



# **LOCAL BUSINESS DEVELOPMENT (LBD) POLICY FRAMEWORK FOR ICT INDUSTRY IN BRUNEI DARUSSALAM**

18 February 2017



**1** Well educated and highly skilled people

**2** High quality of life

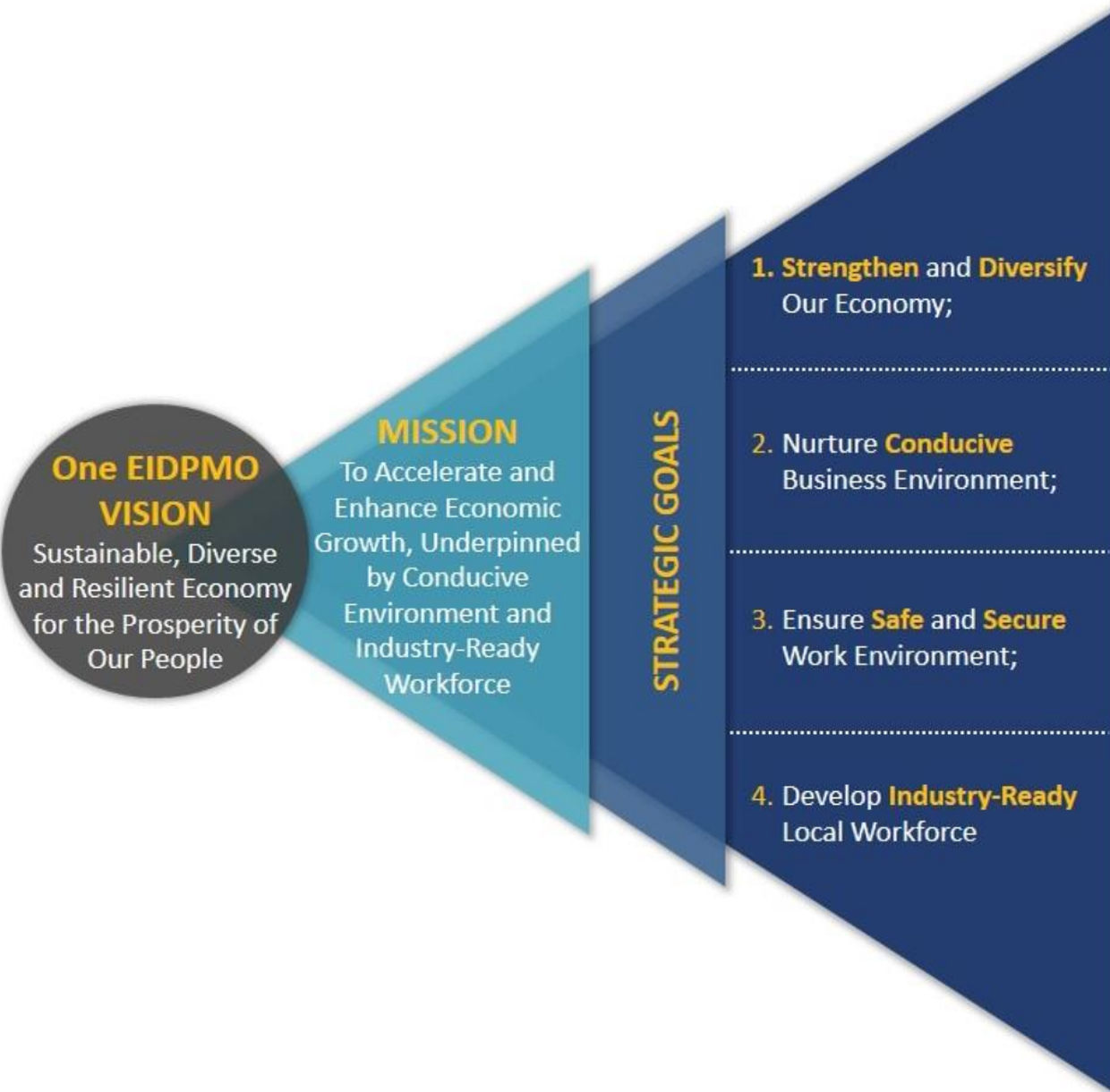
**3** Dynamic and sustainable economy



**1** Well educated and highly skilled people

**2** High quality of life

**3** Dynamic and sustainable economy



**Digital Economy** as an important **driver of innovation, competitiveness and growth of economic sectors** in Brunei.

Local workforce **capabilities and skills** needs to be developed to **meet Digital Economy** requirements.



