

SC TRANSBUS SA Buzău, ROMÂNIA

**Corporate Management Cluster
Performance indicators**

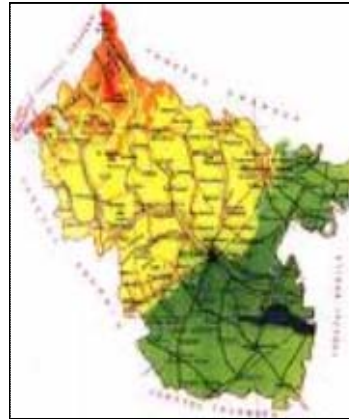


Buzău city presentation



Buzău City

located on the map of Romania



Buzău County

Buzău city is placed in the South-Eastern part of Romania, right near the curve of the Carpathian Mountains Chain.

The population of Buzău city is of about 138 thousand, living in 81 square kms, for whom our company (SC TRANSBUS SA) is assuring the public service of urban transport.



Buzău City Hall



SC TRANSBUS SA presentation

TRANSBUS Buzău is the only public transport operator in Buzău City and it is acting as a state controlled company. The unique shareholder is the City Council of Buzău. Our company is taking benefit of subsidies from the local budget, covering all the cost generated by the public transport activities, calculated as a difference between incomes and expenses.

In 2007 the City Council has been allocated the amount of 1,3 million € for exploitation expenses and other 800 thousand € for PT investments (there were purchased new buses by tender).





State of the art of public transport

Buses are the only current means of public transport in Buzău city. Among the main characteristics of the network in our city are:

- the average number of vehicles is 32 to 40 buses in peak times, out of which 10 are with low floor for the access of persons with disabilities;
- there are 10 routes with a total length of about 67 km;
- the time gap between two consecutive buses is 10 – 20 minutes;
- bus stops in use: 127;
- the average commercial speed: 16 km/h;
- the average number of the daily travelers is of about 26 thousand;
- the average of the annually carried travelers is more than 9 millions.



Buses are the most used public transport option for the local journeys (they're also private operators who have minibuses - about 150). Local authorities are integrating local transport with other policies and services in their areas. They operate concessionary travel schemes and support social needs for bus travelers.



State of the art of public transport

People over 65 and people with disabilities benefit from free bus travel within the area of the local authority, where they live, all days of the month, on all routes (on January 2007, the City Council, approved an agreement on this matter).



Local authorities are required to prepare a local transport plan (LTP) and a bus strategy, addressing the needs of their area. The City Council controls the timetables and fares and approves the cost per journey (now it is 25 €-cents per journey) but the real cost is 40 €-cents, the difference being subsidized.

The core indicator of bus performance is punctuality. From this reason, waiting times (an indicator of how many minutes the passengers have to wait above that expected, if the route was operated as scheduled) have reduced by over one-third on routes because the green at the traffic lights has been extended, and as a consequence, congestion and pollution were reduced and bus commercial speed has increased.



State of the art of public transport

Cost management (CM) is a process whereby companies use cost accounting to report or control the various costs of activities. We use CM to describe the approaches and activities of managers in short and long run planning and control decisions that increase the quality of our services and lower the cost as well. CM has a broad focus. It includes the continuous reduction of costs and increase the incomes. For instance, to increase our incomes, SC TRANSBUS SA has signed advertising agreements (commercials on the exterior of our buses and on the back of the traveling tickets), in particular with the companies of mobile communication or with PC and IT distributors.

The board of our company has a management contract with the City Council and some Key Performances Indicators have to be achieved. Key Performance Indicators (KPI) reflect the organizational goals and must be quantifiable.



Performance indicators - overview

Key Performance Indicators (KPI) are those factors that are essential to our organization to reach its goals. We measure a small number of Key Performance Indicators, just to keep everyone's attention focused on achieving the same KPI.

