

**AN INVESTIGATION OF PUBLIC PRIVATE
PARTNERSHIPS AS A PROCUREMENT METHOD
FOR PUBLIC SERVICES IN KENYA - A CASE STUDY
OF CITY COUNCIL OF NAIROBI PUBLIC TOILET
SERVICES.**

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A Research project paper submitted in partial fulfillment of the requirement
for the Degree of Master of Arts in Project Planning and Management of the
University of Nairobi.



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DECLARATION

This Project work is my original work and has not been presented for a degree in any other university.



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DEDICATION

To my dear wife, Jennifer.

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LIST OF ABBREVIATIONS

AD-E	-Assistant Director-Environment
BBC	-British Broadcasting Corporation
B.O.O.T	-Build. Own. Operate and Transfer
B.O. T	-Build. Operate and Transfer
CBD	-Central Business District
CCN	-City Council of Nairobi
DGIPE	-Department of Government Investments and Public Enterprises.
ERS	-Economic Recovery Strategy
KBC	-Kenya Broadcasting Corporation
KEBS	-Kenya Bureau of Standards
KEPSA	-Kenya Private Sector Alliance
LA	-Local Authority
MDGs	-Millennium Development Goals
M.o.F.	-Ministry of Finance
M.o.H.	-Ministry of Health

M.o.U	-Memorandum of Understanding
NCBDA	-Nairobi Central Business District Association
PFI	-Private Finance Initiative
PPOA	-Public Procurement Oversight Authority
PPP	-Public Private Partnership
SAS-MOF	-Senior Assistant Secretary. Ministry of Finance
UK	-United Kingdom
UoN	-University of Nairobi

ABSTRACT

The rapid urbanization being experienced throughout the world has caused significant rise in the demand for urban public services. In order to meet this challenge and overcome the associated financial and management requirements inadequacies, most governments and local authorities are turning to Public Private Partnerships in an attempt to attract private investments in the area of public service provision. This concept is however fairly new and most governments, including the Kenyan one are ill prepared in terms of knowledge and experience to put it into practice. The study therefore sought to add to the very little literature available on the subject particularly in respect of Kenyan experiences and thereby benefit the Kenyan market. This was done by way of a case study entitled 'an investigation of public private partnerships as a procurement method for public services in Kenya - a case study of city council of Nairobi public toilet services.'

The objectives of the study were:-

- (i) to find out the current government policy on public procurement and Public Private Partnerships (PPPs) in Kenya
- (ii) to find out the legal and institutional frameworks for PPPs in Kenya
- (iii) to find out how the PPPs between City Council of Nairobi (CCN) and the private toilet operators were formulated and implemented
- (iv) to establish the level of satisfaction of the users of public toilets in the City of Nairobi before and after the toilets were taken over from CCN by the Partnerships
- (v) to find out the impact of the PPPs on the quality, availability, accessibility and affordability of the City's public toilet services

- (vi) to find out the effectiveness of the existing toilet charges system.
- (vii) to suggest recommendations for the improvement of public toilet services in the city of Nairobi and other Local Authorities in Kenya .
- (viii) to suggest recommendations for the improvement of PPPs in Kenya

The study was guided by the following questions:-

- (i) What is the current government policy on public procurement and public private partnerships in Kenya?
- (ii) What are the legal and institutional frameworks for PPPs in Kenya?
- (iii) How were the Public -Private Partnerships between CCN and the private toilet operators formulated and implemented?
- (iv) What was the level of satisfaction of users of public toilets in the City of Nairobi before and after the toilets were taken over from CCN's management by the Partnerships?
- (v) Have the Public -Private Partnerships between the CCN and the private toilet operators improved the quality, affordability, accessibility and availability of public toilet services in the City of Nairobi?
- (vi) How effective is the existing toilet charges system?
- (vii) What recommendations can be made for the improvement of public toilet services in the city of Nairobi and other Local Authorities in Kenya?
- (viii) What recommendations can be made for the improvement of Public - Private Partnerships in Kenya?

To achieve its purpose, descriptive survey was used as the appropriate design method for the study. Data in respect of several on-going public-private partnerships between the City Council of Nairobi and private toilet operators was collected and analyzed. Data was obtained in three main forms, the first one being from 68 users of city toilets who responded to questionnaires. Secondly, five directors of private city toilet operators and four government officials drawn from the relevant government bodies were interviewed and their responses recorded. The third form consisted of observations made by the researcher and his assistants during their visits in the field.

