



Institute of Human Virology – Nigeria (IHV-N)

**PROCUREMENT**  
**Standard Operating Procedures**  
**(SOP)**

Department: Supply Chain Management  
 Unit: Procurement  
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## Chapter 1 - List of Acronyms

• 3PL	Third Party Logistics
• ADP	Head of Procurement
• CEO	Chief Executive Officer
• COO	Chief Operating Officer
• DIFOT	Delivery in Full and On Time
• GDF	Global Drug Facility
• GFCT	Global Fund Country Team
• IFB	Invitation for Bid
• IHV-N	Institute of Human Virology Nigeria
• ITN	Invitation to Negotiate
• IU	Infrastructural Upgrade
• KPI	Key Performance Indicator
• LPO	Local Purchase Order
• LPO	Local Purchase Order
• PM	Project Monitoring
• PO	Purchase Order
• PP	Procurement planning
• PRF	Procurement Requisition Form
• RFB	Request for Bid
• RFI	Request for Information
• RFP	Request for Price
• RFP	Request for Proposal
• RFQ:	Request for Quotation
• RFT	Request for Tender
• SCM	Supply Chain Management
• SOP	Standard Operating Procedure
• SPM	Supplier performance management
• SRV	Supplies Requisition Voucher
• TOR	Terms of Reference

### Section 1.1 - Definition of terms

- ✓ **Award:** The presentation of a purchase order and/or contract to a vendor.
- ✓ **Bid:** A competitive pricing offer made by a bidder in response to an Invitation for Bid (IFB).
- ✓ **Bidder:** A party submitting a bid in response to an IFB.

- ✓ **Bid Opening:** The formal process through which bids are opened and the contents revealed for the first time to the State, other vendors, and to the public.
- ✓ **Competition:** The process by which two or more vendors vie to secure the business of a purchaser by submitting the most favorable bid or offer for the requested supplies or services.
- ✓ **Contract Performance Security:** A financial guarantee that is available to the institute should a contractor fail to faithfully perform a contract or pay workers, subcontractors or material suppliers who have worked on the contract.
- ✓ **End-User/Requestor:** Person(s)/department who require & accordingly request for a particular material to be procured.
- ✓ **Procurement:** Procurement is the acquisition of appropriate goods and/or services at the best possible total cost of ownership to meet the needs of the purchaser in terms of quality and quantity, time and location.
- ✓ **Procurement unit:** The Procurement unit is responsible for acquisition, coordination and overseeing the sourcing strategy, selection and contract execution for supplies, services or works.
- ✓ **Supplier:** A firm that owns operates or maintains stores, warehouses or other establishments in which materials or supplies are bought, kept in stock and regularly sold to the public in the usual course of business; and engages as its principal business, and in its own name, in the purchase and sale of goods.
- ✓ **Vendor:** A party who offers or may offer supplies or services to a public agency.
- ✓ **Quotation:** An offer by prospective suppliers of goods or services which is not submitted in the form of a tender document but is subject to a specification, conditions of purchase and any schedules and/or annexes such as drawings or plans.
- ✓ **Requisition:** A form used to request the purchase of supplies or services.
- ✓ **Sole Source:** The only known source with the ability to supply the necessary supplies or services due to the unique nature of the requirement, the vendor, or market conditions.
- ✓ **Specification:** A physical or functional description of the desired supplies or services.
- ✓ **Purchase Order (PO):** A document issued by a State agency to formalize a purchase transaction with a vendor. A purchase order confirms the quantity, description, and price of the supplies or services to be provided and applicable terms and conditions that govern the transaction.
- ✓ **Request for Information:** An informal document requesting information from vendors regarding a product, service, or solution to a problem.
- ✓ **Request for Proposal (RFP):** A formal document requesting that vendors submit a proposal to provide a solution to a problem or a need that an agency has identified. An

RFP is a procurement process where the State has the ability to evaluate an offer's response in accordance with established or stated criteria.

- ✓ **Invitation for Bid:** All documents, whether attached or incorporated by reference, utilized for soliciting formal, sealed bids.
- ✓ **Late Bid/Proposal:** A bid or proposal that is received by the agency after the deadline established by the IFB or RFP.
- ✓ **Offer:** A response to an RFP.
- ✓ **Tabulation of Bids:** A document used to record bid prices and bid related data for the purpose of comparison, analysis, and record keeping.
- ✓ **Total Contract Value:** The entire potential monetary worth of the project from beginning to completion, including the initial contract period and any options to renew.
- ✓ **Unit Price:** The price of a selected unit of good or service (e.g., price per each, test kit, or injection screen, etc.).

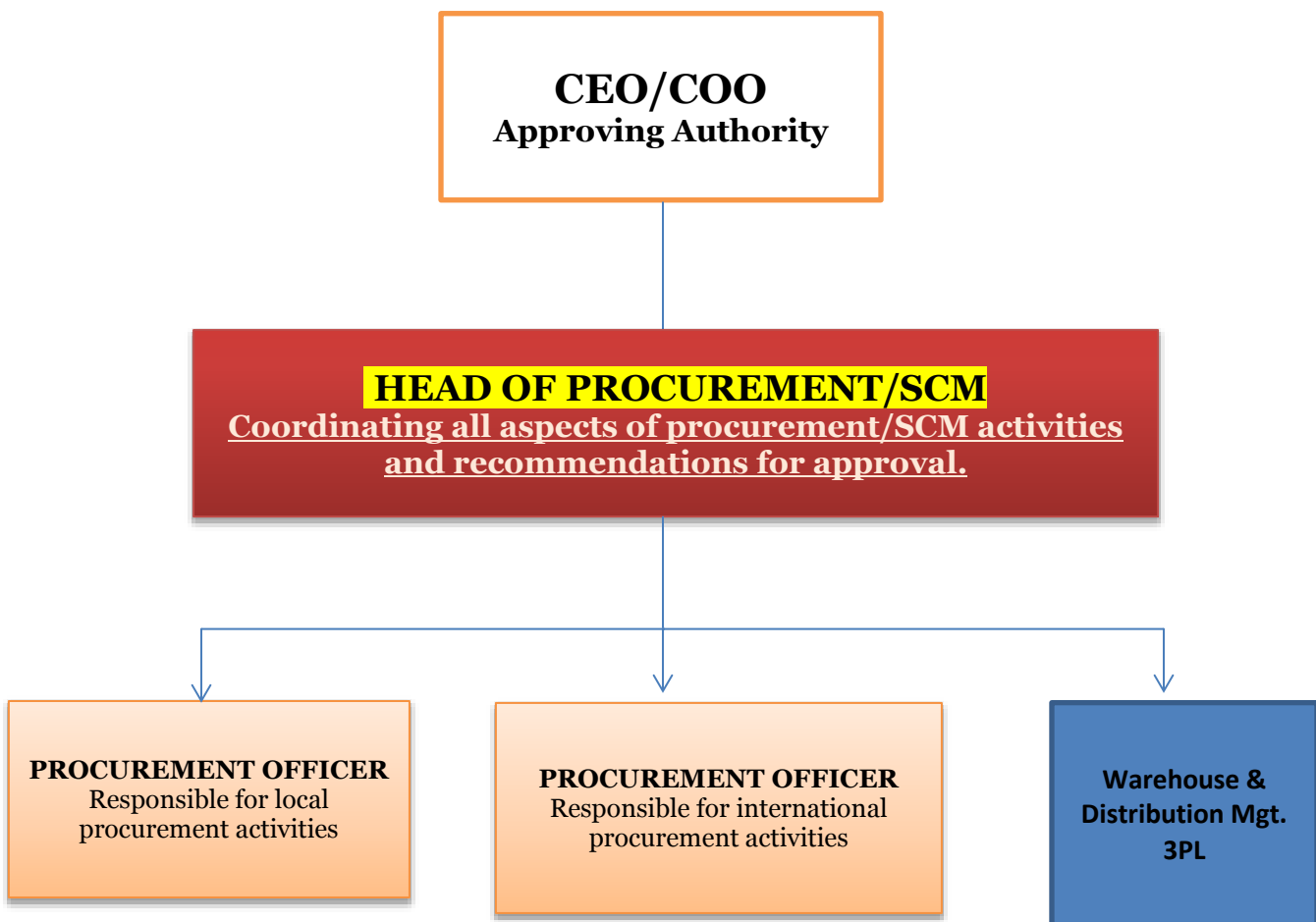
## Chapter 2 - Introduction

This Standard Operating Procedure (SOP) is designed to record the systematic approach of the procurement process in IHV-Nigeria (IHV-N). The purpose of the Policy and the procedure is to document and improve where necessary the timeliness, accuracy, compliance and fiscal responsibility within the procurement process. The main processes common to all procurements will include registration, prequalification, supplier selection, requesting information, tender submission, tender evaluation, contract award and inspection not only in Head Office but also at both Regional and State Offices.

