



SBB CFF FFS



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Joint
Purchasing
SBB Procurement

Cover:

Aarau train station on a winter's evening in February

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Joint purchasing

SBB How we see procurement

The purchasing policy and procurement principles are part of SBB's corporate policy. They are therefore binding for all SBB employees.

The purchasing policy and procurement principles were drawn up by the SBB Procurement Board and approved by the SBB Management Board.

For the sake of clarity, the term "divisions" is used in simplified form in this text. This refers to the Passenger Services, Infrastructure, Real Estate and IT central unit divisions, as well as SBB Cargo.

Purchasing policy

The purchasing policy is addressed to all potential suppliers and SBB's own employees.

Organisation: The central role of the SBB Procurement Board

SBB is a company comprising several divisions responsible for their own results. SBB has a centrally managed procurement department that consistently operates as a network and pursues a common and uniform purchasing policy. Responsibility lies with the product category managers, who are jointly managed and overseen.

The aim of the joint purchasing policy is to:

- actively and consistently use synergies across the entire company in purchasing
- bundle the requirements across divisions
- increase the efficiency of procurement processes
- make information about procurement markets and suppliers readily available throughout the company.

The SBB Procurement Board is responsible for implementing the purchasing policy and procurement principles as a central coordination platform and the highest specialist management body.

The Procurement Board ensures that the Act and the Ordinance on Public Procurement (BöB/ VöB) are complied with and that identical General Terms and Conditions (GTC) and contract templates are used for all business relationships between SBB and suppliers.

We are also committed to sustainable and responsible procurement with quality and performance competition, and we continue to act as a role model.

The SBB Procurement Board does not act directly as a purchaser on the procurement market. The supplier and purchasing category managers in the divisions remain the point of contact for suppliers.

Suppliers: Success through partnership

SBB keeps a close eye on competition and partnership in the national and international procurement market.

The demands on partners in the procurement market are high. For the suppliers, this requires a high level of innovation and willingness to perform on the basis of competitive pricing. SBB places trust in its suppliers and expects fair cooperation in return. Services (including those provided in exchange), opportunities and risks should exist in a balanced relationship with each other.

Differentiated supplier strategies take on a new dimension within the framework of strategic purchasing. As for strategic goods and services, SBB is interested in long-term, stable business relationships. This includes the early involvement of suppliers as well as an open and intensive exchange of information to ensure long term deliverability.

Suppliers can count on SBB as a reliable partner that is aware of its economic responsibility due to the high total order volume, and that meets its obligations at all times.

Quality standards: Best possible conditions in terms of performance, quality and price

SBB fulfils its performance mandate by maintaining high quality standards in terms of safety, punctuality, comfort and cleanliness.

At the same time, SBB must continuously increase its productivity, and sustainably generate a reasonable profit.

These specifications influence the general approach of the purchasing department. In principle, only suppliers who have registered and qualified via Ariba (access is free of charge) are considered.

SBB is obliged to comply with the prescribed public procurement procedures (BöB/ VöB) and, wherever possible, to purchase competitively.

Technical requirements are specified in a company-neutral manner. Alternative offers and innovative solutions are welcome. The key criteria for an objective and comprehensive assessment of the market services offered are:

- Most advantageous offer: quality competition instead of price competition
- Price-performance ratio taking into account the operating and life cycle costs,
- Quality, availability and functionality of the products,
- Performance and reliability of the supplier,
- Adherence to delivery times, after-sales service as well as guarantees and other conditions.

Being environmentally friendly: ensuring sustainability

SBB attaches great importance to environmental protection. Proposals that lead to the elimination, reduction or substitution of substances that are

harmful to the environment, are therefore expected to be put forward throughout the procurement process. In this respect, priority in the design and disposal of goods is given to forward-looking solutions which are good for the environment, while also taking into account the costs involved. Special attention is also paid to reducing greenhouse gases that harm the climate.

Ethics: a basic requirement

SBB also requires from its suppliers responsible corporate governance and compliance with labour and human rights. The signing of the Code of Conduct and the commitment to comply with ILO standards form the foundation for this. In addition, Purchasing requires compliance with ethical guidelines in accordance with Social Accountability 8000. Suppliers provide proof that they push forward working conditions in high-risk industries through certificates, assessments/audits (e.g. ecovadis, amfori) and improvement plans.

Digital transformation

The introduction of digital processes and tools for the implementation of strategic business objectives is a high priority for SBB. To increase efficiency on both fronts, SBB is calling for the targeted use of information and communication technology and improved networking with its suppliers.

