

Critical Success Factors for Public Private Partnerships at small local governments in the Netherlands: A case study on Noordenveld and Appingedam

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Abstract

Most research on Public Private Partnerships (PPP) is based on PPPs on a very large scale. This research is about how PPPs work at small local governments in the Netherlands, and what the Critical Success Factors (CSF) are for them. Only little research has been done on how small local governments should act during PPPs. To find out how governments should act, four CSFs are investigated in this research; an active government, concessionaire selection, communication and trust. Next to this, the meaning of 'success' will be defined. This research contains a literature review combined with a case study, consisting of two small local governments; Appingedam and Noordenveld. During the case-study 4 government employees (2 of each government) and two private parties (1 working with each government) will be interviewed by making use of a semi-structured interview. The main results are: The government should be active when it comes to active contribution and sharing of data; Concessionaire selection is mostly negotiated tendering; all forms of communication (e-mail, phone, face to face) have their own function in the process; and that trust is reflected in how contracts are proposed, how much creativity private parties get and how much knowledge is transferred.

The answer to the main question; *What are the Critical Success Factors in Public Private Partnerships during the design phase procured by small local governments in the Netherlands*, is: an active government and communication are of importance for the successfulness of PPPs at small local governments, the concessionaire selection method is not and that trust is important for the successfulness of a PPPs, but the contracts aren't.

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1. Background

Public Private Partnerships (PPPs) have become common practice in spatial planning (Ir. M. Kort, Verweij, & Klijn, 2016). Many has been written by researchers on the implementation of PPPs for large scale infrastructure development purposes. Both Osei-Kyei & Chan (2015) and Bao, Chan, Chen, & Darko, (2018) are literature reviews on PPP projects, mainly in the field of infrastructure projects. However, PPPs are also implemented for other purposes, like consultancy and design at smaller and local governments. This research will contribute to the scientific and practical knowledge there is to gain on these kind of PPPs by analysing a set of Critical Success Factors (CSF) in a case study on two small local governments in the Netherlands.

To limit the size of this research a selection of areas within the CSF concept from Jacobson & Ok (2008) and Kwak, YingYi Chih, & Ibbs (2009) will be used to analyse two small local government cases. An active government, the selection of an appropriate concessionaire, communication and trust are the four CSF areas that will be the basis of this research. These four areas are chosen on the basis of figure 10 in Wang, Xiong, Wu, & Zhu (2018). This figure shows the given factors for success based on 168 articles written on PPPs. Interesting is that the four selected areas are not literally mentioned in the figure. So, are these four areas given by Jacobson & Ok (2008) and Kwak, YingYi Chih, & Ibbs (2009) actual CSFs? This research will give an answer to this question.

The definition of PPPs varies among researchers. The key factor in traditional PPP research is sharing financial risks between public and private parties. This research however takes another view on the definition of PPPs. Peters (1998) gives the following definition for PPPs: Two or more actors have to be involved, of which at least one is public. Each of the actors can bargain on its own behalf. Partners should be in a long-term relationship. And finally, each of the actors should be able to contribute to the partnership with either recourses or symbolic factors like shared authority and credit.

The two cases chosen are the municipality of Appingedam and the municipality of Noordenveld. One of the main goals of this research is to find differences and similarities between a theoretical view on CSFs and what empirical data gathered tells us about CSFs for small local governments in the Netherlands. The other goal is to find the differences and similarities between public and private parties with regard to the four CSFs.

The thesis starts with the research problem (Chapter 2). The reader can expect a structured literature review (Chapter 3) where all four factors will be analysed. The term 'success' will also be defined. Following from the literature review a conceptual model is drawn (Chapter 4). This is followed by an extensive case study in which six participants are interviewed by making use of the semi-structured interview method (Chapter 5). The results (Chapter 6) and conclusions (Chapter 7) will be presented followed by shortages and recommendations.

2. Research problem

The aim of this research is to find out what the Critical Success Factors are for Public Private Partnerships at small local governments in the Netherlands by doing a case study on the municipalities of Appingedam and Noordenveld. To investigate this research aim the following main-question and sub-questions are proposed:

Main-question

What are the Critical Success Factors in Public Private Partnerships during the design phase procured by small local governments in the Netherlands?

Sub-questions

- In what way should small local governments in the Netherlands be active for PPP projects?
- What type of concessionaire selection is suitable for PPP projects at small local governments in the Netherlands?
- What is the effect of communication in PPP projects in a small local governments in the Netherlands?
- What are the effects of trust for a PPP project in a small local government in the Netherlands?

3. Theoretical framework

The central concept in this research is CSF. Rockart (1982) defines CSF as follows: “the limited number of areas, the result of which, if they are satisfactory, will ensure successful competitive performance for the organization. They are the few key areas where ‘things must go right’ for the business to flourish.” Kwak e.a. (2009) states that the identification of these areas are of importance for PPPs to be efficient.

As mentioned before the aim of the research is to find the CSFs for PPPs within a small local government in the Netherlands. As relatively little research has been done on PPPs in the Netherlands compared to the UK and the USA (Wang e.a., 2018), there is knowledge to gain on the CSF concept in combination with PPPs. In their article (Kwak e.a. 2009) two interesting factors are given: the competence of the government and, the selection of an appropriate concessionaire. Jacobson & Choi, (2008) state that communication and trust are relevant factors as well. Edelenbos & Klijn, (2007) also mention trust to be of significance in the PPP work field. It is possible that additional CSFs will be found during the data collection. If so, these will also be mentioned in this research.

Success in Public Private Partnerships

As the core concept of the research is Critical *Success Factors*, it is first of all important to define what success means for a PPP project. Steijn, Klijn, & Edelenbos (2011) gives five criteria to evaluate whether an PPP was successful or not. These criteria consist of: Effectiveness of the solution, support, integral character of the solution, durability and cost efficiency. These five criteria are used to determine the successfulness when the project is finished.

It is also interesting to reflect on the process during the development of the project. Two criteria given by Skelcher & Sullivan (2008) are used in this research to analyse the successfulness of the process: The resolution of conflicts during the project and the presence of deadlocks during projects and how this was dealt with.

An active local government

According to Kwak e.a. (2009) the competence of the government plays an important role in the successfulness of a PPP project. ‘The competence of the government’ is a broad area within the CSF concept. Therefore Kwak e.a. (2009) divide it in five main roles the government has in facilitating PPP projects. The government has to create a favourable investment environment, an adequate legal framework, to establish a supportive authority, to be actively involved and, select an appropriate concessionaire.

