

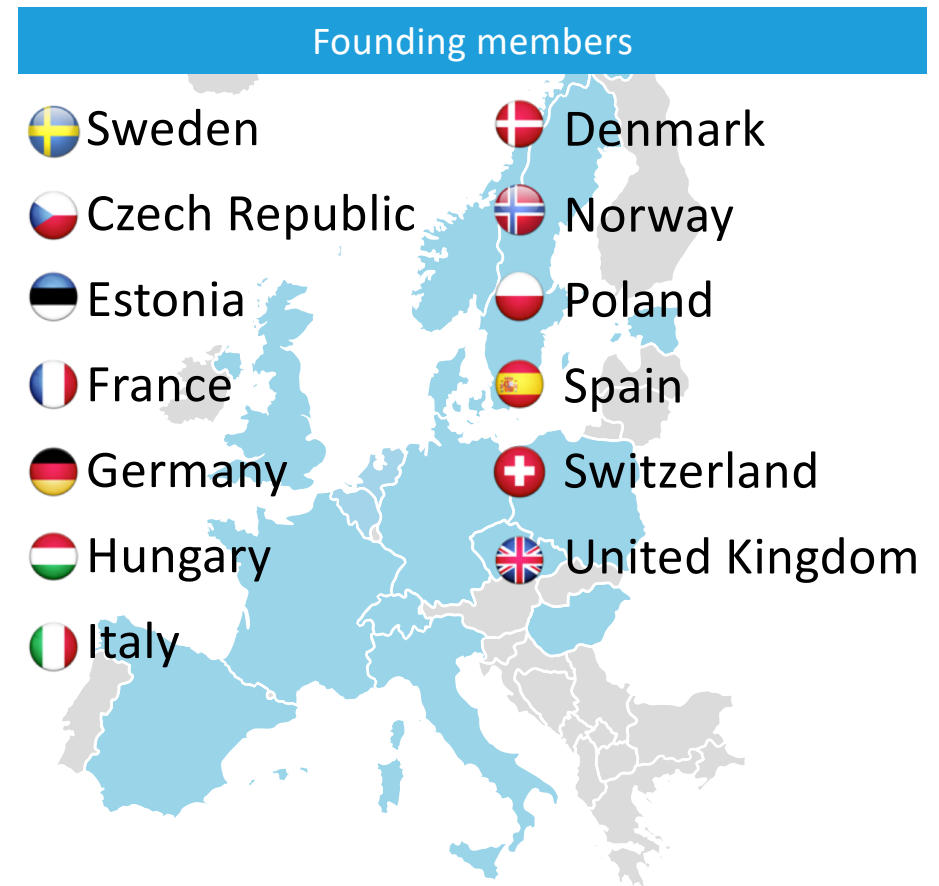
# ESS – A European Collaboration

*Mirko Menninga, Head of Supply, Procurement and Logistics Division*  
26 November 2019



# Ownership and funding

- Total project cost €1,843M<sub>2013</sub>
- Host Countries Sweden and Denmark
  - Construction 47.5%
  - Cash Investment ~ 97%
- Non Host Member Countries
  - Construction 52.5%
  - In-kind Deliverables ~ 70%





# A global organisation

Building on diversity



**508**

Employees



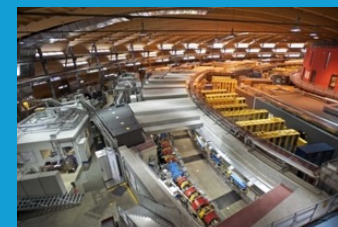
**56**

Nationalities



**> 100**

Collaborating Institutions



# The 3 different procurement pillars for the ESS construction



- **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



# ESS also supported through non-cash contributions

In-kind Contributions pulling competence from all over Europe



## Why:

- ESS is a greenfield project
- Provide knowledge, capacity and equipment from the best experts from various fields
- Large Research Institutes require cooperation to allow work to be completed in parallel

## How:

- Technical components and personnel needed to for testing, installation and integration
- R&D personnel needed to perform work
- Personnel for specific tasks during construction, including installation and systems commissioning.
- Other products and services relevant for the completion of the facility



