



**PROCUREMENT  
POLICY**

**JDF**

**JIREH DOO FOUNDATION**

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## **1.1 Background Information**

Jireh Doo Foundation was founded in 2003 and became operational in the same year. JDFs uniqueness lies in her interventions including advocacy and services to single women and their children, orphans and vulnerable children with special consideration to those orphaned by HIV. Our interest also lies in providing relief assistance to those made vulnerable by human and natural disaster (IDPs). In this light, we make particular effort to nurture partnerships with especially public organizations and non-governmental organizations and agencies, advancing the role of women through participation, service delivery, capacity building and networking amongst others in the achievement of sustainable development. In a world where development is no longer a process but a condition and a reality, these areas of concern are of a key institutional and programmatic relevance to the vision and mission of Jireh Doo Foundation.

1. Improved response to the humanitarian needs of vulnerable persons
2. Improved gender equality and livelihood support for persons at the community level of young persons, Men, and Women. This will include
3. Promotion of good Governance and policies (Good Governance and Policy)
4. Promotion of prevention and treatment in HIV and other Health disease burden (malaria, TB and Diarrhoea)
5. Promotion of protection programs for Children and Youth in communities that encourages child Development and Adolescent Empowerment
6. Promotion of knowledge, learning and sharing of information on protection and livelihood support through accessible Knowledge and Information Management

## **1.2 JIREH DOO FOUNDATION VISION, MOTTO AND MISSION**

### **1.2 Vision**

Envisions a society where the poor and vulnerable have access to social justice and sustainable livelihood.

### **MOTTO**

"Voice for the voiceless"

### **MISSION STATEMENT**

JDF is committed to enhancing social justice of the underserved for a healthier society through creating access to sustainable livelihoods, basic health information, inclusive governance, gender equity and improved response to emergencies

will maximize all friendly approaches including but not limited to partnerships and youth and child friendly services.

**1.3 Purpose of Procurement Standards.** The purpose of these standards is to establish procedures for the Jireh Doo Foundation (JDF) for the procurement of supplies and other expendable property, equipment, real property and other services.

## **2. Code of Conduct.**

### **2.1 Conflict of Interest**

No employee, officer, or agent of JDF shall participate in the selection, award, or administration of a contract if a real or apparent conflict of interest would be involved without declaring such interest. At the declaration of such interest, the National Coordinator shall determine whether the said officer shall be excused from the process or to proceed.

Such a conflict would arise when the employee, officer, or agent, 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 other interest in the firm selected for an award. The officers, employees, and agents of the organization shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub-agreements except for where the financial interest is not substantial or the gift is an unsolicited item of nominal value. Members of the organization's board of trustees shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the organization shall be subject to disciplinary actions for violations of these standards **through appropriate disciplinary and investigative channels.**

**A conflict-of-interest form will be signed by all staff in respect of procurement and recruitment annually. Committee members will sign it during each procurement. Member who indicates conflict of interest must not participate in the process. Those who accept that their interest will not affect the process, will remain in such meeting.**

### **2.2 Acceptance of Gratuities**

No Jireh Doo Foundation member, employee or designated agent of the organization shall solicit or accept gratuities, favors or anything of monetary value from contractors, Vendors, potential contractors, subcontractors or potential subcontractors. **Contract documents are to indicate that vendors are not to give staff tokens or monies and if found wanting will lose their vendorship with JDF. No monetary gift is to be accepted by staff, however JDF acknowledges the need to respect the culture of the people that associate with the organization, therefore any non-monetary item or material given by vendors or organizational associate as a result of**

**cultural or religious celebrations or activities will be declared and distributed to staff equally.**

### **2.3 Penalties**

Any JDF member, employee or designated agent of the organization who knowingly and deliberately violates the provisions of this code will be open to civil suit by JDF without the legal protection of the organization. Furthermore, such a violation of these procurement standards is grounds for dismissal by JDF (if an employee) or such sanctions as available under the law (if Board of Trustee member). Any contractor or potential contractor who knowingly and deliberately violates the provisions of these procurement standards will be investigated and relevant penalty issued which may include complete blacklisting from future transactions with Jireh Doo Foundation.

