

ILO-FORUM  
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**ORGANISATION EUROPEENNE POUR LA RECHERCHE NUCLEAIRE**  
**CERN** **EUROPEAN ORGANIZATION FOR NUCLEAR RESEARCH**

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**ILO FORUM**  
First Meeting  
Geneva – 16 September 2008

MINUTES



## LIST OF PARTICIPANTS

Austria	Mr G. Lackner
Belgium	Mr K. Castelein
Bulgaria	Prof J. Stamenov
Czech Republic	Mrs I. Miskovska Mr I. Lehraus
Denmark	Ms C. Tornøe
Finland	Mr H. Juuso Mr A. Heikkilä
France	Mr J.-C. Brisson
Germany	Dr W. Erdt
Greece	Dr M. Barone Prof E. Gazis
Italy	Dr R. Pellegrini
Norway	Mr O. P. Nordahl
Poland	Dr M. Chorowski
Slovak Republic	Mr S. Molokac Mrs L. Molokac
Spain	Mrs P. Dorado Mr M. Serrano

Switzerland Mrs C. Wandeler

United Kingdom Mrs C. Jamieson

CERN:

Mr S. Lettow (Chief Financial Officer)

Mr T. Lagrange (Head of the Purchasing Service, FI)

Mr S. Baird (AB)

Mr F. Costa (FI)

Dr J-P. Delahaye (AB)

Mr D. Gregorio (FI)

Mr T. Kurtyka (LHC)

Mrs C. Laura (FI)

Mr J. Podolec (IT)

Mr C. Saitta (FI)

Mr A. Unnervik (FI)

Mr W. Van Leersum (IT)

Minute writer: Mr J. M. Wilkinson

Mrs JAMIESON opened the meeting at 2 p.m. and welcomed the ILO Forum members. Apologies had been received from Dr S Centro.

## 1. INTRODUCTION

(Item 1 of the Agenda)

Mrs JAMIESON, chairing the meeting in her capacity as Chairman of the Working Group on the Review of CERN Purchasing Policies and Procedures, stated that, in line with the relevant recommendation of the Working Group on the Review of CERN Purchasing Policy and Procedures<sup>1</sup>, the ILO Forum's purpose was to provide an opportunity for ILOs and other interested delegates to receive information on the prospects for CERN's future purchasing requirements and to raise procurement issues of relevance to individual Member States. She also emphasised that, in line with the recommendations of the Working Group, the Forum should be forward-looking and not dwell unduly on past statistics.

She then briefly reviewed the items and presentations on the present agenda.

### - Election of chairman

(Oral)

Mrs JAMIESON invited the Forum to elect a chairman and announced that one proposal for a candidate had been put forward, namely S. Centro (Italy). Although he had been unable to attend the present meeting, he had expressed his willingness to serve as chairman. She invited members to submit any further proposals.

No further candidates being put forward, the Forum unanimously elected S. Centro, *in absentia*, Chairman of the ILO Forum.

It was further agreed to set the term of office of Chairman at two years, on the understanding that such a period would give an opportunity to other members to put forward their candidacies to chair the Forum on a regular basis.

Dr PELLEGRINI said that he wished to convey Sandro Centro's apologies for his inability to attend the present meeting and his gratitude to members of the Forum for the confidence shown in him by electing him chairman.

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<sup>1</sup> Document CERN/2797-CERN/FC/5259, Proposal 2.7.2, pages 14-15

- Approval of the agenda

The Forum approved the agenda.

## 2. FUTURE PROJECTS

(Item 2 of the Agenda)

- CLIC  
(Oral)

Dr DELAHAYE gave his oral presentation.<sup>2</sup>

In reply to Dr BARONE who requested details of the budget for the CLIC facility to 2010 and of the significance of CTF3 with respect to the full-length CLIC linear collider, Dr DELAHAYE announced that CERN allocated some 10 MCHF per annum in materials and manpower with a further 5 MCHF provided by the collaboration members. The current medium-term plan foresaw a factor 5 increase in CERN's allocation from 2010, gradually increasing in the following years. Novel schemes and technologies would have to be developed to achieve CLIC's high target intensity, luminosity and energy. CTF3 was designed to test the feasibility of all the basic components, technologies and schemes needed for the full-length linear collider in preparation for the project conceptual design report (CDR) in 2010 and a technical design report (TDR) in 2016.

