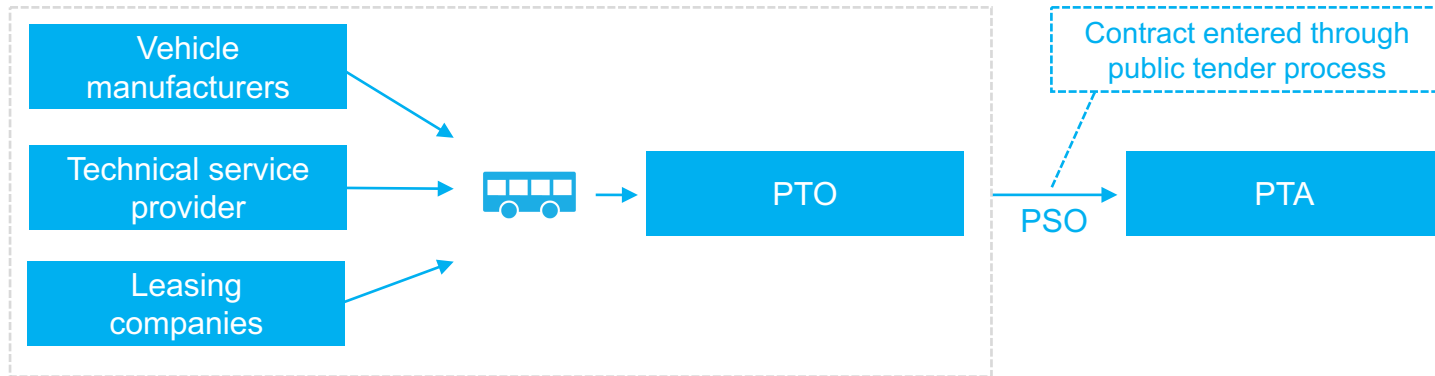


Do we need to rethink existing bus procurement models?

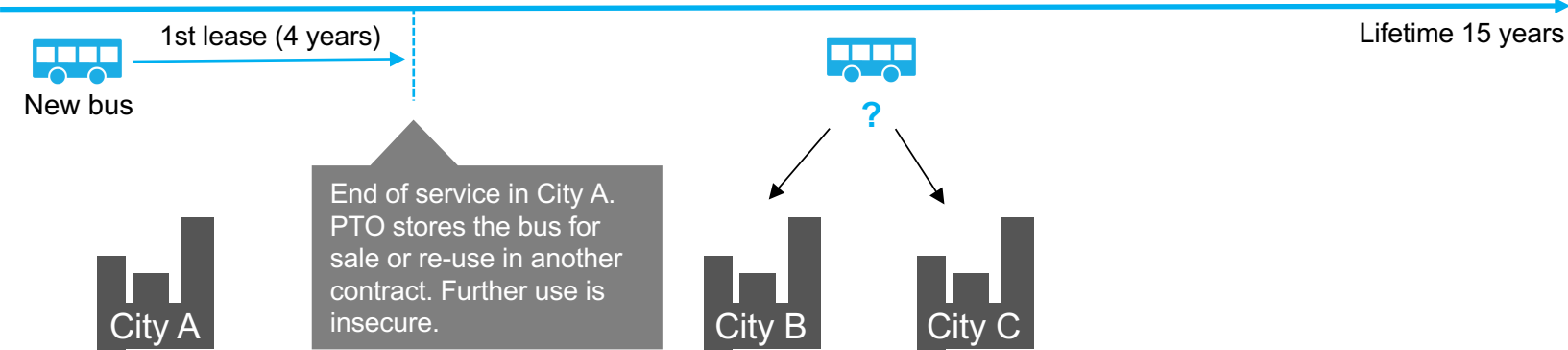
Dialogue seminar, Busworld 2017, Kortrijk, Belgium

Kåre Riseng, Head of Procurement Development, Ruter As

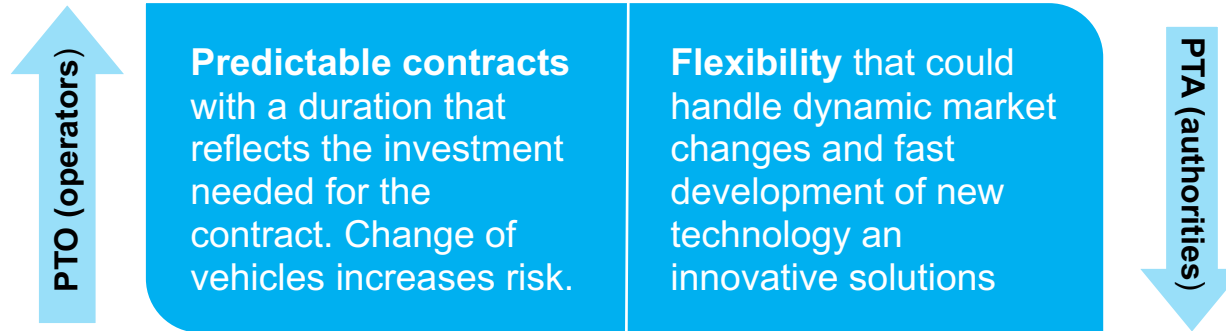
Traditional business model between PTO and PTA



