

Buenos Aires, 10 de Abril del 2007

Política de Compras de Aéroports de Paris Santiago Fornaguera



Planning

- **Aéroports de Paris company profile**
- **The place of the Purchasing Division in Aéroports de Paris structure**
- **The Purchasing Division strategy**
- **Aéroports de Paris purchasing legal frame (European Directive)**
- **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

ADP in few words

- Since 1945 ADP builds and manages airports facilities in Paris area.
- ADP mains activities are
 - Welcoming passengers
 - Stopover assistance
 - Car parks
 - Terminal shops
 - Property
 - All kinds of airport services
- ADP possess the biggest airport's field in Europe: 6 677 ha
- 3 airports, 10 airfields and 1 heliport are managed by ADP
- More than 8 000 people are ADP employees and 50 000 people work for ADP partners



ADP strategy

- **Our ambition:** to become the benchmark for airport groups in Europe in terms of efficiency, service quality, environmental management and economic performance
- Paris-Charles de Gaulle: International hub dedicated to long- and medium-haul flights and major freight player
- Paris-Orly: the airport close to Paris, specialist in point-to-point flights
- Paris-Le Bourget: Leading airport for business aviation in Europe



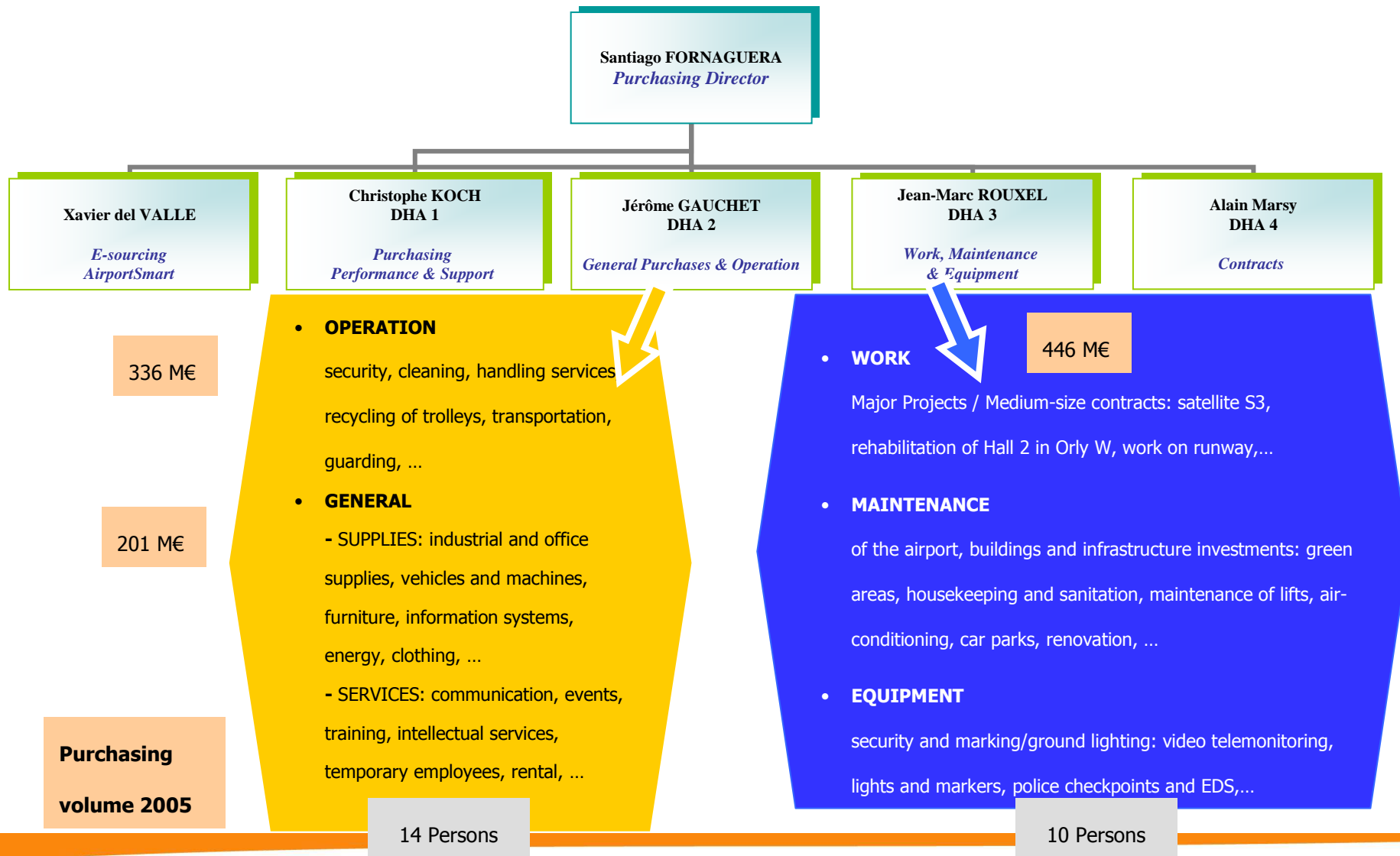
Planning

- **Aéroports de Paris company profile**
- **The place of the Purchasing Division in Aéroports de Paris structure**
- **The Purchasing Division strategy**
- **Aéroports de Paris purchasing legal frame (European Directive)**
- **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