This is without prejudice to the approving authority of the Director of Administration for procurements not exceeding N750, 000 only at Regional/State Offices level.

The unit of the institute that is tasked with the responsibility of implementing these activities is Procurement unit under Supply Chain Management Department and it is headed by the Head of Procurement with the support of Procurement Officer and Procurement Assistant under the overall supervision of the CEO/COO.

### Section 2.1 - Organogram of IHV-N Procurement unit



## Section 2.2 - Purpose and Scope of the SOP

### Purpose

This standard operating procedure is intended for use by all employees at all facilities/locations within the Institute of Human Virology-Nigeria. The purpose of this manual is to provide IHV-N employees with step-by-step instructions and general assistance when obtaining supplies and/or services. Employees responsible for purchasing supplies and obtaining services are encouraged to refer to this manual and/or contact the IHV-N Compliance Staff for assistance.

### Scope

These general principles and processes are applicable to all types of procurement. It also establishes the criteria for requesting, approving, ordering and receiving assets, as well as tracking orders throughout the entire purchasing cycle. This SOP covers:

- Identification of a purchase requirement and approval of purchase request.
- Obtaining of quotations and preparation and approval of purchase orders.
- Receipt of goods and services.
- Payment of goods and services.
- Types of procurement engagement which includes: Health commodities and Non-Health commodities. (See Section 5.4 and 5.5 below for details)
  - Health commodities: These are commodities that are intended for the use in the care and treatment of patients, they include Drugs, Laboratory equipment, Laboratory reagents and consumables, Medical equipment and Medical supplies etc.
  - Non-Health commodities: Non health items are those commodities that are that are not directly used in patient care and treatment but used to support operations; they include Office supply and Equipment (stationeries, furniture, fueling, IT items, automobiles, electrical supplies etc.), Printing and Guesthouse items.
- Other principles managing the procurement of different items or services.

## Chapter 3 - Procurement planning

The procurement plan should commence with the preparation of the specifications (for goods and works) and terms of reference (for services). However, this variably depends on the user departments and the grant calendar. It is expected that the procurement plan should be prepared in a manner that estimates the completion period. Contract negotiations can also be a potential bottleneck, so sufficient time needs to be considered for this when it's required.

It is very clear that very seldom are plans carried out strictly according to what was foreseen and procurement plans are no exception. These estimations are based on indications from past experiences and similar procurement options being applied, which is usually on the premise that there are uncertainties or missed milestones resulting to delays.

It's important to minimize the occurrence of delays in the execution of the procurement plan, because such delays could impact the contract award and completion, which directly affects



service delivery. Therefore, there is the need for a periodic update of procurement plans to align with the recent developments (if any). The Head of Procurement is responsible for the submission of annual procurement plans to the funding agency after all the due processes are followed.

### **Section 3.1 – Process flow for Creation of Purchase Order**

#### **Initiation: A Purchase Request is always based on needs**

- a. A Purchase Request is initiated on a Local/International Purchase Request form.
- b. Identification of need by end user.
- c. Developing specifications by end user at the time of initiation of request.

#### **Verification: Procurement unit to verify availability of funds**

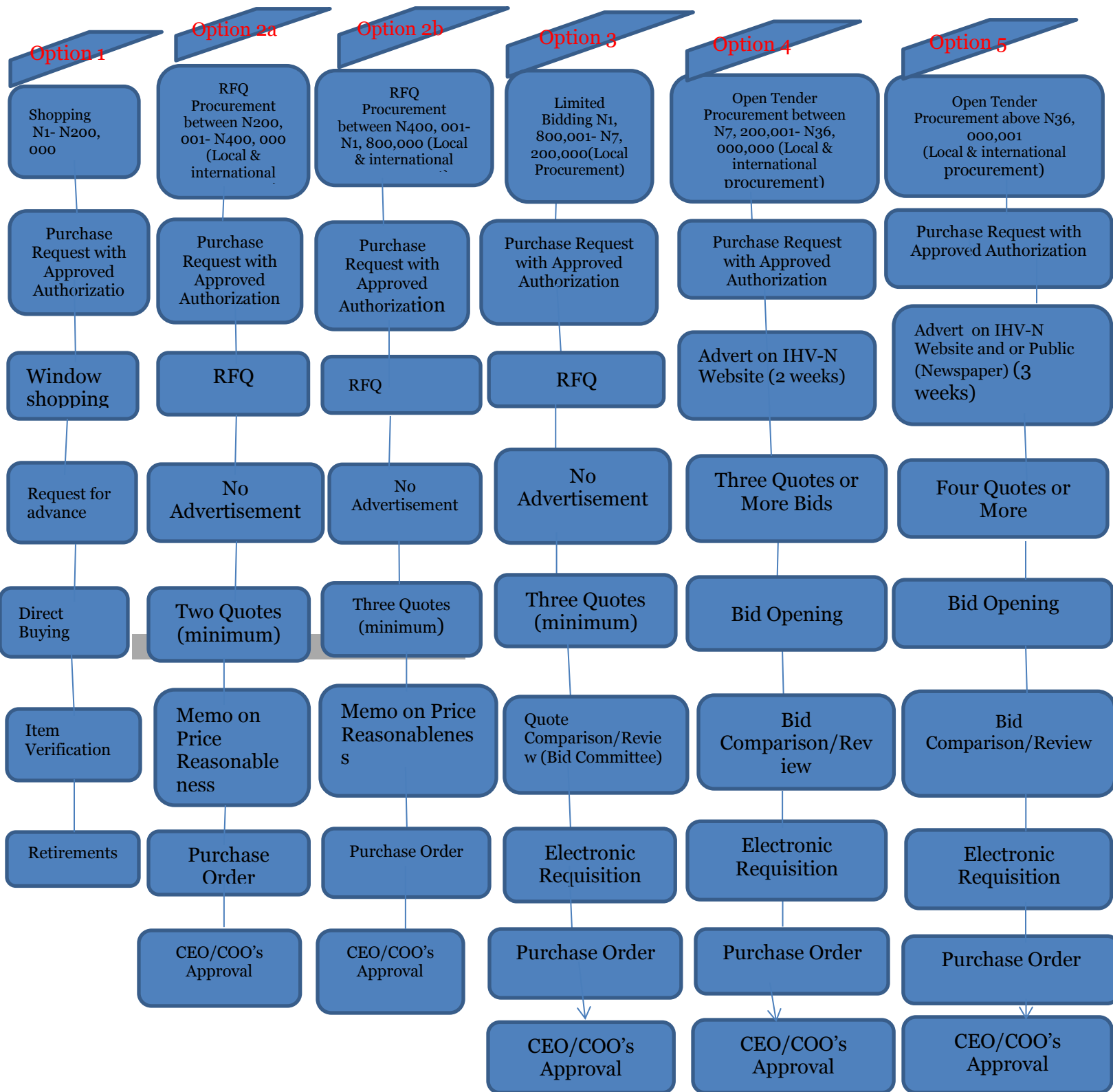
- a. In line with specifications, procurement unit would be required to verify availability of the items from Warehouse before further processing.
- b. Upon confirmation, procurement unit to verify from Grant Management department, the budget provision.
- c. Procurement unit would forward such confirmation from the Grant Management department to Finance department, requesting to confirm the availability of funds.

