

# Saudi Arabia Introduces New Government Tendering Regulations to Support Vision 2030

The Saudi Arabian government recently announced the new Government Tenders and Procurement Law (GTPL) after a series of public consultations dating back to 2017. The new GTPL replaces the last version of the GTPL issued in 2006. The Implementing Regulation is expected to be published within the next four months.

The new GTPL is intended to guide governmental entities in procuring projects in an open, transparent and fair manner, giving equal opportunities to all bidders.

Mohammed bin Abdullah Al-Jadaan, the Saudi Finance Minister, said, "The law seeks to allocate and manage financial resources effectively, and provides more transparency in all tenders and procurement procedures such as submission and opening of proposals through the unified portal." The new GTPL is intended to go a long way in aligning the government procurement system with the blueprint for Vision 2030. The new regime contains innovative features like the new unified electronic portal, electronic reverse auction methods, electronic encryption system to ensure authenticity and security, creation of technical and financial stages in the bidding process and creation of pre-qualification requirements for works and procurements. Scope is also provided for direct procurement.

The new GTPL also envisages the creation of rules for clearing conflicts of interest and local content percentage assessment in the technical and financial evaluation of bids. The new law will also solve many sub-contracting conflicts by allowing the governmental authority to pay the sub-contractor directly in case of disputes with the main contractor.

As in the previous version of the regulation, provisions for compensation and modification of the contractual framework are provided in case of unforeseen changes in raw material prices, governmental fees and taxes, and material difficulties in the execution of the contract. Moreover, the prohibition on increasing the value of the works by more than 10% and decreasing it by more than 20% remains identical to the prior version of the GTPL.

The new GTPL is intended to provide a catalyst to local SMEs, along with international joint venture companies, to bid for forthcoming mega projects under the Vision 2030 blueprint.



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