



EUROPEAN
SPALLATION
SOURCE

In-kind Contributions and Procurement

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Bonn January 22, 2014

In-kind Contributions (IKC)

May contribute “component” or “work”

Originate from Cost Book, based on TDR

Slightly different for Accelerator, Target & Instruments

Competence of the team(s) responding, references









The contributing partner is responsible for the deliverables
(technical, financial, commercial, risk)

In-Kind Review Committee evaluates IKC agreements

ESS Council to approve all in-kind contracts

The contributions from the Design Update Phase have been approved by the IKRC.



Status \ Project								
	CH	CZ	DK	ES	IT	NO	DE	NL
Instrument	6	1	7		2		17	
DMSC	1		3				1	
Neutron Technologies			2		1	1	4	4
Target	3	1	2	6			10	
Accelerator			1	7	2		1	

Total	10	2	15	13	5	1	33	4
	45						37	

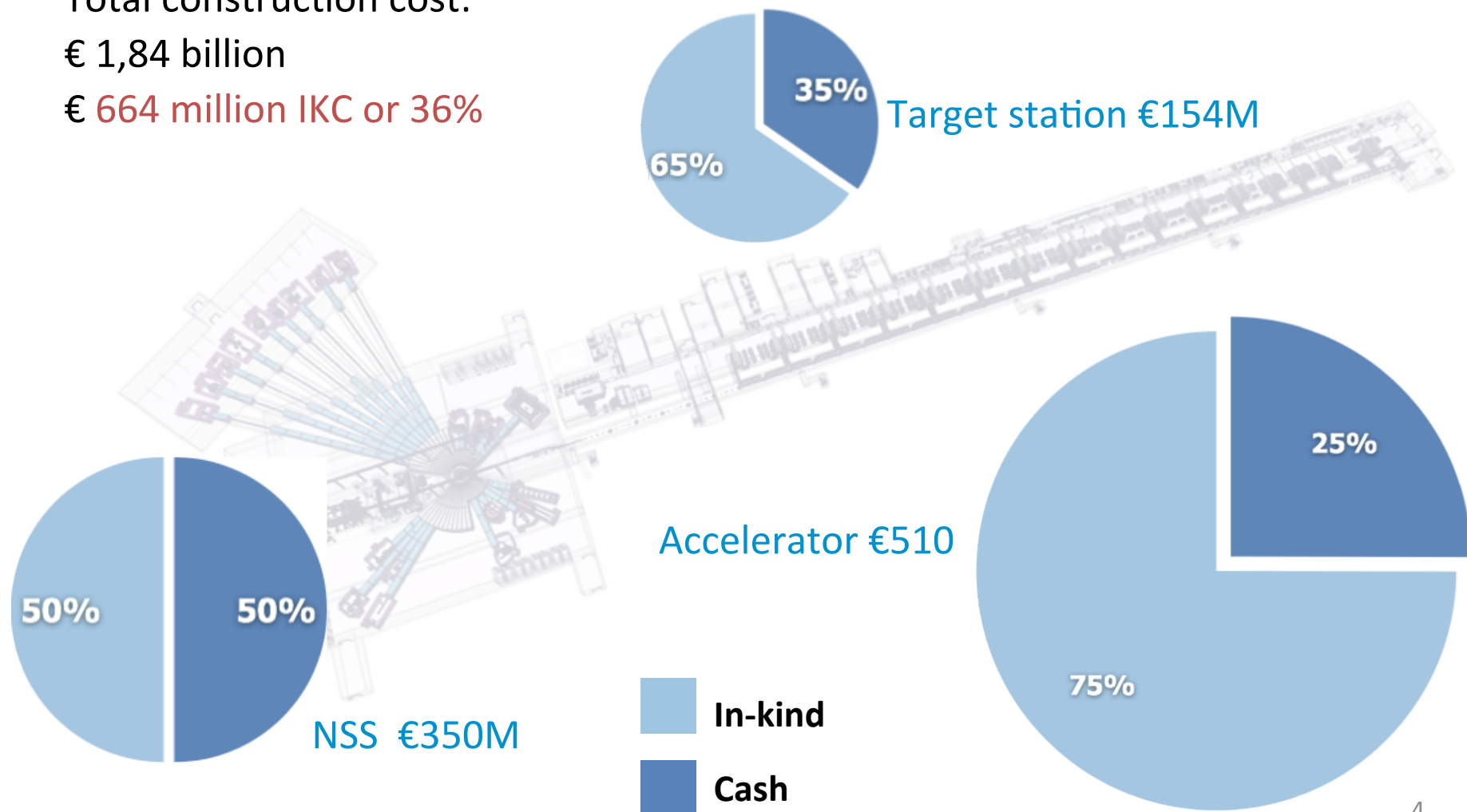
CH	CZ	DE	DK	ES	IT	NL	NO	Total
10	2	33	15	13	5	4	1	83

