



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

ENERGY AND INDUSTRY DEPARTMENT
PRIME MINISTER'S OFFICE

Definitions

Awarded Company / Contractor	<i>Company who received acceptance from project owner to provide materials or labour to perform a service or job.</i>
Contract	<i>A written agreement concerning employment, sales or tenancy, which is intended to be enforceable by law.</i>
ICT Companies	<i>Companies whose main activities include the provision, production, distribution, consultancy, training, repair and maintenance of any communication, digital technologies and network in the form of devices, applications, hardware, software, infrastructure and services.</i>
ICT Projects	<i>The planning, organizing and implementing of resources for the completion of an organization's specific information technology (IT) goals.</i>
Local Content Spend	<i>The sum of value added or created in the Bruneian economy through the use of local employment and goods & services.</i> <i>Employment Spend + Goods & Services Spend = Local Content Spend</i>
Employment Spend	<i>Any costs of locally-based staff (local and non-local) including TAP, all subsistence costs and any other costs.</i> <ul style="list-style-type: none"><i>Employment Spend in Brunei = 100% local staff wages + 50% non-local staff wages</i><i>Employment Spend out of Brunei = 50% non-local staff wages</i>
Goods & Services Spend	<i>Spending on any goods & services inside Brunei and outside Brunei:</i> <i>Goods & services spend inside Brunei is spending on any goods & services rendered/purchased from sub-contractors or suppliers in Brunei excluding international companies based in Brunei.</i> <i>Goods & services spend outside Brunei is spending on any goods & services rendered/purchased from sub-contractors or suppliers outside Brunei including international companies based in Brunei.</i>

Local Employee	<i>Brunei Citizens (yellow identity card holders) and Permanent Residents (red identity card holders).</i>
Skilled Workforce	<i>Full-time employee who is certified or professionally trained in ICT and is involved in the technical work of the ICT project. As such, the definition does not include administrative personnel.</i> <i>Full-time refers to personnel whose payroll is under the company's name. As such, this does not include part-timers, personnel of sub-contractors, personnel of parent or sister companies, etc.</i>
Project Owner	<i>Entity that initiates and contracts out a project, bears responsibility for successful project implementation and typically finances the project and benefits from its output(s).</i>
Project Manager	<i>Individual(s) in charge of the planning and execution of a particular project.</i>
Size of Business	<i>Micro: 1 – 4 employees Small: 5 – 19 employees Medium: 20 – 99 employees Large: >100 employees</i>
Sole Proprietorship	<i>A business owned by one person.</i>
Partnership	<i>A business firm/organization of two or more business partners.</i>
Limited Company	<i>A business form which is a legal entity separate and distinct from its shareholders and directors.</i>
Foreign Registered Company	<i>A business entity registered outside Brunei.</i>

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1. Introduction

- 1.1 This Local Business Development (LBD) policy framework provides 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.
- 1.2 This policy framework sets out the local content requirements for ICT companies participating in the government ICT projects. It also ties directly into several performance measures that will form the basis for tracking the progress and impact of the guideline in order to enable assessment and re-evaluation of strategies and directives which is imperative for the growth of ICT industry in Brunei Darussalam.

2. Objectives

- 2.1 The objective of this LBD policy framework is to maximise local content through greater participation of capable local ICT companies and workforce in the government ICT projects.
- 2.2 The ultimate goal is to achieve the development of local skills, technology transfer, as well as use of local manpower and local products and services specifically the development of local Intellectual Properties (IP).
- 2.3 This policy framework is also aligned with the LBD policy implemented in other industry under the Energy and Industry Department, Prime Minister’s Office (EIDMPO).

3. Scope

- 3.1 All ICT companies participating in the government ICT projects and all the Project Owners and Project Managers of the government ministries and agencies executing their respective e-government and ICT projects are required to comply with this policy framework.
- 3.2 It is further anticipated that this policy framework shall be adopted by the Government Linked Companies (GLCs) in the near future.

