

Doing Business with CERN Holland@CERN

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4 June 2019



AGENDA

- Statistics
- Procurement @ CERN the rules
- Procurement website
- Impact of Doing business with CERN

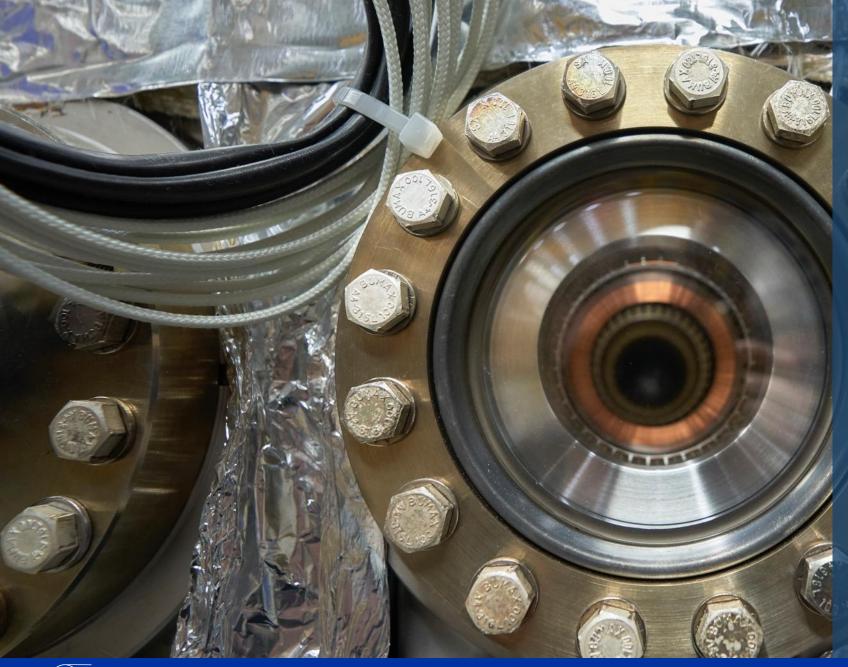








- Civil engineering:
 - Construction
 - Renovation of buildings
 - Metallic structures
 - Earthworks
 - Roads
- Cooling and ventilation equipment



- Electical engineering and magnets
 - Transformers
 - Switchboards and switchgear
 - Cables
 - Automation
 - Power supplies
 - Magnets





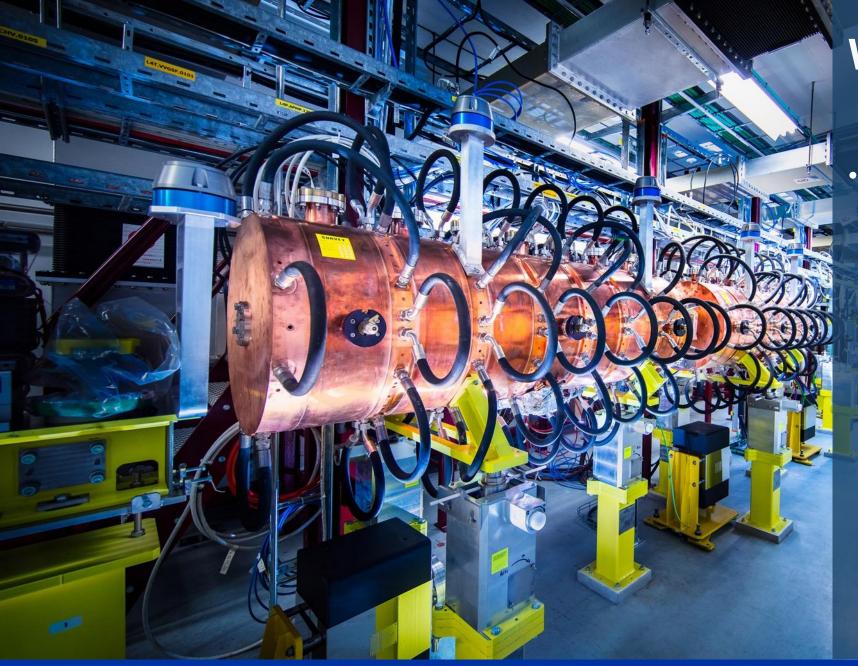
- Information Technology
 - Computing systems
 - Servers
 - Software
 - Network equipment
 - Personal computer equipment





- Mechanical engineering and raw materials:
 - Machining
 - Sheet metal work and arc welding
 - Special fabrication techniques
 - Raw materials, finished and semi-finished products
 (plates, pipes, etc.)
 - Offsite engineering and testing





