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Procurement of supplies up to 200kCHF

<https://fp-elearning.web.cern.ch/course/procurement/fr/long/full>

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Accelerators and Technology Section

Purchases of supplies exceeding 200 kCHF for the Accelerators and Technology Sector

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Admin & General Infrastructure Section

Purchases of supplies exceeding 200 kCHF for the Admin. and General Infrastructure Sector and the CERN Pension Fund, insurance and civil engineering contracts

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Sandrine MAGNAN

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Information Technology and Purchase Orders Section, MICE, Stores

Purchases and price enquiries for supplies below 200kCHF (below 50kCHF and gré à gré for Research), Purchases for stores, Contracts for computing, hotels and conferences

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Yannick TENDON
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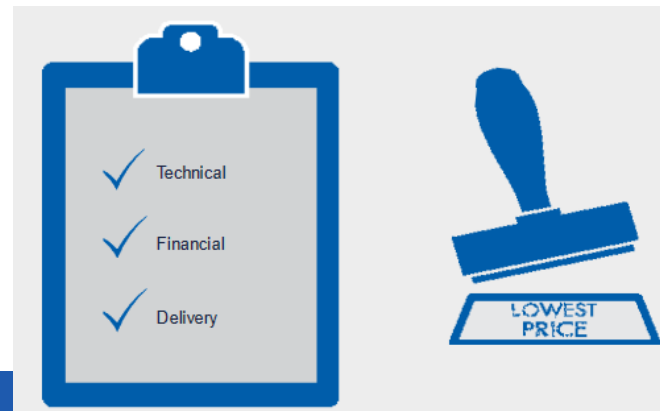
Research and Industrial Services Section

Procurement of Contracts for Research exceeding 50kCHF (except gré à gré), services exceeding 200kCHF, EU-funded Projects

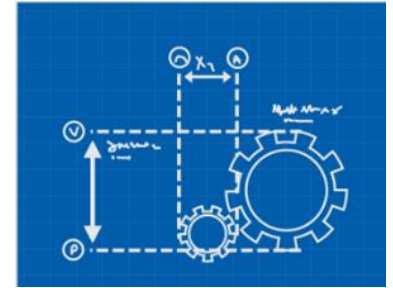
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The Procurement Service (PS)

- procures all supplies and services for CERN
- The objective is to meet the specified and contractual technical, delivery and performance requirements at the lowest possible overall cost, while achieving balanced industrial return for CERN member states and respecting CERN Procurement Rules



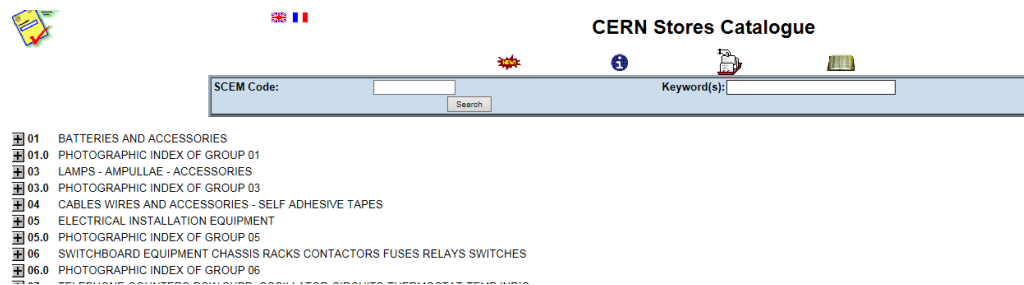
The technical responsible



- Defines his procurement need,
- Follows up the design and manufacture of supplies,
- Checks, accepts or rejects the delivery of supplies
- Evaluates the supplier (questionnaire soon in place)
- In collaboration with the PS:
 - ✓ Carries out the procurement process in accordance with the Procurement Rules
 - ✓ Ensures that the contractual terms of the order are fulfilled

Standardised product

- Before creating a DAI, the tech responsible has to check that the supply is not part of CERN catalogue:



