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## SŽDC Converts to Central Mode of Purchase

Správa železniční dopravní cesty deals in a long term with effective possible savings while purchasing commodities necessary for repair, maintenance and modernisation works on Czech railway networks. Now it came with a solution of a central mode of material purchase which will allow it to save dozens of millions Czech crowns per year.

During a tender for purchase of rails being opened centrally for the first time, SŽDC managed to save almost 30% of state financial resources. This represents costs savings almost by one-third compared to the period when material purchase was assured by each SŽDC Regional Directorate separately. Upon discussion within the company Administration Board and its approval, centralisation of safety and signalling equipment purchase is being newly in preparation as well.

*„One of the reasons while we can reach prices considerably lower than the ones in the catalogue with central purchase may also be the fact that the central mode of purchase is noticeably more interesting for a wider spectrum of suppliers“,* says Mr. Jiří Svoboda, Deputy Director General for Rail Operability..

Based on a resolution of The Administration Board, SŽDC recently started pursuing purchase centralisation within construction investment activities as well. This concerns material and equipment used for railway modernisation such as acquiring concrete sleepers for which savings up to 4% in average were reached during the tendering procedure.

The central mode of purchasing separate commodities is definitely not unknown to SŽDC. Since 2013 already, it has been acting as the central contracting authority ensuring purchase of natural gas and electrical power for 13 organisations subordinated to the Ministry of Transport. The last purchase of these commodities for 2017 carried out at the Czech-Moravian Commodity Exchange Kladno allowed SŽDC to decrease inter-annual costs of the whole sector by CZK 30 million.

SŽDC is a state organisation managing the railway infrastructure owned by the state and exercising the function of rail system operator and owner pursuant to the Act on Rail Systems. It ensures the operation, operability, modernisation and development of the railway infrastructure and management of railway stations. It also allocates infrastructure capacity on the nationwide network and regional networks owned by the Czech Republic. With a staff of almost 18,000 employees, it belongs among the biggest Czech companies.

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