The In-kind potential represents more than one-third of the project value.

Total construction cost:

€ 1,84 billion

€ 664 million IKC or 36%



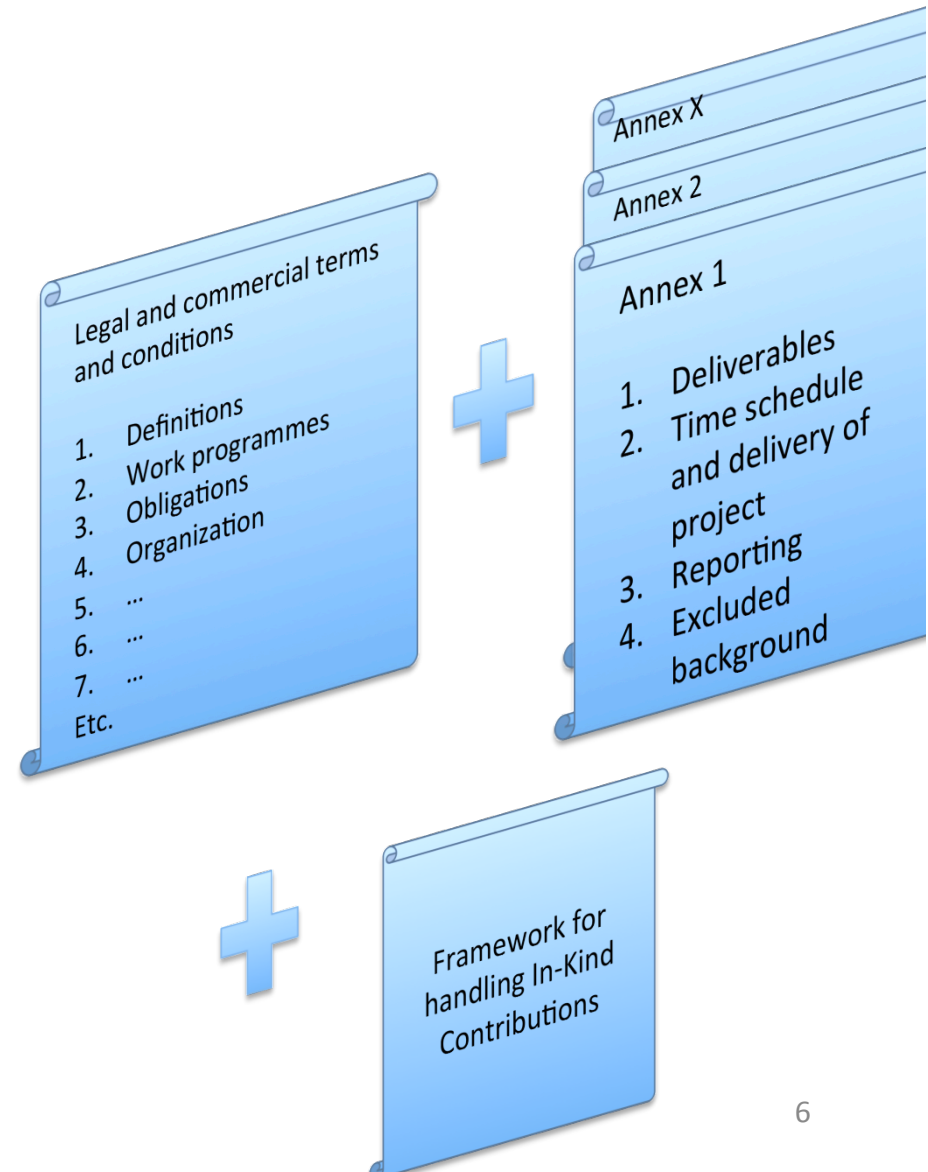
The Construction Phase In-kind is different from the Design Update Phase

