



Bucharest contract

Report on implementation





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Imprint

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The Interregional Cooperation Programme INTERREG IVC, financed by the European Union's Regional Development Fund, helps Regions of Europe work together to share experience and good practice in the areas of innovation, the knowledge economy, the environment and risk prevention. EUR 302 million is available for project funding but, more than that, a wealth of knowledge and potential solutions are also on hand for regional policy-makers.



1 Description of initial situation, need for action (SWOT analysis)

The basic surface of future Bucharest Metropolitan Transport Authority (the surface on which this study is developed) is formed out of City of Bucharest and Ilfov County. Both territories create a metropolitan area of 1,811 m², with 2,226 millions of inhabitants. Therefore, the metropolitan area accounts for nearly **10% of the total population of Romania**. According to the National Institute of Statistics (INSSE), Bucharest and its surrounding county Ilfov have a population of respectively 1,931,838 and 294,094 in 2007.



The Bucharest public transport includes 4 main transport modes (metro, tram, trolleybus and bus) and one complimentary transport mode: transport with minibuses. Regionally, two public transport modes are highlighted: transport with minibuses of various capacities and railway transport.

Two operators manage the main modes of transport in Bucharest:

- **Metrorex S.A.** which operates the metro network. Metrorex S.A. is placed under the direct authority of the Ministry of Transports and Infrastructure;
- **Regia Autonomia de Transport de București (RATB)** which operates the surface networks: tramway, trolleybus and bus. RATB is under the authority of the Municipality of Bucharest.

The main modes of transportation make up a network **1,910 km long** which covers the territory of Bucharest and the main corridors in the county of Ilfov.

Composition of the public transportation network (2007)

	Metrorex	RATB			Total
	Metro	Tramway	Trolleybus	Bus	
Number of lines	4	23	19	69 urban 50 semi-urban	165
Network length	62,76 km	215 km	152 km	1481 km	1910 km
Number of stations	45	578	86 + 241 shared with the bus	1776	2 726
Average distance between stations	1.495 km	0.495 km	0.70 km	0.686 km	-

Sources: Metrorex S.A. Activity Report 2007, RATB Activity Report 2007.



The main modes of transport are intended to cope with various flow levels ranging from 27,000 passengers/hour/direction for the metro to a few hundred passengers/h/direction for the trolleybus.

On 2009 level, the metro network is 66,95 km long overall. It consists of **4 lines** and **49 stations**.

When expressed in vehicle.km, the overall supply was **100.9 million** veh.km in 2007. If expressed in number of seats/km supplied, the figure was 21,170 millions for that same year.

Minibuses provide an auxiliary service for the conventional networks (metro, tram, trolleybus and bus). They serve the outlying districts of Bucharest and the towns and villages in the County of Ilfov. On the municipal territory of Bucharest, in 2007, the network consisted of **9 lines totaling 160 km in length**.

The Minibus network between Bucharest and the towns and villages in the County of Ilfov consists of **65 lines** over a total length of approx. **1,100 km**.

The region of Bucharest is fed by a network of seven radiating railway lines plus a Ring railway line. Within a 60 km radius of Bucharest, the **7 lines** make up a **413 km long** network to which can be added the 83 kms of the Ring Line. Within that same radius, the network totals 56 stations, 8 of which are sited on the territory of the Municipality of Bucharest.

Local passenger trains are operated by CFR Călători under the Ministry of Transports and Infrastructure authority. In the Bucharest area (60 km radius), the overall supply is **38 trains / day** per direction.

Regarding financing the public transport, no case of co-funding could be found, as all the transport companies act as closed ones with no interferences between each other. As it was stated, the City does not receive any money from the regional government for supporting the public transport. RATB sees its focus on dealing with the major problem of maintenance of its network inside the City.

Dealing with coordination of service, there are different procedures considering territorial limits. Interurban transport services are under the control of Central Government (Romanian Road Authority), since the operator must pay a tax due to the infrastructure's use. Concerning RATB, its obligations are limited by the City ring road.

Regarding taxis, the ARR is responsible for safety and quality of vehicles. The number of authorizations and the rest of regulations relies on the Bucharest General Council. It has been detected a legal problem about both taxis and interurban services, because they often cross the limits of their authorisations covering traffics not allowed, in direct competition to RATB or between them.

Considering the responsibility on infrastructure and traffic management, every action inside the Ring Belt is in local governance, and outside belongs to the Government.

Current problems existing in PT in Bucharest City Metropolitan Area

Over the territory of Bucharest, the networks are very dense:

- Compared with the surface area (228 km²), the density is 4.6 km of line per sq. km
- Compared with the population (1.932 million inhabitants), it is 5.4 m of line for 10,000 inhabitants.





The various networks are complementary but can sometimes compete with each other. In fact, the low density of stations on the metro network (average distance between stations of 1.5 km on the network, 1.623 km on line 1) justifies this form of competition between the metro and one or several surface networks. Surface modes have an average distance between stations which varies between 0.50 km and 0.70 km. They provide a finer service in the urban areas. Moreover numerous interchange points between the metro and the surface networks do not offer optimised and comfortable routes from one mode to the other.

Considering the different reporting modality for the number of trips (Metrorex reports the effectively performed trips; RATB reports the total number of sold tickets and passes added to the total number existing in Bucharest of the persons who benefit of transport facilities) a comparison between surface transport modes and the metro is incorrect. Also, due to the lack of a integrated ticketing and passengers counting system, to allow Bucharest Municipality to calculate due subsidies rigorously and correct, the comparison of coverage rate commercial proceedings/ expenses between the modes is neither relevant.

Currently, there are no initiatives directed to promote "park and ride" systems (to combine private transport modes with public ones) although this organization apparently already exists on passenger's level.

The fare system of the main urban lines is extremely complex for novices as well as for regular public transport users because of the wide range of fare alternatives.

Maxi Taxis have specific fares per line. No efforts have yet been made to develop an integrated fare system within Maxi Taxis or with RATB or METROREX. Daily and monthly pass are also available.

All METROREX stations are equipped with sales points. There are no automatic ticket machines inside METROREX stations. The organisation of METROREX sales point is adapted to the needs of users.

The ticketing system of main operators METROREX and RATB is still strongly separated. They both continue to issue tickets which are only valid on their transit systems.

The Activ Card system provides a support for an integrated ticket system and can be used in both metro and surface lines. Activ Cards are only issued and sold in RATB sales points. RATB is therefore the only fare collector and must redistribute every month part of these profits to METROREX. The share of revenues is based on the number of Activ card validation in the metro (provided by METROREX) and then simply calculated with a fixed value of reference per trip.

From the passenger's information point of view, overall, there is too little information on connections within the public transport network. The few efforts of information made in metros, buses and trolleybuses are far not enough important to encourage intermodality.

None of the two main urban operators pays royalties for the infrastructure they operate or route taxes in case of buses. There are no public service contracts concluded between these operators and the Bucharest Municipality (RATB case) and the Ministry of Transports and Infrastructure (Metrorex case). Moreover, RATB has to enter into a reorganization and transformation process into a Commercial Company, under the law.

Lacking a unitary coordination and a strategy for the integration of public transport services at the level of the entire area, each operator acts independently to substantiate development programs,



to set out and perform infrastructure extension and modernization projects and to set out the fare policy.

In many situations parallelisms can be found in the development of transport networks and allocation of resources without a single coordination and a maximization of the efficiency of each investment in the general context of the served territory.

Therefore, it is absolutely necessary to finalize the action of creating a Metropolitan Transport Authority, to ensure the coordination of the entire passengers public transport activity, for all the modes and on the entire metropolitan area, ensuring their integration and correlation within a unitary long term strategy, which would lead to increased efficiency of the system and to the increase of passengers needs satisfaction rate.

The favorable effects of the creation of B.M.T.A. will be felt both on the level of public transport service users, which will enjoy a better organization and operation of the entire system, as close as possible of passengers interests, and also on the level of budgetary effort, as a result of optimization of financial allocations and their efficient use.

Also, the transport operators will benefit of clear contractual relations with the Authority, including obligations regarding the quantity and quality of provided services, but also the rights granted by the contract, to receive the agreed subsidies.

This way, it is clearly delimited the role of each entity which takes part to the supply of public transport, specifically:

- Metropolitan Transport Authority shall have competences in strategic planning, planning, coordination and control of operation, programming and monitoring of infrastructure, regulation of the relation with operators, fare and integration policy, funding of public infrastructure, operational subsidization, communication and passengers information, development of the legal framework, coordination with the national transport operators, coordination with the authorities with a role in traffic, streets and land planning administration.
- Public transport operators shall have competences to provide public transport service and operate infrastructure based on the public transport service contracts.
- The local administration authorities in the metropolitan area will have competences to approve integrated area development plans, which shall stipulate the development policy of public transport, as it is defined by the Metropolitan Transport Authority.
- The national authorities with a role in passengers public transport (Romanian Road Authority, Romanian Railway Authority, Road Police Brigade etc.) which shall cooperate with the Metropolitan Transport Authority in order to promote and enhance the regulation framework in the public transport field and to strengthen the control of compliance with these provisions of the transport operators.
- National transport operators (road, railway and air) shall have the competence to ensure through their own development programs the intermodality with urban and regional transport.

Given that before the establishment of Transport Metropolitan Authority, Bucharest Municipality is the acting transport authority in the city of Bucharest, BM must take major steps in order to increase efficiency in the surface public transport. Currently the relation between the surface transport operator and BM has substantive flaws, such as the following:

- there is no Transport Programme and performance indicators available (set by Bucharest Municipality) for the public transport.
- the method of calculating the operating subsidy is given by the balance between revenues and expenditures (without a clear distinction between operating expenses and other expenses, without bonus or malus)
- the method of calculating the subsidy for socially disadvantaged categories is not accurate, as there is no integrated fare collection system in place for all social categories and all transport modes.
- the planning, performance and supervision of public transport services provided by RATB is monitored by RATB itself.

Several prerequisite steps have been made by Bucharest Municipality prior to clarifying its relationship with the operator, and the most important one is the implementation of traffic management which would ensure monitoring of operators' performance stipulated in a prospective contract. Also, conclusion of a services contract with RATB is a legal and urgent requirement; however the lack of a standard form of contract nationwide, incorporating the entire range of complex issues regarding both institutional and organizational issues in Bucharest Metropolitan Area, as well as the many steps needed to procurement have delayed the signing of such a contract.

In the context of Bucharest institutional complex setup and taking into account the many issues that need to be solved in its field of expertise, the Municipality has regarded the development of a pilot project regarding procurement of public transport services within CAPRICE as a great opportunity, capitalising the expertise and good practices of participating cities – Berlin, Paris, Warsaw.

2 Description of activities

2.1 Pilot project initiation

The pilot project regarding procurement of public transport services has been proposed to take place in Bucharest since the Warsaw Seminar held between September 14-16, 2009 when Mr. Ion Dedu, Executive Project Manager from Bucharest Municipality has mentioned that Bucharest Municipality aims to conclude a public transport service contract, as currently there is none existing.

Mr. Dedu has emphasised that PMB would like to learn from the experiences of other partners and set up an extra co-operation with partners within CP 4. Bucharest was interested in authority contracts from STIF, VBB and ZTM which could serve as pilot for the recommendations. PMB was also interested in tendering procedures for services and maintenance, construction works for infrastructure, equipments and fleet, based on national and European Law provisions.

Mr. Dedu states that Bucharest's vision concerning transport services on roads are the following: contracting public transport services and funding as soon as possible the Bucharest Metropolitan Transports Authority, since an authority has not been designed yet for carrying out the passenger transport in metropolitan area. It is not clear now who will take over the work and responsibility for the whole urban PTS: Bucharest City (on-surface transport) or Ministry of Transportation (underground transport).

As a partner, STIF has provided Mr. Dedu with two documents in French which would be used as standard forms for the procurement of public transport services, namely the Public Transport Ser-



ices Contract concluded between STIF and RATP (Régie Autonome de Transports Parisiens; 2008-2011) and the Public Transport Services Contract concluded between STIF and SNCF (Société Nationale de Chemins de Fer Français, 2008-2011).

Specific actions regarding time-phasing, performance and completion of the project pilot have been discussed during the next seminar, held in Bucharest during November 16-18, 2009.

The following actions have been suggested:

- Collecting, translating and submitting by Bucharest Municipality to the other partners all documents and clarifications necessary to identify within work groups the contract type that is applicable in Bucharest
- Identify constraints as regards implementation of various standard forms of contracts and their award (legal, institutional, organisational, financial, etc.) – translation and talks with partners.
- Identify standard forms of documents regarding contract award procedures, procurement, implementation and monitoring that represent the basis of the sharing of experience, that can be made available by the partners.
- Translation and perusal of documents provided by the partners, both for public services contracts procurement and award purposes.
- Preparation of a standard form of contract adapted to the city of Bucharest, based on project partners' standard forms of contracts;
- Talks within the workgroup regarding the standard form of services contract prepared for Bucharest, clarification of issues regarding negotiation and signing, implementation, monitoring, supervision and relation with the Operator (RATB);
- Finalisation of the standard form of contract and having it translated in English;
- Talks within the workgroup regarding development of an electronic tool of monitoring contract provisions, Operator's performance indicators, subsidy calculation, penalties and bonuses (malus and bonus) based on current good practices models available in partner cities.

During the above-mentioned Bucharest Seminar, the CAPRICE Leader, i.e. VBB Berlin, has suggested that a special seminar is held, dedicated to Bucharest pilot project, in order to clarify certain aspects that are part of the standard forms provided by partners and in order to debate the standard form suggested by Bucharest Municipality. The above standard form has been planned after the preparation of draft contract between Bucharest Municipality and RATB for Bucharest. STIF has suggested the above seminar to be held in Paris.

2.2 Standard form of contracts provided by partners, Paris Seminar

After having the Public Transport Services Contract made available by STIF concluded between STIF and RATP (Régie Autonome de Transports Parisiens; 2008-2011) translated and after perusing it, Bucharest Municipality has prepared a public services standard form of contract, had it translated and made it available to its partners for subsequent discussion during the Seminar dedicated to the pilot project, staged in Paris during March 29-30, 2010.

Officials from all CAPRICE partners and one official from RATB (Regia Autonomă de Transport București), which is due to conclude the services contract with Bucharest Municipality, as well as officials from the Consultant, Bucharest Municipality have taken part In the above mentioned seminar. Thus the requirements of Bucharest Municipality regarding the contents of the contract and the risks that the Consultant must assume and all contract implementation aspects have been correctly and fully understood by both prospective contract partners, which minimises issues that occur throughout negotiation process.

During the first day of the seminar, the partners have decided the need to make available, aside from STIF documents, the following standard forms of documents, in accordance with the talks held regarding the numerous documents that may be provided for perusal:

By VBB Berlin:

- | | |
|--|--|
| <ul style="list-style-type: none"> • TERMS OF CONTRACT | <p>The terms of contract are the heart of the service contract. They contain the procedure of the payments between authority and operator. It also defines what happens if service standards are not met and implements the quality control system</p> |
| <ul style="list-style-type: none"> • Detailed specification for the PASSENGER INFORMATION | <p>Definition of the requirements set up by VBB for the information of passengers; handbook for passenger information</p> |
| <ul style="list-style-type: none"> • Detailed specification for TICKET SELLING DEVICES | <p>Definition of the requirements set up by VBB for the ticket selling devices</p> |
| <ul style="list-style-type: none"> • Detailed specification for REPORTING of REVENUES | <p>The document defines when which status reports have to be sent to the authority</p> |
| <ul style="list-style-type: none"> • Malus list | <p>The malus lists defines the fines that the operator has to pay if he does not comply with the specifications set up in the specifications or in the terms of contract</p> |
| <ul style="list-style-type: none"> • Calculation sheet | <p>The sheet has to be filled in by the operator when calculation his offer. It allows the authority to estimate if the calculation is reliable.</p> |

By ZTM Warsaw:

- | | |
|---|---|
| <ul style="list-style-type: none"> • Executive Contract (long – term contract) City – Urban Bus Company Ltd | <p>Settlement of co-operation principles for services on basis of the company’s founding documents.</p> |
| <ul style="list-style-type: none"> • Tendering documentation for bus services – tender specification and annexes | <p>Specification of essential terms of the contract</p> |

These documents were due to be translated and perused in order to prepare the final standard form of services contract for Bucharest.

In the second day of the seminar talks have been held between the officials of partners regarding concrete methods of solving contract implementation issues.

The questions asked by Bucharest Municipality officials that requested clarification were the following:

- How to define the quantity and quality evaluation parameters? Is it suitable to start with a “short list” for a trial period, to be upgraded later?
- Evaluation principles. How many levels?
- Acceptance of the evaluation results. Is it an enforcement procedure, or is it suitable a “conciliation committee” formed by the Authority and the Operator?
- Size and structure of the Authority’s department in charge with transport quality supervision.
- Necessary technical support.
- Operating subsidies, subject of prior evaluation of the last period? How to avoid a “vicious circle” (subsidy penalties – lower results – subsidy penalties, etc)?
- Specific subsidies (retired, students, etc). Direct transfer from the involved authorities? Based on a flat payment, or based on accurate records?
- Assets’ share between the Authority and the Operator.

During the above-mentioned workshop, the talks have been grouped by themes previously transmitted by the PMB mission as topics that need to be clarified. They have been primarily based on the relevant expertise of Paris (STIF), Berlin-Brandenburg and Warsaw Contracting Authorities, which possess a more extensive experience in this field.

The Workshop conclusions, in the opinion of PMB, were the following:

1. The above-mentioned three contracting authorities that have presented their experience during the CP 4.2 workshop are structured as entities that are meant to conclude and monitor, on behalf of local/regional authorities, services contracts concluded with public transport operators. The interface with the above-mentioned authorities is more or less direct: from a reporting relation, as is the case of Warsaw, to a share on benefits, as is the case of Paris. The executive power that is bestowed upon the contracting authorities in terms of transport service subsidies, as official public interest stakeholders, including the full takeover of commercial duties, as is the case of Warsaw, resides in the aforementioned direct interface itself with local/regional authorities, which is the main source of investment and the only source of completing operation budgets with subsidies aimed at covering the fare balance.
2. The checking and assessment procedures that have been reported are, due to both the tools and staff that have been used and the frequency of control operations, quite simple and inaccurate compared to the volume and complexity of quality parameters and the declared Services Contract goals. The main theme suggested by the Bucharest Mission, i.e. the rating method (principles, staff and tools) has been proved reasonable; however the answers given have been surprising.
3. The implementation of the *bonus-malus* in a single direction and the radical limitations for the malus fail to provide to operators a real positive motivational influence.
4. The outlook of converting RATB into a commercial company should take into consideration the provisions of Parliament and EC Directive 1370 / 2007 that provides operation as a “protected market” of a commercial company situated outside the local administration structure only in the case of railway transport. In other words, the current monopoly can not be preserved after 2019 at the latest, when the period of grace of the above-mentioned Directive expires.
5. As far as Bucharest is concerned, the most interesting experience is the one of Warsaw, in terms of similarities regarding the starting point (1990), the opening (even limited) of the



public transport market, the concrete implementation method and the monitoring of the services contract.

In order to clarify certain aspects that needed clarification as a result of perusing the documents provided by the partners after the Paris Seminar held between March 29-30, 2010, a section dedicated to this Pilot Project has been created during the 5th CAPRICE Seminar held in Warsaw during June 16-18, 2010. During the aforementioned dedicated section, officials from ZTM (experts in procurement and award of public transport services) have answered questions asked by Bucharest Municipality and the other participants.

After having the Public Transport Services Contract made available by STIF concluded between STIF and RATP (Régie Autonome de Transports Parisiens; 2008-2011) translated and after perusing it, Bucharest Municipality has prepared a public services standard form of contract, had it translated and made it available to its partners for subsequent discussion during the Seminar dedicated to the pilot project, staged in Paris during March 29-30, 2010.

3 Result: Draft of service contract

3.1 Detailed description of relevant regulations

The local passengers public transport services are managed by the local authorities and may be awarded by them through delegated administration to different operators. Following the awarding of service, a **Contract for the Delegation of Passenger Local Public Transport Services through regular trips** is concluded.

The national legislation in the field of local public transport was entirely revised in 2007. Due to the Law No. 92/2007 of local public transport services and the regulations associated to it, the national legislation was also amended regarding the organization and operation of road transports.

In the preparation process for the proposal of Contract for Delegation of Local Passenger Public Transport Services, hereinafter named *Transport Public Services Contract*, there were also considered the provisions of other regulations, regarding the awarding modality for the Contracts for Concession of Services, state patrimony administration, competences of local authorities, etc.

On European level, the CE Regulation No. 1370 of the European Parliament and of the Council, from October 2007 is the basis regulation for the development of local public transport. This Regulation sets the conditions in which the competent authorities, when they impose or contract public service obligations, compensate the public services operators for the shouldered costs and/or award exclusive rights in exchange for the fulfillment of public service obligations.

In Romania, as a EU member state, it is necessary to align in the future with this regulation, compulsory starting with 2009. The full compliance with the regulation must be ended until 2019.

3.1.1 Development stages for the direct awarding Public services Contract

For the conclusion of passengers transport public services contract between the Operator and the Municipality, in accordance with the provisions of the existing legislation, the following preceding actions must be performed:

- **Adopting** by the General Council of a **policy for the passengers public transport field**, in the Bucharest city, which should set the guiding lines necessary for the transformation of RATB into one or more state-owned commercial companies, the level for the delegation of administration of public transport service, the policy for the subsidization of public transport, regarding the regime of assets related to public transport system which must remain in the public patrimony of the City, etc. As a result of their adopting, the Reorganization and Restructuration Program for RATB will be prepared and the content of Contract for Delegation of Passengers Public Transport Service will be finalized.
- **Stock taking**, by the Bucharest Municipality and RATB, **of the assets from the public and private patrimony of the state, referring to the passengers public transport system**, in order to determine the share capital of the commercial company/companies which will be established;
- **Adopting** by the General Council of the decision referring to the **RATB Reorganization Program**;
- **Adopting** by the General Council, respecting the in force legislation, of the **decision** regarding **the reorganization measures** of the Regia; including transfer of some assets from the public into the private patrimony of Bucharest Municipality or vice-versa. The Municipality shall initiate the Government Resolution to modify the Government Resolution No. 1354/2001 for the certification of the public domain of Bucharest.
- **Adopting**, by the General Council, of the **decision** regarding **the creation of the Commercial Companies** resulted from the restructuration of the Regia. It will be considered to set the modality to take over RATB current debts by the new companies, which legally take the place of Regia in all the juridical actions.
- **Registering to the Trade Register Office of the resulted Commercial Companies** and the development of all legal procedures for their operation;
- **Adopting**, by the General Council in accordance with the existing legislation, **of the documents necessary for the delegation of the passenger public transport service** (Opportunity study, Regulation regarding the local passenger public transport through regular trips, model of Recording registry of the transport operators and of the local passengers public transport means, Book of specifications for the performance of service, local passengers public transport program, performance indicators for the execution of passengers public transport, the form of Contract for Delegation of Local Passengers Public Transport Service).

As mentioned in Art. 30 (2) and (3) from Law No. 92/2007 of the local public transport services and in Art. 30 (4) from Law 51/2006 – Law of community public utilities, the right to perform passengers public transport and to conclude contracts for the delegation of administration is for the commercial companies resulted following the administrative reorganization of local interest autonomous Regias. As a result of that, in the current legal status, RATB cannot conclude a contract for the delegation of transport services.

3.1.2 Development stages for the procurement procedures for local public transport services through regular trips

The description of procedure's development stages is presented chronologically and it starts with the approval of documents necessary to develop passengers public transport in the Bucharest Municipality. The actions which may develop in the same period were described within the same stage, but differently.

Stage I – Preparation and approval in the General Council of the Documentation for delegation of administration, according to Law 51/2006 and to ANRSC Order No. 262/ 2007:

- Regulation for the performance of local public transport (including book of specifications of transport service and local Transport Program)
- Setting of the award modality for the delegation of public transport service
- Opportunity study for service delegation

This stage defines the award modality for the service administration for each route and the necessary number of tender procedures which shall be developed. Specifically there are designated the routes which will be awarded based on competition and operated by private companies. Also, it is set if the other routes in the Transport Program shall be tendered route by route or group of routes. Tendering a single group of routes decreases the possibility to finalize the procedure more easily (due to the fact that it is required for a company to own more transport means) but decreases the Municipality effort to administrate service contracts.

Stage II – Approval by the Bucharest's General Council of:

- The documentation for award of delegation of administration contract for the respective route. It contains:
 - Opportunity study approved through General Council Resolution
 - General Council resolution to set the modality of service administration;
 - Draft delegation contract;
 - Regulation for the performance of local public transport (including book of specifications of transport service and local Transport Program) approved through General Council Resolution
 - Requirements regarding eligibility;
 - Selection criteria for the bids
- The members and reserve members of Bids Assessment Commission

Members of the Assessment Commission are specialists in the local public transport, economic and legal fields, within the Bucharest Municipality. The number of Commission members shall be uneven.

Stage III – Publishing of tendering announcement in:

- Monitorul Oficial part IV,
- A nationwide daily newspaper
- A local daily newspaper
- The Official Journal of European Community (optionally)

The model of Bid Announcement is presented in **Annex 1**.

The deadline for bids submission is of minimum 30 days and maximum 60 days from the publishing date of tender announcement. In order to urge the procedure and considering the volume of documents necessary to prepare the bid is not very high, the Consultant proposes as bid submission deadline the period of 30 days.



Stage IV – Receipt from the interested bidders of a request for the issuing of award documentation

The requests received shall be written and recorded in the Record of Candidates and Bids.

Stage V– Obtaining by the interested operators of the award documentation

Issuing of award documentation is made in the day following the announcement date or in maximum two working days from request receipt.

It can be obtained with at least two working days before the date of bid submission.

Stage VI –

A . Appointment through Mayor Order of the President and Secretary of Assessment Commission

The President and Secretary of Assessment Commission are appointed from the Commission members, as it was approved by the General Council. They have the quality of members.

The Assessment Commission works legally only in the presence of all its members. The decisions are taken with simple majority.

The Commission receives Award Documentation with at least 5 working days before the date announced for opening bids.

B. Clarification requests by the bidders

The requests for clarifications to the Award Documentation are made at least 15 days before the deadline for submission of bids.

Stage VII – Answer to Clarifications Requests

The Bucharest Municipality shall answer clearly to any requested clarification, within 5 working days from the receipt of clarification request. These answers shall be sent to all those who requested the award documentation and shall be part of it.

Stage VIII – Submission of bids

The bids shall be written in Romanian. They shall be submitted at the time, place and date set through the announcement, in two sealed and closed envelopes, as it follows:

- Exterior envelope contains:
 - documents which prove that eligibility requirements are met
 - interior envelope
- interior envelope – which contains the proper bid

A bidder may only submit one bid.

The exterior envelopes are submitted with a Request for tender participation (where the required route is specified) and is recorder in the Record of Candidates and Bids. The date and time of receipt shall be recorder.

Stage IX – Opening bids

On the time and date set in the announcement, the bids are opened, in the presence of all the Commission members and of the bidders delegates.



A. The Assessment Commission is summoned

The affidavits regarding compatibility, impartiality and confidentiality are signed by the Commission members, these documents being in the delegation file. The President verifies delegations of all bidders representatives. The Secretary starts to prepare the minute.

B. The eligibility documents and fulfillment of eligibility requirements are verified - a Minute is prepared, signed by all the participants

Only the exterior envelopes are opened checking the existence and validity of documents which prove the fulfillment of qualification requirements. The fulfillment or failure to fulfill of the eligibility requirements is found.

The eligibility requirements proposed by the consultant are presented in “Annex 4 - Award Documentation for the delegation of local passengers public transport services through regular trips with buses in the Bucharest Municipality- route -----” from the Report on Tendering Routes Regime for Private buses.

Subject to the number of bidders and to the number of bids which meet the eligibility requirements, the following situations in the development of tendering procedure can be depicted:

In all cases, the Commission declares meeting or failure to meet by the bidders of the eligibility conditions and the modality for further development of procedure and the minute of bids opening meeting is completed. This minute is signed by the Commission members and by the bidders representatives. A copy of this minute shall be issued to the bidders.

<p><i>CASE I – at least two bids were not submitted or at least two bids do not meet the eligibility conditions</i></p> <p><i>In this case, the procedure to publish the tender notice shall be restarted</i></p>	<p><i>CASE II – at least two bids meet the eligibility requirements</i></p> <p><i>In this case, the next step is the proper analysis of bids, only for those bidders which are eligible</i></p>	<p><i>CASE III - after two consecutive open tender procedures without a successful bidder</i></p> <p><i>In this case, direct negotiation procedure shall be applied</i></p>
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Further, subject to each case in particular, the procedure shall develop as it follows:

In CASE II,

In the same day, the Commission opens the interior envelopes for the bidders declared eligible. The Commission Secretary starts preparing an Assessment Report. Then, it is proceeded to the assessment of bids subject to the criteria in the documentation. If the assessment process is not finalized in the bids opening day (from the interior envelopes), intermediary minutes shall be concluded based on which the Assessment Report shall be completed. The Assessment Report shall be submitted to the Mayor within maximum 10 days from the public opening of the bids (exterior envelopes).

Annex 2 presents a model of bids assessment, based on the selection criteria proposed by the Consultant in “Annex 4 - Award Documentation for the delegation of local passengers public transport services through regular trips with buses in the Bucharest Municipality - route -----” from the Report on Routes Tendering regime for private buses. ”

In CASE III

The award documentation for direct negotiation shall be the same as the one from open tender. The announcement procedure is restarted by publishing the direct negotiation notice. The bidders shall submit their bid, as it was described in Stage VIII - Submission of bids.

On the date stipulated in notice, the Commission shall open the exterior envelopes. The Assessment Commission shall have the same duties and competences as those presented in Stage IX.

In the negotiation, only the bidders declared eligible shall be invited. The Commission programs eligible bidders and announces them in written regarding the direct negotiation date. The Commission shall negotiate delegation conditions with every eligible bidder in particular and shall prepare a minute for every negotiation in part. In case the eligibility criteria are met by a single bidder, the negotiation shall take place with him.

Based on the minutes, the Assessment Report shall be prepared. The most advantageous bid shall be stipulated in it. The Assessment Report is to be submitted to the Mayor within maximum 10 days from public opening of the bids (exterior envelopes).

The conditions of delegation by direct negotiation cannot be inferior to those set through the Award Documentation approved for open tender.

Stage X - Approval of award in delegated administration of the public transport service on the respective route to the road transport operator declared successful bidder.

The decision to delegate the service to the successful bidder shall be taken based on the Assessment Report within 30 days from its submission to the Commission.

Stage XI - Announcement of procedure result



The Bucharest Municipality shall invite in written the successful bidder to sign the Contract and shall notice the other bidders regarding the procedure's result. The notice shall be made with receipt confirmation in maximum 10 days from the adopting of successful bidder assignment decision.

Stage XII - Conclusion of Contract for Delegation of Service Administration

The Contract is signed after 15 calendar days from the notice date of decision regarding the procedure result, sent to the bidders. In case the successful bidder refuses to conclude Contract, the tender shall be annulled.

Stage XIII - Preparation of delegation file

The delegation file for each awarded Contract shall be kept by the Bucharest Municipality as long as the Contract produces its legal effects, but not lesser than 5 years from the date of Contract termination. This file includes all the documents regarding launching, development and adjudication, according to the legal provisions, and complies to the provisions of Law 544/ 2001 regarding free access to public interest information, with subsequent amendments and completions.

Stage XIV - Based on the Decision on delegation of administration for the respective route towards the operator declared as successful bidder, the route licenses are issued by the Authorization Authority together with book of specifications for the respective route, for the number of vehicles necessary to perform the service.

3.2 Standard form of PMB - RATB Public Services Contract

Based on standard forms of contract received from partners, on reviewing the legislation and the local constraints received on the occasion of the dedicated Paris Seminar and Warsaw Seminar, the Consultant has presented to Bucharest Municipality and has launched talks with Bucharest Municipality officials with the view of finalising the contents of the Public Services Contract.

The contract type is NET COST CONTRACT with IN-HOUSE Operation. The following suggestions are made within the Public Services Contract:

- Conclude a single contract for the concession of services for all surface transport modes on the routes where the direct delegation award is made by RATB ;
- RATB has exclusivity on the above routes;
- The Operator shall not sub-lease or delegate transport services that are the scope of this Contract;
- Contract duration is three (3) years;
- The Operator shall not pay royalty for the conceded assets;
- The Operators retains the incomes generated by ticket sales and fines.
- Production cost shall be calculated in lei/vehicle.km on the previous year to contract signing.
- Operating subsidy is determined by calculating the balance between transport operating revenues received from passengers and Operators' eligible expenditures. The latter are the minimum between actual Operator expenditures and the maximum level of calculated expenditures (calculation thereof is based on production cost by each transport modes



and number of covered kilometres, in accordance with the transport schedule, by each mode).

- The Operator shall establish a performance bond; the latter shall be reimbursed provided that service quality indicators are met;
- The Operator shall keep separate accounting records of non-public transport operations. Such situations shall be audited on an annual basis.
- Bucharest Municipality shall be responsible with developing the infrastructure.
- The Operator shall be responsible with making investments in the transport fleet owned by the Operator.
- New route award shall be made through competitive tendering procedure.
- Performance indicators shall be assessed on a quarterly basis. Financial penalty system and/or penalty points. In case of reaching a maximum pre-established level of penalty points, the Municipality may terminate the contract.

The suggested standard form of contract for the Public Services Contract is shown in the attachment.

4 Need for action to maintain the result, next steps

There are several types of future actions necessary to conclude the public services contract:

- Decisional
Actions under this category are aimed at adopting necessary decisions to start the procurement process. The most important actions are:
 - Enactment of Council Resolution that starts the process of restructuring RATB into a commercial company
 - Enactment of Council Resolutions necessary to conclude the public services contract with RATB through direct delegation of service management
 - Enactment of General Council Resolutions necessary to conclude services contracts with bus operators by competitive tendering procedure
 - Audit Operator's technical-economic operations, aimed at carrying out a substantiation of initial procurement parameters
 - Clarification of the asset base which would be owned by RATB and determination of the assets base due to be conceded placed in the BMGC public domain.
- Technical:
Actions classified under this category are aimed at preparing the necessary tools for the contract monitoring process. We need to have the best possible control that RATB actually performs the work that they receive subsidies for, in the best possible way. This must now be the first improvement step. They represent the tools needed for following the contract parameters. The most important actions are the following:
 - Implementation of traffic management system throughout the entire city; This means extend of:
 - electronic system based on Automatic Vehicle Location (AVL) principle, that locate each vehicle in real-time and precise positioning in the field, with an event-log in a database for generating different reports



- Public Transport Management System (PTM) for the vehicles fleet to help the public transport operator to manage the vehicles, in order to respect the lines schedule and to give instructions to drivers.
- Implementation of an integrated automatic fare collection system at all urban operators – RATB-Bucharest Metro contactless system; This system will follow the connection between the available capacity and the used capacity of the lines/vehicles for RATB.
- Organisational:
Actions classified under this category are aimed at preparing the Bucharest Municipality staff and internal tools necessary in order to restructure the transport system and commence the procurement and contract monitoring process. The most important actions are:
 - Achieve, then approve in the General Council an integrated fare plan, defining the public transport lines that will be the scope of direct award to RATB and the transport lines due to be awarded based on competitive tendering to private operators.
 - Prepare a software programme able to monitor the performance of quality indicators proposed in the standard form of contract and to calculate the subsidy, bonus or malus.

5 Conclusions

The knowledge transfer made by means of this pilot project has been achieved through meeting three objectives that would lead to a good implementation of a prospective contract concluded between Bucharest Municipality and RATB:

- Create the possibility of perusing standard forms of contracts and awarding public transport services existing in the partner cities by Bucharest Municipality specialists that will be in charge of monitoring the services contract. Thus, the Executive Director of Transports, Roads and Traffic Planning Department and specialists of this department (Legal Department, Financial Department, etc.) have perused the documents provided by STIF, VBB and ZTM, have asked questions regarding the implementation and monitoring method, have reviewed local constraints that hinder implementation of one or the other of the standard forms, have met specialists in this field from the partner cities with whom they may develop relationships subsequent the completion of the CAPRICE project.
- A standard form of services contract has been prepared, due to be negotiated and concluded between Bucharest Municipality and RATB, based on both good practices in the partner countries and on the pertinent legislation, on Bucharest specific technical and economic conditions. The prospect of clarifying many aspects regarding negotiation, implementation, monitoring and control over such a contract has reduced the likelihood of suggesting a non-viable solution, with major implications in the subsequent contract performance.
- The RATB officials were able to get involved, both by taking part in the discussions on the models implemented in the partner cities, and by directly participating in the preparation of the contract draft for Bucharest; and carrying out this stage together with the Municipality would facilitate the next procurement stages.