Report of Award
– TEMPLATE FOR CONTRACTS AWARDED THROUGH TENDERING PROCEDURE –

Introduction

This template is designed to assist the Awarding Entities (hereinafter: AE) in drafting the "Report of Award" (RoA) as required by Measure 2 (2) of Annex "A" to decision no. 154/2019 of 28 November 2019 (hereinafter: decision no. 154/2019). It provides guidance to ensure a consistent and compliant approach with applicable laws and regulations, particularly regarding the content of tender documentation, thereby upholding the principles of non-discrimination and equal treatment of all participants in the procedure.

In accordance with the provisions of the aforementioned decision, the following paragraphs set out the regulatory elements subject to the Authority's prior oversight.

1. Framework of reference for tendered services

1.1. Regulatory and administrative framework of reference

Brief description of the existing framework, with particular reference to regional regulations or other acts issued by the competent local/territorial authorities[1], covering:

a) the structure of networks, and the planning and scheduling of public transport services;
b) sector governance, including the definition of mobility areas, scopes of public service and award lots, as well as the entities responsible for planning and scheduling services, awarding contracts, overseeing compliance, and managing/entering into Public Service Contracts (hereinafter: PSC), with specific reference to territorial divisions: urban/suburban, inter-urban, and regional;
c) the prerequisites, rationale, and objectives underlying the chosen awarding method.

For all the above-mentioned aspects, where they have already been addressed in the Report under Measure 6 and Measure 4 (11) of the Annex to decision no. 48/2017 of 30 March 2017 (hereinafter: "Report of Lots"), a reference thereto is sufficient, without the need for a new report, unless updates are required[2].
With regard to the choice of the awarding procedure and the related regulatory and administrative framework, the content of the Report pursuant to Article 14 of Legislative Decree no. 201 of 23 December 2022 (hereinafter: lgs.d. 201/2022) may be summarised , where applicable and if already published on the ANAC e-portal, in accordance with Article 31 (2) of the same legislative decree.

1.2. Operational framework

Description of the existing setup in terms of:

- Incumbent Operator (hereinafter: IO);
- characteristics of the existing PSC: awarding method (tender/direct/internal operators), date of conclusion and reference number[3], duration, expiry, any extension regime, initially planned and current production volume, type of service involved (train, bus, trolleybus, tram, metro, other), revenue management (net cost/gross cost);
- results achieved under the previous management of the awarded service, with reference to target and actual values over the past three years, covering at least the following variables: investments (particularly in rolling stock and other assets essential for service provision), production volume, commercial speed, operating and total costs, traffic revenue, passengers carried, coverage ratio and

[1] E.g., regional laws (or those of the Autonomous Provinces) and related administrative acts, such as resolutions by the Executive board/Council or determinations by the Offices. This includes the administrative acts approved by the AE in relation to the procedure in question, including the prior information notice(s) under Article 7.2 of Regulation (EC) No. 1370/2007.

[2] It also refers to the Report of Lots prepared by a Competent Authority other than the EA.

[3] Identification code as per the "Contract Prog." field in the database of the National Monitoring Centre on Local Public Transport Policies (LPT Monitoring Centre).

load factor (if available, per route/line), average age of rolling stock fleet, indicators for both delivered and perceived quality. The data should not reflect post-Covid effects, and, where appropriate for accurate assessment, may also include information from earlier periods (e.g., 2019).

Description of any other existing PSCs under the responsibility of the same AE.

Description of tender characteristics (restricted/open procedure, methods and timing of execution, reference/planned acts).

General description of the characteristics of the tendered services (including in relation to the existing setup): number of lots, if any, annual and total value of service, type of service involved, any innovative/flexible services (DRT), any integration with other collective/shared services (sharing mobility), traffic revenue management (net cost/gross cost).

Description of any flexibility clauses provided under the new service contract, based on the achieved results, in order to implement periodic reorganization and optimisation of line connections and/or identify alternative solutions (e.g., DRT services), to better meet collective mobility needs.

2. Outcomes of the consultation procedure

Description of the procedure in terms of:

- period/duration;
- parties involved in the consultation: IO, stakeholders by type, public authorities, others;
- subject of the consultation, with any links to relevant documentation, in compliance with Measure 4 of decision no. 154/2019;
- outcomes of the consultation: summary of stakeholder contributions and the AE's feedback/evaluations.

3. Tender requirements regarding instrumental assets

3.1. New rolling stock

Description[4] of rolling stock and related assets subject to new procurement, specifying:

- planned investments in the contract period, with details on:
  - type and characteristics of vehicles involved (e.g., age, fuel type, useful life);
  - party responsible for planned investment (AE, CC[5], or other) and related timelines;
- methods of provision and takeover clauses for the new CC at the end of the contract period (to be regulated also in the draft PSC), in compliance with the provisions of Measure 7 of decision no. 154/2019.

