

# Elia Electrical Equipment

How can we work together ?

# Agenda

1. Elia Group



3. Purchasing Process



5. How we work together



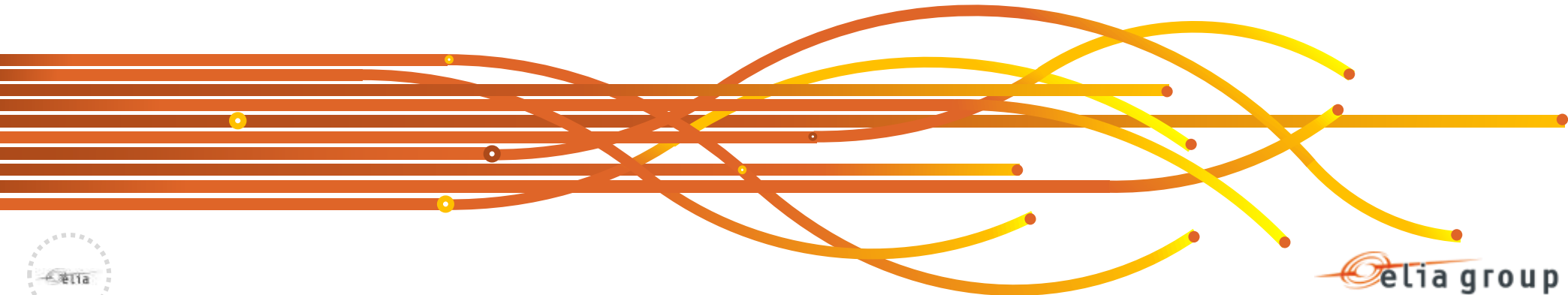
2. Works on site



4. European Procedure

# Elia Group

- One group  
3 companies with international activities
- Elia Group at the center of the energy sector
- Elia in few figures





# One group : 3 companies with international activities

**Elia**  
 Holds licenses for the 380kV to 150kV national transmission grid in Belgium, as well as for the 70kV to 30kV grids in Belgium's three regions.

**50Hertz**  
 One of Germany's four transmission system operators, has its activities in the North and East of the country. 50Hertz is jointly owned by Elia (80%) and Industry Funds Management (IFM) (20%).



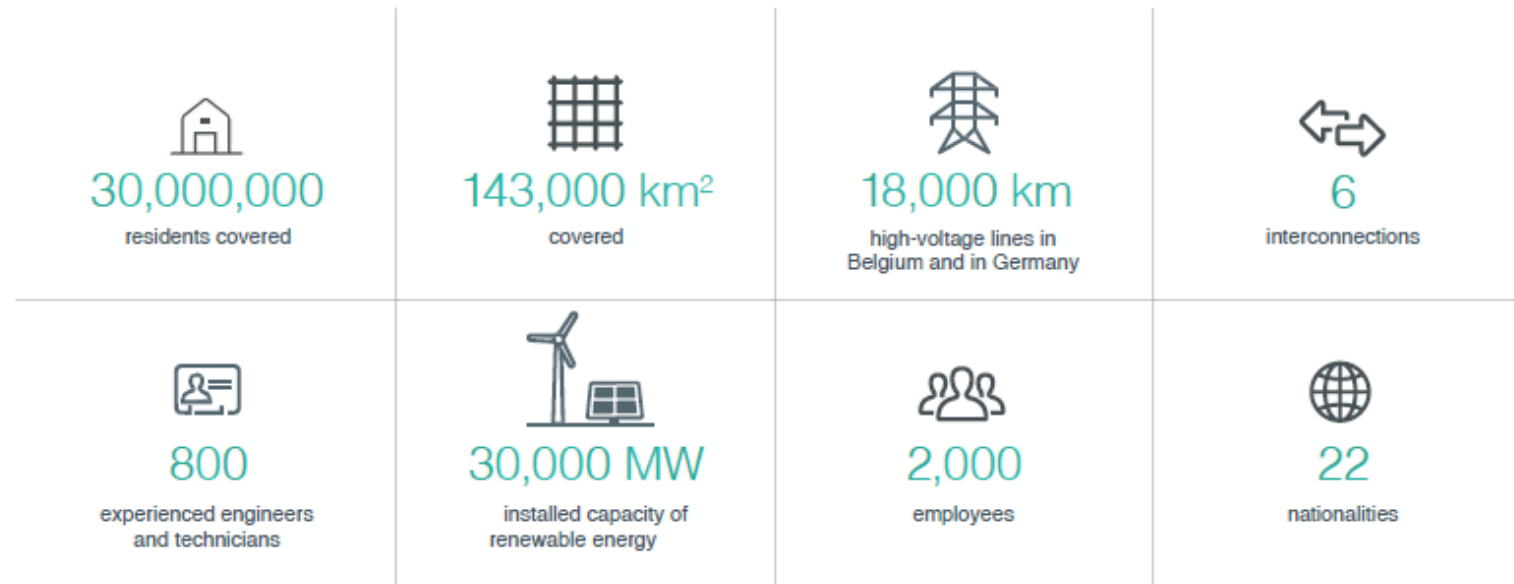
**EGI**  
 Is a full subsidiary of Elia and 50Hertz. The joint venture was founded to commercialize the Elia Group's expertise on the international energy market by offering consultancy services

