

13th Invitation to Tender for bus services – Terms and Conditions

Contents

| | |
|--|--|
| 1. Scope of Tender | page 2 |
| 2. Submission and evaluation of tenders | page 5 |
| 3. Tenderers | page 9 |
| 4. Buses and environmental conditions | page 10 |
| 5. Bus depots and premises | page 15 |
| 6. Bus radios, passenger counting system, ticketing and other IT equipment | page 25 |
| 7. HUR information and advertising | page 28 |
| 8. Contract period and closing of contract | page 32 |
| 9. Duty of disclosure | page 33 |
| 10. Changes in the extent of bus services during the contract period | page 36 |
| 11. Payment | page 40 |
| 12. Adjustment of monthly payments | page 42 |
| 13. Access to information – Disclosure | page 42 |
| 14. Breach of contract, arbitration and other legal provisions | page 43 |
| 15. Performance Bond | page 43 |
| 16. Transfer of services to new contractor | page 43 |
| 17. Working conditions | page 46 |
| 18. Operational and traffic management demands | page 50 |
| 19. Quality control | page 53 |
| 20. Bus transfer at the expiry of contract | page 54 |
| Annex 1 | Payment schedules, bus hours, number and types of buses, local and toilet facilities |
| Annex 2 | Tender assessment |
| Annex 3 | Breach of contract, arbitration and other legal provisions |
| Annex 4 | Requirements and demands in respect of busses |
| Annex 5 | IT equipment: Bus radios, passenger counting system, ticketing equipment, and IT equipment |
| Annex 6 | Payment and adjustment of rates etc |
| Annex 7 | Quality control – The Contractor Model |
| Annex 8 | Statement of Operation and Resources |
| Annex 9 | Bus transfer |
| Annex 10 | Summary of changes from 12 th to 13 th Invitation to Tender for bus services |

13th Invitation to Tender – Tender Terms and Conditions

This translation is meant as a guide only. In the event of inconsistencies between the original Danish version and the English translation, the original Danish version will always prevail.

1. Scope of Tender

The 13th Invitation to Tender of Greater Copenhagen Authority, abbreviated to HUR in the following, comprises approximately 424,800 bus hours a year and 102 buses, which are divided into 7 tender units including 9 to 32 buses.

HUR will determine the route network, the scope of services, location of bus stops, intervals, general interchanges and connections, other bus stop conditions etc. and conduct related negotiations with local authorities, the police and road authorities. Contractors will be involved as much as possible.

Annex 1 and its subsections include proposals for bus schedules and the number of buses required with respect to Tender Units 1-7.

Payment Schedules

The proposed bus schedules will be referred to as "payment schedules" and they form the basis for calculating the number of bus hours to be paid for. The payment schedules can be retrieved on the enclosed CD-ROM, both as a textfile and as Hastusfile, cf. Annex 1. In the case of any discrepancy between the CD-ROM and the printed version, the printed version will apply.

The number of buses will form part of the contract negotiations and will be adjusted in connection with changes in bus timetables. Payment will therefore be made only for the number of buses required to perform the complete service that makes up the service agreement. For contractors already under a service agreement with HUR, the total number of buses will include those buses from the contractor's existing agreement, so that pay-

ment will apply only to the number of buses required for the contractor's total services for HUR. The payment schedules are forwarded to the contractor at least 3 months before the commencement of services (refer to Section 10 for further details).

Service Schedules

The contractors are free to put together and use other bus schedules – *service schedules* – as long as they do not affect the public timetable or any planned interchanges or connections. The service schedules must be submitted to HUR's Schedule and Revenue Department no later than 3 weeks prior to commencement of services to allow for the arrangement of HUR's passenger counting system. Details of the information required in a service schedule can be found in Annex 1.

In the course of 2003, it is expected that the contractor will be given more responsibility of reporting the service schedules, to aid the implementation of the regular passenger counts on the contractor's tally buses. In this connection, HUR will provide a proposal for the changes in contract at least 2 months before such a change.

Equalising stopping time

Payment schedules will set the normal minimum stopping time at terminals at 2 minutes.

On routes which service the central urban areas, the minimum stopping time at terminals is, in principle, set at 5 minutes during weekday rush hours between 07.00-09.00 and 15.00-17.30. Under certain circumstances, e.g. connections and co-ordinated operations on shared routes, the stopping time may be reduced to 2 minutes. In such cases, the subsequent stopping time will be extended, so that the total stopping time at the two terminals will add up to 10 minutes.

The 5-minute stopping time can also be reduced if problems occur in keeping to the timetable, making it necessary to increase driving hours on a particular section of the route until the next change of timetable.

For shorter routes (under 40 minutes), the total stopping time at terminals will normally not exceed 6 minutes (equivalent to 15% of the circuit period).

These minimum stopping times at terminals – which cannot be used for breaks – also apply to terminals when there is a change of driver.

HUR is prepared to increase the stopping time at terminals for certain routes and for certain times of day, if the need for such has been ascertained.

Buses must be accessible for the public at the terminals during the equalising stopping time period paid for by HUR.

Tender units and bus hours

The 13th Invitation to Tender is divided into 7 units. Tenders may be submitted for single units or combinations. Combinations may include no more than 3 units. When submitting tenders for combinations of units, tenders for the individual units comprising the combination must also be submitted. Tenders may not be submitted for units, which are subject to other units being won.

The term "bus hours" indicates the number of hours during which HUR – in accordance with the payment schedule - has the bus at its disposal, i.e. from the first scheduled departure from a terminal to the last scheduled arrival at a terminal, but with the deduction of breaks, in accordance with the payment schedule, of 20 minutes or more. I.e. an individual break totalling 20 minutes will be deducted in full. Transport to and from terminals/bus parks, garages workshops, test drives, practical training etc. is therefore not included. Empty trips in connection with non-paid intervals, are not paid for.

The tender units include the following number of bus hours, which are allocated to the stipulated routes at the time of tender:

1. **67,300 bus hours a year** on route **3A**, which services the area of Østerbro-Nørrebro-Vesterbro-Englave-Sydhavn with 15 12-metre buses in environmental group A.
2. **124,500 bus hours a year *)** on route **4A**, which services the areas of Østerbro-Nørrebro-Frederiksberg-Valby-northern Amager with 32 13,7-metre buses in environmental group A.

3. **47,500 bus hours a year** on route **29**, which services the areas of Østerbro-central Copenhagen-Vesterbro-Frederiksberg-Vanløse with 12 12-metre buses in environmental group A.
4. **27,500 bus hours a year** on route **34**, which services the areas of Northwest Amager with 5 12-metre buses in environmental group B.
5. **64,700 bus hours a year** on routes **40** and **47/48**, which service the areas of Østerbro-central Copenhagen-northern Amager with 17 12-metre buses in environmental group A.
6. **37,000 bus hours a year *)** on routes **73** and **77/78**, which service Amager with 9 12-metre buses in environmental group B.
7. **56,000 bus hours a year** on routes **142** and **131/166** which service the areas of Vanløse-Ejby-Skovlunde, Vallensbæk-Brøndby Strand-Glostrup og Glostrup-Husum-Gladsaxe-Søborg-Hellerup with 12 12-metre buses in environmental group B.

*) Please note that the bus hours and number of buses referred to in Tender Units 2 and 6 are provisional, as particularly with route 73, there are possibilities of changes which will only be agreed upon after the present Invitation to Tender has been published. The provisional bus hours and number of buses of the given tender units will therefore form the basis of negotiations for the concluded extent of services and number of buses.

The subsections of Annex 1 illustrate the present distances in km per route as well as information about existing driver and toilet facilities at the terminals and the estimated costs of these facilities.

2. Submission and evaluation of tenders

Submission of tender

This Invitation to Tender for bus services will be effected as a tender following negotiation, in accordance with the EU's Council Directive 93/38 EEC and 98/4 EC co-ordinating the procurement procedures of entities operating in the water, energy, transport and telecommunication sectors.

The tender documents, which can also be retrieved on the enclosed CD-ROM, are made up of the following:

- Tender Terms and Conditions
- Annex 1 - 10 to the Tender Terms and Conditions
- Tender Form, including Bus Information Chart.

The tender must be submitted according to the stipulations and requirements of the Tender Terms and Conditions, laid down by HUR as follows.

Tenders based on other routes or other legal stipulations than those outlined in Annex 3 will not be accepted.

Each submission must include an inventory of the buses that form part of the tender unit, as well as a Bus Information Chart for each bus type, including drawings, pictures etc, cf. Section 4 of the Tender Terms and Conditions and Annex 4. The Bus Information Chart may be copied as necessary.

The submission must specify which buses will be used as replacement buses in case of breakdown etc.

Tenders must be submitted in Danish, and all subsequent communication, including written and verbal communication during the contract negotiations and the subsequent service period, must also be in Danish.

Tenders must be submitted using the particular Tender Form attached to the Tender Terms and Conditions - entitled "Tender Form for 13th Invitation to Tender of General Bus Services – March 2003" (Tilbudsblanket til 13. udbud af almindelig rutekørsel – marts 2003"). The Tender Form can also be retrieved on the enclosed CD-ROM (Excel worksheet version XP). The Tender Form, which may be copied as necessary, must be signed and submitted on paper.

The price must include the total services, which the contractor will provide, and the tender must break down the prices into:

- | | |
|--|---------------------|
| a) Fixed costs (facilities, administration etc) | Price per month |
| b) Bus-related costs | Price per operating |

- (interest, depreciation, maintenance
cleaning, insurance etc) bus per month
- c) Costs related to bus hours - weekdays Price per bus hour
(Mon-Fri)
(driver's wages, fuel etc.)
- d) Cost related to bus hours - weekend Price per bus hour
(Sat – Sun *)
(driver's wages, fuel etc)

*) This rate applies to Saturdays, Sundays and public holidays, 5th June, May 1st, 24th December and 31st December.

