

Date: 1 May 2013

Call for Expressions of Interest

Dear Colleagues,

I am pleased to announce that the European Spallation Source (ESS) is preparing to move into the construction phase. When Sweden and Denmark offered to locate ESS in Lund and Copenhagen, the host countries proposed a vision of a world-class facility built in the spirit of cooperation by sourcing the knowledge of Europe's leading experts and institutions.

In that spirit I would like to invite you join ESS by submitting your **Expression of Interest (Eoi)** to contribute in-kind to the construction. Such contributions may include:

- Provision of technical and other components and/or material for the accelerator complex, target, and experimental instruments of the facility;
- Personnel for a range of specific tasks during the construction phase;
- Other material or services that may be of significant value to the construction of the facility.

Please note that this call is not for fully developed proposals, and is not call for procurement. The scope of this Eoi is limited to completing a form we have created to facilitate a response. The attachment to this letter includes a description of the process, supporting documents, timing for the call, and contact information to answer any questions. All support materials can be found online as well at <http://europeanspallationsource.se/eoi>.

This is an important step in defining concretely how ESS will be built. These specific contributions will help form the basis of each respective country's total contribution to the construction costs of ESS.

I sincerely encourage all competent and interested parties to respond to this call, and look forward to your participation in constructing the European Spallation Source.

Respectfully,

James H. Yeck

European Spallation Source ESS AB

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A Call For Expressions of Interest to Contribute In-kind to the Construction of The European Spallation Source

1. Introduction

The European Spallation Source ESS AB, is a limited liability company incorporated under Swedish law, by the Swedish and Danish Governments. The objective of the company is to plan, design, construct, own, and manage an international large-scale research infrastructure to be built near Lund, Sweden. This facility will be a materials research center, providing the world's most powerful source of neutrons to the European and international science community.

In 2009, 17 countries signed the “Memorandum of Understanding on participation in the Design Update Phase and the intention to participate in the Construction and Operation of the European Spallation Source (ESS).” At that time the respective Partner Countries expressed their intention to participate in the Design Update Phase. Those countries include Sweden and Denmark (host countries), Germany, France, Switzerland, Italy, Spain, Poland, Norway, the Czech Republic, the United Kingdom, Hungary, Estonia, Lithuania, Latvia, The Netherlands, and Iceland.

Now as ESS enters the Construction Phase, Partner Countries intend to contribute to the project through a combination of cash and in-kind (IKC) contributions. For this purpose, ESS AB developed a detailed breakdown of the work to be performed and the component and systems that are required. The Work Packages (WP) are presented in the ESS Cost Book at a sufficiently detailed level for potential partners to be able to determine the work and material necessary to be performed in order to indicate where they may be able to contribute to the construction.

2. Reason for the Call

The purpose of this document is to formally invite “Expressions of Interest” from all parties who are willing and able to contribute materially, through work, or expertise, to the construction of ESS.

The basic rules and procedures for in-kind contributions are defined in the “Framework for Handling In-kind Contributions” which are an annex to the organisational statutes, and are attached to this document for reference.

This document outlines the criteria and process for potential partners to be able to effectively respond to this call and ultimately identify and have accepted a contribution to the project. It is important to emphasize that responding with an Expression of Interest does not contribute a formal proposal, but is the first step in developing a formal proposal.

In this context the ESS organisation aims to clarify the form of contributions (cash or in kind) planned by the various Partners, and the criteria that will inform the decision

to accept an offered IKC.

3. Scope of the Call

The following sections describe who may respond to the call, and what information is available to be able to understand the needs of the ESS project.

Eligible Parties

The European Spallation Source invites organisations coming from a country that has joined ESS already in the Design Update Phase, or wishes to join ESS for the Construction Phase. The condition is that the country must be able to confirm and fund the contribution.

Organisations wishing to join may come from the public or private sector in a member country, or potential member country. Organisations may also decide to combine their resources and apply together for specific contributions.

If two or more organisations decide to join together to contribute, one partner must agree to take a lead role and be the lead responsible contact for the partnership. A joint proposal for in-kind contributions from institutes in different countries is possible.

Basis for the Call

In order to be able to respond to the call effectively, potential contributors require technical information; this information is available to all interested parties in order to be able to assess whether or not there is a technical overlap between ESS projects needs, and the expertise/capabilities being offered. The technical documentation includes the following:

- The Technical Design Report (TDR) – The TDR is the basic document for a technical, holistic overview;
- Cost Book – a concise deliverable description of work including description of component parts, indication of availability for In-kind contributions and project dates; the distributed version does not include values, which will be shared following with potential contributors after responses to this call are received.

