



Procurement Policy

Effective from Jan 2022

HSE STRATEGY DEVELOPMENT

The policy below guides the procurement activities of HSE Strategy Development Limited. Full compliance is expected from staff, officers, and board members of HSE.

1.0 OBJECTIVES

The objectives of these policies are to:

- i. Ensure efficiency, fairness, and cost-effectiveness in procurement activities.
- ii. Ensure that relevant controls are maintained, and approvals are obtained in the sourcing of goods and services.

2.0 ROLES AND RESPONSIBILITIES

The responsibilities for procurement administration in HSE shall be borne by the following.

- 2.1 *Managing Director (MD)*: Overall coordination of the procurement process in liaison with the Tender Committee and relevant operational departments.
- 2.2 *Management Team*: Coordination of procurements related to program execution and implementation of approved initiatives as well as coordination of operational and capital expenditure procurements for HSE e.g., acquisition of goods and services for operational purposes.
- 2.3 *Tender Committee*: Assist the procurement administration tasks e.g., RFP preparation, bid evaluation, approvals, etc. Membership of the Tenders Board shall be as follows:
 - 2.3.1 The Managing Director
 - 2.3.2 Finance and Admin Manager
 - 2.3.3 Project Managers
 - 2.3.4 Procurement Manager

3.0 PROCUREMENT PLANNING

- 3.1 In line with the Strategy of HSE and identified opportunities, the Tender Committee of HSE shall identify, prepare, and provide details of the contracting/ procurement plan with relevant supporting documents at the beginning of each financial year.
- 3.2 The Procurement Plan shall contain details of goods and services required, procurement method, planned partnership contracts, estimated costs, funding source, delivery time and place, and other additional information as required.
- 3.3 The Procurement Plans shall be reviewed by the Managing Director and approved by the Board along with the Budget for the year.

4.0 PROCUREMENT REQUISITION

- 4.1 All contracting/ procurement requests documented in the Procurement Plan shall be initiated by the user department, reviewed by the respective head of department/ unit, and approved by the Managing Director.

- 4.2 Justification shall be required for all contracting/ procurement requests not contained in the approved Procurement Plan.

5.0 ADVERTISEMENT AND EXPRESSION OF INTEREST

- 5.1 Advertisements requesting for Expression of Interest (EOI) to provide goods or services valued above N100 million shall be advertised appropriately at the beginning of each financial year.
- 5.2 All respondents to the advertisements shall be evaluated based on HSE's approved evaluation criteria.
- 5.3 The timeline for applicants to submit their "Expression of Interest" shall not be less than seven (7) days from the date of advert placement.
- 5.4 The prequalification and selection of vendors shall follow the following process:
- 5.4.1 The Tender Committee shall be responsible for ensuring a timely, objective, and transparent prequalification exercise.
- 5.4.2 Criteria for pre-qualifying 'Expressions of Interest' and respective weightings shall include:
- 5.4.2.1 Evidence of incorporation or business name registration – 10%
 - 5.4.2.2 Company audited account for three (3) years – 5%
 - 5.4.2.3 Evidence of financial capability and Company/ Corporation support– 20%
 - 5.4.2.4 Experience/ technical qualification of key personnel – 30%
 - 5.4.2.5 Similar experience and industry knowledge – 20%
 - 5.4.2.6 VAT registration and evidence of past VAT remittances – 5%

6.0 INVITATION TO BID/REQUEST FOR PROPOSAL

- 6.1 The Tender Committee in consultation with relevant user departments shall be responsible for preparing appropriate bid/ proposal documents, including the definition of evaluation criteria for assessing the bids/ proposals.
- 6.2 The invitation to bid/ Request for proposal documents shall be reviewed and approved by the Managing Director before being sent out.

7.0 BID/PROPOSAL EVALUATION

- 7.1 Bids/ Proposals received after the stipulated timeline and those not opened and read out during the bid opening session shall not be considered.
- 7.2 Staff of HSE with direct or indirect influence on prospective contractor/ supplier or has financial, personal, or professional interests in a prospective contractor, are prohibited from any involvement in the procurement process.
- 7.3 HSE personnel shall not disclose proprietary and source selection information, directly or indirectly, to any individual other than such authorized to receive information, at any time prior to or after the selection and contracting process.

- 7.4 The Tender Committee shall be responsible for evaluating all submitted bids/proposals.
- 7.5 Technical bids shall be evaluated based on the pre-defined evaluation criteria; only financial bids for qualified technical bids shall be evaluated.
- 7.6 Results of bid evaluation shall be reviewed and approved by the management team.

8.0 CONTRACT DRAFTING

- 8.1 All contracts or agreements shall be reviewed and approved by the Managing Director. No personnel shall commit or enter into any agreement without appropriate authorization.
- 8.2 For complex contracts, HSE shall consider the use of law firms competent in specific areas to ensure the interests of HSE are well protected. Complexity shall be as determined jointly by the management team.
- 8.3 Specifications or the description of physical or functional characteristics of tangible goods must provide all relevant terms and criteria required. Specifications may be stated as a combination of function, performance, design, and sample.
- 8.4 In the procurement of services, the Terms of Reference (TOR) shall define the work required and the respective responsibilities of a Contractor or third party.
- 8.5 Electronic copies of contracts sent to third parties shall be in Portable Document Format (PDF).

9.0 CONTRACT APPROVAL AND AWARD

- 9.1 Contract value approval limits for HSE shall be in line with HSE's financial authority limits (see section 3)
- 9.2 Original copies of all executed contracts/ agreements between HSE and third parties shall be kept in the office of the Managing Director (or any other appointed official) in a fireproof and secure location.
- 9.3 Original copies of all procurement contracts shall be maintained by the Managing Director for a period not less than seven (7) years. This timeline shall begin to count on the completion of the actual procurement.

10. POST-CONTRACT AWARD MONITORING

- 10.1 For each contract awarded by HSE, the contract monitoring team shall carry out regular monitoring (either monthly or quarterly) and shall document its report.
- 10.2 The contract monitoring team shall be composed of a minimum of three (3) members of the Management Team

11.0 VENDORS/CONTRACTORS' PERFORMANCE

- 11.1 The overall performance of all contractors/ suppliers engaged by HSE shall be evaluated using a standard evaluation form and predefined rating guidelines.
- 11.2 Criteria for contractor/ vendor evaluation may include the quality of the product or service, timeliness of performance, and any other relevant factors.
- 11.3 Performance of all vendors/ contractors engaged by HSE shall be monitored and evaluated on a periodic basis.
- 11.4 Vendor/ Contractor performance evaluation shall be administered by the management team.
- 11.5 A vendor/contractor who has poorly executed a project shall not only be made to carry out remedial actions but also shall not be considered for future engagements by HSE.

5.0 DECLARATION OF COMPLIANCE

I confirm that I have read, understood, and will comply with the provisions and procedure for procurement activities in HSE Strategy Development Limited as documented in this policy.

Signature

Date

Name

Designation

(Please initial each page).

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