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**Society for Behavioural Therapy & Health (SBTH)**

**Procurement Policies & Procedures**

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**1.0 About Us**

Society for Behavioural Therapy and Health (SBTH) is a public non-denominational Christian non-governmental, not-for-profit making indigenous organization based in Abuja, Federal Capital Territory, North Central, Nigeria. It was established in 2016 registered with the Corporate Affairs Commission of the Federal Republic of Nigeria; registration number is CAC/IT/NO 89634.SBTH’s vision is to envisions stable communities that can develop effective institutions to provide for their people, enabling them to overcome hardship and live peaceful and fulfilling lives and its mission is to assist and support impoverished and disadvantage people – children, youth, men, woman and older person in a holistic manner by ensuring the right of all people to development, security and enhanced quality life.

SBTH is register with SCUMUL department of the Economic & Financial Crime Commission and Federal Inland Revenue Service. The process of registration with other relevant agencies and networks such as FCT Social Secretariat, Federal Ministries of Women Affairs, Education and Justice, Association of OVC NGOs in Nigeria (AONN), National Network of People Living with HIV/AIDS in Nigeria (NEPWHAN), Civil Society in HIV/ AIDS (CiSHAN), Civil Society in Malaria Control Immunization and Nutrition (ACOMIN). Civil Society on the Eradication of Tuberculosis is going. On the international level, SBTH is registered with Word Federation against Drugs (WFAD) and International Substance Abuse & Addiction Coalition (ISAAC).

We are motivated by the example of Jesus Christ to cherish, preserve and uphold the sacredness and dignity of all human life, foster charity and justice through His teaching as we act to promote human development by responding to major emergencies, fighting disease and poverty, and nurturing peaceful and just societies. We reach out in care and love to those who are poor and disadvantage, children, youth, men, woman, families and elderly person the in various aspects of:Emergency Response and Recovery; Education; Health; Nutrition & Agriculture; Water and Sanitation; Poverty Alleviation & Microfinance; Drug Prevention &Treatment; Social and Behavior Change Communication; Capacity Developments and Research

We are one family that are committed to the pursuant of our vision and mission statement, while taking pride in our core value system. Society for Behavioural Therapy & Health’s core values are guiding principles and tenets that describe how the organisation strives to operate. These includes: Passion for God (Deut 6:5); Faith (Heb 11:1); Love and solidarity (Col 3:12); Dignity and respect; Justice and equality; Cooperation and partnership; Accountability and stewardship

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1. **Introduction**

This document shall address the whole process of acquisition from third parties, whether goods, services or construction projects and shall be binding on all SBTH staff to whom a copy will be made available as part of orientation package.

The administrations of this manual shall in particular, ensure strict compliance with the provisions therein and such other amendments/additions that may be necessary when specific provisions of particular donors as entrenched in the cooperative agreement or MOU so require.

**3.0 Definition of Scope**

This manual covers the whole process of acquisition from third parties, whether goods, services or construction projects. It is therefore, imperative that it is made available to all staff of SBTH.This also presupposes that all SBTH staff shall be given orientation on this manual at regular intervals in order to serve as guide in procurement process.

**4.0 Purpose of procurement procedures**

Procurement procedures are to ensure that:

* Procurements are made to the maximum extent possible on a practical, open and freely competitive basis
* SBTH obtains the maximum value for money on all its procurements of goods and services
* Procured goods and services are delivered in correct quantity and in timely manner.

**5.0 Procurement Unit**

SBH shall establish a procurement unit which shall be responsible for guiding, managing and affecting all procurement and supply activities. The staffing of this unit shall be guided by the prevailing needs and status of the Organization.

**6.0 Procurement Committee**

a. SBTH shall establish a Procurement Committee, members of which shall be nominated by management.

b. The Procurement Committee shall be responsible for evaluating tenders for any procurement in excess of One Hundred Thousand naira (**N**100, 000.00).

**6.1 Composition of the Committee**

The procurement committee shall comprise of the following:

1. A representative from all the departments including the Internal Audit department
2. A member of the management who shall serve as the Chair of the Procurement Committee
3. The Procurement Officer who shall function as the secretary of the Procurement Committee and provide technical support to the committee in the evaluation of tenders.

The Chairman of the Procurement Committee shall be appointed by the Chair Person of SBTH Governing Council.

**6**.2 **Mandate of the Committee**

1. The Procurement Committee shall be responsible for making recommendations on how the best value for money can be gotten within the available resources
2. The Procurement Committee, shall be responsible for evaluating tenders and selecting vendors for the supply of goods and services above N100, 000,
3. The Procurement Committee shall be responsible for completing any necessary negotiations with selected vendor.
4. The recommendations of the Procurement Committee shall be tendered to the Executive Director for approval.

**7.0 Conflict of Interest**

Members of the Procurement Committee, the Board and consultant approval authorities shall be obliged to declare any conflict of interest and exclude themselves from bid evaluation and approval process.