4. Specific Guidelines

4.1 LBD Allocation of Projects & Features

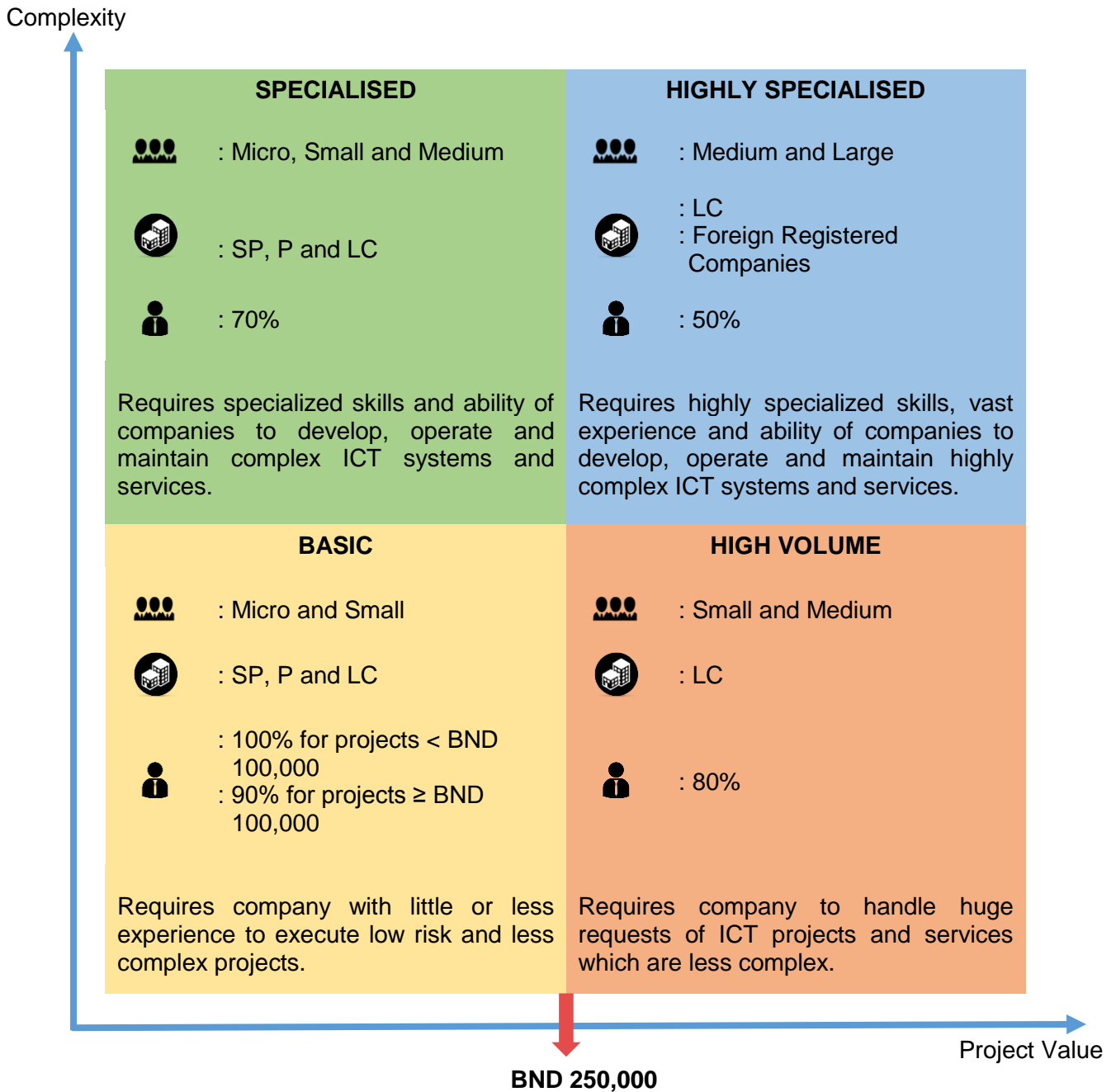
4.1.1 The local content requirements for ICT companies participating in the government ICT projects shall be clustered into four quadrants as shown in Figure 1. These four quadrants represent the level of project complexities and its project value, and are developed in such a way to:

- Allow smaller companies to build their portfolios by providing opportunities to participate in projects.
- Grow local companies to undertake highly skilled or specialised businesses.
- Encourage large companies to seek better opportunities in the regional market.
- Promote local employment in the ICT sector.