- Framework for In-kind is in place
- Work Packages originate from Cost Book
- Contract Template is in place and approved by the governing committees
- In principle, agreements should be approved by IKRC before work begins

The ESS In-kind Contract Structure is defined

“Framework for handling In-Kind Contributions” defines **minimum** content

- Technical description, specification
- Project plan – schedules, deliverables, milestones
- Terms of delivery, transportation
- Quality control
- Documentation – op. manual, parts list etc.
- Training
- Technical and financial control systems
- Appointment of responsible personnel
- Roles and responsibilities
- Ownership of background, foreground
- Use and dissemination of foreground
- Licenses and rights
- Access rights
- Transfer of ownership
- Procedures of reporting
- Formal evaluation
- Risk assessment and management



The process of identifying partners is underway, but just at the beginning.



- So far +131 organizations from 20 countries have replied.
- We in ESS have to be proactive in seeking partners.

The New York Times - Bre: x Call for Expression of Inter x

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View Edit

Call for Expression of Interest for Construction

The European Spallation Source (ESS) is to be built in the spirit of cooperation, sourcing the knowledge of Europe's leading experts and institutions. In that spirit, all interested parties are invited to submit an Expression of Interest (EOI) for in-kind contributions (IKC) to the construction.

**GET
IN
INVOLVED**

The European Spallation Source is preparing to move into the Construction Phase and beginning the process of formally agreeing with partners for contributions to the construction phase. The first step in this process is identifying contributors to become In-kind partners. ESS invites all interested parties, with relevant experience and expertise, to indicate their interest in participating.

To assist potential contributors in determining how to join the project, the "Call for Expression of Interest" ([ess_eoi_2013.pdf](#)) provides guidelines for responding, as well as the framework for IKC. The ESS Cost Book ([ess_cost_book_2013.pdf](#)) is also available, and indicates work package opportunities for IKC. Also included here is a link to the ESS Technical Design Report (TDR). The TDR provides the technical description of the project. Contributions may include:

“

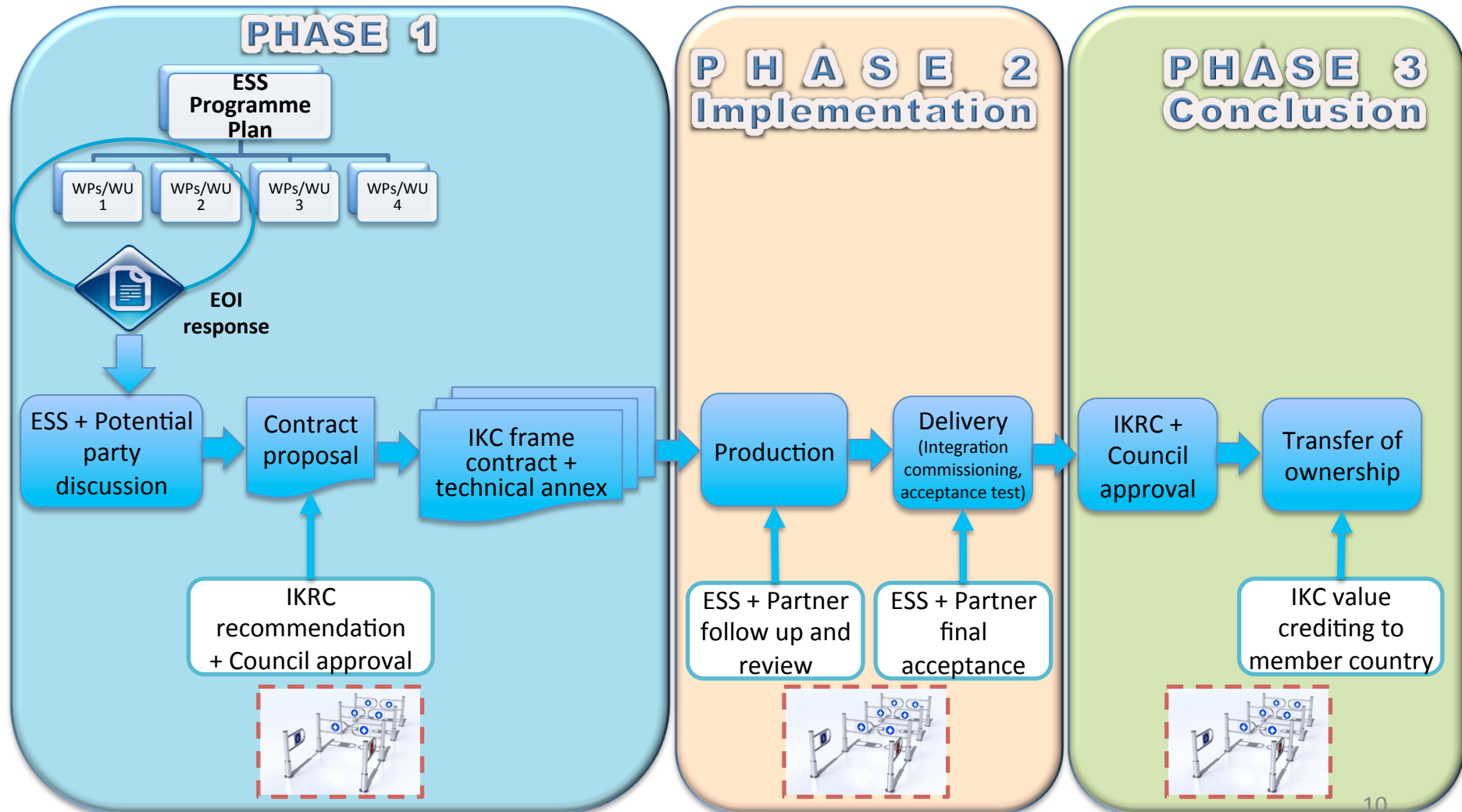
COMPLETE AND OPERATE THE BEST AND
MOST POWERFUL NEUTRON SOURCE IN
THE WORLD BY THE END OF THE DECADE

