



# Facts and figures on public procurement in Sweden

Statistics concerning procurements conducted during 2014

**REPORT 2015:9**

The National Agency  
for Public Procurement



**KONKURRENSVERKET**  
Swedish Competition Authority



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# Preface

On 1 September 2015 the Swedish Competition Authority's procurement support service became a separate agency – the National Agency for Public Procurement. The Swedish Competition Authority still has a supervisory responsibility within this area. Both authorities have assignments involving statistical issues and we intend to cooperate closely so that the same data can be used for investigations and analyses of public procurement in Sweden. In this way we can help our stakeholders by providing homogeneous and qualitative data that they can use when making their strategic decisions.

In this report we present statistics regarding the procurements that were published during 2014. The report also includes, analyses regarding the participation of small and medium-sized enterprises in procurements, statistics on systems of choice and a section regarding public sector payments which is based on a previous commissioned research report.

The report is a direct translation of the Swedish version.

Stockholm October 2015

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## Summary

We estimate the total purchases subject to procurement regulations in Sweden at SEK 625 billion for 2012. This corresponded to approximately a fifth of GDP (excluding VAT). As a share of GDP the value has not changed since 2006.

During 2014 a total of 18,407 procurement notices were published in accordance with the procurement laws for that year. This was seven per cent less than the previous year. The decrease can be explained by the fact that the threshold for direct awards of contracts was raised during the year and that, as a result, the number of procurement procedures needing to be published diminished.

36 per cent of the published procurements were governed by the EU's public procurement directives. This percentage has increased over the last five years.

Out of the total number of published procurements in 2014, 7.6 per cent were subject to review procedures. Review procedures are almost twice as common in procurements governed by EU directives as they are for those falling outside the scope of the directives.

Eight out of ten tenderers are small enterprises or micro enterprises. Only four per cent of tenderers are large companies. However, four out of ten bids submitted in procurement procedures come from large companies.

Nine per cent of procurement procedures are cancelled. The sector with the highest share of cancelled procurements is *construction industry*. The share of procurements that are cancelled has increased annually since 2009.

Government authorities, municipalities and county councils paid out SEK 741 billion to third-party suppliers/contractors in 2013. Over a third of these payments went to other public sector organisations.

## Terms and abbreviations

The following terms and abbreviations are used in this report:

**CPV** – Common Procurement Vocabulary. CPV is a classification system with numerical codes that is used to describe what is being procured. Every procurement notification is to contain one or more CPV codes. The more figures the CPV code contains, the greater the degree of detail in the description of that which is being procured. The highest level is referred to as the CPV main group and this describes, in principle, what it is that is being procured at industry level.

**Directive-governed procurements** – procurements that are governed by the EU's Public Procurement Directives. As a *general rule*, all contracts that exceed the threshold are governed by the Directives, but there are exceptions. Procurements that are not directive-governed are only governed by Swedish procurement legislation.

**Direct award** – procurement where there is no statutory requirement for tenders in a specific form, i.e. where there is no prior notification of procurement.

**Direct award threshold** – SEK 505,800 in 2014, but SEK 939,342 within the utilities sectors. Only procurements and contracts whose total *value* (if they are of the same type) does not exceed the direct award threshold can be awarded directly, unless are overriding reasons and certain specific conditions are satisfied.<sup>1</sup> For

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<sup>1</sup> How the direct award threshold is calculated is described in Chapter 15, Section 3 of the Public Procurement Act (2007:1091) (LOU) and Chapter 15, Section 3 of the Act concerning

procurements exceeding SEK 100,000, the authority in question is to document the reason for its decision.

**Utilities Sectors** – activities governed by LUF.

**HFD** – The Supreme Administrative Court.

**Non-directive-governed procurements** – procurements that are not governed by the EU's Public Procurement Directives but which are conducted in accordance with Swedish procurement regulations (Chapter 15 of LOU/LUF/LUFS).

**LOU** – The Public Procurement Act (2007:1091).

**LOV** – The Act on Systems of Choice in the Public Sector (2008:962).

**LUF** – The Act concerning Procurement within the areas of water, energy, transport and postal services (2007:1092).

**LUFS** – The Defence and Security Procurement Act (2011:1029).

**Authority** – refers in this report to contracting authorities in accordance with LOU, LUF and LUFS and contracting entities in accordance with LUF.

**Public purchases** – purchases of goods and services (including building works contracts) using public funds.

**Public procurement** – measures that an authority takes to enter into a contract or a framework agreement regarding the purchase of goods, services or building works contracts. In principle, all

contracts with financial conditions are governed by the procurement regulations. However, there are several important exceptions, for instance, in respect of employment contracts, the hire of premises, service concessions and compensation that is paid in accordance with other legislation (for example, to independent schools and attendance allowance for persons with functional impairment).<sup>2</sup>

**Illegal direct award of contract** – purchases that exceed the direct award threshold and which are made in contravention of the procurement regulations may constitute illegal direct awards of contract. This means that the contract can be declared null and void by a court of law and that the authority may be forced to pay a procurement fine. The supplier who is the injured party can take court action to claim damages.

**Framework agreement** – an agreement between one or more contracting authorities and one or more suppliers that establishes terms and conditions for the subsequent award (call-off) of a contract within an agreed period of time.

**TED** – Tenders Electronic Daily. TED is the EU's common electronic database for the publication of procurement notifications.

**Threshold** – monetary limits established by the European Commission. Procurements that are governed by the EU's Procurements Directives and which exceed the threshold are to be published in TED. For procurements that do not exceed the

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<sup>2</sup> For a more detailed description of the procurement regulations, please see *Upphandlingsreglerna – en introduktion [Procurement Regulations – an introduction]* (Swedish Competition Authority, 2010).

threshold, publication in a Swedish notification database will often suffice.

**Procurement** – refers in this report to a published procurement in accordance with the procurement regulations (i.e. LOU, LUF or LUFs). A published procurement can lead to the award of more than one contract.

**Purchases subject to procurement regulations** – purchases that are governed by the procurement regulations, regardless of whether or not a procurement is conducted.



# 1 Purchases subject to procurement regulations and public purchases

We estimate that the value of purchases covered by Swedish procurement laws amounted to over SEK 625 billion in 2012. This corresponded to approximately a fifth of GDP at base price (excluding VAT).

The procurement regulations do not just govern purchases made with public funds. They also govern, for example, certain private companies operating within the water, energy, transport and postal services sectors.

At the same time, not all public purchases are subject to procurement regulations. For example, the financing of research, the purchasing of land and the hire of premises are not governed by the procurement regulations.

## 1.1 Procurements subject to procurement regulations totalling SEK 625 billion

The combined value of the purchases subject to procurement regulations amounted to over SEK 625 billion<sup>3</sup> in 2012. This corresponded to barely a fifth of GDP at base price (excluding VAT). The share of the GDP has remained relatively unchanged since the first calculation was made using this method, in 2006. This chapter shows how we have estimated the purchases subject to

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<sup>3</sup> The value is stated exclusive of VAT, which is the norm in procurement contexts.

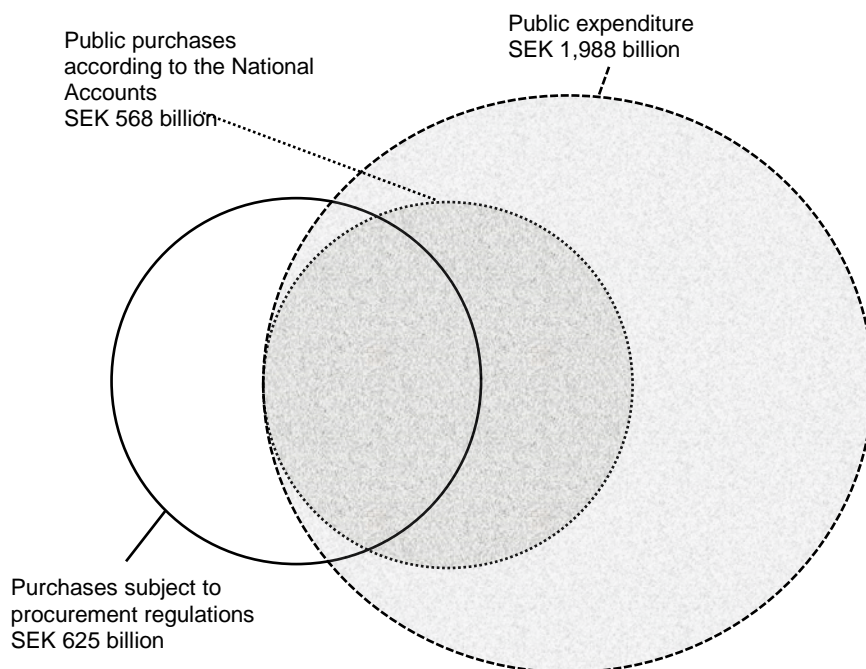
procurement regulations based on the information available in the national accounts.

It is difficult to calculate the total value of Sweden's public procurement. There is often a lack of information regarding which payments have or have not been paid in accordance with a procured contract. So instead, we calculate the purchases that are subject to procurement regulations – the value of those purchases governed by the procurement regulations. Purchases that are subject to procurement regulations refer then to that which should have been procured, regardless of whether or not this actually happened.

## 1.2 The differences between public expenditure, public purchases and public procurement

Several different terms occur when describing how public funds are used. These terms overlap somewhat and sound confusingly similar, but they actually describe slightly different things (see Figure 1).

**Figure 1**      **Public purchases, public expenditure and purchases subject to procurement regulations, 2012**



Source: The Swedish Competition Authority and the National Agency for Public Procurement.

The *Public Expenditure* can be found in the national accounts. In order to avoid the same expenditure being counted several times, transactions between authorities have been left out. Not all public expenditure constitutes purchases. For example, the following do not constitute purchases:

- salaries to public sector employees
- interest on the national debt
- pensions

- parental allowances
- sickness benefits.

*Public purchases* covers, in principle, all purchases made by authorities. However, not all purchases can be found in the national accounts' records of public purchases. For example, there is no information regarding purchases of public transport and waste management services on behalf of local residents, or reciprocal purchases conducted between various authorities.

*Public procurement* refers to those measures taken by an authority with the aim of awarding a contract or entering into a framework agreement in respect of goods, services or building works contracts.<sup>4</sup> Public procurement is one of the areas where there is common EU legislation which means that all member states within the EU have the same rules. Within the EU, three directives<sup>5</sup> have been adopted that determine the way in which authorities (the government municipalities and county councils) are to conduct their purchasing. Furthermore, the EU public procurement directives also cover certain purchases made by publicly owned companies, and certain purchases made by privately owned companies operating within the utilities sectors (water, energy, transport and postal services) if their activities are conducted by virtue of an exclusive right or a special right.

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<sup>4</sup> Chapter 2, Section 13 of the Public Procurement Act (2007:1091).

<sup>5</sup> Directive 2004/18/EC on public procurement, Directive 2004/17/EC coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors, and Directive 2009/81/EC on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security.

In Sweden there are currently three procurement Acts (LOU, LUF and LUFs). These Acts contain both provisions regarding how the Directives' rules are to be applied in Sweden, and also rules regarding other purchases that public authorities conduct. However, not all public purchases are governed by procurement legislation. For this reason we use the term *purchases subject to procurement regulations* for those purchases governed by the EU procurement directives and/or Swedish procurement regulations. Examples of public purchases that are not governed by either EU directives or Swedish procurement regulations are: rental agreements, certain social non-cash benefits and certain defence-related products.

In addition to the procurement legislation (LOU, LUF and LUFs) there are also further national rules in Sweden for authorities' purchases of various services. Examples of this are the Act on System of Choice in the Public Sector (LOV) and the Education Act (2010:800).

### 1.3 Purchases subject to procurement regulations calculated based on the national accounts

We have based our estimation of the purchases subject to procurement regulations on the information found in the *national accounts* in respect of *public purchases*, i.e. the public sector's intermediate consumption, gross investment levels and social non-cash benefits (excluding VAT).<sup>6</sup> We have subsequently also

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<sup>6</sup> The calculation is based on one of the methods used by Professor Mats Bergman in *Offentlig upphandling och offentliga inköp – Omfattning och sammansättning* [Public procurement and public

included public sector purchases that are not included in the national accounts' records of public purchases.

## Purchases not subject to procurement regulations

In order to estimate the *purchases subject to procurement regulations*, we must remove from *public purchases* those purchases that are not subject to procurement regulations. These include:<sup>7</sup>

- Exceptions to the EU's procurement directives that are also exempt within Swedish legislation.
- Purchases that are not based on a contract(s).
- Compensation that is paid in accordance with specific legislation.

## Exemptions in accordance with the EU's procurement directives

The EU's procurement directives contain a number of explicit exemptions, some of which are also found within Swedish legislation. For instance, exemptions apply to:<sup>8</sup>

- The acquisition or rental of land or other immovable property. However, building works contracts are not exempt. If an authority enters into a contract with a landlord whereby the landlord undertakes to build something that the authority will

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*purchases – Scope and composition*] (Swedish Competition Authority 2008, commissioned research report 26). For a more detailed description of the calculation, please see Appendix 1.

<sup>7</sup> Directive 2004/18/EC Articles 12–18, see also Chapter 1, Section 6 of LOU/LUF/LUFS.

<sup>8</sup> Directive 2004/18/EC Articles 12–18, see also Chapter 1, Section 6 of LOU/LUF/LUFS.

subsequently rent for an extended period, then the agreement will be subject to procurement regulations.

- The provision of radio and TV programmes.
- Research and development services.
- Service concessions. A service concession means that the compensation for the services is wholly or partially comprised of the supplier's right to use the service. An example of this is if a municipality allows a private company to operate a parking facility on land that is owned by the municipality. The company is not paid by the municipality to operate the facility, but it has the right to retain the parking fees it receives. For a service concession to be deemed to exist, the company must be responsible for a significant part of the risks associated with the provision of the service.
- Service contracts that are awarded based on exclusive right.
- Contracts that are entered into in accordance with another directive, or in accordance with international law.
- Contracts that are bound by confidentiality or which concern the member states' essential interests (LOU) or essential defence interests (LUFS).

The member states may not introduce any exemptions into the procurement regulations other than those stated in the EU's procurement directives.

#### Purchases that are not based on a contract

For purchases to be subject to the EU's procurement directives they must, amongst other things, be based on public contracts. Examples of purchases that, for these reasons, are not subject to the procurement regulations are:

*Authorities' internal purchases*, when various entities within an authority transfer resources between each other this is not subject to the procurement regulations.

According to *the Teckal exemptions*, procurement regulations do not apply to the purchase of goods or services under certain conditions.<sup>9</sup> For this exemption to apply, the authority must exercise control over the supplier and, furthermore, the supplier may only to a limited degree sell goods or services to a party other than the authority.

A common example of where Teckal exemptions apply is when municipalities and county councils conduct activities through wholly owned companies. It can also occur when several municipalities conduct activities through companies that they jointly own.

Compensation that is paid in accordance with specific legislation and where the purchases are not subject to procurement regulations

Payments that are made to companies in accordance with certain specific legislation are not subject to the procurement regulations. Some common examples of these are:

- Compensation to independent schools.
- Compensation for pharmaceuticals prescribed in accordance with the high cost protection system.
- Compensation for dental care provided in accordance with the high cost protection system.

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<sup>9</sup> The Teckal exemptions can be found in Chapter 2, Section 10 a of LOU.



- Attendance allowance for persons with functional impairment.
- Compensation for doctors and physiotherapists working under compensation laws.

One important difference between payments made in accordance with these regulations and purchases made in accordance with the procurement regulations is that the authority making the payment does not decide which services or goods are to be purchased. This also means that the authorities cannot stipulate requirements or conditions in respect of that which is being supplied.

### Other purchases that are subject to procurement regulations

And finally, we have included some purchases which are not public but which are still subject to the procurement regulations. These purchases concern, for example, publicly owned companies and certain activities within the utilities sectors. The latter are subject to procurement regulations even if they are run by private companies, if this is by virtue of an exclusive right or special right. The utilities sectors are comprised of water, energy, transport and postal services.

## 2 Published procurements in 2014

During 2014, 18,407 procurements were published in accordance with the procurement regulations. This was seven per cent less than in 2013. The decrease is probably largely due to the fact that the threshold for direct awards of contracts was raised during 2014. However, the trend had already started to decline somewhat back in 2013, after having been on the increase for several years.

### 2.1 Procurements exceeding the direct award threshold have to be published

The procurement regulations mean that an authority making a purchase(s) with a value that exceeds the direct award threshold has to publish the procurement in an electronic publication database that is publicly accessible, or publish the procurement in another manner that facilitates effective competition. In 2014 the direct award threshold for procurements was SEK 505,800, in accordance with the Public Procurement Act (LOU).

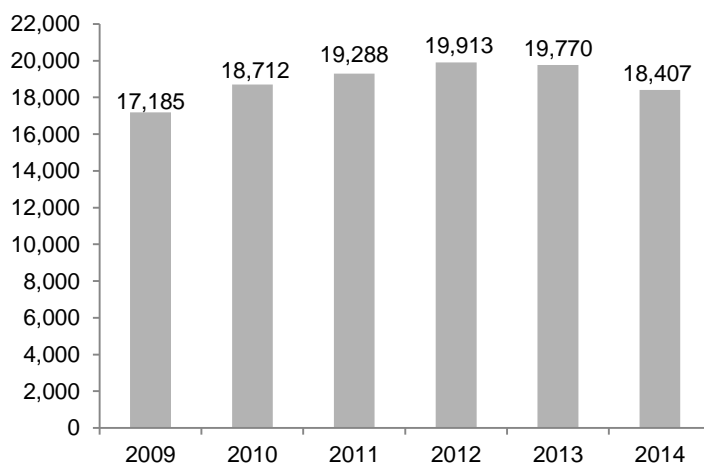
Unlike most other EU countries, Sweden does not have its own national publication database for public procurements. Instead, there are several commercial publication databases. One of the major operators is Visma Commerce AB (Visma). Through collaboration with other databases and active data collection, Visma can, in principle, provide information on all procurements published in Sweden. The material in this report is based to a large extent on information from Visma's database. As such, the information has not been collected with the specific aim that it should provide the basis for statistics, nor has it been quality assured by us. But we still

consider this information to be the best available data about public procurements conducted in Sweden.

## 2.2 Seven per cent fewer published procurements in 2014

In 2014, the authorities published a total of 18,407 procurements in accordance with Swedish public procurement legislation (LOU, LUF or LUFs) 2014 (see figure 2). This was seven per cent less than in 2013. A probable reason for the decrease is that the direct award threshold was raised on 1 July 2014, which meant that fewer procurements needed to be published. However, the number of published procurements had already started to level off back in 2013. Prior to this, the number had been increasing annually.

