BUREAU OF PUBLIC PROCUREMENT
*Competition *Transparency *Efficiency

THE PRESIDENCY
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CIRCULAR

Chief of Staff to the President,
Deputy Chief of Staff to the President,
Principal Secretary to the President,
Secretary to the Government of the Federation,
Head of Civil Service of the Federation,
All Honorable Ministers/Ministers of State,
National Security Adviser,
Economic Adviser to the President,
Special Advisers/Senior Special Assistants,
Chief of Defense Staff/Service Chiefs, Inspector-General of Police,
Governor, Central Bank of Nigeria,
Chairman, Federal Civil Service Commission,
Chairman, Police Service Commission,
Chairman, Code of Conduct Bureau,
Chairman, Code of Conduct Tribunal,
Chairman, Federal Character Commission,
Chairman, Revenue Mobilization, Allocation and Fiscal Commission,
Chairman, Federal Inland Revenue Service,
Chairman, Independent National Electoral Commission,
Chairman, National Population Commission,
Chairman, Independent Corrupt Practices and other Related Offences Commission,
Chairman, Economic and Financial Crimes Commission,
Chairman, National Drug Law Enforcement Agency,
All Permanent Secretaries and Heads of Extra-Ministerial Departments,
Clerk of the National Assembly,
Chief Registrar, Supreme Court of Nigeria,
Accountant-General of the Federation,
Auditor-General for the Federation,
Directors-General and Chief Executives of Parastatals, Agencies, and Government-Owned Companies,

GUIDELINES ON THE IMPLEMENTATION OF THE REVISED POLICY OF THE FEDERAL GOVERNMENT FOR VARIATIONS OF CONTRACT SUMS AND THE MANDATORY USE OF FINAL DESIGNS

INTRODUCTION

The Federal Executive Council (FEC) has approved that **all** requests for revision of contract sums or modification of contract scope should henceforth be submitted directly to the Bureau of Public Procurement (BPP) for review and certification. The FEC approval was conveyed vide the Secretary to the Government of the Federation (SGF) Circular Ref No. 59780/S.2/B/568 dated 9th December, 2025 and **supersedes** the previous SGF Circular Ref No. SGF/OP/I/S.3/X/372 dated 25th July, 2013, which had stipulated that any request for Revised Estimated Total Cost (RETC)/Variation above 15% of an initial Contract award sum and/or above N1billion should have Presidential approval before it is processed for certification by the Bureau of Public Procurement. Under the current FEC approval, the applicable Service-Wide Prior Review and Monetary Thresholds will determine the appropriate Approving Authority to consider and approve the revision of the contract sum or modification of contract scope.

2. In order to ensure that there is seamless and uninterrupted implementation of procurement activities under the 2025 Appropriation Act and subsequent years using this new policy, there is the compelling need for Ministries, Departments and Agencies (MDAs) to be properly guided with the requirements for obtaining approvals for variation orders, fluctuation claims and modifications of scope of works for ongoing contracts while **substantially sustaining** the **fundamental principles of transparency, accountability, probity and value for money in their procurement proceedings**.

3. Variation of a contract could occur when there is a change encompassing additions, omissions, or alterations to the original scope of works and are due to basing the Bill of Quantity (BOQ)/ Bill of Engineering Measurement & Evaluation (BEME) on Preliminary Designs or flawed "Final" Designs, or unforeseen site conditions and requirements or regulatory changes or technological advancements or material issues or on the explicit directives of the Ministry, Department and Agency (MDA). On the other hand, Fluctuation of a contract, occurs when there are changes in the costs of labour, materials, and other inputs during the project including currency exchange rate fluctuations

4. The earlier policy did not explicitly differentiate between Variation and Fluctuation and its application basically focused on any increase in the contract sum. However, considering that fluctuations, as defined above, **are due to factors that**

are clearly beyond the control of the employer and the contractor and in some instances resulting from changes of Government policies, there is the compelling need to ensure that fluctuations claims are handled professionally and in accordance with the Conditions of the Contract, as distinct from variation requests.

