

Urban Transport Benchmarking Initiative Year Two

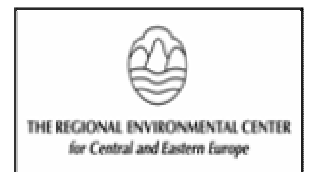
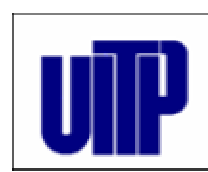
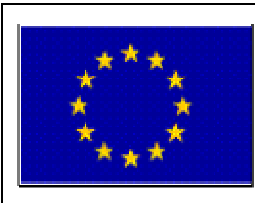


Annex A5

Public Transport Organisation and Policy

Working Group Report

July 2005



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by



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CONTENTS

1.	INTRODUCTION	1
1.1	Objectives of the working group	1
1.2	Methodology of the working group	1
1.3	Definition of the working group theme.....	2
1.4	Site Visits	3
2.	WORKING GROUP PARTICIPANTS	4
3.	DEFINITION OF THEMATIC INDICATORS	5
3.1	Methodology for indicator definition.....	5
3.2	Data collection and analysis.....	5
3.3	Definition of indicators	6
3.4	Data limitations and barriers to data collection.....	7
4.	ORGANISATIONAL FRAMEWORKS	8
4.1	Introduction	8
4.2	Overview of findings	8
5.	CONTRACTS & QUALITY.....	17
5.1	Introduction	17
5.2	Overview of findings	17
6.	CONCLUSIONS AND RECOMMENDATIONS	23
6.1	Introduction	23
6.2	Conclusions	23
6.3	Recommendations.....	23
6.4	Next steps and future intentions for the working group	24

1. INTRODUCTION

1.1 Objectives of the working group

During the first year of the Urban Transport Benchmarking project, the participants of the working group on Public Transport Organisation and Policy compared their performance, notably in the area of service quality, and a number of benchmarks were identified among participants for selected aspects of service quality (quality of supply, accessibility, and integration).

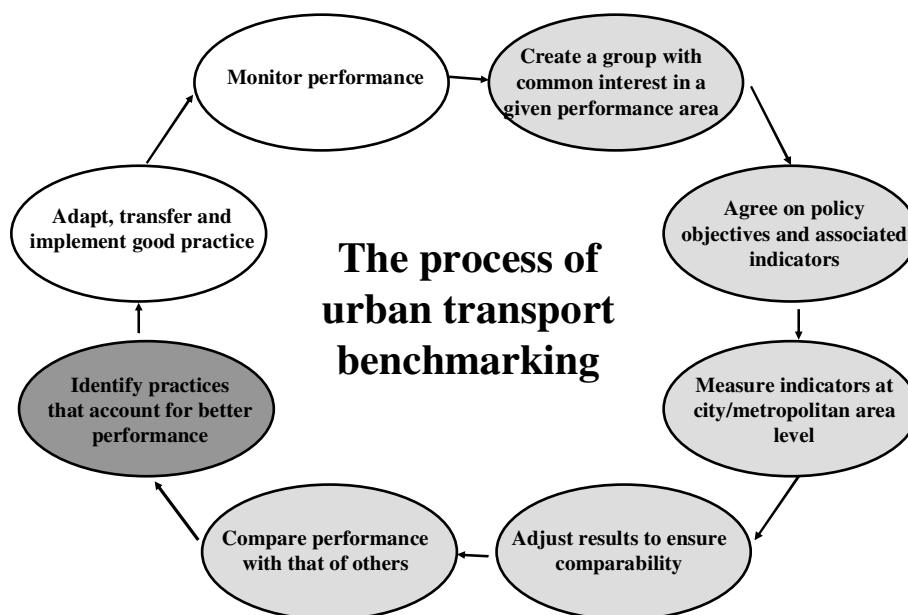
The purpose of the second year was to look beyond those benchmarks and to explore practices that account for the best performance levels, with a particular focus on contracts between operators and authorities. The analysis of the benchmarks identified at the end of the first year had highlighted the role of contracts in the attainment of such high performance levels.

Contracts are a tool which can clearly define objectives, responsibilities and activities of public transport operators and authorities. They are based on a mutual commitment and provide transparency of finance and operations. The issue of contracts was thus of high interest to both operators and authorities. Focussing on contracts was also timely, given the debate on the clarification of the respective roles of operators and authorities which is currently taking place at the European Union level.

1.2 Methodology of the working group

Benchmarking is a tool for change. This is a long term process which involves a number of successive steps. During the second year of the Urban Transport Benchmarking project, the group has continued its progression along the 'benchmarking wheel' shown below.

Figure 1.1 the Benchmarking Wheel



During the first year of the project, participants had successively agreed on policy objectives (improving quality of service), defined and collected indicators measuring their performance regarding these policy objectives (age of fleet, frequency, accessibility, integration, etc.), compared their performance, and identified benchmarks (young and accessible fleet, fully integrated fare system, etc.) The second year focused on practices that account for the best performance levels, and the group decided to concentrate on the use of contracts.

In order to achieve this objective, a common framework to describe and compare contracts between operators and authorities in the different cities represented in the group was used, through a case study approach (detailed in section 5). Contracts between operators and authorities take place in an organisational, political and cultural context which helps to gain understanding of particular characteristics of the contracts. For this reason, the group started by collecting detailed background information on the organisational framework of public transport in each city (section 4).

