



Institute of Human Virology – Nigeria (IHV-N)

PROCUREMENT
Standard Operating Procedures
(SOP)

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 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
• CT	Global Fund Country Team
• 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
• PM	Project Monitoring
• PO	Purchase Order
• PP	Procurement planning
• PRF	Procurement Requisition Form
• RFB	Request for Bid
• RFI	Request for Information
• RFC/	Request for Cost/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
• VFM	Value for Money

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.).
- ✓ **Value for Money:** Value for money is based not only on the minimum purchase price (economy) but also on the maximum efficiency and effectiveness of the purchase.
- ✓ **Market Survey:** is the survey research and analysis of the market for a particular product/service which includes the investigation into customer inclinations. A study of various customer capabilities such as investment attributes and buying potential.

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, value for money 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/Project COP for procurements not exceeding 1,500,000.00 only at Regional/State Offices level. The Admin officers at the state/regional office initiate requisition which is to be recommended for approval by the regional managers after due diligence of at least three quotations are gotten from the registered/prequalified vendors at the regional office. Unregistered vendors can also be patronized but only if none of the registered/prequalified vendors can carry out the needed goods or services. Any transaction above N1, 500,000.00 at regional/state offices must be channeled through the central procurement system.

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

Section 2.0 – Procurement Principles

The procurement of goods and services for or on behalf of the Institute shall be conducted in a manner that is based on the principles set out below.

2.0.1 Value for money

Procurement shall be conducted with the aim of obtaining value for money (VFM). In determining what represents VFM, due consideration shall be given to factors such as:

- The direct and indirect costs of the goods/services over the whole procurement cycle;
- The quality and fitness for purpose of the goods/services to be procured;
- The proposed supply time frame for the goods/services;
- The performance history of each prospective supplier and the strategic importance and/or risks of engaging particular suppliers;
- The appropriateness of contracting options (for example, contract extension options)
- The potential risks associated with the procurement of the goods/ services.

2.0.2 Competition

Procurement shall be carried out on a competitive basis to the maximum practical extent.

- Competition thresholds - The extent of competition required in the procurement of goods and/or services shall be based on thresholds specified in the Procurement flow chart. Such thresholds shall be established by reference to the estimated value of goods and/or services to be procured. In addition, specific competitive processes may be established in the Procurement manual for particular categories of goods and/or services based on risk management considerations.
- Exceptions to competition - Exceptions to competition thresholds and processes shall be allowed in exceptional situations only as stated in section 4.1 (sole source) below. Such exceptions can only be approved by the Executive Management. The Procurement Policy shall specify allowable exceptions to such thresholds and processes and shall also specify who has the authority to approve such exceptions. It is anticipated that the establishment of a pre-qualified suppliers, as well as timely procurement planning on the part of users, will minimize the need for exceptions to competition.

2.0.3 Efficient and Effective Procurement

- Procurement shall be conducted in a manner that maximizes the efficient use of the Donor's resources and ensures that the goods and/or services procured effectively meet the requirements of the users within the Institute by adhering to the Institute's procurement policy and standard practice at all time.

2.0.4 Impartiality, Transparency & Accountability

- Procurement shall be conducted in an impartial, transparent, and accountable manner.
- In ensuring impartiality, potential suppliers of goods and/or services shall be afforded equitable treatment and their offers shall be evaluated based on their legal, technical and financial abilities.
- In promoting transparency, information relating to the procurement process shall be documented in a manner that facilitates appropriate scrutiny of procurement activities, as described in the Procurement manual.
- In encouraging accountability, covered Individuals shall be accountable for their acts with respect to procurement based on the lines of accountability established in the procurement manual. The length of time for which procurements document will be archived is for the period of seven years.

2.0.5 Ethics

- The Institute shall strive to conduct all business with honesty, fairness, integrity, and loyalty to the Health System and our profession. Decline all gifts or gratuities and do not enter into any transactions resulting in our personal benefit. Conduct business with potential and current suppliers in an atmosphere of organization's code of conduct.

2.0.6 Restrictions on Current and Former IHVN Staff and Eligibility of Vendors

The Institute Procurement Policies and Procedures contain the following policy regarding vendor eligibility of entities affiliated with current and former IHVN staff:

Current and former IHVN staff, regardless of appointment type held are ineligible to be Institute's vendors or subcontractors to IHVN vendors, whether as sole proprietors or

independent contractors, during their appointment and for a period of eighteen months (“Cooling Period”) from the termination date of their IHVN appointment.

This Cooling Off Period also applies to companies in which a current or former IHVN staff member is an owner, principal, director, or officer, or holds a financial interest. The Cooling Off Period also applies to companies with which close relatives (spouses, parents, full and half-siblings, children, aunts, nieces, nephews, and domestic partners) of current or former IHVN staff are owners, principals, directors or officers, or hold a financial interest.

2.0.7 Code of Conduct for Procurement Staff and Conflict of Interest Clauses

All procurement staff and members of bid committee shall acknowledge that they will acquire certain knowledge, written or oral information, which is non-public, confidential, or proprietary to the proponents responding to a Request for Proposal, Quote or Tender. Agree that they will keep all information confidential, unless required by law or in the course of the procurement process to be disclosed. They will not use the information directly or indirectly for any purpose other than to gather requirements, develop RFP content, evaluate proposals or advise Institute of Human Virology-Nigeria regarding the selection of the successful proponent in the procurement process.

They will not make public or disclose any confidential information related to the bid submission document, proponent evaluations, or interviews without the prior written approval of Institute of Human Virology-Nigeria.

By signing the conflict of interest document, they confirm that there is no conflict of interest with a person, firm, corporation or other business that is competing for the contract/(s) with IHVN. They have not participated, directly or indirectly, by committee or as an advisor, consultant, employee, agent, trustee, or otherwise, in the development of a proposal for any individual or business entity that is competing for the contract(s).

The procurement staff and the bid committee members; shall sign the conflict of interest and non-disclosure of agreement form for all bids before the bid evaluation meeting.

Important note: all IHVN members involved in procurement are bound by the IHVN Code of Ethics in Procurement. Any breach should be reported to: speakout@ihvnigeria.org

2.0.8 Fraud & Corruption, Gifts and Hospitality

- IHVN strictly enforces a policy of zero tolerance on proscribed practices, including fraud, corruption, collusion, unethical or unprofessional practices, and obstruction of IHVN vendors and requires all bidders/vendors to observe the highest standard of ethics during the procurement process and contract implementation.

IHVN’s Anti-Fraud email: speakout@ihvnigeria.org can be reached at all times to report any foul play at any level.

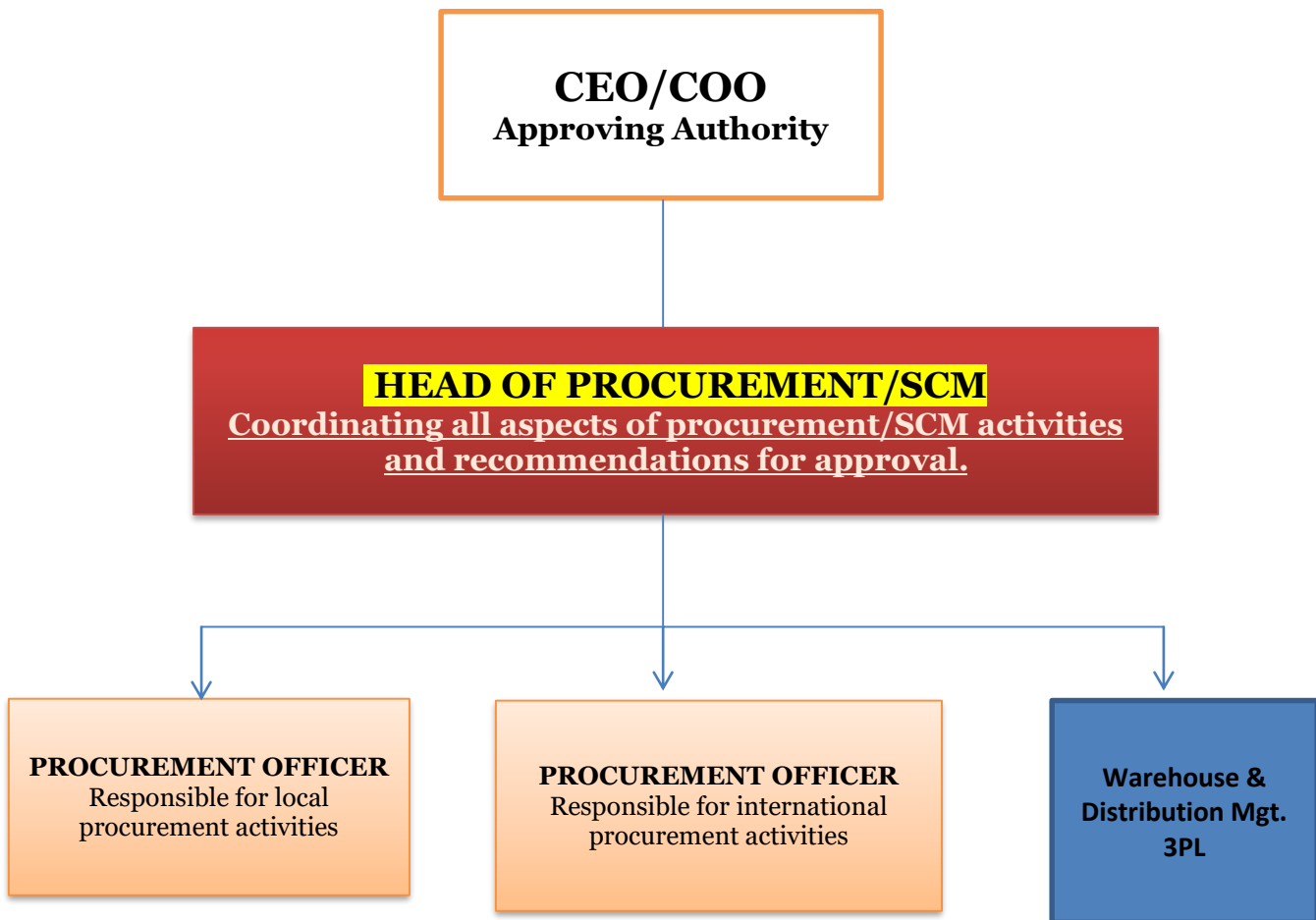
- Bidders/vendors shall not offer gifts or hospitality of any kind to IHVN staff members including recreational trips to sporting or cultural events, theme parks or offers of holidays, transportation, or invitations to extravagant lunches or dinners.

