On the fast track? Using standard contracts in publicprivate partnerships for sports facilities: a case study

On the fast track? Using standard contracts in public-private partnerships for sports facilities: a case study

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Abstract

Public-private partnerships (PPPs) for the provision of public infrastructure involve costly contracting processes. Standard contracts are modularly structured documents which provide standard terms for these processes; it is argued that they help reduce transaction costs by limiting the room for contractual negotiations. We investigate the use of standard contracts in an embedded case study of a PPP policy program in the Belgian sports sector, and apply notions of standardization theory and transaction cost economics to explain the differences in the success of using these contracts. On the basis of desk research and interviews, our study demonstrates both successful and unsuccessful usage of standard contracts across a range of subcases which include artificial pitches, sports halls, and multifunctional sports centers. Unsuccessful cases were characterized by an interference of local governments' interests that was poorly managed by the leading public actor, and a persistently rigid attitude at the negotiation table of this latter actor. We further relate the different degrees of success to inappropriate government responses to the assets at hand. Finally, we proclaim a more cautious approach toward the standardization of contracts, both in theory and practice.

1. Introduction

Over the past few decades governments have increasingly embarked on public-private partnerships (PPPs) for the provision of public infrastructure (Yescombe, 2007). A PPP is a specific approach to the construction and maintenance of infrastructure in which the private sector finances a project and bears a large amount of risk. The rationale is that private companies with their own money at stake have a better track record of managing projects. They are incentivized by a desire to recoup their investments to identify and manage project risks and deliver an infrastructure asset on time and on budget (Grimsey & Lewis, 2004).

PPPs involve large sunk investments with long-term timeframes and require new management capacities from governments (Joaquin & Greitens, 2012). It usually takes considerable time and effort to arrive at contractual agreements between public and private actors, which is reflected in high transaction costs. This article focuses on contracting toward PPP deals: the drafting, negotiating, and signing of long-term infrastructure agreements by public authorities and private sector partners—i.e. the contracting process. There is also a practice of contracting after contracts are signed, contract management, but we focus on the process toward the signing of a contractual agreement (Schepker, Oh, Martynov, & Poppo, 2014). We delve into depth about one of the measures governments are increasingly taking in order to ease and shorten the contracting process: the standardization of contracts.

We define standard contracts as modularly structured documents providing standard terms for common elements of PPP deals. They are used to facilitate the procurement process. Standard contracts have been promoted globally and are emerging in various places and sectors. The United Kingdom has been among the first countries in which guidance on project agreements was issued through standard contracts (HM Treasury, 2007), and many other countries have followed. However, while the practical use of standards has been promoted recently, there is a remarkable lack of theoretical and empirical analysis on its benefits and drawbacks. On top of this literature gap is an even more compelling one. Despite the increasing application of public-private investments in sports facilities, the nexus of PPP, contracting, and sports infrastructure has only been marginally examined. Scholarly work on the development of sports facilities has often dealt with investments related to mega sports events and sports leagues (Cabral & Silva Jr., 2013; Long, 2013). Smaller developments, e.g. day-to-day sports facilities like sports halls and pitches, have received much less academic attention. Furthermore, while many studies have dealt with the aftermath of infrastructure investments, only a few have focused on the governance arrangements (including contracts)

of programs and projects aimed at the delivery of sports facilities. The contributions of Hoye and Nicholson (2010) and Propheter and Hatch (2015) belong to the select set of studies that form an exception. Finally, PPP in the sports sector deserves specific attention because it is not nearly the same as PPP in other (engineering or social) infrastructure sectors. The public-private development of day-to-day sports facilities involves significant less money compared to more conventional PPPs (e.g. roads, tunnels, public transit systems). The sports sector is much less interesting for private financiers to step in, because smaller deals involve relatively higher costs and lower returns. This makes it all the more interesting to look into PPP programs that actually do involve the development of relatively small-scale sports facilities; they may be able to tell us a lot about the PPP potential of this particular niche.

The objective of this article is to examine the practice of standardizing contracts in PPP in the sports sector. We explain why and how standard contracts are created, and bearing in mind the objective of governments to facilitate the contracting process, we discuss the importance of a match between (a) how standard contracts are used during the procurement process and (b) the characteristics of the project that is being procured. We use an analytical framework that is grounded in contracting theory, transaction cost economics, and strands of standardization theory to conduct an embedded case study in Flanders, which is the northern part of Belgium (also known as the Flemish Region).

In the federal state of Belgium, Flanders is part of the Flemish Community. Its competences have been legally absorbed by the Flemish Community, and together they form a single body, with its own parliament and government. Belgium has two other communities: the French Community and the German-speaking community. Sports policy is a competence of the communities, which in turn partly transfer this competence to local governments. The Flemish Region has well over 20,000 sports facilities. This number includes outdoor pitches and courts, indoor sports halls, swimming pools, riding schools, and several other types of

facilities (Bloso, 2014).[2] What has been troubling the region for many years is a consistent lack of sports facilities. While the provinces of Limburg and West Flanders have an oversupply of sports facilities, the densely populated provinces of Antwerp, East Flanders, and Brabant have been dealing with significant gaps. This problem was also announced in a 2008 policy report (Van Hecke et al., 2008). In the past decade various measures have been taken with the aim of tackling the shortage. As an example, in 2007 the Flemish regional government signed a decree regarding a subsidization program for the stimulation of sports.[3] Subsidies would be distributed by the Flemish regional government to local governments which developed their own sports policy plans, thereby showing their ability to consider sports affairs in the longer term. Moreover, the Flemish regional government launched a PPP program in 2008: the Flemish Sports Infrastructure Program (FSIP). The objective of this program was to reduce the shortage of sports facilities with 35 percent within a short period—that is, before 2012 (Flemish Government, 2008). In this article, we investigate this PPP program, which can also be seen as a catch-up movement.

The article begins by defining PPP and linking the PPP process with the theoretical background of contracting and standardization. Next, it provides an introduction of the FSIP and outlines the research strategy and methods used to scrutinize the contracting processes in the program. Following that, we elaborate on our empirical findings. The conclusion summarizes our argument and lists its implications.

2. PPP and Contracting

[2] Bloso is an autonomous agency promoting sports in Flanders.

[3] This decree was part of a policy called Sports for Everyone (in Dutch: Sport voor Allen), which was implemented between 2009 and 2014, and dismantled after that (Flemish Sports Federation, 2015).

