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Doing business with CERN

Czech Republic and CERN

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Legal framework

- CERN, an Intergovernmental Organization, was established in July 1953, by the “Convention for the establishment of a European Organization for Nuclear Research”.
- As an Intergovernmental Organization, CERN is not a legal entity under national law but governed by public international law.
- CERN benefits from immunity from national jurisdiction and execution. Thus, legal disputes between CERN and its suppliers and contractors are not submitted to national courts but solved via international arbitration.
- CERN is thus entitled to establish its own internal rules necessary for its proper functioning, such as the rules under which it purchases equipment and services.



Mission of Procurement and Industrial Services

The mission of the Procurement and Industrial Services group is to:

- procure all supplies and services for CERN;
- meeting the specified and contractual technical, delivery and performance requirements;
- at the lowest possible overall cost, while;
- achieving balanced industrial return for the CERN Member States, and;
- respecting the CERN Procurement Rules.



Procurement Principles

- CERN procures supplies and services and awards orders and contracts in compliance with the principles of transparency and impartiality.
- CERN's tendering procedures are selective and do not take the form of open invitations to tender or price enquiries. They shall, in principle, be limited to firms established in the Member States.
- Invitation to tender and price enquiry documents shall be drafted in an objective way so as to guarantee fair competition.
- Subject to the provisions aimed at achieving balanced industrial return for all the Member States, contracts and orders shall be awarded to the firm whose bid meets the technical, financial and delivery requirements and:
 - Is either the lowest; or
 - Represents the best value for money.



Procedures for obtaining offers

- **Requirements not exceeding 10'000 CHF;**
Users may issue enquiries directly provided CERN procurement rules are followed;
- **Purchases between 10'000 CHF and 200'000 CHF**
Price Enquiries issued by Procurement Service;
- **Purchases exceeding 200'000 CHF**
Market Surveys & Calls for Tenders issued by Procurement Service.



Requirements between 10'000 and 200'000 CHF

Price enquiries:

- Deadline for bidders to submit bid is at least 4 weeks from mailing date;
- Invite 3 -5 firms;
- All enquiries exceeding 50'000 CHF are also sent to Industrial Liaison Officers (ILOs) for information;
- Adjudication based on lowest offer (FCA price) which complies with the technical, financial and delivery requirements



Requirements exceeding 200'000 CHF

Call for tenders:

- Deadline for bidders to submit bid is at least 4 weeks from mailing date;
- Invite
 - 10 firms for contracts between 200'000 and 750'000 CHF;
 - 15 firms for contracts exceeding 750'000 CHF;
- All call for tenders are also sent to Industrial Liaison Officers (ILOs) for information;
- Adjudication based on
 - lowest offer (FCA price) subject to the rules aimed at achieving well balanced industrial return coefficients for the Member States, or
 - Best-value-for-money basis (for service contracts), but not subject to the rules aimed at achieving well balanced industrial return coefficients for the Member States. The adjudication is based on both price and quality criteria.



Country of origin

for a **supply contract**: is the country(ies) in which the goods are manufactured or where the last major modification took place.

for a **service contract** is the country(ies) in which the bidder is established.



The alignment rule

For contracts to be awarded on the lowest compliant bid basis and exceeding 200 000 CHF in value.

Under certain well-defined conditions a bidder offering goods originating in poorly balanced Member States is allowed to align his price to that of the lowest bidder and thereby be awarded the contract.



20 Member States' contributions 2012 (CHF)

	Germany	20.25 %	219'095'250		Norway	2.48 %	26'850'650
	France	15.52 %	167'952'900		Austria	2.19 %	23'698'100
	United Kingdom	13.58 %	146'960'000		Denmark	1.83 %	19'862'100
	Italy	11.15 %	120'621'000		Greece	1.64 %	17'747'850
	Spain	8.11 %	87'726'200		Finland	1.39 %	15'007'750
	Switzerland	5.15 %	55'700'050		Portugal	1.25 %	13'492'750
	Netherlands	4.59 %	49'708'400		Czech Republic	0.98 %	10'600'450
	Poland	2.90 %	31'359'700		Hungary	0.63 %	6'853'100
	Belgium	2.85 %	30'825'450		Slovak Republic	0.48 %	5'202'900
	Sweden	2.75 %	29'810'650		Bulgaria	0.28 %	3'079'750

