



هيئة المحتوى المحلي
والمشتريات الحكومية
Local Content & Government
Procurement Authority

Unit 3

Mandatory List





Workshop Agenda

- 01 Related Definitions**
🕒 10 Minutes
- 02 Local Content Concept**
🕒 10 Minutes
- 03 Introduction to Local Content Mechanisms**
🕒 10 Minutes
- 04 Mandatory List**
🕒 10 Minutes
- 05 Issued Mandatory Lists**
🕒 10 Minutes

- 06 Incorporating, Implementing, and Monitoring the Mandatory List.**
🕒 10 Minutes
- 07 Regulations for Exemption from Mandatory List**
🕒 10 Minutes
- 08 Registering a Factory or Service Provider on the Mandatory List**
🕒 10 Minutes
- 09 Adding a Product to the Mandatory List**
🕒 10 Minutes
- 10 Practical Examples**
🕒 10 Minutes

- 11 Related Links**
🕒 10 Minutes



01

Related Definitions

Definitions

General Definitions



Government Entity

Ministries, government agencies, and public corporations, authorities, and institutions, as well as entities with independent public legal personalities.

LCGPA

Local Content and Government Procurement Authority.

Law

Government Tenders and Procurement Law.

Committee

The committee, formed in accordance with Article (88) of the Law, in charge of reviewing violations committed by bidders and contracted parties pursuant to the provisions of the Law and concluded contracts.

Regulations

Regulations on Preference for Local Content and Local SMEs and Companies Listed on the Capital Market in Business and Procurement Transactions.

Local Content

Total spending in the Kingdom through national elements, including goods, services, assets, technology, workforce, and the like.

Definitions

General Definitions



National Product

Any product manufactured in the Kingdom, including all extractive, agricultural, animal, and industrial products, whether in its raw form or at any subsequent stage of assembly, processing, or manufacturing.

Local SMEs

Local (micro-, small-, and medium-sized enterprises), as classified by the Small and Medium Enterprises General Authority, of which 50% or more of the capital is owned by Saudi citizens.

Mixed Contracts

Mixed contracts that contain both supply-related items and other clauses related to works or services.

Share of National Products

The ratio of the value of national products a bidder undertakes to supply compared to the total bid value, excluding products on the mandatory list.

Divisible Contracts

Divisible Contracts are those where a government entity can award one or more items to a single bidder and other items to other bidders.

Indivisible Contract

Indivisible Contract are those where a government entity awards all items to a single bidder only.



02

Local Content Concept

Local Content Concept

Definition and Elements of Local Content



What is Local Content?

» It is the total expenditure in Saudi Arabia through the participation of Saudi elements in the workforce, goods and services, productive assets, technology, and other.

Local Content Elements

.....01.....

Assets



Sources and components of goods for the development of production chains.

.....02.....

Workforce



Workforce involved in manufacturing products or providing services.

.....03.....

Goods and Services



Local Components utilized in the production of goods or services.

.....04.....

Technology & other



Research, development and training for the Saudi Workforce.

Local Content Concept

Local Content Certificate



Local Content Definition



It is the local content percentage at the entity for the targeted fiscal year, based on the entity's financial statements, which enables it to determine its current local content status.

Certificate Validity



The validity of the local content certificate is Nineteen (19) months from the date of the financial statements under measurement.

التاريخ: 00/00/00م
رقم الشهادة: M.xxxxx

هيئة المحتوى المحلي
والمشتريات الحكومية
Local Content & Government
Procurement Authority

شهادة المحتوى المحلي
Local content certification

The Local Content & Government Procurement Authority certifies that the Local Content Score for [xxx] Commercial Registration No. (xxxxxxx) for the year ended -/-/202-, is xx.x%.

The Export Revenue Score is x.xx%.

The validity of this certificate is 19 months from the **above** mentioned year ended.

Note:
This certificate was issued according to the procedures followed by the Authority and based on the disclosure submitted by the entity and the report issued by the approved audit firm, without holding LCGPA minimally responsible.
This certificate is sent via electronic mail / automated system and it does not require a signature.

You can validate the information in this certificate via the following link URL or by scanning the above QR code

تشهد هيئة المحتوى المحلي والمشتريات الحكومية أن نسبة المحتوى المحلي لـ [xxxxxxx] سجل تجاري رقم (xxxxxxx)، للسنة المالية المنتهية بتاريخ -/-/202م تبلغ xx.x%.

تمثل درجة الإيراد من الصادرات x.xx%.

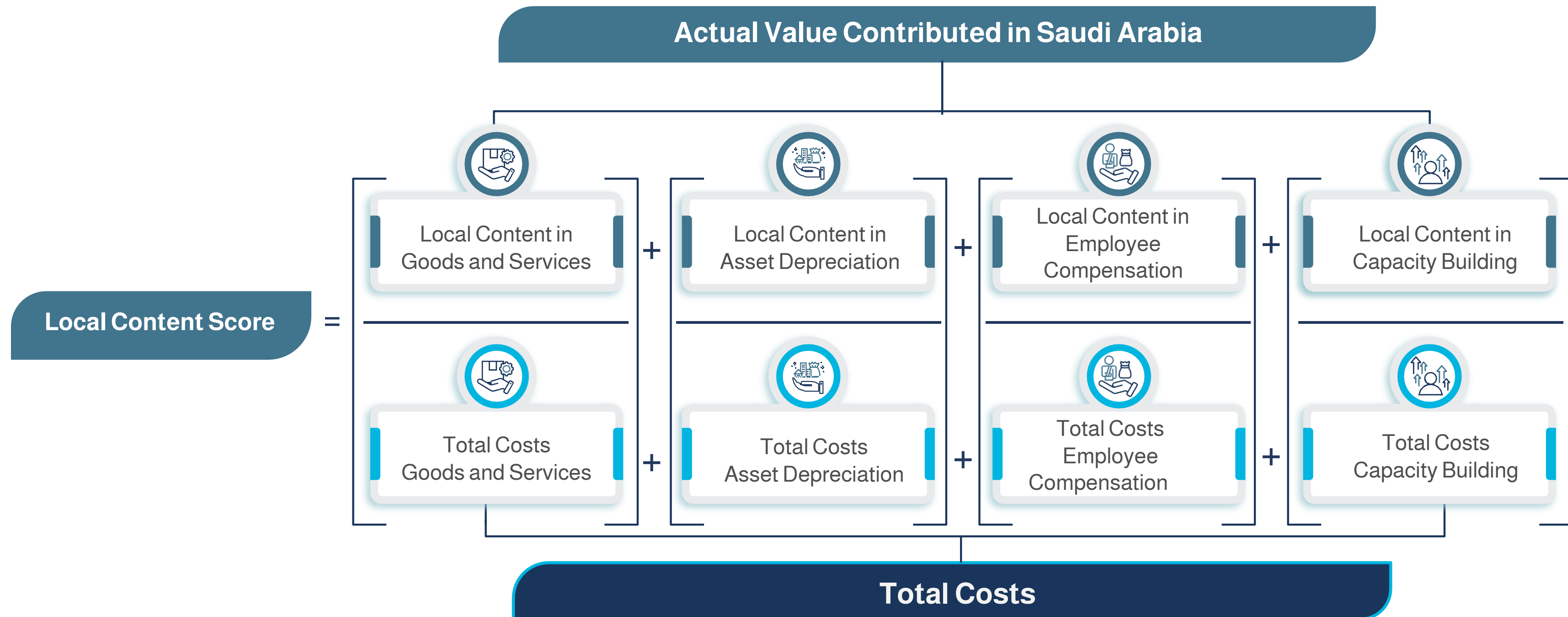
صلاحية هذه الشهادة 19 شهراً من نهاية السنة المالية المذكورة أعلاه.