**Figure 2** Number of published procurements 2009–2014



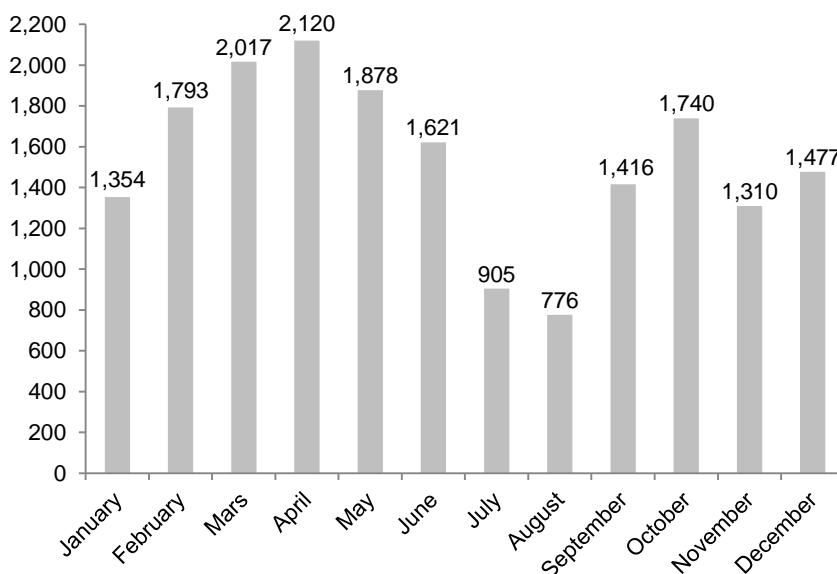
Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

In this report, the terms “publication” and “procurement” are used synonymously. However, every publication can lead to one or more authorities entering into a contract with one or more suppliers. This report does not cover procurements not published in accordance with LOU, LUF or LUFs.

## Most procurements published in the spring

The division of publications by month follows a similar cycle year after year. Most of the year’s procurements are normally published in March, April or May (see figure 3). The least procurements are published during July and August.

**Figure 3** Monthly variations in the publication of procurements in 2014



Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 2.3 Most procurements in Stockholm

All publications contain at least one code for the region in which the goods or services are to be delivered. Stockholm County, Västra Götaland County and Skåne County were the most common places of delivery in 2014 (see Table 1). Procurements involving more than one county or where the place of delivery is not definitive have “Sweden” as the place of delivery. When publicising procurements in TED, only one place of delivery can be designated. The procurements had, on average, 1.1 regional codes.

**Table 1 Delivery destinations for procurements 2014**

Place of delivery	Procurements	Percentage of all procurements
Stockholm County	3,550	19 %
Västra Götaland County	3,180	17 %
Skåne County	2,117	12 %
Sweden (whole or several places of delivery)	1,256	7 %
Östergötland County	1,005	5 %
Västerbotten County	889	5 %
Jönköping County	847	5 %
Norrbottn County	824	4 %
Uppsala County	736	4 %
Halland County	619	3 %
Värmland County	617	3 %
Dalarna County	613	3 %
Gävleborg County	568	3 %
Södermanland County	552	3 %
Västernorrland County	541	3 %
Västmanland County	536	3 %
Kronoberg County	467	3 %
Kalmar County	466	3 %

Contd.

<b>Place of delivery</b>	<b>Procurements</b>	<b>Percentage of all procurements</b>
Örebro County	440	2 %
Jämtland County	367	2 %
Blekinge County	345	2 %
Outside of Sweden	243	1 %
Gotland County	146	1 %

Note: The percentages total more than 100 per cent since certain procurements have more than one place of delivery.

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### 3 Contracting authorities

Approximately 3,900 organisations were subject to the procurement regulations during 2014. More than 1,100 authorities published procurements during 2014. The fact that not all authorities subject to the regulations published procurements is due, amongst other things, to the fact that many authorities coordinate procurements, and that many purchases are so small that they do not need to be published.

The majority of authorities only published one or a few procurements. 264 authorities published just one. However, a few authorities conduct a large number of procurements. Trafikverket (the Swedish Transport Administration) published the most procurements – 888 of them.

The municipalities were responsible for half of the procurements published in 2014. Municipal companies and government authorities were each responsible for one fifth.

#### 3.1 Not just government and municipal authorities are subject to the procurement regulations

The procurement regulations apply to the State, to regional and local authorities, and to bodies governed by public law. “Bodies governed by public law” refers to companies, associations and other foundations having legal personality and which are established for the specific purpose of satisfying needs in the public interest provided the need is not of an industrial or commercial nature and which satisfy at least one of the following criteria:

- The organisation is primarily financed by the State, by regional or local authorities, or by other bodies governed by public law.
- The organisation's activities come under the control of the State, or regional or local authorities, or other bodies governed by public law.
- More than half of the organisation's board members or equivalent are appointed by State, by regional or local authorities, or by other bodies governed by public law.

However, operations of an industrial or commercial nature are not subject to the procurement regulations. Sometimes a relatively comprehensive investigation can be required to decide whether or not an organisation is subject to the regulations.

In addition to publicly governed bodies, activities within the utilities sector are also subject to procurement regulations. The Act (2007:1092) concerning Procurement within the areas of water, energy, transport and postal services (LUF) applies even for private operations that are conducted by virtue of special or exclusive rights that restrict the opportunities for other companies to conduct such business.<sup>10</sup>

In this report the term "authority" is used for all organisations subject to the procurement regulations; this is because, inter alia, Visma's database does not disclose whether the procurements have been published in accordance with LOU, LUF or LUFs.

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<sup>10</sup> See Chapter 2, Section 20 of LUF.



### 3.2 3,900 organisations have to comply with the procurement regulations

We estimate that around 3,900 organisations were subject to the procurement regulations in 2014. This figure is comprised of government authorities, municipalities and county councils, publicly owned companies and companies operating in the utilities sectors.

In October 2014 there were 3,618 organisations that were owned or controlled by municipalities, county councils or the government, according to Statistics Sweden's (SCB) business register (see table 2). We assume that all of these are subject to the procurement regulations, with the exception that a few are conducting purely commercial activities. In addition to this, there were 286 companies in the utilities sectors with a turnover of SEK 10 million which were not controlled by the government, municipalities or county councils (and which have therefore already been included).

**Table 2      Estimation of organisations subject to the procurement regulations in 2014**

<b>Authority</b>	<b>Number</b>
Government authorities and government-owned organisations	1,223
Municipalities and municipally owned organisations	2,227
County councils and county council-owned organisations	168
Companies in the utilities sectors (not publicly owned)	286
<b>Total</b>	<b>3,904</b>

Note: The number of companies in the utilities sectors has previously been based on the information found in the survey conducted by SCB on behalf of the Swedish Competition Authority. Since no such survey was conducted in 2015, the information is based on data from the 2014 survey.

Source: Statistics Sweden's (SCB) business register.

However, not all of these organisations need to publish their own procurements, even though they are subject to procurement regulations. Over a third of the organisations have no employees, and consequently are probably so small that they can conduct all their purchasing through direct awards. Furthermore, many authorities participate in coordinated procurements, which means that they are not themselves responsible for publication. Government authorities have to use the framework agreements that the National Procurement Services (SIC) at Kammarkollegiet have procured.<sup>11</sup> Municipalities and county councils can use the framework agreements provided by SKL Kommentus' procurement services. Published call-offs are not included in this statistic. What's more, not every authority conducts procurements every year. Together, these factors can explain why the number of authorities subject to the procurement regulations is so much greater than the number of authorities that actually published at least one procurement during 2014 (see section 3.4).

### 3.3 The municipalities and their companies account for seven out of ten procurements

The municipalities were responsible for half of all the procurements published in 2014 (see table 3). This category also includes municipal associations and bodies, for example, district administrations. The second largest category was municipal companies, which accounted for 22 per cent of the procurements. In

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<sup>11</sup> In accordance with Section 3 of the Ordinance on coordinated centralised procurement (1998:796), authorities are to use the framework agreements that exist within the government procurement services, unless the authority finds that another form of agreement is, on the whole, better.

this report, municipal companies also include procurements conducted by private companies within the utilities sectors. They were followed by government authorities, which accounted for a fifth of the procurements. County councils, together with county council-owned companies accounted for a tenth of the procurements.

**Table 3      The municipalities conducted most procurements during 2014**

<b>Authority</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>Share 2014</b>
Government authority	3,819	3,918	3,819	3,900	3,726	3,505	19 %
Municipality	7,675	8,447	8,999	9,379	9,294	8,706	47 %
County council	1,730	1,931	1,821	1,872	1,919	1,891	10 %
Government-owned company	295	359	421	445	398	305	2 %
Municipal company	3,505	3,918	4,064	4,074	4,043	3,709	20 %
Other	160	136	162	216	350	274	1 %
Information lacking	1	3	2	27	40	17	0 %
<b>Totalt</b>	<b>17,185</b>	<b>18,712</b>	<b>19,288</b>	<b>19,913</b>	<b>19,770</b>	<b>18,407</b>	<b>100 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### 3.4 More than 1,100 authorities published procurements in 2014

During 2014, 1,149 authorities published procurements, in accordance with procurement regulations.<sup>12</sup> Only one authority is registered per procurement in Visma's database. It is therefore

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<sup>12</sup> Based on the organisation's name.

impossible to discern coordinated procurements, where several authorities participate and enter into their own separate contracts or framework agreements with suppliers. In other words, an authority may have signed a contract following a published procurement procedure even if they are not included in this compilation.

Those authorities that published at least one procurement in 2014 published, on average, 16 procurements. The authority that published the most was Trafikverket, followed by the City of Stockholm and Inköp Gävleborg (Gävleborg County's purchasing unit) (see table 4).

**Table 4      Ten authorities published over 150 procurements in 2014**

<b>Authority</b>	<b>Number</b>
Trafikverket	888
City of Stockholm	318
Inköp Gävleborg	283
Swedish Fortifications Agency	230
City of Göteborg	226
Swedish Defence Materiel Administration	200
Region Västra Götaland	184
Västervik Municipality	180
Stockholm County Council	178
Malmö Municipality	172

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Many authorities conduct just one or a few procurements each year. In 2014, 264 authorities published just one procurement.

## 4 Regulations and procedures

The number of directive-governed procurements has been following a rising trend since 2009.

*Simplified procedures* were the most common form of procurement procedure – they were used in 63 per cent of all published procurements. The next most common form of procurement was *open procedures*, which were used in 32 per cent of procurements. Three quarters of the authorities that published at least one procurement used either simplified or open procedures.

Lowest price was the most common base for award of contract in 2014.

### 4.1 The EU's procurement directives

The EU's member states have adopted several directives that regulate the awarding of public contracts. There are three procedural directives that contain detailed provisions regarding, inter alia, publication, the design of requirements and criteria, and contract signing.<sup>13</sup> In some cases the provisions are compulsory; in others the member states themselves can influence the design of the rules. Furthermore, there are three judicial remedy directives which, inter alia, contain provisions regarding review procedures, fines and, in certain cases, the invalidity of contracts signed in

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<sup>13</sup> The Public Procurement Act (2007:1091) (LOU), the Act concerning Procurement within the areas of water, energy, transport and postal services (2007:1092) (LUF) and the Defence and Security Procurement Act (2011:1029) (LUFs).

contravention of the regulations. The aim of the procurement directives is, amongst other things, to remove obstacles to the free movement of goods and services within the EU.

The procurement directives mean that public contracts that exceed certain threshold values must, as a rule, be published in the EU's procurement publication database, Tenders Electronic Daily (TED). The threshold values are established by the European Commission and apply for two years at a time (see table 5). The procurements published in TED can also be found in Swedish publications databases which, in the majority of cases, contain publications of procurements both above and below the threshold values.

**Table 5      The threshold values in procurement regulations from 1 January 2014**

Type of authority	Goods and services, SEK	Building works contracts, SEK
Government authorities (LOU)	1,169,378	45,256,666
Other authorities (LOU)	1,806,427	45,256,666
Contracting entities (LUF)	3,612,854	45,256,666
Defence and security procurement (LUFS)	3,612,854	45,256,666

Source: Swedish Code of Statutes 2014:5, *Tillkännagivande om tröskelvärden vid offentlig upphandling* [Notification of the threshold values in public procurement].

The EU's procurement directives mean that all public contracts within the EU are, in principle, subject to the same rules, and that the rules are to be interpreted in a uniform manner in all member states. Even those countries which are part of the EEA (Norway, for example) are subject to the EU's procurement directives. Sweden has chosen to implement the directives through three different Acts, LOU, LUF and LUFS which, to a large extent, correspond to the three procedural directives. When Swedish courts apply the procurement regulations, they have to interpret the Swedish

legislation in accordance with the case law of the Court of Justice of the European Union (the European Court).

The member states have therefore little opportunity to introduce their own rules and procedures for contracts that are subject to the EU's procurement directives. Following several years of negotiations between the member states, the European Parliament and the Council approved three new procurements directives in early 2014. The new rules are based on the current directives and on the European Court's case law, but also entail a number of changes. In Sweden, the introduction of the directive into Swedish legislation has been examined during 2014.<sup>14</sup> The new procurement Acts shall enter into force on 1 April 2016.

Sweden has decided that LOU shall also apply for contracts that are not subject to the EU's procurement directives

For contracts that are not subject to the procurement directives, the member states can choose either to not have any particular regulations or to introduce their own rules. This applies both to contracts that do not exceed the EU's threshold, and to the procurement of B services. "B services" refers to a number of different services, primarily within the health and care sectors, which are listed in the procurement directives and which are not considered to be of cross-border interest. Procurements of B services are, as a rule, exempted from parts of the procedural regulations

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<sup>14</sup> Implementation investigation, SOU 2014:51 and SOU 2014:69.

and do not need to be published in TED. However, the results of procurements are to be published retrospectively in TED.<sup>15</sup>

Sweden has also chosen to introduce national rules for contracts that are not subject to the EU's procurement directives. These rules are grouped together in a special chapter (Chapter 15) LOU, LUF and LUFs respectively. The rules mean that contracts under the threshold, and contracts for B services, regardless of their value, are largely subject to the same procedural rules as those in the directives. The exemptions rules found in the directives also apply to procurements under the threshold. The rules mean that all contracts that exceed the direct award threshold are to be published, even if the time limit is somewhat shorter. Unlike the majority of other EU countries, Sweden has no official national database, and publication can be conducted in a publicly accessible database or in another way that facilitates effective competition.<sup>16</sup>

## 4.2 The proportion of directive-governed procurements increased to 36 per cent

Both the number and the proportion of directive-governed procurements increased by three per cent in 2014 compared with the previous year (see table 6). Directive-governed procurements have been following a rising trend since 2009. These procurements

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<sup>15</sup> Procurements of B services that can be considered of cross-border interest are, however, subject to the directives and are to be published in TED. The assessment of which procurements can be deemed to be of cross-border interest must be made on a case-by-case basis.

<sup>16</sup> The Swedish Competition Authority has proposed clearer regulation for how publication is to be conducted and which requirements are to be made via the publication databases, see the Swedish Competition Authority's report 2012:6.



are published in the EU's procurement database, TED. On the other hand, the number of non-directive-governed procurements fell by twelve per cent in 2014. This was probably mainly due to the raised the direct award threshold, which meant that more procurements were below the threshold and consequently did not need to be published.

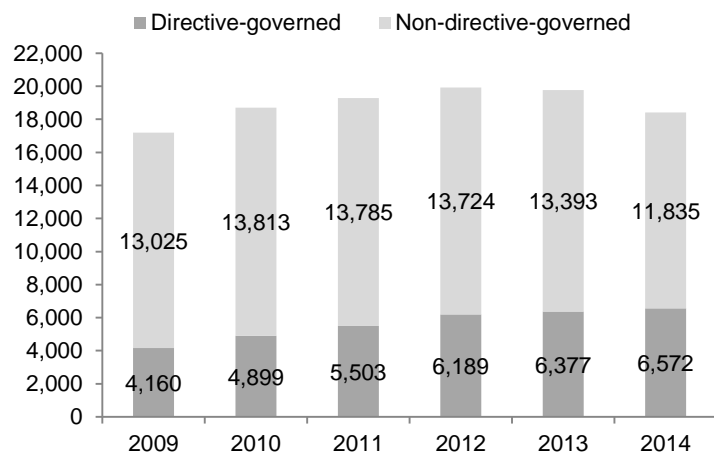
**Table 6** Over a third of the procurements were subject to the EU's procurement directives in 2014

	2009	2010	2011	2012	2013	2014	Change 2013-2014
Non-directive-governed	13,025	13,813	13,785	13,724	13,393	11,835	-1,558
Directive-governed	4,160	4,899	5,503	6,189	6,377	6,572	+195
Percentage directive-governed	24 %	26 %	29 %	31 %	32 %	36 %	+3 %
<b>Total</b>	<b>17,185</b>	<b>18,712</b>	<b>19,288</b>	<b>19,913</b>	<b>19,770</b>	<b>18,407</b>	<b>-1,363</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Between 2009 and 2014, the number of directive-governed procurements increased by 58 per cent whilst non-directive-governed procurements fell by nine per cent (see figure 4).

**Figure 4**      **Number of directive-governed and non-directive-governed procurements, 2009–2014**



Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### 4.3 Direct awards

As a rule, procurements are to be published. However, the procurement regulations allow a number of circumstances where authorities may conduct purchases without publication. These purchases are known as “direct awards” or “negotiated procedures without prior publication” when procuring over the threshold. Procurement without publication is permitted in the following circumstances:<sup>17</sup>

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<sup>17</sup> Chapter 4, Sections 5–8 LOU/LUF.