Key dates for ADP and Purchasing Division

- Sept. 2002 ADP is out of the public commercial law field (code des marchés publics)
- Start of 2003 Purchasing is centralised within the Purchasing Department
- End of 2004 Purchasing Department became a Division
ADP adopts Procuri e-sourcing tool together to BAA and CPH
- March 2005 Birth of e-sourcing Department inside Purchasing Division
- July 2005 ADP becomes a limited company instead of a public company
- June 2006 ADP is introduced in Paris stock exchange

New Organization



Purchasing Department: consolidation of...

... the ORGANIZATION

- Organization in 4 areas
- Distribution of new purchase families / portfolios of purchasers
- "Purchasers-Prescribers" project platform...

... the HR

- Recruitment of external talents
- Professional code of conduct
- 2007 objectives: -7% in workforce, with ramp-up on profiles

... the PROCESSES

- Involvement perimeter of DHA (*PCM or not*)
- Monitoring of the services and the suppliers
- Workload and prospective vision on non-recurrent purchases...

Notified savings:
36 M€ in 2004
40 M€ in 2005
70 M€ in 2006

- e-procurement (Pégase)
- e-purchasing (AirportSmart)
- Monthly reporting on purchases
- Purchase Intranet (2005)
- Economic watch

... the TOOLS

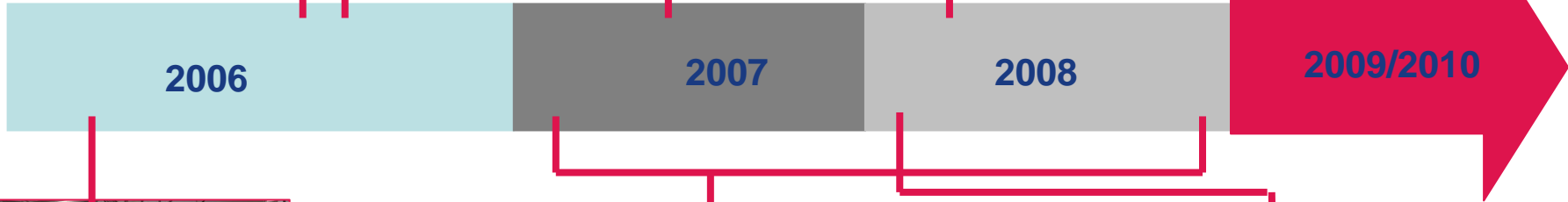
Planning

- **Aéroports de Paris company profile**
- **The place of the Purchasing Division in Aéroports de Paris structure**
- **The Purchasing Division strategy**
- **Aéroports de Paris purchasing legal frame (European Directive)**
- **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

Investments program

Mains works in ADP

Increasing ADP capacity



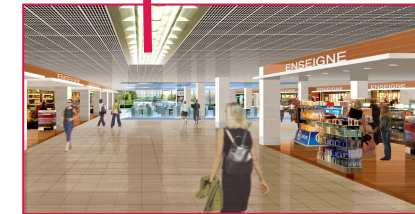
Starting S4 work



Hall 2 Orly West



CDG1



Orly South

Restorations

Purchasing Strategy

Strategy based on the Purchasing Policy

- 1 Reduce costs and incorporate savings into Aéroports de Paris accounts.
- 2 Create a core panel of suppliers, through strategic partnerships.
- 3 Establish and share Purchase synergies and convergence of needs between the Operational Units and the Functional Divisions of Aéroports de Paris, the partners and the major European airports.
- 4 Develop the use of electronic Purchasing tools.
- 5 Include ethics and sustainable development in the Purchasing strategies.

TOP 6 GOALS

	Levers to be used	Actions
1	Reduce the number of suppliers	Remove 2,000 suppliers
2	Reduce the number of players	From 250 to 40 players (outside DHA)
3	Formalize the processes and ensure compliance	Define and apply a base of internal procedures coordinated with Management Control and Accounting, and supported by an information system that ensures all the transparency and possibly the locks required.
4	Implicate DHA in the whole process	Build and implement purchasing strategies according to the requirements and constraints, in consultation with the Operational Units and Divisions.
5	Globalize the purchases	DHA will provide reinforced contribution to the globalization of the purchases.
6	Raise financial impact awareness	Incorporate predicted purchasing performance into the budgets and the operational plans of the Operational Units.

