Doing Business with CERN

Limburg Economic Development Agency of Belgium

Simon Guerri dall'Oro

Procurement Officer

5th December 2023

AGENDA

- **Introduction**
  - Legal Framework
  - Budget
  - What we buy
- **Procurement @ CERN**
  - Procurement Service
  - Procedures
- **Procurement website**

INTRODUCTION

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 is therefore entitled to establish its **own internal rules** necessary for its proper functioning, such as the rules under which it **purchases** equipment and services.

In 1954 CERN had 12 Member States
Today CERN has 23 Member States

23 Member States

3 Associate Member States in the pre-stage to membership

7 Associate Member States

5 Observers

Yearly budget ~ 1200 MCHF

Geographical & cultural diversity
110 nationalities,
from **77** countries

~ **2 500**	Staff members
~ **2 000**	Contractors' employees
~**13 000**	Physicists /users

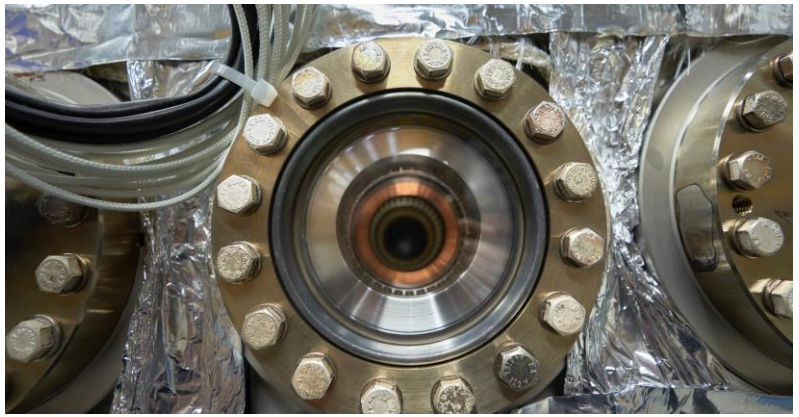
Yearly Budget (contributions 2022)

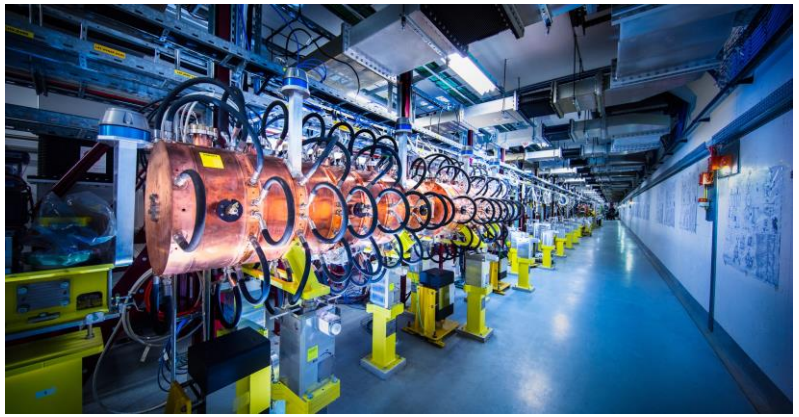
Country	Percentage of Total	Amount (CHF)
Germany	20.32%	245 017 700
United Kingdom	14.20%	171 219 200
France	13.42%	161 894 900
Italy	10.10%	121 766 050
Spain	7.25%	87 403 500
Netherlands	4.63%	55 847 250
Switzerland	3.84%	46 281 900
Poland	2.88%	34 787 950
Belgium	2.71%	32 668 100
Sweden	2.49%	30 045 050
Norway	2.21%	26 636 300
Austria	2.15%	25 937 750
Israel	1.95%	23 501 450
Denmark	1.77%	21 381 600
India*	1.40%	16 838 200
Finland	1.30%	15 708 050
Romania	1.20%	14 424 700

Country	Percentage of Total	Amount (CHF)
Czech Republic	1.10%	13 220 000
Portugal	1.09%	13 148 350
Greece	0.99%	11 894 950
Hungary	0.71%	8 580 300
Slovakia	0.51%	6 151 800
Turkey*	0.41%	4 961 450
Bulgaria	0.33%	3 977 800
Serbia	0.25%	3 002 950
Pakistan*	0.15%	1 843 950
Slovenia**	0.12%	1 484 800
Estonia**	0.11%	1 310 850
Cyprus**	0.09%	1 025 350
Latvia*	0.09%	1 024 850
Croatia*	0.08%	1 000 000
Lithuania*	0.08%	1 000 000
Ukraine*	0.08%	1 000 000
Total	**100%**	**1 205 987 050**

What we buy

- Recurrent supplies & services
- Accelerator technologies required for consolidation projects and new developments