- If the value of the contract is less than the direct award threshold. When calculating the value, the authority has to estimate all purchases of the same product, service or building works contract during the contract period, and take into account any possible contract renewals.<sup>18</sup> If direct awards of the same type have already been conducted in the same financial year, then these are also to be incorporated into the calculations. Options are to be included if they have been utilised. Purchases may not be divided up in order to avoid publication.
- If no suitable tenders are received, in the case of a published procurement conducted according to open or restricted procedure.
- If that which is to be procured can only be acquired from a specific supplier, for technical or artistic reasons, or due to an exclusive right.
- If it is absolutely necessary to award the contract, but exceptional time constraints caused by circumstances that the authority could not foresee make it impossible to keep the deadlines necessary for a published procurement.
- In the procurement of goods for research or development purposes where the contract is not intended to make a profit, or in order to cover development costs.
- For supplementary deliveries of goods, provided that the goods are replacements for, or additions to previous deliveries, and provided that a change of supplier would mean that the

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<sup>18</sup> For a more detailed description of contract value, see *Är inköpen av samma slag? Hjälpregler för beräkning av kontraktetsvärde vid direktupphandlingar av samma slag* [Are the purchases of the same type? Guidance for the calculation of contract value in direct awards of the same type] (The Swedish Competition Authority 2015a).

goods would be inconsistent with those previously supplied, or that they would lead to disproportionate technical difficulties in terms of operation and maintenance.

- If the goods concerned are listed and sold in a commodity market.
- If goods can be purchased under particularly beneficial conditions in conjunction with a supplier ceasing trading, going into liquidation or going bankrupt.

With the above situations it is therefore possible to enter into a contract in accordance with the procurement regulations without publication. However, *illegal direct awards of contract* can also occur; these are procurements that contravene the procurement regulations. If a contract is signed without any of the above conditions being satisfied, then the contract can be declared null and void by a court of law. The contracting authority can also be ordered to pay a procurement fine. Direct awards are not included in the statistics in this report, regardless of whether or not they were conducted in a legal manner. This is because these procurements were not published, and we have therefore not had the opportunity to collect any statistics regarding them.

#### 4.4 95 per cent of all procurements are conducted using a simplified or open procedure

Public procurements can be conducted using several different procedures. These procedures determine, inter alia, how publication is to be conducted and which tenderers are allowed to participate. The question of which procedure may be used depends primarily on whether the value of the contract is above or below the threshold, i.e. whether or not the procurement is subject to the EU's

directives (see table 5). B services are always considered to be non-directive-governed.

Simplified procedures and selective procedures are types of procurement that are not governed by directives. The number of procurements with simplified procedures fell by twelve per cent in 2014. Despite this, simplified procedures are still the most common and were used in 63 per cent of all procurements (see table 7). In a simplified procedure, anybody can submit a tender.

The most common form of directive-governed procurement, the open procedure, was used in 32 per cent of procurements. With this type of procedure, anyone can submit a tender and the procurement has to be published in TED. Other directive-governed procedures are used to a much lesser degree but use of the majority of these increased in 2014.

Table 7 Published procurements 2009–2014, per type of procedure

Procedure	2009	2010	2011	2012	2013	2014	Change 2013-2014
<b>Non-directive-governed</b>	<b>13,025</b>	<b>13,813</b>	<b>13,785</b>	<b>13,724</b>	<b>13,393</b>	<b>11,835</b>	<b>-12 %</b>
Simplified	12,743	13,503	13,456	13,437	13,117	11,590	-12 %
Selective procedure	282	310	329	287	276	245	-11 %
<b>Directive-governed</b>	<b>4,160</b>	<b>4,899</b>	<b>5,503</b>	<b>6,189</b>	<b>6,377</b>	<b>6,572</b>	<b>+3 %</b>
Open	3,650	4,306	4,842	5,410	5,665	5,810	+3 %
Negotiated	360	439	463	560	534	536	-
Restricted	129	136	168	181	142	176	+24 %
Competitive dialogue	0	8	16	25	23	27	+17 %
Qualification system	7	3	4	7	3	13	+333 %
Accelerated restricted	2	2	1	3	4	5	+25 %
Accelerated negotiated	4	3	3	2	6	5	-17 %
Design competition	8	2	6	1	0	0	-
<b>Total</b>	<b>17,185</b>	<b>18,712</b>	<b>19,288</b>	<b>19,913</b>	<b>19,770</b>	<b>18,407</b>	<b>-7 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## Three quarters of the authorities only use open or simplified procedures

Relatively few authorities procure using other procedures than open or simplified procedures. Three quarters of the authorities that published at least one procurement in 2014 used only simplified and open procedures (see table 8).

**Table 8      The authorities' use of various procedures in published procurements in 2014**

<b>Procedure(s) used</b>	<b>Number of authorities</b>	<b>Percentage</b>
Only simplified procedure	398	35 %
Only open procedure	93	8 %
Open and simplified procedures	376	33 %
Other procedures as well	282	25 %
<b>Total</b>	<b>1,149</b>	<b>100 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

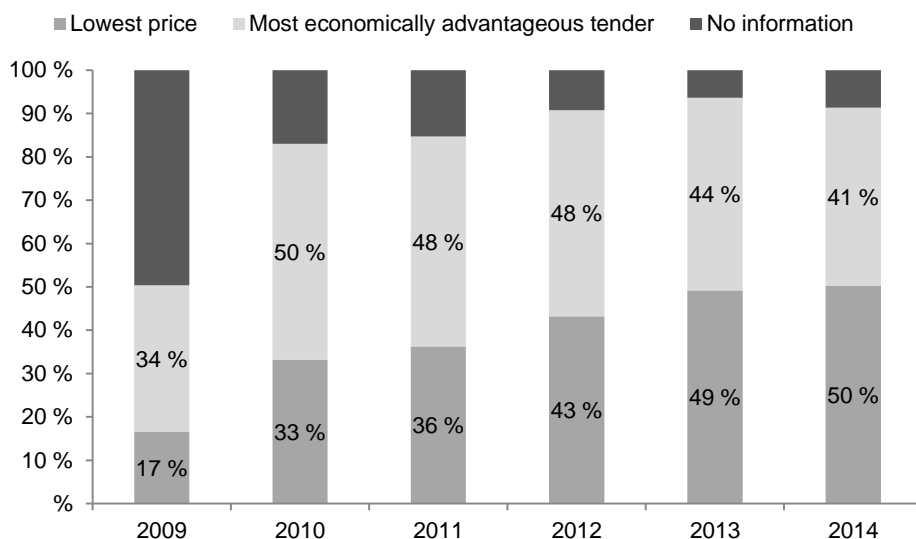
#### 4.5      Lowest price was the base for award of contract in half of the procurements conducted in 2014

The base of award of contract decides how a contract is awarded within a procurement procedure. This can either be "lowest price" or "most economically advantageous tender". In the case of lowest price, the contract is awarded to the tenderer who satisfies all the requirements and who offers the lowest price. No other factors are considered when evaluating tenders. In the case of most economically advantageous tender, the tenders are evaluated in accordance with a predetermined model, or price and quality are "weighted" against each other. It is impossible to say which base for award of contract ensures the highest quality. This depends on the design of the requirements stipulated in the procurement. When lowest price is the base for award of contract, there are slightly less review procedures (see section 8.1).

The use of lowest price as the base for award of contract has increased annually since 2009 (see figure 5). Lowest price was the most common base for award of contract in 2014 and was used in

half of all procurements. Most economically advantageous tender was used to a lesser degree - 41 per cent. In the remaining 9 per cent of procurements, the documents collected do not state the base for award of contract.

**Figure 5** Published procurements 2009–2014, percentage per base for award of contract



Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

When procuring using a simplified procedure, it is most common to use lowest price as the base for award of contract (see table 9). The division between bases for award is even in the case of open procedures. Among procurements using other procedures, most economically advantageous tender is the most common award criterion.



**Table 9**      **Base for award of contract per type of procedure for published procurements in 2014**

<b>Procedure</b>	<b>Most economically advantageous tender</b>	<b>Lowest price</b>	<b>Unknown</b>	<b>Number</b>
Simplified	39 %	55 %	6 %	11 590
Open	47 %	47 %	6 %	5 810
Negotiated	35 %	17 %	48 %	536
Selective procedure	21 %	5 %	73 %	245
Restricted	23 %	6 %	72 %	176
Competitive dialogue	85 %	0 %	15 %	27
Qualification system	100 %	0 %	0 %	13
Accelerated restricted	40 %	0 %	60 %	5
Accelerated negotiated	20 %	20 %	60 %	5
Design Competition	-	-	-	0
<b>Total</b>	<b>41 %</b>	<b>50 %</b>	<b>9 %</b>	<b>18,407</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 5 Forms of agreement

Nearly a third of the procurements in 2014 concerned framework agreements. Framework agreements were more common in procurements exceeding the threshold values.

Four out of ten procurements were for construction work.

In three out of four procurements the contract periods were shorter than three years.

Nine per cent of the procurements published were subsequently cancelled. The percentage of cancelled procurements has increased annually since 2009.

### 5.1 A third of the procurements were framework agreements

Framework agreements are a type of agreements that establish conditions for the award of a contract(s) at a later date; these awards are known as “call-offs”. On average, nearly a third of the published procurements are framework agreements. However, the procurement documents do not always refer to the procurement as being a framework agreement. For this reason, the percentage of framework agreements might actually be somewhat higher, in reality.

The percentage of framework agreements is higher in directive-governed procurements (see table 10). 47 per cent of the directive-governed procurements were framework agreements. Just over a

quarter, 24 per cent, of procurements not governed by EU directives were framework agreements.

**Table 10 Procurements of framework agreements, per procedure in 2014**

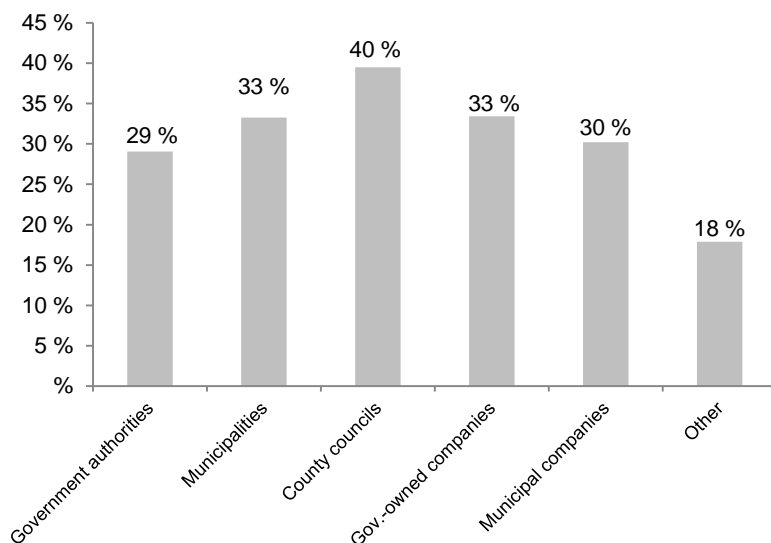
Procedure	Number of procurements	Of which were framework agreements	Percentage
<b>Non-directive-governed</b>			
Simplified	11,590	2,837	24 %
Selective procedure	245	44	18 %
<b>Directive-governed</b>			
Open	5,810	2,828	49 %
Negotiated	536	127	24 %
Restricted	176	96	55 %
Competitive dialogue	27	2	7 %
Qualification system	13	0	0 %
Accelerated restricted	5	4	80 %
Accelerated negotiated	5	0	0 %
Design Competition	0	0	-
<b>All</b>	<b>18,407</b>	<b>5,938</b>	<b>32 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### The county councils have the highest percentage of framework agreements

The county councils have the highest percentage of framework agreements – 40 per cent of their procurements in 2014 (see figure 6). The percentage is lowest in the “Other” category, where only 18 per cent were framework agreements. This category is comprised of associations and foundations.

**Figure 6** Percentage of procurements that were framework agreements, per type of authority in 2014



Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Authorities do not always need to procure their own framework agreements. Government authorities have to call off from the national framework agreements procured by the National Procurement Services (SIC) at Kammarkollegiet.<sup>19</sup> Municipalities and county councils can use the framework agreements provided by SKL Kommentus' procurement services. Furthermore, within IT and telephony, municipalities and county councils can use the framework agreements procured by SIC.

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<sup>19</sup> In accordance with Section 3 of the Ordinance on coordinated centralised procurement (1998:796), authorities are to use the framework agreements that exist within the government procurement services, unless the authority finds that another form of agreement is, on the whole, better.

## 5.2 Four out of ten procurements referred to construction work

Every procurement publication must contain at least one “*CPV code*” which describes the category of goods, services or building works contracts involved with the procurement in question. The CPV codes are constructed in a tree structure and consist of eight figures, where the first two figures designate the main group and the following figures provide an increasing amount of detail. The codes are established by the European Commission. The aim of the CPV codes is, amongst other things, to allow suppliers to restrict their applications to procurements which are of interest to them. Altogether there are nearly 10,000 CPV codes.

It is common for procurement publications to have several CPV codes since procurements often involve combinations of various different goods and services. Furthermore, additional, adjacent CPV codes are often included as a security measure. On average, each publication had 4.5 CPV codes in 2014. The most that any publication had was 98 different CPV codes. This publication referred to a qualification system for promotional products and gifts.

By using CPV codes, the procurements can be divided up by industry into various CPV main groups. The most common CPV main group was *construction work* (see appendix 2 for a complete list of all CPV main groups). Out of all the procurements published in 2014, 40 per cent had at least one code within *construction work* (see table 11). Since procurements can have more than one CPV code, they can also belong to several CPV main groups. On average, each publication has 1.5 CPV main groups.

**Table 11      The most common CPV main groups in 2014**

<b>CPV main group</b>	<b>Refers to</b>	<b>Number of publications</b>	<b>Percentage</b>
45	Construction work	7,432	40 %
71	Architectural, construction, engineering and inspection services	1,830	10 %
79	Business services: law, marketing, consulting, recruitment, printing and security	1,594	9 %
90	Sewage, refuse, cleaning and environmental services	1,382	8 %
34	Transport equipment and auxiliary products to transportation	1,084	6 %
44	Construction structures and materials; auxiliary products to construction (except electrical apparatus)	1,031	6 %
50	Repair and maintenance	1,014	6 %
72	IT services: consulting, software development, Internet and support	862	5 %
33	Medical equipments, pharmaceuticals and personal care products	856	5 %
51	Installation services (except software)	817	4 %

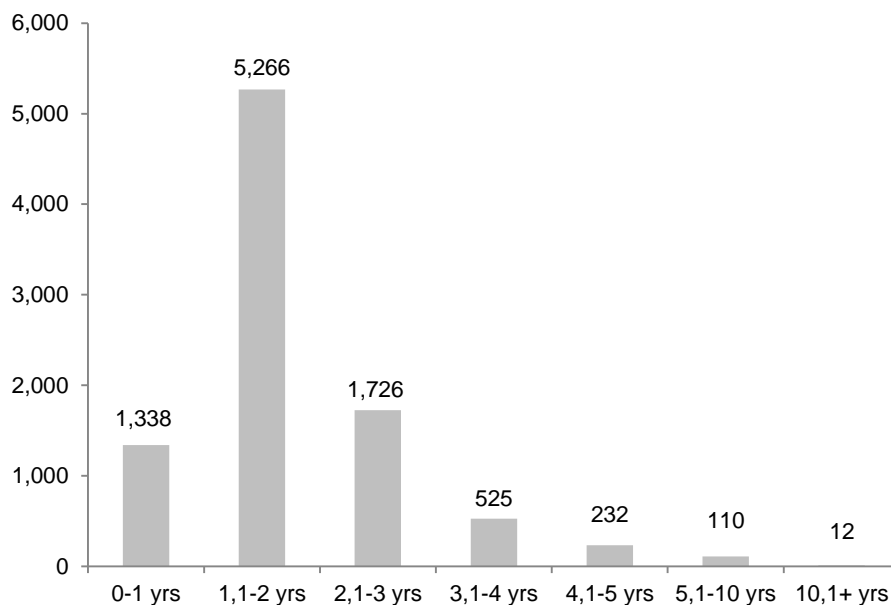
Note: Each procurement can belong to several CPV main groups.

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### 5.3      Agreements are for two years or less in seven out of ten procurements

For half of the procurements conducted in 2014 there is information regarding the length of the agreements in question (see figure 7). Seven out of ten procurements were for periods of two years or less. Six agreements were for periods in excess of ten years. The three longest contracts agreed in 2014 were in excess of 15 years. These three agreements were for road maintenance (Trafikverket), archive storage (Täby Municipality) and a rental agreement for a secondary school (City of Västerås, this procurement was cancelled, however).

**Figure 7**      **Length of agreement for procurements conducted in 2014**



Note: Renewal options are not included.

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 5.4 Every eleventh procurement is cancelled

Nine per cent of all procurements published in 2014 were cancelled without a contract being signed (see table 12). The percentage of cancelled procurements has increased every year since 2009.

**Table 12**      **Percentage of cancelled procurements 2009–2014**

	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Number cancelled	816	1,099	1,404	1,715	1,714	1,681
Percentage cancelled	4.7 %	5.9 %	7.3 %	8.6 %	8.7 %	9.1 %
<b>All procurements</b>	<b>17,185</b>	<b>18,712</b>	<b>19,288</b>	<b>19,913</b>	<b>19,770</b>	<b>18,407</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The percentage of cancelled procurements may be somewhat underestimated since Visma is not always informed of decisions to cancel. Nor do we know how many of the cancelled procurements are subsequently re-published.



## 6 Tenders and competition

On average, the procurements published during 2014 received tenders from 4.5 tenderers. This was a reduction compared with 2013 when the average was 4.7 tenderers per published procurement.

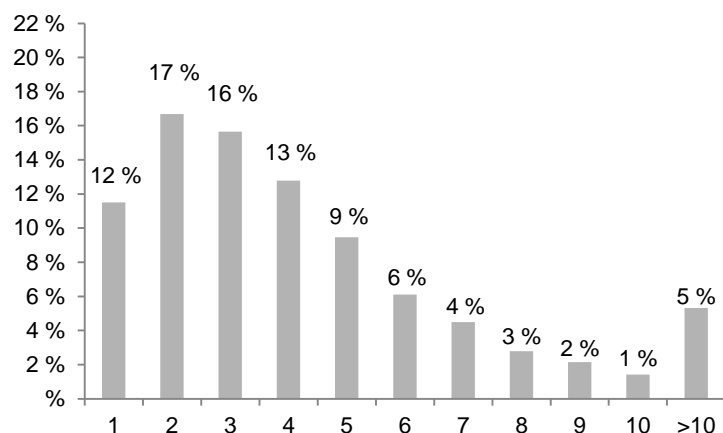
Procurements of framework agreements received, on average, tenders from 5.8 tenderers, whilst procurements of other contracts received tenders from an average of 3.9 tenderers.

The industry that received tenders from the most tenderers in 2014 was *architectural, construction, engineering and inspection services*. This kind of procurement received, on average, tenders from eight tenderers.

