

FINANCIAL SECTOR MODERNIZATION
AND INFORMATION MANAGEMENT SYSTEM

**REPORT ON PROJECT PROGRESS OF FIRST HALF - 2015 AND
PLAN FOR PROJECT IMPLEMENTATION OF SECOND HALF - 2015**

I. Main results of the Project implementation:

In the first 6 months of 2015, most of Contracts under FSMIMS Project are on progress. Mains results of the project implementation are as follows:

A. SBV & CIC Components:

➤ **SG1.1 Contract:** Timely completed the second partial completion of Commissioning and Operational Acceptance (OAT2) includes “Configure and installation support of application requirements of SG3.1, SG3.2 and SG4 Contracts under FSMIMS Project”.

➤ **SG3.1 Contract:** Completed GAP Report (19 January 2015). The system design and development phase has been carrying out from January 2015. The final design of phase 1 is planned to be completed in the end of August 2015.

➤ **SG3.2 Contract:**

Document Management Component: the Requirement Gathering Report and URD have been finalized in April and May. Currently, the GAP analysis is in process. GAP Report is planned to be completed in August and system design report are expected to be finalized in September 2015.

Human Resource Component: the Blueprint for 10 business processes are in the development process. Among them, the Blueprints for 4 modules are finalized (Organization Management, Personal Administration, E-recruitment-workshop and Time Management); 3 Blueprints are in the finalization process (Succession Planning, Personnel Development and Training and Event management); Module ESS/MSS (Employee Self Service/Manager Self Service) is on going; and the rest 2 Modules (Payroll and Benefits & Compensation) will be carried out as soon as TechM back to Project tentatively in this August.

➤ **SG4 Contract:** The following milestones have been completed: (i) development environment configuration (15 Jan 2015); (ii) GAP Report and Data Requirement Analysis (15 May 2015). Currently, SBV Technical Team and SG4 supplier are closely coordinated in implementing the system design phase. It is scheduled the completion of technical design phase by late August 2015.

➤ **CG1 Contract:** (i) complete the data migration for UAT environment (February 2015); (ii) organized training course “Function and application of credit risk information system” in Singapore for CIC end-users (March 2015).

UAT phase: this milestone is delayed due to previous delays of SIT and OAT phases. The liquidated damage for delay in achieving SIT and an extension time of achieving OAT under CG1 Contract was reflected in Amendment No.2 and reported WB and request for approval (PMU's letter No. 135/FSMIMS3 dated April 23, 2015 and letter No. 219/FSMIMS3 dated July 18, 2015). Upon WB's NOL dated July 31, 2015, PMU is preparing to submit SBV Governor for his approval to sign Amendment No.2 with the Supplier FIS-DP.

➤ **ST1 Contract:** EY consultant completed the following tasks: (i) support the consultant selection process for ST3 package; (ii) preparation of RFP and Independent proposal evaluation Report for ST9 package; (iii) Half year Report No. 2 (for the period of the last 6 months of 2014) and (iv) Half year Report No. 3 (for the period of the first 6 months of 2015) to periodically assess the project implementation activities, describe major issues and concerns identified and recommendation for corrective action.

➤ **ST3 Contract:** completed the consultant selection process and sign Contract with consulting firm (Leading Associates) on February 25, 2015. After kick-off meeting on March 23, 2015, LA consultants were mobilized and had one week onsite working. The Inception Report was approved on June 16, 2015. Second deliverable "Report on Implementation Plans of SG3.1, SG3.2 and SG4" is in finalizing stage. The next mission of ST3 consultant will be taken at the same time of CG1 package's OAT (scheduled in September and October 2015).

On June 12, 2015, SBV and LA signed Addendum No.1 to the ST3 Contract to change task related to review of SG1.1 package's OAT by reviewing (i) OAT2 (configuration and installation support); and (ii) Overall Acceptance Test (including system tuning activities) for SG1.1 package.

➤ **ST6.2 Contract:** the Audited Financial Statements and Management Letter for the period of January 1st, 2014 -December 31st, 2014 was finalized and sent to WB on June 28, 2015. Regarding Contract extension (to Nov. 2017) and price adjustment (for 2 additional auditing report) to the signed Contract, based upon WB's NOL dated June 12, 2015, the Addendum No.2 of ST6.2 contract reflected all changes was submitted to SBV Deputy Governor for his approval.

