

# European Spallation Source ERIC Procurement Overview

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[www.europeanspallationsource.se](http://www.europeanspallationsource.se)

30 November 2018

# Opportunities for doing business with ESS

- **Skanska for civil construction**
  - Contract in place with Skanska for conventional facilities, Skanska conducting procurement for sub-contractors for materials and works
- **ESS Procurement for goods and services from ESS budget**
  - European Spallation Source ERIC public procurement rules
- **In-kind contributions (IKCs) from partner institutions in ESS member countries**
  - A non-cash contribution in labor or material to ESS
  - Opportunities through IKCs from partner institutes in member countries

# Financing includes cash and deliverables

Construction budget: 1843 M€ (2013) => **As of November 2018: 52% complete**

Steady state operations budget: 140 M€ / year (2026-2065)

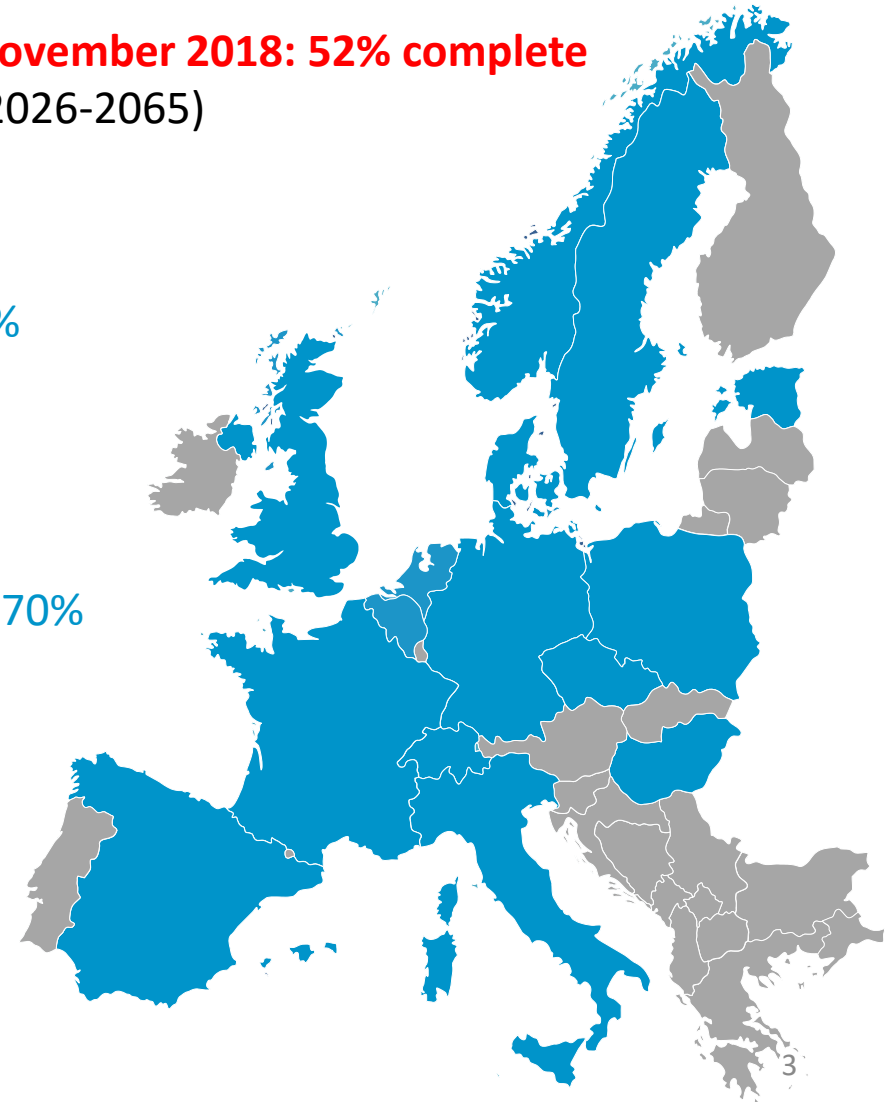
## Host Countries Sweden and Denmark

Construction 47.5%    Cash Investment ~ 97%  
 Operations 15%

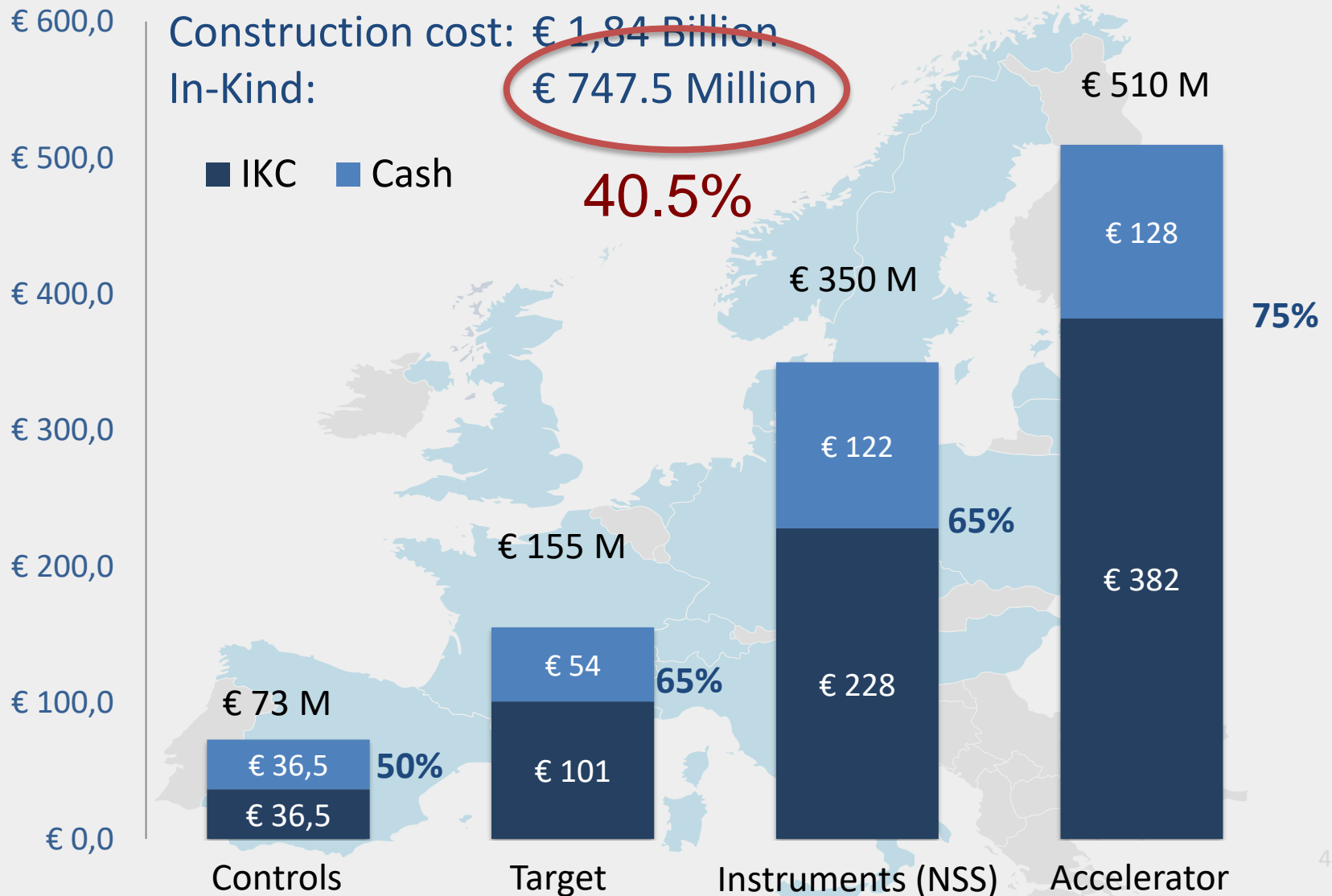
## Non Host Member Countries

Construction 52.5%    In-kind Deliverables ~ 70%  
 Operations 85%

## 15 European Member and Observer Countries



# ESS In-Kind Goals



# ESS In-Kind Partners

Aarhus University

Atomki - Institute for Nuclear Research

Bergen University

CEA Saclay, Paris

Centre for Energy Research, Budapest

Centre for Nuclear Research, Poland, (NCBJ)

