

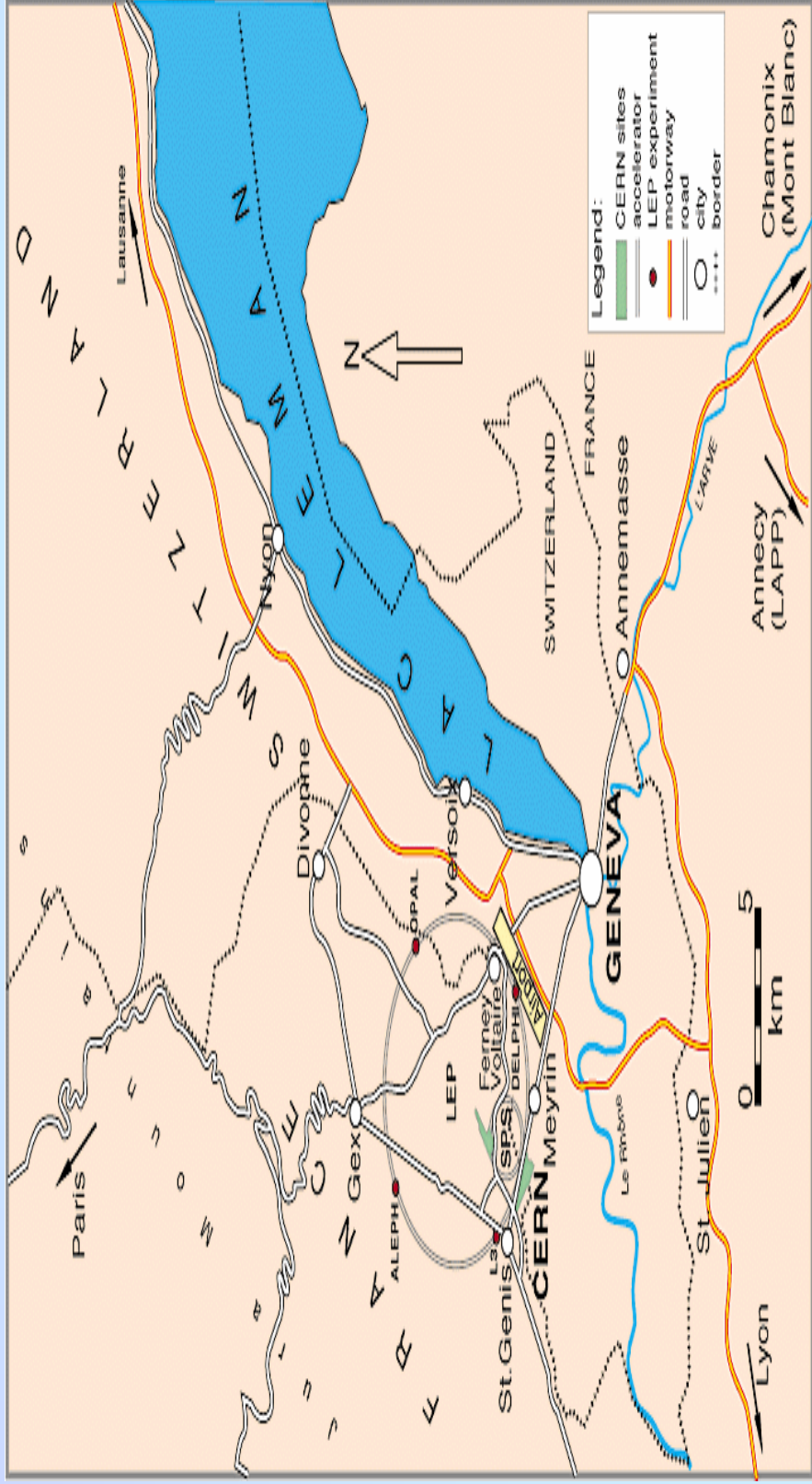
CERN - European Organization for Nuclear Research





CERN Location

The Laboratory straddles the Swiss-French border near Geneva, in two major sites





Some Figures

20 MEMBER STATES

**BUDGET 2004 :
CHF 1 270 000**

2450 STAFF MEMBERS

6694 VISITING PHYSICISTS

**475
UNIVERSITIES AND
INSTITUTES**

**602 HECTARES :
- 112 in Switzerland
- 490 in France**

6 ACCELERATORS

The Twenty Member States of CERN



Member States (Dates of Accession)





















 AUSTRIA (1959)	 DENMARK (1953)	 GREECE (1953)	 NORWAY (1953)	 SPAIN (1/1961-12/1968-1/1983)
 BELGIUM (1953)	 FINLAND (1991)	 HUNGARY (1992)	 POLAND (1991)	 SWEDEN (1951)
 BULGARIA (1999)	 FRANCE (1933)	 ITALY (1953)	 PORTUGAL (1966)	 SWITZERLAND (1953)
 CZECH REP. (1993)	 GERMANY (1953)	 NETHERLANDS (1953)	 SLOVAK REP. (1993)	 UNITED KINGDOM (1953)



