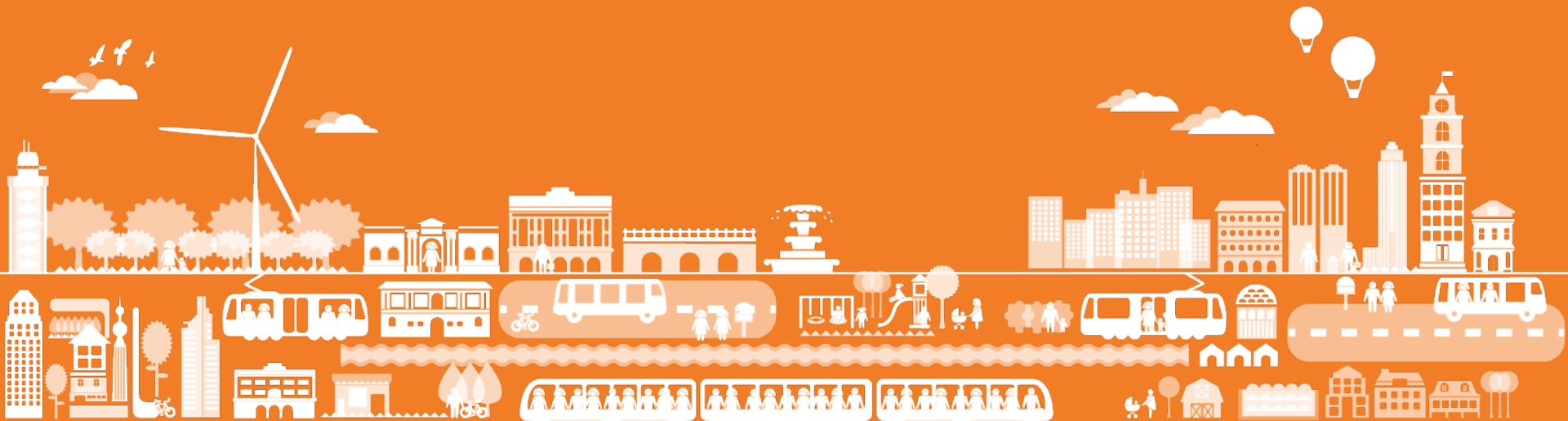


Shaping contracts, shaping markets: standardization and procured bus traffic in Sweden

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A different perspective on "The market" applied on standards.

Outline:

Sweden

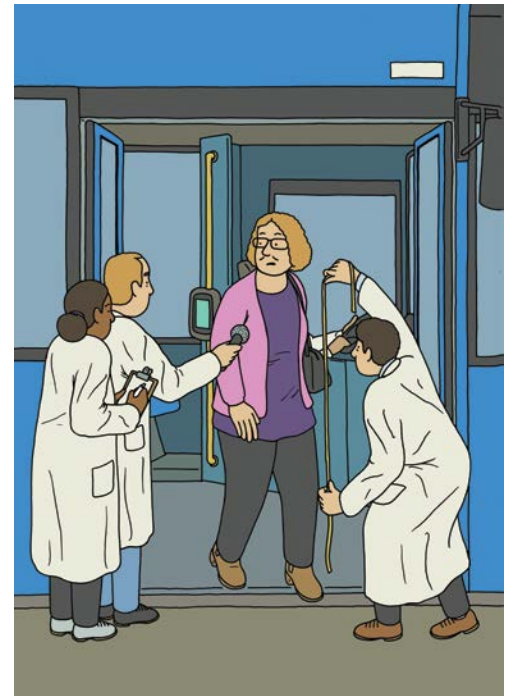
Theory – our approach to markets and
standards

Standards

Findings

Conclusions

Questions



Swedish context – short!

Three steps:

Early 1990's – start of public procurement inspired by NPM.

2008 The work of the Partnership for Public Transport (in Swedish: Partnersamverkan) was launched.

Multistake holder organization with operators and authorities.

Contracts and the procurement process the main topics

2012 a new act governing public transport entered into force in Sweden. PTA's crucial in the public procurement system.

Procured public transport is dominating the market in Sweden, covering 90 percent of the supply (vehicle-kilometers of traffic on the road)

This study: Interviews with 11 key actors in the industry on the role of standards. Part of a wider K2-study on Non-contractual factors in PT.



Our theoretical inspiration

Economic sociology:

Markets are created or organized.