تنويه:
تم إصدار هذه الشهادة بحسب الإجراءات المتبعة لدى الهيئة بناءً على الإفصاح المقدم من المنشأة والتقرير الصادر من مكتب المراجعة المعتمد دون أدنى مسؤولية على الهيئة. هذه الوثيقة مرسلة عبر البريد الإلكتروني، النظام الذي لا يحتاج إلى توقيع.

يمكنك التحقق من صحة البيانات الواردة في الشهادة أعلاه من خلال الرابط التالي أو مسح الرمز المربع أعلاه

Local Content Concept

Local Content Score Calculation Formula





03

Introduction to Local Content Mechanisms

Introduction to Local Content Mechanisms

Regulations on Preference for Local Content and Local SMEs and Companies Listed on the Capital Market



Government Tenders and Procurements Law.



Executive Regulations.



Regulations on Preference for Local Content and Local SMEs and Companies Listed on the Capital Market in Business and Procurement Transactions.



Regulations Governing Conflict of Interest pertaining to the Implementation of the Provisions of the Law and Regulations.



Regulations Governing the Code of Conduct and Ethics of Persons in Charge of Implementing the Provisions of the Law and Regulations.

Introduction to Local Content Mechanisms

Regulations on Preference for Local Content



About the Regulations



Under Council of Ministers Resolution No. 245, dated 29/3/1441 AH, corresponding to 26/11/2019 AD.



Objective



Regulations on Preference for Local Content and Local SMEs and Companies Listed on the Capital Market in Business and Procurement Transactions aims to establish rules and procedures, and to define preference mechanisms for local content and local SMEs and companies listed on the capital market in business and procurement transactions. This Regulation shall apply to all entities, with the exception of military procurements*.

* Military Procurement: systems, weapons, ammunition, communications systems, equipment, spare parts, military clothing, maintenance and repair contracts.

Introduction to Local Content Mechanisms

Regulations on Preference for Local Content and Local SMEs and Companies Listed on the Capital Market in Business and Procurement Transactions (Article IV).



The Government Entity, when issuing tenders for its business and procurements, shall undertake the following:

1 Compliance with the Mandatory List in accordance with the provisions of Articles (7) and (9) of the Regulations.



2 Local Small and Medium Enterprises (Local SMEs) shall be granted a price preference by assuming the bid prices of other entities are (10%) higher than stated in the tender documents, in all contracts - excluding supply contracts - that do not fall under the scope of high-value contracts.



3 Adoption of the following Local Content Mechanisms, without prejudice to the provisions of paragraphs (1) and (2) of this Article:



- I A- National Product Price Preference Mechanism: As detailed in Chapter (I) of Part (II) of the Regulations.
- I B- Local Content Weight Mechanism in Financial Evaluation: As detailed in Chapter (II) of Part (II) of the Regulations.
- I C- Minimum Local Content Requirements Mechanism: As detailed in Chapter (III) of Part (II) of the Regulations.

Introduction to Local Content Mechanisms

Overview of Local Content Mechanisms



Considering the local content Preference Regulation, it included three mechanisms for developing local content in government procurement:

	Total Government Tenders		
Tender Type	Supply Tenders	Business and Service Tenders	
Price Range	All Price Ranges (High and Non-High Value Tenders)	High Value	Non-high-value
Applicable Provisions and Mechanisms	Mandatory List		
	National Product Price Preference Mechanism	Local Content Weight Mechanism in Financial Evaluation	Local SMEs Preference Mechanism
		Minimum Local Content Requirements	

Local Content Mechanisms.

Preference for local SMEs.

Introduction to Local Content Mechanisms

Overview of Local Content Mechanisms





04

Mandatory List

Mandatory List

About the Mechanism



About the mechanism

List of national products and services issued and regularly updated by the LCGPA. The LCGPA shall, in coordination with relevant authorities, set the rules and criteria required for inclusion in the mandatory list or exclusion therefrom.

Scope of Application

It applies to all types of contracts, including supply contracts, business and services tenders or contracts where the scope of work includes products or services listed in the mandatory list.

Application Mechanism

- Contractors with government entities shall purchase national products and services in all contracts, including supply and service contracts where the scope of work encompasses products or services listed in the mandatory list.
- If the tender is divisible, then the items for which the bidder did not comply with the Mandatory List shall be excluded.

Objectives

- Enabling existing national industries and services capable of meeting local market demands by sourcing products and services listed in the mandatory list from national manufacturers, service providers, and suppliers, unless an exemption is granted to the contractor.

Mandatory List

Responsibilities of Contractor and Government Entity



Contractor Responsibilities



The contractor shall comply with the instructions regarding the delivery of products included in the mandatory list, issued by LCGPA, by providing the origin of the product, whether it is national or foreign.

The contractor shall prove the national origin of the product upon its delivery to the government entity during the project execution.

Government Entity Responsibilities



The Government Entity shall monitor the contractor's performance in fulfilling their mandatory list commitment during the contract's execution and shall not accept any supplied products that are non-compliant with the mandatory list, with the exception of products for which the contractor has obtained an exemption.

Mandatory List

Methods for Proving National Product Origin



National Product Definition



Any product manufactured in the Kingdom, including all extractive, agricultural, animal, and industrial products, whether in their raw form or at any subsequent stage of assembly, processing, or manufacturing.

Methods for Proving National Product Origin

01



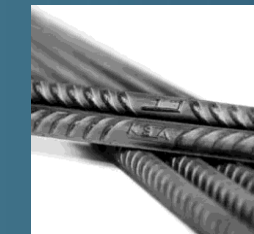
A (SABER) certificate issued by the Saudi Standards, Metrology and Quality Organization (SASO), clarifying that the product's origin is national.

02



A written declaration from the manufacturer or service provider according to the template prepared for that purpose, and available on LCGPA's website.

03



Country of Origin (COO) marking, provided that the marking is permanent in a way that is difficult to remove, which can be engraving, weaving, printing, or pressing according to the nature of the product, with the criterion being that it leaves a trace upon removal.

04



The "Made in Saudi" certificate issued by the Made in Saudi program.

05



The "Saudi Tech" logo issued under the "Made in Saudi" Program.

06



A valid commercial registration (CR) or a self-employment document, for services included in the mandatory list.

07



The product must meet the requirements of the rules of origin, for national products manufactured outside free zones, in accordance with the unified rules for granting preference to national products in government procurements in GCC countries and the national rules of origin, based on a certificate issued by a competent authority.

08



A certificate or product registration license issued by a competent authority in the Kingdom of Saudi Arabia, such as a product registration certificate from the Saudi Food and Drug Authority (SFDA), the Digital Government Authority (DGA), the Communications and Information Technology Commission (CITC), or other relevant competent authorities.