In pursuance of this policy, IHVN:

- a. Shall reject a bid if it determines that the selected bidder has engaged in any corrupt or fraudulent practices in competing for the contract in question.

Shall declare a vendor ineligible, either indefinitely or for a stated period, to be awarded a contract if at any time it determines that the vendor has engaged in any corrupt or fraudulent practices in competing for, or in executing an IHVN contract.

Section 2.1 - Organogram of IHV-N Procurement unit



Section 2.2 - Purpose and Scope of the SOP

2.2.1 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 so as to continually achieve value for money. 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.

2.2.3 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.

2.2.4 Procurement Cycle

In the above illustration, the first step in this instance is Procurement Planning. This is an umbrella term that can cover many sub-steps. Planning can also be described in other ways: preparation, question, recognition or requirement etc.

Process flow for Creation of Purchase Order

2.2.5 Procurement Planning

Step one is identifying the problem, gap or missing piece that would require IHVN to look externally to address it. An initial study or review would be conducted to ensure that the capability or item does not exist in house; if the gap is confirmed, there's a multitude of considerations that should be made before moving forward to the procurement phase.

For instance, what is the nature of the item or solution required? Is it something that other organizations need, which would make it a commercially available item? Or is it something that is custom to IHVN (for instance, a unique component for a customized manufacturing line). What types of companies sell the items, and where can it be sourced? These are the questions that will help IHVN Procurement unit to understand what they are buying and how they are going to buy it as part of the procurement plan that informs the strategy for soliciting proposals and evaluating them.

Procurement plans are approved on an annual basis and any adjustment or update made to the plan would then be shared with the funding agency as part of quarterly reporting for further review and approval through the office of the grant coordinator.

2.2.6 Market Survey:

Market survey is the process of gathering, analyzing and interpreting information about a product or service. A procurement officer will conduct market survey to gain insight into the procurement need and the market that supplies the product or service. The goal of market survey is to:

- Identify a variety of potential sources from which to obtain a product or service.
- Analyze the Institute 's spending patterns to assess current and forecast future demand.
- Provide an objective process for decision-making that strengthens competition.
- Identify gaps that may exist in a current contract to determine methods for closing the gaps and strengthening the future state of the contract.
- Reduce risk and increase sustainability.
- Inform the development of the procurement strategy.

An officer of the procurement unit shall conduct market survey to identify emerging trends, innovations and potential suppliers. A primary outcome of this survey is to increase the base of suppliers, which will encourage greater competition, drive cost savings and gain process efficiencies.

The head of SCM department and the Bid Committee will use the information obtained through market survey to develop its procurement strategy and to:

- Align potential solutions with the procurement goals and objectives.
- Gain knowledge of suppliers and the market.
- Identify risks and develop risk mitigation strategies.
- Make fact-based, data-driven procurement decisions.
- Identify the supplier universe and who is likely to respond to a solicitation.
- Identify contract gaps and incorporate lessons learned from previous solicitations.
- Identify opportunities to meet the institute’s social and economic objectives in procurement.
- Validate the procurement method and advance development of the procurement strategy.
- Assist in developing a guide towards quality specifications.

Market survey will support the Institute’s source selection method, and facilitate the ability to develop a quality specification and solicitation document, leverage our team’s strength in negotiating with potential suppliers, and execute a contract that drives successful performance outcomes.

2.2.7 When to conduct market research

The Institute will generally conduct a market survey when the product or service has a high level of expenditure, is subject to fluctuations in availability or cost due to market volatility, requires a complex procurement, involves inherent risks or is critical to the performance of the organization. This market survey would be carried out during the planning stage to drive a reliable budget preparation and may also be carried out after bid harvest for further justification of harvested bids.

IHVN shall commit sufficient resources and conduct an appropriate level of the market survey that is commensurate with the risk, complexity, and cost of the procurement. Less extensive analysis may be conducted for products or services that are easier to procure but involve significant expenditure. Typically, the Institute will not need to conduct analysis for products or services that are easy to procure and have little cost or risk.

2.2.8 How to conduct market Survey

One of the goals of the market survey is to identify potential supply sources that are capable of meeting the Institute’s business requirements. From these sources, the procurement officer is able to analyze various products and services to guide the development of a solicitation that is not biased in favor of a single source or that does not reduce the number of potential respondents that may be capable of meeting the Institute’s procurement need.

The bid committee shall set up a team to conduct a market survey, which will always include the end users, procurement department and any other relevant unit; with the goal of assessing the market factors, cost, and risk that influence a procurement strategy.

2.2.9 Market research resources

The team set up by the bid committee shall conduct a market survey virtually or physically in the case of product-related items. However, in the case of service/related consultancy-related needs, a physical survey/comparison with a close substitute service provider would be conducted. Additionally, the team will also consult with other public entities with similar purchasing needs, both within and outside Nigeria. At least two quotations must be obtained from the market survey for it to be considered adequate.

Beyond these resources, and depending on the nature of the procurement, appointed team will initiate an analysis of the market through additional channels that may include:

- Industry organizations and publications.
- Consultant reviews.
- Advertisements.
- Product or service demonstrations from multiple suppliers in the target market.
- Request for Information (RFI) from suppliers.
- Previous solicitation efforts.

Financial threshold for when to carryout market survey is from N200,000.00 and above.

2.2.10 Documentation and Endorsement of Market Survey Result

The team set up by the bid committee are responsible for conducting the market survey and also document the findings from the survey. While the head of SCM and Grant management department or Finance endorses the report of the market survey carried out for sole sources, RFQ, and emergency procurement. But it is the sole responsibility of the Bid Committee to endorse market survey reports for public and limited bidding thresholds.

2.2.11 Requirement Definition

The second step in the procurement lifecycle is requirement definition, when the technical expert, procurement unit and end user come together to collaborate on a document that summarizes exactly what is needed and why.

Basically, this step results in the “what to buy” document (RFQ or RFB) that vendors receive in the solicitation, and against which they propose their product or service. A poorly defined requirement will result in proposals and solutions that do not address the core problem or customer need, which ultimately results in a lot of wasted time and effort from the procurement team and a procurement outcome that does not add value for the Institute.

1. 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.

2. 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.

2.2.12 Tendering

The next step, according to our illustration, is Tendering, also called solicitation or sourcing. Just prior to this stage, the procurement team would assembled the requirements document into a solicitation that includes terms, conditions, delivery schedules and instructions to offerors wishing to propose (among other things).

It is during this stage when prospective contractors will review, analyze and respond to the IHVN's tender with a quotation or proposal (depending on what is decided during the procurement planning process).

2.2.13 Evaluation & Selection

Once reasonable options have been found, the Evaluation & Selection stage begins. The solicitation contains all of the criteria that a prospective offeror must accommodate and honor in order to be considered for award. Typically, the solicitation includes the evaluation method so that offerors understand what matters most to IHVN, along with instructions for how the offeror should structure their solution. Not including this information would result in procurement unit receiving any manner of proposals, and would not make for an easy evaluation and selection phase.