To narrow the research down, two main roles have been selected. To begin with, being actively involved as a government is of importance for the private party in the PPP (Olusola Babatunde, Opawole, & Emmanuel Akinsiku, 2012). Proper involvement of the government includes political support and having shared authority between the public and the private partners. Osei-Kyei & Chan (2015) state that political support is one of the most important CSFs for the public partner: “Without the necessary *political support*, an approval for public expenditure on public project and work would not be granted”. Next to this, proper political support results in a stable political environment, which results in more private partners to be willing to tender for a certain project.

Authority can be defined as where the decision-making power lies within the partnership (Gazley, 2008). This research will focus on decision making during the design-phase. The decision making power can be either be at the private party or the public party. A combination of both is called a *shared*

authority, in which decisions are made together. Having shared authority contributes to a good partnerships between public and private parties (Olusola Babatunde e.a., 2012).

Selection of an appropriate concessionaire

The second role of the government is the selection of an appropriate concessionaire. To select the appropriate concessionaire certain steps have to be taken. The tendering process has to be structured. There must be a structured concessionaire selection method, followed by an evaluation method (Kwak e.a., 2009).

Concessionaire selection methods are used for public partners to select a set of private partners, that could be suitable for the project. Zhang (2004) Gives five different concessionaire selection methods commonly used in infrastructure PPP projects based on a literature review and case studies; open competitive tendering, invited tendering, registered lists, project-specific prequalification and shortlisting and, negotiated tendering. Of these five different methods open competitive tendering is mostly used in infrastructure PPP.

After the concessionaire selection the concessionaire evaluation has to take place. During this phase, all proposals by the private parties are evaluated, and one of these will be chosen to form the PPP. Zhang (2004) also gives four different evaluation methods; net present value method, simple scoring method, multiattribute analysis and, the Kepner-Tregoe decision analysis technique. According to Kwak et al. (2009) of these four the *simple scoring method* is most suitable for small and simple PPP projects.

Communication

Jacobson & Ok (2008) mention communication and trust as being one area within the CSF concept. This research trying to be more specific by separating these in to two areas. Kort e.a. (2016) already discuss trust as a separate subject. Constant communication is important for both public and private parties to maintain a mutual vision for the project. A lack of communication can lead to delays and disagreements and can therefore lead to additional costs to the project (Kwak e.a., 2009). Jefferies, Brewer, & Gajendran (2014) tells us that open communication improves the speed of problem solving.

During data collection, communication will be distinguished in to phone, e-mail and face to face. These are the three main ways of communication amongst partners during PPPs, based on van den Heuvel (2012)

Trust

The final area that is going to be discussed in this research is trust. Trust is widely researched in the literature (Jacobson & Ok, 2008), (Warsen, Nederhand, Klijn, Grotenbreg, & Koppenjan, 2018), (M. Kort & Klijn, 2013) and (Edelenbos & Klijn, 2007). For this research the definition of trust given in Warsen e.a. (2018) is used:

“In spite of the variety of definitions of trust, generally there is agreement on the idea that to trust a person is to expect that the other will refrain from opportunistic behaviour, even if the opportunity arises (Deakin and Michie 1997; Deakin and Wilkinson 1998). The trusting actor assumes that the other will take his/her interests into account, although he/she can never be certain about it (Rousseau et al. 1998; Nooteboom 2002).”

Trust is, according to Warsen e.a. (2018) important for PPPs while, when two parties fully trust each other, there is no reason for them to calculate in every possible risk that they might have to cope with.

PPPs become more predictable. The three sub-areas of trust, contract creativity and knowledge transfer, are used as indicators for whether there is trust amongst partners or not.

First of all, a less detailed contract costs less. Secondly, a less detailed contract leaves more room for creativity. Less strict contracts give the private partner the opportunity to bring their own insights in to the project. The third reason trust is important for PPPs is that trust solidifies cooperation. When two parties trust each other it will be likely that they invest more time and resources on the project. Trust also enhances knowledge transfer, the result of this is that it lays a basis for a stable long-term cooperation. Finally, Warsen e.a. (2018) state that trust results in better performance for PPPs. Performance is closely related to creativity and knowledge transfer. Due to room for creativity and extensive knowledge transfer, parties are able to learn from each other and come to new, and better solutions.

4. Conceptual Model

Figure 1 shows the conceptual model that is drawn up to visualize the basic layout of the research. The conceptual model shows that all four areas have an influence on the successfulness of a PPP project.

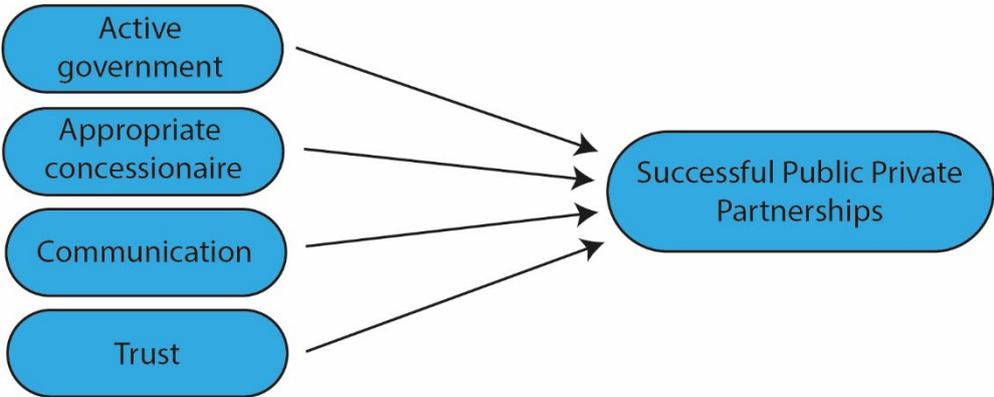


Figure 1: Conceptual model

5. Methodology

Case selection

To fully understand the contribution from this research a definition for small local governments is needed. The specific case studies, Noordenveld and Appingedam, both have fewer than 50.000 residents. Both of the municipalities are surrounded by rural land. Both municipalities of Noordenveld and Appingedam hire private parties to consult them in design and research. The reason for this is that both municipalities do not have (sufficient) expertise on specific fields, such as city planning (design).

