

Workshop 1

Models of Mainstream Public Transport Provision

Presented by: John Preston and Jackie Walters



Aims

1. Determine the critical success factors in contracting-out, with respect to contract design, risk allocation and incentives for both mature and less mature markets.
2. Assess how the contracting model could be better designed to maximise technology transfer in the light of big data.
3. Examine the potential for collaboration between operators, municipalities, passenger transport authorities, and other bodies.



Schedule

Workshop 1. Schedule

Monday 26 August		
Workshop session I		Workshop introduction Overviews
13:45	John Preston	Introduction to the Workshop
	Zheng Li	Performance contributors of Bus Rapid Transit systems within the ITDP BRT Standard: an ordered choice approach [1]
	Qiang Meng	Public bus service contracting: a critical review and future research opportunities [31]
	Ian Wallis	Value for money in procurement of urban bus services – competitive tendering versus negotiated contracts: recent New Zealand experience [115]
15:45 <i>Afternoon tea</i>		
Workshop session II		Bus contracts and incentives
16:15	Alejandra Chaparro	Application of incentives for Transantiago drivers to achieve an improvement in the quality of service [90]
	Roger Pyddoke	Penalties as incentives for punctuality and regularity in tendered Swedish public transport [29]
	Jackie Walters	Understanding bidder behaviour: the case of the Mamelodi contract [13]
	John Preston	Can bus quality partnerships or contracts make a difference? [57]
18:00 <i>Close</i>		
Tuesday 27 August		
Workshop session III		Public transport contracting and regulation
09:00	Niels van Oort	The potential of multimodal concessions for service improvements; three cases from the Netherlands [78]
	Wijnand Veenema	Developments in public transport governance in the Netherlands; even more recent developments [80]
	Andrei Dementiev	A theory of regulatory cycles in public transport [136]
10:30 <i>Morning tea</i>		

Workshop session IV		Railway contracts
11:00	Christian Desmaris	Regional passenger rail transport efficiency: a test of measurement and explanation in the case of France [88]
	John Preston	And the beat goes on. The continued trials and tribulations of passenger rail franchising in Great Britain [58]
12:30 <i>Lunch</i>		
Workshop session V		Discussion
13:45	All	Public transport contract design and risk allocation
15:15 <i>Afternoon tea</i>		
Workshop session VI		Discussion
15:45	All	Public transport contract incentives
17:00 <i>Close</i>		
Wednesday 28 August		
Workshop session VII		Discussion
09:00	All	Public transport contracts in the digital age
10:30 <i>Morning tea</i>		
Workshop session VIII		Workshop Report
11:00	All	Workshop report and presentation
12:30 <i>Lunch (end of workshop sessions)</i>		



Contract Design

	Setting up the competition	Contract specification	Contract Award	Contract Review and Enforcement
Less mature urban market - Unimodal (after Walters)	CfEol. Briefing. RfP. Clear commitment. Sufficient time. Sufficient & accurate data. Funding.	Keep it simple. Small batches. Market development.	Gross costs with unreliability penalties.	Cost escalators. Demand & Supply data.
Mature urban market - Multimodal (after van Oort et al.)		More advanced. Depot scale (100 buses). Environmental specs	Gross costs with quality incentives.	
Mature inter-urban market - Unimodal (after Preston)		Route scale.	Net subsidy with quality incentives.	Cost escalators. Revenue modifiers. Demand & Supply data.

Development of gold standards (after Li).



Incentive/Enabler Matrix

	Authority – Managers	Operators – Managers	Operators – Staff	Third Parties	Customers/ Citizens
Pax/Revenue					
Profit					
EWT/OTA					
CSS					
Complaints					
Adjustment mechanisms					
Capital					
Demand data					
Supply data					

Complaints data.

On vehicle surveys.
 Apps → Citizen Surveys ..
 Direct democracy ..
 Secret shoppers ..