4.1.2 Each LBD quadrant defines the requirements and eligibility for companies to participate in the government ICT projects which are based on the following criteria:

- Size of business: Micro, Small, Medium or Large companies that are classified according to the total number of employees.
- Type of Business: Sole Proprietorships (SP), Partnerships (P) and Limited Companies (LC) that are registered in Brunei and Foreign Registered Companies.
- Target local skilled workforce: Percentage (%) of local ICT skilled workforce involved in the project or activities.

Figure 1. LBD FRAMEWORK – ALLOCATION OF PROJECTS AND FEATURES

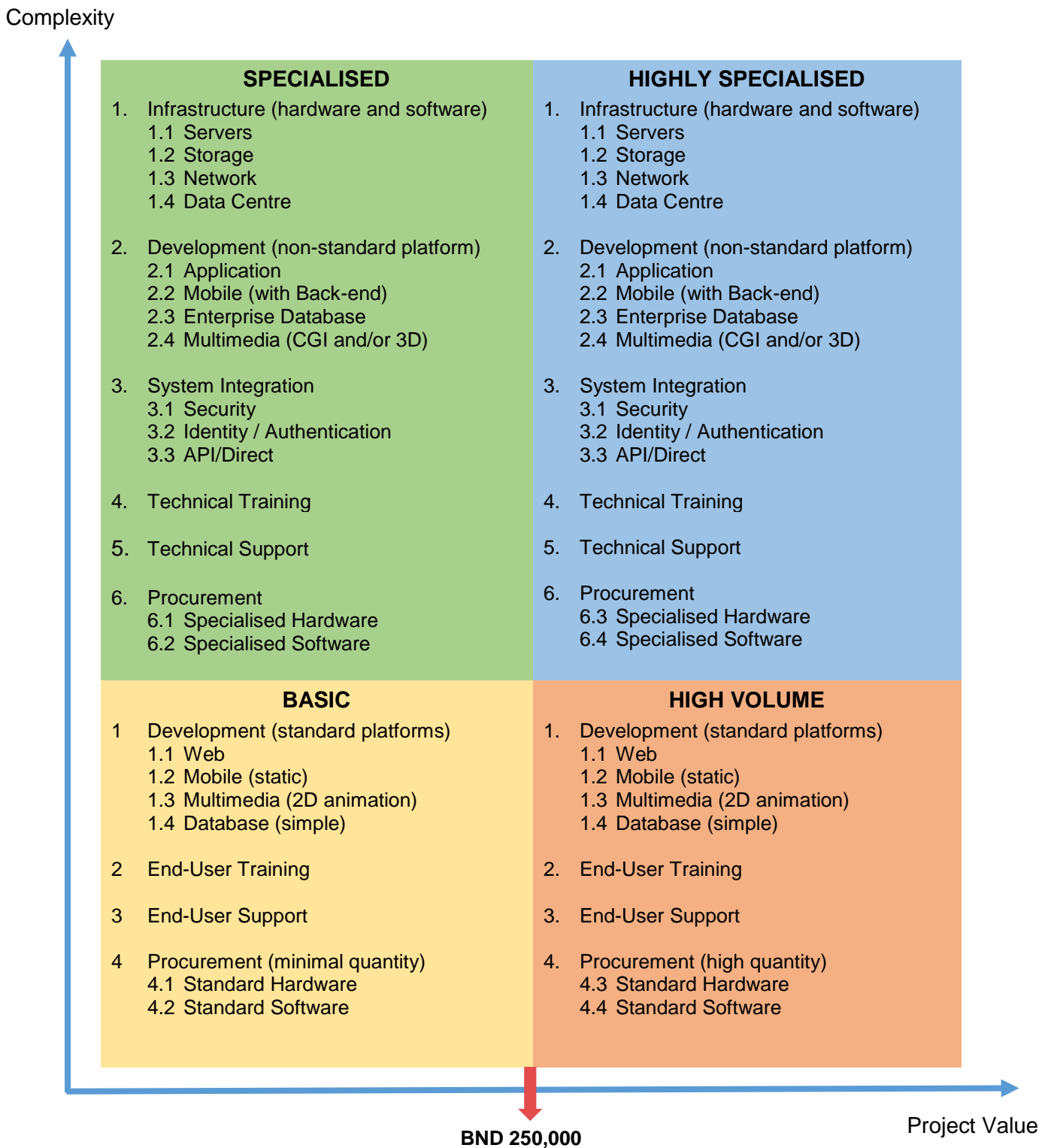


LEGEND			
	: Size of Business	SP	: Sole Proprietorships
	: Type of Business	P	: Partnerships
	: Target Local Skilled Workforce involved in the project / activities	LC	: Limited Companies

4.2. LBD Framework Work Categories

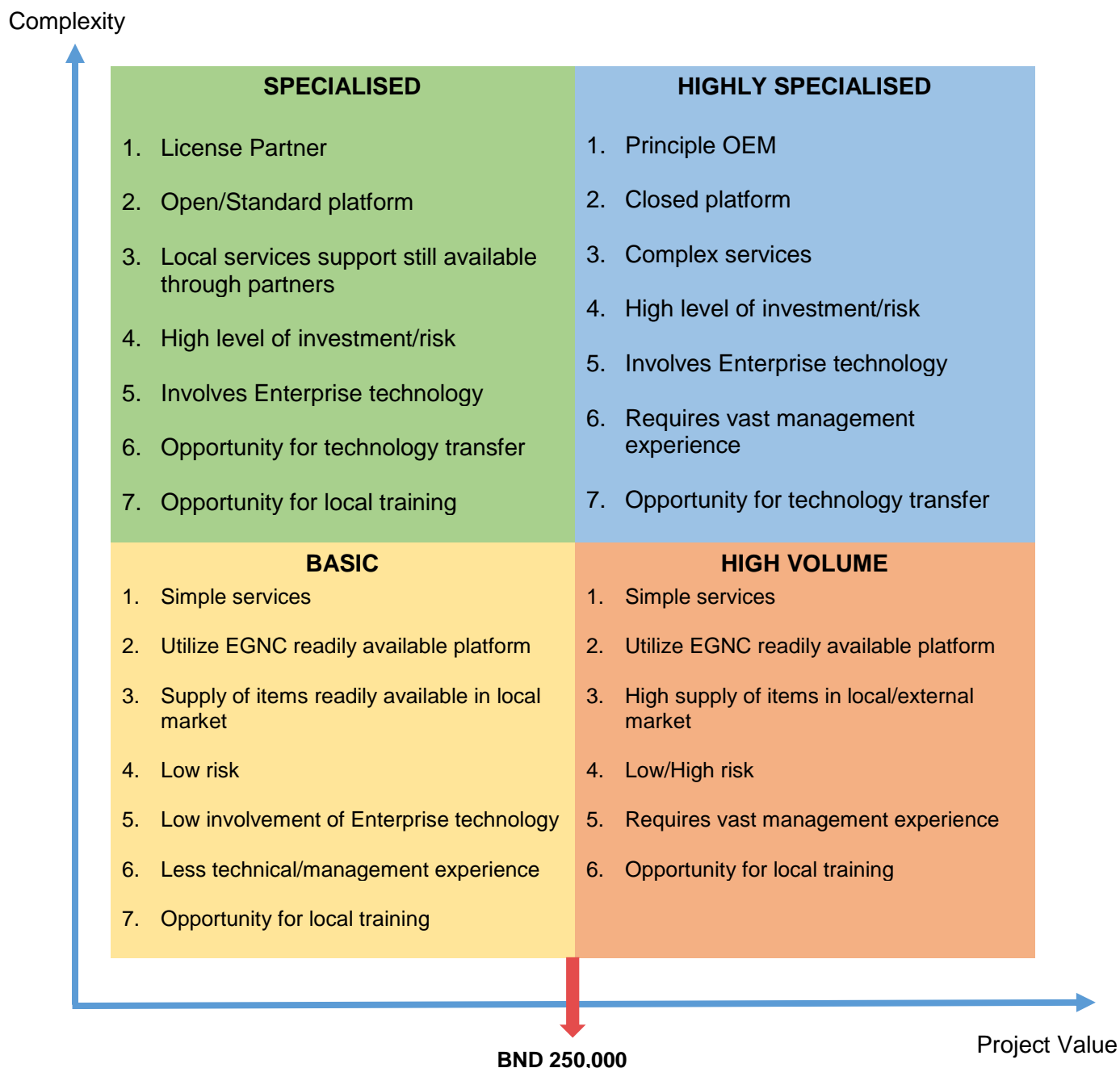
4.2.1 The following figure shows the work categories that shall be executed by the participating ICT companies according to the four LBD quadrants.

