REQUEST FOR PROPOSAL

PROMOTE THE USE OF E-BUSINESS IN THE SME COMMUNITY

ISSUED BY

HONG KONG SMALL AND MEDIUM ENTERPRISES ASSOCATION

AND

HONG KONG INFORMATION TECHNOLOGY FEDERATION LTD.

APRIL 2007

TABLE OF CONTENTS

1. INTRODUCTION

1.1. In response to the invitation from Office of Government Chief Information Officer (OGCIO) of the HKSAR Government for expression of interest in commissioning projects under the 2006-07 Sector Specific Programme (SSP) to drive e-business and ICT adoption, the Hong Kong Small and Medium Enterprises Association (HK SME Assn) and the Hong Kong Information Technology Federation (HKITF) (collectively called "Associations") submitted a proposal to implement a project "To Promote Use of E-Business in the SME Community" (the "Project").

1.2. The proposal was selected by the OGCIO and funding was awarded to sponsor the implementation of the Project.

1.3. The objective of the Project is to encourage the development and marketing of simple front-end software modules that provide basic functions for preparing and exchanging business documents over the DTTN platform with their business partners. In addition, vendors are encouraged to, based on their own market knowledge, develop other add-on value added applications / services that SMEs will use in conjunction with the DTTN. Vendors will be selected through a Request for Proposal (RFP) process and provided with seed capital to develop the front-end software that will be made freely available to SMEs for use of DTTN services. It will be the vendors' own choice and at their own cost to develop value added applications / services. Users of these front-end solutions can freely choose to acquire from the vendors any add-on value adding applications to further enhance their e-capabilities.

2. BACKGROUND

2.1. The HKSAR Government has initiated the establishment of the Digital Trade and Transportation Network (DTTN) with the vision of helping the overall competitiveness of Hong Kong through an open, neutral, secure and reliable community e-platform that facilitates information flows amongst all parties involved in the supply chain.

The DTTN acts as a catalyst to promote e-business adoption, specifically by SMEs. It provides an infrastructure that generates new business opportunities for the IT industry to develop software and / or value added applications for use by DTTN users.

2.2.   Details of the value propositions of DTTN are set out in Annex A.

2.3.   To facilitate the SME community to adopt e-business via the DTTN platform at an affordable and convenient manner, Excel forms have been made available to SMEs as a simple form-filling tool to create business documents that can be exchanged over the DTTN platform. As SMEs start to get into using DTTN services, it is found that they require more than just a form-filling tool for document preparation. They are more interested if the DTTN electronic document exchange service comes with other e-processing or e-logistic applications that can work in conjunction with the DTTN so as to optimize the benefits in using the DTTN. The demand from the SME market calls for software vendors to develop and market innovative solutions to end users, thereby enhancing the efficiency and competitiveness of the SME community.

3.   OVERVIEW OF THE DTTN

This section provides an overview of the DTTN scope, services and technical standards and protocols supported by the platform.

3.1.   **Scope of the DTTN**

3.1.1.   The scope of the DTTN includes nine major communities: (1) buyers / importers, (2) sellers / exporters, (3) freight forwarders including third party logistics service providers, (4) carriers, (5) terminals, (6) government and its agencies, (7) banks and financial institutions, (8) insurance companies, and (9) inspection agencies. These industry stakeholders are involved at different stages in the trade chain and they are closely related to one another. The DTTN will co-exist with, and complement, offerings provided by the various service providers and existing community systems operating in Hong Kong. While providing the core messaging and connectivity infrastructure, the

DTTN will partner with Application Service Providers and software vendors who provide end user solutions for e-business through DTTN.

3.2. **DTTN Services**

3.2.1. DTTN supports the following key services:

- **Electronic message routing services** that facilitate communication among stakeholders by routing business messages and provides guarantee delivery.

- **Electronic message transformation services** provide the 'any to any' function that supports the transformation of commonly adopted message formats and character encoding from one standard to another.

- **Portal services** provide functions and tools for user management / enquiry of messages, account / profile information, invoking VAS offered by other service providers through single sign-on through DTTN.

- **Data inheritance services** that facilitate reuse of relevant business data along the trade and logistics business processes. More details about the function are set out in Annex B.

- **Information security services** support messages sent through DTTN to be encrypted and authenticated to ensure confidentiality, integrity and non-repudiation of the messaging services

3.2.2. DTTN also provides a supporting service for statistical and analytical reporting with privacy controls.

3.2.3. DTTN adopts a simple pricing model. Related reference information is provided at Annex C.

3.3.   **Business processes supported by the DTTN**

3.3.1.   DTTN supports the ten major processes along the end-to-end trade and logistics business flow:

- **Establish sales / purchase contract:** covers the interactions between buyer and seller in establishing the sales contract (or purchase order), which is the basis for the subsequent trade related interactions.

- **Apply and obtain insurance coverage:** covers the interactions between buyer / seller and insurance company in establishing the insurance coverage for the execution and fulfillment of the sales contract. The trade terms in the sales contract determine the responsibility for initiating the insurance coverage and the corresponding cost.

- **Letter of Credit (L/C) application and processing (for documentary credit only):** covers the interactions between buyer / seller and banks for L/C application and processing when trade payment is settled through documentary credit arrangement.

