



Doing Business with CERN

Procurement rules and practical advice

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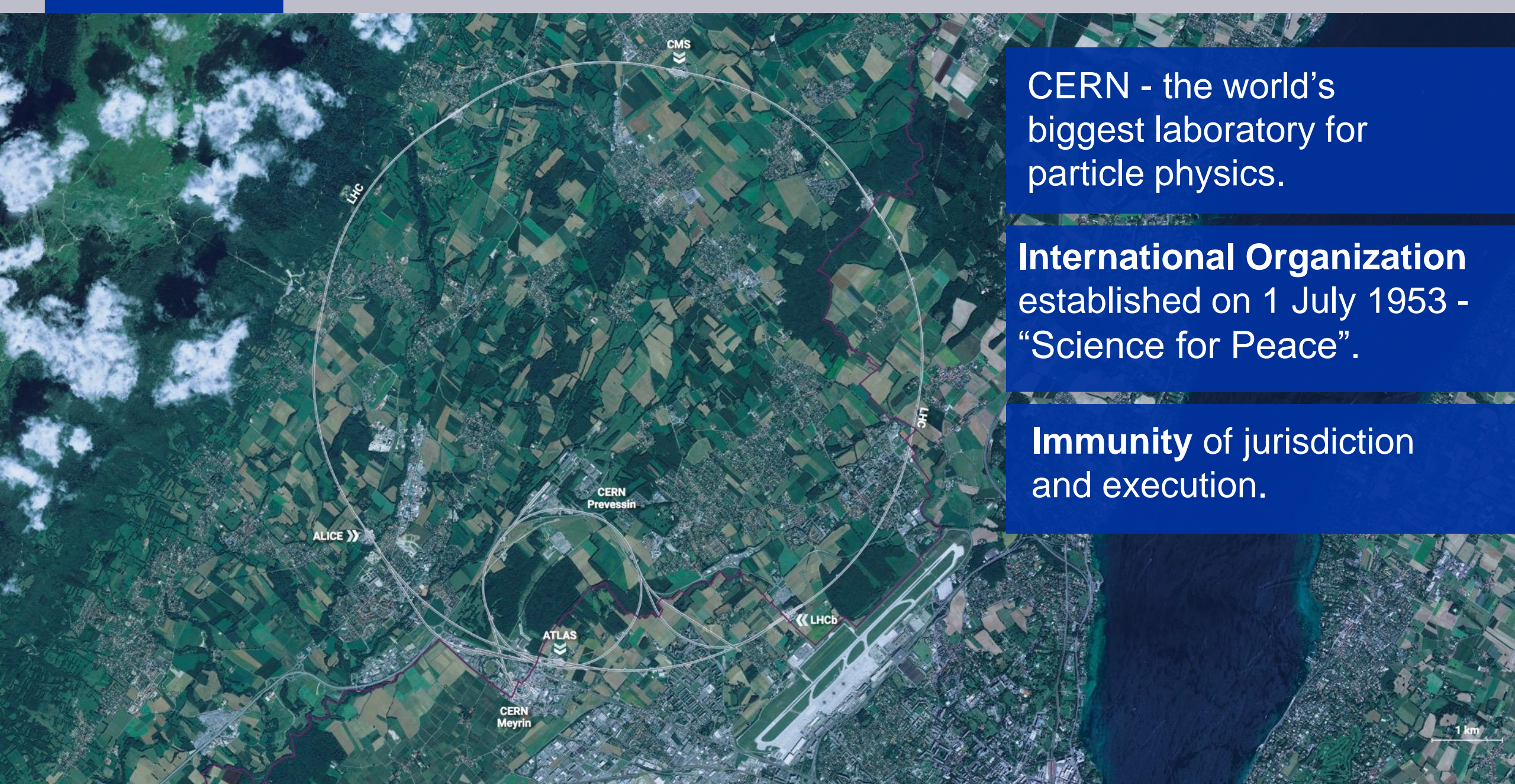
18 November 2021



AGENDA

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

INTRODUCTION

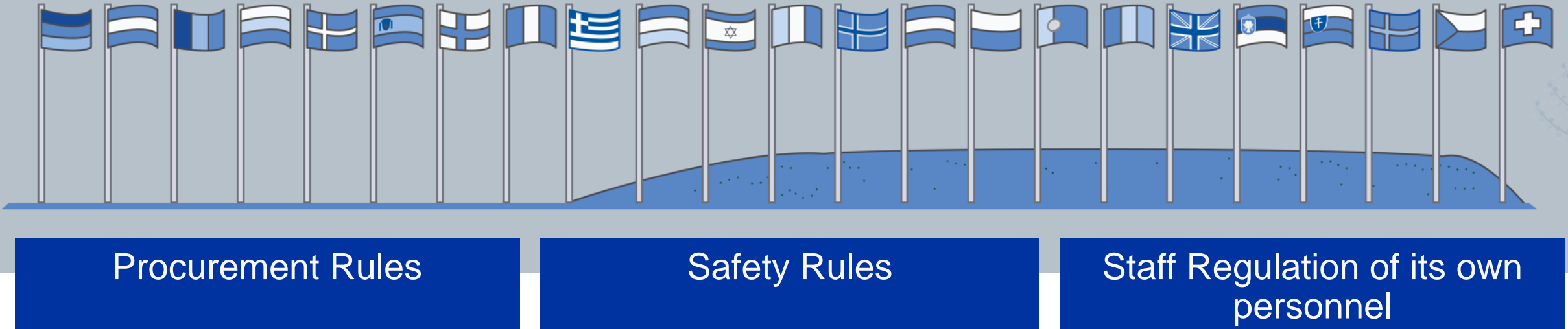


CERN - the world's biggest laboratory for particle physics.

International Organization established on 1 July 1953 - "Science for Peace".

Immunity of jurisdiction and execution.

CERN is entitled to establish its own internal rules necessary for its proper functioning, including:



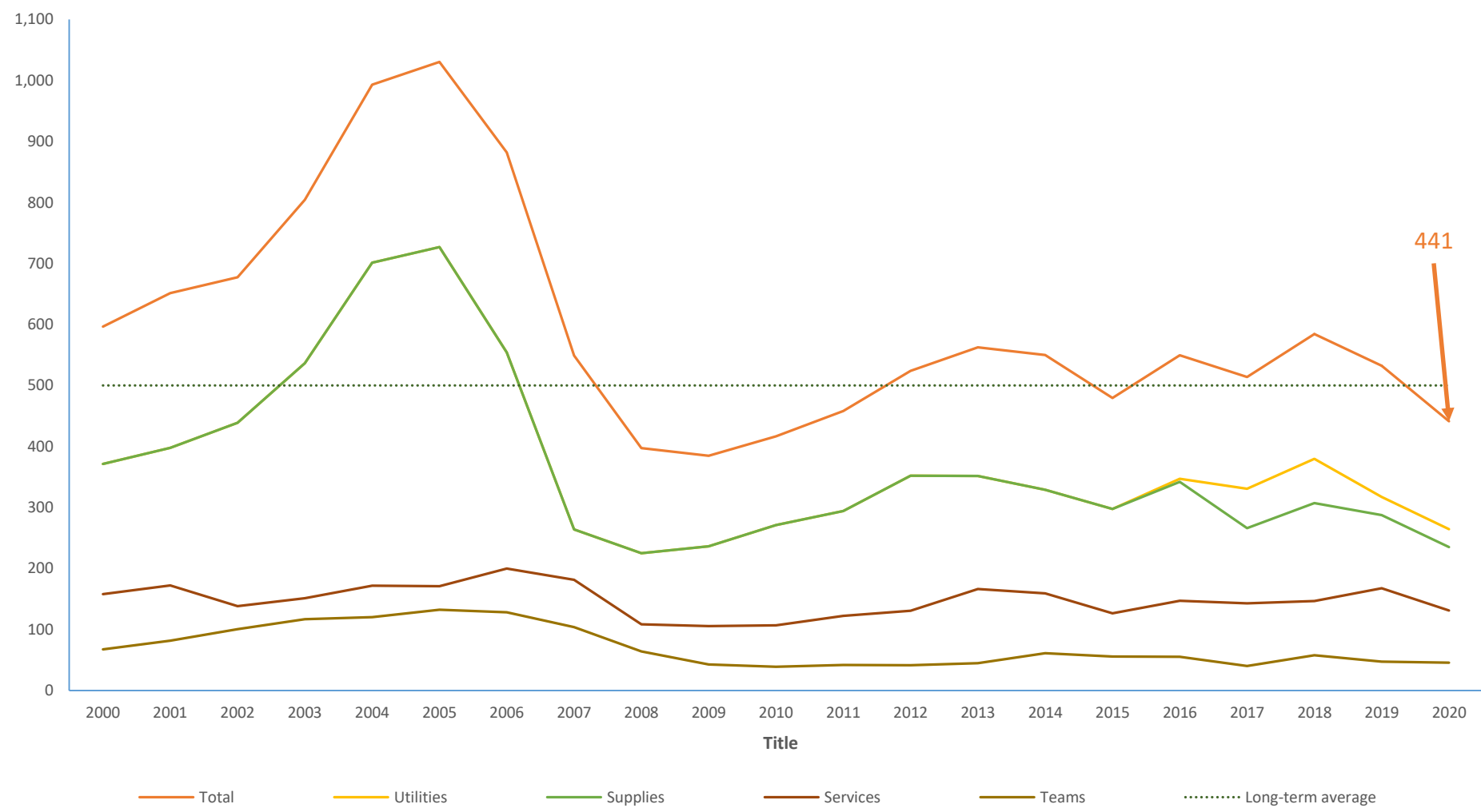
Yearly Budget (contributions 2021)

Country	In CHF, 2021 prices	%
Germany	243,978,500	20.4%
United Kingdom	173,742,400	14.5%
France	162,651,400	13.6%
Italy	122,471,350	10.2%
Spain	86,327,950	7.2%
Netherlands	54,493,050	4.5%
Switzerland	45,973,250	3.8%
Poland	33,135,900	2.8%
Belgium	32,398,200	2.7%
Sweden	30,272,750	2.5%
Norway	26,893,400	2.2%
Austria	25,773,200	2.1%
Israel	22,390,950	1.9%
Denmark	21,020,250	1.8%
India*	16,211,900	1.4%
Finland	15,669,300	1.3%
Romania	13,586,400	1.1%

Country	In CHF, 2021 prices	%
Portugal	12,942,750	1.1%
Czech Republic	12,274,400	1.0%
Greece	12,232,750	1.0%
Hungary	8,029,550	0.7%
Slovakia	6,010,500	0.5%
Turkey*	5,349,000	0.4%
Bulgaria	3,788,250	0.3%
Serbia	2,865,800	0.2%
Pakistan*	1,898,100	0.2%
Slovenia*	1,410,200	0.1%
Estonia*	1,020,000	0.1%
Cyprus*	1,000,000	0.1%
Croatia*	1,000,000	0.1%
Lithuania*	1,000,000	0.1%
Ukraine*	1,000,000	0.1%
TOTAL	1,198,811,450	100.0%

STATISTICS

Procurement Expenditure





What do we buy?

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



What do we buy?

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



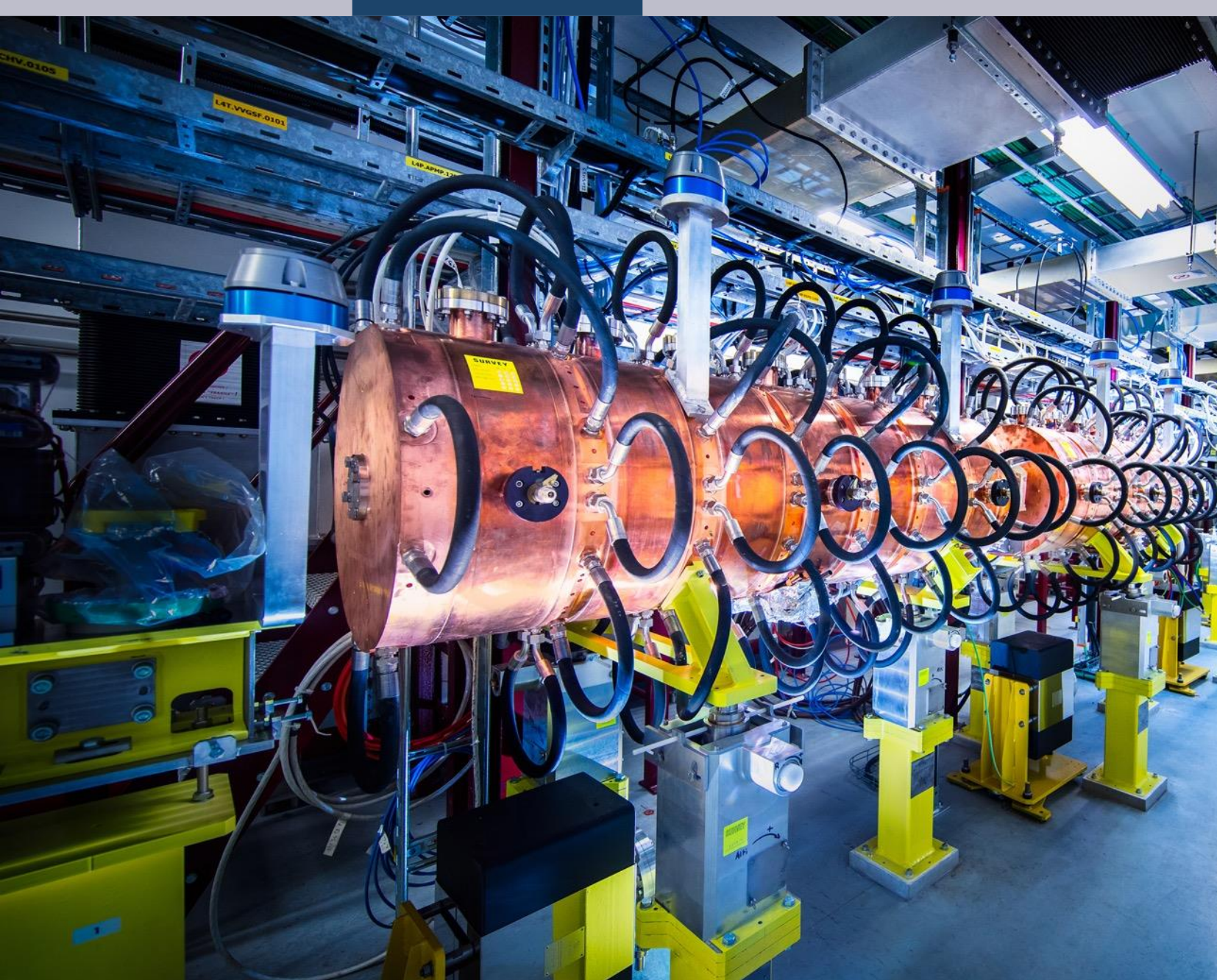
What do we buy:

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



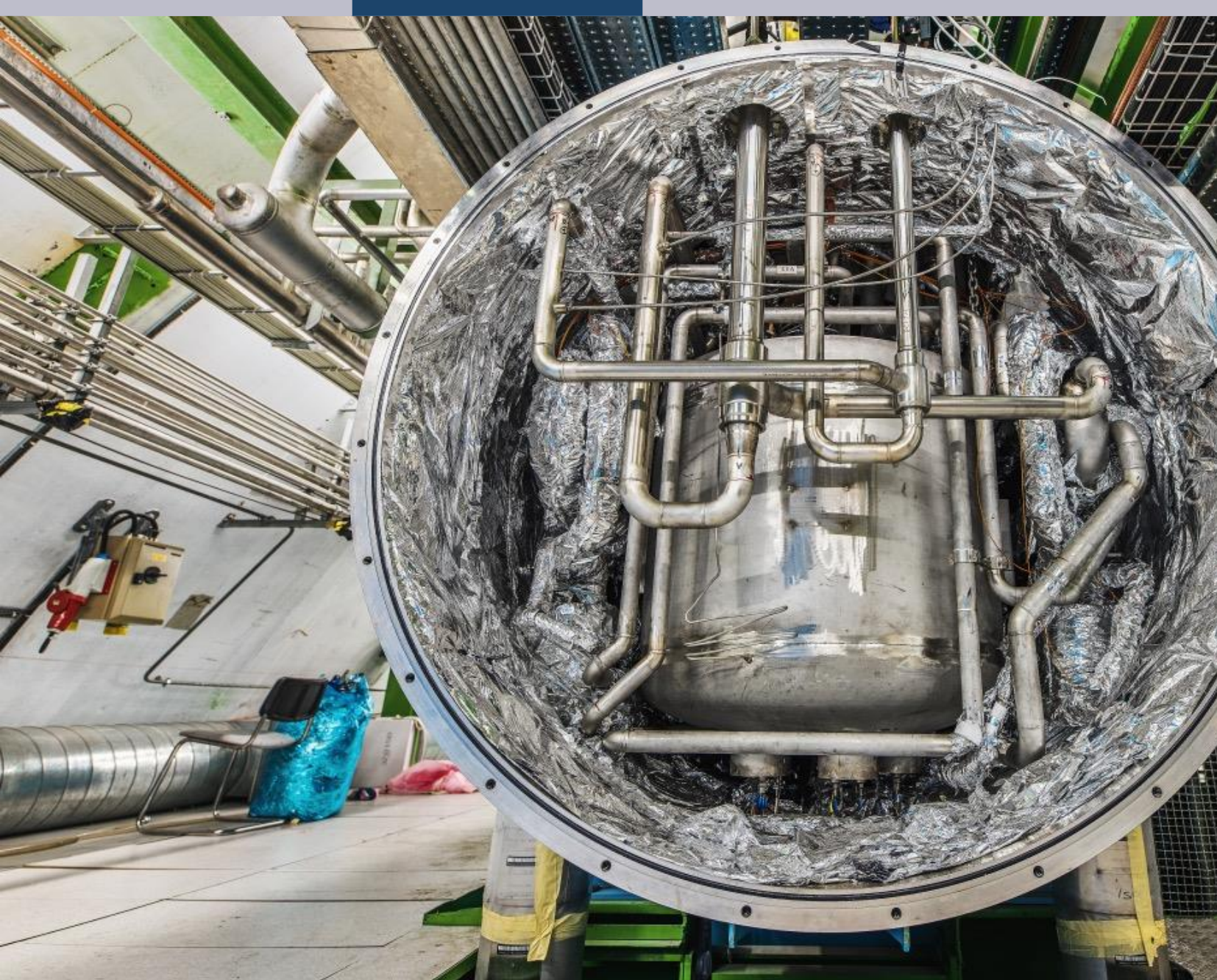
What do we buy?

- **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



What do we buy?

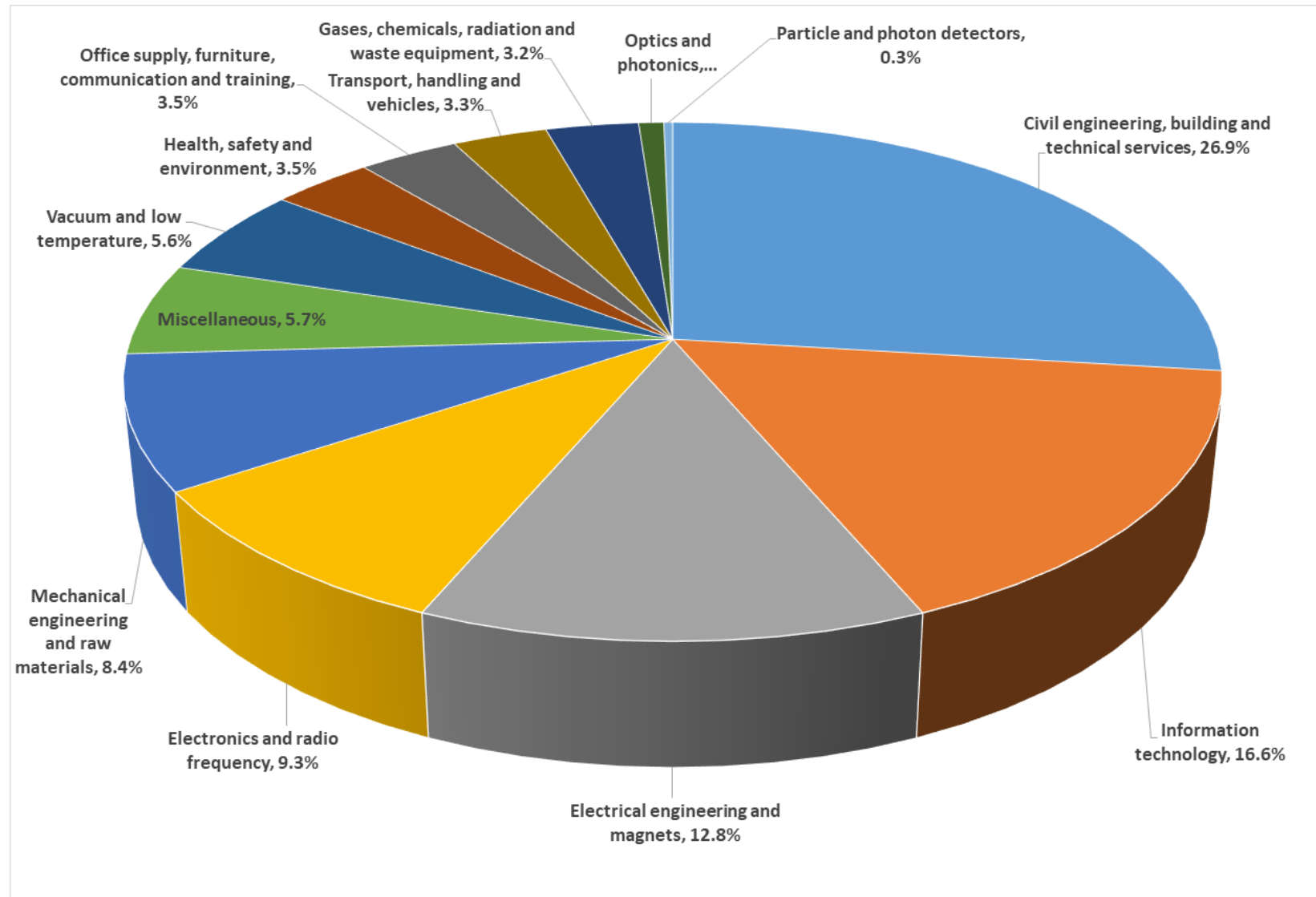
- **Electronics and radiofrequency:**
 - Electronic components (active, passive)
 - PCBs and assembled boards
 - LV and HV power supplies
 - Radiofrequency plants
 - Amplifiers



