The Public Private Comparator at the decentralized level

**Introduction**

This research examines the efforts of the Public Private Comparator (PPC) at the decentralized level in the Netherlands. The PPC is a financial-economic assessment tool that can be used before a tender to determine whether there is a surplus value for a specific project (real estate or infrastructure) in the form of a Public Private Partnership based on a DBFM(O)-contract compared to a traditional form of contract. At state level, this assessment tool has been successfully implemented for a few years now whereas at the decentralized level there is still little experience with this tool and there are mainly pitfalls. Recently the Ministry of Finance launched a pilot for local authorities to examine the need for knowledge and experience regarding DBFM(O)-contracts, after an advice of the Commission on Private Financing of Infrastructure, also known as the Ruding Committee. The main question that will be answered by means of this research is:

*Under which conditions, with regard to content and process, is it possible to use the PPC within the municipality?*

**Objective**

This study shows which conditions are needed at State level and how these can be translated to a municipal situation and organization. The result of these findings is converted in a report and a step-by-step plan with regard to content and process for the implementation of the PPC at municipal level. This research has been conducted within, and focuses specifically on the municipality of Rotterdam. Particularly for the theoretical part, the practical part (case studies) and most of the conclusions it is possible to see the results in a broader context, so that this research also applies to local authorities more generally.

**The step-by-step plan**

The step-by-step plan for the Public Private Comparator municipality Rotterdam is divided into four modules:

1. **Module 1: Negotiation**
   - Introduction PPC
   - Module 1: Negotiation
   - Module 1: Planning
   - Operating income
   - Operational costs
   - Co-financing
   - Transaction costs

2. **Module 2: Evaluation**
   - Initial policy document
   - Input M2
   - Input M3
   - Input M4
   - Input M5
   - Initial policy document
   - Final report PPC

3. **Module 3: Evaluation**
   - Initial policy document
   - Input M2
   - Input M3
   - Input M4
   - Input M5
   - Input M6
   - Final report PPC

4. **Module 4: Results**
   - Final report PPC

**Results**

The final result of the research and also the answering of the main research question is incorporated in the step-by-step plan for the implementation of the PPC. This step-by-step plan is the practical elaboration of the research and has been described in an external report.

To make the step-by-step plan more accessible five key variables are formulated which facilitate the PPC on a decentralized level. These key variables are:

- Making an administrative decision about starting a PPC
- Involving all stakeholders in the PPC based on the stakeholder analysis (e.g. administrators involved, sub municipalities or boroughs and municipal services)
- Ensuring adequate knowledge of the process of the PPC and integrated contracts. This knowledge is required in order to be able to make balanced decisions in the course of the PPC process: ‘garbage in is garbage out’ applies here too.
- An committed and motivated project manager with sufficient mandate that ensures adequate administrative and organizational support and capacity. It is essential that right from the start of the PPC there is general agreement about the course to be followed. Individual influence on the outcome of the PPC is difficult but not impossible and should be prevented at all time.
- Better cooperation between the municipal services. Before the start of the PPC the bulk of all wishes and requirements must be clear. This requires a different approach and working method from the parties involved. Cooperation is crucial.

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