Given the case study approach adopted, the indicators collected during the second year of the project, concerning both organisational frameworks and contracts, were of a qualitative nature, in contrast to the first year where the focus was mainly on quantitative data.

The initial objective of the group for the second year was to draw up one “ideal” contract on the basis of the good practices identified in each city. However, the limitations of this approach became apparent in the course of the work as detailed below:

- the lack of exhaustiveness, linked to the very nature of a benchmarking group, makes it difficult to speak of an “ideal” contract. While good practices are represented in the group, others not documented here may deserve to be part of the ideal contract;
- more fundamentally, it appeared during the discussions that there is not “one” unequivocal definition of the ideal contract, which varies according to the circumstances. In summary, the ideal contract for Athens may not be the ideal contract for Belfast.

As a result, the working group decided that the most useful approach was to provide very detailed and self-assessed descriptions of the organisational frameworks and contractual practices in each city, so that each participant could identify the most appropriate combination of contractual provisions which would help to improve the performance of the system in their own particular situation.

1.3 Definition of the working group theme

Organisation of public transport

The working group decided to explore the organisational framework of public transport in each city in order to get a better understanding of the context of delivery of public transport services. This focus on the organisation of public transport was undertaken in support of the main centre of interest for the working group for the second year: contracts between operators and authorities.

Quality in public transport contracts

Contracts define the respective share of responsibilities between operators and authorities for a number of aspects of the provision of transport services. The working group decided to focus on the aspect of service quality, as it was an area where participants had satisfactorily measured, compared and benchmarked their performance during the first year of the project. The working group

participants aimed to compare how quality was defined, measured, assessed and rewarded in their respective contracts between public transport operators and authorities. Self-assessment of the quality provisions of the contracts enabled the identification of the strengths and weaknesses of each approach.

1.4 Site Visits

Site visit and working group meeting 1: Madrid

The first meeting of the working group was hosted by the *Consortio Regional de Transportes de Madrid* on 13 and 14 December 2004. The purpose of the meeting was two-fold:

- presentation of the organisational framework of public transport in each city, following guidelines distributed ahead of the meeting;
- discussion on the specific aspect of contracts which would be investigated. Participants chose to focus on quality in contracts.

The site visit showed some recent developments of the metro network and the interchange of *Avenida de America*. With respect to the focus of the meeting, namely the organisation of public transport, special attention was given, during the visit, to the role of the *Consortio* in the extension of the metro network and the development of the *Avenida de America* interchange.

Site visit and working group meeting 2: Stuttgart

The second meeting of the working group was hosted by the *Verband Region Stuttgart*. The purpose of the meeting was to exchange information on specific quality provisions included in contracts and to identify strengths and weaknesses in each case, based on a questionnaire circulated ahead of the meeting.

The site visit showed the S-Bahn network, which is supervised by the *Verband Region Stuttgart* in its role as public transport authority. With respect to the focus of the meeting, namely quality provisions in public transport contracts, special attention was given, during the visit, to the practical implementation of quality provisions (accessibility, information, cleanliness, support to passengers, etc.)

Site visit and working group meeting 3: Athens

The third meeting of the working group was hosted by the Athens Public Transport Organisation. Following the detailed investigation of quality provisions undertaken during the second site visit, the purpose of the third meeting was to compare the design and the structure of the contracts, with particular reference to quality.

The site visit also included an extensive tour of the recently upgraded public transport system in Athens.

2. WORKING GROUP PARTICIPANTS

Building on the lessons learnt from the first year, special efforts were made to develop a group for the second year which enabled 'like for like' comparisons. The relatively large size of the group was also an asset in that respect.

The working group participants for year two of the Urban Transport Benchmarking Initiative are summarised below.

- Alicante
- Athens
- Belfast
- Brussels
- Bucharest
- Madrid
- Merseyside
- Prague
- Stuttgart

Table 2.1 below provides some further information on the public transport system of these cities.

Table 2.1 Public transport systems

	Bus	Metro	Tramway	Light rail	Suburban/ Regional rail
Alicante	X				1
Athens	X	X	X		X
Belfast	X				X
Brussels	X	X	X		X
Bucharest	X	X	X		X
Madrid	X	X			X
Merseyside	X				X
Prague	X	X	X		X
Stuttgart	X		X	X	X

¹ There is a regional railway line but it was left aside due to its very small size.

3. DEFINITION OF THEMATIC INDICATORS

3.1 Methodology for indicator definition

During the first year of the project, the working group participants defined and collected a number of performance indicators. Most were quantitative indicators. The aim of the second year of the project was to identify practices which are linked to good performance and more precisely, the combination of procedures and provisions which make a contract successful. This information was better documented by qualitative indicators, which formed the basis of the collected material for year two. Maps, charts, and figures were an integral part of the collected material.

Indicators for year two were designed as part of a common framework to describe and compare the organisation of public transport and public transport contracts, with a specific focus on quality provisions. The definitions were suggested by the working group coordinator on the basis of suggestions made by participants and through a review of literature in that area.

The challenge in defining the indicators was different to the first year. In this case, the issue of data availability or reliability was not so crucial, but the questions had to be asked in such a way that they were specific enough to be able to make comparisons and broad enough to be able to obtain sufficient detail.