CNR, Rome

CNRS Orsay, Paris

Cockcroft Institute, Daresbury

Elettra – Sincrotrone Trieste

ESS Bilbao

Forschungszentrum Jülich

Helmholtz-Zentrum Geesthacht

Huddersfield University

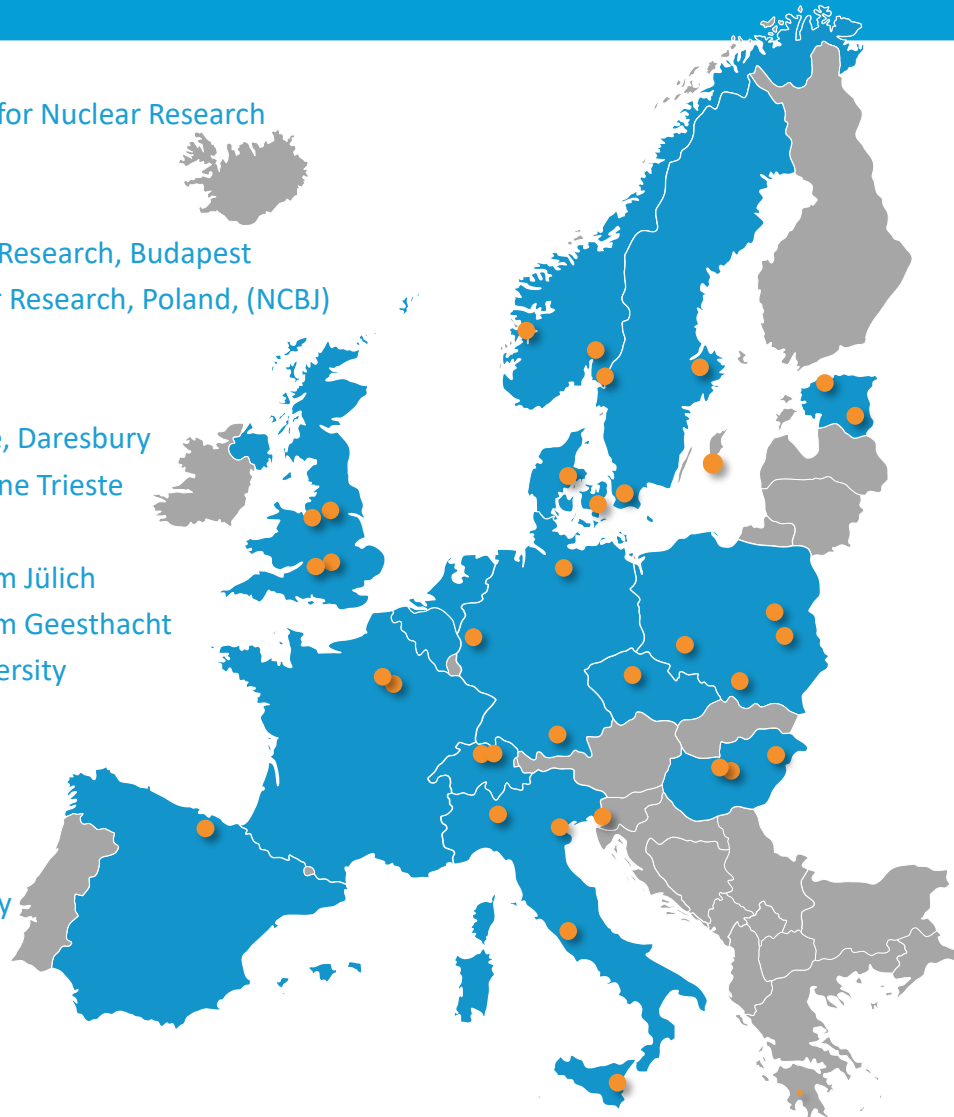
IFJ PAN, Krakow

INFN, Catania

INFN, Legnaro

INFN, Milan

Institute for Energy  
Research (IFE)



ISIS - Rutherford-Appleton Laboratory, Oxford

Laboratoire Léon Brillouin (LLB)

Lund University

Nuclear Physics Institute of the ASCR

Oslo University

Paul Scherrer Institute (PSI)

Polish Electronic Group (PEG)

Roskilde University

Tallinn Technical University

Technical University of Denmark (DTU)

Technical University Munich (TUM)

Science and Technology Facilities Council

University of Copenhagen (KU)