**1** Involvement of local ICT workforce are mainly in the basic skill (entrant) level.

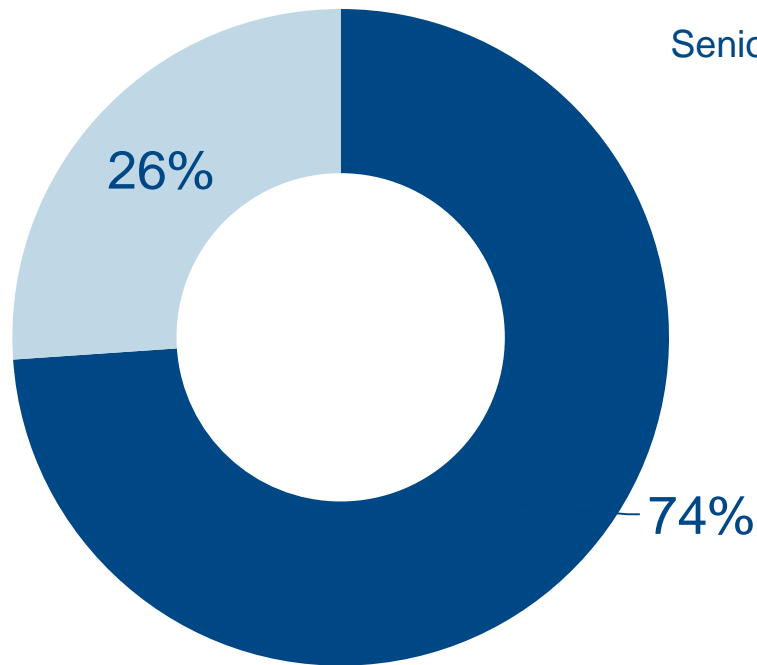
**2** Lack of locally made solutions in Government ICT projects due to low creation of local IP.



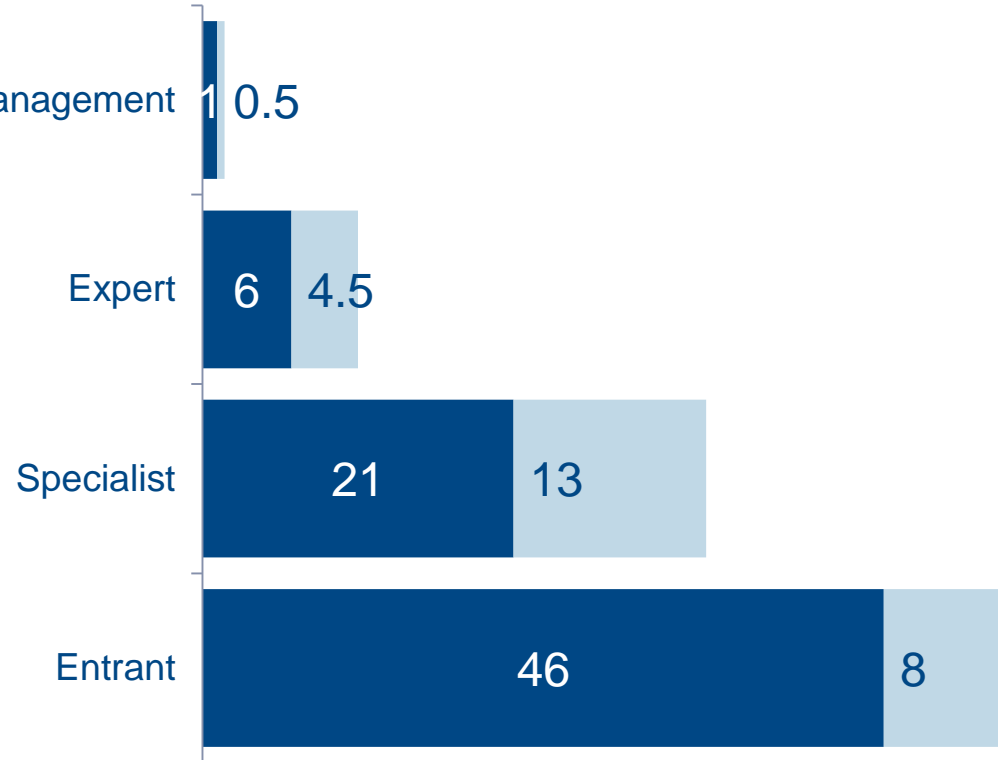
# Current Workforce Structure in ICT Industry