3.2 Data collection and analysis

Data Collection

Participants were invited ahead of each meeting to prepare a presentation to be delivered during the meeting following certain guidelines. The guidelines indicated the topics but left each participant to present the information in their own words, in order to gain a full understanding of the complexity of each situation. The meeting itself was an important part of the process of collecting data as the questions asked by each participant enriched the discussion.

Data Analysis

At this stage of the benchmarking process, the analysis is only a preliminary part of the conclusions that can be drawn from the experience of the working group. As each situation is unique, the description of a measure implemented in one city is just the first level of the work in devising a measure that is transferable elsewhere. The main part of the work is something which is carried out by each city individually, by being able to observe other practices and to combine relevant aspects of these practices into their own approach.

The challenge was to synthesise the information delivered through the presentations at working group meetings and the discussion among participants into a comparable format in brief and comparable texts.

3.3 Definition of indicators

The indicators of interest were defined ahead of each meeting in the guidelines for preparation of the presentations. The main indicators collected during year two are listed below.

1. Organisation of public transport

- 1.1. Operator(s): number of operators; ownership (is the authority a shareholder?)
- 1.2. Organising authority(ies): nature of body(ies) which oversee(s) public transport in the metropolitan area (dept. of the local authority, historic operator turned into authority, specific structure created on purpose, etc.); date of creation; structure and governance; source of revenue.
- 1.3. Right of initiative to create public transport services: does it belong to the authority or to the market. If authority initiative, is there direct or delegated management of the public transport services? If market initiative, is the entry to the market subject to any authorisation?
- 1.4. Level of regulation of the market
- 1.5. Share of responsibilities: who is in charge of the definition of service, quality management, fares and ticketing, information and promotion, network management (stations, inter-modal points, etc.), personnel and employment conditions? Is the share of responsibilities contractually established?
- 1.6. Change: evolution in recent years and future plans (in reference to national and EU policies).
- 1.7. Planning environment: existence of a local transport plan, role for PT within that plan.

2. Public Transport Contract Structure (focusing on the quality aspect)

- 2.1. Objectives of the contract
- 2.2. List of indicators included in the contract: objective and subjective
- 2.3. Method of measurement of the indicators
- 2.4. Respective weight of the indicators in the assessment of quality
- 2.5. Method of computation of bonus and malus (including amounts involved)
- 2.6. Conciliation procedure (in case of disagreement on the output)

3. Quality provisions in public transport contracts

- 3.1. Service supply: Area covered, time window of service, frequency of service
- 3.2. Accessibility: Access to persons with reduced mobility

- 3.3. Information: fixed information, real-time information
- 3.4. Duration: Punctuality of service
- 3.5. Comfort, customer care, safety and security: age of fleet, cleanliness, staff attitude, protection against aggression, protection against accident
- 3.6. Environmental impact: energy consumption, pollution

3.4 Data limitations and barriers to data collection

Given the nature of the indicators collected during the second year, comparability of definitions and availability of data was not a problem, which enabled the group to focus on the actual comparisons of practices and not on methodological issues, which was appreciated by all participants.

The only difficulty was the limited number of examples of contracts actually in use. Contracts were planned in most networks but ideally the comparison had to take into account the effect of the contract once it had been introduced.

4. ORGANISATIONAL FRAMEWORKS

4.1 Introduction

The scope of contracts between public transport operators and authorities is partly influenced by the organisational framework of public transport. In order to ensure that comparisons between networks are made on common grounds, participants developed a detailed framework to describe and compare the way public transport is organised in each city.

The overview of findings below shows the variety of situations represented in the group. The information provided extends beyond the usual distinction between regulated and deregulated market and focuses on key aspects of the organisation of public transport which affect the way service quality is delivered to the customers.

4.2 Overview of findings

An overview of the organisational frameworks in each city is given below.

<u>Alicante</u>	
The metropolitan area of Alicante is made of five municipalities, including the city of Alicante.	Population : 0.4 million Surface area : 350 km ²
Operators <ul style="list-style-type: none"> - Urban bus operator (privately owned company) - Suburban bus operator, connecting Alicante with the other four municipalities (privately owned company) - Tramway operator (owned by the Regional Administration) 	
Organising authorities <p>A law creating a public transport authority is now in the legal process required before its approval. This authority will be a public company owned by the Regional Administration. The city council of Alicante will be represented in this company (he will choose the vice-president), as well as the other 4 municipalities. At the moment a Joint Commission consisting of representatives of the Regional Administration and Alicante Municipality oversees public transport in the area.</p>	
Right of initiative to create public transport services <p>The Joint Commission (Regional Administration and Alicante municipality) has the right of initiative to create new public transport services. The Administration decides on the routes, frequencies, timetables, quality of the rolling stock; and the fares to be charged by operators.</p>	
Level of regulation of public transport market <p>According to the Spanish Transportation Law (1987), it is the Administration (Regional Administration -interurban transport- and Municipalities for urban transport) who defines the new public transport services to be operated. These services are put out to tender. The company which is assigned the contract is granted that no other company will be allowed to operate public transport services in the area.</p>	
Share of responsibilities between operators and authorities <ul style="list-style-type: none"> - The Joint Commission decides on the frequencies, routes, timetables, rolling stock, fares and ticketing and network management. - Personnel and employment conditions are up to operators. - The share of responsibilities is not contractually established. 	
Recent evolutions <p>In future, plans are for public transport services to be tendered, with a share of responsibilities contractually established. There is a local transport plan (1999) which tried to encourage the use of public transport by means of:</p> <ul style="list-style-type: none"> - the restructuring of bus services (new timetables, routes and frequencies), - integration and coordination of services, - a new ticketing policy (introduction of integrated tickets allowing the interchange between modes and buses), - a unified image for public transport, - providing financial aid to encourage the renewal of rolling stock. 	

