



FGV

VORTAL
Connecting business

SUCCESS STORY

FGV

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CUSTOMER

Ferrocarrils de la Generalitat Valenciana (FGV) is a public company under the Valencian Generality that manages the metric gauge railway lines that run through the Valencian Community in Spain.

The metropolitan area of Valencia is organized under the Metrovalencia brand, on 9 lines and 138 stations, while the province of Alicante, under the TRAM Metropolitano de Alicante brand, is organized on 6 lines and 73 stations.

FGV's mission is to provide citizens in the Valencian Community with a sustainable public rail transport service through efficient management with maximum quality, safety, transparency and social profitability.



CHALLENGE

Both the Spanish Law 9/2017 of 8th November on Public Sector Contracts and the European Community Directives impose the use of electronic means in public procurement, the regulation of minor contracts and the permanent search for economies of scale that allow the rationalization of public expenditure.

With the main objective of reducing the number of its minor contracts, in 2018, FGV decided to use VORTAL's eSourcing platform to bid on Dynamic Purchasing Systems (DPS), allowing it, among others, to reduce these minor contracts and guarantee cost savings (increased budget availability), greater transparency (thanks to the exclusive use of economic means) and equal treatment. **This represents a strong commitment to the efficiency of public procurement.**



SOLUTION

FGV uses Dynamic Purchasing Systems as a procedure for rationalizing public procurement, for the professional management of the purchase of spare parts and diverse storable material, which was traditionally bought through the minor contract.

- It is a **totally electronic** procedure.
- **Very well perceived** by the market agents for its transparency.
- It promotes the **reduction of bureaucracy** of the administrative procedure.
- It **speeds up internal processes**. The processing is faster and more organized.
- As it is open throughout the entire period of validity to any interested company that meets the selection criteria, it is an ideal tool for **increasing competition and promoting the local market**.



RESULTS



23

DYNAMIC PURCHASING SYSTEMS

In 2018, FGV has processed **23 Dynamic Purchasing Systems**, with one year of validity and subsequent contracts of 3 months each.



52

CATEGORIES

In 2019, the request for supplies is unified in a single Dynamic Purchasing System for Valencia and Alicante, establishing **52 categories** governed by product categories and/or specific geography, with a validity of 5 years and 12-month derived contracts. All suppliers interested in joining this Dynamic Purchasing System may do so during the period of validity of the same.



More than 105

SUPPLIERS

More than 105 suppliers which meet the administrative and technical requirements have been approved and are ready to send their offers.

**There was a considerable decrease in minor contracts by more than 65%.
The contracts resultant from the DPS had average savings of 17% when compared to minor contracts.
There was a reduction of more than 42% in the cost of awarding minor contracts.**



TESTIMONIALS

"With the new public procurement law in Spain, a series of legal changes were introduced to limit and reduce the use of minor contracts (purchases without advertising) by public sector entities, with the aim of reducing their use in recurrent purchases. In VORTAL we are working to make available the figure of dynamic purchasing systems in public administrations during 2018, being Ferrocarriles de la Generalitat Valenciana, the first entity that implemented them in Spain. The DPS allows a better organization and planning in terms of contracting, allowing public entities to have a database of suppliers, which are continuously being standardized in different purchasing categories. They also contribute to considerably improve the bureaucratic procedures of internal management, which have to be carried out in other types of contracting procedures, such as framework agreements or open procedures.

Therefore, dynamic purchasing systems have contributed to improve the purchasing management, considerably reducing minor contracting and improving the supply procurement process."

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