



WG 3 Market Organisation
9-10 October, Prague, Czech Republic

4th Working meeting
Contracts, incentives and monitoring

Part 2: Public Service Contracts

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Programme Part 2 (14:15 – 18:00)

- Questions and discussion relating to the presentation of G. Bruggemann
- Results from the Inquiry
- Presentation by Mr. Arne Beck, BSL Management Consultants
- Presentation by Ms. Rudite Revelina, Riga City Council
- Presentation by Ms. Monika Mroczek, EIB

16:00-16:30 Coffee break

- Group discussion



Results from the Inquiry (I)

PSC: Figures

- every city has a PSC
- duration from 1-15 years (av. 8 years)
- duration independent from modes
- 44% Gross Cost, 28% Management, 28% Net Cost
- 44% tendered, 39% direct award, 18% in-house



Results from the Inquiry (II)

PSC: Advantages

- clear relationship between authority and operator
- clear definition of PT service level
- stronger position of authority
- combine economic and social interests
- protection of economic interests and long-term planning
- unified fares for all operators
- higher transparency, quality and effectiveness
- measuring performance, performance based payments



Results from the Inquiry (III)

PSC: Barriers and problems

- operators reluctant to transparency and PTA power
- PTA reluctant to long term commitment
- mixed role of city (owner vs. authority)
- risks not shared according to responsibilities
- too short duration
- lack of incentives (quality, ridership)
- lack of funds to increase service level / compensation (?)
- inflexible (e.g. funds for special purposes)
- incomplete PSC (environment, financing of development, monitoring etc.)



Group discussion

Questions:

- What are your experiences with PSC?
 - What is a good PSC?
 - What are possible pitfalls/conflicts and how to avoid them?
 - How to set up and implement a PSC?
 - What are the pros and cons of different contract types? (MC, GCC, NCC)



Group discussion

Questions:

- How to guarantee long-term reliability while leaving enough flexibility (e.g. changes of services)?
- What are special interests/concerns of authority and operator?



Group discussion