- 143,000 km<sup>2</sup> covered
- 30,000,000 residents covered
- 18,000 km of high-voltage cables and lines in Belgium and Germany
- 6 interconnections



# Elia Group in few figures

Top 5 Player in the EU TSO Business



Is mainly active on the following tension level: 380 kV, 220 kV, 150 kV, 110 kV, 70kV & 30kV



Is mainly active on the following tension level: 380 kV, 220 kV, 150 kV (offshore) 110 kV & 30 kV



# Works on site

- Safety first !
- The Foreman is Elia's main contact on site  
he will represent you in the substation
- What else do we expect from you ?



# Safety First !

## 5 Safety pillars

Severe **qualification** process and verification of the competency of contractors' staff

- Max 2 levels of subcontracting
- Training to follow and certification to obtain before working on site
- Safety Statistics taken into account for the selection of suppliers

Work start only after a solid and validated work **preparation**

- Specific risk analysis for each project
- Safety documents to be submitted a few weeks before starting the works
- Ongoing training and awareness-raising
- Preparation meeting on site with all stakeholders and foreman involved

Strengthen the experience **feedback** in a sustainable way

- Change working habits with regards to safety, quality and efficiency
- Supplier evaluation at the end of each project
- Systematic Contract Review to discuss action plan on basis of the evaluation

Reinforce guidance and **supervision** on the construction site

- Meeting/Debriefing
- High expectations about the Foreman
- Strict application of the penalties for Safety breaches

Early determining of the **high-risk work** situations and work periods

- Specific preparation including more on site meetings for high-risk work situations
- More follow-up for all high-risk work situations and work periods

All the information about safety on this link : <http://www.elia.be/en/safety-and-environment/safety>

# The Foreman is Elia's main contact on site

he will represent you in the substation

## Relation with Elia

- he/she is the **single point of contact** for all works on site
- he/she must understand and sign the **work permits** from Elia.

## Relation with the Contractor

- he/she must be **employed or mandated** by the contracting company
- he/she is the **contractual representative** of the contractor on site

## Responsibilities

- he/she is responsible for **all works at all times**
- he/she shall **coordinate** of the different subcontractors
- he/she shall **have authority** on all persons working for the Contractor and its subcontractors

## Presence

- he/she shall **always be present** on site during the entire duration of the works.
- he/she is **present at the site meetings** organised by Elia prior and during the works.

## Qualification

- he/she must speak the **language of the substation**
- he/she must speak the **language of** all the members of **his team**
- he/she must have a **strong experience** in the supervision of works in High Voltage substations
- he/she must own the Elia's internal safety certification and **BA5 certification**

There are two ways of working, you can either **work with your own team** or **choose a local partner**





# What else do we expect from you ?



Elia wants 1 contractual SPOC that will be aware of all important topics concerning the contract



Communication with Elia should be done mainly with the Purchasing department or with the Purchasing contact informed



Commercial communication will be exclusively in English, French or Dutch (Belgium) or English or German (Germany)



Elia asks the supplier to keep a proactive, constant and transparent communication also about factory capacity



Elia likes to work in partnership with its supplier and work together to develop better solutions



Elia requests flexibility and a long term support from its suppliers as well as criticism about our specifications



Elia requests all orders to be made according to its GPC or following the negotiated conditions in case of FA



# Purchasing procedures

- **Purchasing Team at Elia**  
One team is dedicated to the material
- **Team Material & Logistics**  
Each buyer is responsible for its own category
- **Elia has a preference for framework agreement**  
Long term contract easier and with many advantages