Data collection method

The data collected has to remain within the bounds of the conceptual framework. However, at the same time it must be possible to find new insights on the subject. The five areas described in the theoretical framework are of qualitative nature. This means that the data collected should also be qualitative, for the theoretical and empirical data to be comparable.

With these three conditions in mind the semi-structured interview is chosen. This method gathers qualitative data, keeps data collection structured and, does allow the possibility for the participant to come up with additional areas of interest. The length of the interviews varied from 36 minutes to 1 hour and 15 minutes. The questionnaires used for private and public parties are presented in respectively appendix 2 and 3.

Data collection

The central question of the interviews is the same as the main research-question. The goal is to find whether the four proposed CSFs, are of importance for successful PPPs small local governments in the Netherlands. The primary question will be subdivided by the areas of the sub research-questions: an active government, an appropriate concessionaire, communication and trust. Participants are also asked to give *their* definition of what success actually is to them. Finally, as mentioned in the previous paragraph, participants were asked which one of the four CSFs researched is most important, or whether an important CSF is missing in this research, in their point of view.

A total of six interviews are held (table 1). Three participants for both cases, consisting of: one project leader, one government employee on the field of spatial planning and, one private party. Both cases have the same composition of participants and their functions, to make sure that they are as similar as possible. This way an even representation of both cases is guaranteed.

Participant	Name	Case	Party	Function
N1	Sacha Schram	Noordenveld	Private	Spatial consultancy/Partner
N2	Rubert Enter	Noordenveld	Public	Advisor mobility
N3	Rens Riechelman	Noordenveld	Public	Project manager
A4	Erik Krijnsen	Appingedam	Public	Advisor spatial development
A5	Niels Poort	Appingedam	Public	Project manager
A6	Emiel Heuff	Appingedam	Private	Housing market researcher

Table 1: Participants

Data analysis method

The interviews are recorded and transcribed. The full transcript is send back to the participant to check for factual mistakes. The data is analysed and coded using the data analysis scheme in appendix 1 and the AtlasTI software. The codes are based on the 14 operationalized areas researched (appendix 1), and additional codes for potential other CSFs found. Furthermore the output of the coded data is summarised and presented in the tables shown in appendix 4, with additional remarks. These tables will also be used as the basis for discussing the results in the following chapter. The quotes used in the result section are directly related to the content of the tables.

6. Results

In this chapter the results of the data collection will be discussed. At first the definition of success, given by participants, will be discussed, and compared to the theoretical view on success. Next, the four CSFs will be analysed in the following order: An active government, Concessionaire selection, Communication and finally Trust. The main goals are to find differences and similarities between public and private parties with regard to the CSFs, and to find differences and similarities between the theoretical data and empirical data. Again, most of the theoretical data is based on development/construction PPPs, while the two cases are design/consultancy PPPs. Differences between the theoretical data and the empirical data are found during the case study, and will be presented in the results.

Success

Success is divided in to two factors in the theoretical framework; *process* during the partnership and *outcome*, the end result of the project. Participants were asked what their definition of success is for both, process and outcome. Table 2 gives a summary of what participants answered on both factors.

Case	Public/Private	Process	Outcome
Appingedam/KAW	Public	Getting compliments. Good 'feeling'	Within budgets. Takes time.
	Private	Not too many deadlocks. Government actively contributing. Good 'feeling'	Good 'feeling'. Public party satisfied.
Noordenveld/HKBS	Public	Good 'feeling'. Could be faster. Process not optimal in this case. Open and direct communication. Good collaboration.	Residents happy. Takes time. Within budgets.
	Private	Participation. Good 'feeling'.	All participants satisfied. Proud of result. Future residents happy. Long term quality. Within budgets

Table 2: What does success mean?

Public party

In the theoretical framework, Skelcher & Sullivan (2008) give two measurable criteria to determine success in the process of a partnership; the resolution of conflicts and the presence of deadlocks, and how this was dealt with. When we look at the definitions of success with regard to process given by the participants in table 2, we see a difference. In both cases, the successfulness of the process is defined as 'good feeling'. Collaboration between people is regarded most important as it comes to successfulness of the process. This can be accomplished by having open and direct communication (short lines) and that communication between people is rather informal. You should be able to have a laugh every now and then.

You'll have to be working together for the coming 10/15 years. You would rather make a joke every now and then, as opposed to meeting with each other gloves off. ~ Rens Reichelman (Municipality of Noordenveld, 2019)

For the outcome of a project we also get a set of measurable values from the theoretical data. Two of the five values given by Steijn e.a. (2011) can be found back in the responses of the participants; cost efficiency and durability. Both public parties think it is important that a project is finished within the pre-set budgets. Both public parties also claim that you can only really determine the successfulness of a project after a certain amount of time (durability).

Private party

When it comes to the process for private parties, one of the two values given by Skelcher & Sullivan (2008) is found in the empirical data; the presence of deadlocks and how this was dealt with. Participant A6 claims that it is important for the process to be successful if there are no major deadlocks, during the process, that have a great influence on the outcome. Furthermore good collaboration between parties is regarded important for participant A6 as well. This is defined as active contribution to the process by the public party, and yet again, 'good feeling'. Participant N1 claims that participation by inhabitants of the municipality is also an important factor of the process. Inhabitants of the area are an important source of information for private parties.

When it comes to outcome, one clear difference between public and private parties is directly noticeable. Private parties do not mention 'cost efficiency' as an important value to measure the successfulness of the outcome. They do have similar thoughts on that durability (Steijn e.a., 2011) is an important value to measure outcome. Private parties also claim that it takes time to determine whether a project was successfully finished.

An active local government

The CSF active government is divided into two sub-areas; political support and shared authority. Political support results in a stable political environment which in the end should result in more private parties to be willing to tender for certain projects (Osei-Kyei & Chan, 2015). This section is divided in to what private parties think is important and, what public parties do to make sure they are a reliable party. The goal is to find what the important competences of the government are in PPPs.

Case	Public/Private	Political Support	Shared Authority
Appingedam/KAW	Public	Follow up agreements, Clear policies. Good Communication.	Public authority. Private proposed methods.
	Private	Coproduction, Active contribution. Sharing Data.	Public authority. Private proposed methods.
Noordenveld/HKBS	Public	Clear (long term) policies. Implementing policies. Continuity.	Public authority. Ownership plots.
	Private	Asking the right question. Using the right methods. Continuity.	Public authority, Private proposed methods.

