

# The contract between public transport company and organising authority

## *Practise in Krakow*

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# Scope of presentation

- **City and agglomeration**
- **Key figures of the PT system in Krakow**
- **Restructure of PT system, range of changes in PT organisation and financing**
- **Legal base and main terms of the public service contract**
- **Public service contract and EU projects**



# City and agglomeration

- UNESCO World Heritage (since 1974)
- 758 thousand inhabitants, 1 million in agglomeration
- 9 million tourists, 3 million foreigners
- City of students (200 thousand)
- Reliable public transport



# Public Transport Network

- 330 M passengers a year,
- 1 M passengers on working day,
- 460 buses in daily operation,
- 190 tram sets in daily operation,
- 148 bus lines (10 night bus lines),
- 26 tram lines,
- 1887 km of bus lines (924 km of bus routes),
- 335 km of tram lines (84 km of tram track),

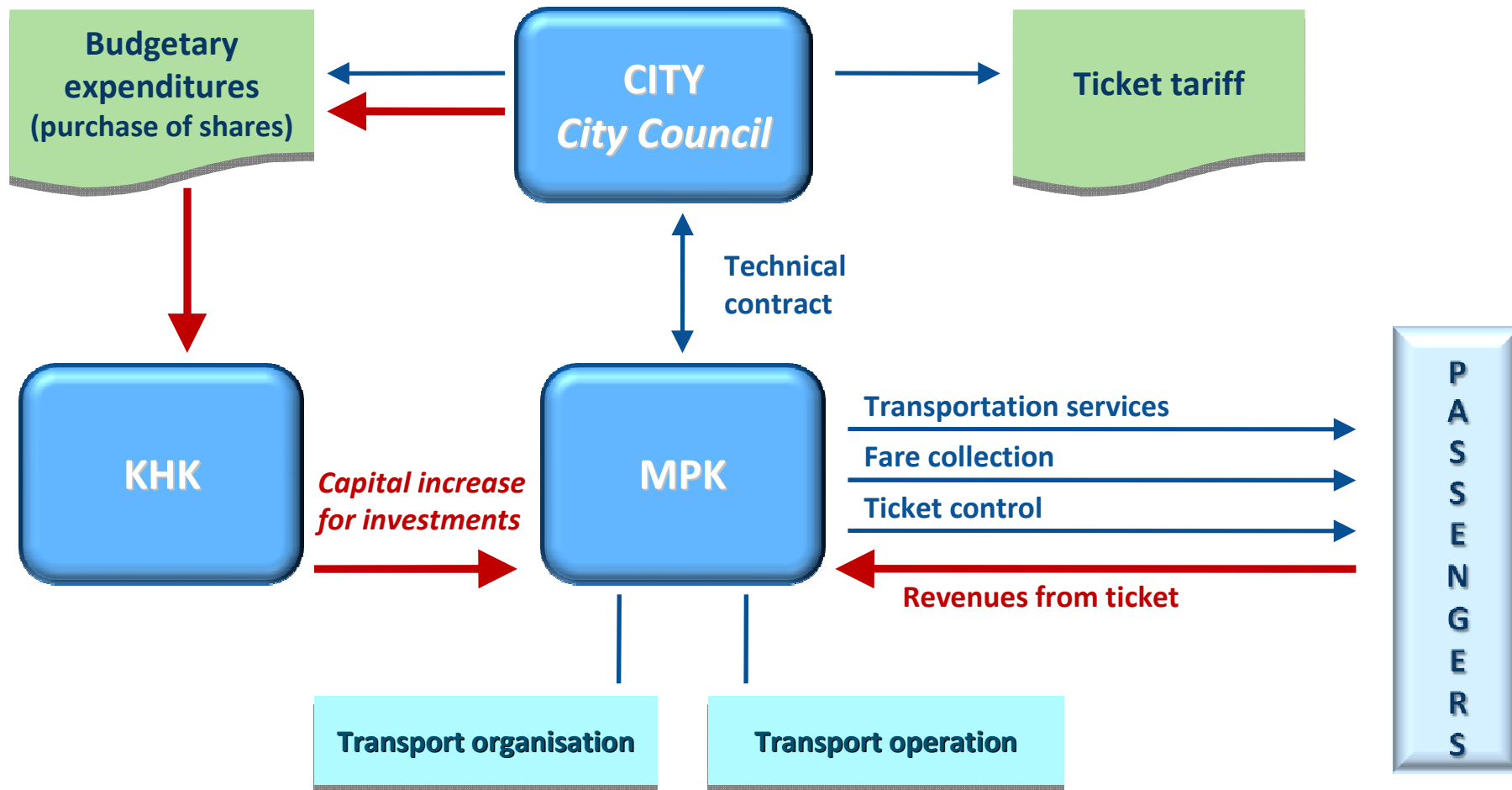


## PT System – key figures

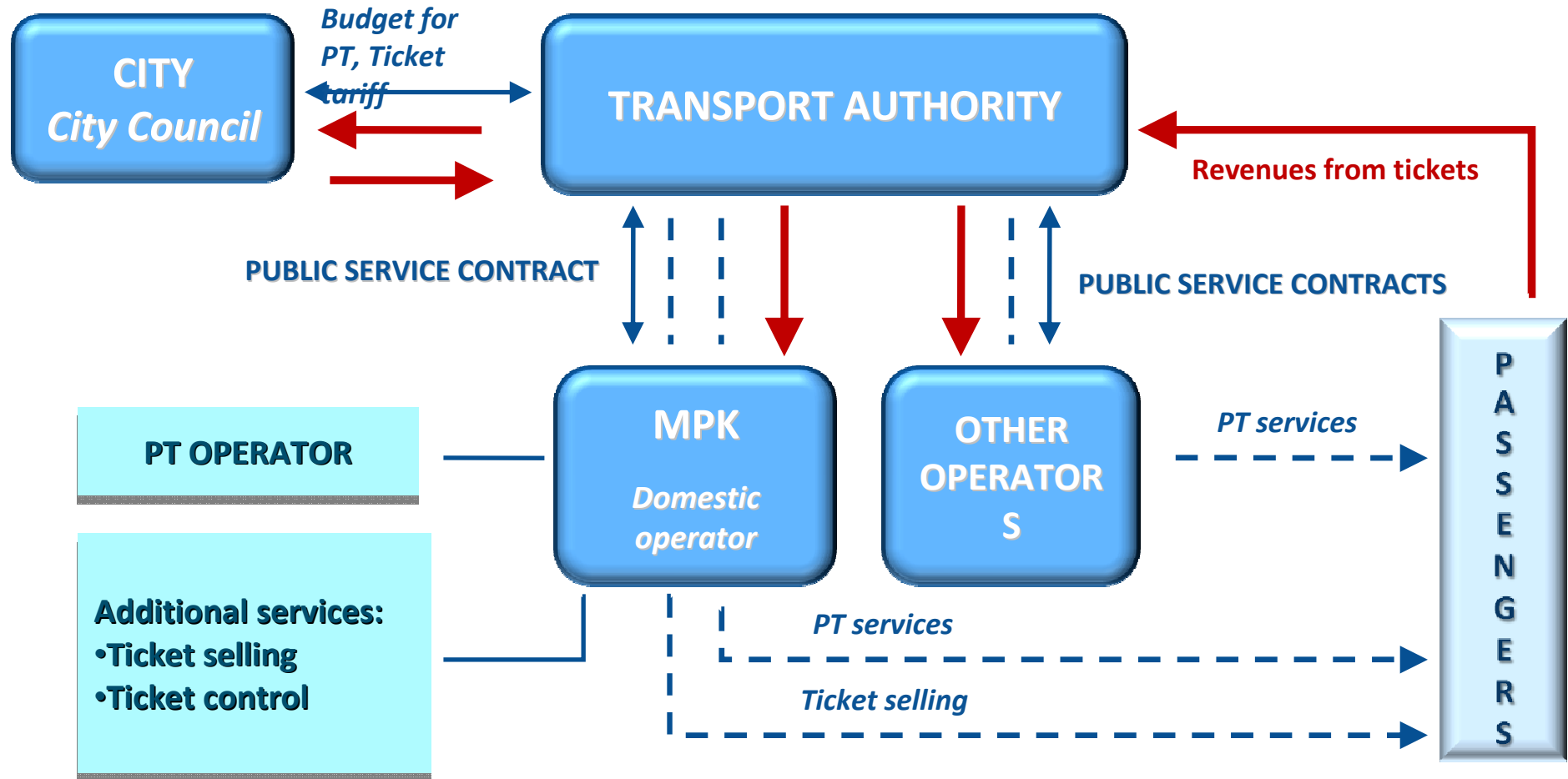
- PSC covering transportation services for Krakow and 13 suburban municipalities,
- Modal split for PT - over 60%,
- 60 M km a year,
- Customer satisfaction at the level of 87%



