



THE SEDOO INITIATIVE FOR CHILDREN WITH SPECIAL NEEDS (SECHILD)

Procurement Policy

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1. INTRODUCTION

1.1 Purpose and Scope

This Procurement Policy outlines the principles, processes, and responsibilities guiding the organisation in procuring goods, works, and services. The policy ensures that all procurement activities are conducted with transparency, fairness, accountability, and value for money, in accordance with donor requirements, Nigerian procurement regulations, and international NGO standards.

It applies to:

- All departments, programmes, and projects within SECHILD.
- All staff, consultants, and partners involved in procurement activities.
- All funding sources, including donor grants, corporate or private donations, and internally generated funds.

1.2 Policy Objectives

The objectives of this policy are to:

1. Ensure all procurement decisions are ethical, transparent, and cost-effective.
2. Promote fair competition and equal opportunity for suppliers and contractors.
3. Achieve best value for money while maintaining high standards of quality and integrity.
4. Adhere to applicable laws, donor conditions, and internal control procedures.
5. Foster accountability in the use of SECHILD funds and assets.

1.3 Definitions and Key Terms

- **Procurement:** The process of acquiring goods, works, or services, including consulting and professional services.
- **Supplier/Vendor:** Any individual or entity providing goods, works, or services to SECHILD.
- **Tender:** A formal offer submitted by a supplier in response to a request for quotation (RFQ), proposal (RFP), or bid invitation.
- **Value for Money (VfM):** The optimum balance between cost, quality, and sustainability.
- **Conflict of Interest:** Personal interest could improperly influence official duties or decisions.

2. GOVERNANCE & RESPONSIBILITIES

2.1 Roles and Accountability

Procurement at SECHILD is a collective responsibility shared by management, the finance and procurement units, and programme teams.

Role	Key Responsibilities
Board of Trustees	Approves this policy and reviews procurement decisions of high value.
Executive Director	Provides overall leadership and ensures adherence to donor and legal requirements.
Procurement Committee	Reviews bids, assesses tenders, and proposes suppliers for approval.
Finance and Administration Manager	Supervises procurement procedures, verifies budget availability, and ensures adherence to financial controls.
Programme Managers	Begin procurement requests, craft specifications, and verify deliverables.
Procurement/Accounts Officer	Coordinates daily procurement tasks, maintains the supplier database, and ensures accurate documentation.

2.2 Approval Authorities

Procurement authority is delegated based on the value and nature of the transaction.

Procurement Value (₦)	Approval Authority
0 – 500,000	Procurement/Accounts Officer
500,001 – 2,000,000	Head of Finance & Executive Director
2,000,001 – 5,000,000	Executive Director
Above 5,000,000	Board of Trustees

Note: For donor-funded projects, donor-specific thresholds and procedures shall apply.

2.3 Delegation of Procurement Powers

Delegation does not remove accountability.

- Each approver must follow due process before authorising any procurement.
- Temporary delegation (e.g., during absence) must be documented and approved in writing by the Executive Director.
- Emergency procurement must be justified and documented, with approval sought retrospectively.

3. PROCUREMENT PRINCIPLES

3.1 Core Procurement Principles

All procurement activities must follow the principles outlined below:

- **Transparency:** Fair and open competition at every stage of procurement.
- **Accountability:** Clear documentation and tracking of decisions.
- **Integrity:** Zero tolerance for fraud, collusion, or kickbacks.

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- **Value for Money:** Procurement decisions must balance quality, cost, and sustainability.
- **Equity:** Prioritise local suppliers and SMEs where suitable.

3.2 Value for Money (VfM) & Total Cost of Ownership

SECHILD will assess procurement based on the initial purchase price and the total cost of ownership (TCO), including maintenance, lifespan, efficiency, and disposal costs. Decision-making must take into account:

- Price competitiveness.
- Quality and suitability for purpose.
- Supplier reliability and service track record.
- Delivery timelines and warranties.

3.3 Transparency and Fairness

- All suppliers shall have equal access to information.
- Selection processes must be documented and kept for audit.
- Procurement decisions must be objective and based on evidence.

