



**CHALMERS**  
UNIVERSITY OF TECHNOLOGY



# **Evaluating the Impact of the Swedish Public Procurement Act on the Construction Sector**

Master's thesis in Design and Construction Project Management

**SEM OGBAZGHI**  
**SUMMEYA DIRIYE**

**DEPARTMENT OF ARCHITECTURE AND CIVIL ENGINEERING**  
**DIVISION OF CONSTRUCTION MANAGEMENT**

---

CHALMERS UNIVERSITY OF TECHNOLOGY  
Gothenburg, Sweden 2024  
[www.chalmers.se](http://www.chalmers.se)

# Evaluating the Impact of the Swedish Public Procurement Act on the Construction Sector

*Master's Thesis in Design and Construction Project Management*

Sem Ogbazghi  
Summeya Diriye

© Sem Ogbazghi, 2024  
© Summeya Diriye, 2024

Examensarbete ACEX30  
Institutionen för arkitektur och samhällsbyggnadsteknik  
Chalmers tekniska högskola, 2024

Department of Architecture and Civil Engineering  
Division of Construction Management  
Chalmers University of Technology  
SE-412 96 Göteborg  
Sweden  
Telephone: + 46 (0)31-772 1000

Gothenburg, Sweden 2024

# Evaluating the Impact of the Swedish Public Procurement Act on the Construction Sector

*Master's Thesis in Design and Construction Project Management*

Sem Ogbazghi  
Summeya Diriye

Department of Architecture and Civil Engineering  
Division of Construction Management  
Chalmers University of Technology

## **ABSTRACT**

The Swedish construction sector has historically faced challenges in productivity, with stagnant or declining rates over the years. The procurement process plays a crucial role in determining a project outcome, including cost variations, quality standards, and operational efficiency. Understanding how the Swedish Public Procurement Act influences these factors for both clients and contractors is essential for improving project delivery and overall sector performance. The study aims to uncover factors influencing the public procurement process and their implications on project outcomes through a detailed analysis of clients' and contractors' perspectives. Through 14 qualitative interviews with various contractors and public clients, the thesis applies an abductive research approach and presents a thorough analysis of the impacts of the Public Procurement Act on construction projects. The findings highlight the importance of clear and detailed bid documents in the procurement process, emphasizing the need for transparency and adequate preparation time to ensure successful project outcomes. By exploring the advantages and disadvantages of the Swedish Public Procurement Act in a construction context, the study offers valuable insights into the complexities of public procurement practices in the construction sector. The thesis contributes to the existing knowledge of public procurement strategies in the Swedish construction sector and offers recommendations for improving procurement practices to enhance project delivery.

**Keywords:** Public Procurement, Swedish Public Procurement Act, construction sector, project cost variations, quality standards, operational efficiency, procurement optimization, recession, economic boom.

## **Acknowledgments**

We would like to express our gratitude to Daniella Troje, our supervisor at Chalmers University of Technology, for her valuable contributions to our research. Daniella has consistently provided clear and constructive criticism, leaving little room for misunderstandings. Additionally, she has been easily reachable, quickly replying to any questions. We would also like to extend our appreciation to Gustaf Magnusson, our supervisor at Serneke, for his valuable contributions in terms of his experience and insights, which have added depth to our study. Additionally, we appreciate his assistance in connecting us with the appropriate individuals in the construction sector. Finally, we would like to express our utmost gratitude to the professionals who took part in the interview process. The massive empirical findings of the research would be unachievable without your contribution.

Gothenburg, June 2024

Sem Ogbazghi  
Summeya Diriye

# TABLE OF CONTENT

<b>ABSTRACT .....</b>	<b>3</b>
<b>1. Introduction .....</b>	<b>7</b>
1.1 <i>Background</i> .....	7
1.2 <i>Aim and research questions</i> .....	8
<b>2. Literature review .....</b>	<b>9</b>
2.1 <i>The Construction Process</i> .....	9
2.2 <i>Public procurement</i> .....	10
2.3 <i>The Swedish Public Procurement Act</i> .....	12
2.4 <i>The procurement process</i> .....	13
2.5 <i>Procurement documents</i> .....	15
2.6 <i>Requirements</i> .....	16
2.7 <i>Evaluation of tender</i> .....	17
2.8 <i>Time management and cost overruns</i> .....	17
2.9 <i>Review Procedure</i> .....	18
2.10 <i>Contracting forms</i> .....	20
2.11 <i>Framework agreement</i> .....	21
2.12 <i>Types of compensation</i> .....	22
2.13 <i>How the economy affects the construction sector</i> .....	23
<b>3. Methodology .....</b>	<b>27</b>
3.1 <i>Research approach</i> .....	27
3.2 <i>Qualitative research method</i> .....	27
3.3 <i>Data collection</i> .....	28
3.4 <i>Data analysis</i> .....	30
3.5 <i>Quality of evaluation</i> .....	31
3.6 <i>Ethical considerations</i> .....	31
<b>4. Results .....</b>	<b>33</b>
<b>4.1 <i>Procurement process within the public sector</i></b> .....	<b>33</b>
4.1.1 <i>Client perspective</i> .....	33
4.1.2 <i>Contractor perspective</i> .....	35
<b>4.2 <i>Public procurement outcome</i></b> .....	<b>37</b>
4.2.1 <i>Client perspective</i> .....	37
4.2.2 <i>Contractor perspective</i> .....	38
<b>4.3 <i>The Swedish Public Procurement Act</i></b> .....	<b>39</b>
4.3.1 <i>Client perspective</i> .....	39

4.3.2 Contractor perspective.....	39
<b>4.4 Procurement process in economic fluctuations .....</b>	<b>40</b>
4.4.1 Client perspective: .....	40
4.4.2 Contractor perspective: .....	41
<b>5. Discussion .....</b>	<b>43</b>
5.1 Procurement process within the public sector .....	43
5.2 Public Procurement Outcome .....	44
5.3 Public procurement act .....	45
5.4 Procurement process in economic fluctuations .....	47
<b>6. Conclusion.....</b>	<b>49</b>
6.1 Answering the aim and research questions.....	49
6.2 Recommended improvements to the SPPA.....	51
6.2 Contributions.....	51
6.3 Future Research .....	52
<b>7. References .....</b>	<b>53</b>
<b>ATTACHMENTS.....</b>	<b>58</b>

# 1. Introduction

## 1.1 Background

The Swedish construction sector is one of the few sectors that has not progressed in productivity for many years. The annual percentage change in productivity between 1994 and 2013 was -0.2% (Boumediene & Grahn, 2015). However, since 2014 the construction sector has taken a turn, with productivity increasing by 3.9% (CMB, 2020). There are, of course, multiple reasons why the construction sector looks like this. Every project consists of several different stages, where each stage, if performed successfully, can contribute to increased productivity. In the initial stage of a project, you have procurement. Procurement is an important part of a project that sets the foundation for whether the project will yield a negative or positive result (Boverket, 2023). There are two types of procurement options, public and private (Upphandlingsmyndigheten, n.d.1). Different rules apply depending on the type of procurement, and the outcome for the client and contractor differs depending on the type of procurement.

In Sweden, public procurement is primarily regulated by the Swedish Public Procurement Act (SPPA, or “LOU” in Swedish), which private procurement is exempt from. In Sweden, public procurement ends up in roughly 800 billion SEK each year which amounts to 20 % of the Swedish GDP (Upphandlingsmyndigheten, n.d.5). The main purpose of the SPPA is to ensure that public procurements are conducted in an open, transparent, competitive, and non-discriminatory manner. However, it has been criticized by many public and private actors, such as the organization Public Housing Sweden. Public Housing Sweden is the collective body comprising municipally owned housing companies and long-term private housing companies, dedicated to advancing the public interest in Sweden (Sverigesallmännyttan, n.d). Public Housing Sweden represents over 950,000 apartments and over 300 companies across the country. The main criticism from clients against public procurement is that the procurement process is complicated and expensive (Allmännyttan, 2022). Adhering to the SPPA leads to increased construction costs for public utilities, project delays due to appeals, and hinders the long-term development of partnerships with contractors who prioritize innovation. The ongoing lobbying aims to abolish the SPPA in residential construction.

Usually, many companies avoid submitting tenders for public projects because they are heavily regulated, and it rarely ends in profit for the contractor (Byggföretagen, 2023a). However, during an economic recession when private projects are not being undertaken as readily due to financial constraints, there is an increase in competition among companies vying for the same public projects (Siljevall, 2022). Historically, governments have used public procurement as a tool during recessions, to stimulate an economy in a deep recession (Honek et al., 2011). To stimulate the economy and help reconstruct deteriorating infrastructure, governments inject construction funds into the public sector. This puts pressure on public agencies to award contracts faster than normal. Resources allocated to the public sector, together with insufficient funds available to the private sector, push many contractors into public sector work, with the purpose of staying financially afloat. This causes an increase in contractor competition for public projects, and increased competition more than often includes effective use of public funds.

## **1.2 Aim and research questions**

This study aims to investigate contractors' and clients' perspectives on the public procurement process in the Swedish construction sector and how this procurement method affects the outcome of a project. The research will be carried out under the guidance of a large Swedish construction company called Serneke.

To fulfill the aim of this study, the following research questions are addressed:

*RQ1: What factors have the most significant influence on the public procurement process, and how does these factors affect project cost variations, quality standards, and operational efficiency, for both clients and contractors?*

*RQ2: What are the main advantages and disadvantages of the SPPA in a construction context, for both clients and contractors?*

By examining the impacts of SPPA on public projects, the research seeks to provide insights into the procurement challenges and opportunities within the industry. Through this exploration, the study intends to contribute valuable knowledge to the ongoing discourse on public procurement strategies in the Swedish construction sector.

A delimitation of this study is the focus on the Swedish construction context, and related Swedish laws and regulations. The purpose of geographically limiting the study is to provide a more fruitful conclusion that is useful in this local context. In addition to Serneke's guidance, the study is further contextualized within several different construction companies through qualitative interviews. The purpose of interviewing different construction companies is to contribute to a more nuanced conclusion.

## 2. Literature review

The following chapter presents the frame of reference. The literature review delves into different aspects of the construction industry, focusing on the public procurement process. It examines the regulatory framework, its complexities, and the requirements that form the basis of public procurement. Furthermore, the literature review analyzes evaluation criteria, time management, and review procedures. Different contracting forms and compensation types are studied to understand how public procurement affects efficiency and cost. Additionally, the literature review examines the economic influences on the construction sector, offering a comprehensive understanding of how financial conditions by extension affect public procurement of construction projects.

### 2.1 The Construction Process

The construction process is explained to provide an understanding of the nature of "public procurement". The research will then focus on public procurement in greater detail in subsequent chapters.

The construction process can be divided into four main phases: preliminary study, design, construction, and operations (Byggfakta, n.d.1). Figure 1 below presents a simplified view of the various stages of the construction process.



Figure 1: The Construction Process.

The construction process begins when a client has an idea that can meet an existing need. The client analyzes and explores the various options for the project. In the preliminary study, decisions are made about the type of construction to be built, where it should be built, and what needs it should fulfill (Byggfakta n.d.1). At this stage, frameworks are developed for financing, scheduling, technical specifications, legal requirements, and environmental considerations (Boverket, 2021). Risk analyses are conducted to minimize unwanted surprises that could lead to cost overruns and project delays. When the preliminary study is completed, the client decides whether it is relevant to proceed with the intended project. During the preliminary study, it is important to determine whether the intended construction project requires the development, amendment, or revocation of a detailed plan; in such cases, a planning decision can be sought from the municipality.

It is during the design phase that most of the planning, investigation, and design take place (Byggfakta, n.d.2). The design phase can be divided into two parts: the initial design phase and the design phase. The initial phase produces system documents, while the design phase produces construction documents. Construction documents are created based on system documents. During the design phase, documents are also produced that will be fundamental for future procurement. The construction documents form the basis for the invitation to tender,

which is what contractors base their bid prices on. The tendering process and the building permit process fall under the design phase.

During the execution of the project, the physical work takes place. The work is organized differently depending on the chosen form of contract (Byggfakta, n.d.3) The production must follow the drawings and instructions developed during the design phase. Regular inspections and quality controls are conducted to ensure that the production carries out the work according to plan. When the construction project is completed, the contractor calls for an inspection. The building is handed over to the client if the inspection is approved. Upon handover, the building enters the operations phase, during which the property owner is responsible for operating and maintaining the building.

## **2.2 Public procurement**

Public procurement within the Swedish construction sector is an important part of the public sector's economic activity. Sweden conducts public procurement for approximately 800 billion SEK annually (Upphandlingsmyndigheten, n.d.1). With public procurement, the public sector seeks to obtain services, goods, and contracts at the best possible price and quality while promoting competition, efficiency, and sustainability. In Sweden, public procurement is primarily regulated by the Swedish Public Procurement Act (SPPA) (LOU in Swedish) (Upphandlingsmyndigheten, n.d.2). The law aims to ensure that procurements are conducted in an open, transparent, and non-discriminatory manner. Public procurement occurs for a variety of projects and services, ranging from minor renovations of public buildings to major infrastructure projects.

While there are many benefits to public procurement, there are also some challenges. A challenge with public procurement is ensuring an efficient and smooth procurement process, while maintaining a high standard of quality, safety, and sustainability. Despite that a substantial proportion of construction works in Sweden are public projects, approx. half of contractors refrain from tendering for these projects (Byggföretagen, 2023a). According to Byggföretagen (2023) there are several reasons for this, some being the heavy focus on low prices which leads to low offers that are not realistic. The bid documents sent out from the client are usually of low quality, which makes it difficult to calculate an offer. There are also no opportunities for long-term cooperation with clients in public procurement. In addition, several companies feel that the qualification requirements are too high or irrelevant to the specific project. All these reasons lead to companies not submitting tenders even though they consider themselves capable of delivering what is being procured.

The role of public procurement has changed notably over the years, at first it was about fulfilling specific needs and demands at the right time and place, but now it is also about making sure that value is added to its environment (Grandia & Meehan, 2017). Nowadays public procurement is used by public organizations to achieve desired outcomes in society. It can be used for minimizing long-term unemployment, improving working conditions throughout the supply chain, stimulating innovation, providing opportunities for small- and medium-sized enterprises or local businesses, and stimulating the market for sustainable goods and services.

Public procurement is mandated to provide value to its citizens, with procurers being accountable through adherence to regulations, prudent spending of public funds, and ensuring the delivery of contracted goods and services by third parties. Numerous barriers prevent public organizations from achieving innovation and policy outcomes, such as limited market engagement in procurement, bad tendering practices, insufficient procurement expertise, and inadequate risk management.

Public procurement involves intricate market transactions, and markets aiming for broader societal goals or innovation often face unique or vague needs, underscoring the importance of strategic and mature procurement approaches (Edler & Yeow, 2016). Achieving outcomes that benefit the public broadly necessitates evaluations that extend beyond mere financial metrics to include long-term impact assessments. Such evaluations may themselves be innovative and typically require evolving network relationships among suppliers, service providers, public agencies, and communities. Without these capabilities, public procurement's effectiveness in achieving desired societal outcomes is constrained.

Poor governance in the procurement process can disrupt construction projects negatively, it can affect stakeholders and place a strain on the client's budget (Dita, et al.). The close interactions between clients and potential suppliers introduce multiple risks into the public procurement process. Numerous instances of public construction projects have suffered from delays, budget overruns, low quality, and inefficiency due to deviations from established procurement principles. The public procurement process consists of different stages, each containing various inherent risks. Consequently, the client needs to implement comprehensive risk management strategies to mitigate these impacts and enhance the likelihood of the procurement process's success.

Key elements to consider in risk analysis include identifying and distinguishing the problems that generate risks, for example by pinpointing potential risk factors that may emerge during the public procurement process (Dita, et al.). Risks are described as potential events that can occur throughout a project and impact its critical aspects. Every construction project inevitably encounters risks due to its dynamic and complex nature that is characterized by uncertainty. The complexity of the public procurement process is further amplified by the involvement of various stakeholders, including the government as the client and the public sector as prospective suppliers. Effectively managing these risks is crucial for the success of future construction projects. However, implementing the rules and regulations set by the government to manage these risks often proves challenging in achieving their intended purpose.