In reply to Mrs JAMIESON who requested an indication of the main components that would be needed for the test facility in the coming years, Dr DELAHAYE confirmed that the complete list of items needed for CTF3 until 2010 was provided on slide 11 of his presentation. In order to reduce the cost to CERN, the CLIC management was encouraging collaborations to provide components under a work package structure, on the understanding that they provided the resources to complete the work, normally through their own industries. A number of collaborations had been established, most notably with Italy, Spain and Sweden, the countries that contributed most heavily to the test facility.

In response to Mrs JAMIESON who wished to know to what extent procurement was conducted centrally, Dr DELAHAYE explained that CERN resources covered all the,

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<sup>2</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>

normally smaller, items that collaboration members had not elected to provide, such as shielding and cables.

Dr BARONE stated that he had some reservations regarding the composition of the collaboration. CLIC was a high-tech project that had been conceived at CERN and to which CERN resources had been allocated over a long period. Attention should be paid to the fact that the collaboration comprised a substantial number of non-Member States, including developing countries, which could benefit from technology transfer associated with the project at the potential expense of Member State industries.

Mrs JAMIESON observed that, in her view, such issues were policy matters to be addressed by the Council.

Mr HEIKKILA stated that since 2001 Finland had been actively involved in the CLIC collaboration, especially with the accelerating structure team responsible for the challenging accelerating structures. Finnish industry was very motivated to continue carrying out CLIC R&D work in view of the potential medium- and long-term spin-off from the development of such requirements.

In reply to Mr HEIKKILA who wished to know whether any plans were in place within the CLIC collaboration and the Purchasing Service to motivate industry to take part in continuing R&D work for CLIC, Mr LAGRANGE stated that in general industry was interested only in R&D contracts with clear spin-off potential or those that would ultimately lead to contracts for series production. In the first case, CERN had no difficulty motivating industry to participate on the basis of an agreement that included clear provisions on the sharing of intellectual property rights. The difficulty arose where, as in the case of the LHC magnets, project lead time from conception to construction could be very long and could be subject to intermediate approval stages. In such cases, it was difficult to encourage firms to invest substantial resources in R&D and prototype work, particularly as they had no guarantee that their initial investment would pay off in terms of securing subsequent series contracts, which often in any case materialised at a much later stage.

Dr DELAHAYE further underlined that a substantial part of the development work for CLIC to date had been done outside CERN. In many instances, such as high-precision machining, industry's collaboration was essential and brought mutual benefits in terms of the acquisition of expertise and know-how.

Mr HEIKKILA observed that since for major projects such as CLIC the sheer quantity of components required meant that contracts for series production would ultimately have to be placed with several suppliers, he would be in favour of the establishment of clusters of firms with relevant technological expertise teaming up to carry out joint R&D work, to determine the requisite technologies and draw up the associated specifications in association with CERN.

In reply to Mr SERRANO who requested information on the relationship between the current project and the ESFRI roadmap and whether there was any potential source of funding under the EU's 7th Framework Programme, Dr DELAHAYE explained that resources had been obtained under FP6 for special laser technology and photoinjectors, developed in collaboration with RAL, LAL and INFN Frascati. A number of requests had been submitted for resources under FP7 for an integrated R&D project called EuCARD (European Coordinated Accelerator R&D). The EU normally provided only one third of total resources, the collaborating institutes having to provide the other two thirds.

The Forum took note of the presentation, including the major components needed to complete the CLIC test facility (CTF3) by 2010, and additional information provided by Dr Delahaye.