Total	100%	1'082'155'000
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Additional special in-kind contribution from France	1'865'000
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Additional contribution from Romania as Candidate for Accession	5'022'400
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Additional contribution from Israel as Associate Member State	3'626'900
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Additional contribution from Serbia as Associate Member State	1'000'000
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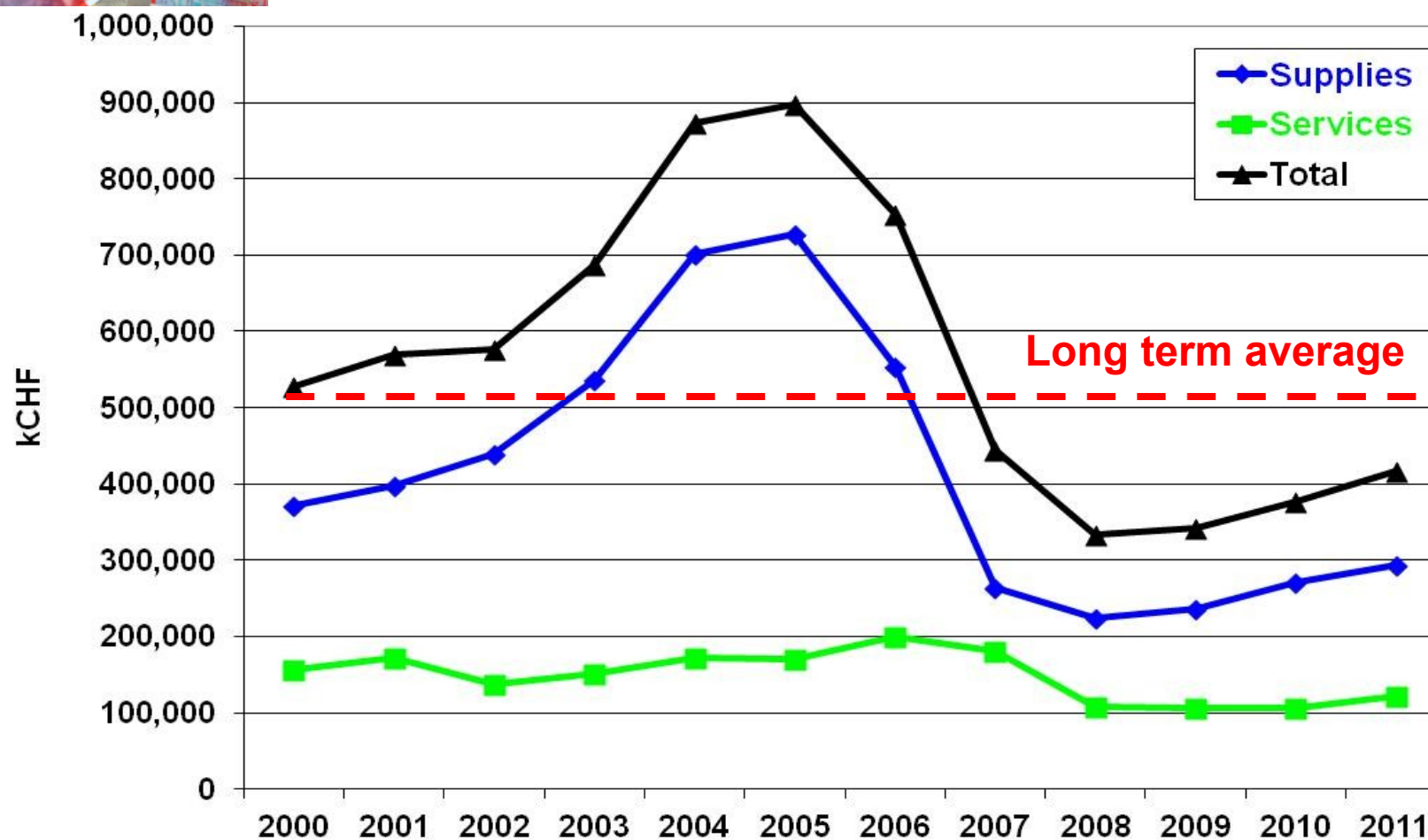
Total including additional contributions
1'093'669'300



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Procurement Expenditures 2000-2011





What do we buy?