Together these documents provide sufficient information to be able to respond to this call. Additional information and discussions will be required at a later stage in order to define proposal and final contributions.

Subjects of the Call

The European Spallation Source is an accelerator driven neutron source comprised of a proton accelerator, a target, and experimental instruments. Each area of the facility has a specific approach and timing for completion. Within the Cost Book, project timing is indicated. Some WUs are seen as long lead-time and first priority; others are listed, but may not yet be fully defined. As they mature, dates are to be indicated and the packages will become available for response. Calls for interest may

be renewed throughout the life of the project as it evolves, and/or repeated. A brief description of the project areas is as follows:

- Accelerator – Cost Book includes approximately 75 WUs amounting to a value of approximately EUR 497.000.000
- Target – Cost Book includes approximately 40 WUs amounting to a value of approximately EUR 149.000.000
- Instruments – Cost Book includes approximately 30 WUs amounting to a value of approximately EUR 389.000.000; *All parties who have made instrument proposals prior to this call are asked to respond as well to this call.*
- Integrated Control Systems - Cost Book includes approximately 20 WUs amounting to a value of approximately EUR 56.000.000,00

4. The Types Of Contributions

The contributions offered broadly fall into two categories:

- Material – These may include, but are not limited to equipment, components, raw material, complete software packages, etc., which are relevant to the construction of ESS, and include the work necessary to deliver the contribution;
- Work in-kind – In-kind contribution of work, expertise and/or personnel needed for general or specific tasks during the construction phase and the delegated personnel are adequately qualified for the assigned tasks.

5. Information Required From Applicants

In order for proposals to be evaluated fairly, ESS requests the following minimum information when expressing interest for an in-kind package. A response form is included with this document requesting:

- A description of the proposed components or work;
- A description of the organisations involved in the work;
- Evidence of competence of the team to deliver (references, etc.) such a system, either in a brief written summary or preferably a publication (paper, talk, poster, etc.) that describes relevant work;
- An indication if potential partner has communicated with likely funding instrument or agency, or ESS Steering Committee representative.

6. Evaluation

The ESS Organisation will collect and review the expressions of interest based on pre-established criteria as in requested above in Section 4, and consistent with the ESS “Framework for Handling In-kind Contributions”. The ESS project will pay particular attention to the following:

- The relevance and consistency of the component/work with the ESS Cost Book and TDR;

- The organisation responding with an expression of interest, including but not limited to its technical capacity, financial capacity, human resources, management organisation, procurement capability, and track record with similar projects;

Once the ESS organisation and an in-kind partner have agreed in principle on assigning a Work Unit, they jointly submit a technical proposal and negotiated contract proposal the ESS In-kind Review Committee (IKRC) for final evaluation and recommendation to the ESS Steering Committee.

The IKRC evaluates according to the “Framework for Handling In-kind Contributions”. If there are competing proposals this will be handled according to the principles defined in the “Framework for Handling In-kind Contributions”.

7. Date of Submission

There is no formal deadline for responding, however in order to be able to begin planning, potential partners are asked to respond by August 15, 2013. Additional information about specific work packages will be made available as required. Negotiations for packages will begin as responses are received.

8. Contact Information

Questions relating to the process for responding to this Call for Expressions of Interest should be sent to:

eoim@esss.se

or by post to:

EOI
Director of Administration
European Spallation Source ESS AB
P.O Box 176
SE-221 00 Lund, Sweden

Technical questions may be addressed to:

eoim@esss.se with the work package code included in the subject. All questions and responses will be posted online.

Information may be found online at: <http://europeanspallationsource.se/eoi>

The European Spallation Source Framework for Handling In-kind Contributions

Introduction

In accordance with the Articles of Statutes of the European Spallation Source – ERIC, hereinafter referred to as the Organisation, and in particular Annex 4 thereof, the Council of the Organisation has adopted the following Internal provisions on in-kind contributions.

Article 1

General principles

1.1 An In-kind contribution is a non-cash contribution provided by a Member to the Organisation and may cover:

- Technical components for the ESS facility as well as personnel needed to perform the testing, installation and/or integration of any such components;
- R&D work as well as personnel needed to perform the R&D work;
- Personnel made available for specific tasks during the Construction Phase; or,
- Other products or services relevant for the completion of the ESS facility.

