

# doing business with Saudi Aramco

With transparency, consistency and  
uniformity, it's a level playing field for all.



# content

- 01 | [Overview](#)
- 02 | [Corporate values](#)
- 03 | [Code of conduct and safety](#)
- 04 | [The In-Kingdom Total Value Add \(iktva\) program](#)
- 05 | [Supplier relations](#)
- 06 | [Procurement policies and registration procedures](#)
- 07 | [Contracting policies and registration procedures](#)

**Disclaimer:** The information contained herein is made available to the public by Saudi Aramco, and is provided "as is." Saudi Aramco makes no representations or warranties, express or implied, as to the correctness, completeness, or use of this document or the information therein by any party for any purpose whatsoever. Neither Saudi Aramco nor any of its affiliates shall be liable for any direct, incidental, consequential, or punitive damages arising out of or in any way connected with the information herein. Use of, or reliance on, the information contained in this document does not create any binding or legal or other obligations on Saudi Aramco toward any other party. Reference herein to any specific organization or company does not constitute or imply Saudi Aramco's endorsement or recommendation of, or preference toward, such entity.

# 01

## overview



### about Saudi Aramco

A world leader in hydrocarbons exploration, production, refining, distribution, and marketing, and the world's top exporter of crude oil and natural gas liquids, Saudi Aramco's operations encompass the entire energy industry value chain. Saudi Aramco also produces, processes, and delivers supplies of natural gas that fuel Saudi Arabia's industrial sector. The Company has an array of international subsidiaries, joint and equity ventures to deliver crude oil, refined products, and chemicals to customers worldwide. Our Procurement and Supply Chain Management organization (P&SCM) is responsible for procurement in support of Saudi Aramco.

#### The core strategies of our Procurement and Supply Chain Management organization are to:

- Maximize value added to stakeholders.
- Promote and expand the value of local content.
- Develop innovative supply chain methodologies.
- Raise the percentage of locally produced energy-related goods and services contracted by Saudi Aramco to 70% by 2021.
- Develop and retain a professional workforce.

### booklet

This booklet is intended to help build strong relationships between Saudi Aramco, vendors, manufacturers, and contractors, and to encourage the implementation of supply chain management best practices. The booklet provides an overview of Saudi Aramco's efforts to help create long-term economic growth and diversification through its In-Kingdom Total Value Add (iktva) Program. Finally, the

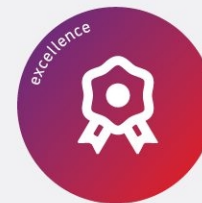
booklet guides potential vendors, manufacturers, and contractors on how to join the Saudi Aramco supply chain.

# 02

## corporate values

### our values

Saudi Aramco adheres to a set of values that also guide our procurement activities. Similar values are expected from suppliers and contractors supporting our supply chain activities. Similar values are expected from suppliers and contractors supporting our supply chain.



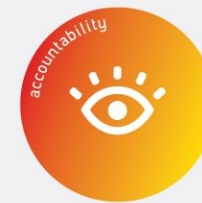
We drive for the best results and are agile in addressing new challenges.



We operate safely and are committed to the well-being of our workforce.



We follow ethical standards in conducting our business.



We take responsibility for our actions and for meeting corporate objectives.



We are a positive influence on the Kingdom, its environment, and in the communities where we live and work.



# 03

## code of conduct and safety



### Supplier code of conduct

Saudi Aramco is committed to conducting its business in an ethical manner, and requires its suppliers and contractors to share these commitments. We therefore established a Supplier Code of Conduct. All registered vendors, manufacturers, contractors, and sub-contractors doing business with Saudi Aramco are required to acknowledge, and agree to abide by, the policies and principles set forth in the Supplier Code of Conduct to continue doing business with Saudi Aramco. The Supplier Code of Conduct also applies to all potential new vendors, manufacturers, contractors, and sub-contractors. Our suppliers and contractors are expected to provide the Supplier Code of Conduct to all employees in their organizations who are involved in conducting business with Saudi Aramco.

### Saudi Aramco's safety culture

Saudi Aramco has a long and proud heritage of promoting safety as a value and way of life. P&SCM encourages our suppliers, contractors, and manufacturers to embrace the conviction that "All incidents are preventable." We encourage all supplier and contractor employees to establish safety as a personal priority while in the workplace, on the highway, or at home. We all must work

together to create and maintain a safety-oriented culture with zero tolerance for unsafe actions or behaviors.

# 04

## The In-Kingdom Total Value Add (iktva) Program

### what is iktva?

Saudi Aramco has created the In-Kingdom Total Value Add (iktva) Program to position local content at the heart of our procurement process. The program's goal is to increase the production of locally manufactured energy-related goods and services to 70% and increase the export of Saudi-made energy goods and services to 30% by 2021. Development of the Saudi workforce is also one of the primary goals of the program.

The iktva program will create a baseline for, and measure and support, increased levels of localization in the Kingdom. The program is designed to promote local content development, leading to higher levels of Saudization and local spending to boost the Kingdom's economy, capabilities, and supply chain.

### To learn more

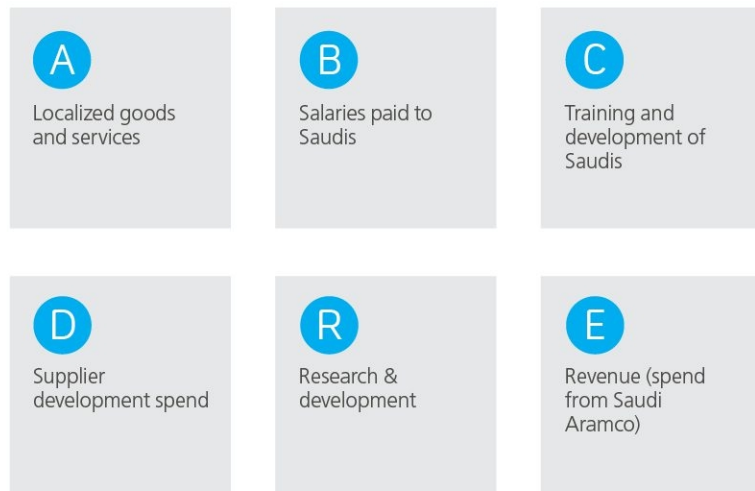
Email [iktva@aramco.com](mailto:iktva@aramco.com)

Website [iktva.sa](http://iktva.sa)

The iktva program requires our suppliers to self-report qualitative and quantitative information that falls into seven major categories: Revenue, Goods and Services, Saudi Payroll Related Costs, Saudi Training and Development, Saudi Supplier Development, Research & Development, and Export. From this data, we calculate an iktva ratio that approximates the percentage of our spending that remains in-Kingdom or develops the Kingdom's supply chain and capabilities. Saudi Aramco requires third-party verification of the numbers as part of suppliers' annual submission.