## Locals vs Non-Local (Skilled)



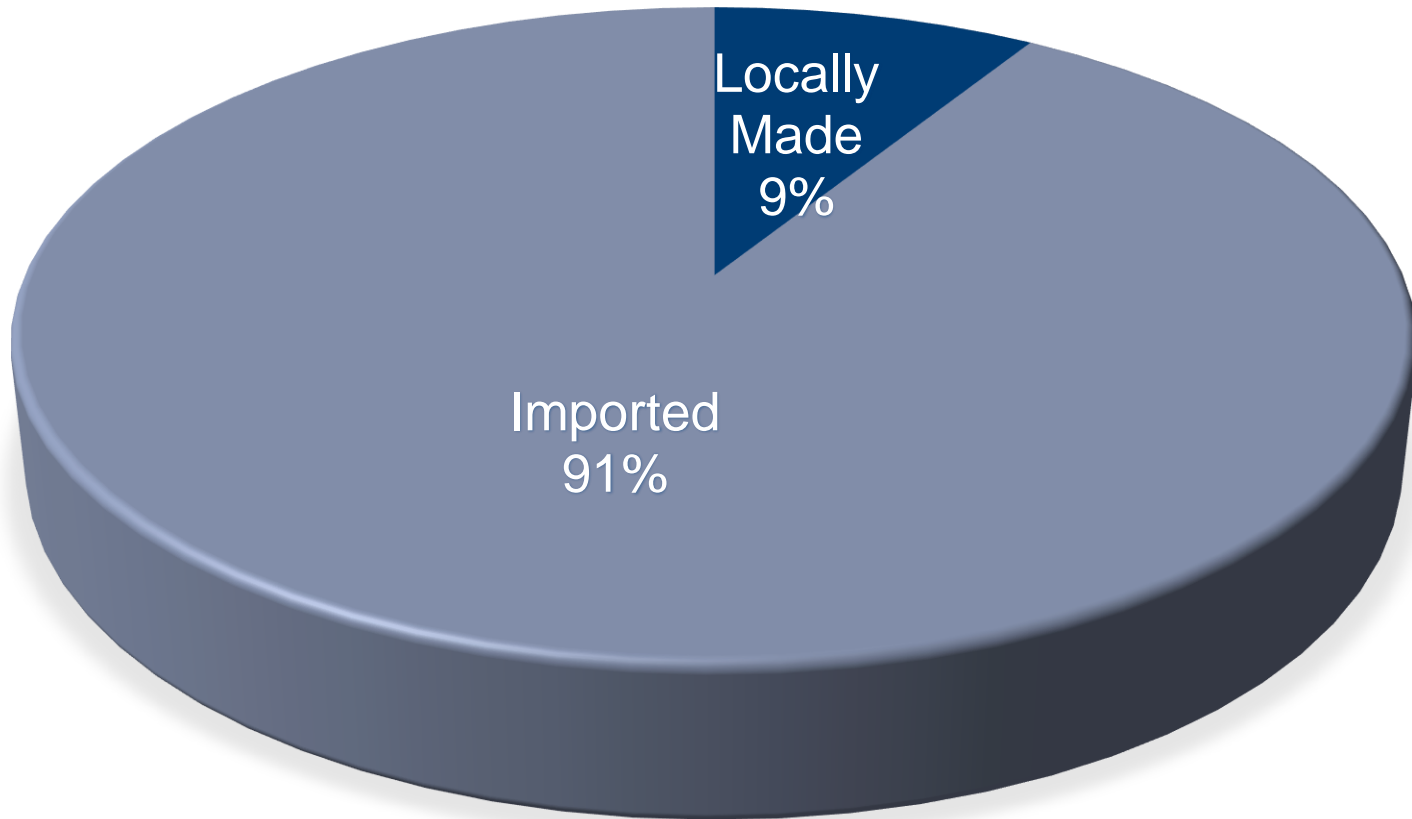
## Skills Level (%)



LOCALS



FOREIGNERS



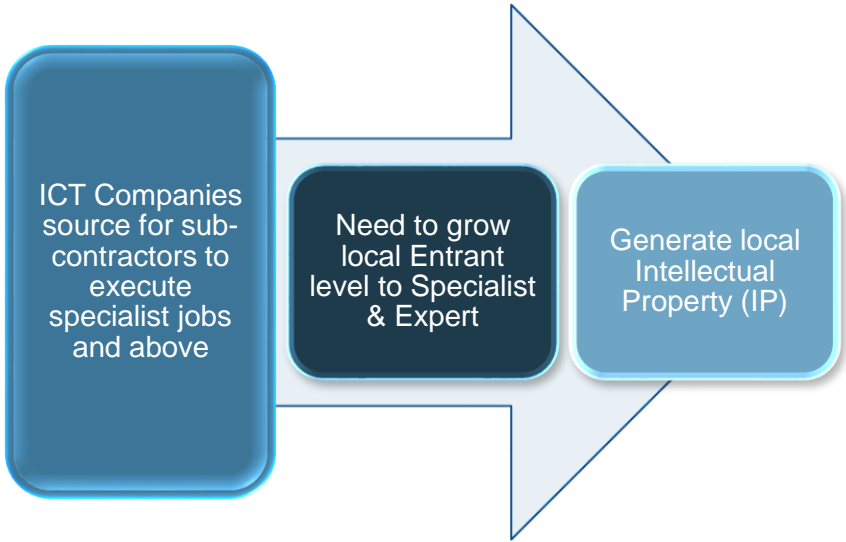
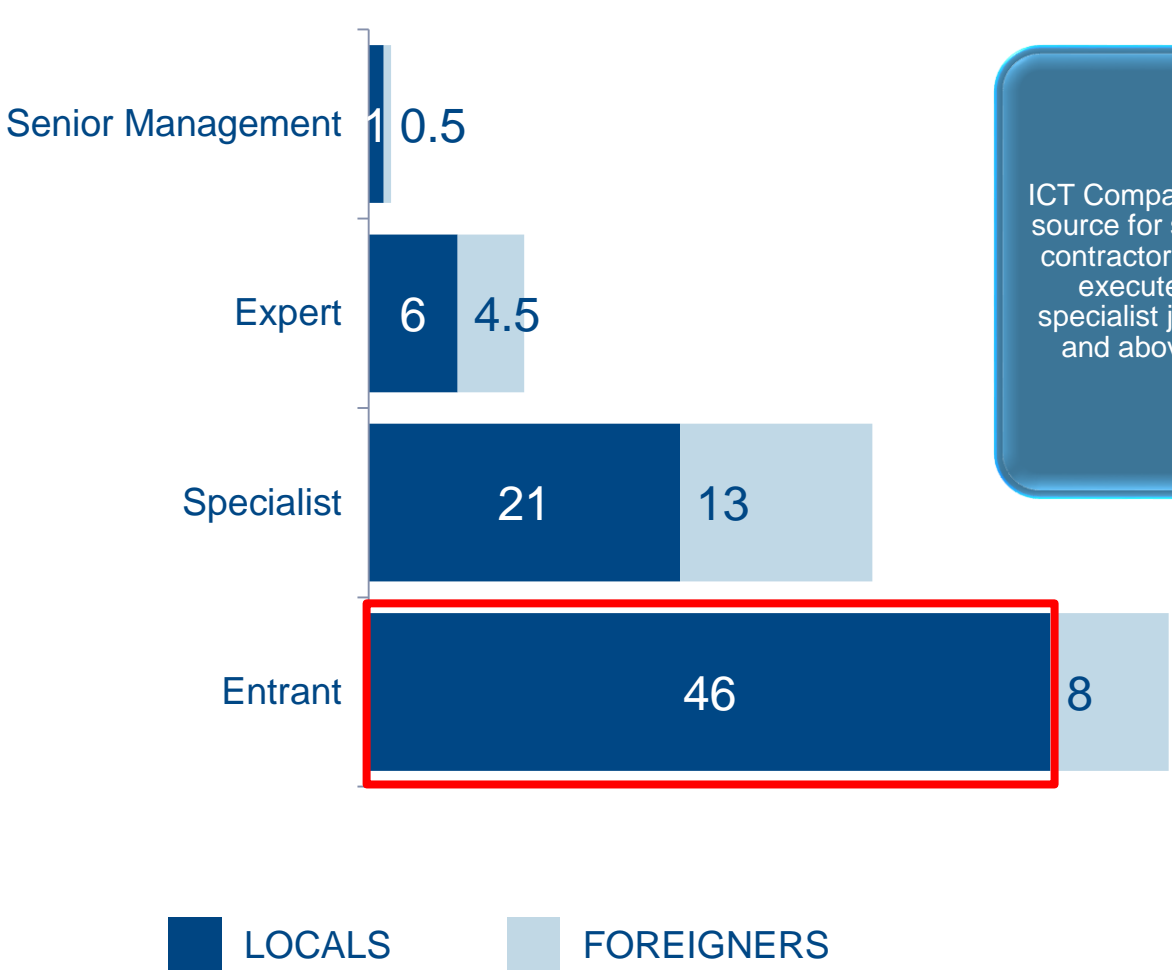
**Lack of locally made software in Government ICT Projects**