All prices, stated in Danish kroner, must be based on the December 2002 price index. All prices must include VAT and taxes where applicable. All prices in these tender documents are inclusive of VAT.

There will be no separate payments for replacement buses, so related expenses for these must therefore be included in the tender for the contract buses.

When submitting the tender, the tenderer is obliged to complete a binding statement affirming the operations and the resources which will be employed in connection with the offered bus services. The statement must be completed on the specific form found in Annex 8 of the Tender Terms and Conditions. The form can also be retrieved on the included CD-rom (Excel worksheet version XP). The tenderer is obliged to complete all sections specified in Annex 8. The statement must be submitted on paper.

Reservations which the tenderer wishes to be taken into account, and which according to the Tender Terms and Conditions can be taken into consideration, must be stated on the Tender Form in the section headed "Reservations to Tender" ("Forbehold"). Any reservations not stated on the Tender Form in this section will not be valid. The reservations must be priced.

All enquiries in the form of questions concerning the contents/comprehension of the tender documents, or concerning the tender procedures, must be submitted in writing to HUR's Contract and Quality Division. Enquiries for the purpose of verification of data, or information transmitted in the documents, may be made by telephone.

All questions submitted in writing, as well as telephone enquiries, which HUR regard as being of general interest to the other tenderers, will be answered in writing.

Enquiries will be answered on a regular basis where possible, and at the latest 7 days before the closing date for submissions of tender, with a copy to all the companies who have been invited to submit tender. It will not be stated who posed the question. Enquiries submitted later than 10 days before the closing date for submissions of tender will not be answered.

The tenders, which will be legally binding until 1st September 2003, must be submitted on the special Tender Form attached to the tender documents, and sent to:

Hovedstadens Udviklingsråd
Trafikdivisionen
Kontrakt- og Kvalitetsafdelingen
Gammel Køge Landevej 3
DK 2500 Valby

The envelope must be marked: "Tender – 13th Invitation to Tender" ("Tilbud - 13. udbud")

Tenders must be received by HUR's Contract and Quality Department on or before

Monday 7th April 2003, at 12:00 noon

Any tender received after this time will be refused.

Evaluation of tenders

On receipt of the tenders, HUR will perform a provisional evaluation in order to see whether the individual tenders have been submitted in accordance with the tender material's terms and conditions. During this phase of evaluation, HUR may, without committing themselves in any way, request the submission of elaborated or supplementing tender information from a given tenderer.

After having established whether or not the received tenders have been submitted in accordance with the tender material's conditions, the approved tenders will be evaluated according to the following part criteria:

- Price 40%
- Quality of services 35%
- Quality of buses 25%

These part criteria with the assigned percentages are part of the total evaluation.

The aspects to which HUR will attach importance in the assessment of these part criteria are set out in more detail in Annex 2.

HUR may base its evaluation on which tender/s is/are the most financially favourable on the individual tender units, groups of tender units, or the total number of units combined in one.

In the space for comments on the Tender Form, it may be stated to what degree the tenderer wishes to limit the number of bus hours (stated in number of buses), in an eventual contract.

Following negotiations and evaluations of the approved tenders, HUR will accept the financially most favourable tender, based on the above mentioned prioritised part criteria.

In accordance with the EU's Council Directive 93/38 EEC and 98/4 EC co-ordinating the procurement procedures of entities operating in the water, energy, transport and telecommunication sectors, HUR reserves the right to cancel the Invitation to Tender in whole or in part and invite new tenders for the services, provided that there exists factual reasoning for such action.

Commencement of services will be the 14th December 2003.

3. Tenderers

An agreement for bus services can be concluded with an individual, a company or other legal entity.

The tenderer - in the case of a company, the person responsible for that company - must satisfy the skill requirements stipulated in the bus legislation and in the Danish Transport Ministry's order on bus services no. 187 of March 20th 2000 with possible amendments, and must have authorisation

for commercial passenger transportation from the Traffic Council (“Færdselsstyrelsen”).

It must be documented no later than at the commencement of the contract that the necessary permits for the agreed services have been granted. All the services stipulated in the Tender Terms and Conditions must be executed in full accordance with Danish legislation.

In case the tenderer resides abroad, he must supply the name of a person with domicile or a registered office in Denmark, who can handle financially binding arrangements on the tenderer’s behalf, against whom legal proceedings can be brought on the tenderer’s behalf, with whom all negotiations can be carried out, and to whom all notifications will be communicated with binding effect on the tenderer.

4. Buses and environmental conditions

General requirements for buses and bus equipment

It is up to the tenderers to procure the required quantity of contract and replacement buses. The buses employed for the services must be fit for the operational purpose and be able to complete the timetable.

Furthermore, all buses must, at all times, fulfil all the requirements in the present Tender Terms and Conditions, including mechanical and IT oriented functions, as well as be well maintained, clean and presentable. Refer to Annex 4 and 5 for further details. Failure to comply with the above will entitle HUR to apply sanctions, as stipulated in Annex 3.

Commencement of bus services

The tender must include a binding delivery plan of the tendered buses, in case they are not operational at the start of the contract. Reservations regarding the delivery plan will not be accepted. The delivery plan is illustrated in Annex 8.

Furthermore, if the operational commencement of the tendered buses, in accordance with the delivery plan, takes place later than at the start of the contract, then at the signing of the contract at the latest, a description must be made available, acknowledged by HUR, listing which buses will be used temporarily.

If the delivery and commencement of operations takes place after the stated times in the delivery plan outlined in Annex 8, then the monthly contract sum will be decreased by DKK 2,000 per bus per 24-hour service period until delivery. Reservations for these terms and conditions will not be accepted.

HUR will only consider a bus as delivered and ready for operation once it is presented as fully functioning and is at the full disposal for normal services, and when HUR has received written confirmation of the date of the bus's operational commencement. Failure to comply with the above will entitle HUR to apply sanctions, as stipulated in Annex 3.

Furthermore, before the bus is considered as operational, the contractor must have submitted a completed form with information to be used for HUR's database. This form can be requested from the Contract and Quality Department.

Documentation

Each tender must include a list of buses which will be used for the service. If the tender consists of more than one tender unit, then it must be clearly stated which buses belong to which tender unit.

A Bus Information Chart, drawings showing the bus design and layout on a scale of 1:20, pictures of the bus exterior and interior, as well as environmental documentation, must all be submitted for each of the tendered bus types. The Bus Information Chart for the 13th Invitation to Tender can be found at on the back of the Tender Form.

In the case of utilisation of new bus types, the prototype must be demonstrated so that HUR has the possibility of pointing out any defects and shortcomings in respect of the Tender Terms and Conditions.

If the tender contains second hand buses, then it must include a list of forthcoming renovations/improvements, so that the buses live up to HUR's conditions/standards as stipulated in the present Tender Terms and Conditions. Subject matters on this list will become part of the negotiations.

Low-floor and low-entry buses are required for all tender units.

All signage shall be in compliance with HUR's recommendations, refer to Annex 4 for further information.

If buses are replaced during the contract period, then the substituted contract- and replacement buses must at least fulfil the same requirements. Replacement of buses during the contract period must always be agreed upon with HUR.

Environmental Conditions

The contractor must use low-sulphur diesel or a less pollutant fuel, cf. Annex 4, and must furthermore ensure fuel reserves with a capacity of at least 20 days utilisation.

The following environmental standards are required for the routes included in the 13th Invitation to Tender:

Environmental group A (Central Copenhagen)

Minimum requirement: EURO 3-buses with particle filters or LPG buses.
Covers routes 3A, 4A, 29, 40 and 47/48

Environmental group B (Municipalities and Greater Copenhagen)

Minimum requirement: EURO 2-buses with particle filters or LPG buses.
Covers routes 34, 73, 77/78, 142 and 131/166

Environmental group C (the remaining routes)

There are no routes in Environmental group C in the 13th Invitation to Tender.

LPG busses are expected to fulfil all of the above requirements, provided that the exhaust system is well functioning, including the catalytic converter, fuel regulation, lambda probe etc

The environmental groups are a geographical division of the routes, which enables the best possible environmental standard in those areas where the need to reduce emissions is of highest importance. The denser the built-up areas are, the greater is the problem of traffic fumes.

The contractor must attach copies of the engine type approval certificates to the tender, as documentation for which environmental standard (EURO 1, EURO 2, EURO 3 etc) the buses satisfy. These certificates must indicate the values to which the engine has been tested for the regulated emis-

sion types (PM, NO_x, HC og CO), possibly including emission reducing equipment.

The emission standards and particle filter requirements are described in further detail in Annex 4, Section 4.2

During the contract period, the contractor is obliged to partake in devising the company's environmental policies. The working environment conditions are detailed in Section 17.

HUR requires that the contractor appoints a representative responsible for environmental considerations. This representative shall act as HUR's contact person with regards to all environmental enquiries, cf. Annex 8.

HUR's manual for devising environmental policies, which is revised in cooperation with the contractor when necessary, must be utilised by the contractor. The manual describes the environmental conditions and the methods that must be used for devising the environmental policies. The manual can be obtained from the Contract and Quality Department

Devising environmental policies is part of HUR's programme for "keeping green accounts" of the total bus service in the HT area. Devising environmental policies, planning of "keeping green accounts" and the revision of the planning manual, are discussed in HUR's environmental group, in which the environmentally responsible persons from the contractors and HUR take part. The environmental group meets as necessary (approx. 4 times a year).

During the contract period, the contractor must be willing to introduce environmental management if required by HUR. Potential costs related hereto will be agreed upon between the contractor and HUR.

During the full contract period, the contractor is obliged to carry out environmental inspections on the buses on a yearly basis, cf. guidelines on environmental documentation in Annex 4, Section 4.2

Noise

All unnecessary noise from the buses, including shrieking brakes, must be avoided. It is therefore the contractor's responsibility to ensure that the supplier of the buses has taken the necessary measures in order to prevent unnecessary noise.

