

SYNOPSIS OF THE APPLICATION OF THE REGULATORY MEASURES

TYPE OF AWARD			Regulatory items	Phase	Measure	Annexes
TENDER	DIRECT	INTERNAL OPERATOR				
●	●	●	Awarding lots (cf. Decision no. 48/2017)	PRELIMINARY PHASE	2	
●	●	●	Drawing up of RoA		2	
∅	∅	∅	Content of public service contracts		2	Annex 2
●	●		Rules for capital goods and rolling stock		3 ÷ 10	
●	●	●	Regulatory accounting and accounting separation		11-12	Annex 3
O	O	O	Risk identification/allocation (Matrix)		13	Annex 4
O			Simulated EFP for awards by tendering procedure		14	Annex 5
	O	O	Simulated EFP for direct awards		15	Annex 5
∅	∅	∅	Determination of efficiency and effectiveness targets		16	Annex 7
∅	∅	∅	Reasonable profit margin (WACC)		17	
∅	∅	∅	Information available to interested carriers	PARTICIPATION IN AWARD PROCEDURES	18	Annex 6
●			Requirements for participation		19	
●			Awarding criteria		20	
●			Transfer of personnel		21	
O			EFP-competitor		22	Annexes 4 and 5
●			Deadlines for submission of tenders		23	
●			Tender Evaluation Committees		24	
●	●	●	Monitoring of performance		25	
O	O	O	Economic equilibrium test		26	
∅	∅	∅	Fare updating		27	
●	●	●	Contract review and renegotiation		28	

KEY

- : the regulatory measure applies regardless of the type of award chosen (public procurement - concession)
- ∅: the regulatory measure varies according to the form of the type of award chosen (public procurement - concession)
- O: the regulatory measure applies only to the concession

Annex 2 — Table 1

Table 1 — MINIMUM CONTENT OF PUBLIC SERVICE CONTRACTS — RAIL TRANSPORT

SECTION	TITLE	DESCRIPTION	REGULATORY REFERENCES	Reference to draft regulatory measures for revision of ART Decision 49/2015
0 — Introduction	Introduction	Legal and regulatory requirements of the PSC		
1 — technical operating content	Subject	Description of services, associated and instrumental activities and territorial scope with cross-reference to the schedule of operations. Explicit indication of any exclusive right, financing arrangements, with particular reference to the procedures for collecting traffic income (gross-cost versus net-cost management). The outcome of studies carried out to define the services to be awarded may be attached, such as: passenger flows by direction, transport networks and their interconnection (graphs), etc.	ART Decision no. 48/2017	Measure 2
	Contract period	Identification of the contract period, in compliance with the maximum time limits laid down in the relevant legislation (Articles 4 (3) and (4) and 5 (3a), (4b) and (6) of Regulation (EC) No 1370/2007; Article 18 (1) of Legislative Decree No 422/1997) in relation to: — risks allocated to the contracting parties (cf. risk matrix); — investments provided for in the PSC so as to allow their recovery in accordance with the relevant method of depreciation (cf. EFP); — need to limit as much as possible the extension of the PSC, by excluding unjustified advantages for the contractor and maximising the potential economic and technological benefits resulting from competition. The contract period also takes into account any relevant provisions in existing regional laws.		Measures 30 and 31
	Extension/Renewal	Any extension is identified in accordance with the maximum time limits laid down in Article 4 (4) of Regulation (EC) No 1370/2007, specifying the deadline for termination of the extension. Any extension of the period of the PSC, in case of emergency measures intended to ensure continuity of service, may not exceed 2 years (Article 5 (5) of Regulation (EC) No 1370/2007) and shall be justified in the context of the report under Article 34 (20) of Legislative Decree No 179/2012.		
	Schedule of operations	The schedule of operations, which may be included in an annex to the PSC and referred to therein, describes at least number of lines, frequency, timetables and compulsory stops, annual km output, seats offered, seats offered per km, type of rolling stock used on the line (general characteristics), annual hours of commercial service. The schedule of operations shall also define the expected number of rolling stock of the planned composition (e.g. 1loc + no. wagons by type or number of trainsets, in case of fixed train sets). The AE defines in the PSC the procedures for authorisation and communication to the public of the schedule of operations prior to its adoption (cf. "Transparency and Data Access Plan").		
	Temporary changes to the service or cancellations	Possible reasons for interruption/temporary changes to the service, by regulating, where possible, the procedures for their management. In the case of temporary changes (maximum length to be defined), defining of the immediate information to contractual parties and users. In the event of cancellations, provision of an alternative service to be provided within a specified period through the drafting of an "action plan" for alternative services in the event of total or partial cancellation of the journeys pursuant to Decision no. 16/2018.	ART Decision no. 16/2018	Measure 31
	Permanent changes	Definition of the conditions which, without prejudice to the economic equilibrium test of the PSC, require a contract review and/or renegotiation of existing provisions, with reference to quantitative parameters (schedule of operations), qualitative parameters (minimum performance of the CC) and economic parameters (EFP). For each parameter, a reference threshold is defined (allowance): quantitative adjustments (schedule of operations) or qualitative changes (performance) that do not have a significant impact on the EFP and/or do not exceed those thresholds shall not be considered as grounds for contractual review. The occurrence of events which are not foreseen or foreseeable at the time of the conclusion of the PSC may result only in the adoption of non-substantial contractual amendments, in accordance with the principles of EU law. Definition of procedures and timing for the request for amendments of the schedule of operations by the CC. These procedures may be included in an annex to the PSC. Definition of conditions and procedures for user involvement in case of changes in the schedule of operations, by ensuring at least that user information is made timely and through any appropriate communication channel of the CC.		Measure 31
	Rolling stock and maintenance	Fleet characteristics: type, quantity, age, available systems (Wi-Fi, video surveillance, stop indicator, etc.), PRM accessibility, environmental class, etc. Planned maintenance programme. The obligation to maintain and renew rolling stock and facilities, except for the extraordinary maintenance of publicly owned facilities and infrastructure, shall be borne by the CC, in accordance with the quality and technological innovation standards defined by the AE, where they do not apply driverless leasing. The vehicle fleet may be included in an annex. All vehicles shall be equipped with electronic passenger counting systems or other technologies for identification of demand. The AE shall define in the PSC the information to be regularly transmitted by the CC to the AE for the purpose of updating the vehicle fleet, with reference, at least, to the following data: — at the beginning of the year, availability of rolling stock, scheduled maintenance of rolling stock and any out-of-operation period; — during the year, <i>ad hoc</i> communications for any introduction, disposal and/or transfer of rolling stock; — at the end of the year, depreciation rates set aside for different types of investment (purchase of new rolling stock, cyclic maintenance, incremental maintenance, etc.).		Annex 6
	Service reporting	Monitoring system of the performed service, with identification of procedures, responsibilities and survey timing, release of economic, technical, managerial and quality reports. The PSC regulates the procedures for access of the AE to the IT system for automatic monitoring. The reporting shall allow the AE to determine, at least on a quarterly basis, the final balance of the journeys actually carried out by the CC (as per relevant statement), by identifying: — difference compared to scheduled journeys, net of any additional (authorised) and cancelled journeys; — difference compared to the journeys certified by the automatic vehicle monitoring system (if any) — quality performance of the service in terms of regularity and punctuality, based on assessment parameters that are set by the AE in the PSC (cf also section 3)	ART Decision 16/2018	Measure 25 Annex 7
	Obligations of the operator upon expiry of the contract	Obligations of the incumbent operator upon expiry of the contract towards the AE and/or the new operator, including information requirements, provision of strategic assets (e.g. rolling stock, immovable property, points of sale, ticket vending machines), takeover title (lease or transfer of ownership), operating conditions for takeover by the new operator (e.g. travel tickets issued with validity beyond the takeover date), social clause, if any. Certifications (quality, safety, environmental or other) to be maintained for the assets to be taken over at the end of the award. Intended use and any restrictions at the end of the award period of all assets made available to the CC, including those acquired during the contract period. Capital goods for the performance of the service (in particular if they are essential/necessary) may be included in an annex, in which the AE indicates the takeover value of each asset. List of assets, essential or necessary to the CC at the end of the award, that are made available to the new operator with an obligation to take them over as a lease or transfer of ownership.		Measures 4 through 10 Measure 17 Measure 20

2 — economic content	Compensation	Compensation paid by the AE to the CC, in return for PSO services, as determined so as to ensure its economic and financial sustainability, having regard to business and management risks, as correctly attributable to each party. Rules on the method of calculation and periodic verification, at least at the end of each regulatory period. For rail services, adoption of the regulatory accounting criteria and reporting formats referred to in Decision no. 66/2018.	ART Decision 48/2017 ART Decision 120/2018	Measures 14 through 16 Measure 26 Annex 5
	Procedures and deadlines for payment	Procedures and deadlines for payment of compensation: composition of instalments, balance, compliance with quality standards, definition of penalties and deductions.		
	Interest on late payments	Interest to be paid in case of late payment. Interest for late payment in commercial transactions is payable by the debtor for delayed payment of its debt (debtor in default) on the basis of a contract concluded with a supplier of goods or a provider of services.		
	Charges and other infrastructure costs	Cf. regulatory accounting criteria and reporting formats referred to in Decision no. 66/2018	ART Decision 120/2018	Measures 10 and 11
	Fare policy and anti-avoidance measures	Existing charging scheme, including any agreed/approved/planned increases, benefits and charge reductions for specified user categories; planned updating systems; procedures for charge updating; terms and procedures for charge allocation in case of integrated ticketing. This information may be included in an annex. Description of anti-avoidance arrangements and related collection targets.		Measure 29
	Risk matrix and mitigation measures	Matrix determined by the AE, including the risk allocation between the parties, as well as any measures to mitigate the impact of the risk-associated event. Description in the PSC and its Annex (if any).		Measure 13 Annex 4
	Effectiveness and efficiency targets and incentive systems	Economic, system, sustainability targets for service improvement, set by the AE, in terms of quantifiable, verifiable and comparable parameters and technical and economic indicators to be delivered within the period of the PSC. The AE also sets out the incentive and penalty system related to the target achievement.	ART Decision 16/2018 ART Decision 120/2018	Measures 27 and 28
	Economic and financial equilibrium and reassessment of EFP	The Financial Economic Plan (EFP), which may be included in an <i>ad hoc</i> annex, shall indicate the simultaneous presence of cost-effectiveness and financial sustainability, as well as the yield for the entire contract period. The PSC shall provide for verification and reassessment, if any, of the economic and financial equilibrium for each regulatory period, in accordance with the provisions laid down in Decision no. 66/2018, so as to identify any overcompensation and undercompensation and to determine the procedures for recovering overcompensation, net of the incentive systems and revision of fare policy or schedule of operations in the event of undercompensation. Deadline identified by the AE for drafting an updated EFP by the CC.	ART Decision 120/2018	Measure 26 Annex 5
	Investment policy for rolling stock renewal, technological innovation, etc.	Rules on the plan for gradual replacement of rolling stock — RMR plan (by age and environmental class) — and of the investment plan for technological innovation — ICT Plan (automatic passenger counting system, on-board diagnostic systems, video surveillance, equipment for PRM, Wi-Fi, etc.), if any, in accordance with the provisions of Article 27 (11-d) of Legislative Decree 50/2017, taking into account any investments that are implemented directly by the AE (or other local authorities) in the rolling stock made available to the CC, as well as any planned investments to be borne by the CC for the implementation of policies for rolling stock renewal and/or pursuant to the award procedure (e.g. award criteria and content of the technical offer of the CC). Compliance with the principle that the AE pays only for the investments that are actually made and not for the planned. The plans may be included in <i>ad hoc</i> annexes.		
	Other revenues	Rules on the contractor's right to carry out initiatives for commercial enhancement of rolling stock, infrastructure or other, subject to the provision of space to the AE for information dissemination (e.g. promotion of the territory or urgent matters).		