- Locally Made
- Imported

# Current Workforce Structure in ICT Industry



## Skills Level (%)



Data Source: 1,250 employees in 101 companies registered under AAB Status / ICTAB





A guideline to enable government agencies to apply a **best practice on “local content” in contracts and procurement** to ensure fair and reasonable opportunities for local suppliers in the ICT sector.

Sets out the **local content requirements for ICT companies** participating in the government ICT projects.

Objective is to **maximise local content** through greater participation of capable local ICT workforce in the government projects.

Focus is on **ensuring development of local skilled workforce** and foster **creation of local IP** in the ICT industry.

This initiative is in line with **LBD policy implemented in another industry** under EIDPMO.



## ICT Companies

participating in government ICT projects



## Project Owners and Managers

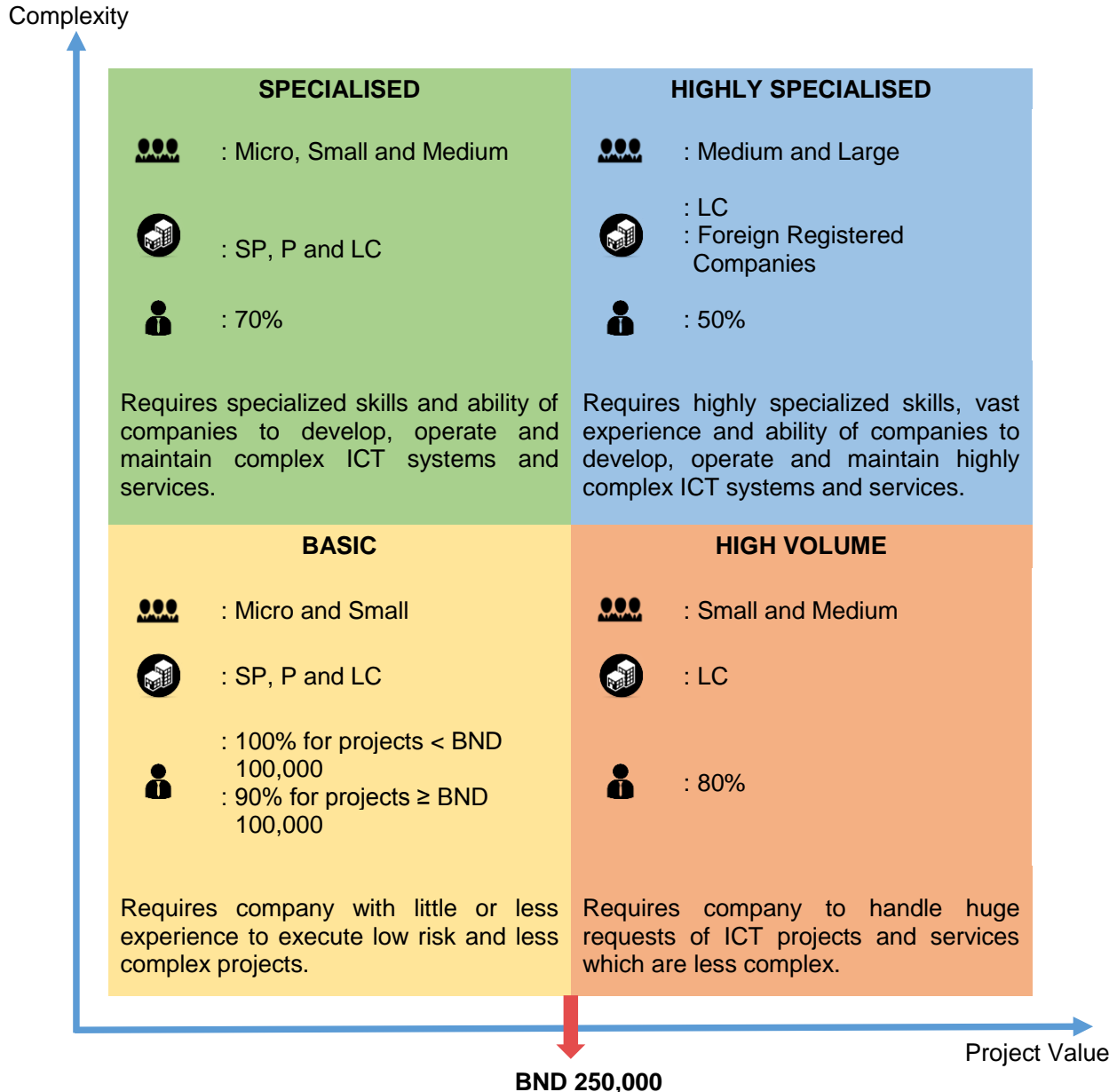
Government ministries & agencies  
executing ICT projects