Planning

- **Aéroports de Paris company profile**
- **The place of the Purchasing Division in Aéroports de Paris structure**
- **The Purchasing Division strategy**
- **Aéroports de Paris purchasing legal frame (European Directive)**
- **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

The European Directive 2004/17/CE applies to the transport services sector

Directive 2004/17/EC of the European Parliament and the Council coordinating the procurement procedures of entities operating in the water, energy, **transport** and postal services sectors.

Rules and principles of the EC Treaty

- Free movement of services and goods
 - Non-discrimination
 - Equal treatment
 - Transparency
- Proportionality and mutual recognition



How did we integrate these rules and principles in our purchasing organization?

“Obligation to ensure adequate advertising”

- “The principles of equal treatment and non-discrimination imply an obligation of transparency which consist in ensuring, for the benefit of any potential tenderer, a degree of adverting sufficient to enable the services market to be opened up to competition and the impartiality of the procedures to be reviewed”
- “Portal websites specifically created for contract advertisements have a higher visibility and can offer increased search options...it constitutes a best practice in order to increase transparency and efficiency”
- « Adequate and commonly used means of publication include Internet»

AirportSmart an answer to the EC advertising obligation

- The tender notices module of AirportSmart enables Aéroports de Paris to advertise its tenders notices in conformity with the EC rules.
- Any company which has internet access can candidate to tender notices of AirportSmart members.
- When a company is registered on AirportSmart website the company receives automatic alert e-mail when a tender notice concerning its acclivity is advertised

Adresse http://publications.airportsmart.com/XTender/moteur_listing.php?actionID=pub_marcheAdminV=bf0c01f168fd169ba6de6e6874362c89

Benefits | FAQ | Case Studies | Payment Page | OJEU Notices | Supplier Registrat

01/22/2007 - 10:27 CET Home | Software | Help | Digital Signature

Username:

Password:

[Login](#)















[Forgotten your password ?](#)

If your Company has not yet registered for Notice access please click below.

[Registration](#)

Registration is free.
Registration is compulsory to download and upload documents. It will also enable you to receive email notification of changes.

List of contract notices

Closing date	Heading	Organisation	Contract notice
22/01/2007 12:00	Aéroport de Paris - Charles de Gaulle - Affaire n°121 311 - Parcs professionnels - Equipements de péage		
22/01/2007 13:00	Advertisment Management Services		
23/01/2007 12:00	Fourniture de caméras de vidéosurveillance de type analogique avec traitement numérique du signal, caméras numériques (ip), moniteurs, quadra-vision et accessoires associés		
23/01/2007 12:00	Affaire 491335. Aéroport de Paris Le Bourget mission de maîtrise d'œuvre de conception et de réalisation pour la réhabilitation du bâtiment k1		
28/01/2007 12:00	Marché de maintenance et petits travaux divers d'adaptation des installations de détection incendie (partie basse) hall 2 F		
28/01/2007 13:00	Provision of Estates Management Services to Manchester Airport		
29/01/2007 13:00	Lift, Escalator & Passenger Conveyor Maintenance Services for Heathrow Airport Limited Terminal 5		

“Fair and impartial procedure »

- « to afford fair conditions of competition to all economic operators interested in the contract »
 - With AirportSmart request for proposals module each candidate receives at the same time an invitation e-mail to download the RFP details
 - During the RFP if a company asks a question all the companies invited will have access to the buyer answer.
 - All questions and answers are registered.
 - The buyer can not access to the supplier answer before the closing date.

The screenshot displays the AirportSmart RFX Command Center interface. At the top, the 'airportsmart' logo is visible. The main content area shows the 'RFX Command Center' for the RFX TITLE: 'ADP : Appareils à rayons X Non Automatiques [88]'. The status is 'Complete' and the time remaining is 'n/a'. The buyer is 'Anne-Cécile Le Bayon'. The bidding period is from '04/01/2006 15:00:00' to '31/01/2006 13:00:00'. Below this, there are several tabs: 'Event Log', 'Supplier Tracking', 'Messaging', 'Prerequisites', 'Access Key', and 'Manage Events'. The 'Bid List - Standard View' is currently selected, showing a table with columns for 'Company Name', 'Submit Time', 'Label', 'Item Qty', 'Min Qty', 'Max Qty', 'Price', 'Submit Price', 'Rank', and 'Variance'. Three bids are listed: HTDS (4,630,407.00), SMITHS HEIMANN SAS (3,593,832.60), and VISSOM (3,750,642.50). Below the bid list, there are two more sections: 'Event Log' and 'Supplier Tracking'. The 'Event Log' shows an action 'ADP : Appareils à rayons X Non' by 'Frédéric' on '01/02/2006'. The 'Supplier Tracking' section lists companies and their contact names: HTDS (Claudie GRESSE), IPDS France, and Jean-Pierre CENGARLE.