Table 3: An active government

Public party

The municipality of Appingedam (Participant A4) is aware of the fact that private parties do prefer stable governments to work with. To make sure that the municipality of Appingedam has a favourable position as opposed to other municipalities, they make sure that they have clear policies and fulfil their promises in projects. This way they guarantee that they are a reliable party. Participant N3 agrees on this. He claims that long-term policies to make sure that private parties have less risks with regard to financial matters. Here we see confirmation of the theory by Osei-Kyei & Chan (2015).

Appearance is important. As a government you must show that you are trustworthy. You can do this by having clear policies and to keep you promises. ~ Erik Krijnsen (Municipality of Appingedam, 2019)

Both public parties confirm that the decision making power lies almost exclusively with them. Participant A5 tells us that they had the final word during their partnership with KAW. However, private parties are hired for a reason. In this particular case because of the fact that KAW has more specific knowledge on housing development and research methods. At this point for example, KAW can propose what methods can be used to gather data from inhabitants of Appingedam. In the end the project leader of Appingedam has to give permission to carry out the opposed methods.

In the end we make the big decisions. However, during the process the private party has the freedom to make decisions on their own. For example research methods. For example, KAW organised evenings for residents to give their input for the 'Stadsvisie Appingedam'. We do need to agree on these methods. ~ Niels Poort (Municipality of Appingedam, 2019)

Private party

I think so, we know the municipality of Appingedam, and they know who we are. During projects they are willing to give us the data we need. The thing is, it is a co-production, so we need each other's help to get to a good result. ~ Emiel Heuff (KAW, 2019)

The paraphrase above is taken from the interview with participant A6. During the PPP with Appingedam he experienced good political support. This particular paraphrase it is not about a government being stable, an explicit value given by Osei-Kyei & Chan (2015). But the important part here is that the government is actively involved in the process, willing to give data without hesitation. Both private parties do not necessarily claim that long term policies are required for them to be willing to work together with public parties.

The people that work on the specific project are regarded more important than the government itself. Both private participants, N1 and A6, claim that they do take the people on the project within the municipality in to account when choosing projects, they are working in a *network* of partners formally cooperated with. However, participant A6 claims that this can only be the case if they are working at nearly full capacity. At this point you can make a clear choice between two or more public parties, based on experience from former partnerships. Participant N1 gives a specific example of what can be the result of individual government employees using wrong methods, for instance in this case tendering. We can see that for private parties the government itself is not necessarily the important factor, but that individual employees are.

For example at one time the project leader of this particular municipality invited 7 parties to tender for only a small project. I don't think that that is decent. At that point I did not want to tender, I think it is outrageous to throw away so much knowledge and dedication. But on the other hand I did work on other projects for this municipality. ~ Sacha Schram (HKB Stedenbouwkundigen, 2019)

Similar to the public parties, both private parties claim that there was no shared authority during the PPPs. However, they also do not claim that this would be necessary during a project. So, principally there is no shared authority in both of the cases. However, it does not seem to influence the successfulness of the partnerships in both cases. This is contrary to the claim Olusola Babatunde e.a. (2012) make on shared authority, as they claim that shared authority *does* contribute to better partnerships.

Concessionaire selection

Concessionaire selection is divided in to two sub-concepts; the selection method and the evaluation method. The summarised output can be found in appendix 4.

Public party

The private parties, respectively KAW and HKB Stedenbouwkundigen, were selected by invitation; referred to Zhang (2014) as *negotiated tendering*. Parties are mainly chosen on the basis of experience with private parties on former projects. Public parties are often working in a *network*. There is a difference between the way consultancy organisations have to tender and how other parties, for example building contractors, have to tender. This is confirmed by participant N3. HKB Stedenbouwkundigen was invited to tender for the project. However he does give examples on how open tenders are used in Noordenveld as well, in this example for contractors in housing development.

For example the tendering at Oosterveld-Norg is in process as we speak. 12 parties registered of which 11 could comply with the prerequisites set by the municipality. To prevent 11 parties to come up with a plan, with only one having the chance to get the project we decided to go on with 5 parties chosen by draw. ~ Rens Riechelman (Municipality of Noordenveld, 2019)

Public parties are very clear when it comes to evaluation methods for consultancy-PPP's. When a single private party is invited to tender, the quotation has to meet de specifications of the task given by the public party. Price is the most important factor, according to both public parties when multiple parties are invited to tender for a project. This does not correspond with any of the evaluation methods given by Zhang (2004).

Private party

Participant N1 claims to be only responding to *negotiated tenders*. This means for participant N1 to have enough work, a good *network* is necessary.

Communication

Having constant communication leads to better understanding between two parties and helps to maintain a mutual vision on the project (Kwak e.a., 2009). In both cases communication between public and private parties was regarded good. The main reason for this was that parties knew each other prior to the start of the partnership, people know what to expect from one another.

Communication has many forms, in this research e-mail, phone and face to face are the three distinguished categories (Table 4). According to most of the participants all forms are used in equal amount, there is no communication method that is mostly used. The goal is to find which way of communicating is most effective and thus, adds to success.

Case	Public/Private	Phone	E-mail	Face to face
Appingedam/KAW	Public	Easy to forget things. Small proceedings.	Small proceedings. Less forgetting things.	Begin-phase. Requires good preparation.
	Private	Preferred. Quick questions. Direct contact.	Possibly slow. Combined with Phone.	Direct contact. Complex issues.
Noordenveld/HKBS	Public	No primal reaction. Quick.	Confirming phone. Not suitable for complex content. Everyone gets the exact same information. Archive.	Requires good minutes. Most effective. Begin-phase. Requires good organisation.
	Private	1 on 1 direct contact. No textual output.	Serves as archive.	Primal reaction. Get to know the other party. No textual output.

Table 4: Communication

Public party

Communication by e-mail and phone is regarded most effective when it comes to adjusting small details. It is also suitable for asking confirmation on subjects and duties, discussed during meetings. E-mail has the advantage, as opposed to communication over the phone, that information from past conversations is easily retrieved again. This also means that communication via e-mail can be regarded as an archive for communication during a partnership. Another advantage of e-mail is that everyone gets the exact same information. Participant A4 also claims that when communicating over the phone it is rather easy to forget to say certain important things, because of it being a fast way of communication. On the other hand, the directness and speed of communicating via telephone is regarded, by the public party, as a benefit of the telephone.