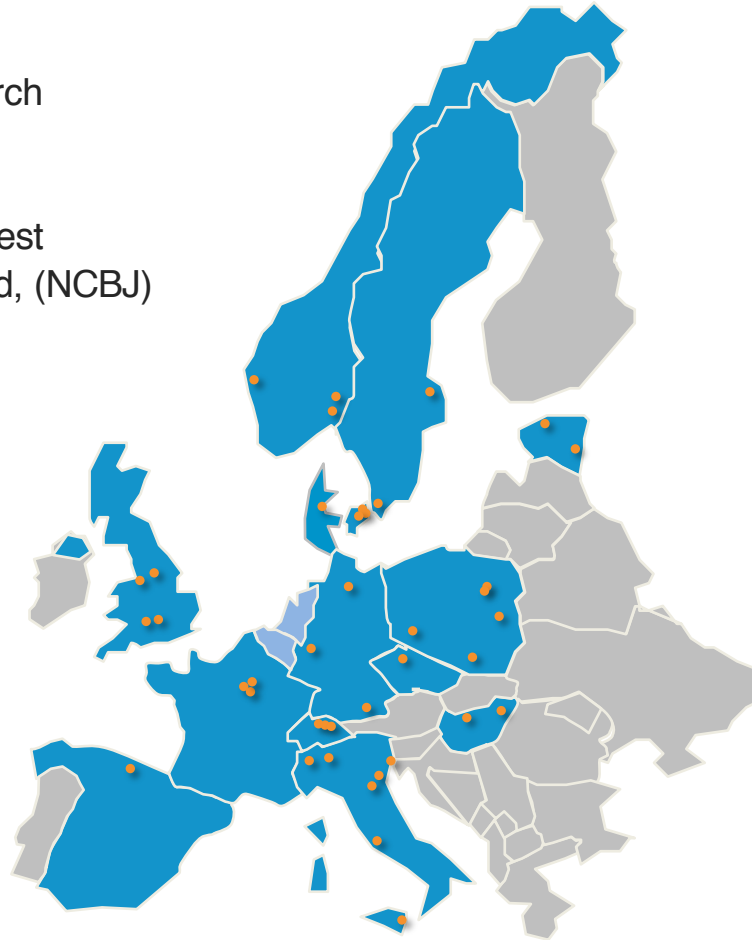
Proton source for ESS – Catania, Italy

# Unique international project

Global network of over 100 partner labs, institutes & universities



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, Italy  
Institute for Energy Research (IFE)  
Rutherford-Appleton  
Laboratory, Oxford (ISIS)