<u>Athens</u>	
Metropolitan area of Athens	Population : 3.7 million
<p>Operators</p> <ul style="list-style-type: none"> - ETHEL: thermal bus operator (affiliated to OASA) - ILPAP: trolley-bus operator (affiliated to OASA) - ISAP: metro line 1 operator (affiliated to OASA) - AMEL: metro lines 2 and 3 operator (affiliated to ATTIKO metro) - Tram operator (affiliated to ATTIKO metro) - Suburban railways operator (affiliated to the Hellenic Railways Organisation) - Private bus operators 	
<p>Organising authorities</p> <p>Established in 1993, Athens Public Transport Organisation (OASA) is the public transport authority for the metropolitan area of Athens. It is a private law organisation, totally owned by the Greek State, under the supervision and control of the Ministry of Transport & Communications.</p>	
<p>Right of initiative to create public transport services - The right of initiative belongs to the organising authority.</p>	
<p>Level of regulation of public transport market - The market is entirely regulated.</p>	
<p>Share of responsibilities between operators and authorities</p> <p>OASA is responsible for the planning, co-ordination and control of all public transport modes in the greater Athens area: thermal buses, trolley buses, and metro. OASA assigns the operation and exploitation of transport service to its affiliated organizations. In that respect, the organisation of public transport in Athens is an interesting example of progressive integration of public transport. OASA currently has three affiliated companies which are responsible for the delivery of transport services:</p> <ul style="list-style-type: none"> - the thermal bus operator (ETHEL), which was established in 1994 as an affiliated company of OASA; - the trolley-bus operator (ILPAP), established in 1970, is a public corporation belonging to the Greek State which has been affiliated to OASA in 1998; - the operator of metro lien 1 (ISAP), established in 1976, which has been an affiliated company of OASA since 1998. <p>The operator of the new metro lines (AMEL) is currently affiliated to its owner Attiko Metro SA. It is planned that AMEL will merge with ISAP within a few years and will thus be supervised by OASA to the same extent as the other operators above. OASA planning responsibilities are in the process of extending to the tram, the suburban buses, and the suburban railways.</p>	
<p>Recent evolutions</p> <p>A set of short & medium term transport measures were announced by the Minister of Transport after the Olympic Games, in October 2004. These measures aim to incorporate the Olympics legacy and to capitalise on lessons learned during the Games. The strategic objectives of these new measures include:</p> <ul style="list-style-type: none"> - the integration of the different transport modes in the Attika region (as above); - the increase of the modal share of public transport; - the reduction of the use of the private car; - the development of emergency procedures; - public transport service improvements, including in particular: the introduction of a single fare ticket (90 min); the extension of the bus lane network; new express lines and the restructuring of the bus network. 	

<u>Brussels</u>	
Brussels Capital Region is one of Belgium's three regions. It is made of 19 communes.	Population: 0,9 million Surface area: 161 km ²
Operators	
<ul style="list-style-type: none"> - STIB: metro, tramways and buses (owned by Brussels Capital Region) - The Lijn: regional buses in the Flemish region (including lines within Brussels) - TEC: regional buses in the Walloon region (including lines within Brussels) 	
Organising authorities	
The region of Brussels Capital is competent and accountable for public transport within its administrative boundaries, which is however serving a public well outside its administrative boundaries.	
Right of initiative to create public transport services	
The initiative belongs to the authority. As far as urban transport is concerned, the authority gives exclusive rights to the operator (STIB) in the region (delegated management).	
Level of regulation of public transport market	
The market is regulated. The region monitors STIB performances and STIB proposes the level of services to the Region for approval.	
Share of responsibilities between operators and authorities	
<ul style="list-style-type: none"> - Staff: under contract by operator - Definition of services: operator's responsibility (level of production fixed in the contract) - Pricing: operator introduces tariffs propositions approved by government. - Integration: exists between operators - Information and promotion: operator's initiative - Rolling stock: operator's ownership - Infrastructure: facilities and surface tracks owned by operator; metro belongs to the region 	
Recent evolutions	
The current subsidy mechanism allows the transparency of financial flows and the contract has clarified the roles. The focus of the STIB is increasingly on client focus, internationalisation, and diversification.	

