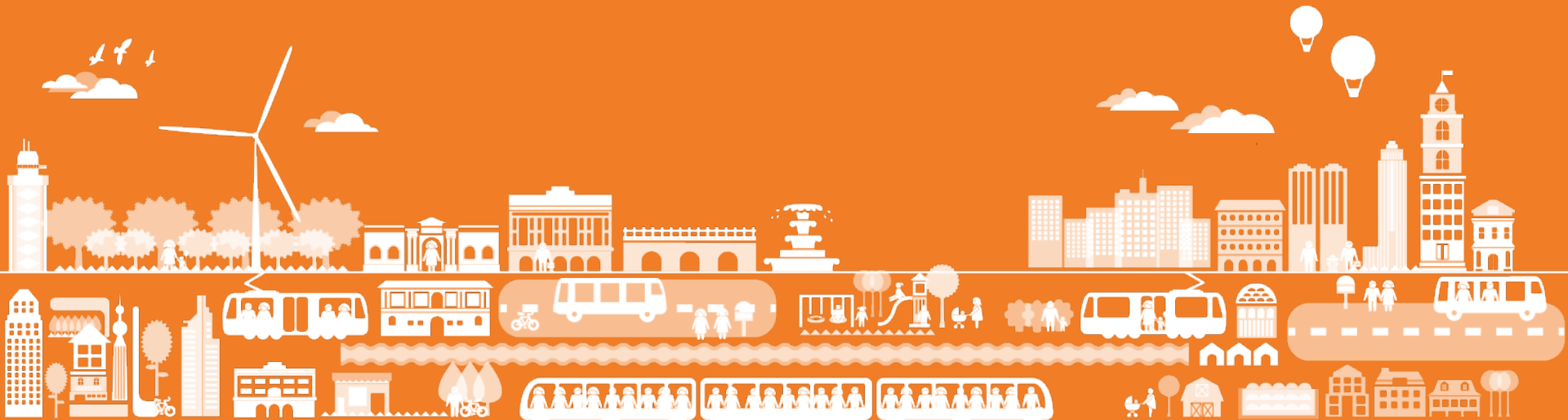


Flexibility in contract design – is that possible?

Thredbo 16 Conference
Singapore 25-30/8/2019



Flexibility in contract design – is that possible?

Panagiota Tsaxiri, PhD student
Linköping university, VTI/K2

Carolina Camén
Karlstad university, SAMOT

Malin Aldenius, PhD student
Lund university, K2

Helene Lidestam
Linköping university, VTI/K2



SAMOT

THE SERVICE AND MARKET ORIENTED
TRANSPORT RESEARCH GROUP



LUNDS UNIVERSITET



Introduction

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

- In Sweden, public transport services are public procured
- What we meant by flexibility?
 - Flexibility in bus contracts concerns the freedom of the operators
 - Flexibility in designing contracts can be used as a strategy or management tool
 - Trade-off regarding the degree of freedom in contracts

Aim

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

- To describe how flexibility has been viewed historically in bus tendering documents
- To find out the opinions of the actors about flexibility in contracts



businessleader.co.uk

Method and data collection

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

Data has been collected in three ways;

(i) *by using tender documents,*

- Ten years (2008-2018) corresponding to 95% of all procurements
- Each procurement contains around 100 pages
- Statistical analysis was performed

(ii) *by conducting interviews with stakeholders (PTAs, operators and experts in the area),*

- 8 stakeholders
- Face to face, telephone interviews, video call
- 50-90 minutes.
- Recorded
- Notes were taken

(iii) *by organising a workshop*

- 16 participants
- Two main topics (what is flexibility in general and flexibility related to contractual issues)
- Recorded
- Notes and photos were taken