University of Tartu

Uppsala University

Wigner Research Centre for Physics

Wroclaw University of Technology

Warsaw University of Technology

Zurich University of Applied Sciences (ZHAW)

# Functions covered in SPL Division

## Logistics



- Plan and execute
  - Transportation
  - Loading/Unloading
  - Storage
- Act on requested services in the ESSnow portal
- Support In-kind & suppliers with logistic issues
- Operate Receipt, Acceptance, Test and Storage (RATS) facility
- Operate the logistics-building (F03) once ready

## Procurement and Contracting



- Purchasing
  - ERP module
  - Purchase orders
  - Material master
  - Electronic catalogues
  - Supplier mgmt
- Tendering
  - Call for tenders
  - E-procurement tool
- Contracting\*:
  - supply- and service agreements
  - consultancies, secondments and other external personnel
  - lease- and real estate
  - Collaboration agreements
  - Support contract management
- Any other legal matters related to different types of agreements

## Travel



- ESS Rules for Travel
- Travel Authorization
- Travel Agency (Egencia)
- Hotels
- Taxi
- Car rental
- Visa
- Contract management

# ERIC Procurement Rules

ESS procurement governed by the European Spallation Source ERIC procurement rules (as of 1 October 2015, before that ESS AB following LOU)

- Purpose
  - To explain how ESS ERIC conducts procurement
  - Apply to all procurement from ESS cash budget
- Principles and objectives
  - Following the EU treaty principles of:
    - Transparency, proportionality, mutual recognition, equal treatment and non-discrimination
  - Promoting the objectives of:
    - **Value for money**, publicity, integrity, innovation, sustainability
- Revision done in April 2017
  - Increase of low-value threshold from EUR5K to EUR10K
- Providing a process for appeal, internal process that protects ESS from court proceedings (no new appeals received in 2018 so far). Malmö court has confirmed on three occasions that ESS does not fall under their jurisdiction.

Available at <https://europeanspallationsource.se/procurement>

# ERIC Procurement Rules – Overview of Procurement Procedures\*

Value Threshold	Publication	Procurement procedure	Minimum timing	Variations in Timing	Standstill Period
<b>&gt;200.000 EUR</b>	Publication on ESS website. Other media depending on subject matter and value.	Open procedure	30 days	(+ ) 5 days if not available by internet (- ) 3 days if receipt of tenders electronically (-10) days if SAN published 30 days - 12 months in advance	10 days
		Restricted procedure	25 days + 25 days		
		Competitive procedure with negotiation, with or without initial tender	25 days / 30 days		
<b>50.000 - 200.000 EUR</b>	Publication on ESS website. Other media depending on subject matter and value.	Open procedure	20 days	(+ ) 5 days if documents not available by internet (- ) 3 days if receipt of tenders electronically	10 days (optional)
		Restricted procedure	15 days + 15 days		
		Competitive procedure with negotiation, with or without initial tender	15 days / 20 days		
<b>10.000 - 49.999 EUR</b>	Optional on ESS website.	Request For Quotation on website (optional) or directly to minimum 3 suppliers	--	--	--
<b>&lt;10.000 EUR</b>	--	Request For Quotation or price comparison with limited competition	--	--	--
<b>&lt;300 EUR</b>	--	Established ESS shop accounts for immediate needs	--	--	--

\*Minimum procedure applicable by value

\*\*Minimum timing does not include time required for preparation and evaluation\*\*

➤ Transparency: publication of awarded contracts (>50K EUR) on website



# Results of the procurement process: Suppliers and contracts

- ESS aims to work with a diverse group of suppliers
  - Opportunities for SMEs, for example
    - Procurements <200K EUR => simplified selection of companies
    - Contracts (including framework agreements) may be divided into lots
- Types of commercial contracts
  - Framework agreements for goods and/or services
    - eg, vacuum components, technical consultants and services
  - Supply and service agreements
    - eg, one-off sourcing of technical systems (klystrons, modulators, cryoplants, etc)
  - Service agreements
    - eg, outsourcing of various functions (travel, logistics, etc)
  - Services + materials agreements
    - eg, installation related contracts
  - Purchase orders
  - Specific contracts under framework agreements