**2.4 Competition:** All procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. JDF shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. In order to ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, and invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the organizations, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the organization. Any and all bids or offers may be rejected when it is in the organization's interest to do so. In all procurement the organization shall avoid practices that are restrictive of competition. **However, credibility and quality supplied by a party/vendor should be enough reason to engage the vendor in direct procurement. In such cases the National Coordinator will get a recommendation from the Procurement Committee through the Programme Manager CC of finance and Admin manager. This shall similarly be applied to Emergency and life threatening issues, and health threat to staff or beneficiaries.** These include but are not limited to:

- (a) Placing unreasonable requirements on firms in order for them to qualify to do business,
- (b) Requiring unnecessary experience and excessive bonding,
- (c) Noncompetitive pricing practices between firms or between affiliated companies,
- (d) Noncompetitive awards to consultants that are on retainer contracts,
- (e) Organizational conflicts of interest,
- (f) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement, and
- (g) Any arbitrary action in the procurement process

### **3.1 Essential Procurement Procedures**

#### **General**

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

- ✓ All procurements must be initiated by the user department using purchase requisition form.
- ✓ All goods and services to be procured must be clearly specified.
- ✓ All procurements must be properly authorized prior to purchase based on internal

controls and signatory authorities established within the organization.

- ✓ Procurements must be Allocable, reasonable and necessary for the completion of activities in approved work plans and budgets to the allowable cost chargeable to a donor.
- ✓ The items purchased should be most advantageous to the organization when price, quality and other factors are considered. The focus is on obtaining the best overall value and not necessarily the lowest price

### **3.2 Step by Step Procedures of Procurement**

Generally, all procurement in excess of N300,000 shall be guided by these procedures, except service contract with a time frame standing agreement of cost. These procedures must be followed with detail documentation showing details carried out in every action.

- Determination of Need- Need assessment must be done by the unit desirous to Procure.
- A procurement request on the approved template shall be completed by the unit and forwarded to the National Coordinator for her approval if above N1,000,000.00
- The procurement committee sends out solicitation letters or request for quotations (RFQ) to our vendors/contractors via email requesting for quotation on the item(s) needed. Solicitation document include a scope of work for services, technical specification for goods, quality and standard of items required. At least three quotes will be requested for the procurements to be made.
- At least three quotations will be received, one from each vendor/contractor and submitted to the procurement committee for analysis to include terms and schedule of payment. **However, in the event that the deadline passed and 3 quotations have not been received, the procurement committee will provide proper evidence of the advert and procedures followed till the date of the deadline, this will guide the Programme manager, finance and Admin manager with proper reasons to recommend to the National coordinator for approval.**
- **In event of above JDF will send out RFQ to prequalified vendors but in similar emergency situation as stated above, JDF will outsource beyond the prequalified vendors list after receiving approval using the approval and review channels. Management will review the request.**
- Bid analysis- The procurement committee analyses the various quotes and perhaps invites the Vendors/contractors for clarifications where necessary. The best of the vendor is then selected.
- The procurement committee will then prepare and submit the report of their work to include recommendations of the vendor/contractor selected.
- The report of procurement committee shall be forward to the National Coordinator through the programme manager and Finance and Admin Manager for review and approval.
- Award- A Local Purchase Order (LPO) is then prepared and sent to the vendor/contractor stating the quality and standard of items required, duration to complete the job or



supplied item and mode of payment.

- **With respect to procurement thresholds, RFQ are not to be sent to vendors of higher portfolios, for anything less than 1 million naira to enable smaller and new companies to learn and grow.**
- Based on the nature of procurement and the payment terms and schedule of payment which shall form the basis for qualification, the committee shall deliberate and recommend to Management a payment schedule. However, a default payment schedule which shall be review as per each unique procurement and included in the contract of the selected vendor, JDF reserves the right to do and not to do.
  - First payment: 70% monetary value of the procurement in the name of vendor/contractors' firm. Upon completion of the job or supply of the item, the remaining 30% of the money will be released to the vendor/contractor. In the event where the vendor/contractor feels otherwise on taking the payment in the name of his firm, he will write authorization letter to the management of JDF given directives on how he desired to be paid. In situations where there is need to pay the vendor or contractor in a manner that is different from the above listed percentages, the procurement committee will present a purchase order to the programme manager or National coordinator depending on the threshold to give the needed approval and indicate such in their recommendation.
- Documentation – the Vendor/contractor then issue receipt for the payments; delivery note and other backing documentation; and in turn take goods received note upon acceptance (for the supply of item) or Job completion certification where it relates to construction of service.

