



Human Resources and
Social Development

Saudization Guide for Operation and Maintenance Contracts of Government Agencies

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Contents

1. Introduction	3
2. Purpose of the Guide	3
3. Scope of the Guide	4
4. Definitions	4
5. General Saudization Procedures	5
5.1 Job levels	5
5.1.1 Job categories and targeted Saudization rates	6
5.1.2 Professional areas	7
5.1.3 Targeted Saudization rates	7
5.2 Career development	8
5.2.1 Job description	8
5.2.2 Performance monitoring and career advancement	9
5.3 Minimum salaries	9
5.4 Job advertising	10
5.5 Interviews and recruitment	10
5.6 Training and development	10
5.7 Qualifying training	10
5.7.1 Post-employment development	10
5.8 Rehiring employees on subsequent (replacement) contracts	11
6. Development mechanisms and program sustainability	11
7. Performance measurement and fines	11
7.1 Measuring performance in the Saudization of operation and maintenance project contracts	11
7.2 Fines	13
8. Contact details	13

1. Introduction

A key to the operation of vital public facilities, the operation and maintenance sector offers job opportunities for Saudis, although the employment rate in this sector stands at only 17%, mostly in lower-level jobs. In recent years, several important studies have been conducted and several joint committees have been set up to discuss the challenges facing the Saudization of operation and maintenance jobs. Meetings and workshops have been held with officials of government agencies and operation and maintenance companies, and a number of solutions and recommendations have been identified.

The Saudization Guide for Operation and Maintenance Contracts of Government Agencies (the "Guide") has been issued in accordance with the Council of Ministers' Resolutions No. 20, dated 18 Muharram 1440 [28 September 2018], and No. 337, dated 25 Jumada II 1439 [13 March 2018], on the Saudization of operation and maintenance jobs in government sectors; the Council of Ministers' Resolution No. 129, dated 24 Rabi' II 1430 [20 April 2009]; High Order No. 35608, dated 27 Jumada II 1440 [4 March 2019], approving the establishment of a committee on compensation for the pay differential resulting from the Saudization of operation and maintenance jobs under contracts already awarded or in the process of being awarded; and the Council of Ministers' Resolution No. 540, dated 16 Ramadan 1440 [21 May 2019], approving the adoption of the (updated) Saudi Vocational Classification Guide.

Some relevant global and national experiences have also been drawn upon and a number of considerations and challenges have been addressed to support job localization, including:

- Coordination with the Ministry of Finance to provide the financial support necessary for increasing contract budgets, in order to compensate for the pay differential between Saudis and expatriates.
- Development and delivery of a variety of specialized training programs in cooperation with government agencies and the Technical and Vocational Training Corporation (TVTC), in order to enable job seekers to acquire the knowledge necessary for operation and maintenance jobs.
- Adoption of a phased approach to Saudization in order to give government agencies and contractors ample opportunity to provide Saudi employees with sufficient experience through knowledge transfer from experienced employees.
- Provision of the necessary development after employment by stipulating requirements in the bid document, including a requirement for the provision of development, technical and management courses appropriate to employees' career paths, knowledge transfer programs, and on-the-job training; as well as a requirement for cooperation with certain agencies in the design and implementation of specialized training programs in some operation and maintenance fields.
- The setting of a minimum salary for each job category to ensure fair competition between contractors and employee retention.
- Development and continuous monitoring of performance indicators.

This Guide also familiarizes public entities with the necessary procedures and requirements that must be put in place for the Saudization of operation and maintenance jobs, by including the said requirements in bid documents so that contractors can be acquainted with job localization requirements and prepare their technical and financial proposals accordingly.

2. Purpose of the Guide

This Guide provides government agencies with all the procedures, requirements and forms necessary for the Saudization of operation and maintenance contracts, including all continuing service contracts with a term of not less than 12 Gregorian months. Firstly, Saudization requirements, operation and maintenance job categories and levels, and the required Saudization rate for each job category and level will be included in the statement of work. This will familiarize contractors with job Saudization requirements so they can submit their technical and financial proposals accordingly. Then, during the contract execution phase, the Guide will enable employees to perform their required tasks and help contractors with the provision of the necessary training, development and knowledge transfer programs, until the final project delivery. In the event of a conflict between this Guide and the Labor Law or the Government Tenders and Procurement Law, the provisions of the said laws shall prevail.

