Terms of Reference
For
Business Process Improvement Study of Employee Trust Fund Board of Sri Lanka

1. Introduction;

The employees' trust fund board was established by the Act No 46 of 1980 commenced operations in march 1981. It was established under the Ministry of Labour and brought under the Ministry of Finance in 1997 and currently under the Ministry of National Policies and Economic Affairs since October 2015. All public sector employees who are not entitled to the Govt. Pension Scheme and all private sector employees are members of this Fund while their employers are required to remit 3% of the gross earnings of their employees to the Fund, monthly. Hence, unlike the EPF, only the employer makes a contribution on behalf of the employee/member and hence, it is a non-contributory benefit to the member. During the past 35 years, the Fund has grown rapidly and achieved a total Fund of about Rs 218.5 Billion by end of December 2015 whilst serving to about 2.5 Million active members on behalf of whom about 76,000 Employers contribute to the Fund.

2. Background;

The ETFB in collaboration with Information and Communication Technology Agency of Sri Lanka (ICTA) has taken the initiative of improving the business process of ETFB managing functions while introducing a new centralized IT solution. In order to accomplish above objective, a detail process improvement study to be carried out initially and identify necessary process changes of the ETF board. Initial process improvement study is essential to identify the inefficiencies and unproductive process flows in the existing systems within the ETF operations. This must be carried out with a detail process improvement study and therefore ICTA needs to obtain service from a consultancy firm for the process improvement study.

3. Concise statement of the objectives;

1. Conduct a Process Improvement Study for ETFB with the objective of making the current processes effective and efficient when the proposed project is implemented

2. Shift from an Employer centric approach to a Member centric approach.

3. Conduct a system study in order to propose a new ICT solution which will meet all functional requirements of the ETFB

4. Prepare documents that will enable the department to select a solution provider on competitive basis and

5. Prepare a Change Management Plan

4. Scope of Work

Outline of the tasks to be carried out

4.1. Study the mandate of ETFB to register the employers, employees

4.2. Study the main functions of ETFB and processes involved (Refer Annex 1: High-level Functionally of ETFB) (not limited to)

 4.2.1. Member Services-Updating and maintaining of member accounts, issuing annual member statements to members, processing of statutory benefits and maintain other benefits schemes for members

 4.2.2. Collection and Employer Relations-Collection of contributions and surcharges, legal and enforcement activities and to attract self-employment sector for the ETF member ship.

 4.2.3. Investments- manage investment portfolio of the board.

 4.2.4. Finance- Preparation of monthly and annual accounts, annual budget, and effecting staff and other payments, government taxes, coordination of government audit matters, preparation of co-operate plan and other information management reports.

 4.2.5. Audit and Assurance- Establish adequate systems of internal controls

 4.2.6. Planning Research & Development- Improve the operations of the organization.

 4.2.7. Statistics-Preparation, maintenance, and effective use of real time database which can provide the information required for efficient and effective decision by the key stake holders both internal and external.

 4.2.8. Legal- Efficient and effective enforcement of the Act to maximize, compliance and enrolment of members.

 4.2.9. HR- Human Resource administration and development activities.

4.3. Identify the major internal and external stakeholders and assess the criticality of their involvement in the study. In case of external stakeholders' involvement, discuss and suggest the formalities and actions required to the ETFB, Ministry and ICTA and conduct the study accordingly.

4.4. Carry out the process improvement study

4.5. Conduct workshops and seminars for motivating the staff and build the buying-in from all the staff involved. Special attention should be paid for motivating the management staff.

4.6. Conduct workshops and seminars to create awareness on the need of Improving the processes and concepts of re-engineering

4.7. Conduct workshops and seminars to create awareness on the "cross functional processes" and "core processes" if any

4.8. Identify process owners of ETFB and instill the sense of ownership and build the "Process Owner Teams"

4.9. Conduct workshops and seminars to gather proposals for improvements from the process owners.

4.10.   Work with the staff of ETFB to set down the "stretch goals" for all core processes.

4.11.   Work with the staff of ETFB policy level re-engineering requirements and operational level re-engineering requirements.