5. Consequent to the above, the Bureau of Public Procurement (BPP), pursuant to Sections 5(a) and (o) of the PPA, 2007 and mindful of its oversight responsibilities as the Regulator of Public Procurement in Nigeria, **has formulated Guidelines to fast-track the processes of approving requests for variations, fluctuation claims and modification of scope of works for ongoing contracts.**

OBJECTIVES AND GUIDING PRINCIPLES

6.1 Application of the Guidelines

These guidelines shall apply to all contract variations arising from ongoing projects irrespective of when the original contract was awarded, subject to the thresholds and procedures set out herein.

6.2 Objectives of the Guidelines

(a) The objectives of these guidelines are to:

- Establish clear, transparent, and legally-compliant procedures for the processing, review, and approval of contract variations in Federal Government projects;
- Vest the regulatory review and certification authority for contract variations in the Bureau of Public Procurement;
- Align the variation approval framework with the revised procurement thresholds approved in May 2025;
- Protect the public interest by ensuring that variations are genuine, justified, reasonable, and do not constitute disguised sole-source procurements; and
- Promote accountability, value for money, and timely project delivery in federal public procurement.

6.3 Guiding Principles

(a) All contract variations under this Policy shall be governed by the following principles:

- Necessity — A variation shall only be approved where it is genuinely necessary for the satisfactory completion of the project and could not have been foreseen or avoided with reasonable diligence at the time of procurement.
- Value for Money — Variation costs must be justified, fair, and represent value for public money; the unit rates applied to varied work shall generally be derived from or consistent with the rates in the original contract.

- Continuity of Scope — A variation shall not fundamentally alter the original scope or purpose of the contract. Where the change is so substantial as to constitute a different project, fresh procurement shall be conducted.

6.4 Permissible Grounds for Variation

(a) A contract variation shall be permissible only where justified by one or more of the following circumstances:
- Unforeseen site or sub-surface conditions not reasonably discoverable during design or pre-procurement investigation;
- Errors or omissions in the original design, drawings, specifications, or Bill of Quantities that are material to project completion;
- Statutory or regulatory changes enacted after contract execution that require modification to the works, goods, or services;
- Significant price escalation in key inputs arising from macroeconomic conditions, natural disasters, or force majeure events occurring after the base date of the contract;
- Technical improvements or value engineering changes that reduce cost or improve project outcomes without altering the fundamental scope; and
- Quantity adjustments arising from the re-measurement of works executed under provisional quantities.

(b) The following shall **NOT** constitute justification for a variation:
- Inadequate initial planning, design, or cost estimation that was reasonably avoidable;
- Addition of new components, structures, or facilities not contemplated in the original project scope and not necessitated by unforeseen circumstances; or
- Scope additions that should properly be procured as new and separate contracts.

SUBMISSION REQUIREMENTS TO THE BPP

7. Irrespective of the computation method used, all requests for variation, fluctuation or modification of scope of work submitted to the BPP shall be accompanied by the following:

(a) Forwarding letter signed by the Accounting Officer which should clearly indicate the purpose of the request and confirming:-
  (i) if it is for a variation of contract sum or fluctuation claims.
  (ii) the revised project cost.
  (iii) the full description of the applicable revised or modified scope of works, and the reasons necessitating the change.

(b) A copy of the Agreement which shall include the original Contract scope of works and the complete Conditions of the Contract and the Schedule of rates for applicable key basic items;

(c) A copy of the original Bill of Quantity (BOQ)/ Bill of Engineering Measurement and Evaluation (BEME) that formed the basis for award;

(d) Complete original Architectural and/ or Engineering drawings showing cross sections and relevant details of the project (where applicable);

(e) Revised BOQ/ BEME based on the revised or modified scope of works;

(f) Revised Final Designs based on the modified scope of works (where applicable);

(g) Backup calculation sheets to support how the revised quantities were derived (where applicable);

(h) Backup calculation sheets to show how the fluctuation claims computations were derived from the Contract's Schedule of rates for applicable major basic items (where applicable);

(i) Status Report of the project prepared by the Implementing Agency;

(j) Latest Progress Report prepared by the Project Consultant which should highlight the physical and financial progress and the challenges on the project amongst other information;

(k) Progress photographs (where applicable) capturing the physical progress made so far on the project;