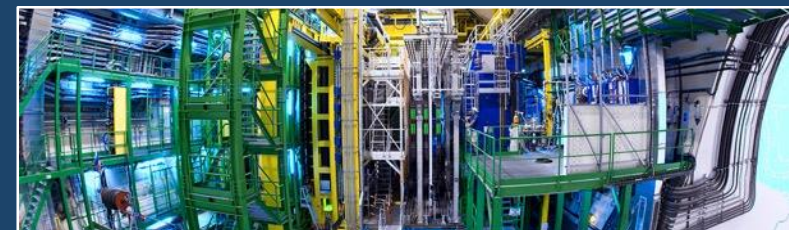
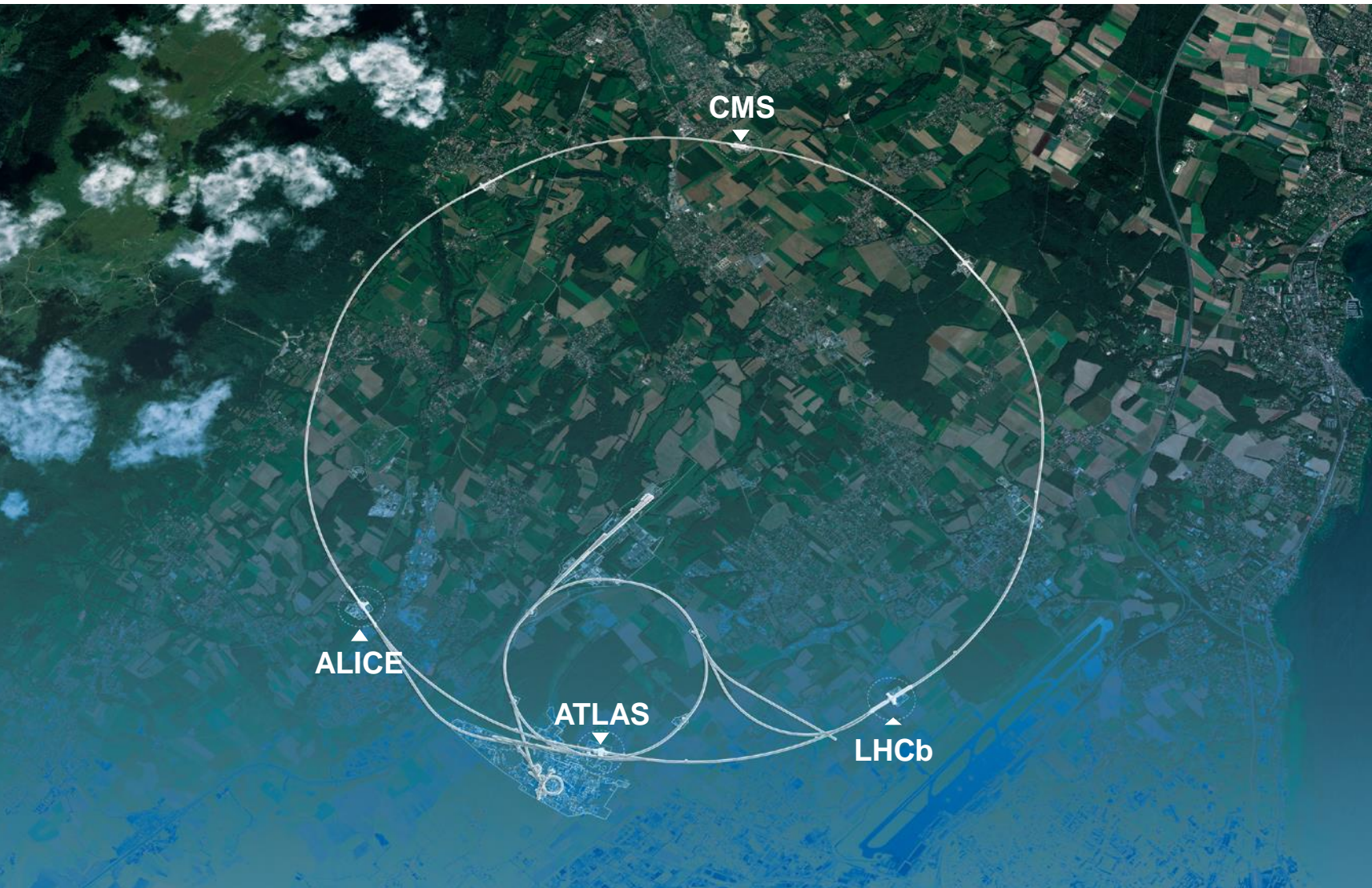
What do we buy?

