

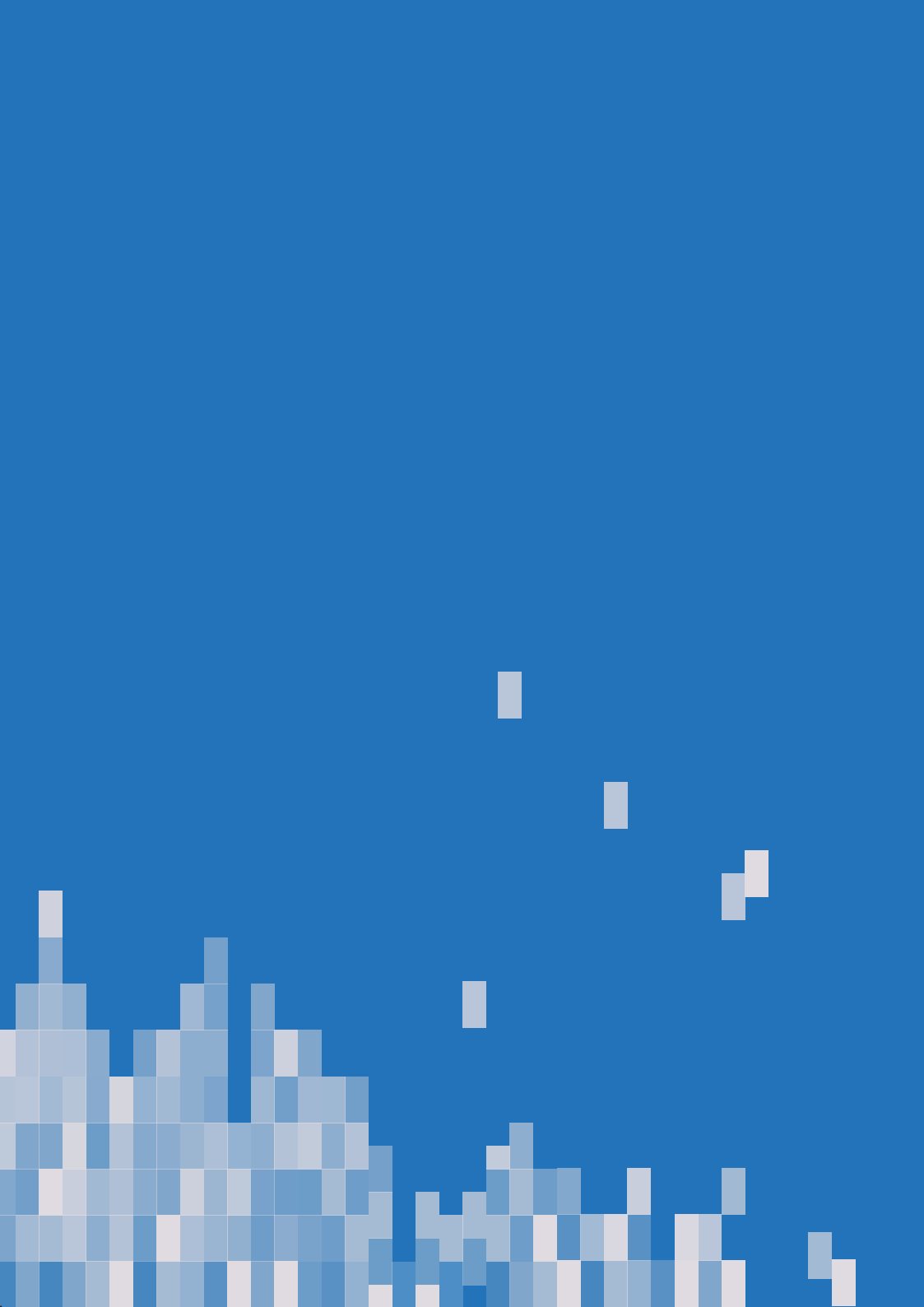
# General Framework for SMEs Participation In Tendering Process with ITA