## iktva measurement tool

### Saudi Aramco supplier iktva metrics



### X Export Factor

#### supplier iktva formula

$$\% \text{ iktva} = \left[ \frac{A+B+C+D+R}{E} \right] + X$$

iktva defines the net value generated for the Kingdom

#### Additional info

- Number of Saudi employees
- Investment
- Exports

## iktva is

- A Saudi Aramco strategic imperative, which works with suppliers in a new way for mutual benefit.
- A value-creation program, not a metric.

Through iktva, we aim to foster a globally competitive Saudi industrial base to deliver our targets:

#### Creating a level playing field

- Uniform evaluations (services and materials)
- Access to information
- Supplier Solution Center

#### Partnership and collaboration

- Supplier focused
- Jointly develop action plans
- Mutual benefit and commitment

#### Opportunities

- Diversified local Saudi economy
- Better trained, qualified Saudi workforce
- Export your local content to neighboring GCC markets

## iktva support Team

The iktva Support Team combines the roles of supplier performance monitoring and proactive supplier development. The team is designed to ensure an increase in the local supply of goods and services to Saudi Aramco by coordinating technical assistance for suppliers. The Team can be reached through:

Email: [iktva@aramco.com](mailto:iktva@aramco.com)

## iktva supplier engagement program

**Our engagement framework is designed to drive active engagement through:**

- iktva certification
- iktva 5-year action plan
- Procurement award and monitoring

## Engagement framework

iktva certification > iktva 5-year action plan > procurement award and monitoring

- Measure the local footprint of a company
- Yearly certification
- Carried out by a third-party certifier
- Detailed plan on increasing the iktva score in the next five years.
- Established targets on Saudization and investment
- Summary of major sector enablers and challenges
- Quarterly status update
- Annual progress review
- Enforcing accountability measures.





# 05

## supplier relations

### supplier relationship

Supplier Relationship Management's (SRM's) goal is to develop mutually beneficial relationships that will allow us and our suppliers for goods and services to attain the highest level of excellence. We have always worked successfully with local and international businesses – from contractors providing us with services, to suppliers offering their materials.

Saudi Aramco expects its suppliers to offer the highest level of quality standards, be innovative in their products and services, be competitive in their prices, and deliver on time. In addition, Saudi Aramco is looking for suppliers that add value to its supply chain and have the ability to scale-up to meet growth changes according to business needs.

Whether your firm is large, medium, or small; whether your relationship with Saudi Aramco is new or long-standing, we want to share business success with you in the future.

### How to reach us

**The Saudi Aramco Supplier Help Desk is a one-stop shop to handle all suppliers' inquiries and issues. Service providers (contractors) and material providers can call the Supplier Help Desk at:**

**Tel:** +966 13 874-2222

**Email:** [SupplierHelpDesk@aramco.com](mailto:SupplierHelpDesk@aramco.com)

(Regular business hours, 07:00 to 16:00 KSA time, Sunday through Thursday).

## what SRM offers

SRM's function is crucial in strategically planning for and managing all interactions with the suppliers who provide goods or services to Saudi Aramco, and to maximize the value of those interactions.

Our thrust is to have suppliers relationship a focal point for all interactions with the supplier's community, providing comprehensive services to them, help them well-perform and support them to develop and prosper. This interaction will ensure the values that we are looking from timely delivery, high quality and reliability along with of course strong relationship.

SRM handles five main areas of supplier interactions, including the following:

### Registration and qualification:

Responsible for registration of suppliers as well as coordination with the concerned organizations within Saudi Aramco for suppliers' qualification.

### Suppliers' performance:

Monitoring suppliers performance as well as collaborate with internal stakeholders to improve suppliers' performance.

### Supplier relations:

Dedicated to promoting the iktva program as we handle external relations with suppliers.

### Supplier Solutions Center:

Dedicated to the development of existing local manufacturers and expanding their capabilities.



## our relation focus



The business relationship between Saudi Aramco and suppliers and contractors requires a sustained commitment to continuously improve service and efficiency. P&SCM has implemented effective supply chain strategies and industry best practices as part of its everyday procurement activities.

### Together, suppliers and Saudi Aramco provide consistent value and service by:

- Developing value-added relationships and greater levels of trust
- Delivering greater customer satisfaction
- Reducing inventory throughout the supply chain
- Conducting joint process improvement meetings
- Deploying technology effectively
- Sharing information
- Implementing cost reduction opportunities
- Continuously improving all supply chain management practices.

Suppliers interested to do business with Saudi Aramco are required to be registered and qualified as a first step.

The following section will outline the requirement for Saudi Aramco registration:

### Supplier Registration:

Our Saudi Aramco Supplier Registration Office in Dhahran, Saudi Arabia, acts as the single point-of contact for supplier registration inquiries with Saudi Aramco.

The Saudi Aramco Supplier Registration Office is responsible for Suppliers located in Saudi Arabia, United Arab Emirates, Bahrain, Qatar, Kuwait, Oman, Yemen, Iraq, Jordan, Syria, Lebanon, Egypt, Iran, Sudan, Somalia, Kenya, Pakistan, Bangladesh, and Afghanistan. Suppliers located in countries other than the countries listed above should contact the proper Supplier Registration Office listed under International Suppliers section.

The Supplier Registration Approval Process starts with the Supplier submitting a registration request through our e-Marketplace platform SAP

Ariba. Once a complete package is received, a dedicated SRM Analyst will review and validate all required documents. Upon approval, the Supplier will be issued Saudi Aramco Vendor ID (100xxxxx). It is important to note that registration as a Saudi Aramco supplier does not guarantee future business with Saudi Aramco. The registration process merely establishes the Supplier with Saudi Aramco and identifies primary contacts and other basic information about your company.

