

وزارة المالية
Ministry of Finance



مركز تحقيق
كفاءة الإنفاق
Center of Spending Efficiency



Strategic Procurement Unit

Brief Overview



Agenda

I

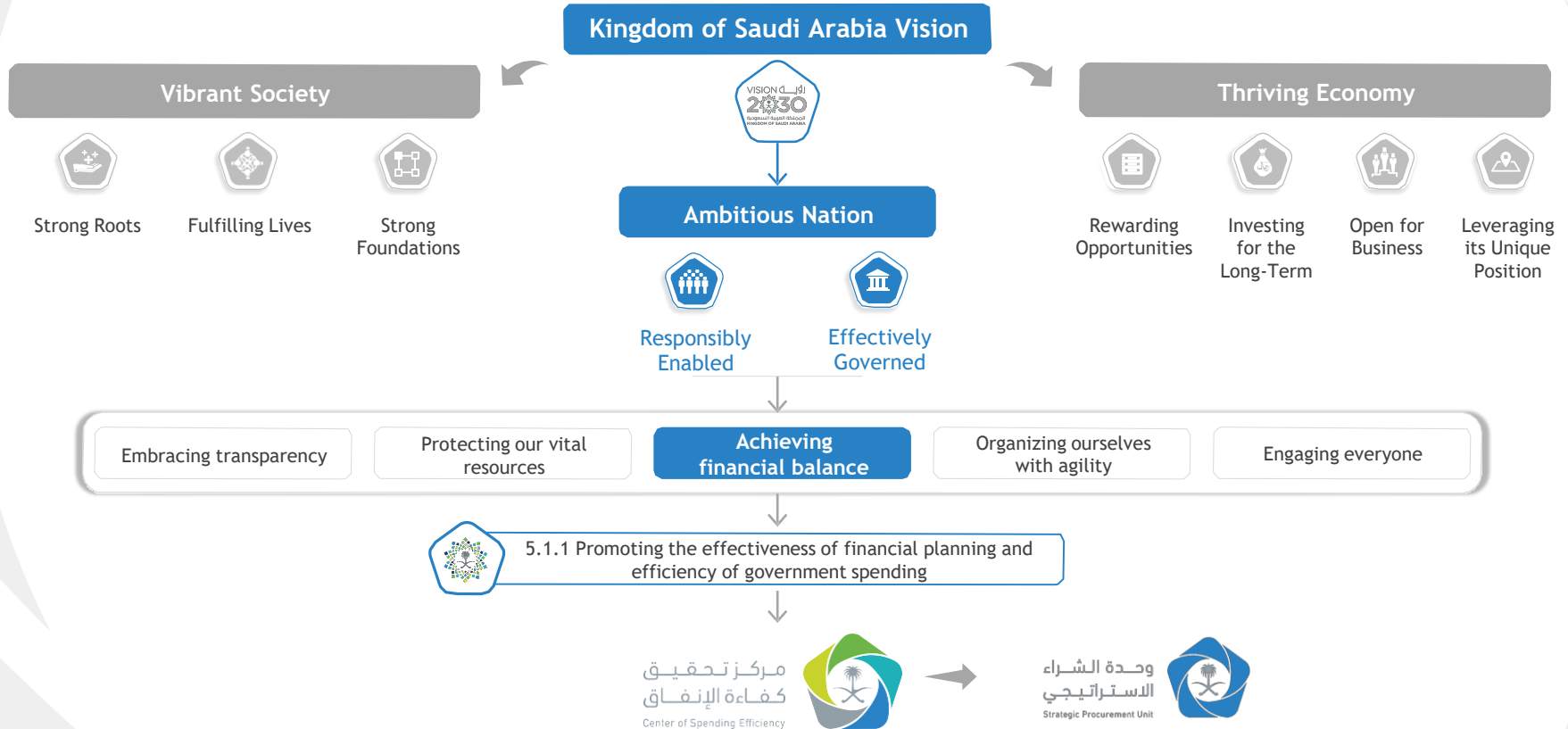
Overview of new Government Tenders and Procurement Law (GPTL)

II

Introduction to unified procurement within SPU




In line with Vision 2030 objectives and the new Government Tenders and Procurement law, the Strategic Procurement Unit was launched to achieve financial balance in KSA








Today, the government system faces several challenges across multiple dimensions within the procurement ecosystem





 **Absence of the unified vision of government procurement** whereas each entity manages procurement process independently and in a way different from other entities