### **2.3 The Swedish Public Procurement Act**

National regulations mandated the preference of Swedish goods over foreign goods until the mid-20th century, with the additional aim of upholding business propriety (Klara, 2020). The enforcement of business propriety was further increased with the enactment of the procurement proclamation in 1952. The inclusion of services in the regulations governing state procurement did not occur until 1973, aligning with the proclamation on procurement (1973:600). In 1992, the initial iteration of the Public Procurement Act was published (1992:1528). Sweden joined the European Union in 1995, however, the replacement of national legislation (1992:1528) with a new Swedish Public Procurement Act (2007:1091) and the implementation of the initial Act on Procurement of Utilities (Lag om Upphandling inom Försörjningssektorerna, LUF in Swedish) (2007:1092) did not occur until 2008. The legislation of the laws (2007:1091) and (2007:1092) that were in effect in 2008 were substituted with Public Procurement Act (2016:1145), Act on Procurement of Utilities (2016:1146) and LUK (Lag om Upphandling av Koncessioner) (2016:1147) on January 1, 2017.

The rules for public procurement are based on EU directives and those have a large impact in promoting the free trading of goods and services within the EU (Konkurrensverket, n.d). The foundational principles of public procurement are objectivity and transparency. Procuring authorities are prohibited from exhibiting loyalty towards suppliers from their own country or towards previous suppliers. Authorities that utilize the Public Procurement Act are referred to as procuring authorities. A procuring authority is either a government or municipal authority, but it also includes governing assemblies in municipalities or regions.

For the majority of public procurement processes, the procuring authority must consider two different values: the direct procurement limit and the threshold value (Upphandlingsmyndigheten, 2024). The direct procurement limit for procurements conducted under the SPPA and including products, services, and construction contracts is 700,000 SEK, regardless of the organization responsible for the procurement. The threshold value differs depending on factors such as whether a government agency or municipality is carrying out the procurement or if it involves a construction project. The threshold value is currently at 60 million Swedish krona for public products, services and construction projects (Europiska unionens officiella tidning, 2023).

The SPPA is described as an important tool for the efficient use of public funds and for promoting societal growth (Hettne & Montin, 2018). This legislation provides politicians and societal actors with opportunities to collaboratively address significant societal challenges. Despite its potential, the SPPA is often criticized for being overly complicated, difficult to interpret, and sometimes a hindrance to municipal political freedom. It has been suggested that SPPA contributes to a judication of the political landscape, which in practice may mean that legal considerations take over the political processes previously handled in political assemblies. The SPPA is the result of Sweden adapting to the EU's procurement directives within national legislation. This means that the EU's rules are applied in Sweden through the SPPA, affecting the municipal scope of action. This scope defines which political goals can be prioritized and how they are to be implemented at the municipal level.

Having rules for public procurement involves a balancing act for municipalities between two extremes where one side is heavily regulated and the other unregulated (Hettne & Montin, 2018). Without any rules, municipalities would have complete freedom to decide on the purchase of goods and services. On the other hand, if all purchases were strictly regulated by legislation, this would significantly limit their political scope of action. The reality of municipal scope of action in public procurement is somewhere between these two points. The SPPA limits municipalities' freedom of action, but this space is not static and can be expanded or restricted. Municipalities often tend to be cautious, afraid of making mistakes and unwilling to take risks, which leads to them rarely exploring new methods of procurement. In reality, however, they have the opportunity to set higher and more demands than they often do.

## **2.4 The procurement process**

The procurement process of the public and private sectors differ in regard to the regulations and legislation that must be complied with. The private construction sector doesn't need to follow a specific regulation as the SPPA, in contrast to the public procurement sector. However, most Swedish construction projects adhere to the standard agreements AB04 and ABT06, which were established by the Byggandets Kontraktskommite (MALEON, n.d). AB04 is most appropriate for design-bid-build (DBB) contracts in which clients undertake the responsibility of generating the documents and descriptions for the projects. On the contrary, ABT06 is more appropriate for design-and-build (DB) contracts in which the contractors bear both the responsibilities of projecting and carrying out the construction activities. The procurement process lacks a unified explanation due to variations in its description that are contingent upon the authority or individual providing the explanation (Toftegaard, 2018).

The procurement process can be described in four steps (see Figure 2):

- Preparation
- Execution
- Delivery
- Follow up

The first step is to acknowledge the needs and goals that are to be achieved on a very detailed level, which is stated by the client in the bid documents (Toftegaard, 2018). Different requirements regarding efficiency and quality assurance for contracting authorities may also require deeper analysis of operations and long-term procurement planning over several years. Once the contracting authority has decided what is to be procured, it is time to plan how the procurement will be carried out, in accordance with the appropriate procurement regulations. One of the top priorities is to assemble a team with a variety of expertise, consisting of specialists who are responsible for important procurement areas such as contracting, and financial, legal, and technical operation (Thai, 2009). The involvement of this interdisciplinary team is essential for thorough planning and implementation. It is crucial to coordinate with user departments, ensuring their approval and involvement throughout the planning phase to match the procurement strategy with the specific needs and expectations of the users. Furthermore, it is crucial to communicate with individuals that are experienced within the area being procured.

These professionals assist in determining the crucial requirements, including the kind, quality, quantity, and delivery schedules of the items or services to be acquired.

The second phase is the execution, which is further subdivided into many sub steps. The specific sub steps may vary based on the procurement procedure chosen by the client. Initially, it is necessary to establish the bid documents that outline the needs to be acquired. Following that, the contract must be advertised to alert potential contractors of the procurement (Upphandlingsmyndigheten, n.d.3). Upon publication of the advertisement, clients should be prepared to respond to inquiries and, in certain instances, modify the tender papers to enhance their level of information and clarity. The client will proceed to review the submitted tenders. Subsequently, the client makes a judgment about the potential exclusion of any supplier from the procurement process, taking into consideration any relevant grounds. The quality of the offers submitted by the remaining suppliers will be evaluated, and a decision will be made on the winner of the procurement (Toftegaard, 2018). This decision will then be communicated to all the contractors participating in the procurement process. In order to contest the award judgment in court, the parties are required to wait for a minimum of 10 days from the date of sending the decision before finalizing a contract. In the event of an appeal, the duration of the contract conclusion is prolonged. After the contract is finalized, the procurement process is terminated and all documents are maintained in accordance with the regulations set by the contracting authority.

The third step involves the execution of the delivery process for the acquired product/service (Toftegaard, 2018). The delivery is dependent upon the contract, executed by both parties at the end of the official procurement process, and the possibility of contract modification is quite little. During this phase, it is important for the contracting authority to conduct regular inspections of the delivery to ensure that the process is proceeding according to the predetermined plan outlined in the contract.

The last stage involves doing a follow-up and assessment of the procurement process (Toftegaard, 2018). The focal factors may vary depending on the procurement's objective, as well as the clients' organization's demands and the business's requirements. In addition to budgetary and quality concerns, the internal efficiency of the procurement implementation may be examined to gain insights and advantages for future procurements and the advancement of the organization and its operations. The requirements placed on the supplier and the requirements placed on what is to be procured must be followed up (Toftegaard, 2022). The purpose of follow up is to ensure that what has been promised has been delivered, and to be able to ensure legal compliance in the procured activities. Some methods given on how to follow up a procurement process are; follow up meetings with the contractors, random checks of e.g. invoices, questionnaire survey to contractors, follow up of self-reporting from the contractors, and lastly, announced or unannounced follow up visits to the contractor (Upphandlingsmyndigheten, n.d.4).

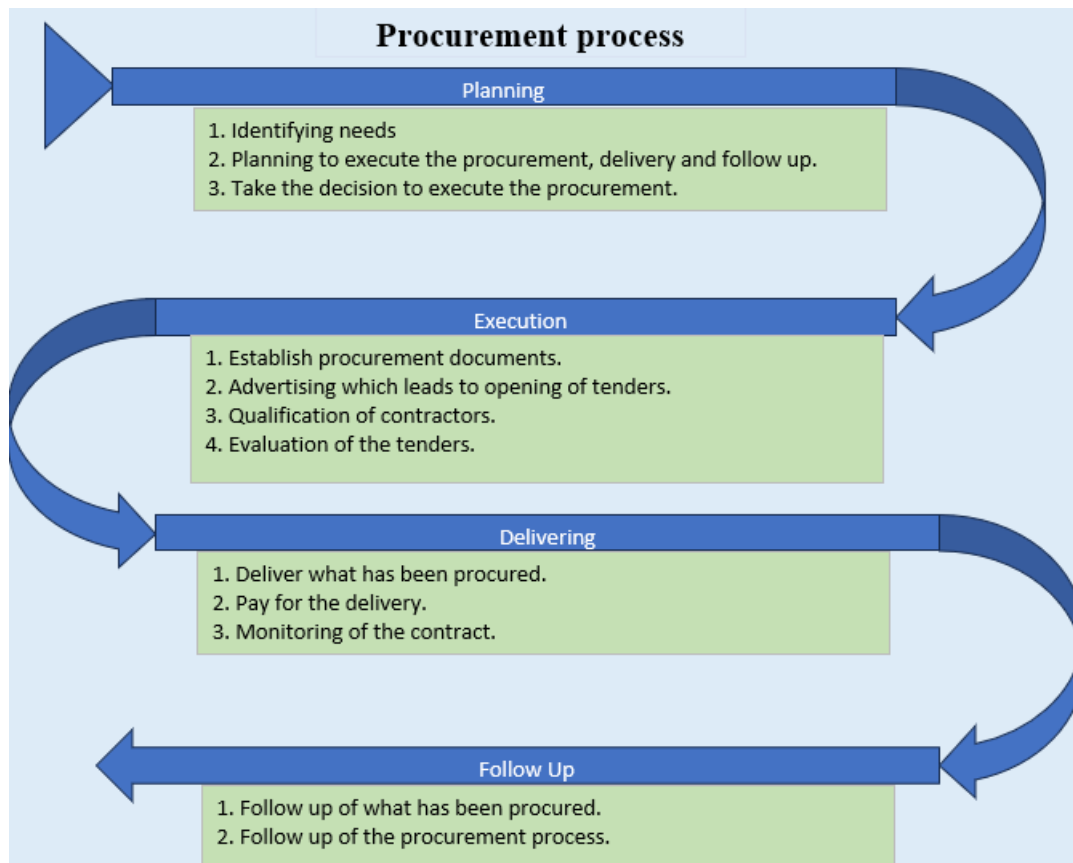


Figure 2: Procurement process.

## 2.5 Procurement documents

Procurement documents are a collective term that the procuring authority (client) uses to explain the contents of a procurement (Toftegaard, 2022). There are several different documents that describe the procurement content, the documents can be categorized into three groups:

- Advertisements and invitations to tenderers (contractors) regarding the procurement.
- The bid document (“förfrågningsunderlag” in Swedish, hencefort abbreviated and referred to as FFU), the document that explains the client's needs and requirements.
- Additional information that clarifies the procurement documents.

The bid document (FFU) is one of the more important documents because it specifies the requirements for the supplier, requirements for the procurement, the basis for the evaluation of tenders and awarding of contracts, contract proposals, conditions for fulfillment of the contract, and finally administrative provisions (Toftegaard, 2022). The bid document is the basis on which tenderers (contractors) base their price proposal (Byggfakta, n.d.4). For tenderers to be able to submit a reasonable price proposal, all specifications and requirements must be included. All procurement documents must be clear, the supplier must find out what applies if anything is unclear in the procurement documents (Upphandlingsmyndigheten, n.d.6). Unclear procurement documents lead to tenderers (contractors) submitting a bid without knowing the exact conditions, which ultimately leads to an unfavorable deal for either the supplier or the client. Unclear documents can also result in abnormally low bids.

There are also cases where contractors submit very low bids, bordering on bankruptcy, just to be able to have the right to file for bankruptcy due to limited liability (Engel & Warmbach, 2006). Contractors resort to declaring bankruptcy to shield themselves from losses in case a project is going bad. Conversely, when the project yields profits, it incentivizes them to bid more competitively. Therefore, an excessively low bid may not bode well for clients, signaling a heightened risk of contractor bankruptcy.

Unclear documents are one of many reasons for cost overruns stemming from changes in scope (Kajimo-Shakantu, Thomas, & Mukumba, 2023). Incomplete designs at the project's outset or a lack of client input during the design phase leads to unclear documents. These issues stem from a lack of understanding of the cost and time implications when scope changes are requested late in the project's life cycle.

Enforcing a legal requirement for contracting authorities to request additional information when formal information is missing from a tender reduces the risk and costs associated with the tender process. This is because it introduces a control element into the procurement procedure (Edwardsson & Moius, 2009). There is also a possibility that the contractor is incentivized to be more careless. Simultaneously, it is excessively severe that a small mistake may result in a tender being invalidated, if the mistake has no substantial impact on the tender.

## **2.6 Requirements**

The requirements placed on the contractor are also referred to as qualification requirements, as they aim to qualify the contractor for the project (Toftegaard, 2022). There are rules governing how qualification requirements may be formulated and what evidence the contracting authority may demand from the contractor. Qualification requirements are usually very detailed and tend to vary depending on the project, but overall, they can be divided into three categories: eligibility to carry out the professional activity, financial stability, and technical and professional competence. The purpose of qualification requirements is not to find the best contractor but to find the contractor with sufficient experience, financial capacity, and authorization to perform the work. The requirements placed on the contractors must not conflict with procurement principles. Additionally, the requirements should be objective and clearly formulated. Unnecessary or overly extensive requirements restrict competition, which violates procurement principles. Limited competition diminishes innovative solutions and drives prices higher. Additionally, unreasonable demands result in smaller companies being directly excluded from participating in the procurement process.

There are regulations in the Public Procurement Act that describe the requirements that can be imposed on the contractor. Some examples may include references, CVs, lists of machinery, personnel, completed construction contracts, and other equipment, as well as environmental and quality management systems (Eriksson & Hane, 2014). Before a bid can be considered, the bidder must meet certain qualification requirements. These criteria are intended to assess whether the contractor has the necessary skills to carry out the project and cannot be directly compared between different bidders. In the bid documents, the evaluation criteria must be

clearly presented to facilitate those submitting bids. These criteria should also be weighed against each other to provide a fair assessment. It is important that these criteria are then applied without deviations in the evaluation process. When it comes to non-financial/soft parameters, there are different ways to evaluate them, either by assigning points or through pricing. Buyers often find it challenging to place an exact economic value on such parameters. Some examples of soft parameters are operating costs, delivery and implementation times, cost-effectiveness, service, environmental characteristics, etc. The most commonly occurring soft parameter that is in demand is the competence and experience of the site organization.

## **2.7 Evaluation of tender**

In the Swedish procurement process, the evaluation of bids and the awarding of contracts are governed by a series of criteria that are designed to ensure both fairness and economic advantage (Sveriges Riksdag, 2023). At the forefront is the principle of the so called “Most Economically Advantageous Bid”. This principle dictates that the contract should go to the contractor whose proposal offers the best value for money, striking an optimal balance between price and quality. As part of the award criteria, each bid is examined through the lens of this price-quality ratio. The assessment of the costs also delves into the tenders’ cost structures, emphasizing cost-effectiveness, and this analysis often extends to life-cycle costs associated with the goods or services, including potential external environmental impacts if quantifiable, or alternatively ranked according to their significance.

Another critical aspect of the evaluation process concerns abnormally low bids (Sveriges Riksdag, 2023). Authorities are obliged to probe such bids for explanations. A bid that does not satisfactorily justify its low price or suggests non-compliance with environmental, social, or labor laws is at risk of being rejected. This rigorous approach ensures that each decision not only upholds legal standards but also aligns with broader socio-economic goals. When assessing tender procedures as a client, it is crucial to maintain objectivity and avoid any subjective biases when reviewing the contractors' tenders (Goswami & Wettstein, 2015). The focus should be on evaluating the quality of the work presented in the bids, rather than personal relationships with the bidders. The evaluation model employed in subjective assessments must be adjusted to consider the uncertainty experienced by contractors. However, this adjustment may also lead to the procurement authority manipulating the evaluation process to favor a certain bidder.

## **2.8 Time management and cost overruns**

In real life, a significant amount of construction projects does not undergo a strict project schedule management procedure to accurately forecast and control time schedules (Ottou, Baiden, & Nani, 2020). Procurement delays have significantly contributed to the poor quality of project deliveries, highlighting the importance of expertise in managing tendering schedules, defining tendering activities, estimating the duration of tendering activities, developing tendering schedules, and ultimately controlling tendering schedules. An important fact within the procurement is the decision making of a realistic time schedule for the procurement process which varies largely from project to project depending on what the procurement refers to (Toftegaard, 2018). The complexity of the procurement has a great impact on the amount of

time it will take to finish the procurement. Additional factors that influence the timeframe of the procurement process include the selection of the procurement method and the frequency of usage of the procurement strategy. The data on the amount of time spent on a procurement is lacking, but it can take everything from 4 months to 2 years. According to Byggandets Kontraktkommitté (2004) chapter 4, the contractor must organize the execution of the contracted work to ensure completion within the contractual period. The contractor is required to present the scheduling plan to the client. The client must provide any available documents necessary for the contractor's planning process. Upon request from the client, the contractor must provide updates on the progress of the work relative to the schedule (Byggandets Kontraktkommitté, 2004).