Mandatory List

Local content certificate requirements in specific sectors for products included in the mandatory list



The circular regarding the mandatory local content certificate requirements in specific sectors for products included in the mandatory list was released on 21-4-1444 AH, with the aim of achieving local content development objectives and maximizing the utilization of the mandatory list.

205-44-002415: هـــــ
23/04/1444: الترخيص
07: المرفقات

هيئة المحتوى المحلي
والمشتريات الحكومية
Local Content & Government
Procurement Authority
(٢٠٥)

الموضوع: اشتراط شهادة
المحتوى المحلي (خط الأساس)
في بعض القطاعات للمشتريات
المدرجة في القائمة الإلزامية.

**تعميم لكافة الجهات والمصالح الحكومية
وعلى كل جهة إبلاغ الجهات التابعة لها أو المرتبطة بها**

السلام عليكم ورحمة الله وبركاته:

إدخاً بتعاميم هيئة المحتوى المحلي والمشتريات الحكومية الصادرة بشأن متطلبات المحتوى المحلي والإدراج في القائمة الإلزامية، وبناءً على اختصاصات الهيئة النظامية بموجب تنظيمها الصادر بقرار مجلس الوزراء رقم (٥٥) وتاريخ ٢٩/٥/١٤٤٢هـ، وبناءً على المادة (١١) من لائحة تفصيل المحتوى المحلي والمشتريات الصغيرة والمتوسطة المحلية والمشتريات المدرجة في السوق المالية في الأعمال والمشتريات الصادرة بقرار مجلس الوزراء رقم (٢٤٥) وتاريخ ٢٩/٥/١٤٤٢هـ، وسعيًا لتحقيق مستهدفات تنمية المحتوى المحلي وتعزيز الفائدة من القائمة الإلزامية، سيتم توسيع نطاق تطبيق اشتراط شهادة المحتوى المحلي (خط الأساس) لتشمل القطاعات الواردة في هذا التعميم، مقسمة على مراحل بحسب التفصيل أدناه:

المرحلة الأولى: اشتراط شهادة المحتوى المحلي (خط الأساس) اعتباراً من ١-٥-٢٠٢٣م، للقطاعات التالية:

- قطاع المستلزمات الطبية
- المواد الكيميائية
- الأثاث

المرحلة الثانية: اشتراط شهادة المحتوى المحلي (خط الأساس) اعتباراً من ١-٩-٢٠٢٣م، للقطاعات التالية:

- البناء والتشييد
- مستهلكات النظافة
- معدات ولوازم شخصية

المرحلة الثالثة: اشتراط شهادة المحتوى المحلي (خط الأساس) اعتباراً من ١-١-٢٠٢٤م، للقطاعات التالية:

- الأغذية والمنتجات الزراعية

وتسبتي من هذا المتطلب المنشآت الصغيرة والمتناهية الصغر، شريطة أن يتم تقديم شهادة لحجم المنشأة صادرة من الهيئة العامة للمنشآت الصغيرة والمتوسطة "منشآت".

وتؤكد الهيئة التزامها بمتابعة تطبيق هذا القرار على مصنعي منتجات القطاعات المذكورة أعلاه وفقاً لأحكام لائحة تفصيل المحتوى المحلي والمنشآت الصغيرة والمتوسطة المحلية والمشتريات المدرجة في السوق المالية، وعلى الجهات الحكومية التقيد بضموم هذا القرار خلال إجراءات الطرح والبيع في العروض والترسية، ودون الإخلال بأحكام المناقصات والمشتريات الحكومية يستبعد المتنافس في حال عدم الامتثال للقائمة الإلزامية ابتداءً من دخول القرار حيز النفاذ.

وفي حال وجود أي استفسار، يمكن لأصحاب المصلحة التواصل مع مركز الاتصال الموحد لهيئة المحتوى المحلي والمشتريات الحكومية على الرقم (١٩٩١٥) أو على البريد الإلكتروني التالي: (mandatorylist@lcga.gov.sa)

شاكرين لكم تعاونكم وتقبلوا وافر التحية والتقدير..

رئيس مجلس الإدارة

بندر بن إبراهيم الخريف

المركز الرئيسي ٢٨٧٧ حي العقيق رقم الوحدة ٢ الرياض ١١٥١٩ - ١١٦١
H.O. 2877 Al Aqeel Dist. Unit Num. 2. Riyadh 13519 - 6686

lcga.gov.sa

Mandatory List

Phases of the local content certificate requirements for products on the mandatory list



First Phase

01

- Medical Supplies
- Chemicals
- Furniture

Start of Application

May 1, 2023

Second Phase

02

- Construction
- Hygiene Consumables
- Personal Equipment and Supplies

Start of Application

September 1, 2023

Third Phase

03

- Food and Food
Agricultural Products

Start of Application

February 1, 2024

Fourth Phase

04

- Cybersecurity
- Information Technology
- Transportation and Logistics.
- Plastic and Paper Consumer Products

Start of Application

December 1, 2024



05

Issued Mandatory Lists

Mandatory List

Mandatory Lists Issued by LCGPA, Which Are Regularly Updated



Construction



276

Products

5071

Factories

Medicines and Pharmaceuticals



330

Products

50

Factories

Medical Supplies



535

Products

78

Factories

Food and Agricultural Products



81

Products

308

Factories

Artworks



8

Products

12

Factories

Hygiene Consumables



18

Products

48

Factories

Chemicals and Fertilizers



43

Products

63

Factories

Furniture



26

Products

351

Factories

Personal Equipment and Supplies



29

Products

25

Factories

Paper Consumables



10

Products

96

Factories

Information Technology



12

Products

27

Factories

Cybersecurity



11

Products

1

Factories

Plastic Products



21

Products

195

Factories

Stationery and Office Supplies



11

Products

51

Factories

Transportation and Logistics



29

Products

51

Factories

Recreational Equipment and Supplies



5

Products

7

Factories



06

Incorporating, Implementing, and Monitoring the Mandatory List

Incorporating, Implementing, Monitoring the Mandatory List

Government Procurement Cycle



01



Preparation / Issuance of Tender Documents

- Creating tender documents via Etimad Portal.
- Including local content requirements in the tender documents (if applicable).
- Incorporating the feedback from LCGPA on the tender documents, if any.

02



03



Incorporating, Implementing, Monitoring the Mandatory List

Government Procurement Cycle



01



02



Evaluation

- Conducting the technical analysis and evaluation of bidders.
- Bidders correctly fulfilling Local Content requirements.
- In case of supply tenders, bidders not complying with the mandatory list shall be disqualified.

03



Incorporating, Implementing, Monitoring the Mandatory List

Government Procurement Cycle



01



02



03



Execution / Closure

- Submission of a report on the National Product Share for supply contracts, if applicable.
- Submission of Mandatory List Reports.
- Verifying compliance with the Mandatory List products upon receipt of the supply items.
- Local content certificate requirements for mandatory lists.