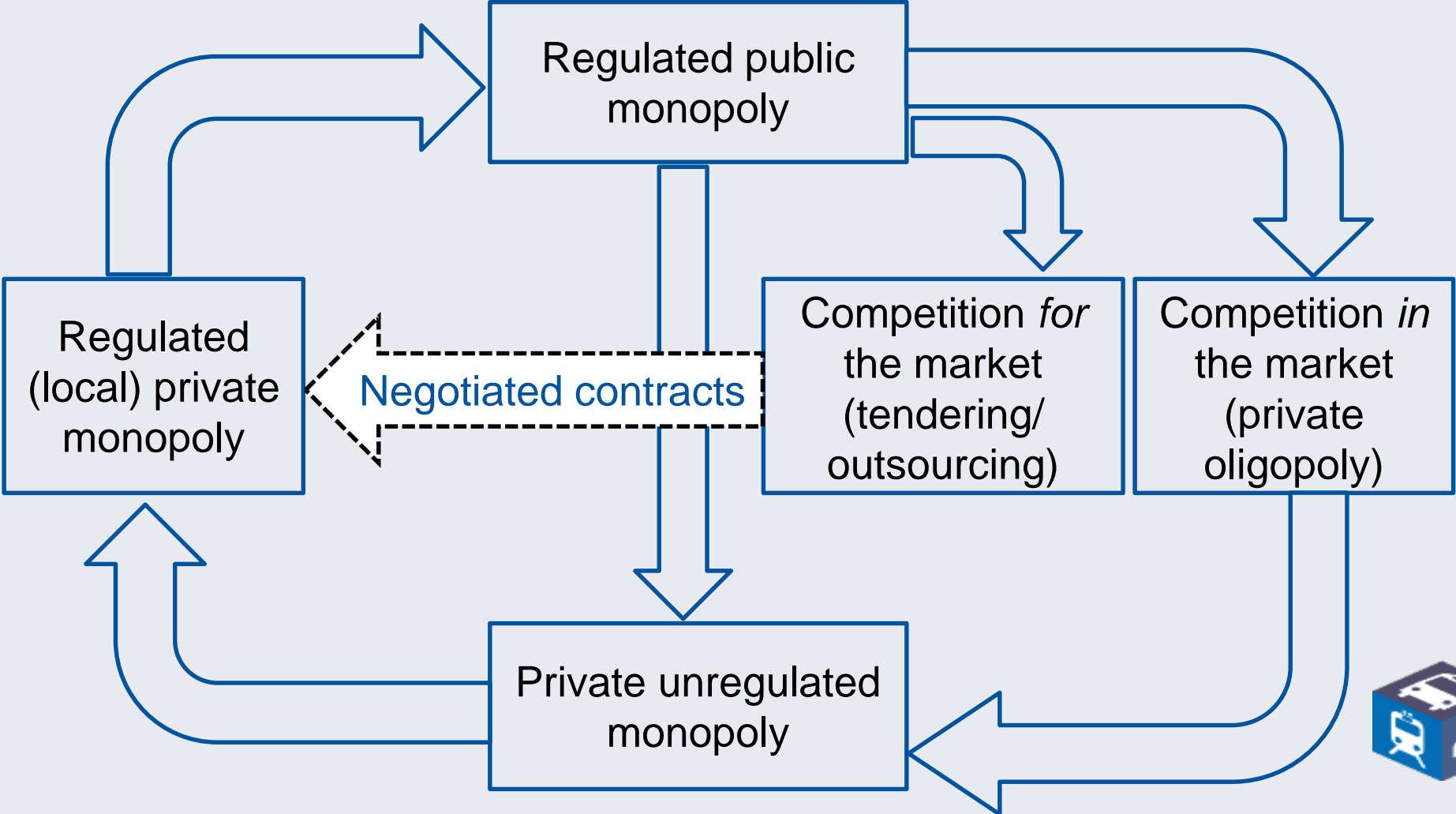
Assumption towards integrated incentives:
 - package / CSS. - S&I?
 Role of change; expectation

Adjustments: Capacity risk - by ad 2 years ..
 (Sydney). : Revenue risk

Disseminate best practice re:
 drivers' incentives (bid criteria ..)



Regulatory Cycles



Policy Recommendations

- Workforce incentives as an award criteria.
- Availability of (big) demand and revenue data. National standards.
- Consider market dynamics.
- Go gross cost.
- Asset ownership (depots, clean vehicles).
- Capital sharing.
- Integrated incentives.
- Promote partnerships.
- Develop knowledge compendia.



Research Priorities

- Extend regional railway comparisons from F to D, NL, UK, Russia etc.
- Network design v Contract design.
- Contract design v Risk allocation.
- Optimal package numbers and size (depot, interchange based)
- Ex-post evaluation of incentive schemes.
- Relationship between incentives and KPIs.
- Relative costs of CT and NC (including transactions).
- Mixed contract environments.
- Incorporation of sandbox contracts.

Report back to Thredbo 17.





Questions? Comments?

With thanks to: Michael Apps, Katherine Bell, Andrei Dementiev, Christian Desmaris, Patricia Galilea, Li Yah Ho, Zheng Li, Teik Soon Looi, Qiang Meng, Roger Pyddoke, Kimmo Sinisalo, Anson Stewart, Matt Threlkeld, Wijnand Veeneman, Ian Wallis and Philipp Wegelein.

