

# **THE SEEDOO INITIATIVE FOR CHILDREN WITH SPECIAL NEEDS**



## **PROCUREMENT POLICY**

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## **1. Introduction**

This procurement policy also known as purchasing policy is a set of guidelines used to establish and standardize the procedure for purchasing goods and services within The Sedoo Initiative for Children with Special Needs- SECHILD. The policy provides specific instructions to help employees of the organization to successfully navigate common procurement scenarios. SECHILD's ultimate goal is to empower team members with an efficient process while also protecting the organization from risk. The Policy describes the process of purchase, highlights steps and stages of Procurement and also provides information on SECHILD's assets management. Procurement of any valuable items and/or services in the name of The Sedoo Initiative for Children with Special Needs- (SECHILD) should meet the standard/best practices/due process under this policy guidelines.

## **2. Objectives of the Policy**

The objective is to establish a formalized policy to improve spend visibility, increase consistency, control maverick spend and reduce risk. The Procurement policy is to provide fundamental guidance to the organization on best practice in conducting procurement for goods and services, to ensure that the practice comply fully with statutory provisions and best practices and to obtain the best possible value for money on behalf of SECHILD and also enable management and finance department to:

- a) Track the business expenditure and ensure that the organization is not exceeding her approved budget
- b) Control the acquisition of goods and services
- c) Ensure that only valid and needed goods and services are being incurred by the organization.

## **3. Establishment of Procurement Governance**

The purpose of the procurement policy is to establish procedures for the business for procurement of all goods and services and ensure that all goods and services procured are obtained in cost-effective prices, at the required specifications, quality and are delivered in time. This should be achieved through the following process;

- a) Procuring quality goods and services from reliable and well-established Suppliers
- b) Effective negotiations with the suppliers to obtain quantity discounts
- c) Locating, evaluating, and developing economical and supply sources for the organization through an elaborate vendor prequalification
- d) Continuous investigations on new suppliers and market prices trend goods and services the business continuously requires
- e) Procuring prudently by placing emphasis on competition and selection of vendors whose offers confirm to the terms and conditions as well as the technical requirements and specifications stated on purchase requisitions
- f) Management of stock inventory to provide best service to users;
- g) Minimizing the value of stock held to avoid tying funds unnecessarily
- h) Providing timely information to user department and the management on procurement status

#### **4. Scope of the Policy**

The Policy and Procedure Manual covers the Procurement function. The procurement function involves the purchase by all organization units of SECHILD. The procedures outlined in this manual are applicable but not limited to the procurement of:

- a) Goods
- b) Services
- c) Works
- d) Consultancies

The procurement policy is applicable to all SECHILD's units and any other individual who may be given authority to commit the organization's funds by purchasing goods and services for the SECHILD.

## **5. Responsibilities**

The Administration department has the responsibility to maintain an open and competitive process for procuring goods and services.

- ✓ Bids, proposals, and quotations from competing vendors should be evaluated by Administration unit after which the contracts should be awarded.
- ✓ In an open and competitive purchasing process, information pertinent to the bidding process should be kept confidential until the conclusion of the process.

## **6. Application**

The policy regulations should apply to procurement of all goods and/or services by The Sedoo Initiative for Children with Special Needs-SECHILD.

- ✓ Any deviation from these guidelines for whatever reason should be authorized in writing by the Administration Manager.
- ✓ All staff involved in the buying process, including managers and supervisors are responsible for reading and understanding these regulations and any amendments made to them.
- ✓ Ignorance of any of these regulations should not be accepted as an excuse for failure to act appropriately upon any matter or comply with the regulations as stated in the policies herein.

## **7. Competition**

All procurement transactions should be conducted in a manner to provide open and free competition, to the maximum extent practical.