2.2.14 Bid Clarification

Bid clarification is the contact between the IHVN bid committee through the bid committee's secretary and the bidder(s) purely for the purpose of clarifying aspects of the tender which are perhaps ambiguous, inconsistent or unusual.

Once all bids have been received, the bid committee may wish to clarify some aspects of the bids during their tender evaluation (for example, if parts of the bids are unclear or contain minor errors). The bid committee may also seek clarification on matters of quality performance or particular terms and conditions of contracts.

If clarification is required, the bid committee will contact the bidder directly in writing via email and to all bidders with their clarification question(s), confirming the deadline date and time by which the bidder(s) need to respond.

During the clarification process, the bid committee will respect bid confidentiality and will avoid unfairness to potential suppliers.

Negotiations in relation to price or other areas where improvements may be possible should not take place, and an audit trail is maintained by the bid committee to ensure that the process remains fair and transparent.

2.2.15 Contract Award

The next step is the Contract Award. This occurs once IHVN has reviewed the offers they received and made a decision on a contractor whose proposal best meets our requirements and selection criteria. This stage is the culmination of all the prior steps in the process, and the efficiency and effectiveness of this stage is also a direct result of the diligence with which the procurement unit followed the best practices for those prior stages.

3. 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 3 - Procurement planning

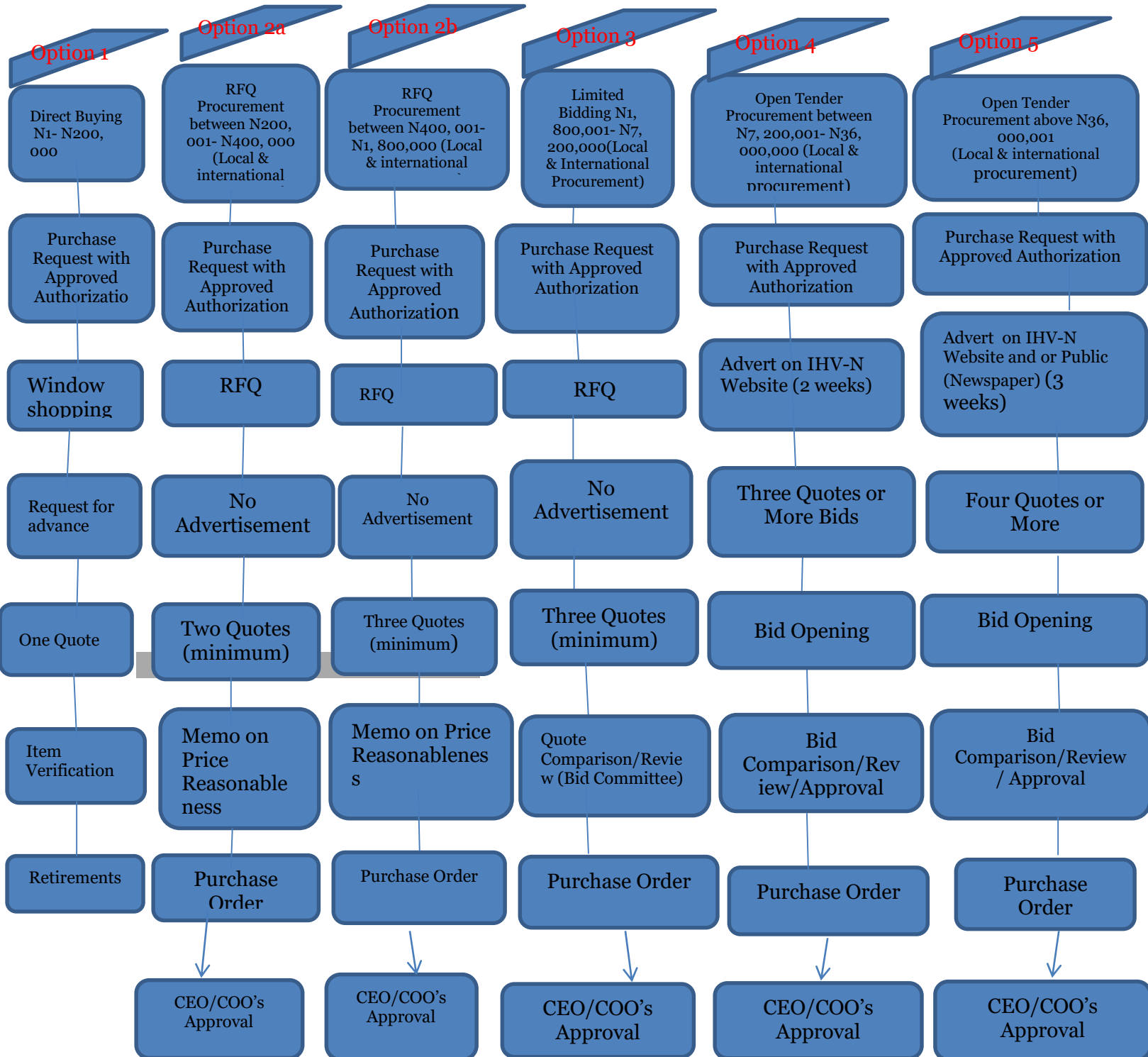
The procurement plan should commence with the preparation of the specifications (for goods and works) and terms of reference (for services). However, this variably depends on the user departments and the grant calendar. It is expected that the procurement plan should be prepared in a manner that estimates 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.

Chapter 4 – Procurement Threshold and options

THRESHOLD FLOWCHART



NOTE: Newspaper advert under option 5 is applicable to Global Fund Grant

Description of procurement thresholds /options (Chart above)

Option 1 - Direct Buying

Procurements ranging from ₦1 to ₦200, 000

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 between #1 to #200,000; and
- c. To procure contracts with a combination of off-the-shelf goods and very urgent minor civil works between #1 to #200,000 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, for the purpose of value for money, the Admin staff would be required to adhere to the following processes:

- a. Carry out a window shopping to determine the price and submit a proforma invoices as report from market survey.
- 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 direct buying, the use of this method is restricted to cases when the justification for it is beyond contention and approved by departmental director. This is to avoid the uses of direct buying 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 and documentation of proof of market survey so as to

ensure value for money and 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 and documentation of proof of market survey so as to ensure value for money and purchase order follows to obtain the final approval of either the CEO or COO.

Option 3 – Limited Bidding

Procurements ranging between ₦1, 800,001 and ₦7, 200,000

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. To achieve value for money, review of quotes and proof of market survey by the Bid committee would take place and followed by executive management approval after **at least three quotations** and purchase order follows to obtain the final approval of either the CEO or COO.

Option 4 – Open tender – Lower Band

Procurements ranging between ₦ 7,200,001 and ₦36,000,000

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, proof of market survey where applicable and 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 i.e. international advertorial platforms for international open tenders, 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, proof of market survey where applicable and purchase order follows to obtain the final approval of either the CEO or COO. Newspaper advert is applicable to Global Fund Grant

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 but should still be documented in writing for reference purpose and any of the local source using proforma invoices as proof of market survey. 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, Catastrophes and natural disasters. 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. 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. Approval for Global Fund related emergency must obtain CT's approval and must be approved by either the CEO or the COO/MD.
- e. Documentation of proof of market survey where applicable.
- f. Based on override approval in "d and e above", 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. 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.

For the purpose of value for money, 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 management 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. But in a situation where such goods or services cannot be provided by any of the registered vendors and it is clearly documented, approval should be seek from management to patronize non registered vendors from open market.

Direct Contracting

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.

This is also applicable to newspaper adverts through the newspaper companies/publishers.

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 except for Global Fund grant where inter grant sales is not allowed. 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 5.3 - 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 with supported proof of market survey 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 is 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 6 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 by the bid committee. 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 firms with the most appropriate qualifications and references. The selected firms 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.

