

## GRID-Arendal Procurement Policy

Summary			
This Policy sets out the principles that shall govern the procurement of goods and services of GRID-Arendal. The purpose of this Policy is to minimize procurement-related risks by establishing the standards for professional procurement to ensure that GRID-Arendal obtains Value for Money in all its procurement activities, and that procurement is conducted in a transparent, efficient, and cost-effective manner that respects ethical principles, sustainability, the environment.			
Scope			
This Policy covers all transactions for the purchase of goods, works and services using funds managed by GRID-Arendal. This Policy applies to all persons conducting procurement activities on behalf of GRID-Arendal. Adhering to this Policy is mandatory; violations may result in disciplinary action.			
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# Procurement Policy

## 1. Introduction

### 1.1 Purpose

This Procurement Policy sets out the principles that shall govern the procurement of goods and services of GRID-Arendal. The purpose of this Policy is to minimize procurement-related risks by establishing the standards for professional procurement to ensure that GRID-Arendal obtains Value for Money in all its procurement activities, and that procurement is conducted in a transparent, efficient, and cost-effective manner that respects ethical principles, sustainability, the environment. More detailed regulation is described in the GRID-Arendal Procurement guidelines.

### 1.2 Responsibility for policy

The Chief Financial Officer is responsible for procurement standards and procedures and for overall oversight of the conduct of procurement activities. The Project Support Office provides support to the Chief Financial Officer in the implementation of this Policy.

### 1.3 Policy, standard operating procedures, and guidance

This Policy includes several procedures designed to implement the principles laid down in this Policy. These procedures provide detailed practical instructions on how to run a procurement in line with best practice without having to spend time and effort on deciding on how best to implement the policy. These are stand-alone documents that may be reviewed and amended by the Chief Financial Officer from time to time if needed.

In addition, GRID-Arendal may issue formal guidance on details of the procurement process, for example on what to consider when writing terms of reference or evaluation criteria.

### 1.4 Non-compliance

Non-compliance with this Policy may result in legal disputes and could damage GRID-Arendal's relationship with donors and suppliers or lead to loss of business opportunities. Every individual involved in the procurement process on behalf of GRID-Arendal is required to be familiar with this Policy and to abide by it. Non-compliance may be considered a breach of the Code of Conduct.

## 2. Scope and Applicability

2.1 - This Policy covers all transactions for the purchase of goods, works and services using funds managed by GRID-Arendal, including but not limited to:

- Consultancies and other professional services;
- Office leases and related maintenance services;
- IT software licenses, hardware, and services;
- Design, writing, editing, translation, and other publication services;
- Travel and travel-related services; and,
- Office supplies, food, and other services

2.2 - This Policy does not cover employment contracts, nor the selection of implementing partners and grant recipients.

2.3 - This Policy applies to all persons conducting procurement activities on behalf of GRID-Arendal. Adhering to this Policy is mandatory; violations may result in disciplinary action.

2.4 - This Policy may be shared with potential suppliers, donors, and external partners, and incorporated into any resulting contractual relationship.

2.5 - When procurement is financed by restricted funding, the donors providing the funds may stipulate terms and procedures. Regardless of the specific requirements imposed by donors, it is imperative to fully comply with this Policy, along with the Norwegian Procurement Act and the Norwegian Procurement Regulation. In principle, donor requirements should be considered as supplementary rather than substitutive to the provisions outlined in this Policy.

## 3. Guiding Principles

All procurement activities shall be conducted in a manner that is based on the following principles:

- **Best interest of GRID-Arendal:** Procurement activities are planned and budgeted based on needs and priorities. Such activities must be carried out in a manner that best enables the organization to reach its social, environmental, or other strategic objectives.
- **Best value for money:** GRID-Arendal seeks best value for money, taking into consideration life cycle costs and benefits, quality, the vendor's reputation, timing, location, source, sustainability, and possible related future purchases.
- **Competition:** Procurement activities will be carried out on a competitive basis and respect the prescribed competitive thresholds.
- **Transparency:** The information on the public procurement process will be available to everyone unless there is a valid reason to keep it confidential. Procurement and selection will be carried out in a transparent manner.