KPI are divided in three main categories:

1. Technical indicators

- a) the coefficient of the fleet usage (CFU) page 8**
- b) the daily average route (DAR) page 9**
- c) the average age of the fleet (AAF) page 10**

2. Economical indicators

- a) the period of recovering debts from others (PRDO) ... page 11**
- b) the period of repayment of debts (PRD) page 12**

3. Human indicators

- a) the productivity of labor (PL) page 13**

4. Safety indicator

- a) the number of human injuries (HI) page 14**



Coefficient of the fleet usage (CFU)

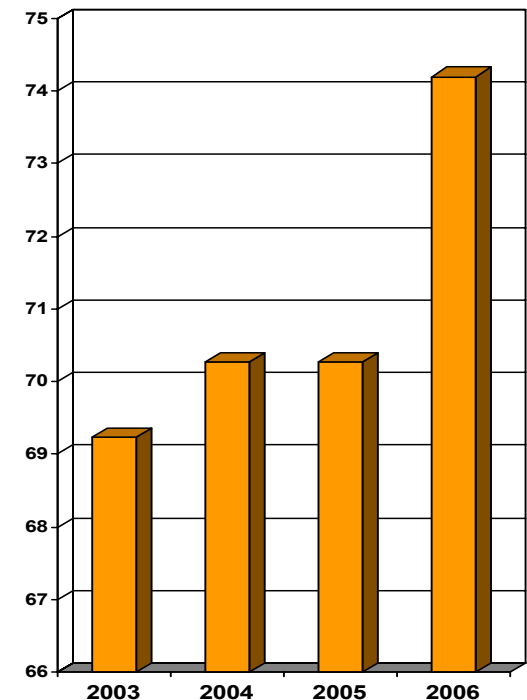
We measure the rate of the fleet usage. What is the percentage of the used vehicles from the total inventory fleet, in each day. Then, it is made the average per year.

$$CFU = \frac{\text{Number.of.buses.used.in.a.day}}{\text{Inventory.fleet}} \%$$

This indicator must be a minimum of 65%.

| 2003 | 2004 | 2005 | 2006 |
|--------|--------|--------|--------|
| 69,23% | 70,27% | 70,27% | 74,20% |

This indicator has increased so much in 2006, because 1/3 of our buses are new, so, there are fewer technical malfunctions.





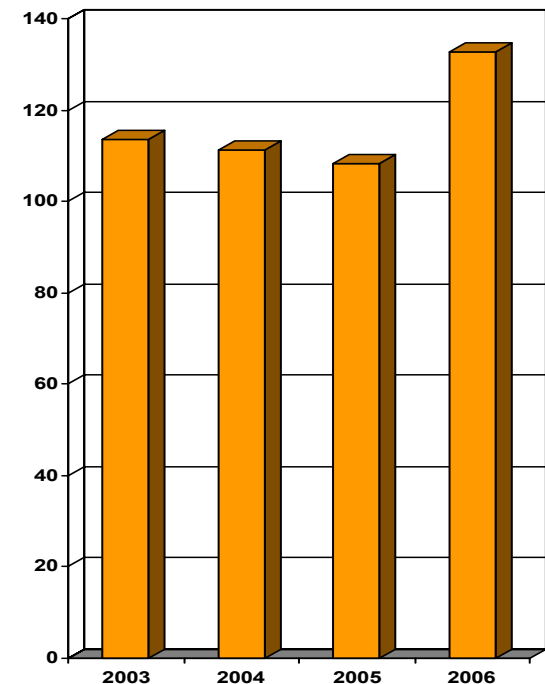
Technical indicators

Daily average route (DAR)

It indicated how many kilometers a bus covered in a day. Then we make the average. It is also possible to obtain the same result with the formula:

$$DAR = \frac{\text{buses.total.km.}}{\text{daily.active.buses}}$$

| 2003 | 2004 | 2005 | 2006 |
|----------|----------|----------|----------|
| 113,6 km | 111,2 km | 108,3 km | 132,72km |





Technical indicators

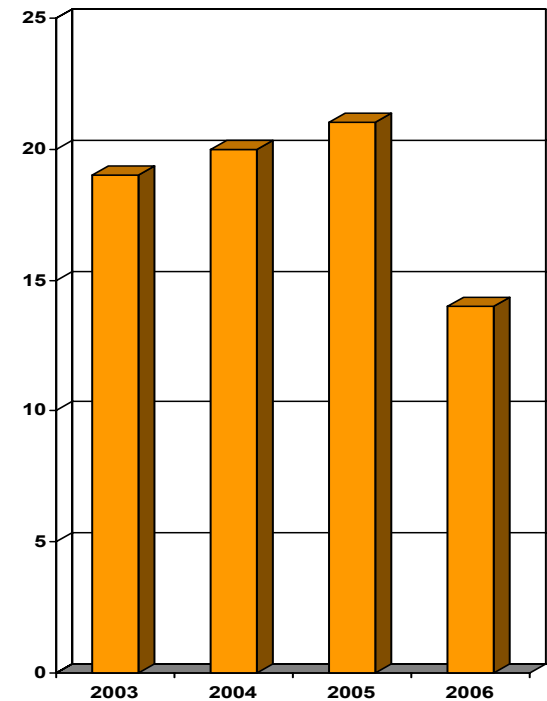
Average age of the fleet (AAF)