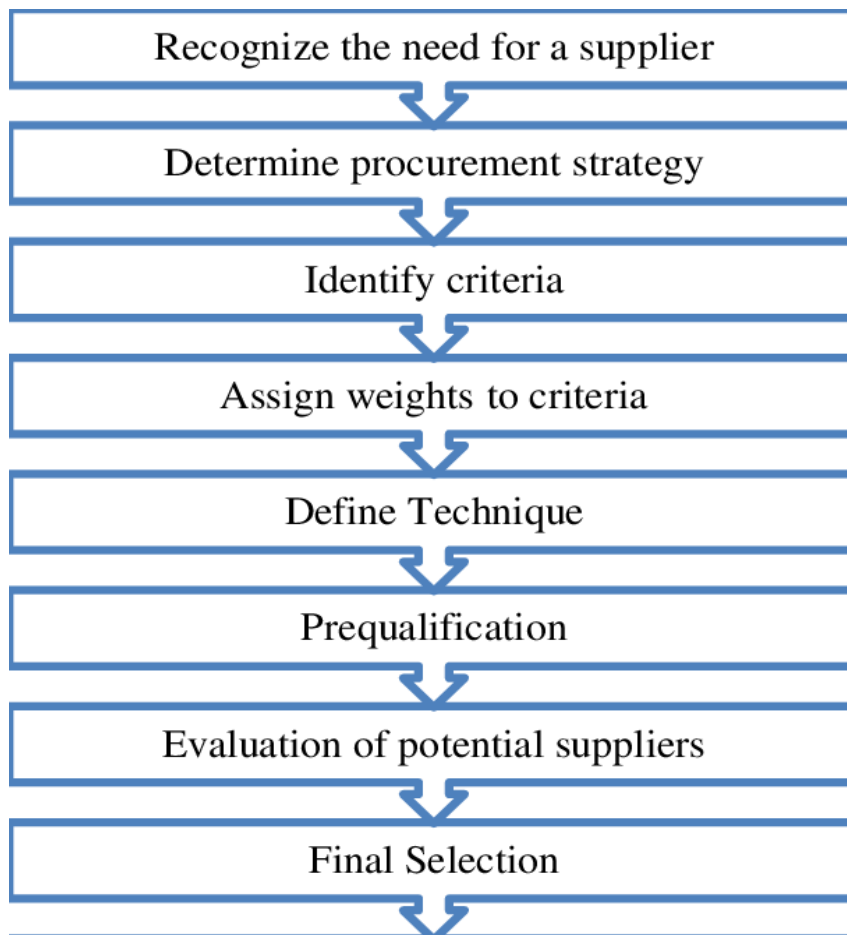
Chapter 6 - Selection of Vendors

There is no specific number of vendors who must receive a limited solicitation, bid, or proposal request, **(generally not more than six (6))** 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 three 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

Process Flow for 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 based on lowest technically qualified quote from prequalified list and also on satisfactory 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 RFQ and Limited bidding threshold; 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

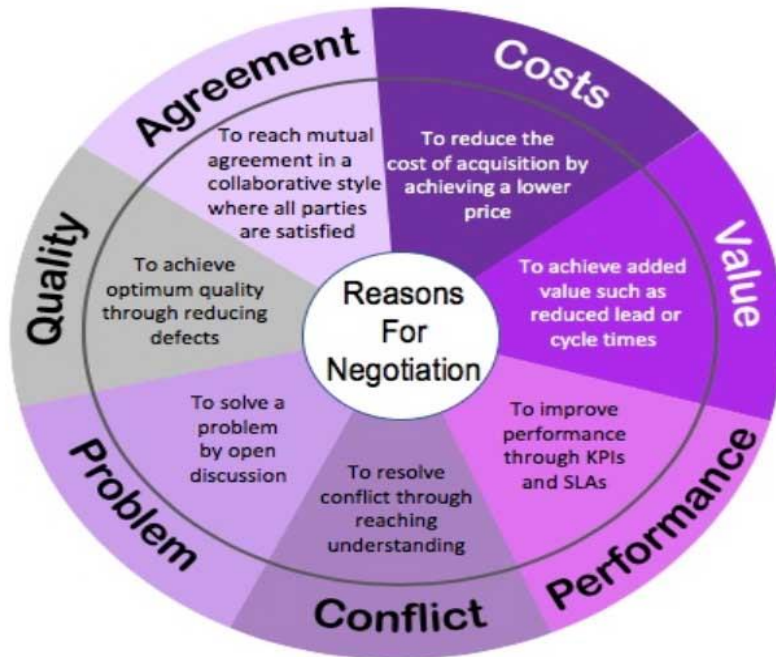
The Procurement Officer sends the bid draft to the Web manager for posting on IHV-Nigeria website to enable the registered contractors/public bid for proposed contracts/Supplies. The time frame for this stage is stated on the procurement threshold and options flow chart above.

- a. 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.
- b. 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.
- c. 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.
- d. 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

Negotiation is communication between two or more parties with the desired outcome of reaching a mutually satisfactory agreement. There are a number of reasons for negotiations:

- **Costs** - To reduce the cost of acquisition by achieving a lower price.
- **Value** – To achieve added value such as reduced lead or cycle times.
- **Performance** – To improve performance through KPIs' and SLA's
- **Conflict** – To resolve conflict through reaching understanding.
- **Problem** – To solve a problem by open discussion.
- **Quality** – To achieve optimum quality through reducing defects.
- **Agreement** – To reach a mutual agreement in a collaborative style where all parties are satisfied.



Objectives of Contract / Procurement Negotiation

1. Establish a common understanding between the parties
2. Obtain a fair and reasonable price and/or supply terms or improve a current offer
3. Reduce the level of risk and uncertainty
4. Determine any special needs around the good or service is to be delivered
5. Establish a good working relationship between the parties based on mutual respect
6. Resolve problems, variations, or unanticipated circumstances arising out of a contract or contractor’s performance

When to Negotiate

If after a competitive tendering process none of the tenders are acceptable either due to the level of non-conformance or because they do not represent sufficient value for money, negotiations, parallel negotiations may be conducted with shortlisted tenderer/s that are acceptable based on evaluation criteria.

The purpose of the negotiations shall be made clear to all participants prior to the commencement of negotiations. The aim is to achieve a mutually acceptable tender.

Negotiation can occur:

- after the selection of a preferred respondent(s)
- before contracts are executed
- before variations to contract are agreed
- as and when issues arise during contracts

Who Should Negotiate

Negotiations should only be undertaken by those with experience and skills in the areas who are familiar with negotiation techniques and strategies. The head of SCM shall champion the negotiating team with representatives of the bid committee in the case of open tenders and limited bidding.

For purchases above N7,200,000.00, a team of negotiators may be appropriate. The composition will be the head of SCM, representatives of bid committee and the technical representative of requesting unit.

In the case of sole source, RFQ and emergency procurement methods, the entire SCM team must be part of negotiation process and in a situation where the nature of procurement is technical, representatives from the requesting unit should be part of the negotiation.

What Can Be Negotiated

In order to explore opportunities for maximizing the overall opportunities available, the following aspects may be considered for negotiation as well as negotiation on price occurring:

- ♣ Technical and Support: warranties, maintenance, support, packaging, freight, sub-contracting, use of personnel, installation and testing, training, etc.
- ♣ Risk & Commercial: deposits, payment terms, discounts, penalties, travel costs, insurances, guarantees, service standards, liquidated damages, performance incentives, etc.
- ♣ Management Information: reporting, documentation, service levels, meeting attendance
- ♣ Timeframes: completion, delivery, milestone dates, length of the contract
- ♣ Price: Unit cost, total cost, logistic cost, freight cost, insurance cost etc. Please note that the Institute will call for price negotiation only in a situation where there is significant difference between the market survey and the lowest bidder; for the purpose of value for money.

NOTE- Communication on Negotiation can be done between IHVN and vendors through email or meeting and the minutes of the meeting must be well documented.

Section 7.2 Requirements/Instructions to Bidding

- All bids must be in ink or typewritten; 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 must include company profile.
 - Bidders must provide proof of registration with the Corporate Affairs Commission (CAC).
 - Bidders must include copies of tax clearance certificates for the past three years.
 - All bidders must provide the required number of proof/evidence of 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.
- Corrected price is what will be considered as the value of the bid.

Section 7.3 Tender Returns/ Bid submission

The suppliers are typically asked to return their tenders into the bid box 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 7.3.1 E-Submission of Bids

Only hard copies are acceptable as official bid entries. Under no circumstances shall offers be submitted to IHVN by E-mail. Any and all bidders submitting an offer by such means shall be disqualified and their offer rejected.

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 two 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. The bid committee's secretary records the receipt of bids in front of anyone wishing to be in attendance and all attendees will sign off the attendance sheet. Only the bidders that have submitted their bids within the specified date and time are recorded at the opening, defining the list of eligible bids. The detailed analysis of the bids is done to assure compliance, identify irregularities and if necessary to seek review by the legal advisors' interpretations.

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.

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
- Bid opening report
- 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 advise the procurement unit to further negotiate various terms with recommended 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 N1,800,000.01 and above, the situation requires adequate documentation by the bid committee of the procedures and efforts targeted at securing competition i.e. Option 1: To re-advertise for another ten working days for higher band and five working days for lower band. Option 2: To prepare an RFQ to vendors from vendor's database for another ten working days for higher band and five working days for lower band. The quotes from the RFQ must be received via the mode of submission indicated on the RFQ. It is the sole responsibility of the bid committee to decide on which of the above options to adopt based on the nature of bid at hand. Evidence that vendor's 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 the 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 are 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)

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's 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.