#### Registration Requirements

1. Original Acknowledgment form of Saudi Aramco's Suppliers Code of Conduct. This form must be signed by an authorized company representative, certified with a MANUFACTURER business stamp, and authenticated by the appropriate Saudi Arabian regional Chamber of Commerce.
  2. A valid copy of the Commercial Registration (CR) Certificate.
  3. A valid copy of the Industrial License Certification (Manufacturers Only).
  4. A valid copy of the Saudi Arabian General Investment Authority (SAGIA) Certification for entities owned full or partially by a foreign investor(s) or a foreign organization(s).\*
  5. A valid copy of the Zakat Certification issued by the General Authority of Zakat & Tax (GAZT).\*
  6. A valid copy of the Value Added Tax (VAT) Certification showing the VAT ID issued by the General Authority of Zakat & Tax (GAZT).\*\*
7. A valid copy of the General Organization for Social Insurance (GOSI) Certification referencing the CR number under registration and Saudization Letter from the Labor Office.\*
  8. A valid copy of the Civil Defense License or an equivalent government License.\*
  9. A valid copy of the Chamber of Commerce & Industry Membership Certification.\*
  10. Contractor Government Classification, if applicable (Service Providers only).
  11. A letter from the bank with which the company is dealing, stating the type of service that the bank normally provides to your company and relationship status.
  12. A valid copy of the owner's National ID or Iqama ID for an individual owner (Establishment) or the up-to-date company's Articles of Association (Organization). For Saudi organizations that are owned by at least one or more organization. Please provide each organization's up-to-date company's Articles of Association and Commercial Registration (CR) Certification.
  13. Authorized Signatory Letter identifying Authorized Company Employees dealing with SA.

\* *Note-1: The document is applicable and required for Saudi Arabian suppliers.*

\*\* *Note-2: The document is applicable and required for Saudi Arabian suppliers and suppliers located in countries of the Gulf Cooperation Council (GCC).*

## supplier agency linkage

To link an approved local vendor to qualified sources of materials (manufacturers), the following conditions must be provided to become a Saudi Agent registered in the Saudi Aramco supplier database:

1. Vendor shall be a Saudi Agent of an approved Saudi Aramco manufacturer.
2. Vendor shall provide a Commercial Agency Registration Certificate.
3. Vendor shall provide an authenticated Appointment Letter from the Saudi Aramco-approved manufacturer detailing the agency agreement.

“Our Supplier Relations and Qualification Unit (SR&QU) is the single point-of contact for local manufacturer and supplier registration.”

#### Manufacturer Qualification

The Manufacturer Approval Process starts once the manufacturer registration has been completed and the manufacturer has obtained a Vendor ID via our e-Marketplace platform SAP Ariba. A Saudi Aramco SRM Account Manager will be assigned to review the manufacturer's registration package and develop, accordingly, a Technical Qualification Questionnaire. The manufacturer will be required to submit additional Technical and Quality packages, based on SRM Account Manager evaluation.

After reviewing and validating all technical and quality requirements, the SRM Account Manager will initiate parallel workflows to responsible technical and quality entities for approval. Manufacturers may require a plant site visit by Saudi Aramco inspectors to assess implementation and effectiveness of the manufacturers' quality management system and conformance with ISO 9001 standards. Saudi Aramco inspectors may also evaluate the manufacturer's capabilities to produce materials/equipment which meets Saudi Aramco's material specifications. Any corrective action that may be required will be reported to the manufacturer's management.

upon approval of both the technical and quality entities, be qualified and linked to selective Saudi Aramco material numbers (9COMs). The manufacturer becomes an approved and qualified source of supply. It is important to note that registration and qualification as a Saudi Aramco supplier does not guarantee future business with Saudi Aramco.



## qualification requirements

### Quality Requirements

1. An uncontrolled copy of the quality management system manual.
2. Copies of the mandatory quality systems procedures as required by ISO 9001:
  - Control of documents
  - Control of records
  - Control of nonconforming products
  - Internal audit
  - Corrective action
  - Preventive action
3. A copy of the ISO 9001:2008 or later certificate.
4. Minutes of a recent Management Review Meeting.
5. A recent ISO registration Surveillance Audit Report.
6. A Complete list of QMS procedures/work instructions/exhibits.
7. A complete company organization chart including all QA/QC staff names.
8. A list of key manufacturing equipment at the manufacturing facility.
9. The number and certifications of welding and NDT QC Inspectors.
10. Qualification of QA and QC Managers.
11. Factory location map.

## technical requirements

1. Company Profile (Overview).
2. Product Catalog - detailing each product Technical Specification.
3. For chemicals, MSDS, Product Specification Sheet, Certificate of Analysis, Country of Origin.
4. Manufacturing Facilities Design Overview (Shop Layout).
5. Manufacturing Production Flow Chart.
6. List of Key Manufacturing Equipment Installed at the Manufacturer Plant.
7. List of Key Manufacturing Raw Materials
8. Resume (CV) of the Production Manager explaining his qualifications.
9. List of major users (with contact person address) for each product List of Sub-vendors with itemized supply scope.
10. Compliance Letter to Saudi Aramco Engineering Specifications/Standards and equivalent Procedures.

*\*Note: We recommend that all manufacturers should review the Engineering Requirements for Technical & Quality Approval (ERTQA) Handbook before submitting a registration request.*

### Contractor Prequalification

To support our role as a leading supplier of the world's oil and gas markets, Saudi Aramco partners with contractors for a wide range of services and has opportunities for contractors of all sizes.

The Sourcing & Prequalification Group of Saudi Aramco's Contracting Department is responsible for supporting proponent organizations within Saudi Aramco by developing General Bid Slates for various services required by the proponents. The Group is also responsible for sourcing, prequalifying and placing contractors on these General Bid Slates for consideration in future contract procurement actions.

To see examples of these General Bid Slates and contracting opportunities with Saudi Aramco, please visit the Saudi Aramco website's suppliers section for further details.

Contractors may request to be considered for prequalification and inclusion on General Bid Slates for specific scopes of work by contacting the group at [contractor-prequal@aramco.com](mailto:contractor-prequal@aramco.com).

Contractors' overall safety provides valuable insight into their safety culture awareness and quality of work. Therefore, and in line with Saudi Aramco's Corporate Values, contractors shall be requested to submit a separate pass/fail Safety Prequalification to evaluate their safety program and safety performance to be included on General Bid Slates.

## registration as an international manufacturer

Manufacturers wishing to become an approved Saudi Aramco supplier, or existing Saudi Aramco approved international manufacturers offering additional products, should communicate to the appropriate affiliated company, located in their geographical area (see the Contact Information table). The affiliate will evaluate the information provided and determine whether there is a business need for additional products/suppliers.

The registration documents will be forwarded to strategic sourcing for evaluation in terms of technical, financial, and strategic needs. Once our Industrial Development & Strategic Supply Department decides that the applying manufacturer is a potential source, the approval process will be initiated.