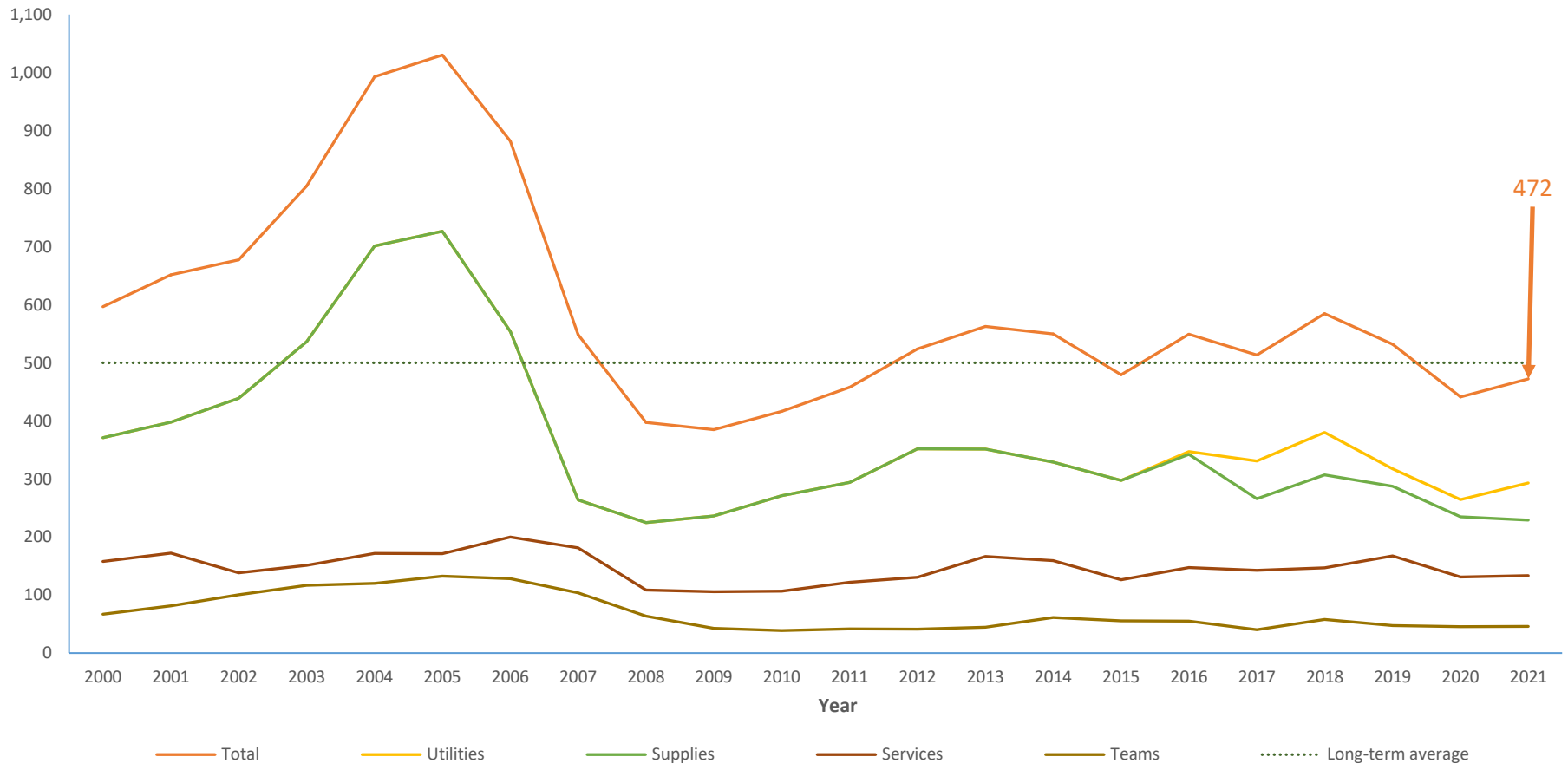


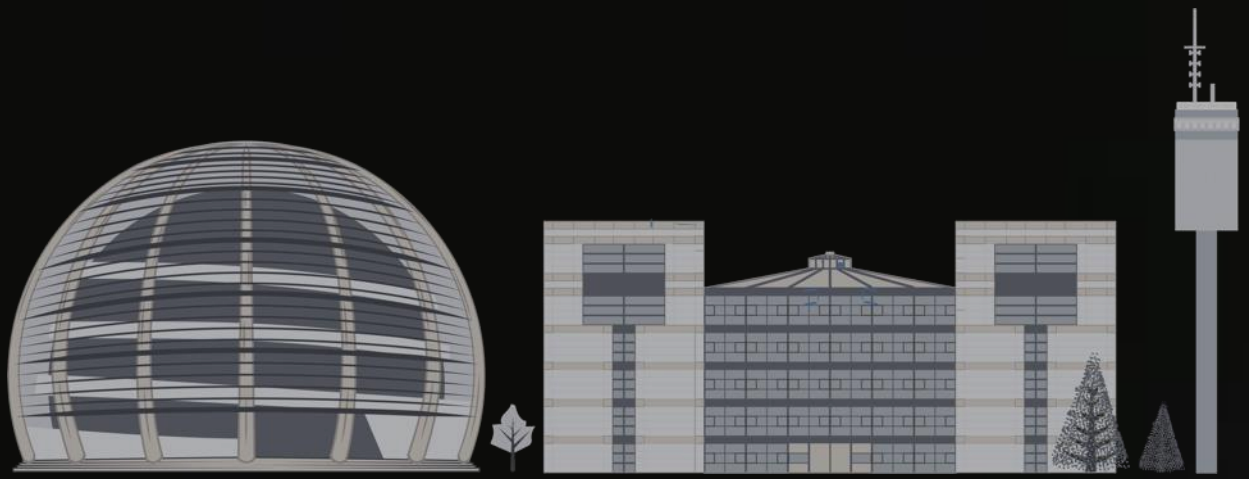


What we buy

- Civil engineering
- Cooling and ventilation
- Electrical engineering and magnets
- Information Technology
- Mechanical engineering and raw materials
- Electronics and radiofrequency
- Cryogenic and vacuum equipment
- Health and safety equipment,
- Transport and handling equipment
- Office supply, furniture
- Industrial services on the CERN site

Procurement Expenditure





PROCUREMENT @CERN

The Procurement Service

The mission of the Procurement Service is to procure all supplies and services for CERN

Meeting all requirements:

specified and contractual technical, delivery
and performance requirements

At the lowest possible overall cost

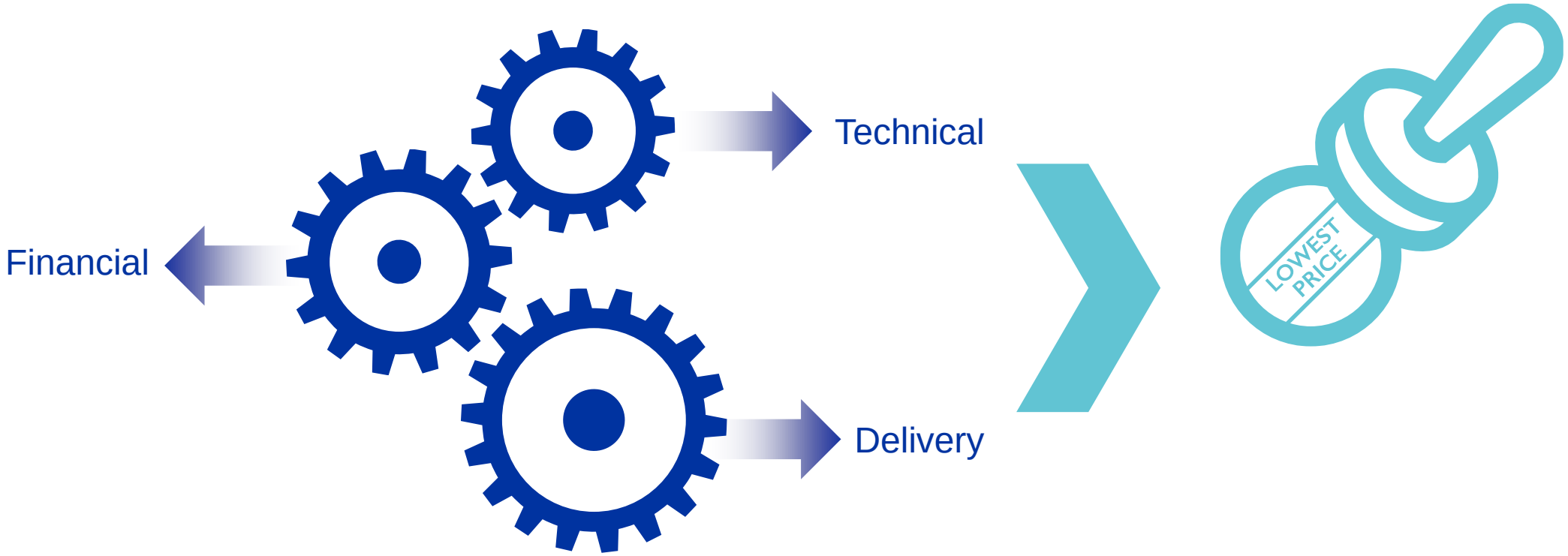
While :

Achieving balanced industrial return for CERN Member States

Respecting CERN Procurement Rules

Adjudication basis

Award for supplies (and services, exceptionally) based on:
Lowest compliant bid



3 Types of Enquiries

“Price Enquiry” (DO) :

1. Enquiries < 10’000 CHF
2. 10’000 CHF ≤ Enquiries < 200’000 CHF

“Invitation-to-Tender” (IT) :

3. Enquiries ≥ 200’000 CHF

Enquiries < 10’000 CHF

“Price Enquiry” (DO)

- **Price enquiry by Technical Officer or Procurement Officer;**

  (Users may issue enquiries directly provided CERN procurement rules are followed)

- **Minimum of 3 bids requested;**

- **Purchase Order (PO) made to the lowest compliant bidder.**

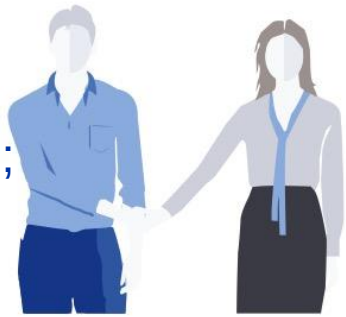
10’000 CHF ≤ Enquiries < 200’000 CHF

“Price Enquiry” (DO)

- Price Enquiry prepared / managed by Procurement Officer;
- Technical specification prepared by Technical Officer;
- Submission deadline: 4 weeks from date of dispatch;
- Minimum of 3 bids requested;
- All price enquiries above 50’000 CHF are sent to the Industrial Liaison Officers (ILOs) for information;
- PO made to the lowest compliant bidder.