1.2 Suitable in-kind contributions and their value are identified and specified by the Organisation with reference to the ESS project descriptions included in the Programme Plan, which will be made accessible to all Members. The identification of suitable in-kind contributions should be subject to review and recommendation by the Science Advisory Committee or the Technical Advisory Committee to the Council.

1.3 Each in-kind contribution will be subject to a written contract between the Organisation and the delivering body performing the in-kind contribution. The in-kind contribution contract should cover, at a minimum and when applicable, the following issues:

- A technical description and specification including interface and integration requirements,
- A project plan, including time schedules, deliverables and milestones;
- The total attributed value as agreed by all parties
- Terms of delivery and transportation,
- Quality control and performance testing prior to acceptance and commissioning,
- Documentation; operating manual, parts list, maintenance manual including spare parts list;
- Training of operating staff
- Technical and financial control systems,
- Appointment of responsible personnel from all parties (?)
- Roles and responsibilities of the Organisation, and the delivering body
- Insurances,
- Ownership of background and foreground
- Use and dissemination of foreground

- Licenses and rights
- Access rights
- Transfer of ownership
- Procedures for reporting
- The scope and content of the formal evaluation carried out at delivery of the in-kind contribution
- Risk assessment and risk management

1.4 An in-kind Review Committee (IKRC) shall be set up by the Council, with the purpose of evaluating the in-kind contribution proposals . The Council shall approve all in-kind contracts based on the recommendation from the IKRC. After such approval, the Member shall be accredited the in-kind contribution value as a part of it's total contribution to the ESS.

1.5 The internal provisions on In-kind contributions shall be regulated by the Council.

1.6 The Organisation's Cost Book value defines the total value of an in-kind contribution. The values in the Organisation's Cost Book are expressed, until otherwise agreed, at the price level stated in the statutes and annexes. The delivering body is wholly responsible for the contribution including the cost. The XX (currency TBD) shall be the standard currency unit for all in-kind contributions. Any currency exposure shall be borne by the delivering body.

Article 2

Allocation of in-kind contributions

2.1 All Members may express their interest in contributing with in-kind contributions. The Organisation will inform interested Members about the work package specifications of the in-kind contributions.

2.2 The Organisation may evaluate proposals for in-kind contributions in order to assure that the proposal is in line with the Organisation's Programme Plan and meets the standards and specification requirements.

2.3 The Organisation shall keep a detailed list of the in-kind contributions to be provided by each Member. The list shall include a specification of the contribution, the attributed value, a schedule for the delivery and a short specification of the in-kind contribution.

2.4 In the event that more than one Member would be interested in supplying the same work package or task, a process of negotiation and/or bidding shall take place. The process will be handled by the IKRC in the spirit of collaboration. The IKRC will define the criteria for selection, which will be subject to approval by the Council. It is possible for an in-kind contribution to be allocated to a group of Members, although one of the Members shall be appointed as the lead and take legal responsibility for the contract.

Article 3

Adjustments of allocations

3.1 In exceptional cases, as defined by the IKRC, after prior consultation with, and after recommendation from the organisation and after approval by the Council, a Member may:

- renounce the obligation to contribute in-kind for which it had accepted responsibility and instead provide a sufficient contribution in cash without unjustified delay. In that connection the term “without unjustified delay” means sufficient time to enable the Organisation to procure the items renounced by the contributor from another source. Sufficient contribution in cash means sufficient amount of cash to cover the total cost of procuring the equivalent goods or services.
- in agreement with another Member, transfer to or receive from such other Member an obligation to provide a specific in-kind contribution. In such cases the obligation to provide sufficient cash contribution shall be adjusted accordingly.

3.2 Any adjustments according to the above shall be accompanied by a corresponding rectification of the budget of the in-kind contribution.

Article 4

The in-kind contribution Contract

4.1 Each in-kind contribution shall be subject to a written contract between the Organisation and the delivering body performing the in-kind contribution. The contract shall include the specification of the contribution and terms of delivery. There shall be no ambiguity of the roles and responsibilities in the in-kind contribution contract. Contracts will be based on a contract template approved by the AFC.