I consciously chose e-mail when approaching different private parties. You'll grant yourself time enough to think, and you'll make sure that all parties receive the exact same request. This way, unnecessary discussions are avoided. ~ Rubert Enter (Municipality of Noordenveld, 2019)

However, e-mail and phone are not regarded useful as it comes to discussing on projects content wise. In the Noordenveld case an external financial planner is hired. In this case the financial planner is located in Almere, and communication was mainly by phone or via e-mail. A problem occurred when participant N3 received content that he did not ask for. The reason of the problem here is that the two people involved do not know each other personally. It suggest that for e-mail or telephone to be suitable as a form of communication, content wise, it is necessary that people know each other personally.

This brings us to face to face communication. Face to face communication is regarded as most effective by all public participants. Advantages that are given are the personal contact, seeing primal reactions of people. An important condition given by participant N3 is that arrangements are put in writing by one person. This way every party will have the same document in which the findings and distribution of activities are described.

Face to face meetings are mostly used in the beginning phase of a partnership. This is to get to know the other party and to agreements on mutual goals. Next to this, it is common that the contract that is formed obligates for future meetings during the progress of the project. Face to face meetings cost time and are hard to plan on short terms. Participant N3 states that a good way to make sure these meetings are attended, is to set dates even before the beginning of a project.

Private party

The responses by the private parties, when it comes communication over the phone and via e-mail, are very similar to the what the public parties responded. Upsides are the speed and directness of communication via the telephone as opposed to e-mail. While e-mail has the advantage that it serves as an archive for communication between parties. Both forms of communication are regarded suitable for small proceedings but not for discussing complex content.

Participant N1 does recall an import downside to face to face communication when meeting in large group. Not every individual person is keen to actively participate. The risk here is that certain important subjects could be neglected. The project leader has a very essential role in these situations. An example is given by participant N1:

Some time ago I worked on a project, and quite late in the process it came to light that there was ground pollution. Apparently there was a report on this but the project leader had never seen it. (...) The result of this was that the entire project was cancelled and had to start over again. The municipality was so furious that they let go the project leader. ~ Sacha Schram (HKB Stedenbouwkundigen, 2019)

Trust

The final CSF in this research is trust. Trust is important for reducing risks and therefor making PPPs more predictable. At the same time a high amount of trust leads to less detailed contracts. These less detailed contracts give more freedom towards private parties to implement their own visions (Warsen e.a., 2018). Mutual trust also enhances knowledge transfer, which results in good long term relationships between public and private parties. Participants are asked questions on contracts, creativity and knowledge transfer. The goal is to find how trust is reflected in these cases by analysing the three values; contract, creativity and knowledge transfer. A summary if the data is found in table 5.

Case	Public/Private	Contract	Creativity	Knowledge
Appingedam/KAW	Public	When partner familiar; less detail.	Private party hired for creativity.	Learns research-methods and content.
	Private	Quotation = contract. When partner familiar; less detail	Depends on project-manager.	Learns practicalities. Local knowledge.
Noordenveld/HKBS	Public	Quotation = contact. Not very binding.	Private party hired for creativity.	Learns on content.
	Private	When partner familiar; less detail. Always trusts public.	Depends on project-manager	Practicalities. Specific content.

Table 5: Trust

Public party

First of all the contract. Both public parties state that in consultancy-PPPs, the quotation made by the private party actually is the contract to be signed. Both public parties also claim that, when they are familiar with the private party in question, they do not need as much detail in the quotation. The public party already knows what to expect from the private party, and has confidence that they will deliver. This is in line with the theory of Warsen e.a. (2018). PPPs become more predictable once there is trust among partners. This is reflected in the way quotation, and thus contracts, are proposed.

Both public parties already claim that the private parties are hired especially for their creativity, this indicates a high level of trust according to Warsen e.a. (2018). Participant N3 claims that private parties are less bound to municipality policies when it comes to design. They are stimulated to think out of the box. When combining this with the fact that *private parties* are the ones that actually make the contracts themselves, we find an odd contradiction on contracts and creativity. Private parties make the quotations (contracts) themselves. This means that the private parties themselves are the ones that decide how much creativity they grant themselves, contract wise.

The final indicator for trust is the amount of knowledge that is transferred between parties. Public parties claim to be learning a lot from private parties. The reason for this is that, in general, private parties have more expertise on certain matters. Examples are given in the likes of learning about research methods, and practical solutions in city planning.

We learn a lot from private parties. For example the way KAW organised the resident participation evenings. ~ Erik Krijnsen (Municipality of Appingedam, 2019)

Private party

As established, private parties are the ones that are responsible for the content of the contract. Participant A6 claims that they put less detail in quotations (contracts) proposed for familiar partners. This also means that, potentially, private parties could be granting themselves little creativity. However, private parties do not feel themselves bounded by the quotations (contracts) they make. Which means that there is another reason for the amount of freedom private parties get.

The private party participants encounter that the project manager on the public side far is more important than the contract itself. Again, like in the results of *an active government*, the employees of the government are much more important than the government itself. The private party is hired for their expertise. So if, according to the private party, certain activities could be organised in a different way for better results, project managers are most likely to comply with this.

Well, it really depends on the person. I encountered project leaders at municipalities who said; "if this is your quotation, than you should be doing it exactly like you wrote down". (...) This was not the case in Appingedam. ~ Emiel Heuff (KAW, 2019)

Private parties mainly learn about practicalities like presenting, local knowledge to understand the environment they are working in and ways to organise meetings. However in some cases participant N1 does claim to also be learning content wise.

City planning is very broad, and I think that the municipality can learn from me with regard to city planning and bringing all fields of studies together. But I do regularly learn from these specific field of studies. ~ Sacha Schram (HKB Stedenbouwkundigen, 2019)

7. Conclusions & recommendations

The research questions will be answered in this section. At first, the conclusions on what success actually is will be presented. Followed by answers to the four formulated sub-questions. Finally the main-question will be answered, based on the answers of the sub-questions.

Success

The conclusions start off with the meaning of *success*. Skelcher & Sullivan (2008) and Steijn e.a. (2011) gave us a theoretical view on how to measure success during and after a project. Durability and cost efficiency were two values given by Steijn e.a. (2011) which were explicitly given by public parties.

Durability was also found as one of the values for success on the private side. However, cost efficiency was not mentioned by private parties. The reason for this is that private parties in consultancy-PPPs at small local governments in the Netherlands do not have financial responsibilities. All financial responsibilities lie with public party in consultancy-PPPs at small local governments in the Netherlands.