In the data analysis, public toilet services offered under the said Partnership arrangements were compared with the services previously offered by the CCN.

The study found out that though the current government policies on procurement and public-private partnerships strongly advocate for the participation of the private sector in public service delivery, there are no adequate legal and institutional frameworks within which these policies can be realized. It also emerged that the private sector players are currently very aggressive and willing to invest in public service delivery, despite government's reluctance and rigidity in giving them the necessary incentives and support. Another finding was that though the implementation of the PPPs on city toilets started well, it was founded on a shallow and short-term contractual agreement, whereas PPPs arrangements ordinarily call for a long-term view. Finally, it also emerged that there was consensus among most respondents and interviewees that placing Nairobi city public toilets under public private partnerships drastically improved the quality of public toilet services which in turn has resulted in higher demand for the said services.

It was therefore recommended that the apparent untapped potential for private investments in the delivery of public services and especially in the area of public toilet services should be exploited in all Kenyan towns. The government should also come out strongly and offer incentives to the private investors as a motivation. However, it was also recommended that as more of public services get into the hands of private operators,

care should be taken to ensure that the services remain accessible to all and that the public is not in any way exploited.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

According to Muthoka M. Rego A. and Rimbui Z. (1998), the world population experienced an explosion during the second half of the 20th century, rising from a mere 2.5 billion in 1950 to the current 6.0 billion. This growth was particularly pronounced in urban centers owing to the on-going rapid urbanization, especially in the developing countries. This has inevitably led to higher demand for urban public services such as water supply, health facilities, education facilities, sewerage and waste management services, urban public transport services, car parking and urban housing.

As a result, most countries particularly in the developing countries are unable to cope with the rising demand for quality public services. The common reasons are that the public finances required to meet these obligations are simply not available; there is a limit as to how far rises in taxation can go: the citizens are more aware of their right to quality public services; and the need for fast, effective and cheap ways of getting public needs met is more than ever before. Consequently, many Local Authorities are now experiencing mounting pressure to improve the quality, financing, cost-effectiveness and timeliness of public services (BBC News, 2008).

Nairobi city for example has a current population of about 3.5 million people having grown from 266, 794 registered in 1962. Its current population growth rate is 6.9%. Estimates indicate that its population will reach 5 million by the year 2015. Since its origin, it has been home to a diverse, multiracial population mostly comprising Asians, Europeans and Africans. Today, it hosts some of the most dense, unsanitary and insecure slums in the world, with the slum dwellers

constituting about 60 per cent of the city's population. Between 40-60 per cent of Nairobi residents stay in areas devoid of infrastructural facilities, for example, clean water, sanitary waste disposal, access roads, drainage, privacy and decency ('Nairobi the city..', 2004)

One particular public service that has been heavily affected the world over is the provision of sanitation to rural and urban areas. In the year 2004, 2.6 billion people lacked access to improved sanitation and thus had to resort to open defecation or other forms of defecation. This presents a substantial public health risk as the waste could easily contaminate drinking water and cause diarrhea. ('Environmental Biotechnology...' 2003). Currently, an estimated 2.2 billion people lack access to proper sanitation across the world ("Practical Action," 2006). Further, it is estimated that up to 5 million people die each year of water-borne diseases as a result of inadequate sanitation and poor hygiene practices (Pacific institute, 2008). Indeed, only 53% of people living in the Sub-Saharan Africa have access to sanitation services. To be able to meet the MDG target on sanitation in Africa, which is improved sanitation for all by the year 2015, the current rate of sanitation provision must quadruple. The pace for sanitation provision is currently insufficient, besides being bogged down by over-reliance on heavily subsidized government or donor-funded sanitation projects (<http://www.idrc.ca>).