Enquiries ≥ 200’000 CHF

- **Start-up Meeting + Announcement**
- **Phase 1: MS / “Market Survey”**
  - “Technical Description” + “Qualification Questionnaire” - Specification Committee;
  - Submission deadline: 4 weeks, or more if the MS is still online.
- **Phase 2 : IT / “Invitation-to-Tender”**
  - Tender Form, Technical Specification and all Annexes, Specification Committee;
  - Submission deadline: 4 weeks – Clarification – Bidders Conference as required;
  - Bids shall be submitted via CERN’s e-tendering application.
- **Phase 3 : Opening & Evaluation of the bids**
  - Technical verification, recalculation of unit prices, clarification as necessary;



Alignment rule applicable?

Alignment Rule

RULE

Under certain conditions as defined in CERN Procurement Rules, 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.

1. **Supplies Contract only, adjudicated on the Lowest Compliant Basis**
2. **With a total amount exceeding 100’000 CHF.**
3. **Price difference shall not exceed 20%**

Country of Origin

"Country(ies) in which the bidder is established."

If at least **40%** of the total amount of the bid comes from a poorly balanced MS, then the **whole bid** will be treated as that from a bidder in a poorly balanced MS.

*"Country(ies) where the **supplies** (including their components and sub-assemblies) are manufactured or undergo the last major transformation by the contractor or its sub-contractor"*

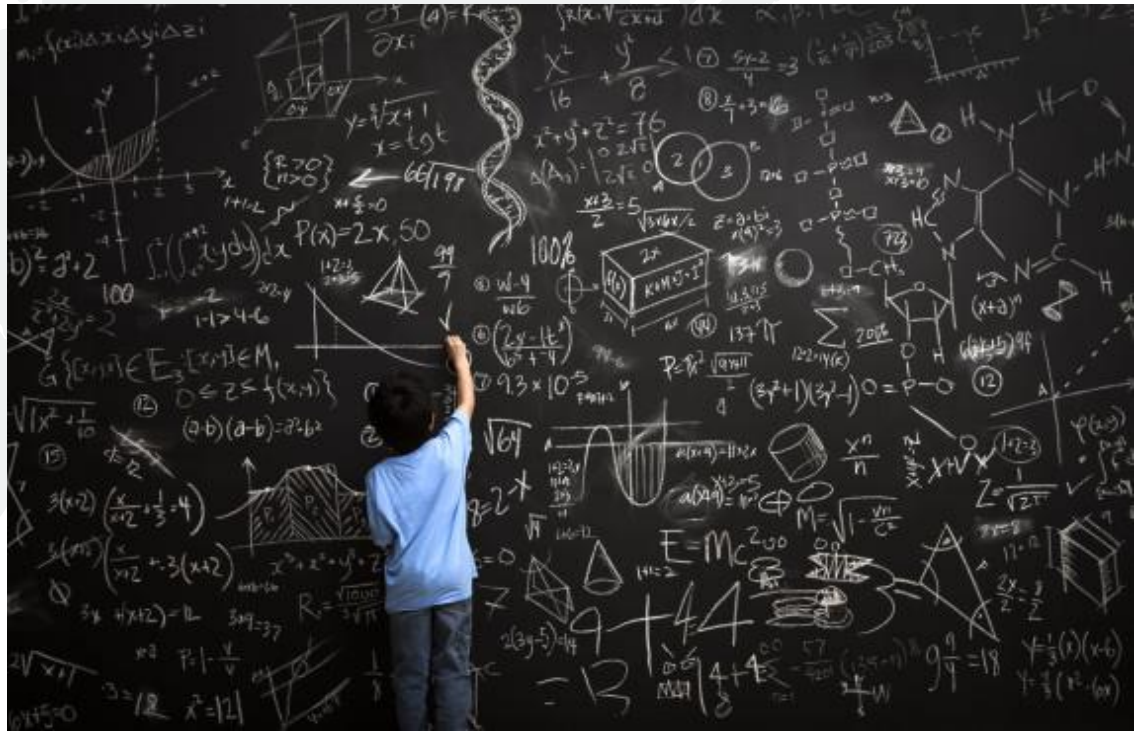
If at least **60%** of the total amount of the bid comes from a poorly balanced MS, then the **whole bid** will be treated as that from a bidder in a poorly balanced MS.

Industrial Return Coefficient

The Industrial Return Coefficient (IRC) of a Member State is defined as the ratio between that Member State's percentage share of the value of all Supply contracts and that Member State's percentage contribution to the CERN Budget over the same period.

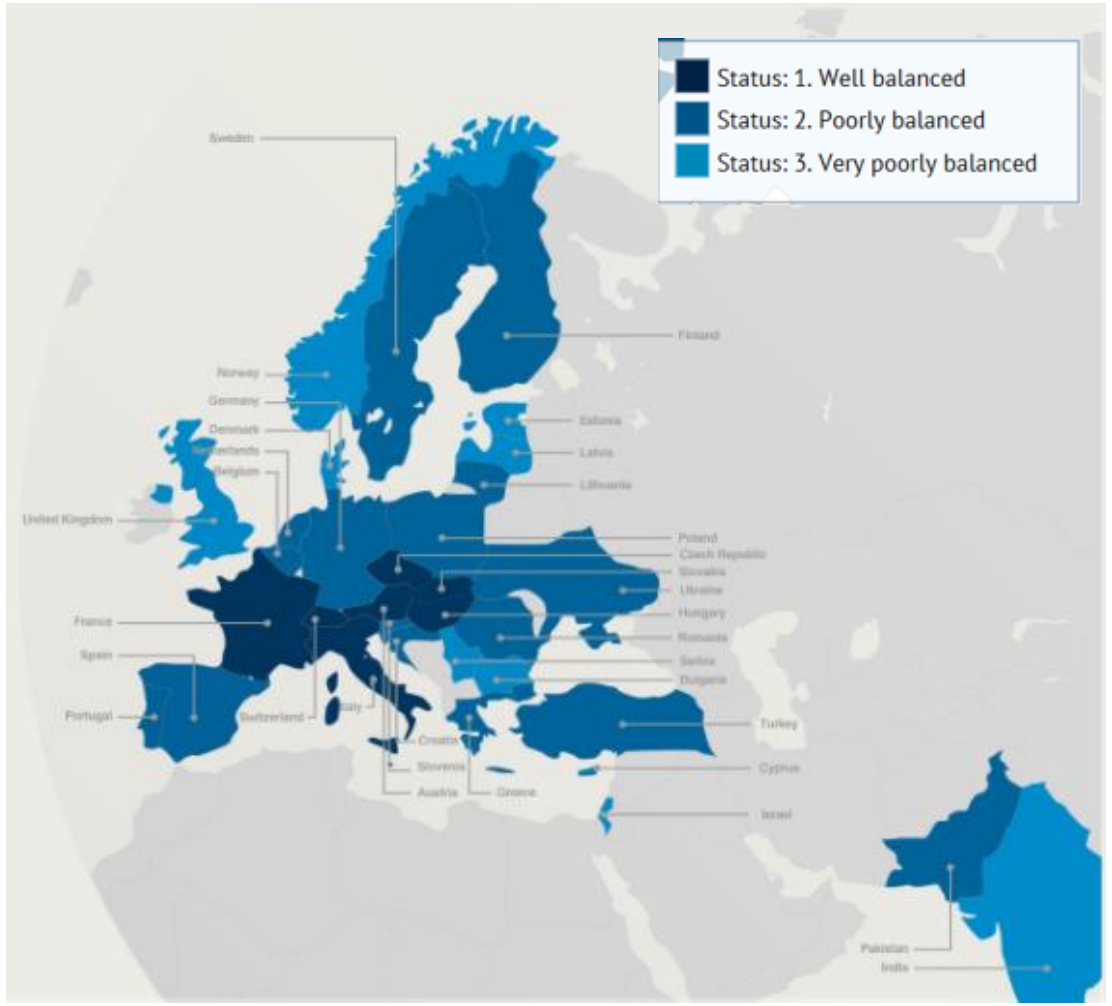
$$\text{Return Coef.} = \frac{\%\ \text{expenditure in the MS}}{\%\ \text{contribution to CERN budget for this MS}}$$