4.2 The contract will be the basis for performance and delivery of the in-kind contribution and should cover, at a minimum and when applicable, the following issues:

- A technical description and specification including interface and integration requirements,
- A project plan, including time schedules, deliverables and milestones;
- The total attributed value
- Terms of delivery and transportation,
- Quality control and performance testing prior to acceptance and commissioning,
- Documentation; operating manual, parts list, maintenance manual including spare parts list;
- Training of operating staff
- Technical and financial control systems,
- Appointment of responsible personnel,
- Roles and responsibilities of the Organisation, and the delivering body
- Insurances,
- Ownership of background and foreground
- Use and dissemination of foreground
- Licenses and rights

- Access rights
- Transfer of ownership
- Procedures for reporting
- The scope and content of the formal evaluation carried out at delivery of the in-kind contribution
- Risk assessment and risk management
- Should also address what happens in case of significant delays or insufficient quality of the in-kind contribution

Article 5

Responsibility for production and delivery

5.1 The delivering body has the full technical, financial and commercial responsibility for the production and delivery of the in-kind contribution. The delivering body is also responsible for following applicable legislation during the completion of the in-kind contribution .

5.2 The delivering body shall provide necessary resources in qualified personnel, facilities and equipment in order to satisfactorily fulfil the contribution according to the specifications detailed in the in-kind contribution contract. Secondment of personnel can be considered as part of an in-kind contribution when clearly defined as part of a Work Package. All seconded or delegated personnel should be adequately qualified according to the criteria specified by the Organisation. All delegated/seconded personnel will remain employed by the institute, laboratory or other body delivering the in-kind contribution, hereinafter called the “delivering body”. The delivering body remains solely responsible as employer and shall bear all associated costs such as salary, fiscal charges etc., including any costs for insurance coverage. All delegated/seconded personnel is subject to the safety, business and any other regulations in effect at the Organisation’s location (while delegated/seconded.)

5.3 The Organisation is responsible for the successful operation of the facility and ensuring that the different systems and components are properly integrated and operated together as a whole. Any modification likely to affect the interface and integration with other components requires prior agreement of the Organisation. Any in-kind contribution must include appropriate documentation and/or training of the Organisation’s personnel regarding the delivered technical components and other deliverables, to ensure their operation, maintenance and possible upgrade and modification.

5.4 As the responsible body for the realisation of the project, the Organisation will monitor the technical progress of the production of the in-kind contribution and should thereby be provided with relevant information and data. This would include progress reports, regular meetings and visits of the Organisation’s personnel for monitoring and quality assurance. This would also include the elaboration of testing and acceptance procedures for the in-kind contribution. In exceptional cases, after seeking acceptance from the IKRC and approval by the Council, the Organisation has the right to impose project management support, from either the Organisation or from a third party appointed by the Organisation, if it considers it necessary. The

costs for such project management support shall be borne by the Member and/or the delivering body.

Article 6

Change of cost and remedy

6.1 The Member making the in-kind contribution and its delivering body bear the full responsibility for any cost overruns. Subject to the exceptions in 6.2 below, cost overruns will not increase the value of the in-kind contribution to be credited to the Member.

6.2 If a change of costs occurs due to a change by the Organisation of the design basis or the specification of a system or component to be produced by the delivering body (each called a "Change"), the Organisation or the Member may request the Council to consider a change of the in-kind contribution. Any change in the in-kind contribution and the following contract shall be subject to approval by the Council. It is the responsibility of the delivering body to inform the Council on the cost impact of the Change, including that it cannot be otherwise accommodated. A change in the in-kind contribution may be in, but is not limited to, the form of:

- An increased or decreased in-kind value for the package, after consultation with the IKRC and after negotiation between the Organisation and the concerned Member.
- The transfer of responsibility for the package to another Member willing to perform the task.
- The transfer of responsibility to the Organisation, accompanied by an additional cash contribution by the Member and/or the delivering body sufficient to enable the Organisation to timely procure or perform the specified items or tasks to be performed.

Article 7

Scheme for handling cost fluctuations

7.1. In exceptional cases, when the Organisation's Cost Book value cannot be matched by the delivering body producing the in-kind contribution, it is the responsibility of the Member to demonstrate the flaw in the initial estimate and the specific circumstances, which have invalidated the initial estimate.