- Or that there is no related contract (ask PS)

The procurement procedure depends on the estimated amount of the supply



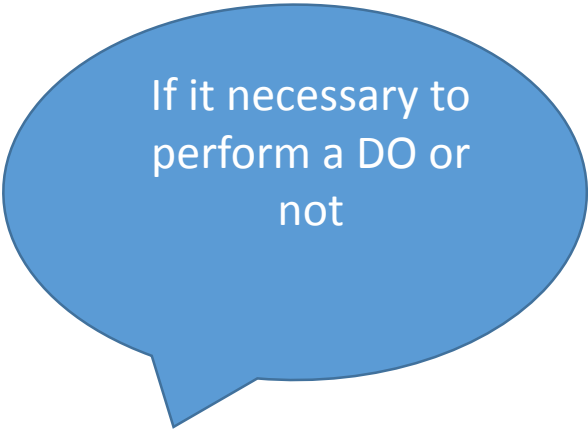
Estimation of the order amount

- Take into account all possible needs for the same type of products
 - Ex: 10kg of white paint or the maintenance of product purchased
- Allowing to define the strategy and procurement rules to follow as well as a better price

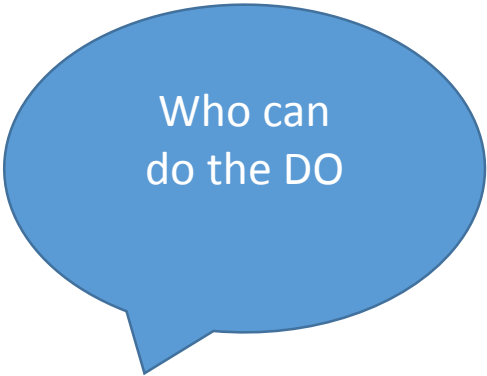


Identification of the procurement approach

The estimation will define:

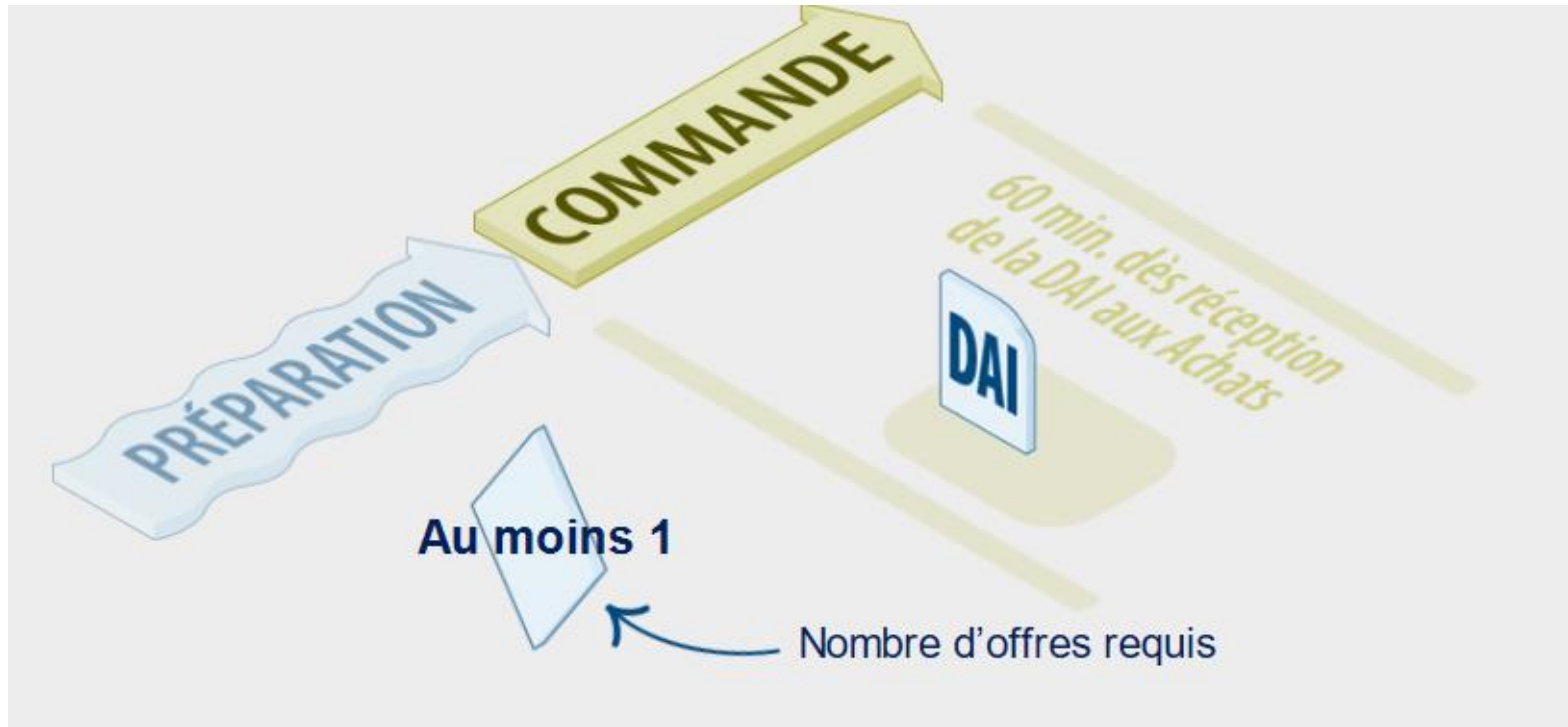


If it necessary to perform a DO or not



Who can do the DO

Below 1kCHF



- Unless indicated otherwise, the DAI will be sent directly to the supplier without the intervention from the PS.

In particular for transport costs

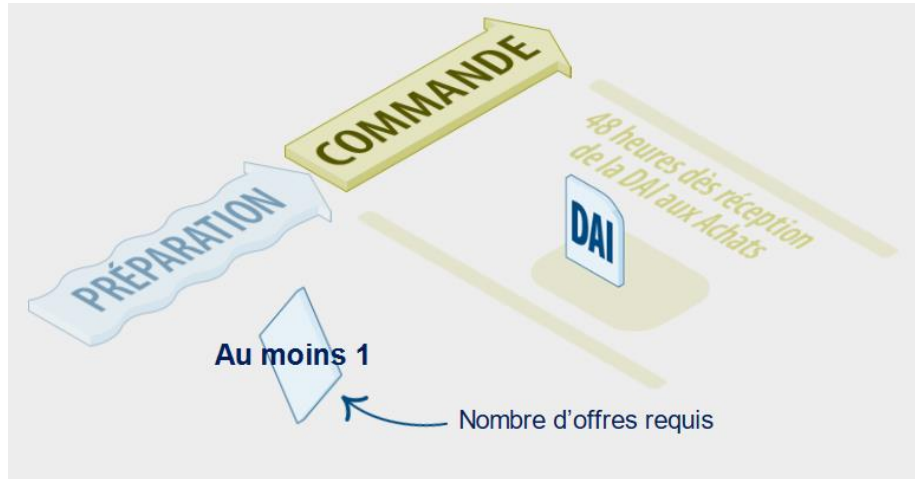




Fraud detection

- The PS realises a posteriori checks to detect cases of «saucissonnage» or splitting, i.e.
 - Requirement divided intentionally into several DAI for the same requirement to the same supplier below thresholds in order to avoid to follow some procurement rules such as DO or MS.