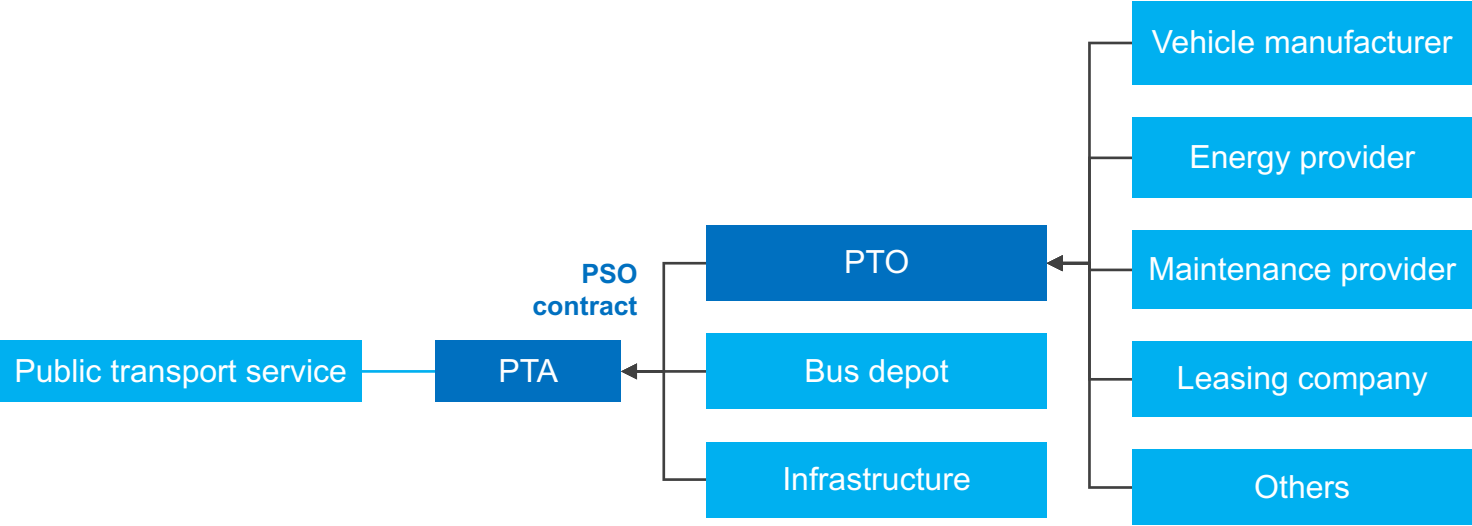
Case – vehicle lifecycles in a traditional model



