

Procurement

Purchasing materials and subcontractor services at optimal terms is one of the key factors in business success. In the construction business, the volume of purchased services and materials is particularly high compared with other industries. Purchased materials are also used to a considerable extent in the industrial and power plant services business. Our operational units have the advantage of being able to use their knowledge of the regional market to take a decentralized approach. The global market is especially important in terms of raw materials and steel prices, and for the procurement of special equipment. In order to ensure efficiency in our regional and international processes, Group Procurement also exercises a Company-wide controlling function. In addition, centralized training sessions take place on a regular basis. Buyer networks serve as a forum for information exchange.

The share of purchased subcontractor services and materials in total Group expenditure amounted to 63% in the 2006 business year. With the increased output, the procurement volume rose 22% to reach € 4.7 billion. Subcontractor services accounted for 68% of this, with materials procurement making up 32%.

Group-wide monitoring of raw materials and energy prices

We keep a close eye on the development of raw materials and energy prices. Our Group-wide, modern system for monitoring the global market prices of key resources such as steel and oil products provides our operational units with an important basis for their purchasing decisions. The system ensures that we are able to procure the raw materials for our major projects flexibly and at optimized conditions.

Appropriate regional and sectoral purchasing structures

We have internationalized the procurement processes within our corporate units. Centrally negotiated, long-term framework agreements guarantee us top terms and conditions. We ensure that our purchasing structures are appropriately pooled on a regional and sectoral basis. In this way, our corporate units have access to global framework agreements for the procurement of specialist services, as well as large-scale equipment and heavy machinery. Group-wide agreements are in place for numerous products and services.

In order to make optimal use of these advantages throughout the Group, we established a contract database on the Bilfinger Berger intranet. This provides fast access to all framework agreements entered into by Group Procurement, as well as cooperation and bonus agreements and contracts with our premium partners. These are companies that have already proved their ability to perform particularly well as subcontractors. Cooperation partnerships with the supply industry are strategically important for Bilfinger Berger. We offer this kind of partnership only to companies that have successfully worked for our Group over a long period of time, consistently meeting our exacting requirements. These models will become even more important in the future.