

enhancing public transport authorities in Europe



EPTA presentation  
WS6 - Worskhop

« The **Service Contract management:**  
policy in action »

Control procedures, performance  
indicators, etc. ...: **keep a simple approach**

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# Index of contents



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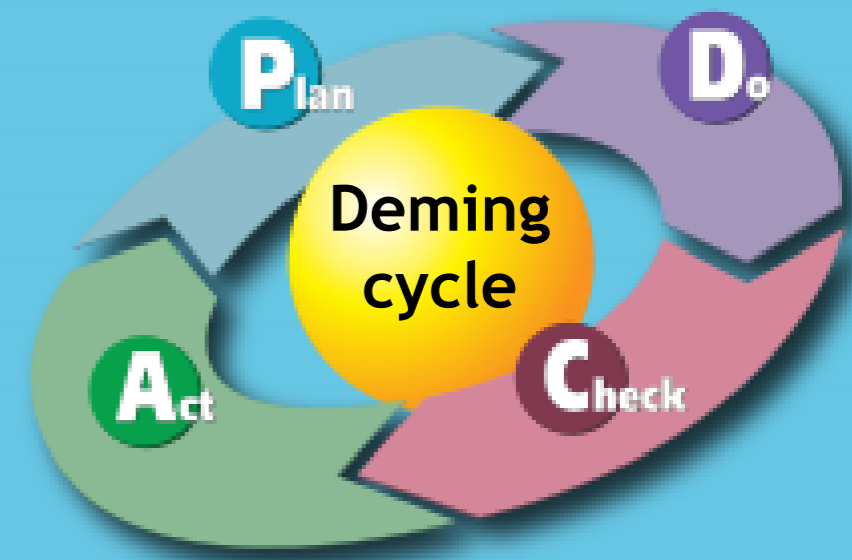
- **Control procedures and KPI**
  - ▶ A semantics question
  - ▶ Targets, needs and scope
  - ▶ Cost and benefit
- **ER Region 1994 - 2013 experiences**
  - ▶ The ER Region Story
  - ▶ Government and industrial model
  - ▶ KPI and resources division
  - ▶ KPI and « Minimum Services » definition
  - ▶ KPI Vs Service Contracts and Program Agreements
  - ▶ KPI Vs National Fund and State Control
  - ▶ Quality Control and KPI



# Control and KPI

## A semantics question

- **What does it means? Within the ER Region experience**
  - ▶ **control**: to mix and balance self-measurement and sample surveys systems
  - ▶ **procedures**: to share a common scheme (methodology, data and tools) to measure and compare performances
  - ▶ **performances**: to fix basic common targets and local specific improvements to be achieved
  - ▶ **indicators**: to synthetize a massive quantity of different data into easy to calculate algorithms
  - ▶ **simple**: to synthetize in a few indexes the measurement of the PT system overall health (weakness Vs strenght points)





# Control and KPI

## Targets, needs and scope

- **Our targets**

- ▶ effectiveness
- ▶ efficiency
- ▶ quality
- ▶ sustainability
- ▶ safety and security
- ▶ ...

- **Our needs**

- ▶ mobility
- ▶ resources
- ▶ satisfaction
- ▶ environment
- ▶ welfare
- ▶ ...

- **Our monitoring scope**

- ▶ transport services
- ▶ economics
- ▶ produced quality
- ▶ customer satisfaction
- ▶ mobility demand
- ▶ environmental impact
- ▶ safety and security
- ▶ .....



