



دائرة الإسناد الحكومي  
DEPARTMENT OF GOVERNMENT SUPPORT

# Local Content Guidelines in Government Procurement

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برنامج أبوظبي للمحتوى المحلي  
Abu Dhabi Local Content Program



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## Article (1) Definitions

For the purpose of this guideline, the following words and expressions shall have the meanings ascribed there to hereunder, unless the context indicates otherwise:

- **Emirate:** The Emirate of Abu Dhabi.
- **Department:** The Department of Government Support.
- **Government Entities:** The departments, authorities, public institutions, agencies, centers, councils, funds, and any other entity affiliated with the Abu Dhabi Government.
- **Local Content:** The added value that will benefit the local economy in the Emirate by increasing the proportion of purchases of locally produced goods and services in government procurement, increasing spending on Emiratization, and the value of investment and technology transfer within the Emirate.
- **Procurement Unit:** The procurement function existing within the government entity involved in procuring or making procurement decisions on behalf of the government entity.
- **Supplier:** An individual or an organization registered in the Procurement Gate and licensed to supply the goods, services or project.
- **Procurement Gate:** An information technology platform of the Procurement, including a portal for internal and external users.
- **Certificate:** The In-Country Value Certificate issued by certifying bodies to suppliers, according to which score of local content evaluation is achieved by the supplier during the previous fiscal year.
- **Certifying Bodies:** The private establishments authorized by the concerned authority in the Emirate to evaluate the local value, determine the score, and grant a certificate to that effect.
- **Weight:** The percentage determined by the procurement unit of the total tender evaluation degree for both the technical and the financial aspects.



## Article (2) Local Content in Government Procurement

Local Content is a procedure established to be part of government procurement processes to achieve the following objectives:

- (1) Increasing Local Content in goods and services procured by the government entities.
- (2) Promoting investment in the Emirate and increasing spending on research and development.
- (3) Supporting and stimulating all local economic sectors.
- (4) Developing provisions and procedures for government procurement operations by directing government spending towards supporting all components of local content.
- (5) Enhancing the Emiratization of employment in the private sector and facilitating sustainable employment opportunities in the Emirate.
- (6) Enhancing technologies and raising the efficiency of the technology used in the local production sectors.

## Article (3) Issuing the Guidelines and its Purpose

- (1) This Guidelines is issued by the Department for the purpose of regulating the process of integrating local content into Government procurement to achieve the intended objectives.
- (2) This Guidelines aims to set principles and guide procurement units in Government Entities in applying local content and integrating it into Government procurement processes.

## Article (4) Governing Legislation

This guideline was formulated in accordance with:

- (1) Law No. (4) of 2020 concerning on the establishment of the Department of Government Support.
- (2) Department of Government Support Circular No. (3) of 2021 concerning the Abu Dhabi Procurement Standards.
- (3) Executive Council Circular No. (3) of 2020 concerning the implementation of the Local Content Program.
- (4) The policy of the Local Content Program in Government Procurement in the Emirate of Abu Dhabi issued by the Department of Economic Development.



## Article (5) Scope of Application of the Guidelines

### The provisions and principles of this guideline apply to:

- (1) All Government Entities that apply the Abu Dhabi Procurement Standards in the Emirate.
- (2) All Government procurements stipulated in the Abu Dhabi Procurement Standards.

## Article (6) Organizational Unit Assigned to the Application of the Guidelines

- (1) It is the responsibility of the Government Entities' procurement units in applying the provisions and principles of this Guidelines.

## Article (7) The Certificate

- (1) The Procurement Unit shall inform and notify Suppliers of the importance of obtaining an the Certificate from one of the Certifying Bodies and updating it periodically, and inform them of the effect of the Certificates on their bids evaluation scores.
- (2) In the event the Supplier obtains the Certificate, it must be included in the supplier database on the Procurement Gate, and ensure it is periodically updated in order to remain current and valid.
- (3) The Certificate submitted before the bidding deadline shall be considered valid. Suppliers may be given a grace period until the start of the financial evaluation to submit or update the Certificate, and that shall be referred to in the tender documents.
- (4) If the Supplier fails to submit the Certificate, it shall not be excluded from the tender, yet the Local Content will score zero.

## Article (8) Rules of Applying Local Content in Tender Evaluation

- (1) The tender shall be evaluated according to the evaluation criteria applied by the Government Entity.
- (2) It should be taken into consideration that the Certificate is issued to the the supplier itself and not the parent company or another company in the same group.
- (3) The local content criterion weight shall be 40% of the financial criterion in the evaluation of the tender.