Besides, the increased demand for urban public services comes at a time when the public service is still glued to bureaucratic, corruption laden and lengthy procurement procedures where a lot of time and effort is required before supplies can be procured (Odhiambo W. and Kamau P., 2003)

In order to secure improvements in the provision of public services therefore, governments are turning to Public Private Partnerships (PPPs) where it is easier to gather resources both from the public and the private sectors for development purposes. The long-standing traffic congestions, poorly maintained roads,

inadequate water, poor electricity and waste management being experienced in the developing countries all point to the fact that governments can not cope with these challenges alone. This was strongly stated by President Mwai Kibaki in his official address to the 21st Session of the Governing Council of UN-Habitat held in Nairobi in April 2007. In his speech, Kibaki indicated, as reflected in KBC news (2007) that his government was facing numerous challenges from rapid urbanization, among them being serious financial inadequacies and lack of capacity for efficient urbanization. As a corrective measure, Kibaki emphasized on Public -Private and Community Partnerships as the way forward in order to help to pool resources from governments, development partners and beneficially communities in financing long-term strategies.

In his speech during the official opening of Kenya Private Sector Alliance (KEPSA) Exhibition on February 2005, Kibaki also stated:

‘ ..the private sector , unlike the government is faster in responding to and taking advantage of available opportunities. It is for this reason that my government values partnership with the private sector...I believe that the private sector and the government should join hands to make sure that Nairobi becomes the most competitive city in this region...I hope that the public and the private sectors can work closely together to make Nairobi a cleaner and safer city where services to the residents are provided in an efficient manner ’

Tony Blair while in office as the prime minister of Britain was also keen to expand the range of PPPs in Britain because he believed that that was the best way to achieve improvements in Britain’s public services. (BBC News, Ibid).

PPPs would help Local Authorities to mobilize resources for the development of their Councils. Such joint ventures benefit from the management skills, expertise and business acumen of the private sector and the public sector’s longstanding experience and knowledge in the area of regulation and control, thus resulting in

the creation of better value for money for taxpayers, improving on accountability and enhancing transparency (Ibid.).

One such case where benefits have been realized is in the City Council of Nairobi. In his message on the 42nd anniversary Independent celebration, Wathika D., the then Mayor of Nairobi (City Hall, 2008) indicated that the recent lighting along city streets and the slum lighting project were all results of concerted efforts between the City Council of Nairobi and the Private Sector. He stressed that it was as a result of 'bringing the private sector on board' that the City of Nairobi was steadily regaining its lost glory.

1.2 Statement of the Problem

The overall research problem to be addressed in this study is that PPPs are a fairly new and emerging concept, where no much literature or data on past experiences exist. Besides, no comprehensive legal provisions exist on the formulation and implementation of PPPs in Kenya at the moment-except a mere proposal in form of a Cabinet Paper which is yet to be deliberated. Guidelines on the procurement of private partners by government bodies are also lacking.

On the other hand, proposals on formation of PPPs are being received in government offices everyday from private sector entities willing and ready to partner with the government in the provision of public services. It is therefore necessary that government bodies arm themselves with an accurate understanding of the operations of PPPs, especially at this time of scarce financial, technological and skilled human resources.

It is therefore important that enough literature and studies on local experiences in the application of PPPs is build and availed for the consumption of both the public and the private sectors. This is the problem that the study aimed to address.

1.3 Purpose of the Study

The study sought to determine the effects of employing Public Private Partnerships on the provision of public services and in particular public toilet services in the City of Nairobi.

1.4 Objectives of the Study

The objectives of the study were:-

- (i) to find out the current government policy on public procurement and Public Private Partnerships (PPPs) in Kenya
- (ii) to find out the legal and institutional frameworks for PPPs in Kenya
- (iii) to find out how the PPPs between City Council of Nairobi (CCN) and the private toilet operators were formulated and implemented
- (iv) to establish the level of satisfaction of the users of public toilets in the City of Nairobi before and after the toilets were taken over from CCN by the Partnerships
- (v) to find out the impact of the PPPs on the quality, availability, accessibility and affordability of the City's public toilet services
- (vi) to find out the effectiveness of the existing toilet charges system.
- (vii) to suggest recommendations for the improvement of public toilet services in the city of Nairobi and other Local Authorities in Kenya .
- (viii) to suggest recommendations for the improvement of PPPs in Kenya

1.5 Research Questions

The study was guided by the following questions:-

- (i) What is the current government policy on public procurement and public private partnerships in Kenya?
- (ii) What are the legal and institutional frameworks for PPPs in Kenya?
- (iii) How were the Public -Private Partnerships between CCN and the private toilet operators formulated and implemented?
- (iv) What was the level of satisfaction of users of public toilets in the City of Nairobi before and after the toilets were taken over from CCN's management by the Partnerships?
- (v) Have the Public -Private Partnerships between the CCN and the private toilet operators improved the quality, affordability, accessibility and availability of public toilet services in the City of Nairobi?
- (vi) How effective is the existing toilet charges system?
- (vii) What recommendations can be made for the improvement of public toilet services in the city of Nairobi and other Local Authorities in Kenya?
- (viii) What recommendations can be made for the improvement of Public - Private Partnerships in Kenya?