## GLCs (next phase)

Implementing ICT projects

# LBD Allocation of Projects & Features



**LEGEND**

- : Size of Business
- : Type of Business
- : Workforce involved in the project / activities
- SP** : Sole Proprietorships
- P** : Partnerships
- LC** : Limited Companies

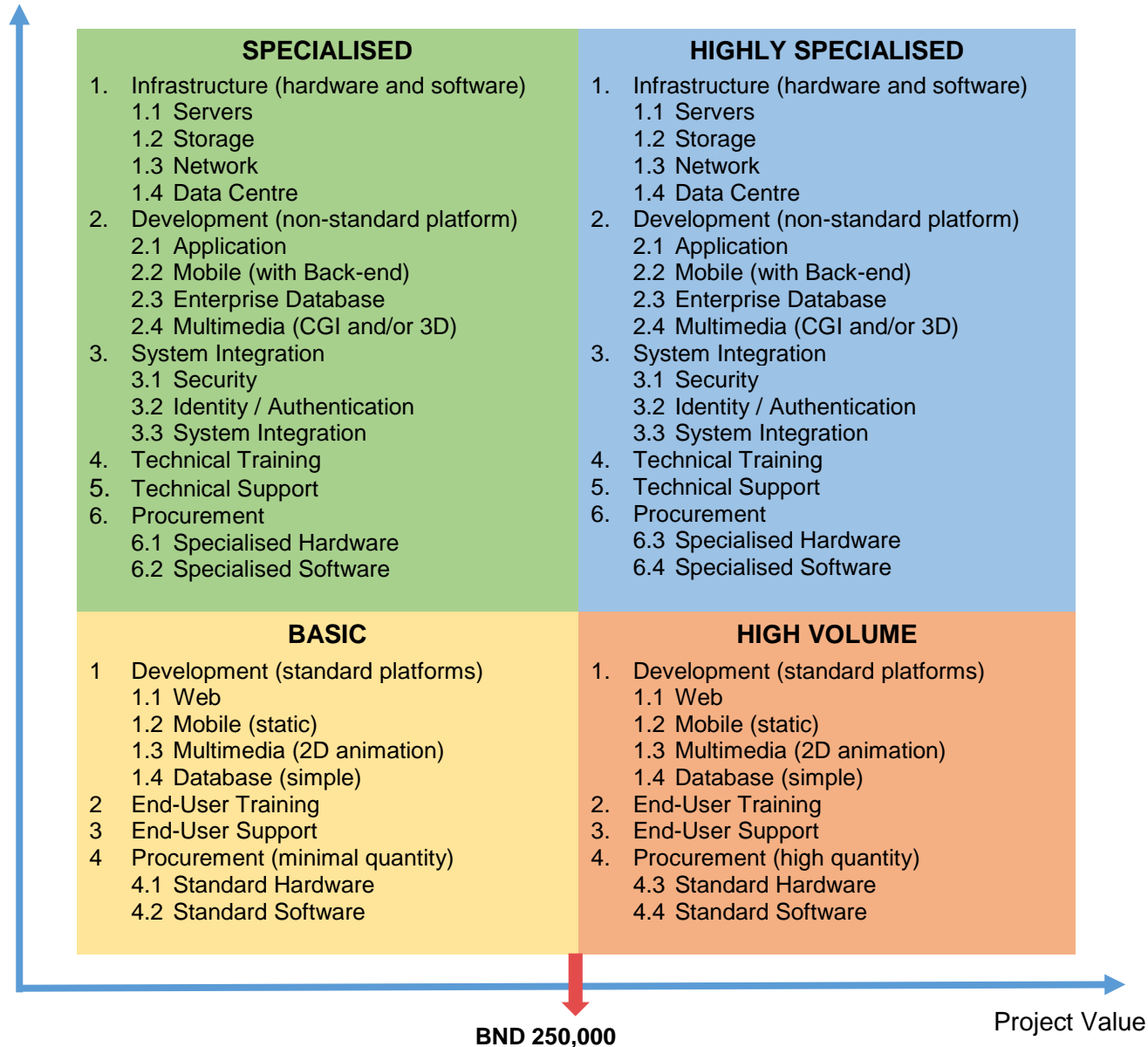
Micro: 1 – 4 employees  
 Small: 5 – 19 employees  
 Medium: 20 – 99 employees  
 Large: >100 employees