Cost overruns within construction projects frequently happen from the planning phase to the final design due to design modifications, technical challenges, and administrative concerns, resulting in higher resource requirements (Lind & Brunes, 2015). The main reasons for these overruns are a lack of competency and optimism bias. One important policy aspect is the need for thorough documentation of projects. Comprehending the timing and reasons for cost overruns, whether caused by design modifications or technical challenges, allows for the creation of efficient solutions. The studies that are posted regarding cost overruns related to construction projects are limited and it is hard to find data on the specific amount of money spent at the end of a construction project compared to the initial budget (Brunes, 2020). An example of a budget exceeding the final cost of a project is the "Slussensprojektet" project in Sweden, initially budgeted at 12.1 billion but ultimately costing 15.8 billion.

## **2.9 Review Procedure**

Prior studies indicate that public procurement is susceptible to corruption (Brottsförebygganderådet, 2009). Industries most vulnerable to corruption are those that interact with the public sector through procurement, sales, and licensing. The construction industry is particularly high-risk of corruption due to the unique characteristic of each project, the large financial stakes involved, and the pressure on contractors to secure future contracts, leading to unethical business practices. Corruption levels in the construction sector differ depending on the type of service that is being obtained. For instance, procuring technical consultation services has a larger corruption risk compared to hiring a regular contractor due to the complexity of evaluating technical consultants (Brottsförebygganderådet, 2009).

It has become increasingly prevalent in contemporary society to file complaints in various activities of the contracting authority (Ginter & Våljaots, 2018). In some cases, the complaining party may not have even been a participant in the tender in question. In determining whether a trial is available at the time of judgment, the efficiency of the legal remedies offered by the competitors is dependent on the judge presiding over the case and the speed at which the legal processes proceed, among other elements. Considering these specific conditions, the outcome of this situation hinges on the expediency with which the judge reaches a conclusion. Under current European Union legislation, a tenderer who has been excluded from a procurement process is entitled to seek a review of the decision that led to their exclusion, as well as reviews of other decisions made by the contracting authority, provided that such a review could

potentially lead to either the contract being awarded to the applicant or the initiation of a new procurement process.

When deciding a review procedure, the Administrative Court (Förvaltningsrätten in Swedish) imposes an extended contract barrier, preventing the authority from concluding a contract until ten days have passed (Upphandlingsmyndigheten, 2017). During this period, parties have the option to challenge the decision by filing an appeal with the administrative court of appeal. If a contract has not been finalized, the court can provide an interim decision at the contractor's request. This decision functions similarly to an extended contract barrier and remains in place until the court either dismisses the case or decides to withdraw the interim decision. For a case to be taken up by the Administrative Court of Appeal (Kammarrätten in Swedish) or the Supreme Administrative Court (Högsta Förvaltningsdomstolen in Swedish), a review permission is required. The Administrative Court of Appeal grants this if the case is deemed significant for legal application, if the correctness of the Administrative Court's conclusion cannot be assessed without review permission, if there is reason to change the Administrative Court's decision, or if there are special reasons to review the appeal.

On the 1<sup>st</sup> of July 2022, new rules were applied to reviewing procedures of procurements, in combination with the Supreme Administrative Court's decision that suppliers need to acknowledge gaps and ambiguities in the early stages of the procurement process (Upphandlingsmyndigheten, n.d.4). One of the main purposes of this is to lower the number of reviews. In the Administrative Court there is a certain time frame called the limitation period, which means that a supplier who wants to request a review must generally present all relevant information supporting their case within three weeks from the day the application for review was received by the Administrative Court. On the other hand, the limitation time in the Administrative Court of Appeal means that there is a restriction on the time period within which a supplier can disclose new circumstances that were not mentioned in the Administrative Court. However, the supplier can still do so if they were unable to disclose the circumstances in the Administrative Court or had a valid reason for not doing so.

## 2.10 Contracting forms

There are two types of contracting forms, design and build (DB) contracts and design bid build (DBB) contract, also referred to as traditional contracts. In projects with DB contracts, the contractor takes responsibility for both design and execution (Berg, 2017). The contractor ensures that the final result meets the client's functional requirements. The client specifies expectations for functionality, after which the contractor plans and carries out the work to meet these. The contractor is fully responsible for any errors, and for ensuring that the finished project meets the client's operational needs. It is important for the client to clearly define the project's functional requirements in the contract and associated documents to avoid misunderstandings. Design and build contracts are regulated by ABT06, a standard agreement adapted to handle potential challenges. Although customers may sometimes propose specific technical solutions, it is crucial that the work is carried out professionally according to established guidelines.

With DBB contracts, the client is responsible for design and planning (Eriksson & Hane, 2014). While the contractor carries out the work without responsibility for its functionality, but with requirements for professional execution and craftsmanship. The client prepares by detailing the project and specifying tasks, while the contractor must adhere to these plans and instructions. It is important for the client to carefully prepare the project documentation and ensure that the contractor adheres to it. In some cases, the contract may require the contractor to also be responsible for the functionality of certain tasks, giving the contractor the freedom to determine the execution to meet these functional requirements. AB is applied to address issues during the process, requiring the contractor's compliance with the client's project documentation and ensuring that the work is carried out professionally (Berg, 2017).

Both DB and DBB contracts have advantages and disadvantages (Eriksson & Westerberg, 2010). Prior to contractor procurement, a significant amount of specification is required for contracts such as DBB contracts. This specification ensures a clear distinction between the design and construction stages, as the design cannot be influenced by contractors. This leads to extended project timelines and reduced innovation because of the absence of collaborative problem-solving and a comprehensive approach to design and construction. DB-contracts have been demonstrated to offer improved cost-effectiveness and a shorter tenure of projects in comparison to DBB-contracts. On the other hand, several different studies indicate that DBB contracts have been more effective than DB contracts in ensuring quality. Additionally, a comprehensive design prior to construction enhances the budget plannings.

Although there are only two types of contracting forms, there are several different combinations of how these are practically used (Berg, 2017). In practice, it is not uncommon for the contract to be a mixture of DB and DBB contracts. The various parties must study the contract delivery terms, as well as the individual provisions, to determine which type of contract applies, what their respective responsibilities are, and determine which regulatory framework is most appropriate. The above-mentioned contract types are united in that they are all acquired through either a shared contract or a general contract (Eriksson & Hane, 2014). Both design-build and design-bid-build contracts are typically utilized as general contracts, in which the general

contractor has responsibility for coordinating all subcontractors. This can benefit the client as they are in a contractual relationship with only one contractor, eliminating the need for the client to coordinate with other contractors, which would be their job in a shared contract scenario. The client faces certain risks in this situation, as they often have no control on the general contractor's selection of subcontractors, nor do they have direct communication with them to assess their performance.

The potential for a successful design phase increases through improved collaboration and integration between contractors and clients (Eriksson & Westerberg, 2010). This can be accomplished through the early involvement of contractors, which results in reduced expenses and a shortened timeline for the project. Another example of this is partnering, which is a very common “contracting form” in the Swedish construction sector. Fundamentally, partnering is not a legal procurement or contracting form, but rather a collective term for collaborative activities and tools developed to facilitate cooperation in the implementation of construction projects (Byggherrarna, n.d.). Partnering has become an established way to execute construction projects because there is dissatisfaction with DBB working methods (Kadefors, 2002). Certain types of construction projects are technically complicated and have many uncertain factors, making the project difficult to define in procurement. When there are significant uncertainties around a project, partnering can be a useful alternative. The downside with partnering is that it lacks a precise and nationally accepted definition, which leads to confusion and differing interpretations among clients and contractors (Bresnen & Marshall 2010). In addition, the different parties involved in partnering may have varying interests and perception of the benefits and drawbacks of collaboration. Making sure that these interests and mutual benefits align can be complex and require careful management.

## **2.11 Framework agreement**

Not every public purchase has to be conducted through the full procurement process. For repeat purchases, framework agreements are useful to minimize the procurement time. The SPPA defines framework agreements as “agreements concluded between one or more contracting authorities and one or more suppliers with the aim of establishing the terms for the subsequent award of contracts during a given period of time” (Bergman, 2010). Framework agreements stand for a significant portion of the procurements advertised (Upphandlingsmyndigheten, n.d.7). 40 percent of the number of advertised procurements in 2020 were framework agreements. Framework agreement is a useful form of contract when the contracting authority can anticipate future recurring procurement needs and plan for them.

There are detailed rules regarding framework agreements in directive-driven procurement. However, in non-directive-driven procurement, there are no detailed rules regarding framework agreements. This gives the contracting authority considerable freedom to design framework agreements according to their needs. If a contracting authority has established a framework agreement for a particular product or service, it eliminates the need for conducting new procurements each time the product or service is needed (Byggingustrin, 2016). This approach saves both time and costs. As a result, the authority can continuously request services or

products from suppliers/contractors based on the existing framework agreement. As framework agreements have closed for new suppliers during their duration, it entails a certain degree of competition restriction (Toftegaard, 2022). The different types of framework agreements that exist today are designed for smaller purchases of goods, services, and construction contracts.

## **2.12 Types of compensation**

There are generally two different forms of compensation in the Swedish construction sector and those are fixed price and running price. Fixed price means that both the client and contractor have agreed upon a lump sum as compensation for all contractual work (Liman, 2008). Unless the scope of the undertaking changes (which in practice always happens), the price does not change either. A stated fixed price does not normally include VAT (value added tax), as is clear from the definition of the term “contract sum” in AB04 which states that, in addition to the contract sum, the client must pay the value added tax thereon. Running prices is the opposite of fixed price and means that the contractor gets paid for its own costs. In other words, the client is responsible for paying the actual expenses spent by the contractor in completing the construction project.

A contract change, also known as alterations and additional work (Ändring, tillägg och avgående arbeten, in Swedish), refers to any modification or addition to the contractual work that is directly related to the original job and does not significantly depart from it (Byggandets Kontraktsskommitté, 2004). Contract change refers to any new work that is closely connected to the original contractual job or a specific element of it, to the extent that they form a cohesive technical entity. This exception does not apply if for example the client can wait until the completion of the contract without incurring any adverse effects. Contract changes are frequently impacted by the direct or indirect consequences of a change event on various aspects of the project (Sun & Meng, 2009).

Sun & Meng (2009) further explains that increases in project costs and delays in project completion are the most significant consequences of changes, and both are frequently interrelated. In most cases, the parties involved, including contractors and subcontractors, demand additional compensation to implement the necessary project modifications. Reworks result in increased expenses due to labor waste and the procurement of materials that were initially incorporated into the project plans. Research has established a correlation between an excessive degree of change and decreased productivity within the construction industry. Contract changes typically require rescheduling work, which may involve working overtime, and increase the pressure on employees to ensure the project proceeds in the desired direction. A common consequence of this is a decline of staff morale, which subsequently leads to diminished project quality and productivity.

Unlike the previously mentioned kinds of compensation, there exists a concept known as economic incentive, which is tied to target costs (Bröchner, Eriksson, Kadefors, Gustavsson, & Lind, 2015). Incentive contracts often involve a blend of running pricing and fixed pricing. Under this arrangement, the contractor receives payment for the actual expenses they have incurred, which are validated as direct costs. Nevertheless, the parties have prearranged a

specific cost goal for the project, which serves as the foundation for determining incentives. This arrangement often results in both parties assuming the risks and benefits of surpassing or falling short of the target cost (Eriksson & Hane, 2014). This means that both the contractor and client are motivated to collaborate in order to enhance project efficiency and generate innovative ideas to reduce project (Bröchner, Eriksson, Kadefors, Gustavsson, & Lind, 2015). It is highly important to carefully consider the expenses of this economic incentive and the associated dangers before deciding to participate. The target cost agreement is not advised for construction projects with several uncertainties and a lack of defined goals, since it might lead to multiple revisions in the project.

### **2.13 How the economy affects the construction sector**

The construction industry is highly dependent on the economy, as seen by the correlation between the number of projects initiated during periods of economic growth and the decline in projects during times of recession. The economic crises that have been strongly related to the construction sector in the latest 50 years are the financial crisis year 1990 and 2008 (Öberg, 2011). Only four of the ten largest construction companies from 1990 are still in business today, and they are SKANSKA, NCC, PEAB, and JM (SOU 2002:115, 2002).

One significant effect of the recession during 2008-2009 was the increased focus on cost control (Eadie, et al.). The recession led to various adaptations in contract strategies where some projects were temporarily put on hold while others underwent changes in specifications or evaluation criteria to remain viable during financial downturns. Effective policy implementation and adaptation to economic fluctuations are crucial for optimizing procurement processes during economic downturns. The connection between the fluctuations in economic conditions and the volume of public procurement is that during periods of economic growth, many private entities tend to withdraw from participating in the tender process for public procurement (Prentell, 2020). Conversely, during recessions, there is a rise in the number of tender applications for public procurement. Sweden's Gross Domestic Product (GDP) declined between 2012 and 2013, making it the year with the largest average number of tenders in the past decade. Public procurement is employed to reverse the economic status of a country during recessions. During periods of economic stability, public procurement serves as a strategic instrument to promote a circular economy.

A study conducted by Gugler et al. (2019) uncovers a significant and notable difference in the impact on employment resulting from successful or unsuccessful procurements before an economic downturn compared to the circumstances during an economic downturn. In addition to variations in employment turnover, there are systematic distinctions in the procurement process and the types of companies that seek to partake in procurement activities during periods of economic growth and recession (Gugler et al. , 2019). The reason for firms' reluctance to increase workforce size during economic crises, despite having won a procurement process, is the pressure to maximize productivity, as organizations operating in more competitive environments are obligated to operate more efficiently. In certain instances, competition may force comparatively high-cost firms to suspend activities to shift market share to more efficient producers. An increased competition leads to less bid shading, meaning that the most efficient

firms are more likely to emerge as winners. One factor in their increased efficiency is their ability to handle additional projects with fewer additional staff compared to other organizations.

Considering the economic state in Sweden the last few years, the GDP (Gross Domestic Product) in the third quarter (Q3) of 2022 was above trend, and Q4 also started off strong. The expected GDP was to be declined by 1.2 percent in year 2023 because the recovery from the covid 19 has been postponed, and there is a strong link between the downside risks and the collapse of resident construction (SEB, n.d). The decline in investments in the residential sector could be attributed to the simultaneous decrease in house values and the increase of construction costs. It is projected that housing construction will decrease by half and residential investments would be decreased by 30 percent from 2023 to 2024. Home prices are projected to decrease by 20 percent on average, primarily due to increasing mortgage interest rates.

In low economic conditions for instance when high inflation and rising interest rates occur, there is a marked decrease in housing construction (Byggföretagen, 2023b). This is attributed to increased building costs, but also reduced disposable incomes and a decline in housing prices which leads to decreased investments in new housing. Further there is a high unpredictability related to war, rising geopolitical worries and core inflation that puts a large amount of pressure on global economic growth. One of the reasons for growth prospects not looking bright is because of China's economic issues. e.g. debt issues in the construction sector especially affects Germany because China is one of their largest trade partners, and this also puts pressure on all the Europe countries.

Byggfaktas Byggstartsindikator report (2024) shows that in December, the construction sector experienced a 4,7% decrease in housing construction but a 1,3 % increase in comparison with November. Over the last 12 months from 24 December 2022 – 24 December 2023, Byggfakta shows that there has been a decrease by 6,7%. The residential indicator is shown to have declined by 39 percent, while the other construction has increased by 14 percent (see Figure 3) (Byggfakta, 2024).