If, in spite of this, the buses emit unnecessary noise during the service, the contractor must eliminate the problem as quickly as possible.

If noise exceeds 77 dB(A), measured from the outside, for example at a bus stop, cf. Annex 4, then HUR has the right to demand that the bus is taken out of service immediately and until the problem has been solved by the contractor.

Cleaning

The bus exteriors and interiors must always be clean, though cleaning is not demanded more than once every 24-hour service period.

In addition to the daily cleaning programme, the buses, as a principal rule, must undergo a monthly thorough clean, including cleaning of the floors, wiping of glass and vacuuming of seats etc

Design

HUR attaches importance to the fact that the design and shape of all buses – both on the exterior and the interior – signals quality and uniformity.

In Annex 4, HUR has described a series of requirements for the exterior design regarding the following:

- Choice of colour
- Window band
- Windows
- Roof construction
- HT-logo
- Typography
- Contractor signs
- Product signs
- Advertising

The interior design and the layout of the buses also bear importance for the customers' experience of quality and uniformity of the bus product.

HUR has decided that the following elements will form part of the buses' interior layout:

- Floors
- Step panels
- Seats
- Wallcovering
- Ceiling
- Ventilation canals
- Chauffeur's backwall and partition
- Front wall
- Back wall
- Doors
- Handrails
- Hand straps
- Stop buttons
- Bus advertising
- Traffic information

HUR is prepared to assist the individual contractor with meeting the design requirements in connection with the purchase of new buses.

5. Bus Depots and premises

Bus depots

Tenderers shall themselves arrange for bus depots/bus parks. Details about the location of the depots must be submitted to HUR no later than 2 months after the closing of contract.

The tender must include written acceptance from the relevant local council's technical department for the utilisation of the premises for bus depots and bus parks. If the location of such depots has not been determined at the time of tender, then local council acceptance must be submitted no later than 1 month before the commencement of the contract.

The contractor is obliged to allow enough time for the installation of the HUR required IT functions at depots, which involve the set-up of computer networks and communication equipment and lines etc. This includes both IT functions that are required from the start of the contract, and IT functions which are introduced during the contract period.

Staff facilities

HUR has provided staff facilities (staff common rooms and toilet facilities) for most routes, normally situated at the routes' terminals. These premises and facilities are for the use of the contractors for the routes concerned. The subsections to Annex 1 show the location of premises on the various routes, as well as the location of toilet facilities. These subsections also indicate which other routes utilise the premises.

As a main rule, relief can only take place at the route's terminal. In those cases where the premises are located along the route and subject to concrete evaluation, special arrangements can be made with HUR for relief along the route. Working environment concerns can also be taken into consideration with respect to relief along a route. HUR would prefer relief drivers to take over at a terminal or perhaps at a major junction along the route, so that the passengers are inconvenienced as little as possible. Relief can only take place along the route if the contractor guarantees that this can be done in less than 2 minutes, in addition to servicing the boarding passengers. Failure to comply with this, will entitle HUR to a setoff in payment, as stipulated in Annex 3, or to terminate the agreement in respect of relief on the route in question. The request for relief drivers on certain routes must be included in the Service Statement, cf. Annex 8.

HUR's premises are equipped with the necessary number of chairs, tables, lamps and kitchen facilities. In order to cover rents, taxes, duties as well as outdoor and major indoor maintenance work, the users must remunerate HUR a sum based on the number of contract buses. On the basis of the December 2002 price index, these payments total DKK 4,800 per contract bus per year. Payments are included in the monthly settlements and are adjusted according to the stipulations referred to in Annex 6. In addition to this, users must pay the running costs, except TV and radio licence fees, which are paid for by HUR. The subsections to Annex 1 provide an estimate of the total running costs for HUR's premises, including estimated costs of required cleaning programmes - cf. the part in this section referring to cleaning of premises - though excluding rental costs, taxes and duties, as well as extensive external and internal maintenance work.

If a contractor would like a special arrangement with respect to one of HUR's premises, such as an area for lockers, installation of a ticket booth or similar, which is not provided in the existing or planned premises, then the contractor must settle the additional expenditure. No refund will be

made on termination of the contract. At the termination of the contract, the contractor is obliged to restore the premises to their original condition and dismount lockers etc.

A toilet building or rented toilet access is available at most of the routes' other terminal. The use of these facilities forms part of the contract. All operating and maintenance expenses for these toilet facilities (excluding rents, taxes and duties as well as extensive maintenance costs, which are included in the above mentioned payment per contract bus) must be paid by the user(s). The subsections to Annex 1 provide an estimate of the extent of the total running costs for the existing HUR toilet facilities.

Where there are premises at both terminals, it must be stated in the Service Statement which premises will be used for breaks.

If, during the contract period, it is agreed between HUR and the contractor to install toilet facilities at terminals without such facilities, then the costs related thereto will be shared between HUR and the contractor on a 50/50 basis. On the termination of the contract, HUR may take over these facilities by reimbursing the contractor's share of the installation costs.

Distribution of operation costs etc.

If HUR premises are used by more than one contractor, the administration of the premises must be handled by the "largest user," who is thus responsible for payment of running operational costs in respect of electricity, water, heating, cleaning, telephones, renovation, minor exterior and interior maintenance work, maintenance of outside areas, snow clearing, repair work due to vandalism or burglary, burglary alarms if wanted, as well as operation of any vending machines. Costs (excluding rent, taxes, duties and major exterior and interior maintenance costs) must be paid by the contractors proportionately to their use of the premises (number of meal and coffee breaks). The "largest user" is responsible for collecting the other users' share of the costs.

The number and times of breaks must be reported to HUR upon request. The basis of calculation may be changed during the contract period, so that the share of costs related to the use of the premises (number of meal and coffee breaks) can be changed to the share of costs related to the number of buses calling at the premises. Contractors using only toilet facilities on the premises cannot be nominated the "largest user."

In connection with the contractual negotiations, there will be a special rental agreement with respect to the use of HUR's premises and toilet facilities. These agreements cannot be terminated during the contract period, unless the contractor ceases to use the premises/toilet facilities as a result of a route change. For the distribution of costs where there are 2 or more users of the same premises, coffee and meal breaks are weighted at 1/1 and toilet use at 1/4. Percentage shares are rounded to the nearest figure divisible by 5. As a main rule, the percentage distribution will normally only be revised once a year, in November. When important changes take place during the contract period, e.g. when one or several contractors vacate or move into premises at the time of a change of timetable, the percentage distribution may be revised. The subsections to Annex 1 provide estimates of percentage shares, per room for the individual routes, for HUR's premises and toilet facilities.

In those situations where the responsibility as largest user is handed over to another contractor, typically in connection with a change of timetable, the responsibility for cleaning and maintenance of premises remains with the former largest user until HUR has entered into a new rental agreement, partly with the new "largest user" and partly with the other users, and also until the time where the transfer of responsibility has taken place. Representatives from the former "largest user," the new "largest user," as well as from HUR's Construction Department will participate in the transfer, which takes place on the premises in question.

Expenses for any relocation of HUR's premises and toilets in connection with route changes will be settled by HUR.

Staff from HUR's Traffic Service will have access to all HUR-owned premises according to agreement with the "largest user" or "sole user."

Premises Committee

The "largest user" or "sole user" of any given premises must set up a premises committee and appoint a person responsible, who will be involved in all issues concerning the premises. The committees must consist of staff representatives from the individual users and a representative from the management of the "largest user." Apart from the general matters concerning the furnishing of the premises, including the choice of furniture and equipment, etc, the committees, as well as the persons responsible for the premises, must assist HUR's Construction Department at the regular inspections

of the premises. HUR will work out a detailed plan for these inspections, encompassing both frequency and extent.

The contractor is obliged to / able to regularly report defects and deficiencies of the premises / toilet facilities in conjunction with the monthly payments.

Cleaning of the premises

Cleaning of the premises/toilet facilities must be carried out according to the cleaning schedules stipulated below, which include day-to-day cleaning, thorough cleaning and window cleaning. If a contractor fails to observe his duty to clean the premises and toilet facilities, HUR will be entitled to apply sanctions, as stipulated in Annex 3.

Daily cleaning

The required cleaning is listed in the following frequency programmes, entitled cleaning programme 1, 2 and 3

Cleaning programme 1: for premises used daily by more than 40 staff

Cleaning programme 2: for premises used daily by less than 40 staff

Cleaning programme 3: for toilet facilities in general

Cleaning must be carried out at all locations in accordance with the routines and frequencies listed in the programme.

Additionally, and on a daily basis, approx. 8-10 hours after the drivers' premises and toilet facilities have been cleaned, these must be tidied, as required, including:

- Airing
- Emptying and cleaning of ashtrays and litter bins
- Wiping of tables
- Removal of waste and visible loose dirt from floors, furniture and equipment
- Supply of toilet paper, hand soap and towels

Thorough Clean

A thorough clean must be carried out at least once a year.

It is presupposed that the daily cleaning is organised in such a way that the thorough cleaning of items, including furniture and equipment, tiled walls etc is not required. Therefore, the thorough clean should only include the following:

- Washing of lattice on light fittings
- Dismantling and washing of lamp globes
- Washing / wiping of walls
- Inside washing of cupboards in “kitchenettes” (including emptying and repositioning)
- Washing / wiping of ceilings
- Inside washing of lockers
- Scrubbing and “saturation” of flooring
- Washing of window frames
- Washing of radiators
- Other tasks

As pointed out in the cleaning programmes, curtains must be washed twice a year.

Window cleaning

Window cleaning must be carried out at the following frequencies:

- Double-glazed windows must be polished outside 6 times a year and inside 4 times a year.
- Older, sash bar windows with secondary windows must be polished outside 6 times a year, inside 4 times a year, and twice annually in-between.
- Tower structures (glass towers) in standard toilets must be polished on the inside twice a year.
- Indoor glass, including glass doors, must be polished 4 times a year.

