Procurement Policy

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Caritas Norge

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Introduction

Caritas Norway (hereafter CN) has established systems and procedures to ensure that the procurement of goods and services takes place in an efficient and responsible manner and in accordance with the Norwegian Public Procurement Act and Regulations on Public Procurement. Furthermore, CN is obligated to report yearly on fundamental human rights and working conditions as stipulated by the Transparency Act. The Transparency Act promotes respect for human rights, decent working conditions and providing the public with access to information.

In case that specific donor guidelines are stricter than CN's own guidelines, then the donor guidelines will take precedence. Therefore, this procurement manual should be seen as CN's minimum requirements related to procurement.

For project funds, this procurement guidelines should be an integral part of the contract and project administrative procedures for both CN and implementing partners or subcontractors as a minimum standard.

CN selects suppliers on the basis of a thorough process in which the supplier offering the most favourable bid (price and quality) wins the tender.

CN's procurement processes shall comply with the following principles:

- best value for money
- fair competition between suppliers
- equal treatment of suppliers without any form of discrimination on the basis of race, gender, age, religion, sexuality, culture or disability
- open process and a well-founded choice
- decision based on objective criteria
- a well-documented process
- in accordance with CN's Guidance for Screening of Companies
- further ethical considerations, such as
    - respecting minimum ILO standards such as the respect of working conditions and avoidance of child labour
    - respecting basic social rights and environmental aspects
    - having zero tolerance for corruption and financial irregularities
    - having zero tolerance for inaction to sexual exploitation, sexual abuse, and sexual harassment (SEAH)
    - respect of applicable law relating to anti-money laundering and combatting terrorism financing

Authorizations and the organisation of work shall be documented, and methods and measures shall be established to prevent, detect and correct errors and deficiencies in the systems and procedures.

CN shall also ensure that partners have established similar systems and procedures for projects supported by/through CN. The requirement for such systems and procedures shall be included in agreements and contracts with partners. CN will monitor whether the routines and practices of the partner organisations are consistent with these.

CN will help ensure compliance with this policy by providing periodic awareness trainings with relevant staff, including those who work directly and indirectly with procurement, as well as implementing partners.

Thresholds

Norwegian Crowns NOK*	**≤10 000 NOK** 12 months period	**10 001 - 99 999 NOK** 12 months period[1]	**100k - 499 999 NOK** 12 months period[2]	**500k - 2M NOK** 12 months period	**≥ 2M NOK** 12 months period
Minimum of bids	1	1	3	3	3
Bid Collection **	No requirements	No requirements	No requirements	No requirements	No requirements
Commitment	The order can be made based on prior knowledge or a simplified search on internet – provided that the purchase is within budget, of satisfactory quality (value for money) and can be timely delivered.	The order can be made based on prior knowledge or a simplified search on internet – provided that the purchase is within budget, of satisfactory quality (value for money) and can be timely delivered.	Procurement requires use of the restricted tender procedure[3], which implies elaboration of written supply and selection criteria. A minimum of three suppliers are asked to participate.	Procurement requires use of the restricted tender procedure, which implies elaboration of written supply and selection criteria. A minimum of three suppliers are asked to participate.	Procurement requires use of the restricted tender procedure, which implies elaboration of written supply and selection criteria. A minimum of three suppliers are asked to participate.
Authority	Can be entered by all staff members	Can be entered by a senior manager	Can be entered: Secretary General or A senior manager with written approval from: - Director of Administration - Financial Director	Can be entered by Secretary General after consulting the Board.	Can be entered by the Board

**All threshold values are without VAT.*

[1] Above this threshold, any exceptions to broad competition should be fully justified and documented and may include exceptional cases in which there is only one single supplier capable to provide the goods or the service or for urgent actions.
[2] The minimum number of bids is three, provided that a sufficient number of suppliers satisfying the selection criteria exist.
[3] A restricted tender is one where the organization identifies and invites only a limited number of suppliers to submit bids for a particular project or contract.

All procurement of importance and all fixed agreements with suppliers should comply with the principles outlined in this policy. The Procurement Policy shall always apply when purchasing individual goods with a value exceeding/to contracts with a total value exceeding NOK 100 000. The requirements for the process and documentation are stricter for purchases with a value exceeding NOK 500 000 (in accordance with Regulations on Public Procurement and the procurement requirements of Norad and other donors to partners and other parties who receive funds from CN).

For local partners the procurement restrictions and the requirements of the subsequent process may differ from this policy, but local partners who receive funds from CN must meet the requirements for procurement as outlined in this document and in the documents it refers to.

Budget allocation and ordering

The ordering of goods and services must be authorised by a budget holder. Before executing an order the responsible person must:

a) ensure that there is a warrant for the procurement in CN's budget, the Board decisions or the decisions made by the executive management team
b) ensure there is cost coverage for the procurement in the budget (e.g. by reallocation)
c) ensure that the procurement is financially sound
d) ensure that the environmental impact of the procurement is considered
e) consider which health and safety requirements that may arise
f) consider environmental requirements

Receipt and handling of goods

The person who makes the order, or another employee, shall ensure that the goods received correspond to the order form, delivery note or other relevant documentation. If the product does not correspond to the order the responsible person/manager shall be notified and a complaint filed with the supplier.

For CN’s overall procurement audit routines, receipt and handling of goods will be managed according to CN’s internal Procurement Checklist Guidance Document. CN has specific routines on procurement, receipt and handling of food and medicine.

Invoice processing

CN receives invoices either electronically (EHF – Electronic Trade Format) or as a PDF file sent as an email attachment.

Certification

All expense documents must be certified by the person responsible for the cost and the relevant Department Manager. If the cost is incurred by the Department Manager, the Chief

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Financial Officer must also certify. Costs incurred by the Chief Financial Officer must be certified by the Secretary-General. The requirement for dual certification does not apply to ordinary operating costs.

The Secretary-General's personal expenses, e.g. travel expenses, must be certified by the Chairman of the Board, or another designated board member.

All expenses must be certified before a payment is processed. The certifying employee must ensure that the following checks have been carried out:

a) that the invoice contains information detailing what is being purchased, possibly with reference to where relevant documentation can be found, and information needed for correct payment, registration and controls
b) that order documents, and if relevant the agreement, detailing price, payment obligations and other relevant provisions have been obtained
c) that relevant documentation of goods receipt or service delivery has been obtained, to ensure that the goods and services received are in accordance with the order specifications. When purchasing services, if possible, it should be verified that the service is ordered and delivered in accordance with the agreement and that the result is satisfactory
d) that the amount has been posted correctly, and that the correct posting information has been recorded, if relevant

Accounting and payment

Each invoice must be recorded against correct supplier information/registration number. Supplier's bank account details must always be checked.

CN’s systems and procedures shall ensure that the accounting takes place for the correct supplier, on time and with the correct amount, and that payments are made on time. At the time of accounting it must be verified that the documentation has been posted and certified and that the investment is made by a budget holder.

Registration of assets

Fixed assets that individually have an acquisition cost exceeding NOK 30 000 can be registered.

Tenders

Fixed suppliers of equipment and services should regularly be assessed on cost and quality in comparison with multiple alternative suppliers. A table of all suppliers should exist outlining duration of agreements and when service assessments have been made (regardless of whether this is a contractual obligation or not).

When procuring assets and services that individually have an acquisition cost exceeding NOK 30 000 annually, tenders from at least three different suppliers shall normally be obtained. If the acquisition cost exceeds NOK 100,000 annually, this policy must be adhered to and at least three bids must be obtained. Goods or services with an acquisition cost exceeding NOK 500,000 must comply with stricter requirements for process and documentation (cf. Regulations on Public Procurement and the procurement requirements of Norad and other donors to partners and other parties who receive funds from CN.

Contracts cannot be subdivided to bypass the tender requirements.

Eligible suppliers, close relationships and impartiality requirements

If an employee/a Board member has a close relationship with a supplier or contractor, this shall immediately be reported to the executive management team regardless of whether the employee/Board member takes part in the decision-making process or not, if the contractual amount in question exceeds NOK 20 000. Employees/Board members of CN are advised to declare any close relationships with suppliers or contractual partners regardless of the contractual amount and to the extent possible.

CN complies with the impartiality requirements of the Public Administration Act, Chapter II, § 6 on persons involved in decision-making processes in the organisation. Any person must withdraw from the processing of a case if they are party to a case, are a close relative to a party to a case, have a close relationship or a dependency relationship with a party to a case, have a conflict of interest with a party to a case, have a significant financial involvement with a party to a case, have private business or ownership interest in or are a Board member of a company that is party to a case, or there are any other circumstances that are likely to impair the confidence in their impartiality.

No agreements exceeding NOK 500 000 shall be entered into with a supplier who has a close relationship or interests/conflict of interests with an employee/Board member of CN.

All suppliers who participate in a tender process must submit a self-declaration form (see Ethical Standards for Suppliers - Self-Declaration and Declaration of Good Conduct).

Screening of potential suppliers

In line with the due diligence requirements stipulated in the Transparency Act, and in order to uphold its own high ethical standards, CN will screen potential suppliers before entering into a relationship with them. CN has chosen to implement the exclusion lists of three Norwegian asset managers that it considers to be at the forefront of responsible business conduct, both in Norway and internationally:

- Storebrand (updated quarterly)
- KLP (updated quarterly)
- Government Pension Fund Global (GPFG), also known as the Oil Fund or SPU (its Norwegian acronym).

In addition, CN plans to maintain its own list of companies that it believes contribute to violations of human rights and international law or are otherwise problematic in terms of ethics and sustainability.

Roles and responsibilities

Segregation of Duties

In accordance with best practice on governance and internal control, the employee requesting the purchase, the employee authorizing the purchase and the person making the payment for the purchase should not be the same.

For a more detailed and technical description of the different roles related to approval and payments it is referred to CN's financial manual.

The individual who has purchased or ordered a good or service shall always approve the cost and ensure that the cost is placed on the right budget line and project.

The main roles and responsibilities regarding the procurement function in CN are as follows:

Financial Director

The Financial Director is responsible for managing the procurement function at CN, including:

- Ensuring that CN's procurement policy and procedures are compliant with institutional donor requirements, accepted international standards and consistent with CN's organizational values, while also ensuring that adequate controls and procedures are in place.
- Overseeing and assisting significant procurements and tenders in Norway.
- Ensure that procurement backup documentation is compliant with this manual.
- Providing training and support to CN staff and partners where there is a specific need.

The executive financial director will always approve all invoices before they are placed for payment. The Financial director will approve all bank payments, unless both the Director of Administration and the Secretary-General have approved the payment.

Finance staff

Finance staff are responsible to registrate any invoice, on the correct project and budget line, and send the invoice for approval. When the invoice is approved finance staff will place the invoice for bank payments.

Staff

The individual staff member who has purchased or ordered a good or service shall always be the first approver of the cost and ensure that the procurement is done in accordance with this Procurement Policy and that the cost is placed on the right budget line and project.

Project Manager

The relevant project manager should always be the second approver, to control that the procurement is done in accordance with this Procurement Policy and is within the budget.

Executive Manager

The relevant Executive Manager should always be the third approver, to control that the procurement is done in accordance with this Procurement Policy and is within the budget.

Secretary-General

The Secretary-General will approve all invoices exceeding NOK 100 000 and all purchases made by the Financial Director exceeding NOK 5 000. The Secretary-General can take the role of Financial Director or Director of Administration approving payments in the bank.

Director of Administration

The Director of Administration will approve all bank payments, unless both the Financial Director and the Secretary-General have approved the payment. The Director of Administration will approve all purchases made by the Financial Director between NOK 1 000 and NOK 5 000.

Signing Authority

Three Board members together or the chairperson of the board together with the Secretary-General have the signatory authority to legally bind CN, take up loans or sell real property.

Procuratory authority

The Secretary-General – Ms Ingrid Rosendorf Joys and any other named persons on the board have appointed procuratory authority. Giving them the power to legally commit CN in matters not reserved to the signatory authority.

The Board of CN have as of March 2024 given procuratory authority to:

- Mr. Dag Albert Bårnes
- Mr. Ralph Alexander Maurice Golding

Staff with bank access

Ms. Ingrid Rosendorf Joys (The Secretary-General), **Mr. Dag Albert Bårnes** (Financial Director) and **Mr. Ralph Alexander Golding** (Director of Administration) are given bank access as administrators.

Ms. Hilde Carina Lillevi Hopstad (state authorized accountant) is given limited bank access.

Representation

Representation is normally involved when the organisation holds external expenditure, for example to promote the interests of the organisation or maintain relations. Entertainment expenses will typically consist of:

- Restaurant bills
- Canteen bills
- Flowers and wreaths
- Smaller gifts in connection with birthdays, work anniversaries, etc

Representation expenses shall have a purpose relevant to the organisations area of responsibility and performance of tasks and must not go beyond what the purpose dictates. This means, among other things, that there must be a reasonable relationship between the cost, the purpose and the circle of participants.

External gifts

As a general rule, Caritas employees do not receive gifts or other benefits from citizens or businesses offered to them by virtue of their employment. It refers to CNs rules for gifts, benefits, events, and services.

Documentation

All documentation relating to procurement shall be stored by the same standards as accounting documents. All amounts referred to in this document are excluding VAT.

Environmental considerations

Environmental safeguarding in procurement

To avoid contributing to the exploitation of natural resources affecting the environment and climate, the following parameters must be considered in every award procedure:

- Effects of assets, goods and services to be purchased on the environment and climate (e.g. manufacturing, energy consumption, longevity, recycling options, packaging, etc.)
- Effects of the bidder's waste management on the environment and climate

The following criteria, among others, can be used to assess these parameters:

- Green Public Procurement (GPP) – European Union criteria for specific product and service groups
- National or regional GPP criteria
- Independent quality labels, e.g. multi-criteria labels, theme or sector-specific ecolabels, efficiency class labels

Respect for local communities

Throughout its work, CN is committed to respecting and protecting the local environment, both in Norway and through partner organizations globally.

Internal documents

Document name	Language	Comment
Caritas Norway Procurement Policy	English	This document
Ethical Standards for Suppliers – Self-declaration	English	
Ethical Standards for Partners – Self-declaration	English	
Caritas Norway Declaration of Good Conduct	English	
Caritas Norway Anti-corruption and Anti-Fraud policy	English	
CN - Procedure Management override of established procedures and internal controls	English	
Caritas Norway Climate Change and Environment Policy	English	
Caritas Norway Guidance for Screening of Companies	English	
Caritas Norway Procurement Checklist Guidance Document	English	
Rutiner for økonomi og regnskap	Norwegian	
Regler gaver mv. fra eksterne	Norwegian	
Rutiner for gaver og påskjønnelser	Norwegian	
Policy for bærekraftig forretningspraksis – Caritas Norge (part of the Transparency Act report)	Norwegian	