3. Scope of the Guide

This Guide shall apply to all staff employed on continuing operation, maintenance and cleaning contracts of government agencies, whether the employee and labor requirements are specified in the contract or whether the contract is service, output or performance-based, provided that the term of such contracts is 12 Gregorian months or more, including, for example, the following:

- Operation, maintenance and cleaning contracts;
- Catering contracts;
- Bus transport contracts; and
- Communication and IT operation and maintenance contracts;

Only security guard service contracts are excluded from the scope of this Guide.

4. Definitions

The following terms and phrases, wherever used in this Guide, shall have the meanings hereinafter ascribed to them, unless the context otherwise requires:

1. **Saudization Guide for Operation and Maintenance Contracts of Government Agencies:** A guide prepared for the purpose of providing public government agencies with the instructions and procedures necessary for the incorporation of Saudization requirements in operation and maintenance project contracts.
2. **Operation and maintenance contracts:** All contracts, whether labor or performance-based, entered into by public entities for the operation, maintenance and cleaning of their facilities, or the procurement of continuous operating services, whose execution requires the supply of labor.
3. **Public entities:** All public government agencies and state organs.
4. **Ministry:** The Ministry of Labor and Social Development.
5. **Mashroat:** The National Program for the Support of Project Management, Operation and Maintenance in Public Entities.
6. **Hadaf:** The Human Resources Development Fund.
7. **Taqat:** Hadaf's National Labor Portal.
8. **Replacement contract:** A contract tendered by a government agency during the term of an existing operation and maintenance contract for the purpose of extending operation and maintenance services beyond the expiration of the existing contract.
9. **Professional area:** A group of interrelated jobs that share some of the required skills and competencies.
10. **Job category:** A number of professional areas grouped under a particular specialization.
11. **Job level:** A hierarchical structure of job grades arranged according to their importance, as well as job responsibilities and qualifications.
12. **Qualification programs:** Training programs provided by the Technical and Vocational Training Corporation, or any other provider, to develop the skills of job seekers and those newly hired to operation and maintenance jobs.
13. **Development programs:** On-the-job classroom and hands-on training programs offered to employees for the entire term of the contract to enhance their job skills.

5. General Saudization Procedures

This Guide describes the Saudization procedures for operation and maintenance contracts, with a view to ensure its applicability to all public entities and their operations, and to have benchmarks for Saudization performance indicators. For the ideal use of this Guide, the following procedures must be followed:

Table (1)

No.	Procedure	Details
1	Setting out the public entity's requirements and needs to be met by the operation and maintenance contract.	This phase involves describing the work required from contractors before preparing the bid, and includes, without limitation, management structure and levels; job categories; required professions; number of jobs; required qualifications, experience and competencies; job description, etc. In compliance with the Council of Ministers' Resolution No. 540, dated 16 Ramadan 1440 [21 May 2019], job titles shall be as set forth in the (updated) Saudi Vocational Classification Guide.
2	Aligning Saudization requirements with the public entity's requirements and needs.	This phase includes a thorough review of the Saudization Guide to know what Saudization rate is imposed on each job category and level. It also includes the preparation of job descriptions, required qualifications and experience, post-employment development programs, as well as the alignment of operation and maintenance contracts with all the provisions of Sections 5.1 to 5.8.
3	Bid solicitation and award	A contract is put out to bid, bids are evaluated, and the contract is awarded in accordance with applicable laws.
4	Job advertisements	Once a contract is awarded, the contractor shall be required to advertise vacancies through the specified channels and comply with all the provisions of Section 5.5 of this Guide.
5	Jobs	Based on the files of job applicants, contractors shall evaluate resumes and conduct interviews under the supervision of the government agency in accordance with Section 5.6 of this Guide. [Successful applicants] will then be directly employed and registered with the General Organization for Social Insurance (GOSI).
6	Employee development	An employee development program shall be implemented in accordance with Section 5.7 and the contract terms and specifications.
7	performance monitoring	Performance monitoring and calculation of the required performance indicators shall be carried out as per Section 7 of this Guide. Mashroaf shall be provided with quarterly reports detailing the progress made, challenges faced in implementation, and recommendations for the enhancement of this program.