« Respecting EC directive dates and times »

➤ Tender notices

- Advertising times are respected via AirportSmart module
- When the candidating time is over companies can not log in to the notice tender because the notice tender is no more visible on AirportSmart website

➤ Request for proposal

- Tenderers have all access to the RFP documents at the same time
- After the closing time if they upload their offer the time will be registered and buyer will not accept supplier offer.

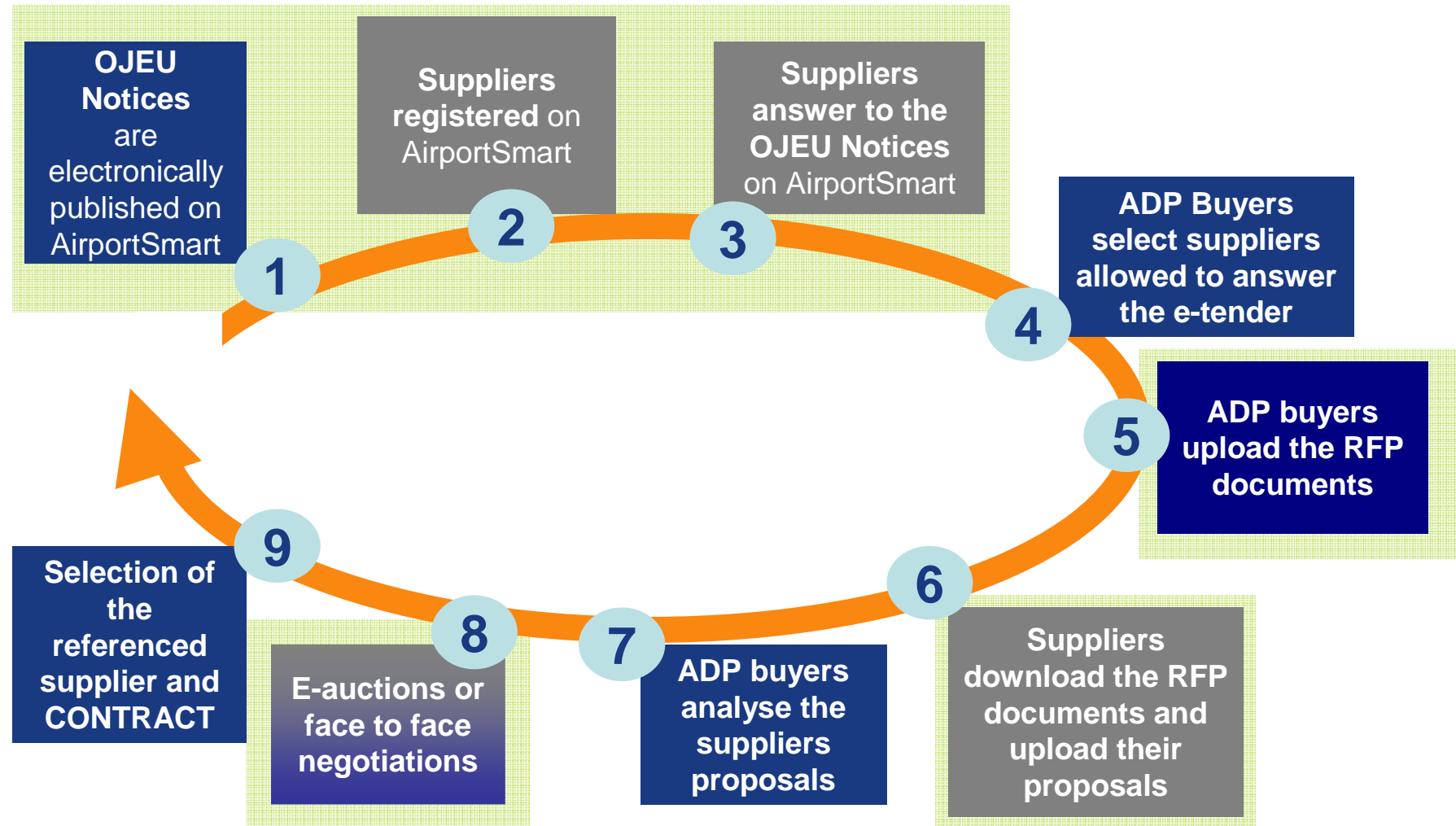
Planning

- **Aéroports de Paris company profile**
- **The place of the Purchasing Division in Aéroports de Paris structure**
- **The Purchasing Division strategy**
- **Aéroports de Paris purchasing legal frame (European Directive)**
- **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