## Structure of PT system and its financing before August 2006



## Structure of PT system and its financing since August 2006



# Legal base, types of PSC in Poland

## Legal base for PSC in Poland

- EC Regulation No 1370/2007
- Polish Public Procurement Act
- *Future: Public Transportation Act (in progress)*

## Types of PSC in Poland Public service obligations in PT

- Contracts awarded in procurement procedure (EC Reg. 1370; PPA)
- Executive contract without procurement (direct award)
- Public obligation imposed by municipality on its own company
- PT services provided by municipal unit (internal budgetary unit)





# Public service contract for PT in Krakow

## Type of PSC

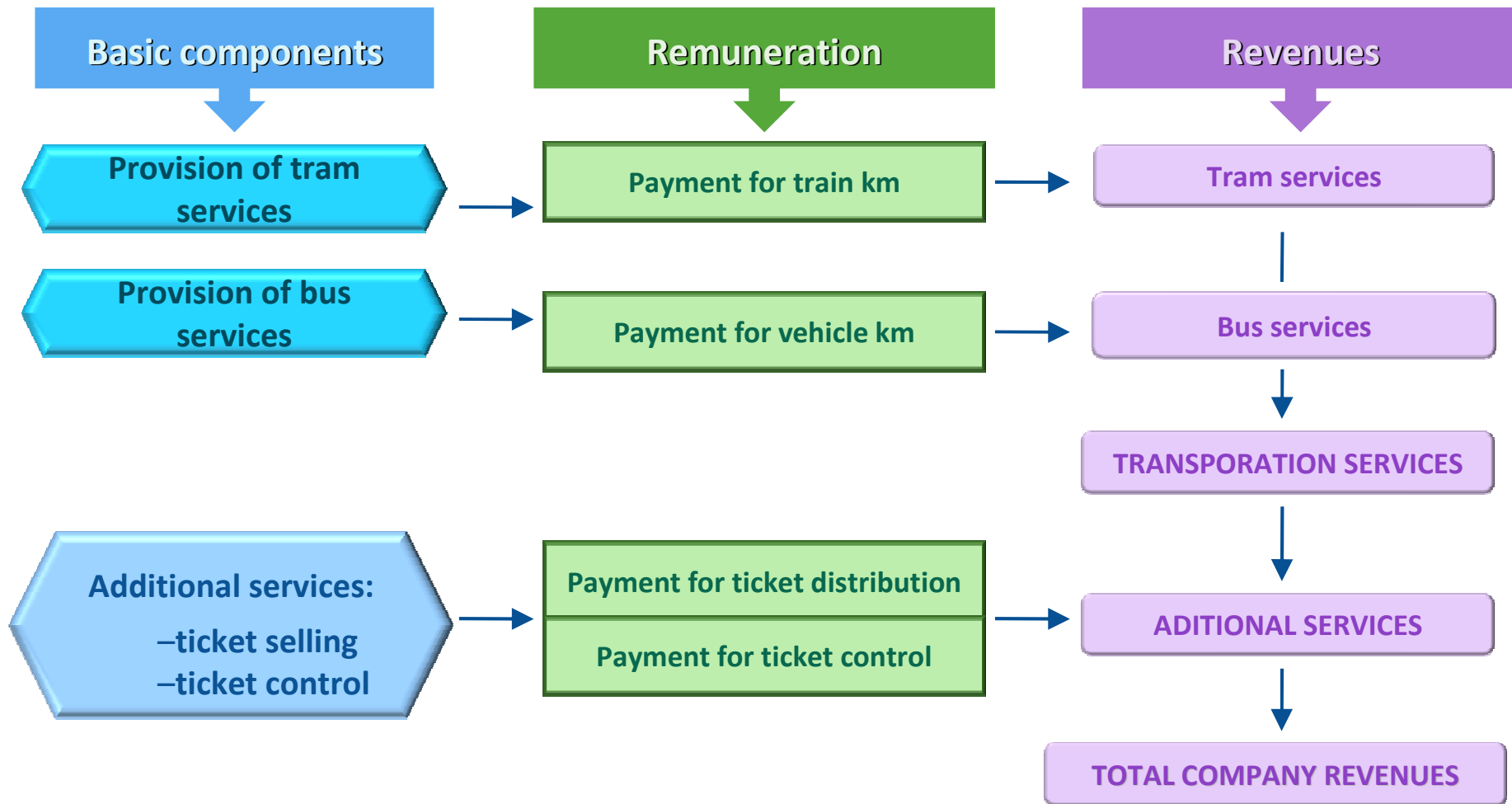
- Net PSC before August 2006
- Gross PSC since 2006 in compliance with EC Regulation 1191/69; part of an application for EU funding (structural funds)

