

2. Market Research & Analysis

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

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Purpose

- Define how MDAs gather and document market intelligence to improve specifications, cost estimates, procurement strategies, and competitive analysis.
- Reduce procurement risk (single sourcing, unrealistic pricing, weak delivery performance) through evidence-based market analysis.

Scope

- Applies to all procurements at the planning stage and before solicitation.
- Includes: market mapping, supplier outreach in a fair manner, price discovery, risk screening, and procurement strategy recommendations.

Roles & Responsibilities (minimum)

- Procurement Unit: leads market research; ensures equal access to information and prevents preferential treatment (PPA 2007 s.16; UNCITRAL fairness/competition).
- User Department/Technical Team: defines technical requirements and performance outcomes; validates feasibility.
- PPC: reviews cost implication analysis and affordability (PPA 2007 s.18(c)).
- Legal Unit: checks compliance, conflicts of interest, and that engagements do not constitute pre-award commitments (good practice).
- BPP: may set standard bidding documents and guidance; may review high-value procurements (PPA 2007 s.5-6; Regs 2007 on use of SBDs).

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

1. Define the market research question(s): availability, typical specifications, delivery timelines, cost drivers, and key risks (best practice; aligns with value-for-money).
2. Select appropriate methods: desk research, catalogues, historical spend, structured Request for Information (RFI), and non-binding supplier engagement sessions (World Bank PPSD approach).
3. Apply integrity safeguards: publish/record all supplier engagement notices; do not share unequal information; keep minutes; require conflict-of-interest declarations (PPA 2007 s.57; OECD integrity).
4. Map the supply market: identify potential suppliers/contractors/consultants, including SMEs and domestic providers where eligible (PPA 2007 domestic preference provisions; avoid discriminatory criteria).
5. Conduct price discovery: gather indicative prices (at least 3 independent sources where possible) and document assumptions; treat quotes as non-binding (good practice).
6. Assess market capacity and delivery risk: lead times, logistics, warranties, after-sales support, past performance signals, and concentration risk (World Bank contract management & supplier performance concepts).
7. Derive procurement strategy inputs: packaging/lotting, qualification criteria, evaluation approach (lowest evaluated responsive bid for goods/works) (PPA 2007 s.24(3)).

8. Update specification/TOR to be objective and functional; avoid brand names unless justified; document any proprietary constraints (UNCITRAL Model Law 2011 guidance on objective specifications).
9. Update cost estimate and budget implication analysis for PPC review (PPA 2007 s.18(c)).
10. Store market research report in the procurement file and link to the procurement plan entry (PPA 2007 s.38 record keeping).

Required Records / Evidence

- Market Research Plan (questions, methods, timeline).
- Supplier engagement logs (notices, attendance, minutes, Q&A).
- Price benchmarking worksheet and sources.
- Market risk assessment (capacity, concentration, logistics, FX exposure where relevant).
- Revised specification/TOR and rationale for major changes.

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

- No pre-commitment: market research must not result in promises of award or preferential access (best practice).
- Equal treatment: all materially relevant clarifications from engagement are documented and made available for the solicitation stage as needed (UNCITRAL transparency principle).
- Integrity screening: check BPP debarment/blacklist lists where available; log results (Regs 2007 on BPP debarment powers; PPA 2007 offences & sanctions).
- Record audit trail linking market research to estimate to solicitation documents.

Service Levels (SLAs) & Statutory Timelines

Process point	SLA / timeline	Source	Notes / evidence
Market research completed before solicitation approval	Before IFB/RFP is finalized	Best practice (WB PPSD; OECD)	Attach report to file
Record retention	≥10 years after contract signature	Goods & Works Regs 2007 para 16	Applies to research artefacts in file
If prequalification is used: clarification window	Request ≥10 days before deadline; response ≤7 working days	PPA 2007 s.23(4)-(5)	Plan market engagement timelines accordingly

Minimum Compliance Data Points for an Exceptions-Reporting Platform

- Market research report uploaded (yes/no) + date completed.
- Count of suppliers identified; evidence of at least 3 price sources (where feasible).
- Integrity screening results (debarment/blacklist checked) + date.
- Specification objectivity check (brand-neutral, functional) flag.
- Updated cost estimate and variance vs initial estimate.

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).