Incorporating, Implementing, Monitoring the Mandatory List

(Regulatory Clauses)




<div>01</div> <div>Government Procurement Cycle</div> <div>Preparation / Issuance of Tender Documents</div>	Division	Division Name	Required Clauses
	2	Local Content	Ensure that the following clause is present: "Bidders must comply with the Regulations on Preference for Local Content and Local SMEs and Companies, and Companies Listed on the Capital Market issued by the Council of Ministers Resolution No. (245) dated 29/03/1441H.
	7	Bill of Quantities	<p>Mandatory List products must be identified, and the product code for each item shall be specified. If an item is general, details must be specified within the item description. (While taking into account compliance with all products on the Mandatory List)</p> <p>The field for any product listed on the Mandatory List shall be amended to "Yes" in all Bills of Quantities, by navigating to the relevant table and selecting the edit icon for the product listed in the Mandatory List, and then selecting "Yes" in the "Product from the Mandatory List" field, and after that selecting the correct product code from the drop-down list.</p>
	9	Local Content Requirements	<p>- If the scope of work includes products included in the mandatory list, the following conditions shall apply:</p> <p>A. The bidder shall comply with the mandatory list when supplying goods, materials, or procurements, or executing works, or when preparing studies, reports, and designs.</p> <p>B. The government entity or the supervising consultant on the project - if any - shall monitor the contractor's performance in fulfilling their obligations regarding the mandatory list during the execution of the contract, and shall not accept any products listed in the mandatory list if the country of origin is non-national, except for products for which the contractor has obtained an exemption according to the relevant regulations issued by LCGPA.</p>

Incorporating, Implementing, Monitoring the Mandatory List

(Regulatory Clauses)




01




Government Procurement Cycle
Preparation / Issuance of Tender Documents

02



03



Division	Division Name	Required Clauses
9	Local Content Requirements	C. The contractor shall comply with LCGPA instructions regarding the delivery of products included in the mandatory list.
		D. The contractor shall comply with LCGPA regulations concerning exclusion from the mandatory list.
		E. Bids which do not comply with the mandatory list shall be excluded from supply tenders or mixed tenders which include supply items. If the tender is divisible, then the items for which the bidder did not comply with the Mandatory List shall be excluded.
		F. Where the requirement for a Local Content Certificate (baseline) applies to products on the mandatory list, the bidder shall ensure that the mandatory list products included in their bids are provided by service providers and manufacturers meeting this requirement.

Incorporating, Implementing, Monitoring the Mandatory List

Contractor's compliance report on national products for supply contracts.



01



02



Government Procurement
Cycle

Evaluation

03



- » In supply tenders or mixed tenders containing supply items, bids will be disqualified if they do not comply with the mandatory list. If the tender is divisible, only the items that are non-compliant with the mandatory list will be excluded.

Preference Regulation / article IX.

Incorporating, Implementing, Monitoring the Mandatory List

Contractor's compliance report on national products for supply contracts.



01



» The Compliance report shall be submitted according to the form designated therefore on the LCGPA portal.

02



- » This form shall be filled out by the Contractor.
- » The contractor shall fill out the form within 30 days from the end of the contract.

03



Government
Procurement Cycle
Execution / Closure

» The government entity shall review the form and approve it within 10 working days from receipt of the report submitted by the contractor.

» The government entity shall provide the LCGPA with a copy of the final report immediately upon its approval, ensuring the data is complete.

Contractor's compliance report on national products for supply contracts:

هيئة المحتوى المحلي والمشتريات الحكومية Local Content & Government Procurement Authority		تقرير التزام المتعاقدين بالمنتجات الوطنية لعقود التوريد									
يجب تعبئة هذه الخانة	اسم الجهة الحكومية المالكة للعقد	يجب تعبئة هذه الخانة	اسم العقد								
يجب تعبئة هذه الخانة	الرقم المرجعي للعقد	يجب تعبئة هذه الخانة	قيمة المنتجات الوطنية المتعهد بها (باستثناء قيمة المنتجات الواردة ضمن القائمة الإلزامية)								
يجب تعبئة هذه الخانة	إجمالي قيمة العرض باستثناء قيمة المنتجات الواردة ضمن القائمة الإلزامية	يجب تعبئة هذه الخانة	إجمالي قيمة بنود القائمة الإلزامية								
يجب تعبئة هذه الخانة	اسم المتعاقد	يجب تعبئة هذه الخانة	تاريخ نهاية العقد (يوم-شهر-سنة)								
يجب تعبئة هذه الخانة	تاريخ تسليم التقرير للجهة الحكومية من قبل المتعاقد (يوم-شهر-سنة)	يجب تسليم التقرير بشكل مكتمل وعدم ترك أي عامود فارغ									
الملاحظات	العلامة التجارية	اسم المورد / اسم المصنع	في حال كان البند يتطلب شهادة المحتوى المحلي، هل المصنع الذي تم التعاقد منه لديه شهادة المحتوى المحلي؟	نوع وثيقة إثبات المنتج الوطني أو الاستثناء (في حال تم توريد منتج وطني أو استثناء منتج عن القائمة الإلزامية)	نوع القائمة الإلزامية	هل المنتج يتطلب شراؤه من مصنع يوفر لديه شهادة المحتوى المحلي؟ (في حال انطباق القائمة الإلزامية)	القيمة الإجمالية للمنتجات الموردة (ريال سعودي)	بلد المنشأ (وطني/غير وطني)	رمز منصة اعتماد (المذكور في القائمة الإلزامية "في حال انطباق القائمة الإلزامية")	اسم المنتج (يتم ذكر جميع المنتجات التي تم توريدها للعقد) (يتم ذكر جميع المنتجات المدرجة في القائمة الإلزامية التي تم شراؤها لتنفيذ العقد "في حال انطباق القائمة الإلزامية")	#
											1
											2

Incorporating, Implementing, Monitoring the Mandatory List

Contractor's Compliance Report on Mandatory List Products (Services):



01



» The Compliance report shall be submitted according to the form designated therefor on the LCGPA website.

02



» The Contractor shall complete this form prior to the contract expiry date. It is also recommended that this form be completed on a quarterly basis to ensure data is updated at regular intervals.

03



Government
Procurement Cycle
Execution / Closure

» The government entity shall review and approve the form.

» The government entity shall provide the LCGPA with a copy of the final report immediately upon its approval, ensuring the data is complete.

Contractor's Compliance Report on Mandatory List Products:

هيئة المحتوى المحلي والمشتريات الحكومية
Local Content & Government Procurement Authority

تقرير التزام المتعاقد بمنتجات القائمة الإلزامية لعقود الخدمات

اسم الجهة الحكومية المالكة للعقد	اسم الجهة الحكومية	هل تم اعتماد التقرير؟	يجب تعبئة هذه الخانة
اسم العقد	اسم العقد	اسم المسؤول عن اعتماد التقرير من الجهة الحكومية	يجب تعبئة هذه الخانة
الرقم المرجعي للعقد	الرقم المرجعي للعقد	نسبة إنجاز المشروع	يجب تعبئة هذه الخانة
قيمة العقد	قيمة العقد	حالة المشروع	لم يتم البدء
اسم المتعاقد	اسم المتعاقد		
تاريخ نهاية العقد (يوم-شهر-سنة)	تاريخ نهاية العقد (يوم-شهر-سنة)		

يجب تسليم التقرير بشكل مكتمل وعدم ترك أي عامود فارغ

#	اسم المنتج (يتم ذكر جميع المنتجات المدرجة في القائمة الإلزامية التي تم شراؤها لتنفيذ العقد)	رمز منصة اعتماد (المذكور في القائمة الإلزامية)	بلد المنشأ (وطني/غير وطني)	القيمة الإجمالية للمنتجات الموردة (ريال سعودي)	هل المنتج يتطلب شراؤه من مصنع لديه شهادة المحتوى المحلي؟	نوع القائمة الإلزامية	في حال كان البند يتطلب شهادة المحتوى المحلي، هل المصنع الذي تم الشراء منه لديه شهادة المحتوى المحلي؟	اسم المورد / اسم المصنع	العلامة التجارية	الملاحظات
1										
2										



07

Regulations for Exclusion from Mandatory List

Mandatory List

Mandatory List Exemption



1

Exclusion due to failure to meet the baseline local content certificate requirement for products mandating such certificate.