➤ **ST7 Contract:** from January 2015, KDi Asia Consultants carried out working visits to study FSMIMS project implementation progress and its communication activity. The first deliverable "Current status report and change management strategy" was completed and approved on May 28, 2015. The second Contract's output "Change Management Manual" is also finalized in July. As schedule, in July, August and September, consultants organize 9 training courses and workshops on change management and for different level of management, staff and end-users. Among these courses, 2 workshops for Directors of SBV's Departments and SBV branches was held one in Hanoi and one in Hochiminh City. ST7 consultant is also has a short working session with SBV Governor on July 29, 2015 to report ST7's working result and sharing

change management experience to provide support to the success implementation of FSMIMS Project.

➤ **ST9 Package:** SBV complete the following steps of consultant selection process: (i) published REOI; (ii) evaluated and prepared shortlist of 6 consulting firms; (iii) issued RFP to consulting firms in the shortlist; and (iii) evaluated technical proposals received from 2 consulting firms IBM Vietnam Company Limited (Vietnam) and Tractebel Engineering (Belgium) in association with sub-consultant Hanoi TC Expert JSC. The technical proposals evaluation report (TER) was finalized and submitted to WB. PMU continue to clarify with WB on revised TER to request for issuance of NOL.

B. DIV Component:

➤ **DG1 Contract:** DIV cooperate with supplier to completed: (i) Hardware and software delivery at DC; (ii) Study current status and gap analysis for HR, ERP, Risk Monitoring and Information Management, Resolution, Financial Management sub-systems. The development of technical specification document for subsystems is on going.

➤ **DT1 Contract:** In the first half of 2015, DIV/PIU and consultant coordinated to complete the following tasks: (i) completed contract extension procedures and signed addendum on March 12th, 2015; (ii) conducted training to introduce new technology and codes for DIV staff at the Head Office and 6 regional branches; (ii) supporting DIV in receiving goods, equipment, standard software and system software within DG1 Package.

➤ **DT2 Contract:** In January, 2015, DIV/PIU and consulting firm International Development Advisor Ltd (Singapore) coordinated to complete all Contract responsibilities, delivery all the outputs/deliverables. DIV fully completed the contract payment and liquidation.

➤ **DT3 Package:** DIV/PIU completed TOR for consultant selection process (WB issued NOL on July 3rd, 2015) and published REOI on July 22nd, 2015. Upon deadline of submission (July 31st, 2015), DIV received EOIs from 5 consulting firms.

➤ **DT4 Package:** DIV/PIU prepared draft TOR and submitted to DIV Management for approval.

II. Main risks/issue(s) and suggested solutions

1. SG1.1 Contract:

- Risks: The data storage requirements from SW packages (SG3.1, SG3.2 and SG4) for production environment is much bigger than SG1.1 system's storage capacity. It is the fact that the storage capacity of SG1.1 system could only cover requirement for the first year of system go live. Requirement for the first year of system go live and estimated growth for the next 4 years are as follows:

- ♦ At Data Center (DC):System capacity: **18.900GB**

Storage requirements	Year 1	Year 2	Year 3	Year 4	Year 5
SG3.1 + SG3.2 (DM)	5196	6835	8719	10885	13376
SG3.2 (HR)	7168	7388	7608	7828	8048
SG4	12021	13182	14343	15504	16665
Total	17217	27405	30670	34217	38089

- ♦ At Disaster Recovery Center (DR):System capacity:**18.300GB**

Storage requirements	Year 1	Year 2	Year 3	Year 4	Year 5
SG3.1 + SG3.2 (DM)	4033	5831	7897	10273	13006
SG3.2 (HR)	5276	5716	6156	6596	7036
SG4	12021	13182	14343	15504	16665
Total	21330	24729	28396	32373	36707

In the half year Report No.3 prepared by ST1 Consultant for the period of 1H of 2015, EY consultant also mentioned this issue as findings and recommended SBV to timely procure additional storage for SG1.1 system in order to assure effective operation of new system at least for the first 5 years and potential escalation in the following years.

- Proposed resolution:PMU will report this issue to SBV's Board of Management and propose to purchase additional storage equipment for SG1.1 system using allocated counterpart funds under FSMIMS Project.

2. SG3.1 Contract:

- Issues: (i) Tasks under contract is very large and complicated, T24 and ERP systems are implemented at the same time. SBV agreed with FIS to divide system go-live into 2 separate phases. However, the first go-live in the end of this year is a great challenge for SBV; (ii) The system integration is very complex because SG3.1 should be integrated with numerous other systems: with T24-ERP-AOM/OMO-CSD sub-systems and with existing systems of SBV such as CMO, IBPS, Royter & Bloomberg, SWIFT; (iii) SBV has not enough experience in data migration with the scope as large as SG3.1 Contract.

- Proposed resolution: (i) SBV and supplier mobilized maximum resources to implement this important phase; (ii) a pilot of data migration plan should be in place before implementing data migration for the whole system; (iii) SBV obtain experience in ICT system development of other Central Banks, especially where T24 system was successfully implemented.