EGNC has the authority to approve proposal by Project Owner concerning deviations to Target Local Skilled Workforce requirement

# LBD Work Categories



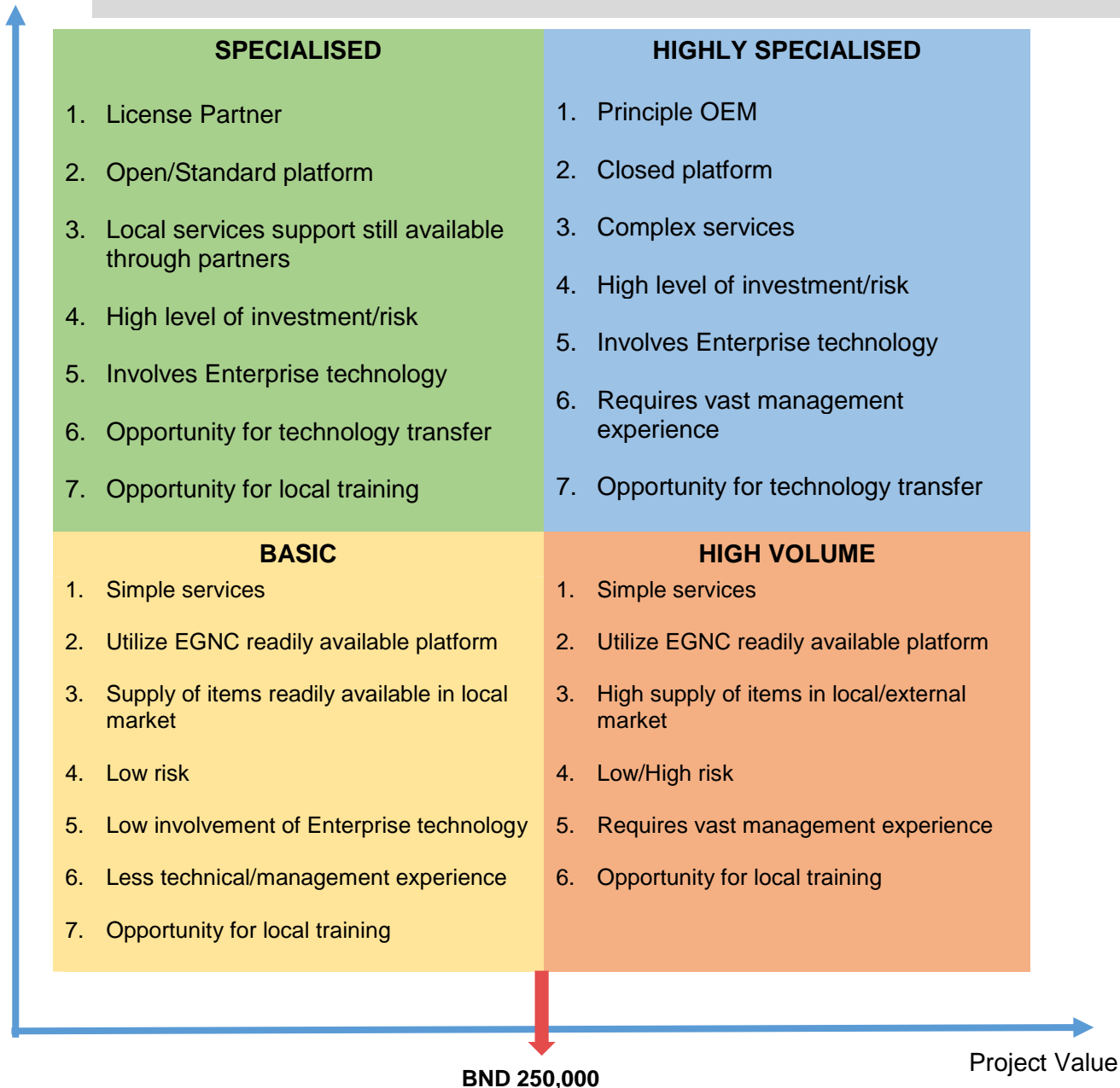
Complexity



# LBD Quadrant Features



Complexity





- Paid work opportunities for our local application developers to develop e-services using the E-Government Platform
- Low risk and less complex application development work to be done by our local small and medium sized companies
- Project value that amounts up to \$100,000 (Basic)

Improve local content in  
small government  
projects

Standardise the  
development and  
hosting of online e-  
services

# Compliance and Monitoring Process



PROJECT STAGE	ACTION PARTY	ACTION ITEM
PRE-TENDER	1 Project Owner & EGNC	<b>Determine</b> the quadrant of the project, targets and milestones.