We interpret a PPP as a long-term infrastructure contract (Hodge & Greve, 2010) which consists of five elements. The first element is the relatively enduring cooperation between the public partner and the private partner as it encompasses the lifecycle of an infrastructure asset. Secondly, the design, building, financing, and maintenance (and operation) stages of an infrastructure project are integrated in a one-covering contract. A third element is risk transfer; some of the risks that are usually borne by the public actor in conventional projects are transferred to the private actor. Fourth, both public and private actors are to make a financial contribution, hence private financing is required. Fifth, as soon as a project has entered the operational stage, periodically recurring fees are to be paid to the private partner that reflect the degree of service delivery. Our understanding of PPP corresponds to the concept of Design-Build-Finance-Maintain(-Operate) (DBFM(O)) contracts.

In this article, we focus on contracting processes toward PPP deals. These processes involve the drafting, negotiating, and signing of long-term infrastructure contracts by public authorities and private actors. A contract specifies each contractual party's obligations, delineates what is and what is not allowed, and inflicts penalties for inappropriate behavior (Ring & Van de Ven, 1992). It makes sure that the parties are mutually protected against acts of opportunism (Brown, Potoski, & Van Slyke, 2010; Williamson, 1979). Bringing a contracting process to a close is easier said than done. Many actors are involved, hence objectives, discourses, and disciplines diverge (Conteh, 2013). Furthermore, a PPP process brings in political complexities due to its political salience and the presence of opportunistic decision makers (Salet, Bertolini, & Giezen, 2013). Finally, PPPs are complicated in terms of financing, technicalities, and their long timeframes. A DBFM(O) contract will often include many clauses which demand detailed and expensive legal discussion. These circumstances give rise to cumbersome negotiations and high transaction costs, which are the costs

associated with organizing competitive tendering as well as writing, monitoring, and enforcing contracts (Dudkin & Välilä, 2005; Rahman & Kumaraswamy, 2002).

Transaction costs usually account for 5 to 10 per cent of the capital value of a PPP deal (Dudkin & Välilä, 2005; Yescombe, 2007). In major projects, they can thus count up to multiple millions of euros of taxpayers' money. While the projects we discuss in this article are smaller than typical public infrastructure projects such as roads or hospitals, transaction costs can still comprise an amount between several hundreds of thousands of euros and several millions of euros. Transaction costs can also be measured in non-monetary terms, i.e. as the time spent to arrive at a contractual deal (Ariño, Reuer, Mayer, & Jané, 2014; Shi, Sun, & Prescott, 2012). In this article, we focus on the non-monetary aspect for two reasons. First, time is an important matter if there is an urgent need for new infrastructure, and if a large number of different contracts have to be signed simultaneously by various governments that are involved in one particular PPP program. A stagnant process will negatively affect commitment among these governments and thus endanger the deal that lies on the negotiation table. Timing was an essential aspect in the PPP program examined in this article, as the objective of the Flemish Government was to deliver as many sports facilities as possible within a limited timeframe—after all, a catch-up movement had to be realized, decreasing the need for sports facilities with 35 per cent before the year 2012 (Flemish Parliament, 2009, p. 56). Second, data on the monetary aspect is often lacking. This is due to the immaturity of the PPP phenomenon, the application of high levels of confidentiality (due to the involvement of the private sector), technical difficulties in aggregating the costs, or simply the non-existence of data (De Schepper, Haezendonck, & Dooms, 2015).

3. Standardization of Contracts

Against the backdrop of high transaction costs in PPP trajectories, one of the main motivations to standardize contracts has been to settle agreements more quickly. Standard contracts are model agreements that are prescribed by a government and serve as strong guidance documents for infrastructure deals. A standard contract is typically drafted by one or more public sector bodies with assistance from law firms. It serves as a starting point for the negotiation process between the principal, i.e. the contracting authority, and the potential agents, i.e. bidding private sector consortia.[4]

Scholars argue that standard contracts have the capacity to bring about shorter decision-making and negotiation procedures (Akintoye, Hardcastle, Beck, Chinyio, & Asenova, 2003, p. 469). They allow both public and private actors involved in a PPP to better know what to deal with during the procurement phase (HM Treasury, 2003). The likelihood of contract and output misspecification can be reduced, and unforeseen costs can be limited to a minimum (Iossa, Spagnolo, & Vellez, 2007). Furthermore, transaction costs are presumed to drop since negotiation spaces become narrower. However, the merits of using standard contracts are not as straightforward as they may look at first sight. Two determining aspects need to be aligned for a standard contract to alleviate the process: the attitude and behavior of the principal, and the characteristics of an infrastructure project.

3.1 Attitude and behavior of the principal

Rahman and Kumaraswamy argue that "an appropriate contracting method coupled with clear and equitable contract documents do not by themselves ensure project success where people work together in the face of uncertainty and complexity" (2002, p. 45). As a governmental authority usually acts as the main standard setter, a standard contract is most likely to fulfill

[4] This definition differs from the classical economic understanding as we see the public sector as the main standard setter when it comes to creating template agreements for PPP (see Van den Hurk & Verhoest, 2016).

the public sector's needs (Van den Hurk & Verhoest, 2016). Moreover, due to the desire of the public sector to minimize the likelihood of opportunistic behavior of the private sector partner, the standard setter may not be keen on conceding or deviating from the standard contractual clauses. A strict use of certain contractual provisions can help the principal protect its own goals, for instance to satisfy policy requirements or reduce risks, which will be reflected in mandatory and non-variable clauses and discrete norms that are non-negotiable (Petsoulas, Allen, Hughes, Vincent-Jones, & Roberts, 2011). There are situations in which a rigid attitude on contractual provisions of the public sector partner could be helpful in easing the procurement process, but in other situations they could be counterproductive.

3.2 Project characteristics

Some projects require a strong dependence on standardized contractual provisions, others require a tailored use of standard contracts. By discussing two concepts that Williamson (1979) argues to be critical for describing transactions, asset specificity and uncertainty, we explore under which conditions public sector partners are likely to choose one approach over another to help reduce transaction costs.

Asset specificity can be defined as the extent to which the investments made to support a particular transaction have a higher value to that transaction than they would have if they were redeployed for any other purpose (McGuinness, 1991). These can be both physical and human investments that are specialized and unique to a transaction. The more specific the asset, the less transferable the investment to either another provider or another purchaser, and the more reason to negotiate contracts carefully (Williamson, 1981, p. 555). This implies high transaction costs. Contracts for the provision of public infrastructure often require a lot of specialized investment due to their technical specifics and the fact that they are new to public officials, which stimulates governments to invest in creating specific knowledge. There is

differentiation in asset specificity across and within sectors, though. For instance, major civil engineering projects are a different ballgame than other construction projects.

