

## DRAFT

### Best practices ideas for improvement of industrial return

#### – Recommendations to CERN management by the ILO Forum

#### 1. Recommendations

##### 1.1. On-site visit to firms

**Status:** On-site visit to firms are typically the best way for the technical staff to evaluate the potential of a new company as a supplier. Some CERN sections/groups are already doing this regularly while others are not.

**Possible improvements:**

- Spread this type of activity to other departments/groups/sections
- Visits to firms from member states with low industrial return should be prioritised
- Better sharing information about firms visited throughout the organization (access to visit reports made by other staff members, can in many cases be enough to include a firm in a tendering process, thereby saving time and money for the organisation and increasing the competition for the specific tender).

**Recommendations to CERN management:**

- Strongly encourage prioritization of budgets to firm visits in poorly balanced countries
- Make report on firm visits compulsory include a field in the supplier's database to give access to reports made by CERN staff who visit firms (improvement already partly in progress, see 2.1).

##### 1.2. Industry information days

**Status:** Some organisations (such as F4E) are very successful in organising information days ahead of publishing complex call for tenders (typically requiring bid in consortia). CERN doesn't organize this type of meeting yet. These industry information days are not to be confused with bidders' conferences, which are also quite common but typically organised as part of the tendering process (i.e. once the call for tender is published) or with events such as HiLumi Industry Days, which present a broad range of upcoming tender opportunities, but without going into the details of the procurement requirements. The advantages of the industry information days ahead of a call for tender are numerous:

- For the Big Science organisation:
  - o Opportunity to measure the level of interest from the industry and thereby prevent a potential lack of competitive bids.
  - o Opportunity to clarify questions from potential bidders.
  - o Opportunity to improve tender procedures and documentation by taking into account comments and questions from potential bidders.
- For the potential suppliers:

- Opportunity to assess potential competitors as well as find potential partners.
- Opportunity to receive updated technical and administrative information.
- Better time to evaluate the relevance of going into the bidding process.

**Possible improvements:** Implement the organisation of information days ahead of publishing complex call for tenders as a new tool in the procurement department.

**Recommendations to CERN management:**

- Ask CERN Procurement to evaluate the relevance of organising industry information days in the case of complex upcoming tenders, particularly where the risk for a lack of competition is identified. Get input from other organisations (e.g. F4E) working with this type of event.
- Implement a trial period if the evaluation is positive.

### 1.3. Broader use of limited tendering

**Status:** CERN procurement rules give the possibility to launch limited tendering procedures to help increase the industrial return of very poorly balanced member states. Limited tendering procedures are usually chosen for smaller purchases, which are neither strategic nor extremely complex. Limiting the tendering procedure to countries with very low industrial return allows newcomers to be acquainted with the organisations' procurement procedures in a less competitive environment. This is usually a good way to start improving the return of very poorly balanced member states but it works especially well for countries with a small contribution.

**Possible improvements:** Find more opportunities for targeted limited tendering in the medium to low-tech items (for example at CERN Stores).

**Recommendations to CERN management:** Mandate heads of departments to work closely with CERN procurements and ILOs from very poorly balanced member states to identify areas relevant for limited tendering.

### 1.4. Presentations and reporting to ILO Forum

**Status:** Presentations by department heads and group/section leaders on the forthcoming procurement opportunities in their area of activity as well as on their efforts to improve industrial return are now held regularly at ILO Forum meetings. Sharing of best practices and success stories between ILOs are also a recurring agenda point for the ILO Forum.

**Possible improvements:** These activities should be encouraged and continued and could be improved by a tool for reporting industrial return at department/group/section level. This would support the efforts of the CERN Procurement group by increasing the focus on improving industrial return within these units and help ILOs target specific units with low industrial returns for their member state.

**Recommendations to CERN management:**

- Continue to prioritize the participation of department heads and group/section leaders at ILO Forum meetings to insure proper knowledge of activities and upcoming tender opportunities amongst ILOs.
- Discuss with appropriate working group, the creation of a report for industrial return at department/group/section level to be presented yearly to the ILO Forum.

## 2. Improvements in progress and under observation by the ILO Forum

The following improvements are in progress and the ILO Forum will keep these efforts under observation in order to analyse, whether they actually have the expected effects.

### 2.1. Supplier databases

**Status:** Lots of improvements done by CERN in migrating from activity codes to procurement codes. E-procurement platform on its way.

**Remaining issues:** The e-procurement platform should improve the quality of the data in the CERN supplier database but it won't necessarily change the fact that many technical staff members are still building their own databases or simply using previously known and often local suppliers, thereby putting new potential suppliers at a disadvantage. Lack of knowledge sharing about suppliers.

#### Improvements in progress:

- The introduction of an eProcurement platform will enable companies to update their own entry in the database.
- The aim of the eProcurement platform is to replace the current paper-based ordering process and it will be made available very soon.
- The team working on the improvements would welcome suggestions for functions that might help the work of ILOs and obviate the need for them to maintain duplicate databases.
- Limited access to the database for companies looking to identify potential subcontractors is under consideration.
- Another function of the improved supplier database will be to collate evaluations of previous contracts and reports on visits to companies (where technically and practically possible).

## 3. Best practices towards a European Big Science marketplace

Best practices ideas aimed at creating a consolidated European Big Science marketplace, such as:

- common information portals for call for tenders, R&D opportunities, technology transfer opportunities, in-kind collaborations, and matching tools for partnerships between companies;
- a common supplier database;
- common procurement procedures (for non-high-tech suppliers in large volumes);
- common standards;

need to be discussed by ILOs and Big Science organisations and cannot progress by bilateral discussions with CERN only. The Big Science Business Forum event in February 2018 provided a good opportunity to discuss these issues and will provide a stepping-stone towards a more integrated collaboration between the involved organisations. The ILO Forum encourages CERN management to continue having a leading role on these discussions through for example the EIROforum and other relevant frameworks bringing Big Science organisations together.