- ESS

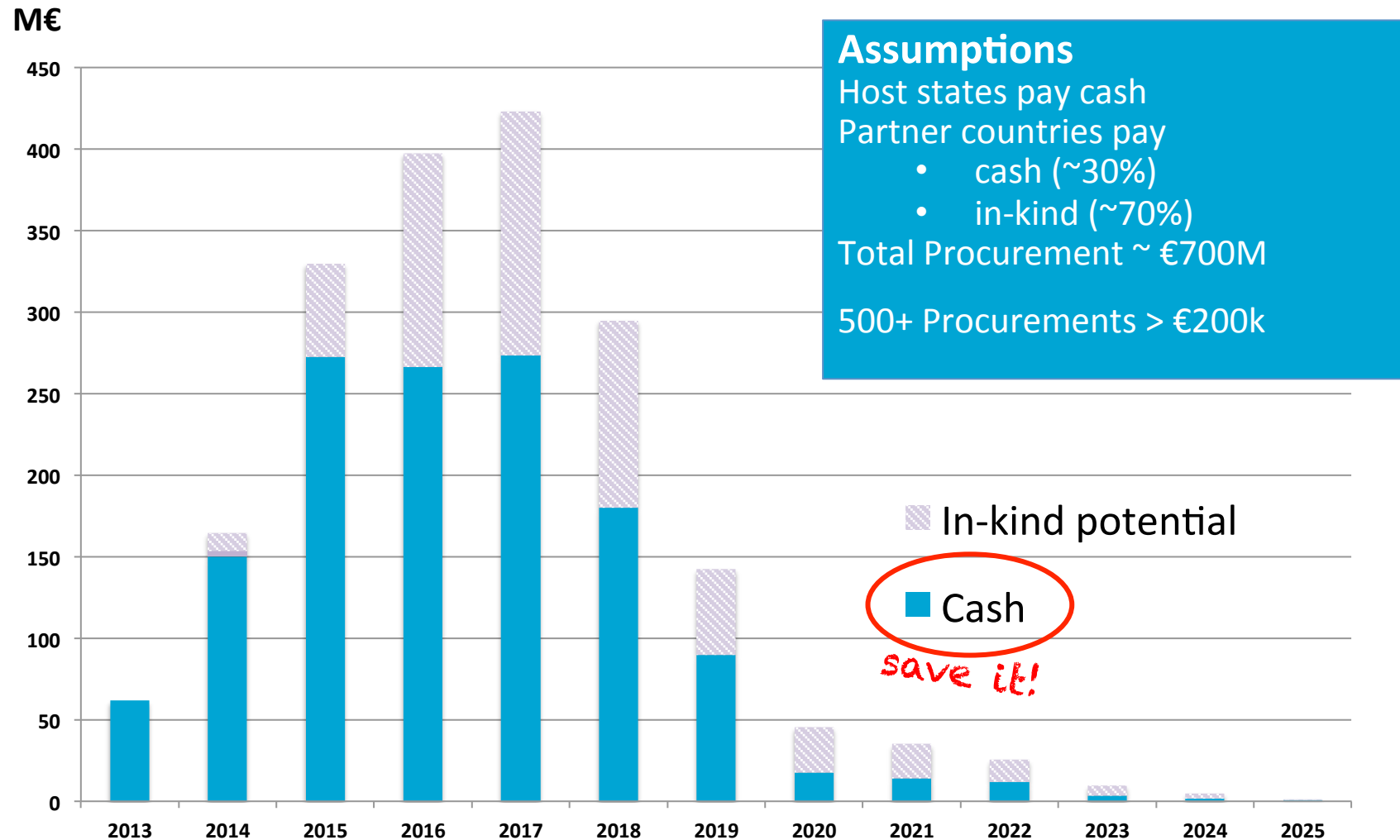
<http://europenspallationsource.se/eoi>

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The IKCM Process has three basic phases:
a beginning, a middle, and a conclusion.