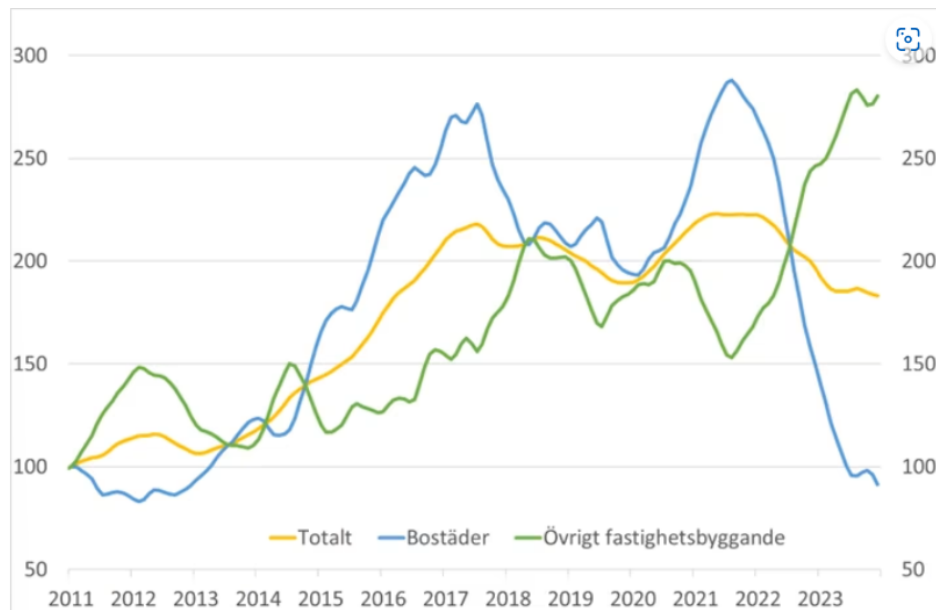


Figure 3: The figure displays three distinct graphs: the blue chart illustrates the progression of residential construction, the green chart illustrates the overall evolution of building construction, and the yellow chart illustrates the development of the total construction quantity from 2011 to 2023 (Byggfakta, 2024).

Employment declined by 5,1 percent between October 2022 and September 2023, compared to the years before (Byggföretagen, 2023b). Figure 4 shows that the employment decrease in the construction industry was at its peak in the middle of 2022 compared to the last 10 years. Subsequently, there has been a decline in employment in the housing building sector, while employment in facility construction has shown a positive trend. There are ongoing efforts to recruit more employees within facility construction, however, a labor shortage has resulted in a slowdown of the construction process. Conversely, the situation within housing construction division is the opposite. September 2023 had the highest resignation notice for a single month when 1522 individuals resigned. This is the highest level of resignation since the financial crisis of 2008. The statistics provided by the Public Employment Service regarding the number of resigned employees are an underestimation, because, in accordance with the collective agreement regulations of the construction industry, a company is only obligated to notify the Public Employment Service of redundancies that impact more than 19 employees.

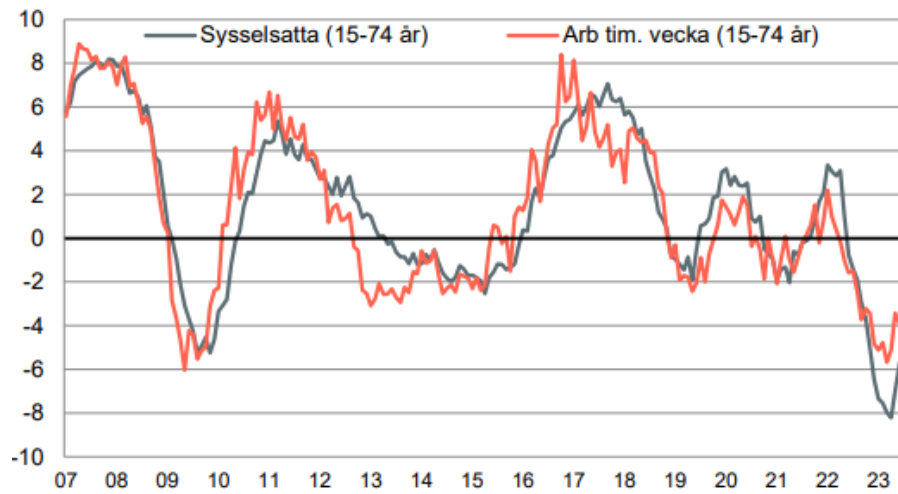


Figure 4: The figure illustrates the relationship between the number of individuals employed between the ages of 15 and 74 (orange graph) and the number of hours worked per week (gray graph). The graph is represented by a vertical scale in % and a horizontal scale in years (Byggföretagen, 2023b).

### **3. Methodology**

This chapter describes and motivates the methodology employed in the study. Firstly, the chapter outlines the research approach, followed by an explanation of the research method, data collection, and data analysis process. The last section of the chapter describes the quality of evaluation and ethical considerations.

#### **3.1 Research approach**

This research employs an abductive approach. This method is chosen for its strength in providing clear explanations for complex or unexpected situations by identifying the most suitable theoretical framework from the available data (Bryman & Bell, 2017). An abductive approach presents a way to overcome the limitations of both deductive and inductive methods. It begins with an unexpected observation or problem which is then clarified by finding scenarios that could make the unexpected fact seem reasonable. This involves choosing the most convincing explanation from a range of possible data interpretations. Abductive reasoning, as defined by Bell et al. (2022), entails the attempt to identify the conditions that would render a given phenomenon less confusing: “Abduction starts with a puzzle or surprise and then seeks to explain it” (p.25). This resulted from a process of iteratively evaluating the empirical findings gathered from the respondents and combining them with a comprehensive review of the theoretical literature.

#### **3.2 Qualitative research method**

The study builds on a qualitative methodology with an interpretive framework, utilizing interviews as data gathering method. The qualitative research is divided into 6 steps and those are: General research questions, Selection of relevant site/sites and subjects, Collection of relevant data, Interpretation of data, Conceptual and theoretical work which indicates on tighter specification of the research question/questions and then collection of further information, but the last step is Writing up findings/conclusions (Bryman, 2016).

Initially, conversations were conducted with professionals in the construction sector and the thesis supervisor to get insights into recurring problems related to public procurement. There was also a seminar with the focus on public procurement that was held by an organization called CMB (Centrum för Management i Byggsektorn) which the authors of this study attended. There were many different actors in the event, such as clients, contractors, and researchers, who all discussed the obstacles that exists in current public procurement practices. Subsequently, research questions were formulated in accordance with the challenges identified after conversations with said practitioners and researchers.

Then, a literature review was conducted to understand previous research on public procurement and to build a theoretical foundation for the thesis. The tools that were used for the literature study were mainly Chalmers Library, Google Scholar, Emerald Insight and Web of science. Keywords used when searching for information regarding the topic were: private and public procurement, Swedish public procurement act, construction sector, recession, and economic boom.

The research questions underwent a shift in their nature, becoming more detailed compared to their initial state after the literature review and the beginning of the data collection process. By applying the principle that social phenomena can be better comprehended when compared to two or more significantly contrasting perspectives and values, as in this research where the SPPA in the construction sector was investigated from both a contractor and client perspective (Bell et al., 2022). Professionals in the construction industry were interviewed to obtain the most relevant responses and perspectives related to the study. The professionals working in different construction organizations are chosen based on their unique perspectives and values about public procurement, as well as their extensive expertise in the relevant field.

The initial interpretation of the data was very important to the study's subject. However, following the initial two or three interviews, other intriguing subjects emerged as important to the research, such as framework agreements, types of compensation, and contract changes. Consequently, the authors of the report added some questions related to these topics, and some questions were removed. Incorporating additional theoretical concepts into the literature review was necessary to facilitate a compelling discussion that compares the previous research with the empirical data, as new subjects were uncovered during the interviews. Thus, much of the literature review was conducted in parallel with the data collection.

Lastly, after analyzing all the transcripts, the results were documented in a manner that categorized the responses of the majority of contractors or clients who replied in the same way as "all clients/contractors" or "most of the clients/contractors". If there was any responder who replied in a significantly divergent manner, that particular respondent was singled out. Quotations from several interviewees are included to contextualize and illustrate the findings. The conclusions, derived from the written results and discussions, aim to convince readers of the study's credibility and the interpretations made by the study's authors (Bell et al., 2022).

### **3.3 Data collection**

This study used a semi-structured interview approach, which indicates on an interview process that is flexible and considers the respondent's perception of the topics, explaining what they consider important (Bryman & Bell, 2017). In a semi-structured interview, there is a list of questions on fairly specific topics such as to be covered but formed in a way where the interviewee can elaborate and answer freely rather than a "yes" or "no" questions (Bell et al., 2022). The adoption of semi-structured interviews facilitated the collection of data that could further elaborate on the subjects identified in the literature review and offer comprehensive insights into the procurement process and the SPPA.

The authors of this study decided to divide the questionnaire into these topics; (1) Background, (2) General information regarding the procurement process, (3) Procurement process during economic fluctuations, (4) Public procurement, and (5) SPPA. The selection of these specific topics in the study is based on the aim of establishing a coherent structure in the interviews, as well as the significant relevance of the subjects, which results in the delivery of valuable data for the study. The sequence of questions in the interview did not strictly adhere to the structure

described in the questionnaire. During the study, additional follow-up questions were asked when interviewees discussed intriguing issues that were not originally included in the questionnaire.

The interview process was conducted through one-on-one interview sessions where one of the authors was responsible for posing questions while the other focused on notetaking. In total 14 interviews were conducted digitally (Teams) and physically (the interviewees' offices). All 14 interviews were conducted in Swedish. All the interviews were held at approximately 1 hour each which seemed reasonable by not being too long or too short. To facilitate a thorough analysis of the discussion, as recommended by Bell et.al (2022), all interviews were audio-recorded through when the interviewees gave their consent, which they did in all of the interviews. The interviews were transcribed by the dictation functionality available in Microsoft Word and Teams. When transcribing the interviews, the content was written without adding interruptions like coughs or stutters.

The interviewees were carefully selected to include a wide range of viewpoints that are important for understanding the complexity of the procurement process. Table 1 provides a comprehensive list of the respondents, who are professionals holding managerial roles such as project managers and site managers. These individuals represent both contractor and client companies. These experts have extensive knowledge and experience in all stages of the procurement lifecycle, providing valuable insights that cover the whole range of activities, from the initial bidding process to project delivery. Their positions include encountering and handling the daily obstacles and possibilities of procurement, which makes their experiences and opinions highly useful for a thorough examination. The goal of this study is to get a comprehensive understanding of the procurement ecosystem by actively including both contractors and clients. This approach enables an examination of the interplay between both parties, including areas of agreement, areas of disagreement, and potential chances for collaboration. The diversified interaction enhances study findings by providing a thorough understanding of the methods, tactics, and practicalities of current procurement practices, therefore enhancing the quality and applicability of the thesis.

<b>Interviewee</b>	<b>Interviewee Professional Role</b>	<b>Company</b>	<b>Interviewee Code</b>
Client 1	Project Manager	A	CL1A
Client 2	Project Leader	B	CL2B
Client 3	Project Leader	B	CL3B
Client 4	Property Manager	C	CL4C
Client 5	Procurer/Purchasing Specialist	D	CL5D
Client 6	Deputy Head of Project Department	E	CL6E
Contractor 1	Project Engineer	F	CO1F
Contractor 2	Purchasing Manager	G	CO2G

Contractor 3	Work Manager	G	CO3G
Contractor 4	Project Manager	H	CO4H
Contractor 5	Calculation Manager	G	CO5G
Contractor 6	Project Manager	I	CO6I
Contractor 7	Project Manager	H	CO7H
Contractor 8	Purchasing Manager/Project Support Manager	K	CO8K

*Table 1: Information of interviewees.*

### **3.4 Data analysis**

The primary objective was to conduct a thematic analysis of the interviews by accurately transcribing the relevant information to ensure the precision of the data's meaning. Thematic analysis is one of the most common approaches to qualitative data analysis (Bell et al., 2022). Thematic analysis is used in many different circumstances and there is no one explanation about what it is and the procedure of using it (Braun & Clarke, 2008). However, the analysis follows the step-by-step method by Braun & Clarke (2008). The analyst starts to identify patterns of significance and areas of potential interest in the data, which may occur as early as during the data collecting phase. The transcribing method for this study began by conducting a comprehensive examination of the digital transcripts generated in Word and Teams, along with careful review of all the audio recordings of the interviews to ensure that no relevant data was disregarded. In order to ensure the highest level of accuracy in the data collected, the transcription task was shared between the two authors of this study, with each author focused exclusively on either the contractor or customer perspective. Upon the completion of the transcription, it became apparent which sections were crucial and which ones could be excluded.

The last step of this process is the delivery of the themes, which are conceptual frameworks identified at various stages of the study. The study identified four primary topics: Procurement process within the public sector, public procurement outcome, The Swedish Public Procurement Act and lastly Procurement process in economic fluctuations. These themes were utilized to organize the Findings chapter. The choice of these specific themes is derived from the data gathered from the literature and empirical research, resulting in the recognition of these four subjects as the most closely linked to the study. Thematic analysis is a continuous process of moving between the entire data set, the coded sections of data, and the continuing analysis. The iterative process is crucial for attaining a comprehensive and profound understanding of the content. Writing is crucial for the analysis, beginning with the first stage of documenting concepts and potential coding schemes, and continuing throughout the whole coding and analysis process. Thematic research analysis is characterized by a non-linear progression, requiring a repeating procedure that frequently entails moving back and forth between various phases as needed.

### **3.5 Quality of evaluation**

While there exist various approaches to assess business and management research, reliability, replicability, and validity are the most prominent (Bell et al., 2022). However, authors have suggested that qualitative research should be evaluated on different criteria to increase trustworthiness and authenticity. Therefore, criteria such as credibility, transferability, dependability, and confirmability are more appropriate for qualitative studies.

Credibility measures the level of trust in the study and is described as internal validity by Bell et al. (2022). Meetings occurred with both the author's research supervisor and the supervisor from Serneke, who contributed to the study by triangulating ideas and findings. Triangulation is a research approach that entails the utilization of many methods or sources of data to investigate social problems (Bell et al., 2022). This collaboration enhances the study's legitimacy. The interviewees that took part in the research have expertise on the topic of the study, as well as diverse experience as both clients and contractors. This leads to a multitude of diverse opinions on numerous issues, thereby offering a comprehensive viewpoint on this study. An area for potential improvement is the selection of respondents, which would allow for a broader range of insights and opinions regarding public procurement. For instance, could there be interviews with legal experts within SPPA from either client companies or contractors to gain further insights into the legislation governing SPPA in the construction sector.

Transferability pertains to the generalization of research findings across many contexts. The data obtained in this study consisted of a wide range of participants. However, these participants were categorized into two groups: contractors and clients. This categorization aligns with Bell et al. (2022) explanation that qualitative research generally involves studying individuals who share specific characteristics.

Dependability is associated with reliability, and this is shown through the consistency during the thematic analysis led to a process of going back and forth between the transcripts but also the literature review. This process increases the trustworthiness of the study.

Lastly, confirmability refers to the researcher's ability to maintain objectivity in their work. This is clearly shown in the study where the data was thoroughly taken care of by not revealing any specific information from the respondents which reduces the subjectiveness. However, complete objectivity is more or less impossible (Bell et al., 2022)

### **3.6 Ethical considerations**

Consistency with ethical principles is an essential element in the execution of any research endeavor (Bell et al., 2022). Ethics should be a fundamental element of the research methodology, according to Bell et al. (2022). These ethical considerations should function as a framework to ensure that information is obtained in a lawful manner. The principles in question have been rigorously adhered to throughout the entirety of this thesis since the beginning, as outlined by Bell et al. (2022). These principles are classified into four primary domains as shown below.

The initial classification within the framework of ethical principles presented by Bell et al (2022) is **avoidance of harm**. Ensuring that participants are not subjected to any potential injury or risk because of their choice to engage in the research is of the highest priority. Demonstrating awareness of this, the authors of this thesis conducted a thorough risk assessment, guaranteeing the confidentiality of participants throughout the interview process, and adhering to legal requirements regarding the withholding of sensitive data. In addition, alphanumeric identifiers were allocated to research participants in order to ensure the protection of their identities and the represented company.

**Informed consent** constitutes the second ethical consideration. In order for participants to make an informed decision regarding their involvement, it is vital that they are presented with thorough and detailed information regarding the research. In emails sent out to potential respondents, the purpose of the study, research inquiries, and, in certain cases, the interview questions were specifically described. This was made because of attracting as much relevant interviewees as possible but also informing them about the topic.

Furthermore Bell et al. (2022) mentions **privacy**, the third principle, emphasizes the significance of safeguarding the privacy of every participant. The authors of this study ensured that participants had the option to withdraw any responses they deemed unnecessary or intrusive by taking careful precautions to prevent such actions.

As outlined by Bell et al. (2022), the final ethical principle is **preventing deception**, which pertains to situations in which researchers inaccurately depict the objectives or methods of their study. All the participants in this research were informed about the study's true nature and objectives due to the research's steadfast dedication to transparency.

