Introductory Guide to
the Digital Procurement Methodology

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Introduction

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1. Introduction

The Digital Government Authority continuously adopts and updates regulations to keep pace with current and future requirements, and to play a key role in enhancing digital performance within government agencies, improving the quality of services provided, and enhancing the beneficiary's experience of these services. This aligns with the ambitious vision 2030 and corresponds with the strategic directions of the Digital Government Authority, which emphasize the importance of providing an effective and flexible regulatory environment that adapts to future changes.

Building on its role in achieving high efficiency in digital procurement and maximizing its benefits, the Authority has prepared the "Introductory Guide to the Digital Procurement Methodology" in collaboration with several specialized government agencies. The guide aims to strengthen the concept of the digital procurement cycle, enhance its efficiency, and regulate its procedures.

The guide explains the concept of the digital procurement cycle, which consists of three main phases: the requirements definition phase, the procurement phase, and the procurement management phase. It also outlines the key activities involved in digital procurement, enabling the implementation of various procurement operations, procedures, and activities. The guide contributes to supporting these processes to achieve the highest levels of efficiency and effectiveness by providing information and details related to digital procurement.

In case of any conflict between the information mentioned in this guide and the Government Tenders and Procurement Law, its Implementing Regulations, or related decisions, the provisions of the aforementioned laws, regulations, and decisions shall prevail, as they constitute the primary and fundamental reference.

Objectives

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2. Objectives

The guide contributes to achieving the objectives related to digital procurement, as follows:

01

Organizing the various procedures and roles within the digital procurement cycle, as well as the departments of categories, contracts, and risks.

02

Enabling procurement departments to develop the methods used and the procedures followed.

03

Strengthening the concept of the digital procurement cycle and adopting the main phases and activities involved in digital procurement.

04

Providing government agencies with appropriate guidelines and best practices for digital procurement to leverage digital procurement enablers, such as: digital procurement classification.

Scope

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3. Scope

The guide contributes to clarifying the digital procurement cycle and its included phases and activities for implementation and operation, by highlighting the following aspects:

01

The digital procurement cycle, which includes a detailed breakdown of the phases of the digital procurement cycle and the factors considered at each phase, in addition to matters related to digital procurement classification.

02

The detailed scope of the digital procurement cycle, which clarifies the approvals required to carry out the detailed activities of each phase, and the technical deliverables for each, to be produced upon completion of these activities.

03

The digital procurement methodology cycle, which contains a detailed statement of the specific activities and necessary explanations that enable the beneficiary to understand and apply them, in addition to clarifying the tools used in the detailed activities that require them.

04

Key performance indicators, enablers, and success factors, which include key performance indicators designated for each phase to be used and applied, in addition to the enablers that enhance digital procurement activities, and the success factors implemented when working with this methodology to achieve the desired outcomes.
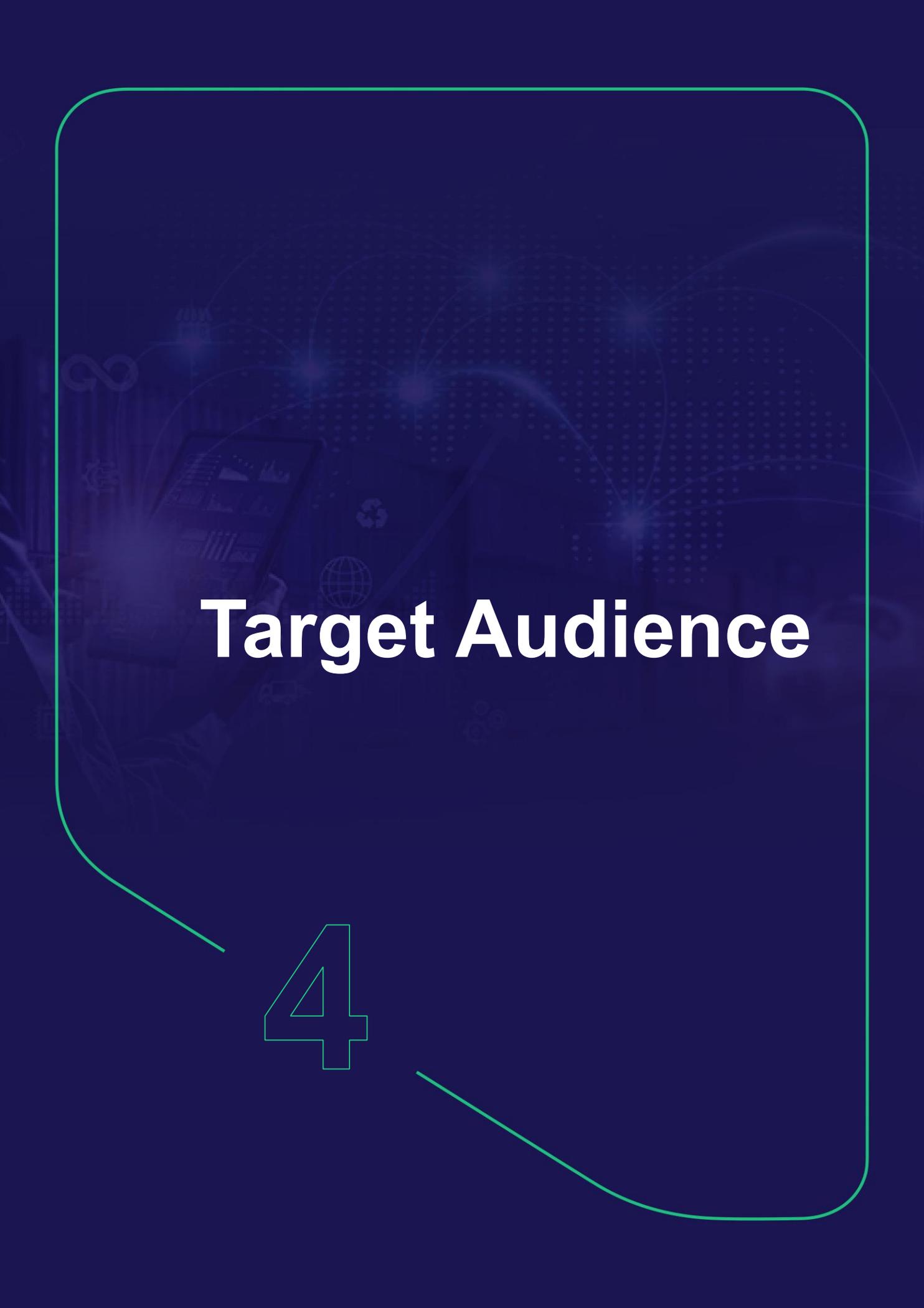
Target Audience

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4. Target Audience

This guide targets government agencies, digital transformation leaders, procurement and IT specialists, in addition to departments related to procurement procedures and associated operations.

Digital Procurement Methodology Statement

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5. Digital Procurement Methodology Statement

The digital procurement methodology means all matters related to communications and information technology procurement. The methodology outlines the entire procurement cycle, highlighting tools, lessons learned, and best practices that can be applied to achieve optimal digital requirements and enhance procurement efficiency.

5.1 Overview of the Digital Procurement Cycle

The digital procurement cycle consists of three main phases: the requirements definition phase, the procurement phase, and the procurement management phase. The cycle is based on strategies for managing digital procurement categories and markets, in addition to contractor management activities.

The digital procurement structure can also be built based on digital procurement classification. The first level includes basic classifications, such as (but not limited to): hardware, software, networks and communications, cloud services, professional services, and emerging technologies. This classification contributes to improving the quality of government digital procurement procedures and organizing related operations. Classification can be divided into four category levels, according to the following example:

Level 1: (Hardware) ➡ Level 2: (User Devices) ➡ Level 3: (Computers) ➡ Level 4: (Tablets)

At each phase of the digital procurement cycle, several factors are considered:

1. **Future Needs Planning:** Planning for future digital procurement needs helps procurement and IT teams maximize resource utilization effectively. It also assists bidders in understanding short- and long-term requirements and preparing appropriate responses.

2. **Appropriate Contracting Methods:** There are various contracting methods. Procurement teams determine the most suitable contracting approach according to the Government Tenders and Procurement Law. It is important for procurement and IT specialists to stay updated on products and services available through framework agreements.

3. **Digital Market Assessment:** Market assessment is conducted early in the preparation and planning phase. This is to enable procurement and IT teams to identify potential market constraints.

4. **Risk Management:** Identifying potential risks at every step and phase of the digital procurement cycle, and detecting vulnerabilities in the supply chain to manage risks effectively.

5. **Sustainability**: The term "sustainability" or "sustainable procurement" refers to meeting the agency's needs in a way that achieves value for money by generating benefits not only for the establishment but also for the community and local economy, while considering environmental, social, and governance aspects.

6. **Key Performance Indicators and Service Level Agreements:** All digital projects must include relevant performance metrics and service level agreements that correspond to the size and nature of the project. Ensuring these metrics are in place contributes to delivering highly efficient deliverables.

7. **Fair Competition and Transparency:** Digital procurements and services are subject to a fair competitive process in accordance with the Government Tenders and Procurement Law. Procurement and IT teams must not discriminate between bidders. Agencies must ensure openness and clarity in all bids and decisions, providing all bidders with the same detailed and clear information. Transparency allows agencies and all bidders to clearly understand the objectives of the procurement, the scale of expenditure, and the target segment. It also fosters greater opportunity, drives down costs, encourages innovation, and enhances operational efficiency.

8. **Digital Procurement Analysis Tools:** the Introductory Guide to the digital procurement methodology includes tools that help facilitate the technical analysis of digital procurements.

