

Audit of the cost-effectiveness of procurements

PostAuto AG

Key facts

PostAuto AG is a company belonging to the Swiss Post group. As a provider of road-based mobility solutions, PostAuto AG is a leading company in public passenger transport. In 2020, around 84% of PostAuto AG's business was accounted for by regional passenger transport and local transport. As part of the public transport system, regional passenger transport is not self-financing and is subsidised by the Confederation and cantons. In the area of regional passenger transport, PostAuto AG is subject to supervision by the Federal Office of Transport (FOT).

PostAuto AG's procurements on the open market that were examined as part of the audit comprised procurements of vehicles, vehicle maintenance and transport services from legally independent PostAuto companies. These PostAuto companies provide their subcontracted transport operations under contract to PostAuto AG. In 2020, the procurement volume for the goods and services mentioned was around CHF 434 million. In the Swiss Post group, fuel is purchased, whereas services are procured from the functional units Finance, Informatics/Technology, Human Resources and Communication.

The Swiss Federal Audit Office (SFAO) used selected transactions to assess whether PostAuto AG's procurement processes are conducive to procurements that are cost-effective and therefore in the interests of the subsidising entities. It was able to ascertain that PostAuto AG makes its procurement decisions according to cost/benefit considerations and seeks out economical offers. For this purpose, PostAuto AG also specifically performs "make or buy" analyses. In the case of licensed transport operations, PostAuto AG may consider only effective costs without profit mark-ups. During its audit, the SFAO was able to ascertain that cost allocation within the group is cost-based and without profit mark-ups.

PostAuto AG's procurements are cost-effective, there is room for improvement in procurement processes

Room for improvement exists mainly in formal processes, especially documentation and the recording of specialist technical aspects of the evaluation, as well as in the tender procedure itself.

In the audited vehicle tender for electric buses, individual technical elements were defined that were not achievable in the requested form in such a technologically dynamic market. For future procurements, PostAuto AG must clarify the technical feasibility more consistently prior to the tender. The development of permanent market screening, which has already been initiated by PostAuto AG, is a viable basis for this.

Future tenders for vehicle procurements should include the maintenance and repair services as options, in order to create a competitive situation and award basis via the life cycle costs of the vehicle. The optional initiation of the order on the basis of the award avoids formal infringements of public procurement law.

"Make or buy" analyses support economical procurement

The audited "make or buy" cases on transport operations, and the operating model of providing transportation services through group companies or externals, show that this methodology is appropriately applied. As in the case of the software procurement for the mobile information terminal, "make or buy" studies are also used as tools for comparing in-house bids under competitive conditions and identifying the cheapest alternative for PostAuto AG.

The analyses are defined on a case-by-case basis and documented comprehensibly. A predefined standard reporting framework would allow PostAuto AG's management to identify mandatory content more consistently and create a more binding basis for decision-making.

Procurements within the group take account of requirements from the subsidising entities on the allocation of cost prices

PostAuto AG procures fuel from Post Company Cars AG without a profit margin. The allocation of the general operating costs, insofar as this was audited by the SFAO, is comprehensible and largely according to the originator principle.

For the "operations recording" IT solution, a service-level agreement exists between Post IT and PostAuto AG, the scope of which is defined in the annual budget. Costs are allocated on the basis of the full cost and the cost centre budgets. A profit mark-up is not applied.

The management fee for services by the central functional areas is charged to PostAuto AG by Swiss Post AG on a full cost basis. Since 2020, Swiss Post AG has refrained from charging PostAuto AG the profit mark-up of 5% that is otherwise standard in the Swiss Post group.

FOT guidance with an implementation deadline in the 2024/25 procurement exercise can be expected

The guidance should explain and define more precisely any issues of interpretation arising out of the special legislation on procurement procedures and accounting for licensed transport operations. This will create certainty for the transport companies as regards interpretation. The FOT must now move forwards swiftly with the clarification of outstanding points.

A first factsheet on cost allocation for procurements within groups will be issued for consultation shortly and is due to enter into force at the beginning of 2022, for implementation during the 2024/25 procurement exercise.

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