- **Well balanced Member States: IRC ≥ 1**
- **Poorly balanced Member States: 0.40 ≤ IRC < 1**
- **Very Poorly balanced Members States : IRC < 0.40**



Member State Balancing (Supplies)

(1st March 2023 – 29 February 2024, based on the previous 4 calendar years):



Well Balanced	Poorly Balanced	Very Poorly Balanced
Austria	Belgium	Bulgaria
Estonia*	Croatia*	Denmark
France	Cyprus*	India*
Hungary	Czech Republic	Israel
Italy	Finland	Ukraine*
Lithuania*	Germany	
Switzerland	Greece	
Turkey*	Latvia*	
	Netherlands	
	Norway	
	Pakistan*	
	Poland	
	Portugal	
	Romania	
	Serbia	
	Slovak Republic	
	Slovenia*	
	Spain	
	Sweden	
	United Kingdom	

*Associate Member States

Alignment Rule

Scenario 1:

Lowest bid from a PB MS **=> contract placed**

Scenario 2:

Lowest bid from a WB MS

1st bidder (within 20%) from PB MS aligns **=> contract placed**

Scenario 2.1:

if not, 2nd lowest bidder (within 20%) from PB MS aligns

=> contract placed

Scenario 2.2:

if no alignment, **contract placed** with lowest bidder from WB MS

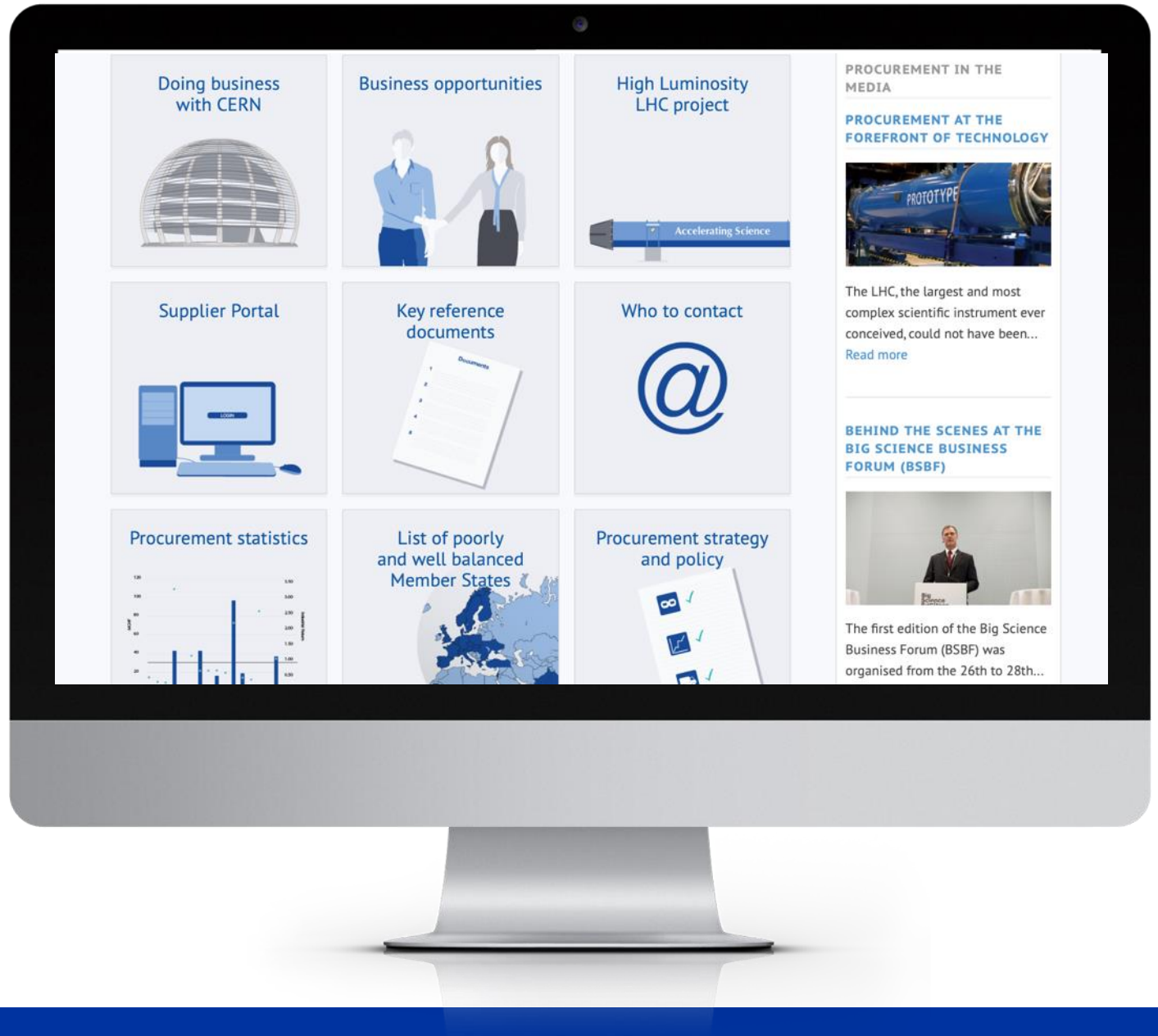
Procurement for Experiments

Funding	Deviations from rules
No CERN money	Open to all Collaboration MS[1] No alignment
All CERN money	None
Common Fund (some CERN money)	Open to all Collaboration MS[2] No alignment

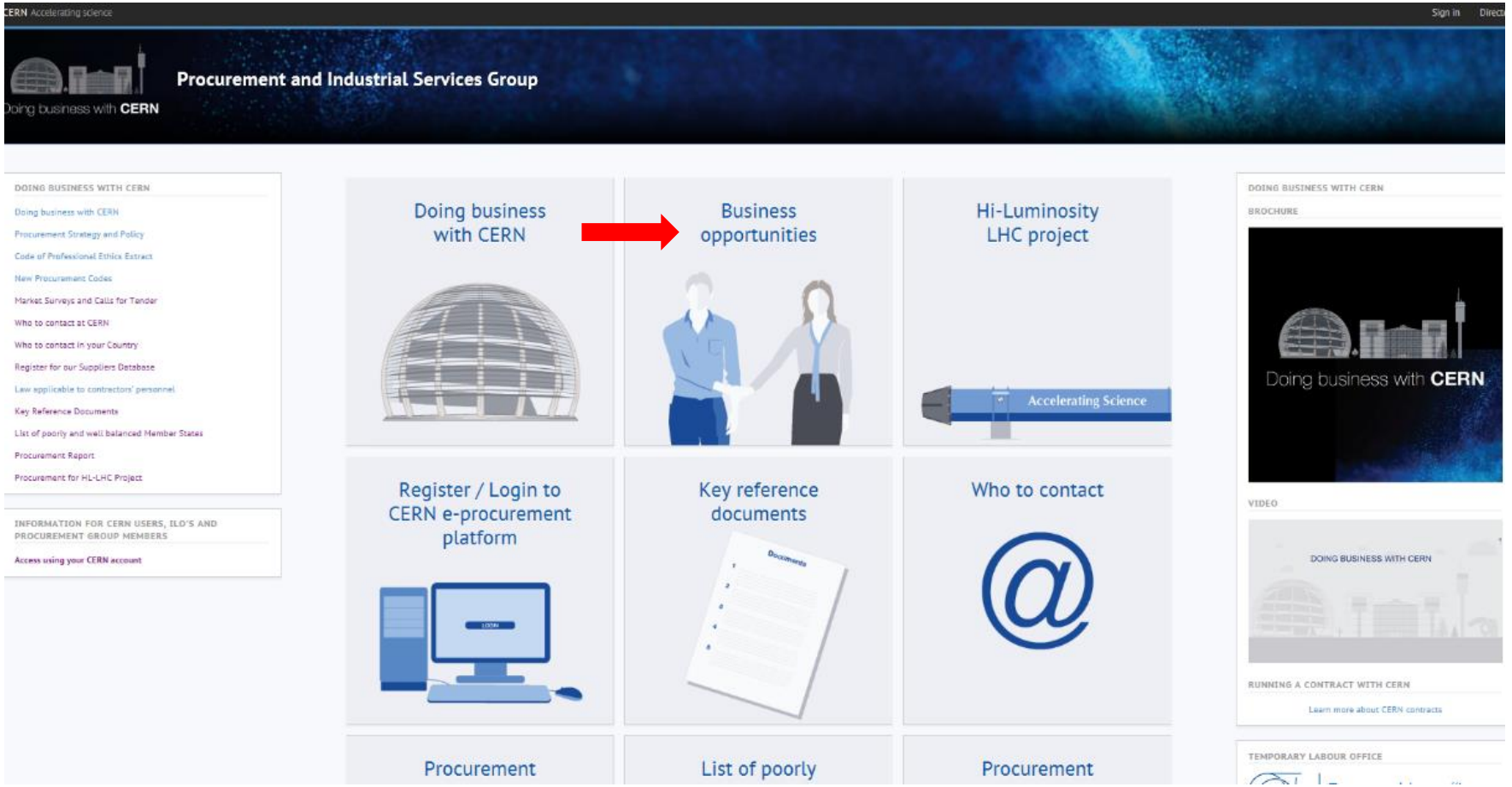
[1] The Collaboration can request that 50% of the contract originates in the country of the institute providing the funds