Transaction costs can further increase if contract negotiators face high degrees of uncertainty. Actors do not have complete and verifiable information on what could possibly happen in the future, so they can only write incomplete contracts (Macneil, 1980). The uncertainty involved in PPP is thus positively related to the duration of the contract that is signed. In addition, uncertainty can be incurred by sector-specific characteristics. For instance, a hospital will involve uncertainty since technological developments in the medical world go fast and are difficult to foresee.

We hypothesize that public sector partners will use standard contracts differently across various sports infrastructure projects, and that they will match their attitude and behavior to the characteristics of a project. The propositions are that projects with low asset specificity and low uncertainty are more fit for a rigid use of a standard contract: in line with the relatively common product the government wants to procure, it can set clear boundaries on what the projects should comprise and try and remain within these boundaries as good as possible. The more specific and uncertain a project, the more difficult it will be to apply a rigid application of a standard and still keep transaction costs down.

3.3 Theoretical assumptions

We close this theoretical chapter with a formulation of our assumptions based on the project characteristics of the subcases analyzed in this study. We make concrete our general theory-based expectations by qualifying the asset specificity and uncertainty of each subcase relative to the other subcases (see also Fig. 1). The analytical focus has been on three different types of sports facilities: (1) artificial pitches, (2) sports halls, and (3) multifunctional sports centers.

First, in the domain of artificial pitches we foresee low levels of asset specificity and uncertainty. An artificial pitch requires relatively limited financial resources, and it is straightforward in terms of technical specifics. Moreover, many (local) governments have built up experience with this kind of projects over time. Therefore, projects in the domain of artificial pitches will require relatively little investments that are specific to their construction. The short duration of the DBFM agreement limits the uncertainty; the bilateral exchange relationship hardly incurs a shadow of the future. The uncertainty is further limited as artificial pitches can be used intensively and for various field sports, and are arguably the least sensitive facility of the three which are discussed in this article. This is not likely to change within a timeframe of a decade. All in all, artificial pitches are a perfect fit for a rigid use of standard contracts, hence we expect the Flemish Government to handle this domain accordingly by falling back extensively and rigidly on standardized provisions in order to ease the process and limit transaction costs.

Sports halls require slightly more specialized investments than artificial pitches, yet overall we still consider their asset specificity to be relatively limited. The capital value, and therefore the financial risks, are higher than in the domain of artificial pitches, hence it requires actors to acquire a deeper understanding of this aspect. Yet in terms of technicalities and materials sports halls remain simple building endeavors that are typically built the same way across different locations, and many local public executives have experience with sports hall projects. A sports hall project will bring in more uncertainties though, particularly due to the long-term contract (30 years) and the fact that indoor sports (e.g. gymnastics or volleyball) are smaller sports that may be more vulnerable to fluctuations in popularity. On the other hand, one could argue that the asset specificity of sports halls remains limited: they can host a variety of indoor sports clubs. All in all, it is more difficult to delineate the degrees of asset specificity and uncertainty in this domain than it was in the former domain. Therefore, we

expect the Flemish Government to struggle with its procurement approach: how to make the standard contract, as its use, feasible with a bundle of several sports halls within one contractual deal? Would it be better to focus on lowering transaction costs and thus apply a strict approach including heavy reliance on standardized content, or do sports halls bring in too much asset specificity and uncertainty to follow a standardized approach?

Finally, relative to the former two domains, the domain of multifunctional sports centers contains the highest degrees of asset specificity and uncertainty. Multifunctional sports centers are capital-intensive and atypical assets that are rarely built; only a few local governments can afford to build them, and less governments already have the capacity to understand how projects like these work. Local government officials will struggle with the financial and technical complexities that come up while procuring multifunctional sports centers, hence they will experience an intensive learning-by-doing process. Then there is the uncertainty inherent to a 30-year contract, which further increases due to the incorporation of an operation component in the contract. Calculations and extrapolations on customer figures and tariff setting need to be included in the contractual agreement, which is a challenging task because one has to consider different market development scenarios. We expect the Flemish Government to refrain from using standard contracts in a rigid manner in this domain. Applying a strict approach that is merely aimed at keeping certain provisions in the contract would only aggravate the burden of transaction costs; the public sector partner would not be open for discussion on certain aspects where highly specific decisions to the asset are required, which would be a prelude to tough negotiations.

Insert Fig. 1 about here

4. The Flemish Sports Infrastructure Program

Before we proceed to methodological matters, we briefly introduce the case studied in this research: the FSIP. This program was launched in the early 2000s as a policy initiative to renew sports infrastructure by commencing PPPs. The FSIP was expected to solve the severe shortage of sports infrastructure the Flemish Region had been struggling with for years (Flemish Parliament, 2006; Van Hecke et al., 2008). It had a total value of 225 million euro, which made it an unseen investment in Flemish sports infrastructure. The Flemish regional government served as the coordinator of the program, and within that government a taskforce named Sportfacilitator was set up as the leading executive body. Two other types of actors were involved in the FSIP: contracting authorities—i.e. local governments—and private sector partners. The contracting authorities were active on the demand side of the policy arena; they applied for participation in the FSIP by submitting project proposals for sports infrastructure. Once a proposed project was selected for construction, the demanding local government mandated Sportfacilitator to search for a private sector partner that could actually develop the sports infrastructure. As soon as this private partner had been found, a privately held special purpose vehicle (SPV) that was in charge of designing, building, financing, maintaining, and sometimes operating the asset was established. Arrangements were laid down in DBFM(O) agreements between the SPV and each contracting authority. In return for the delivery of the DBFM(O) services, the contracting authority paid a periodically recurring availability fee to the private partner during the operational phase of the PPP's lifecycle. If necessary, additional funding for SPVs could be rendered through a public investment fund connected to the FSIP (this fund was called Invespo). The Flemish Government divided the works into four domains: (1) artificial pitches, (2) sports halls, (3) swimming pools, and (4) multifunctional sports centers. The difference between sports halls and multifunctional sports centers was in building size and the variety of sports offered. The multifunctional sports centers were large buildings and could include a swimming pool, a sauna, and multiple indoor

halls. The sports halls basically included only one indoor hall, but could still host a variety of sports, even though this was limited to sports such as gymnastics, basketball, and volleyball.