5.2 Detailed Scope of the Digital Procurement Cycle

The digital procurement cycle comprises three phases, each of which includes detailed activities and essential approvals to achieve specific technical deliverables for that phase. Figure (1) below illustrates this cycle.
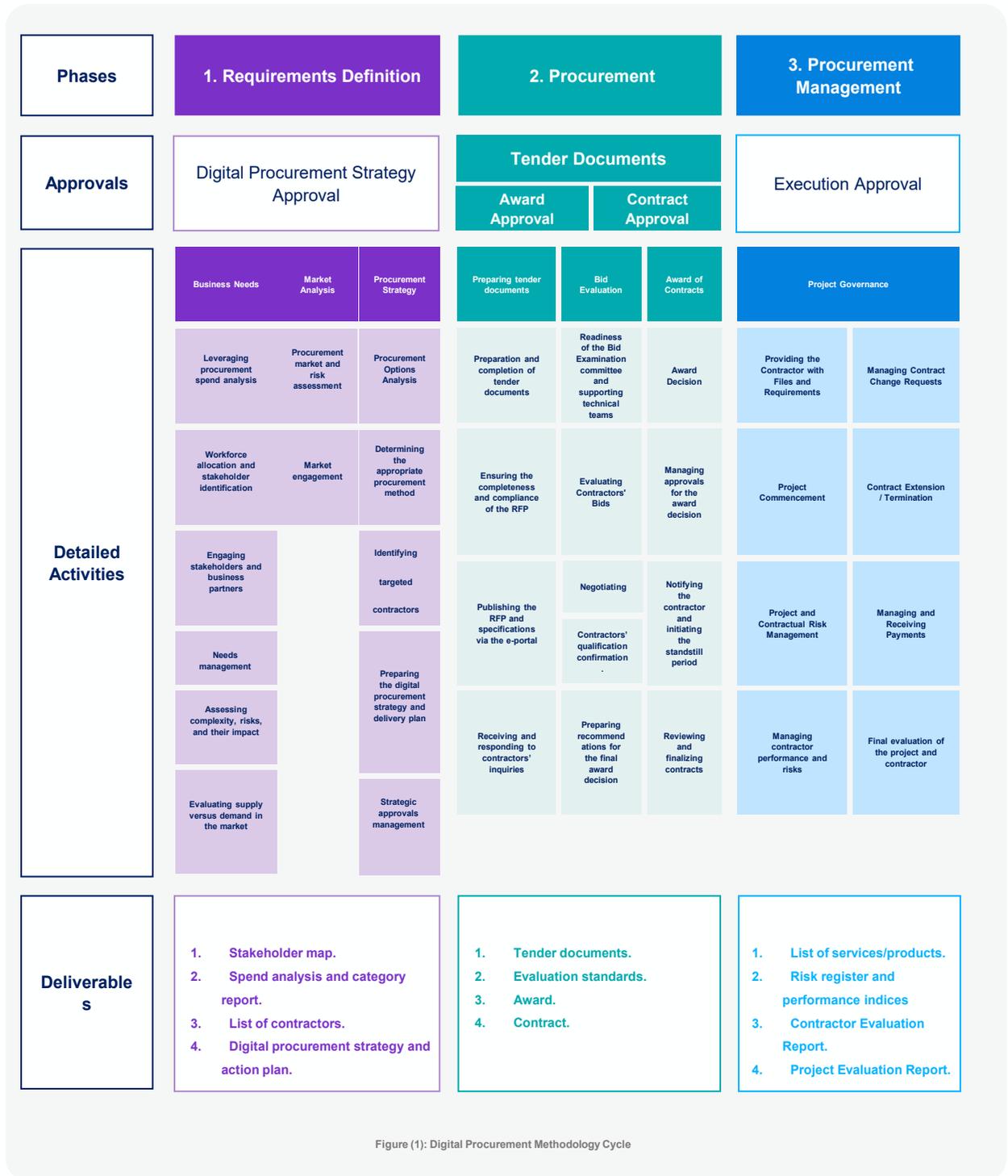

	1. Requirements Definition	2. Procurement	3. Procurement Management
Phases	1. Requirements Definition	2. Procurement	3. Procurement Management
Approvals	Digital Procurement Strategy Approval	**Tender Documents** — Award Approval / Contract Approval	Execution Approval
Detailed Activities	Business Needs / Market Analysis / Procurement Strategy; Leveraging procurement spend analysis; Procurement market and risk assessment; Procurement Options Analysis; Workforce allocation and stakeholder identification; Market engagement; Determining the appropriate procurement method; Engaging stakeholders and business partners; Identifying targeted contractors; Needs management; Preparing the digital procurement strategy and delivery plan; Assessing complexity, risks, and their impact; Evaluating supply versus demand in the market; Strategic approvals management	Preparing tender documents / Bid Evaluation / Award of Contracts; Preparation and completion of tender documents; Readiness of the Bid Examination committee and supporting technical teams; Award Decision; Ensuring the completeness and compliance of the RFP; Evaluating Contractors' Bids; Managing approvals for the award decision; Publishing the RFP and specifications via the e-portal; Negotiating; Contractors' qualification confirmation; Notifying the contractor and initiating the standstill period; Receiving and responding to contractors' inquiries; Preparing recommendations for the final award decision; Reviewing and finalizing contracts	Project Governance; Providing the Contractor with Files and Requirements; Managing Contract Change Requests; Project Commencement; Contract Extension / Termination; Project and Contractual Risk Management; Managing and Receiving Payments; Managing contractor performance and risks; Final evaluation of the project and contractor
Deliverables	1. Stakeholder map. 2. Spend analysis and category report. 3. List of contractors. 4. Digital procurement strategy and action plan.	1. Tender documents. 2. Evaluation standards. 3. Award. 4. Contract.	1. List of services/products. 2. Risk register and performance indices 3. Contractor Evaluation Report. 4. Project Evaluation Report.

Figure (1): Digital Procurement Methodology Cycle

5.3 Digital Procurement Methodology Cycle

1. Requirements Definition Phase

This phase is the initial step in the digital procurement cycle. It aims to understand needs and the market, and to define the appropriate procurement strategy. insights for digital procurement are gathered using a set of tools and analysis of related activities, such as spending analysis, market engagement, and more. It is essential to capitalize on opportunities during this phase by anticipating needs and establishing effective procurement processes. A key deliverable of this phase is the approval of the procurement strategy by the relevant stakeholders. This strategy will be implemented at the start of Phase 2—the procurement phase.

This phase is divided into three main sections:

1. business Needs.

2. Market Analysis and Engagement.

3. Procurement Strategy.

The deliverables of this phase are divided into four main deliverables:

1. Stakeholder map.

2. Spend analysis and category report.

3. List of contractors.

4. Digital procurement strategy and action plan.

1.1 Business Needs

This section defines the business needs for digital procurement. Procurement and IT specialists identify the requirements, key stakeholders, assess risks, and make decisions. Figure (2) below illustrates this section:

1. Requirements Definition

Business Needs	Market Analysis	Procurement Strategy	Activity	Definition	Objective
Leveraging procurement spend analysis	Procurement market and risk assessment	Procurement Options Analysis	Leveraging procurement spend analysis	Leveraging spend data analysis to identify future trends in digital procurement.	These insights outline the future strategies and requirements for digital procurement categories.
Workforce allocation and stakeholder identification	Market engagement	Determining the appropriate procurement method	Workforce allocation and stakeholder identification	Effectively managing resources by identifying key stakeholders in the digital procurement cycle.	Facilitating decision-making, providing a business reference, and ensuring alignment of related processes.
Engaging stakeholders and business partners		Identifying the targeted contractors	Engaging stakeholders and business partners	Engaging stakeholders and understanding the nature of the business.	Collaborating with key stakeholders to achieve shared benefits and build mutual trust.
Needs management		Preparing the digital procurement strategy and delivery plan	Needs management	Analyzing procurement spend and demand to compile a list of opportunities.	Identifying opportunities to enhance the efficiency of digital procurement through demand governance as a key factor in increasing the value of products and services.
Assessing complexity, risks, and their impact					
Evaluating supply versus demand in the market		Strategic Approvals Management	Assessing complexity, risks, and their impact	Analyzing data to derive insights on risk reduction and its complexity level.	Identifying appropriate solutions and qualified contractors to ensure uninterrupted service delivery.
			Evaluating supply versus demand in the market	Determining the essential requirements for goods and services and specifying how to procure them.	Analyzing the balance between cost and expertise to determine the most suitable execution model.

Figure (2): Requirements Definition Phase — Business Needs

Leveraging Procurement Spend Analysis

There are several ways to leverage analytical capabilities, spend data, and market information, including: identifying future demand trends, appropriate procurement strategies, and contractors' capabilities.

- Analytics and insights provide a deeper understanding of the Saudi and international digital market landscape, as well as the digital contractors.

- Spend analysis is conducted on digital procurements and government demand to identify various sources of procurement and determine the volume of demand.

- Digital spending data analysis, as reflected in the Government ICT Spending Report, can be used to identify insights, trends, or patterns that serve as inputs for category management, digital procurement strategy, and contracting methods.

- Using accurate classifications for products and services by adopting the digital procurement categories classification, along with relying on the Government ICT Spending Report.

As a result, a list is produced that includes contractors providing the required services, market trends, best product and service offers, and pricing details.

Workforce allocation and stakeholder identification

Identifying key stakeholders and listing contractors who provide the required services at the beginning of the digital procurement cycle, and managing relationships with them, with the aim of enhancing procurement efficiency and effectiveness.

- Resources are allocated initially, aiding in determining sufficient capabilities and capacities within the digital procurement cycle.

- Stakeholders involved in the digital procurement cycle from relevant government agencies are identified, with their roles defined from the beginning according to their responsibilities.

- Expert opinions and specialized knowledge are consulted in alignment with those concerned with the procurements to be secured.

- Contractor capability risks are identified, assessed, and mitigated through appropriate measures.

As a result, a list of stakeholders, workforce, and experts is produced, along with a definition of targeted resources within the scope and their associated risks.