1.6 Significance of the Study

The study revealed the possible benefits associated with the employment of Public Private Partnerships (PPPs) in the provision of public services to Kenyan Local Authorities. Notably, there are about 175 Local Authorities in Kenya which are home to well over 40% of Kenya's population. Any such benefits particularly in the areas of procurement, project financing, designing, implementation, monitoring, evaluation, operation and the maintenance of public services will greatly assist in upgrading the quality, speed and cost-effectiveness with which urban public services are delivered.

Secondly, the study revealed the possible pitfalls associated with PPPs to Local Authorities in Kenya. This is particularly important because PPPs are a fairly new and emerging concept and therefore Local Authorities need to arm themselves with an accurate understanding of the operations of PPPs, especially at this time of scarce financial, technological and human resources.

Thirdly, the study served to inform Local Authorities on the best methods of seeking the participation of the private sector, stakeholders and local communities in their public services Delivery Action Plans.

Fourthly, the study informed potential private sector partners of the role they could play in the successful implementation of public projects and the possibility of making profits from such participation.

Finally, the results of the study shed light on the possibility of employing PPPs in other sectors of public service apart from Local Authorities.

1.7 *Limitations of the Study*

The time and financial resources available for this study were not enough to allow the researcher to study a multiplicity of Local Authorities where public toilet services are offered in Kenya. Similarly, getting the co-operation of public officials and that of the habitually busy private sector managers to honor appointments and avail themselves for interviews raised serious challenges to the researcher.

1.8 *Delimitations of the Study*

Owing to time constraints, the study focused on only one Local Authority, which is the City Council of Nairobi. Similarly, tasks in the study were restricted to the minimum necessary due to shortage of funds. In an attempt to enhance co-operation from respondents, the researcher and his assistants employed a high

level of courtesy and observed strict confidentiality in the utilization of any data released to them by the respondents.

1.9 Definition of Significant Terms

Direct Procurement refers to a non-competitive procurement method involving the hand-picking of a 'reasonable supplier'.

Effective means producing the result that is wanted or intended

Efficient means doing something well and thoroughly with no waste of time, money or energy

Lease Contract refers to a case where a company is given the right to operate and maintain a public utility but investment remains the responsibility of the public.

Local Authorities refers to a municipal, county, town or urban council having jurisdiction over a municipality, county, township or part of a county, respectively.

Management Contract refers to a case where the operator of a public facility only collects the revenue on behalf of the government in return for an agreed fee.

Open Tendering refers to a procurement method where bids are invited from the general public and all qualified candidates are given a chance to submit a tender, (either at the national or international level.)

Private Sector Entities refers to business companies and /or groups of individuals drawn from the private sector engaged in running public facilities.

Procurement refers to the process of identifying, selecting and commissioning of suppliers/consultants to provide required goods or services

Public Private Partnership refers to a method of procurement that involves the use of private sector capital to fund an asset – that may not be ultimately owned by the public – which is used to deliver outcomes for a government agency.

Public Services refers to services provided by government to its citizens, either directly (through the public sector) or by financing private provision of services.

Public Service Concession refers to a case where a private company enters into an agreement with the government to have the exclusive right to operate, maintain and carry out investment in a public utility for a given number of years.

Request for Proposals refers to a procurement method usually employed in the sourcing of consultants whereby they are invited to make proposals on how they wish to address or provide a certain required service.

Request for Quotation refers to a situation where a procuring entity requests for quotations for the purchase of readily available goods or services from an established market.

Restricted Tendering refers to a procurement method where a few known suppliers or bidders are chosen and invited to submit bids for a given work, service or goods.