AirportSmart, a corporate project for ADP

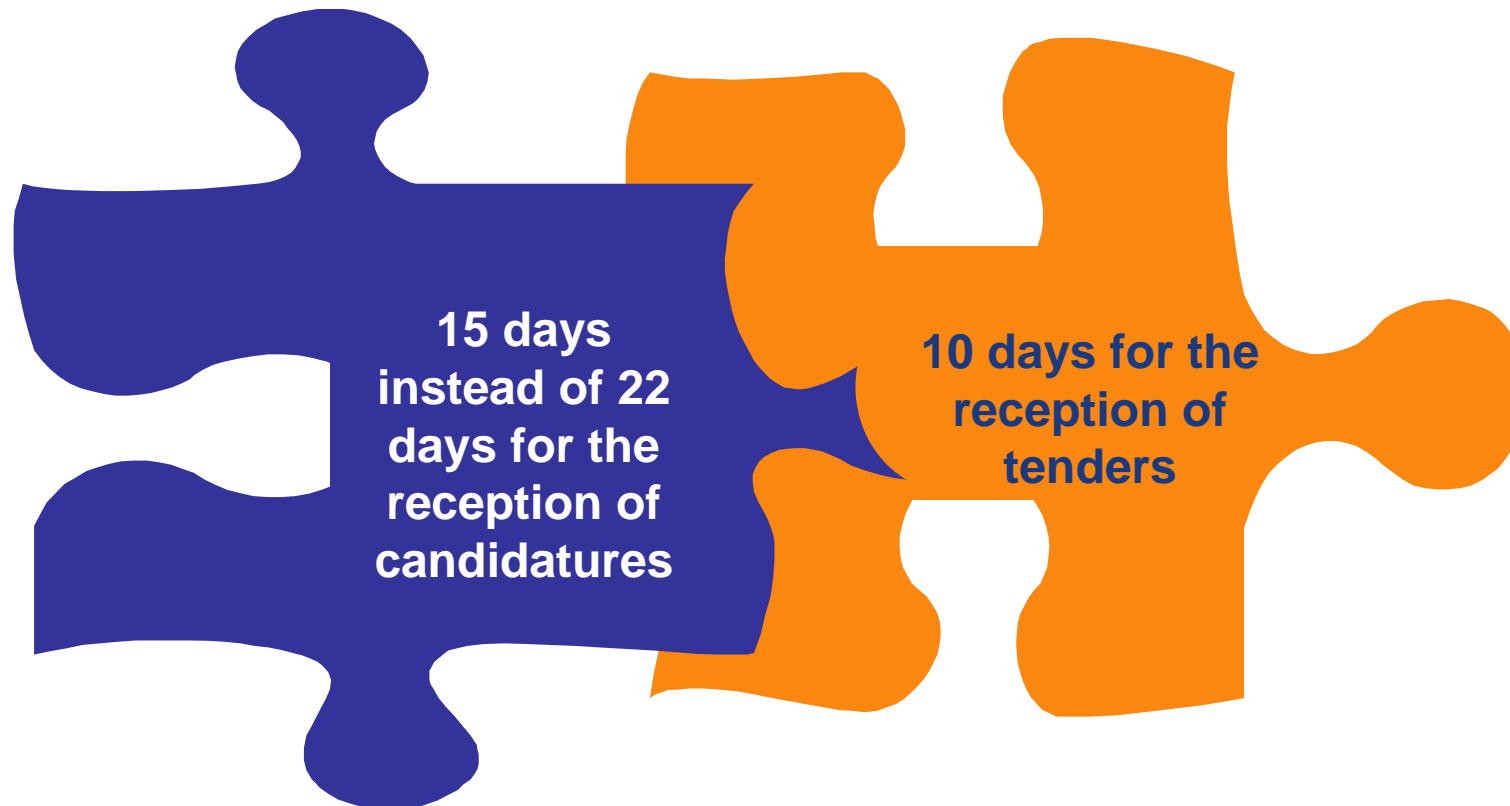
- The first target of AirportSmart was to set up a tool which enables users to:
 - Reduce clerical tasks
 - Reduce time spent on each RFP
 - Enables collaborative work (work group project)
 - Improve the efficiency of suppliers sourcings (3 700 companies are registered in the suppliers database)
 - Develop synergies between worldwide airports actors
 - Use a new negotiation tool (e-auction)
 - Set up a purchasing knowledge database which contains all ADP Rfx (RFP, e-auctions...)
 - Be in accordance with the European procurement Directives 2004/18/EC and 2004/17/EC

ADP buying process on AirportSmart



Focus on the time saved

- The times laid down by the European Directive are shortened if this electronic procedure is used.



AirportSmart market-place functionalities

➤ **E-sourcing toolkit** via keyword, CPV code, UNSPC code...