Concerned Saudi Aramco organizations will review the plant's technical documentation and QMS manual when it is determined that the factory is ready for comprehensive inspection. Pending satisfactory completion of this review, an official plant survey will be scheduled. The official survey findings will be communicated to the plant's management noting any deficiencies requiring corrective action. If results of the plant survey are acceptable, notification in the form of an approval letter will be sent to the plant's management indicating approval for specific products and providing a unique vendor identification number. It is important to note that registration as an approved manufacturer with Saudi Aramco is not a guarantee of future business.



## international vendors

Suppliers wishing to become an approved Saudi Aramco vendor, or existing international suppliers offering additional products, should communicate to the appropriate affiliated company, located in their geographical area (see the Contact Information table). The affiliate will evaluate the information provided and determine whether there is a business need for additional products/suppliers. Any further evaluation will depend on whether the supplier is deemed

financially and technically acceptable. International suppliers who demonstrate their products offer significant technical or commercial benefit to the Company will be closely considered.

## supplier resources

### Material Supplier Guide

Available from the Saudi Aramco website, the newly developed Material Supplier Guide provides suppliers with details on how to register and update their records, and what systems and support are available. In addition, the guide includes information about materials delivery and payment terms.

Note that the Material Supplier Guide is subject to change and will be updated frequently and republished as necessary.

### How to download the Material Supplier Guide:

1. Open your Internet browser and go to our website: [saudiaramco.com](http://saudiaramco.com)
2. Select the "Working with us" tab
3. Select "Resources"
4. Go to "Material Supplier Guide" and click on the link to download the guide as a PDF document.

### ERTQA Handbook

This Engineering Requirements for Technical and Quality Approval (ERTQA) handbook has been developed by Saudi Aramco Engineering Services (SAES) to provide clear approval guidelines for new and existing local manufacturers of engineering commodities. The handbook includes approval requirements based on Saudi Aramco (SA) and industry applicable standards, as well as ISO 9001 Quality Management System (QMS) requirements. The ERTQA handbook can be downloaded from:

[www.iktva.sa](http://www.iktva.sa) > Download > Guidelines

## Saudi Aramco Supplier Portal

Saudi Aramco is increasingly using e-Procurement as a means of conducting transactions and enabling real-time tracking of key procurement information.

The Saudi Aramco supplier portal is the electronic gateway between us and our suppliers and increases the quickness and accuracy of key supply chain information between stakeholders. All registered suppliers should maintain a high-speed Internet connection to facilitate access to the Saudi Aramco supplier portal and have the capability to provide and manage Web-based catalogs.

- Evaluate, measure, and monitor supplier performance through supplier scorecards (key performance indicators, or KPIs)
- Set protocols to inform the suppliers of their performance and maintain a positive reinforcement environment to encourage optimum performance
- Coordinate and participate in process improvement initiatives

All supplier portal access requests, Technical Questions should be forwarded to:

**Tel:** (013) 874-2222

**Email:** [supplier-portal@aramco.com](mailto:supplier-portal@aramco.com)

Suppliers must immediately notify Saudi Aramco of the end of service for any employee who has been granted access to the Saudi Aramco supplier portal.

### Supplier Declaration

All suppliers (in-Kingdom and Out-of-Kingdom) must attest to the accuracy and completeness of all documentation and submittals to ensure information provided is correct, up to date, and accurate.

Noncompliance will delay the registration process, and submittal of fraudulent or forged information will be grounds for indefinite suspension from bidding on work from Saudi Aramco.

Any changes in company ownership, commercial activities, and/or contact information by registered suppliers, whether they are vendors or manufacturers, should be communicated. Suppliers' representatives are encouraged to share the guide with their colleagues and staff who deal with different organizations in Saudi Aramco.

### Supplier Performance

Because supply chain management is a key success factor for us, we have an established team to sustain high supplier performance and to enhance the performance of low performing suppliers. The Supplier Performance Unit (SPU) is chartered to ensure a portfolio of best-in-class suppliers to support our operations. The evaluation of supplier performance can lead to developing suppliers to increase their potential for reducing costs, mitigating risks, driving continuous improvement, and increasing agility.

SPU has two specific goals for creating a portfolio of reliable suppliers

- **Sustain high supplier performance:** The SPU will monitor the suppliers that perform well to ensure that they continue to excel. This will be achieved by helping the supplier to identify and overcome obstacles in a timely manner. SPU will also implement a recognition and incentive program to propagate high performing suppliers.
- **Performance enhancement of low performing suppliers:** The SPU, in collaboration with internal stakeholders, will closely monitor low performers to identify root causes and agree on corrective actions to boost performance.
- Adapt industry best practices and technologies for supplier performance monitoring
- Collaborate with internal stakeholders (buyers, customers, vendor inspection and consulting services) to improve supplier performance
- Evaluate, measure, and monitor supplier performance through supplier scorecards (key performance indicators, or KPIs)
- Set protocols to inform the suppliers of their performance and maintain a positive reinforcement environment to encourage optimum performance
- Coordinate and participate in process improvement initiatives

The SPU holds primary responsibility for the performance monitoring of our supplier base. Within P&SCM, the SPU focuses on the following roles and responsibilities:





# 06

## procurement and contracting

policies and procedures

### Procurement policies

We pursue best practice solutions for developing reliable suppliers to obtain the best value, quality, and supply chain security. These objectives are achieved through a variety of strategies, including agreement-based procurement, cost-effective, long-term supply contracts, supplier managed inventory programs, and innovative solutions such as corporate level agreements to consolidate spend on materials, spare parts, and services. The continued focus is to support the growth of Saudi Arabia's national economy by encouraging in-Kingdom manufacturing and the development of local stocking distribution to ensure strong, reliable local suppliers.

#### Local content focus

We envision local manufacturing expanding to provide a significantly greater percentage of our material requirements, with local stocker distributors providing the greatest portion of the balance. These close relationships will foster continued development of our national supply and service base to become top echelon providers within the oil and gas industry – key enablers of our continued success.

#### Capital program sourcing

A large percentage of the materials and services required to support our capital program and various joint venture partnerships is sourced from global lump sum turnkey (LSTK) contracts. For information on supply chain opportunities in these areas, communicate directly with the respective contractor.