Non-competitive practices among contractors that may hinder, restrict, or eliminate competition should be avoided at all times. Such practices include but are not limited to:

- ✓ Requiring unnecessary experience and excessive bonding

- ✓ Placing unreasonable requirements on firms for them to qualify to do business
- ✓ None competitive pricing practices between firms or between affiliated companies
- ✓ Arbitrary actions in the procurement process

**7.1 Principles:** The following principles should be adhered to in the procurement of goods and services:

- a) Fairness – There should be fair competition. All bidders should be treated with fairness and ensure that they are all given the same level of information when preparing quotations and tenders.
- b) Cost Effectiveness - Quotations and tenders should be evaluated on competitive pricing, quality of the products/services and track record of the bidders.
- c) Transparency – Tender documents should provide all the necessary information for facilitation of submission of appropriate and competitive tenders.

**8. Procurement Methods:** These following procedures should be adopted according to the amount and nature of the procurement of goods or services.

**8.1 Small Purchase procurement:** This is relatively simple and informal procurement of services, supplies or other items that do not cost more than N1,000, 000 (Nigerian One Million Naira only.)

**8.2 Verbal request:** Request for quotations or through email should be obtained from any qualified supplier/contractor who has in the recent past, been fair in pricing and quality. The responsible officer should make a record of the verbal quotations for review and verification.

**8.3 General Procurement:** After obtaining approval from the authorized officer, written quotations should be sought from at least three supplies including the successful tenderer in the last procurement exercise who meet the requirements and have been shortlisted after successfully going through the prequalification process. The lowest quotation meeting the requirements should be accepted. Any procurement exceeding the amount qualifying for small purchase procurement should go through the General procurement.

**8.4 Procurement by non-competitive proposal:** This is where procurement is from only one source, or after solicitation of several sources, competition is determined inadequate. This method may be used only:

- a) If the required item is available only from a single source
- b) The urgency for the requirement should not permit a delay resulting from competitive solicitation
- c) After solicitation of several sources, competition is determined inadequate. In such a case the person initiating the procurement should indicate why there are no alternative suppliers and no need for three quotes.

## **9. Procurement Guidelines/Requirements**

All procurement by the organization should comply with the requirements below:

- ✓ SECHILD should avoid purchasing unnecessary items.
- ✓ Where necessary, an analysis is made of lease and purchase alternatives to determine which would be the most economical and practical procurement. Request for supply of goods and services provide for all the following:
  - a) Clear and accurate description of the technical requirements for the material, product, or service to be procured.
  - b) Requirements should be fulfilled and all other factors to be used in evaluating the proposal submitted in response to solicitations
  - c) To the extent practicable and economically feasible, preference for goods, products or services that conserve natural resources, protect the environment and are energy efficient should be considered top.
  - e) SECHILD should make positive efforts to ensure utilization of small businesses, disabled youth and women enterprises, and minority owned firms.
  - F) Contracts should only be made with responsible contractors who possess the ability to successfully perform under the terms and conditions of the proposed procurement.
  - g) Matters such as contractor integrity, past performance record and financial and technical resources should be considered top.

**9.1 Identifying the Need for Procurement of a good or service:** Once the need for procurement of a good or service has been identified by the unit, head of the unit/department forwards their items requirement to the Administration department through internal requisition in the workflow or mail.

10. Administration department should load it on the organization's procurement system or send via mail to the President.

The President should base on the recommendation of the Administration department approve for purchase.

**11. Vendor Prequalification:** SECHILD assesses vendors' eligibility to supply goods and services to ensure dealings with financially stable competent and professional legal entities to supply her with goods and services. Potential suppliers should fill out a supplier registration form, submit with documents to facilitate the pre-qualification process. Once the relevant documents have been provided, the Administration department selects, recommends to the President who approves. The Administration department should key into the system qualified suppliers and their information should evaluate all vendors annually proposing those to retain and deactivate.

**10.2 New supplier:** Before procuring a good or service from a new supplier, the Administration department should first ensure that there are no suppliers that can provide the good or service requested from the list of preferred suppliers. The department should obtain three different quotations from three suppliers, and the supplier with the lowest quote obtained should be used. In the event that the lowest quote is not used;

a) A memo seeking exceptional approval from the President stating why another supplier is being chosen over the one with the lowest quote.

b) The President should approve the memo seeking to use that supplier in writing before the Administration department can proceed further.