3 — qualitative content	Quality policy Customer Charter and user involvement	Rules on the obligation for the CC to draw up and publicise the ‘Customer Charter’ (as an annex to the PSC), in agreement with consumer protection associations and business associations concerned, including the quality and quantity standards of the services provided, as well as the procedures to access guaranteed information, lodge complaints, submit comments or proposals, or enter into conciliation procedures. The AE monitors the compliance with the parameters laid down in the Charter by setting up an (at least) annual monitoring session with the CC and consumer associations, in which complaints, proposals and comments are analysed, by identifying ways of improving the standards (cf. Article 2 (461) (a) of Law 244/2007).	ART Decision 16/2018	
	Minimum quality standards of services (MQS)	Quality and related indicators, by regulating modes, liability and survey timing, and by defining minimum levels and standards (MQS) in accordance with Decision 16/2018, as well as penalties for non-compliance or incentive schemes. According to the a.m. Decision, the MQS concern in particular: — provision of service (capacity, regularity, punctuality); — user information (completeness and transparency); — sales channels (commercial accessibility), in accordance with Article 1 (167) of Law No 124/2017; — vehicle cleaning; — safety of journey and traveller, as guaranteed through the adoption of the “Operational Safety and Control Plan” provided for in Article 14 of Decision No 16/2018; — accessibility, including for PRM. The MQS (and related penalty/incentive schemes) may be included in an <i>ad hoc</i> annex to the PSC. Regular assessment of quality and quantity of services, at the intervals of the regulatory periods. This assessment also covers the adequacy to the users' needs of the parameters and qualitative and quantitative indicators of the service as laid down in the PSC, to be carried out with the involvement of consumer associations.	ART Decision 16/2018	Measures 25, 27 and 28
	Minimum users' rights	Complaint-handling procedures, with particular reference to the users' right to reimbursement or compensation, in compliance with Regulation (EC) No 1371/2007 (Articles 16, 17 and 27), as reproduced in the Customer Charter (cf. above), in accordance with the provisions of Article 2 (461) of Law No 244/2007 and Article 1 (168) and (169) of Law 124/2017. Regulation of the obligations of the CC towards persons with reduced mobility, in compliance with Regulation (EC) No 1371/2007 (Chapter V).	ART Decision 106/2018	
	Monitoring of services	Monitoring of demand, supply, effectiveness and efficiency of the service, including rules on manual or automatic passenger counting in accordance with Article 27 (11-b) of Legislative Decree No 50/2017. Setting the procedures and frequency of monitoring, including customer satisfaction surveys (by the CC) and verification (by the AE), in accordance with the provisions of ART Decision no. 16/2018. Rules on the obligation for the contractor to participate in the consultations organised by the AE during the planning of survey specifications and analysis of the outcome of the surveys and planning of ensuing activities.	ART Decision 16/2018	Measure 25
	Incentive and penalty scheme — scheme for	Incentive/penalty scheme related to contractual compliance, including minimum service performance (indicators and achievement of pre-established threshold target levels). Arrangements for penalty mitigation may be established as well.	ART Decision 16/2018 ART Decision 120/2018	Measures 20, 25, 27 and 28
	Technical Committee for Contract Management	Composition: even number of representatives of the CC, including director or operations manager and of the AE, that shall designate the Chair of the Committee. Tasks: assistance to the Parties in the application of the PSC, with particular reference to the following issues: (a) fulfilment of contract terms; (b) data monitoring, including for the purpose of testing compliance with the performance targets defined in the contract; (c) testing of economic and financial equilibrium of the contract, including the state of implementation of any planned investments; (d) dispute avoidance and settlement, including the setting of applicable penalties in case of breach of contract, in accordance with existing provisions and with the PSC. Setting operating modes (e.g. convening of meetings, participation of representatives and related charges, decision-making and enforcement powers, drafting and sharing of minutes), providing for the possibility of collaborating with experts, in an advisory capacity, to be appointed by common agreement between the parties.		Measure 32

4 — General terms and conditions	Sub-contracting and prohibition of transfer	List of services to be subcontracted, setting of procedure (authorisation by the AE) and determination of eligible share (percentage of the contract amount). Requirements of subcontractor. Prohibition of transfer of the contracted service to third parties, if any. The AE defines in the PSC the terms of subcontracting, by specifying that: — the CC retains the ownership and liability of the rail service, both towards the AE and the users, it being understood that the AE is not involved in the relationship between the CC and the subcontractor; — the subcontractor ensures that the quantity and quality levels of the service are maintained, and that the charges and all other obligations imposed on the CC in the PSC are complied with; — any changes in the production of the subcontractor with regard to the schedule of operations shall be assessed by the AE for the purpose of compliance with the contractual obligations of the CC (with application of the relevant non-compensation); — any deficiencies in the quality of the service performed by the subcontractor shall be assessed by the AE for the purpose of complying with the contractual obligations of the CC (with application of the corresponding penalties).		
	Transparency and Data Access Plan	Arrangements for publication and use of data/information, in compliance with a data access plan, that may be included in an annex, as defined through the consultation with the main stakeholders (including consumer associations), in order to ensure maximum transparency and accessibility of data and operating results. The availability of data (in editable format) is subject to compliance with the constraints on the processing of personal data and undisclosed information for industrial secrecy.	ART Decision 16/2018	Measure 25
	Disputes between the Parties	Identification of place of jurisdiction and arrangements for attempt at conciliation between the parties.		
	Guarantees	Regulation of security and insurance coverage (type and percentage of annual value) provided by the CC to cover the commitments made and compensate any damage to persons or goods occurred in the provision of the service.		
	Penalties for breach of contract	Amount and form of payment of penalties in case of non-compliance with the contract. Any non-implementation or partial implementation of specific projects of technical/economic relevance and/or investment, proposed by the CC in the tender phase and subject to assessment (scoring system) as part of the technical proposal, constitutes a breach of contract. In order to ensure the pursuit of the tender objectives, the AE specifies in the PSC the obligation for the CC to establish appropriate financial guarantees, that will be forfeited by the AE in case of non-implementation or partial implementation of the proposals concerning procedures and time schedules.		Measures 20, 25 and 32
	Termination of contract	Failure to fulfil obligations which, if not settled within the established time limits, may give rise to termination of the PSC, including by reference to Measure 4 of ART Decision No 16/2018.	ART Decision 16/2018	Measures 20 and 28
	Personnel management	Obligations of the CC regarding presence, requirements, qualification, behavioural standards of personnel towards users, (national and additional) labour contracts applied, verifications/actions of the AE in case of non-compliance. The personnel of the CC is noted in a regularly updated list (according to a format that may be included in an Annex to PSC). Failure to comply with the obligations laid down in the PSC (including the social clause) during the execution of the contract is a ground for termination of the contract and shall imply appropriate and proportionate penalties and termination clauses.		Measure 20
	Other clauses provided for by legislation	E.g.: Code of Ethics, confidentiality, management systems for corporate quality, environment, occupational health and safety (including any certifications).		

Annex 2

Table 2 — MINIMUM CONTENT OF PUBLIC SERVICE CONTRACTS — ROAD TRANSPORT

SECTION	TITLE	DESCRIPTION	REGULATORY REFERENCES	Reference to draft regulatory measures on revision of ART Decision 49/2015
0 — Introduction	Introduction	Legal and regulatory requirements of THE PSC		
1 — technical operating content	Subject	Description of services, associated and instrumental activities and territorial scope with cross-reference to the shedule of operations. Explicit indication of any exclusive right, financing arrangements, with particular reference to the procedures for collecting traffic income (gross-cost versus net-cost management) pursuant to the relevant provisions of Decision no. 48/2017. The outcome of studies carried out to define the services to be awarded may be attached, such as: passenger flows by direction, transport networks and their interconnection (graphs), etc.	ART Decision no. 48/2017	Measure 2
	Contract period	Identification of the contract period, in compliance with the maximum time limits laid down in the relevant legislation (Articles 4 (3) and (4) and 5 (3a), (4b) and (6) of Regulation (EC) No 1370/2007; Article 18 (1) of Legislative Decree No 422/1997) in relation to: — risks allocated to the contracting parties (cf. risk matrix); — investments provided for in the PSC so as to allow their recovery in accordance with the relevant method of depreciation (cf. EFP); — need to limit as much as possible the extension of the PSC, by excluding unjustified advantages for the contractor and maximising the potential economic and technological benefits resulting from competition. The contract period also takes into account any relevant provisions in existing regional laws.		Measures 30 and 31
	Extension	Any extension is identified in accordance with the maximum time limits laid down in Article 4 (4) of Regulation (EC) No 1370/2007, specifying the deadline for termination of the extension. Any extension of the period of the PSC, in case of emergency measures intended to ensure continuity of service, may not exceed 2 years (Article 5 (5) of Regulation (EC) No 1370/2007) and shall be justified in the context of the report under Article 34 (20) of Legislative Decree No 179/2012.		
	Schedule of operations	The schedule of operations, which may be included in an annex to the PSC and referred to therein, describes at least number of lines, frequency, timetables and compulsory stops, annual km output, seats offered, seats offered per km, type of rolling stock used on the line (general characteristics). The AE defines in the PSC the procedures for authorisation and communication to the public of the schedule of operations prior to its adoption (cf. "Transparency and Data Access Plan").		
	Temporary changes to the service or cancellations	Possible reasons for interruption/temporary changes to the service, by regulating, where possible, the procedures for their management. In the case of temporary changes (maximum length to be defined), defining of the immediate information to contractual parties and users. In the event of cancellations, provision of an alternative service to be carried out within a specified period.		Measure 31
	Permanent changes	Definition of the conditions which, without prejudice to the economic equilibrium test of the PSC, require a contract review and/or renegotiation of existing provisions, with reference to quantitative parameters (schedule of operations), qualitative parameters (minimum performance of the CC) and economic parameters (EFP). For each parameter, a reference threshold is defined (allowance): quantitative adjustments (schedule of operations) or qualitative changes (performance) that do not have a significant impact on the EFP and/or do not exceed those thresholds shall not be considered as grounds for contractual review. The occurrence of events which are not foreseen or foreseeable at the time of the conclusion of the PSC may result only in the adoption of non-substantial contractual amendments, in accordance with the principles of EU law. Definition of procedures and timing for the request for amendments of the schedule of operations by the CC. These procedures may be included in an annex to the PSC. Definition of conditions and procedures for user involvement in case of changes in the schedule of operations, by ensuring at least that user information is made timely and through any appropriate communication channel of the CC.		Measure 31
	Vehicle fleet and maintenance	Fleet characteristics: type, quantity, age, available systems (Wi-Fi, video surveillance, stop indicator, etc.), PRM accessibility, environmental class, etc. Planned maintenance programme. The obligation to maintain and renew rolling stock and facilities, except for the extraordinary maintenance of publicly owned facilities and infrastructure, shall be borne by the CC, in accordance with the quality and technological innovation standards defined by the AE, where they do not apply driverless leasing. The vehicle fleet may be included in an annex. Vehicles with more than 8 seats, fueled by petrol or diesel, shall have anti-pollution characteristics equal to or greater than Euro 2. All vehicles shall be equipped with electronic passenger counting systems or other technologies for identification of demand, as well as satellite systems for electronic monitoring of the service. Registered vehicles shall be equipped with electronic ticketing systems. The AE shall define in the PSC the information to be regularly transmitted by the CC to the AE for the purpose of updating the vehicle fleet.		Annex 6
	Service reporting	Monitoring system of the performed service, with identification of procedures, responsibilities and survey timing, release of economic, technical, managerial and quality reports. The PSC regulates the procedures for access of the AE to the IT system for automatic monitoring. The reporting shall enable the AE to determine, at least on a quarterly basis, the final balance of the journeys actually carried out by the CC (as per relevant statement), by identifying: — difference compared to scheduled journeys, net of any additional (authorised) and cancelled journeys; — difference compared to the journeys certified by the AVM system (if any) — quality performance of the service in terms of regularity and punctuality, based on assessment parameters that are set by the AE in the PSC (cf also section 3).		Measure 25 Annex 7
	Obligations of the operator at the expiry of the contract	Obligations of the incumbent operator upon expiry of the contract towards the AE and/or the CC, including information requirements, provision of strategic assets (e.g. rolling stock, immovable property, stop signs, points of sale, ticket vending machines), takeover title (lease or transfer of ownership), operating conditions for takeover by the CC (e.g. travel tickets issued with validity beyond the takeover date), social clause, if any. Certifications (quality, safety, environmental or other) to be maintained for the assets to be taken over at the end of the award. Intended use and any restrictions at the end of the award period of all assets made available to the CC, including those acquired during the contractual term. Capital goods for the performance of the service (in particular if they are essential/necessary) may be included in an annex, in which the AE indicates the takeover value of each asset.		Measures 4 through 11 Measure 17 Measure 20