- **ESS statutes**
  - “...contribute to top-level research, technological development, innovation and societal challenges...”
- **ESS Mission**
  - “...Develops innovative ways of working, new technologies, and upgrades to capabilities needed to remain at the cutting edge...”
- **ESS Policy for Innovation**
  - Promoting Open Innovation
  - Employees as a key source of innovation, plus importance of external partners (including industry) and R&D activities
- **Innovation Strategy**
  - Provides guidelines on how to implement the Policy
  - A dynamic document that will adjust to the needs presented by the different stages of building and operating ESS
- **In procurement**
  - Innovation => one of the ESS procurement objectives
  - Direct contracts to industry for delivery of innovative solutions based on ESS R&D (design, engineering, proto-typing, manufacturing)
  - Public procurement of innovation activities (PCP / PPI projects) under Brightness
  - One framework agreement signed for innovation related activities

# ESS procurement information

## ESS Website

(<http://europeanspallationsource.se/procurement>)

## Procurement Listings

- Contract Notices >50,000 EUR
- Market Surveys / Requests for Information

## Forthcoming Procurement

- Indicative information published to give greater visibility to industry on ESS' procurement plans.

## Contract Award Notices

- For procurements published on the website, published by month of contract signature, updated quarterly

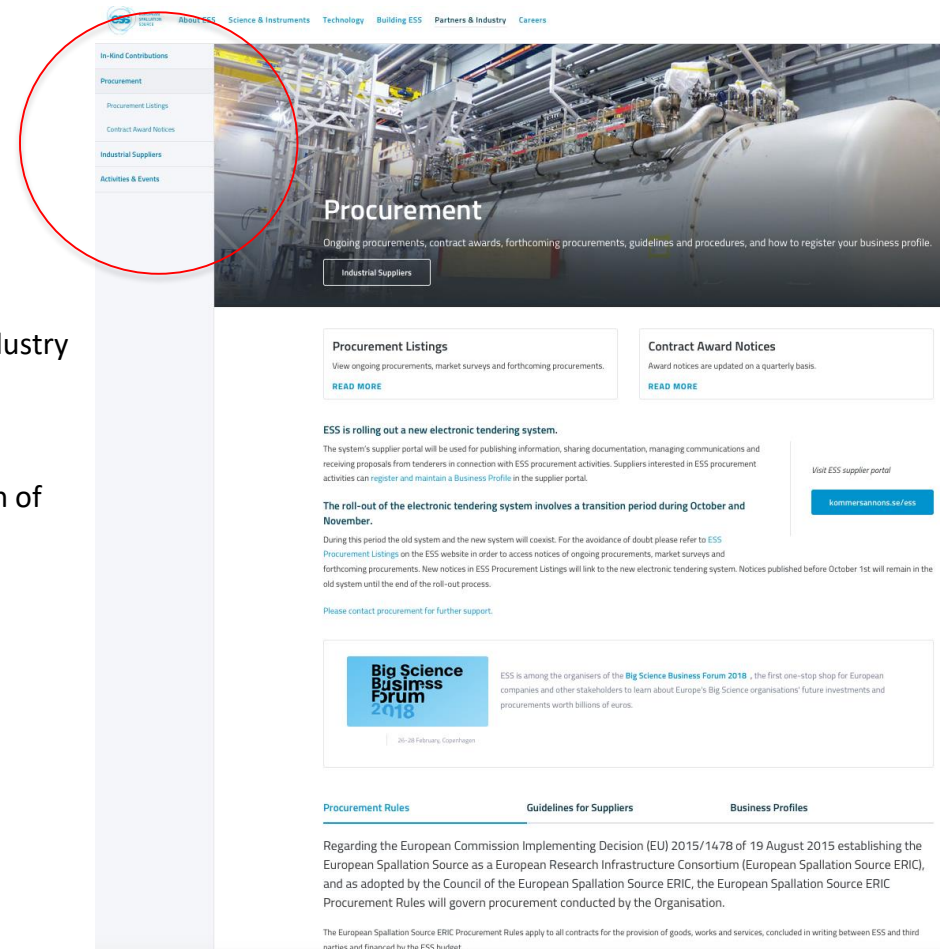
## Guidelines for Suppliers on ESS procurement

## Official Journal of the European Union

- May be used for contract notices >200,000 EUR
- Pre-Commercial Procurements and/or Public Procurement of Innovation