Results

Agenda

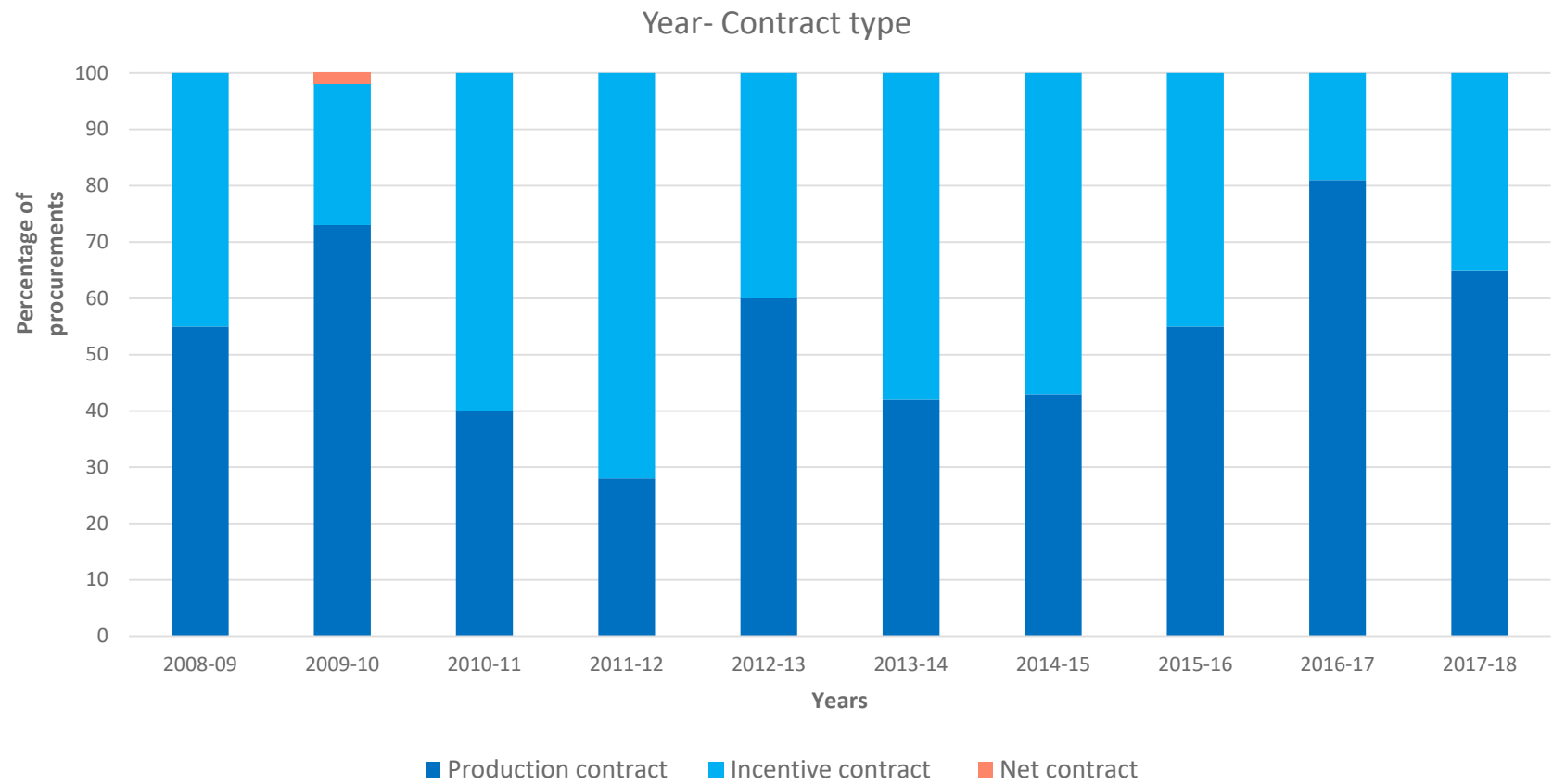
- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

- Tender documents
 1. Contract type
 2. Timetables
 3. Bus size
 4. Maximum / average age
 5. Policy documents
- Interviews and workshop