2 — economic content	Compensation	Compensation paid by the AE to the CC, in return for PSO services, as determined so as to ensure its economic and financial sustainability, having regard to the business and management risks, as correctly attributable to each party. Rules on the method of calculation and periodic verification, at least at the end of each regulatory period.	ART Decision 48/2017	Measures 14 through 16 Measure 26 Annex 5
	Procedures and deadlines for payment	Procedures and deadlines for payment of compensation: composition of instalments, balance, compliance with quality standards, definition of penalties and deductions.		
	Interest on late payments	Interest to be paid in case of late payment. Interest for late payment in commercial transactions is payable by the debtor for delayed payment of its debt (debtor in default) on the basis of a contract concluded with a supplier of goods or a provider of services.		
	Charges and other infrastructure costs	In case of leased assets/infrastructure, rules on leasing fees and arrangements, including the procedures to keep these assets in good condition.		Measures 10 and 11 Annex 3
	Fare policy and anti-avoidance measures	Existing charging scheme, including any agreed/approved/planned increases, benefits and charge reductions for specified user categories; planned updating systems; procedures for charge updating; terms and procedures for charge allocation in case of integrated ticketing. This information may be included in an annex. Description of anti-avoidance arrangements and related collection targets. Setting the organization of sales methods and channels, that may be included in an annex.		Measure 29
	Risk matrix and mitigation measures	Matrix determined by the AE, including the risk allocation between the parties, as well as any measures to mitigate the impact of the risk-associated event. Description in the PSC and its Annex (if any).		Measure 13 Annex 4
	Effectiveness and efficiency targets and incentive systems	Targets for service improvement (economic, system, sustainability, etc.), set by the AE, in terms of quantifiable, verifiable and comparable parameters and technical and economic indicators to be delivered within the period of the PSC. The AE also sets out the incentive and penalty system related to the target achievement.		Measures 27 and 28 Annex 8
	Economic and financial equilibrium and reassessment of EFP	The Financial Economic Plan (EFP), which may be included in an <i>ad hoc</i> annex, shall indicate the simultaneous presence of cost-effectiveness and financial sustainability, as well as the yield for the entire contract period. The PSC shall provide for verification and reassessment, if any, of the economic and financial equilibrium for each regulatory period, so as to identify any overcompensation and undercompensation and to determine the procedures for recovering overcompensation, net of the incentive systems and revision of fare policy or schedule of operations in the event of undercompensation. Deadline identified by the AE for drafting an updated EFP by the CC.		Measure 26 Annex 5
	Investment policy for rolling stock renewal, technological innovation, etc.	Rules on the plan for gradual replacement of rolling stock — RMR plan (by age and environmental class) — and of the investment plan for technological innovation — ICT Plan (automatic passenger counting system, Automatic Vehicle Monitoring, on-board diagnostic systems, video surveillance, equipment for PRM, Wi-Fi, etc.), if any, in accordance with the provisions of Article 27 (11-d) of Legislative Decree 50/2017, taking into account any investments that are implemented directly by the AE (or other local authorities) in the rolling stock made available to the CC, as well as any planned investments to be borne by the CC for the implementation of policies for rolling stock renewal and/or pursuant to the award procedure (e.g. award criteria and content of the technical offer of the CC). Compliance with the principle that the AE pays only for the investments that are actually made and not for the planned. The plans may be included in <i>ad hoc</i> annexes.		
	Other revenues	Rules on the contractor's right to carry out initiatives for commercial enhancement of rolling stock, infrastructure or other, subject to the provision of space to the AE for information dissemination (e.g. promotion of the territory or urgent matters).		

3 — qualitative content	Quality policy Customer Charter and user involvement	Rules on the obligation for the CC to draw up and publicise the ‘Customer Charter’ (as an annex to the PSC), in agreement with consumer protection associations and business associations concerned, including the quality and quantity standards of the services provided, as well as the procedures to access guaranteed information, lodge complaints, submit comments or proposals, or enter into conciliation procedures. The AE monitors the compliance with the parameters laid down in the Charter by setting up an (at least) annual monitoring session with the CC and consumer associations, in which complaints, proposals and comments are analysed, by identifying ways of improving the standards (cf. Article 2 (461) (a) of Law 244/2007).		
	Minimum quality standards of services (MQS)	Quality and related indicators, by regulating modes, liability and survey timing, and by defining minimum levels and standards (MQS) in accordance with Decision 16/2018, as well as penalties for non-compliance or incentive schemes. According to the a.m. Decision, the MQS concern in particular: — provision of service (capacity, regularity, punctuality); — user information (completeness and transparency); — sales channels (commercial accessibility), in accordance with Article 1 (167) of Law No 124/2017; — vehicle cleaning; — safety of journey and traveller, as guaranteed through the adoption of the “Operational Safety and Control Plan” provided for in Article 14 of Decision No 16/2018; — accessibility, including for PRM. The MQS (and related penalty/incentive schemes) may be included in an ad hoc annex to the PSC. Regular assessment of quality and quantity of services, at the intervals of the regulatory periods. This assessment also covers the adequacy to the users' needs of the parameters and qualitative and quantitative indicators of the service as laid down in the PSC, to be carried out with the involvement of consumer associations. The minimum standard of "safety of journey and traveller" is guaranteed through the adoption of the “Operational Safety and Control Plan”, drawn up by the CC and approved by the AE, with a planning horizon that is proportional to the period of the PSC, which provides for specific monitoring objectives, with particular reference to the containment of criminal events on board (vandalism, thefts, pickpocketing, robberies, inconveniences and harassment) and incidental events due to the incorrect behaviour of users, on-board and ground staff.		Measures 25, 27 and 28 Annex 8
	Minimum users' rights	Complaint-handling procedures, with particular reference to the users' right to reimbursement or compensation, in compliance with Regulation (EC) No 1371/2007 (Articles 26 and 27), as reproduced in the Customer Charter (cf. above), in accordance with the provisions of Article 2 (461) of Law No 244/2007 and Article 1 (168) and (169) of Law 124/2017. Rules on the obligations of the CC towards persons with reduced mobility, in compliance with Regulation (EC) No 181/2011.		
	Monitoring of services	Procedures for monitoring demand, supply, effectiveness and efficiency and any provision of services as pre-determined by the AE, including rules on manual or automatic passenger counting in accordance with Article 27 (11-b) of Legislative Decree No 50/2017. Setting the procedures and frequency of monitoring (by the CC) and verification (by the AE). The monitoring system (indicators) may be included in an <i>ad hoc</i> annex.		Measure 25 Annex 7
	Reward and penalty scheme — scheme for reduction/mitigation thereof	Reward/penalty scheme related to contractual compliance, including minimum service performance (indicators and achievement of pre-established targeted thresholds). Arrangements for penalty mitigation may be established as well.		Measures 20, 25, 27 and 28
	Technical Management Committee	Composition: even number of representatives of the CC, including director or operations manager and of the AE, that shall designate the Chair of the Committee. Tasks: assistance to the Parties in the application of the PSC, with particular reference to the following issues: (a) fulfilment of contract terms; (b) data monitoring, including for the purpose of testing compliance with the performance targets defined in the contract; (c) testing of economic and financial equilibrium of the contract, including the state of implementation of any planned investments; (d) dispute avoidance and settlement, including the setting of applicable penalties in case of breach of contract, in accordance with existing provisions and with the PSC. Setting operating modes (e.g. convening of meetings, participation of representatives and related charges, decision-making and enforcement powers, drafting and sharing of minutes), providing for the possibility of collaborating with experts, in an advisory capacity, to be appointed by common agreement between the parties.		Measure 32

4 — General terms and conditions	Sub-contracting and prohibition of transfer	List of services to be subcontracted, setting of procedure (authorisation by the AE) and determination of eligible share (percentage of the contract amount). Requirements of subcontractor. Prohibition of transfer of the contracted service to third parties, if any. The AE defines in the PSC the terms of subcontracting, by specifying that: — the CC retains the ownership and liability of the rail service, both towards the AE and the users, it being understood that the AE is not involved in the relationship between the CC and the subcontractor; — the subcontractor ensures that the quantity and quality levels of the service are maintained, and that the charges and all other obligations imposed on the CC in the PSC are complied with; — any changes in the production of the subcontractor with regard to the schedule of operations shall be assessed by the AE for the purpose of compliance with the contractual obligations of the CC (with application of the relevant non-compensation); — any deficiencies in the quality of the service performed by the subcontractor shall be assessed by the AE for the purpose of complying with the contractual obligations of the CC (with application of the corresponding penalties).		
	Transparency and Data Access Plan	Arrangements for publication and use of data/information, in compliance with a data access plan, that may be included in an annex, as defined through the consultation with the main stakeholders (including consumer associations), in order to ensure maximum transparency and accessibility of data and operating results. The availability of data (in editable format) is subject to compliance with the constraints on the processing of personal data and undisclosed information for industrial secrecy.		Measure 25
	Disputes between the Parties	Identification of place of jurisdiction and arrangements for attempt at conciliation between the parties.		
	Guarantees	Regulation of security and insurance coverage (type and percentage of annual value) provided by the CC to cover the commitments made and compensate any damage to persons or goods occurred in the provision of the service.		
	Penalties for breach of contract	Amount and form of payment of penalties in case of non-compliance with the contract. Any non-implementation or partial implementation of specific projects of technical/economic relevance and/or investment, proposed by the CC in the tender phase and subject to assessment (scoring system) as part of the technical proposal, constitutes a breach of contract. In order to ensure the pursuit of the tender objectives, the AE specifies in the PSC the obligation for the CC to establish appropriate financial guarantees, that will be forfeited by the AE in case of non-implementation or partial implementation of the proposals concerning procedures and time schedules.		Measures 20, 25 and 32
	Termination of contract	Failure to fulfil obligations which, if not settled within the established time limits, may give rise to termination of the PSC.		Measures 20 and 28
	Personnel management	Obligations of the CC regarding presence, requirements, qualification, behavioural standards of personnel towards users, (national and additional) labour contracts applied, verifications/actions of the AE in case of non-compliance. The personnel of the CC is noted in a regularly updated list (according to a format that may be included in an Annex to PSC). Failure to comply with the obligations laid down in the PSC (including the social clause) during the execution of the contract is a ground for termination of the contract and shall imply appropriate and proportionate penalties and termination clauses.		Measure 20
	Other clauses provided for by legislation	E.g.: Code of Ethics, confidentiality, management systems for corporate quality, environment, occupational health and safety (including any certifications).		