### 6.1 Tenders are submitted by 4.5 tenderers, on average

It is difficult to describe how well competition works within the public procurement markets. To a certain extent, the numbers of tenderers can be used for comparisons between industries, years and types of procurements. For example, the number of tenderers can show whether there are more or fewer competitors, and their desire to participate in public procurements. A small number of tenderers can suggest a lack of competition.

On average, 4.5 tenderers submitted tenders per published procurement during 2014. This was a decrease compared with 2013 when an average of 4.7 tenderers submitted tenders. In 2014, four out of ten procurements received tenders from fewer than four tenderers. The most frequent number of tenderers was two (see figure 8).

**Figure 8**      **Number of tenderers per procurement in 2014**

Note: The number of tenderers is found on the horizontal axis and the number of procurements on the vertical axis.

Note: Calculated based on 12,591 procurements. Information is lacking for 5,816 procurements.

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## More tenderers when procurements concern framework agreements

The number of tenderers is higher for procurements concerning framework agreements than it is for others types of procurements (see table 13). In 2014, an average of 5.8 tenderers participated in procurements concerning framework agreements; this can be compared with an average figure of 3.9 tenderers for procurements not concerned with framework agreements.

**Table 13**      **Tenderers per type of agreement 2009–2014**

Type of agreement	2009	2010	2011	2012	2013	2014
Framework agreement	8.6	6.4	5.7	6.4	5.9	5.8
Other agreements	5.1	4.1	3.9	4.0	4.0	3.9
<b>All</b>	<b>5.3</b>	<b>4.6</b>	<b>4.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### Fewer tenderers in 2014, on average

For procurements conducted using the most common procedure – simplified procedure, tenders were received from an average of 4.2 tenderers (see table 14). For open procedures, which are used for the majority of procurements over the threshold, tenders were received from an average of 5.1 tenderers. The majority of procedures received fewer tenders in 2014 than in the year before.

**Table 14**      **Average number of tenderers per procedure 2009–2014**

Procedure	2009	2010	2011	2012	2013	2014
<b>Non-directive-governed</b>						
Simplified	5.0	4.3	4.0	4.4	4.4	4.2
Selective procedure	4.6	5.4	5.3	5.1	4.0	4.2
<b>Directive-governed</b>						
Open	6.1	5.2	5.1	5.6	5.3	5.1
Negotiated	4.7	4.5	4.1	4.3	4.4	3.9
Restricted	7.7	6.9	6.2	9.2	4.6	11.0
Competitive dialogue	-	5.3	4.3	3.6	3.0	-
Qualification system	-	-	-	-	-	-
Accelerated restricted	6.0	7.0	10.0	5.0	6.0	5.0
Accelerated negotiated	4.5	7.3	3.3	3.0	3.7	3.3
Design Competition	11.0	18.0	36.4	-	-	-
<b>All</b>	<b>5.3</b>	<b>4.6</b>	<b>4.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The average number of tenderers per procurement varies greatly from industry to industry. In 2014 procurements within the CPV main group *architectural, construction, engineering and inspection services* received the most tenderers, with an average of eight tenderers per procurement (see table 15). This CPV main group has been among the three industries with the most tenderers every year since 2009.

**Table 15 CPV main groups with the most tenderers per procurement in 2014**

CPV main group	Refers to	Average number of tenderers	Number of procurements
71	Architectural, construction, engineering and inspection services	8.0	1,830
92	Recreational, cultural and sporting services	7.5	253
85	Health and social work services	7.1	716
33	Medical equipments, pharmaceuticals and personal care products	6.5	856
79	Business services: law, marketing, consulting, recruitment, printing and security	6.5	1,594
80	Education and training services	5.6	444
77	Agricultural, forestry, horticultural, aquacultural and apicultural services	5.2	479

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Procurements of *agricultural machinery* had the lowest number of tenderers per procurement (see table 16). Here there was an average of just 2.5 tenders per procurement. The CPV main group *agricultural machinery* has had the lowest number of tenderers for five out of the six years for which we have statistics.

**Table 16 CPV main groups with the lowest number of tenderers per procurement in 2014**

CPV main group	Refers to	Average number of tenderers	Number of procurements
16	Agricultural machinery	2.5	166
38	Laboratory, optical and precision equipments (excl. glasses)	2.8	527
41	Collected and purified water	3.0	13
34	Transport equipment and auxiliary products to transportation	3.0	1,084
64	Postal and telecommunications services	3.0	229
66	Financial and insurance services	3.1	357
48	Software package and information systems	3.1	530

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The average number of tenderers who participate in procurements differs somewhat from county to county (see table 17). The number of tenderers was highest when Sweden was stated as the place of delivery. As mentioned previously, this includes procurements where the whole of Sweden is the place of delivery, or where the place of delivery is unimportant. Furthermore, this includes directive-governed procurements which have more than one county as a place of delivery since only one place of delivery can be stated in TED publications. Södermanland was the county that received the greatest average number of tenderers.

**Table 17      Average number of tenderers per procurement and place of delivery in 2014**

<b>Place of delivery</b>	<b>Average number of tenderers</b>
Sweden	5.7
Södermanland County	5.2
Stockholm County	5.0
Uppsala County	4.7
Skåne County	4.7
Östergötland County	4.4
Västra Götaland County	4.4
Kronoberg County	4.4
Kalmar County	4.3
Gävleborg County	4.3
Halland County	4.3
Örebro County	4.2
Västmanland County	4.2
Blekinge County	4.0
Gotland County	4.0
Västernorrland County	3.9
Jönköping County	3.9
Dalarna County	3.8
Värmland County	3.8
Jämtland County	3.7
Västerbotten County	3.6
Norrbottn County	3.4
<b>All (incl. those outside Sweden)</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

When procuring with the most economically advantageous tender as the base for award of contract, the number of tenderers is slightly higher than when awarding the contract based on the lowest price (see table 18). However, the number of tenderers fell for both award bases in 2014, compared with the previous year.

**Table 18 Tenderers per procurement and base for award of contract 2009–2014**

<b>Base for award of contract</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Most economically advantageous tender	5.4	4.7	4.5	4.8	4.8	4.6
Lowest price	4.9	4.3	4.3	4.6	4.5	4.4
No information	6.9	5.0	4.8	5.8	5.3	5.8
<b>All</b>	<b>5.3</b>	<b>4.6</b>	<b>4.4</b>	<b>4.8</b>	<b>4.7</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 6.2 Four out of ten tenderers are awarded a contract

The number of tenderers is a very rough indication of the competition in procurements. Several tenderers, in some cases all tenderers, can be awarded contracts in certain procurements. This is particularly common with procurements of framework agreements. It also happens that procurements are divided up into several different contractual areas where separate contracts are signed for each area. A large number of tenderers does therefore not necessarily mean that competition has been tough.

Large numbers of contract awardees in particular industries or procurements can suggest weak competition. A high number of tenderers need not necessarily exert the same pricing pressure as had been the case if fewer parties were awarded contracts. An

analysis of competition should therefore take into account the percentage of tenderers that are awarded contracts.

On average, 42 per cent of tenderers are awarded a contract in every procurement (see table 19). 58 per cent are not contracted, either due to their tender not qualifying or failing evaluation, or because they did not submit the best tender.

**Table 19**      **Average number of tenderers awarded contracts per published procurement in 2014**

	<b>Number of tenderers</b>	<b>Percentage of total tenderers</b>	<b>Average per procurement</b>
Contracted	25,462	42 %	1,8
Not contracted	34,920	58 %	3.3
<b>Total</b>	<b>60,382</b>	<b>100 %</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The number of suppliers contracted varies greatly from procurement to procurement. In five procurements published in 2014, over 50 tenderers were awarded contracts (see table 20). In one procurement, over 100 were awarded contracts. All five procurements were concerned with framework agreements and were divided up into several different services, or into various different geographical areas.

**Table 20**      **Published procurements where more than 50 tenderers were awarded contracts in 2014**

Authority	Concerns	Tenderers	Number contracted
Trafikverket	Construction managers and project managers	114	107
Trollhättan Municipality	Care homes or residential and family housing	68	68
Borås Municipality	Care homes or residential housing	60	57
Swedish Companies Registration Office	IT consultancy services	55	55
Swedish Civil Contingencies Agency	Shelter controls	52	51

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

More tenderers are awarded contracts in procurements that concern framework agreements than in those concerning other types of agreements (see table 21). On average, 2.9 tenderers were awarded contracts in procurements concerning framework agreements, whilst an average of 1.3 tenderers were awarded contracts from other types of agreements. This might be due, for example, to authorities conducting framework agreement procurements wanting to have more suppliers from whom they can call-off, in the case that goods or services are not available. In framework agreements with several suppliers, the authority, according to procurement regulations, is to award the contract to at least three tenderers, if there are at least three qualifying bids.

**Table 21**      **Tenderers awarded contracts in framework agreement procurements, compared with other agreements in 2014**

Category	Framework agreement	Other agreements	Average per procurement
Not contracted	3.7	3.1	3.3
Contracted	2.9	1.3	1.8
<b>All</b>	<b>5.6</b>	<b>3.6</b>	<b>4.5</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.



There are major differences between the various industries with regards to the percentage of tenderers who awarded contracts (see table 22). The largest percentage of contracted tenderers is to be found in the procurement of *medical equipments, pharmaceuticals and personal care products*. This is subsequently followed by *chemical products, mining products, basic metals and related product*. Several industries with high percentages of contracted tenderers also have percentages of review procedures (see section 8.1).

**Table 22 CPV main groups with the largest percentage of contracted tenderers in 2014**

CPV main group	Refers to	Average number of tenderers	Average number contracted	Percentage contracted
33	Medical equipments, pharmaceutical and personal care products	19.3	13.1	68 %
24	Chemical products	7.4	4.7	64 %
14	Mining products, basic metals and related products	5.4	3.3	62 %
15	Food, beverages, tobacco and related products	17.7	10.8	61 %
85	Health and social work services	16.9	10.2	60 %
19	Leather and textile fabrics, plastic and rubber materials	5.3	2.9	55 %
55	Hotel, restaurant and retail trade services	9.9	5.5	55 %
66	Financial and insurance services	6.1	3.2	52 %
60	Transport services (excl. Waste transport)	7.5	3.8	51 %

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The lowest percentage of contracted tenderers can be found in the *recreational, cultural and sporting services* industry, where 29 per cent of tenderers were awarded contracts. This was subsequently followed by *sewage, refuse, cleaning and environmental services*, with 32 per cent contracted tenderers, and then by *collected and purified water*, with 33 per cent. In appendix 3 we illustrate the average

number of tenderers and contracted tenderers for all the CPV main groups in 2014.

### Construction and engineering companies submit the most tenders

This year we have based our information purely by organisation number. To sum up tenders from different organisation numbers, for example at group level, or by activity, would demand the drawing up of boundaries that could make the figures hard to use. Some groups of companies have hundreds of organisation numbers with highly diverse ownership arrangements and business activities.

Visma has information regarding organisation numbers for tenderers in 75 per cent of all procurements published in 2014. NCC Construction Sverige AB was the tenderer whose organisation number was found to be registered in the most procurements in 2014 (see table 23). The ten companies that submitted the most tenders in 2014 were all operating within the building, engineering or construction industries.

**Table 23 Organisations that submitted the most tenders in 2014**

<b>Tenderer</b>	<b>Number of tenders</b>
NCC Construction Sverige AB	630
WSP Sverige AB	438
Peab Anläggning AB	419
Skanska Sverige AB	415
Svevia AB	394
ÅF-Infrastructure AB	361
Tyréns AB	297
Ramböll Sverige AB	288
Peab Sverige AB	235
Bravida Sverige AB	220

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 7 The participation of small and medium-sized enterprises in procurement

Four out of five tenderers are small or micro enterprises. Large companies comprise only four per cent of all tenderers. On the other hand, large companies are responsible for four out of ten tenders submitted. Likewise, large companies are contracted for around four out of ten contracts awarded.

Through the tenderers' organisation number we can obtain information about the organisational form of their business (see table 24). In 2013, the majority of all tenderers were limited companies.

**Table 24 Tenderers' organisational forms 2013**

Organisational form	Percentage
Limited companies	95.2 %
Economic associations	1.9 %
Sole traders	1.2 %
Other (for example, authorities and foreign companies)	1.7 %

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Via Bisnode's "Info Torg" service we can, through the organisation number, obtain information from annual reports in respect of the companies' number of employees, and their net turnover and balance sheet total. This information allows us to estimate the size of the tendering company. We can also classify the tenderers according to the European Commission's four company size

classes.<sup>20</sup> The size classes are based on the number of employees and either the net turnover or balance sheet total (see table 25).

**Table 25      The European Commission's size classes for companies**

<b>Size class</b>	<b>Number of employees</b>	<b>Net turnover, Euro millions</b>	<b>Balance sheet total, Euro millions</b>
Micro enterprises	0-9	0-2	0-2
Small enterprises	10-49	2-10	2-10
Medium-sized enterprises	50-249	10-50	10-43
Large enterprises	250+	>50	>43

Source: European Commission (2003).

There are a number of other provisions concerning company ownership. A micro enterprise that is wholly owned by a group parent company is to be included along with the parent company and any other wholly owned companies within the group, when establishing the size class. However, we do not have access to comprehensive details in respect of participation rights, so for this reason, our classification does not take ownership into account. Approximately a third of the tenderers had a Swedish group parent company in 2013. Furthermore, an increasing percentage of the tenderers belonged to foreign groups of companies.

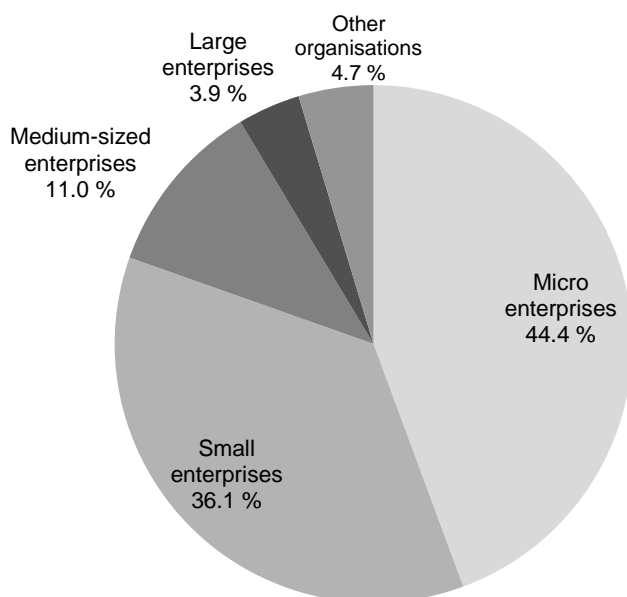
When we wrote this report, the latest available annual reports were those from 2013, and our analysis is therefore based on information regarding participation in procurements in that year. For an organisation to change size class, it has to exceed one or more of the limits for that size class in two subsequent accounting, but our classification does not take this into account.

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<sup>20</sup> *Commission Recommendation 2003/361/EC* (European Commission 2003).

Based on our simplified form of the European Commission's classification, four out of five tenderers were small or micro enterprises in 2013 (see figure 9). Only four per cent of the tenderers were large enterprises.

**Figure 9** Percentage of tenderers per size class in 2013



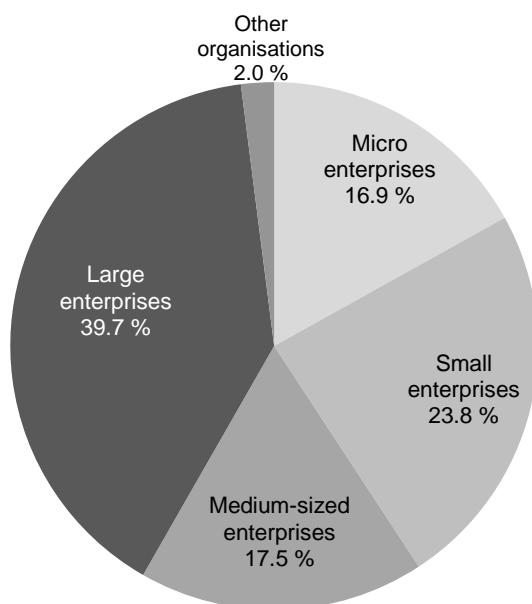
Note: "Other organisations" refers to organisations where there is no information from annual reports, for example, sole traders, authorities and foreign companies.

Source: Visma, Bisnode, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The picture looks different, however, if we look at the percentage of tenders submitted. Large companies were responsible for four out of ten tenders in 2013 (see figure 10). This was roughly the same proportion as small and micro enterprises put together. Large enterprises that participated in procurements submitted an average of 76 tenders, compared with 12 tenders for medium-sized

enterprises, 5 tenders for small enterprises, and barely 3 tenders for micro enterprises.

**Figure 10**      **Percentage submitted tenders per size class in 2013**

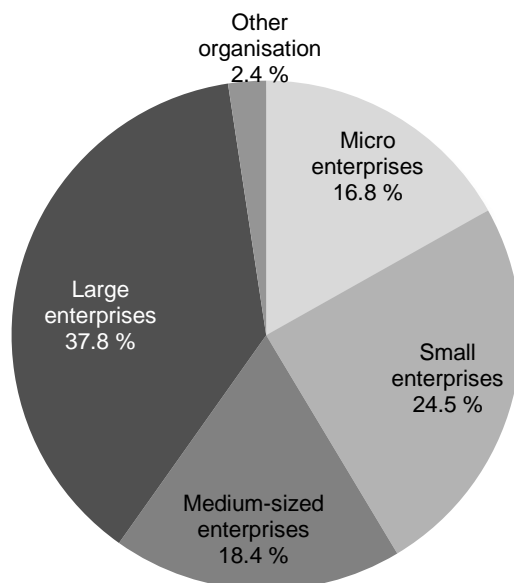


Note: "Other organisations" refers to organisations where there is no information from annual reports, for example, sole traders, authorities and foreign companies.

Source: Visma, Bisnode, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

The division between contracted tenderers per size class appears similar to the division of submitted tenders (see figure 11). Organisations submitting tenders are contracted on roughly four out of ten occasions, regardless of their size class. The exception to this rule is *Other organisations*, which are contracted almost five times per ten submitted tenders.

**Figure 11**      **Percentage of contracted tenders per size class in 2013**



Note: "Other organisations" refers to organisations where there is no information from annual reports, for example, sole traders, authorities and foreign companies.

Source: Visma, Bisnode, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 8 Review procedures

7.6 per cent of the procurements were subject to review procedures in 2014. Directive-governed procurements were reviewed to a considerably greater degree than those not governed by EU directives.

