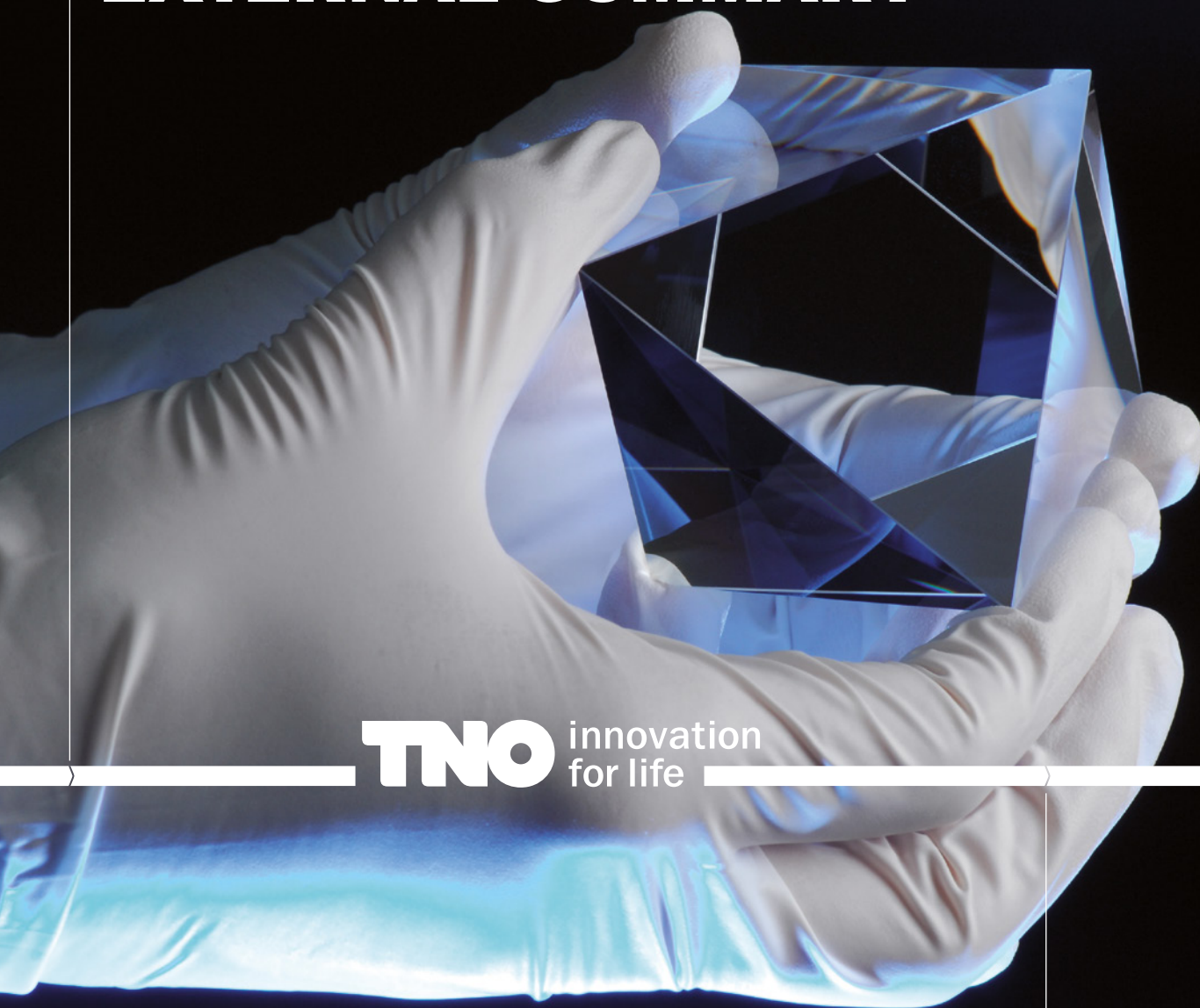


# PROCUREMENT POLICY VERSION 2021

## EXTERNAL SUMMARY



**TNO** innovation  
for life

January 2021

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# INTRODUCTION

The TNO Procurement policy consists of a programme of general principles, measures and choices regarding Procurement, which contribute to the realization of TNO's mission and its Strategic Plan. It determines the direction in which the role and activities of the procurement function will develop in the future within the TNO organization.