- **Prepare goods for delivery:** an internal process for the seller to prepare the goods for delivery which also produces critical commercial documents including commercial invoice, packing list, and bill of exchange etc.

- **Arrange inspection and issue certificate:** the process is usually triggered by the buyer to ensure that the goods are properly prepared before the goods can be shipped or to ensure that the received goods are in the expected condition.

- **Apply and obtain licence / certificate / permit and submit notification for both exportation and importation:** the process is applicable when the goods to be exported or imported are subject to control under the legislation of the Government. Appropriate export or import licences / certificates

/ permits must be obtained from relevant government departments before any exportation or importation can take place.

- **Arrange and execute transportation (both single mode and multi-modal arrangement):** the process covers the preparation and execution of the movement of goods into and out of Hong Kong through air, sea, rail, river or road transport arrangements.

- **Present and verify trade documents for financial settlement:** covers the interactions between buyer / seller and banks for processing the LC settlement. This process is only applicable when trade payment is settled through documentary credit.

- **Submit trade declaration:** the submission process of the trade declaration from exporter or importer to the Census and Statistics Department within 14 days after exportation or importation.

- **Payment and receipt management (for the provision of trade and logistics services):** the invoicing, payment processing and confirmation process for settling the provision of trade and logistics service charges including insurance premium, inspection services, freight charges, transportation charges, etc.

3.4. **Key business messages supported by the DTTN**

3.4.1. Key business messages supported by the DTTN under each business process are set out at the table below:

Table 3-3

	Trade & logistics business process	Key business message
1	Establish sales / purchase contract	o Sales order / purchase order
2	Apply and obtain insurance coverage	o Insurance application form

	Trade & logistics business process	Key business message
		o Insurance policy / certificate
		o Open / floating insurance policy
		o Declaration on shipment details and insured amount against open / floating insurance policy
3	Letter of Credit (L/C) application and processing (for documentary credit only)	o L/C application form o L/C o L/C amendment request
4	Prepare goods for delivery	o Packing list o Commercial invoice
5	Arrange inspection and issue certificate	o Inspection arrangement request o Inspection arrangement notice o Inspection certificate
6	Apply and obtain licence / certificate / permit and submit notification for both exportation and importation	o Licence / certificate / permit application form o Licence / certificate / permit notification
7	Arrange and execute transportation (both single mode and multi-modal arrangement)	o Advance shipping notice o Shipping instruction / order form o Confirmation of shipping instruction / order form o Shipping order / booking request o Booking confirmation notice o Cargo receipt / cargo reception slip o Empty container order / transport set o Licence / certificate / permit o Notification o Draft master bill of lading o Manifest o Master air waybill o House air waybill o Pre-alert package o Cargo arrival notice o Container inventory information

	Trade & logistics business process	**Key business message**
		o Container maintenance status o Trucking company information o Equipment interchange receipt o Export consignment details form o Reception check list o Bill of Lading o Sea waybill o House bill of lading o Surrender notice for telex release o Telex release o Departure notice o Company guarantee o Detention notice 1 o Detention notice 2 o Delivery order (D/O) o Release order o House D / O o Transshipment notification
8	Present and verify trade documents for financial settlement	o L / C o Master air waybill o House air waybill o Licence / certificate / permit o Notification o Certificate of origin o Inspection certificate o Insurance policy / certificate o Bill of Lading o House bill of lading o Sea waybill o Commercial invoice o Bill of exchange o Packing List o L/C collection letter o Document arrival notice
9	Submit trade declaration	o Trade declaration
10	Payment and receipt management	o Invoice from insurance company

	Trade & logistics business process	Key business message
	(for the provision of trade and logistics services)	o Invoice from inspection agency o Invoice from freight forwarder o Invoice from carrier o Invoice from trucker o Invoice from terminal o Payment instruction o Payment confirmation

3.5. Technical standards and protocols supported by the DTTN

3.5.1. DTTN supports the following specified standards and protocols:

- **Communication and messaging protocols**: FTP/S, HTTP/S, SMTP, S/MIME, AS/1, AS/2 and ebMS V2

- **Document format standards**: XML, UN/EDIFACT, ANSI X.12, Cargo-IMP, Excel, SMS, CSV and user defined format flat files

- **Character encoding**: ASCII, ISO8859-1, Big5, GB2312-1980, GB18030-2000, ISO10646 and HKSCS

3.5.2. In performing message transformation, a DTTN document from the sender will first be transformed to a DTTN XML canonical document format and character encoding (many-to-one transformation). A DTTN document in XML canonical document format will then be transformed to a format and character encoding as accepted by the recipient (one-to-many transformation).

3.5.3. Details about DTTN XML canonical document structures are set out in Annex D.

3.5.4. To view the DTTN XML canonical schemas (which require tools such as XMLSpy) and DTTN Recommended Code Sets, please refer to the DTTN Standards on the web site – www.hk-dttn.com

3.5.5.   An overview of DTTN architecture is provided at Annex E.

4.   REQUEST FOR PROPOSAL (RFP)

4.1.   Scope of the RFP

4.1.1.   The scope of the RFP covers the development of front-end software (not limited to Microsoft Excel forms) for business document preparation and exchange via the DTTN platform. Based on the software vendors' market knowledge, other value added services / applications that SMEs will optionally use in conjunction with the DTTN can be added.