Targets include but are not limited to:

1. Increase in no. of local skilled workforce.
2. Recruitment of local employees.
3. Training of local employees.
4. Local content spending.







# Compliance and Monitoring Process



PROJECT STAGE	ACTION PARTY	ACTION ITEM
TENDER	2 Contractors	Propose LBD plan to reach target local skilled workforce specified in LBD Framework

TRAINING OF LOCAL EMPLOYEES THROUGHOUT CONTRACT PERIOD				
No	Name	IC Number and Colour	Scope of Training(s) Completed (Specify on-the-job training or certified training)	End of Contract Target

# Compliance and Monitoring Process



PROJECT STAGE

ACTION PARTY

ACTION ITEM

TENDER

2

Contractors

Propose LBD plan to reach target local skilled workforce specified in LBD Framework

LOCAL CONTENT SPENDING												
	Start Project			Mid Project			End Project			End of Contract LBD Quadrant Target		
	Local	Non-Local	% Local	Local	Non-Local	% Local	Local	Non-Local	% Local	Local	Non-Local	% Local
<b>EMPLOYMENT</b>												
<b>GOODS &amp; SERVICES</b>												

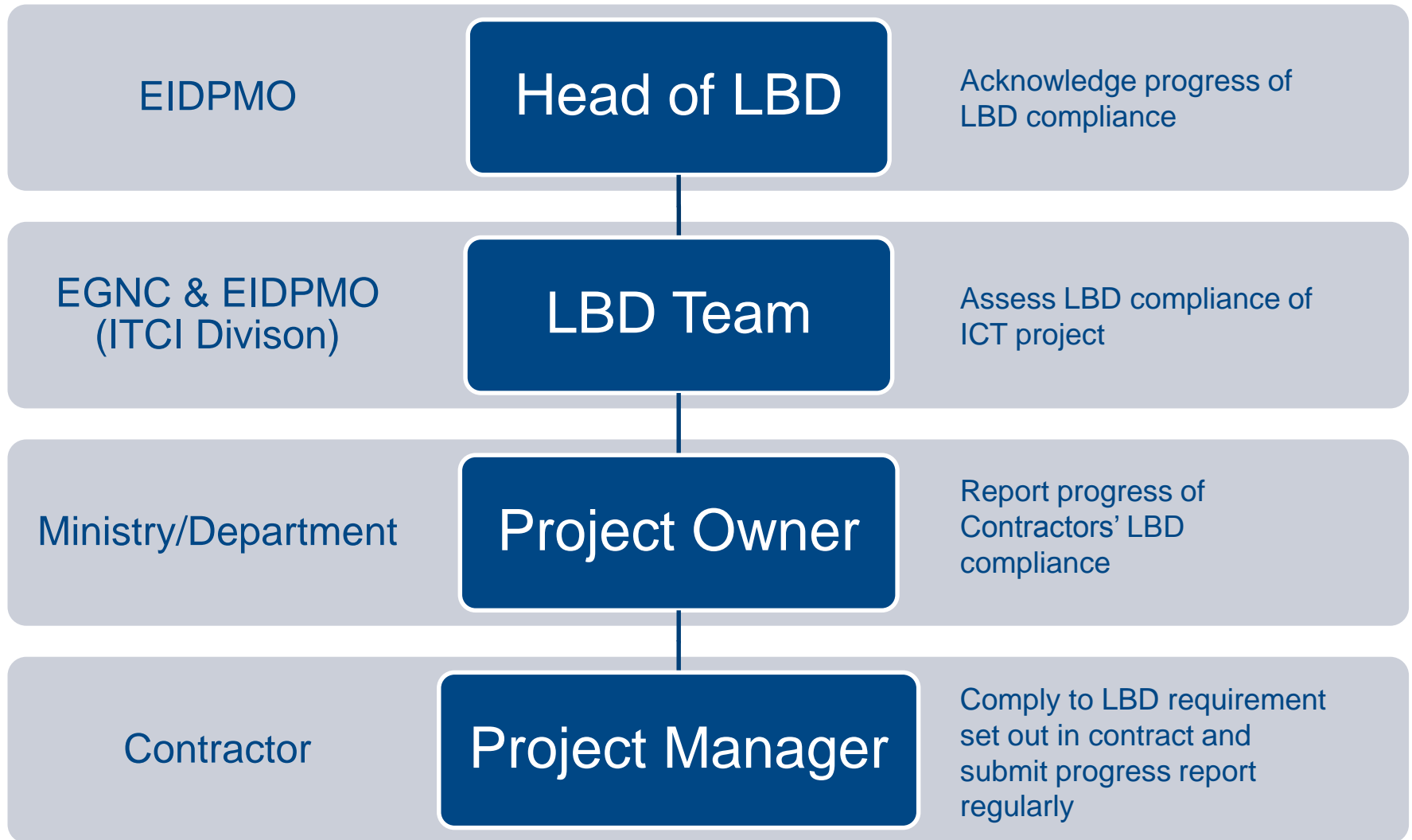
# Compliance and Monitoring Process



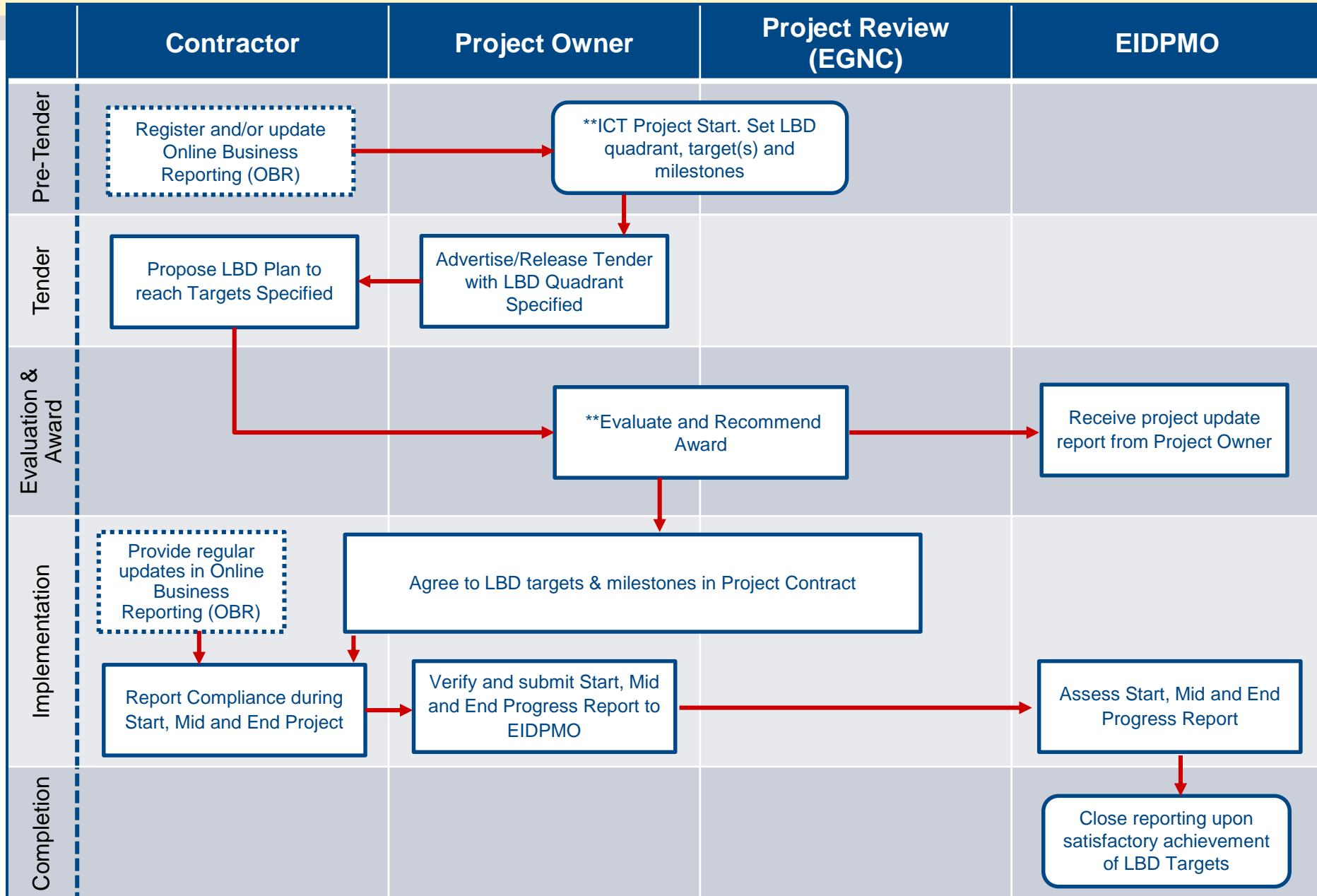
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PRE-TENDER	1 Project Owner & EGNC	<b>Determine</b> the quadrant of the project, targets and milestones