BUDGET 2004

20 MEMBER STATES' CONTRIBUTIONS

Amounts in Swiss francs

	Germany	21.17%	207'462'900		Denmark	1.74%	17'035'750
	United Kingdom	16.58%	162'546'700		Poland	1.77%	17'322'050
	France	16.33%	160'013'100		Norway	1.88%	18'453'150
	Italy	12.66%	124'040'550		Finland	1.32%	12'947'150
	Spain	7.52%	73'702'550		Portugal	1.16%	11'379'200
	Netherlands	4.31%	42'252'250		Greece	1.29%	12'612'100
	Switzerland	3.01%	29'522'000		Hungary	0.77%	7'521'650
	Belgium	2.63%	25'730'500		Czech Republic	0.78%	7'618'100
	Sweden	2.46%	24'103'400		Slovak Republic	0.29%	2'864'800
	Austria	2.16%	21'132'350		Bulgaria	0.19%	1'878'750

Total

100%

980'139'000 CHF



WHAT DO WE BUY ?

IN 2003, SUPPLIES FOR 537 MCHF

- CIVIL ENGINEERING AND BUILDINGS : 118 MCHF
- ELECTRICAL ENGINEERING : 146 MCHF
- ELECTRONICS (INCLUDING RADIOFREQUENCY EQUIPMENT) : 37 MCHF
- COMPUTER SYSTEMS : 18 MCHF
- MECHANICAL STRUCTURES-SUPPLIES & MANUFACTURING TECHNIQUES : 97 MCHF



WHAT DO WE BUY ?

IN 2003, SUPPLIES FOR 537 MCHF

- **VACUUM AND LOW-TEMPERATURE TECHNOLOGY : 87 MCHF**
- **PARTICLE DETECTORS : 7 MCHF**
- **MISCELLANEOUS (PHOTO EQUIPMENT, GASES, VEHICLES, PETROL, TOOLS, FURNITURE, OFFICE SUPPLIES, PUBLICATIONS) : 21 MCHF**
- **DESIGN STUDIES - MISCELLANEOUS SUPPLIES: 4 MCHF**



WHAT DO WE BUY ?

IN 2003, INDUSTRIAL SERVICES FOR

151 MCHF

- **TEMPORARY LABOUR CONTRACTS : 2.4 MCHF**
- **SERVICE CONTRACTS : 67.0 MCHF**
- **MAINTENANCE CONTRACTS : 19.9 MCHF**
- **WORK AND MINOR WORK CONTRACTS : 32.7 MCHF**
- **RENTAL AND MAINTENANCE FOR COMPUTER SYSTEMS AND OFFICE EQUIPMENT CONTRACTS : 6.0 MCHF**
- **OTHER TYPES OF CONTRACTS : 5.0 MCHF**
- **COMMUNICATIONS, INSURANCE, ETC : 18.2MCHF**



How do we buy? Rules and procedures



Basic Rules

- Not less than three competitive tenders to be sought for the purchase of plant, equipment, and services
- Invitations to Tender to be limited to manufacturers and contractors located within the territories of CERN Member States



Basic Rules

- Ensure that bids fulfil all the necessary technical, financial and delivery requirements
- Keep overall costs for CERN as low as possible
- Achieve well balanced industrial return coefficients for all the Member States



Basic Rules

- Subject to all above,
- Contracts are to be awarded to the firm whose tender satisfactorily complies with the technical, financial and delivery requirements and is the lowest



Country of Origin

Supply Contract

The country in which goods are manufactured or where the last major transformation took place.

Industrial Service Contracts

The country in which the head office of the company that holds the contract is located.



Requirements not exceeding 200'000 CHF.

Price Enquiry

- Between 3 and 5 firms invited to submit a tender.
- The order is to be awarded to the firm whose tender satisfactorily complies with the technical, financial and delivery requirements and is the lowest.



Requirements exceeding 200'000 CHF.

Calls for Tender

- Announcement in the document “Advance Information on Forthcoming Call for Tenders.....”
- Contacts with Industrial Liaison Officers
- Market Survey
- Selection of firms to be invited for tender
- Technical auditing of CERN documents
- Invitation to tender
- >750 kCHF? Approval by Finance Committee



Market Survey

Purpose

- Pass information to industry on future requirements
- Update of CERN's supplier database
- Allow CERN to obtain information from interested firms
- Allow delegates, ILOs, etc., to propose potential bidders



Final Selection of Firms

as a general guideline, the final lists of firms to be contacted should contain :

- **UP TO 5 FIRMS FOR CONTRACTS OF LESS THAN 200'000 CHF IN VALUE**
- **UP TO 10 FIRMS FOR CONTRACTS EXCEEDING 200'000 CHF BUT LESS THAN 750'000 CHF IN VALUE**
- **UP TO 15 FIRMS FOR CONTRACTS EXCEEDING 750'000 CHF AND TAKING ALSO INTO CONSIDERATION THE COST FOR A COMPANY TO PREPARE AN OFFER**



General issues

Currency

Bidders are requested to offer in Swiss francs. CERN reserves the right to express the contract prices in Swiss francs or in the national currency of the bidder unless the latter requests the prices to be expressed in national currency.