The bottom frame of windows that can be opened must be wiped once a year.

Cleaning programmes

The following pages give an outline of the 3 cleaning programmes. The programmes have been developed in co-operation between the Technical Cleaning Institute (“Rengøringsteknisk Institut”) and HUR’s Contract and Quality Department.

Figures before an oblique indicate number of times. Letters after an oblique indicate:

w = week, m = month, y = year, A/R = as required.

| Cleaning Programme 1 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|----------------|------------------|-----------------|----------------------------|---|--|----------------------|-----------------------|
| HUR-drivers' premises used by 40 persons or more a day | | | | | | | | |
| Tasks | Toilets | Entrances | Hallways | Primary common room | Second common room + primary common room for non smokers | Wardrobe, lockers, changing rooms | Storage rooms | Telephone room |
| Airing, empty and clean litter bins | 7/w | 7/w | 7/w | 7/w | 7/w | 7/w | 1/w | 7/w |
| Dust/wipe tables. Clean kitchen tables/sinks | 7/w | | 7/w | 7/w | 7/w | 7/w | 1/w | 7/w |
| Dust/wipe other furniture and structure surfaces within reach, remove stains | 2/w | 2/w | 1/w | 1/w | 1/w | 2/w | 2/m | 1/w |
| Wipe/vacuum chairs and benches | | | 1/w | 1/w | 2/m | 2/w | 1/w | 2/w |
| Remove stains on doors/frames. Clean kick plates and handles | A/R | A/R | A/R | A/R | A/R | A/R | A/R | A/R |
| Dust accessible high surfaces | 2/m | 2/m | 1/m | 1/m | 1/m | 1/m | 1/m | 1/m |
| Clean toilet pans, washbasins , tiles and other sanitary facilities, including mirrors | 7/w | | | | | | 1/w | |
| Clean tiled walls | 1/w | | | 1/w | 1/w | | | |
| Supply toilet paper, hand soap and towels | 7/w | | | | | | | |
| Wipe floor/light vacuuming | | | | 4/w | 5/w | 5/w | | 5/w |
| Wash floor, incl. sweeping or the like, thorough vacuuming | 7/w | 7/w | 7/w | 3/w | 2/w | 2/w | 1/w | 2/w |
| Clean mats | | A/R | | | | | | |
| Remove stains from textile flooring | | A/R | A/R | A/R | A/R | A/R | | A/R |
| Wash curtains | | | | 2/y | | | | |

| Cleaning Programme 2 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|----------------|------------------|-----------------|----------------------------|---|---|----------------------|-----------------------|
| HUR drivers' premises used by under 40 persons a day | | | | | | | | |
| Tasks | Toilets | Entrances | Hallways | Primary common room | Second common room + primary common room for non smokers | Wardrobes, lockers, changing rooms | Storage rooms | Telephone room |
| Airing, empty and clean litter bins | 7/w | 7/w | 7/w | 7/w | 7/w | 7/w | 1/w | 7/w |
| Dust/wipe tables. Clean kitchen tables/sinks | 7/w | | 7/w | 7/w | 7/w | 7/w | 1/w | 7/w |
| Dust/wipe other furniture and structure surfaces within reach, remove stains | 1/w | 1/w | 2/m | 2/m | 2/m | 1/w | 1/m | 1/w |
| Wipe/vacuum chairs and benches | | | 2/m | 2/m | 2/m | 1/w | 1/m | 1/w |
| Remove stains on doors/frames. Clean kick plates and handles | A/R | A/R | A/R | A/R | A/R | A/R | A/R | A/R |
| Dust accessible high surfaces | 1/m | 1/m | 1/m | 1/m | 1/m | 1/m | 1/m | 1/m |
| Clean toilet pans, washbasins , tiles and other sanitary facilities, including mirrors | 7/w | | | | | | | |
| Clean tiled walls | 2/m | | | 2/m | | | | |
| Supply toilet paper, hand soap and towels | 7/w | | | | | | | |
| Wipe floor/light vacuuming | | | 4/w | 5/w | 6/w | 6/w | | 5/w |
| Wash floor, incl. sweeping or the like, thorough vacuuming | 7/w | 7/w | 3/w | 2/w | 1/w | 1/w | 1/w | 2/w |
| Clean mats | | A/R | | | | | | |
| Remove stains from textile flooring | | A/R | A/R | A/R | A/R | A/R | | A/R |
| Wash curtains | | | | 2/y | | | | |

| Cleaning Programme 3 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
|---|----------------|-----------------|----------|----------|----------|----------|----------|----------|
| HUR toilet facilities | | | | | | | | |
| Tasks | Toilets | Entrance | | | | | | |
| Airing, empty and clean litter bins | 7/w | 7/w | | | | | | |
| Dust/wipe other furniture and structure surfaces within reach, remove stains | 2/w | 2/w | | | | | | |
| Wipe/vacuum chairs and benches | | 2/w | | | | | | |
| Remove stains on doors/frames. Clean kick plates and handles | A/R | A/R | | | | | | |
| Dust accessible high surfaces | 1/m | 1/m | | | | | | |
| Clean toilet pans, washbasins , tiles and other sanitary facilities, including mirrors | 7/w | | | | | | | |
| Wash floor, incl. sweeping or the like, thorough vacuuming | 1/w | | | | | | | |
| Clean mats | 7/w | | | | | | | |
| Remove stains from textile flooring | 7/w | 7/w | | | | | | |
| Wash curtains | | A/R | | | | | | |

6. Bus radios, passenger counting system, ticketing and other IT Equipment

General

Unless otherwise agreed, or is required as part of the tender, HUR will pay for the installation and maintenance of the IT equipment demanded by HUR. This does not include maintenance costs for ticketing equipment (validators for “clipcards”), cf. Annex 5.

All expenses related to the maintenance of ticketing equipment (validators for clipcards) and the contractor’s own IT equipment, are paid for by the contractor.

HUR’s maintenance of required IT equipment encompasses defects and damage which are a direct result of wear and tear. Damage to the installed IT equipment caused by fire, burglary, physical damage, misuse and vandalism must be paid for by the contractor.

Precise procedures, operational tasks and distribution of responsibilities for each IT system are agreed upon before operations commence.

Unless otherwise agreed, the contractor is obliged to advise HUR in writing (by email or by fax), at least three weeks before, of any replacement or removal of buses which are equipped with HUR’s IT equipment. The same rule applies when the contractor has entered into an authorised bilateral agreement with one of HUR’s external service partners of individual IT systems.

Similarly, the contractor must inform HUR immediately whenever a functional fault with the IT system is discovered. Deadlines and other conditions for fault complaints and reports will be determined by an operational plan, which will be stipulated by the partners.

All IT equipment, which HUR has made available for the contractor during the contract period, must be returned in an operational and non-damaged condition, except from ordinary wear and tear, on termination of the service agreement. The external appearance of the equipment must be maintained throughout the contract period. The contractor is liable to pay compensation in case of damage to, and loss of, HUR’s IT equipment.

Bus radio, bus computer, passenger counting system and ticketing equipment

HUR will be entitled to install, replace and dismantle the following IT systems in the contractor's buses from the start of the contract:

- Bus radio,
- Passenger counting equipment
- Fixed ticketing equipment (validator for clip cards)
- Bus computer, incl. driver's display
- Device for the registering and collection of data
- Transmission equipment for electronic transfer of data
- Electronic information signs
- Positioning equipment, e.g. GPS

Bus radio

Shortly after the start of the contract, HUR will introduce a new voice and data radio system, which will cover the whole HT area. HUR's existing bus radio (voice radio only) will be used up until the time where the new radio system is operational.

The bus radio, which is installed at the start of the contract, is set up for the new radio system. It is expected that the transition from the existing to the new bus radio will only necessitate few physical changes to the buses' equipment in the IT cabinet.

HUR demands that the new radio system must be used for the transmission of all data and communication related to IT and other functions required by HUR.

The contractor may use the radio system for communication between the company's operational management and its buses.

A special agreement must be made in case the contractor wishes to utilise HUR's bus radio for other functions than those demanded by HUR. The contractor must cover all costs related to the agreed radio communication.

HUR may instruct the contractor to pay agreed costs for operation and maintenance of the radio system to an external service partner. In this

case, HUR will repay these costs to the contractor in conjunction with the regular payments.

During the contract period, it may be agreed that the contractor takes over, fully or in part, HUR's responsibility for co-operation and settlement of accounts with HUR's service partner in respect of operation and maintenance of the radio system. In such a case, HUR will alter payments to the contractor with an amount that corresponds to HUR's agreed payments to the external service partner.

Ticketing system

The drivers' personal ticketing system (ticket machine, coin changer, driver's bag) and coin table must be provided and paid for by the contractor. HUR will, if necessary, be prepared to assist in the acquisition of the required equipment, cf. Annex 5. In the event of malfunctioning of the ticketing system (validator and ticket machine) the contractor must undertake the replacement thereof no later than on the arrival at the first terminal where the driver normally takes a break.

New ticket- and ticketing system

The introduction of a new electronic ticket- and ticketing system, entitled "Travelcard System" ("Rejsekort-systemet") is planned for 2005/06.

The contractor's responsibilities and duties in connection with the Travelcard System will be made more specific in an agreement, which will be made with the contractor, once HUR has chosen the Travelcard System.

The principle of this agreement will be that it is the Travelcard System provider who has full responsibility for the installation, operation and maintenance of all IT equipment assigned to the contractor. In this respect, the provider and contractor will enter into an agreement with regard to the installation, operation and maintenance.

Repair work to the Travelcard equipment is expected to be undertaken at the bus depots.