#### **4.1 Procurement Committee**

JDF procurement committee shall be responsible for managing the purchasing activities of the organization using decentralized model. The committee is specifically responsible for managing the processes involved in the procurement of assets, goods and services for the organization through selecting the best suppliers and achieving the best overall value for money.

## **4.2 Composition of Procurement Committee.**

The National Coordinator shall nominate an **11-member committee** at the beginning of each financial to serve for the financial year. **The 11-member national committee will be given a TOR and report directly to the National Coordinator. The National Coordinator reserves the right to give approval to maintain the same committee for another year after a performance review which will be documented. The committee shall seek for technical assistance in the performance of its duties whenever necessary.**

**4.2.1. CAPACITY STRENGTHENING:** The procurement as part of their responsibility, prepare and conduct an annual vendor training to strengthen the capacity of all pre-qualified vendors

## **4.3 Solicitation Requirements**

Solicitation shall provide for all of the following:

- ❖ A clear and accurate description of the technical requirements for 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.
- ❖ Requirements which the bidder/offer must fulfill and all other factors to be used in evaluating bids or proposal.
- ❖ A description, whenever practicable, technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable quality standards.
- ❖ The specific features of “brand name or equal” description that bidders are required to meet when such items are included in the solicitation.
- ❖ Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- ❖ Solicitations shall not be considered from defaulter clients from previous clients.

#### **4.4 Procurement Instruments**

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

**4.4.1 Requisition forms** shall be used by the user department to initiate the procurement process.

**4.4.2 Letters of Request for Quotation (RFQ) /enquiries** shall be sent the procurement officer or designate staff per office location to request for bids from the vendor.

**4.4.3 Comparative Cost Analysis Sheet:** The Committee shall conduct a bid analysis for each submitted quotation and come up with a report with recommendation on the preferred vendor and forward report to the National Coordinator for approval. The basis for selecting a vendor shall include but not limited to fulfilment of statutory obligations, best price, time of delivery, quality of service, past experience, added value etc. To better make a decision on the best price, the procurement committee shall carry out a market survey at the beginning of the year and will do a price validation by Mid-year to ensure that the analysis done are inline with the prevailing market price.

**4.4.4 No cost extension template:** A cost extension template shall be developed for projects and programmes.

**4.4.5 Local Purchase Orders** shall be issued for the procurement of all goods.

**4.4.6 Job Orders:** shall be issued for the procurement of non-technical services such as minor repairs, cleaning and other maintenance services. A Purchase Order for Services may also be used when the outcome of the service is more like a product. Translated documents, construction projects and training materials are examples of services which result in products.

**4.4.7 Consult contract 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.

**4.4.8 Subcontract:** shall be used to procure short term technical services from an individual or organization. The solicitation should state what kind of contracting instrument will be used for award. Fixed price and cost reimbursement are the two most common types of subcontracts.

**4.4.8.1 Fixed Price** awards are generally used when it is possible to reasonably estimate the cost to perform the work. The contractor receives the award whether the actual cost are higher or lower than that agreed to. However, the committee after pre-qualifying vendors will do a cost analysis for each lot or category and the vendor with the most suitable price will be issued a fixed contract for a period e.g. 6 months, 1 year.

**4.4.8.2 A Cost Reimbursement** award is generally used when it is difficult to estimate the cost to perform the work. The contractor is reimbursed for actual cost, based on receipts, incurred to perform the service. There are generally budget limits imposed

**4.4.8.3 General Purchasing Procedures**

Where appropriate, the purchasing and supply committee shall undertake an analysis of lease and purchase alternatives to determine which would be the most economical and practical procurement for Jireh Doo Foundation.