# Purchasing Team at Elia

One team is dedicated to the material

<b>Purchasing Head</b>	<b>Group Electrical Equipment</b>	Sourcing of electrical equipment for the Elia Group
	<b>Group IT &amp; Services</b>	Sourcing of IT & services at group level
	<b>Special Projects &amp; Maintenance</b>	Sourcing of electrical equipment & services for the special projects (HVDC, offshore, ...)
	<b>Procurement Elia</b>	Sourcing of all the other needs for Belgium
	<b>Procurement 50Hertz</b>	Sourcing of all the other needs for Germany



# Team Material & Logistics

Each buyer is responsible for its own category

**Group Electrical Equipment**

**Group IT & Services**

**Special Projects & Maintenance**

**Procurement Elia**

**Procurement 50Hertz**

**Purchasing Head**

### Head of dpt



**Nicolas Pire**  
Nicolas.pire@elia.be  
T +32 2 546 71 64

### Substation Secondary system



**Jean-Pierre Falkenback**  
JeanPierre.Falkenback@elia.be  
T +32 2 546 7847  
Protections

**René Engelke**  
Rene.Engelke@50hertz.com  
T +49 3 051 50 30 55  
Protections

### Substation Primary system:

**Roman Schumacher**  
Roman.Schumacher@50hertz.com  
T +49 3 051 50 30 71  
TFO + special TFO's



**Christophe Remory**  
Christophe.Remory@elia.be  
T +32 2 382 2130  
TFO's + AIS



**Aline Mathy**  
Aline.Mathy@elia.be  
T +32 2 382 2442  
GIS + special TFO's

**René Engelke**  
Rene.Engelke@50hertz.com  
T +49 3 051 50 30 55  
GIS + AIS

### Power links



**Louis Geveart**  
Louis.gevaert@elia.be  
T +32 2 382 21 23  
Underground cables

**Verena Schoch**  
Verena.schoch@50hertz.com  
T +49 3 051 50 30 25  
Overhead Lines



**Blandine Legrand**  
Blandine.Legrand@external.be  
T +32 2 247 2041  
Overhead Lines



# Elia works mainly with framework agreement

## A framework agreement:

### WHAT

- is a **long term** contract between Elia and the supplier,
- defining the **technical** specifications, the **price** and the commercial **conditions**

on which Elia may call for his upcoming orders

## Elia favors the conclusion of framework agreement in order to:

- Reduce sourcing lead time (especially with EU legislation)
- Improve Assets standardization
- Reduce purchasing and expertize workload
- Improve the quality of the purchased product (ramp-up) through long term supplier relation

### WHY

## Several attribution schemes :

- Price list
- Contract with % of attribution fixed or reviewed during the period of the contract
- Qualification / Short list with competition for each call for tenders
- Contract with a supplier + 1 passive back-up
- Contract without Back-up

### HOW

### WHEN

For electrical equipment unless spend is too low



# European Procedure

- **European Procedure applied above 443k€**  
ensures a fair competition between candidates
- **European Procedure, a long process**  
in order to select the most suitable participant
- **Several platforms used for the European procedure**
- **Selection phase**  
To select the participants who have the ability to fulfill our needs
- **Tendering phase**  
To select the best techno-economic offer



# European Procedure ensures a fair competition between candidates

## WHAT

EU law sets minimum **harmonized rules** that apply to tenders **above 443k€**. For lower value tenders, Elia guidelines apply.

**For more information :** [http://europa.eu/youreurope/business/public-tenders/rules-procedures/index\\_en.htm](http://europa.eu/youreurope/business/public-tenders/rules-procedures/index_en.htm)

Three EU tendering principles:

- **Equal treatment** of all candidates
- **Non – discrimination** between candidates
- **Transparent communication** towards all candidates