## **4. Results**

The following chapter presents the empirical findings gathered from the interviews with the professionals in the construction sector. The findings are related to the procurement process within the public sector, public procurement outcome, The Swedish Public Procurement Act, and lastly procurement process in economic fluctuations. At the end of the chapter, table 2 is presented, the table gives an overall view of how clients and contractors think about the different topics related to public procurement.

### **4.1 Procurement process within the public sector**

This chapter delves into the procurement process within the public sector. The chapter provides an analysis of what distinguishes a good procurement process from a bad one, how public and private procurement processes differ, obstacles and improvements with the procurement process, and lastly how different forms of contracting and compensation methods affect the procurement process.

#### **4.1.1 Client perspective**

There are many factors that distinguish a good procurement process from a bad one, but what most clients agreed on was that it depends on the quality of the bid document and the procurement strategy. All six clients agreed that the bid document was the most crucial step in the procurement process. The clients emphasize the importance of being clear and meticulous. By defining goals, requirements, and evaluation criteria clearly and distinctly they avoid misunderstandings and failures at a later stage. In a successful procurement process, the client already knows from the beginning what they want, thus creating clarity for the bidders. If a client only states that procurement must be done, but does not specify the requirements carefully, it quickly becomes evident as many questions arise from the contractors regarding the bid document. One reason why the bid document sometimes has poor quality is the limited time the clients themselves have. In a successful procurement process, the clients have sufficient time to think everything through, which also gives them time to evaluate on softer parameters.

*"A lot is in the bid document, you get answers based on what you ask. A lot of effort and energy should be put into creating a good bid document. [...]. You need to be very clear about what you will evaluate when you conduct your procurement, and then you must adhere to that. It is also important to choose the right type of procurement strategy that adapts to the project's conditions." – CLIA*

There is a lot of responsibility on the client, but that does not mean that collaboration between contractors and clients is not required. On the contrary, for a successful procurement process, cooperation and communication are very necessary, so that there is agreement on what exactly is wanted. Despite this, it has been brought up in several interviews that the main obstacles, besides the quality of the bid document, are that collaboration and communication can sometimes be difficult. According to the clients, the two main reasons for this were the feeling that the contractors are out to deceive them, and that they as clients do not know exactly what is permissible when it comes to communication. Since it is so easy for contractors to file an appeal, it has created a kind of fear among the clients, which has resulted in many choosing

simply not to have open communication, although it is allowed under the SPPA to a certain degree.

*"In a poor procurement process, the issue is that there is not enough time to go through everything, because, as I see it, procurement is the foundation of everything we do, and honestly, we are not so good at understanding how to comply or how to discuss the SPPA. [...] But the SPPA gives a lot. It has a lot of open space. We can work with it, but we are incredibly afraid" – CL2B*

Two things that most clients felt the public sector lacks are transparency and freedom. The SPPA allows clients to contact contractors before conducting a procurement to inquire how they would have executed the project, to then incorporate that information into the bid document. But today, it does not work that way. A client (CL2B) felt like there was a “Chinese wall” between contractors and clients. Where neither side communicates with each other before the project is announced. The client also explained that they sometimes give contractors the opportunity to apply in advance for a project before it is announced, but it is not something contractors usually show interest in. This client suspected that it could be due to a fear that contractors have about their competitors possibly gaining insight into their thinking, just because the SPPA must adhere to the principle of equal treatment. In the private sector, there is more freedom when it comes to who the clients want to work with. However, they do not procure as many projects as the public sector does, and they also do not reach as many contractors, which may be a reason why it must be so regulated in the public sector.

*"Since we have very challenging goals to achieve, both economically and environmentally, it almost requires maximizing the team. You need to surround yourself with people and consultants who know their stuff. That's the downside of the SPPA, I cannot handpick my team." – CL1A*

Something that most clients agreed upon regarding what contractors need to consider when submitting bids, was the importance of reading the bid document thoroughly. By reading thoroughly, the contractors can understand the specified requirements better, as well as address the questions posed by the clients. According to the clients, it is common for contractors to overlook small details that are requested, leading to the rejection of the entire bid even if the bid was of good quality. Additionally, it is also common for contractors to submit a side offer, proposing a solution that may be better in terms of execution and cost-effectiveness. However, these side bids are also rejected because they do not meet the requirements outlined in the bid document. In order for an alternative bid to be considered, the main bid must first be approved.

*"Read what we are asking for. That is the most important thing. If it says "this is what we want, and this is what you should adhere to", then there is a reason behind it. [...]. In public procurement, it is very clear if your bid does not match the bid document, you are out." – CL5D*

Most clients have worked with DBB, DB, or partnering contracting, as well as framework agreements. They have also worked with projects that are fixed price as well as prime cost. The different compensation methods do not affect the procurement process itself, but they do impact the construction phase. Depending on the type of contract/framework agreement the clients work with, it affects the duration of the various parts of the procurement process. In a DBB

contract, the client must produce all the documents that form the basis for the construction itself, which takes time, but then the selection of the contractor usually happens faster since it is often the lowest price that win.

*“The main issue is the amount of time it takes if we need to prepare all the documents before we start the procurement process.” –CL6E*

In a DB or partnering contract, the client does not need to produce the necessary documents, this is done by the contractor, which saves time in this phase of the procurement. However, selecting a contractor takes longer in these cases. In a DB or partnering contract, it is not just the lowest price that is most important, but soft parameters are equally significant. With framework agreements, there is no procurement process at all. The client simply calls off the contractor as soon as needed.

#### **4.1.2 Contractor perspective**

Responses from contractors underscored the significant impact of clarity and transparency on the effectiveness of procurement processes. All contractors emphasized the need to outline requirements in order to prevent disagreements after a contract is signed. This ensures that all parties understand that specific requirements are essential for obtaining consistent and competitive bids, which are necessary for a successful procurement process. Additionally, the importance of detailed project planning and realistic timeline setting was addressed as foundational elements that distinguish a proficient procurement process.

*“Good procurement requires transparency for the sake of clarity. [...]. Transparency is very important in order to know what you are procuring so that the client comes up with more correct and objective requirements.” – COIF*

Most of the contractors pointed out the importance of the initial stages involving the creation of bid documents and requirement specifications. They highlighted the role of early-stage industry consultations to incorporate practical insights that enhance project outcomes. This approach is not only about gathering information but also about benefiting from sector-specific expertise to foster innovative solutions. Similarly, all contractors noted the importance of rigorous selection criteria in the request for proposal stage in order to ensure that only competent contractors are considered, thereby enhancing the quality of submissions of the tenders and the likelihood of project success.

*“The biggest lack is understanding, of the contractor. Let's say, a housing project for 100 million, then there are five evaluation parameters that are all equal, and one is the price. So, 20% is the price. But in a way, it's the one that is most valued even though it's stated in the planning criteria that they are equally valued.” – CO6I*

The contractors identified many significant obstacles that commonly arise during the procurement process. One of those was criticism against the rigidity of the limitations imposed by the SPPA, which often hinder the adoption of innovative solutions. In addition, most of the

contractors addressed the difficulties related to insufficient time limits for tendering and inadequate coordination in the preparation of bid documents. These issues result in hurried submissions and the possibility of significant modifications after the contract is granted.

*“In my experience, the Swedish transport administration has had enough tender time. Smaller municipalities and other state clients have had shorter tender time. So, it's hard to generalize. But to get a good deal, a reasonable offer time is step one in my world.” – CO7H*

The distinction between public and private procurement processes is marked by regulatory and operational differences, according to the interviewed contractors. Respondents CO1F and CO2G highlights that its more regulated but on the other hand more fairness by making every action public in the public procurement. Conversely, this frequently leads to a cautious approach where the tender price plays a significant role in the decision-making process for the successful bidder in the procurement process. Private procurement tends to be more flexible, allowing for quicker adaptation to modern technologies and ideas as the adoption of building information technologies (BIM). In general, the interviewees say that public procurement can learn from the private sector's willingness to embrace risks in order to innovate. CO1F suggests that public sectors could benefit from adopting new technologies earlier in the construction process potentially leading to cost savings and enhanced project outcomes. While the public sector may acquire many lessons from the private sector, it is also possible for the private sector to adopt the organized and transparent approach of the public sector, as suggested by CO3G.

Responses indicate significant variation in procurement processes related to forms of contracting. The DBB contract is considered less risky for contractors in comparison to the DB contract. This is because contractors can always rely on the procurement documents for clarification or additional charges if there are any changes in the project specifications. In such cases, the client will be responsible for bearing the costs. Most of the contractors explained that DB contracts place much of the risk on the contractor. On the other hand, this form of contracting tends to be more efficient in the project execution by reducing the bureaucratic overhead seen in the DBB contract. All contractors discussed partnering agreements often leading to better project outcomes by involving contractors early in the construction process during the planning phase in order to fulfill collaborative solutions and shared risks. A consensus among contractors is that distinct forms of contracting are more suitable for specific types of construction projects. Furthermore, they acknowledge that certain projects may involve a combination of various contracting forms.

*“Actually, generally speaking a design bid build contract is less risky compared to a design build contract.” – CO3G*

The forms of compensation which is strongly related to the forms of contracting affects the procurement process and the relationship between clients and contractors. All contractors describe fixed-price contracts as typically less flexible but providing clear cost boundaries, which can be advantageous in projects with well-defined scopes. Running prices are more flexible and facilitate more flexibility during the execution of a project, according to CO6I,

which explains that alterations made by the client during the project will be accommodated without the need for frequent renegotiations.

## **4.2 Public procurement outcome**

The chapter provides a comprehensive examination of the impacts of public procurement on project cost variance, overall projects costs, quality of outcomes and efficiency in project execution.

### **4.2.1 Client perspective**

Regarding project costs, all clients agreed that the final price almost always differs from the bid price. However, the extent of the difference varies depending on the organization. Client CL1A stated that the final price usually ends up being about 5% higher than the bid price, while client CL3B mentioned it ranged between 20-40%. The reasons for the increase in final price vary. The most common reason is deficiencies in the bid document or changes by the client, resulting in contractors being compensated for additional work. According to the clients, this is often due to insufficient time, leading to the need to expedite certain parts of the procurement process, which in turn affects the final cost. Sometimes, clients perceive that some contractors submit low bids to win the project, but once the work begins, these contractors try to recoup the low bid by identifying “additional work” to recover the money they missed out on in the low bid. They may then become very active in identifying faults and deficiencies or proposing changes in conditions. However, according to the clients, this behavior can be counteracted by having a clear and precise bid document. With a good bid document, it is possible to reduce the extent of cost escalation, but there are still external factors that influence costs. Factors unrelated to the quality of the bid document, such as different global crises and developments, can change the prices of many products.

*“Things always happen along the way; it is completely impossible to predict everything. And if you have a project that spans four years, it is external factors like pandemic and war that change the prices.” – CL1A*

All clients agreed that just because something is procured through the SPPA, does not necessarily affect the final quality of a construction project. Most clients agreed that there is a risk in evaluating solely on the lowest price. Clients must ensure a certain level of quality in the bid document. There are clients like CL1A, whose buildings must last 50-100 years, so they must impose a certain quality level to meet that goal. If the bid document is unclear, it can create loopholes. Client CL4C mentioned that there was a project where they were building a staff parking lot and they had not specified the type of surface the parking should have. This allowed the contractor to suggest solutions. They recommended gravel because it is cheap, which would mean saving money. The person responsible for the project (not CL4C, to clarify) approved the gravel proposal. This resulted in poor outcomes as it negatively affected the quality of the parking, with both vehicles getting damaged and staff hurting themselves due to the gravel.

*“I would say that it is a bit dangerous to generalize that all public projects result in lower quality, because at the end of the day you come back to what you specified from the start.” –CL1A*

The clients did not feel that the quality was affected, despite often procuring based on the lowest price. However, they did notice how efficiency of a project could be negatively impacted. The winning bid could have low overhead costs, but once the project starts, the client could usually see that the contractor is not as experienced or professional.

*“It could be that someone with quite low overhead costs also lacks real experience and might take things too lightly regarding the working environment and other aspects that we value very highly.” – CL6E*

It could be that they have poor organizational management, where they simply do not keep track of what their employees are doing, which can lead to more conflicts, or that the contractor is taking things too lightly that the client may value highly, such as the working environment. Moreover, efficiency is affected when each project requires getting to know new people and seeing how they work together. Clients tend to trust contractors and consultants on framework agreements much more because they have worked together for a few years and know how they function.

#### **4.2.2 Contractor perspective**

All of the contractors agree upon the fact that a majority of the projects does not have the same end cost as the planned tender price. CO1F highlighted scenarios where the final project cost could exceed the tender price by as much as 15 percent to 50 percent, indicating significant variability depending on project management and unforeseen challenges. CO2G mentioned that a 10 percent increase is typical, with potential for much greater increases under certain circumstances. CO3G mentioned that public procurement often leads to higher initial costs due to the strict regulatory requirements. To follow up, a majority of the contractors discussed how they might inflate initial bids to accommodate potential complexities and ensure compliance with detailed specifications, which are common in public procurements. Furthermore, it is mentioned that the formalities and structured nature of public bids often demands higher upfront bids from contractors.

*“It depends on how clear you are from the beginning. The clearer you are, the smaller the end price gets. And then we're talking extra costs for things that should cost something [e.g. unforeseen structural issues]. Then it's not included in the extra costs that a client wants.” – CO6I*

The contractors observed that public procurement typically results in high-quality project outcomes due to the strict regulatory and performance standards. It was also mentioned that the importance on meeting detailed criteria often enhances the overall quality of public projects. Contractors like CO8K believed that public procurement does not necessarily lead to higher quality, but rather, the rigorous process and oversight associated with the public procurement documents tend to maintain higher standards. The efficiency of projects under public procurement was noted to vary. Most contractors pointed out that the bureaucratic nature of public procurement can prevent efficient project execution with extended decision-making

processes and potential delays in project milestones. Nevertheless, it was noted that while public procurement is designed to ensure transparency and fairness, the extensive documentation and compliance requirements can lead to operational inefficiencies, affecting the project timeline and resource allocation.

### **4.3 The Swedish Public Procurement Act**

This chapter delves into the Swedish Public Procurement Act (SPPA). The chapter provides an analysis of the advantages and disadvantages, criticism, future use, and effectiveness of the SPPA.

#### **4.3.1 Client perspective**

The advantage of the SPPA, according to the clients, is that the law ensures that the procurement process is fair, relevant, and correct. All companies have an equal chance to submit a bid and they must be treated equally by law. Client CL1A mentioned that corruption in the public sector probably occurred in the past, but that it does not happen today thanks to the SPPA, the law is there to curb that type of misconduct.

*“People say that in Sweden there is no corruption or anything, but I have heard about what happened in the ‘70s to ‘90s. People got things delivered to their homes, they got trips, and it was not pretty. Of course, if you get a crate of beer, you will think differently of that person. So, I think SPPA is very good in that way. We have clear boundaries on how we should engage with a company.” – CL2B*

The downside is that the SPPA is difficult to understand. Client CL2B explained that the problem with laws, and the contracts they produce, is that they are written in legal jargon, requiring the expensive use of lawyers to interpret the contract. Besides being difficult to understand, the process is also considered “inert”, in the sense that it takes a long time. Despite the disadvantages of the SPPA, most clients believe it is necessary. There were only two clients that would have liked to abolish the SPPA. The two clients who want to abolish the use of the SPPA come from organizations that do not use public funds, but they still have to procure according to the SPPA because they are owned by the municipality. Nevertheless, all clients agreed that some kind of change to the SPPA must occur for them to find it easy to work with.

#### **4.3.2 Contractor perspective**

Most of the interviewed contractors agreed that the SPPA promotes a fair bidding process where all qualified companies can compete equally. This transparency is crucial in ensuring that tax money is spent reasonably according to all contractors who appreciated the SPPA’s role in fostering competition, which can lead to more cost-effective public spending. The act’s requirements for public bids help prevent favoritism and corruption, contributing to a more competitive procurement process. The strict guidelines within the SPPA ensure that all participants adhere to a standardized set of rules, which helps maintain quality and accountability across projects. As there are benefits, the SPPA also have its challenges. Many contractors criticized the SPPA for not promoting innovation. The rigid framework often prioritizes lower costs over smarter solutions, potentially hindering creativity and technological advancement in public projects. Furthermore, all contractors discussed how the SPPA can be

overly bureaucratic, leading to increased administrative burdens and higher operational costs, which might also lead to a delay of project timelines and detract from the efficiency of procurement processes. Many respondents from the contractors expressed some frustration regarding the SPPA's restrictions on negotiating terms and adapting procurement strategies to suit project specific needs. In turn, this leads to contractors to not offering alternative solutions that might provide better value or efficiency.