- LINAC4  
(Oral)

Dr KURTYKA gave his presentation.<sup>3</sup>

In reply to Mrs JAMIESON who wished to know whether the detailed procurement schedule could be made available to ILOs, Dr KURTYKA indicated that a detailed list and schedule of requirements should be available shortly. Market surveys were already being launched, the forthcoming ones relating to permanent magnet quadrupoles (for which there were no known European producers) and amplifiers. The list of requirements would be transmitted to ILOs.

The Forum took note of the presentation and additional information provided by Dr Kurtyka.

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<sup>3</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>



- Consolidation Projects  
(Oral)

Dr BAIRD gave his presentation<sup>4</sup>, underlining that, for the purposes of his presentation, accelerator consolidation referred not to accelerator upgrade work but to work packages for the repair, maintenance and replacement of existing accelerator infrastructure and injector chain facilities.

In reply to Dr ERDT who requested an indication of the proportion of manpower costs, Dr BAIRD explained that the 58 MCHF for the 71 work packages for AB consolidation projects covered materials and industrial labour contracts (e.g. transport, heavy handling and cabling) and did not include any CERN manpower. Industrial services manpower contracts accounted for some 30% of the 8 MCHF allocation to renovate all the PS magnets, although for more straightforward work, such as that for the RF amplifiers, the manpower costs were considerably lower.

In reply to Professor GAZIS who, in the light of the recent failure of a 12 MW LHC transformer, wished to know whether any part of the budget was allocated to the LHC, Dr BAIRD stated that to date the only item charged to the consolidation budget for the LHC had related to work on the electrical compensation system, amounting to a relatively modest 1.2 MCHF. However, more resources would clearly have to be allocated to consolidation of the LHC infrastructure in due course.

In reply to Dr BARONE who requested clarification of the business opportunity for Member State industries under the additional “White Paper” consolidation programme (First Theme) bearing in mind that a proportion of the special additional contributions of the Host States for the new initiatives was due to be in-kind, Mr LAGRANGE stated that to date all consolidation items had been procured, and in all probability would continue to be procured, using CERN’s usual tendering procedures.

In reply to Mr BRISSON who wished to know whether there were any consolidation plans for the helium liquefier which had originally been installed for LEP, Dr BAIRD stated that there were currently no requests for such consolidation work, but it was clear that infrastructure that dated from the LEP era would have to be renovated or replaced in due course.

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<sup>4</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>

The Forum took note of the presentation and additional information provided by Dr Baird.

3. EXPERIENCE GAINED WITH “BEST VALUE FOR MONEY”

(Item 3 of the Agenda) (Oral)

Mrs LARA made her presentation<sup>5</sup>, underlining that there was still limited experience of best-value-for-money (BVFM) practice and that she intended to report back at a later stage once more experience had been gained with BVFM contracts.

In reply to Mr NORDAHL who requested clarification of how the double-envelope procedure would operate, Mrs LARA explained that bidders would be requested to submit all technical information in a separate envelope with the price quotation submitted separately on the completed tender form. Initially, only the technical envelopes would be opened and assessed and quality scores would be attributed. Once that process was complete, the tender forms would be opened. The entire procedure would be fully explained to potential bidders in the covering letter of the call-for-tender documents.

In reply to Dr ERDT who wished to know how the Purchasing Service was able to obtain evidence that bidders were providing accurate information in the technical replies, for instance with regard to engineer experience requirements, Mrs LARA stated that the adjudication was based on the information provided in the replies to the call for tenders, which would form the basis for the subsequent contractual terms and conditions. The specification documents clearly indicated that the contract would include penalties for defaulting on contractual commitments, which included failure to provide staff with the specified qualifications.

The Committee took note of the presentation and additional information provided by Mrs Lara.

The meeting was adjourned at 3.50 p.m. and resumed at 4.20 p.m.