4.1.2.   While the developed front-end software can be integrated to the vendors' other applications (for example, Freight Management Systems, Enterprise Resource Planning etc), it must also be operable on a stand-alone basis i.e. the customer can use the front-end software for simple business document preparation and exchange with its trading partners via the DTTN, without any add-on applications / services developed by the vendor.

4.2.   Reference for value added services (VAS)

4.2.1.   Leveraging on key business messages exchanged electronically over the DTTN platform, software vendors / service providers can develop value-added service offerings to customers. Examples of such VAS offerings include, but not limited to:

- **Trade Document Management:** This service facilitates the trade and logistics community to process and manage all related business documents that are electronically exchanged with business partners.

- **Supply Chain Management:** This service enables manufacturers and suppliers in their ordering and procurement processes. The services may include:
  (a) Procurement service
  (b) Order management

(c) Resource planning

- **Quality Management:** This service enables buyers to conduct more analysis on the performance of the vendor and quality of the merchandise to enhance future buying decision. The service may include:
  (a) Inspection scheduling
  (b) Vendor performance history

- **Freight Management:** This service enables freight forwarders, shippers, 3PLs, transport, and warehouse operators to have smooth information flow, streamlined processes and increase visibility. The services may include:
  (a) Inventory visibility
  (b) Warehouse management
  (c) Transport management
  (d) Track and trace

- **Trade Finance & Insurance:** This service enables the trading community to offer and provide trade financing and insurance solutions. The service may include:
  (a) Trade Financing
  (b) Trade Insurance
  (c) PO-Invoice reconciliation

5. PROJECT FUNDING

5.1. The project provides software vendors with the seed capital required for the development of the front-end software that provides basic function for users to prepare and exchange documents with trading partners via DTTN.

5.2. While the front-end software can be developed to integrate with the vendor's applications and / or value added services, it must be able to be operated on a stand-alone basis. i.e. the customer can prepare business document and exchange with its trading partners via the DTTN using just the front-end software without vendor's other applications and / or value added services which are just optionally

add-on to the front-end software.

5.3. **<u>The front-end software developed by software vendors must be made available to users for free without any associated charges. The software vendor must also provide post sales support of the front-end software free of charge to the end users. Users of the front-end software are free to choose and decide whether to acquire from the software vendors any value added services / applications to enhance their e-capabilities.</u>**

5.4. Around 10 software modules (each supporting business documents for at least one business process) will be selected for the funding. Applicant for each such selected module will receive a total of HK$80,000 payable by installments in the following manner:

- First installment of 15% (HK$12,000) will be paid upon signing of the agreement on or before the date indicated as "Announcement on selected Applicants" in Clause 6.1.

- Second installment of 15% (HK$12,000) will be paid upon approval of the SS&D which is in compliance of the technical requirements and within the project timeline as indicated in Clause 6.1

- Final installment of 70% (HK$56,000) will be paid upon successful testing and certification of the front-end software developed.

6. PROPOSAL SUBMISSION INFORMATION

6.1. Please refer to Annex F on Terms and Conditions for Request for Proposal

6.2. It is important that the applicants duly complete all sections of the Proposal Form (Annex G) which is attached to this RFP and is available for download from the following websites:
   (a) www.hk-dttn.com
   (b) www.hkitf.org.hk

(c) www.hksme.hk

7. TIMELINE AND EVALUATION PROCESS

7.1. Timeline of Events

Scheduled Timeline	Event
12 April 2007	Official Launch of Project and Release of RFP
25 April 2007	Briefing Session
18 May 2007	Proposal Submission Deadline
29 May – 8 June 2007	Presentation by short listed Applicants (if required)
Around 15 June 2007	Announcement on selected applicants
29 June 2007	SS & D Submission Deadline
7 September 2007	Deadline to submit front-end software for compatibility test
Around 8 October 2007	Announcement on DTTN-enabled front-end software

7.1.1. All interested organizations are invited to attend the briefing session. The briefing session will be conducted by the Hong Kong Small and Medium Enterprises Association ("SME Association"), the Hong Kong Information Technology Federation Ltd ("HKITF"), and Digital Trade and Transportation Network Limited (DTTNCo). The briefing session will cover the details of the RFP, including the events leading to the final award of the fund, and expectations of the proposals.

7.1.2. Details of the briefing are as follows:

Date: 25 April 2007
Time: 2:00 pm – 5:00 pm
Venue: 11/F, Hong Kong Scout Centre
Scout Path,
Austin Road,
Kowloon, Hong Kong

7.1.3. All parties interested to attend the briefing session are required to

register their attendance by email to SSP@hk-dttn.com by 20 April 2007. Each organization is limited to three representatives to attend the briefing session. To register, organizations are required to provide the following information:

Email Subject Title: "SSP Programme Briefing"
Information Required
1.   Company Name
2.   Attendee's name (a)
3.   Title (a)
4.   Contact phone number (a)
5.   Email address (a)
6.   Attendee's name (b)
7.   Title (b)
8.   Contact phone number (b)
9.   Email address (b)
10. Attendee's name (c)
11. Title (c)
12. Contact phone number (c)
13. Email address (c)
14. Items to be clarified (Please list)

7.2.   **Evaluation Process**

7.2.1.   Proposal Submission Deadline

The deadline for submission of proposal is **5:00 pm on 18 May 2007** and the announcement on selected vendors will be on or before 15 June 2007.