*“The advantages are that there are clear guidelines that aim to ensure competition, which is great. The disadvantages are that it can be too square, or it can set the wrong requirements.” – CO4H*

The contractors agreed on not abolishing the SPPA, but they also shared mixed opinions on the topic. They expressed that while the SPPA has its drawbacks, more specifically in fostering innovation, they do not support its abolishment. Instead, they advocate for significant reforms to incorporate flexibility and innovation into the framework. Conversely, CO3G and CO8K highlighted that although the SPPA serves important functions, it requires substantial modification to address current challenges effectively. These changes should aim to enhance its adaptability and reduce bureaucratic constraints that hinder project execution. The majority are thus in favor of continuing to use the SPPA but suggest critical adjustments to make it more adaptive to modern procurement needs in the construction sector, more importantly to better support innovative and sustainable building practices.

*“If the clients come out with a DB contract, they should leave some space. Don't tell the contractor what method to use [...]. They should describe the function of a door, not the manufacturer. – CO5G*

Amongst the interviewees, CO8K and CO6I most strongly expressed reluctance to continue using the SPPA in its current form and proposed a need for a more radical review to make the system work more effectively for all parties involved in the procurement process. Most of the contractors agrees that the SPPA generally succeeds in reducing corruption and ensuring a transparent procurement process. However, most of the contractors noted that despite the good intentions of the SPPA, it sometimes fails in the execution part. The strictness of the rules can ironically lead to less transparency and can favor certain bidders, thereby undermining the fairness of the involvement of all contractors to participate in public procurements.

#### **4.4 Procurement process in economic fluctuations**

This chapter explores how economic fluctuations influence the procurement process within the public sector.

##### **4.4.1 Client perspective:**

Considering the current economic climate in Sweden, the clients agree that the procurement process itself does not differ during a recession, but significantly more bids come in during a downturn compared to a boom, everything from 2-3 times more bids. This increases competition, resulting in clients receiving much lower prices. Lower prices may seem good, but during a downturn, it could indicate that contractors have squeezed their subcontractors.

*“During an economic downturn, there are significantly more people interested, and perhaps pricing themselves in because they really need the job, so as a client, you actually get better prices.” –CL6E*

For clients, this could mean that the construction process will be challenging for all parties. It is difficult to enter a project with red figures from day one. When it comes to qualification criteria, they may increase slightly during a downturn due to the high number of bids, it is common that soft parameters are given more consideration during a downturn. Downturns are often referred to as “the client's market”. The shift from a high to a low market is concerning for the construction industry according to CL1A, and believes it is the responsibility of municipal clients to level out the curve between low and high economic conditions.

#### **4.4.2 Contractor perspective:**

Overall, the contractors' responses suggest that significant variations exist in the procurement process between economic downturn and boom. Respondent CO1F emphasized that housing projects are more vulnerable to economic downturns, while infrastructure projects tend to be more stable. During economic downturns, an increase in the quantity of tenders submitted was documented by most of the contractors.

*“The requirements are higher on a recession, of course. You have so many contractors who want a new project. On an economic boom, there is hardly anyone who wants to leave tenders on public procurement because the company do not have time. Then clients reduce the requirements so that more contractors can leave tenders to the projects.” - CO5G*

The increase in tenders during a recession is due to the availability of a surplus of staff and the necessity to ensure employee engagement and cash flow stability. As CO4H and CO5G articulated, certain organizations undertake initiatives at a loss or even at their own expense, to maintain operations throughout economic downturns. A consensus among contractors is that this phenomenon may result in heightened competition and, if not closely monitored by clients, may compromise the quality of delivered projects. The contractors noted that in periods of economic recession, clients may impose stricter requirements, whereas during periods of economic expansion, requirements may be more flexible, to encourage market participation. All contractors believe economic downturns result in a dense marketplace where more firms compete for fewer projects, which can cause tender prices to decrease. In this situation, clients may modify project scopes or postpone specific projects, to more effectively conform to financial limitations.

	<b>Client</b>	<b>Contractor</b>
<b>Bid document</b>	Clients believe that clear, detailed bid documents prevent misunderstandings and ensure successful project execution.	Contractors highlight that clients often fail to provide realistic timelines and detailed project planning, which are crucial for ensuring competitiveness of bids.
<b>Contracting forms</b>	Clients perceive DBB contracts as less risky because they can rely on detailed procurement documents to manage any specification changes.	Contractors find DB contracts and partnering agreements more efficient and conducive to better project outcomes. They argue that by involving contractors early in the planning phase, it leads to more collaborative solutions and shared risk management.
<b>Communication and Collaboration</b>	Clients express a fear of legal repercussions that prevent open communication, which they believe helps clarify expectations and facilitate smoother project execution.	Contractors desire more proactive engagement and communication during planning stages, asserting that this approach has a positive impact on the project's result. Currently, there is fears about sharing ideas as a contractor due to the possibility of other contractors stealing the idea and so increasing their chances of winning the tender.
<b>Regulatory Impact</b>	Clients appreciate the SPPA for ensuring fairness and transparency in the procurement process but criticize it for being too restrictive. This can in some cases hinder effective communication and collaboration.	Contractors appreciate the SPPA for ensuring a fair bidding process but criticize it for inhibiting innovation and flexibility.
<b>Impact of economic fluctuations</b>	Clients believe that an economic downturn leads to increased competition and lower prices. However, they are wary of the potential quality compromises when contractors underbid to win contracts.	Contractors agree with clients, but they emphasize the challenges of maintaining profitability under such conditions.

*Table 2: Overview on the different perspective client and contractor offered.*

## **5. Discussion**

The following chapter examine the correlation between the literature review and the empirical findings, aiming to identify their agreements and disagreements. The discussion is divided into four chapter, each chapter correlates with the chapters in the result chapter and represents the four main themes of the study.

### **5.1 Procurement process within the public sector**

Both contractors and clients emphasize the significance of high-quality bid documents to the success of procurement processes on multiple occasions. A carefully prepared bid document acts as the foundation for the entire procurement process by setting clear goals, requirements and evaluation criteria that guide contractors' submission of the tenders. This finding supports the literature suggesting that the clarity and completeness of procurement documentation directly influence the quality of responses from contractors and the overall success of the construction projects (Grandia & Meehan, 2017). The clients pointed out the necessity for sufficient time in the planning phase to develop comprehensive bid documents that leads to competitive tendering in the aspects of costs and quality. This is related to the study written by Dita et.al (2020) who explains that in order to minimize the upcoming risks within a project is to localize the key elements of the project which could be made by localizing the potential problems in the early stages of the construction phase. Given that bid documents are the most critical component of the procurement process, as agreed by both the contractors and the clients, the clients should be granted an adequate amount of time to ensure their quality is optimal. This is also crucial for reducing complications in the subsequent phases of the procedure, during which numerous misunderstandings are averted. The primary obligation in this regard lies with the clients, as they must ensure that the majority of the information is concise and rational in order attract contractors to participate in the tendering process, but also giving sufficiently amount of time for the contractors to finish their tenders. The contractor is additionally responsible for thoroughly reviewing the proposal documents to ensure they do not omit any essential documents from their tender.

The Swedish Public Procurement Act is highlighted as both a facilitator of transparency and fairness. While it ensures transparency and fairness, it also limits strategic flexibility in procurement practices. The empirical data shows a perceived need for regulatory reforms among clients and contractors, that would lead to more flexibility into the procurement process. Contractors suggest incorporating some level of flexibility, similar to the procurement process in the private sector, could develop the current public procurement practices. This is supported by Edler & Yeow (2016), who argue that a balance between strict regulatory adherence and adaptive flexibility is crucial to fostering an environment to innovative and adaptive procurement strategies.

Effective communication and collaboration are identified as important factors in order to achieve a successful procurement. However, the empirical findings reveal significant communication barriers due to the fear of legal consequences under the SPPA, which hinders the open dialogue between clients and contractors. The platform that is used for communication is a public platform where all the contractors can send in questions, and the clients answer them,

and everything is done publicly. The problem that arises here is that contractors do not want to ask a question or say something that can benefit other contractors, even though it might have a positive impact on the procurement process. This leads to them not asking important questions that may improve the quality of the project. The fact that an open communication is appreciated is also shown by the study made by Eriksson & Hane (2014), who explains the risk that occurs for clients in a DB contract when contractors have extensive decision-making power. Furthermore, Eriksson & Hane (2014) also explains that the choice of procurement strategy significantly impacts project management dynamics. The contractors and clients delve into discussions regarding contract changes, in other words additional work, when effective communication could have prevented the need for additional work. This procedure is a significant challenge for both clients and contractors. Clients are burdened with substantial additional costs resulting from misunderstandings or miscommunications, while contractors have to allocate resources towards employing personnel to assess these additional works. While DBB contracts may facilitate quicker contractor selection, DB or partnering contracts provide more space for innovation and flexibility. It is also suggested that the strategic selection of procurement methodologies can substantially influence both the process and outcomes of construction projects.

Differences between public and private procurement processes offer valuable lessons for enhancing public procurement practices. Insights from the findings suggest public procurement could benefit from the private sector's open communication and innovative practices by adapting new ideas and approaches to the project. Conversely, the private sector could adopt some of the public sector's structured and transparent practices to enhance accountability.

## **5.2 Public Procurement Outcome**

There is a belief that public projects are cheap and that this, in turn, can affect quality. Based on empirical findings, clients and contractors agree that this is not true. On the contrary, they believe that the quality of public projects is higher than others precisely because these projects are so regulated, which aligns with Eriksson & Hane's (2014) conclusions. Everything from the procurement process to the buildings themselves have functional requirements, accessibility requirements, sustainability requirements, and more. Public clients work for the good of society, by this, they mean that they work to ensure that public funds are used correctly. It should be cost-effective but not at the expense of quality, the regulations the public sector follows create conditions for quality.

However, whether public funds are used as efficiently as possible can be questioned. Many clients and contractors agree that public projects should not be more expensive than necessary. Despite this, many public projects end up being much more expensive than expected requirements (Lind & Brunes, 2015). Furthermore, several clients and contractors believe that the public procurement process costs more than the private one, precisely because of how regulated it is, leading to expenses. If public projects as a whole do not end up being cheaper than what they could have been if they were less regulated, one can question whether public funds are actually being used in the best way. As discussed earlier, the bid document is often

lacking, which in turn affects project costs in the form of additional work. The quality of the procurement process needs to be increased, in the form of conducting the planning phase more thoroughly, thereby potentially reducing project costs for public projects.

The collaboration between clients and contractors has a direct impact on the efficiency of a project (Eriksson & Westerberg, 2010). In private procurements, they can freely choose who they want to work with, often opting for companies they know work well together. This is not the case for public procurements, where they must open the doors to everyone for each project. This results in working with new people on every project. Sometimes it works out well, and sometimes it does not. The time it takes to determine how a client's collaboration works with a new contractor affects the project's efficiency. A proposal to increase efficiency in public projects is to allow clients to choose who they want to work with, similar to private projects, especially for large and complex projects. In large and complex projects, there is much more money and risk involved, so public clients believe they should be able to choose who they work with to increase efficiency. However, being able to choose who to work with does not guarantee that the project will be efficient. The construction sector is project-based, which means that people come and go all the time, even within the same company. It's not the companies that are important, but the individuals with whom they know they work well.

Several clients and contractors believe that partnering is the solution to the collaboration issues present in the public sector, whether this is true or not is discussed by Eriksson and Westerberg (2010). The problems in public projects persist despite partnering being a known phenomenon since the 2000s. One reason why partnering may not have worked as expected could be that clients are not as involved in the different aspects of the project to the same extent as contractors, which means that clients do not become the controlling specifier as intended.

What has, however, worked for clients and contractors when it comes to collaboration and efficiency, are framework agreements. Under framework agreements, clients and contractors work together on various projects over a certain number of years. According to clients, there is greater trust in contractors who are contracted under framework agreements. Framework agreements are usually used in smaller projects (Toftegaard, 2022), which could be a reason to why they work so well. Small projects usually mean fewer risks. Whether framework agreements work as well on medium/larger projects can be discussed. A proposal for increased efficiency in public projects is to introduce long-term partnerships that are suitable for medium/large projects and which in some way work similarly to framework agreements. This way, both clients and contractors can benefit from the collaboration and trust it brings.

### **5.3 The Swedish Public Procurement Act**

Public procurement being regulated by the SPPA is very important for several reasons, but primarily because it involves public funds, as emphasized by Hettne and Motin (2018). It is the state and municipalities responsibility to use public funds efficiently for the benefit of the public. Organizations should not be able to freely spend public funds however they want. It is through the SPPA that public entities build trust with taxpayers. The public relies on the procurement process being fair, transparent, and efficient. With the help of the SPPA,

competition is fostered, which in turn leads to better services and products at lower prices. The law sets clear rules and guidelines for public procurement, holding government entities and officials accountable for their decisions and actions in the procurement process, including how funds are allocated and how contractors are selected.

However, based on empirical findings, it is understood that the SPPA is not without its flaws. Many clients and contractors believe that the law is fundamentally reasonable but needs improvement to be truly advantageous to work with, aligning with Eriksson and Westerberg's (2010) arguments. Currently, the law has many gaps that result in both clients and contractors operating in ways that are not entirely fair and transparent. It is common for clients to create subjective bid documents. When reading between the lines, one can almost understand which company the client wants to work with depending on the specificity of the contract criteria. When it comes to contractors, it is common for them to prioritize finding the cheapest solutions to save money and thereby increase profits, leaving some clients feeling tricked by them. Such opportunistic practices by clients and contractors go against the principles of the SPPA.

The SPPA thus creates competition, and it is through competition that public clients can find the contractor who can deliver the best quality at the best price (Toftegaard, 2022). However, today we see that for large construction projects in Sweden, there are only about three companies that can submit bids. Given the size of the project, it is in the client's interest to work with a company that can handle the risks associated with the project. Contractors feel that the requirements some clients pose are too high. More often than not, medium-sized construction companies could handle these large and complex building projects but are possibly limited by their financial capacity. Whether the requirements are set too high or not is hard to determine. On one hand, there is an understanding for clients who want to work with companies that can manage potential risks. On the other hand, there is sympathy for contractors who are restricted by a requirement even though they are capable of executing the project, as a risk in a project does not mean it will definitely occur.

There are more or less three companies that can bid on large construction projects, which is made possible because clients tailor their bid document to only suit those companies. It is more common for clients to shape their bid document in large and complex projects than in smaller/medium projects that are not as complex. It has been brought up in interviews with clients that this is a common practice, and it has also been revealed in interviews with contractors that they are aware that clients can do this in certain projects. This has created a certain level of distrust from the contractors towards the clients.

Today, all public procurers use mostly the same version of the SPPA for every construction project in the public sector (Europiska unionens officiella tidning, 2023). All clients and contractors agreed that some kind of change to the law must occur for them to consider that the SPPA is good. Changing the law in ways that improve both the client's and contractor's working methods is easier said than done. One proposal is that direct procurement should be allowed for large and complex projects. For smaller to medium projects, the law works perfectly. It is only

in large projects that the law begins to be questioned, precisely because of the risks large projects entail.

Another aspect of the SPPA that contractors criticize quite harshly is how tender evaluations are conducted. Many contractors feel that clients are unfair in their evaluations. Evaluation under the SPPA is subjective, as clients have information about which companies submit which bids (Goswami & Wettstein, 2015). It is human nature for one's biases to influence the choice of contractor. Contractors often appeal how clients have selected a contractor, and such appeals negatively impact a project as they halt its progress. Sometimes, contractors refrain from appealing because they believe it will affect future projects with that specific client. However, this does not eliminate the distrust contractors have towards clients when it comes to their evaluations. One suggestion to counter this is for clients to evaluate anonymously. In addition, each bid price should be presented at the end of the tender document. In addition to previous relationships with a company, contractors feel that some clients heavily prioritize the lowest price. They argue that a low bid can influence how clients assess the company on other criteria. By evaluating anonymously, the number of appeals based on perceived unfairness in evaluation can be reduced. Anonymous evaluation can increase contractors' trust in the process itself and the clients.