#### **Purchase Order Creation: Procurement unit**

- a. The Purchase Request form must be approved by either Chief Executive Officer or Chief Operating Officer/Managing Director and forwarded to the Head of Procurement for processing, with the relevant supporting documents.
- b. Procurement officer verifies the procurement method to be deployed (RFQ, Open tender or Limited) and communicates to the end user, while stipulating the estimated completion period.
- c. Further to (b) above, a purchase order is created by the Procurement unit, upon conclusion of the procurement process (see options in Chapter 4).
- d. A Purchase Order is generated, establishing the contract between IHV-Nigeria and Supplier/Contractor[s].
- e. It is IHV-N's policy to fast track the processing of all Purchase to reduce the turnaround time. However, for emergency procurement the end user would be required to meet all prerequisites listed in **Section 4.1 below** and properly documented.

## Chapter 4 – Procurement Threshold and options

### THRESHOLD FLOWCHART



## Description of procurement thresholds /options (Chart above)

### Option 1 - Shopping

For this option, there must be a purchase request with approved authorization. This option may be used when more competitive methods are not justified on the basis of cost or efficiency such as:

- a. To procure small amounts (between ₦1 to ₦200,000) off-the-shelf goods or standard specification commodities;
- b. To engage contractors for simple civil works of small value; and
- c. To procure contracts with a combination of off-the-shelf goods and very urgent minor civil works such as in emergency projects or for urgent relief-type operations including re-establishment of vital services like utilities, communications, shelter, and vital supplies which stem from disasters or conflict.

Under this option, The Admin staff would be required to adhere to the following processes:

- a. Carry out a window shopping to determine the price
- b. Obtain email approval from the procurement unit for validity and reasonableness of price obtained
- c. Request for advance to facilitate the direct buying while attaching email approval from procurement
- d. Upon retirement, receipts of purchased item(s), including supporting documentation must be verified by the Compliance department.

*However, for “out of office/station” emergency procurement under this option, an email approval from procurement unit would be submitted upon retirement to the compliance department including job completion form signed by the user in that location.*

Because of the risk of abuse in procurement under shopping, the use of this method is restricted to cases when the justification for it is beyond contention, but project teams may set higher thresholds when the situation is considered as a medium or high risk one in administering procurement on the basis of the capacity assessment. This is to avoid the uses of shopping only as a way to bypass more competitive methods or divide large procurements into smaller contracts solely to allow the use of shopping.

### Option 2 – Request for quotation (RFQ)

#### **a. Procurements ranging from ₦200,001 to ₦400,000**

Under this option, there must be a purchase request with approved authorization. The procurement officer request for quotation from only registered vendors who at the time of the RFQ being sent should maintain active registration with IHV-N set criteria as spelt out in *section (6.1)* below. A memo would be raised to request for approval on price reasonableness after the receipt of at **least two** quotes. Electronic requisition would be generated while the purchase order follows to obtain the final approval of either the CEO or COO.

#### **b. Procurements ranging between ₦400,001 and ₦1,800,000**

There must be a purchase request with approved authorization. The procurement officer request for quotation from only registered vendors who at the time of the RFQ being sent

should maintain active registration with IHV-N set criteria as spelt out in section (6.1) below. A memo would be raised to request for approval on price reasonableness after the receipt of **at least three** quotes. Electronic requisition would be generated while the purchase order follows to obtain the final approval of either the CEO or COO.

### Option 3 – Limited Bidding

Limited tendering is a procurement method that limits the request for tenders to a selected number of suppliers, contractors or service providers. This method of procurement is also called: “Restricted Bidding and Selective Tendering” which is only applicable to **local procurement**.

Under limited tendering, a pre-selected list of possible suppliers is prepared from IHV-N vendor database that are known by IHV-N track record to be suitable for a contract of the size, nature and complexity required based on their record of:

- a. Timely delivery
- b. Capacity
- c. Experience
- d. Price consistency etc.

They might then be asked if they would be interested in tendering for the contract, and then based on the responses received, a number of them invited to tender (**generally not more than six (6)**). From the tenders received, a preferred tenderer is selected based on criteria such as price and quality and negotiations entered into.

The advantage this has to offer is that, IHV-N can select only those contractors, who have adequate experience, are financially sound, and have the resources and skills to do the work.

Any decision to use the Restricted Tendering procurement method must conform to the policies and a procedure governing the procurement system and the threshold for this option is between ₦1, 800,001 and ₦7, 200,000.

For this option, there must be a purchase request with approved authorization. The procurement officer requests for quotation from **only registered vendors** who at the time of the RFQ being sent should maintain active registration with IHV-N set criteria as spelt out in section (6.1) below. Review of quotes by the Bid committee would take place and followed by executive management approval after **at least three quotations**. Electronic requisition would be generated while the purchase order follows to obtain the final approval of either the CEO or COO.

### Option 4 – Open tender – Lower Band

Open tendering is the preferred competitive public procurement method used for acquiring goods, services and infrastructure works. It is executed in accordance with established procedures set out in the tendering process flowchart above. This option is applicable to all procurement processes but there are exceptional cases like sole source method.

Open tendering is also known as open competitive bidding, open competition or open solicitation, and the procurement notices used to call for bids for these requirements are identified as: Invitation for Bids or Invitation to Tender.

The fundamental requirements of open tendering are that they should:

- Be open to all qualified and interested bidders,
- Be advertised locally (and internationally, when required),
- Have objective qualifications criteria,
- Have neutral and clear technical specifications,
- Have clear and objective evaluation criteria, and
- Be awarded to the least-cost provider or document convincing justification for other basis of award.

#### **Procurement ranging from ₦7, 200,001- ₦36, 000,000**

There must be a purchase request with approved authorization. The procurement officer request for quotation from general public by advertising such RFQ **on IHV-N website for at least two weeks** with IHV-N set criteria as spelt out in section (6.1) below. Bid opening/bid review would take place and followed by top management approval after **at least three** quotations. Electronic requisition would be generated while the purchase order follows to obtain the final approval of either the CEO or COO.

### **Option 5 – Open tender – Higher Band**

#### **Procurement ranging from ₦36, 000,001 and above**

There must be a purchase request with approved authorization. The procurement officer request for quotation from general public by advertising such RFQ **on IHV-N website and or in at least 2 national newspapers for 3 weeks** which should come up during the working days (Monday to Fridays) or any other good media means to reach out to the general public with IHV-N set criteria as spelt out in section (6.1) below. Bid opening/bid review would be done, followed by top management approval after **at least three** quotations. Electronic requisition would be generated while the purchase order follows to obtain the final approval of either the CEO or COO.

## **Section 4.1 - Procurement Methods**

### **Sole Source**

This is a situation where there is only one person or company or response received that can provide the contractual services needed, so any attempt to obtain bids would only result in that person or company bidding on it. The best approach to be used in this situation is a sole source, so as to achieve the targeted lead-time and not to compromise the quality of the product or service required. This option is applicable to **both international and local procurement** process.

*In situation where three or more quotes may not be feasible and the rationale is clearly documented, then a sole source justification will be made and attached to the sole quote after any of the following criteria are **diligently** followed:*

- a. A Market Survey has been conducted to determine whether other potential sources capable of satisfying the requirement exist. Market survey may be conducted by phone, online, visiting

the local source or in writing. The extent of the market survey depends on what constitutes a reasonable effort under the circumstances to ensure that competition is not feasible. A list of the suppliers contacted, along with the reason why each supplier could not meet the requirement may justify a sole source purchase.