Description of rolling stock procured through public funding, subject to a restriction on use (based on its useful life) and an ensuing transfer obligation to the CC; specification of the transfer method, in compliance with the provisions of Measure 6 of decision no. 154/2019.

Other measures adopted to ensure effective and non-discriminatory access to rolling stock, in accordance with the provisions of Measure 8 of decision no. 154/2019.

3.2. Existing rolling stock

Identification of rolling stock (train, bus, trolleybus, tram, metro, others) essential for the provision of the service, specifying the relevant quantification method.

[4] Cf. information referred to in Appendix 6, Table 3 ("Rolling stock") of decision no. 154/2019.
[5] Contracting company.

Identification and description[6] of the essential rolling stock and its qualification criteria, for which the AE ensures full availability and timely access for takeover by the CC[7], specifying the transfer method, in compliance with Measure 7, as well as the criteria for determining the takeover value, in accordance with Measure 9 of decision no. 154/2019.

Identification and description of the rolling stock procured through public funding, subject to a restriction on use (based on its useful life) and an ensuing transfer obligation to the CC; specification of the transfer method, in compliance with the provisions of Measure 6 of decision no. 154/2019.

Identification and description of "available" rolling stock, i.e., assets with commercial characteristics, but considered by the AE to be qualitatively suitable for providing the awarded service, for which the availability of the IO (or other owner) for transfer to the CC has been confirmed; specification of the transfer conditions/methods (sale, leasing, rental, or other) and related valuations; specification of the terms[8] enabling the CC to acquire such assets.

Detailed breakdown of the a.m. rolling stock among the possible award lots and the criteria adopted, in the case of a single RoA related to a procedure covering multiple lots.

Other measures adopted to ensure effective and non-discriminatory access to the rolling stock concerned, in compliance with Measure 8 of decision no. 154/2019.

3.3. Immovable assets

Identification of immovable assets (networks, facilities, and infrastructure) essential for the provision of the service and of the related quantification method.

Identification and description of immovable assets qualified as essential for the provision of the service, specifying the relevant criteria adopted. For these assets, the AE ensures full availability and timely access for the takeover of the CC under the new PSC, specifying the transfer method in compliance with Measure 7 of decision no. 154/2019, as well as the criteria used to determine the transfer value or any potential leasing terms, in accordance with Measures 9 and 10 of the above decision.

Identification and description of immovable assets procured through public funding subject to a restriction on use (based on its useful life), and an ensuing obligation of transfer to the CC; specification of the transfer method, in compliance with Measure 6 of Resolution No. 154/2019.

Identification and description of any "available" immovable assets, i.e., qualified as commercial assets but considered by the AE to be functionally suitable, for which the availability of the IO or other holder for transfer to the CC has been confirmed; specification of the transfer conditions/method (e.g., sale, leasing, or other) and of the terms enabling the procurement of such assets by the CC.

Detailed breakdown of the a.m. immovable assets among the possible award lots and the criteria adopted, in the case of a single RoA related to a procedure covering multiple lots.

Other measures adopted to ensure effective and non-discriminatory access to the immovable assets concerned, in compliance with Measure 8 of decision no. 154/2019.

Description of the investments in immovable assets planned for the contract period, including:
- type and characteristics of assets involved;
- parties responsible for planned investment (AE, CC, or other) and related timelines.

[6] *Ibidem*.

[7] Please note that the provision of an essential/necessary asset (owned by third parties) does not necessarily imply a takeover obligation for the CC, except for assets funded through public contributions, for which a restriction on use remains in place based on the asset's useful life (cf. Measure 6 below).

[8] Between the service award date and the service commencement date.

3.4. Movable assets

Identification and description of movable assets (ITS systems[9]: hardware/software and associated databases) which is essential for the provision of the service.

Qualification of the above assets as essential or commercial, specifying the criteria adopted and other useful information (e.g., useful life); for essential assets, the AE ensures full availability and timely access for the CC's takeover under the new contract, specifying the related transfer method and the criteria adopted for determining the transfer value, in accordance with Measures 7 and 9 of decision no. 154/2019.

Identification and description of movable assets procured through public funding which is subject to a restriction on use (based on its useful life), and an ensuing obligation of transfer to the CC; specification of the transfer method, in compliance with Measure 6 of decision no. 154/2019.

Detailed breakdown of the movable assets across the possible award lots and the criteria adopted, in the case of a single RoA related to procedure covering multiple lots.