Actions	Company Name	Contact Email	Contact Type	User Status	Validated
	<input type="checkbox"/> ZIDS - Saint Cloud Cedex				
	<input type="checkbox"/> Sébastien Solis	ssolis@zids.net	Primary Contact	Approved User	✓
	<input type="checkbox"/> ABBD - PARIS				
	<input type="checkbox"/> William ALLOUIS	info@abbd.fr	Primary Contact	Approved User	✓
	<input type="checkbox"/> abcd telecom - Deuil la Barre				
	<input type="checkbox"/> Patrick DEFRESNE	defresne.patrick@bcdtelecom.fr	Primary Contact	Approved User	✓
	<input type="checkbox"/> Acs Consultants - Aix en Provence Cedex 3				
	<input type="checkbox"/> Audrey Rayne	are@acs-consultants.fr	Primary Contact	Approved User	✓
	<input type="checkbox"/> ACSAPT Computer Systems Limited - Watford				
	<input type="checkbox"/> Aneel Mitra	aneel@acs-apt.com	Primary Contact	Approved User	✓
	<input type="checkbox"/> ADENORM - LE PETIT QUEVILLY Cedex				
	<input type="checkbox"/> GUILLAUME FOVELLE	contact@adenorm.fr	Primary Contact	Approved User	✓
	<input type="checkbox"/> Adroit GlobalTechnologies - Fence-in-Pendle				
	<input type="checkbox"/> Lee Stephen	steve@adroit.co.uk	Primary Contact	Approved User	✓
	<input type="checkbox"/> Adroit Global Technologies Ltd - Fence-in-Pendle				
	<input type="checkbox"/> Stephen Lee	steve@adroit.co.uk	Primary Contact	Approved User	✓
	<input type="checkbox"/> ADVOLIS - PARIS				
	<input type="checkbox"/> Olivier SALUSTRO	chamel@advolis.com	Primary Contact	Approved User	✓
	<input type="checkbox"/> Adval Grands Comptes - I evallnic				

➤ **OJEU notices management**

Date de clôture	Intitulé	Organisme	Résumé des avis
19/01/2007 13:00	Master Systems Integrator (MSI): Technical specialist to lead the design, deployment and integration of Information & Control Systems (ICS) acting under a Framework Agreement with BAA Limited.		
19/01/2007 13:00	Terminal Development - Bournemouth Airport		
22/01/2007 12:00	Aéroport de Paris - Charles de Gaulle - Affaire n°121 311 - Parcs professionnels - Equipements de péage		
22/01/2007 13:00	Advertisement Management Services		

➤ **'Request for Proposals' tool**

➤ **e-auction tool**

AirportSmart, an efficient tool for procurement officers and decision-makers (1/2)

Advantages for procurement officers & decision-makers

Communication tool

- Facilitates collaborative work in project mode
- Establishes a knowledge base on market notices and invitations to tender: better transfer of information, sharing of knowledge, etc.
- Visibility of the activity of companies for candidatures and tenders
- Questions & answers tool integrated in AirportSmart
- Informs outside players about ADP's procurement notices and invitations to tender

Procurement marketing tool

- Improves the efficiency of sourcing suppliers (over 3,800 companies registered)
- Develops synergies between the airport players: benchmarking, group buying, etc.

Time saved

- Reduction of administrative work: no more need to send letters to the tendering companies, etc.
- Elimination of postal delivery waiting times
- Submission of candidatures and tenders without having to travel
- Reduction of the total duration of the tender process
- Documents can be added during the tender process
- Possibility of shifting the date for submitting tenders
- The procurement officers can handle more invitations to tender

AirportSmart, an efficient tool for procurement officers and decision-makers (2/2)

Advantages for procurement officers & decision-makers

Reduced costs

- Elimination of the cost of duplicating the tender dossier sent to the suppliers
- Elimination of the cost of posting tender dossier and other correspondence
- Free and unlimited electronic archiving of candidatures, tender dossiers and supplier tenders
- Re-use of previous tender documents and electronic documents

Reliability and transparency

- The supplier tenders and the messages exchanged are archived in electronic format: greater traceability
- No more mistakes in the reception address of the documents sent by the suppliers
- No more mistakes on the OJEU form
- Management of data confidentiality: secure https protocol, login/password
- AirportSmart complies with the requirements of the European Directives

AirportSmart, an efficient tool for suppliers

Advantages for suppliers

Communication tool

- Direct contact by the member airports outside of tender process
- Centralisation of information in a communication hub (multi-sites / countries)

Marketing tool

- Targeting of new clients without marketing cost
- Possibility of inserting advertisements

Time saved

- Automatic alert by e-mail in case of the publication of a contract notice concerning the supplier's business sector
- Online submission of candidatures and tenders
- Response to invitations to tender facilitated by the electronic format of the documents that can be re-used by suppliers for drawing up their tenders

Reduced costs

- Online consultation of all the contract notices for the ongoing contract
- Free consultation of the tender dossier when the suppliers are invited to submit tenders
- Elimination of the cost of drawing up and sending paper documents