- Electronics and radiofrequency:
 - Electronic components (active, passive)
 - PCBs and assembled boards
 - LV and HV power supplies
 - Radiofrequency equipment
 - Amplifiers





As well as:

- Cryogenic and vacuum equipment
- Optics and photonics
- Particle and photon detectors
- · Health and safety equipment,
- Transport and handling equipment
- Office supply, furniture
- Industrial services on the CERN site



Yearly Budget (contributions 2019)

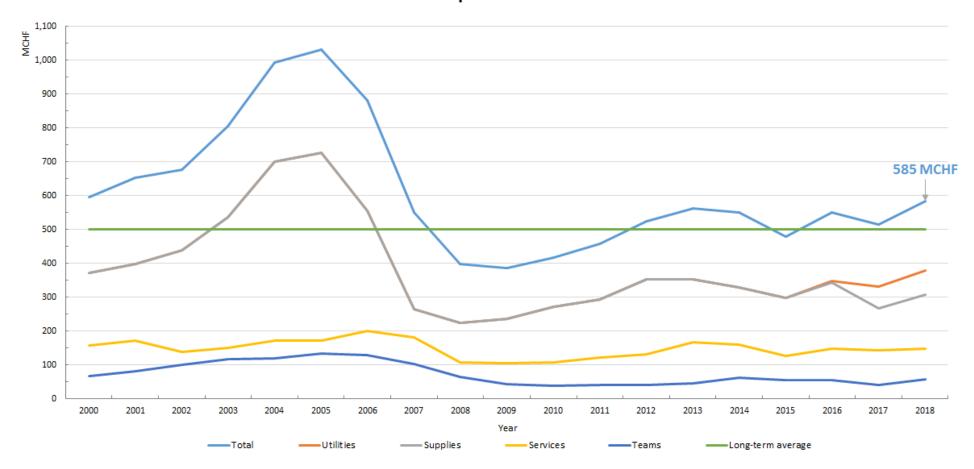
| | Country | Percentage of Total | Amount (CHF) | | Country | Percentage of Total | Amount (CHF) |
|---|----------------|---------------------|--------------|----|----------------|---------------------|---------------|
| | Germany | 20.15% | 236 015 150 | 8 | India* | 1.18% | 13 811 650 |
| | United Kingdom | 15.71% | 183 975 700 | | Portugal | 1.07% | 12 488 450 |
| | France | 13.69% | 160 344 550 | 壨 | Greece | 1.06% | 12 453 650 |
| | Italy | 10.11% | 118 409 050 | | Romania | 1.02% | 11 960 150 |
| | Spain | 6.89% | 80 685 300 | | Czech Republic | 0.93% | 10 860 850 |
| | Netherlands | 4.43% | 51 842 200 | | Hungary | 0.59% | 6 965 950 |
| + | Switzerland | 4.02% | 47 115 300 | C* | Turkey* | 0.49% | 5 692 000 |
| | Poland | 2.72% | 31 870 000 | • | Slovakia | 0.48% | 5 605 900 |
| | Belgium | 2.62% | 30 692 550 | | Bulgaria | 0.29% | 3 390 550 |
| | Sweden | 2.60% | 30 459 300 | ğ | Serbia | 0.22% | 2 529 000 |
| # | Norway | 2.42% | 28 343 950 | C | Pakistan* | 0.14% | 1 664 200 |
| | Austria | 2.11% | 24 676 150 | * | Cyprus** | 0.09% | 1 000 000 |
| | Denmark | 1.75% | 20 453 800 | | Lithuania* | 0.09% | 1 000 000 |
| ✡ | Israel | 1.69% | 19 735 200 | 2 | Slovenia** | 0.09% | 1 000 000 |
| + | Finland | 1.29% | 15 129 550 | | Ukraine* | 0.09% | 1 000 000 |
| | | | | | | Total 100% | 1 171 170 100 |

^{*} Associate Member State ** Associate Member State in the pre-stage to membership