TNO's mission can be summarized as follows:

*TNO connects people and knowledge to create innovations that boost the competitive strength of industry and the well-being of society in a sustainable way.*

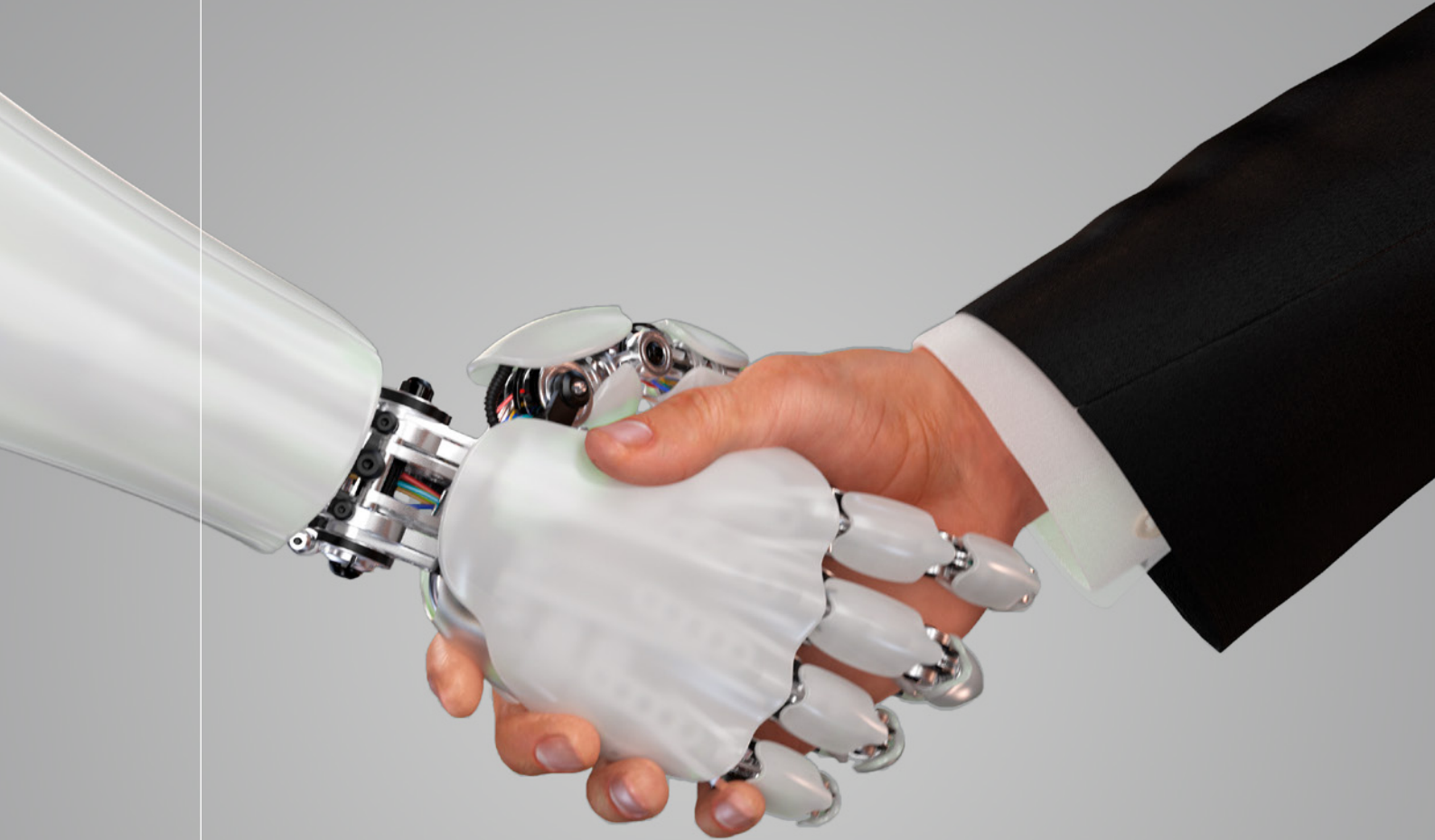
The Procurement policy aims to facilitate and support the concrete implementation of the TNO mission and strategy in the organization's various procurement processes and in its relationships with suppliers. Besides flexibility and innovation within the procurement processes, this also calls for partnership, innovative capability and supplier flexibility.