2

Exclusion due to national factories' insufficient production capacity to meet demand.



3

Exclusion due to the request of the government entity for supply tenders and framework agreements, provided that the tender was either publicly advertised or at least three national factories were invited to bid, subject to the conditions specified in the "Exclusion from the Mandatory List" document.



4

Exclusion due to the price difference between national and foreign products exceeding the specified price ceiling in the list, provided that all other specified conditions are met.



5

Exclusion due to the project's specific requirements that are not met by national products.

Mandatory List

Mandatory List Exemption Cases



First: Exclusion due to failure to meet the baseline for Local Content (Local Content Certificate)

For this to be fulfilled, all the following conditions must be met:



Submit three letters from three separate factories confirming their failure to meet the baseline standard or the specified baseline percentage outlined in the Mandatory List.



The project owner shall review the submitted letters and verify their authenticity to approve the product's exclusion from the Mandatory List. The government entity shall submit periodic reports to the LCGPA on a quarterly basis, outlining the approved exclusion cases, with such reports primarily including the following:

1. Excluded Products.

2. Value of Excluded Products.

3. A copy of the letters provided by the National factories.



Approval from the LCGPA must be obtained if the total value of a single product for which exclusion is being requested exceeds SAR 3,000,000. The LCGPA shall respond within 10 business days; failure to do so shall be deemed approval.



If a product is excluded from the Mandatory List due to not meeting the Local Content Certificate standard, compliance with National Product Price Preference Mechanism is mandatory.

Mandatory List

Mandatory List Exemption Cases



Second: Exclusion due to national factories' insufficient production capacity to meet demand.

For this to be fulfilled, all the following conditions must be met:



The inability of national factories to supply the sufficient quantity within the timeframe planned by the Project Owner.



Three letters shall be provided from three different national factories confirming their inability to supply the product.



The project owner shall review the submitted letters and verify their authenticity to approve the use of the foreign product.

The government entity shall submit periodic reports to the LCGPA on a quarterly basis, outlining the approved exclusion cases, with such reports primarily including the following:

1. Excluded Products.

2. Value of Excluded Products.

3. A copy of the letters provided by the National factories.



Approval from the LCGPA shall be obtained if the total value of a single product for which exclusion is being requested exceeds SAR 3,000,000.

The LCGPA shall respond within 10 business days; failure to do so shall be deemed approval.

Mandatory List

Mandatory List Exclusion Cases



Thirdly: Exclusion upon request from the government entity, specifically in supply tenders and framework agreements.



According to the cases outlined below, provided that the tender was conducted through a public tender process or at least 3 national factories were invited to bid:



The inability of bidders to provide the required quantity of the national product.



None of the bidders submitted a bid including national products.



If the tender is divisible and bidders are unable to supply the full required quantity of the national product, the available quantity of the national product must be supplied, and the remainder must be sourced from a foreign product.

Mandatory List

Mandatory List Exclusion Cases



Fourth: Exclusion due to the price difference between the national product and the foreign product exceeding

For this to be fulfilled, all the following conditions must be met:



Submission of three price quotations from three different national factories, and three price quotations for the foreign product intended to be supplied instead of the national products is required, provided that the difference between the highest price offered for the foreign product and the lowest price offered for the national products exceeds the amount of the price ceiling specified in the Mandatory List.



If the three national price quotations are not available in supply tenders, and the lowest national bid exceeds the product's price ceiling, the government entity may negotiate with the national bidders for a reduction to the price ceiling specified in the Mandatory List. If no reduction is achieved, an exclusion request shall be submitted to the LCGPA for case review and recommendations, ensuring compliance with Article 47 of the Government Tenders and Procurement Law.



The Project Owner shall review the submitted letters and ensure their authenticity for the purpose of authorizing the utilization of the foreign product, and government agencies shall provide quarterly reports to the LCGPA outlining the approved exclusion cases, and these reports shall essentially contain the following:

1. Excluded Products.

2. Value of Excluded Products.

3. A copy of the quotations provided by national factories and foreign products.



Approval from the LCGPA must be obtained if the total value of a single product for which exclusion is being requested exceeds SAR 3,000,000. The LCGPA shall respond within 10 business days; failure to do so shall be deemed approval.

Mandatory List

Mandatory List Exclusion Cases



Fifth: Exclusion due to the project's need for special specifications.

When there is a need for technical or operational specifications that require sourcing the product from a foreign manufacturer, the following exclusion mechanism shall be applied:



If the project requires diversification of supply sources or the procurement of the product from a specific supplier for the government entity holding the tender, an exclusion from the Mandatory List is granted following a review of the rationale, and quarterly regular reports shall be submitted to the LCGPA detailing the approved exclusion cases and their rationales.



In the event that national factories are unable to meet the required specifications and standards, three letters from different national factories confirming their inability shall be provided.



The Project Owner shall review the letters and ensure their authenticity to authorize the utilization of the foreign product, while taking into account paragraph (1) of Article 22 of the Government Tenders and Procurement Law. The government entity shall submit periodic reports to the LCGPA on a quarterly basis, outlining the approved exclusion cases.



Exclusion shall not be granted due to failure of national factories to meet a specific quality standard, as long as these factories have achieved an equivalent quality standard.



Approval from the LCGPA must be obtained if the total value of a single product for which exclusion is being requested exceeds SAR 3,000,000. The LCGPA shall respond within 10 business days; failure to do so shall be deemed approval.

Product Exemption from the Mandatory List

Beneficiaries and requirements



Product Exemption from the Mandatory List

This service aims to enable beneficiaries to request the exclusion of a product from the mandatory list for a specific project.

Service Beneficiaries



- The government sector.

Approved Processing Time



- 10 business days.

Requirements



- Products to be excluded.
- The value of the products to be excluded.
- A copy of the submitted statements or quotations, as applicable, which vary based on the different reasons for requesting an exception and are detailed in the document outlining the controls for inclusion in and exemption from the mandatory list.

Product Exemption from the Mandatory List

Beneficiary Journey



Log into LCGPA portal.

1



Access the e-services.

2



Excluding a product from
the mandatory list

3

Review the exclusion control
document from the mandatory list.



Fill out the template to
exclude a product from
the mandatory list.

4



Review the Localization
Request.