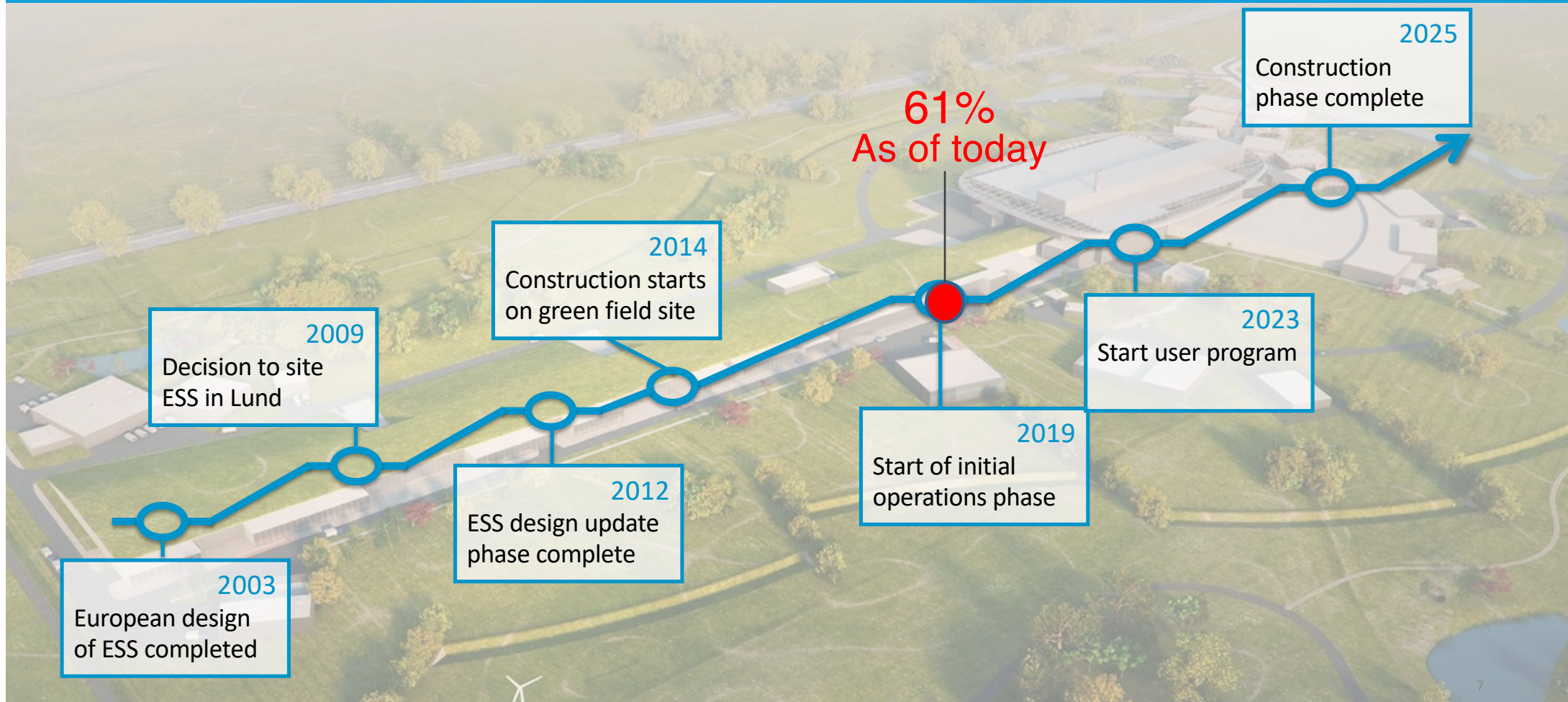


Copenhagen University  
Laboratoire Léon Brillouin (CEA/CNRS/LLB)  
Lund University  
Nuclear Physics Institute of the ASCR  
Oslo University  
Paul Scherrer Institute (PSI)  
Polish Electronic Group (PEG)  
Roskilde University  
Tallinn Technical University  
Technical University of Denmark  
Technical University Munich  
Science and Technology Facilities Council  
UKAEA Culham  
University of Tartu  
Uppsala University  
WIGNER Research Centre for Physics  
Wroclaw University of Technology  
Warsaw University of Technology  
Zurich University of Applied Sciences (ZHAW)



# The ESS journey

Delivering the world's leading facility for research using neutrons



# 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, non-discrimination and competition
  - Promoting the objectives of:
    - **Value for money**, publicity, integrity, innovation, sustainability
- **Providing a process for appeal, internal process that protects ESS from court proceedings (average 1 appeal per year, no successful so far). Malmö court has confirmed on three occasions that ESS does not fall under their jurisdiction.**



# ERIC Procurement Rules – Overview of current thresholds and procedures\*



Value Threshold	Publication	Procurement procedure	Minimum timing**	Variations in Timing	Standstill Period
>200.000 EUR	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		
50.000 - 200.000 EUR	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		
10.000 - 49.999 EUR	Optional on ESS website.	Request For Quotation on website (optional) or directly to minimum 3 suppliers	--	--	--
<10.000 EUR	--	Request For Quotation or price comparison with limited competition	--	--	--
<300 EUR	--	Established ESS shop accounts for immediate needs	--	--	--

\* Minimum procedure applicable by value

\*\* Minimum timing is publication time until tender deadline

Transparency: publication of awarded contracts >EUR50K on ESS website

# ERIC Procurement Rules



- Revision done in April 2017
  - Increase of low-value threshold from EUR5K to EUR10K
- New revision under preparation to:
  - Increase low-value threshold from EUR10K to EUR25K
  - Increase threshold for RFQs from EUR50K to EUR200K
  - Built-in a process to involve ESS ILOs in RFQs in the range EUR50K-EUR200K
  - Remove the simplified procedure in the range EUR50K-EUR200K
  - Align some parts to ERIC legal framework
  - Clarify some clauses based on practice gained since October 2015



