

PROCUREMENT POLICY and PROCEDURES

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1. INTRODUCTION

1.1 Purpose

This Procurement Policy sets out the general principles that shall govern the procurement of goods and services by or on behalf of Transforming Our Futures (TOF) and establishes a framework for decision-making with respect to such procurement. Detailed regulations governing how such procurement shall be conducted are contained in the Procurement Regulations, which are subject to the approval of the Board or Executive Director in consultation with the Committee for Procurement.

The purpose of this Policy is to ensure that TOF obtains the best value for money in the procurement of goods and services, by requiring the application of a clear and consistent approach to procurement that is based on the procurement principles as given below.

1.2 Scope and Application

This Policy applies to all permanent or non-permanent TOF staff, consultants, officers, Board members or agents (collectively referred to as “Covered Individuals”) who are directly or indirectly involved in the procurement of goods and/or services for or on behalf of the TOF.

It is the responsibility of such Covered Individuals to acquaint themselves with and adhere to this Policy (*including TOF’s anti-corruption¹ and gender equality policy²*). Any acts or omissions of a Covered Individual that are or may be perceived as a violation of this Policy will be dealt with under “Whistle- Blowing”³, “HR Policy and Regulation: Disciplinary” and Policy on Ethics and Conflict of Interest for TOF Institutions, as applicable.

The Head of Board and Executive Director with the Administration is responsible for ensuring the effective implementation of this Policy. Without prejudice to the foregoing and subject to any limitations contained in this Policy, the Head of the Board may delegate in writing to other officers such authority as considered appropriate to the implementation of this Policy.

1.3 Code of Conduct

The standards of conduct that shall govern the performance of Covered Individuals in relation to the procurement of goods and/or services for or on behalf of the TOF and the administration of contracts for such goods and/or services are specified in the Policy on Ethics and Conflict of Interest for TOF Institutions. Any additional standards of conduct that apply specifically with respect to procurement may be specified in the Procurement Regulations.

See Code of Conduct:

www.tofnorway.org/wp-content/uploads/TOF-Code-of-Conduct.pdf

¹ www.tofnorway.org/wp-content/uploads/TOF-Anti-Corruption-Policy-04June20-v1.pdf

² www.tofnorway.org/wp-content/uploads/TOF-GenderPolicy04June20-v1.pdf

³ www.tofnorway.org/wp-content/uploads/TOF-Whistleblowing04June20-v1.pdf

2. PROCUREMENT PRINCIPLES

The procurement of goods and services for or on behalf of the TOF shall be conducted in a manner that is based on the principles set out below.

2.1 Requirements of Goods and Services

Requirements for product or service being procured should be established. These requirements can be used to fairly compare bids and ensure complete coverage of need for an item or service.

2.2 Value for money

Procurement shall be conducted with the aim of obtaining value for money (VFM). In determining what represents VFM, due consideration shall be given to factors such as:

- The direct and indirect costs of the goods/services over the whole procurement cycle;
- The quality and fitness for purpose of the goods/services to be procured;
- The proposed supply time-frame for the goods/services;
- The performance history of each prospective supplier and the strategic importance and/or risks of engaging particular suppliers;
- The appropriateness of contracting options (for example, contract extension options)
- Penalty clauses for Delays in delivery and quality
- The potential risks associated with the procurement of the goods/ services.

2.3 Competition

Procurement shall be carried out on a competitive basis to the maximum practical extent.

- Competition thresholds - The extent of competition required in the procurement of goods and/or services shall be based on thresholds specified in the Procurement Regulations. Such thresholds shall be established by reference to the estimated value of goods and/or services to be procured. In addition, specific competitive processes may be established in the Procurement Regulations for particular categories of goods and/or services based on risk management considerations.
- Exceptions to competition - Exceptions to competition thresholds and processes shall be allowed in exceptional situations only. Such exceptions can only be approved by the Executive Director. The Procurement Regulations shall specify allowable exceptions to such thresholds and processes and shall also specify who has the authority to approve such exceptions. It is anticipated that the establishment of a portfolio of pre-qualified suppliers, as well as timely procurement planning on the part of users, will minimize the need for exceptions to competition.