5



Approval to exclude a
product from the mandatory
list

6

⚠ The processing time for the exclusion of
a product from the mandatory list is 10
business days.

Product Exemption from the Mandatory List

Service Guide



Learn about the service and its procedures through the following:

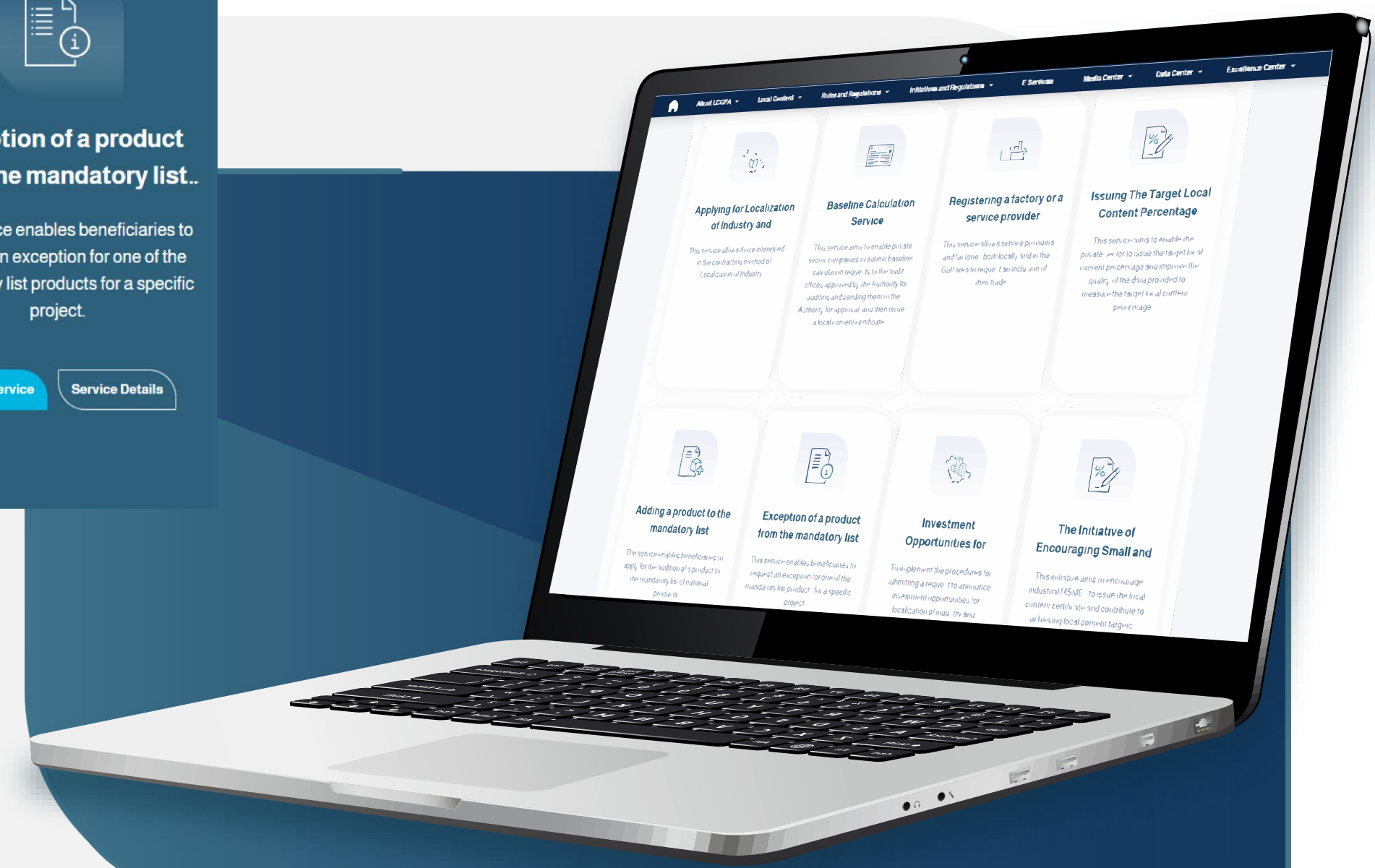


Exception of a product from the mandatory list..

This service enables beneficiaries to request an exception for one of the mandatory list products for a specific project.

[Open Service](#)

[Service Details](#)



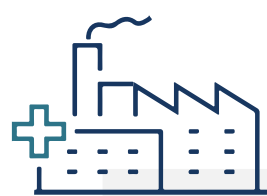


08

Registering a Factory or Service Provider on the Mandatory List

Registering a Factory or Service Provider on the Mandatory List

Beneficiaries and requirements



Registering a Factory or Service Provider on the Mandatory List

This service aims to enable local and GCC factories to register their factory or service provider on the mandatory list of national products, which the LCGPA issues and updates periodically.

Service Beneficiaries



- Private Sector.

Approved Processing Time



- 6 business days.

Requirements



- The product shall be listed in the mandatory list.
- A valid commercial register (CR), with the activity matching the added services being a prerequisite.
- A valid industrial license covering the product to be listed.
- Certificate of Origin for GCC factories.
- Local Content Certificate for products for which it is required.
- The "Saudi Tech" Certificate for technical products.
- A license from the competent authority for services.

Registering a Factory or Service Provider on the Mandatory List

Beneficiary Journey



Log into LCGPA portal.

1



Access the e-services.

2



Registering a Factory or Service Provider.

3



Filling out the Template for Adding a Factory to the Mandatory List.

4



Review the Localization Request.

5



Approval to Add a Factory to the Mandatory List.

6



Factory Registration Period is 6 business days.



09

Adding a Product to the Mandatory List

Adding a Product to the Mandatory List

Beneficiaries and requirements



Adding a Product to the Mandatory List

This service aims to enable beneficiaries from government agencies and the private sector to submit a request to add a product or service to the mandatory list of national products.

Service Beneficiaries



- Government agencies and private sector.

Approved Processing Time



- 180 business days from receipt of all requirements.