The procurement policy was formulated, taking account of the requirements set by European and national laws and regulations for the procurement (and tenders) of public organizations.

TNO Procurement strives for a procurement function that is in line with developments such as TNO has gone through in recent years, and with the flexibility to adequately support future developments. Our ambition is to further develop the purchasing function in the field of sustainability and targeted innovation.

Marcel Boone  
Manager TNO Procurement  
January 2021

# 1 PRINCIPLES OF THE PROCUREMENT POLICY



# 1 PRINCIPLES OF THE PROCUREMENT POLICY

The following principles are guiding for the TNO Procurement Policy:

1. Internal customer focus as a foundation
2. Integrated decision-making for support base
3. Striving for maximum added value in the procurement chain for TNO
4. Complying with national and European procurement legislation and regulations
5. Socially Responsible Purchasing as an instrument for sustainable development.

The procurement policy comprises a programme of general procurement principles and aims that contribute to the realization of the TNO mission. It sets out a programme of measures and choices for the procurement function and determines the direction in which the role and activities of the procurement function will develop in the future within the TNO organization.

The following conditions apply in order to comply with these principles:

- We comply with the TNO code
- We apply the principle of strict segregation of duties (ordering, acceptance, payment)
- Data in IT systems is transparent and traceable
- Procurement is involved in all purchasing activities in accordance with purchasing procedures.
- Procurement checks and makes sure that specifications are formulated functionally and in a neutral way
- Procurement records purchasing agreements and transactions, and secures these in contracts and contract management

## 1.1 LEGALITY AND EFFICIENCY

TNO is classified as a so-called Contracting Authority and must therefore comply with the applicable laws and regulations. The various forms of procurement are therefore anchored in the purchasing processes. The principles of procurement law are laid down in the Public Procurement Act 2012 and the Public Procurement Act for Defence and Security: the principle of non-discrimination, the principle of equality, the principle of transparency, and the principle of proportionality.

TNO strives for a healthy balance between legal compliance and effectiveness. The Public Procurement Act and the Proportionality Guide are the primary guidelines for this purpose. This applies in particular to the specification phase of the procurement process.

The procurement volume is managed on the basis of category management in order to ensure the effective (correct) deployment of strategy and resources and the use of the correct procurement scenarios.

The use of 'new' tendering procedures from the PPA2012 and ADS, aimed at stimulating innovation, is encouraged. The competitive dialogue and innovative partnership are examples of procedures that promote collaboration with the market and are in line with the wishes of TNO's customers and clients.