## HOW

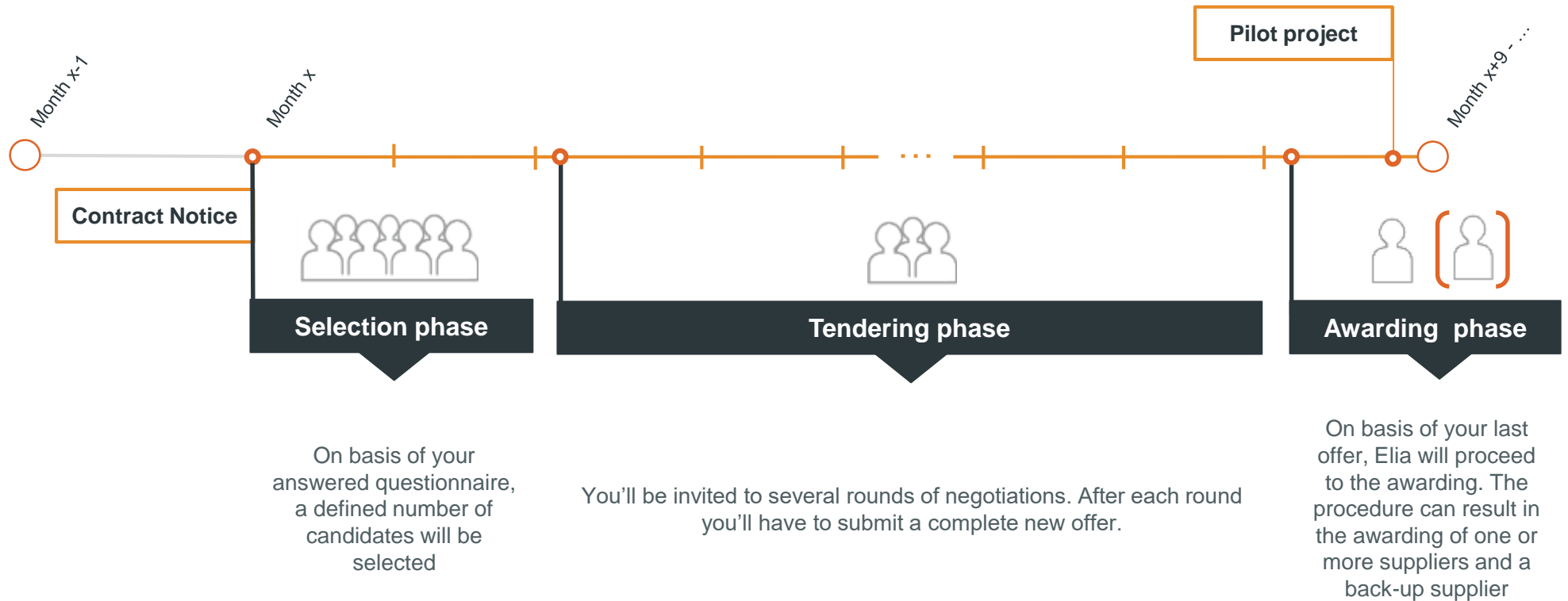


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# European Procedure, from 9 month to 2 years

in order to select the most suitable supplier





# Selection phase (example)

To select the participants who have the ability to fulfill our needs

The selection phase aims at finding the best candidates to receive the tender and excluding those who are not meeting the expectations.

<b>Exclusion criteria</b>	<table><tbody><tr><td><b>Administrative</b></td><td>no bankrupt, respect of social law, no fraud, ...</td></tr><tr><td><b>Languages</b></td><td>must propose to work in the FR/NL/GE according to place of works</td></tr><tr><td><b>Delivery time</b></td><td>ability to deliver within a maximum deadline</td></tr><tr><td><b>Technical criteria</b></td><td>ability to provide MRE3 GIS system</td></tr><tr><td><b>Intervention delay</b></td><td>ability to intervene on site for curative issue within a defined timing</td></tr><tr><td><b>Certificates</b></td><td>ISO certificates</td></tr><tr><td>...</td><td></td></tr></tbody></table>	<b>Administrative</b>	no bankrupt, respect of social law, no fraud, ...	<b>Languages</b>	must propose to work in the FR/NL/GE according to place of works	<b>Delivery time</b>	ability to deliver within a maximum deadline	<b>Technical criteria</b>	ability to provide MRE3 GIS system	<b>Intervention delay</b>	ability to intervene on site for curative issue within a defined timing	<b>Certificates</b>	ISO certificates	...	
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# Tendering phase (example)

To select the best techno-economic offer

To evaluate the offers, Elia use the Total Cost of Ownership that reflects all the costs to acquire the goods and operate it over its full life cycle.