Most important, one value, for what *success* is for consultancy-PPPs at small local governments, was not found in the theory. 'feeling' was mentioned both public and private parties as being a very important value to measure success. However, feeling is something hard to measure, it is a very personal value. The values given by Skelcher & Sullivan (2008) and Steijn e.a. (2011) are very good values to objectively reflect on the successfulness of a project. However, as this research points out, the subjective definition of success is also of great importance, to determine success at small local government PPPs.

An active local government

What competences should small local governments in the Netherlands have for PPP projects?

In the theory, Osei-Kyei & Chan (2015) mentioned that a stable government, with clear long-term policies leads to more private parties wanting to partner with a certain government. Public parties are aware of this. However, consultancy parties do not mention long-term policies as being an important factor for wanting to partner with a government.

The reason for this is that, as mentioned before, private parties do not have financial responsibilities in these cases. Clear long-term policies are only of importance when it comes to parties which carry financial risks during a PPP. Again, this leads us to a difference between development-PPPs and consultancy-PPPs. Private developers are the parties that carry financial risks during PPPs. It is a good thing that public parties are aware of having long-term policies, results in better partnerships. However it is of little influence on partnerships with consultancy parties.

Now another question arises; what makes consultancy parties wanting to partner with governments? Results point out that, employees of public parties are the most important factor for private parties wanting to work together with them. If private parties have good experience with working together with a *people* at a certain government, they will tend to partner again for other projects. A public party needs to show that they really want to work together with the private party. This can be done by actively contributing towards good solutions or to be willing to give data to the other party without hesitations.

Having shared authority does not contribute to the successfulness of a consultancy-PPP. This is contrary to the claim Olusola Babatunde e.a. (2012) make. Again, the main reason the seems to be that consultancy parties do not have financial risks. This means that consultancy parties cannot

financially benefit by having influence on decision-making processes. And thus, shared authority is not needed in consultancy-PPPs at small local governments in the Netherlands.

Concessionaire selection

What type of concessionaire selection is suitable for PPP projects at small local governments in the Netherlands?

Public parties use negotiated tendering to select consultancy parties. This also is the most suitable concessionaire selection method for PPP projects at small local governments in the Netherlands. Public parties can directly choose with whom they want to partner, based on former experience with this partner. This makes the partnership more predictable, which has, according to Warsen e.a. (2018) a positive influence on the successfulness of a project.

This makes it questionable if concessionaire selection is a real CSF for consultancy-PPPs at small local governments in the Netherlands. Public parties have full control over the selection of their partners. This means that having a good *network* is of greater importance than the concessionaire selection method used.

Communication

What is the effect of communication in PPP projects in a small local governments in the Netherlands?

Communication is of great importance for PPP projects at small local governments in the Netherlands. Three categories are distinguished for this research; phone, e-mail and face to face. All of these categories have their own function during a project. In the end the effect of good communication is that projects will be finished faster and the process will be regarded as more 'successful' by both parties. When this happens, both parties will be open for future collaboration, which results in an extension of their *network*.

Trust

What are the effects of trust for a PPP project in a small local government in the Netherlands?

First of all, the definition of the contract is different for consultancy-PPPs as opposed to as it is for development-PPPs. In consultancy-PPPs the quotation proposed by the private party serves as the contract to be signed. Trust has influence on the way these contracts (quotations) are formed in consultancy-PPPs at small local governments in the Netherlands. When public and private parties know each other from former projects they tend to agree on contracts with less detail. This way the partnership is more predictable, which is according to Warsen e.a. (2018) good for the successfulness of a PPP.

However, one of the main differences between the theory (Warsen e.a., 2018) and the real practice found, is that contracts have little influence on the project itself. The strictness of a contract in consultancy-PPPs depends on the specific project leader in public party. This makes the statement of Warsen e.a. (2018) on contracts questionable for consultancy-PPPs at small local governments in the Netherlands.

When the project leader on a project is very open for new insights, and has a positive experience with the private party on the case, there tends to much room for creativity. The public party has trust in the private party to do their job properly and leaves room for surprises. It is the way that creativity is gained that differs from the theory. However the effect of high amounts of creativity stays the same; better solutions.

Knowledge transfer is the final indicator for whether there is trust amongst partners. Both public and private parties tend to learn from each other in different ways. Public parties mostly learn about the content of a project while private parties learn practicalities. Knowledge gained by either party can be applied in future projects, and can thus, lead to better solutions for other projects.

Main-question

What are the Critical Success Factors in Public Private Partnerships procured by small local governments in the Netherlands?

An active government and communication are definite CSFs for consultancy-PPPs at small local governments in the Netherlands. The CSF trust is divided in to three categories of indicators; contract, creativity and knowledge transfer, of which creativity and knowledge transfer do contribute to the successfulness of a project. The contract itself, on the other hand, does not seem to influence the successfulness of a project. Finally the concessionaire selection method for consultancy-PPPs at small local governments is not in influence of the successfulness of a project, a good *network* is.

Limitations and recommendations

The amount of two cases is regarded as a limitation for this research. However, this research could also be regarded as a starting point for more research, extra cases, on this subject. Only little research has been done on specific consultancy-PPPs at small local governments in the Netherlands. This research especially found interesting differences between consultancy-PPPs and development-PPPs. A side-note is that no development-PPPs were analysed during this case study, this is recommended to get a complete picture on CSFs for PPPs at small local governments in the Netherlands. A completer overview on CSFs for small local governments in which development and consultancy are separated, would make it easier for public parties to know what CSFs to focus on when partnering with private parties.

Secondly, following the definitions given on success given by all participants, additional research on what success means for PPPs is recommended. We get a good set of values, from the theory, to objectively measure the successfulness of a PPP. This research pointed out that not only objective values count, but subjective values such as feeling are of importance to determine whether a PPP was successful or not.