- b. Unique expertise, background in recognized field of endeavor, the result of which may depend primarily on the individual's invention, imagination, or talent. Consultant has advanced or specialized knowledge or expertise gained over an extensive period of time in a specialized field of experience.
- c. Only one manufacturer makes the item meeting salient specifications; that manufacturer only sells direct/exclusively through one regional/national representative. A certificate of sole distributorship from the representative or distributor of the items is obtained and documented.
- d. Item required must be identical to equipment already in use by the end user, to insure compatibility of equipment, and that item is only available from one source; same reasoning applied in the continuation of research situation.
- e. Collaborative project- Supplier is named by the funding source, inter-agency agreement or clinical trials where the identical equipment is required for compatibility and continuity of research.
- f. Maintenance or repair calls by the original equipment manufacturer (OEM) are required for a piece of equipment, and the manufacturer does not have multiple agents to perform these services.
- g. Replacement or spare parts are required from the OEM, and the OEM does not have distributors for those parts.
- h. Retainership agreement with an existing vendor on a particular services or products.
- i. Patented items or copyrighted materials, which are only available from the patent or copyright holder.
- j. A medical/surgical decision by a medical/dental professional, where a specific brand is required for patient care, and the manufacturer has no multiple distributors for the product.

The Procurement officer issues a memo on sole Source justification, forward to Head of Procurement, who recommends to Chief Executive Officer or Chief Operating Officer/Managing Director for final approval.

The Head of Procurement issues Purchase Order centrally, subject to management approval.

The following data are filed:

Purchase Order number  
 Date of Purchase Order  
 Number of items  
 Name of Vendor/ Supplier  
 Description of items  
 Requested delivery date  
 Total price  
 Remarks

## Emergency Procurement

An emergency is an unexpected and pressing situation that requires swift and immediate action necessary for public life, health, welfare, safety, new products that required urgent need for

patient care, grant closure in order to meet expected target within limited time frame, due to delay in funds withdrawal from funding agency, delay in approval from highest authority or based on increase in patient target. Any other situation that does not involve saving of lives may not qualify as emergency.

This option is applicable to both international and local procurement process.

For procurement to be considered emergency, the following conditions should be met:

- a. Procurement unit should include evidence of inadequate stock balance from the warehouse.
- b. The end user must include these justifications:
  - i. Reasons why the purchase request was delayed;
  - ii. The negative impact on public life, health, welfare, safety if such procurements are not made as at the time of such request
- c. There must be a memo from the procurement unit stating why the procurement should be an emergency attaching a copy of the written query for management's perusal.
- d. Such procurement must be approved by either the CEO or the COO/MD
- e. Based on override approval in "c", the procurement unit can then source for the goods/items in question.

Below are indicative factors responsible for emergency procurement:

- a. The warehouse officer may have failed to give stock update report that gives room for adequate planning and forecast. Such negligence must have been queried in writing by his/her direct supervisor.
- b. The user department must be desperately in need of the items/materials and had requested they should be made available immediately.
- c. It may be a new item that has never been used and the need for it just came up and failure to have it may impede program deliverables, operations and loss of lives.

Emergency procurement should not be seen or construed to mean a complete violation of due procurement process neither should it be taken as sole source justification **nor become a regular occurrence.**

Also a clear documentation of reasons and justification for emergency to appropriate authority and approval received to clarify that emergency procedure will not jeopardize achievement of IHV-N policy.

It is also very important to note that emergency procurement does not mean patronizing non IHV-N registered contractors. Where this arises, it may be interpreted to mean a complete infraction of Standard Operating Procedure and such contracts if awarded shall be null and void except rectified and ratified through due process.

## Direct purchases

This involves direct purchase of equipment (including vehicles) from authorized vendors valued at \$5,000 and above. This should be based on approved budget or donor approval obtained by management. At least 3 quotations from authorized vendors should be obtained before seeking approval. Authorized vendors are classified list of vendors not registered with IHV-N but patronized for direct purchase situation – including automobiles. These vendors should be renowned dealers which would be verified by the procurement officer upon receipt of quotations for various direct purchases.

## Inter-grant Sales

- In situation where a particular grant has more commodities in stock, such grant commodities can be sold to other grants that are in critical need of same item. Such sales are called internal procurement/transaction and do not require purchase order but invoice.
- A Purchase Request is initiated on a Local/International Purchase Request form.
- Identification of need by end user
- Verification of items at the warehouse by end user before further processing. If item is critically needed, then the user department will verify with other grant for availability of same item in their stock for internal sales. If item is available with other grant then transaction takes place.
- A Purchase Request form is initiated and prepared by the user department and forwarded to the Head of Procurement for processing and must be approved by either Chief Executive Officer or Chief Operating Officer/Managing Director.
- An internal invoice is raised by Head of Procurement and must be signed by Chief Executive Officer or Chief Operating Officer/Managing Director.
- The Head of Procurement forwards the approved invoice to compliance unit for control purposes and then to finance department for inter-grant transaction payment.
- The Head of Procurement will communicate to the warehouse team for the release of commodities from the selling grant to the buying grant and also communicate the user department appropriately.
- For the purpose of control, the quantity to be moved from the selling grant to the buying grant shall be communicated to the 3PL through Inter Grant Requisition Form or Order (IGRF or IGRO) duly signed by Head of **Procurement** and Grant Buying Finance Officer for record purposes in order to avoid over/under utilization/release of the quantity paid for.

## Chapter 5 - Categories of Commodities and Principles Guiding Process

The followings are the categories of items and the principles guiding their purchase:



## Section 5.1 - Procurement Agent for 2nd line drugs {GDF}:

The selection of procurement agent for the supply of medicines was carried out by GF. There are due process to be followed before planning to procure 2nd line drugs. The processes are as follows;

- Product selection: All products selected for 2nd line TB should be based on treatment guidelines.
- Quantification: The estimated quantities and cost of TB drug and diagnostic commodities to meet national needs are derived including associated PSM costs required for shipment, clearing, QA, distribution.
- Prior to procurement of SLD and commodities, availability of funds is confirmed , resources are mobilized and budget line is secured for procurement and related PSM costs
- Placement of orders:
  - a. Orders should be placed biannually, at six-monthly intervals. The order frequency may however be altered if deemed necessary
  - b. A pre- contractual document is signed and sent to the GDF
  - c. A Proforma Invoice is obtained from the GDF in response to the signed pre- contractual document
  - d. Payment for invoiced amount: GF pays GDF for approved invoice
- Placement of order by supplier: GDF places an order with manufacturer through IDA
- A duly signed MDRTB Procurement Request Form and Technical Agreement MPTA should be sent to GDF detailing quantities to be procured for confirmation of product availability and product status( product name, expiry date and quantity)
- Verification and confirmation of orders: IHV-N pharmacy team reviews the feedback from GDF and confirms the product to be shipped.
- Approval and signing of invoice: IHV-N approves and signs invoice
- Confirmation of available quantities for shipment: GDF communicates IHV-N on available quantities for shipment with expiry dates for review and confirmation
- Review of the shipping document via email: The packaging list, Commercial invoice, Certificate of analysis and AWB or Bill of lading depending on the point of entry of goods. [Medicines] is sent to IHV-N by the GDF for confirmation before the consignment is booked for shipping.
- Shipment is sent and received in Nigeria
- Clearance of drugs at the port and supply to the Central warehouse
- Verification of received products by the Pharmacy team at the central warehouse and subsequent issue to the treatment centers/ states

## Section 5.2 - Ancillary Drugs:

There are due processes to be followed before planning to procure Ancillary Drugs. The processes are as follows;

- **Quantification:** Estimate required quantities for each product on a yearly basis or as planned in the GF-approved PSM plan.
- **Product selection:** All products selected for Ancillary should be based on percentage ADRs reported at the facilities in the previous grant.
- An allocated sum of money is given per patient to the treatment centers for the procurement of ancillary drugs in line with the hospital procurement policy. The treatment center retires by providing the copies of the ancillary drug prescription to the IHV-N compliance unit for verification and validation.

