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Everyday Quality Monitoring in the Buses of Copenhagen

by

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□ Greater Copenhagen Authority, HUR

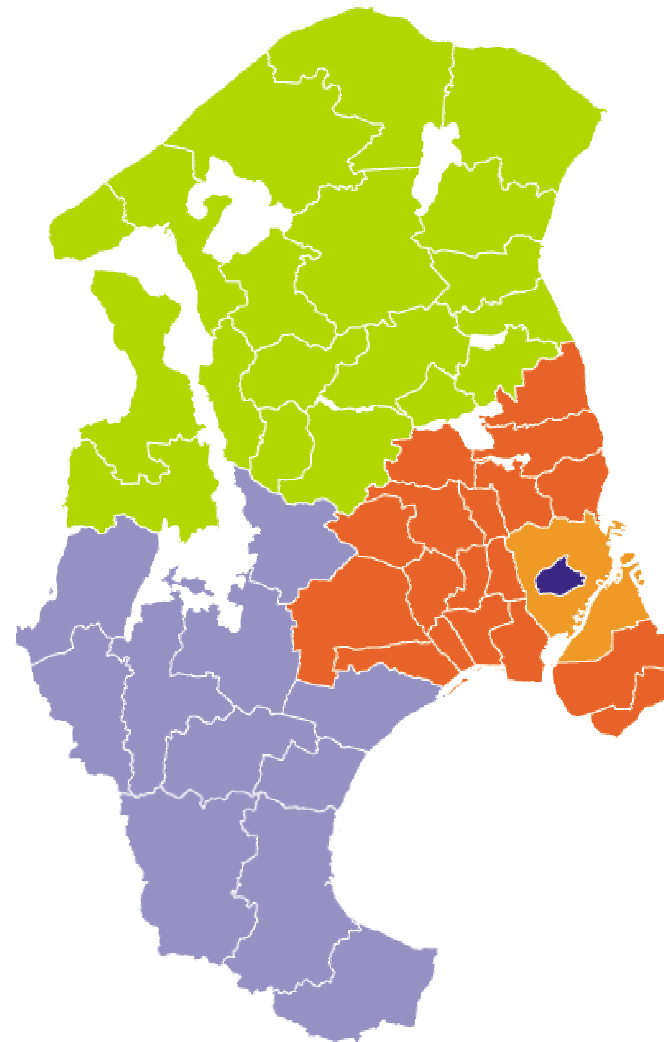


**The Danish Model,
Tendering and
Incentive system**




□ Greater Copenhagen Area

Area	2.870 SQM
Population	1.819.000
Parishes	50
Cars pr. 1000 inhabitants	313
Number of jobs	921.000

-  Parish of Copenhagen
-  Parish of Frederiksberg
-  Region of Copenhagen
-  Region of Frederiksborg
-  Region of Roskilde



□ Public Transport in Copenhagen

- Buses => **HUR**
- 6 local railways (outskirts of the region) => **HUR**
- Harbour buses => **HUR**
- S-trains (commuter trains) => DSB (State) 
- Regional trains => DSB (State) 
- Future Metro => Ørestad Development Cooperation 

□ GCA Key Figures 2003

- 1100 buses
- 270 bus routes
- 2 harbour buses
- 4.007 million bus kilometres
- 211 million trips in 2003
- Self Financing Rate 69,6 per cent

□ Keypoints on Privatization in Copenhagen

- It is a long process
 - Strict focus on end result
 - Give time to adjust - but keep to milestones
 - Involves both managerial and political commitment
 - Open process in relation to employees
 - Clear commitment to quality
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- Otherwise – forget it !

