

**3<sup>rd</sup> Working Group Meeting Agenda  
9<sup>th</sup> and 10<sup>th</sup> October 2008, Prague**

**WG 3: Market Organisation  
Contracts, Incentives and Monitoring**

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**Problems and challenges addressed**

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**Problems** relating to contracts, incentives and monitoring:

- pressure on public funds requires the improvement of efficiency and productivity and the increase of PT revenues
- increasing quality expectations of customers and direct competition with the car requires improvements in PT service quality
- few incentives for PT operators to cut costs and to increase quality and revenues
- difficult long term and even short term planning due to unreliable and instable framework conditions
- lack of initiative due to unclear division of responsibilities
- difficult assessment of efficiency and effectiveness of PT services due to insufficient separation of authority and operator and low implementation of monitoring schemes

**Main challenges** regarding contracts, incentives and monitoring include:

- implementation of the new EU Regulation 1370/2007, i.e.
- formalisation of the relationship between authority and operator by designing and implementing Public Service Contracts that clearly define the actors' responsibilities
- allocation of responsibilities and risks for operators and authorities in a fair and efficient way
- design and implementation of incentive contracts which induce operators to conduct their business towards the achievement of the strategic goals of the system, i.e. to increase efficiency and quality of PT
- design and implementation of monitoring systems for the operator's economic and quality performance in order to measure quality and efficiency against the targets set, to enforce the fulfilment of the PSC and to reassess the current market organisation

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#### **Objectives of WG Meeting**

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- To identify and validate main problems/challenges, trends and challenges in CEEC related to contracts, incentives and monitoring in urban PT
- To exchange information, experiences and know how and information on the topic between CEEC and other European cities/urban areas
- To present and discuss good practices examples from operators and authorities from CEEC and other European Countries
- To derive conclusions on challenges and need for action

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#### **Important questions to discuss**

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- What is a good PSC? What different types of PSC exist and how are they used according to their strengths and weaknesses?
- What are the advantages/disadvantages of a PSC?
- How to set up and implement a PSC?
- How can incentive contracts improve quality and efficiency of PT operation and services?
- What kind of incentives are suitable under certain framework conditions?
- What are the barriers and success factors when implementing incentive contracts?
- What kind of monitoring systems are appropriate under certain framework conditions?
- What monitoring systems can improve quality and efficiency of PT services?
- How to set up and implement monitoring schemes?

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#### **Preparatory documents**

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Working paper “Contracts, incentives and monitoring” including

- State of the art and problems/challenges
- Overview on general models / solutions
- Overview on specific topics

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**9th October 2008**

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|----------------------|---|------------|
| 09:30 – 11:00        | Opening session (Plenary)   | UITP       |
| 11:00 – 11:30        | <i>Coffee break</i>   |            |
| <b>11:30 – 13:00</b> | <b>Working Group Session Part 1: Introduction</b>   | Rapp Trans |
|                      | <p>Introduction by cluster leader</p> <ul style="list-style-type: none"> <li>- scope of the workshop / topics addressed</li> <li>- self-introduction of participants</li> <li>- Objectives / expectations for the meeting</li> <li>- Questions to be discussed</li> <li>- Programme for the WG Meeting</li> <li>- “Communication Rules”</li> <li>- main trends and challenges in CEEC / other countries</li> <li>- validation incl. statements from experts &amp; discussion</li> </ul> <p>Key note speech on Public Service Contracts<br/>by Guido Bruggeman</p> |            |
| 13:00 – 14:00        | <i>Lunch</i>  |            |
| <b>14:00 – 18:00</b> | <b>Working Group Session Part 2: Contracts (PSC)</b>  | VVO        |
|                      | <p>Introduction by VVO incl. results from inquiry</p> <p>Presentation: Contracting in urban PT – study results<br/>by Arne Beck, BSL Management Consultants</p> <p>Presentation: Experiences from Riga<br/>by Rudite Revelina, Riga City Council</p> <p>Presentation: Experiences with PSC<br/>by NN, EIB (tbc)</p>   |            |
| 16:00 – 16:30        | <i>Coffee break</i>   |            |
|                      | Structured group discussion addressing the key questions  |            |
| 20:00                | <i>Dinner</i>   |            |

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**10th October 2008**

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|----------------------|--|------------|
| <b>9:00 – 12:30</b>  | <b>Working Group Session Part 3: Incentives &amp; Risks</b>  | VTI        |
|                      | Introduction by VTI incl. results from inquiry   |            |
|                      | Presentation: Incentives from an operator's point of view<br>by Michel Quidort, Veolia                   |            |
|                      | Presentation: Swedish experiences<br>by Martin Ignell, Västtrafik  |            |
|                      | Presentation: Bonuses and fines in Polish contracts<br>by Stanislaw Jedlinski (tbc)                      |            |
| <i>11:00 – 11:30</i> | <i>Coffee break</i>  |            |
|                      | Structured group discussion  |            |
| <i>12:30 – 13:30</i> | <i>Lunch</i>   |            |
| <b>13:30 – 15:00</b> | <b>Working Group Session Part 4: Monitoring systems</b>  | Rapp Trans |
|                      | Introduction by Rapp Trans incl. results from inquiry and<br>Swiss experiences                           |            |
|                      | Presentation: Application of CEN 13 816 from the authority's<br>point of view<br>by NN (tbc)             |            |
|                      | Presentation: Monitoring quality based on CEN 13 816<br>by Zdenek Dosek, Prague Public Transport Company |            |
|                      | Structured group discussion  |            |
| <b>15:00 – 16:00</b> | <b>Working Group Session Part 5: Main findings &amp; outlook</b>   | VVO        |
|                      | Conclusions and main findings  |            |
| <i>16:00 – 16:30</i> | <i>Coffee Break</i>  |            |
| <i>16:30 – 17:30</i> | <i>Closing session (Plenary)</i>   | UITP       |
| <i>20:00</i>         | <i>Dinner</i>  |            |