Procurement Expenditure

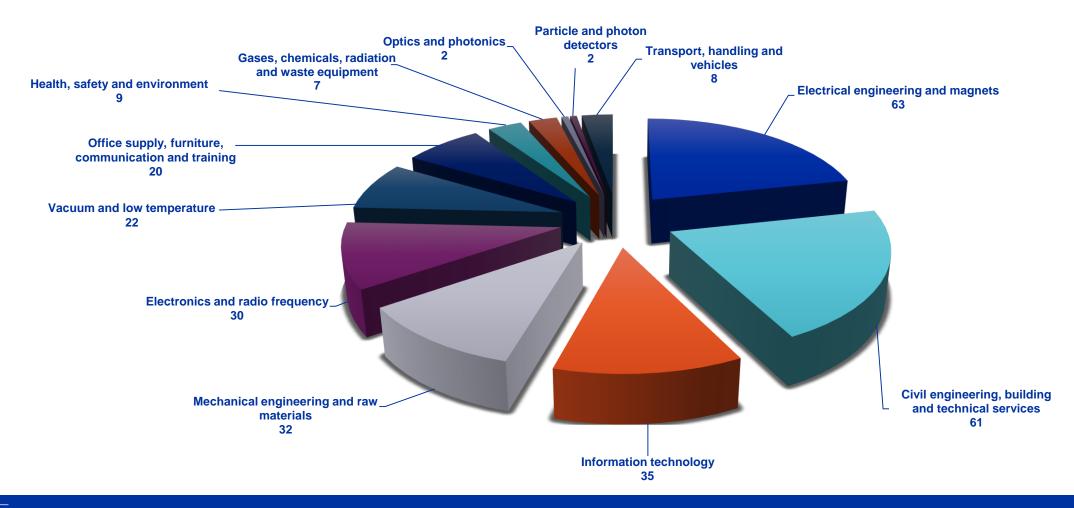
Procurement Expenditure 2000 - 2018





Supplies (307MCHF spent in 2018 – CERN budget only)

2018 Expenditure of all Member States by Procurement Code Family (MCHF)



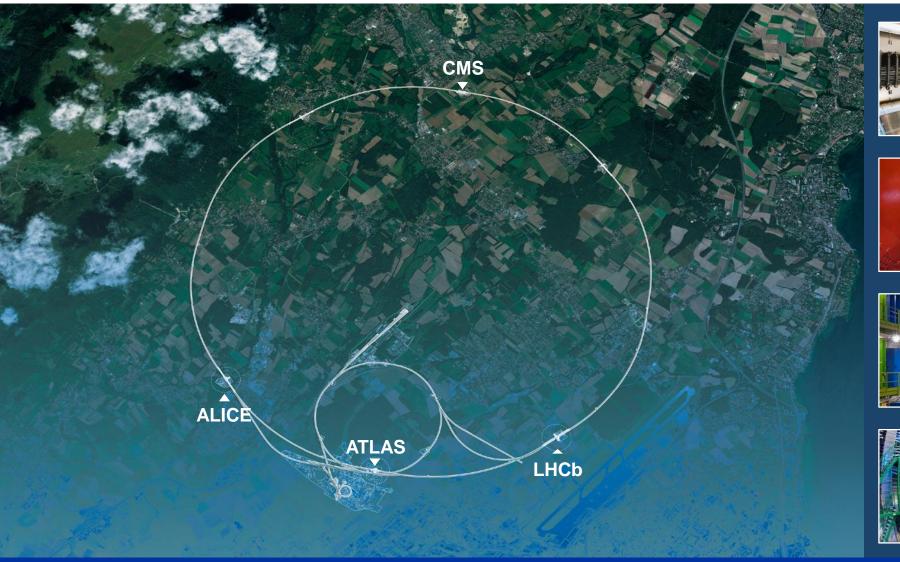


Industrial Return (some Dutch suppliers 2019)

| Supplier name | City |
|---|------------------|
| ELSEVIER (NETHERLANDS) | AMSTERDAM |
| FMI HIGHTECH SOLUTIONS | UDEN |
| PM SPECIAL MEASURING SYSTEMS BV | Enschede |
| DEMACO HOLLAND BV | NOORD SCHARWOUDE |
| PRYSMIAN GROUP | EINDHOVEN |
| KUSTERS & BOSCH B.V. | MIERLO |
| BOSTEC ENGINEERING, LTD. | HEEMSKERK |
| GEANT ASSOCIATION | AMSTERDAM |
| DELTA ELEKTRONIKA BV | ZIERIKZEE |
| ORTEC FINANCE AG | ROTTERDAM |
| 3D IMPACT BV | GELEEN |
| HOSITRAD HOLLAND BV | Hoevelaken |
| SURFNET | UTRECHT |
| VAN HALTEREN METAAL BV | BUNSCHOTEN |
| VON GAHLEN NEDERLAND | ZEVENAAR |
| PHOTONIS NETHERLANDS | RODEN |
| NIKHEF NATIONAL INSTITUUT VOOR KERNFYSICA | AMSTERDAM |
| KOPANO BV | Delft |
| PICTURAE | HEILOO |
| STICHTING INTERNET ARCHIVE | AMSTERDAM |



