



Report Workshop 2

Effective
institutional relationships,
regulatory frameworks and
contract strategies

Workshop overview

- Countries we passed by:
 - Australia, Brazil, Chili, Ecuador, Finland, Germany, Japan, Mexico, Netherlands, New Zealand, Norway, Russia, Singapore, Sweden, Switzerland, United Kingdom, and many more.
 - 18 papers
 - 30 participants
- Workshop report 2013
 - Follow up on Workshop 5 in Thredbo 13.
 - Specifying concession that are **attractive** to potential bidders
 - Providing adequate **data to all** bidders
 - **Retaining risks** that the operator cannot control
 - Ensuring that bidders can **acquire the assets** they need, if necessary by leasing them to the operator themselves

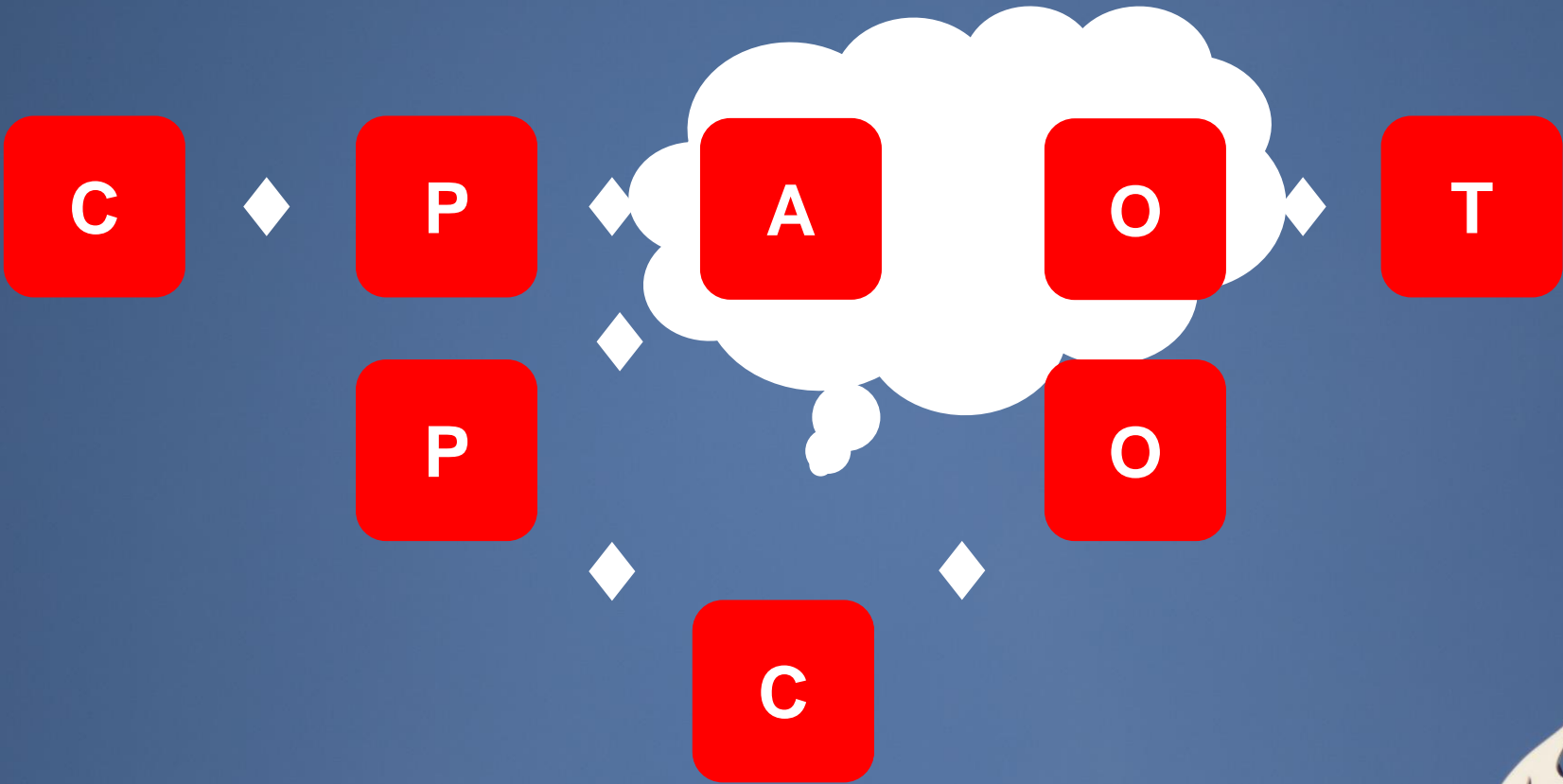


Key outcomes

- Any governance of public transport has to serve **public goals**
 - From fiddling with the model, to aligning governance with goals
 - Optimizing efficiency and **effectively delivering on public demands**
- Tactical planning not an issue anymore
 - **Cooperation** is key
 - Award the right way and **move on**
- Flexibility, did we mention this earlier?
 - More important than ever because of the need for **austerity and growth**
 - Outside challenges: **hybridization, innovation, participation**
- Tendering
 - A powerful tool, like benchmarking, yardstick, other, **use with caution**
 - Move from focus on tendering to **focus on goal oriented governance**
 - New developments **challenge the status quo**



Actors in public transport governance



Three aims of actor interactions

Impose: Power, Market, Contestability, Unilateral, Control



Influence: Empathy, Network, Interdependency, Mutual, Cooperate

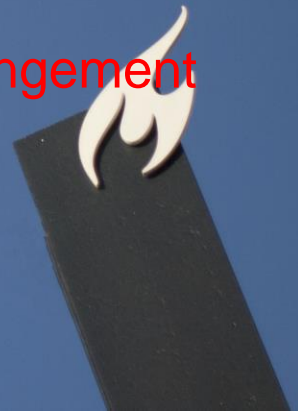


Institutionalize: Order, Hierarchy, Predictability, Multi-lateral, Codify



Tendering (one more time...)

- Tendering in **a mixed environment** seems more promising, using partnerships, benchmarking, yardstick, direct-award, and tendering
