

RISK MATRIX — CONCESSION AWARD

Risk identification (1)			Allocation (2)		Risk Assessment (3)	Risk Management (4)	PSC Reference (article)	Impact description	
Nature	Driver	Event	AE	CC					
Operational (5)	Demand	Contraction of demand for service (6)		X				Lower receipts from ticket sale as recorded <i>ex post</i> compared to the relevant provisions in the EFP	
	Supply	Planned oversupply (7)		X				Lower receipts from ticket sale as recorded <i>ex post</i> compared to the relevant provisions in the EFP	
		Planned deficit (8)	X					Deterioration in the service quality (e.g. overcrowding on board, increase of waiting times/boarding at stops)	
		Availability		X				Full or partial inability of the CC to provide the planned services in accordance with the provisions of the PSC (9).	
		Change in costs due to factors beyond the control of AE or CC (e.g. fuel, power supply, raw materials, materials)		X				Increase in cost as recorded <i>ex post</i> compared to the provisions in the EFP	
Other risks	Legal	Legislative changes (e.g. related to taxation, environment, charging system) or regulatory changes (e.g. minimum quality standards)	X					Increase in management/investment costs or change in the requirements for operating the service	
		Delay in issuing authorisations, certifications or other administrative activities by competent entities	X						
	Litigation	Unforeseen increase in the length of tendering procedure	X					Increase in the charges associated with the tendering procedure. Impact on the CC's ability to ensure the standards and/or level of service that was originally offered in the tender	
	Industrial relations	Changes in the relevant national collective bargaining agreement (CCNL), territorial contract or additional contract		X				Increase in personnel costs	
	Management	Incorrect estimate of costs linked to organisational deficiencies and/or ineffective management (10)		X				Increase in cost of production	
	Financial	Non-payment or late payment of compensation due by the AE	X						Inability of the AE to pay the compensation within the time limits specified in the contract
		Non adjustment of compensation due to lack of coverage with public resources	X						Inability of the AE to adjust the compensation under the terms of the contract
	Social and environmental	Accidental events during the operation of the instrumental goods for the performance of the service (e.g. rolling stock, warehouses, workshops)		X					Increase in operating costs resulting from initiation of industrial risk management procedures (from major accidents) and/or environmental rehabilitation (air, water, soil, waste management)
	Force majeure	Unforeseeable alteration of the conditions of service performance	X						Inability of the CC to guarantee the level of service offered in the tender

NOTES

(1) The risk is an uncertain event; if it occurs, it has a (positive or negative) impact on the PSC, involving the contractual party concerned by the allocation (AE and/or CC); the matrix only considers the negative impact.

(2) AE = risk allocated to the awarding entity;
CC = risk allocated to the contracting company.

(3) Likely occurrence of the risk-associated event, in % or Likert-type scale 1-5.

(4) Measures that allow to minimise the effects arising from the occurrence of the event (mitigation measures, as described in the dossier governing the award procedure and in the relevant PSC)

(5) Cf. Directive 2014/23/EU, Recital 20 ("an operational risk should stem from factors outside the control of the parties") and Legislative Decree No 50/2016, Article 3 (zz) ("operational risk: risk related to the management of the works or services on the demand or supply side or on both that is transferred onto the economic operator").

(6) Decrease in revenues due to commercial inefficiencies (e.g. sales network, availability of tickets, malfunctioning of platforms), incorrect estimates or external causes (e.g. economic crisis, modal competition, technological evolution); in the case of gross-cost contracts this risk remains with the AE.

(7) Planned supply surplus compared to actual demand.

(8) Undersizing of the supply planned by the AE compared to actual demand.

(9) E.g.: availability of suitable rolling stock, malfunction of AVM system and/or safety equipment, absence of on board/ground devices for PRM accessibility, infrastructure performance (with possible spillover effects on the commercial speed of the lines, compared to the provisions of the PSC).

(10) E.g.: absenteeism, breach of contract of contractors and subcontractors, maintenance costs, technical obsolescence of assets.