In order to ensure proper accountability of the purchase of Ancillary drugs for patients at the facilities, the points below must be observed;

- Where the drugs are purchased within the hospital Pharmacy, the necessary internally generated receipt/invoice from the Pharmacy must be raised detailing the doctor's prescriptions for patients and the total bill which must tally with the prescription attached. Where the drugs are purchased from third party Pharmacy outside the hospital, the prescription must be prepared by the hospital Pharmacist on the type of drugs to purchase, then invoice from the Pharmacy Company must be provided. However, in submitting the retirement on this, the following process shall be observed:
- Voucher must be raised for all the payments per time and attached to the voucher are all the supporting documents provided but note that all supporting documents must be valid, correct, confirmable and relevant.
- A copy of cheque raised must be attached to payment raised. All third party cheques must be in corporate name and not in individual's name neither would authority letter for cheques to be raised in individual's name would be honoured.
- The Pharmacist in Charge must certify that payment on the drugs purchase can be made in minutes and forward to Finance/Accounts for payment.
- All bills must be approved by the hospital's approval or payment management system/process.

### **Section 5.3 - Drugs (For Non Global Fund Grants)**

Drugs (For Non Global Fund Grants): The procurement method applicable for this is a sole source. But the reasons for a single source selection must be justified by the procurement office and approved by either the CEO or COO prior to the conclusion of a contract.

### **Section 5.4 - Other Health commodities**

Other Health commodities: These are commodities that are intended for the use of patient care and treatment. Such as: Laboratory equipment, Laboratory reagents and consumables, Medical equipment and Medical supplies etc.

The procurement method to be applied in this category could be Single Source Selection, Open tender, Emergency procurement or shopping method depending on the uniqueness of the products to be procured at the given time. The procurement processes as explained in SOP are applied before implementation.

### **Section 5.5 - Non Health commodities**

Non Health commodities: Non health items are those commodities that are considered outside of normal programmatic activities or operations. Such as: Office supply and Equipment i.e. (Stationeries, furniture, fueling, I.T. items, automobile, electrical supplies etc.), Printing and Guesthouse items.

The procurement method applicable to this category could be Single Source Selection, Open tender, Emergency procurement, Limited tender or shopping method depending on the uniqueness of the products to be procured at the given time.

## Section 5.6 - Infrastructural Upgrade

Infrastructural Upgrade: This is to construct, improve, rehabilitate, demolish, repair, restore, or maintain building etc. The procurement methods applicable to this are Open tender and Limited tender.

There are due processes to be followed when planning rehabilitation work/infrastructural upgrade. The processes are as follows:

- Identification of needs by user department: Users are expected to identify their respective needs for infrastructural upgrade [upgrade or renovation] and inform the management of such needs.
- Management approval: Upon the receipt of the request from the user department, the management in its discretion will grant approval for a 'Needs Assessment Visit'. This visit will be carried out by the representative of the user department, Head of building unit service and Building Consultants.
- Report: After the assessment visit is carried out, the head of the Building Service unit shall forward a report of his assessment to the management for approval.
- Evaluation/Management Approval: In a situation where the management finds the report of the project supervisor to be satisfactory, the document will be sent to the project consultants for costing to ascertain the cost implication for the project guided by the Building service unit according to management approval. Such costing document is sent back to management for review and evaluates to ascertain that it falls within the allotted budget for infrastructural upgrade. If within the approved budget, the management gives approval for implementation process to completion.
- IHV-N Building services in collaboration with Building services consultant will prepare the bill of quantity to enable the kick start of bidding processes.
- Bid Advert: the Procurement Office prepares the document for advertisement but the worth of the proposed contract will determine the type of advertisement for the specific project.
- Implementation: the tender document are prepared by the consultants and sent to procurement office to issue out to interested vendor, contractor etc.
- Bid Opening/Evaluation/Award: The submitted bids are review, evaluates and recommendation are made by bid committee to management for final approval.
- After approval of the bid committee's recommendation, the procurement unit will issued a purchase order to the preferred vendor as an agreement between the two parties.
- The contractor shall execute the project to the standards and specifications outlined by IHV-N in the contract agreement and letter of award.

- **Project Monitoring:** the project will be under the supervision of the IHV-N building service unit and Building Consultants. While the IHV-N Building service Officer will act as the Project supervisor. The Institute will also retain the services of the Building Consultant who will monitor the project throughout the execution period to completion. But in a situation where the project is handled in-house, the Building services unit is saddled with the responsibilities of managing the project.
- **Post-implementation Evaluation:** upon completion of the project, the Building Consultant and IHV-N Building service unit will evaluate the completed project. After the evaluation, the project supervisor shall forward a report to management. The Building consultant shall forward a 'certificate of completion' to IHV-N stating that they have evaluated the project and that it has been completed according to specification and standards.
- **Handover to Facility:** upon receipt of the certificate of completion, if the management of IHV-N is convinced beyond responsible doubt that the project has been completed to specifications, it shall approve that the completed project to be handed over to the facility. The project shall be handed over by the Project supervisor and the Building Consultant on behalf of IHV-N.
- **Contractor's payment document** is prepared and sent to finance for payment based on the certificate of completion. There is also 5% retention deduction on the total contract sum for 3 months, which will be paid back to contractor after the agreed months if no damages on the job.

There is a Building services consultant that works with IHV-N building service unit to assess, evaluate, and supervise/monitoring, final evaluation and certification of completion at the end of the contract.

This building services consultancy was engaged based on (Section 5.7) below and it is renewable every two years.

### **Section 5.7 - Procurement of Services/Consultancy**

**Procurement of Services/Consultancy:** A service provider or consultant are usually an expert or professional in a specific field and has a wide knowledge of the subject matter. The procurement method applicable to this category is Limited tender and should be done through either of the following selection techniques:

- **Least-Cost Selection:** This method is more appropriate to selection of consultants for assignments of a standard or routine nature (audits, engineering design of noncomplex works, and so forth) where well-established practices and standards exist, and in which the contract amount is small. Under this method, a "minimum" qualifying mark for the "quality" is established. Proposals to be submitted in two envelopes are invited from a short list. Technical envelopes are opened first and evaluated. Those securing less than the minimum are rejected and the financial envelopes of the rest are opened in public. The firm with the lowest price shall then be selected. Under this method, the qualifying minimum mark shall be established, keeping in view that all proposals above the minimum compete only on "cost." The minimum mark shall be stated in the RFP.

**Qualifications Based Selection:** This is appropriate for the following types of assignments:

- a. Assignments that have a high downstream impact and in which the objective is to have the best experts (for example, feasibility and structural engineering design of such major infrastructure as Renovation work/Facility upgrade); and
- b. Assignments that can be carried out in substantially different ways, such that proposals will not be comparable (for example, management advice, and sector and policy studies in which the value of the services depends on the quality of the analysis).

In QBS, the RFP may request submission of a technical proposal only (without the financial proposal), or request submission of both technical and financial proposals at the same time, but in separate envelopes (two-envelope system). The RFP shall not provide the estimated budget, but it may provide the estimated number of key staff time, specifying that this information is given as an indication only, and that consultants shall be free to propose their own estimates.