The administrative courts decided in the contracting authorities' favour in three out of four cases examined during 2014. In one out of four cases, the authority was ordered to wholly or partially rectify the procurement procedure, or to repeat it.

Review procedures were most common for procurements concerning *office and computing machinery, equipment and supplies, except furniture and software packages*, where 13 per cent were reviewed. The category with the most published procurements, *Construction work*, had relatively few review procedures, just 6 per cent.

Procurements with a greater number of tenderers have generally been subject to a higher percentage of review procedures.

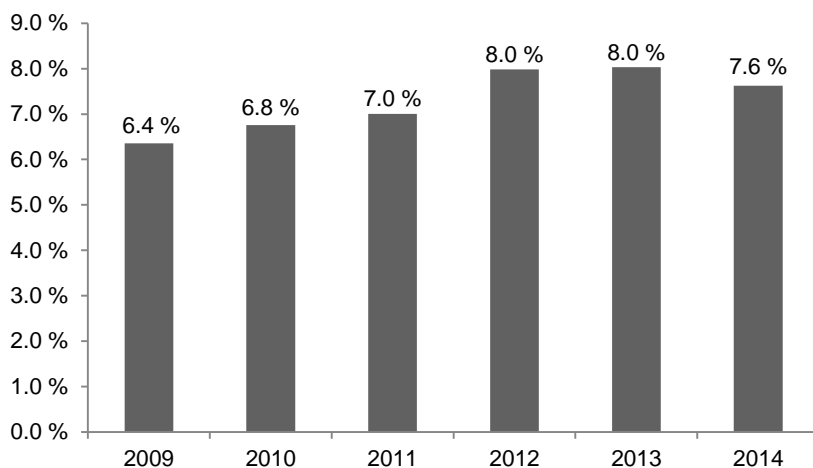
### 8.1 Almost eight per cent of all procurements were subject to review procedures in 2014

A supplier who considers that an authority has contravened the regulations found in LOU or LUF in such a way that the supplier has suffered, or may suffer damages as a result, can apply for the procurement to be reviewed by the Administrative Court. The Administrative Court can then decide that the procurement is to be rectified, or wholly or partially re-conducted.



Out of the procurements published in 2014, 1,403 were subject to review procedures, which corresponds to 7.6 per cent of all published procurements (see figure 12). This percentage includes both reviews of procurements and assessments of contractual validity. However, the figures regarding the number of reviews conducted in 2014 may increase. This is due, *inter alia*, to this information being acquired in July 2015, and it can take some time before Visma registers court judgments. Some of the reviews of procurements published in 2014 will not be judged until 2015. In certain cases contractual validity can be reviewed up to six months following the signing of the agreement.

**Figure 12**      **Percentage of reviewed procurements 2009–2014**



Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

It is considerably more common for directive-governed procurements to be subject to review procedures (see table 26). For procurements conducted according to open procedures the

percentage of reviews was over twelve per cent, which can be compared to barely six per cent of simplified procedures.

**Table 26**      **Percentage of reviewed procurements per procedure in 2014**

<b>Procedure</b>	<b>Number of procurements</b>	<b>Number reviewed</b>	<b>Percentage</b>
<b>Non-directive-governed</b>			
Simplified	11,590	660	5.7 %
Selective procedure	245	10	4.1 %
<b>Directive-governed</b>			
Open	5,810	670	11.5 %
Negotiated	536	37	6.9 %
Restricted	176	21	11.9 %
Competitive dialogue	27	5	18.5 %
Qualification system	13	0	0 %
Accelerated restricted	5	0	0 %
Accelerated negotiated	5	0	0 %
Design Competition	0	0	-
<b>All</b>	<b>18,407</b>	<b>1,403</b>	<b>7.6 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### Reviews most common in procurements of office and computing machinery

The percentage of procurements subject to review procedures varies from industry to industry. Reviews were most common within the CPV main groups: *office and computing machinery, equipment and supplies, except furniture and software packages* and *Medical equipments, pharmaceuticals and personal care products* in 2014 (see table 27). Within both groups, around 13 per cent of procurements were subject to review procedures.

Table 27 Industries with the highest percentages of reviews in 2014

CPV main group	Refers to	Number of procurements	Number reviewed	Percentage
30	Office and computing machinery, equipment and supplies, except furniture and software packages	336	45	13.4 %
33	Medical equipments, pharmaceuticals and personal care products	856	110	12.9 %
75	Administration, defence and social services	160	19	11.9 %
98	Other community, social and personal services	414	48	11.6 %
60	Transport services (excl. Waste transport)	438	50	11.4 %
15	Food, beverages, tobacco and related products	294	33	11.2 %
63	Supporting and auxiliary transport services; travel agencies services	217	24	11.1 %
24	Chemical products	168	18	10.7 %
39	Furniture (incl. Office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products	760	81	10.7 %
18	Clothing, footwear, luggage articles and accessories	213	22	10.3 %

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

On the other hand, review procedures were less common for *Construction work*, the CPV main group with the most procurements in 2014. Six per cent of these procurements were reviewed in court. Apart from in industries with less than 100 published procurements, in 2014 the percentage of review procedures was lowest in the procurement of *agricultural machinery*. In this CPV main group, 7 out of 166 procurements were reviewed, which corresponded to four per cent. Appendix 4 lists the percentage of review procedures for all of the CPV main groups.

Review procedures slightly more common when contracts are awarded based on most economically advantageous tender

For procurements where contracts were awarded based on the most economically advantageous tender, the percentage of reviews was 8.3 per cent in 2014 (see table 28). When lowest price was the base for award, the percentage was somewhat lower, 7.1 per cent.

**Table 28**      **Percentage of procurements reviewed in 2014 per base for award of contract**

Base for award	Number of procurements	Number reviewed	Percentage reviewed
Most economically advantageous tender	7,570	630	8.3 %
Lowest price	9,242	652	7.1 %
No information	1,595	121	7.6 %
<b>Total</b>	<b>18,407</b>	<b>1,403</b>	<b>7.6 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### Trafikverket and Stockholm Municipality had most reviewed procurements

Many of the authorities that had a great number of procurements reviewed have also conducted a large number of procurements. A large number of procurements means that it is natural for more to be reviewed, but several authorities have had a considerably higher percentage of their procurements reviewed than the 7.6 per cent which was the average (see table 29). Trafikverket had the highest number of reviewed procurements – 46. On the other hand, Trafikverket had a relatively low percentage of reviews – five per cent.

**Table 29**      **Authorities with more than ten review procedures in 2014**

<b>Authority</b>	<b>Number of procurements</b>	<b>Number reviewed</b>	<b>Percentage</b>
Trafikverket	842	46	5.2 %
City of Stockholm	286	32	10.1 %
Stockholm County Council	147	31	17.4 %
Inköp Gävleborg municipal association	258	25	8.8 %
Region Västra Götaland	159	25	13.6 %
Region Skåne	105	22	17.3 %
Uppsala County Council	116	19	14.1 %
Fjärde storstadsregionen municipal association	100	18	15.3 %
Swedish Defence Materiel Administration	183	17	8.5 %
Uppsala Municipality	133	17	11.3 %
<b>All procurements</b>	<b>18,407</b>	<b>1,403</b>	<b>7.6 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### Procurements involving more tenderers are subject to review procedures more often

As a general rule, the more tenderers that participate in a procurement, the greater the probability that it will be subject to a review procedure. One explanation for this could be that there are more tenderers who feel they have suffered damage. The percentage of reviewed procurements increases from almost none, when there are just a few tenderers, to over 16 per cent when there are 10-19 tenderers (see table 30).

**Table 30**      **Published procurements in 2014 that were reviewed in relation to the number of tenderers**

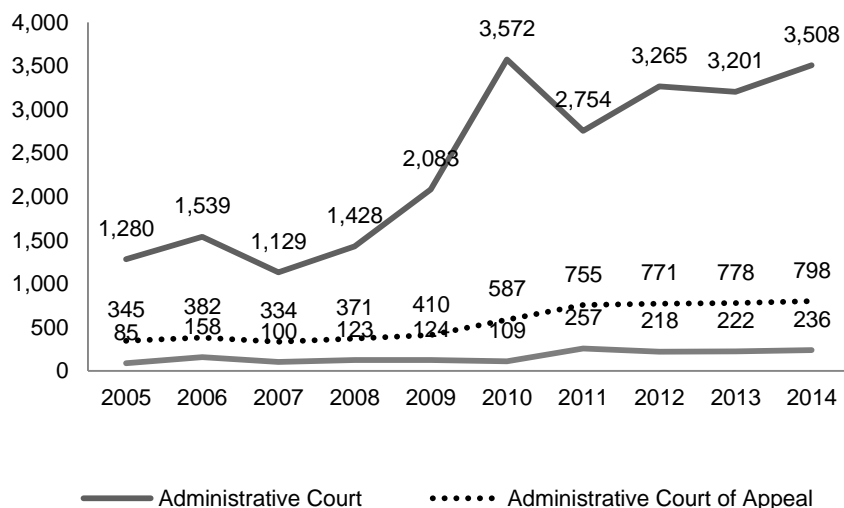
Number of tenderers	Number of procurements	Number reviewed	Percentage
1	1,637	7	0.4 %
2	2,520	127	5.0 %
3	2,336	158	6.8 %
4	1,844	138	7.5 %
5	1,315	126	9.6 %
6	820	80	9.8 %
7	593	66	11.1 %
8	360	44	12.2 %
9	276	30	10.9 %
10-19	686	113	16.5 %
20-29	118	15	12.7 %
30-	84	18	21.4 %
No information	5,819	481	6.7 %
<b>All</b>	<b>18,408</b>	<b>1,403</b>	<b>7.6 %</b>

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 8.2 Increase in review applications

The number of procurement cases processed in the courts increased by ten per cent in 2014, according to information provided by Domstolsverket, the Swedish National Courts Administration (see figure 13). The level was nearly as high as it was in 2010, when the highest number of applications to date was recorded for a single year.

**Figure 13** Received applications for reviews in a court of law, 2005–2014



Source: The Swedish National Court Administration, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## The number of cases is not a good way of measuring reviews

The number of applications for reviews in the courts is, however, not a good way of measuring how many procurements are subject to review procedures. For example, several tenderers may request review of the same procurement. A supplier might also request review of a coordinated procurement in which several authorities have participated. In cases such as this, the courts register a case number for each authority. If these applications are submitted at different administrative courts, then still more case numbers can be created in conjunction with the transfer of cases from court to court. Consequently, each combination of applicant and authority can

therefore be registered under a separate case number. This means that just one procurement that is to be reviewed can generate a large number of case numbers in the various courts, even if, in practice, only one procurement is being reviewed.

### 8.3 The percentage of leaves to appeal granted increased in 2014

In procurement cases, leave to appeal is required in order for the case to be reviewed by the Administrative Court of Appeal or the Supreme Administrative Court. If leave to appeal is denied, the ruling of the lower court stands.

Out of those cases which were decided upon in the Administrative Court and appealed to the Administrative Court of Appeal, 44 per cent were granted leave to appeal, which was an increase compared with previous years (see table 31). The percentage of LOU cases granted leave to appeal varies somewhat between Sweden's four Administrative Courts of Appeal. At the same time, the percentage of leaves of appeal granted for LOU cases to be reviewed in the Supreme Administrative Court fell slightly to 11 per cent.



**Table 31**      **Percentage of decided procurement cases granted leave to appeal, 2009–2014**

<b>Court</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Administrative Court of Appeal in Göteborg	51 %	42 %	50 %	36 %	33 %	41 %
Administrative Court of Appeal in Jönköping	55 %	46 %	61 %	47 %	27 %	51 %
Administrative Court of Appeal in Stockholm	45 %	36 %	30 %	28 %	29 %	36 %
Administrative Court of Appeal in Sundsvall	43 %	45 %	48 %	29 %	41 %	51 %
<b>Administrative Courts of Appeal total</b>	<b>48 %</b>	<b>41 %</b>	<b>44 %</b>	<b>35 %</b>	<b>31 %</b>	<b>44 %</b>
<b>Supreme Administrative Court</b>	<b>7 %</b>	<b>8 %</b>	<b>7 %</b>	<b>5 %</b>	<b>12 %</b>	<b>11 %</b>

Note: The percentages also include cases not subject to leave to appeal.

Note: The percentages are, unlike in previous years' reports, based on *decided* procurement cases.

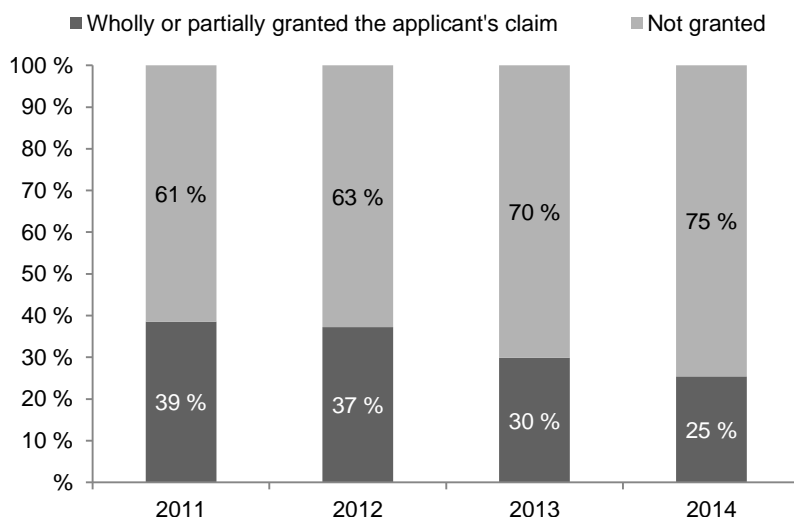
Source: The Swedish National Court Administration, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## 8.4 Contracting authorities win three out of four cases reviewed in the Administrative Courts

According to the Swedish National Court Administration's statistics, 3,565 procurement review cases were decided in the Administrative Courts in 2014. In 24 per cent of the cases, the court made a decision without taking a position on the issue raised by the applicant. This might be due, for example, to the case being transferred to another Administrative Court, to the review application being received too late, or because the applicant had no right of action. In six cases there is no information regarding the outcome.

2,692 procurements cases were reviewed in the Administrative Court in 2014. In 75 per cent of cases, the court found in the contracting authorities' favour (see figure 14). Furthermore, this percentage has increased over the years.

**Figure 14 Results in decided procurement cases reviewed in the Administrative Court, 2011–2014**



Source: The Swedish National Court Administration, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

In 25 per cent of cases, the applicant's claim was either wholly or partially granted in 2014.<sup>21</sup> This means that the authority was ordered to wholly or partially rectify or re-conduct the procurement.

This report only covers those cases decided in the Administrative Court and does not address those subject to further review in the Administrative Court of Appeal or the Supreme Administrative Court.

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<sup>21</sup> Decisions communicated regarding wholly or partially granted claims, altered or partially altered decision, and inhibitions.

## 8.5 Processing time of 2.2 months in the Administrative Courts

Review procedures play an important role in ensuring the legal security of procurements. At the same time, reviews mean that the whole procurement process is put on hold, since neither the supplier nor the authority can be certain of when, or even if, the contract can be signed. We have obtained information from the Swedish National Court Administration regarding processing times, i.e. the time it takes from a review application being received to the court making a final decision.<sup>22</sup>

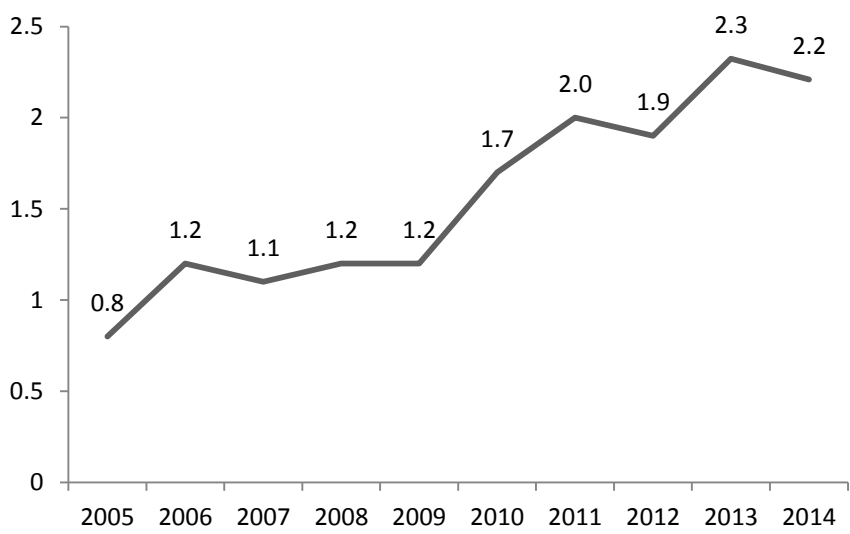
In 2014, the average processing time for review cases in the Administrative Courts was 2.2 months (see figure 15). This was a reduction compared with 2013 but the level is still high.<sup>23</sup> Processing times in the Administrative Courts have increased substantially since 2005 in line with the number of cases increasing.

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<sup>22</sup> The report *Överprövningar av offentliga upphandlingar – siffror och fakta* [Reviews of public procurements – facts and figures] looks in more detail at the review process and the length of processing times in the various different courts.

<sup>23</sup> The processing time refers to all decisions made by the Administrative Courts, including annulments.

**Figure 15**      **Average processing time for review cases in the Administrative Courts (months), 2005–2014**



Source: The Swedish National Court Administration, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

**8.6      Sometimes the processing times are considerably longer**

In three quarters of all reviews, the review process is concluded when an Administrative Court has made its final decision. If the court has found in favour of the authority, it can then sign the contract, subject to the expiry of the ten-day grace period following the court’s decision.

However, over a fifth of the cases processed in the Administrative Courts are appealed to the Administrative Court of Appeal. In the majority of cases, however, the Administrative Court of Appeal decides not to address the case in question. Only 351 cases were

granted leave to appeal to the Administrative Court of Appeal in 2014.

For those cases that were appealed to the Administrative Court of Appeal and which were granted leave to appeal, it took, on average, 3.1 months from the case being received by the court to the case being finally settled (see table 32). For those cases that were appealed to the Supreme Administrative Court and which were granted leave to appeal, it took, on average, a further 3 months before the case was finally settled.