Recurrent supplies and services

Civil engineering

Buildings, roadworks,

Utilities

Cooling & ventilation

Power distribution, cables

Infrastructure & services

Metal structures

Mechanical engineering

Radiation shielding

Transport & handling

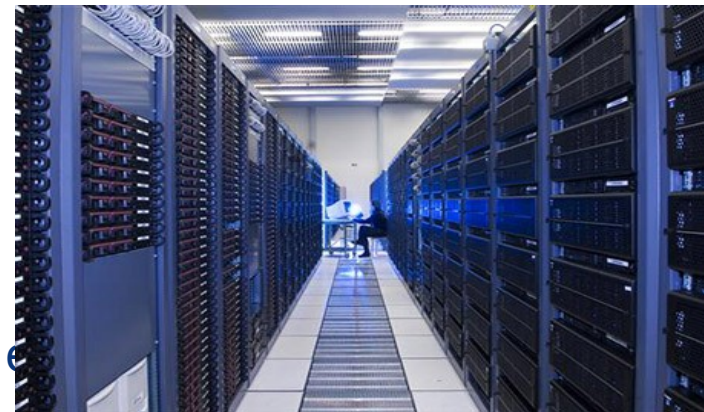
Safety & access control

Installation, operation & maintenance

Data acquisition, computing & networking

Various supplies

Furniture, tooling, gases, stationary, e

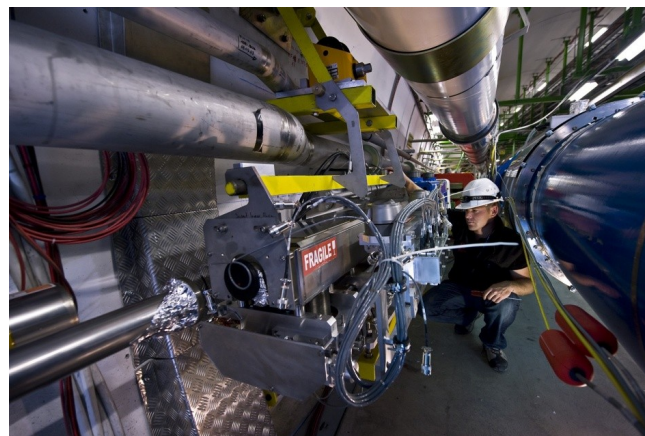


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What do we buy?

accelerator technologies required for consolidation projects and new developments

Industrial controls & field buses
Timing & “fast” real-time controls
Beam collimation
Beam injection, ejection & dump
Radio-frequency equipment
Power converters
Beam instrumentation &
diagnostics
Permanent and electromagnets
Cryogenic equipment