## Main parameters of PSC

- Provision of tram services – 14 years
- Provision of bus services – 8 years
- Provision of additional services – 5 years
- Right for the Transport Authority to put bus services on a free market – up to 15%



# Public service contract – base structure



# Public service contract for PT in Krakow

## Changes of contracted transport work

- Right for the city to reduce transport work up to 15% of agreed total base of bus transport and put it on a free market
- Increase/decrease of transport work by no more than 10% in relation to the total base transport work (contract duration),
- Increase/decrease of transport work by no more than 5% in each consecutive calendar year,
- Increase/decrease of transport work by no more than 2% in every three consecutive months.

## Admissible price changes

- Annual valorisation of the remuneration rate,
- Admissible change of the base rate in the case when prices of cost elements increased above the inflation level by at least 10% (within 3 months),
- Base rate adjustment in the case when conditions of conducting transport services has changed significantly and further performance would mean losses for the company.



# Public service contract for PT in Krakow

## Quality measures

- Punctuality of vehicles on their routes,
- Level of fulfillment of planned runs,
- Onboard vehicle equipment as well as internal and external cleanness of vehicles.

## Remuneration reduction, penalties

- Reduction of contractual remuneration calculated after the closure of the monthly control period (*formulas specified in appendix 8*),
- Penalty for the performance of the services to an extent smaller than agreed,
- Penalty equal to *50% of the base rate per non-performed transport work*,
- Sum of penalties and reductions in one calendar year up to 5% of remuneration due for the total base amount of transport work.