3. SG3.2 Contract:

- Risks in HR component's implementation: (i) Tech M paid more than 4 months back to India for Visa procedure and that led to delay in several tasks; (ii) TechM planned for approval of modules's deliverables as soon as draft

completion. In fact, it is not realizable since SBV's approval depend on its level of completion and quality as well; (iii) the language differences is an obstacle during information exchange so that it took extra time for the translation of related documents and deliverables before reviewing and approval.

- Proposed resolution: (i) the contract plan shall be updated including time for Implementation Team to review related documents and for TechM to revise documents to meet SBV's requirement; (ii) PMU requested TechM to provide additional translator/interpreter in order to facilitate the contract implementation.

4. SG4 Contract:

- Risks: (i) there's no backup time for SG4 Contract (will be ended by November 2016); (ii) contract's progress may continue to delay if there's further changes or adjustment in reporting requirements; (iii) the contract progress greatly depends on the coordination of related SBV's Departments and the preparation of CIs, People Credit Funds, Financia Companies... for the new reporting requirements; (iv) SG4 system implementation depends on the progress and result of other system such as CG1, SG3.1, DG1...

- Proposed resolution: (i) Related parties shall try their best to timely complete relevant tasks; (ii) For the new reporting requirement occurred in the next time, FSD shall be responsible to collect, review and submit proposed resolution for SBV's Governor to make decision; (iii) FSD shall be contact point to coordinate with SBV Departments to promptly complete and issue new Circular replacing Circular 31; (iv) SG4 supplier and technical team shall closely coordinate with ICT technical team and other suppliers (SG3.1, SG3.2, CG1) during system implementation.

5. ST1 Contract:

- Issues: according to Adendum No. 6 of ST1 contract, among SBV - ICT Platform Development – Group 2.3 Deliverable, EY shall be responsible to support the consultant selection process of ST8 package for SBV. Based on updated procurement plan, this task need to be revised since ST8 package is no longer implemented. Because ST1 is lumsump contract, so that it can only be revised this task by requesting EY to implement equivalent tasks rather than remove it from contract.

- Proposed resolution: as mentioned above, PMU propose to request EY to provide support to the procurement process of the suggested package to purchase additional storage equipment for SG1.1 system and deliver the same deliverables/outputs as set for ST8 package. PMU will discuss with EY after obtaining principle approval of SBV's Board Management on this proposal.

6. ST3 Contract:

- Risks: as contract's requirement, consultant shall involve in OAT of 5 ICT packages. However, OAT schedule of those packages may be rescheduled

due to actual progress so that the working schedule for next visit of consultant is not yet confirmed.

- Proposed resolution: PMU and ST3 consultant shall closely follow OAT plan of ICT packages to develop a detailed working schedule for each visit.

7. ST9 Package:

- Risks: the package plan is developed in very tight schedule including expected time for WB's NOL and SBV's approval with the time for each task is about 3 – 5 days. Therefore, delay in WB's NOL and SBV's approval will significantly affect to package's progress. Because output of this package will be inputs for the implementation of SG1.2 "SBV's new data center equipment supply, installation and relocation", therefore, delay in ST9 may lead to delay in SG1.2 and may not complete before the project closing date.

- Proposed resolution: (i) the time for WB's review and issuance of NOL to each output of ST9 package should not later than 5 working days; (ii) the time for SBV's review and approval of outputs is also promoted to ensure project progress.

III. Disbursement in the first half of 2015:

Contents	Q1/2015	Q2/2015	Disbursed
SBV & CIC Component	2.872.031,18	1.865.234,75	4.737.265,93
1. Consulting Services	-	43.492,55	243.492,55
2. Training and study tour	-	4.308,40	4.308,40
3. Goods	2.872.031,18	1.617.433,80	4.489.464,98
4. Chi phí quản lý			-
DIV Component	1.132.738,38	137.354,97	1.270.093,35
1. Consulting Services	55.583,20	127.078,86	182.662,06
2. Training and study tour	-	10.276,11	10.276,11
3. Goods	1.077.155,18		1.077.155,18
4. Chi phí quản lý			-
Total:	4.004.769,56	2.002.589,72	6.007.359,28