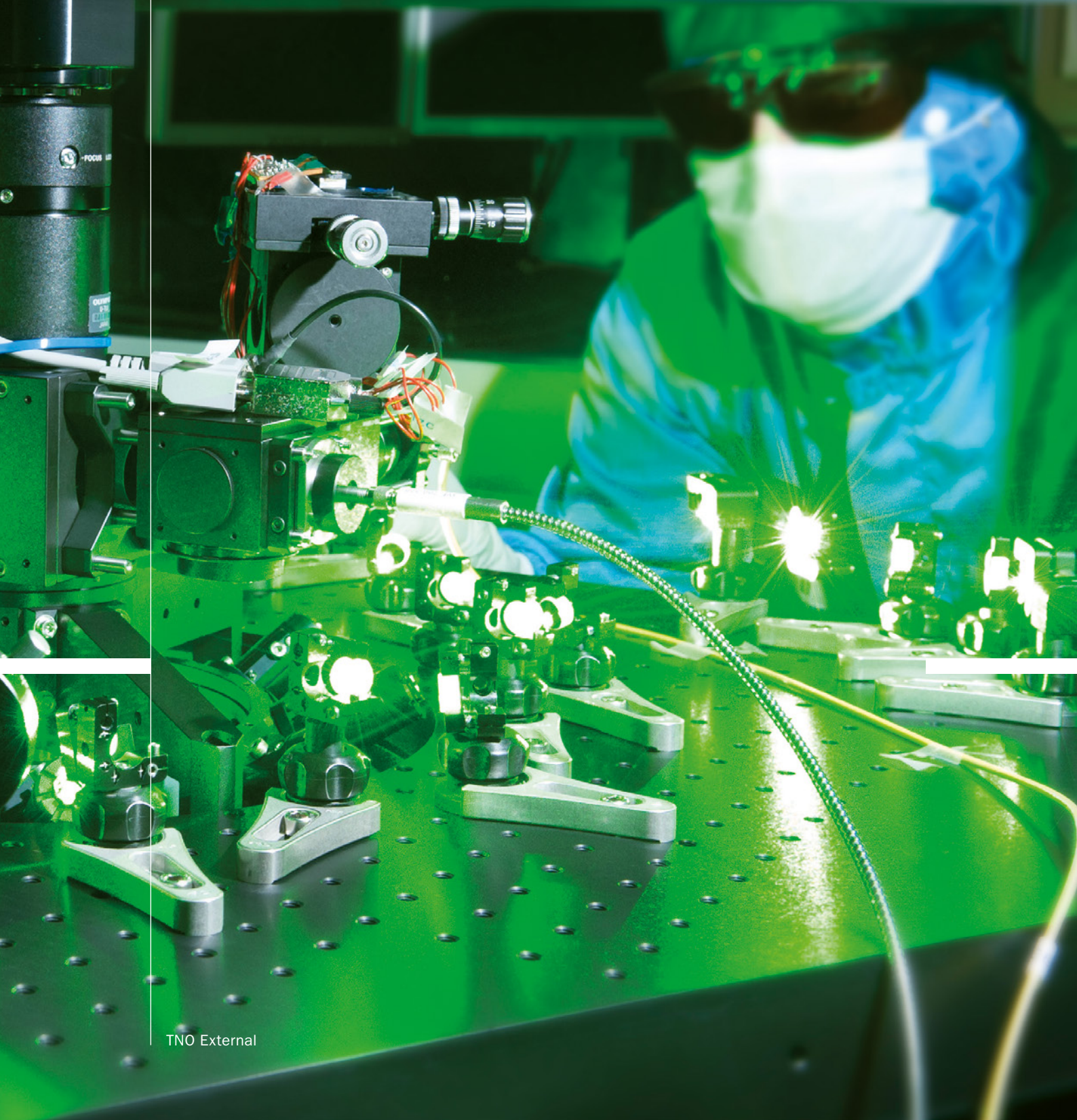
## 1.2 SECURING PROCESSES AND PROCEDURES

The purchasing processes and procedures are based on ISO 9001 and recorded in the TNO Management system. Internal and external audits take place regularly. The following subjects are included in the TMS:

1. Procurement processes and routes
2. Management of TNO wide contracts
3. Supplier assessment



# 2 PROCUREMENT MISSION AND VISION



## 2 PROCUREMENT MISSION AND VISION

The Procurement mission and the related procurement vision form the basis for the procurement strategy. The procurement strategy is supported by concrete objectives which are derived from the organization's corporate objectives.

### 2.1 PROCUREMENT MISSION

Goal- and results-oriented procurement demands a clear and realistic mission that is closely aligned with the organization's objectives. The mission of the TNO Procurement Function can be summarized as follows.

*Procurement makes an essential contribution to an effective and innovative TNO. Flexibility, Partnership and Innovation are key aspects of our Sourcing and Contract and Supplier Management, thereby ensuring that the effective deployment of the procurement function and procurement processes leads to the creation of more added value, with the right 'results' at the right place; our procurement, in short, is results-oriented, flexible, efficient and effective.*

To realize this mission, a vision on purchasing has been formulated and the Procurement goals are derived and aligned with the goals of Procurement's internal customers. The involvement of the Board of Directors and senior management is of great importance in this.

### 2.2 PROCUREMENT VISION

A professional procurement process is essential for the realization and assurance of procurement results, quality and continuity. To this end, category management forms the structural strategic basis for the sourcing and contract management process.

By managing the entire TNO procurement volume according to the category management method, an enhanced focus is obtained on effective spending. Sourcing, contract and supplier management can be deployed within the appropriate legal parameters to achieve the right balance between effectiveness and legal compliance and assist the realization of the strategic roadmaps of TNO.

By ensuring the maximum utilization of scale in the procurement of (mainly) generic products and services, the procurement function makes an essential contribution to the operating results, both by reducing costs and by assuring quality and continuity in the purchase and use of products and services. A sound balance between costs, quality and efficiency is key in this endeavour.