Other measures adopted to ensure effective and non-discriminatory access to the movable assets concerned, in compliance with Measure 8 of decision no. 154/2019.

Description of the investments in movable assets planned for the contract period, including:
- type and characteristics of assets involved;
- parties responsible for planned investment (AE, CC, or other) and related timelines.

3.5. Monitoring of investments

Description of the monitoring methods to be adopted by the AE to ensure effective implementation of the planned investments, including the related penalty system in case of non-compliance with the predefined implementation timelines due to reasons that may be attributed to the CC.

Description of the transparency obligations imposed on the CC to ensure that, at least annually, the level of investments made is publicly disclosed through clear and comprehensible records and data[10], in relation to the planned commitments. Additionally, the CC shall provide any other operational and/or management information deemed relevant by the AE (cf. also § 9).

4. Management of personnel assigned to the provision of the service

Identification and description of the personnel currently employed in the awarded LPT services, specifying (at least) the number of employees and their respective qualifications/roles.

List and description of (non-executive) personnel to be transferred from the IO to the CC[11], in accordance with Measure 21 of decision no. 154/2019.

Detailed breakdown of the a.m. personnel among any award lots and the related criteria adopted in the case of a single RoA related to procedure covering multiple lots.

Description of any changes or turnover in personnel during the contract period, including those related to adjustments in the production volume or service setup.

5. Participation requirements

Description of the requirements established by the AE for operators intending to participate in the tender for the award of LPT services, specifying the fulfilment methods based on whether the company has a single-operator or multiple-operator structure.

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[9] *Intelligent Transport System*.
[10] Cf. art. 25 (2) of lgs.d. 201/2022.
[11] Cf. information referred to under Appendix 6, Table 3 ("Transfer of personnel") to decision no. 154/2019.

Description of the reasons supporting the AE's inclusion of any additional participation requirements beyond those established by the applicable regulations.

Description of the certifications related to service quality, which the CC must hold and maintain, or which the AE requires to be obtained during the contract period[12].

For the above, where already included in the tender documentation (Notice, Regulations, or Specifications), presenting the same content without further elaboration is sufficient, unless additional details are deemed necessary.

6. Award criteria

Description of the award criteria established by the AE, pursuant to Measure 20 of decision no. 154/2019.

For the above, where already included in the tender documentation (Notice, Regulations, or Specifications), presenting the same content without further elaboration is sufficient, unless additional details are deemed necessary.

7. Objectives of the PSC

Description of the objectives established by the AE, which the CC is required to pursue during the contract period, pursuant to Measure 16 of decision no. 154/2019.

Description of the monitoring methods to be adopted by the AE to ensure the achievement and ongoing compliance with the established objectives; establishment of the associated penalty system in case of non-fulfilment of the objectives due to responsibilities attributable to the CC.

For the above, where already included in the tender documentation (Specifications or draft PSC), presenting the same content without further elaboration is sufficient, in particular with reference to:

- "minimum quality requirements" (MQR) of the TPL service, as outlined by the AE in the PSC in accordance with the applicable regulations[13];
- qualitative and quantitative indicators (KPIs), corresponding to the minimum set established by the Authority[14].

The relevant parts of the tender documentation, as referenced above, are submitted to the Authority together with the RoA (attached).

8. Economic and financial plan – templates and drafting criteria

Description of the assumptions adopted by the AE for drafting the simulated Economic and Financial Plan (EFP), according to the templates provided in Appendix 5 (attached to the RoA[15]) and the objectives outlined in Measure 14 of decision no. 154/2019, referring to the entire duration of the new contract and to the following:

- production volume of reference, including "empty" runs;
- commercial speed;
- productivity of driving personnel (service hours per year);
- drivers for maintenance cost calculation (equipment, spare parts, and personnel);
- ratio between driving personnel and other non-driving personnel (including management);

[12] E.g.: UNI EN ISO 9001.2015 – Quality Management Systems, UNI EN ISO 14001-2015 – Environmental Management Systems, UNI EN 13816-2002 – Public Passenger Transport - Definition, Objectives, and Measurement of Service Quality, UNI CEI ISO/IEC 27001:2014 – Information technology – Security techniques – Information security management systems.

[13] Referred to in decision no. 16/2018 of 8 February 2018, for LPT rail service, following the proceeding initiated by decision no. 22/2023 of 8 February 2023, for LPT road services.

[14] Referred to in Appendix 2 of Annex A to decision no. 120/2018 of 29 November 2018, for LPT rail services and in Appendix 7 of decision no. 154/2019 for LPT road services.

[15] In compliance with Measure 14 (3) of decision no. 154/2019, the EFP is submitted to the Authority alongside the RoA, but is not published on the AE's website. In the tender documentation, the AE only discloses the consideration derived from the EFP.