<u>Bucharest</u>	
Bucharest metropolitan area	Population: 2.3 million
Operators <ul style="list-style-type: none"> - RATB: tramways, buses and trolleybuses (under the authority of the city council) - Metrorex: underground operator (under the authority of the Ministry of Transportation) - 20 minibus operators (private companies) 	
Organising authorities <p>Authority on public transport in Bucharest is jointly exerted by:</p> <ul style="list-style-type: none"> - the City Council (Art. 7, Law 284/August, 2001), - the transport and traffic safety Department. <p>There is a proposal for creating a Regional Transport Authority</p>	
Right of initiative to create public transport services <p>Based on the urban plans and the local socio-economic development programs, the local councils set the strategy for the operation and the modernisation of the network (Art. 5, Law 284/August, 2001). The City Council considers requests by private companies to supply additional public transport services (minibus services).</p>	
Level of regulation of public transport market <p>The City Council has to approve each operating license (Law 828/2003). Besides, the fare levels of the public transport operators are approved by the National Concurrence Authority.</p>	
Share of responsibilities between operators and authorities <p>The share of responsibilities is contractually established and foresees that:</p> <ul style="list-style-type: none"> - the City Council approves and establishes performance indicators , - the City Council, together with the National Concurrence Authority, approve the fares level and ticketing policies, - the City Council, Municipality's Transport Department, and Bucharest Transport Commission are responsible for network management (stations, inter-modal points, etc.), - each operator is responsible for quality management of their services, - each operator manages their information and promotion policies, - each operator is responsible for personnel and employment conditions. 	
Recent evolutions <p>A programme has been undertaken in order to create a local transport authority which will regulate and coordinate the Bucharest regional transport at Government level.</p>	

<u>Madrid</u>	
The Region is made up of 179 municipalities.	Population : 5.4 million Surface area : 8000 km ²
Operators	
<ul style="list-style-type: none"> - Metro Madrid: metro except line 9 (owned by regional government) - TFM: concession for line 9 of the metro (private company) - EMT: urban buses (owned by Madrid city Council) - Regional bus operators (private companies) - RENFE Cercanias: suburban railways (part of the national railways, owned by the national government) 	
Organising authorities	
The <i>Consortio Regional de Transportes de Madrid</i> (CRTM) is an autonomous agency of the regional government which gathers the responsibilities of the Madrid region and the local governments, and acts as the unique public transport authority for local and regional transport.	
Right of initiative to create public transport services	
The right of initiative belongs to the Consorcio de Transportes de Madrid.	
Level of regulation of public transport market	
The public transport market in the region of Madrid is regulated. The legal base is the national law from 1987, called LOTT, which regulates the organisation and management of the transport system.	
Share of responsibilities between operators and authorities	
Concerning the metro (except line 9) and urban buses, the Consorcio establishes the annual definition of the services, and defines the fares, ticketing and quality management. RENFE Cercanías establishes its own services plans and fares, which must be authorised by the central government. As far as the line 9 of the metro and the regional buses are concerned, concessions are awarded which specify the services to be delivered.	
Recent evolutions	
The metro network of Madrid expanded significantly over the last decade. During the period from 1995 to 1999, the network grew by 56.3 km and 38 new stations were opened, including 9 interchanges. These new developments concerned mainly the extension of existing lines and the development of new lines towards the Northern, North-Eastern and South-Eastern suburbs of the city. During the period 1999 to 2003, another 54.6 km of line was built and 36 new stations were opened, including 11 interchanges. These new developments concerned notably a new circular line to the South of the city, called <i>MetroSur</i> , which represents a very effective response to the progressive extension of Madrid metropolitan area.	

<u>Merseyside</u>	
Metropolitan area of Liverpool	Population : 1.4 million Surface area: 650 km ²
Operators	
<ul style="list-style-type: none"> - A large number of private bus operators, two of which have 90% of the market. - Merseyrail electrics: sub-urban railways. 	
Organising authorities	
Merseytravel is the public transport authority (board) and executive for the Merseyside area.	
Right of initiative to create public transport services	
The right of initiative belongs to the market. In addition, the authority has the right to create socially necessary services.	
Level of regulation of public transport market	
Public transport is entirely deregulated in Merseyside.	
Share of responsibilities between operators and authorities	
The authority oversees the overall framework for public transport via Local Transport Plan. It is also setting fares for subsidised and some rail services. Operators are free to set up routes and fares.	

<u>Prague</u>	
Prague Integrated Transport Area	Population: 1.7 million Surface area: 3800 km ²
Operators <ul style="list-style-type: none"> - PTT: metro, tramways and buses within Prague (owned by Prague municipality) - CDZ: regional railways (operated by the national railways company) - Regional bus operators 	
Organising authorities <p>The public transport organising authority is ROPID and was created in 1993 with the objective to achieve integration in public transport supply in the Prague region.</p>	
Right of initiative to create public transport services <p>The initiative belongs to the authority.</p>	
Level of regulation of public transport market <p>The market is entirely regulated.</p>	
Share of responsibilities between operators and authorities <p>The public transport authority, ROPID, is in charge of:</p> <ul style="list-style-type: none"> - the preparation of the further development of the regional integrated system, - the determination of the volume of transport services, in coordination with the municipalities, district authorities and public transport companies, - the proposal of tariff and fare structure within the Prague integrated public transport system, - making agreements with the relevant municipalities, district authorities and companies in order to control the effective running of the system, - the organisation of the financial flows (revenues and subsidies) within the integrated transport system, - the selection of companies for newly established routes in the form of public tenders, - the development of a unified information system for the integrated transport area. <p>It is to be noted that PTT also advises ROPID for all strategic and tactical matters, given its key position in the transport system.</p>	