Reliability and transparency

- Equality of treatment for suppliers by the standardisation of the exchanges
- Transparency and traceability of candidatures and tenders
- Compliance with the requirements of the European Directive on the exchange of electronic documents

Planning

- **Aéroports de Paris company profile**
 - **The place of the Purchasing Division in Aéroports de Paris structure**
 - **The Purchasing Division strategy**
 - **Aéroports de Paris purchasing legal frame (European Directive)**
 - **AirportSmart the market-place used by Aéroports de Paris**
- **Joint purchasing approach**

Request for proposal launched in common with BAA

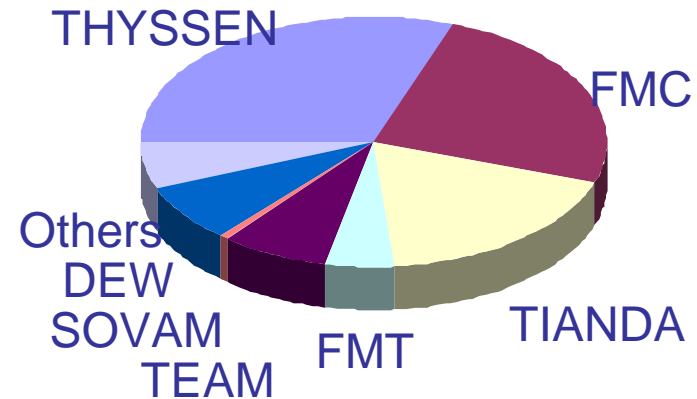
- Two strategic files have been treated in common with BAA on AirportSmart

Airbridge & Seating



➤ Technical issue:

- Stability of the upper bridge
 - ✓ No “off the shelf solution”
 - ✓ Several stability studies required
- Anti-collision system required:
 - ✓ Between the three bridges themselves ar
 - ✓ With the aircraft engine



➤ Market issue

- Few supplier all over the world... ...and consequently supplier price increases both in UK and in France, customer/supplier relations are deteriorating.

To enlarge European Market by :

- Rewarding the same supplier from BAA and ADP
 - Reaching a critical weight in the market

- Establishing short term and mid term contracts
 - Making the implementation of new suppliers in Europe easier

- Issuing a performance based RFP with common technical specifications in English
 - Having an “open functional frame work” (technically and administratively) in order to facilitate competition, including opportunities to propose options, amendments and any improvements.

- Sending two OJEU notices, cross-referenced
- RFP (in English) with common functional specifications, open to options, including some differences (e.g. : metallic walls for BAA, glass walls for ADP)
- Joint selection of candidates (Expression Of Interest)
- Joint negotiations
 - First round : 5 suppliers
 - Second round : 4 suppliers
 - Third round : 3 suppliers
 - Final round : 2 suppliers
- Joint selection of the final supplier



Airbriges How did we work?

- First contact established through AirportSmart, between BAA and ADP purchasing teams
- 2 meetings hold alternatively in London and Paris with the project teams before negotiations
- 2 meetings, purely technical, hold by the engineers (BAA and ADP)
- Common Negotiations meetings hold alternatively in London, Paris, and in the manufacturing sites.
- Sharing documents and communications through Airportsmart.com



- ThyssenKrupp appointed by both BAA & ADP
- Significant price savings achieved:
 - Approx 12% like for like
 - Additional 20% for de-scoping the specification
 - Further volume discounts in future years
- Cost transparency achieved
- Improved flexibility through use of new base specification plus extras as operationally required
- ThyssenKrupp appointed by both BAA & ADP
- Reduction of 30% for ADP's compared to previous contract (4M euros)
- A real competition was created on airbridge market. Long term benefits are expected for the next projects
- The customer relationship has improved

- Many suppliers worldwide
 - 75 companies were identified in the sourcing phase in Europe, USA, Asia

- Different types of candidates :

- Seating specialists
- Office furniture specialists
- Designers ...