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<sup>5</sup> Distributed in hard copy form at the meeting. See also Powerpoint presentation on the ILO Indico webpage

#### 4. PURCHASING FOR EXPERIMENTS

(Item 4 of the Agenda) (Oral)

Mr<sup>6</sup> GREGORIO made his presentation.

In reply to Dr BARONE who asked whether there were any statistics on the distribution of contracts placed according to Cases A, B, C and D, Mr GREGORIO explained that CERN status reports provided information on contracts placed by CERN, i.e. those falling into Cases B, C and D. However, CERN did not keep statistics on items falling under Case A, i.e. where no amounts were charged to the CERN budget and the collaborations did not require CERN to carry out procurement on their behalf. The collaboration resource coordinators would have the complete information.

Mr LAGRANGE, observing that the question should properly be addressed to the Resources Review Boards, pointed out that funding arrangements for the LHC experiments differed from one experiment to the other.

Professor GAZIS pointed out that at the RRB meetings items of procurement, and thus of expenditure, were presented in terms of in-kind or cash, but were not broken down into cases A, B, C and D.

In reply to Dr ERDT, Mr GREGORIO confirmed that the Technical, Electronics and Resource Coordinators had already been appointed<sup>7</sup>.

The Forum took note of the presentation and additional information provided by D. Gregorio.

#### 5. CERN SUPPLIER DATABASE

(Item 5 of the Agenda) (Oral)

Mrs JAMIESON reminded the forum that in its recommendations to the Council (CERN/2797-CERN/FC/5259, Proposal 2.13.2), the Working Group had proposed “*the setting-up of a small working party, consisting of members of the Working Group and CERN experts responsible for the supplier database and the Purchasing Service to examine the*

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<sup>6</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>

<sup>7</sup> See last slide of Mr Gregorio’s presentation for the names.

*suppliers database, identify possible improvements and make recommendations with a view to increasing its usefulness for CERN purchasers and ILOs.”*

- The CERN supplier database

Mr COSTA made his presentation<sup>8</sup> on the CERN supplier database, providing statistical data and indicating that various proposals to extend the available facilities, interactivity and overall usefulness of the database to CERN staff and ILOs were currently under discussion and evaluation.

In reply to Mr CASTELEIN who observed that a key issue was how to ensure that ILOs were in a position to propose potential suppliers, encourage firms contacted to respond to CERN market surveys and calls for tenders and if necessary take corrective action, Mr LAGRANGE explained that adjudication documents for the Finance Committee contained information on the numbers of firms contacted for the market survey per country and details of firms' responses. The document also included the list of companies selected for the call for tenders and the outcome. In the Working Group, a number of Member States had requested introduction of an interactive process allowing ILOs at the market survey stage to obtain information on firms contacted and responding, to monitor firms' response rate and take any corrective action, including proposing different firms. That proposal was currently under discussion with a view to implementing new arrangements in the near future.

In reply to Mr CASTELEIN who observed that information to potential bidders contacted throughout the Member States might prompt a greater response from firms to market surveys and calls for tenders, Mr LAGRANGE stated that ILOs obtained full information on all firms contacted throughout the Member States at the market survey stage, in particular to promote the building of consortia for calls for tenders. However, ILOs received information only on those companies contacted for calls for tenders within their respective countries to ensure that, in the interests of maintaining competition, bidders submitted their tenders without being aware of the identity of their competitors.

In response to Dr BARONE who requested that CERN drawings be forwarded to companies in electronic formats with codes compatible with those used in industry, Mr COSTA, underlining that there were technical drawing standardisation problems world-wide, said that with so many standards current in industry it would be impossible for CERN to impose a standard on firms in all Member States.

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<sup>8</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>

Mr LAGRANGE, acknowledging the problem raised by Dr Barone, stated that CERN would revert to the practice of informing firms in the call-for-tender documents that they could request printed versions of drawings by fax or by mail if they had difficulty opening the electronic files.

The Forum took note of the presentation by Mr Costa and of the ensuing discussion.

