

# Proposal for a tendering model for Southern Finland regional rail services

Helsinki, 4th of October 2017

# Contents

## Southern Finland regional rail services today

- Information of the area
- Overview of the service provided
- Current rolling stock

## Proposal for competition strategy

- Contract model
- Rolling stock and maintenance provisions
- Ticket sales and travel information services
- Timetable for the tender process

# Southern Finland regional rail services



# Southern Finland regional rail services

- Comprises commuter traffic, with the Helsinki region area and large urban centres (Riihimäki, Tampere, Lahti, Hämeenlinna, Kouvola, Kotka)
- Concerns purchased or obligated rail services by the Ministry
- Regionally limited and the smallest transport package
- Comprises 425 track kilometres and 42 stations



# Information of the area

- There are 23 municipalities overall in the area
- Population is approx. 1,7 million in 2016
- Population has increased in 12 cities within last 5 years
  - ca. 0.1 % to 1.7 %
  - Largest increase in Lempäälä, Vantaa, Helsinki, Järvenpää, Tampere
- Population has decreased in 10 cities within last 5 years
  - ca. 0.1 to 0.5 %
  - Largest decline in Kouvola, Hausjärvi, Iitti, Janakkala and Hollola

City	Population 2016
Helsinki	635,181
Tampere	228,274
Vantaa	219,341
Lahti	119,452
Kouvola	85,306
Hämeenlinna	67,850
Kotka	54,187
Hyvinkää	46,596

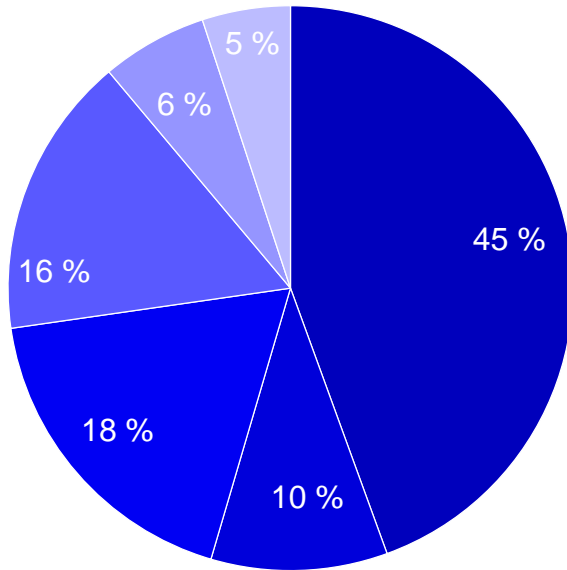
# Overview of service provision

## Departures in Southern Finland regional rail transport - Departures 192/weekday (autumn 2017)

	2015	2016	2017 (estimate)
<b>Train-kilometres</b>	5,214,000	4,857,000	5,299,000
<b>Seat-kilometres</b>	1,583,095,000	1,641,262,000	1,791,096,000
<b>Passenger journeys</b>	7,798,000	7,657,000	7,895,000
<b>Passenger-kilometres</b>	373,393,000	372,024,000	382,531,000
<b>Turnover * (euros)</b>	49,061,300	42,801,900	

# Departures on a weekday

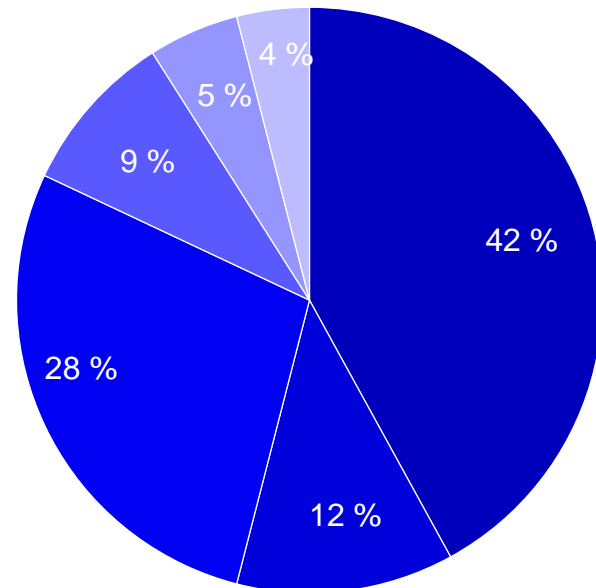
192 departures in total



- Helsinki-Riihimäki
- Riihimäki-Hämeenlinna-Tampere
- Helsinki-Lahti
- Riihimäki-Lahti
- Lahti-Kouvola
- Kouvola-Kotka