5.1 Job levels

Job levels in the operation and maintenance sector have been grouped under six standard categories based on the minimum qualifications and experience required for each level. A public entity may, however, have different (more or less) job levels provided that they correspond to the standard levels that will be used mainly for the determination of the minimum required qualifications, experience, Saudization rates, and minimum salaries, as shown in the following table:

Table (2)

No.	Level	Definition	Job examples
1	Managerial	Leadership positions involving responsibility for managing the technical and administrative aspects of the project, and requiring a university	Project managers and assistant project managers.

		degree (in engineering or administration), as a minimum, with experience in management.	
2	Engineering and specialized	Jobs that require a specialization in a specific field and are open only to employees holding a university degree in the same field.	Electrical engineers, mechanical engineers, civil engineers, human resources specialists, customer service specialists, data analysts, and information technology specialists.
3	Supervisory	Jobs that require specialized and supervisory skill and experience, a degree not less than a diploma or high school with experience in the field.	Warehouse supervisors, electrical supervisors, mechanical supervisors, quality supervisors, maintenance supervisors, information technology supervisors, and administrative supervisors.
4	Technical	Jobs that can usually be performed without direction, and require a degree not less than a diploma or high school with experience in the field.	Foremen, communications technicians, computer operators, electrical technicians, and mechanical technicians.
5	Operator jobs and crafts	Jobs that require specific skills and that a worker can usually perform through practice and training without a specific academic degree.	Security guards, technical assistants, receipt and delivery clerks, painters, welders, and plumbers.
6	Low-skilled labor	Jobs that require no skill and that a worker can usually perform without an academic degree or prior experience.	Workers, farmers, and janitors.

5.1.1 Job categories and targeted Saudization rates

Eight standard job categories have been defined to cover most of the operation and maintenance jobs. Then, a minimum Saudization rate has been set for each job category and job level based on market supply and demand and job attractiveness to applicants. These job categories are shown in the following table:

Table (3)

Job category	Description
Mechanical work	All jobs that involve the operation, maintenance and repair of mechanical equipment and systems, such as mechanical engines; heating, ventilation and air-conditioning (HVAC) units; hydraulic equipment; turbines; boilers; water and sewage treatment units; pumps; air blowers and compressors; in addition to plumbing and the installation and welding of pipes and firewater systems, etc.
Electrical work	All jobs that involve the operation, maintenance and repair of electrical equipment and systems, such as transformers, power distribution networks, electrical panels, power plants, control systems, light current systems, fire alarm systems, electronic systems, etc.
Civil work	All jobs that involve the operation, maintenance and repair of civil constructions and systems, including roads; storm water, water and sewage systems; and buildings; in addition to surveying and all construction works.
Equipment	All jobs related to mobile equipment, cranes, heavy-duty vehicles, excavators, elevators, and medical equipment.
Safety	All jobs related to occupational health and safety, and hazard prevention.

Information technology	All jobs related to the development, programming, operation and maintenance of information technology systems; network security; data management; management and design of websites and online platforms; computer engineering; and other information technology functions.
Public services	All jobs related to public, logistical and ancillary services, including landscaping, irrigation, gardening, sanitation, and pest control. They also include the operation of laboratories and light services in utility management.
Administrative and support	All administrative and support functions such as customer service, billing and collection, administrative and secretarial work, planning and development, research, quality and performance management, in addition to all financial and accounting functions, etc.