Engaging Stakeholders and Business Partners:

Engaging and collaborating with stakeholders to better understand the work environment and achieve desired outcomes, in addition to building trust and fulfilling commitments.

- Defining roles and responsibilities and ensuring stakeholders' requirements are met.
- Classifying stakeholders into categories based on their type and expertise to involve them in relevant procurement processes.
- Providing all stakeholders with key information and documents in accordance with the limits set by the Government Tenders and Procurement Law.
- Collaborating with stakeholders to identify procurement and contracting requirements, while forming commercial partnerships with global contractors to contribute to industry localization and knowledge transfer.

As a result, a comprehensive stakeholder map is developed.

Needs Management:

Analyzing digital procurement spend and demand, helping to enhance the effectiveness of procurement processes and developing an initial vision of the appropriate procurement method in accordance with applicable regulations.

- Ensuring government agencies needs are planned and contributing to increasing transparency with contractors.
- Involving key procurement stakeholders to understand requirements, classify internal demand, and reach the required financial value, while reviewing annual procurement plans.
- Reviewing the digital procurement roadmap from relevant stakeholders to identify and understand upcoming national framework agreements.
- At the beginning of each fiscal year, government agencies issue a plan containing key information about their procurements.

As a result, the procurement plan is published.

Assessing complexity, risks, and their impact

The assessment and derivation of insights help in identifying risks and complexities to determine contracting methods with reliable contractors and ensure the delivery of products/services.

- Inventorying and analyzing current data and past experiences from similar contracts, including lessons learned, to mitigate anticipated risks.

- The evaluation process takes into account the speed at which the agency can replace the contractor or repurchase the products or services. If necessary to ensure business continuity, procurement requirements must not be restricted to a specific contractor or a single solution.

- Complexity assessment takes into account whether the product or service is new, innovative, or customized.

- Potential risks of contract failure are assessed, with the impact documented and presented to stakeholders for alignment, aiming to establish a clear vision of potential outcomes.

As a result, a risk register is produced along with the associated impacts.
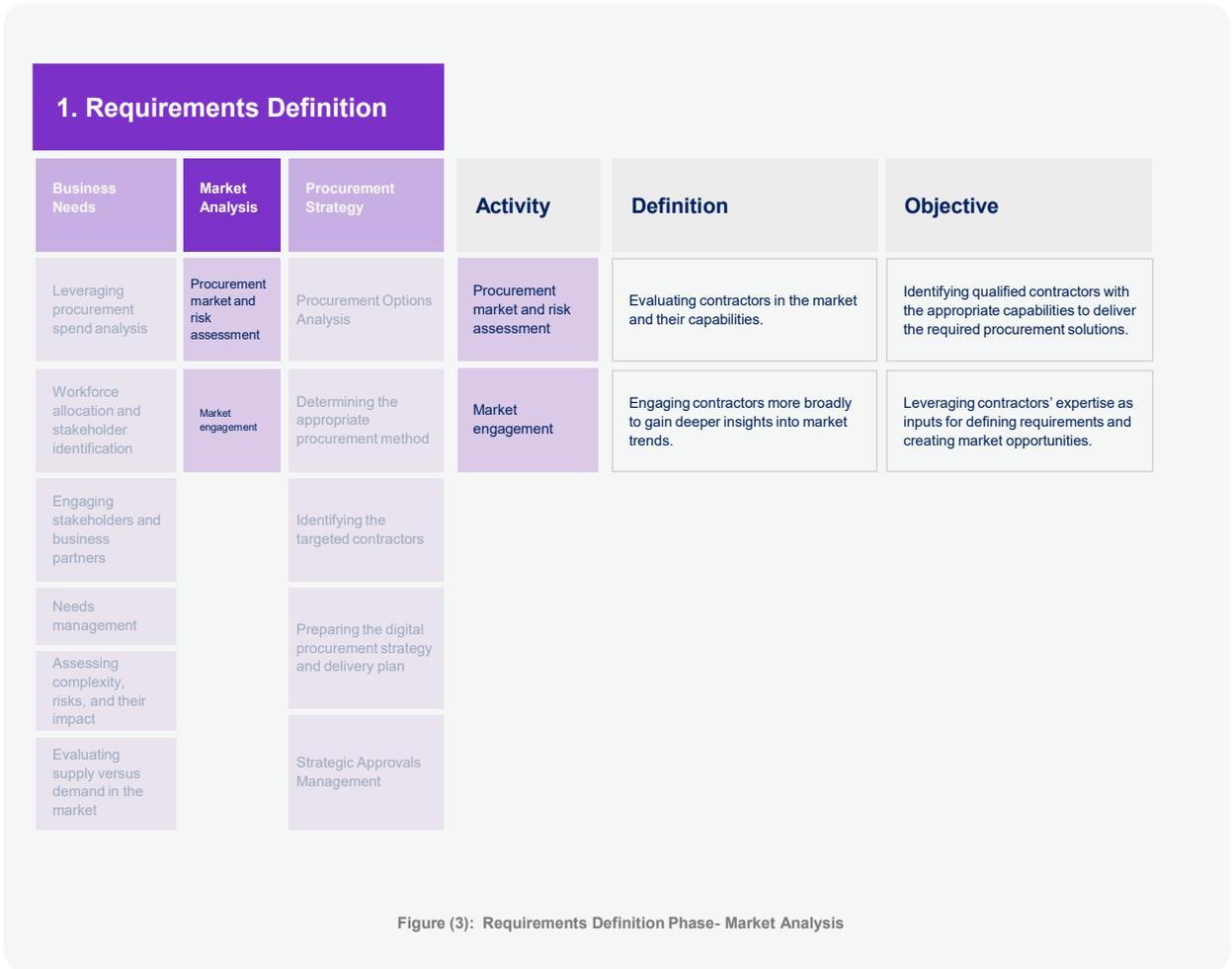
Evaluating supply versus demand in the market:

Precisely defining business requirements and developing a model that ensures efficient and effective delivery of requirements while balancing cost and expertise.

- Evaluating make vs buy decisions is essential, particularly when introducing a new service or a new service component.

- Exploring alternative delivery models based on market supply and demand, ensuring alignment with government agencies requirements and digital transformation trends, starting from the planning phase.

- Preference must be given to small and medium enterprises (SMEs) and meeting local content requirements in accordance with relevant laws and regulations.

- making or buying decisions must be supported by appropriate resources and involve key stakeholders to fully understand constraints, requirements, and risks.

As a result, identifying the outcomes of product and service sourcing contributes to making the appropriate decision between making or buying.

2.1 Market Analysis and Engagement

Market analysis, supported by experts, significantly helps procurement and IT teams to develop the appropriate procurement approach in accordance with the applicable regulations. This section is illustrated in Figure (3) below:

1. Requirements Definition					
Business Needs	**Market Analysis**	**Procurement Strategy**	**Activity**	**Definition**	**Objective**
Leveraging procurement spend analysis	Procurement market and risk assessment	Procurement Options Analysis	Procurement market and risk assessment	Evaluating contractors in the market and their capabilities.	Identifying qualified contractors with the appropriate capabilities to deliver the required procurement solutions.
Workforce allocation and stakeholder identification	Market engagement	Determining the appropriate procurement method	Market engagement	Engaging contractors more broadly to gain deeper insights into market trends.	Leveraging contractors' expertise as inputs for defining requirements and creating market opportunities.
Engaging stakeholders and business partners		Identifying the targeted contractors			
Needs management		Preparing the digital procurement strategy and delivery plan			
Assessing complexity, risks, and their impact					
Evaluating supply versus demand in the market		Strategic Approvals Management			

Figure (3): Requirements Definition Phase- Market Analysis

Procurement market and risk assessment:

Contractors in the digital market are evaluated to understand their capabilities, capacities, and bids, enabling the identification of qualified contractors to provide services and reducing project delivery risks.

- Insights developed previously by procurement and IT specialists, along with published global reports in this field, are used to assess risks related to digital procurement.
- Market capability assessments are aligned with the pre-defined digital procurement category strategy associated to upcoming government projects.
- Market evaluation includes assessing both local and international contractors and their qualifications.
- These evaluations consider contractors' short- and long-term needs to highlight constraints and available capacities.
- Market evaluations support procurement and IT teams in identifying contractors and estimating expected prices.

As a result, the outcomes from the supply and demand evaluation in the market are documented and incorporated into procurement strategies.

Market Engagement:

Aligning more closely with contractors in the early phases of requirements definition contributes to a better understanding of current market offerings and leverages their expertise as an additional input in procurement decisions.

- Sharing preliminary information about the scope of targeted projects with all contractors in the market is encouraged, as this does not affect or restrict the procurement process itself.
- Stimulating market trends provides contractors with more time to prepare and test market requirements when needed.
- Market engagements must remain solution-neutral and must not be limited to a single contractor to ensure fairness and transparency.
- The approach to market engagement is designed based on the current status of the government agency, the complexity of procurements, and the desired outcomes.
- Involving end users of services/products and subject matter experts is recommended to ensure sufficient inputs for the development of products/services in the market.

As a result, deliverables from all sessions with contractors and experts are documented, stored, and utilized as inputs for the continuous improvement of the digital procurement strategy.