Procurement principles.

The procurement principles serve to concretise the purchasing policy. They are aimed at SBB's own employees.

Group Purchasing and a single purchasing organisation per division

Group Purchasing is responsible for the main company-wide purchasing categories. The various purchasing and logistics units within the individual divisions are combined in a single purchasing organisation.

Strategic and operational procurement must be designed as a standardised, continuous and, as far as possible, automated process (e.g. automated invoicing).

Bundling of requirements

The demand for services or goods is bundled by the cross-functional purchasing category teams. The company-wide bundling of requirements makes SBB an attractive business partner in the procurement market.

For recurring procurement requirements, framework contracts should be sought.

Cross-division bundling of requirements

The purchasing organisations of the individual divisions all work with the same purchasing category structure. The purchasing category plan is defined

by the SBB Procurement Board. Similar requirements per purchasing category are bundled throughout the company. For SBB suppliers critical to the business, the Procurement Board also appoints a supplier manager who ensures an overall view of the supplier's delivery volumes and performance to SBB.

As a rule, the purchasing category manager comes from the division with the largest procurement volume in the respective purchasing category.

Early integration of the purchasing organisation (strategic procurement)

The Purchasing department must be involved in the procurement process at an early stage in order to perform its tasks and assume its responsibilities. Commercial contacts with suppliers (current and future) are generally only the responsibility of and carried out by Purchasing.

Each procurement process includes a technical, commercial and legal part. The line management is responsible for the (technical) specifications. For the commercial part, the responsibility lies with the purchasing organisation. Legal Services is responsible for the legal part. Finance is responsible for investment transactions and profitability calculations as well as the corresponding investment applications.

Employees who are not involved in purchasing or logistics must observe the following principles when contacting the suppliers:

- Inform the purchaser before contact is made.
- No pledges on prices, costs, conditions and contracts.
- Specifications and quality requirements should only be formulated in such a way that this does not exclude the selection of other suppliers.
- If the purchaser was not present at a negotiation with a supplier, the latter must be informed immediately. Decisions are to be documented in writing.

Use of SAP – Ariba and Material Management (MM)

The current SAP Ariba and SAP MM systems are to be used.

The items of the company-wide purchasing categories "Consumer Goods and Services" (processed by Group Purchasing) and "Information Technology items" (processed by ICT Purchasing) are to be procured in full (including small volumes) via SAP MM.

The services and items of all other purchasing categories must be ordered via SAP MM or another system authorized by the Procurement Board if the amount exceeds CHF 1,000 (for Real Estate and Cargo: CHF 5,000).

Use of the current systems lays the foundation for the bundling of requirements and supplier assessment, enables an overview of conditions and quantities, ensures efficient procurement processes and serves to measure the proof of performance of the purchasing department (4x4 scorecard).

Conditions of purchase and safeguarding supply

SBB's General Terms and Conditions (GTC) and contract templates are generally to be applied to all procurement; any deviations from standard contracts must be justified in writing, confirmed by the Purchasing manager and approved by the Legal Service.

Swiss law shall always apply.

Critical deliveries of goods and important deadlines must be ensured on a legal basis (contractual penalties).

For goods with a high supply risk, alternative sources of supply must be developed or appropriate storage must be provided for.

Professionalisation of purchasing

The Purchasing department makes a significant contribution to the company's results. Therefore, the demands on the quality of purchasing services are very high.

Purchasing defines the requirements for its employees and reviews them periodically. Employees are empowered to perform their duties through systematic and targeted staff development. Where necessary, employees with the appropriate qualifications are also sought externally.

Employees working in Purchasing are aware of how important they are for SBB's image, and their conduct towards suppliers meets the highest standards at all times.

Information and measurement of purchasing performance

The Purchasing department regularly keeps the Group Management Board and the divisions informed about:

- Special events on the procurement market, trends, tendencies, road maps
- Special incidents with suppliers,
- Key purchasing figures,
- Maverick buying (number of business cases that were procured outside the process, without using the relevant systems, without involving the purchasing department or involving it too late),

Maverick buying is actively monitored and sanctioned accordingly.

Purchasing is periodically informed by the divisions about the situation, intentions, future developments and expectations of purchasing.

The SBB Procurement Board prepares a quarterly report for the SBB Management Board. The report provides information on the status of purchasing performance and the value added achieved.

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