5.1.2 Professional areas

Professional areas are the basis for employee development, and government agencies should define the required professional areas in operation and maintenance contracts, in order to identify the training and development needs of Saudi operation and maintenance personnel. Table (4) below shows examples of these areas in operation and maintenance contracts:

Table (4)

Mechanical work	Electrical work	Civil work	Equipment	Information technology	Safety	Public services	Administrative and support
Heating and air conditioning	Power distribution	Insulation	Elevators	Applications	Safety and security	Sanitation	Planning and documentation
Equipment	Distribution and transmission	Roads	Operation and maintenance of cranes	Computers	Environmental health	Gardening	Quality control and auditing
Engines	Electrical installations	Bridges	Operation and maintenance of heavy equipment	Networks	Hazard prevention	Irrigation	Project management
Turbines	Appliances	Construction	Maintenance of medical equipment	Cybersecurity		Pest control	Contract management
	Control systems	Surveying		IT Infrastructure		Water treatment	Customer service
				Technical support			

5.1.3 Targeted Saudization rates

The targeted Saudization rates have been set in the contract portfolios of public entities to be taken into account and used as a basis for the development of operation and maintenance bid requirements and documents. It should be noted, however, that these rates are the minimum rates, and public entities may set higher rates based on their evaluation of job opportunities and the extent to which they can be Saudized, provided that the total Saudization rates do not fall below the following levels:

Table (5)

	Electrical work	Mechanical work	Equipment	Civil work	Safety	Information technology	Public services	Administrative and support
Managerial					50%			
Engineering and specialized					30%			
Supervisory		40%				100%		

Technical		30%				50%		
Operator jobs and crafts		30%				70%		
Low-skilled labor	To be determined by the government agency for each contract based on the Saudization opportunities it deems fit.							

5.2 Career development

The successful implementation of the Saudization of operation and maintenance contracts depends on the development and improvement of the work environment, upgrade of the work and supervision process in public entities, the incorporation of best practices into their operations, and the localization of jobs to serve the entity's goals and aspirations.

The factors that drive talent attraction and hiring are not the same as those that drive talent retention and development. Given the diversity of the durations and working conditions under operation and maintenance contracts, it is the responsibility of public entities to ensure that these factors are present through the following:

1. Clarity of the work and supervision process in government agencies and development of the job description required for each job.
2. Workplace improvement and employee motivation.
3. Greater use of modern technology in the performance and monitoring of operations.

5.2.1 Job description

A well-defined job description helps in setting the main employment criteria and requirements and defining employees' scope of responsibilities and powers, which, in turn, helps to reduce employee turnover. The job description also makes job requirements more accessible to employees and serves as a guide for them to understand the scope of their job responsibilities. Therefore, public entities must make sure that they have a well-defined job description for each job in accordance with the project organization structure, and that each job description includes the following components:

1. Job title according to the Saudi Vocational Classification Guide;
2. Job category and field;
3. Key competencies and educational and experience requirements;
4. Job purpose;
5. Work schedule; and
6. Main job duties and responsibilities.

The entity must include the job description in the bid document and require the contractor to use and update it, if necessary. The proposed template can be used and modified according to the job requirements, provided that it includes as a minimum all the above-mentioned components. Below is a proposed job description template.

Proposed job description template	
Job Title	
Career Path	Job category
Work schedule	
Job Description	
Job Duties	
Key Competencies	
Type	Competency

Skills	
Experience and knowledge	
Requirements	
Educational Level	
Years of Experience	
Other Requirements	

5.2.2 Performance monitoring and career advancement

Employee performance and skill development can be achieved through a series of actions and procedures to maintain a consistent level of efficiency and increase employee motivation, thereby guaranteeing the desired quality of work. A public entity must ensure that employee performance is tracked by reviewing periodic performance reports, overseeing performance appraisals, and following up on appraisal findings (periodically, biannually, annually). Areas for development, and actions that may facilitate the required development, must be identified for each employee to help employees advance their career paths. Two examples of career development areas are shown in Table (6) below.

Table (6)

1	2	3
Engineer	Division head	Project manager
Assistant technician	Technician	Foreman

5.3 Minimum salaries

Salaries of Saudis in operation and maintenance companies are a function of supply and demand. However, a public entity must set minimum salaries of Saudi employees for each job level in the bid document and ensure that contractors comply with the minimum salaries set out in Table (7) below, taking into account that the numbers shown include all allowances and are before the deduction of the employee’s contribution to social insurance.

