



Best Value for Money for supplies

Jan Visser – March 13, 2018 at ILO forum

BVFM for supplies

- Experience is that in some projects an overall better deal would have been possible with BVFM;
- BVFM adjudication offers the opportunity to compare bids with different technical solutions;
- Especially when implementing “procurement through functional specifications vs. build-to-print” as proposed by Italy & France;
- For a small number of cases, where engineering is a significant part of the project, monetising the quality factors of the competing bids could provide a better judgement of the cost than only the bare price of the project as tendered.

BVFM for services

- It works well and does provide a benefit for CERN;
- The procedure and algorithms are known by the procurement officers dealing with services;
- It does require a different approach to preparing market surveys or invitations to tender.

BVFM for supplies

- Decide beforehand which procedure is used;
- The price-quality balance is determined beforehand based on the complexity of the project and the expected competition;
- The quality cannot exceed 50% of the adjudication;
- The technical responsible and the procurement officer establish criteria that can be monetised and are of value to CERN.

Key facts

- BVFM would be investigated for particularly complex projects, which form a minority of the supplies;
- The vast majority of cases will always be adjudicated according to the lowest-bid procedure;
- BVFM excludes the application of the alignment rule;
- BVFM was used in one case (i.e. electricity) for supplies in 2016 & 2017. (EDF was not the cheapest);
- BVFM was used in 14 cases for services in 2016 & 2017:
 - In 8 cases the lowest bid still won, but in the other 6 cases significant benefits for CERN were effectuated.

Proposal

- Request a pilot to learn whether BVFM works for supplies;
- Do a pilot of e.g. eight procedures over two years;