An important feature of the FSIP was the bundled procurement of projects: the procurement of multiple similar projects in one group so that they could be granted to a single private partner and be constructed simultaneously. This strategy was applied in the subcases of artificial pitches and sports halls. By bundling the procurement of artificial pitches and sports halls, a layer of standardization was added to these domains; not only would there be an extensive use of standard contracts, but also a standardized design. We did not discuss this type of standardization in our theoretical framework. However, during the data collection phase we became aware of its presence and its importance to the performance of the FSIP. Therefore, we decided to include it in our analysis, assuming that it would allow for a more comprehensive account of the impact of standardization. In contrast with artificial pitches and sports halls, the multifunctional sports centers were developed on an individual basis. Fig. 2 summarizes schematically the organizational structure of the FSIP. Table 1 provides specific information about the projects involved in the FSIP.

Insert Fig. 2 about here

Insert Table 1 about here

5. Methods

5.1 Case study strategy and case selection

This study was conducted in 2013 and 2014 and involved an embedded case study of the FSIP. It incorporated three subunits of analysis (i.e. subcases) in order to achieve a more

detailed level of inquiry and increase the explanatory power of the research (Miles & Huberman, 1994, p. 172). These subcases were the contracting processes toward (1) artificial pitches, (2) sports halls, and (3) multifunctional sports centers, which were three of the four types of sports facilities that were built within the purview of the FSIP. We decided to exclude swimming pools from the analysis as projects of this fourth type of facility were still in an early phase of preparation at the time of our data collection, hence they were sensitive in political and commercial terms and not likely to deliver useful information. By taking the results on the former three subcases together, we would return to the FSIP as a whole. The study explains the use of standard contracts within the subcases through extensive, in-depth description (Eisenhardt, 1989).

We selected the FSIP for reasons of theoretical replication. The FSIP comprised projects with varying characteristics, hence we expected to see differences regarding the impact of standard contracts and help provide a deeper theoretical understanding (Eisenhardt & Graebner, 2007). We controlled for potentially disturbing factors as all examined projects were constructed within one PPP program and led by one and the same public actor.

5.2 Data collection

The findings discussed in this article are from a data set that has been previously discussed (Van den Hurk & Verhoest, 2015), but that article merely examined the relationship between the governance, complexity, and performance of PPP. Two data collection methods have been used in this study: desk research and semi-structured interviews. The data-gathering process for the desk research was aimed at a combination of sources spanning the period between 2003 (when an official Flemish PPP policy strategy was initiated) and mid-2013 (when we conducted the analysis). These included publicly available, official regional government documents, and project documents. Among the gathered public material were decrees,

parliamentary proceedings, parliamentary questions and ministerial answers, annual government reports on PPP policy and alternative financing, policy notes, evaluation studies, and press releases. The project documents we collected were tendering documents and model DBFM(O) agreements for the facilities selected for analysis.[5] We studied the content of all documents in order to reconstruct the case of the FSIP, thereby imaging (contextual) information on aspects such as the decisions made, the projects started and completed, the problems encountered, and the questions raised by members of parliament. This process resulted in a timeline of events, an overview of actions undertaken by different actors, which served as an important starting point for the remaining explanatory part of our research.

Next, we spoke to 22 experts through semi-structured interviews in the summer of 2013. The respondents had been directly involved in one or more of the projects that either had been or were being constructed: 14 public officials that either were (a) members of a government taskforce on the FSIP or (b) responsible for an FSIP project within their jurisdiction. An additional consideration in the selection of respondents has been to seek variation in terms of (a) the types of projects they were involved in and (b) the jurisdictions in which projects were developed (i.e. from major cities to small municipalities). Confidentiality requirements preclude the publication of the names of informants, but the Appendix gives an indication of their backgrounds. We defined upfront a topic guide covering a wide range of issues, including the creation and use of the standard contract, the complexity of the projects, and the overall performance of the FSIP. The interviewees had the opportunity to reflect on issues outside this predefined scope. The conversations, which lasted 85 minutes on average, were recorded and fully transcribed, and we analyzed the content through a systematic coding

[5] The public documents were obtained through a search query in the database of the Flemish Parliament. The search term Sportinfrastructuurplan (Sports Infrastructure Program) resulted in more than 120 hits between 2003 and mid-2013. We retrieved project documents from interview respondents.

process using QSR NVivo 10 software. The data were arranged by labeling the statements of the interviewees and categorizing these into themes (Gibson & Brown, 2009, pp. 127–144). These themes had either been identified following the theoretical framework or were developed on the basis of the empirical data. In order to uncover patterns, co-occurring themes, and recurring issues, we conducted query assignments into the data.

5.3 Indicators for analysis

As we unfold the assumed relationship between standardization and transaction costs, we distinguish between the link between (a) the type of use of standard contracts and project characteristics on the one hand, and (b) the transaction costs of the procurement phase on the other. The use of the standard contract was measured on the basis of extensive descriptions that focus on answering typical how and why questions, which can be found in Table 2. Project characteristics were measured using indicators of asset specificity and uncertainty. We interpreted these indicators in a relative manner by putting the asset specificity and uncertainty of each subcase in the perspective of the other two subcases. We preferred this relative approach over an absolute approach as asset specificity and uncertainty cannot easily be translated into real terms or numbers. Furthermore, our objective never was to find out how much asset specificity or uncertainty are beneficial or detrimental to strictly applying standardized contracts. Instead, we wanted to explore the argument that more asset specificity and uncertainty make strictly applying standards counterproductive.

First, as for asset specificity, we gained insight into the specialized human skills that were needed across the range of different projects (Williamson, 1983). For each subcase, we considered the investments in specific (a) financial and (b) technical knowledge that were required—relative to the knowledge required in the other subcases—as well as (c) the presence or absence of comparative precedents. These investments would be larger in the

projects which involved higher capital value and therefore risk management issues (financial aspect) and larger contracts (technical aspect), and lacked comparative precedents (expensive learning process). Second, uncertainty was measured on (a) a subcase's relative position in terms of the duration of the contracts closed within the subcase, and (b) the sensitivity of projects within a subcase to changing circumstances in the respective sports branch. Lengthier contract periods involve higher risks of opportunism and external perturbations, hence are considered to incur higher uncertainty. Sensitivity, then, is positively related to uncertainty. As an example, a grass sports pitch can host many different field sports; should the popularity of one field sport rise at the cost of another, the pitch is resilient enough to adapt to that change. In contrast, a swimming pool can host a smaller group of sports activities, and due to such elements as customer figures and tariffs it involves a more risky venture.