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT				
INCOME STATEMENT — RECONCILIATION WITH FINANCIAL STATEMENTS				
UNDERTAKING		Total amount under LPT PSC/PSCs	Other non-PSO commercial activities	TOTAL
YEAR				
1.1	Revenue from passenger services			
1.2	PSC compensation			
1.3	Non-repayable revenue from other public sources			
1.4	Other income (except financial income)			
1	Total REVENUE			
2.1	Costs of raw materials, consumables and goods			
2.2	Costs for third-party services			
2.3	Costs for use of third party assets			
2.4	Costs of personnel			
2.5	Other charges			
2.6	Increases in fixed assets for internal work (capitalised costs)			
2	Total COSTS*			
3 = 1-2	Gross operating margin (GOM)			
4.1	Depreciation for self-financed assets			
4.2	Other depreciations			
4.3	Impairment			
4.4	Provisions			
4	Non-cash costs			
5 = 3-4	Net operating income (EBIT)			

REGULATORY ACCOUNTS — LOCAL PUBLIC TRANSPORT									
INCOME STATEMENT — SIMPLIFIED SCHEME									
PUBLIC SERVICE CONTRACT		AWARDING ENTITY							
UNDERTAKING		Passenger transport under PUBLIC SERVICE OBLIGATIONS						Other commercial activities included in the PSC	TOTAL
YEAR		BUS (urban)	BUS (suburban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)		
1.1	Revenue from passenger services								
1.2	PSC compensation								
1.3	Non-repayable revenue from other public sources								
1.4	Other income (except financial income)								
1	Total REVENUE								
2.1	Costs of raw materials, consumables and goods								
2.2	Costs for third-party services								
2.3	Costs for use of third party assets								
2.4	Costs of staff								
2.5	Other charges								
2.6	Increases in fixed assets for internal work (capitalised costs)								
2	Total COSTS *								
3 = 1-2	Gross operating margin (GOM)								
4.1	Depreciation for self-financed assets								
4.2	Other depreciations								
4.3	Impairment								
4.4	Provisions								
4	Non-cash costs								
5 = 3-4	Net operating income (EBIT)								

* The CC allocates only the revenues on the basis of actual receipts and allocates costs according to the percentages of revenue allocation (single automatic driver); hence there is no need to implement particularly complex analytical accounting systems, in relation to the size of the CCs subject to simplified regulatory accounting.

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
PROFIT AND LOSS ACCOUNT — STANDARD SCHEME									
PUBLIC SERVICE CONTRACT		AWARDING ENTITY							
UNDERTAKING		Passenger transport under PUBLIC SERVICE OBLIGATIONS						Other commercial activities included in the PSC	TOTAL
YEAR		BUS (urban)	BUS (suburban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)		
1.1	Revenue from passenger services								
1.1.1	Ticket sales								
1.1.2	Season ticket sales								
1.1.3	Integrated ticket sales								
1.1.4	Compensation for fare reductions/exemptions								
1.1.5	other								
1.2	PSC compensation								
1.2.1	for transport services								
1.2.2	for infrastructure management								
1.2.3	for service level monitoring pursuant to Article 2 (461) of Law No 244/2007								
1.2.4	other								
1.3	Non-repayable revenue from other public sources								
1.3.1	collective agreement contributions, sick pay, etc.								
1.3.2	mandatory (rolling stock maintenance, safety, etc.)								
1.3.3	other								
1.4	Other revenue (except financial income)								
1.4.1	rentals of immovable property to third parties for commercial purposes								
1.4.2	rental of advertising space to third parties								
1.4.3	marketing activities (gadget sales, books ...)								
1.4.4	atypical commercial operation (travelling catering ...)								
1.4.5	rental of rolling stock to third parties								
1.4.6	other (penalties on users)								
1	Total REVENUE								
2.1	Costs of raw materials, consumables and goods								
2.1.1	fuel and traction costs								
2.1.2	spare parts and material for rolling stock maintenance								
2.1.3	spare parts and material for infrastructure maintenance								
2.1.4	other								
2.2	Costs for third-party services								
2.2.1	charges for access and use of infrastructure								
2.2.2	rolling stock maintenance								
2.2.3	infrastructure maintenance								

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
PROFIT AND LOSS ACCOUNT — STANDARD SCHEME									
PUBLIC SERVICE CONTRACT		AWARDING ENTITY							
UNDERTAKING		Passenger transport under PUBLIC SERVICE OBLIGATIONS						Other commercial activities included in the PSC	TOTAL
YEAR		BUS (urban)	BUS (suburban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)		
2.2.4	insurance policies (third-party motor liability, third-party liability, fire & theft...)								
2.2.5	for utilities (water/sewage, electricity, telephone...)								
2.2.6	for professional services (law firms, technical firms...)								
2.2.7	computer services								
2.2.8	other								
2.3	Costs for use of third-party assets								
2.3.1	rental of immovable property								
2.3.2	rental/leasing of rolling stock								
2.3.3	other								
2.4	Cost of staff								
2.4.1	drivers and staff for rolling stock movement								
2.4.2	ticket vendors and inspection staff								
2.4.3	maintenance staff (including cleaning)								
2.4.4	other (administration, information systems, etc.)								
2.5	Other charges								
2.5.1	compensation/reimbursement to users								
2.5.2	sanctions/penalties under the PSC								
2.5.3	other (local taxes...)								
2.6	Increases in fixed assets for internal work (capitalised costs)								
2	Total COSTS								
3 = 1-2	Gross operating margin (GOM)								
4.1	Depreciation for self-financed assets								
4.1.1	rolling stock								
4.1.2	infrastructure								
4.1.3	property investment								
4.1.4	other								
4.2	Other depreciations								
4.2	Impairment, losses and revaluation								
4.3	Provisions								
4	Non-cash costs								
5 = 3-4	Net operating income (EBIT)								

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT

BALANCE SHEET — RECONCILIATION WITH FINANCIAL STATEMENTS

UNDERTAKING		Total amount under LPT PSC/PSCs	Other non-PSO commercial activities	TOTAL
YEAR				
	ASSETS			
1.1	Tangible fixed assets			
1.2	Intangible fixed assets			
1.3	Financial fixed assets			
1.4	Other non-current assets			
1	Total NON-CURRENT assets			
2.1	Current assets			
2.2	Cash and equivalents			
2.3	Other current assets			
2	Total CURRENT assets			
3	Accruals and pre-payments			
4 = 1 + 2 + 3	Total ASSETS			
	LIABILITIES			
5.1	Provisions for risks and charges			
5.2	Severance payment (TFR) and other employee benefits			
5.3	Medium- and long-term borrowings			
5.4	Medium- and long-term operating liabilities			
5.5	Other non-current liabilities			
5	Total NON-CURRENT liabilities			
6.1	Short-term borrowings and current share of medium- and long-term borrowings			
6.2	Short-term operating liabilities			

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT

BALANCE SHEET — RECONCILIATION WITH FINANCIAL STATEMENTS

UNDERTAKING		Total amount under LPT PSC/PSCs	Other non-PSO commercial activities	TOTAL
YEAR				
6.3	Other current liabilities			
6	Total CURRENT liabilities			
7	Accruals and deferred income			
8 = 5 + 6 + 7	Total LIABILITIES			

9 = 4-8	CAPITAL EMPLOYED			
9.1	share capital			
9.2	reserves			
9.3	retained earnings (accumulated losses)			
9.4	operating result			
9.5	other			
E.G. 10 = 9	OWNERS' EQUITY			

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT

BALANCE SHEET — SIMPLIFIED SCHEME

PUBLIC SERVICE CONTRACT		AWARDING ENTITY		
UNDERTAKING		Passenger transport services under PUBLIC SERVICE OBLIGATIONS	Other commercial activities included in the PSC	TOTAL
YEAR				

ASSETS				
1.1	Tangible fixed assets			
1.2	Intangible fixed assets			
1.3	Financial fixed assets			
1.4	Other non-current assets			
1	Total NON-CURRENT assets			
2.1	Current assets			
2.2	Cash and equivalents			
2.3	Other current assets			
2	Total CURRENT assets			
3	Accruals and pre-payments			
4 = 1+2+3	Total ASSETS			
LIABILITIES				
5.1	Provisions for risks and charges			

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT

BALANCE SHEET — SIMPLIFIED SCHEME

PUBLIC SERVICE CONTRACT		AWARDING ENTITY		
UNDERTAKING		Passenger transport services under PUBLIC SERVICE OBLIGATIONS	Other commercial activities included in the PSC	TOTAL
YEAR				
5.2	Severance payment (TFR) and other employee benefits			
5.3	Long- and medium-term borrowings			
5.4	Medium- and long-term operating liabilities			
5.5	Other non-current liabilities			
5	Total NON-CURRENT liabilities			
6.1	ST borrowings and current share of MLT borrowings			
6.2	Short-term operating liabilities			
6.3	Other current liabilities			
6	Total CURRENT liabilities			
7	Accruals and deferred income			
8 = 5+6+7	Total LIABILITIES			
9 = 4- 8				
11	Fixed assets (1.1 + 1.2 + 1.3)			
12	Net working capital (2.1-6.1-6.2)			

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT

BALANCE SHEET — SIMPLIFIED SCHEME

PUBLIC SERVICE CONTRACT				AWARDING ENTITY		
UNDERTAKING				Passenger transport services under PUBLIC SERVICE OBLIGATIONS	Other commercial activities included in the PSC	TOTAL
YEAR						
13	Adjustments (5.1 + 5.2)					
14	Residual value of assets for takeover					
		NET INVESTED CAPITAL (Regulatory NIC)= 11+12-13-14				
		WACC for return on regulatory NIC				

