TRANSPORT ANALYSIS

Contracts for the procured public transport 2015

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Publisher: Brita Saxton
Publication date: 2018-06-07

Summary

In Sweden, for the last 20 years, the vast majority of regional public transport has been provided through public procurements. However, little is known about the contracts regulating the agreements between the 21 public transport authorities (PTA:s) in the counties, and the commercial operators. That is to say, very little is known about how the terms of the contracts affect supply, travelling volumes, costs and efficiency. There is no coherent follow-up of the many contracts tendered by PTA:s.

Transport Analysis has in three different projects collected data about the contracts of the PTA:s, the attributes of the contracts, possible incentives and supply, travel volumes and costs for each contract. In this report we describe the contracts of regional bus traffic during 2015. This latest data collection has also been supplemented with a mapping of all regional rail services.

The vast majority of regional bus services in Sweden are subsidized by the PTA:s, and most of the services are run by operators contracted through public tendering. There are also a few municipal and county-owned companies which provide bus services. The bus traffic during 2015 was administered by 304 contracts between the 21 counties´ respective PTA and 68 different operators. Large foreign-owned operators accounted for two thirds of the supply measured in kilometers.

The number of contracts in the counties varied from one single contract (Blekinge and Dalarna County) to 63 contracts (Västra Götaland County). The contracts covered everything from one single bus to the traffic of an entire county with 348 buses. The average size of a contract was 30 buses and the median 10 buses. Supporting regional competition is stated by PTA:s as an important reason for having many smaller contracts, while economies of scale and operational reliability are indicated as reasons for fewer and thus larger contracts.

Of the traffic supplied (in number of kilometers), 41 percent were contracted without incentives, 45 percent with low incentives (less than 25 percent of payments) and 14 percent with high incentives (25 percent or more of payments). A handful of contracts had 100 percent incentive, which in these cases meant that the compensation to the operator depended entirely on the number of passengers.

The train service contracts are more difficult to map than the bus contracts, as train contracts usually cover complex cross-border co-operation. In addition, one particular train can accommodate two kinds of travellers on the same train, those traveling on the operator's own tickets at a commercial price and those traveling within PTA:s subsidized ticket offerings. For regional rail services on the public rail network, we have received data of 16 contracts, which we believe cover practically all Swedish subsidized regional rail services. There are six different operators in these contracts where SJ (the incumbent) is the largest operator measured in train kilometers, followed by Arriva and Transdev. Very little train service in Sweden is provided with private (i.e. not state owned) operators.

More or less all train service contracts have some kind of incentive. Incentives may be based on the number of passengers, punctuality, customer satisfaction and other types of performance quality that may include onboard staff, vehicles or information. Some agreements focus on positive incentives while others have deductions when quality standards are not met.

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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.

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