[2] Unless only CERN and CERN MS contribute to the Common Fund, in which case origin shall be a CERN MS

PROCUREMENT WEBSITE

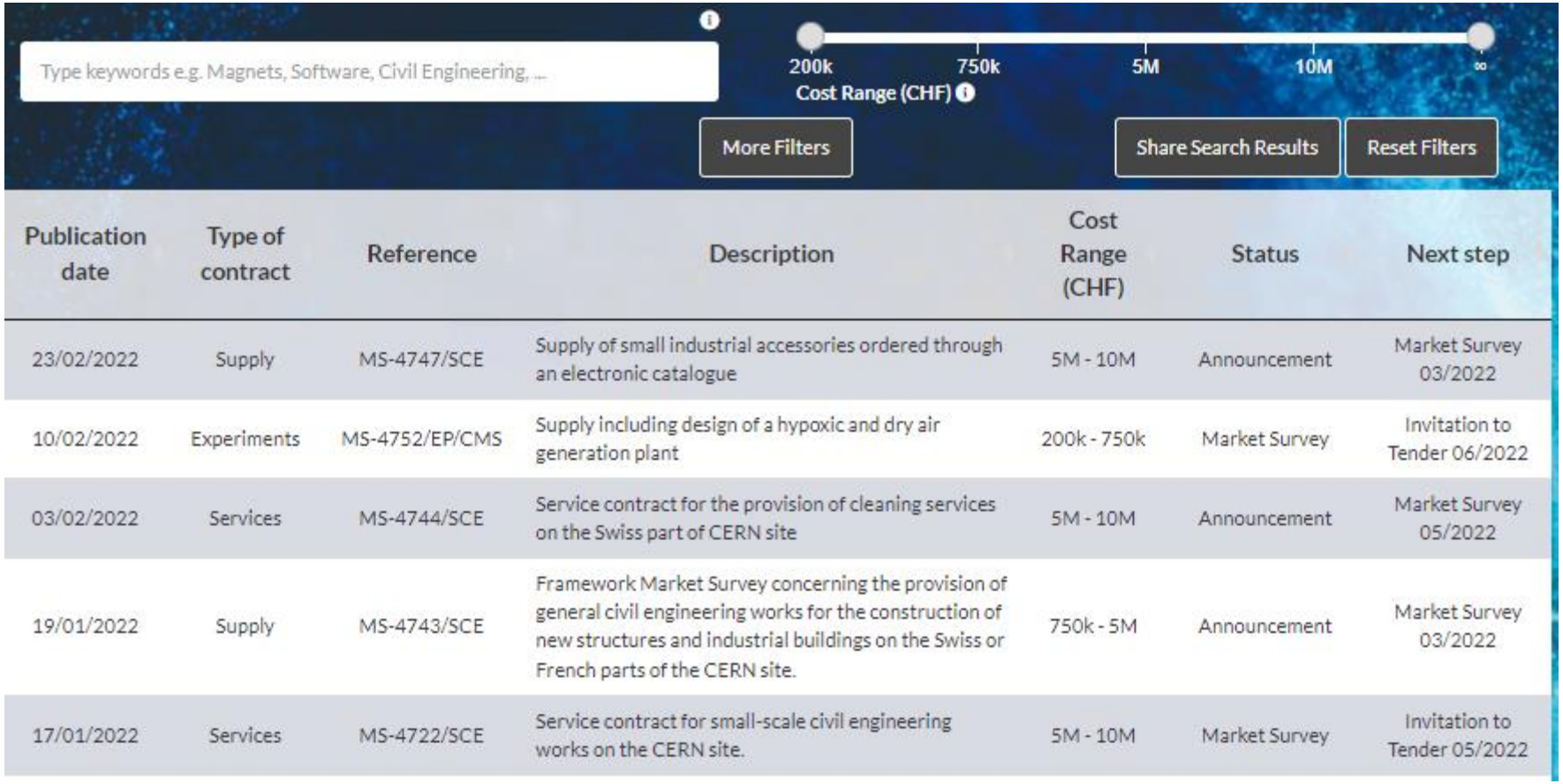


Procurement Website



http://procurement.web.cern.ch

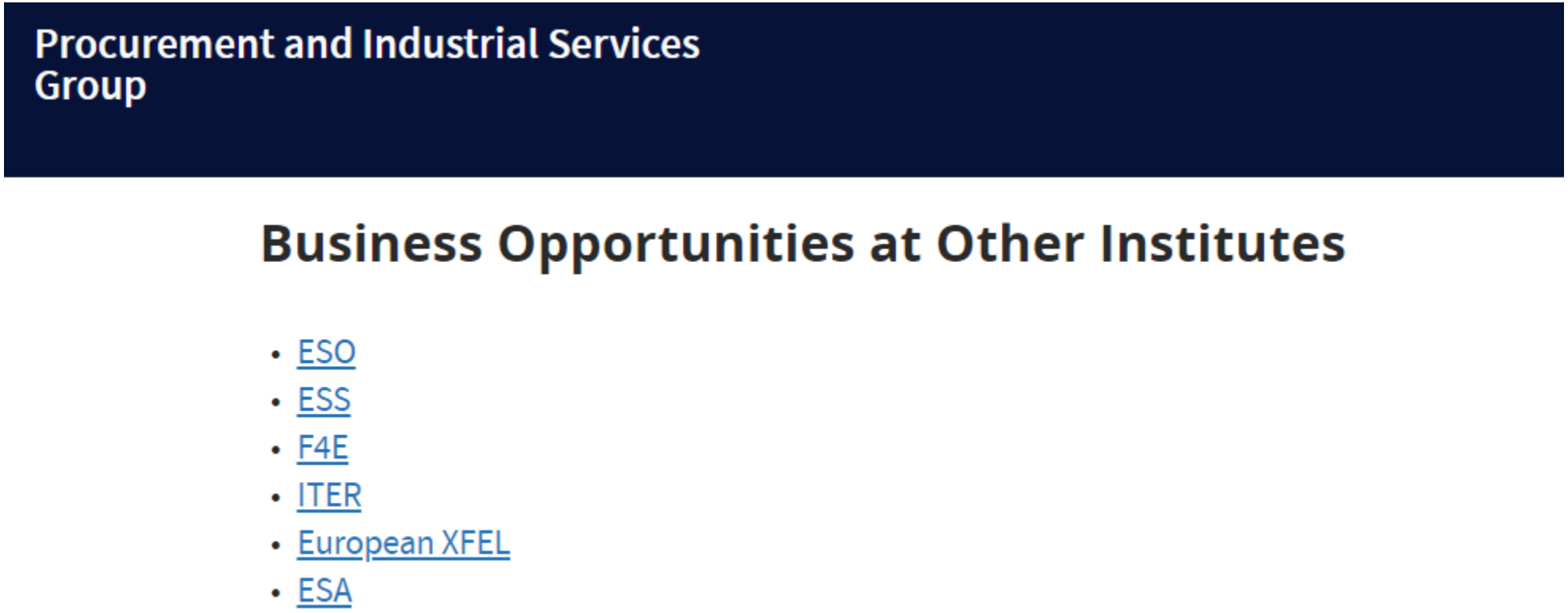
CERN Shopping List



Publication date	Type of contract	Reference	Description	Cost Range (CHF)	Status	Next step
23/02/2022	Supply	MS-4747/SCE	Supply of small industrial accessories ordered through an electronic catalogue	5M - 10M	Announcement	Market Survey 03/2022
10/02/2022	Experiments	MS-4752/EP/CMS	Supply including design of a hypoxic and dry air generation plant	200k - 750k	Market Survey	Invitation to Tender 06/2022
03/02/2022	Services	MS-4744/SCE	Service contract for the provision of cleaning services on the Swiss part of CERN site	5M - 10M	Announcement	Market Survey 05/2022