In Principle TOF will follow the following: *(In all cases, if possible, get 3 bids)*

Amounts of below NOK 100,000 will not require any advertisement for competition bids.

Amounts of NOK >100,000 to 300,000 can be selectively sent to 3 eligible competitors invited to submit proposals/bids.

All other amounts will be subject to open competition advertised on the TOF website, other suitable platforms (e.g., TOF's social media sites), and invitation to eligible competitors as seen suitable.

2.4 Efficient and Effective Procurement

Procurement shall be conducted in a manner that maximizes the efficient use of the TOF's resources and ensures that the goods and/or services procured effectively meet the requirements of the users within the TOF.

2.5 Impartiality, Transparency & Accountability

- Procurement shall be conducted in an impartial, transparent and accountable manner.
- In ensuring impartiality, potential suppliers of goods and/or services shall be afforded equitable treatment and their offers shall be evaluated based on their legal, technical and financial abilities.
- In promoting transparency, information relating to procurement process shall be documented in a manner that facilitates appropriate scrutiny of procurement activities, as described in the Procurement Regulations or Procedures.
- In encouraging accountability, Covered Individuals shall be accountable for their acts with respect to procurement based on the lines of accountability established in the Procurement Regulations.

2.6 Ethics

- The TOF shall endeavor to select and use suppliers that provide written contractual undertakings that they comply with the internationally recognized standards for human rights, labor, the environment and anti-corruption, as reflected in the TOF code of conduct and policies for contractors.

3. PROCUREMENT REVIEW COMMITTEE

3.1 Role

- The Procurement Review Committee [**PRC's**] role is to review and make a recommendation on the proposed award of a contract for the procurement of goods and/or services, or the proposed modification of an existing contract, that represents a high cost and/or high risk to the TOF according to limits defined in the Procurement Regulations.
- The PRC may also review requests for exceptions to competitive thresholds and processes, as described in the Procurement Regulations.

3.2 Purpose and Scope

The purpose of the PRC review is to assess whether:

- The process for procuring the relevant goods and/or services has been conducted in accordance with this Policy and the Procurement Regulations
- The proposed award of the contract for goods and/or services is in the best interests of the organization, based on the principles set out in this Policy.

3.3 Members

- The PRC shall be an internal body composed of the TOF Board/staff members and/or consultants.
- Members of the PRC shall be appointed by the Head of Board or Executive Director, who will oversee the process as deemed necessary. Details regarding the composition, rules of procedure and authority of the PRC are specified in the Procurement Regulations.

4. PURCHASE AUTHORIZATIONS

4.1 Authorization

- The Board or Executive Director shall delegate to certain individuals within the TOF Secretariat the authority to commit funds to finance the procurement of goods and/ or services in accordance with the thresholds defined in the Procurement Regulations and in accordance with an 'Accountability Framework'⁴ (to be developed by the Executive and Managing Directors). Such authority shall be determined based on the estimated value and nature of the goods and/or services to be procured, as well as, where appropriate, the risk of the proposed procurement.

4.2 Availability of Funds

- The availability of funds to finance the procurement of goods /services by the TOF shall be verified pursuant to applicable regulations.

⁴ An *Accountability Framework* should be the product of deliberate and strategic –decision-making, based on an understanding of the organization, its objectives, operating environment and culture. TOF's risk management system and other policies in place are central in accounting for the organization's activities and operations.

5. INTERNAL CONTROLS

Procurement regulations shall stipulate appropriate internal controls to cover the establishment of supplier contracts. TOF annual review and auditing processes will take into account all procurement processes.

Risk Assessment and Management will be performed as per the following document. Process and methodology for evaluating risk and determining risk levels shall be determined using the process described and identified in this document "TOF Risk Analysis Mgmt version-03Jun20.pdf"⁵.

⁵ www.tofnorway.org/wp-content/uploads/TOF_Risk_Analysis_Mgmt_version-03Jun20.pdf⁴