

## Case Study Rheinbahn

# Making short work of procuring and handling construction works and services

The fifth largest transport company in Germany, Rheinbahn AG in Düsseldorf, put its procurement process on a new footing. Since the mobility group employs AVA<sup>1</sup> and SRM solutions from Futura Solutions, procurement processes have greatly accelerated.

Since 2009, the procurement process in civil engineering below the VOB threshold<sup>2</sup> is taking place electronically – starting with the creation of a contract specification, then sending out a request to the suppliers and creating the price comparison list and finally the awarding of contract and the release of a purchase order in SAP.

For a long time, paper was one of the most important means of Rheinbahn purchasing. When a renewal of infrastructure was due, the responsible structural engineers in the departments of Rheinbahn came into play first.

They created large contract specifications, the number of line items sometimes reaching several hundreds. For that purpose the engineers used classic AVA software (for tendering, contracting and accounting in construction). In the end, the purchasing department had to print the specification or save it to a disc and send it by mail since this software was neither integrated into the SAP system of Rheinbahn nor were the suppliers connected electronically through a platform.

**"Ever since we are using the AVA and SRM solutions of Futura Solutions, the entire procurement process is clearly faster and better structured. For our company, this represents a great advantage."**

*Klaus Rabe, Project Manager,  
Rheinbahn AG, Düsseldorf*



Suppliers used to return their written offers to Rheinbahn the same way. This presented the purchasing department with another problem: The price comparison list was created manually. "This was a very tedious and time-consuming process", said Klaus Rabe. The project manager illustrates the complexity by a few figures. Every year around a 100 calls go to a differently sized circle of suppliers. Depending on the construction project, there may be three suppliers or up to 25. This summed up to a lot of paper and silver discs. Meanwhile, you might say, Rheinbahn AG makes short work. Of course, departments create the required specifications as usual, but electronically with Futura AVA - in GAEB standard with an ordering number structure. GAEB stands for the German Joint Committee of electronics in the building industry. That was new to Rheinbahn. This conversion did cause some trouble, as Klaus Rabe concedes. The reason: First, the existing data had to be checked for consistency. "But we had to do this so that all technicians, buyers and suppliers, speak a common language", Klaus Rabe justifies this step.

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Solutions**  
well  
integrated

The specification also goes to the purchasing department electronically, with the same solution that starts the inquiry process on the supplier side. And now - as soon as the offers arrive from the connected Futura supplier portal - the purchasing department creates a price comparison list virtually without effort - with a single click.

The change to Futura AVA was very easy for Rheinbahn since the old AVA solution had to be replaced: The manufacturer no longer updated and supported it. Moreover, the procurement specialist Futura Solutions could wait on with a feature that meant knock out for their competitors: "We wanted an AVA that corresponds with our SAP system and only Futura Solutions could provide that." More specific: the procurement and handling of construction and maintenance activities was supposed to be embedded into the SAP system of Rheinbahn. This is the specialty of the software developers from Wiesbaden. Once the buyers from Rheinbahn unlock a tender electronically, a requisition is triggered automatically in SAP. After the awarding all the positions of the specification are transferred as order "line items transferred into the SAP module (MM) Material Management." But that is not all. Suppliers now receive the order by the way of the Futura supplier portal - with the electronic specification out of the SAP system. The Benefit: They can record their services online.

"Basically", says Klaus Rabe, "the suppliers can enter their services rendered directly in our system where they can be checked right away." That saves a lot of time to accelerate the accounting process - at much higher transparency. Klaus Rabe

is not only fond "that the entire process has high quality and significant advantages in the processing." It is also audit proof.

## Great response from suppliers

Since then, Rheinbahn has passed a considerable number of bidding rounds in terms of construction works - in the end there were no limitations to the group of bidders in relation to the new electronic tendering process. Rheinbahn had sent their suppliers a practical guide on how to log on to the supplier portal in order to support them. In addition it is possible, of course, to contact the free support hotline provided by Futura Solutions to help out with upcoming questions.

In the end, it did not stop at the procurement of construction works. Today Rheinbahn also carry out services and framework agreements with the Futura SRM solution. Unplanned maintenance has long been a thorn in the flesh of project managers. The reason: The utter lack of transparency in getting the service from the supplier. This is different now with the Futura SRM solution, says Klaus Rabe: "Now we get clear activity records with prized items from the framework agreement and verifiable quantities to go with the limit orders. That way, there will be no surprises at the time of billing."

<sup>1</sup> AVA (Ausschreibung, Vergabe, Abrechnung) is the German term for the whole procurement process: tendering, contracting and accounting in construction. The term is often extended to the related software as well.

<sup>2</sup> VOB (Vergabe- und Vertragsordnung für Bauleistungen) is the base for German official contracting terms. It states that any tender above a certain threshold must be called for outside of Germany as well.

## The Facts

### The company

Rheinbahn AG in Düsseldorf, Germany, is the fifth largest public transport company in Germany. In 2010 the trains and buses of the mobility company carried a total of 214.9 million passengers - nearly half the population of Europe. The Transport Group employs over 2.000 staff members.



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