## Industrial Liaison Offices (ILOs)

- Via weekly email and notifications of new call for tenders



The screenshot shows the ESS Procurement website interface. A red circle highlights the navigation menu on the left, which includes: In-Kind Contributions, Procurement, Procurement Listings, Contract Award Notices, Industrial Suppliers, and Activities & Events. The main content area features a large banner for 'Procurement' with a background image of industrial equipment. Below the banner, there are sections for 'Procurement Listings' (with a 'READ MORE' link), 'Contract Award Notices' (with a 'READ MORE' link), and a section titled 'ESS is rolling out a new electronic tendering system.' This section includes text about the supplier portal, the transition period from October to November, and a link to 'Visit ESS supplier portal' (komerca@nrc.se/ess). At the bottom, there are links for 'Procurement Rules', 'Guidelines for Suppliers', and 'Business Profiles'. A 'Big Science Business Forum 2018' banner is also visible, dated 20-22 February, Gothenburg.

# Guidelines for Suppliers

- <https://europeanspallationsource.se/procurement#guidelines-suppliers>

Procurement Rules

Guidelines for Suppliers

Business Profiles

The European Spallation Source ERIC Procurement team has prepared guidelines for our suppliers on our procurement process.

These guidelines are available to suppliers and potential suppliers to ESS to advise and provide clarity on aspects of the procurement process. The guidelines focus on practical issues related to implementation of European Spallation Source ERIC Procurement Rules. This document [ESS-0064113] may be updated from time-to-time.

Download 



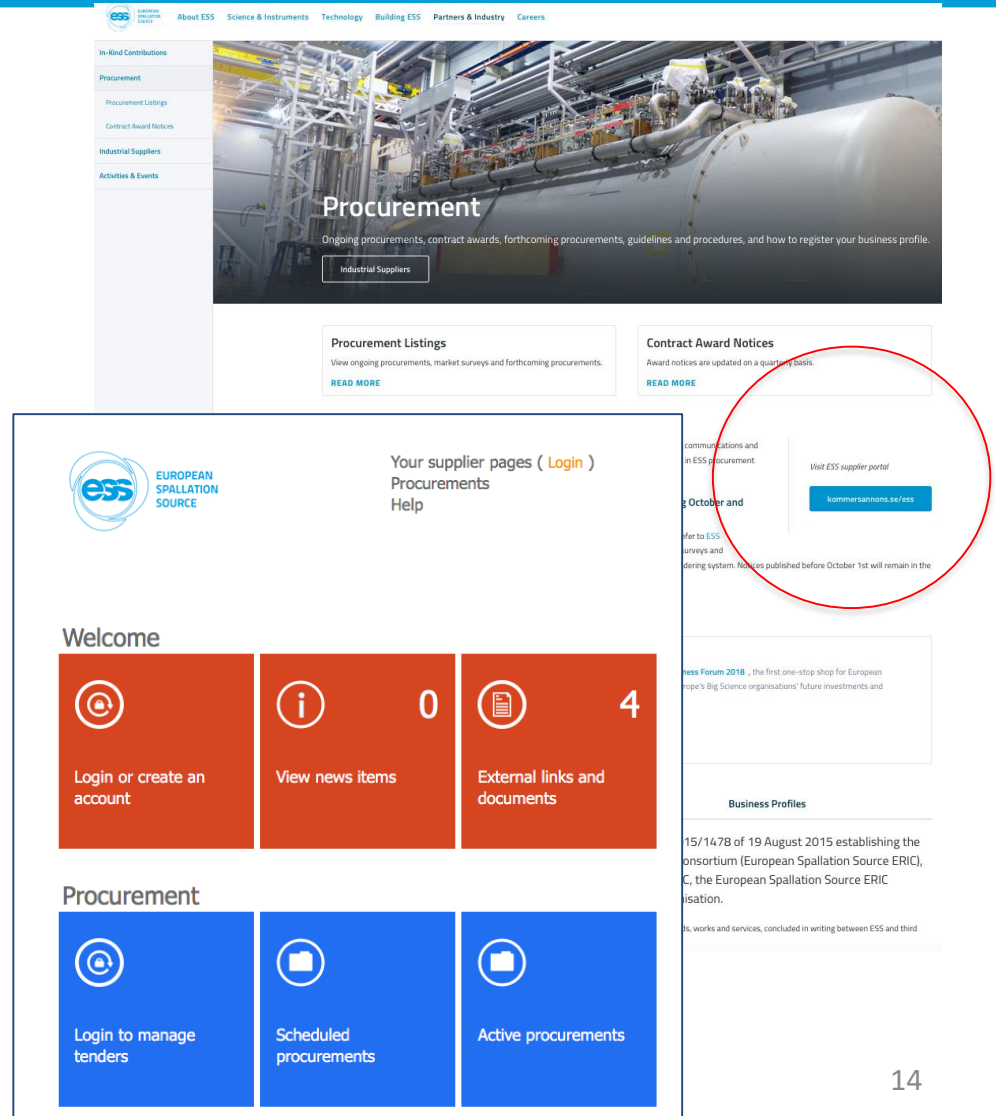
# Guideline for Communicating with Current and/or Potential Suppliers (ESS-0064128)