(Example: If the financial weight of the tender is 70%, then the weight of the local content is  $40\% \times 70\% = 28\%$ , so the weight of the local content for this tender is 28%).



## Article (9) Procedures of Applying Local Content in Tender Evaluation

### First: Tenders that are evaluated based on the technical and financial basis (1):

(A) The percentage weight that is allocated to the technical criteria is determined in the tender evaluation and is referred to as the Technical Weight.

(B) The percentage weight that is allocated to the financial criteria is determined in the tender evaluation and is referred to as the Financial Weight before deducting the weight of the local content.

(C) In order to calculate the Local Content weight:

$$\text{Financial weight before deducting the weight of the local content} \times 40\% = \text{Local Content Weight}$$

(D) In order to calculate the Financial Weight:

$$\text{Financial weight before deducting the weight of the local content} \times 60\% = \text{Financial Weight}$$

(E) The tender is evaluated technically and given a percentage of the evaluation result, called the Technical Evaluation score.

(F) The tender is evaluated financially according to items A to D, and a percentage is given as a result of the evaluation, called the Financial Evaluation score.

(G) The Local Content Rating score is the specified percentage of Local Content scoring as stipulated in the Certificate.

(H) Suppliers are ranked amongst others who are submitting their bids based on the sum of the weighted Technical Evaluation score, the weighted Financial Evaluation score, and the weighted Local Content Evaluation score for the tender submitted by each of them.

(I) To calculate the weighted technical evaluation degree:

$$\text{Technical Evaluation degree} \times \text{Technical weight} = \text{Weighted Technical Evaluation degree}$$

(J) To calculate the weighted financial evaluation degree:

$$\text{Financial Evaluation degree} \times \text{Financial weight} = \text{Weighted Financial Evaluation degree}$$

(1) See examples 1 and 2 (Appendix1)



(K) To calculate the weighted Local Content Evaluation degree:

$$\text{Local Content Rating degree} \times \text{Weight of Local Content} = \text{Weighted Local Content Evaluation degree}$$

(L) To calculate the Aggregate Evaluation for each supplier's bid:

$$\text{Weighted Technical Evaluation degree} + \text{Weighted Financial Evaluation degree} + \text{Weighted Local Content Evaluation degree} = \text{Total Aggregate Evaluation of the supplier's tender}$$

### Second: Tenders that are evaluated based on a financial basis only:

(1) in the tenders where the evaluation of successful bids is technically based on the financial basis only:

(A) The Financial Weight shall always be 60%

(B) The Local Content Weight shall always be 40%

(C) The Financial Evaluation score is multiplied by the Financial Weight to obtain the Weighted Financial Evaluation score.

(D) The local content weighted score is multiplied by the local content weight to get the weighted local content weighted score.

$$\text{Local Content Rating degree} \times \text{Local Content Weight} = \text{Weighted Local Content Evaluation degree}$$

(E) Suppliers are ranked amongst others who are submitting their bids based on the total sum of the Weighted Financial Evaluation score and the Weighted Local Content Evaluation of the submitted tender.



## Article (10) Tender Awarding

(1) The tender is awarded in accordance with the Abu Dhabi Procurement Standards regulations.

## Article (11) Performance Reports

(1) Government entities are obligated to submit reports on the implementation of Local Content on a quarterly basis to the Department.

(2) Reports must include:

(A) Comprehensive information on each tender, including:

- The value and term of the procurement contract
- User Procurement Contract Form
- Economic sector type
- Supply type
- Project type
- The number of bidding suppliers
- The Local Content Evaluation score of each bidding supplier
- The Technical Evaluation score of each bidding supplier
- The Financial Evaluation score of each bidding supplier
- The total score for each bidding supplier
- Data on the awarded supplier, and justification for the award in relation to the percentage of Local Content

(B) The percentage of the total Local Content achieved from the total expenditure of each Government Entity, distributed according to economic activity, and the classification of suppliers winning tenders from micro, small, medium, or large enterprises.

(C) Reports shall be prepared and submitted according to the forms and mechanism as determined by the Department and announced through the procurement portal.