19/01/2022	Supply	MS-4743/SCE	Framework Market Survey concerning the provision of general civil engineering works for the construction of new structures and industrial buildings on the Swiss or French parts of the CERN site.	750k - 5M	Announcement	Market Survey 03/2022
17/01/2022	Services	MS-4722/SCE	Service contract for small-scale civil engineering works on the CERN site.	5M - 10M	Market Survey	Invitation to Tender 05/2022

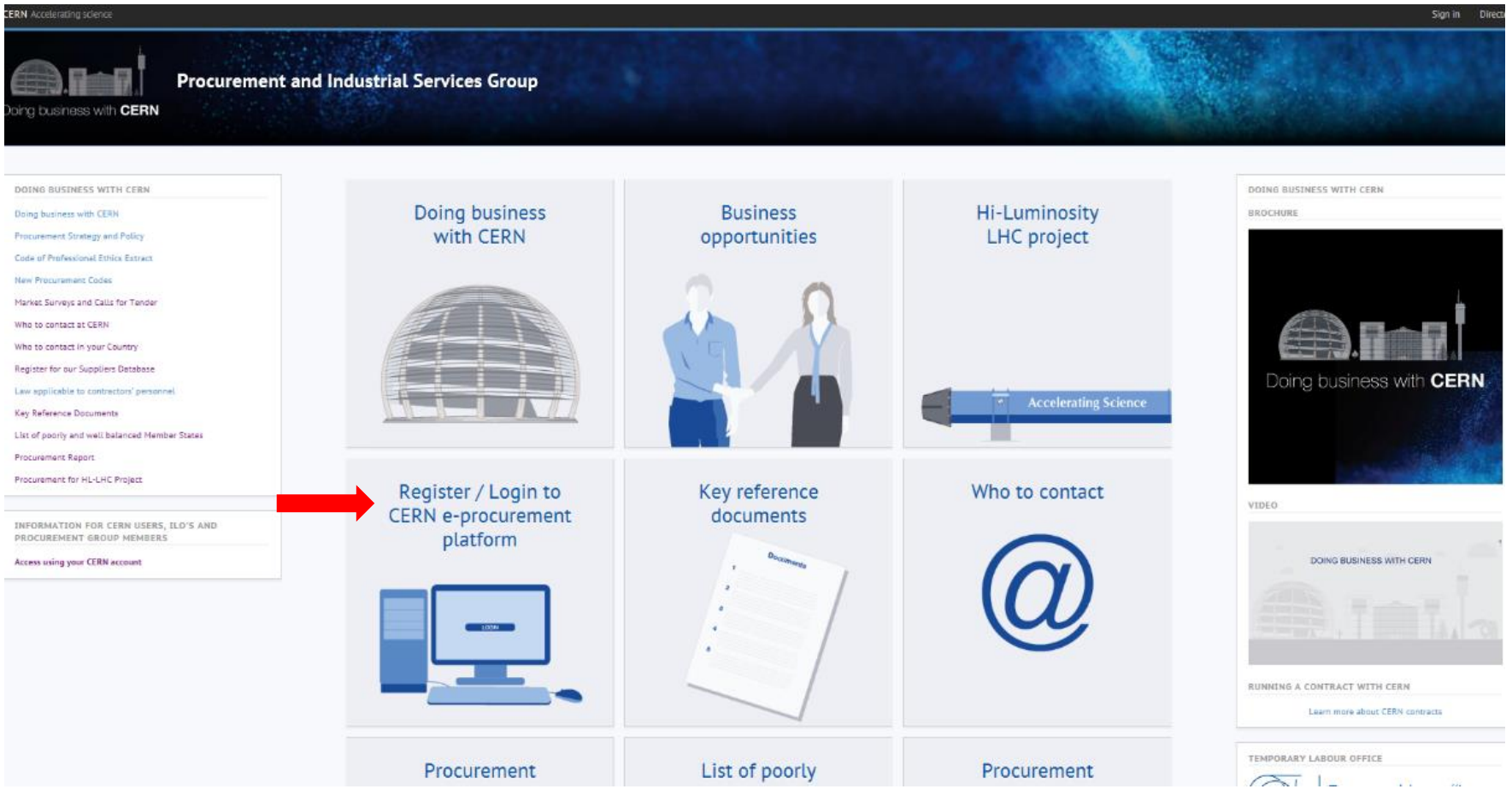
https://forthcoming-ms.app.cern.ch/#!/

Opportunities at Other Institutes



https://procurement.web.cern.ch/home/business-opportunities-other-institutes

Procurement Website



http://procurement.web.cern.ch

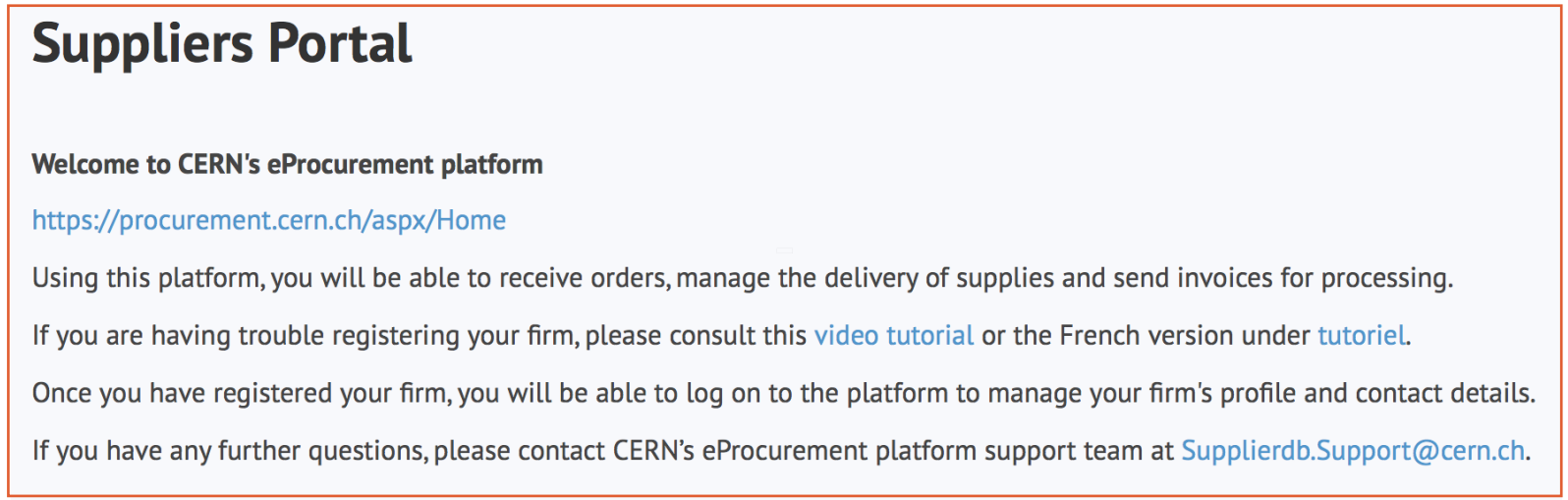
Suppliers must register in the Suppliers Portal

MANDATORY

for all exchanges with CERN, in particular to:

- Be visible for future opportunities (with the procurement codes you have indicated),
- Receive and follow-up orders,
- Send invoices.

