Doing business with CERN
Czech Republic and CERN

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Legal framework

- CERN, an Intergovernmental Organization, was established in July 1953, by the “Convention for the establishment of a European Organization for Nuclear Research”.
- As an Intergovernmental Organization, CERN is not a legal entity under national law but governed by public international law.
- CERN benefits from immunity from national jurisdiction and execution. Thus, legal disputes between CERN and its suppliers and contractors are not submitted to national courts but solved via international arbitration.
- CERN is thus entitled to establish its own internal rules necessary for its proper functioning, such as the rules under which it purchases equipment and services.
The mission of the Procurement and Industrial Services group is to:

- procure 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 the CERN Member States, and;
- respecting the CERN Procurement Rules.
CERN procures supplies and services and awards orders and contracts in compliance with the principles of transparency and impartiality.

CERN’s tendering procedures are selective and do not take the form of open invitations to tender or price enquiries. They shall, in principle, be limited to firms established in the Member States.

Invitation to tender and price enquiry documents shall be drafted in an objective way so as to guarantee fair competition.

Subject to the provisions aimed at achieving balanced industrial return for all the Member States, contracts and orders shall be awarded to the firm whose bid meets the technical, financial and delivery requirements and:

- Is either the lowest; or
- Represents the best value for money.
Procedures for obtaining offers

- **Requirements not exceeding 10’000 CHF;**
  Users may issue enquiries directly provided CERN procurement rules are followed;

- **Purchases between 10’000 CHF and 200’000 CHF**
  Price Enquiries issued by Procurement Service;

- **Purchases exceeding 200’000 CHF**
  Market Surveys & Calls for Tenders issued by Procurement Service.
Requirements between 10’000 and 200’000 CHF

**Price enquiries:**
- Deadline for bidders to submit bid is at least 4 weeks from mailing date;
- Invite 3-5 firms;
- All enquiries exceeding 50’000 CHF are also sent to Industrial Liaison Officers (ILOs) for information;
- Adjudication based on lowest offer (FCA price) which complies with the technical, financial and delivery requirements
Requirements exceeding 200’000 CHF

Market Survey followed by a Call for Tenders:

- Announcement in the document “Advance information on Forthcoming Market Surveys and Calls for Tenders expected to exceed 200’000 Swiss francs”;
- Market survey;
  - brief technical description (1-2 pages);
  - qualification criteria (financial and technical);
  - questionnaire.

Current Market Surveys available on Procurement Service home page

https://found.cern.ch/java-ext/found/CFTSearch.do
Requirements exceeding 200’000 CHF

Call for tenders:

- Deadline for bidders to submit bid is at least 4 weeks from mailing date;
- Invite
  - 10 firms for contracts between 200’000 and 750’000 CHF;
  - 15 firms for contracts exceeding 750’000 CHF;
- All call for tenders are also sent to Industrial Liaison Officers (ILOs) for information;
- Adjudication based on
  - lowest offer (FCA price) subject to the rules aimed at achieving well balanced industrial return coefficients for the Member States, or
  - Best-value-for-money basis (for service contracts), but not subject to the rules aimed at achieving well balanced industrial return coefficients for the Member States. The adjudication is based on both price and quality criteria.
Country of origin

for a **supply contract**: is the country(ies) in which the goods are manufactured or where the last major modification took place.

for a **service contract** is the country(ies) in which the bidder is established.
The alignment rule

For contracts to be awarded on the lowest compliant bid basis and exceeding 200 000 CHF in value.

Under certain well-defined conditions 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.
## 20 Member States’ contributions 2012 (CHF)

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
<th>Amount</th>
<th>Country</th>
<th>Percentage</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>20.25 %</td>
<td>219’095’250</td>
<td>Norway</td>
<td>2.48 %</td>
<td>26’850’650</td>
</tr>
<tr>
<td>France</td>
<td>15.52 %</td>
<td>167’952’900</td>
<td>Austria</td>
<td>2.19 %</td>
<td>23’698’100</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>13.58 %</td>
<td>146’960’000</td>
<td>Denmark</td>
<td>1.83 %</td>
<td>19’862’100</td>
</tr>
<tr>
<td>Italy</td>
<td>11.15 %</td>
<td>120’621’000</td>
<td>Greece</td>
<td>1.64 %</td>
<td>17’747’850</td>
</tr>
<tr>
<td>Spain</td>
<td>8.11 %</td>
<td>87’726’200</td>
<td>Finland</td>
<td>1.39 %</td>
<td>15’007’750</td>
</tr>
<tr>
<td>Switzerland</td>
<td>5.15 %</td>
<td>55’700’050</td>
<td>Portugal</td>
<td>1.25 %</td>
<td>13’492’750</td>
</tr>
<tr>
<td>Netherlands</td>
<td>4.59 %</td>
<td>49’708’400</td>
<td>Czech Republic</td>
<td>0.98 %</td>
<td>10’600’450</td>
</tr>
<tr>
<td>Poland</td>
<td>2.90 %</td>
<td>31’359’700</td>
<td>Hungary</td>
<td>0.63 %</td>
<td>6’853’100</td>
</tr>
<tr>
<td>Belgium</td>
<td>2.85 %</td>
<td>30’825’450</td>
<td>Slovak Republic</td>
<td>0.48 %</td>
<td>5’202’900</td>
</tr>
<tr>
<td>Sweden</td>
<td>2.75 %</td>
<td>29’810’650</td>
<td>Bulgaria</td>
<td>0.28 %</td>
<td>3’079’750</td>
</tr>
</tbody>
</table>