3.1 Procurement Strategy

At this phase, the procurement and IT teams identify the appropriate procurement methods and options to meet the requirements, as illustrated in section (4) below:

1. Requirements Definition					
Business Needs	**Market Analysis**	**Procurement Strategy**	**Activity**	**Definition**	**Objective**
Leveraging procurement spend analysis	Procurement market and risk assessment	Procurement Options Analysis	Procurement Options Analysis	Analyzing procurement/supplying options, for example: Single-source or dual-source procurement.	Implementing the most suitable procurement strategies based on the requirements.
Workforce allocation and stakeholder identification	Market engagement	Determining the appropriate procurement method	Determining the appropriate procurement method	Defining the requirements and priorities of digital procurement categories.	Implementing the most effective approach to meet procurement requirements and strategies.
Engaging stakeholders and business partners		Identifying the targeted contractors	Identifying the targeted contractors	Identifying qualified contractors to participate in the tender.	Purchasing products and services from contractors who have been evaluated and qualified.
Needs management		Preparing the digital procurement strategy and delivery plan	Preparing the digital procurement strategy and delivery plan	Developing procurement and delivery plans, including the contractor, key milestones, and required resources.	Explaining how digital procurement is managed and setting clear delivery milestones.
Assessing complexity, risks, and their impact					
Evaluating supply versus demand in the market		Strategic Approvals Management	Strategic Approvals Management	Determining the required approval level, timeline, and procurement initiation procedures.	Ensuring that key stakeholders are well-informed and that their input is incorporated prior to issuing the tender.

Figure (4): Requirements Definition Phase — Procurement Strategy

Procurement Options Analysis:

Analyzing appropriate digital procurement strategies and apply them based on the requirements and market analysis.

- A comprehensive analysis of the available procurement options is conducted, including verifying the existence of active national framework agreements before proceeding to fulfill the requirement through other procurement methods.

- Leverage past experiences and market insights to identify the products and services to be procured, considering market capacity and prior performance.

- Procurement cost and product/service lifecycle must be taken into account as key inputs in determining the appropriate procurement method.

- In the absence of current market offerings, consider the possibility of creating market demand by introducing opportunities to increase the availability of offers.

- The selected contracting method must be clearly documented and designed to encourage competition, unless an alternative approach is justified.

- Taking into account performance management metrics and controls to ensure the accurate execution of the contracting method and to avoid delays in delivery.

As a result, the appropriate procurement option is determined for the targeted scope to be secured.

Determining the appropriate procurement method:

Determining the most suitable procurement method and strategy based on the requirements.

- Ensuring the selected contracting method complies with the provisions outlined in the Government Tenders and Procurement Law (including documentation, timelines, digital tools, exemptions, and others).

- Evaluating the contracting method by considering the procurement approach, design of on-demand digital services, market capabilities and capacity, contract type, and the complexity of digital procurements in the decision-making process.

- Ensuring that the selected contracting methods align with the procurement requirements, digital procurement strategy, and the objectives of the legislative authorities.

As a result, the reasons for selecting the procurement method are documented and communicated to all relevant stakeholders.

Identifying the targeted contractors

Working on a list of contractors who provide the required services.

- Inventorying of the contractors based on market analysis

- Prequalification can be conducted for major, complex, or high-cost projects in accordance with the Government Tenders and Procurement Law.

- Avoiding contracting with contractors who are listed as prohibited on the official registry published on the Unified Procurement Electronic Portal.

As a result, a finalized list of contractors for the targeted scope is produced.

Preparing the digital procurement strategy and delivery plan:

Developing strategies and delivery plans (including the initiation plan, key milestones, and contractor requirements) that clearly detail how the contracted contractor's work will be managed.

- Inventorying all deliverables from the requirements definition phase (such as: analysis, procurement method, etc.) and incorporate them into the digital procurement strategy with clear milestones.

- Creating a detailed digital procurement plan that includes all key milestones, contractor requirements, and relevant project components.

- Preparing timetables while considering project-related risks and agreeing on them with all relevant stakeholders.

- Leveraging insights gained from previous procurements of similar type, size, and scope to facilitate the procurement process and applying lessons learned.

As a result, every relevant stakeholder is informed about the digital procurement strategy and the delivery plan decisions, including their respective roles and responsibilities.

Strategic Approvals Management:

As the final step in the requirements definition phase, the procurement and IT teams will work to identify all relevant approvals, timetables, and necessary procedures to initiate the digital procurement process. This will be achieved by ensuring that key stakeholders are well-informed about the procurement process and their inputs are incorporated at every phase.
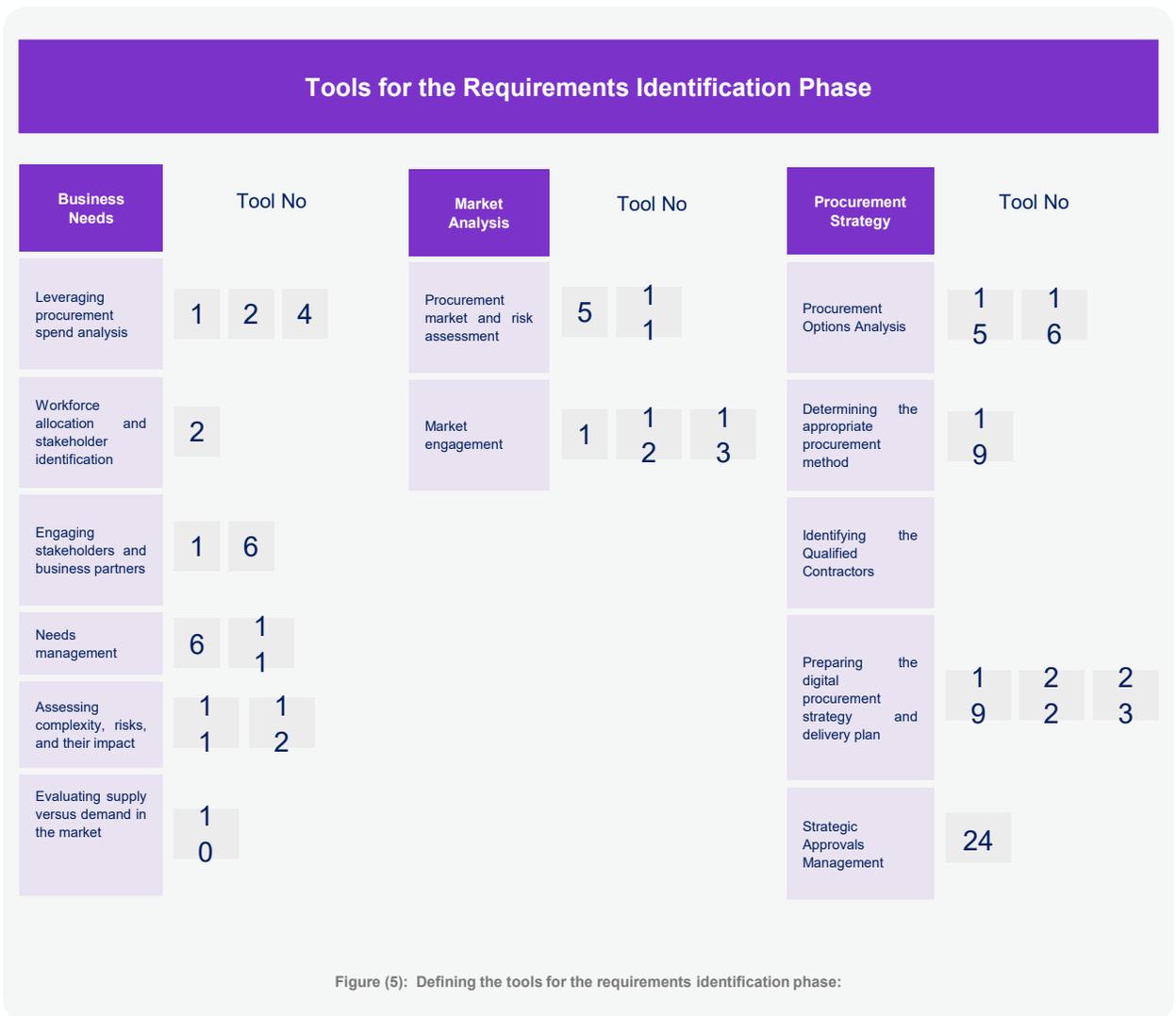
- They will also review activities related to the procurement cycle as outlined in the Government Tenders and Procurement Law, relevant regulations, or decisions, including: high-value contracts, pre-qualification and post-qualification, contracting methods, bidding, and others.

- Seeking any other relevant internal and external approvals necessary to proceed with initiating the procurement phase.

As a result, the approval and authorization matrix, along with the related timeline and required processes, are agreed upon by the key stakeholders.

Defining the tools for the requirements identification phase:

Procurement and IT specialists can utilize the tools or documents listed below, which are recognized as best practices in project and procurement management, to help deliver value-added results. Figure (5) below illustrates this section.

Tools for the Requirements Identification Phase

Business Needs	Tool No			Market Analysis	Tool No			Procurement Strategy	Tool No		
Leveraging procurement spend analysis	1	2	4	Procurement market and risk assessment	5	11		Procurement Options Analysis	15	16	
Workforce allocation and stakeholder identification	2			Market engagement	1	12	13	Determining the appropriate procurement method	19		
Engaging stakeholders and business partners	1	6						Identifying the Qualified Contractors			
Needs management	6	11						Preparing the digital procurement strategy and delivery plan	19	22	23
Assessing complexity, risks, and their impact	11	12									
Evaluating supply versus demand in the market	10							Strategic Approvals Management	24		

Figure (5): Defining the tools for the requirements identification phase:

Detailing the tools for the requirements identification phase:

No.	Tool	Description
1	Questionnaires and Interviews	Stakeholder questionnaires and interviews are used to identify challenges and gaps in the procurement identification process and to obtain spending data.
2	Business Follow-up Form	It provides an effective way to follow the progress of the steps. It is used to monitor stakeholders, attendance, responses to requests for information, or negotiations.
4	Spending File	Overview of spending data, including details of controllable and uncontrollable spending, key contractors, and contractor segmentation.
5	Contractor Profile Form	A framework for gathering fundamental information about contractors to build an understanding of industry trends, the competitive landscape, and contractor availability.
6	Internal Request for Information (RFI) Questionnaire	Verifying category-specific requirements with internal stakeholders.
10	Feasibility Study Form	A form for cost-benefit analysis of the targeted project; to inform make-vs-buy decision-making.
11	Maturity Model Assessment	It assesses the current awareness level of the categories and the required target states.
12	External Request for Information (RFI) questionnaire	A form sent to contractors to gather information about their organization, spending, and their relationships with contractors/clients.
13	Benchmarking	Research, analysis, and understanding of the key features or best practices within the targeted scope.
15	Contract Gap Analysis	It identifies the gaps between the current procurement state of the government agency and the target industry/state standards, highlighting areas of opportunity.
16	Business Case Analysis	Cost-benefit and return analysis of procurement options to deliver the best relevant requirements.
19	Effectiveness Structure Model	A model designed to determine the most effective procurement approach, such as using public tendering or other contracting methods, based on the requirements of the procurement category.
22	Total Cost of Ownership	It identifies all costs associated with a product or service from the time of procurement until its disposal, providing detailed information to support the creation of RFP evaluations.
23	Contractors' Strategy	Inventorying contractors strategy for each procurement category, including both local and international contractors.
24	Project kickoff	Obtaining approvals from the relevant stakeholders and initiating the next step in the procurement journey.
27	The Guideline of Digital Projects RFPs Preparation	A document for preparing RFP's for communication and information technology projects (digital projects), aimed at providing government agencies with the best guidelines for preparing RFP's during the needs planning phase.