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
BALANCE SHEET — STANDARD SCHEME									
PUBLIC SERVICE CONTRACT		AWARDING ENTITY							
UNDERTAKING		Passenger transport under PUBLIC SERVICE OBLIGATIONS						Other commercial activities included in the PSC	TOTAL
YEAR		BUS (urban)	BUS (suburban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)		

ASSETS									
1.1	Tangible fixed assets								
1.1.1	<i>rolling stock</i>								
1.1.2	<i>infrastructure</i>								
1.1.3	<i>property investment</i>								
1.1.4	<i>other</i>								
1.2	Intangible fixed assets								
1.2.1	<i>patents, licences and trademarks</i>								
1.2.2	<i>goodwill</i>								
1.2.3	<i>other</i>								
1.3	Financial fixed assets								
1.3.1	<i>shareholdings</i>								
1.3.2	<i>medium- and long-term financial activities</i>								
1.3.3	<i>non-current receivables</i>								
1.3.4	<i>other</i>								
1.4	Other non-current assets								
1	Total NON-CURRENT assets								
2.1	Current assets								
2.1.1	<i>inventories</i>								
2.1.2	<i>short-term financial assets</i>								
2.1.3	<i>current receivables</i>								
2.1.4	<i>tax and social security receivables</i>								
2.1.5	<i>other</i>								
2.2	Cash and equivalents								
2.3	Other current assets								
2	Total CURRENT assets								
3	Accruals and prepayments								
4 = 1 + 2 + 3	Total ASSETS								

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
BALANCE SHEET — STANDARD SCHEME									
PUBLIC SERVICE CONTRACT		AWARDING ENTITY							
UNDERTAKING		Passenger transport under PUBLIC SERVICE OBLIGATIONS						Other commercial activities included in the PSC	TOTAL
YEAR		BUS (urban)	BUS (suburban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)		
	LIABILITIES								
5.1	Provisions for risks and charges								
5.2	Severance payment (TFR) and other employee benefits								
5.3	Long- and medium-term borrowings								
5.3.1	bonds and borrowings								
5.3.2	other								
5.4	Long- and medium-term borrowings								
5.4.1	non-current trade payables								
5.4.2	other								
5.5	Other non-current liabilities								
5	Total liabilities not CORRENTI								
6.1	Financing at b/t and current share of funding m/l								
6.2	Short-term operating payables								
6.2.1	current trade payables								
6.2.2	tax and social security payables								
6.2.3	other								
6.3	Other current liabilities								
6	Total CURRENT liabilities								
7	Accruals and deferred income								
8 = 5 + 6 + 7	Total LIABILITIES								
9 = 4-8	CAPITAL EMPLOYED								
11	Fixed assets (1.1 + 1.2 + 1.3)								
12	Net working capital (2.1-6.1-6.2)								
13	Adjustments (5.1 + 5.2)								
14	Residual value of assets for takeover								
	NET INVESTED CAPITAL (Regulatory NIC)= 11+12-13-14								
	WACC for return on regulatory NIC								

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
TECHNICAL DATA of LPT services									
PUBLIC SERVICE CONTRACT			AWARDING ENTITY						
UNDERTAKING								YEAR	
#		Unit of measure	BUS (urban)	BUS (sub-urban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)	OTHER FIXED FACILITIES
1	General information								
1.1	Mode of transport provided for in the PSC	yes/no							
1.2	Length of road, rail, inland waterway network	km							
1.3	Total stops	no							
	equipped stations (shelter, seating...)	no							
	stops with information displays	no							
1.4	Warehouses (including workshops)	no							
1.5	Total warehouse area	m ²							
	uncovered area	m ²							
2	Rolling stock								
2.1	2-axle buses (1 module)	no							
2.2	3-axle buses (1 module)	no							
2.3	3-axle articulated buses (2 modules)	no							
2.4	2-axle bus + 2-axle trailer (2 modules)	no							
2.5	Average age of buses/trolleybuses	years							
2.6	1-car tram	no							
2.7	2-car tram	no							
2.8	Tram with 3 or more cars	no							
2.9	Average age of trams	years							
2.10	1-carriage underground	no							
2.11	2-carriage underground	no							
2.12	3-carriage underground	no							
2.13	Underground with 4 or more carriages	no							
2.14	Average age of underground carriages	years							
2.15	Other	no							

REGULATORY ACCOUNTING — LOCAL PUBLIC TRANSPORT									
TECHNICAL DATA of LPT services									
PUBLIC SERVICE CONTRACT			AWARDING ENTITY						
UNDERTAKING								YEAR	
#		Unit of measure	BUS (urban)	BUS (sub-urban)	TROLLEYBUS	TRAM	UNDERGROUND	NAVIGATION (inland)	OTHER FIXED FACILITIES
3	Characteristics of service								
3.1	Total staff	no							
	drivers and staff for rolling stock movement	no							
	maintenance staff	no							
	other staff	no							
3.2	Passengers carried	no							
3.3	Service production (not including subcontracting)	cars * km							
3.4	Service production by subcontracting	cars * km							
3.5	Indicator of demand	pax * km							
3.6	Indicator of supply	seats * km							
3.7	(Final) commercial speed	km/h							
3.8	Total tickets sold	no							
	single and daily tickets	no							
	weekly and monthly season tickets	no							
	annual season tickets	no							
	integrated tickets	no							
3.9	Fuel consumption*	TOE							
3.10	Power consumption	kWh							

* The equivalences set out by circular of 18/12/2014 of the Ministry of Economic Development are as follows:
 Diesel 1 tonne = 1.017 TOE
 LPG 1 tonne = 1.099 TOE
 Petrol 1 tonne = 0.88 TOE
 Methane 1 cubic metre = 0.82 TOE

<i>List of current personnel</i>	<i>PSC 1</i>			<i>PSC 2</i>			<i>PSC x</i>		
	<i>1</i>	<i>2</i>	<i>...</i>	<i>1</i>	<i>2</i>	<i>...</i>	<i>1</i>	<i>2</i>	<i>...</i>
Register number									
Date of recruitment									
Place of work									
Category of activity									
Professional level/area									
Role/qualification									
Disability, if any									
Qualifications									
Salary parameter/position									
Contract type (open-ended/fixed-term/other)									
Full/part time (include percentage)									
Expiry (if applicable)									
Salary: total cost per year									
Hours/year of actual service									

INFORMATION ON THE PROCESSING OF PERSONAL DATA
pursuant to Articles 13 and 14 of Regulation (EU) 2016/679 of 27 April 2016

The personal data collected by the Transport Regulation Authority (Data Controller) shall be used for carrying out the activities referred to in Article 37 (3) (b) and (d) of Decree-Law No 201 of 6 December 2011, converted, with amendments, into Law No 214 of 22 December 2011, as amended.

The processing of data shall be strictly functional to the performance of those activities and shall be carried out, including through IT tools, in the manner and within the limits, including time-limits, which are necessary for the pursuit of the above-mentioned purpose or in any event related to the exercise of its official powers as a public authority, including archiving, historical research and statistical analyses.

The data may be disclosed to public bodies on the basis of legal provisions or regulations and to those who have an interest in applying the rules on access to administrative documents. The same data may be disseminated on the Authority's website (www.autorita-trasporti.it) to the extent permitted by existing legislation.

The person concerned may exercise the rights provided for in Article 15 et seq. of Regulation (EU) 2016/679 of 27 April 2016, by addressing the Transport Regulation Authority (Via Nizza, 230 - 10126 Torino; certified email: pec@pec.autorita-trasporti.it). In particular, the data subject shall have the right to request, in the applicable cases, access to and rectification or erasure of his or her personal data or restriction of processing, as well as to object, for legitimate reasons, to the processing of personal data relating to him or her.

The Data Protection Officer may be addressed at privacy@autorita-trasporti.it.

If the data subject considers that the processing of personal data relating to him or her infringes the provisions of Regulation (EU) 2016/679, he or she shall have the right to lodge a complaint with the Data Protection Authority (*Garante per la protezione dei dati personali*) as supervisory authority, or to bring the matter to the competent courts.

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.

Scheme 1 — Regulatory Income Statement

Purpose of this scheme is to calculate the share of the costs for ordinary operations incurred to comply with PSO, that are not covered by the revenues arising from the fulfilment of PSO (including the positive network effects).*

Scheme 1 — Regulatory income statement		Year 1	Year 2	Year...	Year N
1.a	Revenue from passenger services				
1.b	Other service-related revenue				
1	Total revenues arising from the fulfilment of PSO				
2	Positive induced network effects*				
3.a	Cost of raw materials, consumables and goods				
3.b	Cost for third-party services				
3.c	Cost for use of third-party assets				
3.d	Cost of personnel				
3.d.i	operating personnel **				
3.e	Changes in inventories of raw materials, consumables and goods				
3.f	Other operating expenses				
3	Total operating costs ***				
4 = 1 + 2-3	Gross operating result (EBITDA)				
5	Total depreciation				
6 = 4-5	Net operating income (EBIT)				
7	Use of provisions for risks and charges related to PSOs ****				

Notes:

* Quantifiable positive financial effects on the networks of the operator concerned as referred to in paragraph 2 (2) of the Annex to Regulation No 1370/2007.

** For road transport: drivers and traffic workers; for regional rail transport: staff providing shunting services, drivers and on-board staff.

*** All operating costs included in the table shall be net of capitalised costs.

**** Concerning the provisions for risks (Item A12 -A13), for the purpose of the accounting of operating costs there shall be relevant only the used provisions under Liability item B4) of the balance sheet, referred to in Article 2424 of the Civil Code.

Scheme 2 — Regulatory Balance Sheet

Purpose of this Scheme is to determine the Regulatory Net Invested Capital (NIC) for the WACC application so as to calculate the reasonable profit.

Scheme 2 — Regulatory Balance Sheet		Year 1	Year 2	Year...	Year N
1.a	Intangible fixed assets				
1.b	Tangible fixed assets with separate indication of those granted under a financial lease				
1.b.i	<i>land and buildings (e.g. warehouses, workshops)</i>				
1.b.ii	<i>plant and machinery</i>				
1.b.ii. 1	<i>self-financed rolling stock *</i>				
1.b.iii	<i>industrial and commercial equipment</i>				
1.b.iv	<i>other</i>				
1	Total fixed assets				
2.a	Inventories				
2.b	Receivables				
2.b.i	<i>trade **</i>				
2.b.ii	<i>other receivables</i>				
2	Total current assets				
3.a	Payables				
3.a.i	<i>payables to suppliers</i>				
3	Total payables				
4 = 1 + 2-3	Regulatory Net Invested Capital (NIC)				

Notes:

* Includes the acquisition of rolling stock under hire/lease to be charged in accordance with IFRS Accounting Standards no. 16 where the lease/rental shows the features provided for in IFRS no 16 (to be reported separately).

** In line with other measures adopted by the Authority, trade receivables are allowed up to 3 % of the regulatory costs given by items 3, 5 and 7 of Scheme 1.

Scheme 3 — Simulated Regulatory Financial Plan

Purpose of this Scheme 3 is to determine the variable annual compensation for the entire contract period calculated as net financial effect of the service obligation that is understood as the difference between expenses and income related to costs and revenues of public service operations, net of any additional income from potential revenues generated by network effects, plus a reasonable profit.