# Public service contract and EU projects

Integrated public transport in the Krakow agglomeration – stage I

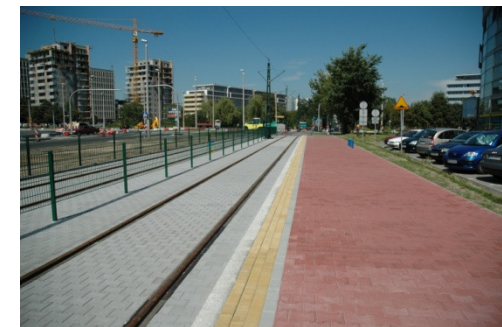
Reconstruction of  
Lubicz and Rakowicka  
streets

Extesion of the Fast  
Tram Lines to Krowodrza  
Górka with bus  
interchange terminal

INFRASTRUCTURE



7 M Euro



7 M Euro

Purchase of low-floor  
trams, 24 pieces

FLEET

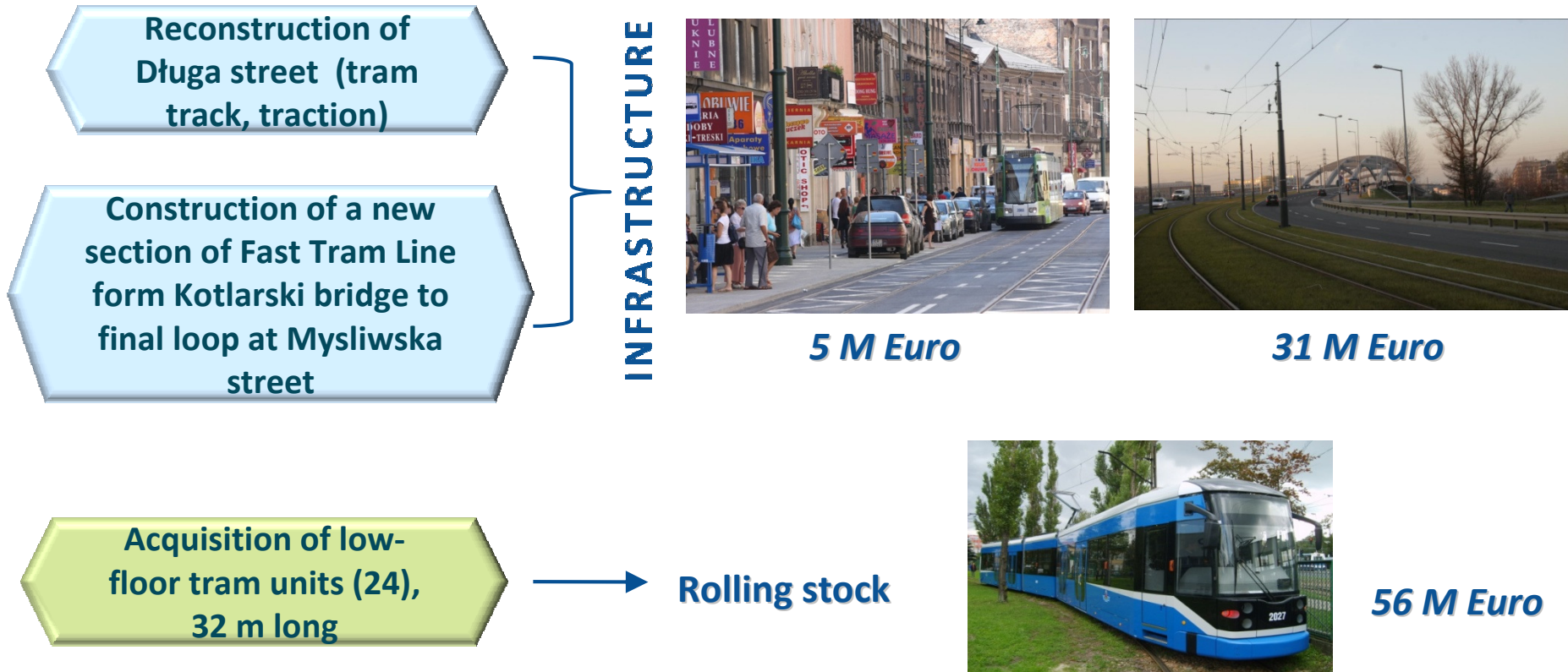


41 M Euro

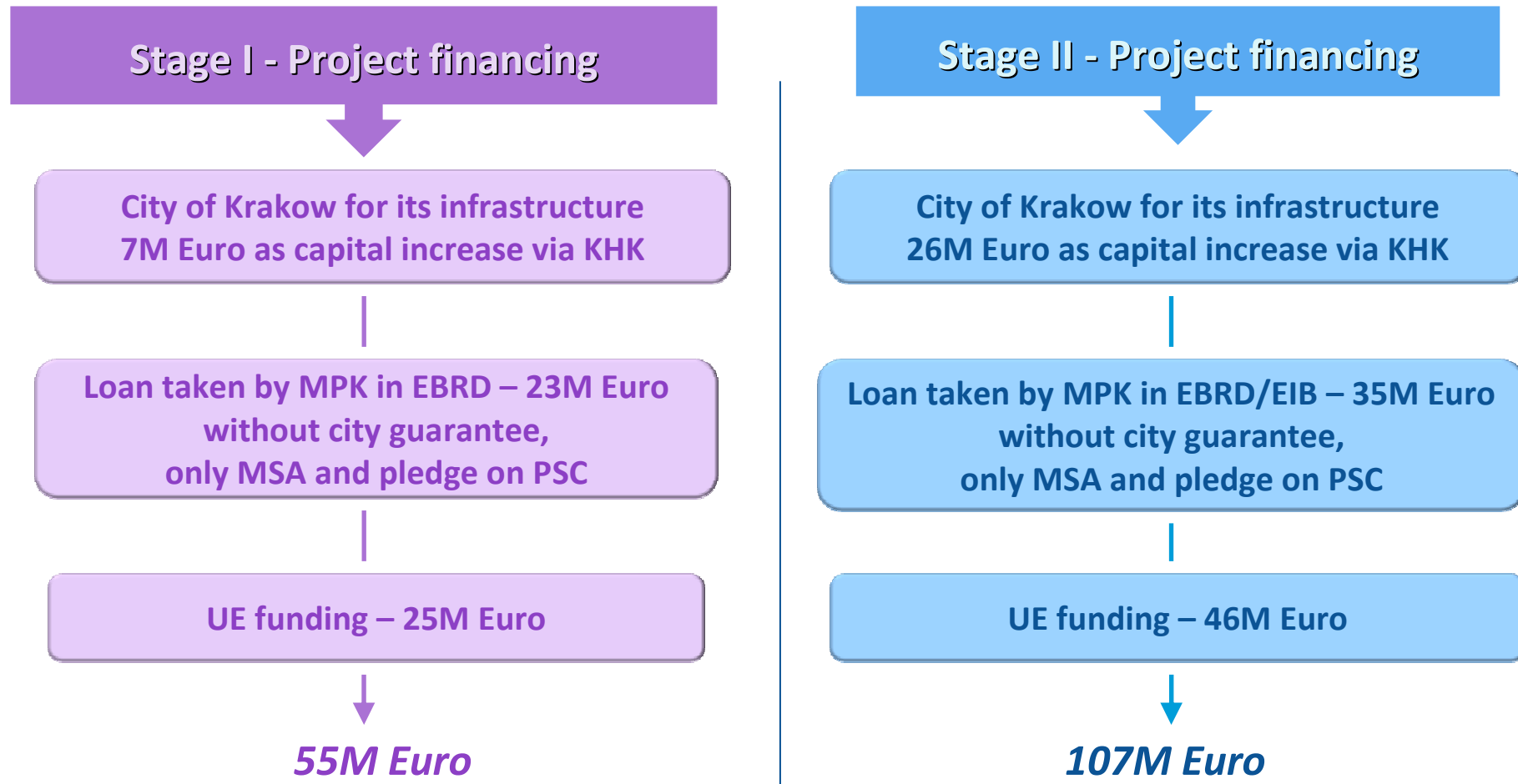


# Public service contract and EU projects

Integrated public transport in the Krakow agglomeration – stage II  
*Decision of the European Commission No CCI 2010PL161PR009, dated on 16.9.2010*



# Public service contract and EU projects



# Thank you for your attention

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