7.2. Cost fluctuations caused by inflation, currency fluctuations and non-extreme variations in raw-material prices and other similar circumstances, are not to be considered as exceptional cost increases. Furthermore, increased administrative overheads or cost for laboratory facilities are not to be considered as exceptional cost increases. Such costs are to be borne by the Member and/or the delivering body and shall not be credited to the Member's overall in-kind contributions.

7.3 A scheme for handling exceptional cost increases, other than as referred to in Article 7.1, shall be defined in the ESS Financial Rules.

Article 8 Delivery

8.1 It is the responsibility of the delivering body to deliver the in-kind contribution in accordance with the specification set out in the in-kind contribution contract.

8.2 Terms of delivery and costs related to transportation, insurance are to be included in each in-kind contribution.

8.3 If a delivering body fails to deliver the in-kind contribution, the value of the contribution may not be credited towards the Member's overall contribution, and, subject to the provisions set out in the following paragraphs, has to be replaced, fully or partially, by contributions in cash by the Member.

8.4 If a delivering body fails to deliver the in-kind contribution in time according to the schedule set out in the In-kind contribution contract, the Council, upon the recommendation of the IKRC and the Organisation, will decide whether or not the delayed contribution can still be accepted and to what extent the Member shall compensate the Organisation for any financial or other losses due to the delayed delivery. If the delay is due to a Change, the Council, upon the recommendation of the IKRC and the Organisation, shall grant an extension of the time for delivery. In such circumstances the extension of the delivery time has to be reasonable. Except in case of negligence or wilful misconduct the Member and/or the delivering body shall not be liable for any eventual expenses emerged from the delay at the delivering body.

8.5 If a delivering body should deliver an in-kind contribution, which is defective or otherwise not in compliance with the requirements of the in-kind contribution contract, the delivering body has the right and obligation to remedy the deficiency at its own cost within an agreed and reasonable time. The detailed conditions for compensation and remedy shall be considered in each contract.

Article 9 Evaluation, crediting and passage of title

9.1 A formal evaluation shall take place after the delivery of the in-kind contribution as specified in the in-kind contribution contract. The scope and content of the formal evaluation will also be specified in the in-kind contribution contract. The responsible technical personnel from the Organisation and the delivering body, including the work package leaders, shall perform the evaluation. The evaluation shall determine the degree of compliance of the delivered components with the quality criteria set out in the contract and the overall technical specification.

9.2 After the approval of the in-kind contribution by the Council, the ownership shall be transferred to the Organisation, and the value shall be credited according to milestones to the Member's share of the contribution at the next annual crediting.

9.3. In exceptional cases, and upon recommendation by the Organisation and the IKRC, the Council may decide to what extent the accrued value of the in-kind contribution may be charged to the Member's overall contribution. This would apply in the case that the in-kind contribution, though defective or otherwise not compliant with the requirements of the in-kind contribution contract, is judged to be still of use for the Organisation.

Article 10

Scheme for handling Conflict of interest and Disputes

10.1 In case of disputes between the parties it shall be the IKRC's task to suggest to the Council how such disputes should be settled. Based on the recommendation from the IKRC the Council will take the final decision on how to settle the disputes.

10.2 Members of the IKRC shall declare whether any dispute or proposal concerning the allocation of in-kind tasks directly or indirectly affects their personal affairs or the affairs of the institution or the official body, which they are representing or affiliated to. In case of such conflict or a risk of a conflict, the affected member of the IKRC shall refrain from participating in any discussion or decision concerning that dispute or proposal. The conflicted member may however maintain the right to present argumentation prior to the voting procedure, which will be held in his absence.

The European Spallation Source Call for Expressions of Interest Response Form

The following form is provided for your convenience to assist in responding.

Organisation Name:

Address:

Contact Person:

Email:

Telephone:

1. Has your organisation already had cooperation with the European Spallation Source? YES / NO
2. Has your organisation already discussed contributing to ESS with your relevant funding agencies or ESS Steering Committee representative? YES / NO
3. Please briefly describe your organisation and experience with projects similar to the contribution(s) you are proposing, including relevant in-kind contributions. Please include any publications or references you feel are relevant:

4. Work Package(s) - Please indicate which work package(s) your organisation is interested in contributing to (use the ESS Cost Book at <http://esss.se/eoi> as a reference)

WBS Code	WBS Name	Would your organisation like to contribute to the package in total or in part? Please write "total", or if in part, please describe your proposed contribution.

5. Please provide any additional information you think is relevant for evaluating your organisation's proposed in-kind contributions: