



Guide to Engineering Firm's Evaluation Criteria details

Sections, axes, and criteria of DEVS

Section One: Organizational evaluation at firm level

Compliance with Regulations and Legislation

- Classification validity.
- Classification reforming status
- Incompatible activities in DED
- Administrative penalties.
- OSHAD Registration

Administrative Performance

- Trainee Engineers Ratio
- Local Engineers Ratio
- Licensed Engineers Ratio
- Engineers years of continuity
- Rate of architectural revisions
- Rate of structural revisions
- Average waiting period
- Rate of Rejected applications
- Technical dispute rate

Financial Performance

- Profit ratios - Gross profit
- Profit ratios - Return on assets
- Profit ratios - Return on equity
- Debt ratios - Debt to total assets
- Debt ratios - Debt to equity
- Debt ratios - Interest coverage
- Liquidity ratios - Working capital
- Liquidity ratios - Quick ratio
- Liquidity ratios - Cash rate ratio
- Asset turnover ratio

Innovation and Excellence

- The existence of classified rare activities

Section two: Technical evaluation at activity level

Technical and Cognitive Performance

- Availability of additional technical personnel
- The activity owner's Specialized expertise
- Total experience of the assigned engineering staff

Administrative performance

- The classified activities fit firm's classification category
- Number of activities classified versus unclassified

Quality of Execution

- The extent to which the project value matches the classification category
- Project execution period compared to planned
- The owners' evaluation of the project
- Project floors count against classification category

Section One: Organizational evaluation at firm level

1. Compliance with Regulations and Legislation

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.1.1	Classification validity.	Classification validity Status	Valid or near to expire	%100	4 from. Special to third and 5 for the rest	4 for. Special and first and 5 for the second
			Expired not exceeding 30 days	%75		
			Expired between 30 and 90 days	%25		
			Suspended after 90 days	%0		
1.1.2	Classification reforming status	Reforming status	No reforming	%100	3 from. Special to third and 10 for the rest	3 for. Special and first and 10 for the second
			Reforming-complete current projects	%50		
			Reforming-one or more activity suspended	%25		
			Classification suspension	%0		
1.1.3	Joint activities in DED	Incompatible activities in economic license	All activities compatible	%100	3 for all	3 for all
			Trading activities with consultancy engineering activities	%50		
			Consultancy and contracting activities exist	%0		
1.1.4	Administrative penalties.	Existence of administrative penalties.	No penalties	%100	2 for all	1 for all
			Penalties without suspension	%50		
			Suspension penalties/from DMT chairman	%0		
1.1.5	OSHAD Registration	OSHAD Registration	Registered	%100	4 for all	1 for. Special and first and 2 for the second
			Not registered	%0		

Section One: Organizational evaluation at firm level

2. Administrative Performance

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.2.1	Trainee Engineers ratio	Number of trainee engineers divided by total licensed engineers	Greater than 10 %	%100	1 for all	1 for all
			From 5 % to 10 %	%75		
			From 1 % to 5 %	%50		
			Less than 1 %	%0		
1.2.2	Local Engineers ratio	Number of local engineers as per category	% 12.5 for each extra engineer 2 engineers required For Special consultant and special and first contractor	No max limit %100	3	3
			1 engineers required For Special consultant and special and first contractor	%50		
			1 engineers required For first consultant and second contractor	%100		
1.2.3	licensed Engineers ratio	licensed engineers compared to engineers in MOHRE	Greater than 90 %	%100	5 from. Special to third and 8 for the rest	6 for. Special and first and 7 for the second
			From 60 % to 90 %	%50		
			From 30 % to 60 %	%25		
			Less than 30 %	%0		
1.2.4	Continuity of engineers	Average years of work at the firm.	Greater than 5 years	%100	2 from. Special to third and 10 for the rest	2 for. Special and first and 10 for the second
			From 3 to 5 years	%75		
			From 1 to 3 years	%50		
			Less than 1 years	%25		

Section One: Organizational evaluation at firm level

2. Administrative Performance (continued)

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.2.5*	Rate of revisions of architectural drawings transactions	Rate of revisions of architectural drawings transactions	Less than 10 %	%100	N/A	1 for. Special and first and 2 for the second
			From 10 % to 20 %	%75		
			From 20 % to 50 %	%50		
			More than 50 %	%25		
1.2.6*	Rate of revisions of construction drawings transactions	Rate of revisions of construction drawings transactions	Less than 10 %	%100	N/A	1 for. Special and first and 2 for the second
			From 10 % to 20 %	%75		
			From 20 % to 50 %	%50		
			More than 50 %	%25		
1.2.7*	Average waiting period for resubmitting drawings	Average waiting period for resubmitting drawings	Less than 5 days	%100	N/A	1 for all
			From 5 to 10 days	%75		
			From 11 to 15 days	%50		
			More than 15 days	%25		
1.2.8*	Rate of rejected applications	Rejected application in MePS	Less than 10 %	%100	4 from. Special to third and 8 for the rest	3 for. Special and first and 4 for the second
			From 10 % to 20 %	%75		
			From 20 % to 50 %	%50		
			More than 50 %	%25		
1.2.9	Technical dispute rate	from Real Estate Dispute Center	and the following equation is applied: $100 - (\text{Degree of dispute intensity} * \text{number of disputes of the same type} * \text{outcome of the dispute})$		2 for all	2 for. Special and first and 4 for the second

Section One: Organizational evaluation at firm level

3. Financial Performance

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.3.1	Profit ratios - Gross profit	The ratio of gross profit to total income	20 % or more	%100	1 from. Special to Second and 0 for the rest	1 for. Special and first and 0 for the second
			From 10 % to less than 20 %	%75		
			From 5 % to less than 10 %	%50		
			From 0 % to less than 5 %	%0		
			Less than 0 (loss)	%25-		
1.3.2	Profit ratios - Return on assets	The ratio of net profit to total assets	10 % or more	%100	2 from. Special to Second and 0 for the rest	2 for. Special and first and 0 for the second
			From 5 % to less than 10 %	%75		
			From 2 % to less than 5 %	%50		
			From 0 % to less than 2 %	%25		
			Less than 0 (loss)	%25-		
1.3.3	Profitability ratios - Return on Equity	The ratio of net profit to total equity	10 % or more	%100	2 from. Special to Second and 0 for the rest	2 for. Special and first and 0 for the second
			From 5 % to less than 10 %	%75		
			From 2 % to less than 5 %	%50		
			From 0 % to less than 2 %	%25		
			Less than 0 (loss)	%25-		
1.3.4	Debt ratios - Debt to total Assets	Debt to total assets ratio	Less than 0.4	%100	2 from. Special to Second and 0 for the rest	2 for. Special and first and 0 for the second
			From 0.4 to 0.6	%75		
			More than 0.6	%25		

Section One: Organizational evaluation at firm level

3. Financial Performance (continued)

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.3.5	Debt ratios - debt to equity	Total liabilities to total equity	Less than 0.4	%100	1 from. Special to Second and 0 for the rest	1 for. Special and first and 0 for the second
			From 0.4 to 0.6	%75		
			More than 0.6	%25		
1.3.6	Debt ratios - Interest coverage	The net profit before interest and taxes is divided by the total financing interest	More than 3	%100.0	2 from. Special to Second and 0 for the rest	2 for. Special and first and 0 for the second
			From 1 to 3	%50		
			Less than 1	%25		
1.3.7	Liquidity ratios - Working capital	The ratio of current assets to current liabilities	More than 1 to 2	%100	3 from. Special to Second and 0 for the rest	3 for. Special and first and 0 for the second
			More than 2	%50		
			Less than or equal 1	%25		
1.3.8	Liquidity ratios - Quick ratio	The ratio of (cash + receivables + investments) to current liabilities	More than 1 to 2	%100	3 from. Special to Second and 0 for the rest	3 for. Special and first and 0 for the second
			More than 2	%75		
			Less than or equal 1	%25		

Section One: Organizational evaluation at firm level

3. Financial Performance (continued)

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.3.9	Liquidity ratios - cash rate ratio	The ratio of (cash + investments) to current liabilities	More than 5	%100	3 from. Special to Second and 0 for the rest	3 for. Special and first and 0 for the second
			From 1 to 5	%50		
			Less than 1	%25		
1.3.10	Asset turn-over rate	The ratio of total revenues to total assets	More than 2	%100	1 from. Special to Second and 0 for the rest	1 for. Special and first and 0 for the second
			From 1 to 2	%50		
			Less than 1	%25		

4. Innovation and Excellence

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
1.4.1	The presence of rare activities for classification	Classify one or more activities from the list of rare activities	2 points for each rare activity, up to a maximum of 10 points	%100	2	3
Total Section Weight					55	55