Installation of Travelcard equipment in buses and at bus depots will take place at the bus depots. The contractor must make the buses available for the installation at no extra charge. Duration will be a 24-hour weekday period per bus.

It is the contractor's responsibility that the drivers and other staff are trained in operating the Travelcard equipment. The contractor must assign at least two persons per bus depot. HUR will train these persons to become local expert users in operating the Travelcard equipment. The expert users will train the drivers in operating the Travelcard equipment, including the reporting of faults.

HUR will provide the training material as well as the equipment for instruction and training in operating the Travelcard equipment.

HUR will refund an amount equivalent to the staff's hourly rate multiplied by the number of training hours agreed upon. HUR expects that the training of the expert users will take 1-2 working days. Drivers' training is expected to take a couple of hours.

It is expected that the chosen solution with respect to the Travelcard System will be one where the drivers will continue the use of the existing individual ticketing equipment. It is therefore expected that the contractor's responsibility and other terms and conditions for this equipment will remain effective for the full contract period.

7. HUR information and advertising

HUR information

The following must always be available to HUR, at no charge:

- 2 spaces for hanging signs, situated between the front and centre door. The signs will be suspended by hooks. Cf. diagram and specifications in Annex 4.
- 2 information boards on the partition just behind the centre door. Cf. diagram and specifications in Annex 4.
- 5 holders for timetables and brochures mounted under the information boards. Cf. diagram and specifications in Annex 4.
- 25% of rear end advertising space
- Route frieze inside A- and S-buses. Positioning and specifications indi-

cated in Annex 4

- Signage on the outside of A- and S-buses. The special characteristic of A- and S-buses is the respectively red and blue coloured paint on the buses at the entrance door and diagonally across. Furthermore, the route number and the route's main points of call are indicated on the roof edge. Cf. specification drawings in Annex 4. Painting with RAL colours and other marking on A- and S-buses must be agreed upon with HUR's Information Department, once the bus type is known.

A- and S-bus friezes, timetables and particular brochures (new prices, Christmas campaign and the like) must be put up by the contractor once supplied by HUR. The contractor is also obliged to remove the material according to HUR's instructions, at the contractor's cost. It is the contractor's responsibility to continuously supplement HUR's information material in such a way, that it is always available for passengers in the given time period.

Rear end advertising, hanging signs and contents for the information boards must not be put up or removed by the contractor. HUR arranges for this, at no cost to the contractor (at present by AB Opsætning)

Any other advertising or information material than that delivered by HUR may not be handed out or made available in buses.

HUR reserves the right to sell above mentioned information spaces for advertising during those periods where the spaces are not used for information. Earnings related hereto fall to HUR.

Advertising

The contractor will himself decide, whether he otherwise wants any advertising in or on the buses. Earnings from advertising from the specified advertising spaces will accrue to the contractor.

Bus advertising may be placed in or on the bus as follows:

- Externally, on the sides and rear end of the bus (underneath the windows). Annex 4 shows a diagram with the positioning of exterior advertisements and maximum dimensions hereof.

- Inside, in the context of 5 hanging signs (additional to HUR's 2 hanging signs) by windows on the sides of the buses. Cf. specifications and a diagram in Annex 4.
- Advertisement on the driver's back wall. Cf. specifications in Annex 4.

The contractor must ensure that any given advertising deal includes stipulations about the use of as environmentally friendly materials as possible, and that these materials will be disposed in accordance with current legislation.

Other forms of advertising, e.g. video advertising, display advertising etc, or changes in the above-mentioned advertising stipulations, may only be launched upon agreement with HUR. Earnings from advertising following changes/extensions must be negotiated with HUR.

The contractor will have the possibility of entering into an agreement with a bureau/newspaper publisher for the distribution of free newspapers in the buses. Before entering such an agreement, the contractor is obliged to contact HUR in order to draw up the terms and conditions for such an agreement. A final agreement cannot be reached until HUR's counter-claims have been met and without HUR's written approval.

Advertising content

Advertising must be legal, decent, honest, truthful and be designed with due sense of social responsibility. Advertising must be in accordance with the marketing laws and regulations and also respect generally accepted advertising standards and code of ethics.

It must be evident from the advertising who the advertiser is.

Advertising must not prompt acts of violence. It must not include illustrations or descriptions of murder, violence or abuse and must not play on superstition and fear in an improper way.

Advertising must not discriminate with respect to race, gender, religion or nationality, nor offend people's religious or political beliefs.

The advertising must not prompt disruptive behaviour with respect to safety in the home, at work, in traffic, nor other dangerous, irresponsible, health and environmentally damaging behaviour.

There must be no advertising (direct or indirect) for religious or political views or movements, nor for products offered by such. However, advertising of information relevant to society in general is allowed, e.g. about the environment, health and education.

Economical interest groups, e.g. trade organisations and trade unions, may advertise as long as the above rules are observed.

Advertising which targets children and youth must not be designed in such a way that it is psychologically or morally harmful. Advertising may not be designed in such a way that it exploits children and youth's natural innocence and loyalty, as well as their particular trust in their parents, teachers etc. It may not undermine the authority and responsibility of the latter.

It is not permitted to advertise tobacco products or goods used mainly in connection with smoking.

Advertising for drinks with an alcoholic content of 2.8% or more, must adhere to the guidelines for marketing of alcoholic drinks which have been agreed upon by a number of organisations, and which came into force 1st March 2000.

Advertising for medicinal drugs, health products and medicinal equipment must be in accordance with the legislation in force at any time. Detailed rules can be found in the drug and medicinal legislation, ministerial order on medicinal advertising, regulations on advertising of health products, and ministerial order on advertising medicinal equipment.

It is emphasised that, according to drug and medicinal legislation, there may be no advertising for drugs and medicines, which are:

- prescription drugs
- unsuitable for use, unless the patient has consulted a doctor beforehand, with a view to a be given a diagnosis or having supervised treatment.
- featured in legislation on euphoriant drugs

The advertising must, after HUR's own judgement, respect HUR's business/political interests and HUR's customer relations. The contractor therefore has no legal claims on showing advertising.

Responsibility for the legality of the advertising

It is the contractor's responsibility, compared to that of HUR, that the advertising is legal and meets the above conditions.

As a service, HUR will, on request, pre-assess whether a particular advertisement meets the above conditions. HUR may also assess future or existing advertisements on its own accord.

The contractor is obliged to respect the decisions and instructions made by HUR in this respect, and must accept that non-compliance can lead to an injunction and a demand for compensation.

8. Contract period and closing of contract

The start of the contract period for all tender units will be the 14th December 2003.

The tender submitted must be based on a 6-year contract period from December 2003 to Autumn 2009.

The precise date of expiry of the contract will be notified at least 6 months before.

Extension 1 (option for HUR)

Up until the time of the first timetable change (Spring/Summer), HUR reserves the right to extend the contract period with unchanged terms and conditions, for all or part of the contract. The precise contract expiry date will be notified at least 6 months before.

If only parts of the contract are extended, the payment of the contractor's fixed costs will be adjusted relatively in relation to the number of contract buses in operation.

HUR can utilise this option, subject to the contractor being notified at least 6 months before.

Extension 2 (on condition of an agreement)

In advance of contract expiry, i.e. either in advance of contract expiry if

HUR does not utilise “Extension 1,” or in advance of contract expiry if HUR does utilise “Extension 1,” the full or part of the contract can be extended with unchanged terms and conditions, as long as the contractor and HUR agree hereto. Neither HUR nor the contractor is obliged to agree to the extension.

The contract can as a maximum be extended for expiration in 2011. The total contract period can therefore not exceed 8 years.

If only parts of the contract are extended, then the contractor’s fixed payments will be adjusted relatively in relation to the number of contract buses in operation.

This contract extension must be agreed upon at least 6 months before the contract expires.

For both parties, the contract is noncancellable throughout the agreed contract period. However, cf. Section 14 of Annex 3.

On expiry of the contract, HUR has no duty to take over any part of the contractor’s property, buses, bus parks/bus depots, radio and telephone equipment etc.

Following the allocation of services, HUR will enter into the contract with the contractor. The Tender Terms and Conditions will be part of the contract. All Tender Terms and Conditions are thus part of the contract foundation.

If more than one tender from the same tenderer is chosen, then HUR may choose to enter into one or more contracts with respect to the service concerned. If more than one tender are combined in one contract, the payment rates can be determined by adding together the prices of the individual tenders. The rates for the bus related costs (rate b) are worked out on the basis of the number of contract buses in operation. Costs related to total bus hours (rates c and d) are worked out on the basis of bus hours stipulated in the contract.

9. Duty of disclosure

General

Changes to the company's organisational structure during the contract period must be notified to HUR in writing.

Upon a yearly request by HUR, the contractor is obliged to report the status of drivers' wage ranking in relation to the guidelines laid down by HUR.

The contractor is obliged to establish electronic communication with HUR (e-mail) and to set up direct access to an Internet browser to allow for communication with HUR's helpdesk, no later than at the commencement of contract.

It is the contractor's obligation to immediately, and on his own accord, provide HUR with details of conditions, which may prevent, interfere or threaten his compliance with the service agreement.

The contractor is also obliged to immediately report all technical and operational faults and problems with the HUR-demanded IT systems. All fault complaints regarding HUR-demanded IT systems must be communicated via the Internet browser, unless otherwise agreed.

The contractor also has a duty to inform HUR of all conditions that are, or could become, relevant to the choice of routing and/or planning of timetables.

Similarly, HUR is obliged to inform the contractor as quickly as possible about important changes that could affect the contractor's planning procedures.

Any general timetable interchanges and connections to other bus and train connections must be discussed on a regular basis during the contract period in order to keep the drivers up to date.

Contractor's duty of disclosure of irregular services etc

The contractor must immediately – electronically – inform HUR's Help Desk of any irregularities, delays or the like, which are relevant for HUR's replies to customer enquiries and enquiries from the press etc.