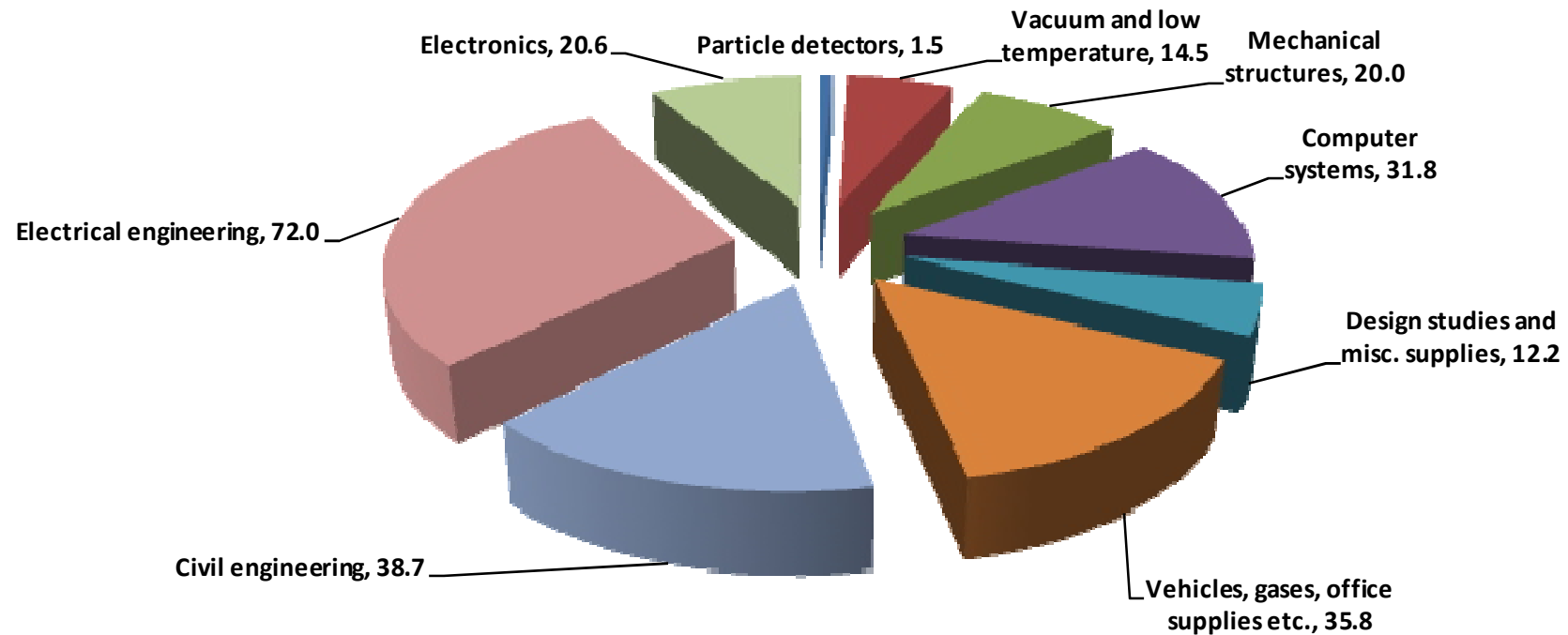
New Projects

- LHC Injectors Upgrade (LIU)
- Accelerators Consolidation (CONS)
- High Luminosity LHC (HL-LHC)
- Linear Collider Studies (LC)



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What do we buy ? Supplies for 247 MCHF (2010)