**Table 32 Processing time in months, from the case being received by the Court to a decision being made, 2014**

<b>Court</b>	<b>Number</b>	<b>Percentage of cases in the Administrative Court</b>	<b>Average processing time</b>	<b>Longest processing time</b>
Administrative Court	3,565	100 %	2.2	29.2
Administrative Court of Appeal – leave to appeal not granted	451	13 %	1.2	8.0
Administrative Court of Appeal – leave to appeal granted	351	10 %	3.1	15.8
Supreme Administrative Court – leave to appeal not granted	203	6 %	0.8	7.0
Supreme Administrative Court – leave to appeal granted	26	1 %	3.0	11.9

Note: "Leave to appeal granted" also includes cases not subject to leave to appeal.

Note: In previous reports, this table was calculated in another way, which means that retrospective comparisons are not possible.

Source: Swedish National Courts Administration, 2015.

## 9 Procurement fines

The regulations concerning procurement fines have now been in place for five years and during this time the Swedish Competition Authority has made 92 applications in court for the imposition of such. Of the 64 cases that have entered into legal force, 44 have led to the imposition of procurement fines. Of the 36 applications where the Swedish Competition Authority has been able to prioritise which cases (facultative) are to be pursued in court, 89 per cent have led to convictions. In 26 cases, it has been mandatory for the Swedish Competition Authority to submit an application to court. 43 per cent of these have led to convictions.

### 9.1 92 applications for procurement fines since 2010

Procurement fines are decided upon by a court of law following an application made by the Swedish Competition Authority. One of the aims of procurement fines is to ensure compliance with procurement regulations and that tax funds are used correctly.

Since the regulations regarding procurement fines were introduced on 15 July 2010, the Swedish Competition Authority has submitted 92 court applications to court (up to 31 July 2015). 20 applications were submitted during 2014, a figure that roughly corresponds with the average number of applications per year over the last five years.

## 9.2 The Swedish Competition Authority's claims amount to SEK 90 million

Procurement fines range from the minimum of SEK 10,000 up to a maximum of SEK 10 million. All relevant circumstances are taken into account when determining the size of the procurement fine, which is intended to act as a deterrent.<sup>24</sup> When assessing the penalty value, consideration is to be paid to any aggravating or mitigating circumstances. The more serious the infringement, the higher the fine that shall be imposed. The fine may not exceed ten per cent of the value of the contract in question, however.

The 92 applications submitted by the Swedish Competition Authority between 2010 and 2015 amount to almost SEK 90 million (see table 33). The maximum fine, SEK 10 million, has been petitioned on four occasions.<sup>25</sup> The highest amount ordered by a court which has entered into legal force to this date is SEK 8 million (Falun Municipality).

**Table 33 Applications for procurement fines and total amounts per year, 2011–2015**

Year	Number of applications	Amount petitioned, SEK
2011	15	30,230,000
2012	19	11,015,000
2013	28	29,746,000
2014	20	4,038,000
2015	10	14,580,000
<b>Total</b>	<b>92</b>	<b>89,609,000</b>

Note: 2015 refers to up to and including 31 July.

Source: The Swedish Competition Authority (2015b).

<sup>24</sup> See, for example, the Supreme Administrative Court's judgment HFD 2014 ref. 69.

<sup>25</sup> Falu Municipality 2011, Akademiska hus AB 2011, Haninge Bostäder 2013 and Stockholm County Council 2015.

### 9.3 Two thirds of the applications are made on the Swedish Competition Authority's own initiative

The Swedish Competition Authority can apply for procurement fines to be imposed in two different situations. The majority of applications concern when an authority has made an illegal direct award of contract. This means that agreements have been entered into without prior publication, despite the fact that this is stipulated by the procurement regulations. The Swedish Competition Authority has the option to decide which investigations of illegal direct awards are to lead to applications for procurements fines – these are known as "*facultative*" applications. When prioritising cases, the Swedish Competition Authority shall pay attention to the following:

- how serious the problem is,
- the importance of a guiding precedent, and
- if there are conditions for effectively investigating and intervening in the problem.

However, in certain situations it is *mandatory* for the Swedish Competition Authority to apply to the Administrative Court for a procurement fine to be imposed. This applies when the public Administrative Court has decided in a review case that the effects of the contract should be maintained, despite the fact that it has been concluded in contradiction with the provisions regarding standstill periods or suspension, and when a public Administrative Court has decided in a review case that the effects of an agreement that has been concluded in contradiction with the law should remain due to overriding reasons relating to a general interest.



Of the 92 applications for procurement fines made since the rules were introduced in 2010, two thirds (62) have been facultative (see table 34). These are cases that the Swedish Competition Authority has prioritised. The other 30 are cases where the Authority has been obligated to apply to court.

**Table 34 Applications for procurement fines, divided up into self-initiated (facultative) and mandatory applications, 2011–2015**

Year	2011	2012	2013	2014	2015	Total	Percentage
Facultative applications	7	12	19	15	9	62	67 %
Mandatory applications	8	7	9	5	1	30	33 %
<b>Total</b>	<b>15</b>	<b>19</b>	<b>28</b>	<b>20</b>	<b>10</b>	<b>92</b>	<b>100 %</b>

Note: 2015 refers to up to and including 31 July.

Source: The Swedish Competition Authority (2015b).

#### 9.4 89 per cent of the self-initiated applications lead to the imposition of procurement fines

Of the 64 cases handled in court that have entered into legal force, procurement fines have been imposed in 44 cases (see table 35). Of the 62 applications that the Swedish Competition Authority has submitted on its own initiative, the courts have so far issued 37 decisions that have entered into legal force. In 33 cases, which corresponds to 89 per cent, the courts have decided to wholly or partially grant the Authority's claim. Three applications have been

rejected and one case was annulled following the Authority's withdrawal of the application.<sup>26</sup>

**Table 35 Outcome of procurement fine cases that have entered into legal force, 2010–2015**

	Number facultative	Percentage facultative	Number mandatory	Percentage mandatory	Total
Granted	30	81 %	11	39 %	41
Partially granted	3	8 %	1	4 %	4
Annulled	1	3 %		0 %	1
Annulled after application withdrawn	2	5 %		0 %	2
Not granted	1	3 %	15	54 %	16
Rejected		0 %	1	4 %	1
<b>Totalsumma</b>	<b>37</b>	<b>100 %</b>	<b>28</b>	<b>100 %</b>	<b>65</b>

Note: 2015 refers to up to and including 31 July.

Source: The Swedish Competition Authority (2015b).

The 15 mandatory applications that were not granted by the court consist of four unique infringements. For one infringement (corresponding to six applications) the court decided that procurement fines should not be imposed since the underlying judgment incorrectly established that agreements had been entered into in contravention of the standstill period. For two other infringements (corresponding to four applications) the court decided that there were no legal grounds for imposing procurement

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<sup>26</sup> The three cases where the Swedish Competition Authority's claim were not granted concern interpretation of transitional provisions in LOU. The courts have in those cases decided that no procurement fines could be imposed since the procurements were considered to have commenced before the regulations entered into legal force. The question of how the transitional provision should be interpreted was finally decided in a prejudicial ruling from the Supreme Administrative Court (HFD 2013 ref. 31).

fines.<sup>27</sup> And for the fourth infringement (corresponding to five applications) the court decided that the cases were too small to warrant the imposition of procurement fines.<sup>28</sup>

## 9.5 Over SEK 23 million in fines imposed

Of the 64 cases that have entered into legal force, 45 have led to procurement fines being imposed. A total of over SEK 23 million in fines have been imposed (see table 36). For the facultative applications, the fines imposed vary between SEK 35,000 and SEK 8 million, whilst for the mandatory applications, the fines range from SEK 10,000 to SEK 1.5 million. The size of the fine imposed depends on how serious the infringement is deemed to be.

**Table 36 Procurement fines imposed, 2010-2015**

<b>Application</b>	<b>Number of procurement fines imposed</b>	<b>Total of procurement fines imposed, SEK</b>
Facultative	33	20,207,000
Mandatory	12	3,739,000
<b>Total</b>	<b>44</b>	<b>23,946,000</b>

Note: 2015 refers to up to and including 31 July.

Source: The Swedish Competition Authority (2015b).

Amongst those authorities that have been ordered to pay procurement fines are 14 municipalities, seven government authorities, five municipal companies, three universities, two

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<sup>27</sup> This despite the fact that the court in the underlying judgments had found to the contrary and applied the provisions regarding appeal of contractual validity which were covered by the same transitional regulation.

<sup>28</sup> See the Supreme Administrative Court's ruling HFD 2014 ref. 49

county councils, two State-owned companies and a purchasing centre.

## 9.6 The procurement fines have had an effect

As a result of the procurement fine regulations now having been in place for five years, we have conducted a follow-up to see what has happened at the authorities that have been ordered to pay procurement fines. The results of the follow-up are presented in the report *Fem år med upphandlingsskadeavgift* [Five years with procurement fines] (The Swedish Competition Authority, 2015b).

It emerges from the report that nine out of ten authorities that were ordered to pay procurement fines have made change within their organisation, for example, changes to their way of working, their division of work or to their purchasing routines. In two thirds of the cases, the changes have been implemented wholly or partially as a result of the court's decision to impose a procurement fine. Almost nine out of ten authorities that have implemented changes as a result of the decision consider that the changes have been positive.

## 10 Systems of choice

Systems of choice are an alternative to procurements conducted in accordance with LOU for procurements of health and care services, and also for certain labour market policy initiatives. Systems of choice that have been introduced in accordance with LOV are not subject to LOU and are therefore not included in the statistics presented in other sections of this report.

In October 2015 there were 414 systems of choice. All county councils have introduced systems of choice within primary care, and the majority have also introduced them within other areas. Over half of the municipalities have introduced systems of choice, the majority within home care services.

### 10.1 There are 414 systems of choice, according to LOV

Systems of choice are similar in many respects to LOU procurements, but there are also several important differences. As is the case with procurements, the authority is to stipulate the demands and conditions that are to apply in tender documents; amongst other things, these must state which services are covered and how the compensation will be calculated. All suppliers applying for approval who satisfy the demands are to be approved and given the right to compensation for the services provided within the system of choice.

One important difference in relation to procurements is that there is no ranking of suppliers. Instead of awarding the contract to the supplier who offered the lowest price or the most economically

advantageous tender, the user is allowed to choose one of the approved suppliers. The user also has the right to change supplier. For the user who does not wish to, or cannot make a choice, the authority must offer a non-choice alternative. The suppliers are not guaranteed any compensation and they only get paid for the services they carry out for users who have chosen them or who have been allocated to them as per the non-choice alternative.<sup>29</sup>

One precondition for a system of choice being subject to LOV is that it is published on a specific web site - *Valfrihetswebben*<sup>30</sup>. As long as the system of choice is published, it is also possible for new suppliers to apply for approval, and therewith the right to compensation according to the system. There is no limit for how many suppliers can be accepted into a system of choice.

In October 2015 there were a total of 414 systems of choice on *Valfrihetswebben* (see table 37). Systems of choice can only be introduced by municipalities and county councils, and by the Swedish Public Employment Service. The municipalities were responsible for 72 per cent of all systems of choice.

**Table 37**      **Number of systems of choice, 2013–2015**

<b>Authority</b>	<b>2013 (October)</b>	<b>2014 (October)</b>	<b>2015 (October)</b>
Municipalities	267	294	299
County councils	89	112	114
Arbetsförmedlingen	4	2	1
<b>All</b>	<b>360</b>	<b>408</b>	<b>414</b>

Source: The Swedish Competition Authority, the National Agency for Public Procurement and Kammarkollegiet ([www.valfrihetswebben.se](http://www.valfrihetswebben.se)) 2015.

<sup>29</sup> For more detailed information about systems of choice, please see *Lagen om valfrihetssystem – en introduktion* [The Act on systems of choice – an introduction] (The Swedish Competition Authority 2011).

<sup>30</sup> [www.valfrihetswebben.se](http://www.valfrihetswebben.se)

## 10.2 Over half of the municipalities have introduced systems of choice

According to the Swedish Association of Local Authorities and Regions, 155 of Sweden's 290 municipalities had systems of choice in operation in April 2015 (see table 38). In other words, over half of the municipalities have introduced at least one system of choice.

**Table 38 Introduction of systems of choice in the municipalities, 2010–2015**

Status of systems of choice	April 2010	April 2011	March 2012	April 2013	April 2014	April 2015
Have introduced	45	89	118	143	153	155
Shall introduce	72	69	51	36	24	21
Have not decided/investigating	79	26	52	37	33	31
Shall not introduce	12	28	27	41	47	49
Not applied for funding	82	78	42	33	33	31
Have discontinued systems of choice	0	0	0	0	0	3

Source: Swedish Association of Local Authorities and Regions (2015a).

The majority of systems of choice concern home care services (see table 39). However, some municipalities have gone further and have not just introduced systems of choice into home care services but into other areas as well.

**Table 39**      **Number of systems of choice per category in April 2015**

<b>Service</b>	<b>Number of municipalities that have introduced</b>
Home care services – care, service and delegated home nursing	125
Home care services – just service initiatives	26
Daily activities as per the Act (1993:387) concerning support and service for persons with certain functional impairments (LSS)	24
Providing company, as per LSS	17
Providing relief, as per LSS	15
Special housing for the elderly	13
Family counselling	15
Housing support	10
Home care services – care, service and home nursing	8
Activities and social psychiatry	8
Short-term stays, as per LSS	6
Non-choice personal assistance, as per LSS	5
Daily activities for the elderly	5
Food distribution	4
Group housing, as per LSS	4
Short-term supervision, as per LSS	3
Labour market initiatives	3
Group housing and social psychiatry	1
Short-term housing for the elderly overseas	1
Family treatment	1
Out-patient care for addictions	1
Chiropody in special housing	1
Residential homes with care facilities (adults)	1
Residential homes with care facilities (children)	1

Source: Swedish Association of Local Authorities and Regions (2015a).



### 10.3 All county councils have introduced at least one system of choice

For the county councils it is obligatory to introduce systems of choice within primary care.<sup>31</sup> This means that all county councils must introduce at least one system of choice that gives residents the opportunity to choose their own health centre. Several regions and county councils have gone further and also introduced systems of choice in other areas (see table 40). Stockholm County Council had introduced the most systems of choice as May 2014, followed by the county councils in Uppsala and Skåne.

**Table 40 Systems of choice per county council, 2011–2015**

County council	May 2011	May 2013	May 2014	June 2015
Stockholm	15	26	31	34
Uppsala	9	14	21	17
Skåne	6	8	14	14
Norrköping	4	6	11	13
Kalmar	2	4	5	5
Östergötland	2	3	4	6
Västmanland	1	3	4	3
Jämtland	1	2	3	3
Halland	1	1	3	3
Södermanland	2	2	2	2
Västra Götaland	1	1	2	2
Jönköping	1	1	2	2
Kronoberg	1	1	2	2
Värmland	1	1	2	2
Västernorrland	1	1	2	3
Örebro	1	1	2	2
Gotland	1	1	2	1
Norrbottnen	1	1	1	2
Other (4 county councils)	1	1	1	1

Note: "County council" also includes regions and Tiohundra-nämnden in Norrtälje Municipality.  
Source: Swedish Association of Local Authorities and Regions (2015a).

<sup>31</sup> In November 2014 the Government put forward a proposal that the county councils should no longer be obliged to have care systems of choice within primary care (Proposition 2014/15:15). However, according to the proposal it would still be possible to apply LOV for those county councils that wished to do so. The Government withdrew this proposal at the end of November.

The Swedish Public Employment Service has a system of choice

During 2014 the "support and matching" system of choice was introduced to help job-seekers look for work or training. The Swedish Public Employment Service had previously had a system of choice for job coaching, which was concluded in 2013, and a system of choice for establishment support for newly-arrived immigrants, which was concluded in 2014.

## 11 Public payments totalling SEK 741 billion

During 2013, the government authorities, municipalities and county councils paid out around SEK 741 billion to outside suppliers, i.e. companies and other organisations. More than a third (38 per cent) of the payments went to other public sector organisations. Around 208,500 private companies received payments from the public sector. 45 private companies received payments totalling over SEK 1 billion, and a further 410 received more than SEK 100 million during 2013.

This chapter is based on a commissioned research report which, in turn, is based on a mapping of all payments made by individual municipalities, county councils and government authorities in 2013.<sup>32</sup> The mapping had been conducted by a commercial company which, with the support of the principle of public access to official records, requested copies of the respective authorities' entire supplier payment ledgers. The mapping covered all supplier payment ledgers for around 85–97 per cent of the authorities (275 of 290 municipalities, all 21 county councils and 199 government authorities).

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<sup>32</sup> *Den offentliga marknaden i Sverige – en empirisk analys av den offentliga sektorns samlade inköp* [The public market in Sweden – an empirical analysis of the public sector's purchases] (The Swedish Competition Authority, 2015b). The report was written by Magnus Arnek, Karl-Markus Modén, Stefan Sidholm, Fredrik Tamm and Björn Wahlman.

## 11.1 SEK 741 billion paid out to 212,000 different organisations

The mapping shows that in 2013 the government authorities, municipalities and county councils paid out almost SEK 741 billion to outside organisations.<sup>33</sup> Since this figure includes, for example, VAT, pension contributions, aid, research funding and payments from one authority to another, it is considerably larger than the total for public purchases (see section 1.1).

### 20 per cent of Sweden's companies are public sector suppliers

The mapping shows that in 2013 the authorities made payments to over 212,000 separate organisations: private and publicly-owned companies and various types of public authorities. Of these, over 208,000 were private companies. This means that 20 per cent of all companies in Sweden received payments from authorities.<sup>34</sup>

The government authorities together made payments to 88,919 organisations (see table 41). The corresponding figures from the municipalities and county councils/regions are 153,078 and 65,608 organisations respectively. Please note that these figures do not add up to 212 000; this is because certain companies and public organisations supply goods and services to several subsectors.

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<sup>33</sup> As far as the figures for the municipalities and government authorities are concerned, these are slightly underestimated as some payments, for example Arbetsförmedlingen's, are missing.

<sup>34</sup> In 2013 there were 1,127,832 companies, including publicly owned companies, registered in SCB's company database.

**Table 41**      **Total purchase value divided up by government authorities, municipalities and county councils, 2013**

Type of authority	Payments to outsider suppliers, SEK billions	Of which to identified recipients, SEK billions	Percentage	Number of suppliers
Government authorities	241.2	191.0	32.6 %	88,919
Municipalities	288.5	272.0	38.9 %	153,078
County councils	211.1	204.8	28.5 %	65,608
<b>Total</b>	<b>740.8</b>	<b>667.8</b>	<b>100 %</b>	<b>212,783*</b>

Note: The suppliers do not add up to 212, 783, since certain companies and public organisations supply goods and services to several subsectors.