Table (7)

No.	Job level	Minimum salary
1	Managerial level	Determined by the government agency in the bid based on the qualifications and experience required for the managerial position. The minimum is SAR 8,400 + (SAR 600 * the number of years of experience).
2	Engineering and specialized	SAR 8,400
3	Supervisory	SAR 7,000
4	Technical	SAR 5,700
5	Operator jobs and crafts	SAR 4,000
6	Low-skilled labor	SAR 3,000

5.4 Job advertising

In order to provide equal opportunities for all Saudis looking for work in the operation and maintenance sector, public entities must include a paragraph in the bid document requiring contractors to advertise all targeted jobs on the National Labor Portal (TAQAT), in order to reach the largest number of people.

To increase the number of applicants, public entities and contractors may also use additional advertising channels, for example:

1. The public entity's or the contractor's website;
2. Official newspapers;
3. Text messages via approved methods; or
4. Approved recruitment websites.

5.5 Interviews and recruitment

The interviewing and hiring process involves contractors evaluating applicants' resumes, conducting interviews with them under the supervision of the public entity, selecting candidates based on the required qualifications, and registering them with the General Organization for Social Insurance.

5.6 Training and development

Training plays a key role in creating the pool of talent needed for organizations to achieve their goals. It also helps job seekers and employees acquire job-specific qualifications and achieve job security, and ensures that businesses maintain the required level of operational efficiency. Given the importance of training and development in developing human resources and raising the productivity of Saudi employees, public entities must set the training and development requirements for Saudi employees, include them in bid documents, and make it mandatory for contractors to comply with them.

5.7 Qualifying training

In cooperation with the Technical and Vocational Training Corporation, and some accredited training providers, qualifying training courses will be offered to help job seekers and newly hired employees develop the skills needed for operation and maintenance jobs. Advertisements will be posted and notifications sent out about these courses periodically.

5.7.1 Post-employment development

Public entities must set requirements for the development of Saudi employees and make it mandatory for contractors to comply with them by including in the bid document plans for training and development after employment, using the following methods:

1. On-the-job training: This is carried out by assigning various tasks to employees and giving them the opportunity to participate in all project activities in order to expose them to different experiences and develop their skills and knowledge. Sound guidance and supervision should be constantly provided to bring their job performance up to the adequate level. This method is considered to be the most effective method of providing employees with the necessary qualifications and improving their competencies.

2. Coaching/Mentoring: This method involves providing employees with guidance and assigning coaches or mentors to continuously monitor their performance and pass the necessary knowledge to them. It also involves providing access to the necessary tools, such as scientific references, reports and educational resources, which allow employees to self-learn.
3. Specialized vocational training: This method involves providing employees with specialized training courses in their field of work in order to enhance their professional skills and develop their capabilities. Contractors are required to submit a list of the specialized professional courses that they will provide to their Saudi employees throughout the contract term, including course titles, hours, and how many times the courses will be offered. This kind of training can be provided by the contractor's professional staff or by accredited training providers and trainers qualified in the relevant disciplines.

5.8 Rehiring employees on subsequent (replacement) contracts

In order to provide the necessary job security for Saudi employee and create a clear career path, public entities shall make it a requirement, during the preparation of new replacement contracts, that all Saudis employed under the existing contracts be rehired, upon their approval, under the new contracts. Public entities shall also state employees' jobs and salaries under existing contracts in the bid document to ensure that these details are known to contractors and taken into account when submitting a proposal. However, in accordance with the Council of Ministers' Resolution No. 129, dated 24 Rabi' II 1430 [20 April 2009], compensation and benefits under the new contracts shall not be less than compensation and benefits under existing contracts.

6. Development mechanisms and program sustainability

In order to ensure the continued Saudization of operation and maintenance project contracts and address expected challenges, each public entity shall prepare special plans for the achievement of that goal and shall include the development of Saudi employees' capabilities in these contracts. To that end, full-time employees at each public entity shall be assigned the following main tasks:

1. Setting Saudization strategy and targets in current and future contracts;
2. Following up specialized on-the-job training and development programs;
3. Following up training programs for recent graduates;
4. Submitting proposals and assessing the feasibility of establishing specialized training centers and programs;
5. [Entering into] training agreements with specialized agencies;
6. Monitoring and measuring performance;
7. Participating in events and periodic meetings with Mashrooat;
8. Addressing the challenges facing the Saudization of operation and maintenance jobs; and
9. Sharing experiences and successes.