Scheme 3 — Simulated Regulatory Financial Plan		Year 1	Year 2	Year...	Year N	Cross-reference
A	Income from revenues generated by the fulfilment of PSO					Scheme 1
B	Positive induced network effects *					Scheme 1
C = A + B	INCOME + NETWORK EXTERNALITIES					
D	Expenses related to the costs incurred for the fulfilment of PSO					Scheme 1:3 + 5
E	Regulatory Net Invested Capital (NIC)					Scheme 2:4
F	Fair rate of return of NIC (%)					ART value
G = F * E	Return on invested capital (reasonable profit)					
H = D + G	EXPENSES + REASONABLE PROFIT					
I = H - C	NET FINANCIAL EFFECT (VARIABLE COMPENSATION)					
L = C + I	INCOME + POSITIVE NETWORK EXTERNALITIES + VARIABLE COMPENSATION					
M	NPV L		= NPV (F;L:Year 1 — Year N)			
N	NPV H		= NPV (F;H:Year 1 — Year N)			
O	NPV I		= NPV (F;I:Year 1 — Year N)			
P	CONSTANT COMPENSATION		= INSTALMENT (F;N;O) where N is the number of years of the PEF			
Q = I - P	NOTIONAL ITEMS					
CONDITION OF EQUILIBRIUM						
G	M = N		= SE(M = N;YES;‘NO’)			
H	NPV Q = 0		= SE(NPV (F); Q:Year 1 — Year N) = 0;YES;‘NO’)			
I	WACC = IRR					

Notes:

** quantifiable positive financial effects on the networks of the operator concerned as referred to in paragraph 2 (2) of the Annex to Regulation No 1370/2007.

** Condition of equilibrium:

(G) the EFP shall ensure throughout the contract period the financial equivalence of the flow of expected income and expected costs, as discounted by using the WACC. As a result, the net present value (NPV) of INCOME shall be equal to the net present value (NPV) of COSTS.

(H) The net present value (NPV) of the notional items shall be zero (to be checked in the case of constant compensation).

(I) The fair rate of return on invested capital (NIC), in the stage of preparation of the plan, is in line with the Internal Rate of Return (IRR) of the pre-tax operating flows (WACC=IRR).

Scheme 4 — Cash flow statement

Purpose of Scheme 4 is to assess the development of the financial situation (liquidity and solvency) in the PSC period

Scheme 4 —	Cash flow statement	Year 1	Year 2	Year...	Year N
1.a	Receipts from fares				
1.b	Receipts from compensations				
1.c	Other receipts				
1.d	Payments to suppliers for raw materials and consumables				
1.e	Payments to service providers				
1.f	Payments to personnel				
1.g	Other payments				
1.h.	Taxes paid on income				
1	Cash flow of operating activity				
2.a	Investments in intangible assets				
2.b	Disinvestments in intangible assets				
2.c	Investments in tangible assets				
2.d	Disinvestments in tangible assets				
2	Cash flow of investment activity				
3.a	Increase in third-party assets				
3.b	Decrease in third party assets				
3.c	Increase in equity				
3.d	Decrease in equity				
3	Cash flow of financial activity				
4 = 1 + 2 + 3	Change in cash and cash equivalents				

Methodological indications for drawing up the EFP

1. Characteristics and purpose of EFP schemes

In the case of direct awards to any public service operator, included internal operators, the purpose of the simulated EFP is to determine public service compensations to be awarded and to verify the economic and financial equilibrium of the public service contract (PSC) throughout the contract period. In the case of contracts awarded by tendering procedure, the purpose of the simulated EFP is to determine the tender price, verify the economic and financial equilibrium of the PSC and allow for the comparison with the tenders submitted by each tender participant (TP). In the performance of the PSC, the simulated EFP provides the AE with a tool to monitor the management of the award, including the improvements in the efficiency and cost-effectiveness of the service. Through the tender EFP, that is drawn up in accordance with the instructions provided by the AE on the basis of these methodological indications, each TP proves the economic and financial sustainability of its tender, its financial strength in case of planned investments and provides an indication of the related financial structure.

Schemes 1 through 3 ("Regulatory income statement", "Regulatory Balance Sheet", "Simulated Regulatory Financial Plan", respectively) are used by both the AE to determine the tender price and by the TP to calculate the economic offer; Scheme 4 ('Regulatory Financial Statement') shall also apply for the purpose of this calculation. Schemes 1-3 make up the simulated EFP, while schemes 1-4 the tender EFP. These schemes are broken down for all the years of the award, for each awarding lot and for each mode of transport, in accordance with measure 22 (5)¹. Purpose of Scheme 1 is to calculate the share of costs of ordinary operations that are incurred to comply with PSO, which are not covered by the revenues arising from the fulfilment of PSO (including positive network effects²). Purpose of Scheme 2 is to determine the regulatory net invested capital (NIC) for the application of the WACC provided by the Authority, to calculate the reasonable profit. Purpose of Scheme 3 is to determine the net financial effect arising from expenses and income that are attributable to cost and revenue items. Scheme 4, to be filled in by the TP, is intended to assess the development of the financial position during the PSC period, in particular in the case of planned investments.

¹ Concerning rail services, where the non-competitive award includes the temporary operation of car services as an alternative/addition to rail services until these are awarded by public tendering procedures, in accordance with Article 34 (g) of Legislative Decree 179/2012, taking into account the principles of transparency and efficiency underlying Measure 14 and the entire Title II, including the regulatory accounting measures, it is also necessary to present a separate EFP.

² Cf. paragraph 2 (2) of the Annex to Regulation (EC) No 1370/2007 and its interpretative guidelines (§ § 2.4.1 and 2.4.2).

2. How to draw up the EFP

Step 1 — Cost items

Identification of the items of the cost of production needed to fulfil the obligations under the PSC on the basis of Article 4 (1) (c) of Regulation (EC) No 1370/2007. These items are specified as follows:

- costs of staff
- energy
- infrastructure charges
- maintenance and repair of public transport vehicles
- rolling stock and installations necessary for operating the passenger transport services
- fixed costs

The cost items shall relate to the corresponding nomenclature cost items of the income statement, as provided for in Article 2425 of the Civil Code (CC), namely:

- B6) for raw materials, consumables and goods (net of B11);
- B7) for services;
- B8) for use of third-party assets;
- B9) for personnel;
- B10) depreciation and impairment (only for depreciation, items B10) (a) and (b));
- B11) changes in inventories of raw materials, consumables and goods;
- B12) provisions for risks (only for the share of use of the relevant funds where relevant);
- B13) other provisions (only for the share of use of the relevant funds);
- B14) other operating costs.

Entities adopting the International Accounting Standards IAS/IAFR shall associate these with the similar items of the income statement that has been drafted in accordance with IAS 1:

- raw materials and consumables;
- cost of personnel;
- other operating costs (broken down by costs of services, costs for the use of third-party assets, other operating charges);
- depreciation;
- provisions and impairment.

The costs indicated must be strictly necessary and functional to the fulfilment of the PSO of the PSC and, in the case of costs relating to common functions, to the appropriate part of the shared costs as

allocated according to specific drivers³. By using (a) ranges of the cost items of “an average typical undertaking, that is efficiently run and adequately equipped with transport means so as to be able to meet the required public service requirements”⁴ or, in their absence, (b) appropriate values of national or international benchmarks, the costs are estimated throughout the period of the award so as to reflect a progressive efficiency improvement over time. With regard to the choice of benchmarks, the standard cost model referred to in ministerial decree 157/2018 may be used to derive many values of the cost items of the EFP, as indicated in Measures 14 and 15, which, in turn, refer to ministerial decree 157/2018. With regard to rail services only, the development of the EFP during the period of award and for the different regulatory periods shall take into account the provisions of Decision 120/2018 with reference to the efficiency improvement parameters only for the operating cost per train-kilometre⁵.

The cost items are indicated by taking into account the consumer prices trend throughout the entire contract period as shown in the projections of the Economic and Financial Document (*Documento di Economia e Finanza*).

Although they are “pass-through” charges, the costs of access to the railway infrastructure are estimated by multiplying the kilometric cost, as may be inferred from the data provided by the infrastructure manager for the corresponding kilometres. In addition, the cost of access to rolling stock maintenance and storage facilities is estimated on the basis of appropriate market benchmarks or evidence in the company history.

The reasonable profit is calculated by applying the WACC to the regulatory NIC; this includes a component representing financial charges and taxes since it is calculated before tax.

Step 2 — Revenue items and network effects

For the purpose of the updated evaluation of the items of income in the EFP, the different revenues are assessed in relation to the structure of the tender and the object of the award. The revenue from passenger services (as referred to under item A1) of the income statement in Article 2425 of the Civil Code) shall be estimated based on the charging system approved by the entity (existing and prospective, on the basis of already known guidelines, if any) and on the demand forecast models applied, as well as the operator’s activities aimed at countering evasion/avoidance⁶. Therefore, the

³ Identification of drivers for the allocation of common costs in accordance with the Authority’s decisions. For rail services, reference is made to Decision 120/2018, and for road services to Measure 12 of this regulatory act.

⁴ This refers to the fourth criterion of “Altmark judgement” (Case C-80-00) of the EU Court of Justice.

⁵ The principle of cost-efficiency is also a necessary accounting legal reference of public authorities in the negotiations with third parties.

⁶ The AE may also provide a compensation for reduced tariffs and/or exemptions for specific user categories, to be included under item “1.a Revenue from passenger services” (Scheme 1).

assumed scenarios on which basis the number of passengers is expected to evolve over the entire period of the award shall be clearly expressed, as well as the revenue changes on the basis of the pricing assumptions applied. Furthermore, in addition to the items that may be attributed to activities such as, for example, the sale of advertising space and the sale of food and beverages (as in cost item A5) referred to in Article 2425 of the Civil Code), any *“positive financial effects arising from the fulfilment of public service obligations (PSO)”* should be also taken into consideration.

Step 3 — Assets and liabilities

By filling in Scheme 2 for the determination of the regulatory NIC, as an essential component for the calculation of the reasonable profit, a reasonable profit is added, that takes account *“of the risk, or absence of risk, incurred by the public service operator by virtue of public authority intervention”* (Annex to Regulation (EC) No 1370/2007). Relevant are the balance sheet items (art. 2424 of the Civil Code), such as, for Assets, items “BI), Intangible fixed assets”, “BII Tangible fixed assets”, “CI) Inventories”, and “CII Receivables”; and, for Liabilities, item “D) Payables”. Scheme 2 provides for the breakdown of the assets item “BII — Tangible fixed assets” into: “land and buildings (e.g. warehouses, workshops)” (item BII 1)), “plant and machinery (item BII 2)), and “industrial and commercial equipment” (item BII 3)). Likewise, for the Assets item “CII) Receivables”, two sub-items are also provided: “trade (item “CII” 1))⁷, and “other receivables (BCII) (5-c)). Finally, the Liabilities sub-item “D) Payables” corresponds to “payables to suppliers” under item D7).

Step 4 — Cash flows

The financial statements shall report *“amount and composition of cash [...] and financial flows of the year arising from operations, investments, financing, including operations with shareholders”* (Article 2425b of Civil Code), which, in the case of the tender EFP, shall be noted to highlight the changes throughout the contract period. On account of the purposes and methods of preparation of the tender EFP, with reference to the determination of the operating result through the WACC application, the “direct method” was chosen, that appears to be more appropriate for the assessments required to the TP for the submission of the tender (OIC⁸ accounting principle no. 10).