7.2.2.   Evaluation Criteria

Proposals will be evaluated by a panel of judges based on a marking scheme (refer to Annex H for detail evaluation criteria and marking scheme). The panel of judges comprises of representations from the SME Association, HKITF, and DTTNCo. Evaluation will be based on the following factors:

(a) Company background and experience;

(b) Projected number of customers and transaction volume that could be brought onto the DTTN;

(c) Type of business process in accordance with Section 3.3 that the proposed Front-end Software will be developed and deployed for;

(d) Number of document types that the proposed Front-end Software will be developed and deployed;

(e) Ability to deploy the Front-end Software by October 2007;

(f) Plan to sustain the salability of the proposed Front-end Software after deployment;

(g) Adaptability to open source software (OSS) methodology;

(h) Compliance with the DTTN technical requirements and conditions;

(i) Service level for end user customers;

(j) Functionality of the proposed product and / or value added services; and

(k) Pricing strategy of the integrated solution and / or value added services.

7.2.3. Selection of Proposals

Only complete proposals will be considered. The panel of judges may request short-listed applicants to make presentations (at their own cost) and clarification on the proposals submitted.

7.2.4. Award of Funds

Depending on the quality of the submissions, the Associations reserve the right not to award funds to any applicant. Selected applicants will be notified by the Associations and agreements are required to be signed prior to award of the funds.

7.2.5. Disclaimer

The Associations shall have the absolute discretion to accept or reject any submission made without being liable to give any reason thereof. The Associations reserve the rights to retain the proposals submitted

by all parties without liability for the costs of such documents.

8.   SUBMISSIONS

8.1.   Format of Submissions

8.1.1.   Submissions should be made using the Proposal Form outlined in Annex F and can be downloaded from the following websites:
   (a) www.hk-dttn.com
   (b) www.hksme.hk
   (c) www.hkitf.org.hk

8.2.   Place and Time of Submissions

8.2.1.   Three hardcopies and one softcopy (in a CD-ROM) of the Proposal should reach the following address **no later than 5:00 pm on 18 May 2007**

Hong Kong Information Technology Federation Ltd. ("HKITF")
2505-6, 25/F Stelux House
698 Prince Edward Road East,
San Po Kong, Kowloon
Hong Kong

Late submission will not be entertained.

All proposals should be marked as **"SSP Proposal"**.

8.3.   Contact Details

Enquiries regarding this RFP should be emailed to SSP@hk-dttn.com. No enquiries regarding this RFP will be entertained after 18 May 2007.

ANNEX A: VALUE PROPOSITION OF THE DTTN

1.   Benefits for the End Users

The key benefits that will be delivered by the DTTN include:

- **Improved operational efficiency.** The DTTN will improve the overall effectiveness and efficiency of the industry. Significant savings in terms of the reduction of paperwork, process time, and time spent in data re-keying will be realized. It is estimated that the annual savings from operational efficiency improvement to the industry will be around HK$1.3 billion per annum.

- **Compete on value, not just cost.** The trade and logistics industry in Hong Kong is expected to transform into a league of premium service leaders offering high quality, value-added services rather than merely competing on cost. Efficient information flow is the key to success. As a neutral and secure infrastructure, DTTN is a critical service enabler and market differentiator.

- **Integration with global initiatives.** The DTTN is a common tool for Hong Kong to leverage in order to rapidly address changes in the global logistics industry and to meet the requirements of global trade initiatives. Such a common information infrastructure in Hong Kong can facilitate compliance with changes of this type in a timely fashion, and more importantly, reduce the cost.

- **Integration with the Mainland.** The DTTN is an anchor to secure market position and facilitate integration in the areas of logistics and supply chain management in the Mainland especially the PRD region. The DTTN can become the de-facto standard for other emerging initiatives in the Mainland. Compatibility between Hong Kong and Mainland e-commerce infrastructure will be essential. With this common and neutral information infrastructure in place, Hong Kong businesses can leverage the DTTN to provide logistics services to the Mainland market.

- **Shield the industry from frequent upgrades.** The DTTN enables significant efficiency gains across the entire trade and logistics sectors by centralizing, consolidating and managing around a defined set of standards and protocols for both technology and messaging. A centrally managed DTTN can effectively shield stakeholders in the trade and logistics sector from the effects of frequent upgrades in standards and protocols, and thereby reduce the in-house resources required.

End users can benefit from this program in several ways:

- More choices of free software for their use in document preparation and exchange with their trading partners via the DTTN to reduce their operating cost and enhance efficiency.

- More choices of value added services that they can adopt to further enhance their e-capabilities and to reap more practical benefits in using e-business.