3.4 Integrity and Ethical Procurement

SECHILD maintains a zero-tolerance policy towards fraud, corruption, bribery, or collusion.

- Staff and committee members must declare any conflict of interest in writing.
- Any breach of ethical standards may result in disciplinary action or termination of the contract.

3.5 ESG and Supplier Code of Conduct

Suppliers must adhere to SECHILD's Environmental, Social, and Governance (ESG) standards, including:

- Fair labour practices.
- Environmental sustainability.
- Gender inclusion and diversity.
- Anti-human trafficking and anti-slavery compliance.

SECHILD will issue a Supplier Code of Conduct for all vendors to sign before engagement.

4. PROCUREMENT PLANNING AND NEEDS ASSESSMENT

4.1 Project Identification

Procurement requirements should be based on approved project plans and annual work plans. Each department needs to identify required goods, works, or services early in the project lifecycle to ensure timely implementation.

4.2 Budgeting & Forecasting

- All procurement must be supported by a **budget line** approved within the annual financial plan or donor project budget.
- The procurement plan should be reviewed quarterly and updated to reflect ongoing needs and funding availability.
- Cost estimates should be practical and grounded in market surveys or historical data.

4.3 Market Analysis

Before initiating major procurements, a market survey should be carried out to evaluate:

- Supplier availability and capacity.
- Market prices and trends.
- Alternative products or services.

5. SUPPLIER & CONSULTANT SELECTION AND EVALUATION

5.1 Supplier Pre-Qualification

will maintain a prequalified vendor database that is updated annually to ensure reliability and accountability. Suppliers and consultants shall be prequalified based on:

- Valid business registration (CAC Certificate)
- Tax Identification Number (TIN) and evidence of tax compliance
- Bank details and references
- Proof of technical capability and past performance
- Commitment to SECHILD's ethical, environmental, and social standards

Before engagement, prequalification helps ensure that all suppliers meet the foundation's quality and integrity standards.

5.2 Procurement Methods

Depending on the value and nature of procurement, the following methods shall apply:

Procurement Value (₦)	Method	Description
0 – 500,000	Direct Purchase	For low-value routine items such as office supplies and petty maintenance, a proforma invoice must be obtained for at least one item.

500,001 – 2,000,000	Request for Quotation (RFQ)	At least three written quotations must be obtained and compared according to price, quality, and delivery.
2,000,001 – 10,000,000	Request for Proposal (RFP) / Competitive Bidding	A formal invitation issued publicly or to prequalified vendors. It requires a detailed evaluation and a review by the Procurement Committee.
Above 10,000,000	Open Tender	Publicly advertised competitive tender process. Managed by the Procurement Committee and approved by the Board.

Note: Donor-specific rules override these thresholds when stated in grant agreements.

5.3 Drafting Terms of Reference (TOR) / Scope of Work

For consultancy or technical service contracts, a clear Terms of Reference (TOR) or Scope of Work (SOW) must be prepared prior to solicitation. It should include:

- Purpose and objectives of the assignment.
- Deliverables and deadlines.
- Required qualifications and experience.
- Evaluation criteria and scoring weights.
- Payment terms linked to milestones.

5.4 Evaluation Criteria and Scoring Methodology

All proposals shall be assessed using a transparent scoring matrix, ensuring fairness and objectivity.

The evaluation should consider:

- Technical quality (understanding of assignment, methodology, capacity) – 60%.
- Financial offer (cost-effectiveness and realism) – 30%.
- Compliance with ESG and ethics requirements – 10%.

A minimum technical score of 70% is required before proceeding to the financial evaluation.

All evaluations must be documented and filed for audit purposes.

5.5 Conflict of Interest, Ethics & Integrity

- Staff and committee members must declare any relationship or interest with suppliers.
- No staff or board member may benefit directly or indirectly from any procurement contract.
- Any supplier or staff engaging in bribery, collusion, or unethical behaviour shall be disqualified and reported to management.

6. SUPPLIER DUE DILIGENCE & ESG SCREENING

6.1 supplier Onboarding and Pre-qualification

Before final engagement, all suppliers and consultants must complete due diligence encompassing:

- Legal existence and registration.
- Tax and statutory compliance.
- Bank verification and capacity checks.
- Reference checks from previous clients.