 **Poor exploitation of purchase power in negotiations with suppliers**


 **Lack of reference pricing and benchmark of the unit cost and cost elements**

 **High risks on suppliers and subsequently prices increase**

 **Lack of mechanisms to support SMEs and support local content**

 **Difference capacities and experiences of employees of government procurements in different entities**

 **Failure to direct spending through purchases effectively which support the strategic objectives**

 **Lack of annual and periodic reports on government purchases**



As such, The New Government Tenders and Procurement Law (GTPL) emphasizes five key strategic objectives

Strategic objectives



Develop New Contracting Methods



Introduction of the of Roles Unified Procurement



Promote Economic Development



Promote Integrity and Transparency



Improve Procurement Procedures

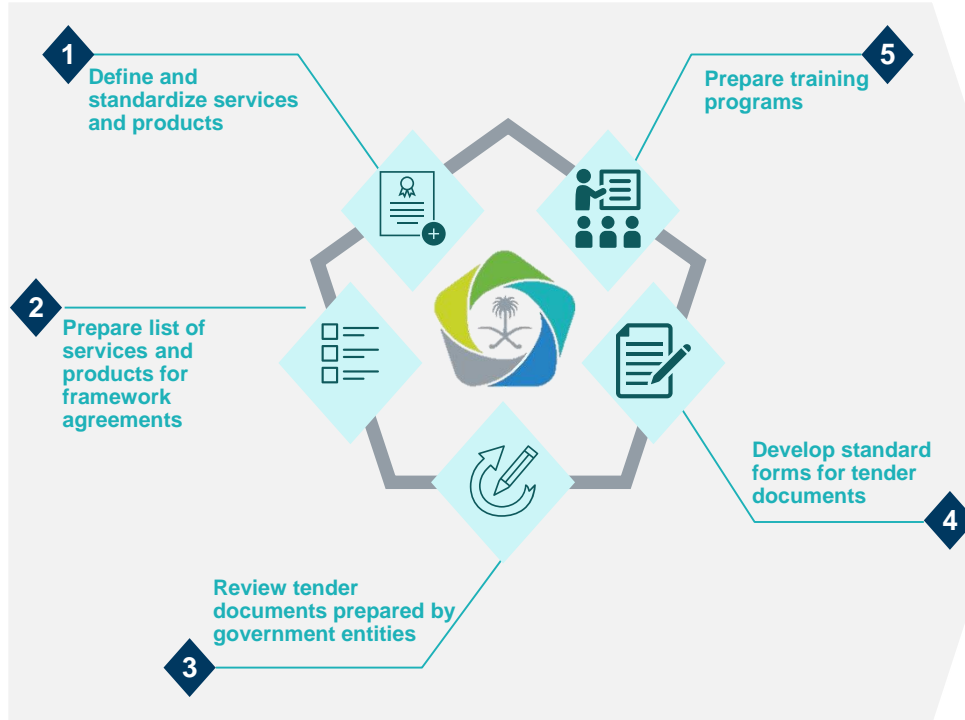
Initiatives

- Framework agreements
 - Two - Steps Contracting
 - Electronic reverse bidding
-
- Sign framework agreements on behalf of entities for common goods and services
 - Review government entities' Request For Proposals prior to rolling them out
 - Develop of all procurement documents
 - Conduct training and capability building programs
-
- Include local content, SME and listed companies preference mechanisms
 - Ensure support for contractors and private sectors
 - Introduce the concept of advance planning for business and purchases
-
- Increase transparency of procedures though electronic systems and mandate transactions through the "Etimad Portal"
 - Improve the complaints mechanism
 - Develop and implement supplier's evaluation criteria and policies
-
- Develop a standard mechanism for evaluating technical and financial proposals
 - Introduce pre and post qualification
 - Approve contracting according to performance to ensure the quality of final deliverables
 - Impose higher fines (in percentage) in continuous implementation contracts



Furthermore, the new Government Tenders and Procurement law mandates the Strategic Procurement Unit with five key functions within its scope of responsibility

Functions within SPU's scope of responsibility




- 1 **Define services and products** which are common across government entities, **unify technical specifications**, launch procurement process, receive, evaluate and select bids, **and sign framework agreements on behalf of government entities**
- 2 **Prepare lists of products and services** for which **framework agreements** were signed and enable government entities to **review these lists** and framework agreements through the portal.
- 3 **Review business cases and estimated costs** of products and services, as submitted by government entities, as well as any related **tender and pre-qualification documents**, if any, and provide insights within the period specified in the regulation
- 4 **Prepare forms for tender documents, pre-qualification documents, contracts, vendor performance assessment**, and any other document required, in accordance with provisions of the law and regulation
- 5 **Prepare the necessary training programs** for developing qualifications and skills of officials responsible for implementation of provisions of this law **in government entities**.