Today's model – conflict of objectives



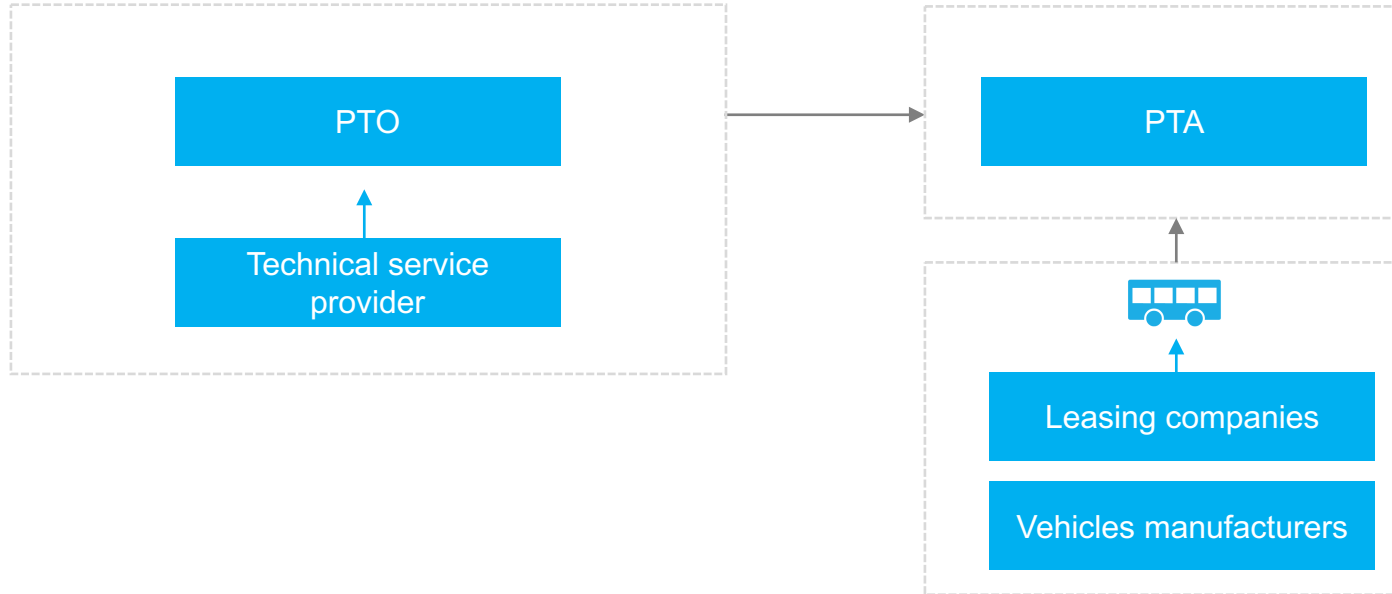
Public transport vehicle supply chain



Idea 1

PTA buys vehicles and PTO operates them

Responsibilities of PTA and PTO (1)



Pros/cons alt 1 - PTA vehicle ownership



- Increased lifetime for vehicles.
- Lower risk for the PTO.
- Increased possibility to chose 2nd hand vehicles for low-density traffic.

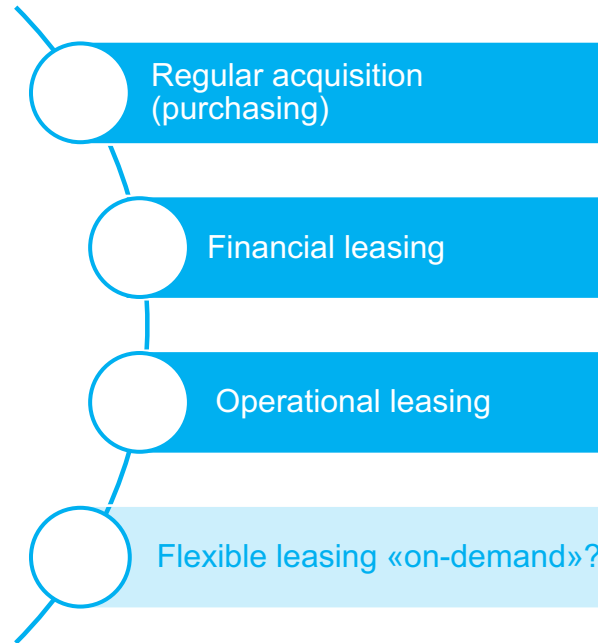


- Less standardization and less volume.
- PTO cannot decide on vehicle specification.
- Local fleet management, more risk for the PTA.

Idea 2 & 3

Leasing Company provides fleet management to PTO/PTA
(Flexible leasing model)

