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Unlocking Government Contracts: Requirements for Service Providers

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Introduction

Just like the private sector, governments need to leverage digital technology in their processes and services so as to improve user experience; increase revenue and revenue collection; deliver services efficiently; increase security, etc. Government digital transformation (GDT) is spearheaded in Nigeria by the National Information Technology Development Agency (NITDA), formed in 2001 to foster the development and growth of information technology (IT).

Government ministries, departments, and agencies (MDAs) enlist the services of technology (“tech”) companies as service providers to facilitate GDT. These tech companies (“**Service Providers**”) offer a wide range of solutions, including software development, network infrastructure management, payment services, cybersecurity, data analytics, cloud computing, among others.



The Government Digital Service Framework (“GDS Framework”) released by the NITDA in 2022, requires Service Providers to be certified prior to any engagement to provide IT services to any MDA. Therefore, only NITDA-certified Service Providers can benefit from IT services outsourced by MDAs, especially greenfield projects. Furthermore, in January 2024, the NITDA initiated an amendment to the Guidelines for Registration of ICT Service Providers/ Contractors in Nigeria (the “**Proposed Guideline**”) to facilitate the engagement of competent Service Providers for IT service to MDAs, and to ensure the delivery of high-quality IT projects to MDAs.

In today’s edition of TMT Thursday, we explore how compliance with the requirement of the Proposed Guideline will assist Service Providers to secure contracts for the provision of IT services to MDAs.

Registration of Tech Companies with NITDA

Service Providers providing IT services to federal government MDAs are required to register with NITDA and obtain certification. This requirement ensures the delivery of high-quality, secure and sustainable IT services to MDAs, fosters professionalism in IT services, and promotes the growth of indigenous IT companies in Nigeria.



The registration requirement applies to all Service Providers providing IT or related goods and services to Federal Government MDAs, whether through procurement or partnership vehicles.

Registration Requirements

In accordance with the Proposed Guideline, Service Providers must fulfil the following requirements:

1. The Service Provider must be incorporated with the Corporate Affairs Commission;
2. The Service Provider's ownership structure must show that at least 51% of its shares or interests are owned by Nigerian citizens;
3. The Service Provider must demonstrate verifiable competence in delivering goods and services in the intended category;
4. The Service Provider must comply with all regulatory requirements for conducting business in Nigeria, as relevant to its business objectives; and
5. The Service Provider must submit a duly filled vendor registration form with all the required information.



Validity/Duration of Certification

Upon satisfaction with the application, the NITDA will issue a certificate indicating that the Service Provider is registered to provide IT or related services in various categories, as determined by NITDA to MDAs.

The certificate will remain valid for a period of 2 (two) calendar years.

Rationale for Registration of Tech Companies with NITDA

The rationale for the registration of Service Providers includes:

1. To maintain the minimum standard for the provision of IT services and ensure the security of MDAs' IT infrastructure.
2. To ensure consistency and uniformity in the criteria for assessing IT service providers across various MDAs. Consequently, eliminating duplication of efforts, streamlining administrative processes, and promoting interoperability among systems deployed by different agencies.
3. To ensure transparency and accountability in IT procurement.
4. To increase the likelihood of being considered for government contracts, expanding market opportunities and revenue streams.
5. Certification by the NITDA signifies adherence to quality standards, professionalism, and competence, boosting credibility and trust among clients.



Conclusion

Opportunities are rife for Service Providers to take advantage of government’s digitization projects. These include projects by MDAs such as greenfield IT projects – entailing the development of new IT infrastructure or applications from scratch; or brownfield IT project – entailing the re-development or modernization of existing IT infrastructure or applications. Registration with NITDA is crucial for Service Providers seeking to unlock government contracts in Nigeria. NITDA certification opens doors to new opportunities and fosters growth and sustainability in the competitive IT industry information.