Information Technology Authority  
Sultanate of Oman



e.oman



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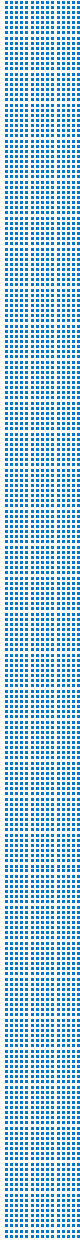
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## Introduction

His Majesty Sultan Qaboos bin Said issued Royal Directives for the implementation of the decisions of the Small and Medium-Sized Enterprises (SMEs) Development Symposium, which was held at Seeh Al Shamikhat at the Wilayat of Bahla, Dakhiliyah Governorate, on 20 January 2013. The Royal Directives were given to promote the entrepreneurship culture, as well as to facilitate and develop the business processes relating to the SMEs, with a view to furnishing optimum services to enable such enterprises to play pivotal roles in the development of the national economy.

Pursuant to the Royal Directives, a minimum of %10 of the public tenders and procurement shall be allocated to the SMEs, along with taking the necessary procedures and controls to implement these Directives.

Based on the recommendations and instructions of the Board of Directors of the Information Technology Authority (ITA), ITA immediately started the implementation and execution of the decisions and conclusions of the Symposium. This manual is intended to summarize the “General Framework of SMEs Participation in the Tendering Process”, in line with the commitment of ITA to the objectives of developing and enhancing the public and private sectors, as well as unifying efforts for the development of SMEs and providing them with the necessary support in the field of IT-related entrepreneurship.

In March 2013, the ITA inaugurated the Sas Programme and Centre for Entrepreneurship, which is designed to provide a suitable environment to cater to the needs of information communications technology (ICT) entrepreneurs. Creating an appropriate business environment for the ICT sector, in order to increase the capacity of the small and medium businesses operating in the ICT industry supports SMEs in building sustainable business ventures, through creating the physical as well as the virtual environment aimed at building a robust ICT sector in Oman.



# Objectives

- 1. Create modern mechanisms and systems to enable the participation of SMEs in the implementation of the public ICT projects.
- 2. Contribute to the development of the ICT industry through supporting SMEs.
- 3. Participate in the development of the performance of SMEs and upgrading their production efficiency.
- 4. Enhance the capacity of the Omani manpower of SMEs operating in the ICT field.





## General Framework





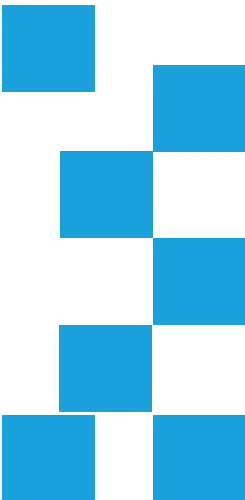
## General Framework

1. Register SMEs specialized in the ICT field.
2. Analyze the registration data for validity verification.
3. Classify SMEs by field of specialization, in addition to other details provided in the registration data.
4. Provide the necessary support to upgrade the technical and administrative competency of SMEs.
5. Provide networking services between the large corporations and SMEs operating in the ICT field.
6. Post the data of the SMEs registered with ITA on its website.
7. Update SMEs' data on a regular basis and follow up their performance throughout the project lifecycle.





- 8. Develop standardized contracts and tender documents to be used when floating tenders and awarding contracts to SMEs, for the execution of projects worth up to OMR 50k.
- 9. Urge large companies to award a minimum of %10 of the contracts entered into with ITA to SMEs, along with encouraging the large corporations to exceed such percentage.
- 10. Provide the necessary facilities to SMEs through the different stages of tendering, contracting and execution of the projects awarded by ITA.







## Contract Award Procedure Larger Corporations to SMEs





## Contract Award Procedure – Large Corporations to SMEs

1. Tenders shall be floated inclusive of the condition to allocate %10 minimum of the contract to SMEs, and the same percentage shall be rationed at the post-negotiation stage.
2. Large corporations shall be advised to allocate at least %10 of the contract signed with ITA to SMEs.
3. Large corporations shall be obligated to allocate to SMEs at least %10 of the variations orders awarded to them by ITA, under the same project previously awarded by ITA.
4. Large corporations are required to provide details of the work to be assigned to SMEs within the proposal submitted, so that such works would be included within the Main Scope for which the project was established.
5. Large corporations may select one or more companies from the SMEs registered with ITA. However, awarding a contract to a non-registered enterprise shall be preceded by the registration of such enterprise with ITA.
6. 3 % of the evaluation criteria shall be given to the large corporations that grant more than %10 of the workload/contract value to the SMEs.
7. Proposals submitted by large corporations shall include a profile of the SMEs that will be assigned a share of the project.



