



Procurement with ESO

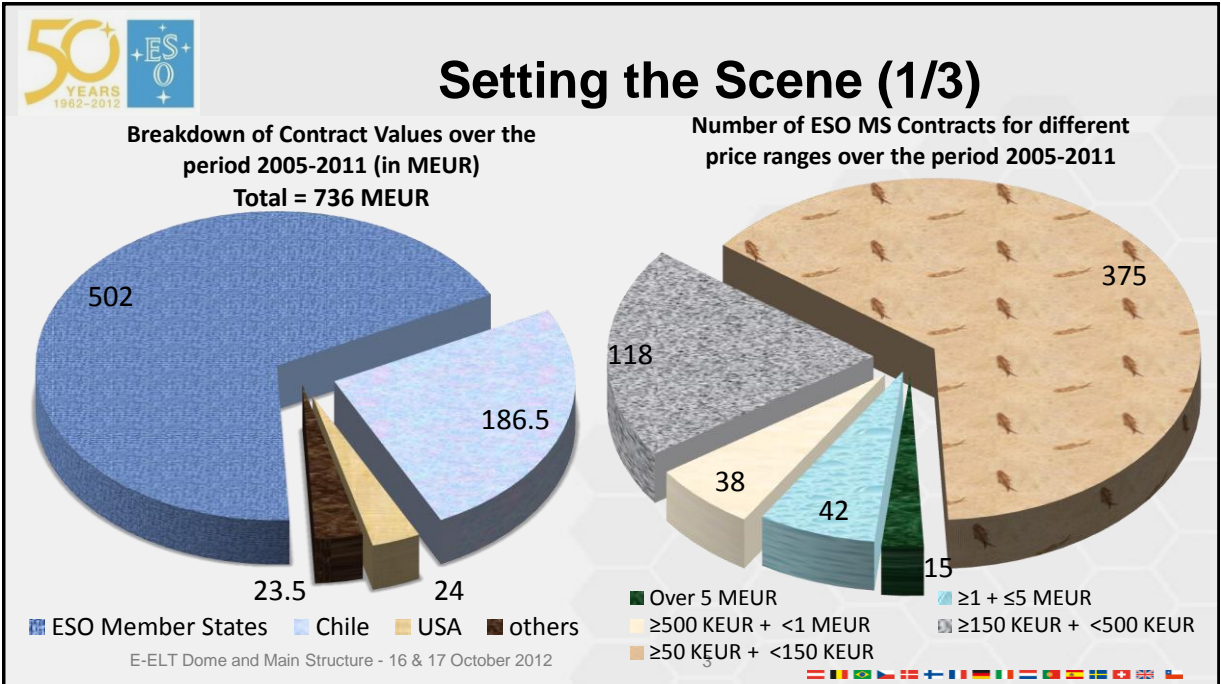
Yves Wesse, Contracts and Procurement
Yves.wesse@eso.org



Topics Addressed

- Setting the Scene
- Procurement Vehicles
- Selective Tendering
- Your submission to ESO
- Industrial Return
- Wrap-up





Setting the Scene (2/3)

- ESO procures goods and services according to rules set by the Director General in response to overriding principles established by the ESO Council:
 - **Competitive** procurements;
 - Limited to **selected companies** in **ESO Member States**;
 - Contracts awarded to the technically/ managerially/ contractually **compliant** tender **lowest in price**.

E-ELT Dome and Main Structure - 16 & 17 October 2012



Setting the Scene (3/3)

- The ESO Contracts and Procurement (CP) Web page

<http://www.eso.org/public/>



Relations with Industry



Contracts and Procurement



Procurement Vehicles (1/2)

■ Price Inquiries:

- For goods and services which are “standard” and do not call for an extensive definition of requirements;
- The schedule is ad-hoc, typically 3 to 4 weeks;
- **The resulting order is regulated by the ESO General Conditions of Purchase Orders;**
- Values are, as a general rule, < 150KEUR





Procurement Vehicles (2/2)

■ Call for Tender (CFT):

- **Announced on the ESO CP web page;**
- A 3 steps process:
 - Step 1: ESO and ESO ILOs identify potential suppliers;
 - Step 2: **Preliminary Inquiry** sent to all (no screening) suppliers identified by the ILOs + ESO => **qualification** (response time: ~4 weeks);
 - Step 3: **competitive CFT: to all qualified companies**; response time 6 weeks minimum.

■ Other:

- Ad-hoc process for out of the ordinary procurements, i.e. E-ELT Dome and Main Structure Request for Information
- Single Source procurements



Selective Tendering (1/2)

■ Our procurement actions are **targeted** =>

- You either know about it;
- or ESO knows about you and your competencies;
- or.....the opportunity is lost.

■ For procurements expected to exceed 150 KEUR, announcement is made on the ESO web page

<http://www.eso.org/public/industry/cp.html>

=> **companies have the opportunity to make their interest known to ESO** (cp@eso.org).





Selective Tendering (2/2)

- Procurements < 150 KEUR are not advertised => we contact companies we know.



Your Submission to ESO (1/2)

- **Make your (first) tender your best tender**, as it will be your only shot:
 - Your reply needs to respond fully to the requirements of the CFT, specified in our “special conditions” => **ask questions when you are unsure!!!!**
 - Same level of completeness required from new suppliers as for suppliers who have already contracted with ESO;
 - Questions asked by ESO for clarification, and very selectively for missing information;
 - **BAFO not a standard ESO practice.**





Your Submission to ESO (2/2)

- Structure of our procurement documentation:
 - Preliminary Inquiry:
 - Synopsis of the scope of work;
 - Cover letter defining the content of the response; the technical/financial/contractual qualification criteria; and addressing certain administrative matters;
 - ADs, as required (e.g. General Conditions of ESO Contracts)
 - CFT: Construction of the ESO HQ extension
http://www.eso.org/public/industry/cp/CFT_HQPROJ



Industrial Return

- Measured through each country's *return coefficient*,
- No requirement for *juste retour*, but a strong expectation from all ESO MS of an equitable distribution.





Wrap-up

- Our procurement process may be **different**, but is certainly **NOT complicated**;
- The window of opportunity for companies to participate in a competitive procurement is limited => **check frequently the ESO web site, CP page**;
- We evaluate (qualification/PI and compliance/CFT) on the basis of your written response =>
 - Ask questions when uncertain;
 - Comply with our requirements for the content of your response.