Between 1kCHF and 5kCHF



- DO can be done directly by the tech responsible using the template under: <https://procurement.web.cern.ch/en/procurement-templates> (simplified enquiry document reference to CERN's GC, country of origin, transport detailed, VAT exempt, penalties, etc.)
-  IT IS FORBIDDEN TO COLLECT THE SUPPLY DIRECTLY FROM THE SUPPLIER. Supplies have to be received by the reception service
-  Pay attention to use of procurement codes and in particular to M/S

Documents to joint to the DAI



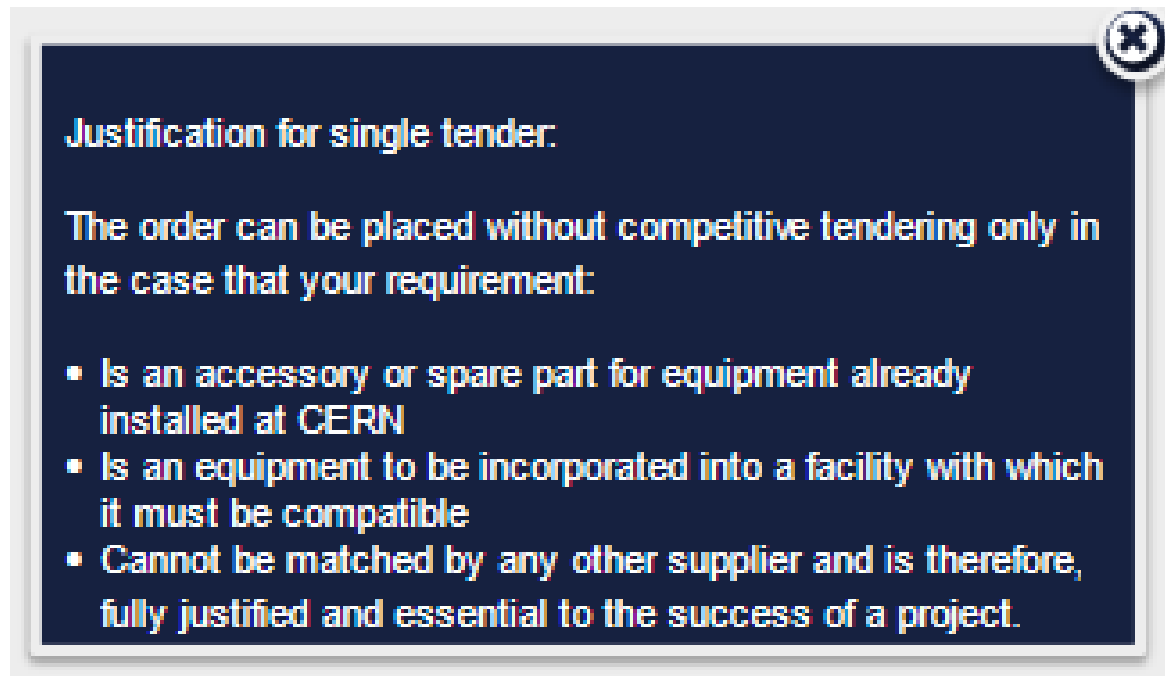
Between 5kCHF and 10kCHF



- DO can be done by the tech responsible as long as procurement rules are applied

EXCEPTION!

- A DAI can be made for a single tender (gré à gré) only for the following reasons:



Justification for single tender:

The order can be placed without competitive tendering only in the case that your requirement:

- Is an accessory or spare part for equipment already installed at CERN
- Is an equipment to be incorporated into a facility with which it must be compatible
- Cannot be matched by any other supplier and is therefore, fully justified and essential to the success of a project.

Country of origin

Country where the supplies (including their components and sub-assemblies) are manufactured or undergo the last major transformation by the contractor or his sub-contractor.

