PUBLIC PRIVATE PARTNERSHIPS: OVERCOMING PRE-CONTRACT PROBLEMS FACED BY PUBLIC CLIENTS AND PRIVATE PROVIDERS IN INFRASTRUCTURE PROJECTS IN SINGAPORE

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Abstract
After five years since their introduction, there remains a dearth of public-private-partnership (PPP) projects in Singapore. This paper aims to investigate the problems faced when using PPP arrangements and provide recommendations on how these can be surmounted. Face-to-face in-depth interviews with practitioners from the public and private sectors were conducted. The results show that the problems faced by public PPP clients are: difficulty in deciding if a public service could be bought using the PPP route; private providers’ inability to innovate and understand clients’ requirements; private sector’s low capability in facilities management; and public sector’s constantly changing needs. The difficulties faced by private providers are: inability to recoup expenditure; absence of a PPP champion; high tendering cost; criteria for awards are unclear; and risk allocation is unfair. Recommendations on how problems faced in the PPP pre-contract stage might be overcome are presented.

Keywords: Public-private partnership, pre-contract stage, clients, Singapore

INTRODUCTION
In Public Private Partnership (PPP), the public sector engages private sector providers to deliver services which the private sector can provide more effectively and efficiently (MOF, 2004). In Singapore, PPP is adopted if it can be shown that economic costs associated with implementing a project by the private sector are much lower than if developed by the public sector (MOF, 2008).

Between the Singapore government announcement of its intention to use PPP in October 2004 and October 2009, only four PPP infrastructure projects have been awarded (MOF, 2009) though many unawarded projects were put through the tendering process. The aim of this study is to investigate pre-contract problems faced in PPP infrastructure projects in Singapore. The specific objectives are to: (1)