



Contracts for the procured public transport 2013 **Summary**
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Transport Analysis

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Publisher: Brita Saxton

Publication date: 2015-06-23

Summary

In Sweden, for almost 20 years, the vast majority of regional public transport has been provided through procurements. However, little is known about the contracts regulating the agreements between the 21 competent local authorities (CLA) in the regions and commercial operators. That is to say, very little is known about how the conditions of the contracts affect supply, travelling volumes, costs and efficiency. There is no coherent follow-up of the many contracts signed by CLAs.

Transport Analysis has for three years worked on collecting data about the contracts of the CLA:s, their attributes, possible incentives, supply, travel volumes and costs for each contract. In this report we summarize the findings from 350 contracts for bus transport in 2013. We believe the dataset is of reasonably good quality.

About 96 percent of all supplied public transport by bus in Sweden is subsidized through the CLA:s. The subsidized buses are regulated by 350 contracts between the CLA:s and 92 commercial operators. As much as 83 percent of the supplied bus kilometers are by large foreign owned operators, with the three largest being Nobina, Keolis and Veolia. The regions have between one and 63 contracts which means there are large differences in the size of the contracts: from transport with one single bus to 336 buses.

Of total supplied kilometers 41 percent are regulated with contracts without any incentives at all, 45 percent with low incentives (under 25 percent of payments based on incentives) and 14 percent of supply are with contracts with high incentives (25 percent or more). A handful of contracts have 100 percent incentive payments, i.e. all of the payment to the operators is based on the number of passengers. This kind of extreme incentive contract is new to Sweden and little is known about their effects.

The cost for subsidized public transport in Sweden is covered with, on average, 50 percent by taxes and 50 percent by ticket sales. In the report we describe the cost to the CLA:s for one supplied kilometer or one passenger. In summary supply of public bus transport measured in bus kilometres, is more expensive in the large city areas than elsewhere, more expensive the larger the incentives and more expensive the larger the contract volume. On the other hand a trip by bus is for the CLA:s cheaper in large city areas, cheaper the more incentives the contract has and cheaper for larger contracts. These are just descriptive statistics and there are a large number of confounding factors. However, multivariate analysis is beyond the scope of this report.

The CLA:s have the knowledge required to make detailed analysis on the contracts and their qualities. The dataset collected and presented in this report is available for anyone who wants to go further in building up knowledge about the bus contracts.



Transport Analysis is a Swedish agency for transport policy analysis. We analyse and evaluate proposed and implemented measures within the sphere of transport policy. We are also responsible for official statistics in the transport and communication sectors. Transport Analysis was established in April 2010 with its head office in Stockholm and a branch office in Östersund.