Contract type

Agenda

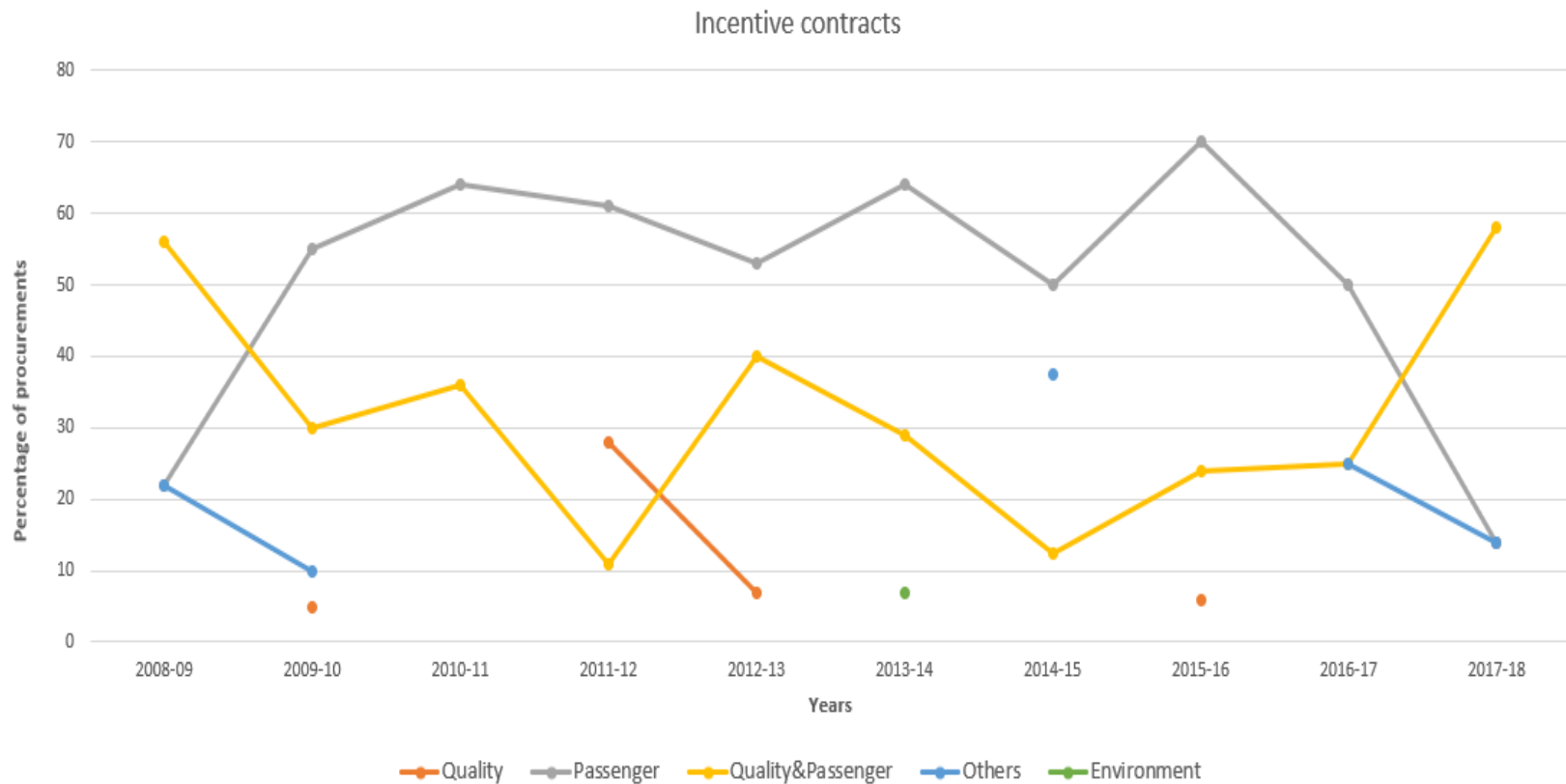
- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions



Incentive contracts

Agenda

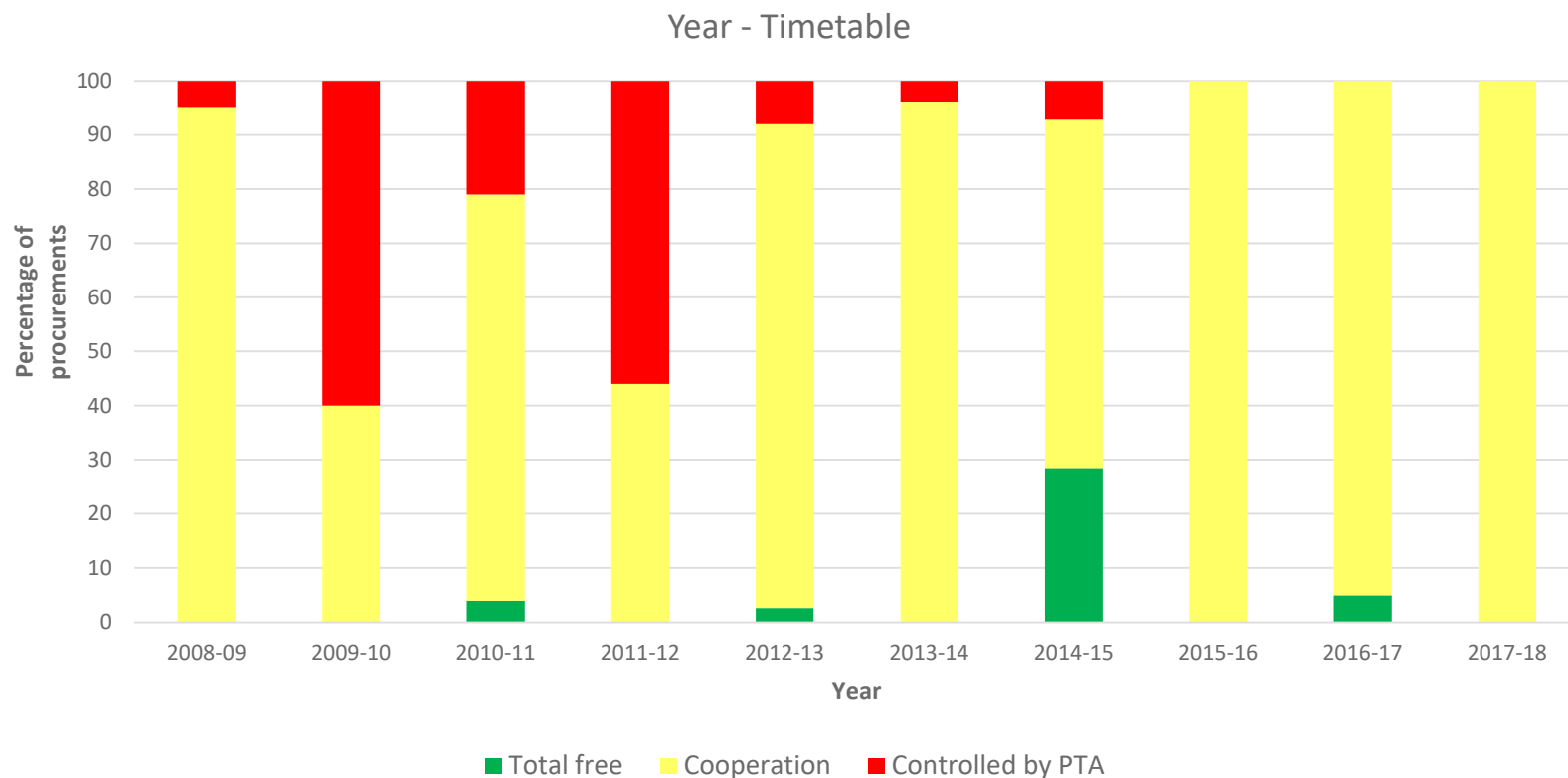
- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions



Timetables

Agenda

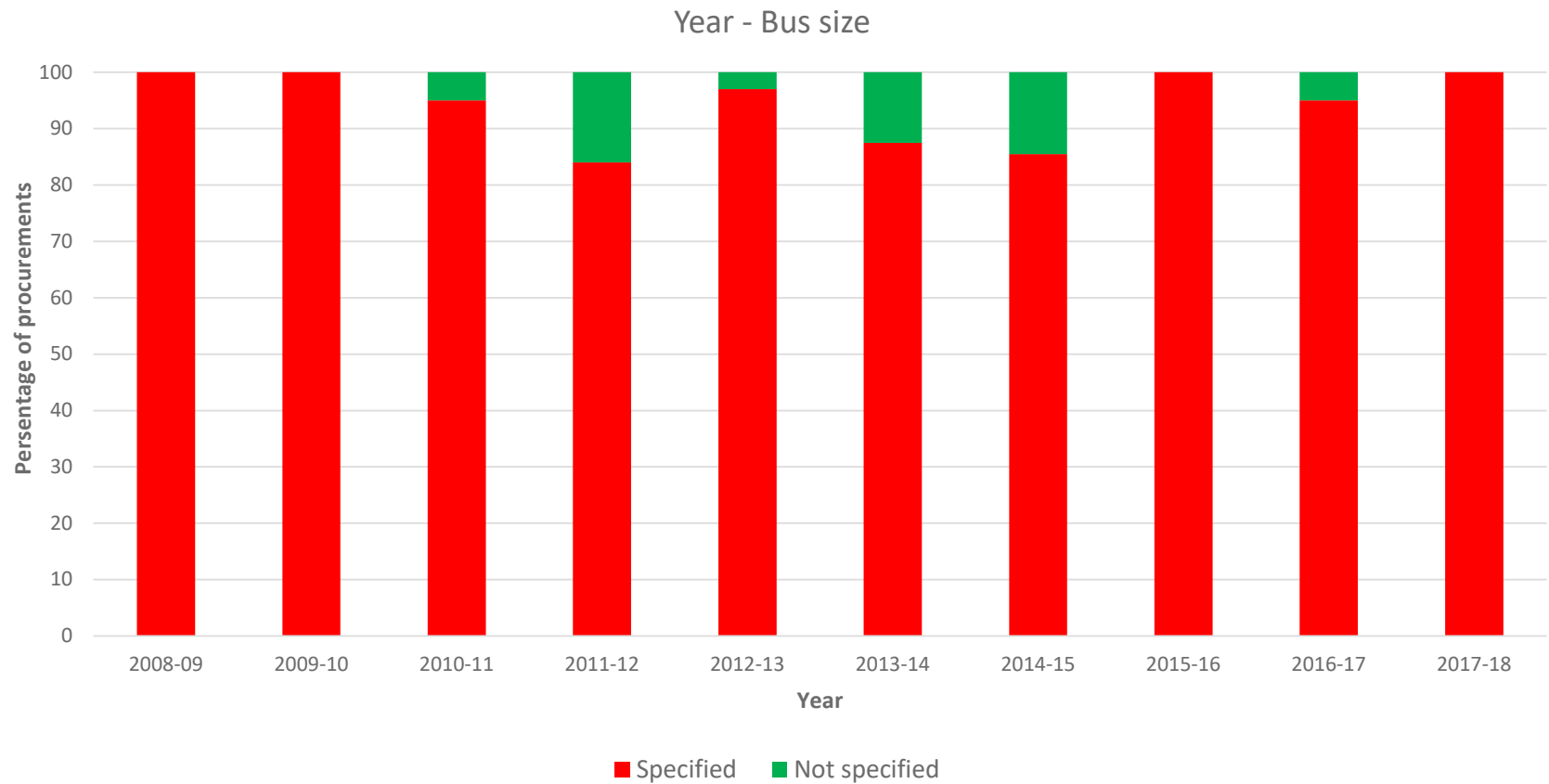
- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions



Bus size

Agenda

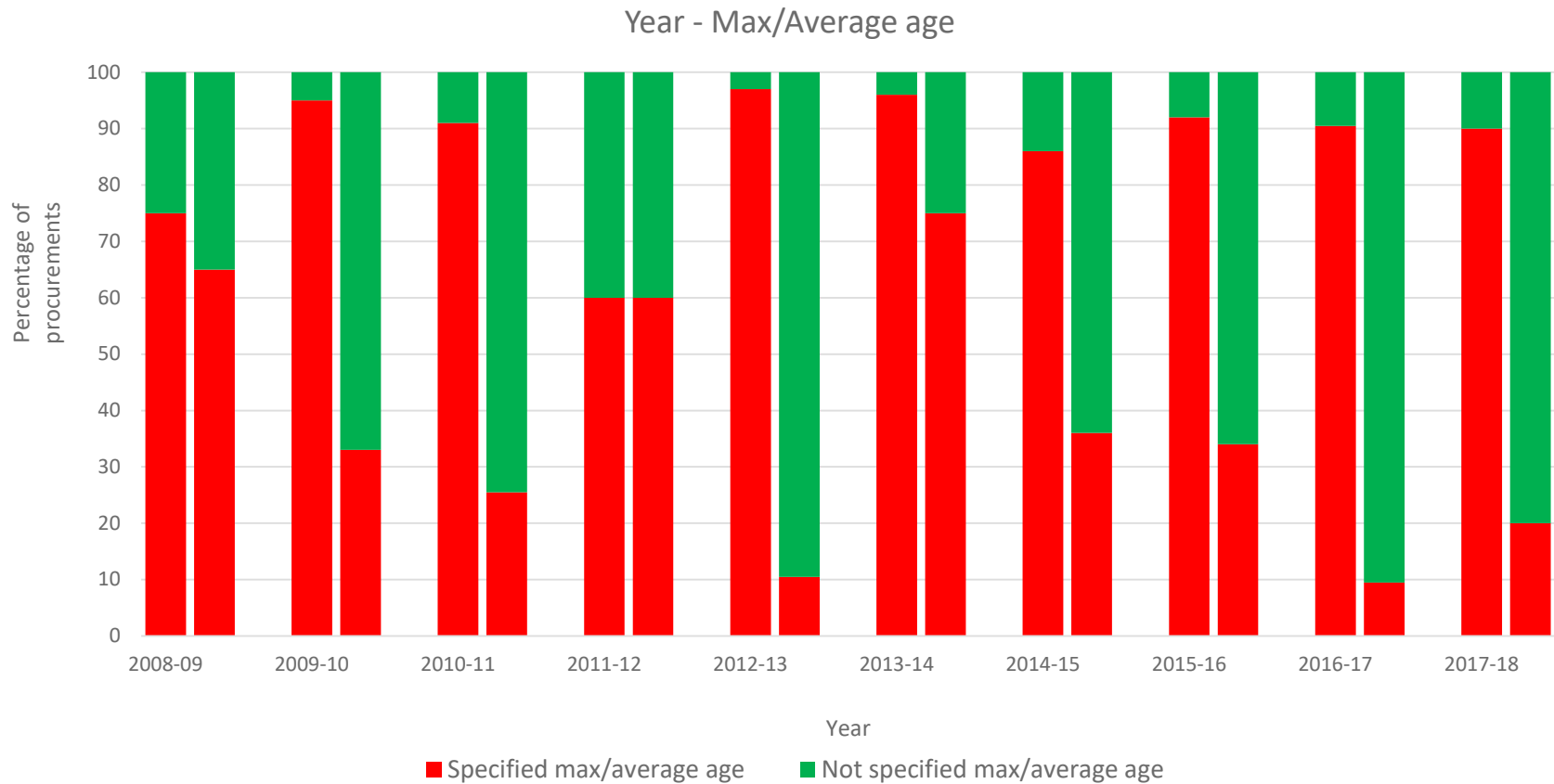
- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions



Maximum/ average age of buses

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions



Interviews and workshop

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

Examples of the identified aspects

- Changes in ongoing contracts
- Clear aim with the procurement
- Dialogue and communication
- Driving forces
- Timetables, bus size etc

Contributions

Agenda

- Introduction
- Aim
- Method - Data
- Results
 - Tender documents
 - Interviews and workshop
- Contributions

- Understanding of how flexibility in a historical perspective has been described
- Many factors are still decided by PTAs in contracts
- Flexibility in general is in low level
- Changes seem to be going on in public transport business
- How to design contracts and how to manage flexibility

A stylized illustration of a city skyline. The scene includes a wind turbine on the left, a hot air balloon on the right, and a train in the foreground. The background is a light blue sky with clouds and birds. The city features various buildings, including a tall clock tower, and a park area with trees and a fountain. The overall style is clean and modern, using a limited color palette of blues, greys, and greens.