Reporting of cancelled services must be done in accordance with the fixed deadlines in force at any time, which are currently:

- In absence of bus or driver: No later than the time of departure from the terminal (0 minutes)

- In case of breakdown: No more than 10 minutes after the service has been cancelled.

Failure to comply with these deadlines will entitle HUR to apply sanctions, as stipulated in Annex 3.

The contractor must disclose any service irregularities according to HUR's directions.

In case of a road accident, the contractor must inform the Help Desk immediately. It must be notified whether there are any injuries or if there is any extensive material damage, e.g. fire in bus.

No later than the following working day, the contractor must – on a particular form – electronically report any bus stops where customers have not been picked up.

The contractor must inform HUR immediately of the need, or the termination of the need, for fixed additional and relief services.

The contractor must prepare monthly statistics of operations related accidents and assaults on drivers. The accident statistics must include information on the number of accidents involving personal injury as well as the number of assaults on drivers. The statistics must be submitted to HUR on a particular form no later than the 10th day of the following month.

The contractor's duty of disclosure in relation to customer enquiries

Written customer enquiries etc to HUR regarding the contractor or the latter's staff will be answered by HUR following consultation with the contractor.

Direct enquires to the contractor must be answered by the latter, and HUR must be notified by way of copies of the enquiry and the contractor's reply. Enquiries of a general or fundamental nature made directly to the contractor must be forwarded to HUR for reply.

Response time for customer enquiries shall normally be 3 working days. In certain circumstances, HUR can demand that the contractor replies within 24 hours. Failure to comply with the response time will entitle HUR to apply sanctions, as stipulated in Annex 3. HUR can - under certain circum-

stances - extend the response time if requested by the contractor. Method of response is currently by way of fax or email. But it is expected that an electronic system will be installed, to which the contractor can transfer the response directly.

Contractor's duty of disclosure at termination of contract

At the termination of the contract, the service is expected to be covered by the legislation on the legal position of employees under transfer of services to a new contractor.

Prior to HUR's next Invitation to Tender of the service encompassed by this present tender, it is the contractor's duty to, at HUR's request, provide information and statements about staff which HUR may find relevant in connection to the tender. The information may comprise all staff involved in the transfer of the service. HUR can for example demand information about current agreements, local arrangements outside the current agreement, individual arrangements with staff, seniority and wage/salary conditions etc.

The contractor (largest user) is also obliged to disclose the latest year's operational costs connected to HUR's staff facilities (drivers' facilities and toilet facilities).

Failure to comply with the duty of disclosure, as described in Section 9, will entitle HUR to apply sanctions, as stipulated in Annex 3.

10. Changes in the extent of bus services in the contract period

Changes in number of bus hours

In any calendar year, HUR may change the agreed number of bus hours by +/- 7 ½ % compared with the number of hours agreed under the service agreement. The number of hours of operation can be altered by a maximum of +/- 20% for the entire contract period; i.e. variations can range between 80% and 120% of the number of hours originally agreed under the contract.

Where services are reduced by more than the above-mentioned percentages, HUR may grant the contractor compensatory operations, if necessary by means of reducing other service agreements.

Variations in the degree of services of more than 3% must be notified by HUR as early as possible, and the final payment schedule must be submitted at least 3 months before its commencement. For the purpose of planning the number of tally buses (with automatic passenger counting systems), any objections shall be raised no later than 2 weeks after receipt of these payment schedules. If objections are raised after the deadline, the contractor may only introduce changes against payment to HUR for any additional work related hereto.

During the period open to objections to the payment schedules – the 2 weeks after the contractor has received the payment schedules – the contractor can suggest changes to the timetable which would make the contractor's operational planning procedures more efficient.

Should HUR agree to change the timetable, as desired by the contractor, the distribution of the gains between the contractor and HUR will be agreed upon for each individual case. As a general rule, the gains will be divided equally between HUR and the contractor.

In the same period, the contractor can submit suggestions as to how the services can be extended, which can advantageously be added to the timetable at a price equivalent to the marginal costs. Should HUR agree to extend the timetable, as desired by the contractor, the extent of the extra costs related to the extensions will be agreed upon for each individual case.

In the case agreements are reached, as described above, the payment schedule submission deadline will be 2 months before commencement.

Agreements will only be valid until the time of the next ordinary change of timetable.

If HUR fails to comply with the payment schedule deadline, HUR must pay the following amounts in settlement of the contractor's additional costs:

- If the entire payment schedule is submitted late, HUR must pay DKK 500 per bus service for each weekday (excluding Saturdays) the payment schedule is delayed.
- If HUR makes any alterations to the payment schedule after submission, shortening the break at the terminal where coffee and meal

breaks take place, DKK 500 will be paid per bus service change, for each weekday the 3 month submission deadline is exceeded.

- IF HUR makes any alterations to the payment schedule after submission, and such alteration affects the length of the break at the terminal where there is no meal break, or involves an extension of the break at the “meal break end,” only documented additional costs will be paid for.
- IF HUR alters the times, without changing the bus services, and with breaks and relief taking place along the route, no payment will be made, provided that the relief times are not changed.
- If HUR wishes to make alterations outside the ordinary changes of timetable or after submission of the payment schedule, invitations of “bids” may be made to the contractor for any additional costs involved in a speedy implementation of such alterations.

Changes in the number of buses

In each calendar year, the number of buses may be reduced by one contract bus for every 20 contract buses, or part thereof, included in the service agreement (1 bus for 1-20 buses, 2 buses for 21-40 buses etc.) During the entire contract period the maximum reduction shall be 3 contract buses for every 20 buses or part thereof. Notification of changes in the number of contract buses must be given by HUR no later than 3 months prior to implementation of such alterations.

Change of timetable

It is to be expected that timetables will be changed in the Spring, at the start and end of the holiday period and in the Autumn. The first change of timetable after the commencement of contract is expected to be in Spring 2004. With changes of timetable beyond the above – except for changes in the timetables included in the general information for the individual tender units in subsections to Annex 1 - HUR will pay the additional costs involved in the contractor's preparation of new duty rosters, with an amount of DKK 1,000 per bus service for the timetable in question. Notification of which routes will be affected by a holiday timetable will be given on the introduction of the new timetable in the Spring.

Optimising the number of buses

HUR may – across contracts with the same company – combine the utilisation of the contract buses. Accordingly, HUR will only pay for the number of contract buses required for the company's total services for HUR. In such a case, payment of costs related to buses and bus hours will be subject to the service agreement most favourable to the contractor.

During the contract period, agreements may be made regarding the rearrangement of buses within the overall number of service agreements with the contractor.

Changes in payment, changes in routes, additional and relief services and other circumstances

Changes in the contractor's amount of services or the number of contract buses, as described above, will not affect the service agreement sum as far as fixed costs are concerned. As regards bus-related costs and costs related to the number of bus-hours, adjustments will be made in accordance with the rates stipulated in the service agreement.

HUR will reserve the right to change routes or to move the agreed services to other parts of the metropolitan area. In such cases HUR will pay /offset additional or reduced operations-related costs involved in such changes in respect of extra journey time to and from depots etc.

If, during the contract period, pilot projects are established on the contractor's routes or in his area, the contractor must participate in such projects according to further agreement. Likewise, upon agreement, the contractor must participate in testing new bus routes etc.

In order to ensure the most effective use of contract buses when they are not in use according to the payment schedules, HUR may demand that the contractor carries out scheduled additional or scheduled relief services on the routes served by the contractor or on other routes, at the agreed payments related to bus hours only. The contractor will be notified at least 1 month in advance, and such services will extend over at least 1 month.

If these additional or relief services are located at a considerable distance from the contractor's normal service area (more than 5 km away from a terminal used by the contractor), an agreement may be made that empty trips to and from the new area will be added to the payment schedule.

Upon agreement with HUR, any additional or relief bus services may be performed with replacement buses or other buses. Under these circumstances, a special agreement regarding payment will be made. During the contract period, it will be possible to agree on a fixed price for additional or relief services undertaken with replacement buses.

The contractor is obliged to allow driver representatives to take part in the timetable meetings with HUR, cf. Section 17.

11. Payment

Payments between HUR and the contractor may only be settled via the contractor's bank or giro accounts, and shall be effected in accordance with the procedures outlined in Annex 6.

The following stipulates the terms of payment.

Before the 10th day of each month, a statement must be submitted to HUR giving the number and hours of operation per bus for the previous month, with notification of any additional or relief buses, as well as the number of non-operated services and the reason for such non-performance. Special forms drawn up by HUR must be used for the submission of performance, including added or deleted services. The responsible manager of the contracting company, or other duly authorised person, must sign all statements. During the contract period, HUR may change the way in which this reporting is carried out.

It is the contractor's responsibility that the services are carried out according to the timetable, and that relief buses are always deployed in the event of a breakdown etc.

In collaboration with the road authorities, HUR is responsible for ensuring that, under normal conditions, operations can be carried out according to the timetable, and must advise the contractor of any discrepancies. Normal conditions means normal Danish weather conditions and normal road conditions, i.e. the designated routes, disregarding road works etc, are accessible and roadworthy for bus services.

On disruption of bus services, irrespective of the reason - other than by force majeure etc, see below - the contractor will receive normal payment related to bus hours – also for deleted services – because the setoff for

deleted services is calculated according to fixed rates per bus hour in an ascending scale, based on the percentage of deleted services for the month, cf. Annex 3. The percentage is calculated on a monthly basis in terms of deleted services (hours of operation) in relation to scheduled services.

If a bus service is deleted or delayed, because the bus is being held back by HUR, or because the contractor is re-establishing traffic regularity, the deleted service must be registered with respect to any customer enquiries. However, no setoff will be made in such cases.