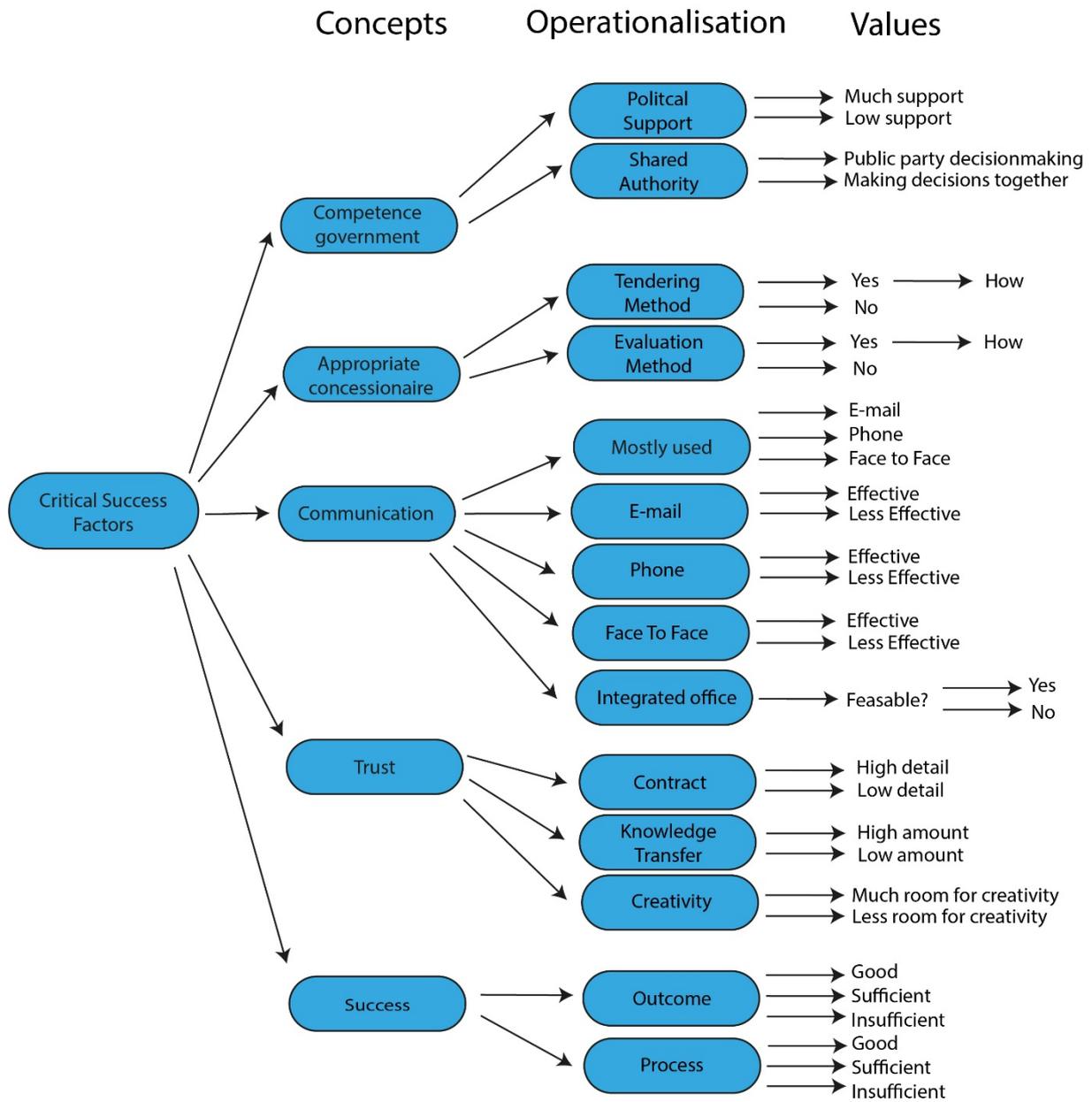
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Appendix

Appendix 1



Appendix 2

Vragen interview Private party

Introductie

0a. Vragen naar hoe het project er voor staat

Start opname

0b. Vragen of opnemen goed is

0c. Uitleggen dat transcript wordt teruggestuurd om te controleren op feitelijke onwaarheden.

0d. Uitleggen scriptie PPP-CSF. 5 onderwerpen:

- Rol overheid
- Aanbesteding methodes
- Communicatie
- Vertrouwen
- Succes

0e. Wie ben je en wat voor functie heb je?

Rol van de overheid

1a. Neem je bij het aanbesteden van een project de overheid waar je gaat werken in overweging?

1b. Zo ja, wat zijn de belangrijkste eigenschappen die deze overheid moet hebben?

2a. Wie hebben de belangrijke beslissingen gemaakt op projectniveau?

2b. Gebeurt dit samen of neemt de overheid hier vaak de leiding in?

Communicatie

3a. Welke manier van communicatie werkt het best?

3b. En wat zijn de voor- en nadelen van de andere manieren? (e-mail & telefoon)

4a. Welke manier is het meeste gebruikt?

4b. Hoe vond je dat de communicatie verliep tijdens het project?

4c. Wanneer dit niet goed was, wat waren de dingen die hierdoor misliepen?

5a. Zou het concept 'integrated office' een goede manier zijn om communicatie te verbeteren?

5b. Zou dit haalbaar zijn?

Vertrouwen

6a. Welke eigenschappen moet de andere partij hebben zodat je ze vertrouwt? Met andere woorden: Wanneer vertrouw je je partner?

6b. Heeft dit gevolgen voor de manier waarop het contract er uit ziet?

7a. Heb je wat geleerd van de andere partij tijdens het project?

7b. Is er sprake van kennisoverdracht geweest?

8a. Was je (gerelateerd aan de contractvorm) vrij om je eigen ideeën toe te passen tijdens het project?

Succes

9a. Wanneer ben je tevreden met het resultaat?

10a. Wanneer ben je tevreden over het proces?

Afsluiting

11a. Wanneer je een nog een aanvullende '*critical succes factor*' zou hebben, wat zou dit dan zijn?

Stop opnemen

12a. Bedankt!

12b. Zou je het eindproduct willen zien?

13b. Goed opletten of je nu nog belangrijke zaken hoort!

Appendix 3

Vragen interview Public party

Introductie

0a. Vragen naar hoe het project er voor staat

Start opname

0b. Vragen of opnemen goed is

0c. Uitleggen dat transcript wordt teruggestuurd om te controleren op feitelijke onwaarheden.

0d. Uitleggen scriptie PPP-CSF. 5 onderwerpen:

- Rol overheid
- Aanbesteding methodes
- Communicatie
- Vertrouwen
- Succes

0e. Wie ben je en wat voor functie heb je?

Rol van de overheid

1a. Zijn jullie je er bewust van dat wanneer je als overheid stabiel bent, er meer 'private' partijen zijn die willen samenwerken?

1b. Zo ja, wat doen jullie als overheid om hier voor te zorgen?

2a. Wie hebben de belangrijke beslissingen gemaakt op projectniveau?