The continuous development of TNO requires flexibility and innovation within the purchasing processes. In addition, it requires close cooperation, flexibility and the ability of suppliers to innovate. Sourcing topics are completed on the basis of these criteria. Developing partnerships is an important point of attention in (strategic) contract and supplier management.

Sustainable purchasing makes an important contribution to the Corporate Responsibility policy whereby the long-term social consequences are taken into account when purchasing products and services.



# 3 LEGAL FRAMEWORK



## 3 LEGAL FRAMEWORK

### 3.1 LAWS AND REGULATIONS

TNO adheres to relevant procurement laws and regulations. Relevant laws and regulations for the procurement policy are:

- a. Dutch Civil Code
- b. European laws and regulations, Directive 2014/24/EU and case law
- c. Public Procurement Act 2012 and Proportionality Guide
- d. Works Procurement Regulations 2016 (Aanbestedingsreglement Werken)
- e. Procurement Act on Defense and Security 2013

### 3.2 RISK MANAGEMENT

The purchasing process is subject to risks. In close consultation with other TNO staff departments, such as Legal & Compliance and Security, risks are analyzed during purchasing processes and control measures are taken. Procurement is a dialogue partner who considers, analyses and proposes solutions to prevent, reduce or mitigate risks.

In addition to the 'traditional' substantive and procedural purchasing risks such as delivery reliability and liability, there are specific laws and regulations that apply to TNO, depending on the research that is carried out.

### 3.3 HANDLING OF PERSONAL DATA

The General Data Protection Regulation (GDPR) applies when personal data are processed. Within purchasing the processing of personal data is always involved. This may concern both personal data of TNO employees as employees of suppliers. In addition, Procurement can purchase a service that is (partly) aimed at the processing of personal data, such as purchasing online services. On the processing of personal data within the purchasing processes, including tenders, the GDPR applies.

Procurement adheres to the principles of the GDPR. In the first place, this means that Procurement employees are aware that they are dealing with personal data in the purchasing processes and procedures and the obligations by the GDPR are imposed when processing them. Procurement limits processing personal data to a minimum and ensures that both personal data is in safe hands, both within the organization as well as with hired suppliers. Procurement does only rely on suppliers who offer adequate guarantees with regard to compliance with the obligations arising from the GDPR. In the regular purchasing processes and when drawing up requirements in tendering procedures for services in which personal data play a role, Procurement explicitly pays attention to compliance by the supplier with the GDPR, the security of personal data and the possible conclusion of processor agreements (verwerkersovereenkomsten).

To further secure compliance with the GDPR within Procurement, a privacy coordinator has been appointed.

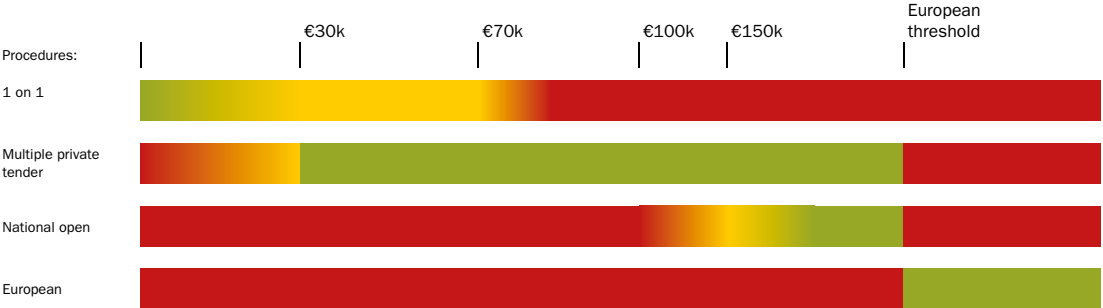
### 3.4 TENDERING AND THRESHOLD VALUES

TNO places procurement orders and enters into procurement contracts in accordance with the general principles of procurement law as set out in the Public Procurement Act 2012:

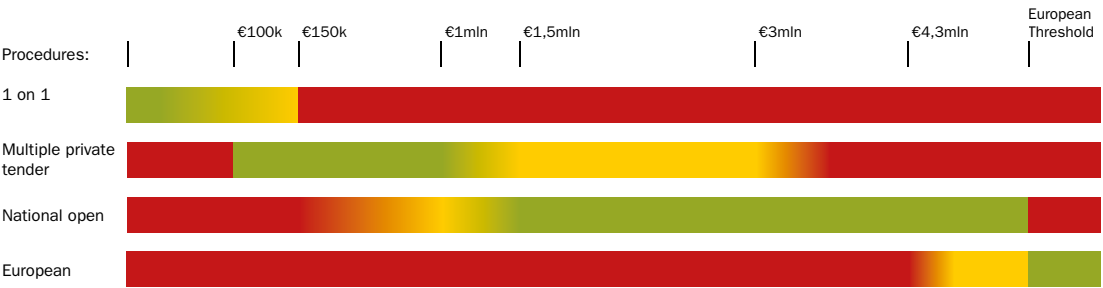
- the principle of non-discrimination;
- the principle of equality;
- the principle of transparency;
- the principle of proportionality

The legally correct procurement procedure is determined on the basis of relevant European and national legislation. The Proportionality Guide provides key guidance in this connection. Using the classification of the product/service and the estimated (multi-year) value of the contract or agreement, Procurement determines the legally correct procurement procedure. Based on the classification table from the Proportionality Guide and the internal TNO Procurement Procedures, the following classification table is applied:

**Suppliers/services for sub-central contracting authority**



**Works**



(TNO model based on Proportionality Guide)

**3.5 GENERAL PROCUREMENT CONDITIONS**

Procurement orders and contracts are drawn up on the basis of the TNO General Procurement Conditions (Algemene Inkoop Voorwaarden TNO/AIV TNO) as filed with the Court Registry of the Court in The Hague and the Chamber of Commerce in The Hague. Alongside a number of general conditions, the AIV TNO describes specific conditions for the delivery of goods and software, the provision of services, the outsourcing of work and (sub-)contracting, and the supply of labour.

# 4 ETHICAL AND IDEALISTIC PRINCIPLES





## 4 ETHICAL AND IDEALISTIC PRINCIPLES

### 4.1 INTEGRITY AND BEHAVIOUR

Integrity and behaviour are important factors in the functioning of employees in the purchasing function. In the TNO Code describes how TNO expects its employees to interact with each other and the outside world. The NEVI Code of Conduct is designed to help procurement professionals deal with ethical dilemmas in the workplace.

TNO expects the TNO procurement professional to be honest, honest and reliable, act in accordance with professional standards and make decisions based on facts instead of self-interest. Those involved in the purchasing process deserve equal opportunities and it is important to find a healthy balance between profitability, people and the environment.

The TNO Procurement professional observes applicable laws and regulations, respects fair competition, treats business partners fairly and separates business and personal interests, protects trade and trade secrets and is aware of his or her position when using social media.

### 4.2 CORPORATE SOCIAL RESPONSABILITY AND SOCIAL RESPONSIBLE PURCHASING

#### **TNO CSR policy**

Our society faces major issues such as clean, safe and reliable energy supply; good and affordable care; a socially and physically safe living and working environment. From its mission TNO contributes to solving these complex issues through research and innovation. But also in its business operations TNO wants to take responsibility to make a contribution. The Corporate Social Responsibility (CSR) policy emphasizes integrity, energy and sustainability, working conditions and diversity in TNO's primary process. This is how TNO strives for a CO<sub>2</sub>-neutral operation in 2040.

#### **Socially Responsible Procurement**

Socially Responsible Procurement (SRP) makes an important contribution to the CSR policy in the general and the associated sustainability aspects in particular. The pursuit of CO<sub>2</sub> neutral business operations in 2040 also extends, in the context of supply chain responsibility, to the purchase of products and services. SRP is therefore a permanent part of the purchasing agenda and purchasing procedures.

Purchasing decisions will be made in collaboration with the TNO budget holders and the CSR Officer whilst CSR aspects and criteria are taken into account consciously. TNO will at least comply to the criteria for SRP for product groups as laid down by the Dutch government. Procurement will examine whether suppliers can be involved earlier in the development of TNO innovations (innovation-oriented procurement).

### 4.3 INNOVATION

Innovation is a key area of focus within Procurement. Procurement is continuously working on Improving and innovating methods and processes, both internally and externally. For example, by purposefully searching for innovative solutions or by offering space to market parties to develop and/or offer an innovative solution during procurement and tendering processes. But also by introducing innovations in the tendering process, such as life cycle costing, Best Value Procurement, 'relational' contracts and Innovation Partnership.

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