA FAT report: after the implementation of the agreed review comments, CUST-DEV2 contractor has to submit the FAT report for acceptance according to the time plan defined in the RfA or the DTM.

DG TAXUD activities:

The activities to be performed by DG TAXUD within the context of this process are the following.

Identify procurement need: DG TAXUD may identify and propose to CUST-DEV2 contractor in the context of its projects the procurement of HW and/or SW items. The need for the procurement of each item is discussed between DG TAXUD and CUST-DEV2 contractor during the scheduled monthly meetings (BMM) or during ad hoc technical meetings. The result of this discussion shall be either the acceptance or the rejection of the proposed procurement needs.

Provide technical annex: following the agreement on the need that a specific item has to be procured, DG TAXUD representatives write a Technical Annex annexed to the RfE.

Request for Estimates: DG TAXUD sends to CUST-DEV2 contractor a Request for Estimates (RfE). The request is made on the basis of the Technical Annex provided.

Assess offer/updated price list: when an offer is submitted by CUST-DEV2 contractor, DG TAXUD assesses it in terms of justification and from a technical perspective. The updated Price List submitted is assessed from the contractual, financial and technical view-points. The output of this assessment is the basis upon which the overall offer/updated Price List is accepted or rejected. Recommendations or remarks from DG TAXUD on the offer are communicated to CUST-DEV2 contractor. In this case, CUST-DEV2 contractor has to amend its initial offer/updated Price List accordingly and to re-submit it to DG TAXUD. If no agreement on the modification can be reached, the issue is escalated to the Steering Committee. DG TAXUD can also decide to stop the cycle at that point.

Send price list acceptance notification: when the updated "Price List for Hardware and Software Infrastructure" of article 1.4 of the General Terms and Conditions for Information Technologies Contracts to the concerned Framework Contract is accepted by DG TAXUD, an acceptance letter is sent to CUST-DEV2 contractor. This means that the updated "Price List for Hardware and Software Infrastructure" takes effect on the date following the release of the formal acceptance letter to CUST-DEV2 contractor.

Issue an RfA: DG TAXUD can issue an RfA to CUST-DEV2 contractor for the ordering of a new HW or SW item along with the ABAC order. Other elements included in the RfA shall include:

- a) The procurement time plan;

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- b) Deliverables (normally FAT Report);
- c) The applicable SQIs and penalty along with the calculation method.

Perform FAT mission: a FAT verification mission at the premises of CUST-DEV2 contractor can take place at a mutually agreed date and time. The purpose of this mission is to ensure that the item(s) subject to procurement have been delivered and are properly installed. This mission also gives to DG TAXUD the opportunity to verify the supporting documentation: delivery notes, ownership notes and invoices. Any findings are communicated to CUST-DEV2 contractor that ought to amend the FAT report submitted for acceptance. If required, additional visits to CUST-DEV2 contractor's premises may take place. The QA Contractor can also be involved in the FAT verification visit. However, it is at the discretion of DG TAXUD to activate and to coordinate this involvement.

Send acceptance letter: once the FAT Report is verified and is compliant with all the review remarks, an acceptance letter is sent to CUST-DEV2 contractor. This letter must also contain the reference of the ABAC reception certificate.

Recording in ABAC ASSET, applies to all contracts and is required for:

- any hardware (including operating systems) that is acquired by DG TAXUD (who becomes the owner);
- any software licence that is acquired by DG TAXUD (who becomes the owner).

Recording in ABAC ASSET is to be performed:

- at ordering time (RfA), this generates the ABAC Assets order number;
- at acceptance letter time, this generates the ABAC Assets delivery certificate.

Minimum information to be provided when new hardware and new software licences are ordered includes the following:

- a) when making an offer, CUST-DEV2 contractor shall describe the proposed HW/SW using a specific table (see Template for HW/SW table)
- b) the order itself (being the Technical Annex of the Specific Contract or the RfA) shall include:
 - The HW/SW table from the offer;
 - The ABAC Assets order number (if applicable).
- c) the Acceptance letter shall include:
 - The RfA/SC number;
 - The tables completed with the serial numbers;
 - The ABAC Assets order number (if applicable);
 - The labels for the contractor to stick on the HW and possibly on the SW licence support;

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- A table with the mapping between labels and serial numbers (see Template: Labels versus serial numbers);
 - A request to CUST-DEV2 contractor that the invoice includes the reference to the RfA/SC number and to the ABAC order number.
- d) the Invoice shall include:
- The RfA/SC number;
 - The ABAC Assets order number (if applicable).

When using an RfA, the ordering of HW and SW will be performed via a separate RfA (i.e. not mixing HW/SW with other type of IT services).

Template: HW/SW table

Assets table: Software licences (SWL), Hardware (HW) and Operating Systems (OS)										
Item identification (1)	Type (HW / OS / SWL / other) (6)	Serial Number (2)	Location	Unit cost	Unit Shipping cost (3)	Unit Installation cost (4)	Agreement type (Acquisition / renting / leasing / other)	Quantity	Total price	ABAC Recording (Y/N) (5)

- (1) Including version number if applicable
(2) To be completed by CUST-DEV2 contractor at delivery time
(3) Initial delivery and handling costs;
(4) Including professional fees such as for architects and engineers, and cost of site preparation
(5) To be filled in by DG TAXUD at ordering time
(6) HW: hardware / OS: operating system / SWL: software license

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Template: Labels versus serial numbers table

Assets table: Labels			
Item identification	Type (HW / HW+OS / OS / SWL / other)	Serial Number	ABAC Assets Number (as on label) (1)

(1): To be completed by DG TAXUD