Employees and members of SECHILD should not extend any favoritism to any supplier for any reason whatsoever; any employee that is found to be favoring a specific supplier should be subject to corrective action.

## **11. Procurement by Tenders**

Interested organizations should be requested to submit a quote or Invitation to Bid. Tenders should be advertised or circulated to offer opportunities to a number of suppliers/vendors to encourage competition and provide a pool of offers to select from. It should outline details of what is required, specifications and instructions to be followed. This should be in line with the Public Procurement Procedure of the Bureau of Public Procurement of the Federal Republic of Nigeria.

**11.1 Selection process:** Tenders below ₦5,000,000 should be reviewed by the Tender Committee consisting of officers from Administration, Finance and Human Resources with the Head of Administration and Finance chairing the tender committee. The Administration Officer should act as secretary to the Committee and minutes containing deliberations of the Committee should be submitted to the President for final approval in the award of tenders. For tenders above ₦5,000,000 but not limited to ₦50,000,000, SECHILD's Executive Management Team should evaluate the tenders/proposals based on set criteria and request for bids or quotes from bidders that meet the set criteria to the next stage of the tender process. The bids or quotes received should be evaluated based on financial, economic, technical and professional

Capacity of bidders. Contract should be awarded to the bidder that better meets the set criteria. For tenders from ₦50,000,000 and above, a procurement Team should be set up to comprise SECHILD's Executive Management Team and external professionals.

**11.2 Tender Box:** All tenders should be submitted to the Committee/Executive Management in the prescribed format and in sealed plain envelopes. Tender boxes are provided at SECHILD Center and where necessary at other Centers of SECHILD. Tenders should be submitted in the tender boxes within the stipulated period.

**11.3 Tender Register:** Tenders should be opened in the presence of the tender committee members. All tenders submitted should be recorded in a Tender Register giving name and address of the tendering parties, date, tender amount, and a summary of any supporting documents attached to the bid.

**11.4 Tender Contracts:** For the purpose of reducing administrative costs and efforts associated with duplicating procurement of identical goods, long term contracts should be awarded through a tender process whenever possible. These contracts could range between six months to one year. Specification standards for goods meant to meet the same user needs should be defined. This should enable the Administration manager to consolidate quantities in the procurement plan for purposes of negotiating discounts on bulk purchases and for establishing long term contracts.

**11.5 Contract Administration:** There should be a maintained system for contract administration for the purpose of ensuring contractor conformity with the terms, conditions, and specifications of the contract and to ensure adequate and timely follow up of all services. Contractors should be evaluated as to whether they have met the terms, conditions, and specifications.

## **12. Specific Goods and Services Procurement Procedures**

### **Stock Items: (Internal Requisition):**

- ✓ User forwards their items requirement to the Administration department through the internal requisition in the workflow or mail.
- ✓ The Administration department receives the requisition and issues items to the respective unit/department.
- ✓ The respective unit receives the items and acknowledges receipt by signing the stores issue Voucher.
- ✓ The voucher should also be signed by the officer issuing the goods.
- ✓ If the items are out of stock, the Administration department starts the sourcing process of prequalified suppliers for the intended purchases.

**12.1 Non-Stock Items (Capital Assets):** Capital Assets refer to assets such as computers, phones/iPad, Office equipment, Furniture &

Fittings and Motor vehicles which should be capitalized and recorded into the asset register. Office supplies such as staplers, paper punch, digital calculators, sharpeners, staple remover etc are not considered capital items. Capital assets are not perishable goods or consumables. Services such as building/construction, consultancy, and all contracts other than routine service/maintenance contracts should be considered as capital expenditure. Any major electrical, plumbing, or partitioning work should also be considered to be of a capital nature. Purchase of any capital asset should be approved by the Board of Trustees. But where the value of the capital asset is not significant, the Board of Trustees may delegate their approval to the President. It should be noted, however, that the Board of Trustees should countersign any purchases of a capital nature that was approved by the President. Only then can the goods/services be procured.