If disruption to a service is caused by a traffic accident, extreme weather conditions or conditions similar to force majeure, the disruption will sometimes be in the nature of very big delays, possibly with short suspensions of operation. In such cases the setoff for the deleted service will be based on the hourly rate per bus at a maximum, and the deleted service will not be included in the calculation of the percentage of deleted services of that month.

To ensure that a deleted service is not included in the monthly calculations for deleted services, the contractor must prepare a report describing the reasons for deleting the service, and the measures taken by the contractor to maintain operations. HUR will then make a specific assessment of each individual case.

If non-performance is caused by the contractor's or his staff's negligence, or if the deleted services repeatedly affects the same areas/routes, HUR may invoke the contract provisions on negligence, cf. Annex 3.

On disruptions of bus services due to force majeure, including labour disputes, a setoff against payments for deleted services will be made on the basis of the fixed setoff rates stipulated in the service agreement regarding fixed costs and bus hour related costs. With respect to these deleted services, no payments will be made for fixed costs nor bus hour related costs. Fixed costs and bus-related costs for whole days are offset by 1/30 per day. For parts of days or parts of the service agreement, a proportionate share is offset, corresponding to deleted services as a percentage of scheduled services for the month.

If such disruption of services lasts for more than 7 days and is attributable to external factors beyond the contractor's control, the question of partial compensation of fixed costs and bus-related costs or other compensation

may be open for negotiation subsequent to a concrete evaluation. Deleted services caused by such circumstances will not be included in the percentage calculations of total deleted services.

In connection with the expected yearly tariff change, the contractor is required to assist in the technical and practical matters related hereto. Additional information on payment and ticket supply can be found in Annex 6.

12. Adjustment of monthly payments

Adjustments of monthly payments will be made as indicated in Annex 6.

In case of government intervention during the contract period causing major financial changes to the conditions on which the bid is based, both parties will be entitled to demand a re-negotiation of payment rates. Any dispute will be referred to arbitration, as mentioned in Annex 3.

13. Access to information – Disclosure

After closing of contract, and under EU tendering procedures, the following information will be provided to the EU:

- Name and address of orderer
- Type of contract
- Service description
- Procedure of Invitation to Tender
- Date of award of contract
- Names and addresses of contractors
- Disclosure of whether the contract is, or is expected, to be sub contracted, as well as the value thereof.
- Criteria for sub contracting

The same information, as well as any reservations, may be released to the press.

Additionally, after closing of contract, HUR may make the following information official:

- Names of pre-qualifying candidates

- Names of tenderers
- The average price per bus per hour for the approved contracts

No reservations can be made in order to restrict the above information.

The contractor and HUR must be loyal to each other at public announcements, including statements to the press. Public announcements, including statements to the press, regarding general traffic political questions with relation to HUR's area, should be carried out by HUR alone whenever possible.

14. Breach of contract, arbitration and other legal provisions

The rules governing breach of contract, set offs, arbitration and other legal provisions are set out in Annex 3. No reservations can be made to the contents of Annex 3

15. Performance Bond

To ensure the contractor's performance of the service agreement, an unconditional and irrevocable guarantee of DKK 100,000 per contract bus must be provided through a recognised bank or bonding company. The guarantee must be provided no later than 14 days after the closing of contract and will not be released to the contractor until 3 months after expiry of the contract period, unless any claims have been raised for release of the bond.

The guarantee must be drawn up as shown in Annex 3.

16. Transfer of services to new contractor ("virksomhedsoverdragelse")

Employees' legal position under transfer of services to a new contractor

Legislation regarding employees' legal position in case of transfer of services to a new contractor applies, and the tenderer can make no reservations for the law or its consequences.

All tender units (except for Tender Unit 3) are subject to the National

Agreement for Bus Services (“Landsoverenskomst for rutebilkørsel”) and its supplementary collective labour agreements agreed upon between the employer’s federation “Rutebilejernes Arbejdsgiverforening” and the trade union “Specialarbejderforbundet i Danmark.” Tender Unit 3 is subject to the collective labour agreement between ARRIVA Danmark A/S, the Association of County Councils in Denmark (“Amtsrådsforeningen i Danmark”) and the public workers’ union “Forbundet af Offentlige Ansatte.”

At the time of Invitation to Tender, HUR can disclose that the statistically calculated average wage seniority for tendered services at the start of contract between 1996 - 2003 – where drivers have been involved in a transfer of contract to a new contractor – has been as follows:

1996 – 8.2 years

1997 – 6.9 years

1998 – 6.1 years

1999 – 7.1 years

2000 – 6.8 years

2001 – no transfer of services to a new contractor

2002 – HUR has no information about the seniority level at the transfer of services.

If, at the commencement of contract, the actual wage seniority is greater than 9 years or lower than 5 years, HUR can adjust the payment related to bus hours. HUR will only adjust the payments for the part of the average wage seniority that is greater than 9 years and below 5 years. Adjustments presuppose that the contractor can document the average wage seniority at the commencement of contract.

During the full contract period, the contractor is obliged to grant the drivers who perform the tendered services conditions that, in respect of wages/salaries and pensions, are similar to, or better than those conditions, which during the contract period will come under the above collective labour agreement.

Tenders, which include reservations for the above provisions, will not be considered.

Procedures and conditions in relation to transfer of services to a new contractor

Immediately following the closing of contract, the contractor must offer em-

ployment to the staff permanently or predominantly engaged as drivers or maintenance workers on the tendered bus routes.

In the offer of employment, the contractor must specify that the employees are transferred with unchanged seniority and pension plans, and that they retain the wage arrangement during the contract period, as laid down by the contractor's collective labour agreement.

No later than 14 days after the closing of contract, the new contractor must approach the former contractor in order to be informed which staff will be included in the transfer.

No later than 30 days after the closing of contract, the new contractor must confirm the continued employment, as well as call information meetings for those drivers who will be transferred in connection with the transfer of services.

All information meetings must have been held no later than 2 months after the closing of contract. The new contractor must invite representatives from relevant industrial organisations, the drivers' former employer, as well as HUR's Contract and Quality Department to these information meetings.

The contractor is responsible for employing additional staff if fewer employees than needed wish to transfer their employment to the contractor. If, on the transfer of operations, the contractor needs new staff, the contractor must be willing to advertise these positions with the former contractor, before they are advertised elsewhere.

At the termination of the contract, the contractor must refund, directly to the new contractor, all expenses related to the transfer of staff to the new contractor, and related to the period of time before the new contractor assumes control of the services. These expenses include pay, pension contributions, special contributions, overtime payment, amounts corresponding to any accumulated time in lieu/excess hours, holiday allowance, holiday bonus, accumulated holiday pay etc.

The contractor must pay the amount corresponding to the above expenses no more than 4 weeks after the acquisition of the operations by the new contractor.

If the tenderer applies seniority standards among present staff, e.g. when planning duty rosters or when assigning holidays, these standards must

also be carried over for staff which are transferred to the contractor in connection with the acquisition of operations.

HUR has no knowledge of local agreements and practises associated with the tendered service. At the time of tender, the tenderer can therefore assume that there are no local agreements or practises that involve considerable financial burdens with respect to the collective labour agreement.

In case it appears that such agreements or practises did in fact exist, the contractor concerned must prove that they are of considerable financial importance, whereafter there will be an adjustment of the price during the period in which these agreements can be cancelled with the usual notice.

When tendering on tender units where the tenderer performs the service at the time of tender, any local agreements/practises of considerable financial importance, calculated into the tender price, must be disclosed on the Tender Form. In such cases, it must be stated in detail, which agreements exist and with which amount each agreement is contained in the tender price. In these circumstances, the tenderer must be prepared to account for how the stated amounts have been calculated.

17. Working conditions

Working environment

HUR requires that the contractor appoints a representative responsible for the working environment. This representative shall act as HUR's contact person for all questions related to the working environment.

It is required that the services are carried out under good working conditions, and in accordance with the working environment legislation.

In this context, HUR refers to the instructions with regard to the problem areas emphasised in the National Labour Inspection ("Arbejdstilsynets") 17th Working Conditions Guide for the transport of passengers. The following problem areas are particularly emphasised in the Working Conditions Guide:

- Accidents
- Psychological working environment
- Noise

- Vibrations
- Indoor climate
- Lifting and working positions

Please refer to Annex 8, where the tenderer must describe how the working environment legislation's demands are fulfilled on particular areas.

HUR is aware of the fact that some of its drivers are of other ethnic origins. HUR therefore requires that all of its contractors devise an integration policy that ensures professional and social integration in the workplace. A statement hereof must be included in the tender, cf. Annex 8.

It is the contractor's duty to ensure a healthy and safe working environment for drivers as well as the other staff in the organisation. As documentation for the fulfilment of this duty, the contractor must conduct a yearly survey of the drivers' and all other staff's satisfaction with the working environment, including HUR's contributions, e.g. driving time/stopping time, accessibility, common rooms, bus stops etc.

In order to be able to compare results, HUR will define the fundamentals of the satisfaction survey. The practical preparation and implementation of the satisfaction survey will therefore be agreed upon between HUR and the contractor.

The contractor must provide HUR with a regularly updated organisation plan of the contractor's safety and co-operation committee. Furthermore, information regarding the working conditions discussed by the contractor's safety committee (e.g.: layout of driver's seating area, cleaning and maintenance of buses, buses' indoor climate etc) must be made available to HUR. A statement on how the above will be observed must be included in the tender, cf. Annex 8.

With the purchase of buses, HUR makes particular demands on driver involvement with the layout of the driver's seating area, cf. Section 4 on the layout of the driver's seating area.

Every year, HUR works out a procedural plan for "timetable co-operation." This plan includes, amongst others, deadlines and procedures for reporting suggestions for alterations etc. The timetable process is agreed upon between HUR and the contractor at the yearly timetable meetings, where trade union representatives, safety representatives and/or route representatives participate, cf. Section 10.