# Control and KPI

## Costs and benefits

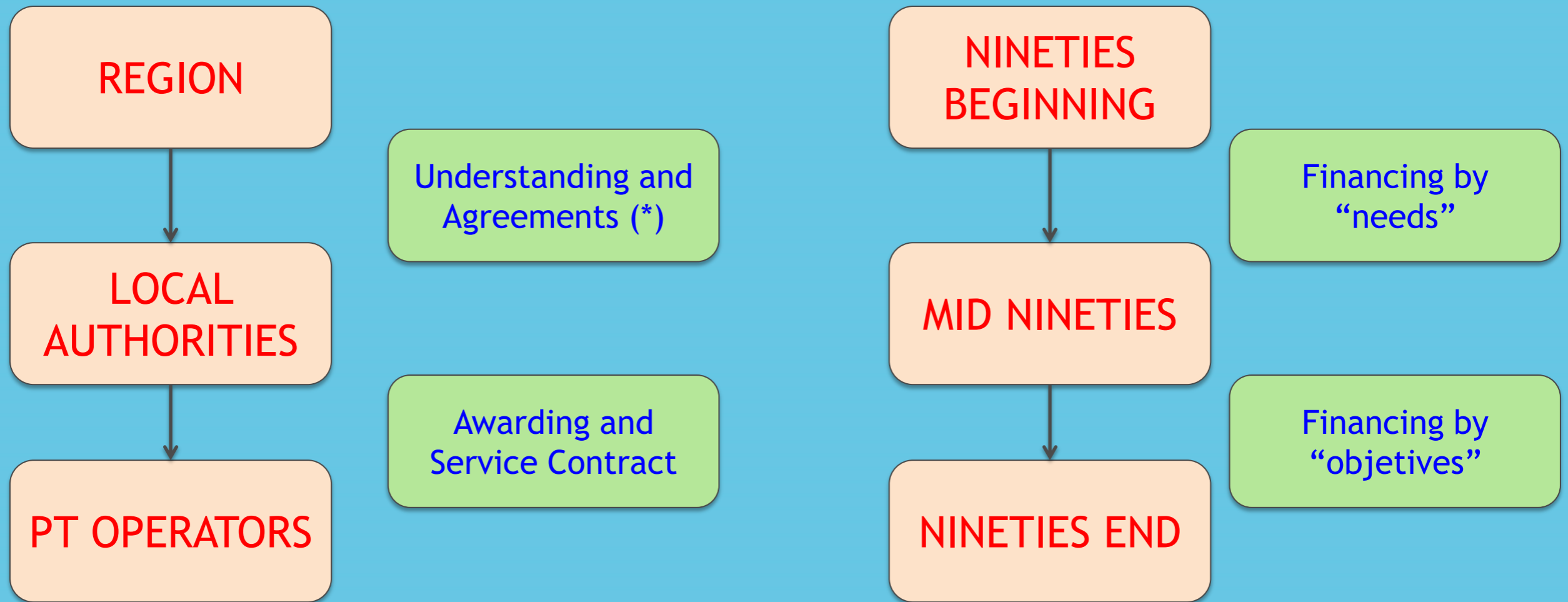
- Control is a **time and resources** consuming activity !!!
- How to be **sensitive and effective**?
  - ▶ self-control
  - ▶ inspectors
  - ▶ statistical sample
  - ▶ auditing
  - ▶ automation
- A **trade-off** is needed among all alternative and an **equilibrium point** between costs and benefits has to be identified



# ER Region experiences

## The ER Region Story

- A 3 levels model .....and .....a 3 steps process



(\*) By focusing the key PT process and missing others mobility efforts such as: Air Quality and PT Pact, private fleets requalification incentives, etc.



# ER Region experiences

## Gonvernement and industrial model

- The ER Region Mobility and Transport Sector government is based upon a **3 level** institutional and industrial model
- **Regional Authorities**
  - ▶ responsible for: overall planning, common strategies, financing, infrastructures, ...
  - ▶ governing tools: laws, resolutions, institutional understanding and agreements
- **Local Authorities**
  - ▶ responsible for: operative planning and strategies, tendering/awarding/control
  - ▶ operative tools: tendering procedure, Service Contract, survey and auditing
- **Local PT Operators**
  - ▶ responsible for: transport production according to quantitative-qualitative standard
  - ▶ management tools: company organization, surveys, marketing, CRM, ...