Within S P U, we have identified categories as horizontal or specializes based on a set of criteria

NON-EXHAUSTIVE

 Procurement process detailed next

Strategic procurement Unit

Horizontal categories

Specialized categories

Criteria

- Public spend is distributed among several entities across the Kingdom
- Service or product can be procured through a framework agreement

- ~80%+ of public spend is consolidated within limited number of entities across the Kingdom
- Difficult to procure through a framework agreement

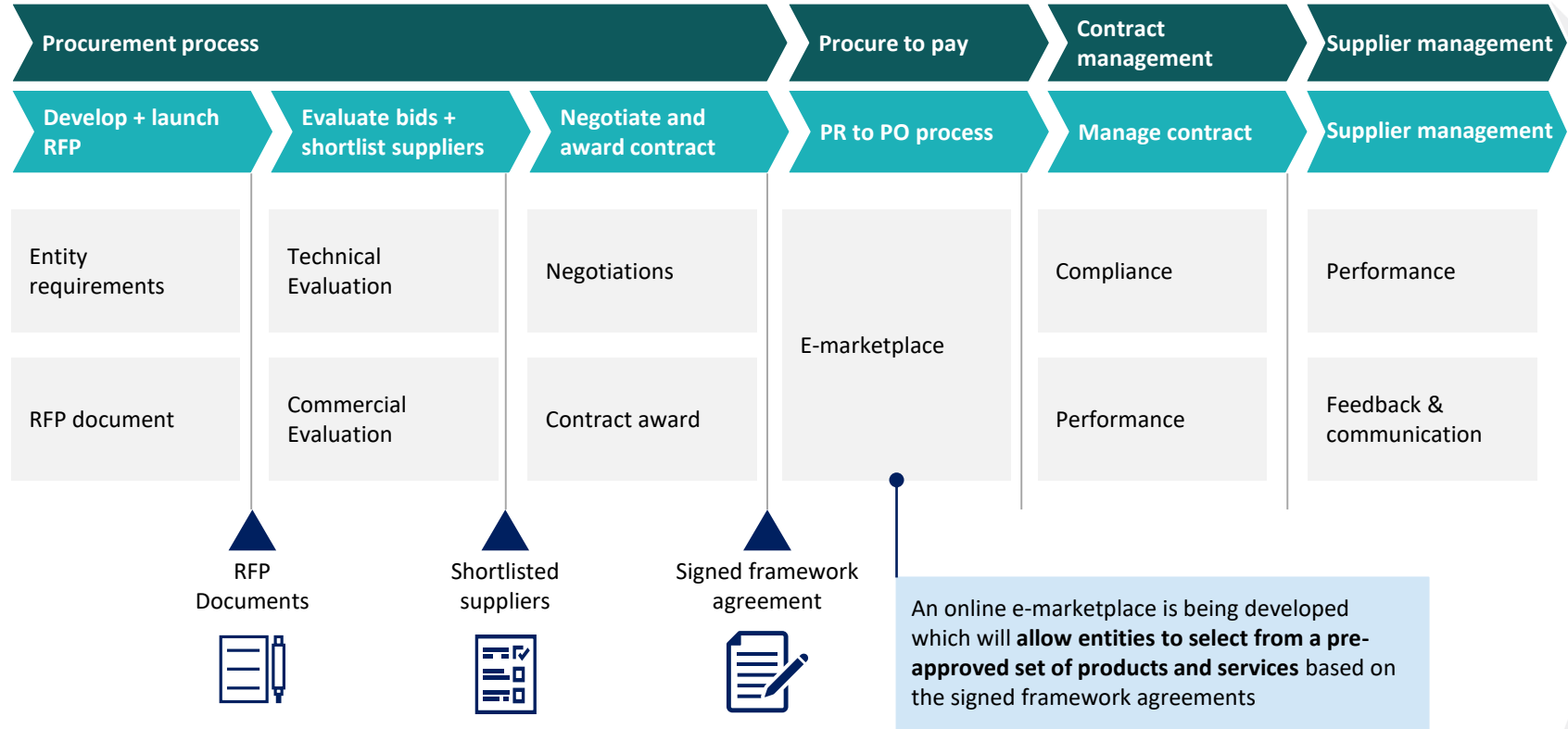
Sample categories

IT Hardware & Software
Uniforms
Vehicles
Office supplies
Medical equipment
Medicines & medical supplies
Furniture
Travel
Consulting services

Operations and maintenance
Catering
Construction works
Utilities
Land and building rent
Asset renovation and improvement
Events
Transportation and storage
Vocational training



The Strategic Procurement Unit is responsible for the end-to-end development, tendering and management of the framework agreements for horizontal categories



مركز تحقيق
كفاءة الإنفاق
Center of Spending Efficiency



Thank You