## Appendix (1) Illustrative Examples on how to Calculate Tender Evaluation

(When calculating the ratios used in these examples, the fractions were rounded to the nearest whole number)

### First Example

	Bidder						
	1	2	3	4	5	6	7
Technical Evaluation degree	80%	80%	70%	75%	95%	80%	70%
Technical Weight	30%	30%	30%	30%	30%	30%	30%
Weighted Technical Evaluation degree	24%	24%	21%	23%	29%	24%	21%
Tender Price (AED)	1,200,000	1,500,000	950,000	1,100,000	2,000,000	1,000,000	850,000
Financial Evaluation degree	71%	57%	89%	77%	43%	85%	100%
Financial Weight	42%	42%	42%	42%	42%	42%	42%
Weighted Financial Evaluation degree	30%	24%	37%	32%	18%	36%	42%
Local Content Rating degree	89%	78%	84%	67%	100%	33%	58%
Weight of Local content	28%	28%	28%	28%	28%	28%	28%
Weighted Local Content Evaluation degree	25%	22%	24%	19%	28%	9%	16%
Total Evaluation	79%	70%	82%	74%	74%	69%	79%

- In the first tender example above, 30% was allocated to the Technical Weight and 70% to the Financial Weight before deducting the weight of the Local Content
- On this basis, the Financial Weight is :  $60\% \times 70\% = 42\%$
- The weight of the Local Content is :  $40\% \times 70\% = 28\%$
- The Total Evaluation of Bid number 3 is:  $21\%$  (Weighted Technical Evaluation degree) +  $37\%$  (Weighted Financial Evaluation) +  $24\%$  (Weighted Local Content Evaluation) =  $82\%$  (Total Evaluation)



## Second Example

	Bidder						
	1	2	3	4	5	6	7
Technical Evaluation degree	80%	80%	70%	75%	95%	80%	70%
Technical Weight	70%	70%	70%	70%	70%	70%	70%
Weighted Technical Evaluation degree	56%	56%	49%	53%	67%	56%	49%
Tender Price (AED)	1,200,000	1,500,000	950,000	1,100,000	2,000,000	1,000,000	850,000
Financial Evaluation degree	71%	57%	89%	77%	43%	85%	100%
Financial Weight	18%	18%	18%	18%	18%	18%	18%
Weighted Financial Evaluation degree	13%	10%	16%	14%	8%	15%	18%
Local Content Rating degree	89%	78%	84%	67%	100%	33%	58%
Weight of Local content	12%	12%	12%	12%	12%	12%	12%
Weighted Local Content Evaluation degree	11%	9%	10%	8%	12%	4%	7%
Total Evaluation	79%	76%	75%	74%	87%	75%	74%

- In the second tender example above, 70% was allocated for the Technical Weight and 30% for the Financial Weight before deducting the weight of the Local Content
- On this basis, the weight of the Financial Weight is:  $30\% \times 60\% = 18\%$
- The weight of the Local Content is:  $30\% \times 40\% = 12\%$
- The Total Evaluation of Bid No. 5 is:  $67\%$  (Weighted Technical Evaluation degree) +  $8\%$  (Weighted Financial Evaluation) +  $12\%$  (Weighted Local Content Evaluation) =  $87\%$  (Total Evaluation)



### Third Example

	Bidder						
	1	2	3	4	5	6	7
<b>Tender Price (AED)</b>	<b>1,200,000</b>	<b>1,500,000</b>	<b>950,000</b>	<b>1,100,000</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>850,000</b>
<b>Financial Evaluation degree</b>	71%	57%	89%	77%	43%	85%	100%
<b>Financial Weight</b>	60%	60%	60%	60%	60%	60%	60%
<b>Weighted Financial Evaluation degree</b>	43%	34%	53%	46%	26%	51%	60%
<b>Local Content Rating degree</b>	89%	78%	84%	67%	100%	33%	58%
<b>Weight of Local Content</b>	40%	40%	40%	40%	40%	40%	40%
<b>Weighted Local Content Evaluation degree</b>	36%	31%	34%	27%	40%	13%	23%
<b>Total Evaluation</b>	<b>79%</b>	<b>65%</b>	<b>87%</b>	<b>73%</b>	<b>66%</b>	<b>64%</b>	<b>83%</b>

- In the tender example above, the technically accepted tenders were evaluated in accordance with the financial standard and the Local Content standard
- On this basis, the weight of the Financial Weight is: 60%
- The weight of the Local Content is: 40%
- The Total Evaluation of Tender No. 3: 53% (Weighted Financial Evaluation degree) + 34% (Weighted Local Content evaluation) = 87% (Total Evaluation).



# دائرة الإسناد الحكومي

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