#### **5.4 Procurement process in economic fluctuations**

The empirical findings show that during periods of economic growth, there is a noticeable reduction in the participation of contractors in public procurement. Conversely, during economic downturns, there is a significant increase in tender applications as contractors strive to secure stable work to mitigate financial instability. This is also supported by the study made by Prentell (2020) who explains that this cyclical participation underscores the strategic importance of public procurement as both a stabilizing force during recessions, and a lever for economic moderation during times of economic booms. Economic conditions directly influence procurement practices and outcomes. During recessions, the increase in the number of bids leads to heightened competition, potentially driving down the tender prices made by contractors. This scenario tends to be the clients' market in terms of cost reduction, which at the same time raises concerns about the quality of construction and financial pressure on contractors. The study made by Gugler et al. (2019) highlights that in certain instances, competition may force comparatively high-cost firms to suspend activities to shift market share to more efficient producers. Moreover, contractors might accept project at break-even or at a loss just to maintain liquidity and for staff management, which could affect the quality of project execution. This is explained by Dita et al. (2020) who concerns about the compromised project quality due to financial pressures. Maintaining quality standards during economic pressures is a significant challenge. The empirical results suggest that rigorous regulatory requirements and comprehensive bid documentation help uphold quality. However, as Hettne & Montin (2018) argue, during economic downturns, the pressure to cut costs can lead to compromises in project quality unless mitigated by effective risk management.

Implementing modifications to procurement strategies in response to economic downturns can assist in reducing the adverse consequences for the sustainability and quality of construction

projects, which is understood from the responses from clients and contractors. Public procurement can be used strategically to stabilize the market during recessions as supported by academic sources that advocate for procurement systems that adjust to economic conditions in order to foster a balanced market environment (Edler & Yeow, 2016). The need for a strategic approach to procurement that considers long-term impacts rather than immediate cost savings is a recurring theme. The potential for public procurement to drive broader goals, such as sustainability and innovation, which are especially critical during economic downturns when the market's tendency for risk-taking and innovation may reduce. This aligns with literature that focuses on the importance of maintaining a balance between cost-effectiveness and quality outcomes in procurement processes (Grandia & Meehan, 2017).

## 6. Conclusion

In this conclusions chapter the research questions are answered contributions are outlined and suggestions for future research are made.

### 6.1 Answering the aim and research questions

The study aimed to investigate contractors' and clients' perspectives on the public procurement process in the Swedish construction sector and how this procurement method affects the outcome of a project. The findings and discussion provide an examination of the effect public procurement practices have on project cost variations, quality standards, and operational efficiency within the construction sector. The study includes both the client and contractor perspectives on public procurement and illustrates where there is consensus and discord and the potential consequences thereof. By evaluating the complications and operational outcomes related to the Swedish Public Procurement Act, the thesis sought to address two fundamental research questions which will be answered below.

**RQ1: What factors have the most significant influence on the public procurement process, and how does these factors affect project cost variations, quality standards, and operational efficiency, for both clients and contractors?**

The study revealed that project costs often exceed initial estimates which primarily depend on the lack of quality in the bid document. According to clients and contractors, the quality of bid documents is crucial in determining the success of the procurement process. An adequately drafted bid document prevents misunderstandings and later failures by setting a firm foundation for the procurement process. This discovery emphasizes the need for clients to spend enough time to fully construct these bid documents. Doing so not only helps to achieve clarity but also promotes competition on less tangible factors, which might potentially improve project results. The selection of contracting forms is vital and can have different effects on the procurement process. Approaches such as Design-Bid-Build (DBB) and Design and Build (DB), as well as partnership contracts, have distinct benefits and difficulties associated with them. These forms of contracting have a direct impact on the length and complexity of the procurement process and lastly it affects the construction phase.

Efficient communication and cooperation are crucial for achieving effective procurement. Nevertheless, legal issues and the rigid framework of public procurement can impede open and efficient communication, posing problems. Improving communication protocols within the scope of the SPPA might result in more informed decision-making and more efficient partnerships. Both clients and contractors acknowledge that public procurement, despite its strict legal restrictions, typically leads to higher initial prices but also enables increased quality. Nevertheless, the project's execution efficiency may be compromised because of the bureaucratic characteristics of the public procurement process, which might result in possible delays and higher operational expenses.

In order to improve the public procurement process, the interviewees recommended some strategic improvements. Firstly, by making bid documents as clear and detailed as possible in

order to prevent interpretations and misunderstandings and ensuring that all bidders have a united understanding of the project requirements. Secondly, by providing sufficiently time for potential bidders to prepare comprehensive proposals that in turn lead to more competitive submissions.

**RQ2: What are the main advantages and disadvantages of the SPPA in a construction context, for both clients and contractors?**

It can be concluded that the advantages of the SPPA primarily lie in the transparency and fairness it offers, thereby reducing the risk of corruption and promoting fairness in contract award. Contractors agree that they all have an equal chance to compete for public projects. During a recession, like the one society currently finds itself in, the competition among contractors intensifies significantly, potentially leading to better prices. One can conclude that recessions create better opportunities for public projects, and it is the opposite in times of an economic boom. Then, the number of bids decreases, which in turn reduces competition.

The disadvantages of the SPPA are complexity and bureaucracy. The SPPA often results in an extensive and complicated procurement process, which is both time-consuming and resource-intensive for both clients and contractors. The time-consuming nature of the process can lead to project delays. The rules and requirements that come with the SPPA often hinder a quick and efficient procurement. The implementation and administration of the procurement process according to the SPPA can lead to high administrative costs. This includes costs for complying with the regulations, as well as potential legal expenses from appeals and disputes. Additionally, the SPPA can limit the innovation that contractors might bring to various projects. The strict rules can restrict flexibility in the procurement process, making it difficult to adapt to changing needs and conditions. It can also hinder the ability to quickly change or terminate contracts that are not working.

To minimize the disadvantages of the SPPA, the perception of the legislation needs to change. In most interviews, with both clients and contractors, it becomes evident that they perceive the law as more hindering than it is. The perceived strictness is what causes less transparency and lack of innovation, which in turn affects the whole procurement process and its outcome. Changing the perception of the SPPA can be achieved through training and workshops, allowing both clients and contractors to learn how to apply the law more effectively. Actually changing the content and application of the SPPA may take considerable time and effort, but educating and clarifying the SPPA and what it allows can be done today.

## **6.2 Recommended improvements to the SPPA**

Based on the literature review and the empirical findings, four recommended improvements to the SPPA have been suggested:

- The first proposal is to evaluate bids anonymously. By evaluating anonymously, the chance of subjective assessment is minimized, which in turn reduces the likelihood of contractors appealing due to unfair evaluation.
- The second proposal is that clients should view the contractors' price proposal last instead of first in the bid requests. Contractors believe that some clients evaluate differently when they see the price first, they believe that they evaluate in favor of the lowest bid.
- The third proposal is to introduce long-term partnerships that, in some cases, function similarly to framework agreements. Many contractors avoid participating in public projects because they believe it is not economically beneficial and because public clients do not become repeat customers. By introducing long-term partnerships collaboration and trust between the two parties may increase.
- The final proposal is that direct procurement should be allowed for large and complex projects. Large and complex projects are expensive and filled with unpredictable risks. In these cases, clients should be able to work with contractors they collaborate well with. This way, the chances of budget overruns would decrease. The main purpose of the SPPA is to use public funds effectively.

## **6.2 Contributions**

This thesis makes several contributions to the field of Construction Project Management in the Swedish construction sector. It offers insight into public procurement practices by evaluating the impact of the Swedish Public Procurement Act on the construction sector. This insight is crucial for project managers and other stakeholders involved in construction projects to navigate the legal and regulatory framework SPPA effectively. The study analyzes the perspectives of both clients and contractors in the public procurement process, which offers a comprehensive understanding of the challenges and opportunities faced by the different parties. A project manager may benefit from this information, it can help their approaches to better meet the needs and expectations of clients and contractors. With the help of the findings and recommendations presented in the thesis, valuable insight into potential areas for improvement in the public procurement process is offered, for example how to enhance the bid document, blind evaluations of bids, possibility to develop long-term partnerships, and communication protocols. By investigating factors that influence project cost variations, quality standards, and operation efficiency the thesis equips project managers with the knowledge needed to optimize project outcomes in the Swedish construction sector.

### **6.3 Future Research**

This study contributes a managerial and practice perspective on public procurement, future research would benefit from applying a more judiciary perspective to understand the finer details of the regulatory frameworks at play in public procurement. This can be done by interviewing people who work with the SPPA in a construction context. Future research could track the implementation and effects of any changes or improvements made based on the recommendations of this thesis. This could provide valuable data on the long-term effect of an improved procurement process. A comparative analysis of public procurement in the Swedish construction sector with other EU countries could offer insights into potential areas for improvement, as well as lessons that can be learned from different national and local regulatory frameworks. Adding international perspectives can also offer a better understanding of effective procurement strategies. Lastly, future research could investigate how fostering collaboration, communication, and trust among clients and contractors can lead to an improved public procurement process.

## 7. References

Allmännyttan. (2022). *Allmännyttan: "Om vi slipper LOU så bygger vi billigare"*.

<https://www.dagenssamhalle.se/opinion/debatt/allmannyttan-om-vi-slipper-lou-sa-bygger-vi-billigare/>

Bell, Emma. Bryman, Alan. Harley, Bill. (2022) *Business Research Methods sixth edition*. Oxford 6th edition

Berg, M. (2017) *Totalentreprenad och utförandeentreprenad*.

[Totalentreprenad och utförandeentreprenad - Bygg & teknik \(byggteknikforlaget.se\)](https://www.byggteknikforlaget.se/totalentreprenad-och-utforandeentreprenad-bygg-och-teknik)

Bergman, M. Stake, J. Svendsen, H. (2010). *Samordnande ramavtal*.

[Samordnade ramavtal - en empirisk undersökning. Konkurrensverkets uppdragsforskningsrapport 2010:5.](https://www.konkurrensverket.se/uppdragsforskning/2010/5/samordnade-ramavtal-en-empirisk-undersokning)

Boumediene, J. Grahn, G. (2015). *Produktivitet utveckling, investeringar och välbefinnande*.

[https://www.svensktnaringsliv.se/bilder\\_och\\_dokument/o3uo2l\\_produkivitetsutvecklingpdf\\_1006898.html/Produktivitetutveckling.pdf](https://www.svensktnaringsliv.se/bilder_och_dokument/o3uo2l_produkivitetsutvecklingpdf_1006898.html/Produktivitetutveckling.pdf)

Boverket. (2023). *Steg i processen för upphandling av kvalitet*.

<https://www.boverket.se/sv/samhallsplanering/arkitektur-och-gestaltad-livsmiljo/arbetsatt/upphandling/steg/>

Boverket. (2021). *Olika skeden i byggandet*.

[https://www.boverket.se/sv/PBL-kunskapsbanken/teman/ekosystemtjanster/metod\\_byggande/skeden/](https://www.boverket.se/sv/PBL-kunskapsbanken/teman/ekosystemtjanster/metod_byggande/skeden/)

Braun, V. Clarke, V. (2008). *Using thematic analysis in psychology*.

<https://doi.org/10.1191/1478088706qp063oa>

Bresnen, M., & Marshall, N. (2000). Partnering in construction: a critical review of issues, problems and dilemmas. *Construction Management and Economics*, 18(2), 229–237.

<https://doi.org/10.1080/014461900370852>

Brottsförebygganderådet. (2009). *Karteller och korruption*.

[https://www.konkurrensverket.se/globalassets/dokument/informationsmaterial/rapporter-och-broschyrer/uppdragsforskning/forsk-rapport\\_2009-9\\_karteller-och-korruption---otillaten-paverkan-mot-offentlig-upphandling.pdf](https://www.konkurrensverket.se/globalassets/dokument/informationsmaterial/rapporter-och-broschyrer/uppdragsforskning/forsk-rapport_2009-9_karteller-och-korruption---otillaten-paverkan-mot-offentlig-upphandling.pdf)

Brunes, F. (2020). *Det blir allt dyrare – eller?*

<https://www.fastighetsnytt.se/opinion/kronika/det-blir-alltid-dyrare-eller/>

Bryman, A. (2016). *SOCIAL RESEARCH METHODS*. Oxford. 5th edition.

Bryman, A. Bell, E. (2017). *FÖRETAGSEKONOMISKA FORSKNINGSMETODER*. Liber. 3rd edition.

Byggandets Kontraktsskommitté. (2004). *Allmänna Bestämmelser AB04*. Svensk Byggtjänst.

Byggfakta. (2024). *Byggfaktas Byggstartsindikator visar vikande bostadsbyggande under december*. <https://press.byggfakta.se/pressreleases/byggfaktas-byggstartsindikator-visar-vikande-bostadsbyggande-under-december-3297216>

Byggfakta. (n.d.1). *Så här går en byggprocess till*. <https://www.byggfakta.se/kunskap/byggprocessen#innehallsfor-teckning>

Byggfakta. (n.d.2). *Projekteringsfasen*. <https://www.byggfakta.se/kunskap/byggprocessen/projekteringsfasen>

Byggfakta. (n.d.3). *Genomförande*. <https://www.byggfakta.se/kunskap/byggprocessen/genomforande>

Byggfakta. (n.d.4). *Förfrågningsunderlag*. <https://www.byggfakta.se/kunskap/ordlista/forfragningsunderlag>

Byggföretagen. (2023a). *Så ser företagen på offentlig upphandling*. (1). [https://byggforetagen.se/app/uploads/2023/01/Byggbarometern2023\\_1.pdf](https://byggforetagen.se/app/uploads/2023/01/Byggbarometern2023_1.pdf)

Byggföretagen. (2023b). *Byggkonjunkturen*. (2). *Byggföretagen Analys*. [https://byggforetagen.se/app/uploads/2023/11/BK2\\_2023-1.pdf](https://byggforetagen.se/app/uploads/2023/11/BK2_2023-1.pdf)

Byggherrarna. (n.d.). *Samverkan - vägledning och mallar*. <https://www.byggherre.se/avtal-och-juridik/samverkan-vagledning-och-mallar>

Byggindustrin. (2016). *Ramavtal – vad är det egentligen?* <https://www.byggindustrin.se/arbetsliv/expertsvar-entreprenadjuridiska-avtal/ramavtal-vad-ar-det-egentligen/>

CMB. (2020). *Byggbranschen 1 procent effektivare per år - rapporten klar!* [Byggbranschen 1 procent effektivare per år - rapporten klar! - Cmb Chalmers \(cmb-chalmers.se\)](https://www.cmb-chalmers.se)

Dita, A. Rohman, M. Nurcahyo, C. (2020). *Risks of Public Procurement for Construction Works*. IOP Conf Series: Materials Science and Engineering 930 012002. <https://doi.org/10.1088/1757-899x/930/1/012002>

Eadie, R. Mckeown, C. Anderson, K. (2013). *The impact of recession on construction procurement routes*. *International Journal of Procurement Management* 6(1):24-38 <http://dx.doi.org/10.1504/IJPM.2013.050608>

Edler, J. Yeow, J. (2016). *Connecting demand and supply: The role of intermediation in public procurement of innovation*. Volume 45. Issue 2. Pages 414-426. <https://doi.org/10.1016/j.respol.2015.10.010>

Edwardsson, E. Moius, D. (2009). *Effektivare offentlig upphandling – problem och åtgärder ur ett rättsekoniskt perspektiv*. <https://www.konkurrensverket.se/informationsmaterial/rapportlista/effektivare-offentlig-upphandling--problem-och-atgarder-ur-ett-rattsekoniskt-perspektiv/>

Engel, A. Warmbach, A. (2006). *Public procurement under limited liability*. 96(1):13-40.  
[https://www.researchgate.net/publication/46524659\\_Public\\_Procurement\\_Under\\_Limited\\_Liability](https://www.researchgate.net/publication/46524659_Public_Procurement_Under_Limited_Liability)

Eriksson, P. Hane, J. (2014). *Entreprenadupphandlingar - Hur kan byggherrar främja effektivitet och innovation genom lämpliga upphandlingsstrategier?*  
[Entreprenadupphandlingar - Hur kan byggherrar främja effektivitet och innovation genom lämpliga upphandlingsstrategier? \(konkurrensverket.se\)](https://www.konkurrensverket.se/entreprenadupphandlingar-hur-kan-byggherrar-fraemja-effektivitet-och-innovation-genom-lampliga-upphandlingsstrategier/)

Eriksson, P. Westerberg, M. (2010). *Effects of cooperative procurement procedures on construction project performance: A conceptual framework*. Volume 29. Issue 2. 197-208.  
<https://doi.org/10.1016/j.ijproman.2010.01.003>

Ginter, C. Våljaots, T. (2018). *Excluded Tenderer's Access to a Review in a Public Procurement Procedure*. 13(4). 301-306.  
<http://dx.doi.org/10.21552/epppl/2018/4/8>

Goswami, M. Wettstein, D. (2015). *Rational bidding in a procurement auction with subjective evaluations*. Volume 44. 60-67.  
<https://doi.org/10.1016/j.ijindorg.2015.10.001>

Grandia, J. Meehan, J. (2017). *Public procurement as a policy tool: using procurement to reach desired outcomes in society*. Volume 30. Issue 4. 302-309.  
<https://doi.org/10.1108/IJPSM-03-2017-0066>

Gugler, K. Weichselbaumer, M. Zulehner, C. (2019). *Employment behaviour and the economic crisis: Evidence from winners and runners-up in procurement auctions*. Volume 182.  
<https://doi.org/10.1016/j.jpubeco.2019.104112>

Hettne, J., & Montin, S. (2018). Politik och juridik inom offentlig upphandling. Statsvetenskaplig tidskrift, 2018(5), 115-133.  
[https://lucris.lub.lu.se/ws/portalfiles/portal/50242377/10\\_hettne\\_montin.pdf](https://lucris.lub.lu.se/ws/portalfiles/portal/50242377/10_hettne_montin.pdf)

Honek, K. Azar, E. Mennassa, C. (2011). *Recession Effects in United States Public Sector Construction Contracting: Focus on the American Recovery and Reinvestment Act of 2009*. Volume 28. Issue 4.  
[https://doi.org/10.1061/\(ASCE\)ME.1943-5479.0000075](https://doi.org/10.1061/(ASCE)ME.1943-5479.0000075)

Kadefors, A. (2002). *Förtroende och samverkan i byggprocessen - förutsättningar och erfarenheter*. Chalmers Repro.