**4.5.1 Purchase Request**

1. Any unit who determines that there is need to purchase goods or services should fill out a Requisition Form, which must be duly sign by the head of department or his /her designee, reviewed by designated finance staff and approved by project lead and the National Coordinator where necessary.

**Procurements above N1,000,000.00** must be authorized by the National Coordinator.

2. The approval of the Purchase Request includes an acceptance that the goods or services to be procured are Reasonable, Allowable, Allocable and necessary for the work of the organization, in keeping with the approved work plan of activities. In addition, the proposed procurement must not violate the applicable cost principles of the donor.

### **3 PROCUREMENT PROCEDURES**

Procurement procedures are the rules and actions that apply to the purchase of a given resource, depending on the contract category and the value of the purchase. Put in a simple way – they are the rules for “how to buy”. Overall this chapter provides an introduction to which procurement procedure to apply according to contract category and value.

In order to select an appropriate procurement procedure for each lot in the procurement plan, the Procurement Committee shall first of all consider which contract category the resources belong to and the value of the contracts accordingly. The following two sections provide a short description of the various contract categories, the procurement procedures and thresholds respectively.

For an overview of the thresholds and the affiliated procurement procedures for the contract categories see the table in section 3.2.

#### **3.1 CONTRACT CATEGORIES**

The resources to be procured are divided into the following contract categories:

##### **Supply**

Supply Contracts (also known as Purchase Orders) cover the purchase, operational leasing, and rental or hire of products (including rent of vehicles and property, with or without option to buy). The delivery of products may in addition include siting, installation and maintenance.

For operational leasing there is no transfer of legal ownership to the lessee. Depending on the contract most risks are held by the owner.

**NOTE:** Whenever rental of venues for meetings, conferences etc. is a direct project cost, it is categorized as a supply.

**Service:** A Service Contract is a contract for the provision of a defined service. It covers all intellectual and non-intellectual services other than those covered by Supply Contracts and Works Contracts.

Service Contracts also comprise the following contract forms:

- A Study Contract is a contract, which includes studies for the identification and preparation of projects, feasibility studies, technical studies and audits.
- A Technical Assistance Contract is a contract in which the Contractor is called on to play an advisory role, or to manage or supervise a project.
- Freight Contracts are contracts covering transport of goods from one site to another (unless the freight is included in the Supply Contract).

**Rent of a vehicle with a driver is also a Service Contract.**

When rental of equipment and venues are direct projects costs, it is not considered a Service Contract, but a Supply Contract (e.g., rent of vehicle or conference room). Be aware that some services such as repair of machinery, cleaning services or small scale catering might be considered “running costs” and therefore not subject to procurement procedure.

A Service Contract and an Employment Contract are two different contracts. An Employment Contract involves recruitment, fixed salary, regulations on leave, resignation restrictions etc. These obligations are hence for the Contracting Authority as an employer, rather than merely a party to a contract for the provision of a service.

Employment Contracts are not covered by this Manual and are not considered procurement.

**Works**

'Works' means the outcome of building or civil engineering taken as a whole and sufficient to fulfil an economic or technical function. Works Contracts cover either the execution, or both execution and design of a work corresponding to the requirements specified by the Contracting Authority. It is a Works Contract when an entrepreneur or a construction company has the obligation of delivering works and is responsible for hiring and/or buying the necessary resources to fulfil this obligation (i.e. the entrepreneur hires the labour, brings the equipment and buys the construction materials and supplies). Examples of Works Contracts are

construction, reconstruction, demolition, repair or renovation of a building, site preparation, excavation, drilling, etc.

### **Hybrid Contracts**

A Hybrid Contract is a combined contract covering supplies, services and/or works. The procurement procedure shall be determined by the part which represents the highest value. E.g. a contract covering supplies and works shall be considered a Supply Contract whenever the value of the supplies in question exceeds that of the works included in the contract and vice versa.

### **THRESHOLDS AND THE AFFILIATED PROCUREMENT PROCEDURES**

The contract category and value of a contract defines the applicable procurement procedure for a particular purchase. The rules and procedures to be followed get stricter the higher the value of the Contract.