Source: The Swedish Competition Authority (2015c).

Around ten per cent of the payments have not been possible to identify during the mapping. This applies, inter alia, to payments to private persons that have been removed for privacy reasons and payments to factoring companies where it has not been possible to identify with certainty the particular organisation to which they refer. This means that the analysis of those organisations that have received payments covers SEK 668. The unidentified payments probably primarily concern private suppliers, but the percentages reported below are based on those payments where identification was possible. The percentage of payments made to private suppliers can therefore be assumed to be slightly higher.

## 11.2 More than a third of payments go to other authorities

Purchases from public suppliers represent a significant proportion of the authorities' purchases, particularly for the government authorities and the county councils where purchases from public suppliers amounted to 43 per cent in 2013 (see table 42). For the

municipalities, the picture is quite different – here, purchases from private suppliers account for over 70 per cent of total purchases.

**Table 42**      **Payments to private and public sector suppliers in 2013**

<b>Authority</b>	<b>Private suppliers, SEK billions</b>	<b>Percentage</b>	<b>Public suppliers, SEK billions</b>	<b>Percentage</b>
Government authorities	108.6	57 %	82.6	43 %
Municipalities	195.3	72 %	76.7	28 %
County councils	115.7	57 %	89.1	43 %
<b>Total</b>	<b>419.6</b>	<b>62 %</b>	<b>248.4</b>	<b>38 %</b>

Source: The Swedish Competition Authority (2015c).

### 11.3 A relatively small percentage of suppliers receive the majority of the payments

The public payments are relatively unevenly distributed. 77 organisations received payments of more than SEK 1 billion in 2013, and a further 683 organisations received more than SEK 100 million.

45 private companies received more than SEK 1 billion

The pattern is similar in respect of payments to private companies. 45 companies received payments of more than SEK 1 billion in 2013 (see table 43). A further 410 companies received more than SEK 100,000 in the same period.

**Table 43**      **Payments to private suppliers in 2013**

<b>Range, SEK</b>	<b>Value within the range, SEK billions</b>	<b>Number of suppliers</b>	<b>Average value per suppliers, SEK</b>
Over 1 billion	115	45	2.5 billion
100 million to 1 billion	111	410	270 million
10 till 100 million	101	3,752	26 million
1 million to 10 million	49	15,819	3.1 million
100,000 to 1 million	17	47,467	350,000
Up to 100,000	27	141,007	190,000
	<b>420</b>	<b>208,500</b>	<b>2.0 million</b>

Source: The Swedish Competition Authority (2015c).

According to Statistics Sweden's (SCB) business register there is a total of 1,158,349 companies in Sweden, 53 per cent (619,035) of which are private firms. This means that there are around 539,314 companies that are not sole traders, of which around 212,000 or 39.3 per cent have received payments from authorities during 2013.

The largest payments to private suppliers have gone to companies within the pension insurance industry and the construction industry

The private supplier that received by far the largest payments from the public sector was KPA Pensionservice (see table 44)<sup>35</sup>. The next largest was SAAB. Three major Swedish building and construction companies, NCC, Skanska and Peab are also amongst those companies receiving most money from the public sector. In

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<sup>35</sup> As was mentioned previously, the highest values for KPA (and Folksam) probably refer to pension contributions from the municipalities and should not therefore be viewed as purchases of various goods and services.

addition to these, ATEA, which is involved with IT, and Keolis, which operates within public transport can also be found on the list.

**Table 44 Private suppliers with the largest sales to the public sector in 2013**

Supplier, individual company	Value of sales, SEK billions
KPA Pensionsservice	9.4
SAAB AB	7.7
NCC Construction	6.7
KPA AB	6.2
ATEA	5.4
Skanska Sverige	5.5
PEAB Anläggning	4.5
Kåpan Pensioner	3.9
KPA Pensionstjänst AB	3.7
Keolis Sverige	3.4

Source: The Swedish Competition Authority (2015c).

At group level, Folksam is by far the largest, with sales of SEK 19.7 billion to the public sector in 2013. Folksam owns KPA. The Skanska group was the second largest supplier in terms of sales to the public sector in 2013 with total sales of SEK 10.9 billion. Around half of this came from the largest individual company in the Skanska group, Skanska Sverige AB. The group of companies with the next largest sales to the public sector was Nordstjernan, with SEK 10 billion.



Stockholm County Council and Apoteket Service AB are the largest public suppliers to the public sector

Amongst the public authorities and companies that sold goods and services to other public bodies, Stockholm County Council had the highest sales in 2013 (see table 45). In total, Stockholm County Council invoiced the public sector to the tune of nearly SEK 27 billion. Number two on the list is Apoteket Service AB with total invoices to the public sector of SEK 13.5 billion. Not unexpectedly, the major national players within the transport sector can also be found in the list of major suppliers. Svevia, previously known as Vägverket Produktion, and Infranord, previously Banverket Produktion, together invoiced public clients for almost SEK 9.5 billion.

**Table 45      Public suppliers with the highest sales in 2013**

<b>Supplier</b>	<b>Value of sales, SEK billion</b>
Stockholm County Council	26.9
Apotekets Service AB	13.5
Göteborg Municipality	7.9
National Government Employee Pensions Board (SPV)	7.7
Trafikverket	5.9
Svevia	5.9
Apoteket AB	5.6
Försäkringskassan	4.1
Södersjukhuset AB	3.6
Infranord	3.4

Source: The Swedish Competition Authority (2015c).

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## Appendices

### Appendix 1 Calculation of the value of purchases subject to the procurement regulations

As we described in Chapter 1, the Swedish Competition Authority estimates that the total value of purchases subject to the procurement regulations amounted to approximately SEK 625 million in 2012. In this appendix we describe the methods used for the calculations and the assumptions we have made. Since the calculations contain a number of assumptions and estimations, the total cost should be viewed as an estimation rather than as a definitive value. For the calculation we have made several assumptions regarding the demarcation of procurement obligations. These have been made purely in order to estimate the value of public procurements and should not be viewed as legal standpoints.

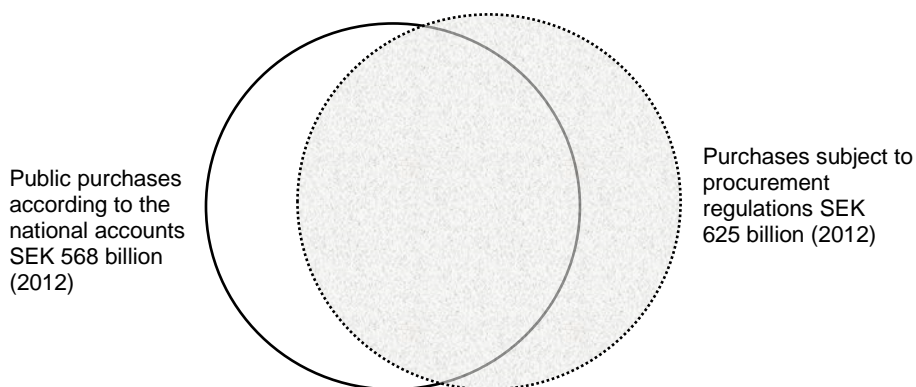
#### Results of the calculation

The calculation is based on one of the methods that Mats Bergman developed in the report *Offentlig upphandling och offentliga inköp – Omfattning och sammansättning* [Public procurement and public purchases – Scope and composition]. This means that our calculations are based on the public purchases detailed in the national accounts (see figure 16).

We deduct from the total those public purchases that are not subject to procurement regulations. Finally, we add purchases that are subject to procurement regulations but which are not included in the national accounts. The calculation refers to 2012 since this is the latest year with complete statistical information.



**Figure 16**      **Public purchases and purchases subject to procurement regulations**



Source: The Swedish Competition Authority and the National Agency for Public Procurement, 2015.

Table 46 illustrates the composition of the calculation for 2012 which is described above. The table also shows the values calculated in the previous edition, for 2011. Comparisons between the years are best achieved by looking at the sums as percentages of the total public expenditure, since the nominal values are described using current prices<sup>36</sup>.

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<sup>36</sup> Even comparisons of the percentages should be conducted with caution since certain public statistical information has changed, and because some assumptions used in the calculations have changed over the years. The values for 2011 have not been recalculated to reflect the changes made in the 2012 calculation.

**Table 46**      **Estimation of purchases subject to procurement regulations based on the national accounts (NA) for 2011 and 2012, in SEK billions**

	Value, 2011	Percentage of GDP at base price, 2011	Value, 2012	Percentage of GDP at base price, 2012
<b>GDP at base price</b>	<b>3,223</b>		<b>3,254</b>	
Public purchases according to NA excl. VAT	511	16 %	568	17 %
Public purchases not included in NA	51	2 %	53	2 %
Unincluded public purchases that are not subject to procurement regulations	-176	-5 %	-167	-5 %
Of which social non-cash benefits, not subject to procurement regulations	-85	-3 %	-63	-2 %
Of which defence materiel	-1	0 %	-1	0 %
Of which hire of premises	-71	-2 %	-87	-3 %
Of which monopoly services	-7	0 %	-10	0 %
Of which other pharmaceuticals, not subject to procurement regulations <sup>37</sup>	-6	0 %		
Of which in-house investments	-6	0 %	-7	0 %
<b>Total of authorities' purchases subject to procurement regulations</b>	<b>387</b>	<b>12 %</b>	<b>454</b>	<b>14 %</b>
Public companies' purchases	342	11 %	275	8 %
Of which commercial companies	-88	-3 %	-82	-3 %
Publicly owned companies' purchases not subject to procurement regulations	-50	-2 %	-32	-1 %
Of which hire of premises	-12	0 %	-12	0 %
Of which fuel for electricity and district heating production	-10	0 %	-10	0 %
Of which monopoly services	-2	0 %	-2	0 %
Of which purchases of TV & radio programmes	-2	0 %	-1	0 %
Of which in-house investments	-9	0 %	-7	0 %
Of which Apoteket's purchases, which are not subject to procurement regulations <sup>38</sup>	-15	0 %		
<b>Total of publicly owned companies' purchases subject to procurement regulations</b>	<b>204</b>	<b>6 %</b>	<b>161</b>	<b>5 %</b>
Private companies purchases under procurement laws	11	0 %	10	0 %
<b>Total purchases subject to procurement regulations</b>	<b>602</b>	<b>19 %</b>	<b>625</b>	<b>19 %</b>

Note: All sums are rounded to the nearest whole figure.

Source: Separate sources for the various items for 2012, see the description of the respective items below.

<sup>37</sup> In the 2012 calculation, this item is posted under "monopoly services".

<sup>38</sup> In the 2012 calculation, Apoteket has been included along with companies that do not have any particular social mission.

Below we describe the calculation item for item, divided up into authorities, publicly owned companies and private companies.

### The authorities' purchases that are subject to procurement regulations

We estimate that the purchases made by authorities in 2012 that were subject to procurement regulations amounted to SEK 454 billion. This calculation is based on public expenditure according to the national accounts and has been arrived at by adding together expenditure for the cost items "intermediate goods", "investments" and "social non-cash benefits" for the government, municipalities and county councils. Consequently, expenditure that is not purchase-related is not included here.

The values in the national accounts are calculated at market price, i.e. including VAT. Details of procurements are traditionally given exclusive of VAT. We therefore deduct VAT from the purchases, in accordance with the national accounts. The calculation of VAT is based on the same assumptions as in Bergman's 2008 calculation, i.e. that the average VAT is 14 per cent for intermediate goods, 19 per cent for investments and 2 per cent for social non-cash benefits. On this basis, we calculate VAT to be SEK 84.9 billion (see table 47).

**Table 47      Public purchases based on the 2012 national accounts, in SEK millions**

<b>Public purchases</b>	<b>SEK millions</b>
<b>Public purchases according to the national account, including VAT</b>	<b>653,076</b>
Of which intermediate goods	360,595
Of which fixed gross investments	167,868
Of which social non-cash benefits	124,613
Deduction of VAT	-84,870
<b>Total public purchases according to the national accounts, excluding VAT</b>	<b>568,206</b>

Source: SCB's Statistics Database [2] and the Swedish Competition Authority's calculation.

### Public purchases not included in the national accounts

To the public purchases detailed in accordance with the national accounts we must then add those public purchases not covered by the national accounts postings "intermediate goods", "fixed gross investments" and "social non-cash benefits" (see table 48). This involves, for example, purchases of activities conducted between public bodies, such as healthcare. Even things like purchases of public transport and waste management on the public's behalf are not included in the national accounts and so they also need to be added. Altogether, these purchases, which were not included in the national accounts, amounted to SEK 52.9 billion.

**Table 48      Public purchases not included in the 2012 national accounts, in SEK millions**

<b>Public purchases</b>	<b>SEK millions</b>
<b>Public purchases according to the national accounts, excluding VAT</b>	<b>568,206</b>
Public bodies' internal purchases of activities	11,335
Costs for local and regional public transport in Sweden	36,497
Municipal purchases of educational activities from public suppliers	2,736
Purchases of waste management services from external parties	2,310
<b>Total of public purchases excluding VAT</b>	<b>621,083</b>

Source: SCB (2013a), Swedish Association of Local Authorities and Regions (2014) and Transport Analysis (2013).

Because of the Teckal provisions, not all purchases should actually be included under "internal purchases" (see section 1.3). Since we cannot distinguish purchases made in accordance with the Teckal provision in these statistics, we cannot make a deduction for this.

There may also be a certain amount of overlapping between municipal purchases from county councils, and municipal purchases of educational activities from public suppliers. In other words, municipal purchases from county councils include a certain amount of educational activities.

Public purchases that are not subject to procurement regulations

Finally, purchases that are not subject to procurement regulations are not to be included under public purchases. Altogether, these add up to an estimated SEK 167 billion (see table 49).

**Table 49      Deductions of purchases not subject to procurement regulations in 2012, in SEK millions**

<b>Public purchases</b>	<b>SEK millions</b>
<b>Public purchases according to the national accounts, excluding VAT</b>	<b>621,083</b>
Social non-cash benefits, not subject to procurement regulations	-62,523
Defence materiel	-1,105
Hire of premises	-86,737
Monopoly services	-9,739
In-house investments	-6,597
<b>Total of public purchases subject to procurement regulations, excluding VAT</b>	<b>454,383</b>

Source: Separate sources for the respective items. See description of each item below.

*Social non-cash benefits* are costs that the public sector has for subsidies for goods and services that other providers produce and supply direct to households. If a subsidy or payment is made according to a particular piece of legislation, then the compensation is not subject to the procurement regulations. The public purchases

shall thus be reduced to reflect that which is not procured. This value amounted to SEK 62.5 billion in 2012 (see table 50).

**Table 50      Social non-cash benefits not subject to procurement regulations in 2012, in SEK millions**

<b>Social non-cash benefits</b>	<b>SEK millions</b>
Pharmaceutical benefits	19,365
Incontinence products	596
Independent schools, day nurseries, etc.	34,331
Dental subsidies	4,941
Car support for the disabled	343
Compensation to private doctors working under compensation laws	1,667
Compensation to private physiotherapists working under compensation laws	1,279
<b>Total of all social non-cash benefits not subject to procurement regulations</b>	<b>62,523</b>

Source: Försäkringskassan (2013), National Board of Health and Welfare (2015), SCB (2015), SCB (2014b), and the Swedish Association of Local Authorities and Regions (2013).

*Defence materiel* is another item where the public purchases need to be reduced to reflect those procurements that are exempt within the area of defence. According to the Swedish Defence Materiel Administration (FMV) (2012), such procurements amounted to SEK 1.3 billion in 2011, which corresponded to 7.2 per cent of the value of the Swedish Armed Forces' materiel provision. We have not been able to obtain any new figures from FMV and have instead assumed that the state of affairs is basically the same for 2012. Consequently we have estimated the value of the exempted procurements at SEK 1,105 million.

One of the largest postings where public purchases are to be reduced is *hire of premises*. In the national accounts, hire of premises is included as intermediate consumption, but according to the procurement laws this is not subject to procurement regulations. The total for the hire of premises posting was SEK 86.7 billion in 2012.

*Monopoly services*<sup>39</sup> need not be procured in accordance with the procurement regulations and should therefore be removed from public purchases. This includes patented pharmaceuticals within institutional care, district heating and electrical network services which totalled SEK 9.7 billion in 2012.

According to the National Board of Health and Welfare's pharmaceutical statistics, the total cost of pharmaceuticals for institutional care was over SEK 7 billion in 2012. In information provided prior to the calculation of the 2011 public procurement figures, the Board stated that approximately 85 per cent of the total cost related to original pharmaceuticals – the vast majority of which are patented. There might be a marginal percentage of pharmaceuticals where the patent has expired and competition has yet to arise. We have based this year's calculation on the assumption that the state of affairs is primarily the same as before. The cost for patented pharmaceuticals within institutional care has therefore been estimated at 85 per cent of the total cost for pharmaceuticals within institutional care.

The costs for district heating were just over SEK 4 billion in 2012. The calculation of purchases of district heating is based on the district heating market turning over SEK 31.6 billion in 2012<sup>40</sup>. Public premises are assumed to make up an eighth of the total area. Based on this percentage we have estimated the value of the public premises' district heating to be SEK 5.8 billion. The weakness of this calculation is, however, that it assumes that all premises have the

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<sup>39</sup> Refers to contracts which, for legal reasons, can only be conducted by a particular supplier, and where there are no similar products available on the market.

<sup>40</sup> Swedish Energy Markets Inspectorate (2014).

same price per square metre, which is probably not the case. We have used this estimation of the value in the absence of better data.

We have not found any acceptable statistics regarding the purchases of electrical network services for public premises. Previous versions of this calculation have been based on the value from Bergman's 2006 calculation and they have then been increased to reflect the development of the electricity network prices for business customers. In 2011, the value was approximately SEK 3 billion, according to this calculation. With effect from 2012 however, SCB's statistics in respect of the development of electrical network services do not include business customers. This item has therefore been based on this version of the calculation. This has led to the estimation of the value of purchases subject to the procurement regulations becoming somewhat overestimated.

Finally, certain in-house investments are not subject to procurement regulations. We estimate these at SEK 6.6 billion for 2012. The estimation is based on the in-house investments' share of public purchases remaining unchanged since Mats Bergman's 2008 calculation, i.e. just over one per cent.

### **Purchases made by publicly owned companies that are subject to the procurement regulations**

We estimate the purchases made by publicly owned companies that are subject to procurement regulations at SEK 161 billion for 2012 (see table 51). In the national accounts, the activities of publicly owned companies are assigned as gainful economic activity. For this reason, the purchases made by these companies which are subject to procurement regulations need to be included in order to



estimate the total value of purchases subject to procurement regulations.