2. **Benefits for the IT industry**

Software vendors offer software solutions and services to assist customers to achieve better efficiency and effectiveness in their supply chain and logistics operation, as well as better integration with their business partners along the supply chain or trade flow. Third party service provision is a vital component of the DTTN model. The DTTN provides a flexible, neutral and open infrastructure to enable software vendors to further extend their offering and deliver additional value added services. Software vendors will enjoy benefits from the DTTN in a number of ways:

- By reducing infrastructure cost to deliver their services

- By extending their business reach in terms of customers and business partners

- By improving speed to market for their value-added offerings

- By focusing resources on the development and delivery of value-added services

Software vendors will benefit from the program in several ways:

- The selected Applicants will get direct seed capital to develop basic Front-end Software on which they could develop other value added applications of their choice.

- The selected Applicants can enhance salability of its services and generate additional business opportunities by participating in DTTNCo's marketing activities.

ANNEX B: DATA INHERITANCE SERVICES

Data inheritance is one of transformation services provided by DTTN for DTTN customers or service providers to produce draft documents based on submitted documents. The data inheritance transformation service can allow the creation of new documents based on existing documents of the same or different document types.   For examples, the creation of an invoice document is based on multiple purchase orders and the creation of a shipment notice is based on several invoice and shipment instruction documents.   A customer can submit data inheritance requests using the same communication channel as normal document submission.

To allow DTTN to generate a business document, the data inheritance requestor should specify sufficient information and instruction, such as target document type, the preferred data inheritance map and the list of the source documents.   Based on the instruction, DTTN should be able to load the data inheritance map and produce the business document.

ANNEX C: PRICING STRUCTURE FOR END USERS

1. **Supplementary Services:** The supplementary service is either on a one-off or recurring basis. Some of the services are optional to the users and free to subscribe based on their needs. Examples of the supplementary services are customer registration, customer training, document mapping.

2. **Document Fees:** Each successfully exchanged document is being charged at no more than HK$2.5 per document.   The DTTN adopts a "Beneficiary Pays" principle whereby the beneficiary party for each document type will be charged.

3. Please refer to www.hk-dttn.com on detail of the pricing structure

ANNEX D: DOCUMENT STANDARD & TECHNICAL SPECIFICATIONS

1.   XML Canonical Document Structures

DTTNCo developed and the DTTN Standards Advisory Group reviewed and endorsed the XML canonical document structures for over 88 business documents commonly used in the trade, logistics and finance industries.   These structures are important to facilitate interoperability amongst the trade, logistics and finance communities locally, with the Mainland and globally. The document structure standards define the "common" meanings of the information entities and their inter-relationship.

DTTNCo has adopted the UNCEFACT Core Component methodology in defining the document structure standards and has made reference to the Universal Business Language (UBL), which has implemented the Core Component methodology. The methodology focuses on defining a common set of information entities, named as Core Components, which are then used as the building blocks for document structure standards. Under this approach, the consistency and reusability of the Core Components are guaranteed.

While DTTNCo will use the DTTN standard document structures as the canonical format for the transformation between the sender and recipient formats, it is important to note that DTTNCo also supports the use of international document standards (e.g. UN/EDIFACT, ANSI X.12, IATA CargoIMP) and end user specific formats (e.g. XML, MS Excel, CSV) by both the senders and recipients.

The DTTN Standards for XML canonical document structures that have been endorsed by the DTTN Standards Advisory Group for adoption by the DTTN community are listed on our corporate website for download. In order to review the XML schemas, an administration tool such as XMLSpy is required.

2. Document Specifications and Implementation Guideline

To assist software vendors in making use of the XML schemas of the DTTN canonical documents, implementation guidelines and document specifications had been made available.

To view and download the implementation guidelines and document specifications, please refer to the DTTN Standards on the DTTN web site – www.hk-dttn.com

ANNEX E: DTTN ARCHITECTURE OVERVIEW
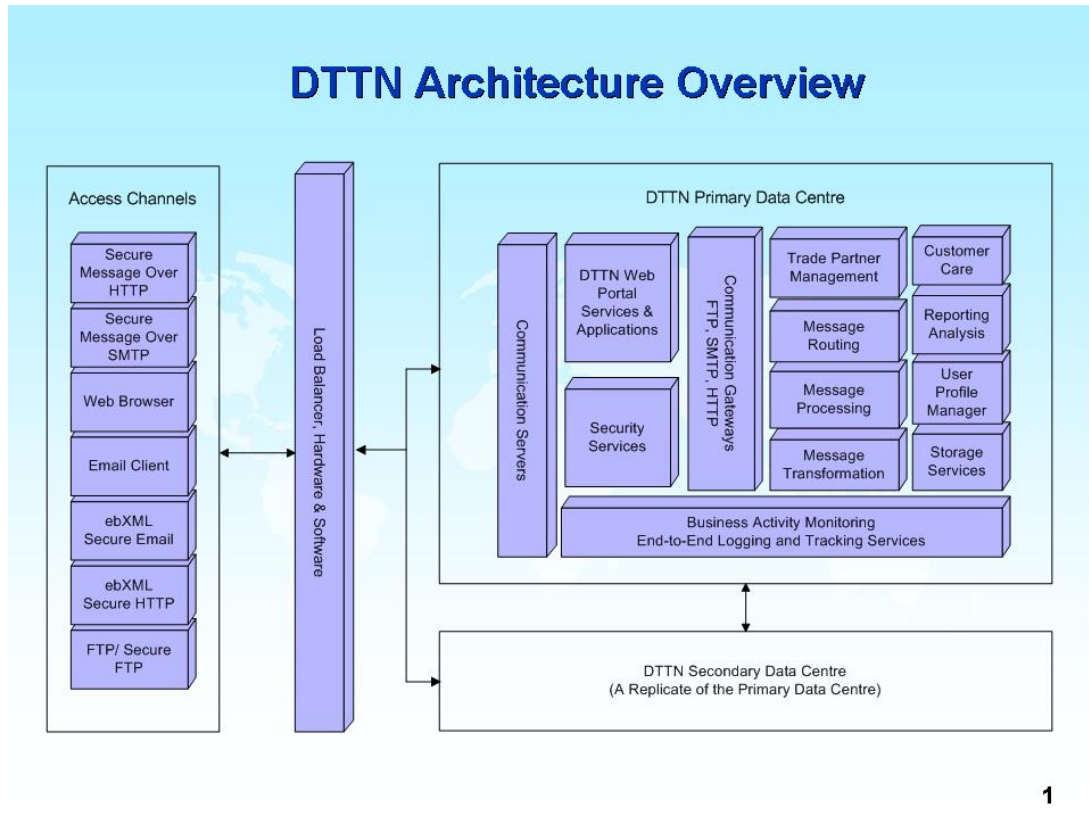
ANNEX F: TERMS AND CONDITIONS FOR REQUEST FOR PROPOSAL