3. Modular reading of EFP schemes

In the preparation of Scheme 1 in accordance with Steps 1 and 2, §3 of the methodological indications, the cost items of the ordinary operations for the fulfilment of PSO correspond to the total amount of *“3: Total operating costs”* and *“5: Total depreciation”*. In order to determine the reasonable profit, following the completion of Scheme 2 under Step 3, §3, the NIC is identified by item *“4: Regulatory*

⁷ In line with the Authority’s regulatory practice, these receivables are allowed up to 30 % of the eligible regulatory costs referred to under items 3, 5 and 7 of Scheme 1.

⁸ OIC (*Organismo Italiano Contabilità*) is the Italian accounting board (TN).

Net Invested Capital". Compensation is determined in accordance with Scheme 3, on account of the relevance of the financial features of the items calculated by using Schemes 1 and 2, with reference to the following items: "(a) share of operating costs that are not covered by the revenues for fulfilment of PSO (*"D: Expenditure related to costs incurred for the fulfilment of PSO*"), corresponding to the total amount of *"3: Total operating costs"* and *"5: Total depreciation"*; (b) share of revenue generated by the fulfilment of PSO (*"1: Total revenue from fulfilment of PSOs*) and *"2: positive network effects"*, if any; and (c) Regulatory NIC (*"4: Regulatory Net Invested Capital"*), which, multiplied by the WACC, determines the reasonable profit (*"G: Return on invested capital"*). In order to ensure the economic and financial equilibrium of the PSC, taking into account the risk allocation and with a view to pursuing efficiency and reduction of public expenditure, the items of Scheme 3 determine the compensation for the fulfilment of PSOs as referred to under item *"I: Net Financial Effect"*, in case of determination of a variable annual compensation; or *"P: Constant compensation"*, in case of fixed annual compensation⁹, also by verifying that the cost-effectiveness of the tender price complies with the conditions of economic equilibrium set out in the notes to Scheme 3. In addition, when determining the tender price, the AE takes into account additional charges that are not related to the fulfilment of PSO¹⁰.

4. Values of EFP, standard cost (ministerial decree 157/2018) and efficiency parameters (ART Decision 120/2018)

Article 27 (8-bis) of Decree-Law No 50/2017 provides that *"standard costs [...] shall be used by the entities awarding local and regional public transport services as a reference to quantify economic compensations and tender prices, [...], as may be adjusted to take into account the specific service and the objectives of the local authorities in terms of service planning and promotion of efficiency in the sector"* (emphasis added). It follows that the standard cost should not be simply applied by the AE, but should be adapted, on the basis of substantiated and objective evidence, to the specific services to be awarded, and to the efficiency objectives pursued by the entity, as also noted in the judgment of the Regional Administrative Court of Lazio No 2732/2019 of 1 March 2019.

It should be considered that this approach is in line with the Preliminary Report of Decision 120/2018: when comparing the standard cost methodology with that of the efficient cost (although it is referred to a sector other than road), it is stated that, while the former applies a linear regression methodology to estimate an average cost, the efficient operating cost applies a more sophisticated benchmarking

⁹ The AE may opt for the use of a compensation at a fixed or variable rate.

¹⁰ E.g. the compensation for reduced charges granted to the CC if not already provided for under item *"Revenue from charges"*.

methodology that identifies the cost by the so-called efficient cost frontier, which is more functional to the identification of “dynamic” objectives of efficiency over time (cf. Step 2 of § 2).

The AE determines the public service compensation or tender price through the simulated EFP. The compensation thus calculated is compared, through the reclassification of the EFP items, with the value obtained from the application of the standard cost for the specific mode, in order to highlight and justify any difference between the two quantities (cf. Step 2 of § 2).

In order to compare, for rail services, the value of the efficient operating cost resulting from the EFP schemes, with the similar value referred to under Decision 120/2018, the following steps shall apply: (1) subtract from item “3: *Total operating costs*”, the costs of access to the infrastructure¹¹; (2) divide the value referred to under (1) by the train-kilometers that are covered by the contract; (3) calculate the efficient cost taking into account the percentage value of the efficiency improvement referred to in Decision 120/2018. The comparison shall be made by comparing (2) with the results under (3).

In order to compare, for both rail and road services, the standard cost value, with the comparable value set out in the EFP schemes, the following steps shall apply: (1) add “G: *Return on invested capital*” to “6: *Net operating income (EBIT)*”; (2) divide the above figure by the bus-km or train-kilometers which are covered by the contract. The comparison shall be made by comparing the value of the standard cost with the results under (2).

¹¹ For this purpose, the item mentioned above shall be explained in Scheme 1 as a sub-item of “3.c: *Cost for use of third-party assets*”.

MINIMUM SET OF INFORMATION

Table 1 — Information to be provided in accordance with Article 7(2) of Regulation (EC) No 1370/2007 (prior information notice)

Information	Description
Quantity and/or indicative value by type of service	Production volume, in bus-km/train-km. Hours of service provided to the public Estimated value of income from fares, if available (excluding VAT). Value of tender price (excluding VAT). Specification of any exemptions/reduced fares.
Exclusive rights	Yes/No
Public service obligations and quantification of compensation, if any	Yes/No Summary description of the PSO provided for in the PSC (operation; personnel; rolling stock; monitoring/control systems; fares and any obligations of fare integration; quality [<i>infra</i>]; information and reporting to the AE and indication of the part of the dedicated payment (compensation), if any.
Personnel information	Agreements with social partners (if available) and any additional information (if available).
Effectiveness and efficiency targets	If so provided and available on the date of publication of the prior information notice, a description of the effectiveness and efficiency targets, including quality and minimum quality standards of the service provided for by the AE, in line with the relevant Authority's measures ¹ , with regard to: <ul style="list-style-type: none"> - service performance (regularity, punctuality, commercial speed, reliability), - communication and information to users, - commercial accessibility; - social and environmental conditions (reduction of pollution, age of rolling stock, on-board and ground accessibility, maintenance, comfort and cleaning of vehicles and stops, on-board and ground safety, staff behaviour, complaint handling); - monitoring procedures and responsibilities, indicators, reward and penalty system.
Reference to existing documents on planning of mobility (services and infrastructure) and logistics, town planning and territorial development	e.g.: <ul style="list-style-type: none"> - regional transport plan; - integrated regional plans for mobility, infrastructure and transport (PRIIM); - three-year regional and local public transport service programme; - general urban traffic plan (PGTU); - urban mobility plan (PUM).
Information on instrumental goods	Takeover procedures, if already provided for by the date of publication of the prior information notice, for rolling stock; Takeover procedures, if already provided for by the date of publication of the prior information notice, for other capital goods (warehouses, depots, maintenance centres).

Table 2 — Information to be provided in the tender notice or letter of invitation (in addition to the information in Table 1)

Information	Description	Notes
Tender price and compensations	<p>Tender price for each mode/type of service covered by the award, as differentiated into the following components (if any) covering public service obligations:</p> <ul style="list-style-type: none"> • share covering the costs for management of the service and maintenance of vehicles and buildings; • share or public funding covering the purchase of rolling stock or other technology equipment (e.g. passenger counting systems); • share covering the charges for use of networks (for rail) and/or infrastructure; • share covering exemptions/reduced fares; • costs of consultation, verification and monitoring of qualitative and quantitative service levels; • compensations (cf. Table 1). 	
Fare structure	<p>Current and planned fare system. Specification of reductions and exemptions provided for and the way they are granted. Rules and procedures for clearing in case of fare integration. Rules and procedures for ticket management during the takeover of the CC: validity of the tickets of the IO, procedures for their replacement, compensation to users.</p>	The AE shall specify the entity holding the fare ownership.

Table 3 — Information to be provided in the tender specifications and data room (in addition to the above information)

Information	Description	Notes
Infrastructure, socio-economic, demographic and behavioural characteristics of mobility area	<p>Description of road network, territorial zoning, description and graph of the cycle and pedestrian network, parking system. Details of demand for potential mobility² (e.g. topography, urbanisation and production structure of the territory, resident population and growth over the years, schedules of schools and offices, per capita income, etc.), possibly with a reference to surveys and models for estimating the demand of the territory concerned (origin-destination surveys) and specification of the explanatory variables used. Freight/logistics plans, if available. Information/data on environmental quality of the territory.</p>	<p>Where possible, reference to the documents already publicly available on the institutional website of the AE.</p> <p>Databases in re-editable and open format (open data).</p>
Planned transport services	<p>Timetable of scheduled services (Annual Operations Plan):</p> <ul style="list-style-type: none"> - for road services, tabulated and geographical description of lines, routes, stops, timetables, frequencies/operational intervals, journey time; - for rail services, list of routes served, interval between services/timetables, frequencies, journey time, train list and composition (if not part of the tender). <p>Commercial speed by line and/or uniform type of service, with particular reference to road LPT (urban, suburban LPT; by type of vehicle/line: underground, tram, trolleybus or “fixed-path” lines, “shuttle” lines,</p>	<p>The AE shall specify that the databases of the TP’s offer must be consistent with those used for the information provided/to be provided to the public.</p>

Information	Description	Notes
	bus rapid transit) - average in the past year. Any constraints to the service due to inter-modality and inter-operability requirements and/or planning requirements.	
Qualitative performance by line or groups of lines and quality index of services provided	For rail services and (if available) car services: indicators of delays and malfunctions attributable to the quality of rolling stock (1) and of infrastructure, that do not depend on other features of the mobility project, relating to the past 3 years (e.g. no. of failures/10.000 km per line). For rail services: standard of punctuality by line and journey relating only to cases attributable to the infrastructure manager (e.g. punctuality of RFI), final data of the past 3 years. Value of quality indicators (types pre-defined by the AE) of the past 3 years.	(1) information to be provided only when rolling stock is made available or transferred by the IO, or in case of a dual-purpose tender Databases in re-editable and open format (<i>open data</i>)
Transport demand	For each mode/type of transport: - on-board and off-board passengers by line/journey/direction/stop, depending on AE's available data, with distribution by time slot, day of the week (public holiday/weekday), seasonality, if any; surveys or estimates for the past 3 years. Where data are not available with this level of detail, the number of passengers recorded or estimated shall be provided at least for main lines, connecting routes (rail and road, bundling of lines), and by type in the case of road transport (LPT, urban, suburban). Estimated transport demand (see above) for any new planned services.	The AE specifies the survey methodology and/or data assessment criteria in the tender dossier. Databases in re-editable and open format (<i>open data</i>).
Revenue (2)	Revenue from fares, in total and by line: data from direct observations or estimates; any additional unbundling, if available. Number of tickets sold by type (e.g. ordinary ticket, season ticket, etc.) aggregated at least for main train paths, connecting routes (rail and road, bundling of lines), broken down by type in case of road transport (see above). Surveys or estimates for the past 3 years; data may be provided for a shorter period where, over the past 3 years, no changes were made in the fare structure or no exceptional circumstances occurred.	(2) Information to be necessarily provided for net cost PSC or flexible tender
Network information	For road transport: graph, location and details of stops. For rail transport: information included in the framework agreement (FA) between the infrastructure manager (IM) and the Region ³ , concerning access, charges, stations (ticket offices, retail space).	