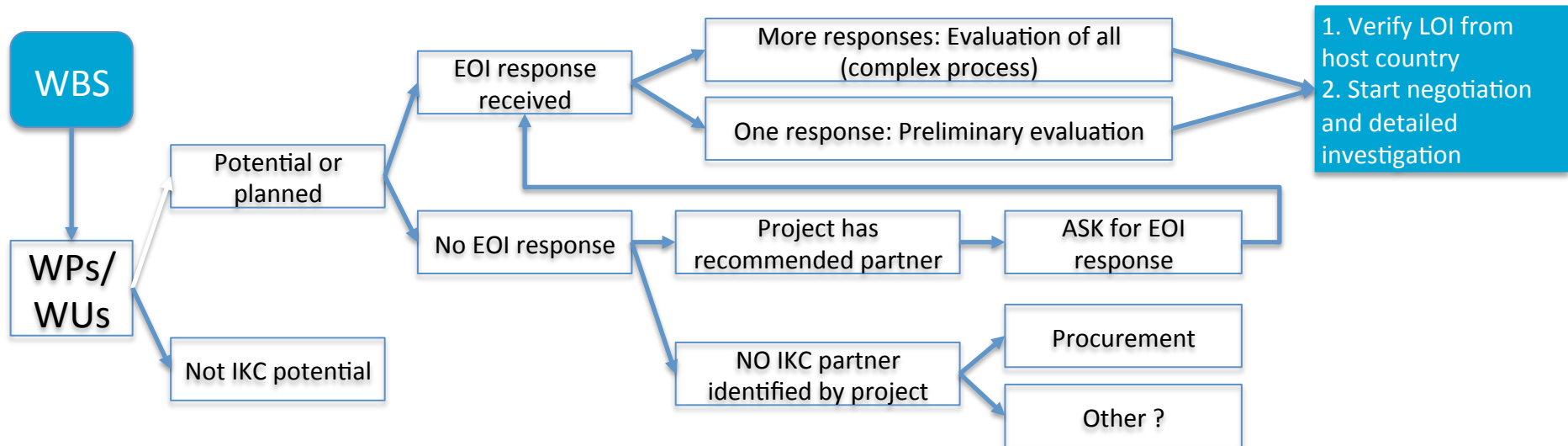


Procurement will be a critical success factor, both for cost and schedule.



The ESS Strategy is **maximize** in-kind contributions.

- + In-kind brings expertise to the project
- + In-kind allows for more work in parallel
- + In-kind frees up cash
- There is less direct control -> more uncertainty (risk)