### 8.0 General Procurement Policy

1. Bulk purchases should be made to take advantage of specification, uniformity of features, coordination and control, price discounts and uniform pricing of products.
2. Printing of all security and stationary items shall be centralized.
3. A (schedule) catalogue of Contractors/ Suppliers of which not less than three vendors for each category of product will be maintained at the Secretariat. The list must be populated through an open invitation for pre-qualification. The list of pre-qualified vendors shall be approved by the Governing Council and reviewed every year. Pre-qualification of vendors shall be based on the following criteria:
4. Evidence of technical and professional qualification/competence
5. Evidence of Registration with appropriate authority
6. Evidence of adequate financial resources e.g. through bank statements,
7. Availability of after sale/maintenance service where applicable
8. Evidence of having supplied similar goods in the last 3 years.
9. Sworn affidavit that none of the directors had ever been convicted of any fraudulent activity (for High Volume)
10. Tax clearance (Federal Government Requirement)
11. Audited financial account (necessary for very large procurements)
12. Letter of recommendation from a reputable organization
13. Adequate identification of contact person
14. All procurements shall be handled by the procurement unit, with the exception of items procured through petty cash
15. For all procurement outside petty cash a minimum of three quotations must be evaluated and documented, and the contract awarded to the lowest technically qualified bidder
16. Items below hundred thousand may be procured by direct purchase, while all Procurement above one hundred thousand must be procured by an indirect procurement through pre-qualified vendors.
17. For procurements above one million per unit item, there must be an open invitation for bid.
18. Advance payment for procurement of goods and services when necessary shall not be more than 15% of the contract sum, and the vendor is required to provide a bond guarantee of not less than 20% of the contract sum.
19. Where appropriate, the Procurement Committee shall undertake an analysis of lease and purchase alternatives to determine which would be the most economical and practical procurement for SBTH.

**9.0 Procurement Request**

1. Procurement requests for items for program implementation are to originate from the various units or the respective Project Managers/Officers using purchase request form.

However, request for purchase of office consumable items shall be made by the Stores Officer (a member of Administrative Department), as soon as any of the consumable items has attained the re-order level.

In order to ensure timely and continuous supply of office consumable items and guard against constant price fluctuation, a minimum of two months stock of office consumable items shall be maintained at all times. Re-order levels/reorder quantities are based on the approved minimum and maximum stock levels for office consumable items. Stock levels and re-orders level will be reviewed bi-annually on the basis of analysis of usage / consumption trend.

Reorder level for program items shall be determined by the forecasted quantity for the next quarter.

**10.0 Procurement Procedure for Goods and Services above N100, 000**

1. Upon receipt of approval from Manager Finance & Admin (for office/administration items), or the Project Coordinator (for items needed for program implementation), the Procurement Officer will request for quotations from three interested pre-qualified vendors..
2. The quotations shall be presented to the Procurement Committee at its meeting which must be represented by at least a quorum of its total membership The Committee will make selection with emphasis on cost minimization, quality, durability and track record, The Committee’s recommendation based on a scoring matrix to be used would be presented to the Administrative Secretary for approval.
3. Upon approval of vendor/quotation, the Procurement Officer shall prepare a Local Purchase Order (LPO), which must be recommended by the Finance and Admin Manager or any other officer to be designated for that, for approval by the Administrative Secretary or any other officer the Administrative Secretary may direct.
4. LPO shall be forwarded to the Supplier for deliverance in accordance to the terms and condition of which must include: -
   * 1. Delivery date
     2. Price
     3. Specified brand of product
     4. Type of goods
     5. Name of contractor
     6. Payment terms
     7. Penalty clause (if any)
     8. Quantity
     9. Quality
5. Vendor delivers the goods as scheduled to the Stores Officer who will confirm that the goods are in accordance with the required specifications as defined in the Local Purchase Order (LPO). The goods supplied shall be inspected by a representative of the Internal Audit, who will sign off on the suppliers waybill /delivery invoice if satisfied with it.
6. A register shall be opened in the Store to show goods received, date, time and be duly counter-signed by the Storekeeper, User department and Internal Audit Officer.
7. The Finance & Admin. Dept. shall then process payment in line with SBTH’s existing payment policy and makes necessary accounting entries.
8. Payment shall be made using original copies of supplier’s invoices, LPO and the GRN.

**11.0 Bidding Process.**

1. For purchase above one Million Naira per unit, the Procurement Committee through the Secretary shall solicit for bids through advertisement in at least one of the national newspapers, letters requesting for bids, and placing a notice on the organization’s notice board for interested bidders.
2. Sealed bids shall be opened in the presence of at least one-third of the Procurement Committee Members, including the Chairman of the Committee
3. All Committee members at the meeting shall append their signatures on each quotation/scoring matrix.
4. The summary of the bids analysis shall be prepared by at least two members of the Committee, which shall be deliberated upon by the whole house and the lowest technically qualified bidder recommended for approval.