IV. Plan for Project implementation in the second half of 2015

A. SBV and CIC Components

No.	Contract Name/Tasks	Completion by
1.	SG1.1 Contract	
	- Periodically/ad-hoc system warranty	Every 2 months
2.	SG3.1 Contract	
	- SIT phase 1	31 Aug. 2015
	- UAT phase 1	31 Oct. 2015
	- Golive phase 1	31 Dec. 2015
3.	SG3.2 Contract	
	- <u>Document Management Component</u>	
	+ Approve GAP Analysis Report	31 Aug. 2015
	+ Approve Technical design document	30 Sept. 2015
	+ Implement development phase (by the Vendor)	30/11/2015
	+ Prepare SIT environment and approve SIT plan	15/12/2015
	+ Approve SIT Report	31/01/2016
	- <u>Human Resource Management Component</u>	Tentatively TechM return back to work from August 2015.
	+ Sign off Blueprint documents of Module: Personal Administration, Recruitment, Time Management	31 July 2015
	+ Sign off Blueprint documents of Module: Training, Personal Development	31 Aug. 2015
	+ Sign off Blueprint documents of Module: ESS/MSS, Succession Planning, Payroll, Benefit.	30 Sept. 2015
	+ Conduct SIT for modules: Personal Administration, Recruitment and	30 Oct. 2015
	+ Conduct SIT for modules Time Management, Time Management and Succession Planning	30 Nov. 2015
	+ Conduct SIT for modules Personal Development, Payroll, Benefit	31 Dec. 2015
	+ Complete and sign off SIT Report	31 Jan 2016
4.	SG4 Contract	
	- System Design Completion	31 Aug. 2015
	- System Development Completion	20 Dec. 2015
5.	CG1 Contract	
	- OAT at DC	16 Sept. 2015
	- OAT at DR	14 Oct. 2015
	- Organize 03 domestic training courses	Aug – Sept.2015
6.	ST1 Contract:	
	- Bi-annual Report No.3	15 Aug. 2015
	- Concept Paper for ST9 package negotiation and contract implementation	31 Aug. 2015
7.	ST3 Contract	
	- Consultant visit to work on OAT of SG1.1 and CG1.	31 Dec. 2015
8.	ST7 Contract	

	- Approve Change Management Manual	Aug. 2015
	- Report of completion of training programs	Nov. 2015
	- Final report.	Dec. 2015
9.	ST9 Package	
	- Contract Negotiation and signing.	Aug. 2015
	- Contract implementation.	Dec. 2016

B. DIV Component:

No.	Contract Name/Tasks	Completion by
1.	DG1 Contract:	
	- <u>Reports and Document Management (DCM) sub-system</u>	
	+ URD	Aug. 2015
	+ UAT	Nov. 2015
	+ OAT	Dec. 2015
	- <u>Human Resource Management (HR) sub-system</u>	
	+ Complete Technical Specification Document	Aug. 2015
	+ UAT	Dec. 2015
	+ OAT	Jan. 2016
	- <u>ERP sub-system</u>	
	+ Complete Technical Specification Document	Aug. 2015
	+ UAT	Feb. 2016
	+ OAT	May 2016
	- <u>Risk Monitoring (RM) Sub-systems</u>	
	+ Complete Technical Specification Document	Dec. 2015
	+ UAT	Oct. 2016
	+ OAT	Nov. 2016
	- <u>Information Management (IMS), Resolution (RL), Financial Management (FM).</u>	
	+ Complete Technical Specification Document	Oct. 2015
	+ UAT	April. 2016
	+ OAT	May. 2016
2.	DT1 Contract:	
	- Nomura Consultant continue to support DIV in the implementation of DG1 Contract	31 Dec. 2016
3.	DT3 Contract	
	- Publish REOI	31 July 2015
	- Issue RFP	31 Aug. 2015
	- Evaluation of submitted Proposals	30 Sept. 2015
	- Completion consultant selection process and award contract	30 Sept. 2015
	- Consultant mobilization.	31 Dec. 2015
4.	DT4 Package	
	- Publish REOI	31 Aug. 2015
	- Issue RFP	31 Oct. 2015

	- Evaluation of submitted Proposals	30 Nov. 2015
	- Completion consultant selection process and award contract.	31 Dec. 2015

C. Disbursement Plan for the second half of 2015:

Categories	Q3/2015	Q4/2015	Planned
SBV & CIC Component	2.904.310,47	3.174.791,63	6.079.102,10
1. Consultant Services	225.405,62	597.781,63	823.187,26
2. Training and study tour	3.091,60	-	3.091,60
3. Goods	2.675.813,24	2.577.010,00	5.252.823,24
4. Administrative Expenses			-
DIV Component	3.067.141,95	1.134.477,18	4.201.619,13
1. Consultant Services	-	127.616,49	127.616,49
2. Training and study tour	-	26.085,51	26.085,51
3. Goods	3.067.141,95	980.775,18	4.047.917,13
4. Administrative Expenses			-
Total:	5.971.452,42	4.309.268,82	10.280.721,23