The following terms and conditions shall apply to companies submitting Proposals in response to the "Request for Proposal - Promote Use of E-business in the SME Community":

1. Definitions

The following words and expressions shall have the meanings hereby assigned to them except where the context otherwise requires:

"Applicants" shall mean the organizations that have submitted a proposal in response to the Request for Proposal, and "Applicant" shall mean any one of the Applicants.

"Associations" shall collectively refer to SME Association, and HKITF, who are jointly issuing the Request for Proposal.

"DTTN" shall mean the digital trade and transportation network service offered by DTTNCo.

"DTTNCo" shall mean Digital Trade and Transportation Network Limited

"Front-end Software" or "FES" shall mean the software for preparing business document and have the capability to be sent and received successfully via the DTTN platform as described in the RFP.

"Project" shall mean the project contemplated in the RFP in relation to the Front-end Software.

"Proposal" shall mean the documents submitted by the Applicants in response to the RFP

"Request for Proposal" or "RFP" shall mean the invitation to companies to develop, deploy, and market the Front-end Software.

"Systems Specification and Design" or "SS&D" shall mean the functional and technical overview for the proposed FES.

"Selection Committee" shall mean the committee comprises of representations from the SME Association, HKITF, and DTTNCo to evaluate the submitted proposals and select the successful applicants eligible for the fund.

"Value Added Services" or "VAS" shall mean the systems, applications developed and offered by the Applicants using the connection and information available on the DTTN.

Words importing the singular shall also include the plural and vice versa where the content requires.

2. Completeness of Proposal

The Applicant shall use its best efforts to ensure that the information as represented in the Proposal is true, accurate and complete at the time of its submission.

3. Documentation

The Associations reserve the right to retain or otherwise dispose of all Proposals submitted without being liable for the costs of such documents, notwithstanding the fact that the Proposals are not accepted at the end of the evaluation.

The Applicants shall solely bear all costs and expenses of preparing, revising and submitting their Proposals regardless of the results of the selection process under the Project.

4. Organization background and business experiences

The Proposal shall contain information about the Applicants' manpower resources, years in business, office locations outside Hong Kong, target customer segment, number of customer, reference accounts etc. Information shall be submitted together with the Proposal to enable the Selection Committee to ascertain the Applicants' capacity to fulfill the Proposal.

5. Additional Information

From time to time, any of the Applicants may be required to furnish additional information with respect to the Proposal, including but not limited to the Project. Such Applicant shall use its best effort to provide the information in a timely manner.

6. Confidentiality

The Applicant undertakes not to divulge or communicate to any third party any confidential information howsoever acquired in relation to or arising from the RFP without first having obtained prior written consent of the Associations.

For the purpose of this RFP, all information furnished by the Associations whether jointly or individually, shall be deemed confidential unless otherwise indicated.

These obligations of confidentiality do not apply to information that:

(a)   is or becomes public available without breach of confidentiality; or
(b)   is released for disclosure with the written consent of the Associations.

The Applicant warrants that it has the lawful right to disclose the information contained in its Proposal submitted hereunder without breaching any duty of confidence, and shall indemnify the Associations and keep them always indemnified against claims of third parties and damage sustained by the Associations arising from or in connection with the Applicant's breach of this warranty, or in the case of court proceedings against the Associations, defend the Associations at the Applicant's own costs and expenses.

7. Copyright and Other Intellectual Property Rights

Unless otherwise agreed to in writing, all copyright in any documents

relating to the RFP and provided by the Associations shall vest in the Associations.

The Applicant warrants that its Proposal shall not contain any third party right or interest save and except for those that it will disclose in the Proposal.