Documentation must be verified and maintained in the Vendor Master File.

6.2 Risk Assessment Framework

SECHILD shall apply a risk-based approach to supplier assessment:

Risk Area	Low Risk Indicators	High Risk Indicators
Financial	Stable financial record	No bank references, tax default
Reputation	No adverse media reports	Allegations of fraud or malpractice
Compliance	Valid registration, licenses	Expired or falsified documents
Operational	Proven capacity	Inconsistent delivery record

High-risk vendors might need thorough scrutiny, site inspections, or temporary probationary agreements.

6.3 Sustainability Commitments & Supplier Code of Conduct

All vendors shall sign the SECHILD Supplier Code of Conduct, agreeing to:

- Ethical business practices (no bribery, no child labour).
- Fair employment and inclusion practices.
- Minimising environmental impact (waste, energy use).
- Compliance with applicable labour and environmental laws.

Non-compliance may lead to suspension or blacklisting.

6.4 Governance & Oversight

The Procurement Committee shall review due diligence reports for all high-value or sensitive procurements.

An annual supplier audit will be performed to verify ongoing compliance with legal and ethical standards.

7. CONTRACT AWARD & DOCUMENTATION

7.1 Contract Types

Contracts shall be used based on the procurement nature:

- Purchase Order (PO): For goods and straightforward services.
- Service Agreement: For consultancies or technical assignments.
- Framework Agreement: For recurring supply or long-term service arrangements.
- Grant Subcontract: For implementing partners or subrecipients.

7.2 Negotiation Protocols

- Negotiations should concentrate on clarifying scope, enhancing value, or modifying delivery timelines — not unfairly reducing supplier margins.
- At least two staff members, one from procurement and another from finance/programme, should participate in negotiations.
- Key decisions should be documented in a Negotiation Summary Note and filed.

7.3 Award Notification and Documentation

Once a supplier is selected:

1. A **formal award letter** is issued.
2. Both parties prepare and sign A contract or purchase order.
3. The award must be published or communicated internally for transparency.
4. All contract files must include:
 - RFQ/RFP documents
 - Evaluation report
 - Approval memo
 - Signed contract and supporting correspondence

7.4 Contract Templates and Terms & Conditions

SECHILD shall maintain standard contract templates that legal counsel has approved. Each must include clauses on:

- Deliverables and deadlines.
- Payment terms and penalties for delays.
- Confidentiality and data protection.
- Termination, force majeure, and dispute resolution.

7.5 Governance & Oversight

All signed contracts exceeding ₦5 million must be reviewed by the Executive Director and recorded in the Contract Register, which the Finance and Procurement Unit maintains.

8. CONTRACT MANAGEMENT & PERFORMANCE MONITORING

8.1 Mobilisation and Kick-Off

Before contract commencement:

- A **kick-off meeting** should be held to align on expectations, timelines, and deliverables.
- Mobilisation advances (if applicable) must follow donor and policy limits, supported by bank guarantees where required.

8.2 Deliverable Tracking and Reporting

- Programme Managers shall monitor progress using agreed milestones and deliverables.
- The Procurement/Finance team will verify supplier invoices against completion certificates or delivery notes.
- Any delays or quality issues must be reported and escalated without delay.

8.3 Variations and Amendments

- Changes to contract scope, cost, or duration must be approved in writing.
- Amendments require the same level of approval as the original contract.
- Unauthorised variations are not payable.

8.4 Performance Reviews and Issue Resolution

- Suppliers shall be evaluated on quality, timeliness, cost control, and compliance at project close-out.
- Underperforming vendors may be suspended or removed from the approved vendor list.
- Repeated defaults shall trigger formal blacklisting.

8.5 Governance & Oversight

The Procurement Committee shall review performance reports quarterly to ensure consistency in vendor evaluation, identify lessons learned, and inform future sourcing decisions.

9. PAYMENT & FINANCIAL CONTROLS

9.1 Invoice Submission and Approval Process

All supplier and consultant invoices must meet the following conditions before payment:

1. **Original company letterhead invoice** referencing the contract or purchase order number.