### **13. Approval Limits**

Administration department forwards received requests to the President for approval in the workflow or email. The capital expenditure form to include:

- a) Source department
- b) Type of Asset to be purchased
- c) Description of the Asset
- d) Value of the Asset
- e) Proposed supplier(s)
- f) Available budget
- g) If no budget, reason for the purchase. The Administration department approves confirming budget availability. If no budget for the Capital, Item, the process moves to the President for approval to incur the expenditure. The Administration requests for quotes and the selected vendor is confirmed and approved by the Administration Manager attaching the account to be spend. Approval by the Executive Management Team/ President for funds commitment is also gotten.

**13.1 Travel and Accommodation Services:** This includes booking of flights, car hire and accommodation. The user forwards their requirements to the administration department through complete

travel and accommodation requisition form. The procedure follows the same as in Capital expenditure process. The form should include details below:

- a) Name of the traveler/Employee number
- b) Department/Extension
- c) Destination
- d) Departure date
- e) Return date
- f) Purpose of trip
- g) Duration of stay
- h) Proposed travel agent (if a specific agent is preferred outside; the
- i) Mode of travel
- j) Estimated Travel cost
- k) Travel Advance
- l) Approvals
- m) Departmental Head Approval
- n) Vice/President's approval

These services should only commence after the completion of the travel and accommodation requisition approval procured through Administration department. Unless for very special cases where maximum precaution should be exercised and in which case, the corporate service/administration department should be deemed inadequate to deal with such precautions. For staff travelling to the same direction within the same time, administration department should look at the most convenient, cost effective means of Travel without inconveniencing any of the parties involved. This therefore implies that in such circumstances, the officers travelling should most likely travel using the same means as long as everyone's needs are accommodated.

#### **14. Generating a Purchase Requisition Form**

The Purchase Requisition form - PRF is the document which all goods and services should be ordered through expect if the cost of the goods and services are less than N10, 000.00. The PRF should carry these following information:

- a) Date of Request

- b) Date required
  - c) Vendor name
  - d) Requested by
  - e) Programme manager approval
  - f) Vendor contact
  - g) Administration & Finance approval
  - h) President approval
  - i) Special instructions
  - j) Quantity
  - k) Item
  - l) Description
  - m) Price
  - n) Total price
  - o) Account coding
  - p) Naira amount
  - q) Total
- r) Name and signature of person making the order
  - s) Name of the person authorizing the order and the date
  - k) The correct general ledger (GL) account to which the expense/CAPEX should be allocated
  - m) In the event that the administration department is unsure which account should be used, they should contact the Accounts Department for clarification

**14.1 Approval of Purchase Requisition Form by Management:** Once the administration department has obtained a quote, they should complete the Purchase Requisition form. The form should be taken to the Accounts Department for the Accountant to sign off on the budget availability. For all exceptional items, not in the budget, the request should be approved by Vice/President/Executive Director. The requisition should be supported by a strong business case by the head of unit/department making the request. All the relevant documentation, required per the PRF should be provided. The administration officer should sign and date the PRF and submit it for relevant approval according to Delegation of Authorization as listed below:

- a) Title Authorization limit: Line manager N20, 000.00
- b) Head of Administration N50, 000.00

- c) Treasurer/Accountant N100, 000.00
- e) President N3, 000,000.00
- e) Executive Management N5, 000,000.00
- f) Board of Trustees Any Amount.

**14.2 Processing of Local Purchase Order (LPO):** Once the PRF has been properly completed, it should be submitted to the administration department for processing. The following steps should be adhered to:

- a) The IP should ensure that the PRF is physically delivered to the person responsible for procurement in the administration department
- b) The administration department should not accept responsibility for any PRF's that have not been submitted to the responsible person for procurement
- c) The IP should register the PRF in the notebook at the Administration Department, ensure that all the necessary fields are completed, and sign off the register and ensure that the person responsible for procurement also signs off the register as proof of receipt of the PRF
- d) Only properly approved purchase requisitions forms should trigger procurement process
- e) Incomplete or inaccurate PRF's submitted to the administration department should be returned to the IP disclosing the reason the PRF has been returned; when a revised PFR is submitted, the original PRF should also be attached to the submission
- f) The administration department should process the PRF to generate an LPO with a sequenced number
- g) Once the LPO is generated and all the necessary approvals gotten, it should be sent to the supplier
- h) The turnaround time for the administration department to generate an LPO should be 24 hours
- i) All PRF's should be submitted to the administration department before 12:00; any PFR's submitted after this time should be deemed to have been submitted the next day
- j) It is the responsibility of the IP to follow up and obtain the LPO number.

