

PROJECT SUMMARY:

URBAN BUS TRANSPORTATION SERVICES IN THE MUNICIPALITY OF PEJA

URBAN PUBLIC TRANSPORTATION SITUATION IN PEJA

The public transport system in the city of Peja is non-existent at the moment and the citizens either walk or rely on personal vehicles and taxis to commute.

Urban public transport is indispensable key part of a healthy and dynamic, socio-economic and urban environment. The citizens of Peja need access to transport in order to go to work, to school, to visit friends or relatives, to spend free time or simply for shopping.

Despite the wish to solve this problem, financial constraints imposed the Municipality of Peja to include private sector in this initiative providing greater mobility to the citizens in the city of Peja.

PROJECT FEASIBILITY

The Municipality of Peja needs an urban bus service to improve transportation in the city, reduce congestion and pollution.

The main aim of this feasibility study is to identify and assess the right procurement option to implement the urban bus system. This project is feasible both in terms of economic benefits to the citizens of Peja as well as financially.

The Municipality has no funds available to advance this project through traditional procurement. The proposed PPP option of a service concession agreement is recommended as the best option to meet the needs and goals for this project.

PROJECT DESCRIPTION

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| • Overall objective: | The purpose of the Municipality of Peja is as much to discourage use of private vehicle to move within the city, encouraging public and quality transportation |
| • Contracting Authority: | Municipality of Peja |
| • Required services: | <p>The Municipality of Peja passes the exclusive right to concessionaire and obligate the concessionaire during the duration and under the terms of the contract:</p> <ul style="list-style-type: none"> • To provide transportation services • To install and maintain bus stops • To collect fees for providing transportation services • To collect rent for giving for usage the advertisements places near bus stops and buses in accordance with this contract. |
| • Transaction Structure: | Concession of services |
| • Contract Duration: | 10 years |

EXPECTED INTEREST OF INVESTORS:

The Municipal Development Plan 2006 – 2025 suggests that the private sector will be interested to invest in infrastructure development with the Municipality of Peja including finance, machinery and equipment and labour.

In the past, the Municipality of Peja has tried to contract a private operator for urban bus services through open competition. Although there was great demand from the private sector to enter into such cooperation, it failed as the private sector prefers a longer term contract for conditions which would be required to fill. The PPP Law provides the ability to undertake a long-term contract with a private partner, which should be attractive to investors.

PROJECT STATUS:

The project was approved by the Committee for Public Private Partnerships in September 2011, that the Municipality of Peja selected successful bidder, and the contract was approved by the CPPP on April 17, 2012.

PROJECT MANAGEMENT:

The Municipality will establish a Project Management Team to manage the PPP process and monitor performance after signing contract.