**Table 51 Purchases made by publicly owned companies that are subject to procurement regulations, 2012, SEK millions**

<b>Category</b>	<b>SEK millions</b>
Publicly owned companies' purchases	274,636
Deductions for government-owned companies with no particular social mission	-81,849
Deductions for hire of premises	-12,062
Deductions for fuel, electricity and district heating production	-9,609
Deductions for monopoly services	-1,962
Deductions for in-house investments	-6,866
Deductions for purchases of radio and TV programmes	-1,448
<b>Total of publicly owned companies' purchases subject to procurement regulations</b>	<b>160,839</b>

Source: Separate sources for the respective items. See description of each item below.

The calculation of publicly owned companies' purchases is based on SCB's statistics in respect of company turnover. In 2012, the combined turnover for companies owned by the government, the municipalities and the county councils was SEK 572.8 billion<sup>41</sup>. Gross investments have been assumed to correspond to 8 per cent of the production value, and intermediate consumption to 40 per cent.<sup>42</sup> Consequently, purchases have been estimated at 48 per cent of turnover.

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<sup>41</sup> SCB's Statistics database [1].

<sup>42</sup> The intermediate consumption percentage has been adjusted in comparison with previous calculations. The percentage has been calculated based on the companies' net turnover (SCB's Statistics database [3]) and gross investments and Intermediate consumption for financial and non-financial companies (SCB's Statistics database [2]).

## Government-owned companies not subject to the procurement regulations

For government-owned companies, the purchases need to be reduced to reflect those purchases made by companies that are not subject to the procurement regulations. To estimate the percentage of the government-owned companies' purchases to be deducted, this calculation has been based on the notion that those government-owned companies that have, according to the Ministry of Finance, "a particular social mission", are subject to procurement regulations. Gross investments and intermediate consumption for other companies, which are classified as "marketing companies", have been deducted from the calculation. In total, the item amounts to SEK 81.8 billion.

## Publicly owned companies, purchases not subject to procurement regulations

Even some publicly owned companies are subject to exemptions from the procurement regulations, which means that certain purchases are not affected by the regulations. This concerns fuel, etc. purchased from Vattenfall and municipal energy companies for electricity and heating production. We use the same assumption as in previous years, i.e. that the municipal companies and Vattenfall accounted for 60 per cent and 8 per cent respectively of the district heating companies' production and purchases. For other fuels, we have assumed that the total percentage is 54 per cent (see table 52).

**Table 52**      **Estimated purchases of fuel, etc. for municipal companies and Vattenfall, 2012**

<b>Purchase</b>	<b>Total value, SEK millions<sup>43</sup></b>	<b>Assumed percentages</b>	<b>Assumed value, SEK millions<sup>44</sup></b>
Fuel for district heating production	10,219	68 %	6,949
Fuel for electricity production	4,926	54 %	2,660
<b>Purchases of fuel for electricity and district heating production</b>	<b>16,230</b>		<b>9,609</b>

Source: SCB (2013a).

The costs for premises in 2012 are calculated at over SEK 12 billion. This assumes that the public companies have more or less the same costs for premises as the government-owned companies, but that only two thirds of this sum is to be deducted. The remaining third represents those public companies not subject to procurement regulations and has therefore been removed in another manner.

The purchases of radio and TV programmes made by Sveriges Radio and Sveriges Television (including production facilities, co-productions and other costs for external participation) have been calculated at SEK 1.4 billion for 2012.<sup>45</sup>

For 2012, we estimate purchases for monopoly services at SEK 2 billion and in-house investments at SEK 6.9 billion. We used the same assumptions as in previous years, i.e. that the public companies use 0.7 per cent of purchases for monopoly services and 2.5 per cent for in-house investments.

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<sup>43</sup> SCB (2014a).

<sup>44</sup> The Swedish Competition Authority's calculation.

<sup>45</sup> Sveriges Radio (2014) and Sveriges Television (2014).

## Private companies' purchases that are subject to procurement regulations

According to LUF, even some *private companies' purchases* are subject to the procurement regulations. This primarily concerns purchases made by electricity network companies but private district heating companies and the A-Train company are also affected.

Purchases made by private companies that are subject to procurement regulations have been estimated to total SEK 9.8 billion for 2012 (see table 53). This value is based on the electricity network market in total turning over SEK 23 billion, on the district heating market turning over SEK 35.5 billion, and on A-Train turning over SEK 600 million in 2012<sup>46</sup>. It has been subsequently assumed that private electricity network companies represent 50 per cent of the electricity network market, and that private district heating companies represent 30 per cent of the district heating market. Finally, the same assumptions were used for publicly owned companies, i.e. that intermediate consumption corresponds to 40 per cent of turnover, and investments to 8 per cent of turnover.

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<sup>46</sup> SCB (2014a) and A-Train (2014).

**Table 53**      **Private companies' purchases subject to procurement regulations, 2012, SEK millions**

<b>Purchase</b>	<b>Turnover</b>	<b>Purchased fuel</b>	<b>Estimated gross investments</b>	<b>Estimated intermediate consumption</b>	<b>Total</b>
Electricity network market total	22,975		1,838	9,190	11,028
Of which private companies (50 %)	11,488		919	4,595	5,514
District heating market total	35,574	9,160	2,846	5,070	7,916
Of which private companies (30 %)	10,672	2,748	854	3,170	4,023
A-Train	638		20	255	275
<b>Total private companies' purchases subject to procurement regulations</b>	<b>22,797</b>		<b>1,793</b>	<b>8,020</b>	<b>9,812</b>

Source: SCB (2014a), A-Train (2014) and the Swedish Competition Authority's calculation.

## Appendix 2 Procurements per CPV main group

By using CPV main groups, procurements are divided up by industry (see table 54). Each separate procurement can belong to several CPV main groups.

**Table 54**      **Number of published procurements per CPV main group in 2014**

<b>CPV main group</b>	<b>Refers to</b>	<b>Number</b>	<b>Percentage</b>
03	Agricultural, farming, fishing, forestry and related products	189	1 %
09	Petroleum products, fuel, electricity and other sources of energy	207	1 %
14	Mining, basic metals and related products	86	0 %
15	Food, beverage, tobacco and related products	294	1 %
16	Agricultural machinery	166	1 %
18	Clothing, footwear, luggage articles and accessories	213	1 %
19	Leather and textile fabrics, plastic and rubber	95	0 %
22	Printed matter and related products	139	0 %
24	Chemical products	168	1 %
30	Office and computing machinery, equipment and supplies, except furniture and software packages	336	1 %
31	Electrical machinery, apparatus, equipment and consumables; lighting	569	2 %
32	Radio, television, communication, telecommunication and related equipment	404	1 %
33	Medical equipments, pharmaceuticals and personal care products	856	3 %
34	Transport equipments and auxiliary products to transportation	1,084	4 %
35	Security, fire-fighting, police and defence equipment	298	1 %
37	Musical instruments, sports goods, games, toys, handicraft, art materials and accessories	167	1 %
38	Laboratory, optical and precision equipments (excl. glasses)	527	2 %
39	Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products	760	3 %
41	Collected and purified water	13	0 %

Contd.

<b>CPV main group</b>	<b>Refers to</b>	<b>Number</b>	<b>Percentage</b>
42	Industrial machinery	732	3 %
43	Machinery for mining, quarrying, construction equipment	165	1 %
44	Construction materials and auxiliary products to construction (except electrical equipment)	1,031	4 %
45	Construction work	7,432	26 %
48	Software package and information systems	530	2 %
50	Repair and maintenance services	1,014	4 %
51	Installation services (except software)	817	3 %
55	Hotel, restaurant and retail trade services	226	1 %
60	Transport services (excl. waste transport)	438	2 %
63	Supporting and auxiliary transport services; travel agencies services	217	1 %
64	Postal and telecommunications services	229	1 %
65	Public utilities	172	1 %
66	Financial and insurance services	357	1 %
70	Real estate services	135	0 %
71	Architectural, construction and inspection services	1,830	6 %
72	IT services: consulting, software development, internet and support	862	3 %
73	Research and development services and related consultancy services	119	0 %
75	Administration, defence and social security services	160	1 %
76	Services related to the oil and gas industry	49	0 %
77	Agricultural, forestry, horticultural, aquacultural, apicultural services	479	2 %
79	Business services: law, marketing, consulting, recruitment, printing and security	1,594	6 %
80	Education and training services	444	2 %
85	Health and social work services	716	3 %
90	Sewage, refuse, cleaning and environmental services	1,382	5 %
92	Recreational, cultural and sporting services	253	1 %
98	Other community, social and personal services	414	1 %

Note: Each procurement can have several CPV codes and the percentages can therefore exceed 100%.

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

### Appendix 3 Winning tenderers per CPV main group

The number of tenderers per procurement can provide an indication of competition. On the other hand, a large number of tenderers need not necessarily mean a high level of competition, if a large share of the tenderers are awarded contracts. The percentage awarded contracts varies massively from industry to industry (see table 55). As a general rule, procurements where many tenderers are awarded contracts are often framework agreements. For some framework agreements, the call-off procedure means renewed exposure to competition for the companies involved.

**Table 55**      **Winning tenderers in published procurements per CPV main group, 2014**

<b>CPV main group</b>	<b>Refers to</b>	<b>Average number of tenderers</b>	<b>Average number contracted</b>	<b>Percentage contracted</b>
03	Agricultural, farming, fishing, forestry and related products	11.5	5.6	49 %
09	Petroleum products, fuel, electricity and other sources of energy	6.9	3.0	44 %
14	Mining, basic metals and related products	5.4	3.3	62 %
15	Food, beverage, tobacco and related products	17.7	10.8	61 %
16	Agricultural machinery	3.6	1.7	46 %
18	Clothing, footwear, luggage articles and accessories	11.9	5.0	42 %
19	Leather and textile fabrics, plastic and rubber	5.3	2.9	55 %
22	Printed matter and related products	10.0	4.1	41 %
24	Chemical products	7.4	4.7	64 %
30	Office and computing machinery, equipment and supplies, except furniture and software packages	9.5	3.6	38 %
31	Electrical machinery, apparatus, equipment and consumables; lighting	7.5	2.6	35 %
32	Radio, television, communication, telecommunication and related equipment	8.3	3.5	43 %
33	Medical equipments, pharmaceuticals and personal care products	19.3	13.1	68 %



Contd.

<b>CPV main group</b>	<b>Refers to</b>	<b>Average number of tenderers</b>	<b>Average number contracted</b>	<b>Percentage contracted</b>
34	Transport equipments and auxiliary products to transportation	6.3	3.0	48 %
35	Security, fire-fighting, police and defence equipment	5.1	1.9	37 %
37	Musical instruments, sports goods, games, toys, handicraft, art materials and accessories	7.4	3.1	42 %
38	Laboratory, optical and precision equipments (excl. glasses)	4.6	2.3	51 %
39	Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products	9.2	4.6	50 %
41	Collected and purified water	3.0	1.0	33 %
42	Industrial machinery	5.4	2.3	44 %
43	Machinery for mining, quarrying, construction equipment	4.4	1.7	39 %
44	Construction materials and auxiliary products to construction (except electrical equipment)	6.7	3.0	45 %
45	Construction work	22.7	7.9	35 %
48	Software package and information systems	8.9	3.5	39 %
50	Repair and maintenance services	6.7	2.9	44 %
51	Installation services (except software)	4.5	1.8	39 %
55	Hotel, restaurant and retail trade services	9.9	5.5	55 %
60	Transport services (excl. waste transport)	7.5	3.8	51 %
63	Supporting and auxiliary transport services; travel agencies services	6.6	2.4	36 %
64	Postal and telecommunications services	5.6	2.5	46 %
65	Public utilities	5.3	2.3	43 %
66	Financial and insurance services	6.1	3.2	52 %
70	Real estate services	7.5	3.2	43 %
71	Architectural, construction and inspection services	29.4	14.7	50 %
72	IT services: consulting, software development, internet and support	12.8	5.8	45 %

Contd.

<b>CPV main group</b>	<b>Refers to</b>	<b>Average number of tenderers</b>	<b>Average number contracted</b>	<b>Percentage contracted</b>
73	Research and development services and related consultancy services	5.0	1.9	38 %
75	Administration, defence and social security services	6.1	2.4	40 %
76	Services related to the oil and gas industry	3.4	1.3	38 %
77	Agricultural, forestry, horticultural, aquacultural, apicultural services	10.3	4.3	42 %
79	Business services: law, marketing, consulting, recruitment, printing and security	15.4	5.9	38 %
80	Education and training services	14.6	6.3	43 %
85	Health and social work services	16.9	10.2	60 %
90	Sewage, refuse, cleaning and environmental services	12.1	3.9	32 %
92	Recreational, cultural and sporting services	16.1	4.6	29 %
98	Other community, social and personal services	5.8	2.5	43 %

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## Appendix 4 Reviewed procurements

Suppliers who believe that they have suffered damage as a result of an authority contravening procurement regulations can request a review of the procurement in the administrative court. The percentage of reviews varies massively from industry to industry (see table 56).

**Table 56 Published procurements reviewed per CPV main group, 2014**

CPV main group	Refers to	Number of procurements	Number reviewed	Percentage
03	Agricultural, farming, fishing, forestry and related products	189	11	5.8 %
09	Petroleum products, fuel, electricity and other sources of energy	207	9	4.3 %
14	Mining, basic metals and related products	86	4	4.7 %
15	Food, beverage, tobacco and related products	294	33	11.2 %
16	Agricultural machinery	166	7	4.2 %
18	Clothing, footwear, luggage articles and accessories	213	22	10.3 %
19	Leather and textile fabrics, plastic and rubber	95	9	9.5 %
22	Printed matter and related products	139	13	9.4 %
24	Chemical products	168	18	10.7 %
30	Office and computing machinery, equipment and supplies, except furniture and software packages	336	45	13.4 %
31	Electrical machinery, apparatus, equipment and consumables; lighting	569	44	7.7 %
32	Radio, television, communication, telecommunication and related equipment	404	34	8.4 %
33	Medical equipments, pharmaceuticals and personal care products	856	110	12.9 %
34	Transport equipments and auxiliary products to transportation	1,084	63	5.8 %

Contd.

<b>CPV main group</b>	<b>Refers to</b>	<b>Number of procurements</b>	<b>Number reviewed</b>	<b>Percentage</b>
35	Security, fire-fighting, police and defence equipment	298	27	9.1 %
37	Musical instruments, sports goods, games, toys, handicraft, art materials and accessories	167	10	6.0 %
38	Laboratory, optical and precision equipments (excl. glasses)	527	36	6.8 %
39	Furniture (incl. office furniture), furnishings, domestic appliances (excl. lighting) and cleaning products	760	81	10.7 %
41	Collected and purified water	13		0.0 %
42	Industrial machinery	732	67	9.2 %
43	Machinery for mining, quarrying, construction equipment	165	13	7.9 %
44	Construction materials and auxiliary products to construction (except electrical equipment)	1,031	63	6.1 %
45	Construction work	7,432	433	5.8 %
48	Software package and information systems	530	54	10.2 %
50	Repair and maintenance services	1,014	91	9.0 %
51	Installation services (except software)	817	53	6.5 %
55	Hotel, restaurant and retail trade services	226	20	8.8 %
60	Transport services (excl. waste transport)	438	50	11.4 %
63	Supporting and auxiliary transport services; travel agencies services	217	24	11.1 %
64	Postal and telecommunications services	229	18	7.9 %
65	Public utilities	172	13	7.6 %
66	Financial and insurance services	357	17	4.8 %
70	Real estate services	135	8	5.9 %
71	Architectural, construction and inspection services	1,830	122	6.7 %

Contd.

CPV main group	Refers to	Number of procurements	Number reviewed	Percentage
72	IT services: consulting, software development, internet and support	862	84	9.7 %
73	Research and development services and related consultancy services	119	8	6.7 %
75	Administration, defence and social security services	160	19	11.9 %
76	Services related to the oil and gas industry	49		0.0 %
77	Agricultural, forestry, horticultural, aquacultural, apicultural services	479	43	9.0 %
79	Business services: law, marketing, consulting, recruitment, printing and security	1,594	160	10.0 %
80	Education and training services	444	44	9.9 %
85	Health and social work services	716	72	10.1 %
90	Sewage, refuse, cleaning and environmental services	1,382	125	9.0 %
92	Recreational, cultural and sporting services	253	24	9.5 %
98	Other community, social and personal services	414	48	11.6 %

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

## Appendix 5 Published concessions

Concessions are not subject to LOU or LUF and are therefore not included in the compilations of notifications of procurements presented in this report. A total of 83 concessions were published by authorities in 2014. Table 57 presents these, divided up by CPV main group. Systems of choice in accordance with LOV are not included. Each concession can belong to several CPV main groups, and as a result they add up to more than 83.

**Table 57**      **Published concessions per CPV main group, 2014**

<b>CPV main group</b>	<b>Refers to</b>	<b>Number</b>
55	Hotel, restaurant and retail trade services	22
90	Sewage, refuse, cleaning and environmental services	17
79	Business services: law, marketing, consulting, recruitment, printing and security	13
92	Recreational, cultural and sporting services	11
98	Other community, social and personal services	11
63	Supporting and auxiliary transport services; travel agencies services	10
64	Postal and telecommunications services	10
72	IT services: consulting, software development, internet and support	9
75	Administration, defence and social security services	7
50	Repair and maintenance services	6
32	Radio, television, communication, telecommunication and related equipment	6
45	Construction work	4
48	Software package and information systems	3
71	Architectural, construction and inspection services	2
80	Education and training services	2
51	Installation services (except software)	2
85	Health and social work services	1
22	Printed matter and related products	1

Contd.

<b>CPV main group</b>	<b>Refers to</b>	<b>Number</b>
44	Construction materials and auxiliary products to construction (except electrical equipment)	1
35	Security, fire-fighting, police and defence equipment	1
30	Office and computing machinery, equipment and supplies, except furniture and software packages	1
60	Transport services (excl. waste transport)	1

Source: Visma, the Swedish Competition Authority and the National Agency for Public Procurement, 2015.

This report presents basic facts and the latest statistics on public procurement in Sweden. The report also includes analyses regarding the participation of small and medium-sized enterprises in procurements, and regarding public sector payments.

The report is based on information from Visma Commerce AB, Statistics Sweden and Swedish National Courts Administration.

The report is a direct translation of the Swedish version.



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