2. Procurement Phase

This is the second phase of the digital procurement cycle. In this phase, the procurement and IT teams prepare detailed digital RFPs that clearly outline the requirements. They leverage insights gained from the requirements identification phase and incorporate input from experts and stakeholders to evaluate contractor bids based on the established evaluation standards in the RFP. Tendering activities are managed through the Unified Electronic Procurement Portal in accordance with the Government Tenders and Procurement Law. Approvals are requested at each phase of the evaluation journey, also in compliance with the same law.

This phase is divided into three main sections:

1. Preparing Tender Documents

2. Selection and Evaluation.

3. Award of Contracts.

The deliverables of this phase are divided into four main deliverables:

1. Tender Documents

2. Evaluation standards

3. Awarding

4. Contract.

2.1 Preparing Tender Documents

The Government Procurement Process Guideline is referenced during the preparation of tender documents, alongside the Guideline of Digital Projects RFP Preparing. Compliance with the Government Tenders and Procurement Law and its Implementing Regulations is mandatory, as well as adherence to Clause (First) of Minister of Finance Circular No. (49989) dated 02/12/1442 AH concerning the governance of communications services. Figure (6) below illustrates this section.

Procurement					
Preparing tender documents	**Bid Evaluation**	**Award of Contracts**	**Activity**	**Definition**	**Objective**
Preparation and completion of tender documents	Readiness of the Bid Examination committee and supporting technical teams	Award Decision	Preparation and completion of tender documents	Completing the RFP forms, timetables, and financial requirements to prepare the document for contractors to submit their bids.	Creating a comprehensive and detailed list of all requirements (technical and financial).
Ensuring the completeness and compliance of the RFP	Evaluating Contractors' Bids	Managing approvals for the award decision	Ensuring the completeness and compliance of the RFP	Reviewing the RFP by the digital procurement team and relevant stakeholders responsible for tender oversight.	Ensuring that the RFP comply fully with all applicable laws and regulations to guarantee complete adherence.
	Negotiating				
Publishing the RFP and specifications via the e-portal	Contractors' qualification confirmation.	Notifying the contractor and initiating the standstill period	Publishing the RFP via the e-portal	Publishing the RFP through the Unified Government Procurement Portal.	Contacting qualified contractors and inviting them to submit their technical and financial bids.
Receiving and responding to contractors' inquiries	Preparing recommendations for the final award decision	Reviewing and finalizing contracts	Receiving and responding to contractors' inquiries	Engaging with contractors and responding to their inquiries to ensure a clear understanding of the requirements.	Ensuring that requirement procedures are clearly defined to enhance the quality of bidders' bids and their financial estimates.

Figure (6): Procurement Phase- Preparing Tender Documents

Preparation and Completion of Tender Documents:

Developing comprehensive and consistent documents for RFP's to clearly inform contractors of the requirements, timetables, and compliance conditions.

- The preparation process of RFP's reflects relevant deliverables from the "Requirements Definition Phase" phase (e.g., market engagement, etc.).
- Studying the financial status of the projects and incorporate local content requirements and mandatory listing obligations within the RFP's.
- Clearly define the digital procurement timetables, deadlines, forms, regulations, requirements, and standards for technical and financial evaluation.
- Specify qualification standards—if no prior prequalification has been conducted—in alignment with the Government Tenders and Procurement Law.

As a result, a set of clear and well-structured RFP's is prepared, fully compliant with the Government Tenders and Procurement Law and related guidelines and forms.

Ensuring the completeness and compliance of the RFP

Ensuring that the RFP's fully comply with relevant laws, regulations, and decisions, while leveraging best practices to deliver effective digital procurement outcomes.

- Engaging experienced technical experts to review the RFP's before obtaining approval from key stakeholders.
- Considering regulatory and security requirements, as mandated by relevant laws and regulations, within the RFP's to clearly inform bidders of their responsibilities.

As a result, procurement specialists align the RFP's with best practices, ensuring full compliance with the Government Tenders and Procurement Law, its Implementing regulations, and relevant guidelines.

Publishing the RFP and specifications via the e-portal

Publishing the RFP through the Unified Government Procurement Portal (Etimad).

- Approval of the RFP's based on the requirements identified during the Requirements Identification Phase.
- Reviewing of RFP's guidelines and instructions to ensure compliance with the Government Tenders and Procurement Law.

- Technical evaluation standard for bids, the passing score, and the award mechanism are defined and managed in accordance with the Government Tenders and Procurement Law.

As a result, the RFP's are published electronically on the unified electronic procurement portal (Etimad) and made available to all competing contractors.

Receiving and responding to contractors' inquiries:

Inquiries from contractors are received to clarify the requirements and desired service specifications accurately and comprehensively, ensuring that services are delivered and products developed as requested by them. All inquiries received via the (Etimad) platform are recorded.

Consequently, all inquiries are responded transparently and fairly to all contractors, in compliance with the Government Tenders and Procurement Law.

2.2 Bid Evaluation

During the bid evaluation activities, procurement and IT specialists will collaborate with stakeholders to assess and select the most suitable bidder. The evaluation phase will require all relevant stakeholders to identify contractors who are qualified and capable of delivering the expected services based on their formal responses/bids. Figure (7) below illustrates this section.

Procurement					
Preparing tender documents	**Bid Evaluation**	**Award of Contracts**	**Activity**	**Definition**	**Objective**
Preparation and completion of tender documents	Readiness of the Bid Examination committee and supporting technical teams	Award Decision	Readiness of the Bid Examination committee and supporting technical teams	Establishing appropriate and standardized evaluation frameworks to ensure the selection of the most suitable contractor.	Clarifying the bid evaluation procedures to ensure an accurate evaluation of contractors' bids.
Ensuring the completeness and compliance of the RFP	Evaluating Contractors' Bids	Managing approvals for the award decision	Evaluating Contractors' Bids	Evaluating contractors' bids according to the evaluation standards attached to the RFP's.	Selecting the most suitable contractor based on the evaluation results.
Publishing the RFP via the e-portal	Negotiating	Notifying the contractor and initiating the standstill period	Negotiating	Negotiations and discussions with contractors regarding bid details, pricing, and other aspects.	Enhancing understanding of the requirements and achieve the best value.
	Contractors' qualification confirmation.				
Receiving and responding to contractors' inquiries	Preparing recommendations for the final award decision	Reviewing and finalizing contracts	Contractors' qualification confirmation.	Ensuring that contractors meet all the required qualifications that enable them to deliver the services specified in the RFP in the best possible manner.	Ensuring that contractors meet the requirements for delivering products/services to guarantee complete and satisfactory service delivery.
			Preparing recommendations for the final award decision	Preparing the award minutes for the best bid, based on the standards attached to the RFP.	Ensuring clear and sufficient reasons are documented for selecting the winning contractor, reflecting a fair evaluation among all contractors.

Figure (7): Procurement Phase - Selection and Evaluation

Readiness of the Bid Examination committee and supporting technical teams

The submitted bids from competitors are reviewed in a standardized manner, with the assistance of technical experts specialized in digital procurement.

- The procurement team coordinates to ensure the objectivity of all parties involved and the disclosure of any conflicts of interest in accordance with the Conflict of Interest Regulation under the Government Tenders and Procurement Law and its Implementing Regulations issued by Cabinet Resolution No. (537) dated 21/8/1441 AH, without prejudice confidentiality requirements stipulated by the relevant laws and regulations.

As a result, the Bid Examination Committee and the supporting technical teams are prepared to begin evaluating the bids within the specified timeframe.

Evaluating Contractors' Bids:

Contractor bids are evaluated based on clear standard to select the most suitable and qualified contractor to provide the required services.

- The bids are examined according to the standards set forth in the tender documents, and in compliance with the provisions and procedures outlined in the law and its regulations.
- Evaluation is conducted objectively; the clearer, more objective, and more specific the standards are, the better the evaluation outcomes will be.
- Any gaps or deficiencies in expertise are addressed prior to the evaluation process by consulting the supporting technical team.

As a result, the members of the Bid Examination Committee document their reasons for the final evaluation scores of the submitted bids.

Negotiations:

Formal negotiations are initiated to thoroughly discuss the contractors' bids, address any complex requirements, ensure value for money, and achieve high-quality outcomes.

- The Bid Examination Committee may negotiate with the contractor offering the best bid, and subsequently with the next in line, in two specific cases: f the price of the best bid is significantly higher than prevailing market rates. If the value of the best bid exceeds the budget allocated for the project. Such negotiations must be conducted in accordance with the Law and its Implementing Regulations.

As a result, all negotiations, including associated risks and assumptions, are documented prior to the commencement of the project.

