

Factors Leading to the Renegotiation of Private Finance Initiative Design-Build-Finance-Operate Road Projects in the UK

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Abstract : The issue of renegotiation has not received public sector applause because of the outcomes recorded over years. Numerous reasons have been adduced by the stakeholders for the renegotiation of PPP road projects. In some instances, the reason can also be the factor leading to the renegotiation of PFI (DBFO) road projects. Thus, a number of factors inform the decision of the primary stakeholders to renegotiate the contract. This paper, therefore, evaluates and assesses the factors leading to the renegotiation of PFI (DBFO) road projects in the UK. Qualitative interviews involving both public and private stakeholders were extensively adopted on five PFI (DBFO) case study road projects in order to address the aim of this study. This serves to complement the findings of the literature with respect to the factors leading to the renegotiation of PPP road projects. The findings of this research reveal the respective factors leading to the renegotiations of PFI (DBFO) road projects in the UK. However, the prominent factors are a change in scope of the works necessitating works removal and an addition of assets, change in standards and obsolete specification occasioned by the long duration of the PFI road project concession among others.

Keywords : renegotiation, factors, Private Finance Initiative (PFI), design-build-finance-operate (DBFO) road projects

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