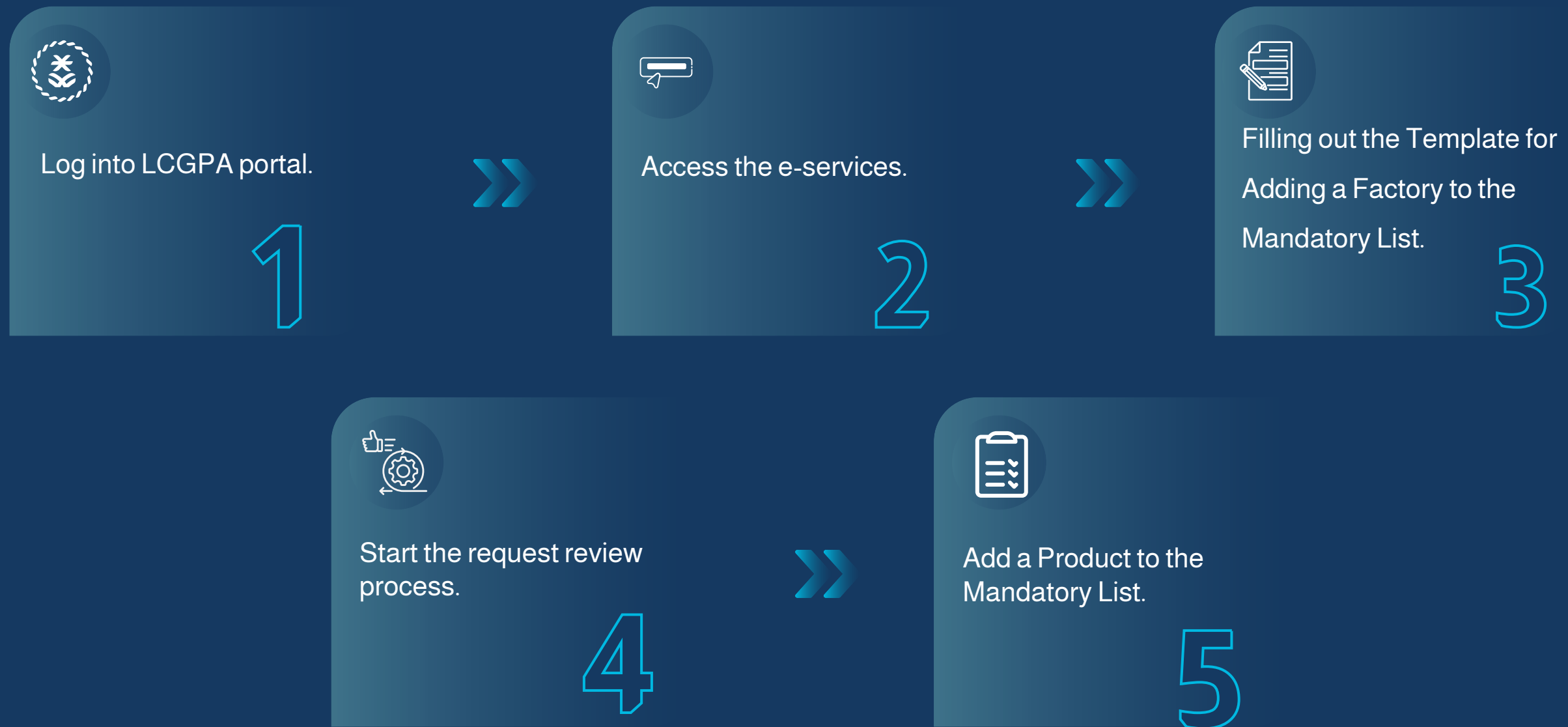
Requirements




- A valid commercial register (CR), with the activity matching the added services being a prerequisite.
- A valid industrial license.
- Attach a list of products manufactured by the factory, including the items to be added.
- Quality certificate.
- The "Saudi Tech" Certificate for technical products.
- A license from the relevant authority for services.

Adding a Product to the Mandatory List

Beneficiary Journey



 The process of adding a product to the mandatory list may take up to 180 days.

Adding a Product to the Mandatory List

Service Guide



Learn about the service and its procedures through the following:



Adding a product to the mandatory list

The service enables beneficiaries to apply for the addition of a product to the mandatory list of national products.

[Open Service](#)

[Service Details](#)





10






Practical Examples

Mandatory List

Case Study (Indivisible Tenders)



Tender Information

-  **Tendering Authority:**
Government Entity.
-  **Tender Type:**
Supply Tender.
-  **Tender Division:**
Tender is indivisible.
-  **Applicable Mechanisms:**
Mandatory List.
National Product Price Preference Mechanism.
-  **Tender Value:**
SAR 4 million.

Bidders' Information

Three bids were submitted for this tender, as detailed in the table below:

Tender Items	Mandatory List	Bidder No. 1	Bidder No. 2	Bidder No. 3
Envelopes with the Entity's Logo	✓	National	National	Foreign
Wrapping Paper	✓	National	National	National
Paper Gift Bags	✓	National	National	Foreign
Luxury Pens	✗	Foreign	Foreign	National
Premium Plaques	✗	National	National	National

During the Technical Evaluation Phase






The government entity shall ensure that the bidders comply with the mandatory list. Bidder No. (3) did not comply with the mandatory list in two items, namely: envelopes with the entity's logo, paper gift bags. Since the tender is indivisible, the bidder shall be technically disqualified from all parts. Once the technical evaluation of the bidders is finalized, the financial evaluation stage will commence.

Mandatory List

Case Study (Indivisible Tenders)



Tender Information

-  **Tendering Authority:** Government Entity.
-  **Tender Type:** Supply Tender.
-  **Tender Division:** Tender is indivisible.
-  **Applicable Mechanisms:** Mandatory List. National Product Price Preference Mechanism.
-  **Tender Value:** SAR 4 million.

Bidder Information

Three bids were submitted for this tender, as detailed in the table below:

Tender Items	Mandatory List	Local Content Certificate	Bidder No. 1	Bidder No. 2	Bidder No. 3
Non-Return Valve (NRV)	✓	✓	National	National	National
Diesel Generators	✓	✓	National	National	National
Submersible Pumps	✓	✓	National	National	National
Submit the Local Content Certificate for the items.			✓	✓	✗

During the Technical Evaluation Phase






The government entity shall ensure that the bidders comply with the mandatory list. Given that Bidder No. 3 complied with the Mandatory List but failed to comply with submitting the local content Certificate, they are technically disqualified, as the tender's terms stated that a factory's Local Content certificate was a requirement. After the technical evaluation of all bidders is complete, the process moves to the financial evaluation phase.

Mandatory List

Case Study (Divisible Tenders)



Tender Information

-  **Tendering Authority:** Government Entity.
-  **Tender Type:** Supply Tender.
-  **Tender Division:** Tender is divisible.
-  **Applicable Mechanisms:**
- National Product Price Preference Mechanism. - Mandatory List.
-  **Tender Value:** SAR 4 million.

Bidder Information

Bidders were evaluated on each item of the tender, as the tender was divided into separate items

Tender Items	Mandatory List	Bidder No. 1	Bidder No. 2	During the Technical Evaluation Phase
Adhesive Tape	✓	National	Foreign	Bidder No. (2) is disqualified from this item, for non-compliance with the Mandatory List.
Paper Shredder	✗	Foreign	National	Bidder No. (1) shall not be disqualified as the item in question is not listed in the Mandatory List.

During the Technical Evaluation Phase


The government entity shall ensure that the bidders comply with the Mandatory List. Bidder No. (2) did not comply with the mandatory list requirement for the first item. As the tender is divisible, "**Exclusion from one item does not imply exclusion from the whole tender**". Once the technical evaluation of the bidders is finalized, the financial evaluation stage will commence.

Mandatory List


Case Study (Divisible Tenders with Exclusion)



Tender Information

 **Tendering Authority:**
Government Entity.

 **Tender Type:**
Supply Tender.

 **Tender Division:**
Tender is divisible.

 **Applicable Mechanisms:**
- National Product Price Preference Mechanism. - Mandatory List.

 **Tender Value:**
SAR 100,000

Bidder Information

Tender Items	Bidder No. 1	Bidder No. 2	Bidder No. 3
Medical Dressings	SAR 100,000 National Product	SAR 80,000 Foreign Product	SAR 80,000 National Product
Bid Price			
Mandatory List	✓	✗	✓
Detailed Price	SAR 5	SAR 4	SAR 4

During the Technical Evaluation Phase

The Mandatory List is applied, and bidders' compliance with the Mandatory List for the item is verified. As a result, Bidder No. 2 was disqualified from the item of medical dressings due to their non-compliance with the Mandatory List for this item. Upon completion of the technical evaluation of the bidders, the process moves to the financial evaluation by selecting the lowest price.