Sanitation refers to the equipment and systems that keep places clean, especially by removing and disposing human waste

Improved Sanitation refers to sanitation that is connected to a public sewer; or to a septic tank; or has a pour/flush latrine; or comprises of a simple or ventilated pit latrine

1.10 *Organization of the Study*

The study was organized into five chapters namely the Introduction. Review of related literature. Research methodology. Data analysis and finally Summary of study findings, conclusions and recommendations.

The Introduction included a brief background to the study. statement of the problem under study. purpose and objectives of the study. the research questions guiding the study. significance of the study. limitations and delimitations of the study. organization of the study and finally definitions of significant terms used in the study.

The second chapter consisted of an overview of existing literature in respect of the study. This included literature touching on the nature of public private partnerships. either internationally and nationally.

Research methodology outlined the kind of design and methodology that the researcher employed in carrying out the study.

The fourth chapter consisted of data analysis. presentation and interpretation. It focused on how data was organized. analyzed and presented after collection from the field.

The fifth and final chapter included a summary of the study findings, conclusions and recommendations for further study.

CHAPTER TWO

LITERATURE REVIEW

This chapter consists of an account of existing works by scholars and researchers in the area of public private partnerships that the researcher consulted in order to understand and investigate the stated research problem. Such works included textbooks, magazines, journals, dissertations, discussion papers and websites that have a bearing on the study. The chapter is divided into four sections namely, a historical development and nature of public private partnerships; a global and a Kenyan perspective of public private partnerships; a theoretical framework for the study and finally; a brief conclusion on the said review.

2.1 *Historical Development and Nature of Public Private Partnerships*

2.1.1 *Background to public private partnerships*

According to *Business Daily* (2008), Public Private Partnerships (PPPs) first came into public finance practice in the 1970s and 1980s at a time when the role of government in service provision, especially for huge projects that need large outlays, was being challenged. At the time, there was also rising pressure on governments, especially in developing countries, to change from the normal bureaucratic procurement systems which were escalating the level of public debt. In this respect, governments sought to encourage private investment in the provision of public services, especially in infrastructure.

Business Daily (2008) continues to state that at that time, PPPs were mainly in the form of agreements or initiatives that allowed governments to tap into financial resources that could be mobilized by the private sector under frameworks that were termed as Private Finance Initiatives (PFIs). These PFIs were particularly common in Europe. But then, as PFIs become more popular in the 1990s, PPPs

become the standard model under which many governments world over sought to engage private sector in publicly-oriented programmes and projects. However, at the same time, it was realized that most previously employed PPPs provided services at substantially higher costs than could have been achieved under the standard model of public procurement. The central problem was that private investors demanded a rate of return that was fairly higher than the government's bold rate, while at the same time, all the income risks associated with the PPPs were borne by the governments.

The article further records that a number of studies in PPPs in Australia around this time concluded that in most cases, the schemes being proposed were inferior to the standard model of public procurement based on competitively tendered construction of publicly owned assets. To this end, one response to these negative findings was the development of formal procedures for the assessment of PPPs in Australia, in which the central focus was on 'value for money' rather than reductions in debt. Achieving value for money required an appropriate allocation of risks. This view on achievement of "value for money" has been widely accepted by governments with most countries going ahead to design appropriate guidelines to monitor the formation and operation of PPPs in their jurisdictions. Many public sector unions, however, remained skeptical and were particularly concerned about the involvement of private sector in areas such as schools and hospitals which have traditionally been publicly run ("Public Private Partnerships", 2007). Today, PPPs have become the buzz word for many forms of joint ventures between governments or public agencies and the private sector, international charities and donors. They have been used to deliver such key public goods and services such as water, infrastructure, energy and telecommunications.

2.1.2 Nature of PPPs

Fundamentally speaking, PPPs should be seen as one approach that governments have and are using to engage the private sector in public service provision alongside other approaches like privatization, divestiture or commercialization.

Nyakiogora (2007), states that PPPs create a structure in which greater value for money is achieved for public services through private sector innovation and management skills, thereby delivering significant improvement in service efficiency levels. They reconfigure the procurement process by placing emphasis on the service or capability that the public sector requires rather than the asset(s) used to provide them. Typically, the responsibility for delivery of the service or capability is shared between the public and private sectors. This means, for example, that the public sector no longer builds roads but instead purchases miles of maintained highway or no longer builds prisons but instead buys custodial services.