As we turn to non-monetary transaction costs, these were measured on the basis of the time actors needed in order to arrive at specific decisions in the procurement process. We distinguished four time periods toward decisions and measured the length of these periods for each subcase. First, in a procurement process there usually is a pre-tender phase in which contracts and other documents required for tender are drafted. This period is reflected as the gap between the announcement of a project and the actual launch of a tender process (i.e. decision to approve the tender call). The size of this gap could indicate difficulties in the drafting of a standard contract. Second, we looked at the total duration of a tender procedure: the time it took actors to get from tender call to financial close (i.e. formal establishment of a partnership).[6] Third, the contractual negotiations between the public sector and the private bidders form a key part of this tender procedure. They can incur delays if the contractual clauses drafted upfront do not fit the context in which they are used. Fourth, we measured the

[6] Finalizing PPP arrangements involves a contract close and a financial close which are typically executed on different dates. In the FSIP they always took place within the timeframe of a few days or less.

duration of the periods in which preparatory works were executed—after financial close and before the decision to start the construction phase. Finally, we also measured the duration of the procurement process as a whole, from proposal acceptance to start of works.

Insert Table 2 about here

6. Results

6.1 Drafting a standard contract

In this section and the next one, we explain the impact of the use of standard contracts on the non-monetary transaction costs of the FSIP. We argue that the contribution of standard contracts has been variable; they worked well in the domain of artificial pitches, but burdened both public and private actors in the other two domains due to what we argue to be a lack of fit between the use of the contract and the specifics of the transaction. We start out with a number of important remarks concerning the creation of a standard contract for the FSIP.

Our respondents indicated that early PPP projects in Flanders used to be characterized by lengthy decision-making procedures and tendering processes, the public sector's need for external assistance, and tough, juridified contract negotiations. With the inception of the FSIP in 2008 came the plan to draft a model contract that would serve as a basis for all projects to be developed within the program. It was claimed that a standard contract would enable swifter negotiations, and it would create opportunities for achieving a common understanding regarding PPP procurement among both public and private actors. As for the local governments involved, they would not be burdened with the difficult task of drafting long-term infrastructure contracts entirely by themselves. Hence, they particularly welcomed the

support provided by Sportfacilitator in taking up this task and helping them become familiar with the largely unknown PPP phenomenon, as was indicated by many respondents.

The two previous arguments that advocate the use of standard contracts agree with the arguments we put forward in the theoretical section. However, a third argument has not yet been discussed in this article: using a standard contract was a necessity for projects that were to be procured in bundles. A private actor would never enter a bidding procedure for a large number of similar small-scale projects if it was expected to sign contracts that are entirely customized to the interests of each contracting authority involved—the transaction costs would be too high to allow for an efficient venture. Variety-reducing standard contracts were required to make feasible the bundled procurement of small-scale projects, "otherwise we would have ended up in confusing situations for the private sector partner" (respondent A).

Once the FSIP was given the green light and local governments were encouraged to apply for inclusion in the program, the process of drafting a standard contract started. Within Sportfacilitator, a working group was established consisting of representatives of the participating organizations and external advisors. First, it created a model DBFM contract for the construction of artificial pitches. The team took existing contracts from outside the sports infrastructure sector as a basis, for instance DBFM contracts for road infrastructure projects. The standard for artificial pitches paved the way for templates in the other domains in the FSIP; every procurement process took off with more or less the same model agreement.

Informants who were directly involved in the contract-drafting process stated that it took considerable time and effort to arrive at acceptable model contracts. Interviewees based at local governments complained that there was a significant time gap between the announcement of their proposal being selected and the next steps of the procedure, in which Sportfacilitator was to be mandated to commence the tender procedure. After proposals for artificial pitch infrastructure had been selected for the program, the respective local

governments had to wait six months before the tender call for the first bundle of artificial pitches was actually announced. During this period, other FSIP projects were put on hold. In the domain of sports halls the gap between proposal acceptance and the next procedural step eventually grew to 21 months. According to respondents A and R, these periods of standstill were partly due to the fact that it took more time than expected to create the standard contracts and other documents that were required to start the tender procedure. Informant R admitted that "the period between the moment of informing local governments of their selection and the moment of signing the mandate agreement and launching the tender call was far too long." Six other respondents referred to the fact that documents required for mandating, tendering, and contracting were not ready in time to ensure a swift procedure. "It would have been better if the entire procedure, including those documents, had been elaborated before local governments were asked to come up with project proposals," said respondent V.

6.2 Using standard contracts

As we look at the non-monetary transaction costs involved in the FSIP (see again Table 1), it becomes clear that projects have been characterized by procurement periods of considerable, even excessive length. Respondents E and F affirmed that "when it comes to contracting, it took considerable effort to come to a solution. We had been searching for a long time before finally arriving at the contracts we use now." This message was reinforced by respondent J: "The administrative follow-up of the program has cost more than initially foreseen." In the following sections, we address the main dilemmas encountered in the three subcases.

6.2.1 Artificial pitches: maximizing simplicity

Interviewees emphasized the simplicity of artificial pitches regarding their construction. There was agreement on their suitability to be procured in a standardized and bundled fashion. The

general success of projects in this domain was acknowledged, especially compared to projects in the other domains. What was the role of standard contracts in this domain?

Given both the low asset specificity of artificial pitches and the involvement of 29 local governments, mostly with limited PPP expertise, Sportfacilitator aimed to develop a relatively simple standard contract as a starting point for the negotiation phase regarding the first bundle. Respondent K, who was involved in the negotiations on behalf of the private sector partner, confirmed that the contractual documents provided by Sportfacilitator were sufficiently clear to enable a proper bid. This clarity certainly helped ease the procurement process. However, it is likely that another element has made an equally significant contribution here, namely the fact that the preferred bidder was able to finance the bundle of 29 artificial pitches with its own capital, without a bank loan. This luxury condition allowed negotiators on both sides of the table to be flexible, as respondent B indicated.

The second bundle of artificial pitches took much less time to procure. According to respondents E and F, this was mainly due to two reasons. First of all, there were no negotiations involved at all, since a different procurement method, a request for quotations, was applied. Second, potential bidders knew what they were dealing with when the tender call went out. Sportfacilitator used the same standardized contracts and related documents as before, hence no misunderstandings arose among market players. In both bundles, there have been neither controversies nor conflicts; the necessity of drafting and strictly using standard contracts was quickly acknowledged by all partners involved.