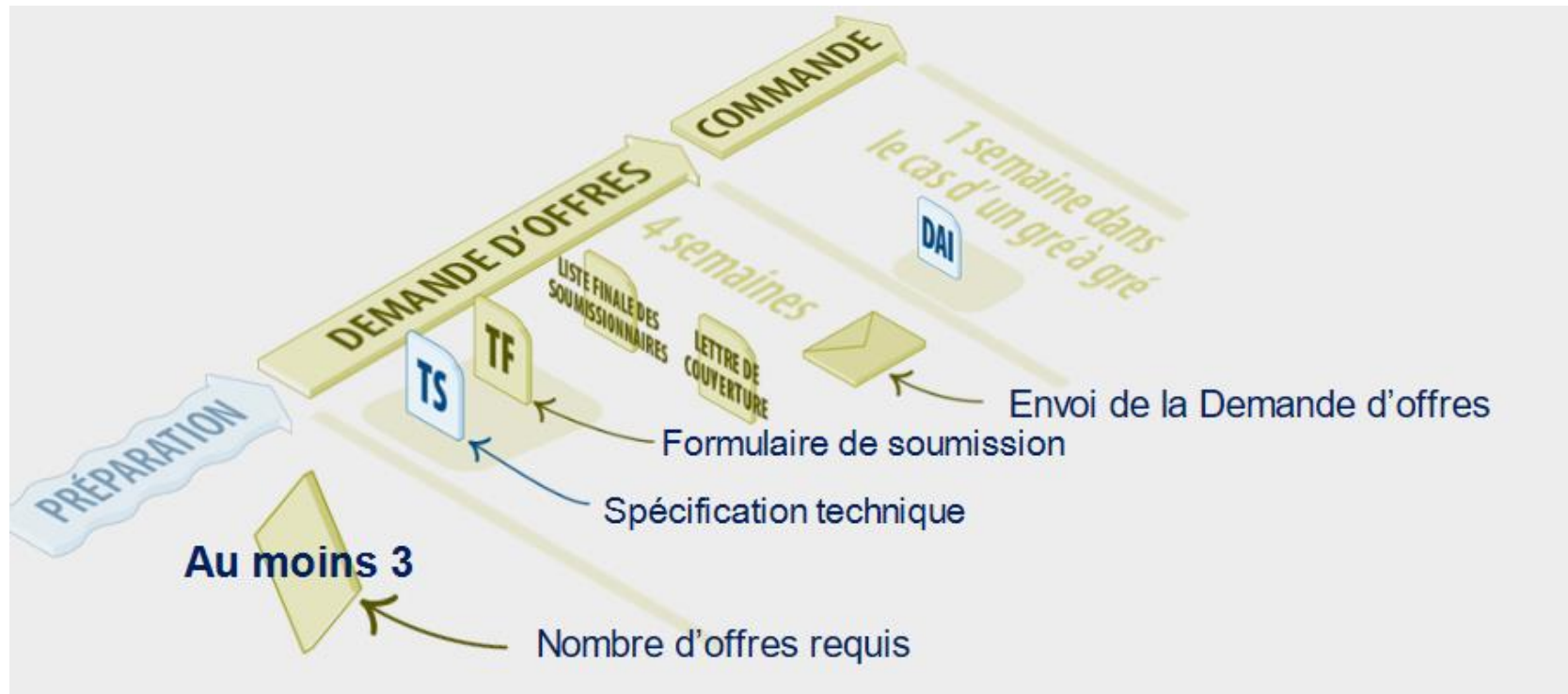
➤ List of poorly balanced countries:

<https://procurement.web.cern.ch/en/industrial-returns-for-cern-member-states>

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

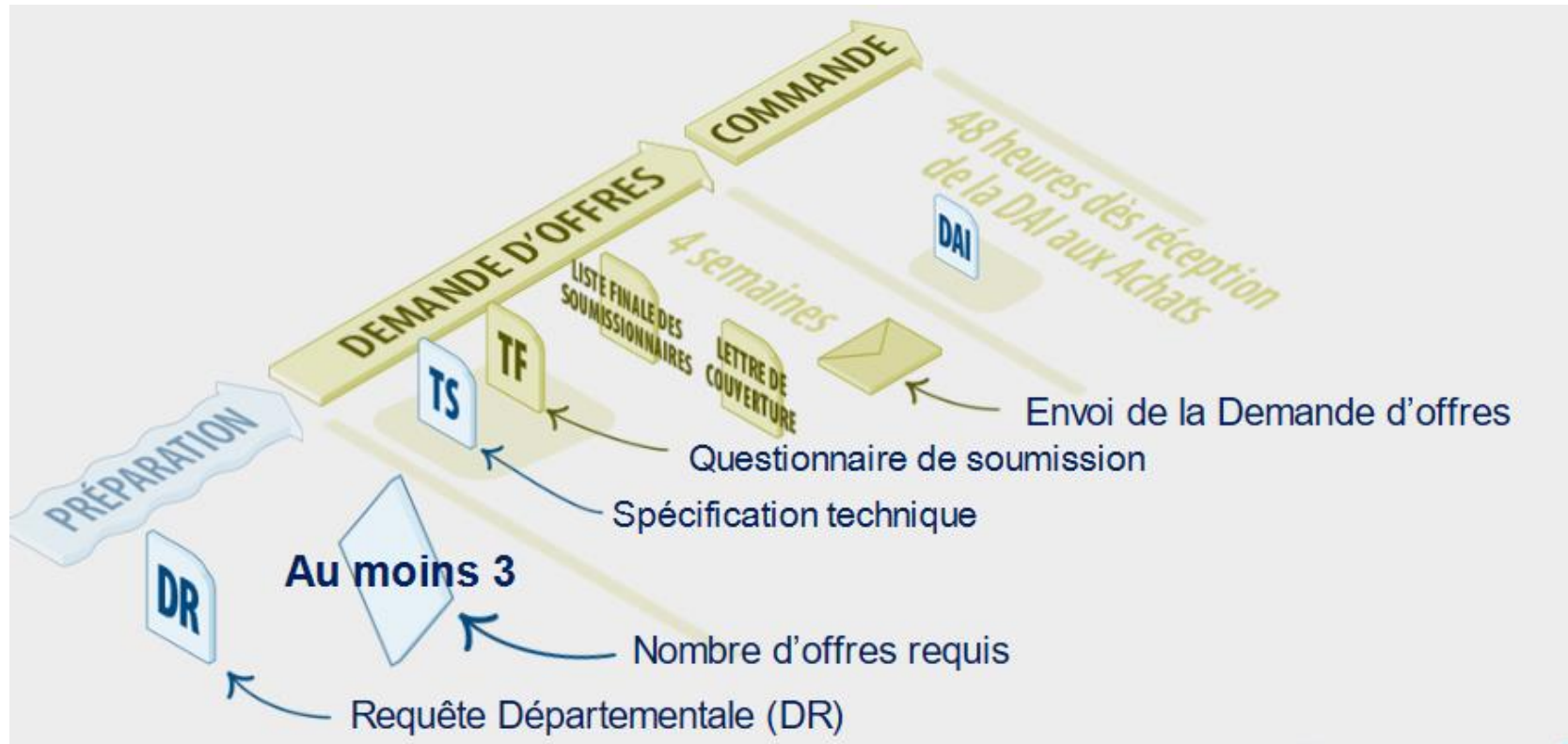


between 10kCHF and 50kCHF



- DAI will be treated in 48h if:
 - The DAI is correctly done, no document is missing (offer, opening table following DO)
 - The DO has been properly done

Between 50kCHF and 200kCHF



- DO will be done in collaboration with PS. Contact the PS ASAP
- Realignment rule will be applicable if future order is above 100kCHF

Preparing a DO

- Contact the PS ASAP:
 - <https://procurement.web.cern.ch/en/who-to-contact-at-cern>
- Together, you will establish the strategy for the future DO
- The tech responsible has:
 - to create a DR if the supply is estimated above 50kCHF
 - to draft the tech documents (technical specification and annexes, technical questionnaire and technical drawings)
- The PS will:
 - provide comments on all above mentioned documents in order to respect the procurement principles
 - Draft all commercial and administrative documents