Figure 2. LBD FRAMEWORK – WORK CATEGORIES



4.3 LBD Quadrant Features

Figure 3. LBD FRAMEWORK – QUADRANT FEATURES



4.3.1 For projects under the Basic quadrant, opportunities will be identified in the Project Review Committee (PRC) and Activity Requests for local application developers that use standard e-government platforms. A detailed description of the platforms is attached in **ANNEX 1**.

5. LBD Targets

- 5.1 Project Owners and Project Review Committee (PRC) chaired by E-Government National Centre (EGNC) are required to set the LBD quadrant, targets and milestones for all ICT projects. Any tender advertised or contract agreed upon shall specify LBD requirements. A sample advert can be seen in **ANNEX 2**.
- 5.2 LBD targets shall include but are not limited to:
- Increase in number of local skilled workforce
 - Recruitment of local employees
 - Training of local employees
 - Local content spending
- 5.3 These targets shall be embedded in the government ICT contracts as provided in **ANNEX 3**.
- 5.4 Contractors shall complete all LBD requirements specified in the contract and endeavor to reach the target local skilled workforce specified in the projects' LBD quadrant.
- 5.5 Project Owners may propose deviations of targets and features specified in the LBD framework to the PRC who has the authority to approve. The deviation(s) shall be fully reviewed and reported to EIDPMO. The report shall include but are not limited to:
- The measures required to achieve the levels of local employment in the quadrant identified.
 - Reasoned decision(s) made not to take those measures.

6. Compliance and Monitoring

- 6.1 Project Managers of the respective government ministries and agencies with EGNC, through the respective ministry Chief Technology Officer (CTO), shall ensure that all ICT projects and participating ICT companies are in compliance to the guidelines specified above.
- 6.2 The Project Managers and EGNC, through the respective ministry Chief Technology Officer (CTO), are also required to monitor the local contents compliance during the start, the mid part and the end of the project. Project Owner will submit progress report regularly to the EIDPMO.
- 6.3 Business Reporting (BR) Portal
- 6.3.1 ICT Companies/Contractors are required to register and provide business details in the (BR) portal prior to participating in Government ICT projects.
- 6.3.2 Awarded Company/Contractor of any Government ICT project is required to provide LBD progress updates regularly (as per contract requirements) to be reported in the Business Reporting (BR) portal.

- 6.3.3 It is compulsory for all active ICT Companies/Contractors to report to the BR portal every April, August and December every year.
- 6.3.2 Failure to report to the BR portal may result in exemption from participating in future government ICT tenders.
- 6.4 The ICT project workflow is shown in **ANNEX 4**.

7. Implementation of Policy Framework

- 7.1 The guidelines set in this LBD policy framework shall take into effect on 1st March 2017.
- 7.2 This LBD policy framework shall supersede the requirements for ICT Accredited Business (ICTAB) previously implemented in government ICT projects.

- END -

Annex 1: Standard E-Government Platforms

PLATFORM	TECHNOLOGY USED	SERVICE SCOPE	POSSIBLE OPPORTUNITIES
<p>CENTRAL WEB HOSTING (CWH)</p> <p>CWH is a shared E-Government platform for government entities (ministries and departments) including Government Linked Companies (GLC) to host their public-facing websites according to EGNC's guidelines and policies. This platform can be categorized as Platform as a Service (PaaS).</p>	<ul style="list-style-type: none"> - Microsoft Sharepoint 2013 - Microsoft SQL 2012 	<ul style="list-style-type: none"> - Provide a shared Microsoft Sharepoint production farm with the necessary servers and infrastructure for hosting websites which are information-based only and do not collect any data on users. - Provide a shared Microsoft Sharepoint staging environment for website development and testing activities. - Provide backup services for production environment to protect against data loss. - Provide Anti-Virus Protection using Symantec Endpoint Protection - Free gov.bn URL for government agencies. 	<ul style="list-style-type: none"> - Design new or revamp government websites using Sharepoint - Web content management - Front-end portal for applications/systems with workflows and/or integration to external database.
<p>CENTRALIZED INTRANET PLATFORM</p> <p>Centralized Intranet Platform is a shared E-Government platform for government ministries and departments to host their intranet or collaborative sites according to EGNC's guidelines and policies. This platform also allows ministries and departments to share digital resources among their employees. This platform can be categorized as Platform as a Service (PaaS).</p>	<ul style="list-style-type: none"> - Microsoft Sharepoint 2013 - Microsoft SQL 2012 	<ul style="list-style-type: none"> - Provide a document management platform for government agencies. - Provide a shared Microsoft Sharepoint production farm with the necessary servers and infrastructure for hosting Sharepoint intranet websites. - Provide a shared Microsoft Sharepoint staging environment for intranet site development and testing activities. - Provide backup services for production environment to protect against data loss. - Provide Anti-Virus Protection using Symantec Endpoint Protection 	<ul style="list-style-type: none"> - Design new or revamp intranet or collaborative sites - Develop internal Sharepoint applications with workflows - Document management
<p><u>GOVERNMENT ESERVICE PLATFORM</u></p>	<ul style="list-style-type: none"> - Ecquaria SOP™, powered by Java Enterprise Edition 	<ul style="list-style-type: none"> - Provide a shared production environment with the necessary servers and infrastructure. 	<ul style="list-style-type: none"> - Develop online forms with simple workflows using Government