- Responsibility of all staff to treat suppliers fairly, transparently and with the highest standards of business ethics
  - Defines when, how and what information can be communicated with suppliers
    - For example:
      - Presentation of ESS for companies – ok, but recommended participation of procurement
      - Cannot share information that would give one supplier a *competitive advantage* over another, based on professional judgement
      - Solicitation of indicative pricing / technical information – formal involvement of procurement
      - Communication during the course of contracts management – ok, but ensuring non-disclosure of information regarding future procurements
      - Communication during a procurement process (including preparation of specifications) controlled. Formal involvement of procurement
      - No communication with a supplier when the procurement process is open
  - Applies to all staff and third parties (consultants) working on behalf of ESS
    - It is the responsibility of the ESS staff member engaging the third party to ensure they are aware and follow these guidelines.
- Reviewed and Approved by the Strategic Procurement Board

# E-Procurement Tool

- Rolled-out 1 October 2017
- Used for publishing information, sharing documentation, managing communications and receiving proposals
- Interested suppliers can register and maintain a business profile in the tool and configure notifications for new tenders



The screenshot displays the ESS E-Procurement Tool interface. At the top, a navigation menu includes 'About ESS', 'Science & Instruments', 'Technology', 'Building ESS', 'Partners & Industry', and 'Careers'. A sidebar on the left lists 'In-Kind Contributions', 'Procurement', 'Procurement Listings', 'Contract Award Notices', 'Industrial Suppliers', and 'Activities & Events'. The main content area features a 'Procurement' banner with a background image of a large industrial facility, containing the text 'Ongoing procurements, contract awards, forthcoming procurements, guidelines and procedures, and how to register your business profile.' Below the banner are two boxes: 'Procurement Listings' with a 'READ MORE' link, and 'Contract Award Notices' with a 'READ MORE' link. A red circle highlights a 'Visit ESS supplier portal' button with the URL 'kommersannons.se/ess'. Below this is a 'Your supplier pages (Login)' section with 'Procurements' and 'Help' links. The 'Welcome' section contains three red tiles: 'Login or create an account', 'View news items' (with a '0' count), and 'External links and documents' (with a '4' count). The 'Procurement' section contains three blue tiles: 'Login to manage tenders', 'Scheduled procurements', and 'Active procurements'.

# Procurement activities currently ongoing

- Procurement planning
  - Bi-weekly coordination meetings with heads of divisions and bi-monthly prioritization list for high-value procurements
  - Quarterly Strategic Procurement Board with directors for elevation of prioritization needs, strategic decisions and to keep directors informed
- Legal function related to procurement and contracting integrated into procurement
  - Complete process from tendering to contract signature in one function
  - Streamlined process and closer collaboration ensuring consistency in tenders and contractual agreements

# Procurement activities currently ongoing

- High-value procurements
  - E-tendering tool used, including supplier database, handling of entire tendering process with communication between ESS procurement and tenderers (90 procedures in 1<sup>st</sup> year of using e-tendering tool)
  - Focus currently on target shielding and neutron beam extraction systems (NBEX), accelerator high-beta klystrons and modulators, installation related framework agreements and science beamline related packages
- Low-value procurements
  - Constant improvements to increase efficiency. As of Nov-18 there are 18 punch-out connections, 10 electronic catalogues and 66 connections to suppliers for electronic order sending
  - 30-45% of incoming requests handled via punch-out or catalogues, resulting in significantly shortened processing time, reduction of issues and possibility to handle a larger number of requests with the same number of staff