TENDER	2 Contractors	<b>Propose LBD plan</b> to reach target local skilled workforce specified in LBD Framework
EVALUATION	3 Project Tender Review Committee	<b>Evaluate &amp; assess</b> the local content proposal by Contractors
AWARD	4 Contractor, Project Owner & EGNC	<b>Agree to the targets &amp; milestones</b> defined in project contract
IMPLEMENTATION	5 Contractor	<b>Report compliance to local content</b> to the Project Manager during the start, mid and end of project
	6 Project Manager	<b>Verify and submit start, mid and end progress report</b> to ITCI EIDPMO
	7 Contractor	<b>Provide updates regularly</b> in Online Business Reporting (OBR)
COMPLETION	8 EIDPMO	<b>Close reporting</b> upon satisfactory achievement of LBD targets

Note: ITCI shall be part of the Action Party in the Pre-Tender Project Stage for projects above BND5 million .

# LBD Monitoring Structure



# ICT Project LBD Workflow



Note: For projects above BND5 million, ITCID shall be part of the processes marked with \*\*.



LBD policy implementation for ICT Industry shall take into effect on **1<sup>st</sup> March 2017.**



It shall **supersede** the existing ICT Industry Policy Framework on **ICT Accredited Business (ICTAB).**



# THANK YOU

FOR YOUR KIND ATTENTION

For enquiries and further information



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