□ Background for the Outsourcing Process

- Increasing number of strikes
- Lack of reliability
- Decrease in number of passengers
- Decrease in income
- Increase in fares
- Decrease in service

□ Tender strategy

- Ongoing competition - short-term contracts
- Smaller units - in local concentrations
- Efficient use of resources - adjustment
- Incentives and sanctions
- Openness
- Maximum consideration for personnel
- Continuity in tender conditions

□ Basic Knowledge

- Gross-cost contracts
- Tendering according to the EU-directives
- 4 years contracts -> 6 years contracts
- Small tendering units - 5-20 buses
- Incentive system connected to quality of service

□ Basic Principles in the Copenhagen Model

- FAIRLY HIGHLY REGULATED
- HUR describes the services we want to buy
 - Number of bus hours per bus line
 - Bus design
 - Driver's service and knowledge
 - Driver's pay must correspond to existing agreements for organised labour

□ Basic Principles in the Copenhagen Model

- HUR describes the services we want to buy
 - Maximum emissions
 - Re-employment of drivers and technical staff
 - Customer satisfaction on a described level
- The payment for the operator is independent of the number of passengers (Gross Cost Contracts)

□ Pros and Cons of The Copenhagen Model

Advantages

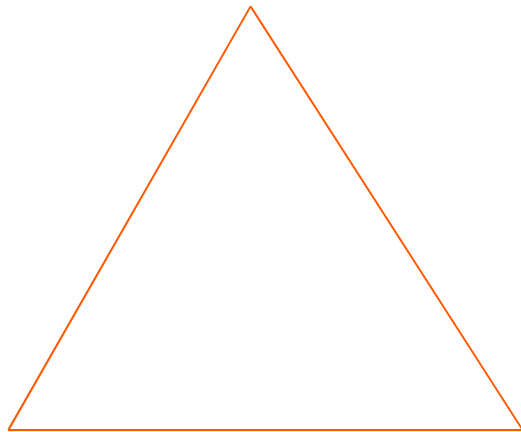
- One public transport system
- One brand
- One fare system
- One "voice" to the owners
- Controlled costs
- Controlled quality
- On-going competition

Disadvantages

- Lack of incentives for operators
- Difficult for operators to differ from each other
- Tendency towards concentration of operators
- Cooperation with operators not always easy

□ Unique Follow-up Triangle

Contracts



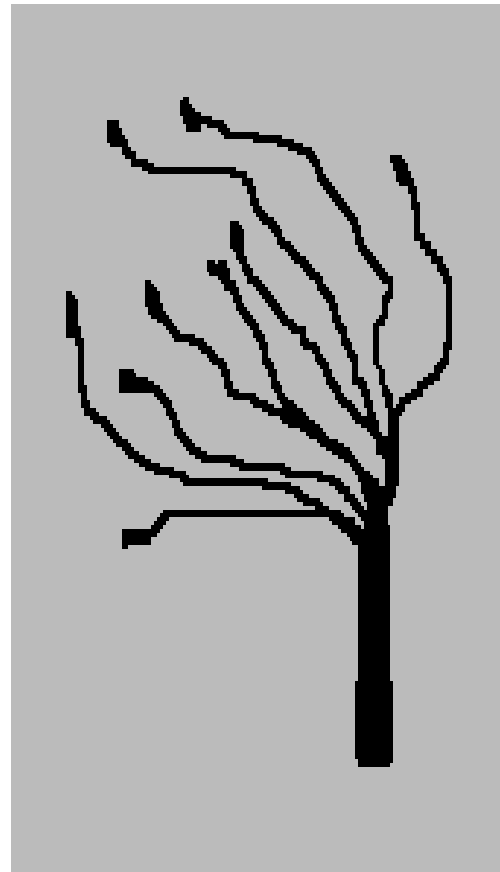
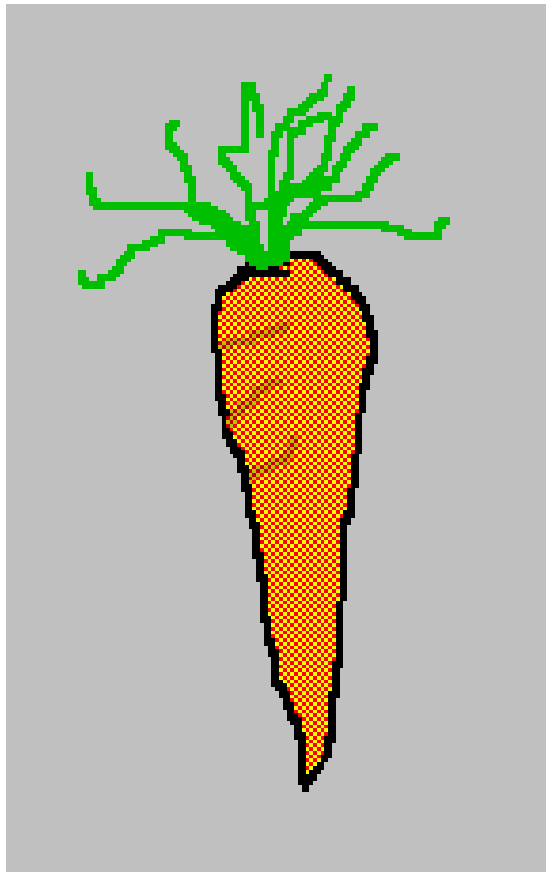
Own follow-up