6.2.2 Sports halls: bringing local interests in, losing the benefits of a standard

In the domain of sports halls, the interviewees disagreed on the use of standard contracts. Some explained that contracts for sports halls are not fit for standardization due to the widely diverging interests of local governments. Others advocated standard contracts with the

proviso that a degree of rigidity should be involved so that the voices of local governments are muted, to put it bluntly. We elaborate on this by explaining a delicate issue: the immanent tension between the use of mandate agreements and standard contracts on the one hand, and local governments' interests (which affect asset specificity and uncertainty) on the other.

In each sports hall project, Sportfacilitator led the entire decision-making procedure from the moment that local governments signed a so-called mandate agreement which was linked to a mandate price. If the preferred bidder set its price offer below a mandate price, a local government was obligated to proceed with the project. If the preferred bidder's offer exceeded the mandate price, a local government had the opportunity to exit the procedure free of charge. Initially, Sportfacilitator allowed local governments to choose from three standardized types of sports halls, and each type had a specific mandate price attached to it. At that moment, the asset specificity of the sports halls was relatively low. It was only after the negotiations between Sportfacilitator and the preferred bidder that local governments would see the specific plans for their sports halls, though. Then, it appeared that the differences in requirements of local governments went further than just the size of a sports hall. Sportfacilitator responded to this situation by giving local governments more room to determine technical specifications and conditions, thereby considerably increasing the degree of asset specificity. Accordingly, it loosened the format of three standardized types of sports halls and started to consider each hall as its own case. Respondent D commented on this with a metaphor: "We went from off-the-peg clothing to custom-made suits."

Sportfacilitator lost track of the initial specifications and conditions of the three standardized sports hall types, and expanded the room for negotiation. Consequently, the standard contract lost its impact and was not able to keep its cost-saving promise. "There is no point in standardizing contracts if you refuse to standardize the specifications and conditions,"

said respondent O. Others argued that lengthy procurement phases would have been avoided had Sportfacilitator taken a more rigid attitude toward local governments from the beginning.

6.2.3 Multifunctional sports centers: standard clauses versus asset specificity

The interviewees unanimously considered the domain of multifunctional sports centers as the most controversial branch of the FSIP. Standard contracts played a much-disputed role in the two multifunctional sports center cases we examined. We argue that the origin of the standard contract and the attitude of Sportfacilitator collided with the characteristics of the project.

As we mentioned earlier in this article, the FSIP's standard contracts originated from the road infrastructure sector. According to respondent C, "a multifunctional sports center is not nearly the same as a bridge or tunnel." He thereby hinted at the technical and financial simplicity of sports infrastructure in relation to road infrastructure. However, as negotiations took off with a relatively complicated model contract, tensions between public and private negotiators arose soon. Respondent I, who was directly involved as a private actor in the negotiations concerning multifunctional sports center B, emphatically said that the origin of the standard contract has been one of the major stumbling blocks: "The initial document was packed with requirements and guarantees that would be primordial to such economically important projects as roads, bridges, and locks, but not to sports infrastructure projects." For example, the model agreement included strict penalty clauses that were deemed inappropriate in the sports sector. Respondent I was clear on the implications of this:

> If a highway is closed for a day, it will have severe economic effects, so heavy penalty clauses need to be included in the contract. Should a swimming pool be closed for a day, that would be inconvenient, but not an economic disaster. If you intend to attach heavy penalties to the temporary closure of a swimming pool, you are likely to end up with an unnecessarily expensive project since we [the private sector partner] will calculate the risks incurred by these strict clauses.

Respondent P, who was involved in the field of sports halls, also addressed this issue by pointing to the commonplace of "copying and pasting" clauses from one contractual

document to the other: “The contract includes elements which are actually not applicable.” Respondent N strongly agreed with these points. He stated that it was not possible to speak of a well-balanced contractual agreement at the start of the negotiation phase. Several public sector respondents backed his argument. Eventually, the penalty clauses were loosened when the preferred bidder threatened to leave the negotiation table (respondent S).

Based upon the interview findings, we have reasons to believe that Sportfacilitator used standard contracts rather strictly to defend some important interests of the Flemish Government. A typical example of the rigid attitude of Sportfacilitator can be drawn from a conflict concerning the inclusion of public guarantees in the contract. The negotiations began with a standard contract that prohibited the inclusion of public guarantees. Respondent F explained this as follows: “The project was explicitly required not to burden the public budget. A full governmental guarantee was out of the question.” By incorporating such a governmental guarantee, the public sector partner would transfer not enough risk to the private sector partner for the PPP to be qualified as a private endeavor. In that case, it would have to be put on the Flemish government’s books, and that was undesirable given the already precarious level of public debt. Off-balance-sheet financing, as it is called, was thus an important motivation of the government to take the PPP route (see also Willems & Van Dooren, 2016). The government was not willing to give up that objective overnight by sacrificing relevant clauses easily. However, as time progressed it became increasingly clear that clauses like these were hardly feasible due to the deplorable state of the financial market and the risky profile of multifunctional sports centers. Sportfacilitator did not immediately acknowledge this and long refused to step away from its starting point so as to defend the public sector’s interests. However, Sportfacilitator ultimately had no choice but to assume a more flexible attitude and permit governmental guarantees in the DBFMO agreement.

In the domain of multifunctional sports centers we have seen the perverse and undesirable effects of using standard contracts in a strictly manner where asset specificity and uncertainty are omnipresent. If it would sacrifice too many of its own preferred terms, Sportfacilitator would threaten the objective of the Flemish Government to keep large capital expenditures off its balance sheet. The preferred bidder soon condemned the strong position of Sportfacilitator regarding these provisions, hence the negotiations quickly became difficult.

7. Discussion and Conclusion

The analysis reported in this article was aimed at standard contracts: how were they created and used, and what was their role in the FSIP? The objective has been to contribute to the study of standard contracts in the provision of public infrastructure. Furthermore, this study has provided an extensive account of the practice of contracting in the development of sports facilities. We focused on the ways in which governments use standard contracts given the characteristics of the projects at hand, and we interpreted the findings in light of standardization, contracting, and transaction costs.

We provide insights into how standard contracts are used in different domains. We show that making decisions on how rigidly or loosely a standard should be applied is not a straightforward task. Both successful and unsuccessful cases were observed due to (in)consistencies between project characteristics and the way in which the government used standard contracts. In the subcase of artificial pitches, standardization was never said to be an issue. As for multifunctional sports centers, though, there were indications of a persistently rigid attitude at the negotiation table of the public actor, and in the subcase of sports halls the Flemish government encountered interference from local governments' interests.