How old are our buses?

$$AAF = \frac{\sum_{i=1}^n Bus1.age}{n}$$

where n = total number of buses.

| 2003 | 2004 | 2005 | 2006 |
|----------|----------|----------|----------|
| 14 years | 15 years | 16 years | 12 years |





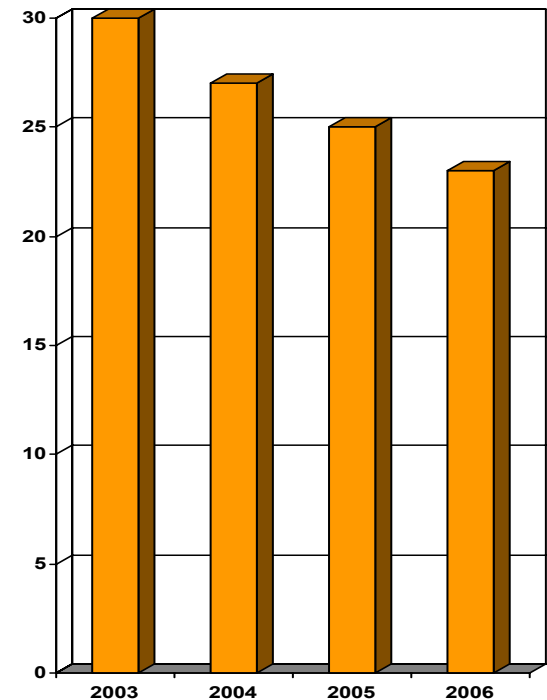
Economical indicators

Period of recovering debts from others (PRDO)

How many days it takes to receive back the debts from others?

$$PRDO = \frac{\textit{Overdue.debt.payment}}{\textit{Turnover}}$$

| 2003 | 2004 | 2005 | 2006 |
|---------|--------|---------|---------|
| 30 days | 27days | 25 days | 23 days |





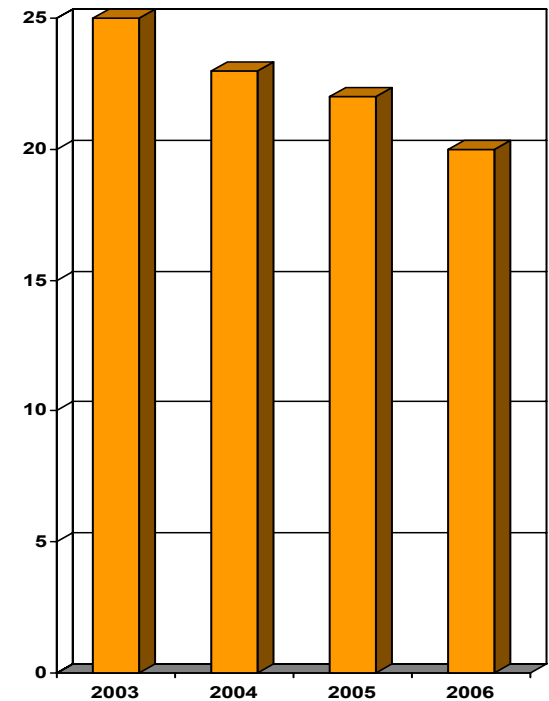
Economical indicators

Period of repayment of debts (PRD)

How many days it takes to pay our debts?

$$PRD = \frac{\textit{Overdue.debt}}{\textit{Turnover}}$$

| 2003 | 2004 | 2005 | 2006 |
|---------|---------|---------|---------|
| 25 days | 23 days | 22 days | 20 days |





Human indicators

Productivity of labor (PL)

