A BILL

FOR

AN ACT TO MAKE IT MANDATORY FOR GOVERNMENT MINISTRIES, DEPARTMENTS AND AGENCIES TO GIVE PRIORITY TO LOCAL MANUFACTURERS AND INDIGENOUS COMPANIES IN THE PROCUREMENT OF GOODS, WORKS AND SERVICES, AND TO PROHIBIT THE EXCLUSION OF LOCALLY PRODUCED GOODS IN THE PROCUREMENT PROCESS, AND FOR OTHER RELATED MATTERS

Sponsored Hon. Simon D. Mwadkwon

[ ] Commencement

BE IT ENACTED by the National Assembly of the Federal Republic of Nigeria as follows:

Procurement of locally made product/goods by Government, Ministries, Agencies and Parastatals and Private establishment in Nigeria

1. All procurement exercise conducted by every Government Ministry, Department, Agencies, and Parastatals in each fiscal year and in line with the provisions of the Public Procurement Act, in Nigeria shall give top priority to local manufacturers and indigenous companies (referred in this Section as "Entity") producing such goods and services as advertised by the Ministry, Department, Agencies and Corporations, as in the budget for that fiscal year;

Recognizing the quality of goods as essential procurement practices

2. Notwithstanding the provisions of section (1), the Ministry, Department, Agency or Parastatal shall procure the goods, works and services of such entity if:

(i) Such Entity's goods or works, or services are certified to be of good quality subject to consistency of supply, timeliness or ability to supply on time, competitive in pricing, and is registered with any of the following Government regulatory agencies:

(a) The Standards Organization of Nigeria (SON);

(b) The National Food and Drug Administration and Control (NAFDAC) any other government recognized institution capable of

determining quality Standards.

(ii) That such entity took part in the tendering and bidding processes during the procurement exercise as stipulated by the regulations as contained in the Public Procurement Act.

Prohibitions

3. No Government Ministry, Department, Agency or Parastatal shall engage in secret procurement of goods, works and services such that such procurement exercise excludes the local manufacturers or providers of goods, works or services procured as a result of that exercise;

4. No Government Ministry, Department, Agency or Parastatal shall engage the goods, works and services of any foreign company (in this section referred to as "foreign entity") or import into Nigeria through Direct procurement, unless-

(i) Such goods, works and services are not produced in Nigeria;

(ii) Such goods, works and services are not readily available in the stock of the local manufacturers as a result of technical and social factors, or

(iii) Where such goods are obtainable in Nigeria, same falls short of the approved Standard as stated by the Regulatory Agencies.

5. The Bureau of Public Procurement shall have authority to enforce section 1,2,3 and 4 of this Bill;

Monitoring and Prosecution

6. The Due Process Office and the Economic and Financial Crimes Commission in conjunction with relevant bodies such as MAN, NACCIMA, NASSI shall have the powers of:

(i) Monitoring the compliance with this Bill; and

(ii) Arrest and prosecute offenders of this Bill, respectively.

7. The Ministry of Information and the National Orientation Agency shall embark on the enlightenment and publicity of the provisions of this Bill.

Penalties

8. Any officer involved in contravening this Bill commits an act of economic sabotage and shall be liable on conviction to:

(i) Compulsory retirement where it involves a staff, and dismissal for a political appointee, and

(ii) A term of imprisonment not exceeding 3 months, or a fine not exceeding N500,000;

9. Where it is proven that such an officer contravenes in part or in whole the provision(s) of this Bill in connivance with a foreign entity, such officer shall be liable on conviction to:

(i) A term of imprisonment not less than 6 months or a fine of N500,000.

Jurisdiction

10. The Federal High Court shall have jurisdiction to prosecute contraveners of this Bill.

Regulations

11. The National Council on Public Procurement may make regulations as may be necessary or expedient for giving effect to the provisions of this Bill;

Interpretation

12. In this Bill:

"Entity" means an indigenous or foreign company or firm;

"Officer" means any staff of the Government Ministry or Department or Agency or Parastatal or Corporation;

"Goods" is any item or material listed for procurement by the Government Ministry or Department or Agency or Parastatal or Corporation;

"Foreign entity" means Companies that are indifferent to local content;

"A private company" means any company without a major government stake.

Citation

13. This Bill may be cited as the Local Industry Patronage Bill, 2019.

EXPLANATORY MEMORANDUM

This Bill seeks to make it mandatory for Government Ministries, Departments and Agencies to give priority to local manufacturers and indigenous companies in the procurement of goods, works and services, and to prohibit the exclusion of locally produced goods in the procurement process.