Contractors' Qualification Confirmation:

Following the selection of the best bid, the government agency verifies that the selected bidder possesses the necessary qualifications and capabilities to execute the required work and secure the procurements, prior to awarding the contract (post-qualification).

- The individuals or entities engaged by government agencies must meet the required conditions to perform the work and secure the procurements, as stipulated in the Regulations. The government agency must conduct either a pre-qualification or post-qualification process, as detailed in the Regulations.

As a result, the pre-qualification or post-qualification standards must be objective, measurable, and related to the technical, financial, and administrative capabilities, as well as the current contractual obligations of the competitors—aligned with the nature, scope, and value of the project or task.

Preparing Recommendations for the Final Award Decision:

Preparation of the award recommendation record, ensuring that justifications and reasons for selecting the winning contractor over other competitors are clearly stated.

- The award recommendation is issued by the members of the Bid Examination Committee.
- Evaluation results are documented clearly through the appropriate channels.
- The process of finalizing the award recommendation record is facilitated by using the official forms and tools approved by the competent authorities under the Government Tenders and Procurement Law.
- The final award recommendation record must contain comprehensive information that can be referred to when needed.

As a result, the final award decision is made by the authorized official within the government agency.

2.3 Award of Contracts

Procurement, IT specialists, and all relevant stakeholders — during the awarding phase — inform the winning contractor of the award decision and agree with them on the final details in preparation for the commencement of the implementation phase. Figure (8) below illustrates this section.

Procurement			Activity	Definition	Objective
Preparing tender documents	**Bid Evaluation**	**Award of Contracts**			
Preparation and completion of tender documents	Readiness of the Bid Examination committee and supporting technical teams	Award Decision	Award Decision	Selecting the appropriate contractor based on the results of the evaluation process.	Reaching a decision to select a qualified contractor capable of meeting all the stated requirements.
Ensuring the completeness and compliance of the RFP	Evaluating Contractors' Bids	Managing approvals for the award decision	Managing approvals for the award decision	Managing approvals to obtain final approval of the evaluation and award decision.	Ensuring the approval of key stakeholders on the award letter and reaching a decision that guarantees the winning contractor meets all specified requirements.
	Negotiating				
Publishing the RFP via the e-portal	Contractors' qualification confirmation.	Notifying the contractor and initiating the standstill period	Notifying the contractor and initiating the standstill period	Communicating with the contractors to notify them of the award decision and to commence the standstill period.	Confirming to all contractors that they have the right to object to the award decision.
Receiving and responding to contractors' inquiries	Preparing recommendations for the final award decision	Reviewing and finalizing contracts	Reviewing and finalizing contracts	Approving the main contractual terms and conditions to support the contract award procedures.	Documenting all contractual terms and key performance indicators to ensure the commitment of all parties.

Figure (8): Procurement Phase - Award of Contracts

Award Decision:

Following the evaluation process to reach the award decision, ensuring all requirements are met and all necessary approvals are obtained from the relevant committees.

- Engaging all stakeholders and the project management team in discussions and involving them in the final decision.
- Ensuring that the beneficiary management fully understands all contract change management activities.

As a result, the final award decision documents and responses are prepared for the disqualified bidders.

Managing approvals for the award decision:

Ensuring all requirements are fulfilled and obtaining all necessary approvals for the award.

- The final award decision is prepared after completing the post-qualification process (if pre-qualification was not conducted), and after the decision is made by the authorized official within the agency.
- Discussing with the project's benefiting department, informing them of the final award decision and the implications in case of change the contractor or services, and ensuring full understanding of all change management activities.

Consequently, the award decision is prepared, the government agency announces the tender results, and the other competitors are notified accordingly, in accordance with the relevant regulations.

Notifying the contractor and initiating the standstill period:

Communicating with the winning contractor to notify them of the award decision and initiate the standstill period for reviewing any appeals against the award decision.

- Announcing the winning bid through the Unified Procurement Electronic Portal (Etimad).
- Informing other competitors of the tender results and the reasons for their exclusion, including the technical scores of their bids.
- Receiving appeals during the standstill period; no appeals will be accepted after the period ends.

As a result, the award decision becomes effective after the standstill period, and any appeals received will be resolved.

Reviewing and Completing Contracts:

Drafting the contract including the agreed-upon main terms and conditions to ensure all parties' compliance.

- Completing contract clauses in accordance with the provisions of the relevant laws, regulations, and the RFP.
- Fulfilling contract requirements and forms in accordance with the provisions of the Government Tenders and Procurement Law and its Implementing Regulations.
- Submitting contracts specified by the regulations to the Ministry of Finance for review prior to signing.

As a result, the final contracts are signed by all parties following the award.

Defining the tools for the procurement phase:

Procurement and IT specialists can utilize the tools or documents listed below, which are recognized as best practices in project and procurement management, to help deliver value-added results. Figure (9) below illustrates this section.

Tools for Procurement Phase								
Preparing tender documents	Tool No			**Bid Evaluation**	Tool No		**Award of Contracts**	Tool No
Preparation and completion of tender documents	24			Readiness of technical and financial teams and committees	2		Award Decision	28
Ensuring the completeness and compliance of the RFP	24			Evaluating Contractors' Bids	2	26	Managing approvals for the award decision	28
					30	31		
				Negotiating	34	36		
Publishing the RFP via the e-portal	26	27	28	Contractors' qualification confirmation.	2		Notifying the contractor and initiating the standstill period	28
Receiving and responding to contractors' inquiries	1	2	28	Preparing recommendations for the final award decision	2	24 30	Reviewing and finalizing contracts	2

Figure (9): Tools for the Procurement Identification Phase

Detailing the tools for the procurement phase:

No.	Tool	Description
1	Questionnaires and Interviews	Stakeholder questionnaires and interviews are used to identify challenges and gaps in the sourcing identification process and to obtain spending data.
2	Business Follow-up Form	It provides an effective way to track the progress of steps and is used to monitor stakeholders, attendance, responses to requests for information, or negotiations.
24	Project kickoff	Obtaining approvals from the relevant stakeholders and initiating the next step in the procurement process.
26	Qualitative Evaluation of RF's	They are sent in the Request for Information to contractors providing the required services, to understand their capabilities according to the category requirements.
27	Quantitative Evaluation of RFP's	Contractors providing the required services are engaged through the Request for Information to submit offers for the goods/services that need to be procured.
28	Unified e-portal (Etimad)	Utilizing the functions of the electronic portal throughout the procurement process, adopting workflow standards, and leveraging system analytics.
30	Summary of Qualitative Results	Qualitative classification and ranking of contractors based on category requirements and qualitative evaluation standard.
31	Summary of the Quantitative Evaluation	Analyzing numerical data in the best possible way to identify patterns and forecasts (for example: Price points, commodity markets, incentives, and discounts are evaluated.
34	Comprehensive Negotiation Strategy	The comprehensive negotiation strategy defines the main mission, objectives, overall approach, potential scope, and key tactics adopted by the government agency.
36	Follow-up on Negotiations	An official document is sent to the supplier after negotiations to summarize the discussed topics, agreements reached, and any outstanding issues.
50	Procurement Identification Document	An official document outlining the estimated savings based on the final list of contractors.

3. Procurement Management Phase

The digital procurement management phase marks the final step for procurement and IT teams within the procurement cycle. In this phase, coordination takes place with contractors and relevant stakeholders to develop the action plan and initiate its execution. The agreed project phases and deliverables are closely monitored to ensure timely and successful project delivery and completion. Monitoring the delivery of agreed deliverables at each project phase is essential to ensure contractor compliance, avoid schedule delays, and address risks by planning accordingly to minimize their occurrence and mitigate their impacts. Upon project completion, the contractor and the quality of the project deliverables are evaluated, reflecting the level of quality provided.

This phase consists of one main section:

1. Project Governance.

The deliverables of this phase are divided into four main deliverables:

1. List of services/products.

2. Risk register and performance indices

3. Contractor Evaluation Report.

4. Project Evaluation Report.

3.1 Project Governance

During the digital procurement management phase, contractors will collaborate with procurement and IT specialists to deliver digital procurement projects by preparing the necessary documents to initiate the project and closely monitoring its progress to minimize and avoid any risks. Figures (10-A) and (10-B) below illustrate this section.

3. Procurement Management				
Project Governance		**Activity**	**Definition**	**Objective**
Providing the Contractor with Files and Requirements	Managing Contract Change Requests	Providing the Contractor with Files and Requirements	Collecting the necessary information and contracting with the contractor.	Collecting the information and files the contractor needs to prepare for starting the work.
Project Commencement	Contract Extension / Termination	Project Commencement	Transitioning from contract award to execution.	Taking all necessary actions to ensure readiness and commencement of work.
Project and Contractual Risk Management	Managing and Receiving Payments	Project and Contractual Risk Management	Project management in its various phases (Start - Planning - Execution - Monitoring and Control - Closing).	Ensuring proper project execution, minimizing risks, and achieving the desired outcomes.
Managing contractor performance and risks	Final evaluation of the project and contractor	Managing contractor performance and risks	Evaluating contractor performance based on key performance indicators, service level agreements, and risk management.	Closely monitoring metrics, anticipating risks, and mitigating them to ensure the best possible outcome

Figure (10-A): Project Governance - Part 1

3. Procurement Management				
Project Governance	**Activity**	**Definition**	**Objective**	
Providing the Contractor with Files and Requirements	Managing Contract Change Requests	Managing Contract Change Requests	Changes in contracts, such as: Amendments, deletions, and additions according to the relevant regulations.	Official recording of major contractual changes to ensure alignment and clarity regarding the project deliverables and the resulting changes.
Project Commencement	Contract Extension / Termination	Contract Extension / Termination	Extension upon contract expiration, or termination in case the contractor breaches any of the contract terms.	Permitting service extensions, renegotiating terms, and managing any changes that may arise.
Project and Contractual Risk Management	Managing and Receiving Payments	Managing and Receiving Payments	Managing invoices and payments to contractors for the products and services provided.	A detailed record of payments and expenses, which can serve as inputs for spend analysis reports.
Managing contractor performance and risks	Final evaluation of the project and contractor	Final evaluation of the project and contractor	Contractor evaluation upon contract/project completion.	A detailed report on the contractor's performance, work outcomes, and partnership results.