Chapter 8 - Composition of Bid committee

The Bid committee comprises Director of Grant Management/Budget as chairperson of the committee, Director Admin as representative from Admin Department, Program Manager as representative of Clinical Department, Director of Lab as representative of Laboratory Department, DSI as representative of Strategic Information Department, and the secretary to the Bid committee is the Head of Procurement who is a non-voting member of the committee.

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.
- Coordinate market survey.
- 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.
- It is also mandatory for all members of IHVN bid committee and the procurement team to complete conflict of interest and non-disclosure agreement before any form of participation in the bid evaluation process.

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

The appointment of the bid committee is tenured for a period of five years and can be renewed at the discretion of the executive management for another term of five years, after which fresh members of the committee would be appointed.

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 within 24 hours of delivery notification 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 Contract Management

The following terms and conditions will apply to all contract:

<p>1. Introduction</p>	<p>1.1 The following words and expressions shall have the meanings hereby assigned to them:</p> <ul style="list-style-type: none"> a) “Contract” means the Contract Agreement entered into between the Purchaser and the Supplier, together with the Contract Documents referred to therein, including all attachments, appendices, and all documents incorporated by reference therein. b) “Contract Documents” means the documents listed in the Contract Agreement, including any amendments thereto. c) “Contract Price” means the price payable to the Supplier as specified in the Contract Agreement, subject to such additions and adjustments thereto or deductions therefrom, as may be made pursuant to the Contract d) “Day” means calendar day e) “Completion” means the fulfilment of the Related Services by the Supplier in accordance with the terms and conditions set forth in the Contract. f) “GCC” means the General Conditions of Contract g) “Goods” means all the commodities, material, equipment, and/or other materials that the Supplier is required to supply to the Purchaser under the Contract h) “Purchaser’s Country” is the country specified in the SCC i) “Purchaser” means the entity purchasing the Goods and Related Services, as specified in the SCC j) “Related Services” means the services incidental to the supply of the goods, such as insurance, installation, training and initial maintenance and other such obligations of the Supplier under the Contract k) “BDS” means Bid Data Sheet l) “SCC” means Special Conditions of Contract. m) “Subcontractor” means any person, private or government entity, or a combination of the above, to whom any part of the Goods to
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	<p>be supplied or execution of any part of the Related Services is subcontracted by the Supplier</p> <p>n) “Supplier” means the person, private or government entity, or a combination of the above, who’s Bid to perform the Contract has been accepted by the Purchaser and is named as such in the Contract Agreement</p> <p>o) “The Project Site, means the place named in the SCC.</p>
<p>2. Contract Documents</p>	<p>2.1 Subject to the order of precedence set forth in the Contract Agreement, all documents forming the Contract (and all parts thereof) are intended to be correlative, complementary, and mutually explanatory. The Contract Agreement shall be read as a whole.</p>
<p>3. Fraud and Corruption</p>	<p>3.1 IHVN requires compliance with the Institute’s Anti-Corruption Guidelines and its prevailing sanctions policies and procedures as set forth in the in section 2 above</p> <p>3.2 The Purchaser requires the Supplier to disclose any commissions or fees that may have been paid or are to be paid to agents or any other party with respect to the Bidding process or execution of the Contract. The information disclosed must include at least the name and address of the agent or other party, the amount and currency, and the purpose of the commission, gratuity or fee.</p>
<p>4. Interpretation</p>	<p>4.1 If the context so requires it, singular means plural and vice versa</p> <p>4.2 INCOTERMS</p> <p>a) Unless inconsistent with any provision of the Contract, the meaning of any trade term and the rights and obligations of parties thereunder shall be as prescribed by INCOTERMS specified in the SCC</p> <p>b) The terms DDP and other similar terms, when used, shall be governed by the rules prescribed in the current edition of Incoterms specified in the SCC and published by the International Chamber of Commerce</p> <p>4.3 Entire Agreement The Contract constitutes the entire agreement between the Purchaser and the Supplier and supersedes all communications, negotiations and agreements (whether written or oral) of the parties with respect thereto made prior to the date of Contract.</p> <p>4.4 Amendment No amendment or other variation of the Contract shall be valid unless it is in writing, is dated, expressly refers to the Contract, and is signed by a duly authorized representative of each party thereto.</p> <p>4.5 Non waiver</p> <p>a) Subject to GCC Sub-Clause 4.5(b) below, no relaxation, forbearance, delay, or indulgence by either party in enforcing any of the terms and conditions of the Contract or the granting of time by either party to the other shall prejudice, affect, or restrict the rights of that party under the Contract, neither shall any</p>

	<p>waiver by either party of any breach of Contract operate as waiver of any subsequent or continuing breach of Contract.</p> <p>b) Any waiver of a party’s rights, powers, or remedies under the Contract must be in writing, dated, and signed by an authorized representative of the party granting such waiver, and must specify the right and the extent to which it is being waived</p>
	<p>4.6 Severability If any provision or condition of the Contract is prohibited or rendered invalid or unenforceable, such prohibition, invalidity or unenforceability shall not affect the validity or enforceability of any other provisions and conditions of the Contract.</p>
5. Language	<p>5.1 The Contract as well as all correspondence and documents relating to the Contract exchanged by the Supplier and the Purchaser, shall be written in the language specified in the SCC. Supporting documents and printed literature that are part of the Contract may be in another language provided they are accompanied by an accurate translation of the relevant passages in the language specified, in which case, for purposes of interpretation of the Contract, this translation shall govern</p> <p>5.2 The Supplier shall bear all costs of translation to the governing language and all risks of the accuracy of such translation, for documents provided by the Supplier.</p>
6. Joint Venture, Consortium or Association	<p>6.1 If the Supplier is a joint venture, consortium, or association, all of the parties shall be jointly and severally liable to the Purchaser for the fulfilment of the provisions of the Contract and shall designate one party to act as a leader with authority to bind the joint venture, consortium, or association. The composition or the constitution of the joint venture, consortium, or association shall not be altered without the prior consent of the Purchaser.</p>
7. Eligibility	<p>7.1 A Supplier or Subcontractor shall be deemed to have the nationality of a country if it is a citizen or constituted, incorporated, or registered, and operates in conformity with the provisions of the laws of that country.</p> <p>7.2 All Goods and Related Services to be supplied under the Contract and financed by the Institute shall have their origin in Eligible Countries. For the purpose of this Clause, origin means the country where the goods have been grown, mined, cultivated, produced, manufactured, or processed; or through manufacture, processing, or assembly, another commercially recognized article results that differs substantially in its basic characteristics from its components.</p>
8. Notices	<p>8.1 Any notice given by one party to the other pursuant to the Contract shall be in writing to the address specified in the SCC. The term “in writing” means communicated in written form with proof of receipt.</p> <p>8.2 A notice shall be effective when delivered or on the notice’s effective date, whichever is later.</p>
9. Governing Law	<p>9.1 The Contract shall be governed by and interpreted in accordance with the laws of the Purchaser’s Country, unless otherwise specified in the SCC.</p> <p>9.2 Throughout the execution of the Contract, the Supplier shall comply with the import of goods and services prohibitions in the Purchaser’s Country when as a matter of law or official regulations, the purchaser’s country prohibits commercial relations with that country.</p>