<u>Greater Stuttgart Region</u>	
<p>The Region is made up of five administrative districts (including the city of Stuttgart) which comprise 141 cities and villages.</p>	<p>Population: 2.37 million</p> <p>Surface area: 3010 km²</p>
<p>Operators</p> <ul style="list-style-type: none"> - SSB: light rail, tram and bus in the city of Stuttgart (owned by the City of Stuttgart) - S-Bahn Stuttgart: sub-urban railway (subsidiary of DB) - DB-Regio: regional railway (subsidiary of DB) - WEG: regional railway (owned by Connex) - 40 regional bus operators (mostly owned by private companies) 	
<p>Organising authorities</p> <ul style="list-style-type: none"> - State of Baden-Württemberg: in charge of regional railway (except selected services) - Verband Region Stuttgart: responsible for sub-urban railway and selected regional services - City of Stuttgart: responsible for light rail, tram and city bus - four other administrative districts of the Greater Stuttgart region: in charge of regional bus services in their district - VVS: responsible for revenue share and integrated passenger information in the Greater Stuttgart Region 	
<p>Right of initiative to create public transport services</p> <p>With the exception of regional bus services, the right of initiative to create transport services belongs to the supervising authority (City of Stuttgart for light rail, tram and bus in Stuttgart; State of Baden-Württemberg and Verband Region Stuttgart for suburban and regional railways). Concerning regional bus services, when no subsidies are needed, the operators have the right to create public transport services; otherwise it belongs to the respective regional districts.</p>	
<p>Level of regulation of public transport market - The market is regulated.</p>	
<p>Share of responsibilities between operators and authorities</p> <p>With the exception of regional bus services, the respective authorities are in charge of the definition of service and quality management, and the operators are in charge of personnel and employment conditions. For regional bus services, the operators are in charge of the definition of service when no subsidies are required.</p>	
<p>Recent evolutions</p> <p>The contract for the S-Bahn is going to be tendered. Financing of the bus system in the future is currently to be discussed in working groups. Counties and operators reject tendering contracts. Finally, existing contracts with the bus operators are going to be evaluated according to the 4th criteria of the European Court of Justice with a target costs evaluation.</p>	

5. CONTRACTS & QUALITY

5.1 Introduction

Participants used a common framework to compare and assess their practices related to quality in public transport contracts. Given the variety of organisational contexts, the contracts vary significantly from one network to another. In particular; the number of indicators involved, the way in which they are measured and the existence of bonus systems, vary between networks. However, some common features appeared and were discussed by the participants.

Distinguishing objective and subjective indicators, it appeared that the weight of objective indicators was usually higher. However, participants agreed that subjective indicators, which reflect the opinion of customers could be given a more prominent role, given the importance of customer perception in the achievement of quality.

Another observation was that the amounts involved in the bonus and malus schemes are usually very limited. It was agreed that a balance has to be reached so that the incentive scheme can actually play its role.

5.2 Overview of findings

Participants used a common framework to compare and assess their practices related to quality in public transport contracts. An overview of the information gathered using this common framework is provided in the tables below.

<u>Alicante</u>	<p>Status: in planning</p> <p>The use of a contract is planned for the new tramway line which will be tendered in 2005.</p>
<p>List of indicators included in the contract: objective and subjective</p> <p>The indicators will include:</p> <ul style="list-style-type: none"> - Availability <ul style="list-style-type: none"> o Service availability o Rolling stock availability - Reliability <ul style="list-style-type: none"> o Hardware reliability o Rolling stock - Regularity - Image - Customer care 	
<p>Method of measurement of the indicators</p> <p>For each indicator, a target and an area of tolerance will be defined. If the performance, which will be measured every month by the administration, is outside the area of tolerance, a penalty will be applied.</p>	
<p>Respective weight of the indicators in the assessment of quality</p> <p>The weight of each indicator is apparent in the computation of the penalty. The weight of availability and reliability indicators is slightly higher than the subjective indicators, such as regularity, image and customer care.</p>	
<p>Method of computation of bonus and malus (including amounts involved)</p> <p>The amount of the malus will be based on a penalty coefficient. This coefficient will be computed through a formula including a measure of the distance from the target for each category of indicators. As mentioned above, each indicator has a specific weight in the formula.</p> <p>If the patronage is to increase, or the targets to be exceeded for six consecutive months, a bonus will be paid to the operator which could amount to up to 5% of its contract.</p>	
<p>Conciliation procedure (in case of disagreement on the output)</p> <p>There is no provision for a conciliation procedure.</p>	