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2. **Delivery evidence** such as a signed delivery note, job completion certificate, or acceptance form.
3. **Tax compliance** — suppliers must attach a valid Tax Identification Number (TIN) and VAT details (if applicable).
4. **Verification** — the requesting and procurement officers must jointly confirm delivery.

Invoices shall pass through the following stages:

Stage	Responsible Officer	Action
1	Procurement Officer	Confirms goods/services were delivered per order
2	Project/Programme Manager	Certifies work completion
3	Accounts officer	Reviews invoice accuracy and budget availability
4	Finance Manager / Executive Director	Authorizes payment

All approvals must be **documented on the Payment Authorisation Form and filed for an** audit trail.

9.2 Withholding Taxes, Retentions & Other Deductions

- The Foundation will deduct and remit all **statutory taxes** as required by law (e.g., WHT, VAT, PAYE).
- For projects requiring performance assurance, retention fees (usually 5–10%) may be withheld until the final acceptance of deliverables.
- Tax remittance evidence must be included with monthly financial statements.

9.3 Disbursement Procedures

Payments can be made via:

- **Bank transfer** (preferred method)
- **Cheque payment** (where electronic transfer is unavailable)

Petty cash payments are permitted only for low-value transactions (under ₦100,000) and must adhere to the Petty Cash Policy.

All disbursements exceeding ₦250,000 require dual approval — one from the Finance Department and one from Management (or a donor representative for grant-funded projects).

The Finance Unit shall ensure that:

- Payment vouchers are numbered in sequence.
- Each voucher cites a contract or purchase order.
- Supporting documents are complete and properly filed.

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10. RISK MANAGEMENT & DISPUTE RESOLUTION

10.1 Managing Delays and Non-Performance

- Where suppliers fail to perform within contract terms:
- The Programme Manager shall issue a written notice of default, allowing 7–14 days for correction.
- Persistent failure will result in contract termination, forfeiture of any retention, and blacklisting from future opportunities.
- The Foundation may seek replacement suppliers through emergency procurement procedures to prevent project delays and disruptions.

10.2 Force Majeure Clauses

All contracts must include a **Force Majeure clause**, covering:

- Natural disasters
- Epidemics/pandemics
- War, civil unrest, or government restrictions

When invoked, parties are required to:

1. Notify the Foundation within 7 days.
2. Provide evidence of the event and its impact on performance.
3. Resume obligations once the event subsides.

No party shall invoke Force Majeure as a justification for inadequate planning or negligence.

10.3 Dispute Resolution Mechanisms and Termination Protocols

- Disputes shall first be resolved **amicably through negotiation**.
- If unresolved, mediation may be pursued under a **mutually agreed neutral mediator**.

Termination of contracts must follow these principles:

- Written notice specifying grounds for termination.
- Settlement of verified obligations up to the termination date.
- Recovery of any Foundation property or advance payments.

11.0 Conflict of Interest

11.1 Purpose

SECHILD is dedicated to ensuring all procurement activities are carried out with the utmost integrity, transparency, and fairness. This Conflict of Interest section seeks to prevent personal, financial, or professional interests from inappropriately influencing procurement decisions.

11.2 Definition of Conflict of Interest

A conflict of interest happens when the personal interests of SECHILD staff, board members, volunteers, consultants, or anyone involved in procurement might compromise, or seem to compromise, their ability to make impartial decisions in the best interests of the organisation.

Conflicts may be:

- **An actual** and existing conflict between personal interest and official duty.
- **Potential:** A situation where a personal interest could influence future decisions.
- **Perceived:** A situation that could reasonably seem to an outsider to influence decisions, even if no real conflict exists.

11.3 Situations That Constitute Conflicts of Interest

Conflicts of interest may arise when an individual:

1. Holds a financial interest in a supplier, vendor, or contractor.
2. Has a close **family relationship** (spouse, parent, child, sibling, in-laws, or similar) with a bidder or vendor.
3. Receives or is offered **gifts, favours, hospitality, or improper benefits** from suppliers.
4. Engages in external employment or consultancy with an organisation that seeks to do business with SECHILD.
5. Is involved in procurement decisions where they have existing professional or personal connections with the bidder.
6. Uses confidential procurement information for personal gain or to favour a specific vendor.