Section two: Technical evaluation at activity level

1. Technical and Cognitive Performance

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
2.1.1	Availability of additional technical personnel	Number of licensed engineers in a classified activity is above the minimum required for classification	Greater than 10	%100	5	5
			From 8 to 10	%75		
			From 4 to 7	%50		
			From 1 to 3	%25		
2.1.2	The specialized expertise of activity owner	Number of additional years of specialized or total experience for activity owners above required	5 years and more	%100	7	7
			From 3 to 5 years	%75		
			From 2 to 3 years	%50		
			1 year	%25		
2.1.3	Total experience of the assigned engineering staff	Number of additional years of total experience for engineering staff above required	5 years and more	%100	5	5
			From 3 to 5 years	%75		
			From 2 to 3 years	%50		
			1 year	%25		

Section two: Technical evaluation at activity level

2. Administrative Performance

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
2.2.1	The classified activities fit firm's classification category	Percentage of activities classified at the same classification category as the firm out of the total classified activities (the average value is calculated)	The activity classification category is the same as the firm classification category	%100	3	3
			The activity classification category is less than the firm classification category	%50		
2.2.2	Number of activities classified versus unclassified	The ratio of the number of classified activities to the total engineering activities in the economic license	The following equation is applied: The number of classified activities divided by the number of activities that can be classified according to the economic license	%100	3	3

Section two: Technical evaluation at activity level

3. Quality of Execution

Criteria #	Criteria name	Description	Calculation method	Calculated value	Weight for Contractor	Weight for Consultant
2.3.1**	Matching level of project value vs classification category	The value of each project and its conformity with the value allowed according to the classification category	The project value is identical to the classification category	%100	5	5
			The project value is one level higher or lower than the classification category	%75		
			The project value is more than one level above or below the classification category	%50		
2.3.2**	Project Execution period vs planned	The difference between the actual and planned completion date is calculated from completion certificate	Less than 60 days	%100.0	5	5
			From 60 to 90 days	%75		
			From 90 to 180 days	%50		
			More than 180 days	%25		
2.3.3**	The owner's evaluation for the project	The owner's evaluation of the consultant and contractor is read when requesting certificate of completion	Excellent	%100	7	7
			Very good	%75		
			Good	%50		
			Less than good	%0		
2.3.4**	Matching level of floors count vs classification category	Percentage of compliant projects in terms of number of floors for classification category is calculated compared to the total number of implemented projects	The following equation is applied The number of projects matching the classification category with the total projects by number of floors	%100	5	5
Total Section Weight					45	45

Evaluation Calculation

The following steps are applied:

1. Data is read from various systems via electronic connectivity.
2. The read data is classified according to the evaluation criteria.
3. The results are calculated according to the calculation method established for each criterion.
4. The results are collected at the level of the various axes and divisions, and then the result of the overall evaluation of the firm is calculated.
5. Following the calculation of the total score for each firm, the firms are categorized into groups based on firm type and classification category. The highest and lowest scores within each group (according to type and category) are calculated to determine a ranking factor for firms based on their assessment within the group. The following formula is applied:

$$\text{Final Rating} = (\text{Total Score} - \text{Lowest Score}) / (\text{Highest Score} - \text{Lowest Score})$$

The previous steps are repeated at the end of each quarter from the date of the start of the evaluation.

Evaluation Calculation

How to distribute the weights of non-calculated criteria

There are some criteria for which a result may not be calculated due to the unavailability of project data or the non-applicability of the criteria for reasons related to the type of firm or classification category.

All criteria that do not apply according to the type of firm or classification category have been given equivalent weights for the rest of the types or categories, and their value is not distributed.

The previous standards related to the presence of projects in the building permit system are divided into two types:

- Criteria based in their evaluation on data of projects under execution. Related transactions were conducted during the evaluation period and were distinguished by placing a red star next to the standard number.
- Criteria that are based in their evaluation on data from projects for which a certificate of completion was issued during the evaluation period and which have been distinguished by placing two stars in red next to the criterion number.

If there are no projects that apply to either type, the weights of the criteria that do not apply to the rest of the criteria are distributed according to the value of the weight of each criterion to the total weights of the remaining criteria, so that in all cases the total sum of the weights becomes 100%, as in the following example:

FACTORS	ORIGINAL WEIGHT	ACTUAL WEIGHT	NEW WEIGH AFTER DISTRIBUTION
FACTOR 1	9	0	0.00
FACTOR 2	8	8	9.19
FACTOR 3	12	12	13.79
FACTOR 4	4	0	0.00
FACTOR 5	16	16	18.39
FACTOR 6	20	20	22.99
FACTOR 7	17	17	19.54
FACTOR 8	6	6	6.90
FACTOR 9	8	8	9.20
TOTAL	100	87	100