Markets are not to be taken for granted: **how** they are created and organized can be studied

Calculating
before
bidding

Shadow calculations

Organization theory

Bidding strategies

Calculative practices

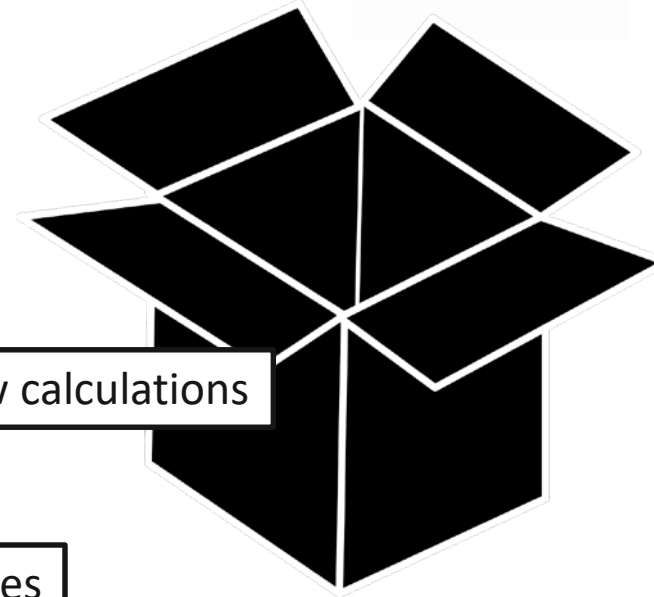
Project organising

Organizational practices

Fields of knowledge

Forms of collaborations
between operators and
PTA's.

Consultants' KS



Thus not... ...But...

(Neo-)classical economics with its theories, assumptions and mathematical methods

We can't answer the question: "What type of contract is the best: production oriented or incentive oriented?"

We are instead interested in "non-contractual factors":

Consultants and intermediaries

The importance of calculations and investment assessments.

Social networks and forms for collaboration.

Diffusion of technology.

Standards



Standards?

Three main characteristics:

A specific type of rules

Formally voluntary

Intended for common use.

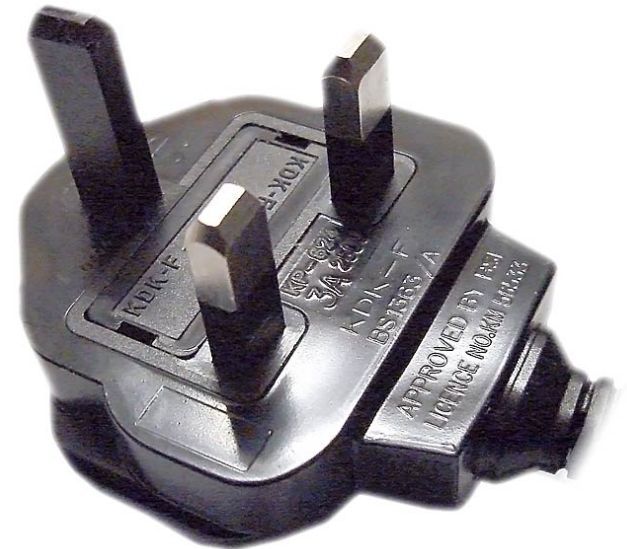
Three types of classifications:

Technical or Non-technical

Regulate either Processes or Outcomes

De jure or De facto

Standards: are supposed to emerge from market participants themselves.
Regulations are something else...



What is standardised in the contracts in Sweden?

Topic	Documents
Agreement	H1 Model agreement Bus and track 2016.pdf H2 Model agreement Call-controlled (on-demand) traffic 2016.pdf
Terms and conditions	H3 General terms Service concession bus and track 2016.pdf H4 General conditions Production and travel incentive bus and track 2016.pdf H5 General terms Call-controlled (on-demand) traffic 2016.pdf
Operations description	H6 Operations description Service concession bus 2016.pdf H7 Operations description Travel incentive bus 2016.pdf H8 Operations description Production bus 2016.pdf H9 Operations description Service concession tracks 2016.pdf H10 Operations description Travel incentive tracks 2016.pdf H11 Operations description Production track 2016.pdf H12 Operations description Call-controlled (on-demand) traffic 2016.pdf
Price appendix	H13 Price Appendix Service Concession Bus 2016.pdf H14 Price schedule Travel incentive bus 2016.pdf H15 Price attachment Production bus 2016.pdf H16 Price attachment Service concession tracks 2016.pdf H17 Price schedule Travel incentive tracks 2016.pdf H18 Price attachment Production track 2016.pdf H19 Price attachment Call-controlled traffic 2016.pdf
Business development agreement	H20 Business Development Agreement 2018.pdf H20 Model agreement Cooperation agreement 2016 (NB older version, replaced by business development agreement from 2018) .pdf

Plus attachments: **Bus Nordic** (technical standards for buses), the Recommendations of the **Index** Council (standardized calculation models for remuneration index, e.g. labour cost and fuel price), **Safety/Security requirements** as well as **Environmental requirements**.

Findings on model agreements formed by "The Partnership for Public Transport".

- Regulate both processes and outcomes
- Different uptake amongst PTA's ("*Smorgasbord*")
 - Three largest create their own contracts
 - Smaller PTA's more dependent on standard contracts.
- The tension Partnership vs Swedish Bus and Coach Federation ("*Särkrav*")

Finally, three results

- Standard setting process seen as inclusive and important.
- Standard adaption is fragmented as regards geography and organisation
- Contract standardisation as something ongoing – contentious but still continuing.

.... Or four?

- Standards always at the brink of collapse?
Strength: allocating financial risks!

The End

- Thanks !
- Questions?

Comments?