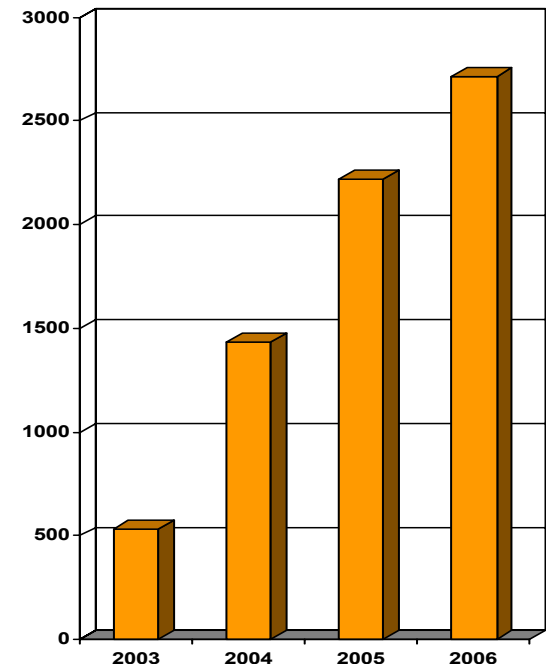
What is the annual average income per each employee ?

$$PL = \frac{\text{Annual.income}}{\text{Average.number.of.employees}} \quad [€/employee]$$

It were not take into account the value of subventions.

| 2003 | 2004 | 2005 | 2006 |
|-------|--------|--------|-------|
| 532 € | 1433 € | 2220 € | 2715€ |

The values increased constantly as the incomes also have raised year by year, due to the fact that the number of passengers has increased each year, and the number of employees remains almost the same.





Safety indicators

Number of human injuries (HI) caused by public transport

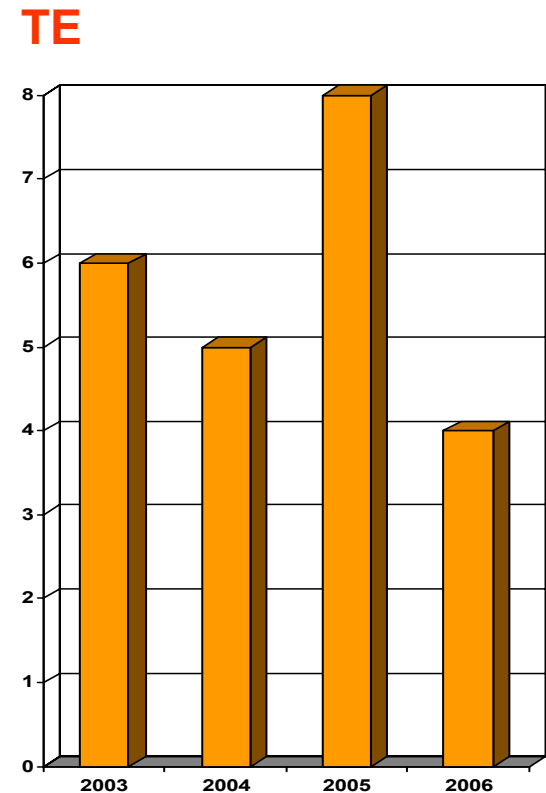
How safe is to travel with the public transport?

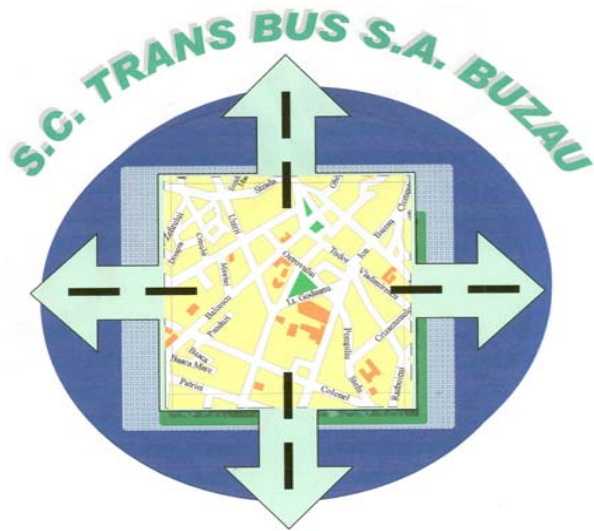
How many persons were injured due to public transport? (HI)

What is the number of traffic events? (TE)

| | 2003 | 2004 | 2005 | 2006 |
|----|------|------|------|------|
| HI | 0 | 0 | 0 | 0 |
| TE | 6 | 5 | 8 | 4 |

It is 100% safe to travel with the public transport. The registered traffic event were between our own vehicles and private ones. Only 27% were on our bus drivers fault. None of the TE were caused by technical malfunction.





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**Thank you for your
attention !**