# Train-kilometres in 2016

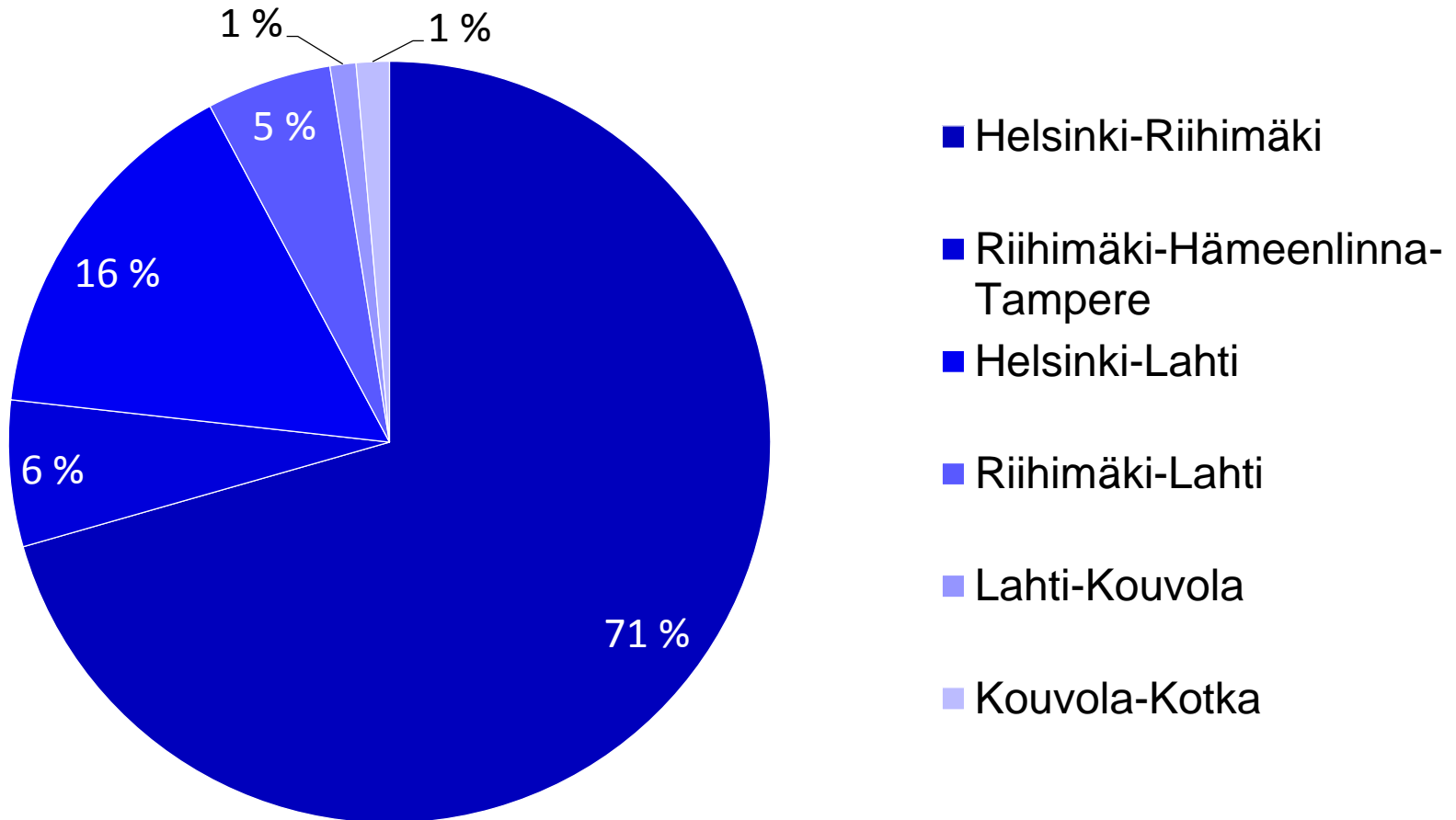
Approx. 4,9 million km in total



- Helsinki-Riihimäki
- Riihimäki-Hämeenlinna-Tampere
- Helsinki-Lahti
- Riihimäki-Lahti
- Lahti-Kouvola
- Kouvola-Kotka