- **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

Supplies (207MCHF spent in 2020 – CERN budget only)



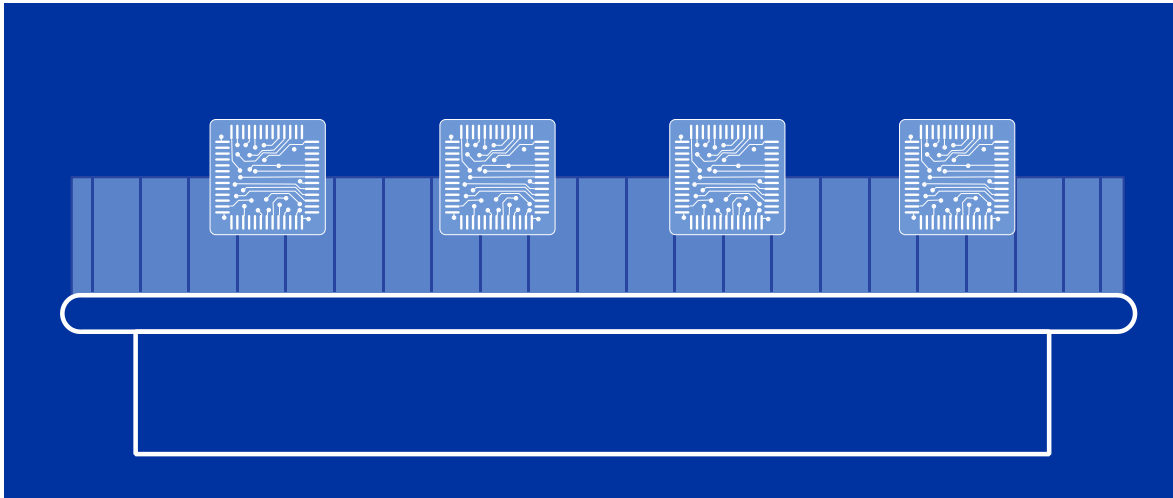
We also buy for the LHC experiments



How do we buy?

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

- **Functional specification**

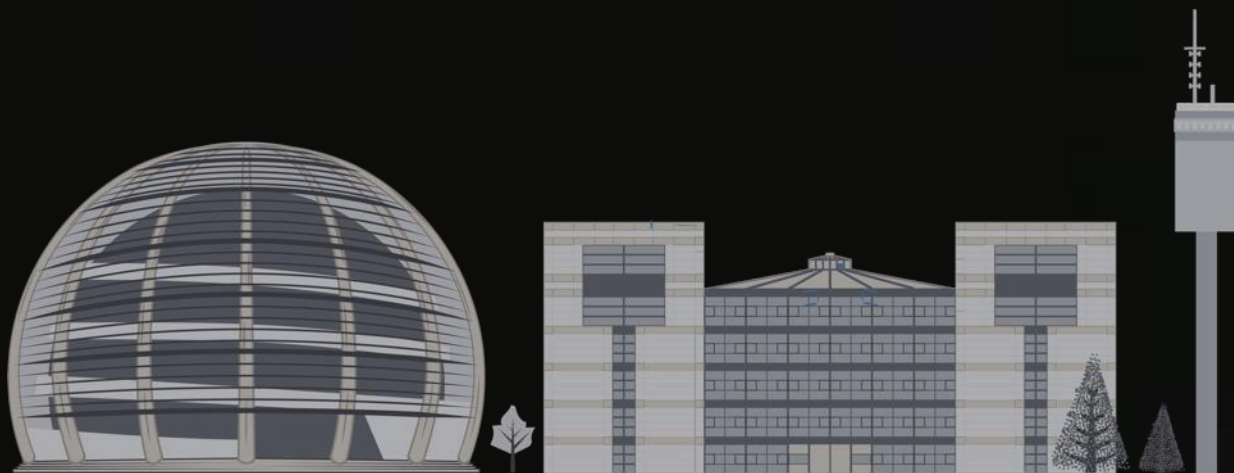


Non-standard products where industry has neither the required know-how nor the interest to develop and design the products:

- **Build-to-Print specification**

Prototypes and or Pre-series might be required.





PROCUREMENT @CERN the rules

The Procurement Service

Mission

**The Procurement Service (PS)
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

3

Objectivity and equal treatment: tendering packages are objective and impartial

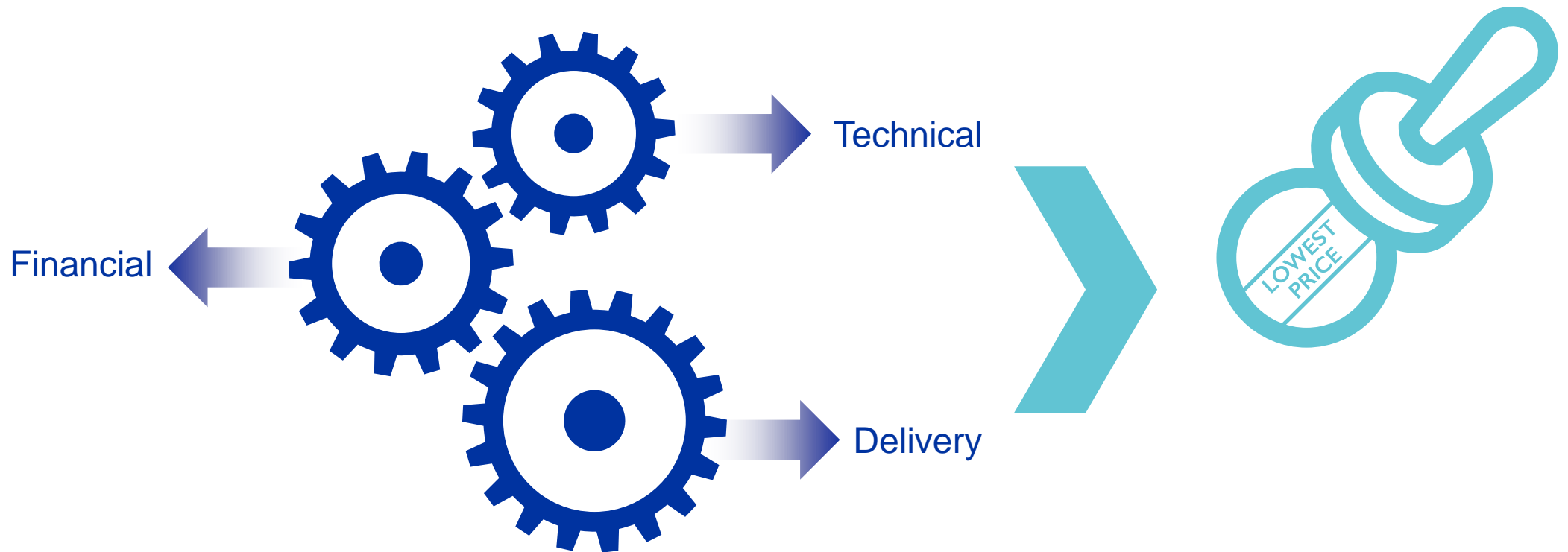
Principles of the Procurement Rules (2/4)