4.12.   Work with the staff of ETFB to propose "Improved Processes".

4.13.   Identify the general functional requirements for implementing "Improved Processes" and "Process Functionality Specifications".

4.14.   Recommend the final Process improvement proposals which have been agreed upon by the staff of ETFB.

4.15.   Document all above activities and formally submit those documents to ETFB as logical report.

4.16.   Carry out the system study.

    4.16.1. Document the Business Requirements Specification as per the BPR recommendations. This should have the service definitions, which were identified from the BPR study as per the Service Oriented Architecture (SOA) concepts.

    4.16.2. Conduct surveys on non-functional user requirements (for maximum performance).

    4.16.3. Features of the new system should include (not Limited to)

        i. Specifications for modern features of the future system which can only be facilitated by online systems.

        ii. Configurable report generator that could be configured to use different criteria for generating report for management decision making for the current scenarios as well as the anticipated future scenarios

        iii. Specifications for configurable information exchange engine

    4.16.4. Carry out a survey on needs related to verification and authentication of the system proposed.

    4.16.5. Propose the network architecture for ETFB based on the organizational requirements.

    4.16.6. Future interconnecting and integration requirements with stakeholders for ensuring interoperability.

    4.16.7. Assess the web and portal requirements of the ETFB for the wider public.

    4.16.8. Assess the changes that would occur due to the new system and prepare a Change Management Plan.

    4.16.9. The Consultant shall complete the entire assignment within 12 weeks from the commencement of work. The Consultant shall produce the following deliverables at specified milestones (not necessary in the sequential order shown here):

Annex 1 - High-level Functionally of ETFB

5. Deliverables and time line;

Consultancy firm is required to submit the following list of deliverables.

The definitions of the Deliverables are detailed in this section

No	Major Milestones	Due Date	Deliverables

5.1.	Inception Report	1 week	The inception reports should, at minimum, address the following for each of the key components.
			    5.1.1.Detail proposed Work plan
			
			    5.1.2.Project schedule with individual deliverables and milestones identified.

5.2.	Process Improvement Study	8 Weeks	**Process Improvement Study Report**
			(Consultant could start the work from the 0th week together with the Inception Report)
			The BPR Study Report shall address the following areas (not limited to).
			    5.2.1.Business Area Description.
			
			    5.2.2.Current Business Processes.
			
			    5.2.3.Opportunities for Improvement.
			
			    5.2.4.Improved Business Processes.
			
			    5.2.5.Performance/Efficiency Indicators.

5.3.	System Study	12 weeks	**System Requirement Definition Report**
			This document should include
			    5.3.1.The information System requirements of that are identified based on the System Study carried out at ETFB.
			
			    5.3.2.This document should include the Request for Proposal (RFP).
			
			    5.3.3.Should construct an Activity Diagram for the Processes identified.
			
			    5.3.4.Should follow the Service Definitions of the Identified Requirements of the Business Processes in the Process Improvement Study. Should at minimum include.

No	Major Milestones	Due Date	Deliverables
			Requirement:
			Description of Service-
			Reference to Process Improvement Study -
			Inputs required by the Service-
			Outputs from the service -
			Data to be captured -
			Validations -
			Availability -
			Other services called by this service -
			Exceptions -
			5.3.5. Should include Data Conversion/Migration requirements.
			5.3.6. Should include web and portal requirements for general public
5.4.	Change Management Plan	14 weeks	**Change Management Plan** The change management plan shall at least comprise 5.4.1. IT resource plan. 5.4.2. A Communication Plan and a Training Plan. 5.4.3. Organizations Floor Plan changes.

6. Facilities to be provided by the Client

1. ICTA and ETFB will arrange meetings/ workshops with relevant stakeholders as requested by the vendor

2. The ETFB will provide copies of all relevant documentation, such as government policy and regulatory / legislative documents relevant to the assignment.

7. Review Committees and Review Procedures

All deliverables will be reviewed by the team appointed by ICTA.

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