Supplierdb.Support@cern.ch.



Suppliers Portal

Welcome to CERN's eProcurement platform

https://procurement.cern.ch/aspx/Home

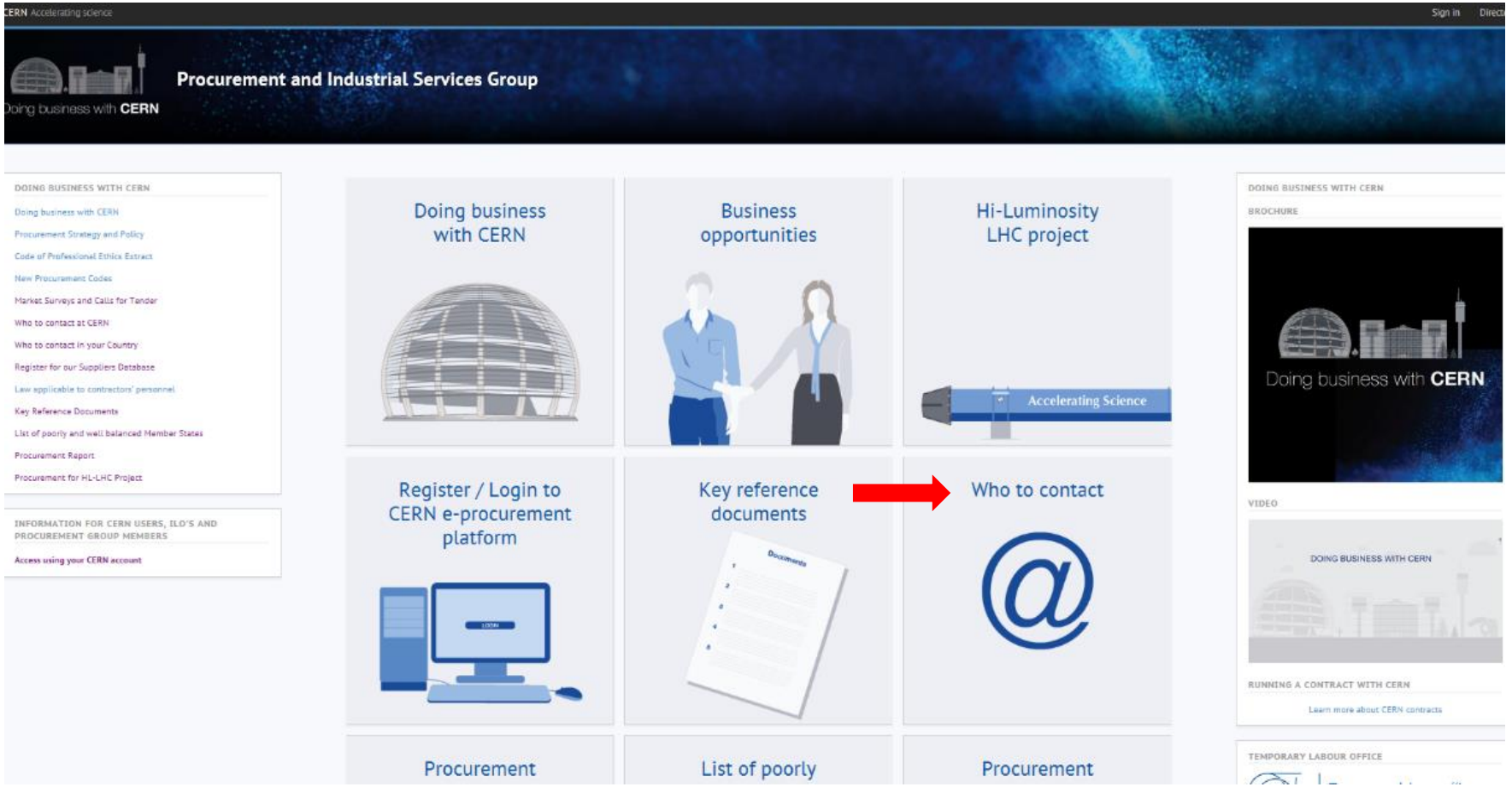
Using this platform, you will be able to receive orders, manage the delivery of supplies and send invoices for processing.

If you are having trouble registering your firm, please consult this video tutorial or the French version under tutoriel.

Once you have registered your firm, you will be able to log on to the platform to manage your firm's profile and contact details.

If you have any further questions, please contact CERN's eProcurement platform support team at Supplierdb.Support@cern.ch.

Procurement Website



http://procurement.web.cern.ch

Contact at CERN

Procurement Officers:

Procurement Officer

Adam Horridge

Role(s)
Procurement Officer

Section
Administration and General Infrastructure

Practice Area
Supply contracts

Experience
Adam completed his BSc in Management at Manchester Business School in 2005 and qualified as a chartered member of the Institute of Purchasing and Supply in 2011. Before joining CERN, he managed procurement activity on major engineering construction projects, sourced and executed globally, in both the glass and oil and gas industries. He joined the Procurement Service as a Procurement Officer in August 2014.

Languages Spoken
English French

Email
adam.horridge@cern.ch

Telephone
+41 22 766 3054

Merethe Morer-Olafsen

Role(s)
Procurement Officer

Section
Administration and General Infrastructure

Experience
Merethe arrived at CERN in May 1992. She has gained her experience in various services onsite; HR, TE, DG project office, EN departmental planning office and in organization of conferences. She joined the Section as a procurement officer and as organizer of the CERN Member States Industrial Days events in October 2019.

Languages Spoken
English French Norwegian

Email
Merethe.Olafsen@cern.ch

Telephone
+41 22 76 78568

Technical Contacts

Technical Contacts

Search

Activity Area
- Any -

Apply

Civil Engineering and Buildings

Activity	Contacts
Civil Engineering and Buildings	Luigi Scibile
Heating and Air-conditioning Equipment	Mauro Nonis
Hoisting and Handling Gear	Ingo Rühl

Electrical Engineering

Activity	Contacts
Power Supplies and Converters	Jean-Paul Burnet
Switch Gear, Switchboards, Power Transformers and Power Cables	Nicolas Bellegarde
Crates and Low Voltage Power Supplies	Vincent Bobillier, Francois Vasey
Magnets and Superconductors	Luca Bottura

Electronics

Activity	Contacts
ASIC's and related design tools	Michael Campbell

Contacts in your country

ILO: Industrial Liaison Officer

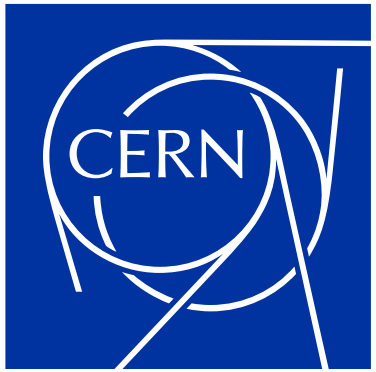
- **Who to contact in your Country**

  Industrial Liaison Officers (ILO's) are appointed by CERN's Member States to facilitate the flow of communication between CERN and its suppliers. ILO's can provide advice on the opportunities available for doing business with CERN and the support available to firms in their local regions.

