

PROCUREMENT POLICY

STATEMENT

Strømme Foundation (hereinafter: Strømme) is the steward of donors' funds which have been provided to Strømme in trust to fulfil specific purposes. Strømme shall conduct procurement activities in a fair, equitable, and transparent manner that promotes Strømme's values and optimise both value-for-money and social and environmental sustainability. The sustainable development goals are a corner stone in Strømme's strategy. Strømme shall conduct procurement activities promoting climate friendly solutions where this is relevant.

PURPOSE

The purpose of this procurement policy is to outline the principles and approach that Strømme and its implementing partners shall apply in planning, sourcing, and managing its procurements.

SCOPE

This policy applies to all activities involving procurement of goods, services and works, including all general and specified goods and services from external suppliers whether purchased or leased, capitalised, or expensed. The policy applies to all procurement activities implemented by Strømme's offices, and its implementing partners.

GUIDING PRINCIPLES

Procurement is guided by the following four principles:

1. *Fairness, integrity, and transparency.*

Procurements shall be carried out in a manner that provide all interested parties fair process and competition. Strømme shall apply a transparent process through clear procedures to ensure no deviation from the guiding principles and to protect the integrity of the procurement process.

2. *Equal treatment and non-discrimination.*

During the entire procurement process and the award of contracts, Strømme shall not discriminate against candidates, tenderers, and groups based on gender, ethnicity, and minority.

3. *Sustainable procurement.*

Strømme shall contribute to sustainable social procurement, with emphasis on the environmental footprint. Strømme shall not carry out procurement activities that have a damaging impact on the environment.

4. *Best value for money.*

Strømme shall select offers that present the optimum combination of environmental and social benefits, quality, life cycle, and price. To maintain a competitive edge and ensure value for money, the lifetime of a contract should not exceed three years, after which a new round of bidding should be held.

PROCUREMENT AUTHORITY

The level of procurement approving authority is based on the delegated financial approving powers set in Strømme's Matrix of Authority.

TABLE 1 - EXTRACT FROM THE MATRIX OF AUTHORITY

| Approving Authority | Procurement Level (in NOK) |
|--------------------------------|-----------------------------------|
| SF Chairman of Executive Board | >2,5 MNOK |
| SF Secretary General | ≤2,5 MNOK |
| SF Departments Directors | ≤500,000 NOK |
| SF Regional Directors | ≤300,000 NOK |
| SF Country Coordinators | ≤100,000NOK |

PROCUREMENT PROCESS

Adhering to a comprehensive procurement process helps managing the risks associated with social and environmental footprints and aids mitigating risks pertaining to the supply chain.

The procurement process entails, amongst other elements:

- Planning and forecasting
- Requirement definition
- Sourcing and tendering (including bid review and financial scrutiny)
- Contract preparation and awarding
- Contract administration (including monitoring and evaluation)
- Invoice approval and payment

FINANCIAL AUTHORITY

All procurements are to be made in accordance with Strømme's financial control guidelines set out in the finance manual and the Matrix of Authority. These guidelines include delegation of authority, segregation of duties, and accountability for the correct use of authority and available resources and funds. These measures are essential to ensure that procurement activities are conducted in a manner that minimizes financial risks, maintains transparency and accountability, and ensure the accuracy and integrity of its financial statements.

RESOURCES

Procurement Committee

- Purpose & Scope

The purpose of the Procurement Evaluation Committee is to assess whether:

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

- Role

- a) The Procurement Committee shall function as a Tender Opening Committee and shall 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 Strømme.
- b) The Procurement Committee shall also review requests for exceptions to competitive thresholds and processes, as described in the Procurement and Financial Guidelines.

- Members

The Committee shall consist of minimum three members and include representation from the Administration- and Finance departments. The decision on who participates as a member of the technical evaluation rests with the requisitioning department.

OWNERSHIP AND IMPLEMENTATION

- a) The Finance department is owner of the Procurement Policy in Strømme and is responsible for evaluating and updating the policy. Changes to the policy must be approved by Strømme's Board.
- b) The Procurement Policy shall be available through Strømme's quality management system for dissemination and quality control.

POLICY REVIEW

To remain compliant with legal and certification requirements, the policy should be reviewed at least once every two years or if a situation mandates a review earlier.

RELATED DIRECTIVES

- Anti-Corruption Policy
- Child Protection Policy
- Financial Controls Guidelines
- Finance Manual
- Matrix of Authority
- Miljøfyrtårn Certification Criteria
- SF Environmental goals (2155)
- Procurement Guidelines
- Transparency Act