**14.3 Delivery of Goods:** Once the LPO has been approved and forwarded to the supplier, the goods and/or services should be

delivered within the stipulated period. All goods and service should be delivered to the required standards (quantity and quality) and as per the specifications given on the LPO. Once the goods and/or services are delivered, a delivery note should be signed to indicate that the goods are as per the specifications on the LPO. If they are not, then under no circumstance should a delivery note be signed. The Administration Assistant or the Administration Manager accompanied by an accounts officer dealing with accounts payables should take delivery of goods and certify that they are as per required standards.

**14.5 Supplier Invoices:** Once goods and services have been delivered and accepted the supplier can then prepare their invoice for payment. Once an invoice is received, the Administration Assistant should attach all supporting documents covering all the processes above and forward the same to the Accounts Payable Department for processing. The invoice should have the flowing documents attached and in the order indicated:

- a) Delivery Note
- b) Local Purchase Order
- c) Supporting Quotations

**14.6 Payments to suppliers:** The payment process begins with the presentation of the invoice to the procurement department. The invoice should be attached with all approved and relevant documentation. Once the documents have been confirmed to be complete, they are delivered to finance/accounts department for payment.

**14.7 Storage and Inventory Control of Consumables:** SECHILD should maintain a store for keeping stationery, office supplies, assistive devices, consumables, food and other such equipment. The store should be a secure place that is under lock and key and with limited access. The authorized personnel are the Store Keeper, the Administration Assistant, the Center Facilitator, Head of Care Givers and the Administration Manager. The stores should only be accessed during official working hours. Access to the stores on weekends and outside working hours should be obtained from the Administration Manager. The store should be open every second and fourth working day of the week between 14.00 and 16.30 pm.

**14.8 Quarterly Stores Returns:** The Administration Assistant in conjunction with the administration Manager should make quarterly returns in the prescribed format. The returns should indicate all purchases made over the quarter, the balances at the close of the quarter and the respective reorder levels.

**4.9 Re-Order Levels:** These should be generated by the system for each item normally purchased by the organization and kept in the stores. The re-order level should indicate the minimum stocks that should be maintained at the store for an item at any given time. This ensures that the Store does not run out of supplies and is able to service needs of the children under care and the organization.

## **15. Donor requirement**

In a situation where a donor has its guidelines to be used for the procurement process, SECHILD should comply with such guidelines for procurement of services and goods related to the projects funded by such a donor. **Supremacy:** The Administration department oversees the process while the President should give the approval limits.

## **16. Code of Conduct Behavior**

Being representatives of SECHILD, it is expected that employees should conduct themselves in a professional and ethical manner, maintain high standards of integrity and use good judgment in all their dealings. All employees are expected to be principled in their business interactions and to act in good faith inside and outside the organization. SECHILD should be governed by the code of conduct in performance, behaviour, and actions of all who are engaged in any aspect of procurement including but not limited to - purchasing goods and services, awarding contracts, and the administration and supervision of contracts.

**16.1 Conflict of Interest:** Where apparent or real conflict of interest to a reasonable person would be involved, then in such a circumstance, no employee, officer, or any agent should participate in such selection, award or administration of a bid or contract supported by the commitment of the organization's funds. Such a conflict would arise when the employee, officer, agent, or any member of his or her immediate family, his or her partner or an organization which employs

or is about to employ any of the parties indicated herein, has a financial or any other interest in the firm selected for an award. This information should be disclosed to the Administration/procurement/corporate services management. Where there would be conflict of interest with the business of the organization. Such situations should be declared to the organization in accordance with the code of conduct of SECHILD.