# ER Region experiences

## KPI and resources division

- The first ER Region KPI system was conceived (in the nineties beginning) to define the financing system of the local community transport need, by basing upon
  - ▶ a regional fund of overall available resources
  - ▶ a regional KPI system suitable to measure the local needs and results
  - ▶ a regional **riequilibrium** fund to finance specific project and to mitigate unwanted impacts
- The KPI system was articulated in several (10) technical and economic indexes, suitable to measure the (9) local basin performances
  - ▶ Productivity (km produced per **driver**)
  - ▶ Service level (quantity of km offered to the citizens)
  - ▶ Efficiency (operative cost per **km**)
  - ▶ Effectiveness (revenues per km and **pax**)
  - ▶ Sustainability (**costs Vs revenues**)





# ER Region experiences

## KPI and “Minimum Services” definition

- The second ER Region KPI system was conceived (at the mid nineties) to define the quantity of service and financing to be guarantee to the local community to face their transport need, by again basing upon
  - ▶ a regional fund of overall available resources
  - ▶ a regional KPI system suitable to measure the local **needs** and results
  - ▶ a regional requalification fund to finance specific project
  
- The KPI system was articulated in (3) separate models (historical, environmental, territorial) and several (13) general, technical and economic indexes, suitable to measure the (9) local basin needs and performances
  - ▶ **Population, territory, mobility** (inhabitants, tourists inhabitant-equivalent, surface, trips)
  - ▶ **Environment, traffic, safety** (impacts, accidents, fuel consumption, vehicle/inhab.)
  - ▶ Efficiency (operative cost per **hour**)
  - ▶ Effectiveness (revenues per **seat\*km** and pax)
  - ▶ Sustainability (public subsidies, PT eco-km)



# ER Region experiences

## KPI Vs Service Contracts and Program Agreements

- The third ER Region KPI system was conceived (at the nineties end) to control the (3 years) Program Agreements with local communities, by basing upon
  - ▶ a regional fund of overall available resources
  - ▶ a regional system of **targets and improvements** to be obtained at local level
  - ▶ a regional KPI system suitable to measure the local results
  - ▶ a regional requalification fund to finance specific project
- The KPI system was articulated in several (6) general, technical and economic indexes, suitable to measure the (9) local basin needs and performances
  - ▶ Efficiency (operative cost per hour)
  - ▶ Effectiveness (revenues per hour and pax)
  - ▶ Sustainability (costs Vs revenues)
  - ▶ Operative context (**commercial speed**)
  - ▶ **Innovation** (DRTs, flexible solutions, etc.)



# ER Region experiences

## KPI Vs National Fund and State Control

- A recent National Law (n. 228/2012) has introduced the **criteria to split up** the public transport sector resources among the regional authorities
- the criteria are intended **to promote services effectiveness and efficiency**, by reviewing **transport planning** as well (regular service Vs DRTs Vs ....)
  - ▶ the number of passengers (2013-2015) and the load factor (since 2016)
  - ▶ the ratio between traffic revenues and operation costs (cost coverage)
  - ▶ the sector employees (employment level)
- a common **methodological approach** has been shared among the regional administrations
- a **National Observatory** has been established to control data and performances



# ER Region experiences

## Quality Control and KPI

- PT services attractiveness is highly concerned with quality: **expected, produced and perceived**
- in order to evaluate results and share politics on a common basis, a **unique approach** has been adopted by the ER Region
- the quality control method is based on the **European Standard EN 13816:2002**:
  - ▶ **citizens expectations** should be put at the PT system centre (passengers and NON passengers are to be investigated)
  - ▶ quality standard should be « weighted » through the « **compliant passenger** » (who gets the compliant services)...
  - ▶ ....
  - ▶ the **system objective is totally upset, inverted**: no longer **how many bus** are punctual but **how many passengers** are transported to their destination according to the scheduling