# ESS-ERIC Procurement organisation – 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) from 13/8-19

## 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

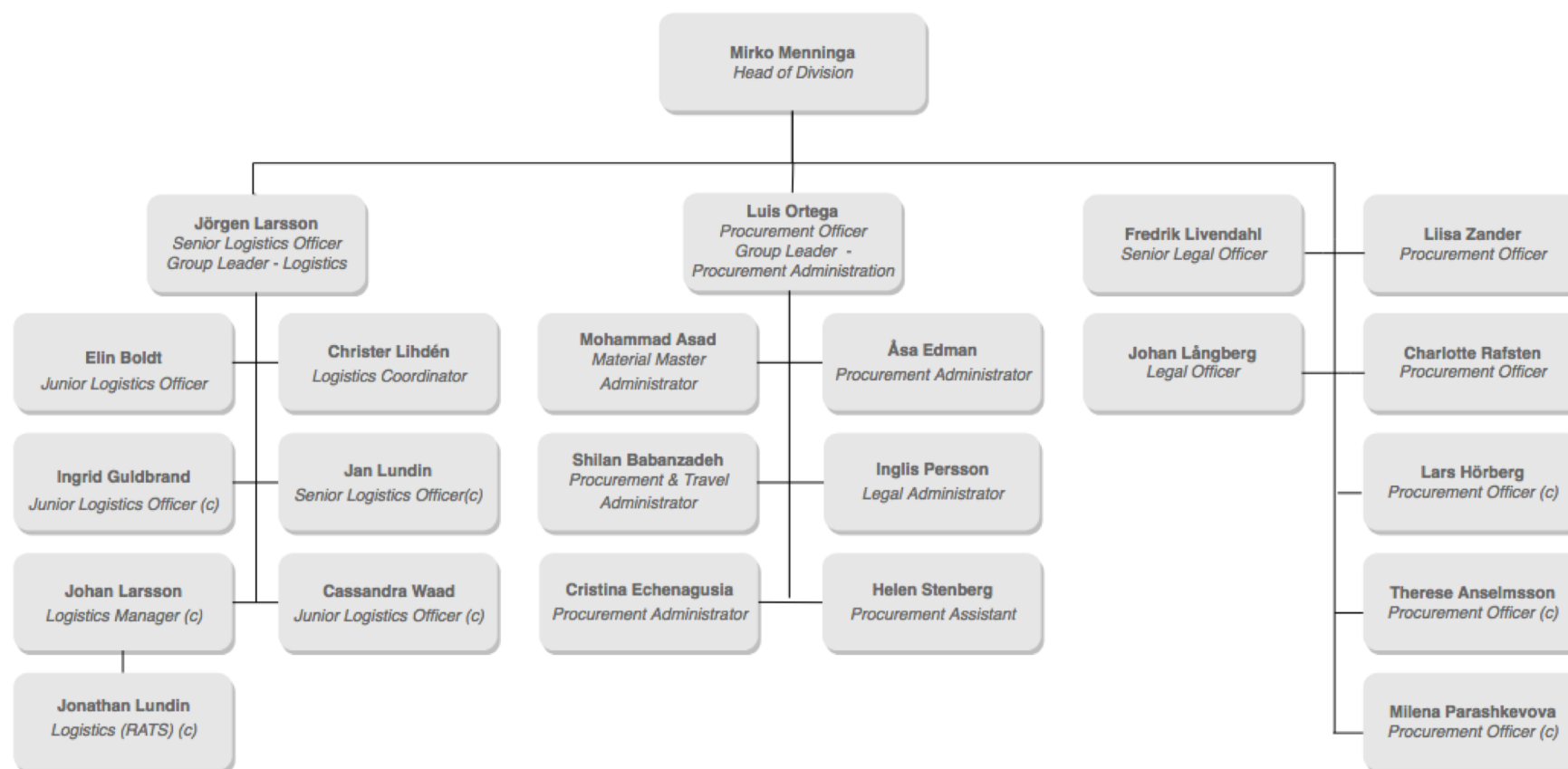
## Travel



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

**\*Legal Division dissolved in autumn 2017 and integrated into SPL and In-Kind**

# ESS-ERIC Procurement organisation – resourcing 2019





# ESS Procurement information - website



## 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

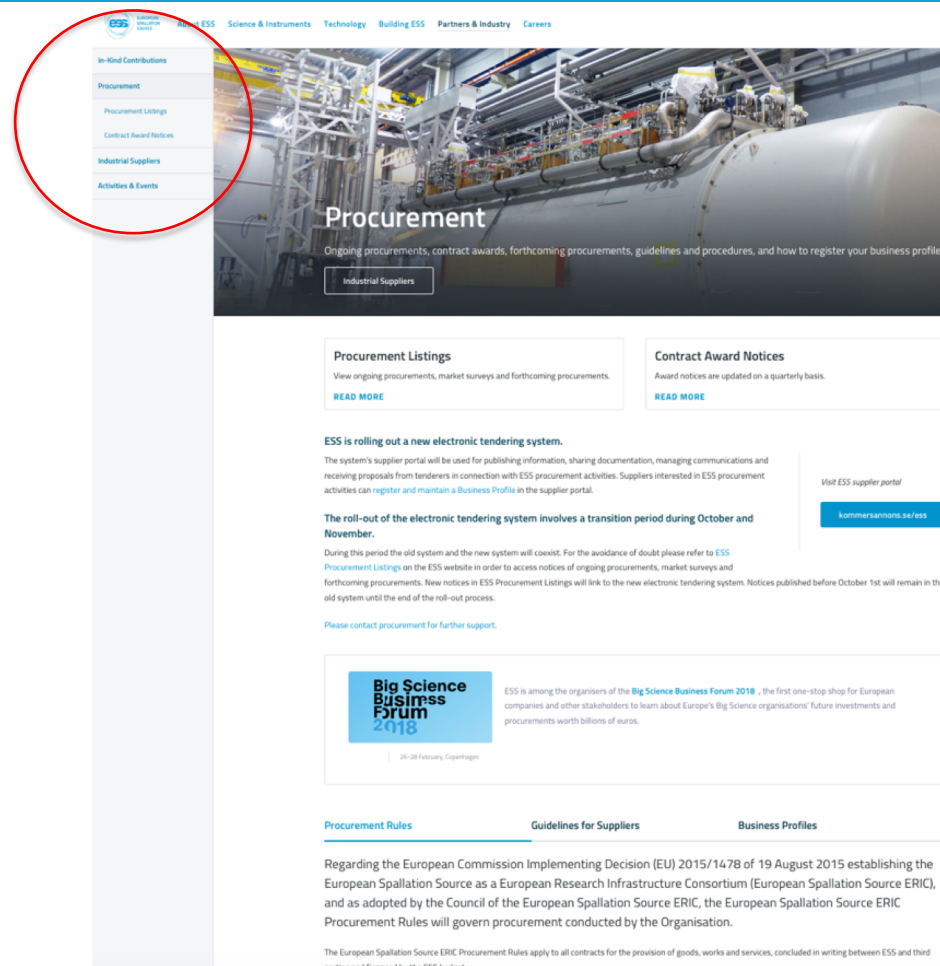