Kajimo-Shakantu, K., Thomas, F., & Mukumba, C. (2023). *Challenges associated with tender documentation during contract management on public sector projects*. CRC Press.

Klara. (2020). *Upphandlingsregelverket från 1800-talet*.  
<https://www.upphandlingsmyndigheten.se/frageportalen/1849105/regelverket-fran-1800talet/>

- Konkurrensverket. (2008). *Konkurrensverket.se*.  
[https://www.konkurrensverket.se/globalassets/dokument/informationsmaterial/rapporter-och-broschyrer/uppdraagsforskning/forsk-rapport\\_2008\\_vad-kan-offentliga-bestallare-lara-sig-av-privata-en-explorativ-studie-av-sverige.pdf](https://www.konkurrensverket.se/globalassets/dokument/informationsmaterial/rapporter-och-broschyrer/uppdraagsforskning/forsk-rapport_2008_vad-kan-offentliga-bestallare-lara-sig-av-privata-en-explorativ-studie-av-sverige.pdf)
- Konkurrensverket. (n.d). *LOU i korthet*. <https://www.konkurrensverket.se/upphandling/lagar-och-regler/lou-i-korthet/>
- Liman, L. O. (2008). *Ersättningsformer*.  
[https://static.byggjant.se/amadocs/af20\\_ersattningsformer.pdf](https://static.byggjant.se/amadocs/af20_ersattningsformer.pdf)
- Lind, H., & Brunes, F. (2015). Explaining cost overruns in infrastructure projects: a new framework with applications to Sweden. *Construction Management and Economics*, 33(7), 554–568. <https://doi.org/10.1080/01446193.2015.1064983>
- MALEON. (n.d). Skillnaden mellan ABT06 och AB04: en översikt över två standardavtal inom byggbranschen. <https://maleon.se/skillnaden-mellan-abt06-och-ab04/>
- Ottou, J.A., Baiden, B.K. and Nani, G. (2021). Six Sigma Project Procurement application in public procurement. *International Journal of Quality & Reliability Management*, 38(2), 646-662. <https://doi.org/10.1108/IJQRM-04-2019-0111>
- Prentell, A. (2020). *Offentliga upphandlingar som konjunkturförstärkningar?*. Fondia legal services. <https://fondia.com/se/sv/aktuellt/artiklar/offentligt-upphandlade-kontrakt-som-konjunktursforsakring>
- SEB. (n.d). *Sweden Recession is finally arriving*. <https://sebgroupp.com/our-offering/reports-and-publications/nordic-outlook-highlights/sweden-recession-is-finally-arriving>
- Siljevall. (2022). *NCC-chefen om möjligheterna när konjunkturen sviktar: "De projekten får en attraktivare kalkyl nu"*. <https://www.byggindustrin.se/affarer-och-samhalle/affarer-i-byggsektorn/ncc-chefen-om-mojligheterna-nar-konjunkturen-sviktar-de-projekten-far-en-attraktivare-kalkyl-nu/>
- Sun, M., & Meng , X. (2009). Taxonomy for change causes and effects in construction projects. *International Journal of Project Management*, 27(6), 560-572.  
<https://doi.org/10.1016/j.ijproman.2008.10.005>
- Sveriges Riksdag. (2023). *Lag (2016:1145) om offentlig upphandling*.  
[https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-20161145-om-offentlig-upphandling\\_sfs-2016-1145/](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-20161145-om-offentlig-upphandling_sfs-2016-1145/)
- Sverigesallmännyttan. (n.d). *Public Housing Sweden*. <https://www.sverigesallmannytta.se/in-english/>
- Sverigesriksdag. (2016). *Utvärdering av anbud och tilldelning av kontrakt*.  
[https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-20161145-om-offentlig-upphandling\\_sfs-2016-1145/#K16](https://www.riksdagen.se/sv/dokument-och-lagar/dokument/svensk-forfattningssamling/lag-20161145-om-offentlig-upphandling_sfs-2016-1145/#K16)

Thai, K. V. (2009). *International Handbook of Public Procurement*. Routledge.  
<https://doi.org/10.4324/9781315092539>

Toftegaard, E. L. (2018). *Offentlig upphandling*. Studentlitteratur.

Toftegaard, E. L. (2022). *Offentlig upphandling, LOU och upphandlingsprocessen*. Studentlitteratur.

Upphandlingsmyndigheten. (2017). *Kartläggning och analys av mål om överprövning*.  
[https://www.upphandlingsmyndigheten.se/globalassets/dokument/publikationer/rapport-2017\\_7-kartlaggning-och-analys-av-mal-om-overprovning.pdf](https://www.upphandlingsmyndigheten.se/globalassets/dokument/publikationer/rapport-2017_7-kartlaggning-och-analys-av-mal-om-overprovning.pdf)

Upphandlingsmyndigheten. (2023). *Bygg- och anläggningsföretag vinner flest upphandlingar*.  
<https://www.upphandlingsmyndigheten.se/statistik/upphandlingsstatistik/statistik-om-annonserade-upphandlingar-i-sverige-2021/bygg--och-anlaggningsforetag-vinner-flest-upphandlingar2/>

Upphandlingsmyndigheten. (n.d.1). *Upphandling för att främja cirkulär ekonomi*.  
<https://www.upphandlingsmyndigheten.se/om-hallbar-upphandling/miljomassigt-hallbar-upphandling/upphandling-for-att-framja-cirkular-ekonomi/>

Upphandlingsmyndigheten. (n.d.2). *Lämna anbud i byggprojekt*.  
[https://www.upphandlingsmyndigheten.se/branscher/bygg-och-anlaggning/upphandlingar-under-ett-byggnadsverks-liv/lamna-anbud-i-byggprojekt/#skillnad\\_mellan\\_privat\\_och\\_offentlig\\_upphandling](https://www.upphandlingsmyndigheten.se/branscher/bygg-och-anlaggning/upphandlingar-under-ett-byggnadsverks-liv/lamna-anbud-i-byggprojekt/#skillnad_mellan_privat_och_offentlig_upphandling)

Upphandlingsmyndigheten. (n.d.3). *Genomför upphandlingen*.  
<https://www.upphandlingsmyndigheten.se/inkopsprocessen/genomfor-upphandlingen/>

Upphandlingsmyndigheten. (n.d.4). *Realisera avtalet*.  
<https://www.upphandlingsmyndigheten.se/inkopsprocessen/realisera-avtalet/>

Upphandlingsmyndigheten. (n.d.5). *About Public Procurement*.  
<https://www.upphandlingsmyndigheten.se/en/about-public-procurement/>

Upphandlingsmyndigheten. (n.d.6). *Frågor och svar vid upphandling*.  
<https://www.upphandlingsmyndigheten.se/gora-affarer-med-offentlig-sektor/fragor-och-svar-vid-upphandling/>

Upphandlingsmyndigheten. (n.d.7). *Ramavtal*.  
<https://www.upphandlingsmyndigheten.se/regler-och-lagstiftning/olika-sorters-avtal-och-kontrakt/ramavtal/>

## ATTACHMENTS

### SWEDISH QUESTIONNAIRES

#### ENTREPRENÖR

##### Bakgrund

- Kan vi spela in intervjun?
- Vad är din tidigare utbildning?
- Position inom företaget?
- Vilka typer av frågor/projekt jobbar du med?

##### Allmän information Upphandlingsprocessen

Q1: Vad skiljer en bra upphandlingsprocess från en dålig? Kan du ge exempel?

Q2: Finns det tydliga skillnader i hur upphandlingsprocessen genomförs beroende på om det är offentligt eller privat? Kan du ge exempel?

Q3: Vad kan offentlig upphandling lära sig av privat upphandling och vice versa?

Q4: Vad kan beställaren tänka på för att underlätta upphandlingsprocessen för er? Har du några bra/mindre bra exempel

Q5: Vad är det viktigaste steget i en upphandlingsprocess enligt dig och varför?

Q6: Upphandlingsprocessen har många steg, men var i processen finns de huvudsakliga bristerna? Kan du ge exempel? Vad kan man göra för att minska dessa brister?

---

Q7: Ser upphandlingsprocessen annorlunda ut beroende på vilken entreprenadform ni använder?

- Hur påverkar dem olika ersättningsformerna upphandlingsprocessen?

##### Upphandlingsprocessen vid konjunktursvängningar

Q8: Hur skiljer upphandlingsprocessen vid låg/hög konjunkturer? Är kraven högre eller lägre? Konkurrensen?

- Brukar ert företag lämna in fler anbud vid låg konjunkturer?

## Offentlig upphandling

Q9: Påverkar offentlig upphandling era projektkostnader?

Q10: Hur påverkar offentlig upphandling slutkvalitén?

Q11: På vilket sätt påverkar offentlig upphandling effektiviteten under ett projekt?

Q12: Hur stor brukar skillnaderna vara på anbudspriset och slutpriset för ett offentligt projekt?

## LOU

Q13: Vad är för och nackdelarna med SPPA?

Q14: Det finns flera olika aktörer som är kritiska mot just SPPA, vissa går till och med så långt att de tycker det borde avskaffas, är det något du håller med om? Om ja/nej, varför?

Q15: Om du fick välja hade du velat fortsätta upphandla med SPPA?

Q16: Syftet med SPPA är att skapa en rättvis och transparens marknad samt minska korruption och jäv. Upplever du att SPPA lyckas med detta? Om ja/nej, varför?

## **BESTÄLLARE**

Introduktion av oss själva samt förklara att det kommer vara anonymt.

### Bakgrund

- Kan vi spela in intervjun?
- Vad är din tidigare utbildning?
- Position inom företaget?
- Vilka typer av frågor/projekt jobbar du med?

### Allmän information Upphandlingsprocessen

Q1: Vad skiljer en bra upphandlingsprocess från en dålig? Kan du ge exempel?

Q2: Vad kan offentlig upphandling lära sig av privat upphandling och vice versa?

Q3: Entreprenörer har ett betydande inflytande över upphandlingsprocessen genom deras inskickade anbud, hur bör de tänka när det gäller offentliga projekt?

Q4: Vad är det viktigaste steget i en upphandlingsprocess enligt dig och varför?

Q5: Upphandlingsprocessen har många steg, men var i processen finns de huvudsakliga bristerna? Kan du ge exempel? Vad kan man göra för att minska dessa brister?

---

Q6: Ser upphandlingsprocessen annorlunda ut beroende på vilken entreprenadform ni använder?

- Hur påverkar dem olika ersättningsformerna upphandlingsprocessen?

#### Upphandlingsprocessen vid konjunktursvängningar

Q7: Hur skiljer processen vid låg/hög konjunkturer? Är kraven högre eller lägre? Konkurrensen?

- o Upplever ni att det kommer in fler anbud vid låg konjunkturer?

#### Offentlig upphandling

Q8: Hur påverkar offentlig upphandling slutkvalitén?

Q9: På vilket sätt Påverkar offentlig upphandling effektiviteten under ett projekt?

Q10: Hur stor brukar skillnaderna vara på anbudspriset och slutpriset för ett projekt?

#### LOU

Q12: Vad är för och nackdelarna med SPPA?

Q13: Det finns flera olika aktörer som är kritiska mot just SPPA, vissa går till och med så långt att de tycker det borde avskaffas, är det något du håller med om? Om ja/nej, varför?

Q14: Om du fick välja hade du velat fortsätta upphandla med SPPA? SPPA kanske passar inte i varje projekt.

Q15: Syftet med SPPA är att skapa en rättvisa och transparens marknad samt minska korruption och jäv. Upplever du att SPPA lyckas med detta? Om ja/nej, varför?

## ENGLISH QUESTIONNAIRES

### CONTRACTOR

#### Background

- Is it possible to record the interview?
- What is your previous education?
- What is your role in the company?
- What types of projects do you work on?

#### Allmän information Upphandlingsprocessen

Q1: What distinguishes a good procurement process from a bad one? Can you give examples?

Q2: Are there clear differences in how the procurement process is carried out depending on whether it is public or private? Can you give examples?

Q3: What can public procurement learn from private procurement and vice versa?

Q4: What can the client consider to make the procurement process easier for you? Do you have any good/less good examples

Q5: What do you think is the most crucial step in a procurement process and why?

Q6: The procurement process has many steps, but where in the process are the main obstacles? Can you give examples? What can be done to reduce these obstacles?

Q7: Is the procurement process different depending on the form of contracting you use?  
- How do the different forms of compensation affect the procurement process?

#### Procurement process during economic fluctuations

Q8: How does the procurement process differ during low/high economic fluctuations?  
○ Does your company tend to submit more tenders in times of recession?

#### Public Procurement

Q9: Does public procurement affect your project costs?

Q10: How does public procurement affect the final quality of the project itself?

Q11: How does public procurement affect efficiency during a project?

Q12: How big is the difference between the tender price and the final price of a public project?

### SPPA

Q13: What are the pros and cons of SPPA?

Q14: There are several different actors who are critical of SPPA, some even go so far as to think it should be abolished, is this something you agree with? If yes/no, why?

Q15: If you got to choose, would you want to continue using SPPA in procurements?

Q16: The purpose of SPPA is to create a fair and transparent market and reduce corruption and bias. Do you feel that SPPA succeeds with this? If yes/no, why?

## **CLIENT**

### Background

- Is it possible to record the interview?
- What is your previous education?
- What is your role in the company?
- What types of projects do you work on?

### General information regarding the procurement process

Q1: What distinguishes a good procurement process from a bad one? Can you give examples?

Q2: What can public procurement learn from private procurement and vice versa?

Q3: Contractors have a significant influence on the procurement process through their submitted tenders, how should they think when it comes to public projects?

Q5: What do you think is the most crucial step in a procurement process and why?

Q6: The procurement process has many steps, but where in the process are the main obstacles? Can you give examples? What can be done to reduce these obstacles?

Q7: Is the procurement process different depending on the form of contracting you use?  
- How do the different forms of compensation affect the procurement process?

### Procurement process during economic fluctuations

Q8: How does the procurement process differ during low/high economic fluctuations?

- Does your company tend to submit more tenders in times of recession?

### Public procurement

Q9: How does public procurement affect the final quality of the project itself?

Q10: How does public procurement affect efficiency during a project?

Q11: How big is the difference between the tender price and the final price of a public project?

### SPPA

Q12: What are the pros and cons of SPPA?

Q13: There are several different actors who are critical of SPPA, some even go so far as to think it should be abolished, is this something you agree with? If yes/no, why?

Q14: If you got to choose, would you want to continue using SPPA in procurements?

Q15: The purpose of SPPA is to create a fair and transparent market and reduce corruption and bias. Do you feel that SPPA succeeds with this? If yes/no, why?

DEPARTMENT OF ARCHITECTURE AND CIVIL ENGINEERING  
DIVISION OF CONSTRUCTION MANAGEMENT  
CHALMERS UNIVERSITY OF TECHNOLOGY

Gothenburg, Sweden 2024  
[www.chalmers.se](http://www.chalmers.se)

---



**CHALMERS**  
UNIVERSITY OF TECHNOLOGY