**16.2 Accepting Gifts from Vendors:** SECHILD employees, officers or agents of the organization should not accept or solicit money, credits, gifts, services, entertainment, or favours from current or prospecting suppliers on or off the work premises. Gifts would include gift vouchers, pens, hats, t-shirts, mugs, calendars, bags, key chains, portfolios, supplier provided food, beverages, or entertainment in form of events like sporting, as well as items of greater value. Even if it is seemingly less value, such gratuities can give rise to or appearance of conflict of interest. Employees should professionally inform vendors, potential vendors and others of this no-gift policy, and the reasons SECHILD has adopted the policy. Employees should request that vendors respect the organization's policy and not purchase and deliver any gift for them, a department, an office, or SECHILD, at any time, for any reason.

**16.3 Exemptions:** Exceptions from this policy should be the following:

- Gifts such as t-shirts, pens, trade show bags and all other items that employees obtain, as members of the public, at events such as conferences, training events, seminars, and trade shows, which are offered equally to all members of the public attending the event.
- Attendance at and food, beverages, and items provided at events, exhibitor trade show floor locations, press events, and parties funded by conference or event sponsors.
- Cards, thank you notes, certificates, or other written forms of thanks and recognition.
- Food, beverages, and moderately priced meals or tickets to local events that are supplied by and attended by current customers, partners, and vendors or suppliers in the interest of building positive business relationships.

- Moderately priced entertainment provided as part of a "working" meeting or session to benefit and advance positive working relationships and the organization's interests. These activities are expected to be reciprocated by SECHILD in turn.

If an employee or department receives a gift the following should be applied:

- If feasible, the gift should be returned to the vendor. If not feasible to return the gift, the gift should be raffled off to all employees. Proceeds from the raffle should be donated to the organization. Plants or flowers should be displayed in the lobby, or at another central location where all employees may enjoy their presence.
- Gifts of food that may arrive during the holidays, and at other times of the year when gift giving is traditional, belong to the entire staff even if addressed to a single employee.
- Under no circumstances should an employee take a food gift home; food gifts should be shared with and distributed to all staff, with email notice, during work hours, in central, worksite locations.

Human Resources is the arbiter of the gift policy and should ensure consistent employee treatment across the organization. Any exceptions to the gift policy may be made only with the permission of the President or the Vice President.

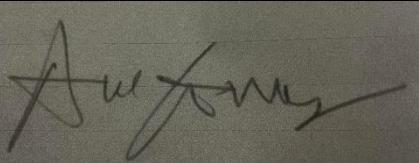
## 17. Policy Review

This policy and any modifications thereof, should be effective from **October 5th, 2022** as approved by the Board of Trustees and communicated by the Executive Management Team. The procurement policy should be reviewed and updated annually unless there is need due to changes in the security context of our work environment or to capture some security aspects that were not envisaged at the development of the policy reviewed and updated change is triggered through Audit recommendations or reorganization within the organization necessitating radical changes in processes, roles, and responsibilities.

**The procurement policy should be reviewed and updated annually**

Version	Date	Author	Summary
1.0	June 5 <sup>th</sup> 2022	The Sedoo Initiative for Children with Special Needs- SECHILD	The policy is a set of guidelines used to establish and standardize the standard/best practices/due process procedure for purchasing goods and services within The Sedoo Initiative for Children with Special Needs- SECHILD. SECHILD's ultimate goal is to empower team members with an efficient process while also protecting the organization from risk. The Policy describes the process of purchase, highlights steps and stages of Procurement and also provides information on SECHILD's assets management. Procurement of any valuable items and/or services in the name of The Sedoo Initiative for Children with Special Needs- (SECHILD)

**Document Approval**

Version	Date	Approved by SECHILD Board of Trustees
1.0	June 5 <sup>th</sup> 2022	The Sedoo Initiative for Children with Special Needs- SECHILD
		
		Barr. Aver Gavar-Chairperson