General issues

Currency

if, exceptionally, the prices quoted in a tender are not expressed in Swiss francs, the tender shall be assessed on the basis of the exchange rate valid for the closing date for the submission of tender

Language

for all CERN documents, there should be an English version

Transport

The adjudication is based on an ex-works prices. CERN reserves the right to organise the transport.



General issues

Legal status

CERN is an International Organization that enjoys international status as regards legal and fiscal conditions

Warranty

2 years warranty is normally required

Bank guarantees

All advance payments have to be covered by bank guarantees.



Definition

- **The return coefficient 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



Balanced Member States

- for the year 2004, a CERN Member State is considered to be **poorly balanced** if its industrial return coefficient is:
 - < **0.92** for supply contracts
 - < **0.40** for industrial service contracts
- otherwise, it is considered to be **well balanced**



Well Balanced Member States

for calls for tender issued between 01.03.2004 and 28.02.2005 the following CERN Member States are well balanced for **supply contracts**:

- Austria, Belgium, Finland, France, Italy, Spain, Switzerland



The Alignment Rule

In case of purchases paid by the CERN budget, a bidder in a poorly balanced Member State may be entitled to align his price to the lowest bidder and be awarded the contract.

There is no alignment procedure for purchases paid by Common Fund or external funds



The Alignment Rule

1. Lowest bidder from poorly balanced Member State :

—→ **CONTRACT**



The Alignment Rule

2. Lowest bidder from well balanced Member State
: —→ **NEGOTIATIONS (DIFFERENCE < 20%)**

a. 1st bidder from poorly balanced Member

State aligns : —→ CONTRACT

b. If not : 2nd bidder from poorly balanced

Member State aligns : —→ CONTRACT

c. If not : —→ CONTRACT to lowest bidder

d. Contract splitting —→ 50% to the lowest bidder



The Alignment Rule

Country of Origin

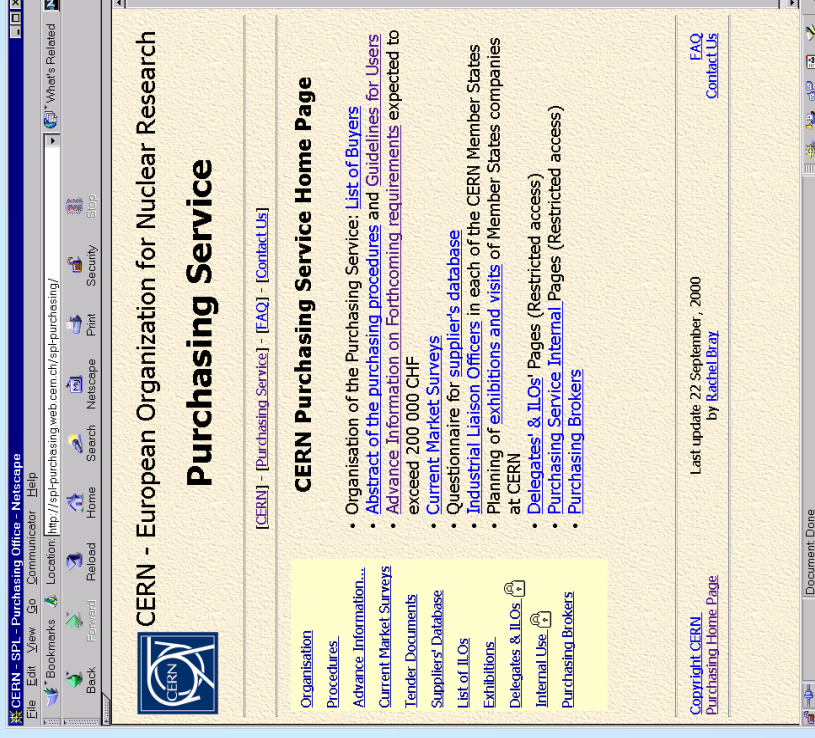
If at least 51% (40% for industrial services) of the total amount of the tender comes from a poorly balanced Member State, the whole offer will be treated as that from a bidder in a poorly balanced Member State



Further Information

Have a look at
our new Purchasing
Service Web Page *

Come and See us!



*<http://spl-purchasing.web.cern.ch/spl-purchasing/>



For further information

- Please contact:
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- Thank you!