- productivity factors for non-driving personnel;
- estimated revenues, differentiating between:
  - revenues from PSO compensation, with reference to the amounts included in the AE's multi-year budget and assumptions for the following periods;
  - revenue from traffic, detailing the assumptions for the three components that contribute to this item:
    - no. of passengers transported: this requires explaining the variations considered based on demand analysis and methodologies applied for estimation/forecasting; data and forecasts should be broken down at least by type of route and direction;
    - no. of paying passengers, i.e., an estimate of fare evasion/avoidance over time;
    - fares: a description of the existing fare system and the methods of adjustment/update outlined by the AE in the PSC[16];
  - revenue from compensation for fare reductions/exemptions not covered by the consideration;
  - revenue from other activities (sale of advertising space and marketing activities, real estate leasing, rolling stock rental, etc.), including a description of its trend over time and the determining factors.
- estimated costs, distinguishing between:
  - operational costs, considering assumptions related to corporate interventions in production processes: production (operation, onboard staff and crew management, any infrastructure access, rolling stock cleaning, staff), maintenance, sales operations, etc.;
  - personnel costs, considering assumptions related to contract renewals, changes in staffing levels (hiring/early retirement, turnover), outsourcing/insourcing, etc.;
  - other costs, such as fuel and energy, third-party services, and use of third-party assets;
- investments in assets essential for the provision of the service cf. § 3), along with the related depreciation criteria, including the applicable rates and references to accounting principles/methods, and the methods of return on the capital concerned[17];
- any extraordinary factors considered.

Description of the criteria for quantifying inflationary/market dynamics and the related estimated increase in the price index during the term of the new contract[18].

Description of the methods for comparing the outcomes of the EFP with the 'standard cost', as per Ministerial Decree no. 157 of 28 March 2018, where applicable, with reference to each service mode involved, taking into account the relevant characteristics/peculiarities, as well as the criteria mentioned above.

Description of the methods provided by the AE for periodic verification of the economic and financial equilibrium of the PSC, and for adjustment (if necessary) of the EFP and related objectives (cf. § 7).

9. Data Access Plan

Description of the Data Access Plan (DAP, attached to the RoA), prepared by the AE which forms an integral part of the new PSC, in relation to the following:

- set of elementary data that must be made available to the AE, including but not limited to the following:
  - the service provided and any changes from the operating programme;
  - passenger numbers per ride/line;
  - revenue from fares, where possible, broken down by ride/line;

[16] Pursuant to Measure Misura 27 of decision no. 154/2019.

[17] In line with the applicable regulatory framework (most recently, decision no. 49/2023 of 10 March 2023).

[18] In the EFP it is recommended to apply the planned inflation derived from official reports for the most recent available year as a reference for inflation dynamics, so as to avoid that cost variations arising from discrepancies between the inflation rate used in the EFP and the actual rate are offset by higher costs acknowledged (lower efficiency) by the AE, which would improperly bear the associated risk.

  - final investment amount (cf. § 3);
  - quality levels achieved and actual/reported KPI values, based on the indicators outlined in the PSC (cf. § 7);
- supplier of the above-mentioned elementary data (IA, others), subject to the obligation to transmit/provide these data;
- method of data collection and transmission for each item, distinguished between automated (real-time) and manual/retrospective, with the corresponding reporting time intervals;
- data to be provided to Third Parties[19] and the associated access methods (open access with data provided in editable format, via APP/website, upon request), with reference to both real-time information and retrospective data.

10. Risk allocation

Description of the methods adopted by the AE for risk identification, evaluation, and allocation (between the AE and CC) associated with the provision of the awarded services.

In line with the provisions of Measure 13 and Appendix 4 to decision no. 154/2019, the risk allocation between the parties must be based on an appropriate and consistent distribution, with mechanisms that minimise the effects of a given event.

In particular, this allocation should clearly identify the risks fully or partially attributable to the CC’s responsibility, supported by adequate justifications. If the AE allocates risks to both parties, the respective share of responsibility must be explicitly defined, to reflect the dynamics of the associated revenue and cost components.

ANNEXES to the RoA

1. Risk matrix (Appendix 4 to decision no. 154/2019);
2. EFP templates prepared by the AE (Appendix 5 to decision no. 154/2019);
3. Objectives related to operational efficiency, productivity, profitability, effectiveness, quality, and monitoring (including MQR and KPI set for road and rail LPT services as outlined in Appendix 7 of decision no. 154/2019);
4. Data Access Plan (DAP).

[19] In compliance with the constraints on personal data processing (privacy) and the non-disclosure of information subject to industrial confidentiality, for which the AE acts as guarantor.