(l) Technical Assessment of the capacity of the Contractor by the supervising consultant to actualize the project;

(m) Copies of all the Interim Valuation Certificates that have been issued by the Implementing Agency on the project;

(n) Copies of invoices and receipts indicating the costs, quantities and dates for key materials in the Schedule of Basic Rates that were delivered to site to support the fluctuation claims; and

(o) Delivery Notes signed by the Clerk-of-Works or Engineers Representatives indicating the quantities of materials delivered to site and the dates the materials were received by the Implementing Agency;

8. In addition to the above supporting documents, it is important to clarify that contractors who fail to comply with the conditions of contract and deliberately delay progress on their projects for the purpose of making fluctuation claims or revision of unit rates shall be denied such claims by the Bureau. Also, such erring contractor may be debarred if such claims are found to be bogus or overstated.

9. In line with the revised Circular, it is only variations of contract sums and fluctuation claims that have been reviewed and certified by the Bureau of Public Procurement that can be considered further by the relevant Approving Authority for approval for implementation. Also, it is the augmentation/variation sum and not the total revised cost that shall henceforth determine the Approving Authority to approve the revision of the contract sum. The Table below sets out the Approving Authority for contract variations based on the Revised Contract Sum, consistent with the revised thresholds conveyed vide SGF Circular Ref. No. 59780/S.2/B/532 of 27th May, 2025:

Approving Authority	Augmentation/Variation Sum (Works)	Augmentation/Variation Sum (Goods /Services)
FEC / NJC / NASS Tenders Board	₦10 billion and above	₦5 billion and above
Ministerial Tenders Board / NASS Parastatal Tenders Board / Judicial Tenders Board	₦5 billion and above but less than ₦10 billion	₦1 billion and above but less than ₦5 billion
Ministerial Tenders Board / NASS Parastatal Tenders Board / Judicial Tenders Board (for Tenders Board approval)	₦75 million and above but less than ₦5 billion	₦50 million and above but less than ₦1 billion
Parastatal Tenders Board / MDAs NASS Parastatal Tenders Board and Court Bodies Tenders Board	₦50 million and above but less than ₦75 million	₦25 million and above but less than ₦50 million
Accounting Officer (Permanent Secretary / Head of Extra-Ministerial Body)	Less than ₦75 million	Less than ₦50 million
Accounting Officer (Director General/CEO)	Less than ₦50 million	Less than ₦25 million

10. The issuance of a BPP Certificate of No Objection for a variation shall:

- constitute regulatory clearance for the procuring entity to proceed to the appropriate Approving Authority for ratification and contract modification;
- not constitute approval of payment — physical verification of works, goods, or services executed shall remain the responsibility of the procuring entity's technical team;
- where necessary, require the BPP to conduct physical verification of additional works before approval;

- be valid for a period of six (6) months from the date of issue, after which the MDA must revalidate if the variation has not been approved by the relevant Approving Authority; and
- be specific to the variation scope and amount reviewed and shall not authorise additional or different variations.

11. The BPP shall periodically submit Council Notes to the Federal Executive Council to apprise them on variations of contract sums and fluctuation claims that have been reviewed and approved by the Bureau of Public Procurement. For the avoidance of any doubts, variation requests and fluctuation claims that appear excessive in the professional opinion of the BPP or that appear spurious or unsubstantiated shall not be processed by the BPP. Rather, such requests shall be referred to the Presidency for further actions.

12. Violations including variation splitting, processing payments without a BPP Certificate where required, or approving unjustified scope additions shall attract sanctions under the PPA, 2007, including suspension of officers, disciplinary action against Accounting Officers, and debarment of contractors.

COMMENCEMENT

13. Within 30 days of Tenders Board approval, MDAs should publish on their website and that of the BPP, the details of the project including name of the contractor, original contract sum, augmentation sum, revised contract sum, and grounds for the increase in project cost or modification of scope of work.

14. This Policy takes effect immediately and shall be brought to the attention of all Accounting Officers, Tenders Boards and Procurement Officers in all Ministries, Departments, and Agencies of the Federal Government for strict compliance. Procuring Entities can contact the Bureau of Public Procurement for further clarifications via email at info@bpp.gov.ng

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Director-General/CEO