# Division of passenger journeys in 2016

Approx. 7,7 million journeys in total





# Current rolling stock

- Sm4 trains
  - Year of manufacture 1999-2005
  - Number: 30, seats: 192
  - Low floor, top speed 160 km/h
  - Renovated in 2013-2016
  - Remaining service life: plenty
- Sm2 trains
  - Year of manufacture 1975-1981
  - Number: 50, seats: 200
  - High floor, top speed 120 km/h
  - Renovated in 2002-2011
  - Remaining service life: a few years
- Locomotive-hauled Eil and Eilf carriages
  - Were used until June 2017
  - Year of manufacture: 1982-1987
  - Number: 57, seats: 113 (Eil), 89 (Eilf)
  - High floor, top speed 160 km/h
  - Renovated in 2011-2013
  - Remaining service life: approx. 10-15 years
  - Used together with on Sr1 engine



VR Class Sm4 by Otto Karikoski, 2011, [cc by-sa 3.0](#)



VR Class Sm2 by Otto Karikoski 2015, [cc by-sa 4.0](#)



VR Class Eilf passenger coach by Otto Karikoski , 2011, [cc by-sa 3.0](#)

# Aims of the competition strategy

- Punctuality and reliability of services
- Cost-effective services
- Ensure service level requirements are met
- Opportunity to improve services and increase the number of passengers
- Clear responsibilities between the operator and contracting authority
- Promote cooperation with other transport service providers

# Contract model

- The contract will be based on net cost contract model: operator bears the turnover risk
- A precisely defined and careful determination of risk sharing model between the contracting authority and the operator
- Length of contract: 10 years + 2 years option
- An incentive and sanction scheme will be put in place:
  - Possible incentives: reliability, punctuality and development of passenger journeys
- Service level requirements:
  - Timetables, stops and departures are pre-defined at a certain level



# Rolling stock and maintenance conditions

## Rolling Stock

- The operator must obtain the rolling stock on lease from the rolling stock company
- The operator may additionally use their own rolling stock
- The Sm2 trains are to be replaced at early years of the contract period
- Rolling stock company leases rolling stock at reasonable prices and on neutral terms

## Maintenance

- Light maintenance will be the responsibility of the operator,
- The responsibility of heavy maintenance has not yet been determined
  - Possibilities: a) responsibility of the operator or b) rolling stock company, or c) division of responsibility between different train types
- Essential that rolling stock is maintained throughout its service life

# Ticket sales and travel information services

- The operator is responsible for organising ticket sales and travel information services
- Legislation lays down general requirements and preconditions for organising these services
- Main principles in Southern Finland regional rail services:
  - easily available tickets for different user groups,
  - information on ticket prices provided transparently and be easily accessible,
  - enable the creation of multimodal travel chains
- The operator is granted freedom of choice regarding the way it will organise ticketing and travel information services
- Ticket cooperation with Helsinki Region Transport (HRT) is to be continued



Timetable for the tender process		
2017	August – October 2017	<ul style="list-style-type: none"> <li>• EU prior information notice, 19th of August</li> <li>• Information event on the 4th of October</li> </ul>
	October 2017 – August 2018	<ul style="list-style-type: none"> <li>• Market dialogue, preliminary information requests</li> <li>• Preparation of contract notice</li> </ul>
2018	August 2018	<ul style="list-style-type: none"> <li>• <b>Contract notice</b></li> </ul>
	September – December 2018	<ul style="list-style-type: none"> <li>• Preliminary selection process, requests to participate and selection of tenderers for negotiations</li> </ul>
	January – June 2019	<ul style="list-style-type: none"> <li>• Negotiation phase and preparation of the invitation to tender</li> </ul>
2019	May – June 2019	<ul style="list-style-type: none"> <li>• <b>Invitation to tender</b></li> </ul>
	June 2020	<ul style="list-style-type: none"> <li>• Submission of final tenders</li> </ul>
2020	June – December 2020	<ul style="list-style-type: none"> <li>• Tender comparison and selection</li> </ul>
	January 2021 – June 2022:	<ul style="list-style-type: none"> <li>• Signing of the operation contract</li> <li>• Preparation of operation</li> </ul>
2021	June 2022	<ul style="list-style-type: none"> <li>• <b>Operation starts</b></li> </ul>
2022		

# Way forward

- More information and material: <https://www.lvm.fi/en/home>
- Informal comments by 22 of October to
  - Sissi Kohtala, [sissi.kohtala@lvm.fi](mailto:sissi.kohtala@lvm.fi) and
  - Elina Thorström, [elina.thorstrom@lvm.fi](mailto:elina.thorstrom@lvm.fi)
- Comments also requested from the municipalities of the area and other stakeholders
- Based on market dialogue and received comments proposed strategy will be defined



**Thank you!**

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