<p>10. Settlement of Disputes</p>	<p>10.1 The Purchaser and the Supplier shall make every effort to resolve amicably by direct informal negotiation any disagreement or dispute arising between them under or in connection with the Contract</p> <p>10.2 If, after twenty-eight (28) days, the parties have failed to resolve their dispute or difference by such mutual consultation, then either the Purchaser or the Supplier may give notice to the other party of its intention to commence arbitration, as hereinafter provided, as to the matter in dispute, and no arbitration in respect of this matter may be commenced unless such notice is given. Any dispute or difference in respect of which a notice of intention to commence arbitration has been given in accordance with this Clause shall be finally settled by arbitration. Arbitration may be commenced prior to or after delivery of the Goods under the Contract. Arbitration proceedings shall be conducted in accordance with the rules of procedure specified in the SCC.</p> <p>10.3 Notwithstanding any reference to arbitration herein,</p> <ul style="list-style-type: none"> a) the parties shall continue to perform their respective obligations under the Contract unless they otherwise agree; and b) the Purchaser shall pay the Supplier any monies due the Supplier.
<p>11. Inspections and Audit by the Institute</p>	<p>11.1 The Supplier shall keep, and shall make all reasonable efforts to cause its Subcontractors to keep, accurate and systematic accounts and records in respect of the Goods in such form and details as will clearly identify relevant time changes and costs</p> <p>11.2 Supplier shall permit and shall cause its subcontractors and sub-consultants to permit, the Institute and/or persons appointed by the Institute to inspect the Site and/or the accounts and records relating to the procurement process, selection and/or contract execution, and to have such accounts and records audited by auditors appointed by the Institute if requested by the Institute. The Supplier’s and its Subcontractors’ and sub-consultants’ attention is drawn to Institute’s right which provides, inter alia, that acts intended to materially impede the exercise of the Institute’s inspection and audit rights constitute a prohibited practice subject to contract termination (as well as to a determination of ineligibility pursuant to the Institute’s prevailing sanctions procedures).</p>
<p>12. Scope of Supply</p>	<p>12.1 The Goods and Related Services to be supplied shall be as specified in the Technical Specifications.</p>
<p>13. Delivery and Documents</p>	<p>13.1 Subject to GCC Sub-Clause 33.1, the Delivery of the Goods and Completion of the Related Services shall be in accordance with the Delivery and Completion Schedule specified in the Schedule of Requirements. The details of shipping and other documents to be furnished by the Supplier are specified in the SCC.</p>
<p>14. Supplier’s Responsibilities</p>	<p>14.1 The Supplier shall supply all the Goods and Related Services included in the Technical Specification and the Delivery and Completion Schedule, as per GCC Clause 13.</p>
<p>15. Contract Price</p>	<p>15.1 Prices charged by the Supplier for the Goods supplied and the Related Services performed under the Contract shall not vary from the prices quoted by the Supplier in its Bid, with the exception of any price adjustments authorized in the SCC.</p>

16. Terms of Payment	16.1 The Contract Price, including any Advance Payments, if applicable, shall be paid as specified in the SCC
	16.2 The Supplier's request for payment shall be made to the Purchaser in writing, accompanied by invoices describing, as appropriate, the Goods delivered and Related Services performed, and by the documents submitted pursuant to GCC Clause 13 and upon fulfilment of all other obligations stipulated in the Contract
	16.3 Payments shall be made promptly by the Purchaser, but in no case later than ten (10) working days after submission of an invoice or request for payment by the Supplier, and after the Purchaser has accepted it.
	16.4 The currencies in which payments shall be made to the Supplier under this Contract shall be those in which the Bid price is expressed.
	16.5 In the event that the Purchaser fails to pay the Supplier any payment by its due date or within the period set forth in the SCC , the Purchaser shall pay interest as specified in the SCC .
17. Taxes and Duties	17.1 For goods manufactured outside the Purchaser's Country, the Supplier shall be entirely responsible for all taxes, stamp duties, license fees, and other such levies imposed outside the Purchaser's Country
	17.2 For goods Manufactured within the Purchaser's Country, the Supplier shall be entirely responsible for all taxes, duties, license fees, etc., incurred until delivery of the contracted Goods to the Purchaser.
	17.3 If any tax exemptions, reductions, allowances or privileges may be available to the Supplier in the Purchaser's Country, the Purchaser shall use its best efforts to enable the Supplier to benefit from any such tax savings to the maximum allowable extent.
18. Performance Security	18.1 If required as specified in the SCC , the Supplier shall, within twenty-eight (28) days of the notification of contract award, provide a performance security for the performance of the Contract in the amount specified in the SCC
	18.2 The proceeds of the Performance Security shall be payable to the Purchaser as compensation for any loss resulting from the Supplier's failure to complete its obligations under the Contract.
	18.3 As specified in the SCC , the Performance Security, if required, shall be denominated in the currency(ies) of the Contract, or in a freely convertible currency acceptable to the Purchaser; and shall be in one of the format stipulated by the Purchaser in the SCC , or in another format acceptable to the Purchaser
	18.4 The Performance Security shall be discharged by the Purchaser and returned to the Supplier not later than twenty-eight (28) days following the date of Completion of the Supplier's performance obligations under the Contract, including any warranty obligations, unless specified otherwise in the SCC .
19. Copyright	19.1 The copyright in all drawings, documents, and other materials containing data and information furnished to the Purchaser by the Supplier herein shall remain vested in the Supplier, or, if they are furnished to the Purchaser directly or through the Supplier by any third party, including suppliers of materials, the copyright in such materials shall remain vested in such third party

<p>20. Confidential Information</p>	<p>20.1 The Purchaser and the Supplier shall keep confidential and shall not, without the written consent of the other party hereto, divulge to any third party any documents, data, or other information furnished directly or indirectly by the other party hereto in connection with the Contract, whether such information has been furnished prior to, during or following completion or termination of the Contract. Notwithstanding the above, the Supplier may furnish to its Subcontractor such documents, data, and other information it receives from the Purchaser to the extent required for the Subcontractor to perform its work under the Contract, in which event the Supplier shall obtain from such Subcontractor an undertaking of confidentiality similar to that imposed on the Supplier under GCC Clause 20.</p>
	<p>20.2 The Purchaser shall not use such documents, data, and other information received from the Supplier for any purposes unrelated to the contract. Similarly, the Supplier shall not use such documents, data, and other information received from the Purchaser for any purpose other than the performance of the Contract</p>
	<p>20.3 The obligation of a party under GCC Sub-Clauses 20.1 and 20.2 above, however, shall not apply to information that:</p> <ul style="list-style-type: none"> a) the Purchaser or Supplier need to share with the institutions participating in the financing of the Contract; b) now or hereafter enters the public domain through no fault of that party; c) can be proven to have been possessed by that party at the time of disclosure and which was not previously obtained, directly or indirectly, from the other party; or d) otherwise lawfully becomes available to that party from a third party that has no obligation of confidentiality
	<p>20.4 The above provisions of GCC Clause 20 shall not in any way modify any undertaking of confidentiality given by either of the parties hereto prior to the date of the Contract in respect of the Supply or any part thereof</p>
	<p>20.5 The provisions of GCC Clause 20 shall survive completion or termination, for whatever reason, of the Contract.</p>
<p>21. Subcontracting</p>	<p>21.1 The Supplier shall notify the Purchaser in writing of all subcontracts awarded under the Contract if not already specified in the Bid. Such notification, in the original Bid or later shall not relieve the Supplier from any of its obligations, duties, responsibilities, or liability under the Contract</p>
	<p>21.2 Subcontracts shall comply with the provisions of GCC Clauses 3 and 7.</p>
<p>22. Specifications and Standards</p>	<p>22.1 Technical Specifications and Drawings:</p> <ul style="list-style-type: none"> a) The Goods and Related Services supplied under this Contract shall conform to the technical specifications and standards mentioned in Technical specifications and, when no applicable standard is mentioned, the standard shall be equivalent or superior to the official standards whose application is appropriate to the Goods’ country of origin b) The Supplier shall be entitled to disclaim responsibility for any design, data, drawing, specification or other document, or any

	<p>modification thereof provided or designed by or on behalf of the Purchaser, by giving a notice of such disclaimer to the Purchaser</p> <p>c) Wherever references are made in the Contract to codes and standards in accordance with which it shall be executed, the edition or the revised version of such codes and standards shall be those specified in the Technical Specifications. During Contract execution, any changes in any such codes and standards shall be applied only after approval by the Purchaser and shall be treated in accordance with GCC Clause 33.</p>
<p>23. Packing and Documents</p>	<p>23.1 The Supplier shall provide such packing of the Goods as is required to prevent their damage or deterioration during transit to their final destination, as indicated in the Contract. During transit, the packing shall be sufficient to withstand, without limitation, rough handling and exposure to extreme temperatures, salt and precipitation, and open storage. Packing case size and weights shall take into consideration, where appropriate, the remoteness of the goods’ final destination and the absence of heavy handling facilities at all points in transit.</p> <p>23.2 The packing, marking, and documentation within and outside the packages shall comply strictly with such special requirements as shall be expressly provided for in the Contract, including additional requirements, if any, specified in the SCC, and in any other instructions ordered by the Purchaser.</p>
<p>24. Insurance</p>	<p>24.1 Unless otherwise specified in the SCC, the Goods supplied under the Contract shall be fully insured—in a freely convertible currency from an eligible country—against loss or damage incidental to manufacture or acquisition, transportation, storage, and delivery, in accordance with the applicable Incoterms or in the manner specified in the SCC.</p>
<p>25. Transportation and Incidental Services</p>	<p>25.1 Unless otherwise specified in the SCC, responsibility for arranging transportation of the Goods shall be in accordance with the specified INCOTERMS.</p> <p>25.2 The Supplier may be required to provide any or all of the following services, including additional services, if any, specified in SCC:</p> <ul style="list-style-type: none"> a) performance or supervision of on-site assembly and/or start-up of the supplied Goods; b) furnishing of tools required for assembly and/or maintenance of the supplied Goods; c) furnishing of a detailed operations and maintenance manual for each appropriate unit of the supplied Goods; d) performance or supervision or maintenance and/or repair of the supplied Goods, for a period of time agreed by the parties, provided that this service shall not relieve the Supplier of any warranty obligations under this Contract; and e) training of the Purchaser’s personnel, at the Supplier’s plant and/or on-site, in assembly, start-up, operation, maintenance, and/or repair of the supplied Goods <p>25.3 Prices charged by the Supplier for incidental services, if not included in the Contract Price for the Goods, shall be agreed upon in advance by the parties</p>

