

7. Delivery & Payment

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

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Purpose

- Define how MDAs verify delivery/outputs and process payments to suppliers/contractors/consultants promptly, lawfully, and with full documentation.
- Reduce delivery acceptance disputes and control the risk of delayed payments.

Scope

- Applies from delivery or milestone completion through certification, invoicing, payment processing, and reconciliation.
- Includes goods receipt/inspection, works measurement/valuation, services deliverable acceptance, and payment timelines.

Roles & Responsibilities (minimum)

- User Department/Technical Supervisor: inspects and certifies delivery; issues acceptance or performance/valuation certificates.
- Store/Logistics Unit (where applicable): records receipt of goods and inventory entries.
- Finance Unit: processes payments; ensures compliance with contract terms and statutory requirements (PPA 2007 s.37).
- Procurement Unit: ensures payment is supported by contract, certificates, and approvals; maintains records (PPA 2007 s.38).
- Supplier/Contractor: submits invoice and required documentation; remedies defects within agreed period.

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

1. Confirm delivery requirements and acceptance criteria from contract and CMP; communicate inspection schedule to supplier (best practice).
2. On delivery or milestone completion, perform inspection/verification against specs, quantities, and quality; document findings and any non-conformities.
3. Issue Goods Received Note (GRN) / Completion Certificate / Valuation Certificate / Deliverable Acceptance Note as applicable; retain signed evidence.
4. Where mobilisation has been paid, ensure no further payment is made without an interim performance certificate (PPA 2007 s.35(2)).
5. Receive supplier invoice with supporting documents: certificates, delivery notes, tax documentation, and any required warranties/guarantees.
6. Perform a 3-way match (contract to certificate to invoice) and verify the arithmetic and eligibility of charges (best practice).
7. Approve payment within internal delegation and process through treasury systems; maintain payment trail (best practice; supports audit).
8. Track payment timeliness: any payment due for more than 60 days from invoice/valuation certificate/confirmation is 'delayed payment' (PPA 2007 s.37(2)).

9. Apply contractually specified interest on delayed payments and ensure all contracts include interest terms for late payment >60 days (PPA 2007 s.37(3)-(4)).

10. Reconcile final account and update contract file; prepare payment close-out summary.

Required Records / Evidence

- Inspection reports, GRNs, acceptance certificates, valuation certificates.
- Interim performance certificates (where applicable).
- Invoices and supporting documentation (including tax evidence as required).
- Payment approvals and payment confirmation (bank/tresury evidence).
- Delayed payment tracker and interest computations (where applicable).

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

- Acceptance control: no payment without documented acceptance/certification.
- Delayed-payment control: automated tracking to prevent crossing the 60-day threshold (PPA 2007 s.37(2)).
- Fraud control: verify supplier bank details, duplicate invoice checks, and segregation of duties (best practice).
- Retention control: store all documents in contract/procurement file for audit (PPA 2007 s.38; Regs 2007 para 16).

Service Levels (SLAs) & Statutory Timelines

Process point	SLA / timeline	Source	Notes / evidence
Delayed payment threshold	Payment due >60 days is delayed	PPA 2007 s.37(2)	Measure from invoice/valuation certificate/confirmation date
Interest on delayed payments	Interest at rate specified in contract	PPA 2007 s.37(3)	Compute and record
Mandatory late-payment interest clause	Include interest terms for late payment >60 days	PPA 2007 s.37(4)	Compliance check at contract setup
Post-mobilization payment condition	No further payment without interim performance certificate	PPA 2007 s.35(2)	Certificate required in system

Minimum Compliance Data Points for an Exceptions-Reporting Platform

- Certificate dates (GRN/valuation/acceptance) and invoice submission date.
- Payment approval date and payment date (auto-calc days-to-pay).
- Flag at day 45 and 'delayed' at day 60 (PPA 2007 s.37(2)).
- Interest clause present? (yes/no) and the interest rate field.
- Evidence uploads for certificate, invoice, and payment.

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).