**These criteria are pre-determined and can not be modified.** It is generally compound out of 3 major elements:

Criteria	Subcomponents	Weight
Price	<ul style="list-style-type: none"> <li>■ Cost of material</li> <li>■ Electrical losses</li> <li>■ Maintenance costs</li> <li>■ Storage costs</li> <li>■ ...</li> </ul>	60%*
Technical	<ul style="list-style-type: none"> <li>■ Deviations towards technical specifications</li> <li>■ Deviations towards project management &amp; site services specifications</li> </ul>	20%* + Minimum threshold or average
Commercial	<ul style="list-style-type: none"> <li>■ Acceptance of Elia's GTC</li> <li>■ Delivery time</li> <li>■ Warranty</li> <li>■ Insurance</li> <li>■ ...</li> </ul>	20%* + Minimum threshold or average

\* indicative, the figures can be adapted according to the material

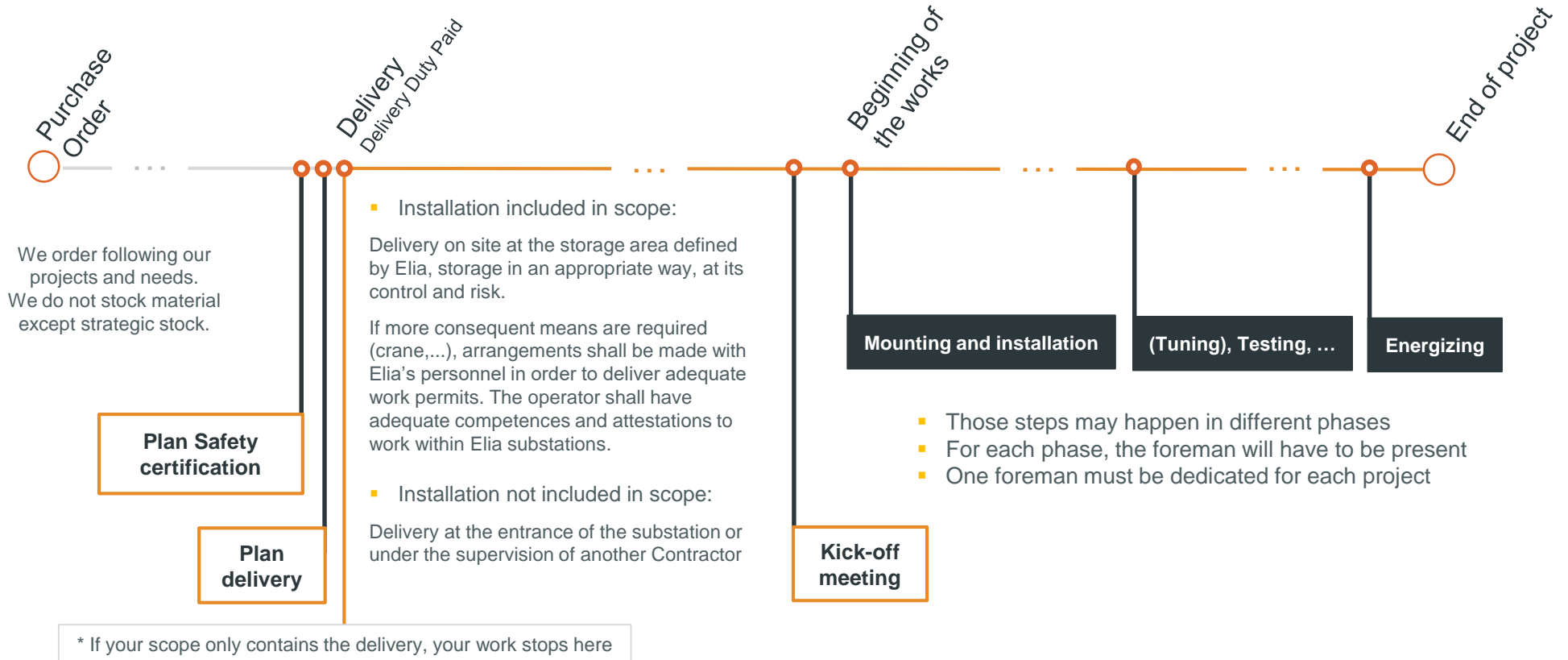


# How we work together

- Each purchase order is related to a project  
It is a complex process
- Continuous evaluation of the performances  
During each project and with recurrent meetings



# Orders are based on a project



# Continuous evaluation of the performances

during each project and with recurrent meetings

The performance follow-up takes place at different moment of the Framework Agreement