We also buy for the LHC experiments











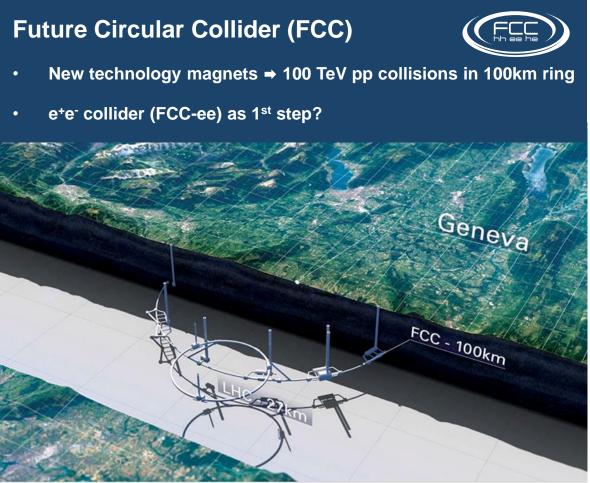
Current project - upgrade of the LHC to High Luminosity



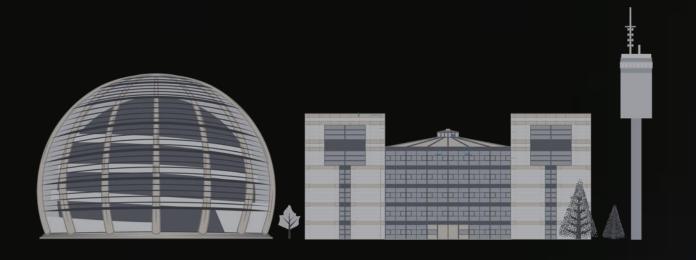


Two projects for the future of particle physics









PROCUREMENT @CERN the rules



The Procurement Service

Mission

The Procurement Service procures all supplies and services for CERN

Meeting the specified and contractual technical, delivery and performance requirements

At the lowest possible overall cost

While achieving balanced industrial return for CERN Member States

Respecting CERN Procurement Rules



Principles of the Procurement Rules (1/4)

1

Transparency and Impartiality

2

Tenders open to Member States only



Objectivity and equal treatment: tendering packages are objective and impartial



Principles of the Procurement Rules (2/4)

Selective tendering procedures:
CERN's tendering procedures are not open to all interested firms

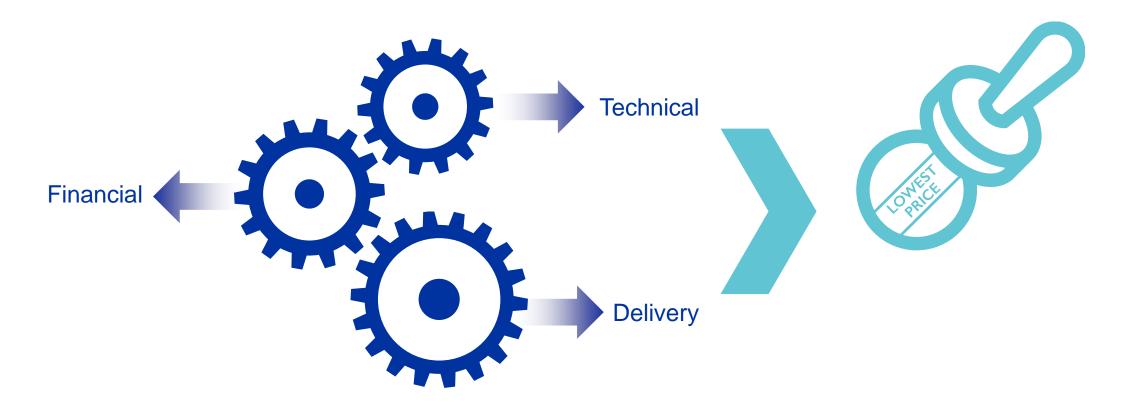
Confidentiality: Opening and evaluation of bids as well as negotiations are not public



Principles of the Procurement Rules (3/4)

Award for supplies (and services, exceptionally) based on:

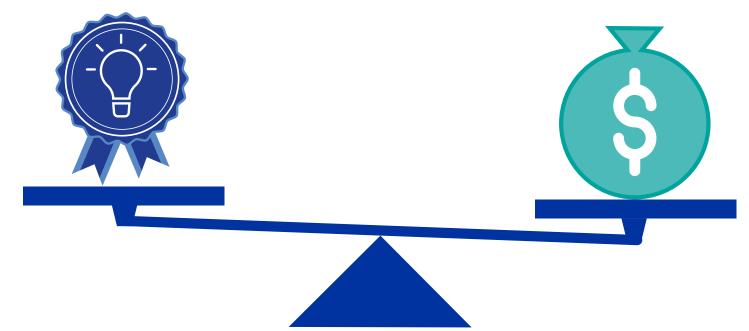
<u>Lowest compliant bid</u>





Principles of the Procurement Rules (4/4)

Award for industrial services based on: Best Value For Money







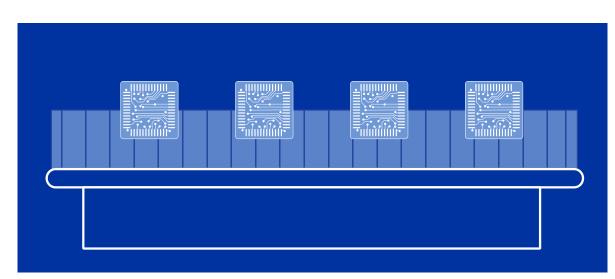
How do we buy?

Off-the shelf or non-standard products which can be produced with existing manufacturing techniques or technologies:

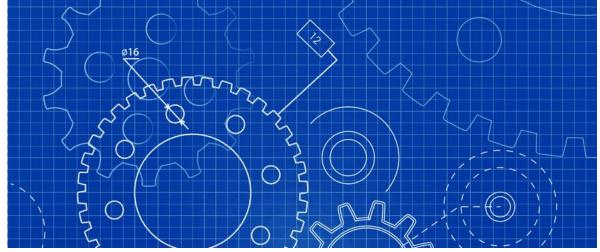
Functional specification

Non-standard products where industry has neither the required know-how nor the interest to develop and design the products:

Build-to-Print specification



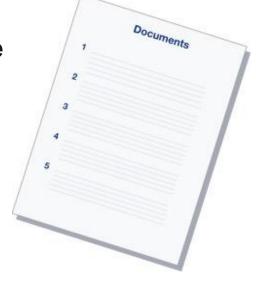




Enquiries between 10'000 and 200'000 CHF

"Price enquiry" (Demande d'Offre - DO)

- Submission deadline: 4 weeks from date of dispatch;
- All price enquiries above 50'000 CHF are also sent to the Industrial Liaison Officers (ILOs) for information;





Enquiries exceeding 200'000 CHF (1/2)

"Market Survey" (MS)

- Prior announcement in CERN's procurement website, see
 "Business Opportunities"
 - At this stage, interested firms are encouraged to contact CERN in order to have a clear understanding of the requirement, allowing them to begin their organization ahead of the tendering process.



- Market surveys consist of:
 - "Technical Description" and;
 - "Qualification Questionnaire" (financial and technical).
- Submission deadline: 4 weeks, or more if the MS is still online.



Enquiries exceeding 200'000 CHF (2/2)

"Invitation to tender" (IT)

- Sent to qualified and selected firms only;
- Submission deadline: 4 weeks from date of dispatch (with a longer period for more complex requirements);
- Firms may ask questions in writing to understand all requirements and prepare a bid that best matches CERN's needs;
- All invitations to tender are sent to the Industrial Liaison Officers (ILOs) for information;
- Bids shall be submitted via CERN's e-tendering application.

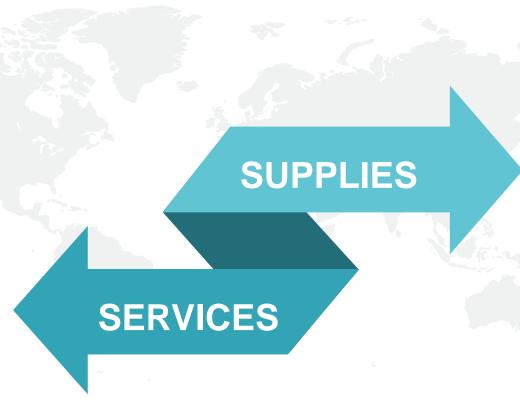




Country of origin

"Country(ies) in which the bidder is established."

If at least 40% 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.



"Country(ies) where the supplies (including their components and subassemblies) are manufactured or undergo the last major transformation by the contractor or its subcontractor"

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.

Alignment rule

Applicable for:



Contracts awarded on the lowest compliant basis (mainly supply contracts)



With a total amount exceeding 100'000 CHF.