	and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services
26. Inspections and Tests	26.1 The Supplier shall at its own expense and at no cost to the Purchaser carry out all such tests and/or inspections of the Goods and Related Services as are specified in the SCC
	26.2 The inspections and tests may be conducted on the premises of the Supplier or its Subcontractor, at point of delivery, and/or at the Goods' final destination, or in another place in the Purchaser's Country as specified in the SCC. Subject to GCC Sub-Clause 26.3, if conducted on the premises of the Supplier or its Subcontractor, all reasonable facilities and assistance, including access to drawings and production data, shall be furnished to the inspectors at no charge to the Purchaser.
	26.3 The Purchaser or its designated representative shall be entitled to attend the tests and/or inspections referred to in GCC Sub-Clause 26.2, provided that the Purchaser bear all of its own costs and expenses incurred in connection with such attendance including, but not limited to, all traveling and board and lodging expenses.
	26.4 Whenever the Supplier is ready to carry out any such test and inspection, it shall give a reasonable advance notice, including the place and time, to the Purchaser. The Supplier shall obtain from any relevant third party or manufacturer any necessary permission or consent to enable the Purchaser or its designated representative to attend the test and/or inspection
	26.5 The Purchaser may require the Supplier to carry out any test and/or inspection not required by the Contract but deemed necessary to verify that the characteristics and performance of the Goods comply with the technical specifications codes and standards under the Contract, provided that the Supplier's reasonable costs and expenses incurred in the carrying out of such test and/or inspection shall be added to the Contract Price. Further, if such test and/or inspection impedes the progress of manufacturing and/or the Supplier's performance of its other obligations under the Contract, due allowance will be made in respect of the Delivery Dates and Completion Dates and the other obligations so affected
	26.6 The Supplier shall provide the Purchaser with a report of the results of any such test and/or inspection
	26.7 The Purchaser may reject any Goods or any part thereof that fail to pass any test and/or inspection or do not conform to the specifications. The Supplier shall either rectify or replace such rejected Goods or parts thereof or make alterations necessary to meet the specifications at no cost to the Purchaser, and shall repeat the test and/or inspection, at no cost to the Purchaser, upon giving a notice pursuant to GCC Sub-Clause 26.4
	26.8 The Supplier agrees that neither the execution of a test and/or inspection of the Goods or any part thereof, nor the attendance by the Purchaser or its representative, nor the issue of any report pursuant to GCC Sub-Clause 26.6, shall release the Supplier from any warranties or other obligations under the Contract.
27. Liquidated Damages	27.1 Except as provided under GCC Clause 32, if the Supplier fails to deliver any or all of the Goods by the Date(s) of delivery or perform the Related Services

	<p>within the period specified in the Contract, the Purchaser may without prejudice to all its other remedies under the Contract, deduct from the Contract Price, as liquidated damages, a sum equivalent to the percentage specified in the SCC of the delivered price of the delayed Goods or unperformed Services for each week or part thereof of delay until actual delivery or performance, up to a maximum deduction of the percentage specified in those SCC. Once the maximum is reached, the Purchaser may terminate the Contract pursuant to GCC Clause 35.</p>
<p>28. Warranty</p>	<p>28.1 The Supplier warrants that all the Goods are new, unused, and of the most recent or current models, and that they incorporate all recent improvements in design and materials, unless provided otherwise in the Contra</p> <p>28.2 Subject to GCC Sub-Clause 22.1(b), the Supplier further warrants that the Goods shall be free from defects arising from any act or omission of the Supplier or arising from design, materials, and workmanship, under normal use in the conditions prevailing in the country of final destination</p> <p>28.3 Unless otherwise specified in the SCC the warranty shall remain valid for twelve (12) months after the Goods, or any portion thereof as the case may be, have been delivered to and accepted at the final destination indicated in the SCC, or for eighteen (18) months after the date of shipment from the port or place of loading in the country of origin, whichever period concludes earlier</p> <p>28.4 The Purchaser shall give notice to the Supplier stating the nature of any such defects together with all available evidence thereof, promptly following the discovery thereof. The Purchaser shall afford all reasonable opportunity for the Supplier to inspect such defects</p> <p>28.5 Upon receipt of such notice, the Supplier shall, within the period specified in the purchaser’s feedback, expeditiously repair or replace the defective Goods or parts thereof, at no cost to the Purchaser</p> <p>28.6 If having been notified, the Supplier fails to remedy the defect within the period specified in the feedback, the Purchaser may proceed to take within a reasonable period such remedial action as may be necessary, at the Supplier’s risk and expense and without prejudice to any other rights which the Purchaser may have against the Supplier under the Contract.</p>
<p>29. Patent Indemnity</p>	<p>29.1 The Supplier shall, subject to the Purchaser’s compliance with GCC Sub-Clause 29.2, indemnify and hold harmless the Purchaser and its employees and officers from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney’s fees and expenses, which the Purchaser may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract by reason of:</p> <ul style="list-style-type: none"> a) the installation of the Goods by the Supplier or the use of the Goods in the country where the Site is located; and b) the sale in any country of the products produced by the Goods <p>Such indemnity shall not cover any use of the Goods or any part thereof other than for the purpose indicated by or to be reasonably</p>

	<p>inferred from the Contract, neither any infringement resulting from the use of the Goods or any part thereof, or any products produced thereby in association or combination with any other equipment, plant, or materials not supplied by the Supplier, pursuant to the Contract</p> <p>29.2 If any proceedings are brought or any claim is made against the Purchaser arising out of the matters referred to in GCC Sub-Clause 29.1, the Purchaser shall promptly give the Supplier a notice thereof, and the Supplier may at its own expense and in the Purchaser’s name conduct such proceedings or claim and any negotiations for the settlement of any such proceedings or claim.</p> <p>29.3 If the Supplier fails to notify the Purchaser within twenty-eight (28) days after receipt of such notice that it intends to conduct any such proceedings or claim, then the Purchaser shall be free to conduct the same on its own behalf</p> <p>29.4 The Purchaser shall, at the Supplier’s request, afford all available assistance to the Supplier in conducting such proceedings or claim, and shall be reimbursed by the Supplier for all reasonable expenses incurred in so doing</p> <p>29.5 The Purchaser shall indemnify and hold harmless the Supplier and its employees, officers, and Subcontractors from and against any and all suits, actions or administrative proceedings, claims, demands, losses, damages, costs, and expenses of any nature, including attorney’s fees and expenses, which the Supplier may suffer as a result of any infringement or alleged infringement of any patent, utility model, registered design, trademark, copyright, or other intellectual property right registered or otherwise existing at the date of the Contract arising out of or in connection with any design, data, drawing, specification, or other documents or materials provided or designed by or on behalf of the Purchaser.</p>
<p>30. Limitation of Liability</p>	<p>30.1 Except in cases of criminal negligence or wilful misconduct:</p> <ul style="list-style-type: none"> a) the Supplier shall not be liable to the Purchaser, whether in contract, tort, or otherwise, for any indirect or consequential loss or damage, loss of use, loss of production, or loss of profits or interest costs, provided that this exclusion shall not apply to any obligation of the Supplier to pay liquidated damages to the Purchaser and b) the aggregate liability of the Supplier to the Purchaser, whether under the Contract, in tort or otherwise, shall not exceed the total Contract Price, provided that this limitation shall not apply to the cost of repairing or replacing defective equipment, or to any obligation of the supplier to indemnify the Purchaser with respect to patent infringement
<p>31. Change in Laws and Regulations</p>	<p>31.1 Unless otherwise specified in the Contract, if after the date of 28 days prior to date of Bid submission, any law, regulation, ordinance, order or bylaw having the force of law is enacted, promulgated, abrogated, or changed in the place of the Purchaser’s Country where the Site is located (which shall be deemed to include any change in interpretation or application by the competent authorities) that subsequently affects the Delivery Date and/or the Contract Price, then such Delivery Date and/or Contract Price shall be correspondingly increased or decreased, to the extent that the Supplier has</p>

