

6. Contract Management

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

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Purpose

- Standardise post-award management to ensure delivery of outputs, control of variations, risk management, and documentation for audit and performance improvement.
- Shift focus from contract signing to performance and value realisation.

Scope

- Applies from contract signature through completion, warranty/defects liability (where applicable), and final close-out.
- Covers: kickoff, performance monitoring, variations, disputes, integrity controls, and reporting.

Roles & Responsibilities (minimum)

- Contract Manager (appointed by MDA): single point of accountability for contract performance (best practice; World Bank contract management guidance).
- User Department/Technical Supervisor: verifies outputs and quality; issues interim performance certificates where applicable (PPA 2007 s.35(2)).
- Procurement Unit: maintains contract records, change control logs, and supplier performance records (best practice; supports future procurement).
- Finance Unit: processes payments against certified milestones; monitors late payment exposure (PPA 2007 s.37).
- Legal Unit: manages disputes, claims, and contract amendments.
- BPP: may conduct post reviews; may declare misprocurement if procedures not followed (Goods & Works Regs 2007 on misprocurement; PPA 2007 s.5-6).

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

1. Create a Contract Management Plan (CMP) before or at contract signature: roles, reporting, KPIs, risks, inspection schedule, acceptance tests, payment milestones, and change-control process (World Bank Contract Management Guidance).
2. Hold a contract kickoff meeting within 10 working days of signature (recommended SLA; best practice) to confirm deliverables, schedule, communication channels, and documentation standards.
3. Maintain a contract file: signed contract, securities, correspondence, meeting minutes, approvals, performance reports, certificates, invoices, and payment evidence (PPA 2007 s.38; Regs 2007 para 16 retention).
4. Monitor performance against KPIs: cost, time, quality, safety, and social/environmental obligations where specified (OECD and World Bank performance focus).
5. Administer variations strictly: require written variation request, impact assessment (cost/time), approvals per delegation, and update CMP; avoid material scope changes that undermine competition (good practice; supports PPA 2007 principles).
6. Manage integrity risks: monitor conflicts of interest, gifts/hospitality, and collusion signals; report suspected fraud/corruption to relevant authorities (PPA 2007 offences; OECD integrity).

7. Manage claims and disputes early: maintain issues log; use contractual dispute resolution procedures; preserve evidence.
8. Conduct regular site visits/inspections and document findings; use checklists tied to contract requirements (World Bank contract monitoring guidance).
9. Maintain supplier performance records for future reference (World Bank supplier relationship management concepts).
10. Close out contract: verify completion, final acceptance, final account reconciliation, release of guarantees per contract, and lessons-learned report.

Required Records / Evidence

- Contract Management Plan (CMP) and KPI dashboard.
- Kickoff meeting minutes and action log.
- Site visit/inspection reports and test results.
- Variation/change orders and approvals.
- Issues, risks, and disputes log.
- Supplier performance evaluation at completion.

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

- Milestone-based certification before payment: no payment without a required performance certificate where applicable (PPA 2007 s.35(2)).
- Change control: ensure all variations are approved and documented; monitor the cumulative variation value (best practice).
- Payment discipline: monitor days since invoice/valuation certificate; flag approaching 60-day delayed-payment threshold (PPA 2007 s.37(2)).
- Transparency and audit readiness: maintain complete files; enforce record retention (PPA 2007 s. 38; Regs 2007 para 16).

Service Levels (SLAs) & Statutory Timelines

Process point	SLA / timeline	Source	Notes / evidence
Interim payments after mobilization	No further payment without interim performance certificate	PPA 2007 s.35(2)	Certificate uploaded before payment
Delayed payment definition	>60 days from invoice/valuation certificate/confirmation	PPA 2007 s.37(2)	Platform should auto-flag day 45/60
Late-payment interest clause	Contracts must specify interest for late payment >60 days	PPA 2007 s.37(4)	Verify clause at contract setup
Record retention	≥10 years	Regs 2007 para 16; PPA 2007 s.38	Applies to contract file

Minimum Compliance Data Points for an Exceptions-Reporting Platform

- CMP existence (yes/no) + upload date; KPI set (yes/no).
- Invoice dates, certification dates, payment dates (auto-compute days outstanding).
- Variation log: count, value, approval level, cumulative % change.
- Inspection schedule and reports; non-conformance and corrective actions.
- Supplier performance rating at close-out.

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 PPSD and Contract Management.
- OECD Recommendation on Public Procurement (2015) and implementation guidance (2025).