2b. Gebeurt dit samen of nemen jullie hier vaak de leiding in?

Aanbesteding methodes

3a. Gebruiken jullie een specifieke methode voor het selecteren van welke private partijen worden uitgekozen om met een plan te komen?

3b. Zo ja, welke manier is dat?

4a. Gebruiken jullie een specifieke methode voor het evalueren van ingebrachte plannen?

4b. Zo ja, welke manier is dat?

Communicatie

5a. Welke manier van communicatie werkt het best?

5b. En wat zijn de voor- en nadelen van de andere manieren? (e-mail & telefoon)

6a. Welke manier is het meeste gebruikt?

6b. Hoe vond je dat de communicatie verliep tijdens het project?

6c. Wanneer dit niet goed was, wat waren de dingen die hierdoor misliepen?

7a. Zou het concept 'integrated office' een goede manier zijn om communicatie te verbeteren?

7b. Zou dit haalbaar zijn?

Vertrouwen

8a. Welke eigenschappen moet de andere partij hebben zodat je ze vertrouwt? Met andere woorden: Wanneer vertrouw je je partner?

8b. Heeft dit gevolgen voor de manier waarop het contract er uit ziet?

9a. Heb je wat geleerd van de andere partij tijdens het project?

9b. Is er sprake van kennisoverdracht geweest?

10a. Geven jullie de private partij (gerelateerd aan de contractvorm) ruimte om zelf met ideeën en inzichten te komen?

Succes

11a. Wanneer ben je tevreden met het resultaat?

12a. Wanneer ben je tevreden over het proces?

Afsluiting

13a. Wanneer je een nog een aanvullende '*critical succes factor*' zou hebben, wat zou dit dan zijn?

Stop opnemen

14a. Bedankt!

14b. Zou je het eindproduct willen zien?

15b. Goed opletten of je nu nog belangrijke zaken hoort!

Appendix 4

An active government

Case	Public/Private	Political Support	Shared Authority
Appingedam/KAW D1, D4 & D5	Public	Follow up agreements, Clear policies. Good Communication.	Public authority. Private proposed methods.
	Private	Coproduction, Active contribution. Sharing Data.	Public authority. Private proposed methods.
Noordenveld/HKBS D2, D3 & D6	Public	Clear (long term) policies. Implementing policies. Continuity.	Public authority. Ownership plots.
	Private	Asking the right question. Using the right methods. Continuity.	Public authority, Private proposed methods.

Remarks:

Concessionaire selection

Case	Public/Private	Selection method	Evaluation method
Appingedam/KAW D1, D4 & D5	Public	Multiple negotiated tendering. Single negotiated tendering.	Multiple: Price Single: Quotation meets specification
	Private	-	-
Noordenveld/HKBS D2, D3 & D6	Public	Multiple negotiated tendering. Single negotiated tendering.	Multiple: Price Single: Quotation meets specification
	Private	Only responds to negotiated tendering.	-

Remarks:

Communication

Case	Public/Private	Phone	E-mail	Face to face
Appingedam/KAW D1, D4 & D5	Public	Easy to forget things. Small proceedings.	Small proceedings. Less forgetting things.	Begin-phase. Requires good preparation.
	Private	Preferred. Quick questions. Direct contact.	Possibly slow. Combined with Phone.	Direct contact. Complex issues.
Noordenveld/HKBS D2, D3 & D6	Public	No primal reaction. Quick.	Confirming phone. Not suitable for complex content. Everyone gets the exact same information.	Requires good minutes. Most effective. Begin-phase. Requires good organisation.
	Private	1 on 1 direct contact. No textual output.	Serves as archive.	Primal reaction. Get to know the other party. No textual output.

Remarks:

Communication between Appingedam and KAW was regarded good. This was a result of close, personal contact between both parties. Participant A5, project leader at Appingedam, proposed that having one particular person at the private party as contact increases quality of communication. This makes communicating by e-mail more comprehensible as less people are in CC's etc.

Face to face communication is ought to be the most effective as it comes to discussing in depth content. Participant N1 remarks that when meeting with a large group of people, there is a risk that certain people do not talk as much as others and therefore a certain subject could be left out. Here lies a very important role for the project leader. Participant N3 claims that the large multi-disciplinary were very useful.

Trust

Case	Public/Private	Contract	Creativity	Knowledge
Appingedam/KAW D1, D4 & D5	Public	When partner familiar; less detail.	Private party hired for creativity.	Learns research-methods and content.
	Private	Quotation = contract. When partner familiar; less detail	Depends on project-manager.	Learns practicalities. Local knowledge.
Noordenveld/HKBS D2, D3 & D6	Public	Quotation = contact. Not very binding.	Private party hired for creativity.	Learns on content.
	Private	When partner familiar; less detail. Always trusts public.	Depends on project-manager	Practicalities. Specific content.

Remarks:

In general when talking about consultancy-PPPs the quotations opposed by the private parties are the contracts signed. This means that the private party it-self is responsible for the amount of detail in the contract. Generally there is a low amount of detail in quotations/contracts between private and public parties as it comes to consultancy-PPPs. This is a result of the fact that most partnerships are formed within a network. Parties know each other from former projects, and know what to expect from each other.

The general message is that knowledge is always transferred during partnerships. Public parties are learning content wise, as they work together with experts on a certain subject. They learn about problem solving strategies and research-methods. Private parties mostly learn practicalities like ways of communication and methods for presenting. They also learn specifics on the local government they are working with.

Success

Case	Public/Private	Process	Outcome
Appingedam/KAW D1, D4 & D5	Public	Getting compliments. Good 'feeling'	Within budgets. Takes time.
	Private	Not too many deadlocks. Government actively contributing. Good 'feeling'	Good 'feeling'. Public party satisfied.
Noordenveld/HKBS D2, D3 & D6	Public	Good 'feeling'. Could be faster. Process not optimal in this case. Open and direct communication. Good collaboration.	Residents happy. Takes time.
	Private	Participation. Good 'feeling'.	All participants satisfied. Proud of result. Future residents happy. Long term quality. Within budgets

Remarks:

Success is hard to measure. All participants stated 'feeling' to be an important indicator for whether a projects is successful or not. Both public parties mention that projects should be finished within budgets, private parties do not mention this. Good collaboration is important for the successfulness of the process, an active role of the government does contribute to this. Time is an important factor to determine if the outcome of a project is successful. You can determine if a project was successfully completed, only after a certain amount of time.