Customers



Focus: Who is the REAL customer ??

Carrot and Whip – Customer satisfaction



□ Get more satisfied customers

- Marketing of a public product
- Image improvement
- Customers' panels
- Customer care programmes - LineInfo
- TravelPlanner

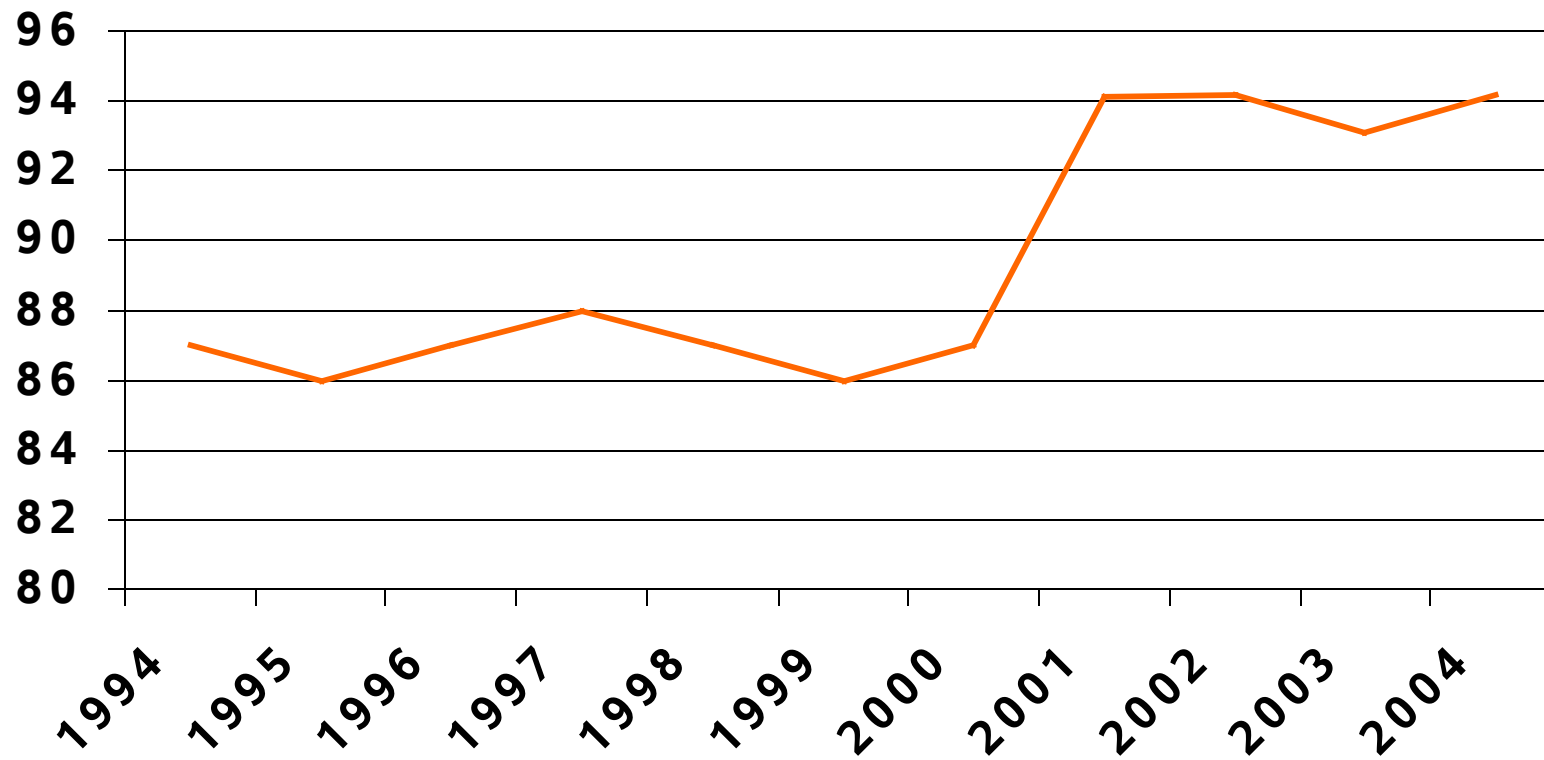
□ Experiences

- **The incentives have meant a better quality**
- **The incentive system is fair**
- **About 70 % of the bonus pool are paid out**
- **Difficulties for the operators to transform the customers impression to operational quality goals**
- **Use of common sense**