## Contract Award Procedure – Large Corporations to SMEs

- 8.** A Letter of Intent shall be given to the large corporation contingent upon signing contracts with SMEs as subcontractors at the time of signing the contract with ITA.
- 9.** Large corporations shall undertake in writing, as per the prescribed form, that all the data submitted in relation to the SMEs is true and correct.
- 10.** There shall be cooperation with ITA in order to follow up the performance of the SMEs involved.
- 11.** There shall be cooperation with ITA for the purpose of developing and upgrading the efficiency of the SMEs involved.
- 12.** ITA shall have the right to be informed of the terms of the agreements entered into by the large contractors and SMEs.
- 13.** The larger companies shall not assign any projects as per the predetermined percentage for the SMEs in the event the two entities share the same owner or any one of the directors or executives is engaged by the two entities.





## Award Contract Directly to SMEs





## Award Contracts Directly to SMEs

1. This mechanism shall apply to SMEs, wherein one of the owners is an Omani national and full-time manager.
2. Specialized SMEs registered with ITA shall be invited to tender, along with giving a pre-tender detailed explanation about the project requirements as well as the facilities provided by ITA. The other non-registered specialized SMEs will be invited to register with ITA.
3. SMEs intending to participate in the tender are required to fill out the e-form confirming their readiness to execute the project in order to confirm the seriousness and readiness of the SME to participate in the tender process.
4. Tenders of an estimated cost less than OMR 50k will be open to SMEs registered with ITA. While tenders of estimated cost above OMR 50k shall be floated for larger companies on the condition of awarding no less than %10 of the value of the contracts signed with ITA to SMEs.
5. Tenders of an estimated cost less than OMR 50k shall be floated for the larger companies, in case SMEs failed to meet the project requirements during the evaluation stage of SMEs' technical proposals. Moreover, SMEs shall be allowed to bid against or partner with the larger companies. In which case, the condition to award a share of the project shall cease to apply (Annex 1).
6. Facilities provided to the SMEs shall apply to the tenders of estimated cost not exceeding OMR 50k.



## Award Contracts Directly to SMEs

7. A short schedule shall be set to the tendering process when only SMEs are invited to tender, so that the invitation will be extended to the larger companies within a short period, in case none of the SMEs qualified or was able to meet the project requirements.
8. The SMEs track record database may be consulted in the execution of ITA projects and such data can be considered for the purpose of proposal evaluation (a percentage of the evaluation criteria may be assigned to the SMEs' performance).
9. Tendering, as well as contract awarding to the successful bidder, shall be carried out as per the tendering and contracting procedures applicable at ITA.
10. ITA reserves the right to cancel any tender if none of the SMEs can fulfill the project requirements, or in the event no agreement was reached with the bidders.
11. The tenderers shall be registered with ITA and all rules and regulations shall be complied with.
12. All tendering procedures applicable at ITA shall be complied with and all the data provided to ITA shall be verified.
13. Cooperation with ITA is required, in regard to developing and enriching SMEs' performance.
14. Bidding shall be for the projects relating to the area of SME specialization, in order to achieve the intended benefit during the projects' execution, with a view to contribute in the development of the ICT industry and upgrade the level of the Omani staff involved.