- Supplier Data Redesign - Report on the Working Group<sup>9</sup> on an enhanced supplier database and an interface for ILOs and firms

Mr NORDAHL gave his oral report<sup>10</sup>, indicating that it had been prepared in consultation with Mr Heikkilä. He outlined the proposal for a single centralised database containing data on suppliers, contracts, calls for tenders and market surveys in progress and the results of purchasing processes, which should be accessible to ILOs and possibly also to firms. In conclusion, he observed that to fulfil its goals the Working Group would ultimately require more resources: in particular, it should be reinforced with additional CERN IT experts to advise on the system specification, which might also require outside input. He requested feedback from the Forum on whether the Working Group had a mandate to proceed with its feasibility study.

In reply to Dr ERDT who requested an estimate of timescale and the resources needed to implement the enhanced database and interface, Mr NORDAHL stated that the Working Group had not yet addressed those issues and further work was needed to understand the feasibility of implementing an interface, taking account, *inter alia*, of security and confidentiality issues. However, it should be remembered that most of the required information was already available in various databases at CERN and centralisation of the information should therefore be a relatively straightforward exercise.

Mr BRISSON observed that it was impossible to keep a supplier database permanently updated.

In response to further remarks by Mr BRISSON who expressed a preference for maintaining the SUPUP software which allowed the Purchasing Service to provide ILOs with data, for instance, on their own country's suppliers, and their firms' contracts and responses to market surveys and calls for tenders, Mr NORDAHL stated that the Working Group was in favour of a centralised database that all ILOs could access rather than ILOs developing their

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<sup>9</sup> Members : O. Nordahl (Chair), J-C. Brisson, F. Costa, A. Heikkilä, T. Lagrange

<sup>10</sup> See presentation on the ILO Indico webpage <http://indico.cern.ch/conferenceDisplay.py?confId=42572>

own personal databases. Similarly, the Working Group's main message was that an interface would enhance and promote communication between CERN purchasers and ILOs.

Mr LAGRANGE stated that there were two clear and separate issues. First, the request for the provision of information on existing suppliers, contracts and on firms responding to market surveys and calls for tenders within their respective countries could be met without difficulty: the data was stored and could be made available to ILOs in a user-friendly way via an appropriate interface. However, creating a database of potential suppliers for new calls for tenders, entailing more precise activity codes and permanent updating of the database, would require very substantial CERN resources. In contrast, national databases were accessible electronically and were inevitably more exhaustive and more regularly updated than any database relating to the industries of the 20 Member States that CERN could maintain. In its feasibility assessment, the Working Group should therefore also address the trade-off between the resources needed to create a comprehensive supplier database at CERN and the feasibility of using such existing Member State resources.

The Forum took note of the presentation by Mr Nordahl and of the points raised during the ensuing discussion.

**In response to a request from Mrs JAMIESON, members of the Forum indicated that they were willing to give the working group a mandate to continue the first part of the project outlined by Nordahl, namely a feasibility study on the introduction of an interface. The issue of additional resources needed to prepare the specifications and operate and maintain the database and interface would have to be addressed at a later stage.**

## 6. CONCLUSION

(Item 6 of the Agenda) (Oral)

Mrs JAMIESON, expressing appreciation for the presentations and the discussion, invited members to submit feedback on the usefulness of the meeting and any proposals for items for discussion at future meetings to the new Chairman Elect, Sandro Centro.

The Forum took note of the statement by Mrs Jamieson.

- Summary

See conclusions under the various agenda items.

- Arrangement of future meetings

The Forum agreed that meetings would normally be held once a year in March and further agreed that the next meeting would be held on the day before the Finance Committee meeting in March 2009.

## 6. OTHER BUSINESS

(New Item of the Agenda) (Oral)

- Availability of presentations

The Forum agreed that all the power-point presentations given during the meeting would be made available on the ILO website and would not therefore be attached to the minutes.

The meeting rose at 6 p.m.