Figure (10-B): Project Governance Phase — Part 2

Providing the Contractor with Necessary Files and Requirements:

Collecting the information needed to equip the contractor to start work.

- Procurement specialists support the contractor with the requirements necessary to start the project.
- During the project kickoff phase, alignment is made regarding the project scope, timetables, and expectations among all relevant stakeholders.

    As a result, all contractor contract details are uploaded to and regularly reviewed on the Unified Electronic Procurement Portal (Etimad) for continuous updating.

Project Commencement:

Taking all necessary actions to ensure readiness and commencement of work.

- Holding initial meetings with contractors as a preliminary step to kick off the work; enabling them to develop preparatory plans to follow throughout the project.
- During the project commencement phase, sharing project delivery plans, timetables, and other details, with intensive communication expected between both parties at this phase.
- The contractor clearly defines the required meeting schedules along with the agenda of tasks to be discussed during the project kickoff period.
- Procurement and IT specialists verify whether contractors have ready plans to start work (e.g., stakeholder assignments, delivery mechanisms, etc.).
- Relevant stakeholders ensure that the contractor prepares a risk assessment at the start of work, identifying potential costs, delays, constraints, and so forth.

    As a result, the main action plan program is shared, including the timeline, resources, related costs, and everything required for the contractor to commence the project on behalf of the government agency.

Project and Contractual Risk Management:

Managing the project and closely monitoring all work phases contributes to ensuring successful and efficient delivery of project deliverables.

- Involving multiple stakeholder teams throughout the project cycle to leverage their expertise is a best practice for identifying contractual risks.
- Necessary regulatory actions must be taken if the contractor breaches their obligations to the agency, in accordance with the Government Tenders and Procurement Law.
- Risk mitigation strategies and plans identified during the project's early planning phase can be utilized to reduce risks.
- Detailed reports on procurement activities and contract performance are available on the Unified Government Procurement Portal and accessible to authorized stakeholders.

As a result, the contract provisions are enforced to monitor deliverables, including the pre-defined penalty mechanisms specified in the RFP and contract in case the contractor fails to meet their obligations.

Managing Contractor Performance and Risks:

Monitoring key performance indicators (KPIs), service level agreements (SLAs), and risk management helps maximize benefits and achieve the best possible project outcomes.

- The contractor's performance is regularly evaluated internally by the agency based on agreed timetables, project milestones, and deliverables.
- Performance evaluations significantly rely on the SLAs and KPIs outlined in the contract.
- The government agency shall conduct a formal performance evaluation of the contractor upon contract completion using a standardized contractor performance evaluation form.
- Periodic reviews are conducted to assess compliance with safety and security standards, including employee training and site inspections.

    As a result, all contractor-related risks are documented in the risk register, which includes risk standard, follow-up procedures, and stakeholder responsibilities.

Managing Contract Change Requests:

Major contractual changes are formally documented to ensure clarity regarding modifications to project deliverables, timetables, and other aspects, in accordance with the provisions of the relevant laws and regulations.

- The government agency must adhere to the rules and procedures outlined in the Government Tenders and Procurement Law when deciding to increase, decrease, or otherwise modify the contractor's obligations or the contracted scope of work.
- No additional work or obligations shall be added after the government agency has accepted the contractually stipulated deliverables.
- Price adjustments, whether increases or decreases, are subject to the provisions of the Government Tenders and Procurement Law and its Implementing Regulations.
- In the event of disputes, it is essential to follow the dispute resolution procedures specified in the Government Tenders and Procurement Law.

    As a result, changes are officially recorded, followed up by responsible stakeholders, and kept in line with risk assessment plans and updated to include new changes.

Contract Extension / Termination:

Closely manage deliverables and performance to ensure the continuity of services or work.

- Extensions are subject to the rules, controls, and procedures set forth in the Government Tenders and Procurement Law and its Implementing Regulations.
- Terminating strategic contracts may require a thorough assessment of benefits and risks, understanding alternative options, and developing exit and retention plans through constructive discussions.
- Project performance is regularly measured based on service level agreements and key performance indicators.

  As a result, contract expirations are closely monitored to prevent any disruption of services to the government agency.

Managing and Receiving Payments:

Accurately and timely manage contractor payments for the products and services provided, in accordance with the provisions of the law and regulations.

- The Government Tenders and Procurement Law clearly defines the procedures related to contracts and payment milestones.
- Making payments on time and according to the agreed-upon phases helps strengthen trust between the government agency and the contractor.
- Procurement specialists are responsible for completing the invoice approval process and submitting the payment order to the relevant stakeholders to execute disbursements according to the established regulatory procedures.
- The government agency may provide the contractor with an advance payment against a bank guarantee equal to the amount, as specified by the regulations.

  As a result, contract payments are uploaded to the Unified Electronic Procurement Portal (Etimad).

Final evaluation of the Project and Contractor:
The contractor's performance is evaluated upon contract completion.

- The government agency shall conduct a formal performance evaluation of the contractor upon contract completion using a standardized contractor performance evaluation form. The regulations define the necessary controls and procedures to implement this evaluation.
- Evaluation forms and standard are periodically reviewed by stakeholders, taking into account lessons learned with the contractor.

As a result, the contractor shall be informed of their performance evaluation by procurement and IT specialists during the project phases and upon its completion.

Identifying Procurement Management Phase Tools:

Procurement and IT specialists can utilize the tools or documents listed below, which are recognized as best practices in project and procurement management, to help deliver value-added results. Figure (11) below illustrates this section.

Tools for the Procurement Management Phase

Project Governance	Tool No		Project Governance	Tool No
Providing the Contractor with Files and Requirements	40		Managing Contract Change Requests	2
Project Commencement			Contract Extension / Termination	46
Project and Contractual Risk Management	2 44		Managing and Receiving Payments	47
Managing contractor performance and risks	12 44		Final evaluation of the project and contractor	49

Figure (11): Procurement Management Phase Tools

Detailing Procurement Management Phase Tools

No.	Tool	Description
2	Business Follow-up Form	It provides an effective way to follow the progress of the steps. It is used to monitor stakeholders, attendance, responses to requests for information, or negotiations.
40	Forms	Use the approved forms as stipulated in the Government Tenders and Procurement Law, including contractor performance evaluation forms and other documents required by the nature of the work to prepare the contractor at the project's commencement.
45	Guidelines for Maintaining the List of Services and Goods	Provide guidelines to inform contractors about the process for updating their list of goods and services.
46	Project Closure Form	Utilize an internal form to formally close the project in coordination with the project management and procurement departments of the government agency.
47	Invoice and Payment Tracking	Provide an effective method to track payment milestones throughout the project and leverage technical system capabilities.
49	Contractor Performance Management Scorecard	Contractor Performance Evaluation Scorecard at Project Completion. Performance evaluation cards must include both qualitative and quantitative performance metrics.

5.4 Key Performance Indicators, Enablers and Success Factors

1. Key performance indicators for procurement and IT specialists

Key performance indicators contribute to measuring performance and assist in defining objectives and plans for the entire project. The table below outlines the relevant KPIs for the three phases of the digital procurement cycle, which procurement and IT specialists can refer to in order to assess the performance of work delivered by contractors.

Requirements Definition			Procurement			Procurement Management
Business Needs	Market Analysis	Procurement Strategy	Preparing tender documents	Bid Evaluation	Contract Awarding	Project Governance
• Number of instances in which the private sector was engaged in studying the Saudi market and its needs. • Number of procurements approved based on the approved digital procurement strategy, relative to the total number of procurement processes. • Percentage of contractors disqualified during procurement processes. • Percentage of digital procurements executed through national framework agreements. • Percentage of digital procurements for which complexity, risk, and impact reports were prepared. • Percentage of digital procurements aligned with planning and future forecasts, based on the digital procurement strategy. • Average time taken to identify and confirm relevant stakeholders for the digital procurement project. • Average time to develop and approve a digital procurement strategy.			• Number of interested and willing contractors to apply and participate. • Average number of clarification questions from contractors in each digital procurement process. • Percentage of digital procurements that involved contract managers before awarding. • Percentage of participation by small and medium enterprises in digital procurements. • Percentage of local content in the digital project. • Percentage of digital procurements conducted using framework agreements. • Percentage of digital procurements conducted through RFP issuance. • Time taken to approve and verify the tender documents. • Average time taken to respond to bidders' clarification questions. • Average time from tender issuance to completion and award.			• The average time required to prepare contractors. • The number of digital procurements that encountered and resolved challenges. • Number of digital project performance reviews versus the complexity level of the digital project. • Total spending ratio on digital procurements by category/classification. • Number of change requests implemented in contracts. • Contract completion rate. • Percentage of products/services delivered on time. • Percentage of products/services delivered with defects. • Percentage of products/services not delivered. • Average payment time per deliverable. • Overall result upon digital project delivery, and final contractor evaluation.

2. Enablers of Digital Procurement

There are a number of key enabling factors that contribute to enhancing digital procurement activities, as follows:

01
Performance Indicators

- A clear performance measurement system across all phases of the digital procurement cycle.
- Ensuring that all project activities follow best practices from both the government agency and the contractor.
- Defining key performance indicators (KPIs) and measurable, achievable objectives.

02
Continuous Improvement

- Improving procedures and working methods.
- Adopting best practices and documenting all improvement opportunities during performance measurement.

