ESO & Portugal

Procurement and business opportunities
ESO and Industry

- Construction of world-class observatories
  - Buildings, telescopes, instruments
  - Only possible with strong involvement of industry

- Procurement by competitive tendering
  - Preferably in the Member States
  - Aim for reasonable balance over Member States
    - ESO works pro-actively with under-returned MS

- This approach
  - Keeps costs down
  - Helps develop high-tech industry in Member States
Contracts awarded worldwide over the period 2005 - 2012

Total Contracts 8 years: 819 million EUR
Contracts awarded within ESO Member States over the period 2005 - 2012

Cumulative values, per project:

- VLT: 249 MEUR
- ALMA: 140 MEUR
- ELT: 59 MEUR
- Other Projects: 29 MEUR
- Operations: 47 MEUR

Total Contracts 8 years, 526 million EUR
Number of contracts awarded over the period 2005 - 2012

Number of contracts, for different price ranges

- 232 contracts were awarded for prices between 150 KEUR and 500 KEUR.
- 80 contracts were awarded for prices between 500 KEUR and 1 MEUR.
- 71 contracts were awarded for prices between 1 MEUR and 5 MEUR.
- 23 contracts were awarded for prices greater than 5 MEUR.

46,742 contracts below 150 KEUR were placed in this period.
Procurement Policy

- Overall objective: technical excellence at an affordable cost

- Key principles:
  - Competitive Tendering
  - Within ESO Member States (Chile for operations)
  - Contracts awarded to the lowest priced compliant tender
  - Fair distribution of the contracts among the ESO Member States
ESO selects the recipients of its procurement actions from:
- Its database, plus its staff’s own knowledge
- Suggestions received from ESO Member States
- Interest expressed by companies:
  - In relation to forthcoming procurements announced on the ESO web page
  - Generically

ESO gives great importance to the quality of its tenders, and expects the same from the bidders:
- One shot only — no room for improving a tender after its submission
Calls for tender (CFT)

Typically used for Procurements > 150k EUR

Diagram:
- Notification to Finance Committee
  - Approved PR in Navision
  - Synopsis + Competencies
    - [Contract Award Committee (>500k)]
  - Synopsis + qualification criteria
  - Contract Award Committee
- Preliminary Inquiry (3 weeks)
  - Involvement of ILO’s (3 weeks)
    - List of potential suppliers
  - List of qualified tenderers (max. 5/Ms)
- CFT - Preparation, release and administration
- Tender Opening
- Tender evaluation
  - Separate evaluation User/CP
- CAC recommendation
- FC Approval as required
- Contract placed
ESO’s industrial partners

Optics
Electronics
Telecommunications
Photonics
Software
IT hardware
Fiber technology
Imaging
CCD systems
Infrared detector systems
Optical detector systems
Holographics
Sensor technology
Laser technics
Cryogenics
Construction
Transport

International
National
Small and medium sized company (SME)
Micro company

GmbH (company with limited liability)
S.A. (corporation)
AG/plc. (public limited company)
S.r.l. (private limited company)
Ltd (proprietary limited company)
Collaboration with industry was key for the success of the VLT

Schott
Zeiss
SEBIS
Linde
Cegelec
Ansaldo AES
Fokker
TNO/TPD
REOSC
GIAT
Dornier
Skanska
AMOS
The E-ELT: overview

Possible instruments location

First Light Instruments

MICADO

HARMONI
Residencia (Kouvo Partanen)
Headquarters

- HQ built in 1981
  - Expanded a few times
  - Capacity ~290 persons
  - ~200 others
    - In temporary offices
    - Elsewhere on campus

- HQ Extension
  - Design: Auer & Weber
  - Office building + auditorium
  - Technical building
  - Construction 2012-13
Technology Transfer

n ESO’s Technology Transfer Policy
   ĕ Approved by Council in Dec 2010
   ĕ Defines rules for licensing of in-house developments

n First royalties now received
   ĕ ESO Fiber RAMAN Amplifier
   ĕ ALMA Calibration Loads Technology
   ĕ Companies in Canada, Germany, UK
Industrial Return (1/3)

- No requirement for *juste retour*… but a strong expectation from all ESO Member States of an equitable distribution.

- Measured through each country’s *return coefficient*: ratio between the percentage of expenditures in an individual MS and the MS percentage contribution to the budget.

- Expenditures calculated on data collected from the Contractors re: the *origin* of the supply.
Overall Return Coefficient based on Payments

2005 to 2011  Year 2011  Year 2012

AT  BE  CZ  DK  FI  FR  DE  IT  NL  PT  ES  SE  CH  UK
Additional efforts invested by the Management to increase awareness in the Member States of the procurement opportunities offered by ESO:

- Close monitoring + regular reporting to the ESO Finance Committee
- Stronger involvement of the Industrial Liaison Officers in identifying competent suppliers
- Increased programme of Industry days and networking events
- Update of the procurement rules

….also, pro-activeness of the Member States encouraged
Contracts with Portugal

- Since 2005:
  - ~4.0 MEUR
  - 49 (sub)contracts

- Great diversity, from software consulting, graphical work to turn key delivery of LPG storage tanks

- High level quality deliverables

- Recurring suppliers:
  - Critical software; several SW consultancy assignments
  - ISQ; QA assignments, development of safety manual
  - Exatronic; supply of electronic parts
A. Silva Matos

Manufacture and Delivery of ALMA LPG Storage Tanks
Turbo Constroi

Subcontractor for concrete work of new ESO HQ
Subcontractor delivering the Aluminum cables for the 23 kV installation for ALMA.
Approach

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)
Wrap-up

n Our procurement process may be different, but is certainly NOT complicated

n The window of opportunity for companies to participate in a competitive procurement is limited
   ü Make yourself known
   ü Sign up for the RSS feed at the CP page

n Normally we evaluate (qualification/PI and compliance/CFT) on the basis of your written response ⇒
   ü Ask questions when uncertain before submitting response
   ü Comply with our requirements for content of your response