7. Performance measurement and fines

7.1 Measuring performance in the Saudization of operation and maintenance project contracts

Saudization performance will be monitored at three levels:

1. The public entity's level:

The public entity will be responsible for developing and monitoring the implementation of a plan for the Saudization of operation and maintenance project contracts through:

- a. Identifying the jobs targeted for Saudization and developing a systematic strategic plan to realize this target;
- b. Preparing development programs for employees under current contracts, following up their performance, and ensuring that they acquire the knowledge and skills required for the job;
- c. Preparing a number of programs and activities to support Saudization, in cooperation with public and private training institutions, including training programs tailored to the public entity's needs;
- d. Actively participating in student training programs that enable students to acquire the skills necessary for the labor market; and
- e. Establishing training agreements or specialized training centers within the entity whenever feasible.

- f. The entity shall also ensure that the number of required endorsements entered through the government endorsements portal matches the contract if the required number of employees is stated in the contract, or reflects the actual number needed for the public entity if the contract is performance-based. The public entity shall stress upon their concerned staff the importance of complying with this requirement.

2. The Ministry's level:

Government endorsements for the issuance of visas for employees on operation and maintenance contracts of government agencies will be subject to the Saudization rates set out in this Guide, and visas will be issued to contractors accordingly. In addition, Saudization rates in these contracts will be continuously monitored, and if the number of required endorsements is found to be more than the actual number required, the Ministry will take the appropriate legal action.

3. Mashroaf's level:

A number of key performance indicators have been developed to measure Saudization performance and identify opportunities for sustained improvement, with a view to achieving the following main goals:

- a. Creating new jobs;
- b. Increasing the sector's attractiveness to Saudis; and
- c. [Ensuring] effective recruitment and employment sustainability. Therefore, a number of key performance indicators have been developed and will be included in periodic performance reports. Some of these indicators will be measured based on the information received from public entities, which must require contractors to provide information and verify its authenticity through direct supervision of those activities. Public entities shall also sign a memorandum of understanding with Mashroaf to continue working with it, identify the obstacles and challenges facing the Saudization of operation and maintenance jobs, and document success stories in this area. The table below shows the most important performance indicators.

Table (8)

No.	Indicator Title	Description	Measurement Unit	Measurement Frequency	Data Source	Rationale and Assumptions
1	Total number of jobs advertised since the start of implementation (for males and females)	The total number of jobs advertised for operation and maintenance contracts, including jobs that have been re-advertised as a result of vacancy or an incumbent's resignation.	Number	Monthly	The National Labor Portal (TAQAT)	This indicator gives a comprehensive picture of the effect of the Saudization of operation and maintenance contracts on job creation.
2	The total number of Saudis hired since the start of implementation (males and females)	The total number of Saudis hired on operation and maintenance contracts, including repeated hiring for one job as a result of vacancy or an incumbent's resignation	Number	Monthly	The government agency based on the information provided by contractors. This information must be supported by data from the GOSI.	This indicator gives a comprehensive picture of how desirable the jobs are to applicants, how attractive the sector is, and how successful recruitment channels are in filling available vacancies.
3	The number of Saudis hired on operation and maintenance contracts (males and females).	The number of Saudis hired on operation and maintenance contracts and their percentage of the total number of employees in the sector.	Number	Quarterly	The government agency based on the information provided by contractors. This information must be supported by data from the GOSI.	This indicator gives a comprehensive picture in the medium to long term of how attractive the sector is and how successful the Saudization of operation and maintenance contracts is in creating

						meaningful and sustainable job opportunities.
4	Total cost	Total cost of the salary differential between expatriates and Saudis in operation and maintenance contracts.	Saudi Riyal	Monthly	The government agency through monthly follow-ups of contractors' statements.	This indicator gives a comprehensive picture of the total cost of the program.

7.2 Fines

Without prejudice to the power of the Ministry of Labor and Social Development to monitor and enforce Saudization rates in operation and maintenance contracts and impose penalties on violators, public entities must include in their contracts fines for violating the Saudization rates set out in operation and maintenance contracts.

8. Contact details

For any inquiries or comments, please contact:

Secretariat of the Steering Committee on the Saudization of Government Operation and Maintenance Contracts

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