### **Guidelines for Suppliers on ESS procurement**

### **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



# ESS Guideline 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)



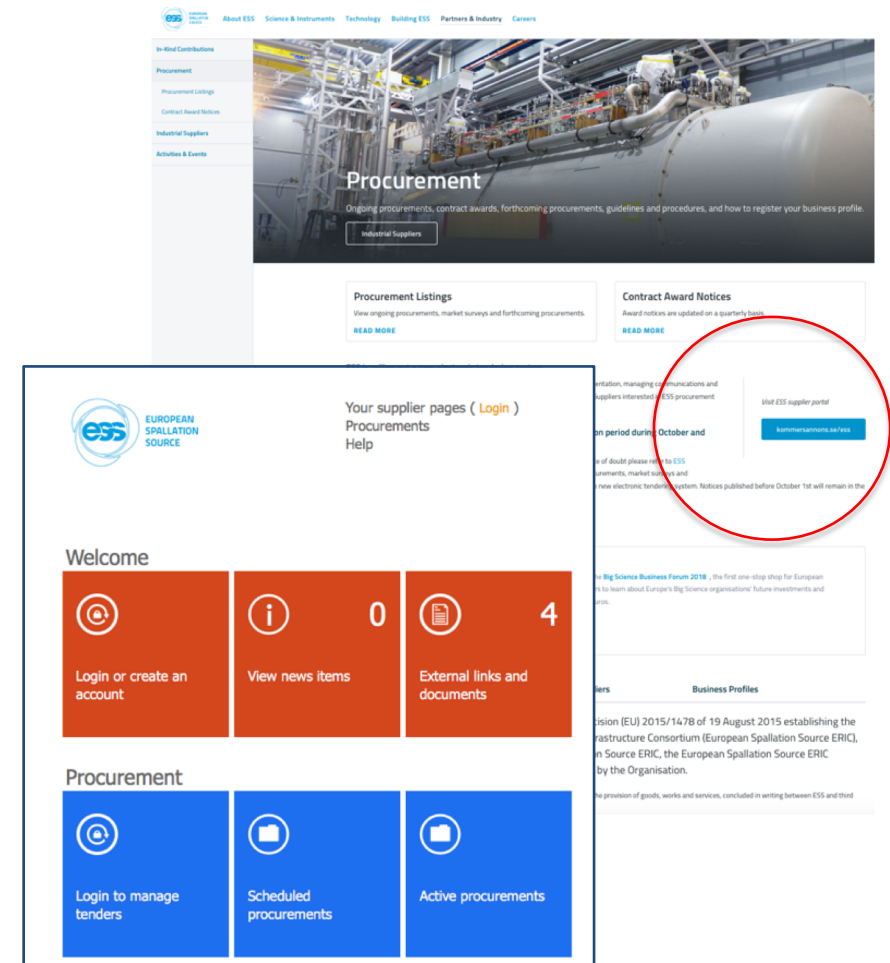
- Responsibility of all staff to treat suppliers fairly, transparently and with the highest standards of business ethics
  - Defines when, how and what information can be communicated with suppliers  
For example:
    - Cannot share information that would give one supplier a *competitive advantage* over another, based on professional judgement
    - 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
- **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