**12.0 Procurement Procedure for Services (Consultancy, Insurance, Security, Maintenance Services etc)**

This section shall complement, supplement, or amend the General procedures for the supply of Goods and Services as it relates to procurement of services. Wherever there is a conflict, the provisions herein shall prevail over those in the general procedures.

1. Procurement of all Services above N100, 000 including consultants for trainings shall be handled by the procurement unit. At least three quotations/proposals including technical profile shall be obtained, analyzed and a comparative summary presented to the procurement committee for evaluation and recommendation to the Administrative Secretary through the project coordinator.
2. On approval by the Administrative Secretary, a contract letter shall be issued to the successful vendor.
3. Payment for consultancy and services shall be based on evidence of performance, and this shall be included in the contractual agreement to be signed by both parties
4. Procurement of Services/Consultants below N100, 000 shall be handled by the user department, and three quotations/proposal must be obtained (except for services procured through petty cash), analyzed, and recommendation forwarded through the head of department to the project Coordinator for approval.

**13.0 Essential Procurement Procedures**

Procurement of goods and services should comply with the following general essential procedures:

1. All procurements for goods and services must be initiated by the user-department using purchase request.
2. All goods or services to be procured must be clearly specified, by the user department
3. All procurement must be properly authorized prior to purchase based on the internal and signatory authorities established within the organization.
4. Procurements must be reasonable and necessary for the completion of activities in approved work plans and budgets, to be an allowable cost chargeable to a donor. Any procurements requiring prior approval by donor, including international travel, must not be initiated until approval is obtained.
5. All procurements shall be handled by the procurement unit, with the exception of items procured through petty cash.
6. A minimum of 3 quotations/tenders must be obtained, evaluated and documented for all procurement processes outside petty cash, and the award shall be made to the lowest technically qualified bidder.
7. Tenders for procurements above N100, 000 shall be evaluated by the procurement committee, who shall make recommendations to the Administrative Secretary through the Project Coordinator.

Whenever there is a change in the specification of an item, before, during or after evaluation, for whatever reason, fresh tenders should be obtained to match the new specification and a re-evaluation done.

1. Purchase Orders should be issued for the purchase of all goods above N100, 000.
2. All approved memos for procurement should be reverted to procurement to make copies for documentation.
3. Whenever an outcome of management meeting gives a directive to procure goods such that there is a deviation from the procurement committee's recommendation/evaluation, such shall be communicated to 'procurement' in writing including the basis for the decision, for proper documentation. Copy of the same written communication/directive will be forwarded to finance by 'procurement', after purchase orders have been issued.
4. To following sound business practices, all procurements funded by donors shall be undertaken in accordance with donor requirements.

**14.0 Procurement Cycle**

Procurements shall generally be carried out according to the following cycle, though not every procurement transaction will include each step:

1. Determination of Need
2. Determination of Procurement Strategy – what type of mechanism will be used? (e.g. Purchase Order, Purchase Order for Services, Consultant Letter or Subcontract)
3. Issuance of solicitation document, including a Scope of Work for services and Technical Specifications for goods, and the selection criteria that will be used.
4. Selection
5. Negotiation of price and terms
6. Award.
7. Receipt of Goods or Implementation of Services
8. Closeout, acceptance and payment.

**15: Solicitation Requirements**

Solicitations shall provide for all of the following:

1. A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition to a specific brand or individual.
2. Requirements which the bidder must fulfill and all other factors to be used in evaluating bids or proposals.
3. A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable quality standards.
4. The specific features of “brand name or equal” description that bidders are required to meet when such items are included in the solicitation.
5. Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.

**16.0 Procurement Instruments**

The type of instrument used shall be appropriate for the goods or services being procured as outlined below:

1. **Pre-numbered Requisition forms** shall be used by the user department to initiate the procurement process.
2. **Quotation Request Forms/enquiries** shall be used by the Procurement Officer to request for bids from the vendor/suppliers.
3. **Comparative Cost Analysis sheets** shall be used by the Procurement Officer to analyze which vendor/supplier gives SBTH the overall best value.
4. **Pre-numbered Local Purchase Orders** shall be used for the procurement of all goods and services above N100, 000.
5. **Consultant Letter** shall be used to procure short-term technical services from an individual or organization. Technical Services are related to activities in public health management, for example. Consultant agreements generally specify the level of effort, in days, at a prescribed daily rate and for a specific scope of work.
6. **Subcontracts** shall be used to procure technical services from an individual or organization. The solicitation shall state what kind of contracting instrument will be used for award. **Fixed Price** and **Cost reimbursement** are the two most common types of subcontracts.
   * + 1. ***Fixed Price*** awards are generally used when it is possible to reasonably estimate the cost to perform the work. The contractor receives the award price whether the actual costs are higher or lower than that agreed to.
       2. ***A Cost Reimbursement*** award is generally used when it is difficult to estimate the cost to perform the work. The contractor shall be reimbursed for actual costs, based on receipts, incurred to perform the service. There are generally budget limits imposed.