Mandatory List

Case Study (Divisible Tenders with Exclusion)



Tender Information



Tendering Authority:
Government Entity.



Tender Type:
Supply Tender.



Tender Division:
Tender is divisible.



Applicable Mechanisms:
- National Product Price Preference Mechanism. - Mandatory List.



Tender Value:
SAR 100,000

Bidder Information

Tender Items	Bidder No. 1	Bidder No. 2	Bidder No. 3
Medical Dressings	SAR 100,000 National Product	SAR 80,000 Foreign Product	SAR 80,000 National Product
Bid Price			
Mandatory List	✓	✗	✓
Price according to the Price Preference Mechanism.	SAR 100,000	✗	SAR 80,000

The winner is Bidder No. 3 because they submitted the lowest price.

Mandatory List

Case Study (Divisible Tenders with Exclusion)



The exclusion was applied.

During the procurement phase for the item (Medical Dressings), Bidder No. 3 submitted an exclusion request because the difference between the price of the national product and the foreign product exceeded the price ceiling specified in the Mandatory List.

The Project Owner reviewed of the submitted letters verifying their authenticity; consequently, the utilization of the foreign product was approved.

Include three national price quotations with the following prices: SAR 80,000, SAR 85,000, and SAR 90,000, in addition to three foreign quotations with the following prices: Foreign Quotation 1: SAR 60,000, Foreign Quotation 2: SAR 75,000, and Foreign Quotation 3: SAR 80,000.

As a result of this exclusion, the Project Owner shall undertake the submission of periodic reports to the LCGPA on a quarterly basis, detailing the approved exclusion cases, provided that these reports shall primarily include the following: (The excluded product - The value of the excluded products - A copy of the price quotations submitted by the national factories and the foreign products).



11

Related Links

Related Links



Contractor's Compliance Report on Mandatory List Products.



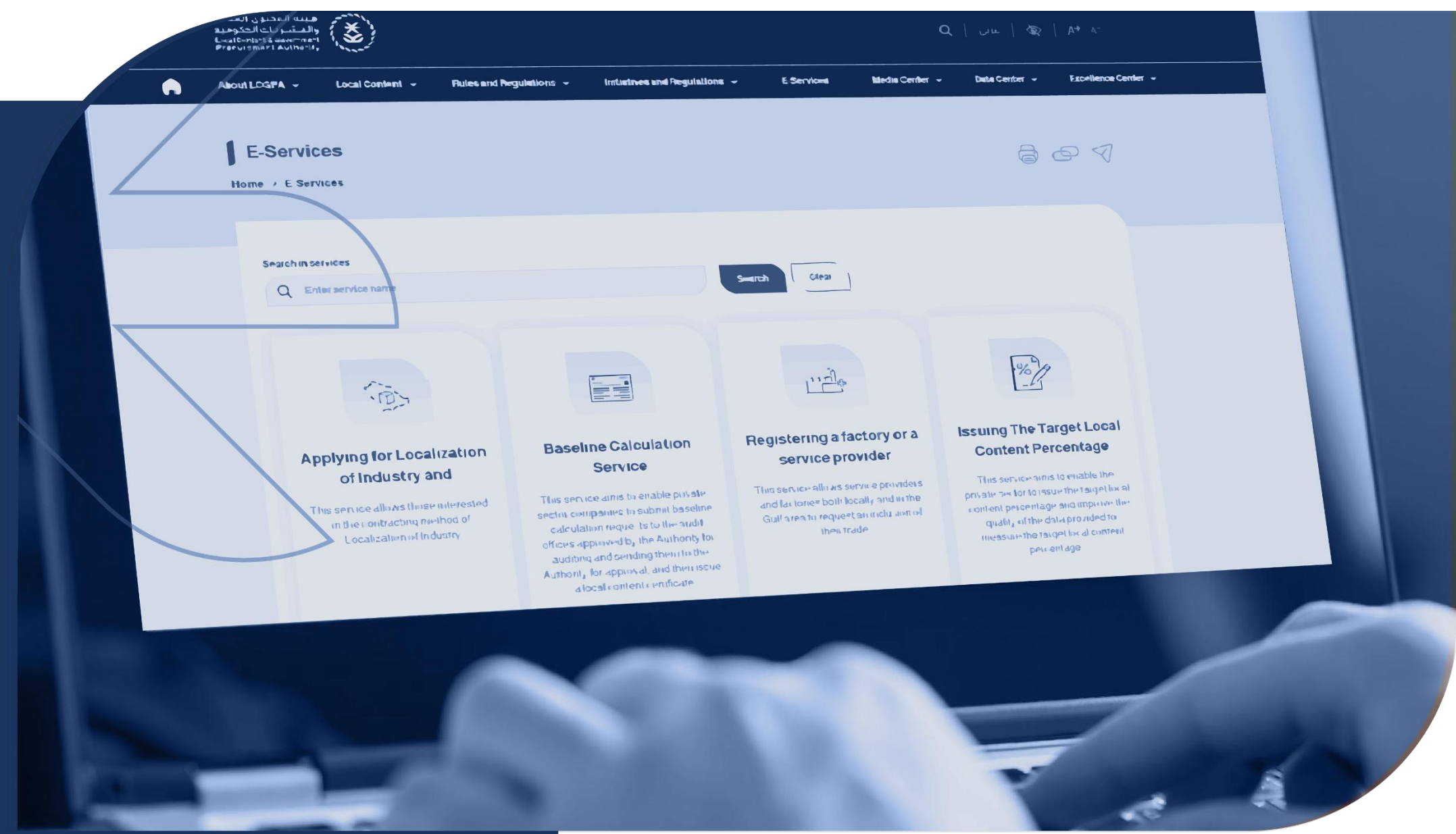
Search Page for Factory or Service Provider Listed on the Mandatory List.



Document of Regulations for Exclusion from Mandatory List.



Access to e-services.





Thank you..

✕ LCGPA_SA in LCGPA

✉ cc@lcpa.gov.sa ☎ 19915

Lcpa.gov.sa

Disclaimer

Disclaimer Regarding This Training Material



- This material has been prepared for training and guidance purposes only. It aims to provide an overview the mechanisms, policies, and requirements related to prioritizing local content and small and medium enterprises in business and procurement. This material shall not under any circumstances, be considered a legal reference or an official binding document.
- The only authoritative sources for applying local content requirements are the laws, regulations, policies, and instructions issued by the competent authorities.
- The Authority shall bear no responsibility for any use or interpretation of the content of this material, for any direct or indirect damages or losses incurred by any person or entity as a result of acting –or refraining from acting- based on its content.
- All cases, names, and individuals referenced in this material are fictional and intended solely for training purposes and have no relation to reality.
- This training material shall not be considered a reference for passing any related professional examinations.
- All rights reserved for the Local Content and Government Procurement Authority.