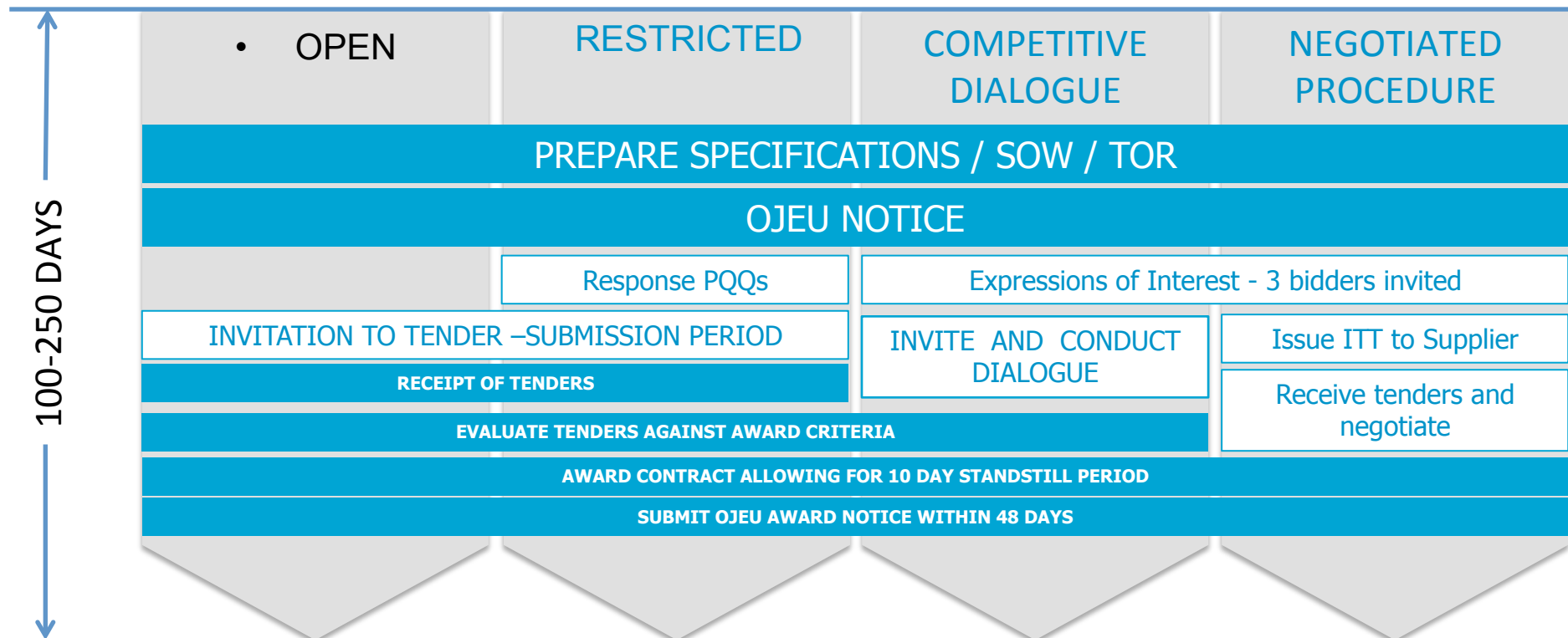


Competitive tenders reduce costs and delays. We aim to “get it right” the first time.

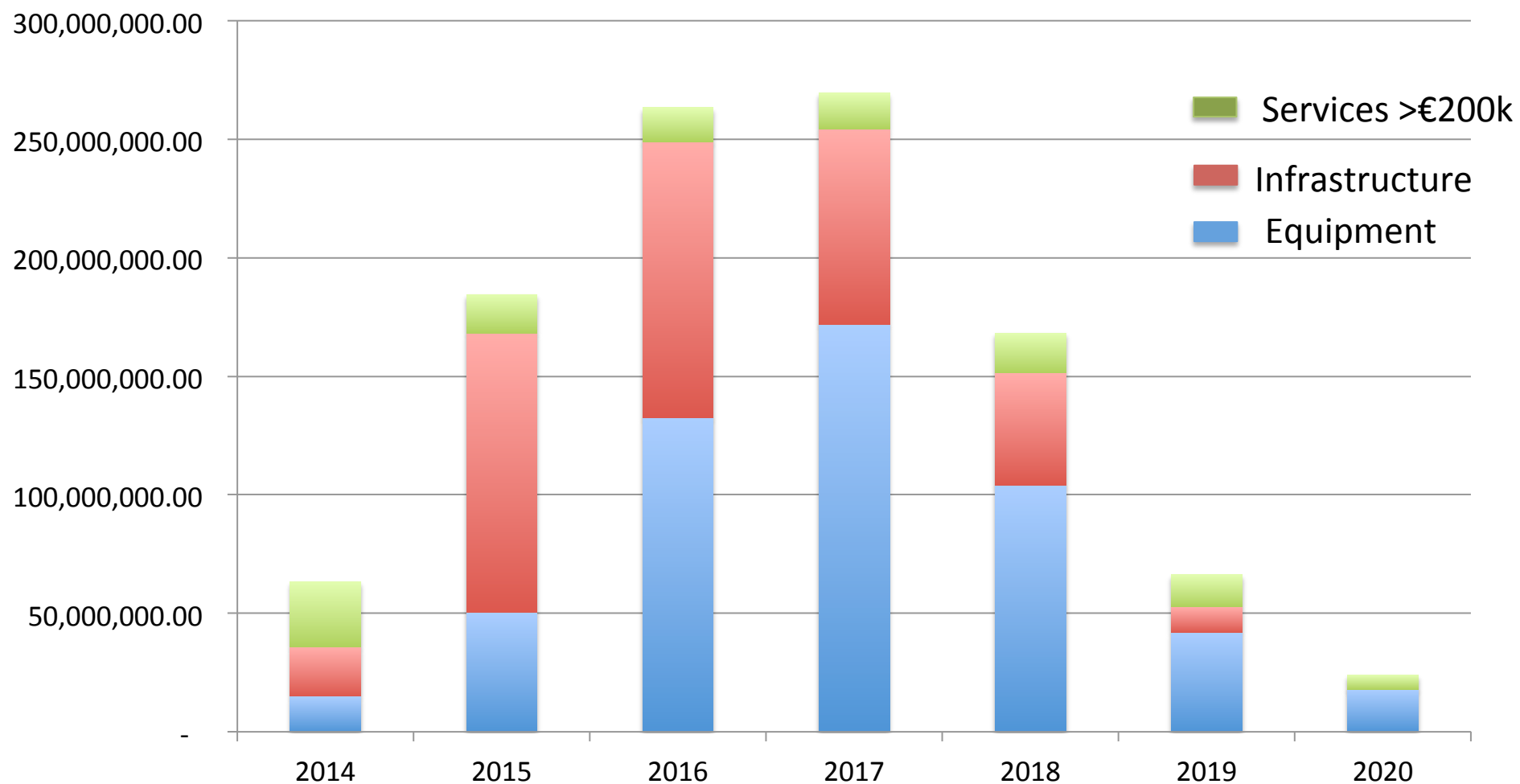
ESS AB is guided by:

Swedish Public Procurement Act <€200k or €5M

European Procurement Directive 2004/18/EC >€200k or €5M



The top potential procurement drivers are identified.



ESS is building a network of Industrial Liaison Officers (ILO)



Information

- Identification of business opportunities at ESS (tenders, IKC)
- Communication to companies & institutions

Matchmaking

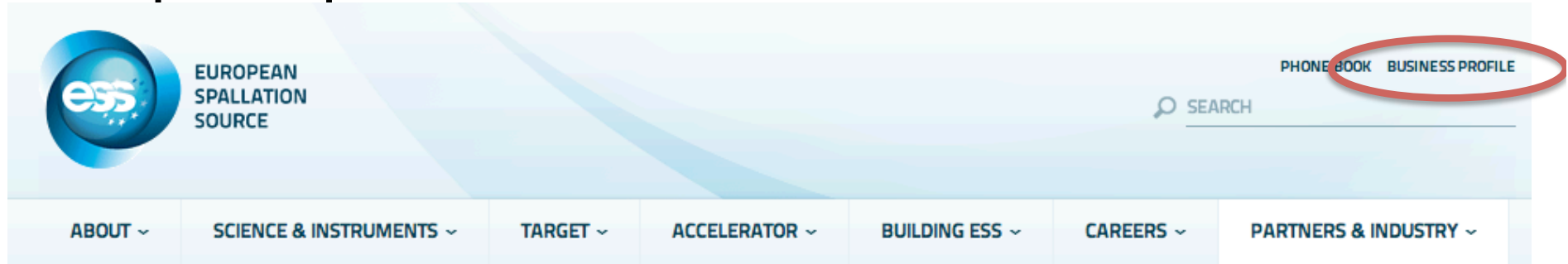
- Matching industry competences
- Partners search
- Setting up joint bids

Capacity Building and Networking

- Training on tender requirements and processes

- Next ILO meeting in Lund, February 12
- German Appointed ILO: Dr. Ghaleb Natour, Jülich

Partners and Industry europeanspallationsource.se



Partners and Industry

The ESS Partners and Industry portal is a one-stop shop for anyone who is interested in ESS calls for tender and wants to learn more.

The portal includes a supplier registration, which allows companies to make themselves more visible for ESS and is useful for companies looking for partners and wanting to network.

Additionally, the portal offers links to key reference documents and contacts details to all national ILOs.

This year (2014) is critical; early delays must be avoided.

Summary

- We are proactively seeking to maximize In-kind
- In-kind agreements are now being discussed
- In-kind is 36% of the project; it is 50% excluding Infrastructure.
- Procurement: 500+ transactions worth more than €700M.

Next Steps

- Letters of Intent are being intensely discussed to March 2014 and all member states are committed.
- First agreements to made on Accelerator