RULE

Under certain conditions as defined in CERN Procurement Rules, a bidder offering goods originating* in poorly balanced Member States is allowed to align his price to that of the lowest bidder and thereby be awarded the contract.

* At least 60% for supply contracts or; at least 40% for service contracts awarded on the lowest compliant basis.



Poorly balanced Member States (Supplies)

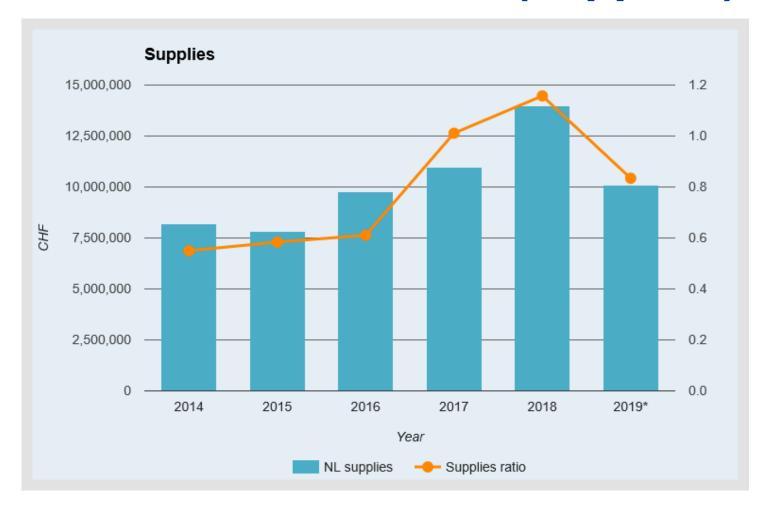
(1st March 2019 – 29 February 2020, based on the previous 4 calendar years):





Industrial Return to Netherlands (supplies)

Target = 1.0



* As of 3 June 2019







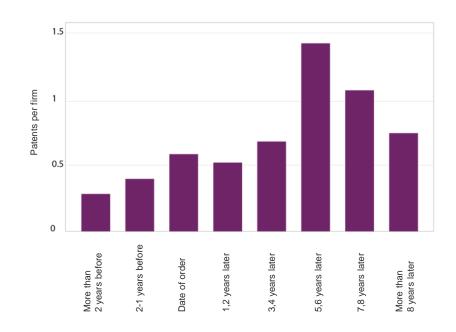
04/06/2019

The economical impact of CERN Procurement on supplier's performance (Castelnovo et al, 2018)

Empirical studies (by the analysis of financial data from 1995 to 2008 from 365 CERN suppliers for the LHC) show that after working with CERN on high-tech contracts, CERN suppliers out-perform their peers by:

Investing more in R&D and filing more patents

Higher productivity, revenue and profitability

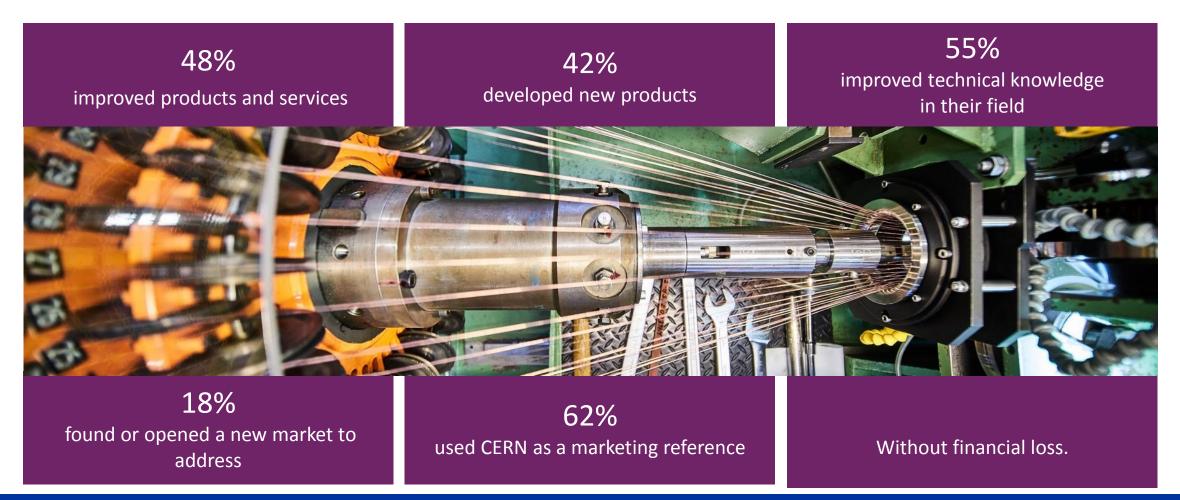






Doing business with CERN: the facts

supplier survey (669 suppliers in 33 countries, 2017):