- **Equitable and unbiased selection:** All potential vendors will be treated equally, and the process will feature clear selection criteria, award criteria, realistic requirements and contract terms, clear instructions, and rules and procedures that are easy to understand. No bidder shall be unjustifiably discriminated against, and no bidder shall receive an unfair competitive advantage.
- **Compliance with public procurement laws:** GRID-Arendal procurement activities are done in accordance with The Public Procurement Directive 2014/24/EU, The Norwegian Procurement Act, and the Norwegian Procurement Regulations.
- **Efficiency and effectiveness:** Procurement activities will be carried out in a manner that makes efficient use of GRID-Arendal resources. Such activities should also meet the needs of the end-user and achieve the objectives of GRID-Arendal.
- **Confidentiality and security of information:** Procurement activities will be appropriately documented and recorded, including requests for proposals or quotes, bids, contracts, purchase orders, invoices, and payment records. procurement documents will be kept secure and confidential in line with GRID-Arendal's Data Protection Policy.
- **Adequate planning:** Adequate time will be provided for a procurement process to ensure timely and successful implementation of activities and to ensure compliance with the principles of the Policy.
- **Compliance and monitoring:** GRID-Arendal will regularly monitor its procurement activities to ensure compliance with the policy and applicable laws and regulations. We will conduct periodic audits and assessments to identify areas for improvement and ensure that procurement activities are aligned with our mission and goals.
- **Procurement Ethics:** GRID-Arendal will not tolerate any form of corruption, fraud, bribery or other unethical or illegal behaviour in its procurement activities. Conflicts of interest must be declared and managed where they exist.

## 4. Procurement Cycle

The procurement cycle consists of the following steps:

4.1 - Annual procurement planning to facilitate efficient planning of resources, effective procurement and delivery and implementation of the projects.

4.2 - Specific procurement planning, including the (1) preparation of cost estimates and confirmation of budgeted funds; (2) defining the procurement requirements and setting clear specifications to secure compliant offers or proposals; (3) determining the appropriate procurement procedure to be used; and (4) preparation of contract using standard templates to formalize contract agreements with suppliers. The type of template used depends on the procurement category, the nature of the service and the value of the contract

4.3 - Conducting the procurement process following the applicable procurement procedure of the Norwegian Procurement Regulations and the principles of the Norwegian Procurement Act § 4.

4.4 - Contract management and monitoring of contract performance by the Project Manager.

## 5. Procurement procedures

5.1 - The value of the procurement for closed contracts is calculated based on the cumulative amount to be spent on any single type of good or service during a 12-month period or the full duration of the contract length in case of rental or leasing. The value for open-ended contracts is based on a 48-month period. For framework agreements the value is calculated based on the maximum value of all contracts in the contract period.

The following value categories apply for procurements:

- 5.1.1 NOK (Norwegian kroner) <30,000
- 5.1.2 NOK ≥30,000 and <100,000
- 5.1.3 NOK ≥100,000 and <1.3 million
- 5.1.4 NOK ≥1.3 million (must use public tender)

These values are not governed by procurement regulations but are aligned with our internal guidelines.

5.2 - There are three main procedures to procure which are further detailed through a separate Procedure that provides specific practical steps to follow. The options are:

- 5.2.1 5.2.2 Three (or more) written quotes
- 5.2.3 Public tender
- 5.2.3 Letter of intent

## 6. Policy Controls

6.1 - This Procurement Policy supersedes all previous Procurement Policies and may be amended from time to time as deemed necessary to reflect changes in best procurement practice.

6.2 - The Managing Director has the ultimate authority in relation to the Policy and may delegate authority as required.

6.3 - GRID-Arendal as a whole is responsible for executing this policy.

6.4 - The Chief Financial Officer must report on the policy and specific problems experienced in its implementation as required and is authorized to propose standard operating procedures in support of this policy if required.

6.5 - Sanctions may be imposed in terms of the Disciplinary Procedure on any Staff Member that fails to comply with this policy.

6.6 - No amendment(s) may be made to any section of this policy without following the appropriate procedures.

6.7 - Any deviation from this policy must be expressly approved in writing by the Managing Director or his/her delegate.

6.8 - This policy was approved on 30 October 2023 by the GRID-Arendal Management and will be of immediate effect applying to all new contracts or extensions after that date.