

CIRCULAR

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Office of the Secretary to the
Government of the
Federation
The Presidency
Shehu Shagari Complex
Three Arms Zone,
Abuja.
30th January, 2018

Chief of Staff to the President,
Deputy Chief of Staff to the Vice President,
Principal Secretary to the President,
All Honourable Ministers/Ministers of State,
Head of the Civil Service of the Federation,
National Security Adviser,
Economic Adviser to the President,
Special Advisers/Senior Special Assistants,
Chief of Defence Staff/Service Chiefs/Inspector-General of Police,
Governor, Central Bank of Nigeria,
Chairman, Federal Civil Service Commission,
Chairman, Police Service Commission,
Chairman, Code of Conduct Bureau,
Chairman, Code of Conduct Tribunal,
Chairman, Federal Character Commission,
Chairman, Revenue Mobilization, Allocation and Fiscal Commission,
Chairman, Federal Inland Revenue Service,
Chairman, Independent National Electoral Commission,
Chairman, National Population Commission,
Chairman, Independent Corrupt Practices and other Related
Offences Commission,

Chairman, Economic and Financial Crimes Commission,
Chairman, National Drug Law Enforcement Agency,
All Permanent Secretaries and Heads of Extra-Ministerial
Departments,
Clerk of the National Assembly,
Chief Registrar, Supreme Court of Nigeria,
Accountant-General of the Federation,
Auditor-General for the Federation,
Director-Generals and Chief Executives of Parastatals, Agencies and
Government-Owned Companies.

**IMPLEMENTATION OF EXECUTIVE ORDER – 03 “SUPPORT
FOR LOCAL CONTENT IN PUBLIC PROCUREMENT BY
MINISTRIES, DEPARTMENTS AND AGENCIES (MDAs) OF
THE FEDERAL GOVERNMENT OF NIGERIA”: LOCAL
CONTENT SOLICITATION PROCEDURES AND DOCUMENTS**

Further to the issuance of the Executive Order No. 003 of 2017 (EO-003, 2017) on the provision of Support for Local Content in Public Procurement by Ministries, Departments and Agencies (MDAs) of the Federal Government of Nigeria, all MDAs are therefore deemed to have commenced the implementation of the specific directives of the EO-003, 2017.

2. Accordingly, Ministries, Departments and Agencies (MDAs), in line with the stipulations of the Executive Order - 03, are required to grant preference to local manufacturers of goods and service providers in their procurement of the goods and services covering the following areas, and with at least 40% of procurement spending:

1. Uniforms and Footwear;
2. Food and Beverages;
3. Motor Vehicles;
4. Pharmaceuticals;
5. Construction Materials;
6. Information and Communication Technology;
7. Furniture & Fittings;

8. Stationery; and
9. Information and Communication Technology.

3. In the realisation of the above, MDAs shall at the procurement planning stage identify procurement items in their procurement plan that will qualify for the application of local content preference. This shall be done in such a manner that the estimated procurement spending on each of the categories listed in paragraph 2 above will amount to 60% of the estimated total spending for each category in order to be able to meet the expected minimum actual spending of 40% at implementation stage.

4. Therefore, any MDA in its solicitation document for any of the identified local content procurement items, shall clearly indicate the preference to be granted to domestic manufacturers, contractors and service providers and the information required to establish the eligibility of a bid for such preference in line with this guideline and the Public Procurement Act (PPA), 2007.

5. To be eligible for this local content preference for the identified local content procurement items, prospective bidders must have complied with the following as at the time of making submissions in response to the solicitation document issued by the procuring entity:

- (a) Be identified as domestic company/firm as defined in the Public Procurement Regulations for Goods, Works, and Services, i.e. a business or professional organization:
 - i. incorporated or otherwise organized in Nigeria;
 - ii. having its principal place of business located in Nigeria;
 - iii. having at least 50% of its equity held by nationals of Nigeria;
 - iv. not having its assets controlled by foreign national or organization incorporated or organized outside Nigerian; and
 - v. with more than 50% of persons who will perform services under the contract whether employed directly or by a subcontractor be nationals of Nigeria.