Table 3 depicts an overview of our theoretical expectations and empirical findings. We attribute the less successful applications of standard contracts to inappropriate use by the

standard setter, i.e. Sportfacilitator. While a relatively strict application of the standard was used in the domain of multifunctional sports centers, a looser approach would have made more sense in terms of matching the contract with the specificity and uncertainty of the asset. Sportfacilitator kept itself from loosening penalty and guarantee clauses for a long time, though, thereby further complicating the negotiations. However, Sportfacilitator had an assignment to try and arrive at a contract that would be compatible with the Flemish Government's objectives of major risk transfer and off-balance-sheet financing.

We expected to see a versatile way of using standard contracts in the domain of sports halls, and the empirical findings correspond to the expectations: Sportfacilitator changed its approach during the procurement process. It got rid of the standardized sports halls and assumed a more customized approach. This change can be seen from two perspectives. On the one hand, it triggered uncertainty about the financial feasibility of the entire bundle of sports halls. On the other hand, had Sportfacilitator held on to the original plans, there would have been a wave of project dropouts, because local governments would have lost interest. As such, the final decision of Sportfacilitator can be seen as a pragmatic solution.

The results confirm that using standard contracts in PPP is not equal to simplifying the road toward constructing infrastructure. Procurement times do not decrease overnight. The findings support Rahman and Kumaraswamy's (2002, p. 45) advice to not only look at an appropriate contracting method coupled with clear and equitable documents, but also take into account the tensions that surface when people work together. Contracting does not become less relational by introducing checklists on contractual clauses; there is still a need for discussion and contextual awareness (Macneil, 1980). Therefore, as we restate the argument of Jooste, Levitt, and Scott (2011), a one-size-fits-all approach does not work anywhere and anytime. Standardization thus need not be seen as a solution that will always be effective. The critique of Petsoulas et al. (2011) supports this message.

Standardization is largely about lowering transaction costs, allowing better competition, and creating a better understanding of contracting. But there certainly are more motivations to using standard contracts. As we take a bird's eye view on the problems encountered in the FSIP, we see that the actual roots of the issues are strongly related to policy and politics. The policy aspect came to the fore in the subcase of multifunctional sports centers, where Sportfacilitator was under a lot of pressure to keep governmental guarantees out of the DBFM(O) agreement in order not to burden the balance sheet of the Flemish Government. As for politics, the domain of sports halls saw a classical juxtaposition between standardization and the need for customization due to diverging political interests. We state that the public sector nature of standard contracts helps governments into a powerful position at the start of contractual negotiations. After all, it is their self-developed standard that will be used. We raise a question here as to how objective the activity of standardization can actually be. Timmermans and Berg refer to standards as "carriers of prescriptions for good practice" (1997, p. 296), but they can just as often be carriers of prescriptions to fulfill someone's interests or political or policy objectives. Against this backdrop, we have difficulties following Cargill and Bolin's (2007) argument that the public sector is essential in harnessing the future of standards. They qualify standardization as a failing paradigm due to the short-term focus of private sector standardization. However, standardization in a top-down manner by a public actor does not guarantee a long-term focus either, nor that contextual information is taken into consideration, because politics and policy are involved.

This study furthers the practical understanding of standardization in the world of PPP. Elements that distinguish this study from other studies on PPP and standardization are its focus on not just the use, but also the creation of standard contracts; its more explicit foundation in theories of contracting and standardization; and its orientation toward sports facilities. We stick with the argument that governments need to bear in mind that a fit is

required between the use of standard contracts on the one hand, and project characteristics on the other, if they want to have a shot at a successful application of the standards. However, the stakes are high and so are the incentives for a principal to use standard contracts as strategic instruments aimed at defending policy objectives and transferring risks, and political motives will always remain an issue if a lot of money is on the table.

The linkage between the way of using standard contracts and project characteristics was not always considered in the FSIP. In addition, some policy objectives interfered. Had the Flemish government taken better stock of the issues that standardization brings in, it had probably applied a more appropriate approach to each type of facility, but then again, it would have put at stake some of the government's budgetary ambitions. As for complex facilities, using standard contracts as guidance tools, leaving much room for sector- and project-specific interpretation, would have been a more feasible way to go. There are also circumstances in which governments are advised to assume a rather rigid attitude. We refer particularly to the case of bundled procurement, where holding on to standards would have been helpful in avoiding the interference of local political interests. However, while these approaches may be able to improve the performance of standardization, their success remains partly dependent on other ambitions of a government. The following question comes up: is a government aiming to upgrade its social infrastructure per se, or is it aiming to achieve that objective provided that it can be done without burdening the annual budget? We advise governments to be transparent about this from the beginning in order to prevent difficult situations.

Looking back on the FSIP, we emphasize the uncommon decision of a government to make an investment in day-to-day sports facilities through a PPP program. Major projects like stadiums are known to attract the interest of private financiers because they can be turned into lucrative investments due to their size. Given the limited size of such assets as artificial pitches, sports halls, and multifunctional sports centers, one could probably have seen from

afar that the FSIP was not a perfect fit for a PPP approach. For instance, even though the domain of artificial pitches was considered a success compared to the other domains of the FSIP, projects of such simplicity do not have to be procured through such intense, costly governance structures as PPPs. There are other ways to make structural, sustainable investments. In Flanders, a subsidy program and strict maintenance contracting would probably have done the job as well, and most likely in less time. We recommend that governments bear in mind the major consequences that a PPP approach can entail.

Future research can unpack explanations in other infrastructure sectors and jurisdictions. It is in respect to these aspects that our study has some limitations. First, while we retain the proposition that rigidly using a standard contract for the purpose of lower transaction costs will work in projects with low asset specificity and low uncertainty (and not in more complicated projects), the sector which is discussed in this article is a relatively unorthodox and novel area of PPP. Therefore, we need to be careful about the external validity of this argument. It would be enlightening to scrutinize PPP programs and projects in different asset classes, such as highways, healthcare facilities, and school buildings. For example, hospitals being one of the most complex asset classes in public infrastructure provision, it would be interesting to study how governments use standard contracts in the healthcare sector, and to find out what has been the effect on transaction costs in this sector.

Second and finally, considering the relatively limited experience of the Flemish Region when it comes to PPP, chances are that this study's findings on standardization are different than experiences of other jurisdictions. It has been beyond the scope of this study to examine standardization elsewhere. It would be interesting to examine the "force of example" (Flyvbjerg, 2006, p. 228) of our work and see whether the findings hold in other geographical areas. Another option would be to compare across jurisdictional borders the experiences of different governments with the standardization of contracts for PPP: what has been the

motivation to start building standard contracts, how have they been created and used, and how do actors involved in PPP perceive the usefulness of standard contracts?