- From small companies to international manufacturers



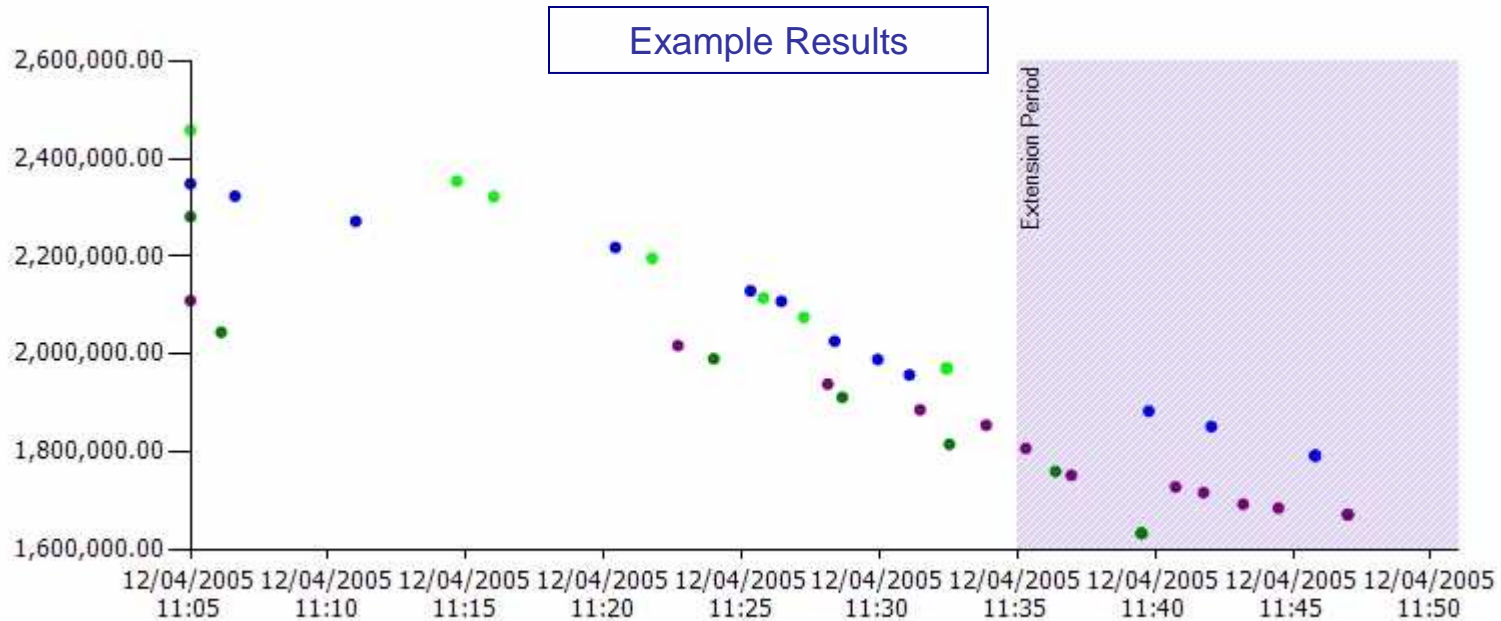
Common goal: achieving the appropriate quality with off the shelf product

Focus on the top twelve suppliers:

- Reaching a critical weight: BAA 16,000 seats ADP 10,000 seats
- Joint selection of candidates
- Agreeing common technical specifications base
- Issuing one joint RFI but two separate RFP's
- Separate clarification meetings coordinated by BAA for both parties
- Maintaining the flexibility to award to different suppliers



- Approach and working processes similar to those for Airbridges
- Key difference was 100% use of AirportSmart.com
 - 2 separate e-Auctions held



Seating Benefits



- Contracts awarded to two suppliers, T5 and Group agreement
- AirportSmart e-Auction generated price reductions of between 7 and 21% compared with opening offers
- Delivery timescales met
- Contract awarded to 3 suppliers for S3 and Group agreement
- An internal competition remains between the 3 suppliers
- Overall, 25% savings compared to the previous agreement

Overall collaboration performance: What went well?

- Single, agreed approach to market: Increase in buying power!
- Use of 1 set of processes/procedures to avoid supplier confusion
- Establishing 1 joint plan to control overall project progress
- Sharing of ideas and practices
 - RFI : not a usual practice for ADP
 - RFP : Cost Break Down and TCO
 - Exchange technical point of views to improve requirements
- Being flexible
 - Different base approaches are just that, different, not right or wrong
- Use of AirportSmart tools
 - greatly aids control & communication
 - e-Auctions are powerful processes

Overall collaboration performance: What could we improved ?

- Timescales:
 - greater familiarity will generate improved processes
- To go as far as possible in the design of joint technical specifications
- To design specifications on functional needs, open to options
- Monitoring of new EU directives related to Airports activity, in order to anticipate new needs
- Initiate these collaboration initiatives more often
- General management commitment to joint purchasing

Collaboration lessons learned

- A common goal is essential – convincing the internal customer can be a challenge: *“It was easier to work in collaboration than with some of our internal customers”*
- Identical specifications help but are not a requirement
- Different timescales can be accommodated
- One process (procedures and supplier engagement) is required to minimise confusion and wasted effort
- Agree to use one party’s procedures – need a single, coherent approach to the market
- The benefits of additional scale and market influence are real
- Establish joint plans and timescales and deliver to them – small slippages rapidly become large ones when working with other parties
- Potential competitive issues can be addressed – focus on where real value-add exists for you
- AirportSmart e-processes deliver real efficiency and control benefits for both client and supplier and facilitate