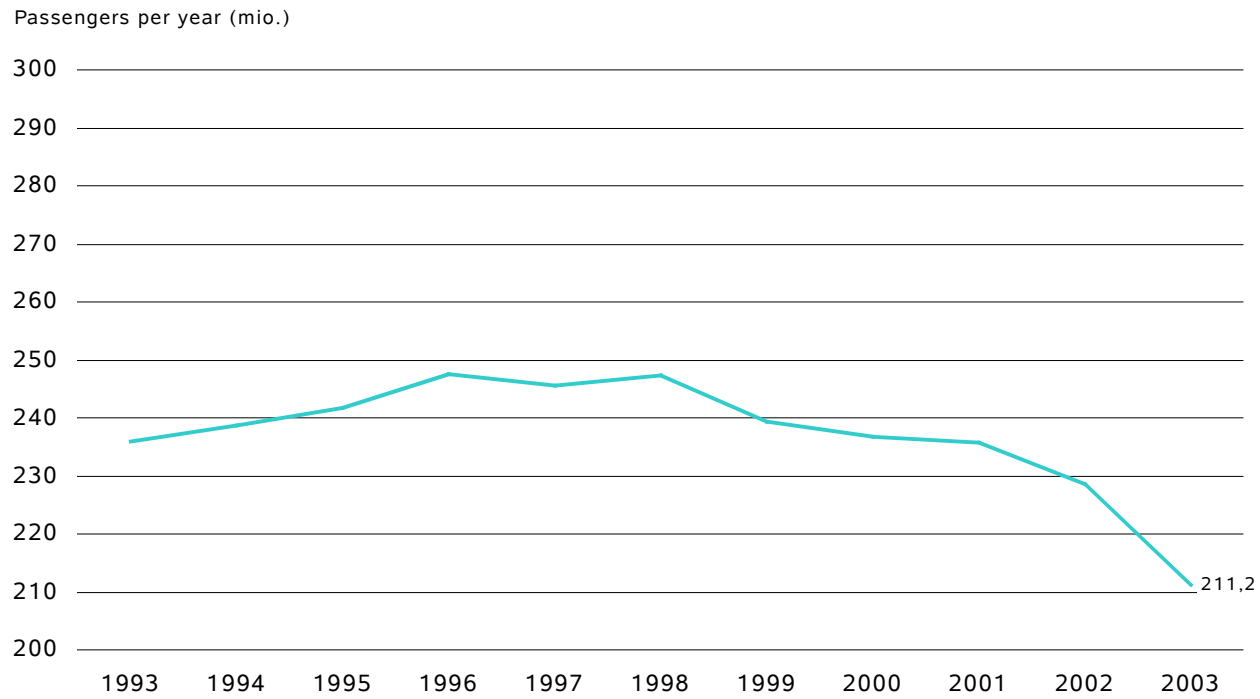
□ Future Threats and Challenges

- **A never ending story - development**
- **Monopoly/Oligopoly - Internationalization**
- **Tendering on price AND quality**
- **Improve image of busdriver's job**
- **Partnerships**

□ Improving quality is NOT a Customer Catch alone



□ Development in Annual Passengers 1993-2003



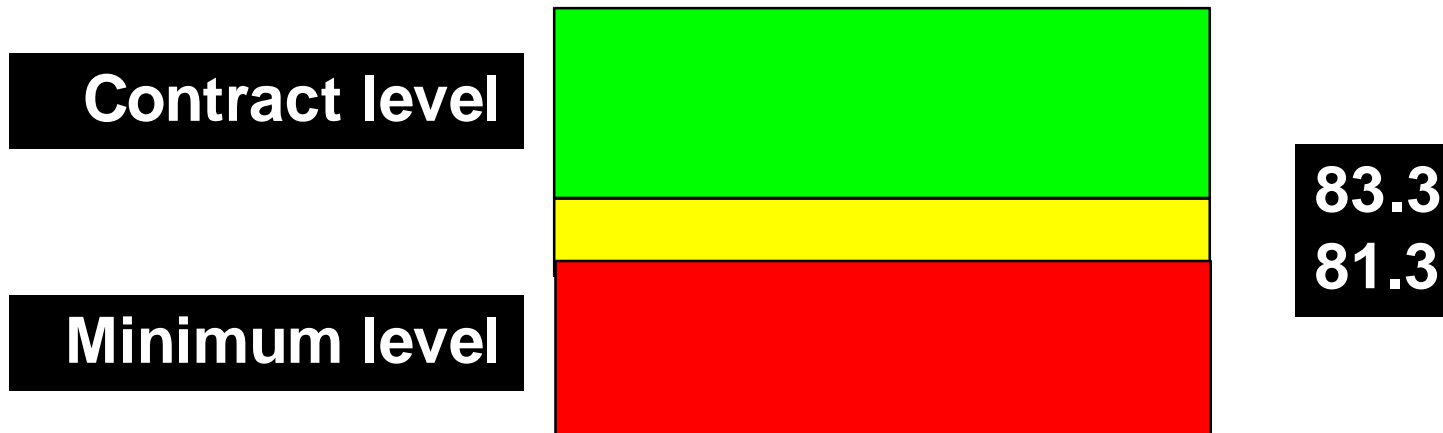
□ The Quality Monitoring System

- **F** Fast - 24 hour results
 - **A** Accessible - browser based
 - **T** Transparent - known and discussed basis
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- **The Quality Unit as the smallest basic item:
one or more bus lines, minimum 10-15 buses pr. Unit**

□ Customer Measuring Points

- **Outside cleaning and maintenance**
- **Inside cleaning and maintenance**
- **Temperature**
- **Ventilation**
- **Noise**
- **Punctuality**
- **Driver's service**
- **Driver's general appearance**
- **Total impression of the trip**

□ Simple Visual Presentation - Quality Goals



□ New Incentive Model from October 2004

- Operators bid on own expected quality index level
 - Decisive for allocation of contracts
 - Decisive for bonus opportunities

- => increased incentive AND local dialogue

□ The Quality Monitoring System

A DEMO.....