03
Training and Awareness

- Continuously developing skills and talents to improve efficiency.
- Keeping up to date with the best and latest procurement practices.

04
Category Strategies

- Enhancing focus on digital procurement categories.
- Working effectively with all stakeholders.
- Using category strategies to assist in defining supplying strategies.

05
Procurement Risk Management

- Identifying anticipated risks and working to mitigate their impact.
- Ensuring that procedures operate towards best practices.

06
Capabilities and Resources

- Utilizing the right skills and resources within the team to manage opportunities.
- Identifying skill gaps and developing the procurement team through specialized training courses.

07
Governance and Procurement System

- Ensuring that government agencies comply with the Government Tenders and Procurement Law.
- Recording cases of non-compliance in a governed and organized manner by the competent authorities.

08
Management of Systems and Information

- Ensuring compliance in file management, archiving, and effective use of the e-marketplace.
- Verifying that all insights are supported by data to confirm their accuracy.
- Ensuring the accuracy of reports.

Figure (12): Enabling Factors of the Digital Procurement Methodology

3. Enabling Success of the Digital Procurement Methodology

The following key elements have been identified to ensure the successful implementation of the digital procurement methodology:

Future Vision and Planning:

Proper planning and issuing future plans assist in resource planning and help bidders understand long-term demands and prepare themselves to respond to opportunities.

Market Offer Analysis:

Evaluating the market and obtaining clear spending data helps procurement and IT teams stay informed about the latest trends, average market prices, availability, and key contractors. These insights and information contribute to improving the budget spending of government agencies

Ensuring Compliance:

Enforcing compliance helps agencies mitigate financial risks, achieve operational efficiency, and enhance trust.

Setting Key Performance Indicators (KPIs):

It is important for procurement and IT teams to establish appropriate reporting metrics to demonstrate success. This enables them to set goals, identify obstacles, and propose suitable solutions.

Aligned Strategies:

Procurement and IT teams must develop digital procurement and category strategies that align with business objectives. This will lead to stronger benefits, clear procedures, and efficient teams working toward defined goals.

Using Appropriate Technology:

Implementing the right technology in digital procurement improves spend visibility, standardizes workflows and streamlined processes, enhances data accuracy and transparency, and boosts operational performance.

Stakeholder Engagement:

Continuous engagement with stakeholders helps procurement and IT teams gain market insights, stay updated on the latest technologies, and understand contractors' concerns and challenges. This enables teams to implement appropriate changes and foster a problem-solving environment.

Executive-Level Support:

Support at the executive level is essential for proper policy and procedure implementation, overcoming obstacles, encouraging innovation, increasing transparency, and improving operational efficiency.

Table of Definitions

6

6. Table of Definitions

The following terms and expressions, wherever mentioned herein, shall have the meanings assigned thereto respectively, unless the context otherwise requires:

Term	Definition
Authority	Digital Government Authority (DGA).
Government Agencies	Ministries, authorities, public institutions, councils, national centers including any additional form of a public agency.
Digital Government	Promotes administrative, organizational and operational processes between the various government agencies in their transitioning to a comprehensive digital transformation to allow easy and effective access to government digital information and services.
Digital Transformation	Digitally and strategically transforming and developing business standards and models that would rely on data, technologies, and ICT.
Beneficiary	Citizens, residents, visitors, government agencies, private sector, non-for-profit sector, inside or outside the KSA that require to interact with a government agency to receive any of the services offered in Saudi Arabia.
Law	Government Tenders and Procurement Law
Regulation	Implementing regulations of the Law.
"Etimad" platform	A unified electronic portal for government procurement supervised by the Ministry of Finance.
Key Performance Indicators (KPIs)	Numerical measurements used to measure vendors performance against agreed specific targets. These indicators form part of the Service Level Agreement document.
Pre-Qualification	The government entity verifies the qualifications and capabilities required to carry out work and secure purchases of the bidders prior to their biddings.
Post-Qualification	Following the selection of the best bid, the government agency verifies that the selected bidder possesses the necessary qualifications and capabilities to execute the required work and secure the procurements, prior to awarding the contract.
Digital Procurement Strategy	A long-term plan for the effective procurement of products and services required to meet the government entity needs of such products and services.
Small and Medium Enterprises	Local enterprises (micro, small- and medium-sized enterprises) by classification of the Small and Medium Enterprises General Authority
Project Scope	One of the main sections of the RFP that includes a description of the specific purchase requirements by defining the scope of the purchase process, project outputs, schedules, project location, payment terms, and success criteria. It also defines commitments and responsibilities between government agencies and vendors.
RFP	A document that specifies the project location, duration, technical work requirements, bill of quantities, special specifications, contractual terms, and the specifications required in the submitted bid.
Stakeholders	Parties and entities that affect and are affected by decisions, directions, procedures, objectives, policies and initiatives of the digital government and share some of their interests and outputs and are affected by any change that occurs in them.
Procurement Classification.	Classification of related product and service categories to support ease of procurement within the digital procurement system.
Contractor/Contractors	The individual/agency contracted to provide a specific service or carry out a defined task within a specified period under a defined contractual framework.
the Digital Procurement Methodology	A set of processes followed to secure the needs and equipment for the Communication and Information Technology sector, such as devices, software, and cloud technology.
Digital Services	A set of transactions linked to each other to perform a complete function provided by the government agency to the beneficiary through digital channels such as digital portals and smart device applications so that they have one main exit defined and specified. A group of services can be linked together to form a digital product.
Contracts	An agreement concluded between the government agency and the contractor, defining the obligations and rights of both parties, the type of activities and services, how they are provided, their terms, and the timeframe, all in accordance with the provisions of the Government Tenders and Procurement Law.
Financial Department	The management responsible for executing the strategy, represented by the establishment, monitoring, and controlling all financial resources to achieve business objectives. This includes a number of financial tasks and procedures related to profitability, expenses, and cash flows.
Procurement Department	The department responsible for procurement operations, procedures, and related activities within an agency.
IT Department	The department responsible for planning, organizing, directing, coordinating, and controlling the use of technology and technical resources to achieve business objectives.
Tenders	All procedures related to the request for proposals and their documentation, from the government agency and bidders, up to the contract award.
Award of Contract	The process of formally notifying the service/product provider of their selection as the contractor for a specific contract.
Risk Record	A document containing a list of risks, including all data and information such as the risk registration date, risk code, risk title, sector, risk owner, risk classification, risk description, risk occurrence scenario, likelihood level, impact level, risk level, confidence level in the probability and impact assessment, affected areas, key risk indicators, mitigation strategies, preventive measures, key control indicators, response and recovery plans, responsible response agencies, recovery agencies, and supporting agencies.

References and relevant legislations

7

7. References and relevant legislations

Reference	Description
Definitions Guide of Digital Platforms, Products and Services	Definitions of terms related to digital channels, platforms, products, and services, classified according to a unified national classification system.
The Guideline of Digital Projects RFPs Preparation	Provision of guidelines and information on how to implement various digital government procurement activities, following global best practices.
Guideline of Digital Project Management	An overview of the digital project management mechanism within government agencies.
Government Tenders and Procurement Law and its Implementing Regulations	Organizing related procedures to achieve the best value for public funds, and to enhance competition, transparency, and economic development.
Conflict of Interest Regulation in the application of the Government Tenders and Procurement Law and its Implementing Regulations	The regulation includes definitions, the purpose of the regulation, the persons to whom the regulation applies, employee obligations, disclosure of conflicts of interest, prevention of conflicts of interest, and the establishment of a conflicts of interest policy.
Budget Cycle	A summary of the annual general state budget cycle with its main phases.
The Circular for the Framework Agreement on the Category of Information Technology Devices	A circular to government agencies regarding requests for cloud computing services via the "Etimad" electronic market.
Circular for the Framework Agreement for Information Technology Devices and Accessories Products	The Expenditure and Project Efficiency Authority (EXPRO) has enhanced the "Framework Agreement for the Supply of Information Technology Devices" by adding new categories and products.
Circular for the Framework Agreement for Information Technology Devices and Accessories Products	A circular to government agencies to procure IT devices and accessories products through the (Etimad) electronic market.
Circular for the Framework Agreement for Printers, Scanners, and Ink Products	A circular to government agencies to procure printers, scanners, and ink products through the (Etimad) electronic market.
Circular Regarding Contracting with Companies Solely for Employment Purposes	Ensuring that all government agencies refrain from contracting with companies solely for the purpose of employment and providing personnel.
Circular on Business Continuity Standards for Digital Government	The Authority issued Business Continuity Standards for Digital Government to elevate the maturity level of digital government services and to ensure the continuity and sustainability of operations.
Circular Regarding Exercising Caution in Building or Expanding Data Centers and Transitioning to Cloud Services	Guidance to exercise caution, whether in planning investments for building new data centers, expanding existing ones, or developing a plan to transition to cloud solutions.
Circular for the Framework Agreement for Cloud Computing Services	A circular to government agencies to procure cloud computing services through the (Etimad) e-market.
Circular for the Framework Agreement for Digital Circuit Services	A circular to government agencies to procure digital circuit services through the (Etimad) e-market.
Circular on the Framework Agreement for the Supply of Microsoft Products and Services	A circular to government agencies to procure Microsoft products through the (Etimad) e- market.
Circular Regarding Contracting with Companies Solely for Employment Purposes	Ensuring that all government agencies refrain from contracting with companies solely for the purpose of employment and providing personnel.
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Circular for the Framework Agreement for Cloud Computing Services	A circular to government agencies to procure cloud computing services through the (Etimad) e-market.
Circular for the Framework Agreement for Digital Circuit Services	A circular to government agencies to procure digital circuit services through the (Etimad) e-market.
Circular on the Framework Agreement for the Supply of Microsoft Products and Services	A circular to government agencies to procure Microsoft products through the (Etimad) e- market.

هيئة الحكومة الرقمية
Digital Government Authority