Insert Table 3 about here

Appendix: list of interviews

1. Respondent A: Member of Sportfacilitator, 27 May, 2013.

2. Respondent B: Legal counsel at law practice, 19 June, 2013.

3. Respondent C: Managing director at non-profit organization, 4 July, 2013.

4. Respondent D: Consultant at consultancy firm, 8 July, 2013.

5. Respondent E: Member of Sportfacilitator, 9 July, 2013.

6. Respondent F: Member of Sportfacilitator, 9 July, 2013.

7. Respondent G: Project coordinator at contracting authority, 18 July, 2013.

8. Respondent H: Member of Sportfacilitator, 22 July, 2013.

9. Respondent I: Commercial manager at private sector partner, 25 July, 2013.

10. Respondent J: Member of Sportfacilitator, 26 July, 2013.

11. Respondent K: Manager at private sector partner, 30 July, 2013.

12. Respondent L: Sports advisor at contracting authority, 31 July, 2013.

13. Respondent M: Project coordinator at contracting authority, 2 August, 2013.

14. Respondent N: General manager at private sector partner, 12 August, 2013.

15. Respondent O: Commercial director at private sector partner, 21 August, 2013.

16. Respondent P: DBFM manager at private sector partner, 21 August, 2013.

17. Respondent Q: Project coordinator at contracting authority, 23 August, 2013.

18. Respondent R: Member of Sportfacilitator, 26 August, 2013.

19. Respondent S: Project coordinator at contracting authority, 18 September, 2013.

20. Respondent T: Former alderman at contracting authority, 19 September, 2013.

21. Respondent U: Project coordinator at contracting authority, 23 September, 2013.

22. Respondent V: Project coordinator at contracting authority, 10 October, 2013.

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Table 1
General information about FSIP projects and the affiliated non-monetary transaction costs in number of months. Data have been extracted from official regional government documents and project-specific documents.

		Artificial pitches		**Sports halls**	**Multi. sports center A**	**Multi. sports center B**
		Bundle 1	**Bundle 2**	**Bundle 1**		
Project specifics	Number of projects	29	6	9	1	1
	Contract duration in years	10	10	30	30	30
	Total investment value in euro, incl. VAT (project average)	13,996,000 (482,620)	2,913,000 (485,500)	32,399,000 (3,599,888)	10,828,000	39,701,000
Non-monetary transaction costs	Proposal acceptance – tender call	6	26	21	13	14
	Tender procedure / of which concerned negotiations	17 / 6	9 / n/a	23 / 8	25 / 8	39 / 11
	Preparatory works	2	1	4	2	7
	Total	23	34	46	38	58

Note: There were no negotiations in the procurement of the second bundle of artificial pitches, since a different procurement method was applied (request for quotations).
Note: For the three indicators of non-monetary transaction costs (from proposal acceptance to preparatory works), the numbers were leveled up as months were only counted as a whole. With regard to the total non-monetary transaction costs, possible double months were filtered out, hence the numbers do not add up.

Table 2
Overview of indicators used to gain empirical insights.

Aspects	Indicators
Use of standard contract	Description of: - Reasons for creating standard contract - Origin of standard contract - Actors involved in creating standard contract - Negotiation specifics: attitude and behavior of both public and private actors involved; contractual changes applied; intensity and atmosphere of negotiations
Project characteristics	Position of each subcase relative to other subcases on: - Human asset specificity: investments in developing (a) financial and (b) technical knowledge specific to project; (c) (absence of) comparative precedents - Uncertainty: (a) contract duration; (b) sensitivity of project to changes in sports sector
Non-monetary transaction costs	Duration, in number of months, of: - Period (‘gap’) between proposal acceptance and tender call - Tender procedure (from tender call to financial close) - Contractual negotiations (from start of negotiations to financial close) - Preparatory works (from financial close to start of works) - Total procurement process (from proposal acceptance to start of works)

Table 3
Theory-based expectations and empirical findings about the use of standard contracts in the FSIP.

FSIP domain	Theory-based expectations	Empirical findings Use of standard contract	Impact on transaction costs
Artificial pitches	Strict contracting process, swift negotiations	- Standard contracts necessary given large number of similar and simple projects to be constructed - Reduced sensitivity of negotiations due to financing ability of preferred bidder	Negotiations still took a considerable amount of time, yet respondents did not refer to issues with the standard contract; in fact, given the large number of realized projects collected in bundles this domain is considered a success by both public and private stakeholders
Sports halls	Asset specificity and uncertainty are difficult to delineate, hence difficult decision for public sector partner to apply rigid approach or not	- Use of mandate agreements and standard contracts versus local governments' interests - Sportfacilitator reverted to customizing projects, thereby affecting uncertainty	As expected, public sector partner struggled with decision on how to procure this transaction type; switch from rigid to loose use of standard designs triggered delays in PPP process, yet prevented a further increase in project dropouts
Multifunctional sports centers	Standard contract will be used unsuccessfully unless public sector partner applies it loosely and drops boilerplate	- Lack of fit between standard contract and characteristics of projects to be constructed, mainly due to origin of standard - Rigid attitude of Sportfacilitator trying to retain original contract	Public sector partner used standard contract in a rigid manner, thereby inducing juridification and thus further complicating an already convoluted project; opposite approach would have been more successful with regard to lowering non-monetary transaction costs

Note: We formed these expectations by customizing our general theoretical account of the use of standard contracts to the characteristics of the different types of FSIP projects.

Fig. 1. Overview of relative asset specificity and uncertainty in FSIP projects, complemented with our expectations regarding the government's use of standard contracts.

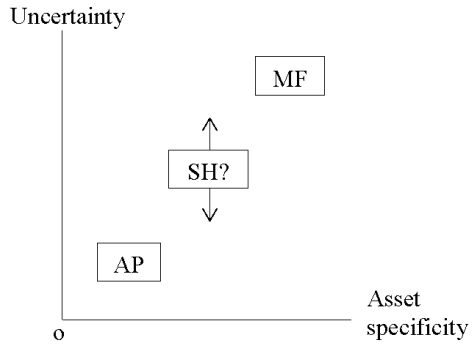
Project characteristics	**Theoretical expectations**
	Artificial pitches (AP): strict contracting process, swift negotiations Sports halls (SH): project characteristics are more difficult to delineate, hence difficult decision for government to apply rigid approach or not Multifunctional sports centers (MF): standard contract will be used unsuccessfully unless public sector partner applies it loosely by dropping boilerplate

Fig. 2. Organizational structure of the FSIP.