### Key supply chain strategies

To promote the development of local sources of supply while achieving Saudi Aramco's commercial requirements, P&SCM pursues a number of key supply chain strategies:

- Competitive bidding enables transparency and upholds the commercial interests of both Saudi Aramco and the local manufacturer/supplier community.
- Where appropriate, the total cost of ownership will be the basis for selection, rather than initial acquisition price.
- "Made in Saudi Arabia" is in our commercial interest and is essential to the long-term growth and economic well-being of the Kingdom, and will be accomplished via promotion of foreign direct investment and support of local in-Kingdom manufacturing
- Utilizing and supporting best-in-class suppliers
- Expanding purchase agreement coverage through cost-effective, lean procurement practices
- Increasing national logistics and warehousing capabilities
- Maximizing e-Procurement and e-Content
- Developing local supply chain management skills and the expertise of our P&SCM personnel, our customers, and our suppliers

“Made in Saudi Arabia” is essential to the long-term growth and economic well-being of the Kingdom”

### Purchasing guidelines

Our role in fostering the development of the national economy is closely associated with the evolving capabilities of the domestic market to effectively support our requirements for materials, products, and services on a competitive basis.

Our sourcing activities are governed by the following:

- Conducting all purchasing transactions fairly, honestly, with high integrity, and in accordance with the highest ethical standards and all applicable laws
- Considering quality, delivery and price, reliability of vendors, operational costs, in-Kingdom after sales support, end-use cost, work simplification, and standardization in making placement decisions
- Procuring goods from financially and technically qualified and reliable sources

- Focusing on the total cost of ownership
- Encouraging Saudization of the workforce

### Supplier contribution

Suppliers represent an integral part of our supply chain by:

- Adding value through product quality and support, competitive pricing, and a focus on lean supply chain models
- Utilizing enabling technologies that allow supply chain participants to effectively access relevant supply chain information
- Supporting effective development and training programs for their employees
- Seeking new opportunities for local manufacturing
- Building a robust information technology infrastructure with e-business transaction capability.

- Lump sum contracting is normally the preferred contract form when it can be used properly
- For work to be performed in Saudi Arabia, Saudi Aramco will normally consider contractor's technical and financial qualifications and will award contracts to only those contractors who are properly registered or licensed to conduct business in Saudi Arabia

The following policies are highlighted for your attention:

- Saudi Aramco policies regarding business ethics must be adhered to and a high standard of ethics and fairness shall be maintained
- All contracts must be in writing and shall be executed before committing work to a contractor, or a contractor starting work

“ All aspects of every contractor screening inquiry and Invitation for Proposal are confidential. ”



We encourage the continuous development of a strong, broad-based local contractor community in our various areas of operations for optimal commercialization. In support of this policy, we distribute contract work as widely as possible among qualified Saudi Arabian contractors.

### Local (in-Kingdom) contractors

We require current, up-to-date details on our contractors. Contractors that are new to Saudi Aramco may register their interest through the Saudi Aramco Registration website through SAP Ariba System. The registration process provides us with current contact information and other basic data about contractors.

### International contractors

Contractors that wish to do business with us should communicate their interest with the appropriate Saudi Aramco affiliate company — ASC, AOC, or AAC — located in their geographical area. See the Contact Information table for details.

### Confidentiality

Saudi Aramco considers all aspects — bid documents, attachments, and drawings — of every contractor screening inquiry and Invitation for Proposal to be confidential. A contractor must agree before responding to a screening inquiry or bidding on Saudi Aramco work to limit the disclosure of information to only those employees who require it, either to respond to an inquiry or to prepare a bid.

Contractors must also agree not to disclose any information contained in a screening inquiry or an Invitation for Proposal to a third party without obtaining Saudi Aramco's prior written approval. In this regard, a contractor may be required to sign a confidentiality agreement.

contracting  
policies



### Contractor sourcing and prequalification

To support our role as a leading supplier of the world's oil and gas markets, Saudi Aramco partners with contractors for a wide range of services and has opportunities for contractors of all sizes. The Sourcing & Prequalification Group of Saudi Aramco's Contracting Department is responsible for supporting proponent organizations within Saudi Aramco by developing General Bid Slates for various services required by the proponents. The Group is also responsible for sourcing, prequalifying, and placing contractors on these General Bid Slates for consideration in future contract procurement actions.

To see examples of these General Bid Slates and contracting opportunities with Saudi Aramco, please visit Saudi Aramco's website under contracting opportunities. Contractors may request to be considered for prequalification and inclusion on General Bid Slates for specific scopes of work by contacting the group at [contractor-prequal@aramco.com](mailto:contractor-prequal@aramco.com).

Please note that registration or prequalification with Saudi Aramco is not a guarantee of future work. Furthermore, contractors' overall safety provides valuable insight into their safety culture awareness and quality of work. Therefore, and in line with Saudi Aramco's Corporate Values, contractors shall be requested to submit a separate pass/fail Safety Prequalification to evaluate their safety program and safety performance to be included on General Bid Slates.

### Saudi Aramco contract procurement process

The contract procurement process is described in the following section.

Communications during all stages of contract procurement between bidders and Saudi Aramco must be authorized and conducted by the Saudi Aramco Contracting Department.

### Bid slate development

We use four different methods for procuring contracts:

1. *Open Bidding:* A notice is posted on the Saudi Aramco Bulletin Board in the ECN. This Information for Bidder notice provides overall descriptions of the work, any prequalification requirements that must be met, and the date of the Job Explanation Meeting. Any contractor may bid when this procurement method is used.
2. *Open Solicitations with Selective Bidding:* These are also posted on the Saudi Aramco Bulletin Board available in the ECN to allow all contractors the equal opportunity to indicate interest in submitting a bid. After a careful analysis of the responses, we select those contractors considered to be best qualified for bidding on the work and extend them an invitation to the Job Explanation Meeting. This is our most common and preferred procurement method.
3. *Restrictive Selective Bidding:* We review the record of contractors whose performance indicates capabilities in a particular type of work and

then select those contractors considered most capable of performing the work. We use this method when it is determined that the contract requirements are so stringent that only a few contractors qualify, or when the high cost of preparing a bid indicates that the size of the bid slate should be limited.

4. *Sole Source:* We do not favor this method of contract procurement, and it is used only after a careful review of the unique circumstances that may justify it. Sole Source procurement is justified, for example, when a contractor provides a unique proprietary service, when there is an unusual urgency to the work, or when a contractor has mobilized and the limited work scope does not justify mobilizing another contractor.

For a contractor's commercial bid to be considered for any contract, the contractor must be considered qualified to perform the work. We review technical and financial qualifications to determine whether a contractor is qualified or not.

Preliminary contractor capabilities are determined primarily from the ECN, including contractor performance reports on other contracts. Additional pre-qualification or technical proposal information unique to the specific procurement may be requested from the contractor.

Contractors with assets above \$10,000,000 that wish to be considered for contracts must also submit current audited financial statements to our

Treasury organization, which maintains all financial information in strict confidence.