List of firms to be contacted

- Established by the tech responsible and the PS
- At least 3 firms shall be contacted
- If possible in poorly and very poorly balanced member states and **AVOIDING** host states countries
- Possibility of limited tendering
- ILO can ask to add firms once DO is launched



Adjudication based on a lowest compliant bid:



Code of professional ethics:

<https://procurement.web.cern.ch/en/code-of-professional-ethics>

(anyone involved in procurement for CERN)

1. Maintain the highest standard of integrity in all commercial relationships
2. Reject any commercial practice which might reasonably be deemed improper
3. Optimise the use of resources for the benefit of CERN
4. Ensure the accuracy of information provided or exchanged
5. Respect the confidentiality of information received



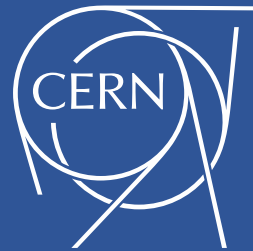
6. Never use authority or position for personal gain
7. Avoid conflict of interest or situations that could be perceived as such
8. Declare to your group leader who should declare to the Head of PS any personal interest that might affect, or be seen by others to affect, impartiality or decision making
9. Remain impartial in all commercial dealings and not be influenced by those with vested interests
10. Comply with the gift policy



Procurement web page

- 4 sections for the different users
- Procurement eLearning
- Procurement rules and procedures
- Code of ethics
- Templates for DO/MS/IT
- RACI for the management of service contracts
- [Welcome | Procurement and Industrial Services Group](#)





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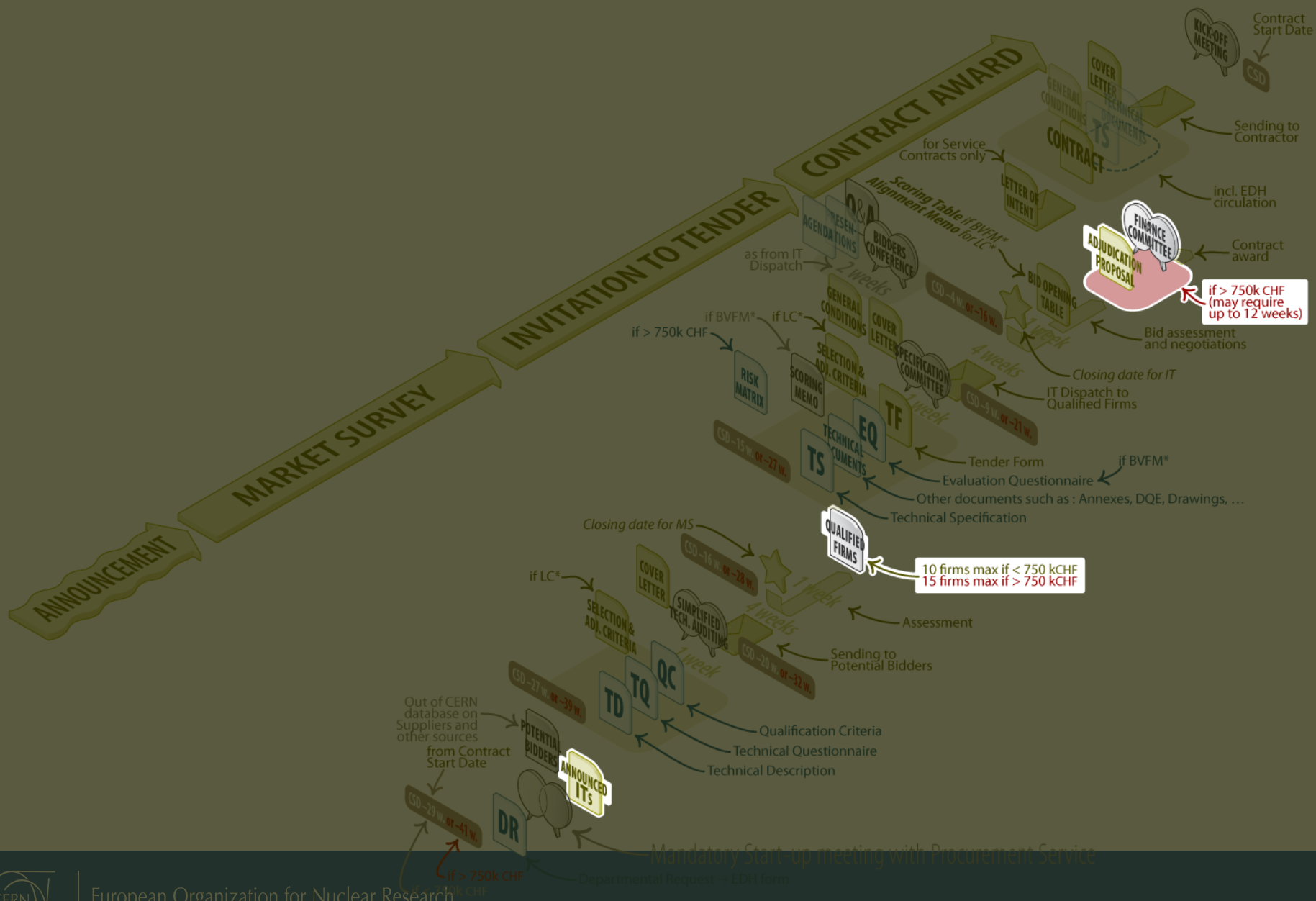
Procurement of supplies exceeding 200kCHF