Information	Description	Notes
Information on essential/necessary immovable goods (railway stations, LPT stops, bus stations, warehouses, depots, maintenance centres, technological systems)	<p>Physical and functional characteristics:</p> <ul style="list-style-type: none"> - location, size, capacity, accessibility; - main characteristics: existing equipment/facilities, infrastructural equipment (e.g. waiting rooms, ticket offices and technological systems applied to ticketing, shelters, information boards, bus-stop signs, technological systems for fleet management and control) and functional equipment (e.g. PRM assistance, video surveillance, info-mobility); - compliance, certificates of safety and other available certifications, status report; - maintenance carried out on structure and relevant assets. <p>Economic and contractual features:</p> <ul style="list-style-type: none"> - investments made and/or planned, as the case may be, in the award procedure, and relevant financing arrangements; - depreciated value, residual depreciation period, depreciation criteria used/to be used; - takeover cost/mode: access, use and maintenance; - terms for the transfer of existing contracts (lease/purchase contracts, financing arrangements, existing hire and lease, outstanding obligations including those for maintenance). <p>Restructuring, upgrading and future development plans (for public property).</p>	
Rolling stock	<p>General information on rolling stock required to operate the service (depending on planned production volume):</p> <ul style="list-style-type: none"> - type of vehicles to be used and authorised by the entity on individual lines, in terms of width and length (short, medium, long, etc.) to provide the service under particular traffic conditions (narrow road sections, need for low curve radius), supply voltage; - quantity required for each type; - ancillary equipment required for each type (e.g. platforms for disabled, air conditioning, audio-visual information systems, passenger counting systems, AVM/AVL systems, on-board safety systems, other ITS equipment); - details of provided and available funding: volume, mode of disbursement, constraints, allocation; - any on-board/ground services required in the PSC. <p>Specific information on qualified rolling stock as a necessary asset subject to transfer/availability:</p> <ul style="list-style-type: none"> - type of vehicles (euro models, carriages, supply, outfitting) and quantity; - auxiliary equipment for each type (cf. above); - average performance based on the indicators used by the IO for reliability/availability of rolling stock, such as the <i>Mean Time Between Failure (MTBF)</i>, if any, and/or other indicators used in the existing PSC; - purchase cost, year of purchase and entry into operation; - value of any funding, revamping data (if any) and resulting balance-sheet value; - contracts of purchase and maintenance, financing, hire and lease, level of any public contribution (e.g. source: EU, Government, Region, local authorities) and share of total amount; - depreciated value, residual depreciation period, depreciation criteria used; - takeover cost/mode: title of purchase/transfer, use and maintenance; - ordinary, cyclical and extraordinary maintenance operations and their costs; - certifications (quality, safety, environmental or other), if any, to be hold. 	

Information	Description	Notes
Information on (movable and immovable) commercial goods	Information on any (movable and immovable) commercial goods, that were not identified in the previous classification in Table 3, which the IO or other holder is ready to transfer, including terms and conditions of takeover (quality, quantity and size, timing, charges, transfer title) ⁴ .	
Transfer of personnel ⁵	<p>A list of the personnel to be transferred, using the following information for each staff member, in anonymous form:</p> <ul style="list-style-type: none"> - register number; - date of recruitment - place of work; - category of activity and professional level/area⁶; - role/qualification; - any disability and/or membership of protected categories; - qualifications held; - salary parameter/position, type of contract (open-ended, fixed-term, other) and job (full/part time, indicate percentage); - expiry (if applicable); - salary⁷ (total cost per year) with breakdown for: national collective labour agreement (CCNL), corporate bargaining, individual treatment; - hours/year of actual service (for the last financial year). <p>Summary information on the cost of all the personnel to be transferred, broken down by category of activity, with an indication of the different components: part of the CCNL, part of the two-tier collective agreement (if any) or territorial agreement, social security contributions, annual rate of severance pay provision, ancillary charges, other. The following data shall be also entered in the same list: total amount of severance pay, held by the employer, to be transferred and nature and relevant economic estimate of existing pending litigation (if transferred) between the IO and the employees. Reference to supplementary collective agreements (if applicable). Agreements concluded with the social partners on the applicable procedures for the transfer of personnel (if available).</p>	
Data access plan	Description of service monitoring data (cf. Measure 25) and of performance indicators (cf. Measure 16), that will be made available to third parties, including the indication of mode/responsibility of collection and access mode.	

¹ Cf. Decision 16/2018 for rail transport.

² Cf. Measure 1 of Decision 48/2017.

³ The content of the FA is detailed in the NS (Network Statement) that is prepared annually by the IM and concern the network capacity and the guaranteed associated services with no additional charges (use of point switches and sidings, traffic control and regulation, use of power supply system, information needed for service management, in accordance with Article 20 of Legislative Decree No 188/2003), and for service planning. In particular, the FA shall include: type, number and characteristics of connections (origin—destination), number of paths, train characteristics, volume of service (train-km), price (charge), access to traffic control information systems (PICWEB). An annex to be attached to the FA shall describe the planned service over the period of application of the FA and may be modified to adapt to the changing needs of transport, usually through annual updates. ART Decision no 70/2014 has further required the IM to introduce into the NS a new FA scheme for LPT, including the identification of the necessary facilities for the operation of regional rail transport, in particular as to location, features and existing equipment, development plans.

⁴ The documents governing the award procedure do not include any description or information on other commercial goods (with particular reference to rolling stock) for which the IO or other person has not explicitly stated, within the framework of the consultation under Measure 4, its willingness to transfer them to a new CC. The availability of commercial goods by the IO or other owner does not constitute an obligation of takeover for the TP.

⁵ The information in this section shall be published in accordance with the applicable rules on the processing of personal data.

⁶ Reference is made to the following categories of activities that are defined in a uniform manner at national level, such as those used by the National Observatory for Local Public Transport Policy:

- drivers and on-board staff, staff for movement, storage, maintenance, administration (for regional rail transport);
- drivers, staff for movement, storage, maintenance, administration (for transport by motor vehicle, trolleybus, tram, underground and cableway).

⁷ The economic data refer to the last available (usually approved) financial year.

MINIMUM SET OF INDICATORS - ROAD TRANSPORT (KPI) ¹

NAME	FORMULA	NOTES
OPERATING EFFICIENCY		
Operating cost per vehicle-km	Operating cost/vehicle-km (Annual Operations Plan-AOP)	Operating costs include cost of staff, cost of maintenance, traction, acquisition cost of services from third parties, other operating costs, excluding infrastructure access costs, penalties and contractual premiums and rolling stock leasing costs. vehicle-km (AOP) = service per theoretical AOP
Operating cost per seat-km	operating cost/seat-km (total)	Operating costs include cost of staff, cost of maintenance, traction, acquisition cost of services from third parties, other operating costs, excluding infrastructure access costs, penalties and contractual premiums and rolling stock leasing costs.
EFFICIENCY — PRODUCTIVITY		
Total costs of labour by total staff number	total cost of labour/no. total staff	Total labour costs is given by the sum of the labour costs of operating , maintenance and other staff. Total staff is given by the sum of operating , maintenance and other staff. Staff is measured in FTE units. vehicle-km (AOP) = service per theoretical AOP
Veh-km by operating staff number	vehicle-km (AOP)/ no. operating staff	
Veh-km by total staff number	vehicle-km (AOP)/no. total staff	
Efficiency of transport network	vehicle-km (AOP)/ total vehicle-km	vehicle-km (AOP) = service per theoretical AOP total vehicle-km includes technical runs, from/to warehouse, repositioning, etc.
EFFECTIVENESS — PROFITABILITY		
Passenger revenue per vehicle-km	Passenger revenue/ vehicle-km (final)	The revenues to be reported are the yearly final figures in euro of income from ticket sale as well as income from fares reductions/exemptions (reimbursement for lost revenue by public and/or private entities), except VAT. Alternatively, the numerator can be replaced by “total revenues”, also taking into account other sources of revenue (penalties, commercial revenues, etc.) vehicle-km (final) = final actual service (net of transfers/positioning)
Coverage ratio	traffic revenue/operating costs	to be determined in accordance with Article 19 of Legislative Decree No 422/1997, as amended
EFFECTIVENESS — QUALITY		
Punctuality ²	no. of journeys on time/no. of journeys	Number of journeys with delay of less than 5' in relation to the number of actual journeys ³
Deviation from schedule ²	delay time/travel time	Time in minutes
Regularity ²	no. of actual journeys/no. of scheduled journeys	Number of journey actually carried out in relation to the number of scheduled journeys.
Load factor	pax-km/seat-km	
Environmental sustainability	max. standard 'Euro' vehicle no. /total vehicle no.	Values calculated based on the ‘vehicle fleet’ of the AE, as periodically updated (cf. Annex 2)
Energy efficiency	energy consumption/seat-km	Value of ‘energy consumption’ given by the sum of fuel, electricity, other energy consumption, in a single unit of measurement (i.e. Mjoule, Toe) and attributable to the service operation
Safety	no. of alerts/no. of actual journeys	The parameter “no. of alerts” is the outcome of the monitoring carried out by the AE as part of the “Operational Safety and Control Plan” (cf. Annex 2, Table 1 and 2, MQS) with respect to the change in the number of criminal events on board (vandalism, theft, pickpocketing, robbery, inconveniences and harassment)
MONITORING		
(Actual) commercial speed ²	total annual vehicle-km (final)/ actual vehicles running hours	Commercial speed achieved by vehicle movemenmts, including time deviations from operating schedule. vehicle-km (final) = final actual service (net of transfers/positioning)
Compliance of rolling stock investment (new purchase or revamping) — RMR	value of RMR investments made/value of RMR investments planned	The ‘degree of compliance’ refers to the investment plan or group of plans concerning the same type, in terms of timing of implementation of the investments, as described in the investment plan (cf. RMR Plan

MINIMUM SET OF INDICATORS - ROAD TRANSPORT (KPI) ¹

NAME	FORMULA	NOTES
OPERATING EFFICIENCY		
Compliance of investment in new ICT technologies	value of ICT investments made/value of ICT investments planned (as in EFP)	and ICT Plan in Annex 2, Tables 1 and 2, 'Investment policy for rolling stock renewal, technological innovation, etc.'). Investment value refers to the value in euro (EUR).

NOTE

(1): Timeline target (e.g. monthly, quarterly, annual), slots (e.g. peak and off-peak hours), possible disaggregation (by line, service, type of rolling stock, etc.) and any timing for reporting by the CC are defined by the AE in the PSC to allow adequate control and early intervention. For each indicator, the AE shall provide: minimum value, target value and/or improvements provided for each year/contract period.

(2): The calculation of the indicators shall take into account the cases that may be attributed to the CC's accountability only, excluding any influence on the performance deriving from drivers/exogenous factors or events not referable to the CC. In the calculation of the (actual) commercial speed, the (positive/negative) effects resulting from the adoption of specific mobility/traffic policies by the competent entity should be taken into account.

(3): The AE shall define the procedures to identify "punctuality", by taking into account the available type of service and technologies. E.g.: it will be possible to consider "on time" the journeys with arrival within a given threshold at the terminal station and/or at intermediate stations (macro-routes), or the journeys that keep the time interval with the following journeys within certain thresholds.