### Job Explanation Meeting

A Job Explanation Meeting (JEM) is held to explain the contract, describe the scope of the work, and to answer any questions concerning the contract or the procurement process. If possible, the complete bid package is distributed to the bidders for review before the JEM. The bid package consists of a pro forma contract, the scope of work — including the plans and specifications of the proposed project — general instructions to the bidders for preparing the bid, and any special instructions that the particular project may require.

In many cases, the bidders are invited to visit the proposed contract work site to familiarize themselves more fully with the work requirements. During JEM and job site visits, bidders are encouraged to ask questions.

Questions that arise following JEM and site visits must be submitted in writing to the Contract Representative, who will respond in writing and provide a copy of the questions and answers to all bidders. The Contract Representative will also transmit to all bidders, in writing, any modifications to the bid package during the bidding period.

### Bid closing date and bid opening

The Instructions to Bidders clearly specify a bid closing date and a time. Bids must be deposited according to the Instructions to Bidders in the Contracting Department's locked bid box. The bid boxes

are located in Dhahran at North Park II, Building 3301, Contracting Department's Reception Center, Room #A162. Bids must be submitted in duplicate and clearly labeled in accordance with the instructions.

In many cases, bidders are requested to submit two separate proposals: a technical proposal and a commercial proposal. In these instances, the bidder's technical proposal is evaluated first and the bidder's commercial proposal will be evaluated only if the technical proposal is determined to be sufficient to meet contract requirements.

All bid openings are conducted by the Contracting Department and the Finance organization in strict compliance with Saudi Aramco procedures designed to ensure confidentiality and fairness to all bidders.

Following the bid opening, there will be no information released on the progress of the bid evaluation. This information is strictly confidential.

“Our contracts provide for the fair and equitable resolution of disputes that may arise between Saudi Aramco and contractors.”

### Negotiation of competitive bids

Bidders should be aware that Saudi Aramco does not negotiate base bids that have been solicited on a competitive basis. Exceptions to this policy are very rare and, if considered, require the approval of Saudi Aramco's corporate management.

Saudi Aramco assumes that a bidder's first price is its best and last price. Accordingly, we do not expect contractors to include a contingency for negotiation because, with respect to the bidder's basic proposal, such negotiations will not take place.

Saudi Aramco may conduct clarification meetings with one or more bidders before awarding the contract to ensure that both parties have a clear understanding of the work and the terms and conditions under which it will be performed. Base bids submitted in competitive circumstances are not negotiated or changed at these clarification meetings.

### Contract award

When the bid evaluation has been completed by a Saudi Aramco Bid Review Team, the recommended award is presented to Saudi Aramco management for approval.

Procurement plans and award recommendations for high-value contracts are reviewed by Saudi Aramco corporate management.

After the contract has been signed on behalf of Saudi Aramco, two original copies are presented to the selected bidder for signature. The contract is not

binding unless signed by both Saudi Aramco and the contractor.

### Debriefing meeting

An unsuccessful bidder may request in writing to the Contracting Department that a debriefing meeting be held to determine why the contractor's bid or prequalification proposal was not successful. We encourage debriefing meetings because they help contractors improve subsequent proposals. Note that proposals from competitors are never disclosed to the contractor. Debriefing for unsuccessful prequalification will not be held until after the JEM. Debriefing for unsuccessful contractors will not take place until after contract award.

If a debriefing meeting is requested, it should occur within one month after the contractor was informed its bid or prequalification proposal was unsuccessful to ensure that Saudi Aramco has retained all the relevant documentation to make the debriefing meaningful.

### Contract performance and administration

Day-to-day administration of the contract is the responsibility of the contract's proponent organization. Contract changes are negotiated with the contractor as needs arise and take the form of either change orders or amendments to the base contract.

### Claims

Saudi Aramco contracts also provide for the fair and equitable resolution of disputes that may arise between Saudi Aramco and contractors.



The Claims and Technical Services Unit of the Contracting Department is responsible for the resolution of claims, which must be filed according to the terms of each contract. Resolution occurs through Saudi Aramco's claim process and as approved by the Saudi Aramco contract signatory. Contractors have the right to appeal that decision through the establishment of a Saudi Aramco Contract Dispute Settlement Board (Appeal Board). In addition, Saudi Aramco contracts normally contain arbitration provisions.

### Applicable laws and manpower

Contractors are expected to comply with all applicable Government laws and regulations, and to structure their bids accordingly. We strongly encourage contractors to employ Saudi nationals for the performance of work in alignment with Saudi national policy and our commercial strategic direction.

When the contractor finds it necessary to employ foreign labor, compliance with Saudi Arabia Government regulations and issuance of visas and Iqamas is the responsibility of the contractor. Saudi Aramco does not provide assistance in this regard.

### Contractor assistance

Questions regarding specific contract procurement should be referred to the Contract Representative in the Contracting Department responsible for that procurement. For general information or for submitting updated contractor information, contractors may contact the Contractor Relations and Document Control Unit in the Contracting Department, Dhahran, or the Contracting Services Unit in Jiddah.

### Contracting summary

Our major contracting objectives are to complete the work on time in conformance with demanding technical standards and at the least overall cost to Saudi Aramco. To meet that objective, we conduct our contract procurement in a fair and equitable manner and endeavor to create and maintain a procurement environment attractive to qualified, competitive contractors. We welcome all qualified contractors to compete for Saudi Aramco contracts.