ILOs are essential in order to:

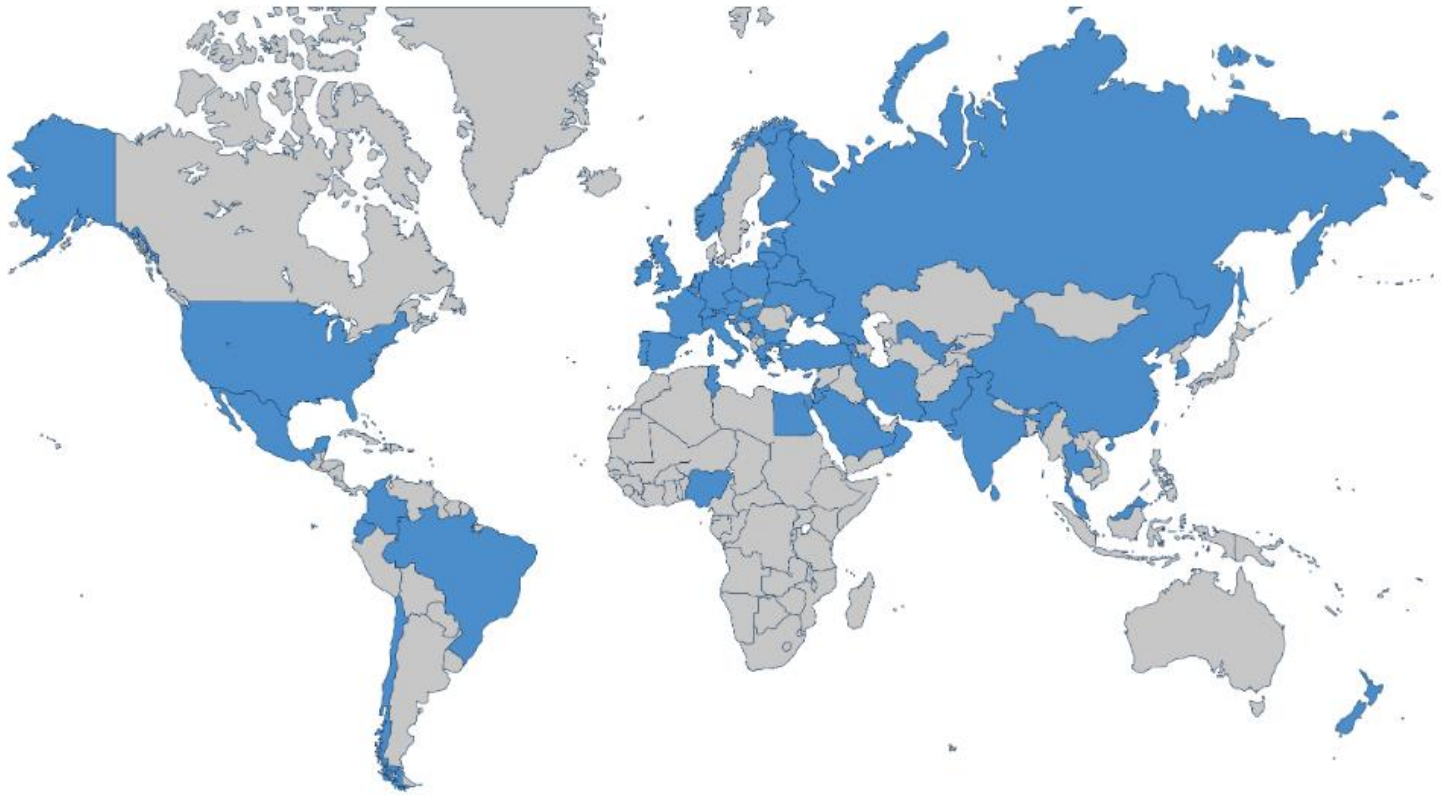
- Increase competition in bidding
- Balance Industrial Return
- Raise awareness
- Transmit information to potential suppliers
- Advise CERN about potential suppliers
- Support contractors & suppliers on any general technical, organisational and procedural aspects of CERN;
- Promote registration in suppliers DB
- Encourage long-term participation of industry in CERN’s mission

Thank you



home.cern

CMS Member States

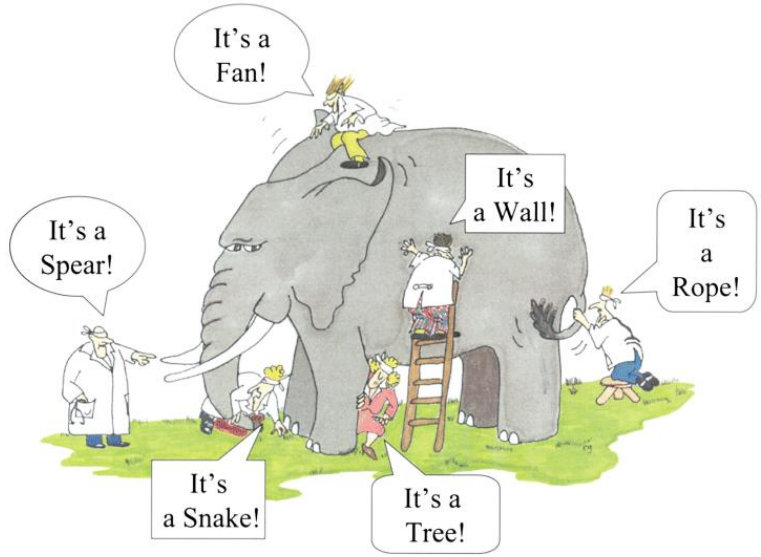


- **3394 Physicist**
  - 2166 PhD Physicist
  - 1228 Physical Doctoral Students
- **1102 Engineers**
- **282 Technicians**
- **247 Institutes**
- **57 Countries and Regions**

ATLAS Member States

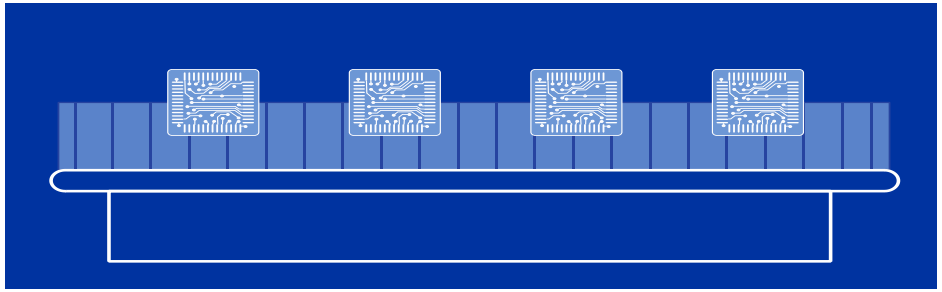
- 3000 Scientific Authors
- 1200 Doctoral Students
- 182 Institutions
- 42 Countries

How do we buy?



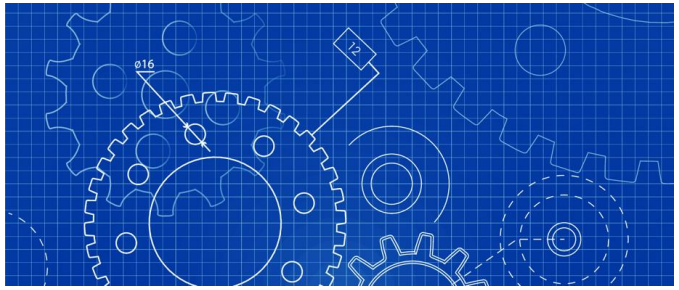
Off-the shelf or non-standard products which can be produced with existing manufacturing techniques or technologies:

- **Functional specification**



Non-standard products where industry has neither the required know-how nor the interest to develop and design the products:

- **Build-to-Print specification**



Prototypes and or Pre-series might be required.