8. Demonstration of claimed capabilities

The Applicants shall, at the request of the Associations, conduct such demonstrations and presentations to substantiate the claims in the Proposal to the Associations' reasonable satisfaction. The costs and expenses arising from or in connection with any such demonstrations and / or presentations shall be borne solely by the Applicants.

9. Agreement

In the event the Applicant is selected for the RFP, the Applicant shall be required to enter into a legally binding agreement with the Associations, the terms and conditions of which shall be agreed upon between the parties at a later date as the Associations may determine at their sole discretion.

The Applicant agrees that if any Front-end Software is developed for use according to its Proposal under the Project, it shall grant to DTTNCo an exclusive, irrevocable and transferable license to freely use or sub-license such Front-end Software for the purposes of the Project. In the event of any third party interest or right in or to the Front-end Software exists, the Applicant shall procure such third party to give its written consent to the grant of license. If DTTNCo requests to register such license with any authority, the Applicant shall and shall procure such third party to sign or execute any instruments to facilitate the registration.

10. Disclaimer

(b)   The Associations shall have the absolute discretion to accept or reject the submission of any Applicants without being liable to

give any reason thereof.

(c)   The Applicant acknowledges and agrees that itself and all its associated persons, bodies and organizations who participate in the Project and / or the RFP, whether directly or indirectly, as the employees or agents of the Associations, and the Associations shall not be responsible for any acts or omissions of them or any of them. The Applicant hereby releases the Associations, its employees and agents from all liability for personal injury or loss of or damage to property or any loss or damage of any other kind whatsoever which the Applicant may sustain by reason of any act or omission of the Applicant and its employees and agents or of such persons, bodies and organizations of the aforesaid their employees and agents.

11.   Indemnity

The Applicant shall indemnify, keep indemnified and defend the Associations against any claim where the Applicant's Proposal infringes any third party's (a) patent; (b) copyright; (c) trademark; other intellectual property rights;; or (d) trade secret. The Applicant shall indemnify, keep indemnified and defend the Associations, its officers, directors, and employees against any costs, expenses, or liability directly or indirectly arising out of or relating to any claim from any third party based on the Associations' use or possession of the Applicant's Proposal.

12.   Limitation of Liability

The Associations shall not have any liability to the Applicant under the RFP to the extent that any infringement or claim thereof is based upon (a) any content in the Applicant's Proposal; or (b) the Applicant's failure to participate in or to be selected for the RFP for any reason whatsoever.

13.   Default

(a)   The Associations may terminate this agreement or any

agreement that may have been signed before the award of funds and if funds have been awarded, withdraw the award of funds or any further funding to the Applicant upon thirty days' prior written notice, in the event that: (i) any of the Applicants fail to observe any of its obligations herein; (ii) any of the Applicants admits in writing its inability to pay its debts generally as they become due; or make a general assignment for the benefit of creditors; or institute proceedings to be wound up, or consent to the filing of a winding up petition against it; or be adjudicated by a court of competent jurisdiction as being insolvent; or seek reorganization or consent to the filing of a petition seeking such reorganization; or has a decree entered against it by a court of competent jurisdiction appointing a receiver, liquidator, trustee, or assignee in bankruptcy or in insolvency covering all or substantially all of its property or providing for the liquidation of its property or business affairs; or (iii) any of the Applicants withdraws from the application without the Associations' prior written approval. The Associations shall not be responsible for any loss and damage that the Applicants may sustain due to such termination.

(b)   The Associations further reserve the right to recover any or all funding disbursed to the Applicants in the event this agreement is termination.

32

PROMOTE THE USE OF E-BUSINESS IN THE SME COMMUNITY

Request For Proposal

Proposal Form

Notes to Applicant

1. Each Applicant intending to respond to the RFP is required to submit in the format of the proposal form.

2. Three hardcopies and one softcopy (in a CD-ROM) of the Proposal should reach the following address **no later than 5:00 pm on 18 May 2007**:

   Hong Kong Information Technology Federation Ltd. ("HKITF")
   2505-6, 25/F Stelux House
   698 Prince Edward Road East,
   San Po Kong, Kowloon
   Hong Kong

   Late submission will not be entertained.

   All proposals should be marked as **"SSP Proposal"**.

3. Please email to SSP@hk-dttn.com for any queries related to the RFP.   No enquiries regarding this RFP will be considered after 18 May 2007

PART A – COMPANY INFORMATION

1.   Company Information

Company Name	
Company Address	
Telephone	
Fax	
Company web site	
Business Registration number	
Date of Registration	

2.   Detail Company Information

Number of employees	
Number of developers / engineers / programmers	
Number of support staff	
Number of office outside Hong Kong (Please list office locations outside of Hong Kong)	
Number of customer	
Target industry segment	
Core Application(s) (Please list)	

3.   Contact Person

Name	
Title	
Telephone	
Fax	
E-mail	

4.   Applicant's Experience

Provide an overview on Applicant's experience in delivery of projects / products for electronic commerce and / or IT projects (including implementation and on-going support). Indicate if the Applicant has achieved ISO standards and / or other IT professional qualifications.

5. Reference Accounts

Provide overview of reference account(s) whose solutions / services relates to the proposed service and benefit(s) achieved by the customer(s).