<p>Government eService Platform can be categorized as Platform as a Service (PaaS). It is a central system that provides a ready-built platform for quick and mass deployment of online services. It comprises linear form-building modules that can be used out-of-the-box. Any online service built on this platform will automatically be integrated to Brunei Citizen Centre for public users to check the status of their online applications, receive notifications and upload documents required by government agencies. The platform is also integrated to E-Darussalam account for public users' login and is payment online ready.</p>		<ul style="list-style-type: none"> - Provide shared development and staging environment for online service development and testing activities using Government eService Platform modules. - The platform provides Back-office Admin Tools to create online forms and workflow management such as submission processing, task assignment, etc. 	<ul style="list-style-type: none"> - eService Platform for government services without back-end systems. - Develop a front-end interface on Government eService Platform for services with specialized requirements that need to be integrated to external applications with back-end systems.
<p><u>BRUNEI CITIZEN CENTRE</u></p> <p>Brunei Citizen Centre is a part of the built-in module in the Government eService Platform. Brunei Citizen Centre serves as a portal for public users to check the status of their online applications, receive notifications and upload documents required by government agencies. It is integrated to E-Darussalam account for public users' login and already has its mobile app ready.</p>	<ul style="list-style-type: none"> - Ecquaria SOP™, powered by Java Enterprise Edition - JSON format for the communication protocol 	<ul style="list-style-type: none"> - Provide a shared production environment with the necessary servers and infrastructure. - Provide shared development and staging environment for online service testing activities using Brunei Citizen Centre modules. - Provide API for 3rd party online service to use Brunei Citizen Centre as messaging or notification centre. 	<p>Integrating online services to Brunei Citizen Centre as the services' messaging or notification centre.</p>
<p><u>E-DARUSSALAM ACCOUNT</u></p> <p>E-Darussalam Account serves as the national authentication module allowing government agencies to leverage on as a single authentication for the public to access to their respective e-services. With E-Darussalam account, a public user is able to use the same login ID and password to access multiple e-services.</p>	<ul style="list-style-type: none"> - Ecquaria National Authentication System - HTTP, XML and SAML. 	<ul style="list-style-type: none"> - Provide a shared National Authentication Module production environment with the necessary servers and infrastructure. - Provide shared development and staging environment for online service integration testing activities. - Provide our National Authentication Module technical specifications for 3rd party eservices to integrate to E-Darussalam Account. 	<ul style="list-style-type: none"> - Integrating online services to E-Darussalam Account as the eservices' authentication.

Annex 2: Sample Advert in Government ICT Contracts

Tender No	KHELNP/ICT/2017/Q04
Title	The supply of 500 units of HP CLJ 5550DN Printer
LBD Quadrant	High Volume
Opening Date	Monday, 23 March 2017
Closing Date	Monday, 13 April 2017
Expected Contract Duration	Three (3) Months

Annex 3: LBD Targets in Government ICT Contracts

INCREASE IN NO. OF LOCAL SKILLED WORKFORCE												
	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
TECHNICAL												
Senior Management												
Expert												
Specialist												
Entrant												
OVERALL												
ADMINISTRATIVE												
Top Management												
Supervisory												
First-line												

Note: Examples of Job Roles in the four (4) Technical Job Levels are provided in the following page.