Acquisition methods for PTA/PTO`s vehicles



From local to global fleet management

European



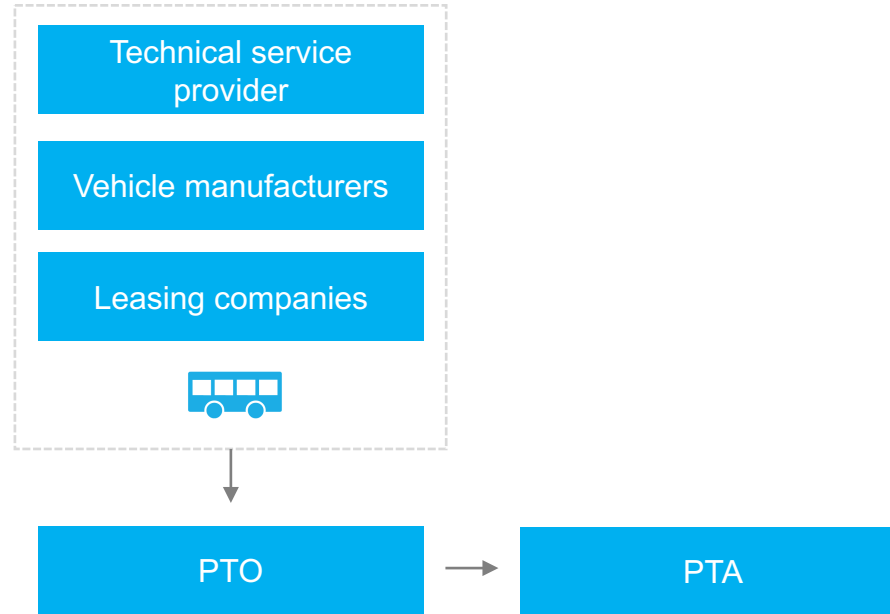
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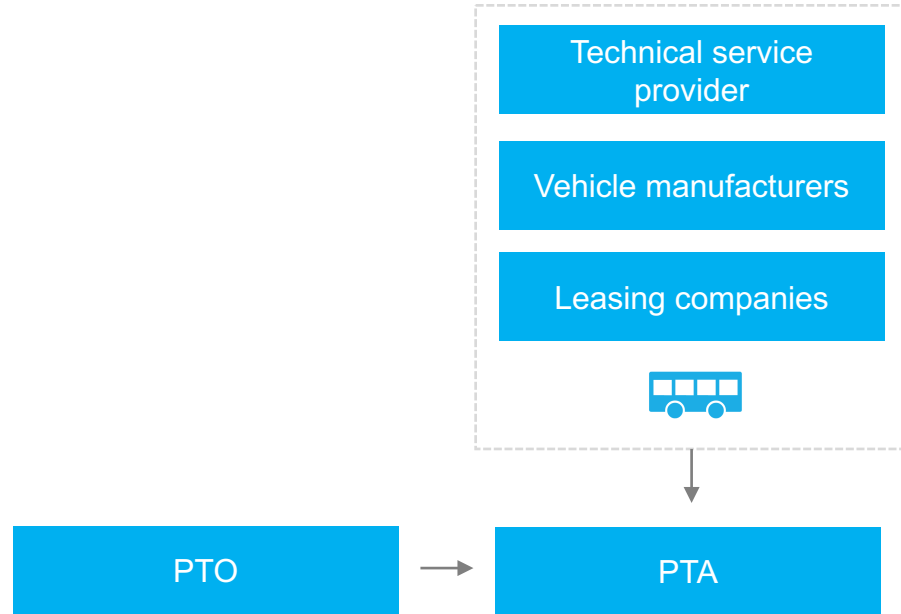
National



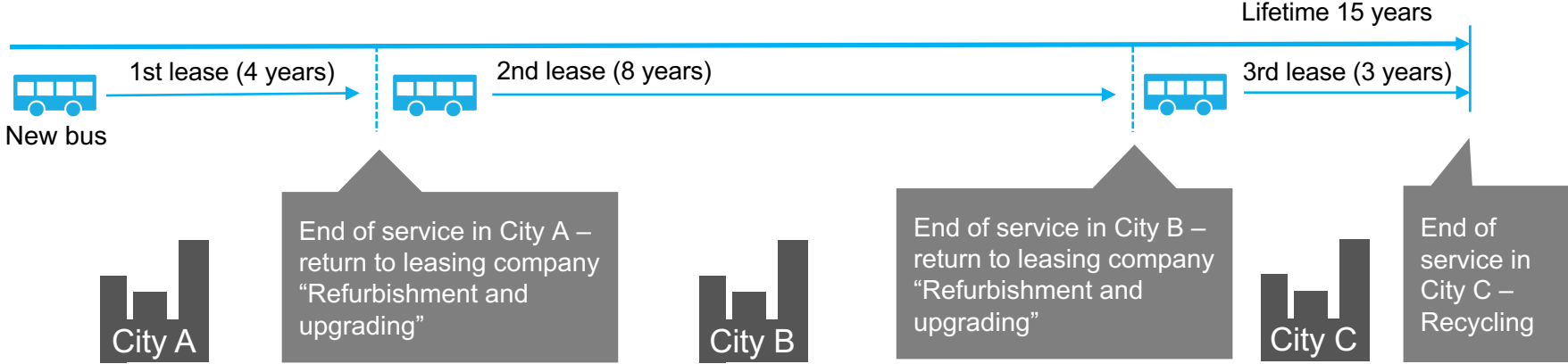
Vehicles based on flexible leasing model to PTO (2)



Vehicles based on flexible leasing model to PTA, which PTO operates (3)



Case – vehicle lifecycles in a flexible leasing model



Pros/cons alt 2/3 – flexible leasing model



- Increased lifetime for vehicles.
- More standardization.
- Reduced financial costs.
- Increased possibility to choose 2nd hand vehicles for low-density traffic.
- Increased volume per order.
- Lower risk for PTO.



- Non-attractive vehicles will not be re-leased.
- Less possibilities for the PTA to ask for local vehicles demands.

Providers of a flexible leasing model

Public transport operators (PTO's)	One or several operators in a joint-venture
Company owned by actors in finance sector	Leasing companies owned by banks, financing companies, funds etc.
Public transport authorities (PTA's)	Several PTA's in a joint-venture that provides leasing to PTA's
Vehicle manufacturers	Companies related to one or several vehicle manufactures
Vehicle sales organizations	Companies related to vehicle sales organizations
Other private companies	Investment companies