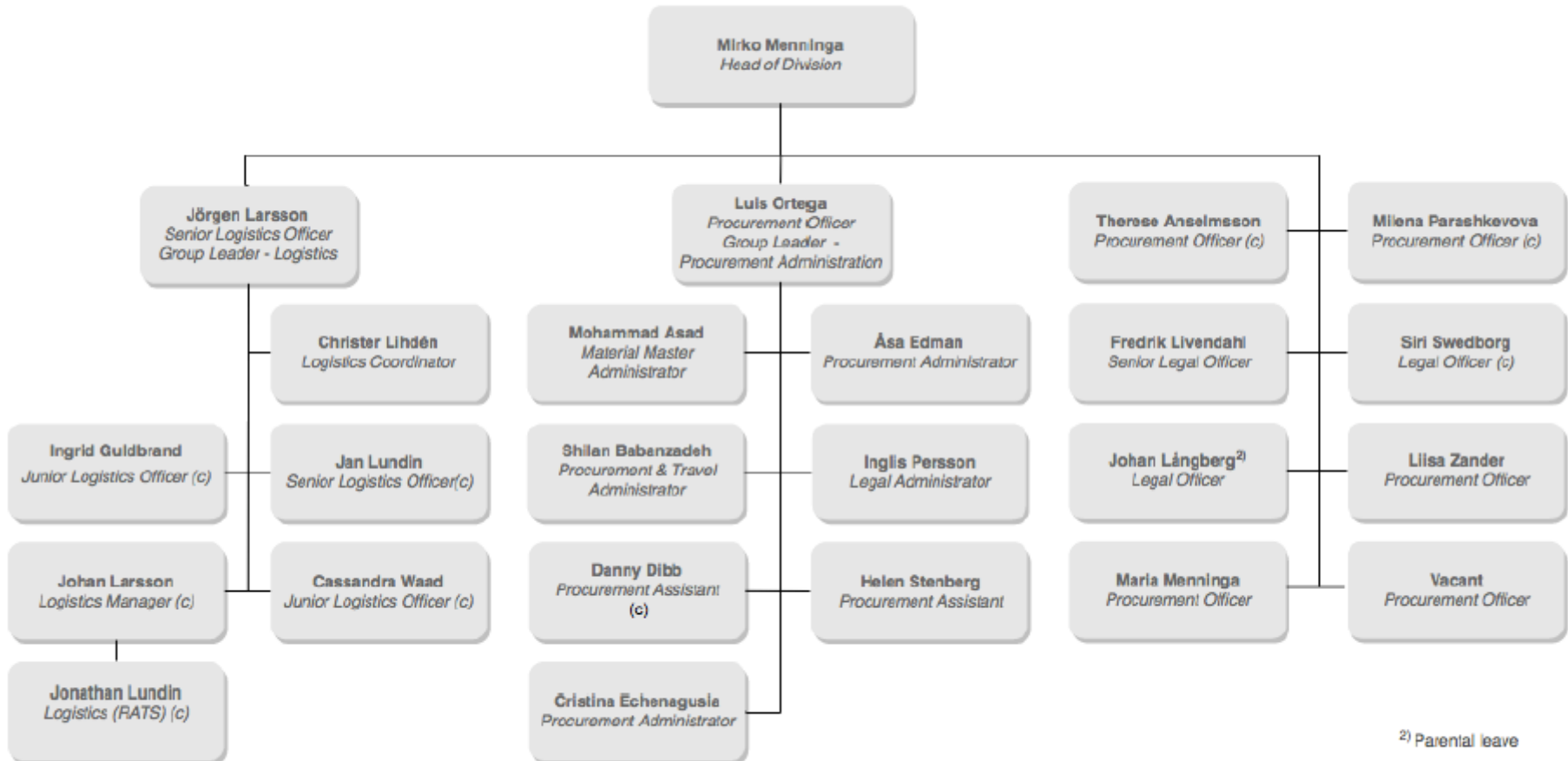


# Procurement activities currently ongoing

- Logistics function
  - Electronic booking tool for services for in- and out-bound transports, recently extended by lifting and rigging services
  - Since October 2018 handling transports on site, resulting in savings for projects
  - Logistics building (F03) under construction, expected to be operational Aug-19



# Resourcing – October 2018





Thank you for your attention