- Phasing, more **mature not necessarily better**
 - Mature rail in UK, struggling
 - Mature bus in Netherlands and Sweden, gains captured, cost growing
 - Selective in Japan (in Tokyo in 2003), little efficiency gains
 - Slow introductions bus in Norway and Finland, little efficiency gains
 - Tendered in Santiago, rethinking
 - Started in Singapore in 2014
- Where are the **transaction** and **transition** costs?
- Gross-cost, net-cost, suppletion, and then the **counter arrangement**



The nuggets

- Awarding **committees have biases**, however, a rigid focus on **objectivity can hamper the quality of the award**
- **External authorities** with less direct ties to the government of the jurisdiction seem to provide **more efficient public transport**
- **Asset** (vehicles, depots) ownership seems to shift from operator **to authority** (Japan, Singapore, Netherlands), challenges exist but prove culturally dependent
- Legal analysis shows that **requirements definition** by the authority is the key variable of **failing tendering procedures**
- More **data** (GPS, RFID) available, but getting it in the right hands, from incumbent, to authority, to bidders, is still a **challenge**



Policy and research recommendations

Policy

- Allow for **mixed** models (Japan, New Zealand, Netherlands, Singapore)
 - Tendering is valuable when performance is **lagging**
 - Partnerships are valuable when performance is **sound**
 - **Combines tools**, like benchmarking and yardsticks, partnerships, direct-award
- Include **all costs**, transition and transaction, in evaluation
- What was the **goal** again?

Research

- Great tools for researching efficiency, what about **effectiveness**?
- What **intervening variables** do we miss in analyses of tendering success?
- What can we provide for the more **matured tendering authorities**?
- Do we deliver results that provide **governance design cues**?

Impact

- Keep eye on: Singapore and Santiago, Ozzi operators in court



Thank you!