Accessing Procurement Lifecycles

<http://cern.ch/QualitySupport/AccessingProcLCWebSite.swf>





Range: exceeding 200 kCHF

Firms → Market Survey

- Proposed by Technical Officer
- From CERN's Supplier Database (by Procurement Officer)
- Which have expressed an interest
- Proposed by ILOs and Delegations

Range: exceeding 200 kCHF

IT → Technical auditing

**Purpose: to review IT documents to ensure
Procurement Rules are complied with**

Meetings organised by Technical Officers

- Technical and Procurement Officers
- Head of TO's Dept. or representative
- Head of FP Dept. or representative
- A representative from HSE Unit
- A technical expert from another dept.
- If necessary, another representative appointed by chairman; e.g. Legal Service

Range: exceeding 200 kCHF

IT → Bid assessment

Bids shall be examined to establish that they comply with the technical, financial and delivery requirements in all respects

Communication of relevant information to bidders **limited** to:

- Procurement Service (< 750 kCHF)
- A member of Directorate (\geq 750 kCHF)

Range: exceeding 200 kCHF

Adjudication

Lowest Compliant Bid
i.e. to the firm whose bid:

- complies with the technical, financial and delivery requirements
- And is the **lowest**
- Taking into account the origin of the offer in order to ensure balanced industrial return coefficients for the MS

Range: exceeding 200 kCHF

Adjudication

Price based on Free Carrier basis (FCA as per Incoterms 2010), i.e.:

- Without transport costs
- With packing and loading

No disadvantage to firms located in distant countries

Range: exceeding 200 kCHF

Adjudication

However, Supply contracts shall be adjudicated on a DAP basis (Delivered at Place as per Incoterms 2010) if the ratio of DAP price of the lowest FCA bid to the lowest DAP bid exceeds 1.10.

Range: exceeding 200 kCHF Industrial Return Coefficient

For Supply contracts and for a 12-month period starting on 1st March, defined as:

“The **ratio** between that Member State's percentage share of all purchases of supplies (excluding purchases funded by non-Member States) during the preceding four calendar years and that State's percentage contribution to the Budget over the same period”

Range: exceeding 200 kCHF

Origin of the Offer

According to standards defined by EU:

“the country(ies) where the supplies (including their components and sub-assemblies) are manufactured or undergo the last major transformation by the contractor or his 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



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