**Quality and Cost Based Selection:** This is an evaluation based on the cost committed by the bidder and the technical qualification of the bidder. This method may be used for assignments in which the need for preparing and evaluating competitive proposals is not justified. In such cases, the Institute shall prepare the TOR, request expressions of interest and information on the consultants' experience and competence relevant to the assignment, establish a short list, and select the firm with the most appropriate qualifications and references. The selected firm shall be asked to submit a combined technical-financial proposal and then be invited to negotiate the contract.

This procurement method is more appropriate for selection of services provider and consultants for assignments of a standard or routine nature (Financial consultancy, engineering design, Travel agency, I.T. Consultant and so forth).

After the engagement of the best service provider or consultant, IHV-N enters into a written agreement which could be renewable annually or one-off and is usually subjected to performance evaluation (KPI) by the appropriate unit or officer. All the services and consultancy should be fully executed using purchase order primarily to enable Finance Dept. recognize it as an obligation.

## **Chapter 6 - Selection of Vendors**

There is no specific number of vendors who must receive a limited solicitation, bid, or proposal request, but the number must be sufficient to ensure a competitive process. This number may vary according to the supply or service being purchased. However, in order to obtain a reasonable response and invite competition, notice of solicitations should be sent to at least two or more many registered vendors as practical.

IFB, RFP or RFQ can be mailed, advertised, posted electronically, or otherwise furnished to a sufficient number of bidders/offers to secure competition.

### **Section 6.1 - Selection and Prequalification of Vendors**

#### **Selection and Prequalification of Vendors**

Registration of vendors and maintenance of Vendor database is a sole responsibility of IHV-N legal Unit of Admin Department. This is for the sake of control purposes.

A need exists to limit a solicitation to those vendors who meet statutory or licensing requirements applicable to the solicitation but all qualified registered vendors would be contacted for bid or proposal based on the kind of procurement (Works, Goods or services) that is at hand.

A need exists to minimize the time necessary to verify vendor qualifications which otherwise would jeopardize the timely award of contracts. But the minimization should be balanced against the risk of awarding contract to companies with inadequate competencies and legal documentation by requesting the Legal officer to confirm the registration status of any vendor in question from the updated database as a guide for the procurement unit. When pursuing this option, we must provide documentation that reflects the capability of the selected vendor to adequately perform the contract.

In order to maintain and keep vendor data base updated, IHV-N shall ensure that successful vendors after bid evaluation that are not registered with the institute must register before any order is finally awarded to them.

The Legal unit of the institute shall communicate directly to the vendors of their registration status and amendment on documentation when necessary.

Bids advertisement shall be open to all vendors and the best will be selected after Bid committee's review. While in the case of RFQ and Limited bidding, the threshold is below ₦200,001 and ₦7,200,000 meanwhile, no bid advertisement is required. The minimum quotes for these options are three and IHV-N will select from prequalified list based on past performance to meet up with the procurement lead-time.

The criteria for prequalification includes: (a) A reference letter from your Bank, (b) A photocopy of your current Tax Clearance Certificate (original to be sighted), (c) A photocopy of Certificate of Incorporation/Registration, CAC Form 2, CAC Form 7, Memorandum and Articles of Association (original to be sighted), (d) DUNS Certificate, (e) Curriculum Vitae of our key personnel (All applicants not duly registered would be informed accordingly), (f) Evidence of Contracts done in the last one year, compatibility, technical expertise, general experience, quality of performance, location, availability, rates, prices, (g) financial stability, (h) past performance, (i) catalogs, or other criteria relevant to a particular procurement.

Authorized vendors are classified list of vendors not registered with IHV-N but patronized for direct purchase situation – including automobiles. These vendors should be **renowned** dealers which would be verified by the procurement officer upon receipt of quotations for various direct purchases.

Further to this, the procurement unit would be required to prepare a comprehensive list of indicative authorized vendors to be approved by the COO and included in the vendor database, to be updated at regular intervals.

Un-prequalified Vendors will be invited for bid only if they are the **sole manufacturer or sole distributor** of the product in Nigeria and on the agreement that outstanding documentation would be updated with the Legal unit before the presentation of purchase order/award letter i.e. tax clearance.

See section 11.1 below for IHV-N suppliers' performance evaluation terms.

## Chapter 7 - Bid Advertisement

The Procurement Officer sends the bid draft to the Web manager for posting on IHV-Nigeria website to enable the registered contractors/public bid for proposed contracts/Supplies. The time frame for this stage is stated on the procurement threshold and options flow chart above.

- a. Where necessary technical bids would be advertised first, then commercial bid will follow. Only shortlisted vendors/contractors shall be contacted for commercial bid/Request for Price (RFP).
- b. Registered vendors/contractors are encouraged to constantly visit IHV-N website for regular procurement posting. Where IHV-N management deems it necessary advertising bids through other means of communication other than IHV-N website, same issue shall be adequately communicated through the Communication department for necessary placement on at least two widely read newspapers.
- c. IHV-N Procurement unit reserves the right to further negotiates various terms with vendors or suppliers: Resource cost, shipping methods, contractual agreements and payment terms etc.
- d. IHV-N does not write to invite any of its vendors/contractors for any procurement opportunities once such opening is advertised to the general public in order to give room for fairness and transparency. But procurement officer may be instructed by the BID committee to contact prequalified vendors for RFQ after bid review; if adequate bids were not harvested. RFQ mediums must be documented, e.g. e-mail, letters sent etc.
- e. All IHV-N's activities in the area of Request for Quotations, Request for Bids and Request for Prices shall be as detailed in the table below.

### Section 7.1 - Terms of Negotiation

The following are the likely negotiating terms which are to be used by the procurement Officers in getting the best deal for the institute:

- a. The cost
- b. Specification of goods or services
- c. Quality of Product or service
- d. Procurement lead-time and
- e. Payment terms etc.

In the case of RFQ, direct calls or email should be placed to vendors for further negotiation of various terms where necessary before the final award of contract. While in the case of Bid advertisement, negotiation should be carried out at Bids review stage by the procurement unit.

### Section 7.2 Requirements/Instructions to Bidding

- All bids must be in ink or type written; submission in pencil will not be accepted.
- All enquiries regarding the proposed application for the above should be directed to the **Head of Procurement** of IHV-Nigeria.
- Bids must be properly sealed. Financial bids and technical bids should be separated where applicable
- Bidders not registered with IHV-N must include company profile.
- Bidders not registered with IHV-N must provide proof of registration with the Corporate Affairs Commission (CAC).

- Bidders not registered with IHV-N must include copies of tax clearance certificates for the past three years.
- All bidders must provide evidence of at least two similar Jobs made in the past for IHV-N/other organizations etc.
- Bids should be submitted to the head office on or before the expiration of the bid advert.
- Bids will be opened at Bid opening date and time specified in Bid advert.
- Any Bid with percentage/calculation error will be disqualified at the tender meeting.

### **Section 7.3 Tender Returns/ Bid submission**

The suppliers are typically asked to return their tenders into the bid box or to [bids@IHV-Nigeria.org](mailto:bids@IHV-Nigeria.org) at specified time and date as spelt out in procurement flow chart above. Bids may include a description of the service or goods the supplier is offering, the proposed cost for carrying out the needed work or proving the necessary supplies, company's information and any questions that the buying organization [IHV-N] has asked of the potential supplier.

On submitting bids, the following instructions must be adhered to:

- All bids must be sealed
- All sealed envelopes must be initialed at the seal point to further confirm that bids have not been tampered with.
- All bids must be properly addressed to the Secretary, Bid Committee, IHV-N
- All bids must clearly indicate the contract/job applied for
- Vendors/Contractors must clearly state the category of job applied for
- Time and dates of bid submission must be clearly stated by the top left corner of the envelopes.
- Only type written bids would be accepted except in the case of BOQ that requires hand written but the cover letter must be type written.
- All vendors must register their bids in the logbook before dropping in the bid box.