# 07

## contact information



## Contact information

country/company	function	area of responsibility	address, phone, and fax
Saudi Arabia / Saudi Aramco	Saudi Aramco Supplier Help Desk	One-stop shop to handle all inquiries and issues from suppliers	<b>Supplier Help Desk</b> , Saudi Aramco Box 77-X, North Park 2, Dhahran 31311, Saudi Arabia. <b>Tel: +966-13-874-2222, Email: <a href="mailto:SupplierHelpDesk@aramco.com">SupplierHelpDesk@aramco.com</a></b>
Saudi Arabia / Saudi Aramco	Supporting Local Industrial Development	Saudi Arabia	<b>Supplier Solutions Center</b> , Saudi Aramco Box 77-X, North Park 2, Dhahran 31311, Saudi Arabia. <b>Fax: +966-13-874-0015, Email: <a href="mailto:SSC@aramco.com">SSC@aramco.com</a></b>
Saudi Arabia / Saudi Aramco	Supplier performance management	Saudi Arabia	<b>Supplier Performance Unit</b> , Saudi Aramco Box 77-X, North Park 2, Dhahran 31311, Saudi Arabia. <b>Tel: +966-13-874-0061, Fax: +966-13-874-0015, Email: <a href="mailto:supplier-performance@aramco.com">supplier-performance@aramco.com</a></b>
Saudi Arabia / Saudi Aramco	Manufacturer Registration	Saudi Arabia and other GCC countries, the Middle East, Egypt, Kenya, Somalia, and Sudan	<b>Supplier Relations and Qualification Unit (SR&amp;QU)</b> , Saudi Aramco Box 87, North Park 2, Dhahran 31311, Saudi Arabia. <b>Tel: +966-13-874-0321, General Line: +966-13-874-0958</b> <b>Fax: +966-13-874-0015, Email: <a href="mailto:manufacturer-registration@aramco.com">manufacturer-registration@aramco.com</a>,</b> Manufacturers online registration: <a href="http://www.saudiaramco.com">www.saudiaramco.com</a> > Click on the Suppliers Tab > Choose Material or Services Supplier > Click on Register
Saudi Arabia / Saudi Aramco	Vendor Registration	Saudi Arabia	<b>Supplier Relations and Qualification Unit (SR&amp;QU)</b> , Saudi Aramco Box 87, North Park 2, Dhahran 31311, Saudi Arabia. <b>Tel: +966-13-874-0799, General Line: +966-13-874-0373,</b> <b>Fax: +966-13-874-0015/0335, Email: <a href="mailto:vendor-registration@aramco.com">vendor-registration@aramco.com</a>,</b> Vendor online registration: <a href="http://www.saudiaramco.com">www.saudiaramco.com</a> > Click on the Suppliers Tab > Choose Material or Services Supplier > Click on Register
Saudi Arabia / Saudi Aramco	Contractor Registration	Saudi Arabia	<b>Contractor Relations Counter, North Park 2, Room 162</b> , Dhahran 31311, Saudi Arabia. <b>Tel: +966-13-874-2287, -2457, Fax: +966-13-874-2260,</b> Electronic Contracting Network IK Registration: <a href="http://esr.aramco.com">http://esr.aramco.com</a> , OOK registration and general inquiries: <a href="mailto:contractor-registration@aramco.com">contractor-registration@aramco.com</a>
USA/Aramco Services Company	Manufacturer and Supplier Registration	The Americas (Western Hemisphere)	<b>Aramco Services Company</b> , Two Allen Center, 1200 Smith Street, Houston, TX 77002 <b>Tel: +1-(713)-432-5555, Fax: +1 (713) 432-4716, Strategic Sourcing,</b> <b>Email: <a href="mailto:StrategicProjects@aramcoservices.com">StrategicProjects@aramcoservices.com</a></b> <b>Website: <a href="http://www.aramcoservices.com/strategicprojects">www.aramcoservices.com/strategicprojects</a> <a href="http://www.aramcoservices.com/supplier-relations">Supplier Relations Group</a></b>
USA/Aramco Services Company	Service Contractors	North America	<b>Aramco Services Company (ASC), Tel: +1-(713)-432-4000,</b> <b>Email: <a href="mailto:contractor-registration@aramcoservices.com">contractor-registration@aramcoservices.com</a>,</b> <b>Website: <a href="http://www.aramcoservices.com">www.aramcoservices.com</a></b>
Aramco Overseas Company B.V.	Contractor Registration	Europe and South Africa	<b>Aramco Overseas Company B.V. (AOC) The Hague Office</b> , Strategic Sourcing, Scheveningseweg 62-66, 2517 KX The Hague, The Netherlands, <b>Tel: +31-(0)-88-262-2000, Fax: +31-(0)-88-262-3000,</b> <b>Email: <a href="mailto:aocStrategicSourcing@aramcooverseas.com">aocStrategicSourcing@aramcooverseas.com</a></b> <b>Website: <a href="http://www.aramcooverseas.com/suppliers/service-suppliers/">http://www.aramcooverseas.com/suppliers/service-suppliers/</a></b>

## Contact information

country/company	function	area of responsibility	address, phone, and fax
The Netherlands / Aramco Overseas Company	Manufacturer and Supplier Registration	Europe and South Africa	<b>Aramco Overseas Company B.V. (AOC), The Hague Office</b> , Strategic Sourcing, Scheveningseweg 62 - 66, 2517 KX The Hague, The Netherlands, <b>Tel: +31 (0) 88 262-2000, Fax: +31-(0)-88-262-3000,</b> <b>Email: aocStrategicSourcing@aramcooverseas.com,</b> <b>Website: <a href="https://aramcooverseas.com/suppliers/material-suppliers">https://aramcooverseas.com/suppliers/material-suppliers</a></b>
Japan / Aramco Asia Japan K.K.	Manufacturer and Supplier Registration	Australia, New Zealand, Japan, Taiwan (*), Hong Kong (*)	<b>Aramco Asia Japan K.K.</b> , 26th Floor, Marunouchi Building, 2-4-1, Marunouchi, Chiyoda-ku, Tokyo 1006326, Japan, <b>Tel: +81-(0)3-6367-7801, Fax: +81-(0)3-3211-3544,</b> <b>Email: AAJ-Registration@aramcoasia.com,</b> <b>Website: <a href="https://japan.aramco.com/en/home.html">https://japan.aramco.com/en/home.html</a></b>
Aramco Asia Korea LTD	Manufacturer and Supplier Registration	Republic of Korea	<b>Aramco Asia Korea Limited</b> , 45F, Three IFC, 10, Gukjegeumyung-ro, Yeongdeungpo-gu, Seoul, 07326, Korea <b>Tel: +82-(0)2-6270-5553, Fax: +82-(0)2-6270-5592</b> <b>Email: AAKSupplierRegistration@aramcoasia.com, Website: <a href="http://korea.aramco.com/en/home.html">http://korea.aramco.com/en/home.html</a></b>
Singapore / Aramco Asia Singapore PTE-LTD	Manufacturer and Supplier Registration	SE Asian countries such as Malaysia, Singapore, Indonesia, Thailand, Vietnam, Cambodia, and the Philippines	<b>Aramco Asia Singapore PTE-LTD</b> , 6 Battery Road, #35-01/02, Singapore, 049909 <b>Tel: +65-6224-2228, Fax: +65-6225-5388</b> <b>Email: AAS-Registration@aramcoasia.com</b> <b>Website: <a href="http://singapore.aramco.com">http://singapore.aramco.com</a></b>
India / Aramco Asia India Private Limited	Manufacturer and Supplier Registration	India	<b>Aramco Asia India Private Limited</b> , 2A-801, 8th Floor, Two Horizon Center, DLF Phase-5, Sector 43, Gurugram-122002, Haryana, India. <b>Tel: +91-(124)-647-3600, Fax: +91-(124)-647-3609</b> <b>Email: aaiSupplierRelation@aramcoasia.com; aaiSourcing@aramcoasia.com,</b> <b>Website: <a href="http://www.saudiaraco.com">www.saudiaraco.com</a></b>
China / Aramco Asia China (Aramco Far East (Beijing) Business Services Company LTD ABS)	Manufacturer and Supplier Registration	China (including Taiwan and Hong Kong)	<b>Aramco Far East (Beijing) Business Services Co., Ltd. (ABS)</b> , Shanghai Branch No. 16T60, 16F-SWFC 100 Century Avenue, Pudong New District, Shanghai 200120, PRC, <b>Tel: +86-(0)-21-3866-5700, Fax: +86-(0)-21-6877-9080,</b> <b>Email: ABS-SH-Sourcing@aramcoasia.com, Website: <a href="http://china.aramco.com/en/home.html">http://china.aramco.com/en/home.html</a></b>