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

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

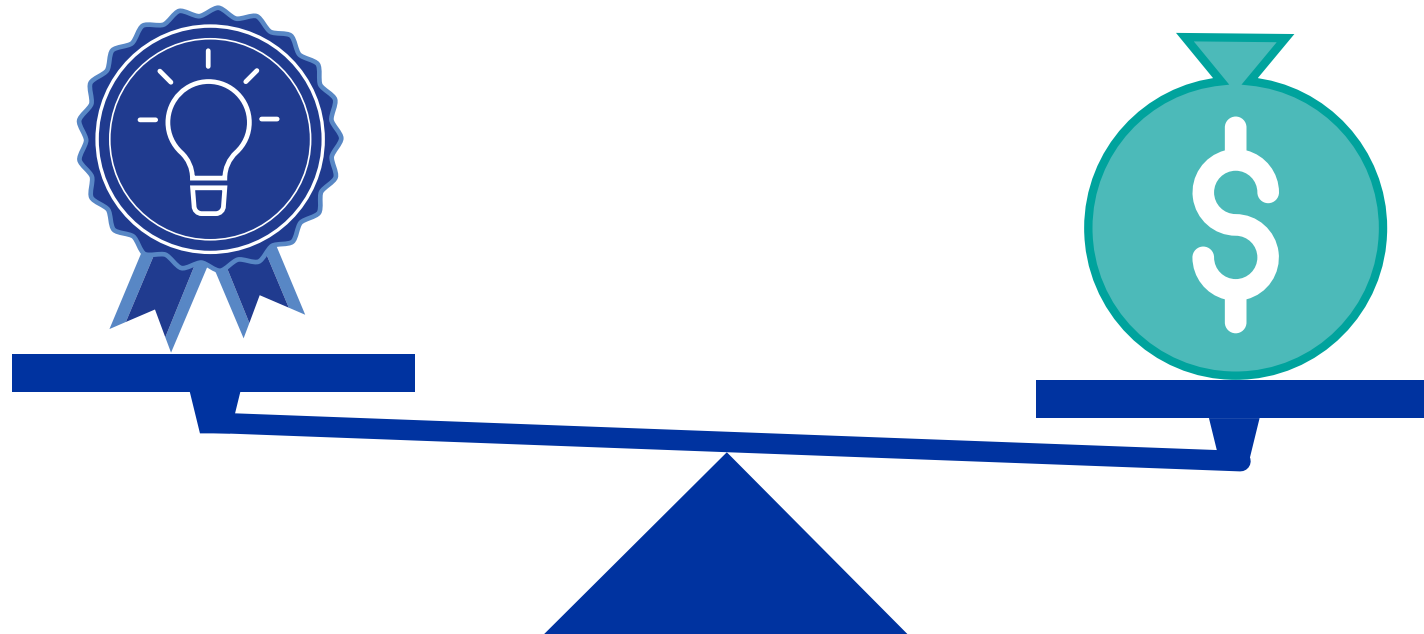
Principles of the Procurement Rules (3/4)

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



Principles of the Procurement Rules (4/4)

Award for industrial services based on:
Best Value For Money



! No alignment rule

Enquiries between 10'000 and 200'000 CHF

“Price enquiry” (Demande d’Offre - DO)

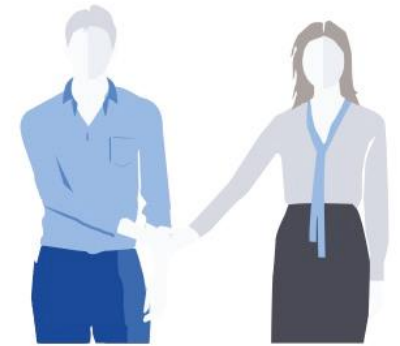
- **Submission deadline: 4 weeks from date of dispatch;**
- **All price enquiries above 50'000 CHF are also sent to the Industrial Liaison Officers (ILOs) for information;**
- **Price enquiries consist of:**
 - Technical specification and annexes;
 - Tender form (and a technical annex - optional);
 - CERN’s General Conditions (contracts, invitations to tender, safety, etc.)



Enquiries exceeding 200'000 CHF (1/2)

“Market Survey” (MS)

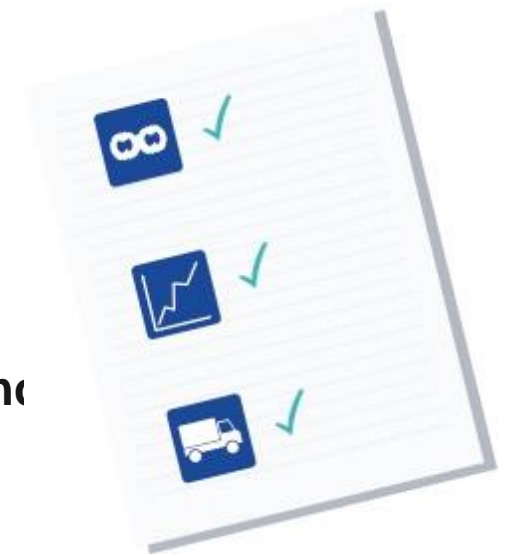
- **Prior announcement in CERN’s procurement website, see “Business Opportunities”**
 - At this stage, interested firms are encouraged to contact CERN in order to have a clear understanding of the requirement, allowing them to begin their organization ahead of the tendering process.
- **Market surveys 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 shall ask all necessary 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 sub-assemblies) are manufactured or undergo the last major transformation by the contractor or its 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.

Alignment rule

Applicable for:

1

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

2

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.

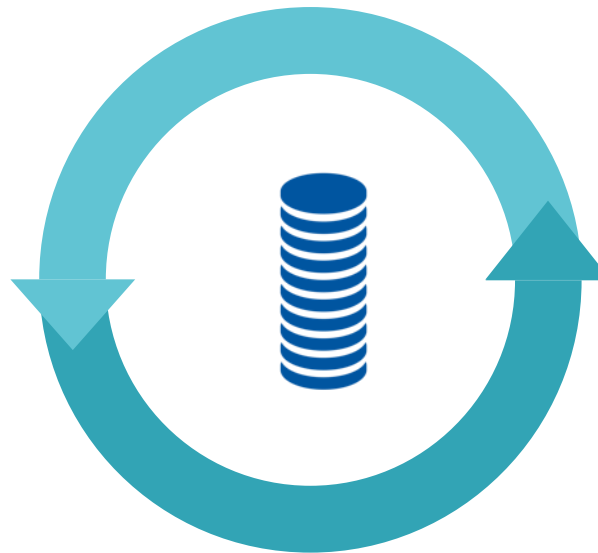
Industrial return coefficient

Industrial return coefficient

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

“The ratio between a Member State's percentage share of the value of all Supply contracts and that Member State's percentage contribution to the CERN Budget over the same period”.

$$\text{Return Coef.} = \frac{\% \text{ expenditure in the MS}}{\% \text{ contribution to CERN budget for this MS}}$$



Over a 4-year period:

Very poorly balanced : < 0.40

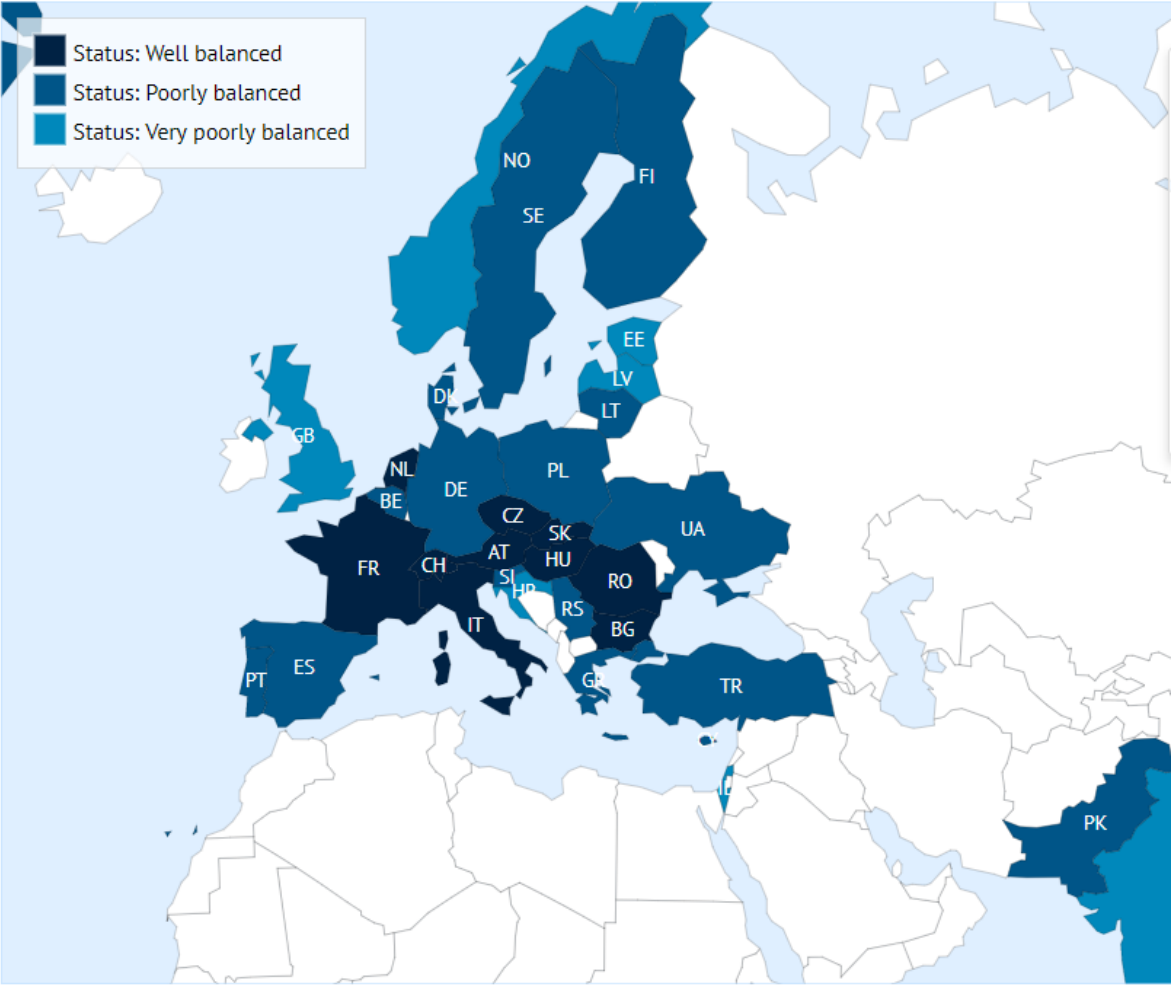
Poorly balanced (PB) : $0.40 \geq x < 1$

Well balanced (WB): ≥ 1

Status definition


Poorly balanced Member States (Supplies)

(1st March 2021 – 28 February 2022, based on the previous 4 calendar years):



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

*Associate Member States

A close-up photograph of two people in business attire shaking hands. The person on the left is wearing a light-colored shirt, and the person on the right is wearing a dark suit. The background is blurred, showing other people in a professional setting.

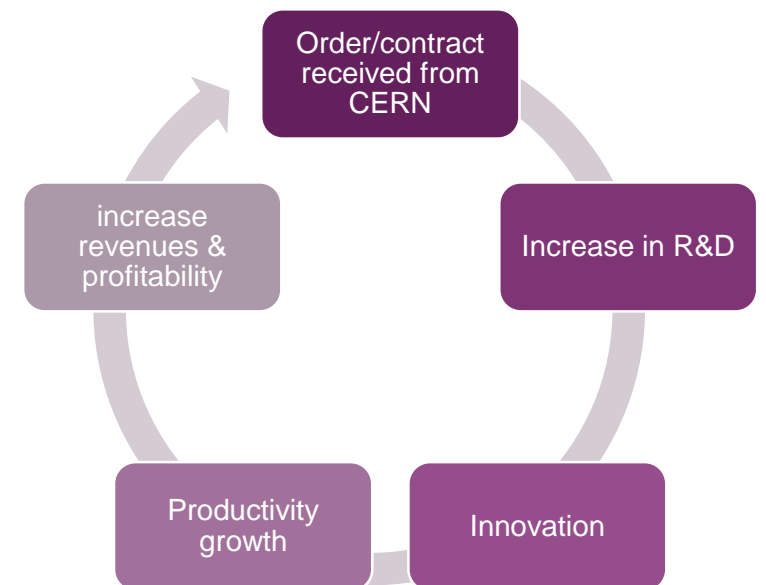
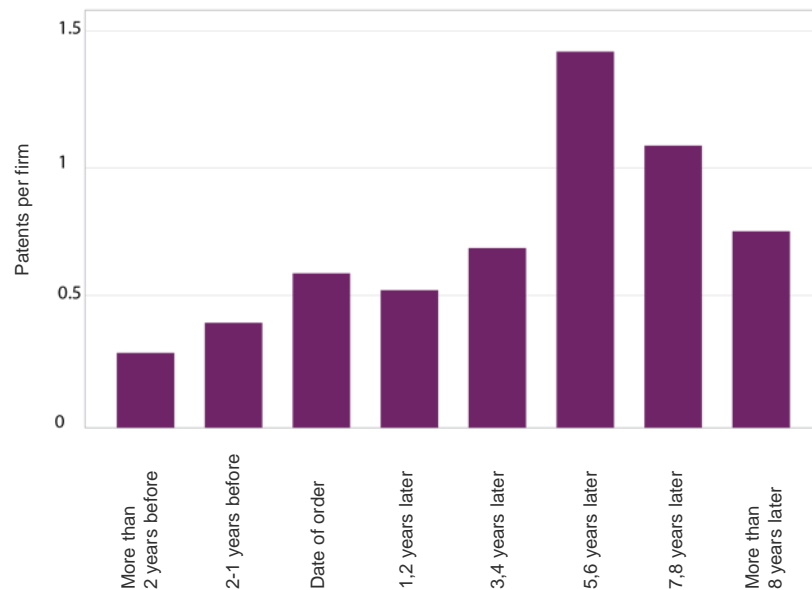
Impact of Doing business with CERN

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):