Any vendor who submit bid with mistakes does so at his or her own risk, as such bid will be disqualified at the bid evaluation meeting.

### **Section 7.4 - Bid Opening**

On the expiration of the bid advert, the secretary to the bid committee opens the bid box in the presence of at least one of the members of the committee and a member of the compliance department, within twenty four hours after the expiration of the bid advert. Bidders or other interested persons may be present at bid openings.

Thereafter, all submitted bids are retrieved and recorded.

Members of Bid Committee are to verify submitted/harvested bids then sign bid opening document with harvested bids. In case there are other representatives, they are required to verify and sign on the chart of summary of the financial bids as a testimony to their validity after submission. However, if a Request for Proposal (RFP) or Bill of Quantity (BOQ) has been completed, only the names of the respondents will be read aloud. A bid that has been submitted cannot be changed for the purpose of correcting an error in the bid price unless it is a Request for Proposal.

The Institute shall have the right to reject any and/or all bids.



Sealed bids/proposals will be tabulated for comparison purposes. The public may record any information read aloud at the public bid opening if the document was a Bid. If the document was a Request for Proposal (RFP) as noted earlier, the results are considered confidential until the proposal is awarded.

In awarding a contract, the Institute shall consider:

- Purchase prices
- The reputation of the vendor and of the vendor's goods or services
- The quality of the vendor's goods or services
- The extent to which the goods or services meet the Institute needs
- The vendor's past relationship with the Institute or track records.
- The total long-term cost to the Institute to acquire the vendor's goods or services
- Any other relevant factor listed in the request for bids or proposals.

### **Section 7.5 - Bid Evaluation**

The evaluation of received Bids and recommendation to management by the bid committee should be carried out within seventy two working hours from the bid opening date. The constituted bid committee will meet at the agreed date as stipulated in the job/contract terms and conditions to deliberate on the submitted bids and recommend same to IHV-N top management using the criteria as spelt out in section(7.4) above for further consideration and approval for the award of contract.

There is a Bid Committee constituted by the management to be in charge of opening bids, considering the bids in line with the bids requirements, and making recommendations to management.

The following shall constitute the form of reports that shall be submitted to management upon committee's review meeting:

- The minutes of review deliberations
- Charts of cost analysis carried out
- Recommendations for management's approval

#### **Bid Evaluation procedure:**

- The Secretary (the Head of Procurement) schedules a meeting for opening of the individual bids retrieved from the bid box.
- The bid committee reviews the bids and recommends to management for further consideration and final approval. The committee has no approving power.
- The bid committee reserves the right to advice the procurement unit to further negotiate various terms with vendors or suppliers where necessary.
- In the event where the number of bids submitted for a particular request for quotes does not meet the minimum number recommended for the threshold value e.g. 3 quotes for any procurement value from \$5,001 and above, the situation requires adequate documentation by the procurement staff of the procedures and efforts targeted at securing competition (advertisement and/or RFQ to vendors from vendor's database as the case may be. Evidence

that vendors database is properly updated and maintained within agreed principles etc. This situation should be communicated to appropriate authority by the bid evaluation committee (as per their responsibility to open bids at closure), approval should be received from appropriate authority to proceed with available quotes/proposals with clear justification that embarking on a fresh process will not offer the organization any additional benefit. The top management makes decision on the proposed contracts/Supplies based on the committee's recommendation.

- The Head of procurement issues Purchase Order after Chief Executive Officer or Chief Operating Officer/Managing Director has approved the committee's recommendations.
- Although an initial review of the offers received is done at the bid opening event, a preliminary examination of the offers is done at the beginning of the evaluation process to determine, the responsiveness of the offers to the solicitation documents. After that, a detailed examination is done only of the offers that complied with (were responsive to) the requirements of the solicitation documents.
- In the case of solicitations for goods and works procurement, after confirming compliance with the technical requirements, a comparison of the proposed price is made, and the offer that is technically compliant, and with the lowest evaluated bid price, is the one that is recommended for contract award.
- When evaluating consultants, individuals or firms, the technical qualifications are also initially assessed. For individual consultant selection, once the technical qualifications are determined, the consultant obtaining the highest technical score above the minimum technical qualifying mark is requested to submit a financial offer and to negotiate a contract.
- In the case of consulting firms, depending on the procurement method, the selection could be similar to that of individual consultants (as indicated above) or the final selection could be determined by scoring and assigning weights to both the technical and financial evaluation. The highest ranked consultant resulting from the sum of the combined technical and financial scores would be recommended for invitation to negotiate the contract.
- The result of the bid or proposal evaluation process is dependent on the procurement method and the procedures for determining the selected supplier, contractor or service provider that will be recommended for negotiations and/or contract award.

Indicative criteria for scoring of submitted bids by the committee include but not limited to:

- Compliance to tender specifications
- Compliance to conditions of contract
- Vendor registration with CAC
- Technical merits
- Responsiveness and ability for a quick service delivery
- Track record with IHV-N
- Delivery date or period of completion
- Competitive pricing
- Conflict of interest
- Specific experience/ knowledge of the contract

- Evidence of financial management system i.e. Accounting, Internal control and Audited financial statement (if applicable)

## Chapter 8 - Composition of Bid committee

The Bid committee comprises Director of Grant Management/Budget, a representative from Admin Department, Medical Department, Laboratory Department, Strategic Information Department, and the secretary to the Bid committee is the Head of Procurement.

### Section 8.1 - Role and responsibility of Bid Committee

The followings are the key roles and responsibilities of Bid committee:

- Evaluate all bids received and submit a report and recommendations regarding the final award of the bids to the management.
- Harvesting of bids.
- Ensuring that all submissions are made in line with advertisement instructions and making recommendation on anyone falling short of instruction.
- Responsible for securing bids submission by ensuring at least one bid committee member is present at the time of bid opening.
- Evaluation criteria and scoring should be jointly discussed and understood and agreed by all members based on advertisement instruction. These criteria will be used in an evaluation tool to be developed by Procurement unit and shared with bid committee on the day.
- Ensure that all necessary bid documents have been submitted for recommending a vendor for contract award.
- Ensure that disqualifications are justified and that valid and accountable reasons were furnished for passing over of bids.
- Scoring has been fair, consistent and correctly calculated and applied.
- No employee or official should be allowed to do any business with the Institute. When a bidder declares in the bid that he/she is in the employ of the Institute, the bid should not be considered.
- Must ensure that all bidders are evaluated on the point scoring system and no bidder is unfairly or pre maturely disqualified as nonresponsive if his/her bid is deemed higher than the estimates or budget.
- The bid committee reserves the right to advice the Procurement unit to further negotiate various terms with vendors or suppliers where necessary.
- Recommend conditions, if found necessary, that the recommended bidder must meet before contract award or during the contract period.
- Recommend or demand verification of critical information submitted by the bidders like the bidder's capacity to deliver as per contract.

### Section 8.2 - Appointment of members

All Bid Committee Members are appointed in writing by either the CEO or the COO. Such a committee must constitute as follows:

- Chairperson;
- Other Members; and

- Secretariat

### Section 8.3 - Quorum

**Quorum:** Any Bid Committee cannot undertake business without a quorum present, consisting of half plus one of its total memberships with voting power (rounded to the nearest whole number). For example, if there are six members in total, the quorum required is four as the secretary of the committee will not have voting right.

### Section 8.4 Secondee

Secondee: For the purpose of continuity and not to delay meetings, any of the bid committee's members may also appoint secondee from his or her Dept. to **temporarily act** as a member if absent from meetings due to illness, leave, outside duties etc.

## Chapter 9 - Clearing of Shipment Procedure

This is intended to document and standardize the processes to be followed when clearing Shipment from the air and sea ports.