NEW RECRUITMENT OF LOCAL EMPLOYEES FOR THE CONTRACT												
	Start Project			Mid Project			End Project			End of Contract Target		
	Local	Non-Local	% Local	Local	Non-Local	% Local	Local	Non-Local	% Local	Local	Non-Local	% Local
TECHNICAL												
Senior Management												
Expert												
Specialist												
Entrant												
OVERALL												
ADMINISTRATIVE												
Top Management												
Supervisory												
First-line												

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)	Date of Start and End of Training	End of Contract Target

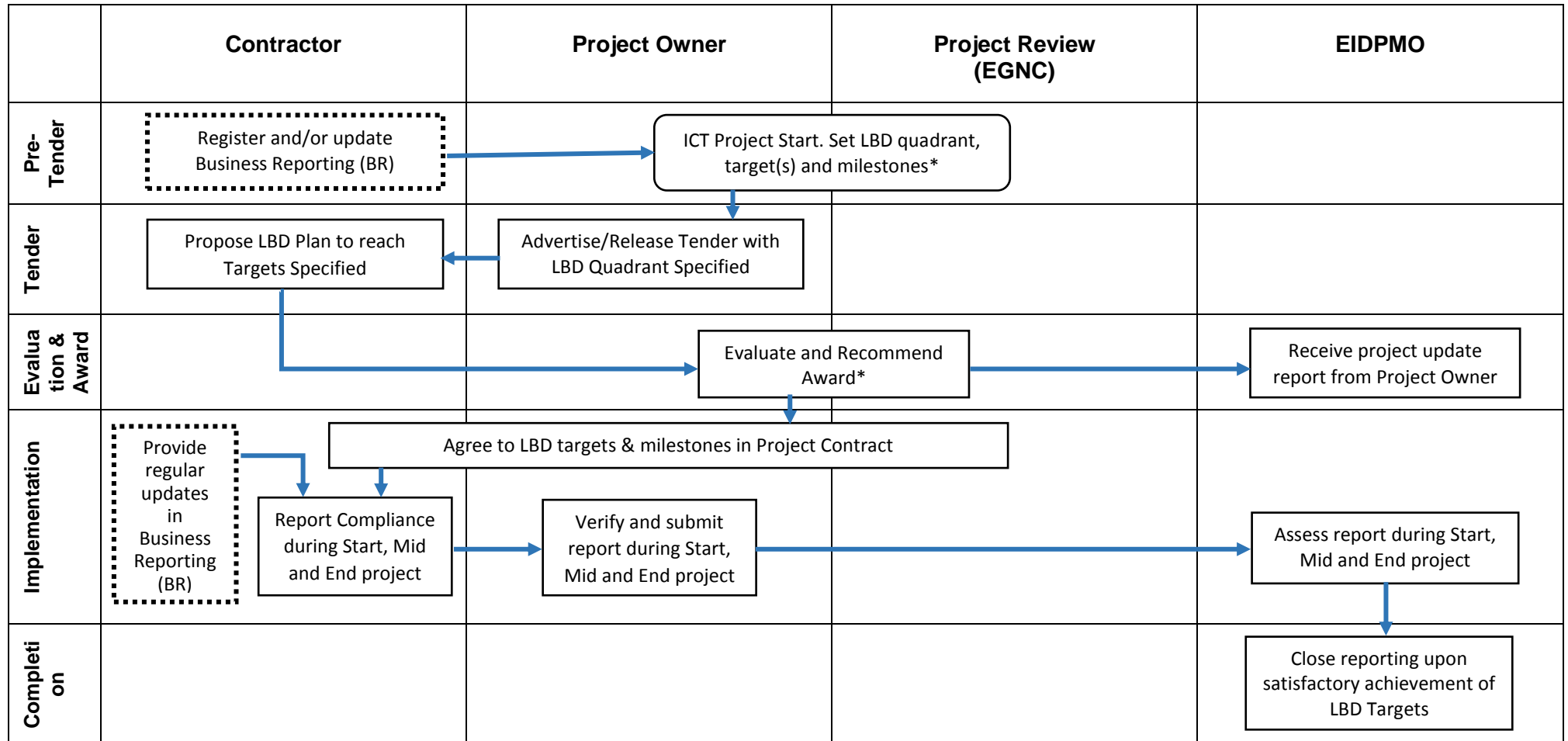
LOCAL CONTENT SPENDING												
	Start Project			Mid Project			End Project			End of Contract Target		
	In Brunei (BND)	Outside Brunei (BND)	% Local Spend	In Brunei (BND)	Outside Brunei (BND)	% Local Spend	In Brunei (BND)	Outside Brunei (BND)	% Local Spend	In Brunei (BND)	Outside Brunei (BND)	% Local Spend
EMPLOYMENT												
GOODS & SERVICES												

