

## PROCUREMENT PROCESS FLOW

| S/N | PROCESS              | DESCRIPTION   | DURATION  |
|-----|----------------------|---|---|
| 1   | Advertisement        | All documents should be advertised either in the Newspaper (2,5Million and above for Supply and 5Million and above for Works) or Notice Board (Below 2,5Million for Supply and Below 5Million for Works) for prospective contractors to bid   | *Newspaper - (6 Weeks)<br>*Notice Board - (2 Weeks) |
| 2   | Bid Opening          | Should be conducted in the presence of FAAN Staff drawn from relevant Directorates and Departments, Independent Observers and the Companies representatives.  | Immediately after Bid Closing                       |
| 3   | Technical Evaluation | In consonance with PPA 2007, a Technical Evaluation Committee from the various Department/Directorates is constituted by the Management to verify the documents submitted by the interested companies to ascertain their level of compliance with the requirements mentioned in the advertisement i.e.<br><br><ul style="list-style-type: none"> <li>- Evidence of Company Registration</li> <li>- Current Tax Certificate for the last 3years,</li> <li>- Registration for Value Added Tax (VAT),</li> <li>- Compliance with Pension Reform Act (2004)</li> <li>- Certificate of Industrial Training Fund (ITF)</li> <li>- Evidence of Registration with Bureau of Public Procurement (BPP)</li> </ul> | 2 Weeks   |
| 4   | Budget Approval      | Every Financial Year  |   |
| 5   | Financial            | Shortlisted candidates having satisfied all   | 2 Weeks   |

|  |            |   |              |
|--|------------|---|--------------|
|  | Evaluation | the requirements are invited to procure financial bid documents for Supplies and Works jobs at different times during the year. | notification |
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### **KEY PERFORMANCE METRICS WITH TIMELINES**

The performance timeline for the procurement process flow above is measured accordingly:

| <b>S/N</b> | <b>DESCRIPTION</b>   | <b>THRESHOLD/<br/>TIMELINE</b>                 | <b>REMARKS</b>  |
|------------|--|--|---|
| 1.         | Need Assessment: <ul style="list-style-type: none"> <li>• <b>Submission and Collation of needs</b></li> <li>• <b>Price Intelligence</b></li> <li>• <b>Aggregation and Prioritization of needs</b></li> </ul>   | Second Quarter<br>Preceding the<br>Budget Year |   |
| 2.         | Preparation of Draft Procurement Plan: <ul style="list-style-type: none"> <li>• <b>Recurrent Items</b></li> <li>• <b>Capital items</b></li> </ul>  | Third Quarter<br>preceding the<br>Budget Year  |   |
| 3.         | Prequalification of Contractors: <ul style="list-style-type: none"> <li>• <b>Placement of Adverts</b></li> <li>• <b>Submission of Bid Documents</b></li> <li>• <b>Opening of Bid Documents</b></li> <li>• <b>Evaluation of Bid Documents</b></li> <li>• <b>- Short listing of Contractors</b></li> </ul> | First Quarter of<br>the Budget Year            |   |
| 4.         | Contract Processing: <ul style="list-style-type: none"> <li>• <b>Approvals</b></li> <li>• <b>Documentation of contract award</b></li> <li>• <b>Execution of Contract</b></li> <li>• <b>(Implementation and payments)</b></li> </ul>  | 6 - 8 Weeks<br>1 – 2 Week<br>4 weeks and above | Timeline depends on the<br>nature of the Project  |
| 5          | Correspondence   | Within 72 Hours                                | Depending on the nature of<br>the correspondence (i.e.<br>gathering of information<br>etc.) |

## PROCUREMENT DEPARTMENT FUNCTIONS AND ACTIVITIES

The Procurement Department which is one of the Departments under the MD/CEO's office is headed by a **General Manager** who oversees and coordinates the activities of Department.

The Department is charged with the responsibility of ensuring that goods and services are purchased at the right quality, quantity and price from the right source at the right time in accordance to the best practice and acceptable procedure as provided in the Procurement Act of 2007. This Act enables FAAN to achieve BPP's core value of:

- Establishing a pricing standard and benchmark.
- Ensuring that the application of fair competitiveness, transparency, value for money, standard practices for procurement and disposal of public assets and services are maintained.
- Attaining transparency, competitiveness, cost effectiveness and Professionalism in the Public Sector Procurement System.

For administrative convenience, the Department is subdivided into following Sections:-

- Procurement
- Quality Control/Price Intelligence (i.e. Market survey)
- Tender

**SECTIONS:** Their various respective responsibilities includes:-

### **I. PROCUREMENT FUNCTIONS:**

- Issuing and documentation of contract Awards
- Contract Monitoring and Implementation/ Record Unit
- Contract Processing Unit
- Receiving procurement requisition for goods, works and services
- Aggregating of needs assessment
- Preparation of Procurement plan in conjunction with Procurement Planning Committee (PPC)
- Procurement of contract order through Local Purchase Order (LPO) and Job Order (JO)

**II. QUALITY CONTROL/PRICE INTELLIGENCE FUNCTIONS:**

- Engaging in regular market survey of goods, works and services
- Ensuring value for money in all procurement process i.e. Price Data Base
- Monitoring the execution of contracts
- Ensuring effective research within supplies concept
- Ensuring quality invoice in all procurement processes i.e. Quality Control

**III. TENDER FUNCTIONS:**

- Placement of advertisement in consonance with PPA 2007
- Receiving, collating and selling of Tender documents
- Collection of bids from Bidders
- Opening of submitted Bids
- Arrange for evaluation (Technical and Financial) in conjunction with relevant Departments and Directorates
- Selection of successful Bidders
- Preparation of Evaluation Reports (Technical and Financial)
- Debriefing of Bidders
- Arranging for PPC and PTB meeting
- Acting as Secretariat at PPC and PTB meetings
- Keeping proper records of proceeding at PPC and PTB
- Ensuring due process in all procurement activities in line with PPA 2007
- Due process compliance (Board Matters)