



PROCUREMENT AND OUTSOURCING POLICY

(Abridged)

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1. Introduction and Purpose

In accordance with requirements of the Nigeria Sovereign Investment Authority (NSIA) Act, 2011, Part IX, The Authority shall develop, adopt, and as appropriate from time to time, amend, revoke or supplement appropriate regulations codes, internal guidelines, and procedures in furtherance of the Authority's objects and performance of any of its functions under this Act.

NSIA is committed to conducting all procurement and outsourcing activities in a manner that is transparent, ethical, competitive, and aligned with global best practices.

This Abridged Procurement and Outsourcing Policy outlines the overarching principles and governance framework guiding how NSIA selects vendors, consultants, contractors, and service providers. It reflects the Authority's dedication to integrity, value for money, sustainability, and accountability across its operations and ensures that all procurement activities:

- ❖ Support NSIA's mandate under the NSIA Act (2011).
- ❖ Promote transparent, fair, and efficient processes.
- ❖ Facilitate the responsible use of public assets under NSIA's care.
- ❖ Uphold good corporate governance and international procurement standards.
- ❖ Reinforce NSIA's commitment to sustainable and ethical sourcing.

2. Disclaimer

This abridged version is intended solely for public transparency, external stakeholders, vendors, development-partner compliance and the general public. It does not include operational thresholds, internal approval workflows, or proprietary procedures contained in the full NSIA Procurement & Outsourcing Policy.

The Authority is not subject to the provisions of the Public Procurement Act (PPA), 2007 by virtue of the independence provisions and exclusions contained in the NSIA Act, 2011. However, this policy draws on many good practices established in the PPA as well as other international procurement best practices.

3. Scope

The policy applies to:

- ❖ All business units within NSIA and its subsidiaries.
- ❖ Procurement of goods, services, works, and consultancy engagements.
- ❖ Outsourcing of activities to third-party service providers.
- ❖ Procurement conducted by NSIA on behalf of affiliates or project SPVs.

It covers both general administrative procurements and procurements linked to NSIA's investment, infrastructure, and project development activities.

4. Core Procurement Principles

NSIA's procurement framework is grounded in the following principles:

- i. Transparency: Processes must be open, well-documented, and accessible to scrutiny.
- ii. Value for Money: Selections are based on achieving the optimal balance of cost, quality, risk, and impact.
- iii. Fairness & Non-Discrimination: All qualified vendors have equal opportunity to compete. Evaluations are objective and based on merit.
- iv. Accountability: Procurement decisions are backed by proper approvals, documentation, and internal controls.
- v. Integrity & Ethics: NSIA maintains zero tolerance for fraud, corruption, collusion, coercion, or conflicts of interest.
- vi. Sustainability & ESG Integration: Environmental, Social, and Governance (ESG) criteria form part of all procurement decisions, advancing responsible and sustainable corporate practices.
- vii. Local Content Promotion: NSIA prioritizes Nigerian suppliers, professionals, and materials where feasible, in line with the national local content agenda and Executive Order No. 5.

5. Governance & Oversight

NSIA maintains a strong governance system to ensure integrity and compliance throughout the procurement lifecycle:

Executive Management Oversight

The Executive Director/Chief Operating Officer and the Managing Director/CEO provide overall governance and policy stewardship.

Head of Procurement

Responsible for coordinating procurement processes, managing vendor engagement, ensuring compliance, and maintaining procurement records.

Bid Evaluation Committee (BEC)

A multidisciplinary committee reviews proposals and ensures impartial technical and financial evaluation.

Board Committees

The Board Finance & Investment Committee (F&IC) acts as the Tender Board and provides oversight for procurement activities.

Internal Audit

Periodic audits ensure adherence to policy, risk mitigation, and process integrity.

6. Ethical Conduct & Conflict of Interest

NSIA requires all personnel and external evaluators involved in procurement to:

- i. Declare actual or potential conflicts of interest.
- ii. Refrain from influencing procurement outcomes improperly.
- iii. Maintain strict confidentiality.
- iv. Comply with NSIA's Code of Conduct and anti-corruption obligations.
- v. Vendors, contractors, and consultants must adhere to the same high ethical standards.

7. Commitment to Sustainable & Responsible Procurement (ESG)

Aligned with global sustainability standards and NSIA's ESG strategy:

- ❖ ESG criteria are integrated into vendor prequalification and evaluation.
- ❖ NSIA promotes suppliers that demonstrate responsible environmental practices, strong labour standards, and ethical governance.
- ❖ Standard contracts contain ESG clauses specifying expected conduct and compliance obligations.

8. Vendor Management

To promote transparency and professionalism:

- ❖ NSIA maintains a **Vendor Database** of prequalified vendors.
- ❖ Vendors undergo due diligence, compliance checks, and ESG screenings.
- ❖ Annual revalidation ensures continuous eligibility.
- ❖ NSIA encourages competition and welcomes new entrants who meet its standards.

9. Promotion of Nigerian Local Content

NSIA is committed to supporting the Nigerian economy through:

- ❖ Preference for Nigerian suppliers, firms, and professionals where quality standards can be met.
- ❖ Requiring foreign firms to partner with local firms where applicable.
- ❖ Encouraging skill transfer, capacity building, and use of local materials.
- ❖ Applying local content considerations in bidding and contracting decisions.

10. Procurement of Consultants

Consultancy services are procured based on:

- ❖ Technical competence
- ❖ Relevant experience
- ❖ ESG alignment
- ❖ Cost-effectiveness
- ❖ Local content participation

NSIA gives preference to Nigerian consultants and requires foreign consultants to collaborate with qualified Nigerian firms where feasible.

11. Continuous Improvement

NSIA is committed to:

- ❖ Periodic policy reviews (at least every two years).
- ❖ Updating procedures in line with emerging risks, regulatory changes, and global best practices.
- ❖ Implementing technology-enabled procurement systems such as a Vendor Management System (VMS) for enhanced efficiency and transparency.