Examples of Job Roles under Technical Job Levels

Senior Management	Expert/Management	Specialist	Entrant
<ul style="list-style-type: none"> - Data Centre Director - Cloud Architect - Chief Information Officer - Chief Technology Officer - Chief Network Architect - Director of Network Operations - Network Project Director - Chief Architect - Creative Media Producer - Chief Information Security Officer - Head of IS Audit 	<ul style="list-style-type: none"> - Database Architect - Data Centre Architect - Data Centre Operations Manager - Infrastructure Architect - Enterprise Architect - System Support Manager - Technical Support Manager - Technical Support Expert - IT Operation Manager - IT Outsourcing Manager - Cloud Engineer - Senior Engineer - Network Operations Manager - Network Planning Manager - Network Planning & Design Manager - Network Project Manager - Application Development Manager - Test Specialist - 3D Graphic Designer / Animator 	<ul style="list-style-type: none"> - Database Administrator - System Analyst - Change Management - Data Centre Operations Engineer - Systems Administrator - Risk Analyst - Cloud Network Engineer - Cloud Solution Analyst - Network Engineer - Network Architect - Software Engineer - QA Analyst - Animator / Cartoonist - Security Administrator - Digital Forensic Investigator 	<ul style="list-style-type: none"> - Assoc. Database Administrator - Data Entry - Data Centre Operator - IT Operator - Assoc. System Administrator - Technical Support Assoc. - Helpdesk / Service Desk Technician - Operator - Junior Network Engineer - Jr. Application Programmer - Test Technician - Application Support Technician - Graphic/Audio/Video Editor - Production Assistant - Associate Security Engineer

Annex 4: ICT Project LBD Workflow

Figure 3. ICT PROJECT LBD WORKFLOW



Note: For projects above BND5 Million, EIDPMO will be involved in the processes marked with *

FREQUENTLY ASKED QUESTIONS

1. What are the owner citizenship requirements for Sole Proprietorships, Partnerships and Limited Companies?

SP : Brunei Citizens and Permanent Residents only.

P : Brunei Citizens and Permanent Residents only.

LC : At least two (2) Shareholders.

: Can be individuals (non-Brunei Citizens and Permanent Residents included) or organizations (Foreign Registered Companies included).

: Minimum two (2) Directors with at least one (1) Director being Ordinarily Resident in Brunei Darussalam.

Note: To qualify as Ordinarily Resident the individual is required to apply to the Ministry of Finance.

2. What if the company has reached the Target Local Skilled Workforce requirement before the evaluation of a contract?

The company needs to maintain their status of local skilled workforce. It is further encouraged for the company to improve their Local Business Development drive by recruiting more local employees, training local employees and source goods & services locally.

3. How much weightage does a company's LBD drive carry in tender evaluations?

The company's LBD drive shall be evaluated under the Commercial Proposal of tender. The weightage of LBD drive will be determined by the Project Owner(s).

4. Adhering to the LBD framework may increase costs for business. How is this framework beneficial to my business?

It is well understood that the LBD Framework will incur additional costs to the businesses as this involves training and development of their own employees who are the assets of their businesses. The companies employing locals can benefit through government incentives such as Employment scheme for recruiting locals as apprentice in their companies.

5. For Job Levels, job roles differ from organization to organization. For example, Technician can be at specialist rather than Entrant. How to identify where these Job Roles fit in the Job Levels?

The company and PRC shall conduct checks and balances on the Job Role fit from through the Technical proposal of an ICT contract which typically requires the scope of work, CV's and/or certifications of technical employees involved in the ICT project.

6. What are the consequences of not meeting LBD Targets and not reporting?

The companies shall be exempted from participating in future government ICT projects.