## Recent change – Logistics Building (F03)



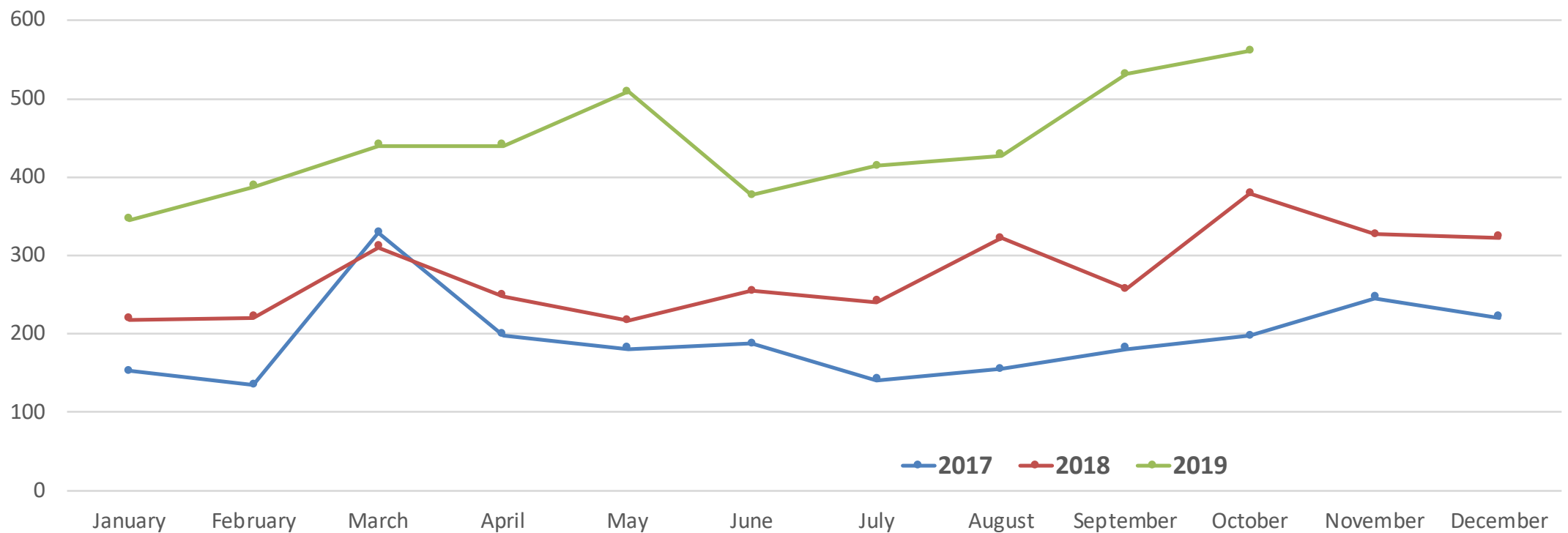
- Logistics building (F03) handed over from Skanska
- Taken into use on 13 August 2019
- All deliveries now received at the new building



# ESS Procurement Workload development




No. of Procurement Requests / month





Thank you

An aerial architectural rendering of the ESS facility. The image shows a large, modern complex of buildings with a mix of rectangular and circular forms, situated in a green, hilly landscape. In the background, a city skyline is visible under a hazy sky. The foreground shows a road and some smaller structures.

Build and operate the world's most powerful neutron source,  
**enabling scientific breakthroughs**  
in research related to materials, energy, health and the environment,  
addressing some of the most important societal challenges of our time.