6. Project Category

Indicate ALL the process(s) and document type(s) the Applicant will propose. Please refer to the process type and document type as described in Table 3-3: Key messages supported by the DTTN

7. Project Objective

Provide an overview on how the proposed service can resolve the current business problems. Also qualify the benefit(s) for the end user customers when using the Applicant's proposed service.

8. Technical Description

The Applicant should propose to develop and implement a modular Front-end Software (FES). The Applicant has the option to integrate the Front-end Software with its core solutions / services. Applicant should provide description on the below:

o   Technical overview on function and feature of the FES

o   Detail design and logic flow of the FES

o   Hardware and operating software components required for the running of the FES, with expected performance indication

o   Standard adherence, proven or industry used components, standards and procedures adopted by the Applicant

o   Procedure and time required for implementation, installation, and training

o   Demonstration / function test report, please also indicate if any

integration test is to be performed together with the upstream / downstream application software / system

o   Adherence to OSS

9.   Value Added Services (VAS) Development

If Applicant chooses to develop optional VAS in conjunction with the Front-end Software, provide description on the features and functions of the VAS.

10.   Project Schedule

9.1   For Applicant that will complete development on all proposed FES in a single phase, provide:

Estimated date of commencement (dd/mm/yy):
Estimated date of completion (dd/mm/yy):

9.2   Applicant estimates the development of the proposed FES would be completed by phase is required to state the commencement and completion date by process and by document type (if appropriate):

Process	Document type	Commencement date	Completion date

11.   Quantitative Outcomes

Performance Indicators	Expected Outcomes	Remarks
Number of customers that will subscribed to the DTTN		
Project transaction volume that can be exchanged via the DTTN		

12.   Pricing Model

Described in detail the pricing model of the Applicant's pricing model for its core services with FES being developed. Also include the pricing model for any VAS (if applicable)

ANNEX H: EVALUATION CRITERIA

1.   A panel of judges will be set up for proposal evaluation and shall select no more than 10 Applicants of highest score. The proposals received shall be evaluated in 3 stages as shown below. Highest score is defined as the sum of score received from Stage 2 and Stage 3.

2.   The proposal will be evaluated in 3 stages.

2.1   Stage 1: Preliminary Evaluation

Completeness of proposal, all Applicants must fill up all sections of the Proposal Form. Part and partial submission will not be evaluated for subsequent stages.

2.2   Stage 2: Business Process(es) and Document Type(s) Proposed

Assessment is based on the combination of process type and the number of document type proposed to develop. The score for each process type is listed in the below table. Each proposed document type would score 1.0. Score for stage 2 is the sum of the score received on the process type(s) proposed and score received based on number of document type(s) proposed. The full score for Stage 2 is 100 with the passing score of 13.

Applicant must identify **both** the Business Process(es) and the corresponding Document type(s) to be developed. Applicant must reference to the name of the document type as outlined in Table 3-3. Applicant proposing only either the Business Process(es) or Document type(s) will not be further considered. Proposal must exceed the Passing score of 13 to be considered further.

Process Type	Score
1) Establish sales / purchase contract	1
2) Apply and obtain insurance coverage	2
3) Letter of credit (L/C) application and processing	2
4) Prepare goods for delivery	1
5) Arrange inspection and issue certificate	2
6) Apply and obtain licence / certificate / permit and submit notification for both exportation and importation	2
7) Arrange and execute transportation (both single mode and multi-modal arrangement)	5
8) Present and verify trade documents for financial settlement	5
9) Submit trade declaration	1
10) Payment and receipt management (for the provision of trade and logistics services)	4

2.3 Stage 3: Detailed Assessment

Assessment will be evaluated in accordance with the marking scheme as shown in the below table. Proposals must meet or exceed the Passing score in each criteria to be considered further.

Detailed Assessment Marking Scheme

Non Technical Assessment Criteria		
Assessment criteria	Full score	Passing score
a) Company background Assessment based on industry experience, size of customer base, reference sites information, company size, sales office outside of Hong Kong etc.	10	> 5
b) Support and deployment capability Assessment based on proposed support for the Front-end Software including but not limited to scope of service, service level, size of customer service team etc.	10	> 5

Non Technical Assessment Criteria		
Assessment criteria	**Full score**	**Passing score**
c) Product enhancement Assessment based on proposed product enhancement plan for the Front-end Software, frequency of upgrade, upgrade procedure etc.	10	> 5
d) VAS Development Assessment based on the type of VAS to be developed to enhance the end user's e-capabilities, integration with the Front-end Software, pricing plan, target customer segment etc.	20	0
Sub Total A (Non technical assessment)	50	> 15
Technical Assessment Criteria		
Assessment Criteria	**Full Score**	**Passing Score**
a) Use of proven technology and support of Open Source technology	20	> 10
b) Robustness of the software to handle increased transaction load	10	> 5
c) Enhanced eCommerce features e.g. RFID, RF/bar coding supports by the software	5	> 2
d) User friendliness with menu structure easy to follow and understand	10	> 5
e) Language(s) support for both input and output.	5	> 3
Sub Total B (Technical Assessment)	50	> 25
Total for Detailed Assessment (Sub Total A + Sub Total B)		
	100	> 40