

Moscow Seeks \$6.45Bln in Metro Cars

By Alexander Panin

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A Siemens train like this one might travel in the Moscow metro if the German company enters and wins the tender.

The Moscow City Hall's transportation department on Tuesday announced plans to collect bids for a \$6.45 billion contract to supply and further service 2,500 to 3,500 metro cars.

A tender for the cars, which are to be delivered in 2015-2020, will be held in August.

The contract is the first of its kind for the Moscow metro and constitutes an approach to private-public partnership that has been used in Europe for the last two decades, the transportation department said in a statement.

The winner will be awarded a 30-year contract to first supply metro cars and provide maintenance services. The investor takes all the responsibility for project management and financing.

The government will make regular payments for the rolling stock and its maintenance over

the whole life cycle of the contract.

Previously the Moscow Transportation Department purchased metro trains exclusively from Russian railway equipment maker Transmashholding, and maintenance was carried out by the metro itself.

City Hall will hold a first-ofits-kind tender for 2,500 to 3,500 metro cars in August, and the winner will get a 30year contract.

Speaking about he benefits of the new type of contracts, Artem Ledenev, a spokesman for Transmashholding, said that it is interesting for the customer as there is no need to pay the full price for rolling stock upfront. The supplier's interest is in having a large long-term order being placed together with further servicing of the trains.

"This new approach will improve the quality of metro train maintenance while saving from 15 to 20 percent of the annual budget," Deputy Mayor Maxim Liksutov said in a statement.

The total cost of the metro cars is estimated at 200 billion rubles (\$6.45 billion). Train maintenance for the whole lifecycle will cost roughly the same amount, according to the transportation department's calculations.

"The project is interesting to us since we already supply train cars for the metro and we will participate in the tender," Artem Ledenev said.

But the competition will be tough, he added, as all major producers might also bid for the contract.

"This is a large contract and the interest in it is very high," Ledenev said.

Besides Transmashholding, Sinara, Uralvagonzavod, CAF, Hitachi, Bombardier, Alstom, Siemens, Hyundai, CSR, CNR and Skoda are also interested in participating in the upcoming tender, the Moscow Transportation Department said.

The private-public partnership will be first tried out at the Novogireevo metro depot, where the cars of the Kalininskaya line are serviced. The experience is then to be spread out throughout the whole Moscow subway system, with a goal to replace all old trains.

The Moscow metro currently operates a total of 4,800 cars. Last year the rolling stock running at the Koltsevaya line was fully replaced with new cars made by Metrovagonmash, a Transmashholding subsidiary. Moscow Mayor Sergei Sobyanin said earlier that the city plans to fully replace old metro trains by 2020.

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