- (b) Intend to provide:
 - (i) goods listed in paragraph 1 that possess Mandatory Conformity Assessment Programme (MANCAP) Certificate issued by the Standards Organisation of Nigeria (SON); and/or
 - (ii) services listed in paragraph 1 with possession of verifiable statement and sworn affidavit on the local content of services to be provided in compliance with 5(a) above.

6. In view of the above, MDAs shall include in the solicitation documents (advertisement, bidding documents, etc.) **for the identified local content procurement items**, the following additional criteria:

- (a) documentary evidence to show that the bidder is a local company/firm;
- (b) verifiable statement and sworn affidavit on the local content of services to be provided and
- (c) photocopy of MANCAP Certificate for the proposed goods.

7. The criteria in paragraph 6 above shall be a pass or fail assessment and not to be subjected to scoring. Only the bidders that pass shall proceed to the financial evaluation stage of the procurement process.

8. Compliance with declared goods or services by bidder shall be subjected to confirmation by MDAs before award during post-qualification exercise and at delivery during contract implementation.

9. In implementing the provisions of the EO-03, all stakeholders shall ensure compliance with the Responsibility and Reporting Framework presented below:

S/n	Description	Type of Report	Report from	Report to	Timeline

1	MDA sets up Local Content Unit/Officer in their Procurement Department/Unit	MDA approval for/directive on the Local Content Unit/Officer	MDA	FMITI/BPP	1 week after issuance of this circular
2	MDA prepares Procurement Plan, highlight items related to LC spend	Procurement Plan	MDA	BPP	1 week after submission to the Budget Office of the Federation
3	MDA update Procurement Plan based on Appropriation, highlight items related to LC spend	Updated Procurement Plan	MDA	BPP	4 weeks after Budget signing by Mr. President approval
4	MDA implement procurement based on LC procurement guidelines, fill LC Compliance Reporting Sheet and include same in the Evaluation Report	LC Compliance Reporting Sheet	MDA	MDA Accounting Officer/Procurement Head	1 week after contract award
5	The Tenders Board ensures LC guidelines have been followed for LC components before approval for award of contract	Minutes of Tenders Board Meeting	Chairman Tenders Board/Procurement Head	MDA Accounting Officer	On or before 1 week after Tenders Board Meeting
6	MDA includes LC Compliance Report among submission to BPP for issuance of Certificate of 'No Objection'	Evaluation Report incorporated with LC Compliance Report	MDA Accounting Officer/Procurement Head	BPP	Anytime request for issuance of Certificate of 'No Objection' submission is made to BPP
7	The LC Unit/Officer ensures that actual LC component is reflected in the Contract Agreement and delivered during contract implementation/delivery	Contract Agreement incorporating LC goods and services	Procurement Head/Legal Unit	LC Unit / Officer	Immediately after Contract Agreement is drafted and before contract implementation starts

8	LC Unit/Officer reports non-conformance at implementation stage to BPP and states reasons thereof	LC Compliance Report	LC Unit /Officer	MDA Accounting Officer/ BPP	1 week after monthend
9	MDA sends LC Compliance Reporting Sheet to BPP after contract award	Approved LC Compliance Reporting Sheet	MDA	BPP	1 week after monthend
10	BPP collates and analyses LC Reports from the MDA and send to FMITI	Collated LC Compliance Reporting Sheet	BPP	FMITI	Monthly

10. If any MDA encounters any challenge in implementing this provision of EO-03 either in the course of procurement process or at implementation stage, such should be communicated to the Bureau of Public Procurement and copy the Federal Ministry of Industry, Trade and Investment (FMITI) Local Content Unit.

11. In performance of its oversight of the implementation of the EO-03, the FMITI Local Content Unit and Standards Organisation of Nigeria (SON) shall carry out periodic audits and inspections to in-country manufacturers for the purpose of verifying and utilizing in-country manufacturing capabilities.

12. All MDAs should immediately commence the implementation of the EO-03 in all their procurement activities, covering the specified item categories indicated in paragraph 2, while ensuring compliance with this guideline and the Public Procurement Act, 2007.

13. Please ensure strict compliance with the contents of this circular.

Boss Mustapha
Secretary to the Government of the Federation