

# 1. Need Identification

## *Standard Operating Procedure (SOP) & Service Levels (SLAs)*

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### **Purpose**

- Standardise how Ministries, Departments and Agencies (MDAs) define procurement needs to ensure legality, value for money, and alignment with budgets and service delivery.
- Create a clear audit trail from the problem statement to the specification/requirements to the procurement plan to the solicitation.

### **Scope**

- Applies to all procurement of goods, works and services by Federal MDAs subject to PPA 2007.
- Covers: problem definition, needs assessment, options analysis (make/buy/lease), and approval into the annual procurement plan.

### **Roles & Responsibilities (minimum)**

- User Department: defines business need, outcomes, and acceptance criteria; confirms budget line availability.
- Procurement Planning Committee (PPC): conducts needs assessment and evaluation; identifies goods/works/services required; performs cost implication analysis; aggregates requirements; integrates into yearly budget (PPA 2007 s.18; s.21).
- Accounting Officer: overall responsibility and personal accountability for compliance; ensures adequate appropriation; prevents bid-splitting; constitutes evaluation committee (PPA 2007 s.20).
- Procurement Unit: provides technical procurement advice; maintains records; prepares draft procurement plan and timelines (Good practice; consistent with PPA 2007 s.19 & s.38).
- Tenders Board: provides approvals within applicable thresholds (PPA 2007 s.22).
- BPP: sets standards and may review procurements above prior-review thresholds; may require evidence for review (PPA 2007 s.5–6; Goods & Works Regs 2007 on BPP review).

### **Procedure (What to do, when, why, and how)**

1. Open a 'Need Identification File' and assign a unique reference ID (good practice; supports PPA 2007 record-keeping duties in s.38).
2. Define the problem and intended outcomes (service level, beneficiaries, location, timeframe). Document why procurement is necessary versus internal provision (best practice: value-for-money and options analysis).
3. Conduct a structured needs assessment: quantify demand, define functional requirements, and identify risks (PPA 2007 s.18(a)-(c)).
4. Confirm budget availability and procurement permissibility: verify appropriation, budget line, and that the requirement is not a split procurement designed to evade thresholds (PPA 2007 s.20(c) & s.20(e)).
5. Identify procurement category and strategy: goods/works/services; consider aggregation across departments to achieve economies of scale (PPA 2007 s.18(d)).

6. Draft a high-level specification/terms of reference emphasising objective, functional and non-discriminatory requirements (UNCITRAL Model Law 2011 principles; also supports open competition under PPA 2007 s.16 & s.24).
7. Estimate cost and affordability: use market soundings and historical prices to produce a cost implication analysis and a realistic cost estimate (PPA 2007 s.18(c)).
8. Determine preliminary procurement method and timeline consistent with statutory minimum timelines (e.g., 6-week bid advertising window for open competitive bidding) (PPA 2007 s.25(2); Goods & Works Regs 2007 reg.49).
9. Submit need package to the PPC for review and inclusion in the Annual Procurement Plan; obtain Accounting Officer approval (PPA 2007 s.18(g); s.19).
10. Publish/communicate the approved procurement plan internally; keep a change log for revisions (best practice; aligns with transparency and auditability).

### Required Records / Evidence

- Need Identification Form (problem statement, outcomes, beneficiaries).
- Needs Assessment Report (demand estimates, risks, options considered).
- Preliminary specification / TOR (functional requirements).
- Cost estimate and methodology (sources, assumptions).
- Budget confirmation (appropriation/budget line evidence).
- Annual Procurement Plan entry and approvals (PPC minutes; Accounting Officer sign-off).

### Key Controls (Integrity, Value-for-Money, Compliance)

- Segregation of duties: the user department defines the need; the procurement unit advises; the PPC validates; the tenders board approves within thresholds.
- Anti-splitting control: check related requisitions and prior procurements to prevent evasion of thresholds (PPA 2007 s.20(e)).
- Conflict-of-interest declaration for all staff involved (PPA 2007 s.57; OECD integrity principle).
- Documented options analysis to justify procurement approach (World Bank PPSD concept; UNCITRAL value-for-money objective).

### Service Levels (SLAs) & Statutory Timelines

Process point	SLA / timeline	Source	Notes / evidence
Establish PPC each financial year	At start of each FY	PPA 2007 s.21(1)	PPC membership/appointment memo
Record keeping for procurement file	Create at need stage; retain	PPA 2007 s.38; Goods & Works Regs 2007 para 16	Retention ≥10 years (Regs 2007 para 16)
Statutory bid advertising window (to plan backwards)	≥6 weeks before bid deadline	PPA 2007 s.25(2); Regs 2007 reg.49-52	Affects scheduling even at need stage

### Minimum Compliance Data Points for an Exceptions-Reporting Platform

- Need ID, MDA, user department, budget line, and approval dates.
- Procurement category and method (draft) + planned milestones.
- Aggregation decision (yes/no) and rationale (PPA 2007 s.18(d)).
- Estimated cost and basis (quotes/historical/indices).

- Conflict-of-interest declarations logged (PPA 2007 s.57).

**References (in-line citations appear in brackets)**

- Nigeria: Public Procurement Act, 2007 (PPA 2007).
- Nigeria: Public Procurement (Goods and Works) Regulations, 2007.
- UNCITRAL Model Law on Public Procurement (2011) and Guide to Enactment.
- World Bank Procurement Regulations for IPF Borrowers (7th ed., Sep 2025) and associated guidance on PSD and Contract Management.
- OECD Recommendation on Public Procurement (2015) and implementation guidance (2025).