Nyakiogora (2007), further states that PPPs are used most frequently for major asset and infrastructure procurements. In some types of PPP, the government uses tax revenue to provide capital for investors, with operations being run jointly with the private sector or under a contract. In other types, capital investment is made by the private sector on the strength of a contract with Government to provide agreed services. PPP arrangements are long-term in nature, typically extending over a 15 to 30 year period. The duration of an arrangement, as noted in "*Nature of PPPs*" (2008), reflects the long-term nature of the service or capability that the public sector is required to deliver. Government contributions to a PPP may also be in kind, especially where transfer of existing assets is involved. Under a PPP, the private sector invests in the creation or acquisition of the asset(s) required to facilitate the delivery of a service or capability. The public sector provides payments to the private sector that are contingent on their performance, allowing them to recover their initial investment. A simplified outline of this structure using hypothetical example is shown below.

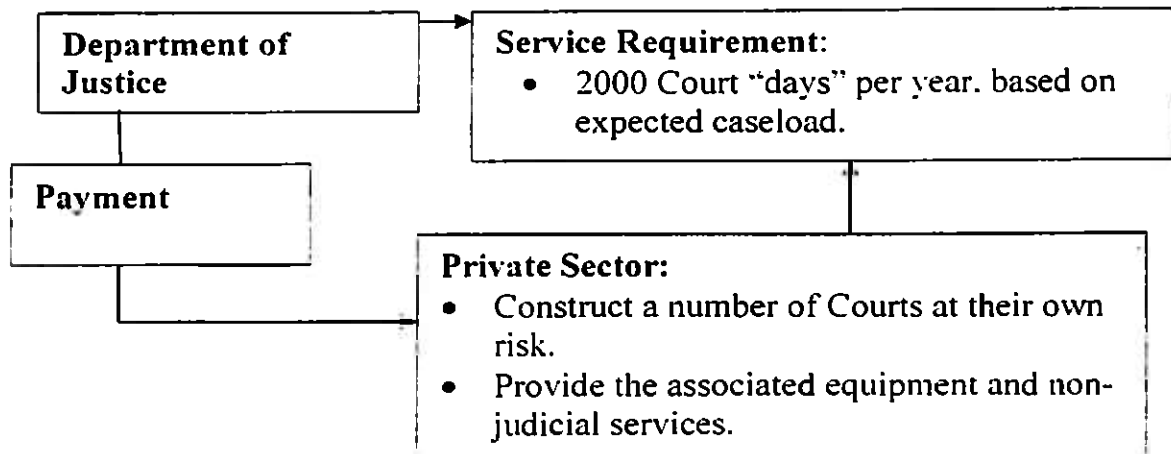


Figure 01. Nature of PPPs.

Source: - Adopted from the *Introductory Guide to Public Private Partnerships of the Australian Government*, Department of Finance and Deregulation.

According to *Business Daily* journal stated above, one of the main benefits associated with PPPs is their potential for accessing large finance. They hold enormous revenue raising potential, especially for governments and citizens who are averse to more taxes. Advocates of PPP in the UK say that many hospitals and schools would not have been built at all if it was not for private finance – the public money was simply not available. They assert that PPPs are a fast, effective (and in the short term at least cheap) way of getting new facilities built. According to BBC news (2008), the biggest hospital-building programme in living memory in the UK is currently underway courtesy of PPP. Secondly, in these days when management experts are emphasizing on specific, measurable, achievable, realistic and time-bound management objectives, PPPs are being seen as the surest way to guarantee value for money, accountability and transparency. In instances where it would take light years to reform governments to reduce graft and wastage, PPPs have been seen as good substitutes. In fact, donors are tying PPP-related strings to funding in order to compel governments to deliver certain services more efficiently and effectively.