Doing business with CERN: the facts

CERN

Using CERN as a marketing reference improve the reputation as suppliers

supplier



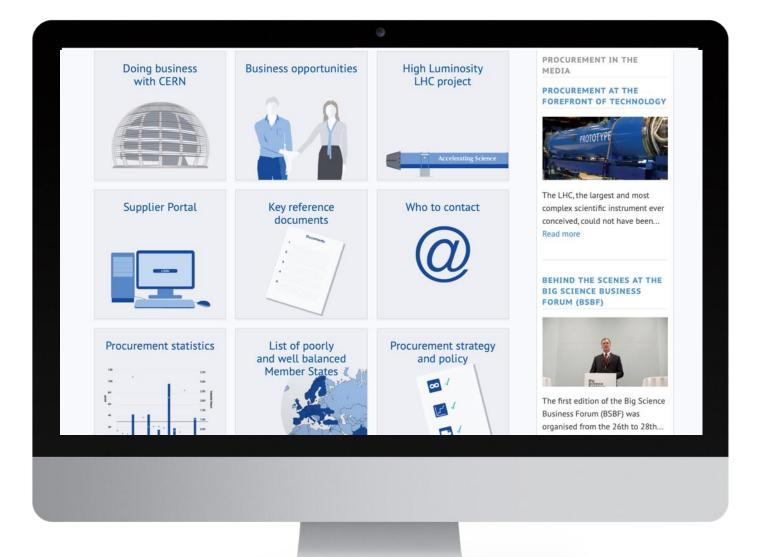


Social **Cost-Benefit Analysis (CBA)** calculated by the **University of Milan**

"Each CHF invested in HL-LHC project pays back approximately 1.8 CHF on societal benefits, including scientific, economic and cultural value (development of innovative technologies, industrial spillovers, skills acquired by students, etc.)."



Procurement website

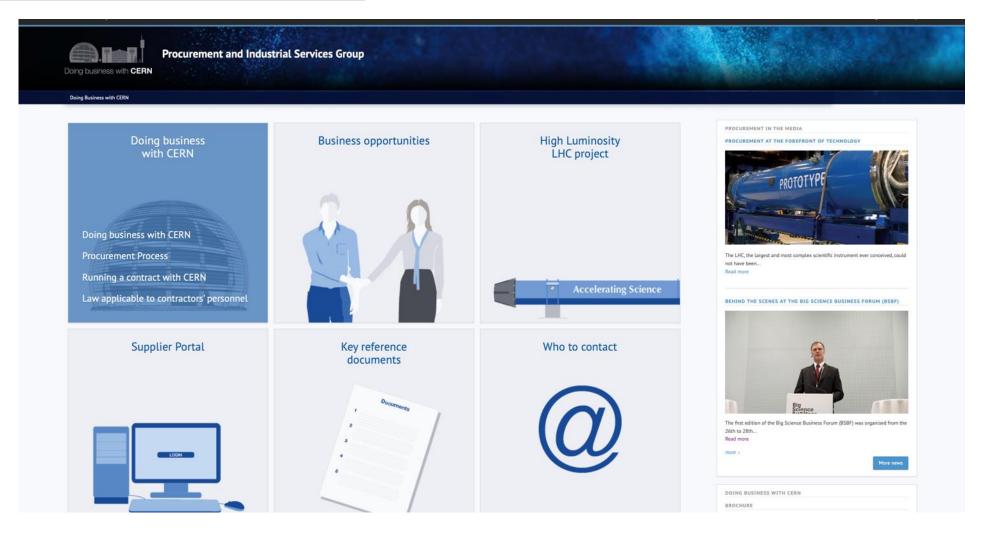


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Website of the Procurement Service