11.4 Disclosure Requirements

All individuals involved in SECHILD procurement activities must:

- **Declare any potential, actual, or perceived conflict of interest** immediately upon becoming aware of it.
- Submit a **Conflict of Interest Disclosure Form** to the Procurement Officer or Executive Director.

- Refrain from participating in any aspect of the procurement process related to the conflict until a formal decision is made.

Failure to disclose a conflict is considered a breach of this policy.

11.5 Management of Conflicts of Interest

Upon disclosure, SECHILD shall:

1. Assess the conflict and evaluate its importance.
2. Determine if the individual should be recused, reassigned, or otherwise removed from the procurement process.
3. Document all actions taken to manage the conflict.
4. If needed, consider options like appointing independent procurement staff or carrying out an external review.

11.6 Gifts and Hospitality

To protect the integrity of SECHILD's procurement processes:

- Staff and affiliates **must not accept** gifts, cash, commissions, discounts, or hospitality from suppliers or potential suppliers.
- Exceptions for low-value symbolic gifts (e.g., branded pens or calendars under a set threshold) must be reported and documented.
- Any attempt by a vendor to influence procurement outcomes through gifts or incentives must be reported immediately.

11.7 Confidentiality

Individuals involved in procurement must maintain strict confidentiality regarding:

- Supplier proposals
 - Bids and quotations
 - Evaluation processes
 - Procurement decisions
- Using confidential information for personal benefit or to favour a vendor is strictly prohibited.

11.8 Consequences of Non-Compliance

Violations of this Conflict of Interest policy may result in:

- Removal from procurement responsibilities
- Disciplinary action, including termination (for staff/consultants)
- Removal from the Board (for board members)
- Reporting to law enforcement authorities in cases involving fraud or corruption
- Blacklisting of external vendors involved in unethical behaviour

11.9 Commitment to Ethical Procurement

SECHILD is committed to upholding the highest ethical standards. All suppliers, partners, and staff are expected to act with integrity, honesty, and transparency. Preserving a conflict-free procurement environment is vital to protecting the organisation's mission and public trust.

12. RECORD-KEEPING AND DOCUMENTATION

12.1 Retention and Storage Guidelines

Omoyakhelu Foundation recognises that proper record-keeping ensures accountability, transparency, and audit readiness.

All procurement records must be:

- **Kept for a minimum of seven (7) years** after contract completion or per donor requirement.
- **Stored both electronically and physically** in secure locations accessible solely to authorised personnel.
- Clearly organised by procurement stage: solicitation, evaluation, award, payment, and closure.

Required documents include:

- Purchase requests, RFQs/RFPs
- Bid evaluation reports
- Approval memos
- Contracts and amendments
- Invoices, receipts, and proof of payment
- Correspondence with suppliers

13 Audits and Compliance Checks

The Foundation shall:

- Conduct annual internal audits to evaluate adherence to procurement policies.
- Allow external audits (donor or regulatory) unrestricted access to records.
- Implement corrective measures for audit findings within 30 days of receiving the report.

Any irregularity, fraud, or misconduct identified during audits must be reported immediately to the **Executive Director** and, if necessary, to relevant authorities.

14. CONTINUOUS IMPROVEMENT & POLICY REVIEW

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14.1 Feedback Loops from Projects

After major procurement exercises or project close-outs:

- The Procurement Unit will carry out post-procurement reviews to record lessons learned.
- Findings will guide adjustments to sourcing strategies, supplier management, and process enhancements.
- Feedback from programme teams and partners will be utilised to enhance transparency and efficiency.

14.2 Policy Update and Revision Schedule

This Procurement Policy shall be reviewed:

- **Every two years**, or earlier if required by donors or law.
- Revisions must be approved by the **Board of Trustees** and circulated to all staff.
- Updated versions shall be dated, version-controlled, and stored as both digital and hard copies.