However, PPPs also carry enormous challenges, particularly in design, regulation, oversight and implementation. *Business Daily* mentioned above states that though a PPP may take various forms, designing an appropriate working arrangement for the two sectors within the same PPP is a real challenge. For instance, deciding between whether private companies should Build roads, then Own, Operate and Transfer these utilities to government or they just Build, Own and Transfer the facilities to government is a major challenge. Secondly, there is the need for strong economic regulation in the implementation of a PPP, otherwise it will lead to over-pricing, limit access and curtail competition. Thirdly, critics argue that taxpayers end up footing the bill for PPPs. For example, in some cases such as Fazackerly prison in Liverpool, the initial cost of the project has, it is claimed, been paid back within two years, leaving 23 years of pure profit from the construction (*Business Daily*, 2008, pp.3). Fourthly, there is also evidence that some early PPP projects have not been up to standard and some private companies have been accused of cutting corners in order to maximize profits. This is besides another big criticism of PPPs that the private companies involved mostly turn profits by cutting employees' wages and benefits, as was the case with the most famous PPP in Britain, namely, British Rail. (Ibid, pp.4).

PPPs should only be used where they can offer superior value for money, relative to other procurement methods. It should be noted, as with other procurement methods, that the lowest priced option does not necessarily represent the best value for money. Value for money in this respect refers to the best available outcome after taking account of all benefits, costs and risks over the whole life of the procurement. Value for money is determined through a comparative analysis of the benefits, costs, and risks of the procurement alternatives. Assessing the value of these variables requires a degree of judgment and the use of both quantitative and qualitative analysis. Value for money from PPPs can manifest itself as (i) the delivery of a service or capability at a lower cost, (ii) greater certainty of the financial outcome due to less exposure to significant risks or (iii)

increased benefits to the end-users of a service due to the public sector's focus on service delivery rather than asset procurement ('Nature of PPPs'. 2008).

Experience the world over in the use of PPPs is producing consensus on the specific characteristics most likely to generate value for money. Accordingly, a project may be suitable for a PPP if (i) the inherent risks are capable of being allocated to those private sector entities with the skills and experience to manage those risks at a lower cost, (ii) it is possible to combine the many separate but related contracts commonly found in each public project in order to simplify the management of the project, improve accountability and generate efficiency, (iii) private sector will have an opportunity to utilize the full capacity of the assets it would own, especially where the duration of a PPP arrangement is less than the useful life of the asset used, (iv) there will be room for the private sector to employ innovation and best practices, in order to enhance efficiency in service delivery and (v) if the project's size and scope are such that the array and nature of the risks involved and the range of assets and services that the private sector could provide, are significant. Experience in Australia, for example, suggests that larger projects – with whole-of-life costs greater than \$100 million – have broader scope and are likely to be more suitable for PPP. Larger projects have greater potential to generate the returns necessary to offset the fixed costs incurred by the public and private sectors during the development and tendering stages whereas smaller projects tend to have narrower scope and may be less suitable, though a suitability assessment is recommended in all cases (Ibid.).

Notably, there are some areas where public- private schemes may ultimately prove unsuitable. For instance, some PFI projects in the UK such as Capita's managing of the housing benefit system in Lambeth has already proved disastrous (BBC news, Ibid). Though governments are gearing up for increased private involvement in public services in future, majority of public works are still directly funded by government and as such, the role of the public sector in providing public services cannot be ignored.

2.2 *Global Perspective of Public Private Partnerships*

Governments and local authorities the world over have always paid private contractors to build roads, schools, prisons and hospitals out of tax money. But starting with the developed ones, countries have found in PPPs a way of getting the contractors to foot the bill. Under PPPs, contractors pay for the construction costs and then rent the finished project back to the public sector. This allows governments to get new hospitals, schools and prisons without raising taxes. Today, large cities like London, Sydney, California and New York rely on PPPs to run their huge urban infrastructural setups, especially in the area of rail, road and air transport. Notably, developed countries like America, Japan, and a large part of Europe have been using the PPPs for a longer period than the developing countries spread across Africa, Asia and South America where the concept of PPPs is yet to take root. (BBC News, 2008).

In the UK, for example though PPP may still be in its infancy for hospitals and schools, it is already well-established as a way of paying for new roads and prisons, with PPP advocates arguing that whereas privatization represents a take-over of a publicly-owned commodity, PPP is more like a merger, with both sides sharing the risks and hopefully the benefits as well. However, the UK government is not clear how far it wants to go in these areas in the face of Union opposition, with the Unions arguing that the extension of the private sector into areas that have traditionally been publicly run, for example, hospitals and schools is risky. Other examples of PPPs in the United Kingdom include the Maintenance of London Underground Metronet and Tube Lines and William Wood high school, to name a few. (Ibid).