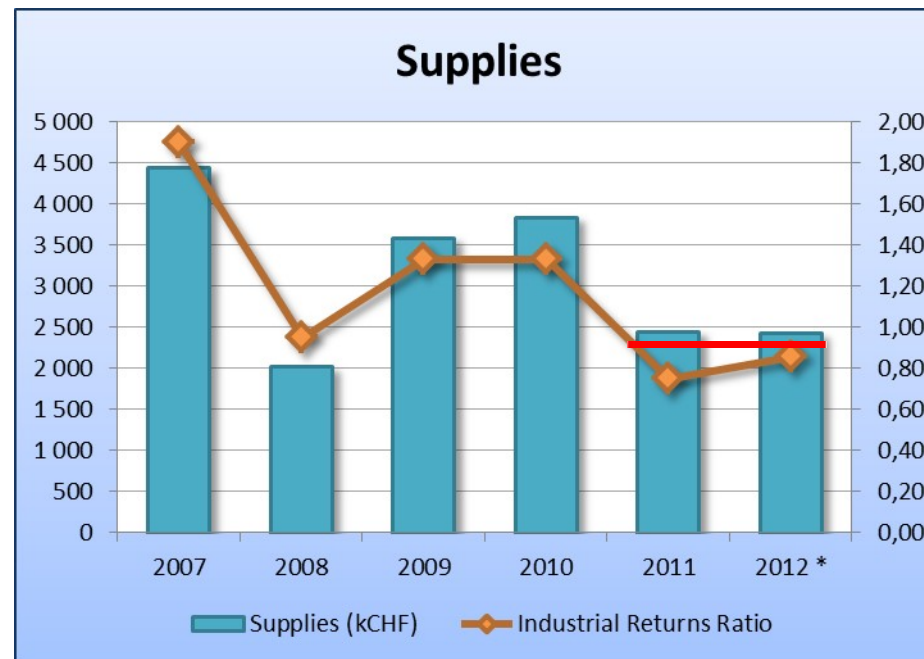


All amounts are in Swiss francs



Collaboration with the Czech Republic, Member since 1993

- Industrial return for supplies, target for 2012 = 0.89



* Provisional figures for the year to 10/10/2012



Collaboration with the Czech Republic

Some recent suppliers in the Czech Republic

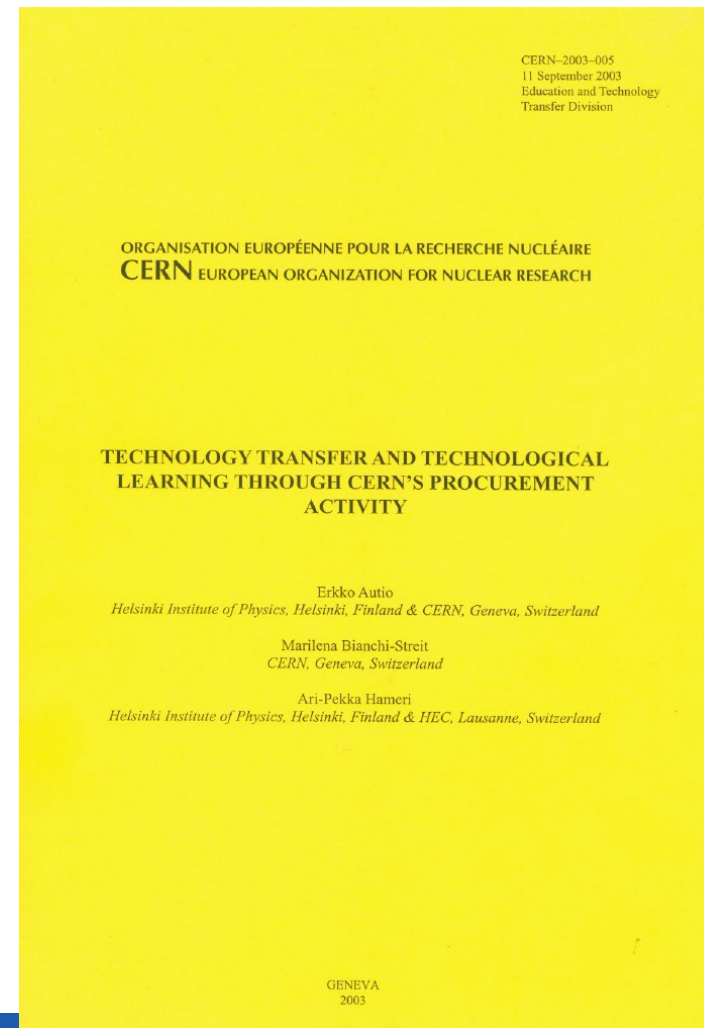
Supplier Name	City
DUO CZ, S.R.O	OPOCNO
KOMPAFLEX SRO	PACOV
ZEZ SILKO (CZ)	ZAMBERK
PRINTED SPOL S.R.O.	MELNIK
OSTROJ	OPAVA
STAMPA OSTRAVA, SPOL. S R.O.	OSTRAVA - SLEZSKA OSTRAVA

Other suppliers sell equipment produced in the Czech Republic, e.g
Hewlett Packard assembles computers at FOXCONN in PARDUBICE



Study of Technology Transfer through Procurement

- Period studied 1997 – 2001
- Excluded: civil engineering, standard items, services and low value orders
- 629 companies contacted.



Result of contracts with CERN

- 38% had developed new products
- 42% increased international exposure
- 44% improved technological learning
- 52% would have had poorer sales performance without CERN
- 17% opened a new market
- 60% acquired new customers
- all firms had derived great value from CERN as a marketing reference





Successful suppliers

- Often small – medium sized and flexible firms
- Ensure full understanding of specifications – exceeded specifications may be too expensive
- Communicate with CERN (problems, issues, alternatives, etc.)
- Take into account test requirements and documentation
- Verification of performance by sub-contractors



Contacts with CERN

- Procurement web page
- <http://procurement.web.cern.ch/>
- Industrial liaison Officers (ILOs)

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Organized exhibitions at CERN of groups of companies,
latest such events:

- UK @ CERN
- Belgium @ CERN
- Italy @ CERN
- Denmark @ CERN
- France @ CERN
- Slovakia @ CERN

CERN » PROCUREMENT AND INDUSTRIAL SERVICES GROUP



Welcome

Doing Business with CERN

- How to do Business with CERN
- Procurement Strategy and Policy
- Market Surveys and Calls for Tender
- Who to contact at CERN
- Who to Contact in your Country
- Register for our Suppliers Database
- Key Reference Documents



The Procurement and Industrial Services Group is responsible for the purchasing of all goods and services for the organization. In close collaboration with Technical Officers, Procurement Officers prepare market surveys, invitations to tender and subsequently negotiate orders and contracts.

The group keeps Member State delegations informed of expenditure through regular reports, as well as organizing technical presentations by Member State representatives and industrial companies.

The group also handles the organization's temporary labour requirements.

Press

- Best Value for Money
- A new approach to the labour law applicable to contractors' personnel

User Options

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Děkuji vám za pozornost



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