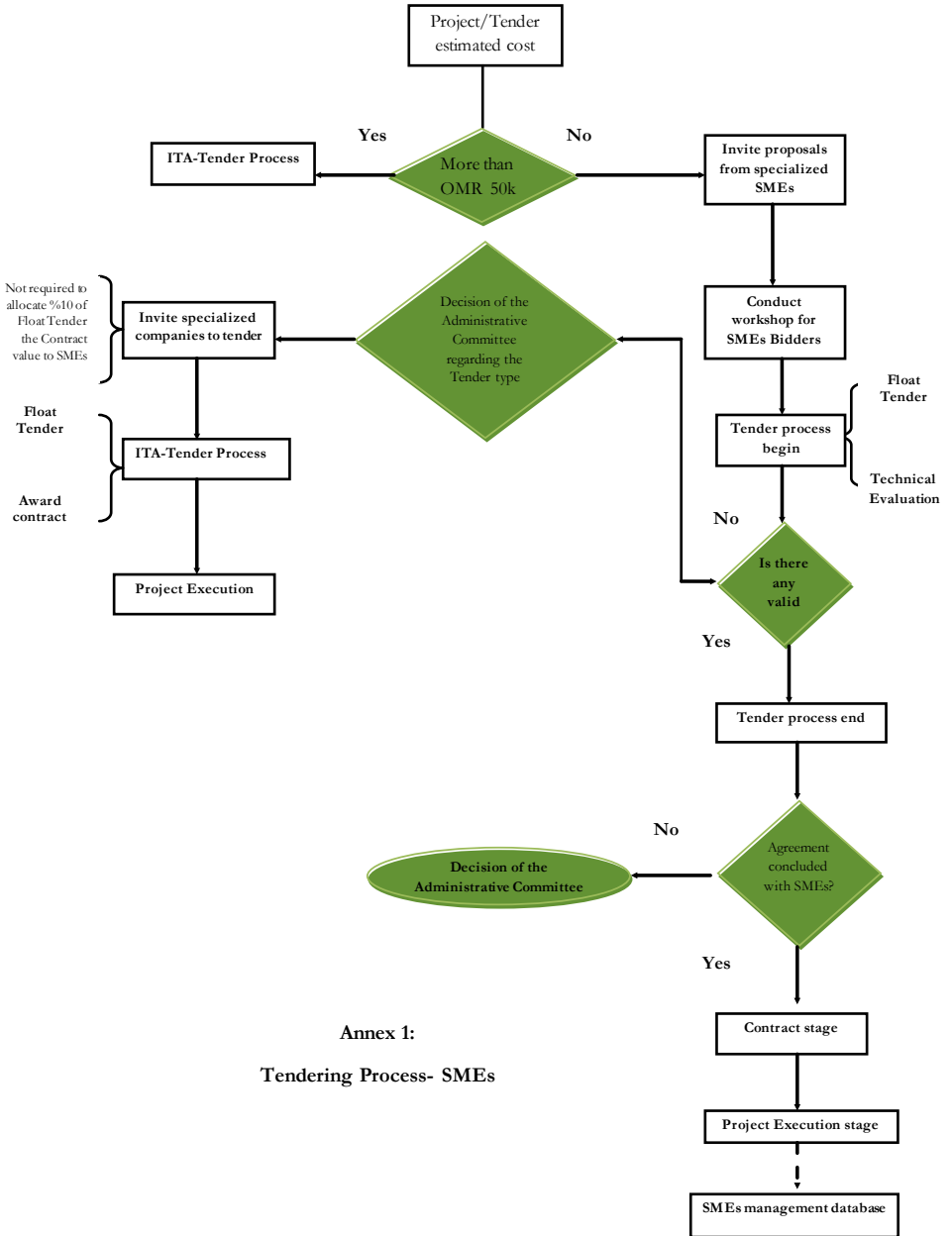
## Facilities provided to SMEs



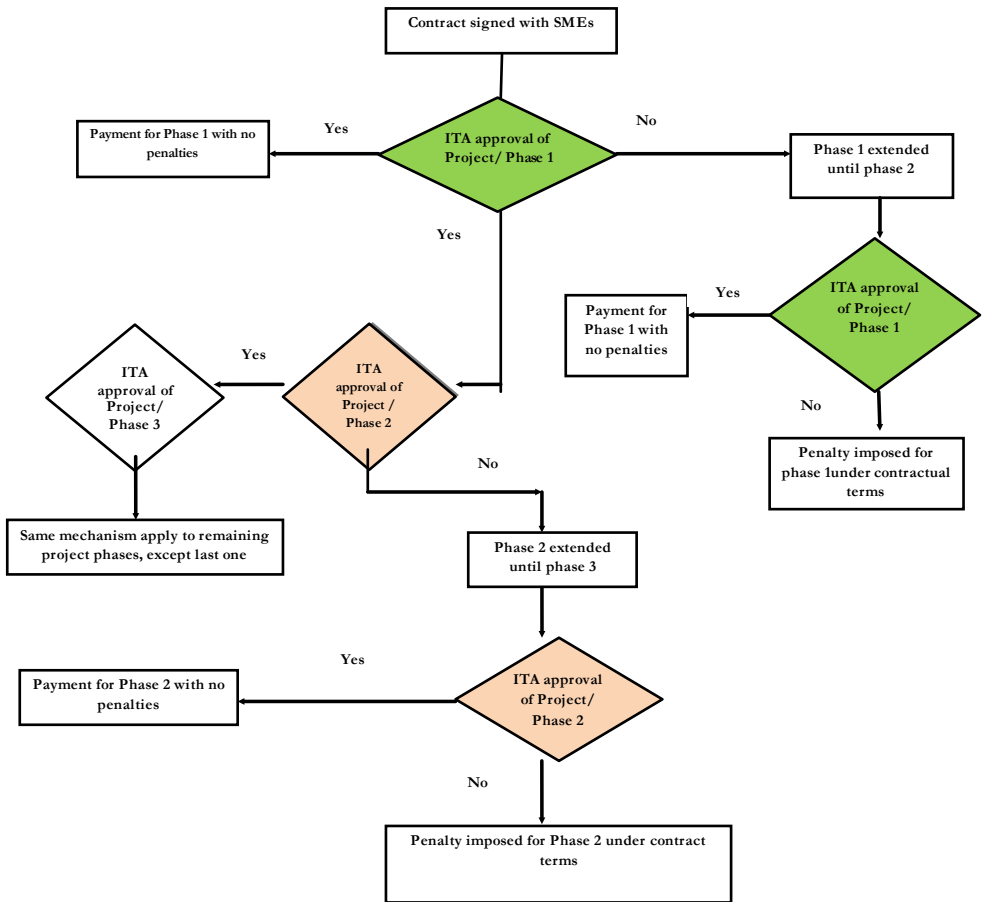
## Facilities provided to SMEs

1. These facilities shall apply to the SMEs, wherein one of the owners is an Omani national and full-time manager.
2. Standardized contracts and tender documents will be developed to be used when floating tenders and awarding contracts to SMEs, for the execution of projects of an estimated cost less than OMR 50k.
3. A uniform tender fee shall apply in the amount of OMR 20.
4. The Bid Bond amounting to %1 of the tender value shall be exempted.
5. The requirement relating to years of experience shall not be included in the evaluation criteria or project requirement.
6. The Performance Bond shall be reduced from %5 to %1 of the contract value.
7. The Advance Payment Bond shall be exempted for the first three projects to be awarded to SMEs by ITA, provided that the SME company shall undertake in writing to pay the amount within 30 days of receipt of the ITA's respective letter, in the event of violation of any of the terms set forth in the contract signed between the two parties.
8. Insurance shall be exempted, subject to the approval of ITA's Administrative Committee.
9. Invoice payment period shall be reduced to 21 days instead of 45 days, from the date of approval of the invoices against the work done.
10. As per the projects floated for SMEs, with estimated cost not exceeding OMR 50k, the enterprise that can complete the project as per the agreed upon terms shall be granted %5 of the contract value, as an incentive for the companies to abide by contractual terms for the first three projects to be awarded to such enterprise by ITA.
11. The enterprises shall be granted certain facilities as per the penalties calculation method in the event of a breach of contractual terms. (Annex 2)



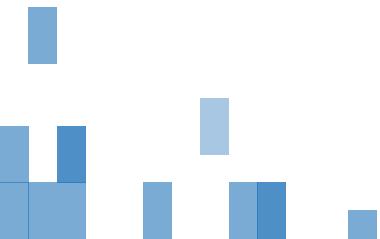


Annex 1:  
Tendering Process- SMEs



**Annex 2:**  
**Payment Method as per Project Progress**

**Release 1**  
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