<u>Athens</u>	<p>Status: in planning</p> <p>Important remark: at the time of preparing the report, the shape of future public transport contracts was not finalised. Proposals might be different from the information provided below which merely represent “work in progress” at the period of the working group meeting.</p>
<p>Objectives of the contract</p> <p>The objectives of the contract will be three-fold:</p> <ul style="list-style-type: none"> - To increase the quality of transport supply, - To adopt of a customer-oriented approach, - To strengthen the role of OASA as public transport “coordinator”. 	
<p>List of indicators included in the contract: objective and subjective</p> <ul style="list-style-type: none"> - Punctuality of service - Condition of rolling stock and stations (cleanliness, maintenance) - Staff attitude - Customer service in terms of fare system supply (operation of ticket machines, integrated fare system) - Information (in the vehicle and in the stations) - Comfort, customer care 	
<p>Method of measurement of the indicators</p> <p>A combination of two approaches is considered:</p> <ul style="list-style-type: none"> - on-site surveys, to measure the punctuality of the service (per line, day, period of day and operator), the provision of adequate information (in the vehicle and in the stations), and the operation of validators (per vehicle, station, line, operator); - mystery passenger surveys, to measure the cleanliness (per station, vehicle, line), staff attitude (per operator and staff type), and waiting time for buying cards (per site and operator). 	
<p>Respective weight of the indicators in the assessment of quality</p> <p>A weight and a target would correspond to each indicator (expressed in %). Based on these two parameters, the expected score for each indicator would be calculated.</p> <p>Although the situation would vary according the mode involved (bus or metro), punctuality indicators would tend to have a higher weighting. In global terms, it appears that the weighting of objective indicators would be slightly higher than that of subjective indicators.</p>	
<p>Method of computation of bonus and malus (including amounts involved)</p> <p>The bonus and the malus would represent a percentage of a benchmarking operating cost/vehicle-km, adjusted to the transport project of each transport operator. The bonus would be calculated according to the actual score of the quality indicators.</p>	
<p>Conciliation procedure (in case of disagreement on the output)</p> <p>Not developed at the moment.</p>	

<u>Bucharest</u>	Status: in planning
<p>Objectives of the contract</p> <p>The objectives of the future contract between RATB and its administration are:</p> <ul style="list-style-type: none"> - to develop and promote the quality and efficiency of public transport; - to monitor regularity, security and comfort; - to support local policies and strategies for the development of public transport, - to develop public transport infrastructure modernization projects, - to provide social protection. 	
<p>List of indicators included in the contract: objective and subjective</p> <p>The indicators will include:</p> <ul style="list-style-type: none"> - Number of passengers affected by major delays - Daily transport capacity offered - Technical performances of the fleet - Number of passenger claims - Number of traffic accidents 	
<p>Method of measurement of the indicators</p> <p>Performance will be measured by way of quantitative and qualitative surveys, as well as verifications linked to the adherence to technical standards (mostly EU standards).</p> <p>It is likely that the measurement of the indicators will be inspired by the methodology of the existing</p>	
<p>Respective weight of the indicators in the assessment of quality</p> <p>The issue has not been clarified yet.</p>	
<p>Method of computation of bonus and malus (including amounts involved)</p> <p>The issue has not been clarified yet.</p>	
<p>Conciliation procedure (in case of disagreement on the output)</p> <p>It is planned that problems will be solved on an informal basis. Any further litigations will be addressed in claim departments or in courts.</p>	

<u>Merseyside</u>	Status: in use The information below concerns bus operators
Objectives of the contract There are no contracts between Merseytravel and the bus operators for the commercial services (which represent 80% of the supply). Contracts only exist for subsidised “socially necessary” services. The objective is to ensure the quality of the services that are directly subsidised by Merseytravel.	
List of indicators included in the contract: objective and subjective Indicators cover the following areas: <ul style="list-style-type: none"> - punctuality and reliability, - respect of service specifications, - respect of contract specifications, - cleaning of the vehicle, - use of uniform by driver, - respect of no smoking policy by driver. <p>The performance is measured in each of those areas by a set of indicators.</p>	
Method of measurement of the indicators A score is allocated to each indicator which is counted in case of infringement. If the score reaches 100 points within a calendar year, the operator is in a position to lose their contract. Performance is measured by a team of inspectors appointed by the traffic commissioner. The first and the last bus are systematically monitored.	
Respective weight of the indicators in the assessment of quality The score attached to each indicator is variable. The highest scores are attached to the reliability and punctuality indicators (up to 40 points). Indicators linked to the respect of the service and contract specifications range between 5 and 10 points. Indicators related to cleaning, uniforms and smoking have a score of 5 points.	
Method of computation of bonus and malus (including amounts involved) There is no bonus or malus scheme. The risk for the operator is simply to lose their contract.	
Conciliation procedure (in case of disagreement on the output) In case of disagreement, there is a review panel made of three operators and Merseytravel, which makes a final review of the decisions.	

<u>Stuttgart</u>	Status: in use
<p>Objectives of the contract</p> <ul style="list-style-type: none"> - to examine whether there is a (major) gap between the quality delivered and the quality foreseen in the contract; - in case of a major gap, to find out in which area of quality it occurred; - to find out whether this problem is a systematic one (e.g. bad infrastructure) and to define measures to minimise it (using the malus revenue). 	
<p>List of indicators included in the contract: objective and subjective</p> <p>Objective indicators include:</p> <ul style="list-style-type: none"> - punctuality, - functioning of the ticket machines, - management of complaints, - cleanliness in trains. <p>Subjective indicators include:</p> <ul style="list-style-type: none"> - punctuality, - cleanliness in trains, - security in trains, - general condition of trains, - seat availability in trains, - passenger information (regular situation and in case of problems). 	
<p>Method of measurement of the indicators</p> <p>As far as objective indicators are concerned:</p> <ul style="list-style-type: none"> - for punctuality, a count in real-time is made in at least 3 stations for each train; - for cleanliness, there are 4 waves of verification, with a total of 220 trains per year; - for the management of complaints, a complete inventory of complaints is made and the time taken to answer the complaint is also noted; - for the functioning of the ticket machines, there are 4 sessions of verification, with 2 days per session. <p>As far as subjective indicators are concerned, a passenger survey is conducted 6 times a year. A sample of 640 passengers is interviewed by specialist external personnel. For each indicator, there is an interval of tolerance around the set target (under or above the target).</p>	
<p>Respective weight of the indicators in the assessment of quality</p> <p>The weight of subjective indicators is around 30% while the weight of objective indicators is around 70%.</p>	
<p>Method of computation of bonus and malus (including amounts involved)</p> <p>If the measured value is outside field of tolerance, a bonus (if better) or malus has to be paid. The progression of the amount is linear, but the bonus/malus is cut off at defined levels. Overall, the operator can not be given a bonus. The bonus serves only to minimise the possible malus. The case of services which are not run is outside this malus-system and services that are not delivered are simply not paid for by the PTA.</p>	
<p>Conciliation procedure (in case of disagreement on the output)</p> <p>There is a formal conciliation procedure but in practice, disagreements have always been solved in an informal manner.</p>	