(\*): For Taiwan and Hong Kong, sourcing activities are conducted by the Shanghai office but registration is done in Japan.

## Useful links

### Major companies

1. Saudi Basic Industries Corporation, [www.sabic.com](http://www.sabic.com)
2. Saudi Electric Company [www.se.com.sa](http://www.se.com.sa)
3. Saline Water Conversion Corporation [www.swcc.gov.sa](http://www.swcc.gov.sa)
4. Water Utility Company for Jubail and Yanbu' [www.marafiq.com.sa](http://www.marafiq.com.sa)
5. Saudi Arabian Oil Company (Saudi Aramco) [www.saudiaramco.com](http://www.saudiaramco.com)
6. Saudi Aramco and Dow Chemical Company (SADARA), [www.sadara.com](http://www.sadara.com)

### Land allocation entities

7. Royal Commission for Jubail and Yanbu' [www.rcjy.gov.sa](http://www.rcjy.gov.sa)
8. Saudi Industrial Property Authority (MODON) [www.modon.gov.sa](http://www.modon.gov.sa)
9. Rabigh Conversion Industrial Park [www.rabighCIP.com](http://www.rabighCIP.com)
10. Dhahran Techno-Valley, <http://www.dtvc.com.sa> (R&D Purposes)

### Funding entities

11. Saudi Industrial Development Fund [www.sidf.gov.sa](http://www.sidf.gov.sa)
12. Human Resources Development Fund (HRDF) [www.hrdf.org.sa](http://www.hrdf.org.sa)
13. Saudi Aramco Entrepreneurship Center (Wa'ed) for SME, <http://www.waed.net>

### Government and semi-government entities

14. Saudi Government Electronic Portal [www.saudi.gov.sa](http://www.saudi.gov.sa)
15. Saudi Arabia General Investment Authority [www.sagia.gov.sa](http://www.sagia.gov.sa)
16. Council of Saudi Chambers [www.saudichambers.org.sa](http://www.saudichambers.org.sa)
17. Ministry of Energy Industry and Mineral Resources [www.meim.gov.sa](http://www.meim.gov.sa)
18. Ministry of Finance [www.mof.gov.sa](http://www.mof.gov.sa)
19. Electricity and Cogeneration Regulatory Authority, [www.ecra.gov.sa](http://www.ecra.gov.sa)
20. Department of Zakat and Income Tax [www.dzit.gov.sa](http://www.dzit.gov.sa)
21. Ministry of Commerce and Investment [www.mci.gov.sa](http://www.mci.gov.sa)
22. Ministry of Labor [www.mol.gov.sa](http://www.mol.gov.sa)
23. General Organization for Social Insurance [www.gosi.gov.sa](http://www.gosi.gov.sa)
24. Saudi Standards, Metrology and Quality Org [www.saso.org.sa](http://www.saso.org.sa)
25. Saudi Trade & Export Development Company, [www.tusdeer.com](http://www.tusdeer.com)
26. Saudi Export Development Authority <https://www.saudiexports.sa>
27. Dammam Bonded & Re-export Zone [www.reexport.com](http://www.reexport.com)
28. Saudi Ports Authority [www.ports.gov.sa](http://www.ports.gov.sa)
29. Saudi Customs [www.customs.gov.sa](http://www.customs.gov.sa)

## Useful links

## List of abbreviations

### Vocational, technical, and educational entities

- General Organization for Technical Education and Vocational Training [www.tvtc.gov.sa](http://www.tvtc.gov.sa)
- Jubail Industrial College [www.jic.edu.sa](http://www.jic.edu.sa)
- Jubail Technical Institute [www.jti.edu.sa](http://www.jti.edu.sa)
- Saudi Petroleum Services Polytechnic [www.spsp.edu.sa](http://www.spsp.edu.sa)
- College of Technology-Dammam, [www.ctd.edu.saf](http://www.ctd.edu.saf)
- King Abdullah University for Science and Technology (KAUST) [www.kaust.edu.sa](http://www.kaust.edu.sa)
- King Abdullah Petroleum Studies and Research Center (KAPSARC) <https://www.kapsarc.org>

- **AAC:** Aramco Asia Company AOC: Aramco Overseas Company
- **ASC:** Aramco Services Company CR: Commercial Registration
- **ECN:** Electronic Contracting Network
- **P&SCM:** Procurement and Supply Chain Management organization
- **QMS:** Quality Management System SAGIA: Saudi Arabia General Investment Authority
- **GOSI:** General Organization for Social Insurance
- **SASO:** Saudi Arabian Standards Organization Insurance
- **SIDF:** Saudi Industrial Development Fund
- **HRDF:** Human Resources Development Fund
- **SME:** small to medium enterprises
- **iktva:** In-Kingdom Total Value Add Program
- **SPU:** Supplier Performance Unit
- **JEM:** Job Explanation Meeting
- **SR&QU:** Supplier Relations and Qualification Unit
- **ISO:** International Organization for Standardization
- **SSC:** Supplier Solution Center
- **KPI:** Standardization key performance indicators
- **WTO:** World Trade Organization
- **LSTK:** lump sum turnkey
- **MIGA:** Multilateral Investment Guarantee Agency
- **MOCI:** Ministry of Commerce and Industry
- **MODON:** Saudi Industrial Property Authority



“This material is distributed by Aramco Affiliated Services Company on behalf of The Saudi Arabian Oil Company. Additional information is available at the Department of Justice, Washington, D.C.”

Procurement & Supply Chain Management  
North Park 1, Saudi Aramco, Dhahran  
[www.saudiaramco.com](http://www.saudiaramco.com)  
© Saudi Arabian Oil Company, 2018