The contract value is determined by the estimated costs of a lot including any additional services or options covered by the Contract. If the Contract establishes a running relationship, e.g. a service agreement or a Framework Contract, the contract value covers the entire contract period and includes all related payments.

This section describes each of the four applicable procurement procedures. It is important to stress that it is mandatory to follow procedures for each purchase. Thorough information and guidelines on these procedures are described in the Supply, Service and Works chapters respectively.

If donor rules are stricter than the procedures outlined in this Manual, the donor rules shall prevail. Country Offices are free to reduce these thresholds if necessary, so long as any such reduction does not delay project implementation or overburden offices with unnecessary procedures for lower value procurements.

### **Simple Procedure**

The Simple Procedure is the simplest procurement procedure. This procedure is, as a general rule, applicable when thresholds are within the value NGN 0 - 200,000. In special

The Simple Procedure does not require more than one quotation to be collected. It is though important to stress that the price shall correspond with the present market price or lower. This shall always be justified and filed in the procurement file. To prove that the price corresponds with the market price you can e.g. search the internet, refer to recent contracts, or obtain three

non-written or written quotations. Please make sure that all non-written quotations are put down in writing and filed in the procurement file.

A purchase order or contract shall always be issued for procurement above the value of NGN 50,000. For procurement below NGN 50,000 it is optional to issue a purchase order or contract, but an invoice shall in all cases be received and filed. As this lower boundary allows for more flexibility in issuing purchase orders and contracts under the value of NGN 50,000, it is important to be aware of the risks involved. In order to minimize risks and ensure that the contractors are aware of the General Terms and Conditions (GTC) and Code of Conduct for Contractors, it may be advisable to issue a purchase order or a contract for purchases less than NGN 50,000 in some contexts. Please ensure that this does not conflict with donor requirements

### **Negotiated Procedure**

The Negotiated Procedure is more formal than the Simple Procedure and is applicable for Supply and Service contracts when contracts are within the value NGN 300,000 – 10,000,000 (NGN 500,000 – 10,000,000 for Works Contracts).

The Negotiated Procedure requires that a minimum of three suppliers/candidates are invited simultaneously to submit a quotation based on a RFQ/RFP. The Contract shall be awarded to the most compliant supplier/candidate. To ensure all potential suppliers/candidates are given equal opportunity, it is essential that an Advertisement of Business Opportunities (GEN 8) is published in all appropriate local media at the beginning of each year or project period. For contracts above NGN 10,000,000, it is mandatory to publish the award notice in a suitable procurement media and on the Contracting Authority's website. Letters to all unsuccessful suppliers/candidates shall be submitted.

The Negotiated Procedure is less formal than a Local Open Tender Procedure and gives the opportunity to negotiate the terms of the Contract.

### **Local Open Tender Procedure**

The Local Open Tender Procedure (from here on named Local Open Tender) is more extensive and elaborate than the Negotiated Procedure. It is applicable to higher value purchases of NGN 10,000,000 – 30,000,000 (10,000,000 -49,999,999 for Works Contracts).



The procedure requires a public advertisement of a tender notice in the country of operation (in newspapers, online procurement media etc.) with a bid flow of at least 21 days. A Local Open Tender shall provide eligible suppliers/candidates within the country of operation with the same business opportunities.

A specified tender dossier shall be drafted and forwarded to interested suppliers/candidates who then have the opportunity to make a tender request. After the deadline of receiving tenders, the tenders shall be opened and announced in the presence of all interested tenderers. Evaluation of the tenders is fulfilled by the members of the Procurement Committee on the basis of a clearly predefined evaluation grid. The outcome of each member's evaluation is compared and the best compliant tender is awarded the Contract. It is mandatory to publish the award notice in a suitable procurement media and on the Contracting Authority's website. Letters to all unsuccessful suppliers/candidates shall be submitted.

#### **International Open Tender Procedure**

The International Open Tender Procedure (from here on named International Open Tender) is similar to the Local Open Tender except for the rules applicable to advertisement and the timeframe for the bid flow. International Open Tenders shall always be advertised internationally, and the deadline for submitting a tender shall be at least 30 days after the Tender Notice is published. EUR 3,000,000. (Same