

Public procurement and competition between carriers as a tool for shaping effective public transport

Klaipeda Public Transport Authority



PUBLIC TRANSPORT SYSTEM IN KLAIPEDA

Year	Description of situation
Before 1992	1 municipal operator
1992-2003	Wild competition among municipal and private companies (~120 big buses and ~650 minibuses)
2003	Establishment of PT authority (KKT). Tenders for operators – 3 operators. Establishment of Common Ticketing system.
2005	KKT started to control minibuses, regional buses (later taxi)
2008	KKT responsible for managing paid parking system in seaside area
2009	KKT responsible for managing paid parking system in City center
2011	First feeder lines between Klaipeda and district municipalities
2014	Establishment of first P&R facility
2015-2018	5 new tenders for operators

Tenders

First tender in 2003 – 4 packages for 21 line and 130 vehicles. Background - Government act (for public procurement procedures). Since 2010, due to integration process of new living areas in Klaipeda district, public service contracts for 1-5 new lines were signed after tenders procedures, almost every year.

Since 2015 – tender procedures are regulated under Public procurement law and REGULATION (EC) No 1370/2007.

Service condition – from 1 contract for 1-2 vehicles up to 1 contract for 35 vehicles. Main requirements for vehicles: fuel – diesel or CNG, age – brand new or no older than 13 year old. All vehicles for city lines are low floor, the same color, all with external electronic boards, since 2015 tenders vehicles are equipped with video recording devices. Since 2017 tenders – free WiFi and remotely accessible cameras.

Tenders

Tender procedures

Period from announcing to contract signing and service start depends on requirements.

First pre-announcement is 1 year before tender launching in Official Journal of the European Union.

Up to 2 month term for proposal.

Evaluation period up to 1 month – evaluation of financial side of proposal (calculation of proposed 1 km tariff using 12 month costs analysis) and inspection of vehicles (if contract is not for brand new vehicles).

Period between signing contract and starting service – preparation or production of vehicles, painting, installation of e-ticketing system and etc.

Tenders

Tender documentation

General terms and conditions of procedures (general and financial requirements for operators, professional experience, licenses, good repute and etc.).

Draft contract.

Line maps.

Timetables (for 12 month since contract will start).

Number of kilometers (for 12 month. Number of kilometers can be changed +/- 3% per year after the first year of contract).

Requirements for vehicles (fleet, age, fuel, type (small 9 meters or big 12 meters / 16 meters), number of seats and etc. If the vehicle is brand new, requirements for air conditioning and heating system, type and distance between seats, color of poles, size of doors and windows and etc.).

Tenders

Contracts I

Almost all running contracts (signed 2015 and later) have bonus – minus systems. Bonuses – in case if operator provides service better then basic conditions and minus (penalties) – if basic conditions were not succeed.

Basic conditions – all vehicles in service with all systems working (external boards, e-ticketing system, video recording devices, cash register (if needed)), running without more than 2 minutes delays and not more then 1 minute ahead (each deviation can be investigated individually – traffic accident, jams and etc.). Monthly performance of ordered kilometers – 99,5%.

Penalties – for not stopping at bus stops, running ahead more than 2 minutes 5 stops in a row, not changing broken vehicles within 1 hour, dirty vehicles, smoking drivers and etc.

Bonuses – x eur per each 0,1% higher then basic condition of 95,5%.

Tenders

Contracts II

Payment method for service - x eur per 1 kilometer.

Each tariff can be indexed according 2 main macroeconomic indicators + depreciation index if operator renewing fleet more then basic condition.

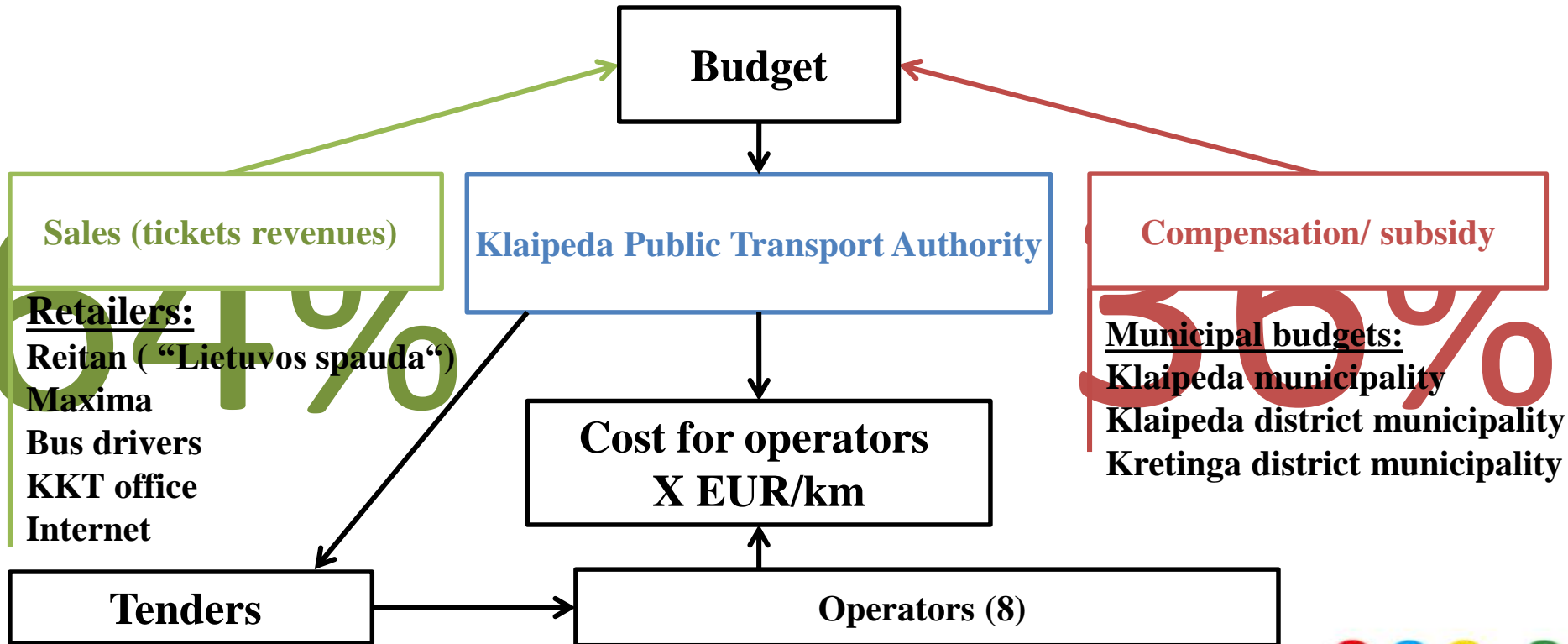
1. Annual average inflation rate – each contract once per year is indexing by official inflation rate.

2. Fuel price – if wholesale fuel price changing in 3 month period (1 quarter) +/- 5%, then tariff for 1 km is indexing.

3. Depreciation index – acting once per year if depreciation cost is higher (can be indexing up to 3%).

Contract duration – 5+2,5 or 7+3 years.

PT FINANCIAL SCHEME



FIGURES I

	2003-2004	2017
Population of Klaipeda City	185 899	151 309
Number of trips	27 700 000	34 901 506
Annual budget	5 899 002 Eur.	11 679 972 Eur.
Number of PT kilometers	7 084 907 km	10 741 357 km
Average speed	19.5 km/h	22 / 25,5 km/h

FIGURES II

	2003-2004	2018
Ticket zones	1 (Klaipėda city)	1 (Klaipėda City) 2 (Klaipėda district) 3 (Kretinga district and Palanga)
Number of stops	208	456
Operators	3	8
Contracts	3	17
Fleet	135	220
Lines	20	58

COSTS FOR PUBLIC TRANSPORT, euros

	Vilnius	Kaunas	Klaipėda		Tallinn	Rīga
Single ticket	0,65	0,70	0,58		1,10	1,15
Monthly (working days) ticket	26	26	19,50		23	40
Annual costs	310	275	195			

Benefits

True competition

Raising the quality of standards and services

Best price in the market

Increasing number of passengers

Appropriate tool for shaping effective public transport





VšĮ "Klaipėdos kelevinis transportas"