IHV-N has contract agreement with a clearing agent (Air Sea freighters Ltd.) and the agreement expires after five years. At the expiration of the contract, IHV-N will advertise to engage the services of a fresh clearing agent whom will carry out the services for another period of five years.

The billing of this clearing service is charged per weight of the consignment. This procedure is designed to ensure the effective operation and control of the clearing process and to serve as a documented reference tool for daily use, training and continuous improvement.

It starts from the receipt of a shipment pre-alert/notification and ends with the communication of a goods receipt.

### Section 9.1 - Initiation

- Procurement unit is responsible for ensuring that the documentation for shipment are received at least one week in advance before shipment is booked. The document includes the following:
  - Commercial invoice
  - Packing list
  - Certificate of analysis
  - Original bill of lading/air way bill
- The Procurement unit reads through the document to ensure that all information provided are captured.
- The Procurement unit will give the manufacturers the go ahead to ship.

- The clearing Agent (Air Sea Freighters) are immediately contacted to be ready to clear the shipment.
- An Authority Letter is written to the Nigerian Custom Service to allow Air Sea Freighters clear the shipment on behalf of the Institute.
- The procurement Officer tracks the shipment online (<http://www.track-trace.com/aircargo>) and informs the clearing agent on arrival of the shipment.

## Section 9.2 - Receipt and Verification of Product

- Shipments are cleared and delivered to the 3PL warehouse.
- Shipments are checked against accompanying, Invoice, Packing List and Purchase Order.
- All discrepancies are documented on the Receipt Note.
- Procurement unit will initiate and follow-through on any material claims/returns or discrepancy with the supplier and participate in any corrective actions needed.
- A warehouse receipt note are filled out by the warehouse personnel for all items arriving and the completed warehouse receipt note forwarded to the following:
  - User Department – responsible for the final verification and to confirm that items meet their specification.
  - Procurement unit – warehouse receivers are required to complete the payment cycle with the finance department.

## Chapter 10 - Presentation of Purchase Order

**Presentation of Purchase Order** - The Head of Procurement presents the Purchase Order.

### Section 10.1 Verification of Purchase Order

A purchase order should be checked for the following:

- Preparation
- Authorization
- Approval
- Unique sequence number [Local/International Purchase Order-number]

### Section 10.2 - Amendments to Purchase Order

If amendment is needed because of delays or end user request, the amendment of a Purchase Order needs to be justified by the assigned Purchasing Authority/Buyer stating why an approved Purchase Order needs to be amended which could be for one of the following:

- ✓ Wrong / incomplete data entry
- ✓ Request from the vendor

- ✓ Request from the requestor,
- ✓ Price variation due to inflation etc.

## Chapter 11 - Supplier performance management

**Supplier performance management (SPM)** is a business practice that is used to measure, analyze, and manage the performance of a supplier's accomplishment in an effort to cut costs, alleviate risks, and drive continuous improvement. It is a function often associated with Third Party Management. The ultimate intent is to identify potential issues and their root causes so that they can be resolved to everyone's benefit as early as possible.

Summary table of the supplier deliverables – (used by everyone): There is a simple description of deliverables being produced and delivered – at a minimum; this includes a brief description, agreed delivery date for each deliverable, and current projected date for each deliverable. This sheet (Tracking sheet) is updated from the start of every engagement with the supplier to the end of contract engagement. This information is used everywhere, all the time; it helps keep everyone (stakeholders, team members, and the supplier) in alignment. There is another variant of this sheet that includes summary status information. These tracking sheets are used to determine the performance of every supplier on IHV-N vendor's database and as well form basis for the assessment of vendor's track record.

Rapid response to supplier failure to delivery terms Vendor's default on any agreed terms at any stage of the contract are not to be treated lightly and any situation in which a supplier doesn't satisfy their obligation. While there is no need to rudely reprimand a supplier when a problem is encountered, there is always a need to have a professional discussion on the failure to perform, reinforce expectations, understand root causes, and jointly take actions that will prevent recurrence.

Don't waste time teaching the supplier. The Institute selected a supplier because their company is qualified to meet our needs. If we find ourselves constantly encountering troubling situations in which individuals on that supplier's team appear unqualified, then we won't waste our time "teaching" the supplier how to perform their job responsibilities. Rather, take any such issues to a level of management (within the supplier's organization) who can fix the situation.

### Section 11.1 - Presentation of Goods

- Purchased goods are delivered to the 3PL warehouse or any other IHV-Nigeria facility or implementing site as directed on the Purchase Order. Where point of delivery is compromised as instructed on the Purchase Order, such transaction shall not be honored for payment.
- The 3PL Officer receives Purchase Order-goods, under the strict condition this person not being the Procurement Officer or Presenter of the goods. The 3PL Officer checks and accepts goods as stated in the warehouse regulations.

## Section 11.2 - Presentation of Invoice and Delivery Note

### Presentation of Invoice and Delivery Note

- The Head of Procurement receives the invoice and delivery note after delivery, review these documents in line with TOR on the approved purchase order and forward to Finance Department for payment.
- The Procurement Officer keeps record of the items delivered to the warehouse
- The Procurement Officer has the record of items not delivered.

## Chapter 12 - Terms of payment

All Purchase Orders raised shall be subject to the following terms and conditions:

- Category A- Purchase Orders between ₦200,001 – ₦1,800,000
  - No down payment
  - Full payment shall be made upon completion of job/service and provided all necessary supporting documents are certified okay for payment by the appropriate authorities
- Category B - Purchase Orders between ₦1,800,001 – ~~₦2,500,000~~:
  - Where vendor/contractor expressly requests for down payment, it shall be honored to the tune of 50%. This is done to ensure quality of work/supply is not compromised
  - Balance payment shall be upon certification/confirmation as deemed fit by the authorized department
- Category C – where Advance Request is far above ₦2,500,001:
  - Where vendor/contractor expressly requests for down payment, it shall be honored to the tune of 50% and or 70% in case of an emergency delivery but such down payment shall require performance bond in order to secure the payment. This is done to ensure quality of work/supply is not compromised and that IHV-N's exposure is minimized
  - Balance payment shall be upon certification/confirmation as deemed fit by the authorized department and /or consultants
- Category D - where Purchase Order is placed directly with foreign manufacturers or foreign distributors and full down payment is required irrespective of the amount; such transactions shall be **paid 100%** for such transactions to be consummated.

All completed contracts and advance payment requests are scheduled to Finance Department for payment once a week and all things being equal, Vendors are being paid within the time frame of one to two weeks.

Please note that information as regards all forms of payment rest with Finance Department only. Financial document are sensitive documents that should be properly kept by the authorized department.

## Chapter 13 - Procedures on how procurement orders are captured in the Accounting Software Package

### Procedures on how procurement orders are entered and administered in Accounting Software Package:

Below is a table showing the flow on ACCPAC System:

Steps	Responsible Unit
Setting up of new vendor on ACCPAC	Procurement sends the request to Finance Dept. while Finance communicates back to Procurement the automated Vendor number
Generation of E-requisition	Procurement Dept. generates the requisition after the CEO/COO approval on hand written submitted requisition forms.
Purchase order generation	Procurement Dept. is as well responsible for pulling of PO after a successful generation of E-requisition. The PO comes with a generic numbering system.
Order receipt	The warehouse unit receives delivered items on the system and post the e-delivery note.
Invoicing	The procurement Dept. invoiced the e-delivery note after the warehouse receipt for Finance Dept. to make the due payment to the vendor.

**Please note: There’s always a printout report at every point for the compliance unit to verify the process compliance before final payment.**

### Section 13.1 - Responsibilities:

Accountable: Head of Procurement

Responsible: Procurement unit.

Consulted: Admin Department, Grants Department, Finance Department, Compliance Department, HODs, Regional Managers, CEO, COO/MD

Informed: 3<sup>rd</sup> Party Logistics Company  
User Departments  
Sub-Partners.