6. CONCLUSIONS AND RECOMMENDATIONS

6.1 Introduction

This final section of the report presents an overview of the key conclusions reached by the working group on Public Transport Organisation and Policy at the end of the second year of the Urban Transport Benchmarking project. On the basis of these conclusions, a number of recommendations were drawn up concerning both the issue of quality in public transport contracts and the process of benchmarking itself. Finally, some ideas are put forward for the follow-up of this work and the next activities of the working group on Public Transport Organisation and Policy.

6.2 Conclusions

The use of contracts between public transport operators and authorities is considered or planned in most networks represented in the working group, but they are currently fully implemented only in a few networks.

Most public transport networks currently using contracts, or planning to use them, have included quality provisions. However, the variety and the type of quality indicators included in the contract vary significantly between networks, as well as the methods used to measure and assess quality. This variety of approaches to quality in contracts reflects the variety of purposes of public transport contracts. For this reason, fruitful comparisons between networks must take into account the objectives and specific features of each contract in detail, as shown in section 5.

It became apparent during the discussions that quality provisions in contracts between public transport operators and authorities were not always part of a comprehensive quality approach based on customer perceptions and expectations. The quality approach naturally exceeds the framework of the contract between the operator and its authority, and it involves the whole service production process.

In relation to the previous point, participants recognised that the assessment of the impact of the implementation of the contract, and in particular its quality provisions, on customer satisfaction was usually a missing element in their management process. In that respect the regular opinion surveys of S-Bahn passengers carried out on behalf of the Verband Region Stuttgart appeared as an interesting example to follow.

The approach of the working group on Public Transport Organisation and Policy consisted in investigating practices behind the benchmarks. This approach was appreciated by the participants who gained a practical and detailed understanding of the contractual practices of the other networks, including the context in which contracts take place. Each participant could identify which practices would be adequate in their own situation. The difficulty however lay in the absence of a common self-assessment framework, in other words, in the absence of common methods to assess to what extent the introduction of quality provisions in the contract has led to an improvement of performance. There is thus a degree of subjectivity in the assessment of the respective practices of the participants in the working group.

6.3 Recommendations

In this section general recommendations are made regarding both; the transport policy implications resulting from the outputs of the working group, and the process of benchmarking itself.

6.3.1: Policy Implications

Given the approach adopted, there are few general recommendations, as the principal benefit of participation in the working group was the identification of measures which could be applied elsewhere.

The development of contracts between public transport operators and authorities is recommended in order to clarify the share of responsibilities between actors. This clarity in the share of responsibilities is essential to the effective implementation of quality.

The impact of the inclusion of quality provisions in public transport contracts is significantly improved when these provisions are part of a comprehensive quality approach based on customer satisfaction, and not defined in isolation. In particular, it is advised that an adequate balance between objective and subjective quality indicators in the contract is assured, and that the opinion of the customer is sufficiently taken into account.

The financial weight of the reward/penalty scheme, as a proportion of the total value of the contract, varies from one network to another. There was a consensus among participants that the amounts involved had to be sufficiently high to constitute an incentive, without affecting the cost of the contract on the other hand.

Finally, using the revenue raised through the penalty (malus) scheme as way to fund the upgrade of the infrastructure, as it is the case in Stuttgart, was considered to be an interesting practice.

6.3.2: The Benchmarking process

The practice of benchmarking, following the approach that was developed by the Public Transport Organisation and Policy working group, would be enhanced by the development of a common framework of self-assessment, which would enable participants to identify the aspects of their practices which give good results in a more systematic manner.

6.4 Next steps and future intentions for the working group

If the group was to continue its progression along the benchmarking wheel, its next step would be the implementation of (quality provisions in) contracts based on the lessons learnt during the second year of the benchmarking initiative. However, this activity would involve a timeframe which is not compatible with that of the project, as the implementation of a new contract is an activity which may spread over a few years. This could be the possible focus of a follow up project to this initiative.

As far as the third year of the Urban Transport Benchmarking project is concerned, participants expressed their intention to focus on a new theme related to the organisation of public transport: the financing of public transport, and in particular cost reduction and practices to increase revenue. This broad theme will need to be fine-tuned during the opening conference of the third year of the initiative. A particular issue concerning the theme of public transport financing is the availability of data. This problem will have to be tackled from the outset to ensure that the group will be able to reach its new objectives.