### Total

100%  
1’082’155’000

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- Additional special in-kind contribution from France: 1’865’000
- Additional contribution from Romania as Candidate for Accession: 5’022’400
- Additional contribution from Israel as Associate Member State: 3’626’900

### Total including additional contributions

1’093’669’300

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**Note:** The contributions are in Swiss Francs (CHF).
Civil engineering
  Buildings, roadworks,
Utilities
  Cooling & ventilation
  Power distribution, cables
Infrastructure & services
  Metal structures
  Mechanical engineering
  Radiation shielding
  Transport & handling
  Safety & access control
Installation, operation & maintenance
Data acquisition, computing & networking
Various supplies
  Furniture, tooling, gases, stationary,
What do we buy?
accelerator technologies required for consolidation projects and new developments

Industrial controls & field buses
Timing & “fast” real-time controls
Beam collimation
Beam injection, ejection & dump
Radio-frequency equipment
Power converters
Beam instrumentation & diagnostics
Permanent and electromagnets
Cryogenic equipment

New Projects
• LHC Injectors Upgrade (LIU)
• Accelerators Consolidation (CONS)
• High Luminosity LHC (HL-LHC)
• Linear Collider Studies (LC)
What do we buy?
Supplies for 247 MCHF (2010)

- Electrical engineering, 72.0
- Civil engineering, 38.7
- Electronics, 20.6
- Particle detectors, 1.5
- Vacuum and low temperature, 14.5
- Mechanical structures, 20.0
- Computer systems, 31.8
- Design studies and misc. supplies, 12.2
- Vehicles, gases, office supplies etc., 35.8

All amounts are in Swiss francs
Collaboration with the Czech Republic, Member since 1993

- Industrial return for supplies, target for 2012 = 0.89

* Provisional figures for the year to 10/10/2012
Collaboration with the Czech Republic

Some recent suppliers in the Czech Republic

<table>
<thead>
<tr>
<th>Supplier Name</th>
<th>City</th>
</tr>
</thead>
<tbody>
<tr>
<td>DUO CZ, S.R.O</td>
<td>OPOCNO</td>
</tr>
<tr>
<td>KOMPAFLEX SRO</td>
<td>PACOV</td>
</tr>
<tr>
<td>ZEZ SILKO (CZ)</td>
<td>ZAMBERK</td>
</tr>
<tr>
<td>PRINTED SPOL S.R.O.</td>
<td>MELNIK</td>
</tr>
<tr>
<td>OSTROJ</td>
<td>OPAVA</td>
</tr>
<tr>
<td>STAMPA OSTRAVA, SPOL. S R.O.</td>
<td>OSTRAVA - SLEZSKA OSTRAVA</td>
</tr>
</tbody>
</table>

Other suppliers sell equipment produced in the Czech Republic, e.g. Hewlett Packard assembles computers at FOXCONN in PARDUBICE.
Study of Technology Transfer through Procurement

- Period studied 1997 – 2001
- Excluded: civil engineering, standard items, services and low value orders
- 629 companies contacted.
Result of contracts with CERN

• 38% had developed new products
• 42% increased international exposure
• 44% improved technological learning
• 52% would have had poorer sales performance without CERN
• 17% opened a new market
• 60% acquired new customers
• all firms had derived great value from CERN as a marketing reference
Successful suppliers

• Often small – medium sized and flexible firms
• Ensure full understanding of specifications – exceeded specifications may to expensive
• Communicate with CERN (problems, issues, alternatives, etc.)
• Take into account test requirements and documentation
• Verification of performance by sub-contractors
Contacts with CERN

• Procurement web page
• http://procurement.web.cern.ch/
• Industrial liaison Officers (ILOs)

Organized exhibitions at CERN of groups of companies, latest such events:

• UK @ CERN
• Belgium @ CERN
• Italy @ CERN
• Denmark @ CERN
• France @ CERN
• Slovakia @ CERN
Děkuji vám za pozornost