

Doing business with CERN





### 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.

### Procurement Principles

- CERN 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.
- CERN's documents are 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, <u>subject to</u>
  the rules aimed at achieving well balanced industrial return
  coefficients for the Member States (from 100'000 CHF).

### Country of origin

for a <u>supply contract</u>: 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 100'000 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.

### Requirements exceeding 200'000 CHF

#### Market Survey followed by a Call for Tenders:

 Announcement in the document "Advance information on Forthcoming Market Surveys and Calls for Tenders expected to

exceed 200'000 Swiss francs" [Forthcoming market turreys, 100]

Market survey;

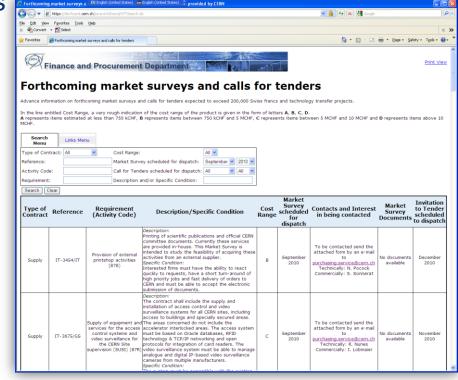
brief technical description (1-2 pages);

qualification criteria (financial and technical);

questionnaire.

Current Market Surveys available on Procurement Service home page

https://found.cern.ch/javaext/found/CFTSearch.do



### 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) <u>subject to</u> the rules aimed at achieving well balanced industrial return coefficients for the Member States, or
  - -Best-value-for-money basis (for service contracts), but <u>not subject to</u> the rules aimed at achieving well balanced industrial return coefficients for the Member States. The adjudication is based on both price and quality criteria.

### 21 Member States' contributions 2014 (CHF)

	Germany	20.27%	222'938'350	Norway	2.55%	28'005'550
	France	15.39%	169'206'150	Austria	2.22%	24'409'450
	United Kingdom	13.88%	152'609'250	Denmark	1.76%	19'333'100
	Italy	11.48%	126'256'550	Greece	1.64%	17'993'450
	Spain	8.28%	91'093'950	Finland	1.39%	15'312'300
	Netherlands	4.60%	50'586'000	Portugal	1.20%	13'205'900
+	Switzerland	3.64%	40'081'700	□ Israel	1.19%	13'114'850
	Belgium	2.78%	30'524'000	Czech Republic	1.03%	11'324'100
	Poland	2.66%	29'270'600	Hungary	0.65%	7'115'600
-	Sweden	2.61%	28'712'950	Slovakia Slovakia	0.50%	5'460'950
				Bulgaria	0.28%	3'081'950

Total	636'7	'00
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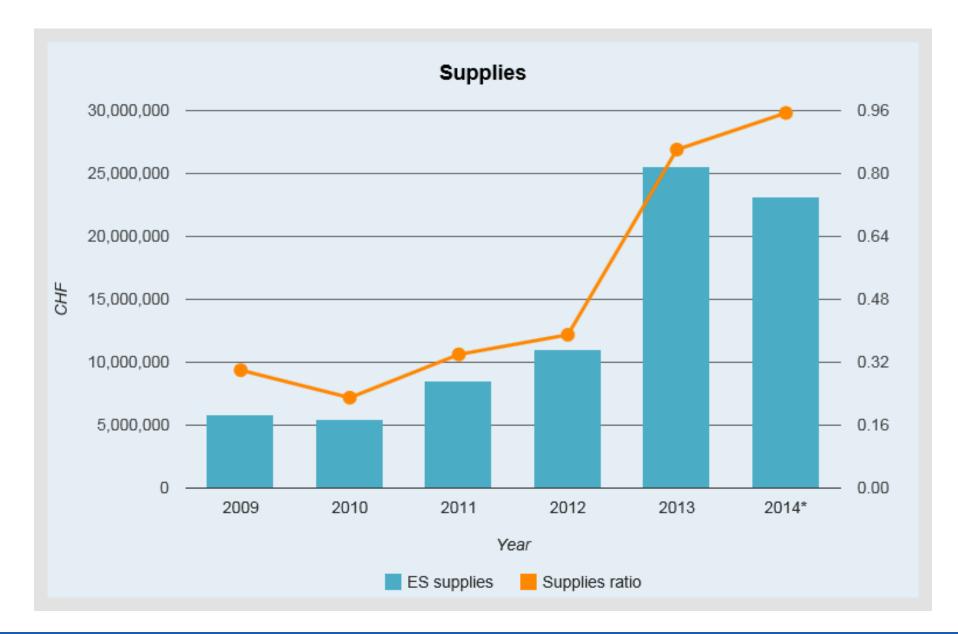
Additional contribution from Romania as Candidate for Accession 7'890'550

Additional contribution from Serbia as Associate Member State 1'000'000

Total including additional contributions

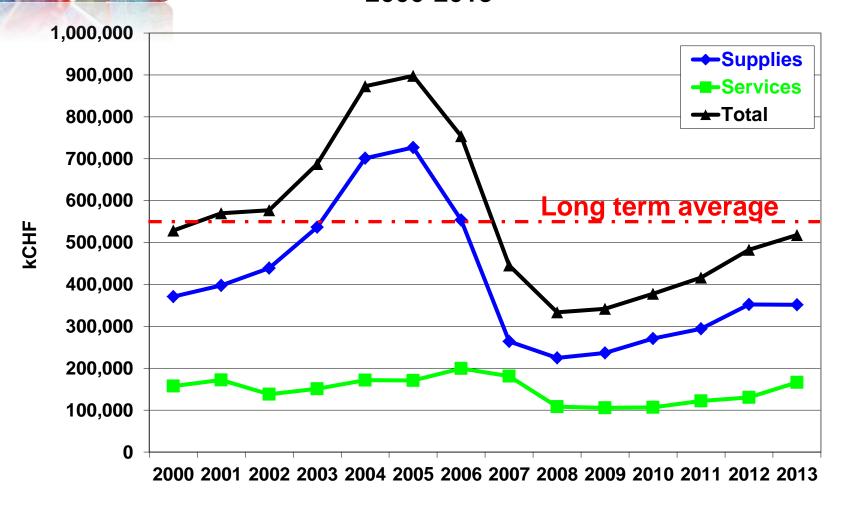
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## Procurement Expenditures 2000-2013







# 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, etc..











#### Successful suppliers

- Often small medium sized and flexible firms
- Ensure full understanding of specifications exceeded specifications may to expensive
- Communicate with CERN
- Take into account test requirements and documentation
- Verification of performance by sub-contractors

#### Contacts with CERN

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Procurement web page

http://procurement.web.cern.ch/