48%

improved products and services

42%

developed new products

55%

improved technical knowledge
in their field



18%

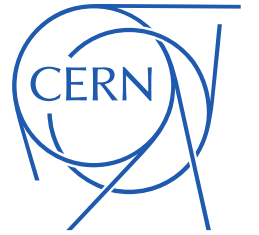
found or opened a new market to
address

62%

used CERN as a marketing reference

CERN Supplier

Doing business with CERN: the facts



Using CERN as a marketing reference improve the reputation as suppliers

supplier



Successful Bidders & Contractors

- ✓ Often small – medium sized and flexible firms
- ✓ Ensure full understanding of specifications – exceeded specifications may be too expensive
- ✓ Communicate proactively and constructively (problems, issues, alternatives, etc.)
- ✓ Ensure good working relationship with partners and sub-contractors
- ✓ Consider test and documentation requirements
- ✓ Make best offer directly



Suppliers in Greece (2021)

SPYRIDON ALEXOPOULOS (ALEXMOLDS)	Perama
ELEKTROMECH	Athens
RENTRON SA	Athens Palaio Faliro
KAMPAKAS SA	Athens
EUROTRADE (EVROEMPORIKI)	Athens
BROS N AXAKALIS AND CO	Neo Ikonio Perama
MORFI MOLDS	Markopoulo Attiki
PRISMA ELECTRONICS SA	Alexandroupol
SAFEDOOR	Kalivia Thorikou
ARISTOTLE UNIVERSITY OF THESSALONIKI	Thessaloniki
G LAOUNAROS AND CO	Athens

GENPRO ELECTRICS ELECTRONICS / M. GKOUZELOU	Athens
DROMEAS SA	Athens
BLIND STUDIO IKE	Thessaloniki
UNIVERSITY OF PATRAS	Patras
KATASKEVASTIKI J DIMITRIOU	Magoula
ELENI THOMAI CHATZICHRISTOU	Athens
INTEGRATED SYSTEMS DEVELOPMENT SA (ISD SA)	Maroussi
EVRYDIKI P. KOSTARAKI	Athens, Attiki
SPANOS	Avlona - Attikis
TEMMA SA	Athens
KORFIATIS ENGINEERING	Piraeus
BOUKIS ATHANASIOS AND GEORGE OE	Attiki
MOSHALIS A.BE.TE	Volos

Procurement website



Website of the Procurement Service

<http://procurement.web.cern.ch>

Procurement and Industrial Services Group

[HOME](#) - [CERN PERSONNEL](#) - [INDUSTRIAL LIAISON OFFICERS](#) - [GROUP MEMBERS](#)

› Doing Business with CERN

Doing Business with CERN [edit](#)
Running a Contract with CERN [edit](#)
Procurement Process [edit](#)
Law applicable to contractors' personnel [edit](#)



› Business Opportunities



› Supplier Portal



› Key Reference Documents



› List of Poorly and Well Balanced Member State...



› Procurement strategy and policy



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



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/asp/Home>

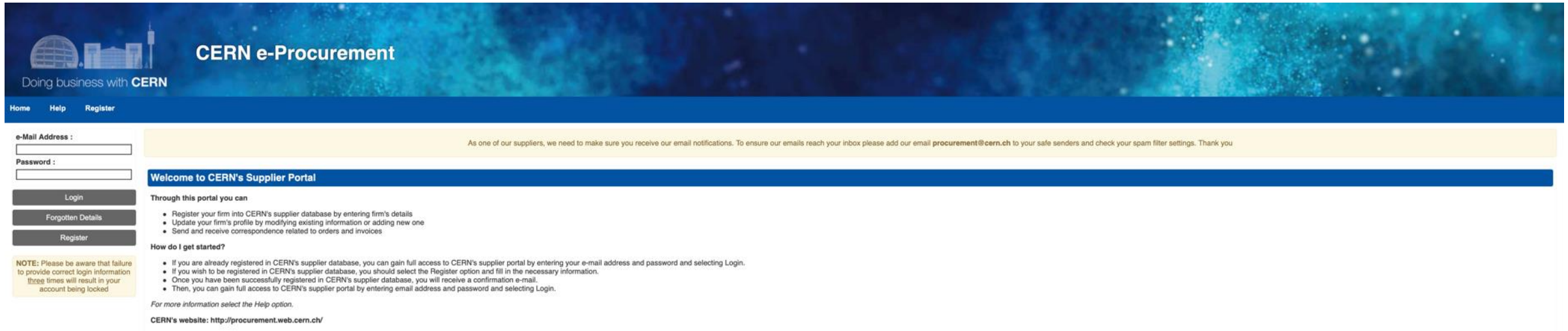
Using this platform, you will be able to receive orders, manage the delivery of supplies and send invoices for processing.

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.

CERN e-Procurement



The screenshot shows the CERN e-Procurement Supplier Portal. At the top, there is a header with the CERN logo and the text "Doing business with CERN". Below the header, there is a navigation bar with links for Home, Help, and Register. The main content area is divided into two columns. The left column contains a login form with fields for "e-Mail Address" and "Password", and buttons for "Login", "Forgotten Details", and "Register". Below the login form, there is a note: "NOTE: Please be aware that failure to provide correct login information three times will result in your account being locked". The right column contains a welcome message: "Welcome to CERN's Supplier Portal". Below this, there is a section titled "Through this portal you can" with a list of bullet points: "Register your firm into CERN's supplier database by entering firm's details", "Update your firm's profile by modifying existing information or adding new one", and "Send and receive correspondence related to orders and invoices". Below this, there is a section titled "How do I get started?" with a list of bullet points: "If you are already registered in CERN's supplier database, you can gain full access to CERN's supplier portal by entering your e-mail address and password and selecting Login.", "If you wish to be registered in CERN's supplier database, you should select the Register option and fill in the necessary information.", "Once you have been successfully registered in CERN's supplier database, you will receive a confirmation e-mail.", and "Then, you can gain full access to CERN's supplier portal by entering email address and password and selecting Login." Below this, there is a link for "For more information select the Help option." and a link for "CERN's website: http://procurement.web.cern.ch/".

e-Mail Address :
Password :
Login
Forgotten Details
Register

NOTE: Please be aware that failure to provide correct login information three times will result in your account being locked

As one of our suppliers, we need to make sure you receive our email notifications. To ensure our emails reach your inbox please add our email procurement@cern.ch to your safe senders and check your spam filter settings. Thank you

Welcome to CERN's Supplier Portal

Through this portal you can

- Register your firm into CERN's supplier database by entering firm's details
- Update your firm's profile by modifying existing information or adding new one
- Send and receive correspondence related to orders and invoices

How do I get started?

- If you are already registered in CERN's supplier database, you can gain full access to CERN's supplier portal by entering your e-mail address and password and selecting Login.
- If you wish to be registered in CERN's supplier database, you should select the Register option and fill in the necessary information.
- Once you have been successfully registered in CERN's supplier database, you will receive a confirmation e-mail.
- Then, you can gain full access to CERN's supplier portal by entering email address and password and selecting Login.

For more information select the Help option.

CERN's website: <http://procurement.web.cern.ch/>



To ensure our emails reach your inbox please add our email **procurement@cern.ch** to your safe senders and check your spam filter settings.

Contacts at CERN (Procurement and Technical)



Contact in your country

ILO: Industrial Liaison Officer

- Who to contact in Greece**

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.



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Thank you



home.cern