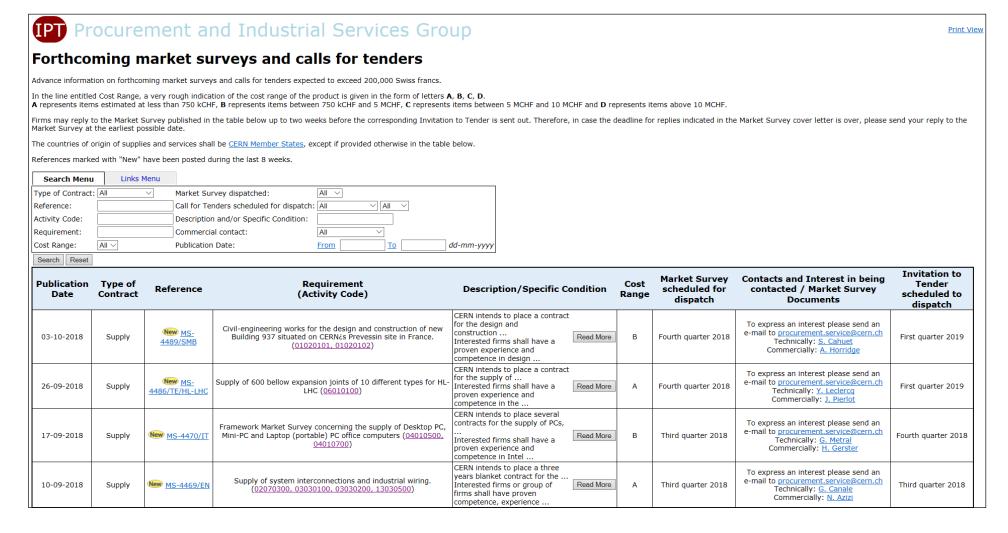
http://procurement.web.cern.ch





CERN Shopping List

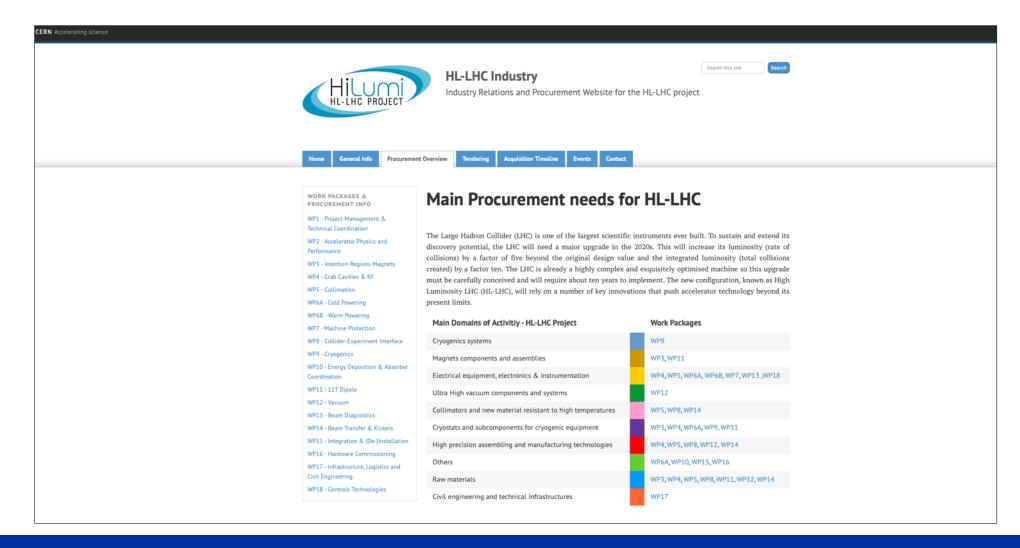
https://found.cern.ch/java-ext/found/CFTSearch.do





HL-LHC Shopping list

http://project-hl-lhc-industry.web.cern.ch/content/main-procurement-needs-hl-lhc





Suppliers must register in the Suppliers Portal

MANDATORY

for all exchanges with CERN, in particular to:

- Be visible for future opportunities
 (with the procurement codes you have indicated),
- Receive and follow-up orders,
- Send invoices.

Suppliers Portal

Welcome to CERN's eProcurement platform

https://procurement.cern.ch/aspx/Home

Using this platform, you will be able to receive orders, manage the delivery of supplies and send invoices for processing.

If you are having trouble registering your firm, please consult this video tutorial or the French version under tutoriel.

Once you have registered your firm, you will be able to log on to the platform to manage your firm's profile and contact details.

If you have any further questions, please contact CERN's eProcurement platform support team at Supplierdb.Support@cern.ch.



Contact in your country

ILO: Industrial Liaison Officer

Who to contact in your Country

Industrial Liaison Officers (ILO's) are appointed by CERN's Member States to facilitate the flow of communication between CERN and its suppliers. ILO's can provide advice on the opportunities available for doing business with CERN and the support available to firms in their local regions.

Netherlands



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TEL #2: +31 20 592 2000 (switchboard)

EMAIL: cern-ilo@nikhef.nl

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Thank you