Drivers' training

HUR demands that the contractor nominates a representative responsible for training. This representative shall be HUR's contact person for all questions relating to education and training, cf. Annex 8.

The contractor must ensure that his staff are trained in HUR's tariff system so that ticketing is carried out correctly and effectively. It is the contractor's responsibility that the ticketing is carried out correctly, and that the drivers have the necessary amount of tickets, correction tickets, and change at all times. If the bus is left unattended during a stopping time interval, then the driver must collect fares from new passenger before departing the terminal.

It is the contractor's responsibility that all drivers, and other staff members concerned, are trained to operate and carry out fault complaints of the agreed IT systems on the amount of services and number of buses stipulated in the contract.

Equally, the contractor must ensure that the drivers are fully uniformed and that they appear neat and presentable in front of the customers.

Furthermore, the drivers must give customers a correct and friendly service, and must be able to operate the bus correctly under all conditions, as well as drive the bus in a passenger-friendly and energy efficient manner. Announcement of bus stops and tariff zones must be made in accordance with the stipulations determined by HUR. Additionally, drivers must be familiar with the traffic network in such a way, that they are able to advise passengers. Drivers must be familiar with Danish to such an extent, that they can fulfil all of HUR's service requirements. Equally, drivers must be trained in handling conflicts.

The following HUR literature contains HUR's service requirements, which must be familiar to the drivers:

- Travel Handbook ("Rejsehåndbogen")
- Travel rules ("Rejseregler")
- HT-drivers' Service Handbook ("HT-chaufførens Servicehåndbog")
- Particular travel rules, described in HUR's timetable booklet

Furthermore, HUR would like to ensure that the drivers and middle managers have sufficient knowledge of HUR's organisation and the distribution of

responsibilities between contractors and HUR.

HUR expects that the drivers' and middle managers' are regularly updated on this information via further training. The contractor is in this respect obliged to co-operate with HUR on improving the further training.

A statement detailing how the above will be carried out must be included in the tender, cf. Annex 8.

Certification of bus drivers

Since 2000, HUR has been developing a concept regarding certification of the contractors' drivers. The aim of the certification concept is to focus on the training and service requirements that HUR have assigned to the position of bus driver. The demands that the drivers have to meet are described in the section about drivers' training, and in the HT-drivers' Handbook. HUR makes the demands – the contractor decides on the method (leadership, communication, motivation, training etc) – and an independent party must ensure that the demands are met.

All drivers who perform services in accordance with this 13th Invitation to Tender must be certified within the first contract year. New staff, who are not certified – must be certified no later than 6 months after they have been employed. Certified drivers must be re-certified every 3 years. Failure to comply with the rules relating to the certification of drivers will entitle HUR to apply sanctions, as stipulated in Annex 3.

The contractor is responsible for the training. Certification consists of 2 tests – one theoretical and one practical test. The theoretical test consists of a series of questions about the zone/tariff system and the quality thereof. The questions, compiled by HUR, are based on the demands on the driver's customer service. The practical test is carried out by an independent party and contains observations of the driver's driving and service skills (e.g. servicing customers, announcing bus stops etc.) on a randomly chosen run.

In addition to the training expenses, the contractor must expect test fees of DKK 120 per theoretical test and DKK 400 per practical test. The test fees are regularly adjusted during the contract period with the point of reference being the summarised wage index for December 2002.

At the same time, HUR expects that the contractor will set time aside for

assisting in the test planning, reporting of information and completion of the tests. The theoretical test lasts approx. 1 hour and can be taken on the contractor's premises, at the training premises, or other agreed premises. The tasks associated with certification require that at each bus depot, there is at least one staff member who is responsible for the drivers being certified, and who liaises with the impartial party and with HUR.

A more detailed description of the operational organisation will be issued no later than at the start of the contract.

Staff benefits

The contractor and those staff who are permanently or predominantly engaged in the services agreed upon with HUR, may be issued with HUR Free Travel Passes in accordance with the stipulations in force at any time.

Information to the drivers

HUR demands that the contractor appoints a representative responsible for information. This representative shall act as HUR's contact person with regards to all questions concerning the transfer of information from HUR to the drivers, cf. Annex 8.

Relevant instructions concerning the service, information material, notices, tariff conditions etc. must be available to, and be familiarised by, the drivers.

Furthermore, a statement must be produced explaining how the contractor will ensure the forwarding and putting up of general or internal information from HUR to the contractor's staff members, cf. Annex 8.

18. Operational and traffic management demands

It is the contractor's responsibility that the driving is carried out in accordance with the stated timetables/service schedules.

In order to ensure the agreed traffic flow, the contractor is obliged to regularly observe the execution of the services.

In those situations where traffic or other external conditions negatively affect the planned service, it becomes the contractor's duty to intervene im-

mediately. The contractor's measures must ensure that the regular service is resumed as soon as possible and that the passengers are inconvenienced least possible.

The tender must include a description of how the contractor will observe the flow of traffic, and how, in the case of irregularities, he will intervene with active traffic management.

The description must also contain information about the contractor's operational management, business procedures, deployment of resources, use of supporting material, and how concluded activities are documented.

It is expected that all buses for A-bus routes are equipped with IT equipment from the start of the contract. The IT equipment will, amongst others, give the contractor the possibility of observing the current execution of services on the bus route.

The contractor of A-bus routes is obliged to operate the IT system, as well as account for the use hereof for the purpose of active traffic management, cf. Annex 5.

Unless otherwise agreed at the commencement of the contract, the contractor is obliged to enter an agreement with HUR during the contract period, with respect to how HUR's IT systems are employed. The agreement will contain conditions and guidelines for how HUR's IT equipment is employed for service observation, active traffic management and documentation of the service performance.

If, at the commencement of the contract, it is agreed that the contractor is to employ his own IT equipment for the service observance, active traffic management and documentation of the service performance, then the contractor must describe how the IT equipment will be employed for the above mentioned activities.

During the periods of operation, HUR must be able to contact the contractor, or one of the latter's representatives, at any time.

It is the contractor's responsibility that any capacity problems that have suddenly arisen on the agreed services are solved as best possible. HUR expects that subsequently, the contractor will take an active part in uncovering the reasons for the problems and in suggesting solutions to future capacity problems.

In the case of a bus break down or the like, it is the contractor's duty to always run a replacement bus service.

With respect to the scheduled services for HUR, buses may not stand/be parked on any other than the bus parks/terminals approved by HUR. The proposed space at terminals is to cater for the planned number of contract buses only. It is therefore not to be expected that there is room for parking replacement buses and transfer vehicles at terminals.

HUR must be notified if replacement buses are garaged somewhere different to the contract buses.

Contract buses may be used for other services outside the operation time of HT-services, as long as the HT logo is concealed. HUR must be informed in writing prior to such other use. If HUR wishes to reinstate the buses for HUR services, the buses must be released from the other services with a 2-month notice. The agreed replacement bus park must always be available in case of breakdown etc.

Under unusual service circumstances, for example at demonstrations or where there is a large flow of customers at certain times and/or places, it is the contractor's responsibility, through active management assistance, that the service is completed with the least possible inconvenience for the customers.

When sudden traffic situations arise, the contractor's drivers must obey the operational instructions provided by HUR's Traffic Service or from the personnel at HUR's Help Desk.

Following further agreement and against payment, the contractor must be willing to put up and replace route and timetable information at the bus stops utilised by the contractor.

The contractor must ensure that buses at terminals are checked for lost property, and that the lost property is collected, registered and handed over to the police. Lost property enquiries made to HUR's Help Desk will be referred to the contractor, who will therefore be able to respond to customer enquiries during normal office hours, i.e. at a minimum between 09.00-15.00 hrs during weekdays. Office hours must be disclosed in the Service Statement, cf. Annex 8.

Required distribution of mail and/or emptying of post boxes, imposed in accordance with legislation, must be arranged with Post Danmark. Earnings hereof go to the contractor.

19. Quality Control

HUR continuously works on improving the quality of the bus services.

Therefore, contractors who deliver quality that meets the objectives stipulated in respect of customer perception of the service quality, will be rewarded by HUR with a bonus.

HUR's service quality assessment system – The Contractor Model – will be used to assess whether the objectives are met (cf. Annex 7).

HUR has determined targets for the quality that is continually required for the individual assessment points. The targets for the individual assessment points are disclosed in Annex 7.

This year's results of the quality levels reached on the existing tendered routes are available from HUR upon request.

The results of the quality tests are continuously electronically available to the contractor via the Internet.

For a specific assessment point of the contractor's services, the bonus may constitute up to 5% of the price per bus per hour. The total bonus fund constitutes 1.5% of total payment for the services comprised by the 13th Invitation to Tender.

If the contractor does not meet the required customer satisfaction, there will be a reduction of payments relative to the importance of the assessment point and the degree of non-performance. The reduction in payment will not exceed 1.5% of the contract sum for a specific assessment point.

HUR demands that the contractor appoints a representative responsible for quality control. This representative shall act as HUR's contact person with regards to all quality control questions.

During the contract period, it may be agreed to make certain adjustments of the assessment scope, assessment points and quality targets, provided

that past experience, the statistical basis, and the continual follow-up – which is carried out in co-operation with the contractors – justifies such adjustments.

20. Bus transfer at the expiry of contract

Submission of tenders with new buses may stipulate bus transfers to a new contractor at the expiry of the agreed contract period.

However, a tender must additionally always contain an offer for services without bus transfers.

If HUR accepts a tender including bus transfers, the contractor can with a future tender of services, in case the service is not regained, demand that the new contractor takes over those buses that are part of the contract at its expiry. In such a case, the buses are transferred directly between the former and the new contractor. Procedures and guidelines for bus transfers are described in more detail in Annex 9.

The price of take-over is worked out as a linear depreciation of the buses' initial cost, as described in more detail in Annex 9.

Demands cannot be made on HUR in relation to the bus transfers between the two contractors.