	<p>thereby been affected in the performance of any of its obligations under the Contract. Notwithstanding the foregoing, such additional or reduced cost shall not be separately paid or credited if the same has already been accounted for in the price adjustment provisions where applicable, in accordance with GCC Clause 15.</p>
<p>32. Force Majeure</p>	<p>32.1 The Supplier shall not be liable for forfeiture of its Performance Security, liquidated damages, or termination for default if and to the extent that delay in performance or other failure to perform its obligations under the Contract is the result of an event of Force Majeure</p>
	<p>32.2 For purposes of this Clause, “Force Majeure” means an event or situation beyond the control of the Supplier that is not foreseeable, is unavoidable, and its origin is not due to negligence or lack of care on the part of the Supplier. Such events may include, but not be limited to, acts of the Purchaser in its sovereign capacity, wars or revolutions, fires, floods, epidemics, quarantine restrictions, and freight embargoes</p>
	<p>32.3 If a Force Majeure situation arises, the Supplier shall promptly notify the Purchaser in writing of such condition and the cause thereof. Unless otherwise directed by the Purchaser in writing, the Supplier shall continue to perform its obligations under the Contract as far as is reasonably practical, and shall seek all reasonable alternative means for performance not prevented by the Force Majeure event.</p>
<p>33. Change Orders and Contract Amendments</p>	<p>33.1 The Purchaser may at any time order the Supplier through notice in accordance GCC Clause 8, to make changes within the general scope of the Contract in any one or more of the following:</p> <ul style="list-style-type: none"> a) drawings, designs, or specifications, where Goods to be furnished under the Contract are to be specifically manufactured for the Purchaser; b) the method of shipment or packing; c) the place of delivery; and d) the Related Services to be provided by the Supplier
	<p>33.2 If any such change causes an increase or decrease in the cost of, or the time required for, the Supplier’s performance of any provisions under the Contract, an equitable adjustment shall be made in the Contract Price or in the Delivery/Completion Schedule, or both, and the Contract shall accordingly be amended. Any claims by the Supplier for adjustment under this Clause must be asserted within twenty-eight (28) days from the date of the Supplier’s receipt of the Purchaser’s change order.</p>
	<p>33.3 Prices to be charged by the Supplier for any Related Services that might be needed but which were not included in the Contract shall be agreed upon in advance by the parties and shall not exceed the prevailing rates charged to other parties by the Supplier for similar services</p>
	<p>33.4 Subject to the above, no variation in or modification of the terms of the Contract shall be made except by written amendment signed by the parties.</p>
<p>34. Extensions of Time</p>	<p>34.1 If at any time during performance of the Contract, the Supplier or its subcontractors should encounter conditions impeding timely delivery of the Goods or completion of Related Services pursuant to GCC Clause 13, the Supplier shall promptly notify the Purchaser in writing of the delay, its likely</p>

	<p>duration, and its cause. As soon as practicable after receipt of the Supplier’s notice, the Purchaser shall evaluate the situation and may at its discretion extend the Supplier’s time for performance, in which case the extension shall be ratified by the parties by amendment of the Contract</p>
	<p>34.2 Except in case of Force Majeure, as provided under GCC Clause 32, a delay by the Supplier in the performance of its Delivery and Completion obligations shall render the Supplier liable to the imposition of liquidated damages pursuant to GCC Clause 26, unless an extension of time is agreed upon, pursuant to GCC Sub-Clause 34.1</p>
<p>35. Termination</p>	<p>35.1 Termination for default</p> <ul style="list-style-type: none"> a) The Purchaser, without prejudice to any other remedy for breach of Contract, by written notice of default sent to the Supplier, may terminate the Contract in whole or in part: <ul style="list-style-type: none"> i. if the Supplier fails to deliver any or all of the Goods within the period specified in the Contract, or within any extension thereof granted by the Purchaser pursuant to GCC Clause 34; ii. if the Supplier fails to perform any other obligation under the Contract; or iii. if the Supplier, in the judgment of the Purchaser has engaged in Fraud and Corruption, as defined in GCC, in competing for or in executing the Contract b) In the event the Purchaser terminates the Contract in whole or in part, pursuant to GCC Clause 35.1(a), the Purchaser may procure, upon such terms and in such manner as it deems appropriate, Goods or Related Services similar to those undelivered or not performed, and the Supplier shall be liable to the Purchaser for any additional costs for such similar Goods or Related Services. However, the Supplier shall continue performance of the Contract to the extent not terminated <p>35.2 Termination for Insolvency</p> <p>The Purchaser may at any time terminate the Contract by giving notice to the Supplier if the Supplier becomes bankrupt or otherwise insolvent. In such event, termination will be without compensation to the Supplier, provided that such termination will not prejudice or affect any right of action or remedy that has accrued or will accrue thereafter to the Purchaser</p> <p>35.3 Termination for Convenience</p> <ul style="list-style-type: none"> a) The Purchaser, by notice sent to the Supplier, may terminate the Contract, in whole or in part, at any time for its convenience. The notice of termination shall specify that termination is for the Purchaser’s convenience, the extent to which performance of the Supplier under the Contract is terminated, and the date upon which such termination becomes effective b) The Goods that are complete and ready for shipment within twenty-eight (28) days after the Supplier’s receipt of notice of termination shall be accepted by the Purchaser at the Contract

	<p>terms and prices. For the remaining Goods, the Purchaser may elect:</p> <ol style="list-style-type: none"> i. to have any portion completed and delivered at the Contract terms and prices; and/or ii. to cancel the remainder and pay to the Supplier an agreed amount for partially completed Goods and Related Services and for materials and parts previously procured by the Supplier.
<p>36. Assignment</p>	<p>36.1 Neither the Purchaser nor the Supplier shall assign, in whole or in part, their obligations under this Contract, except with prior written consent of the other party.</p>
<p>37. Export Restriction</p>	<p>37.1 Notwithstanding any obligation under the Contract to complete all export formalities, any export restrictions attributable to the Purchaser, to the country of the Purchaser, or to the use of the products/goods, systems or services to be supplied, which arise from trade regulations from a country supplying those products/goods, systems or services, and which substantially impede the Supplier from meeting its obligations under the Contract, shall release the Supplier from the obligation to provide deliveries or services, always provided however, that the Supplier can demonstrate to the satisfaction of the Purchaser and of the funding agency that it has completed all formalities in a timely manner, including applying for permits, authorizations and licenses necessary for the export of the products/goods, systems or services under the terms of the Contract. Termination of the Contract on this basis shall be for the Purchaser’s convenience pursuant to Sub-Clause 35.3.</p>
<p>38. Guidance Contract Renewals</p>	<p>38.1 The Institute will always analyze the benefits and risks to requesting unit through consultation with end users, of the impact that any change in service provision or provider will have on:</p> <ul style="list-style-type: none"> • people who use service; • continuity of service; • the quality of the service and the outcomes delivered; • the cost of the service; • the market; and • the workforce. <p>This analysis may suggest that where the Institute is satisfied with the quality of service and that the best value for money is being achieved, the existing supplier/service provider should continue to deliver the service. If IHVN’s contract with the existing supplier/service provider includes an extension option that is within scope, the contract may be extended for the specified period. In the absence of an extension option, any decision by IHVN to renew (or ‘roll forward’) its contract with the existing supplier / service provider must be compliant with standard practice and policies of the donor agencies. Legal advice should always be sought in respect of any procurement decisions.</p> <p>38.2 Upon mutual written agreement, the Institute and the Contractor may renew the Contract, in whole or in part, pursuant to the incorporated General</p>

	<p>Contract Conditions. No oral modifications to the Contract are acceptable. All modifications to the Contract must be in writing and signed by both Parties.</p>
	<p>38.3 Maximum tenure allowable for each contract is two years, depending on the nature of the contract and funding.</p>
	<p>38.4 Two consecutive renewals are the maximum number of times a contract can be renewed; after which it should be taken back to the market for a fresh competitive process.</p>
	<p>38.5 As a benchmark, the renewal process for a contract from 12 months long, would begin 3 months before the current contract end date. For contracts between 3 – 6 months, 8 weeks before the end date is the standard. Based on excellent performance evaluation documented by the end users, the requesting unit would notify the Legal unit of the Institute of their intention to renew the contract. After which the Legal unit will initiate a renewal discussion with the contractor. Commencement of renewal processes and finalization of the renewed contract must be done before the expiration of the current contract; so as to avoid interruption of service delivery. Additionally, for grant specific contracts, the contract end dates should not go beyond the grant end date.</p>

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
 - Where vendor/contractor expressly requests for down payment, it shall be honored to the tune of 50% but for the purpose of value for money, such down payment shall require Advance Payment Guarantee from reputable bank or insurance company 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 C - 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: 3rd Party Logistics Company

**User Departments
Sub-Partners.**