In Australia, the use of PPPs is well established. The government has developed elaborate guidelines on their application. Examples of PPPs in Australia include the City link in Melbourne, Cross City Tunnel in Sydney and the Airport Link.

Similarly, the use of PPPs is a fairly rooted concept in America, with examples such as the Central Park in New York City and California State Route 125. The same situation applies to Canada, where we have the example of the Royal Ottawa Mental Health Centre (“Public Private Partnerships”, 2007).

In Africa however, the concept of PPPs is fairly recent, coming after many years of heavy donor dependency in the financing of public projects- which had resulted in huge foreign debts that completely hindered further development. Apparently, most African nations are now joining hands with the private sector within and without their jurisdictions to support economic development, especially in the infrastructural sector. Examples of such PPPs include the management of public toilets in the cities of Accra and Kumasi in Ghana and the on-going expansion of Mwalimu Julius K. Nyerere International Airport (JKNIA) in Tanzania.

Globally, the management of public toilet services in cities is increasingly being handled jointly between the Councils and the private sector, with the private sector coming in as managers and the Councils being the regulators. For example, Christchurch Borough Council in UK operates 17 public toilets throughout the borough and has hired a firm to manage the daily cleaning and maintenance of the conveniences (“Public toilets in”, 2008).

Similarly, Sheffield City Council’s public toilet services are provided through a community scheme consisting of members of the public who, following the invitation by the Council, erect private toilets for business purposes. The locations of all the erected toilets are thereafter put together in a community –toilet- scheme map which indicates details of each toilet location, the toilet type and its operational hours. This in effect increases the number of toilets available to the public and helps to give a positive image of the city. Types of toilets provided range from ordinary toilets to toilets for specialized user groups like the elderly, babies, disabled and young children. All scheme members are encouraged to keep

their toilets clean and functional while safety is provided by the Council police. (“Public toilets in...,” 2008).

After experiencing poor management by sanitation public workers, the cities of Accra and Kumasi both made a new policy of contracting out management to approved local businesses, complemented by the involvement of community groups in cleaning and maintenance. However, these efforts have been derailed by patronage politics, essentially because the franchises were captured by politicians for whom the management and control of public toilets were important sources of revenue and patronage. The expectation that community level participation would generate pressure for improved service delivery was also disappointed, because most of the active groups were created for or by the politicians. (“Toilet Wars”, 2008).

2.3 *Kenyan Perspective of Public Private Partnerships*

Public-Private Partnerships (PPPs) only got recognized and entrenched in our Kenyan procurement laws through the newly enacted Public Procurement and Disposal Act of January 2007. This was after a prolonged use of traditional procurement methods that hardly delivered the much needed public services. Such traditional methods include open tendering, restricted tendering, direct tendering, requests for proposals and requests for quotations. It is no wonder therefore that in the absence of the necessary legislation and past experiences, several attempts at PPPs in Kenya in the past have collapsed along the way. Among them are the proposed PPP on solid waste management in the city of Nairobi which failed to take off around year 2004 and the failed PPP for the revival of Ahero Irrigation Scheme in the year 2006. The fact that the government is still in the process of developing policy guidelines on the use of PPPs in public service procurements reinforces the fact that Kenyan public sector is still very inexperienced in the use of PPPs (Mwangi. K, Personal communication, February 25, 2008).

Apparently, a few PPPs are currently underway in the public sector, mostly in the areas of rail and road transport, telecommunication services as well as urban municipal services such as waste management, street lighting and water supply. In rail transport, the Kenya government recently concessioned the Kenya railways to a private firm namely M/s Rift Valley Railways under a Build -Operate -Transfer arrangement for 25 years. This was after the government realized that despite the poor performance of the railway, the government was not in a position to provide the funding required for modernizing the railway infrastructure, buying the much needed equipment and rolling stock in order to improve. Under the Concession arrangement, the government will continue owning the railway infrastructure and facilities but the Concessionaire will operate trains and maintain the infrastructure. The Concession is expected to greatly reduce the cost of transport in Kenya, reduce maintenance costs for roads, lower energy costs to the economy, reduce road congestion, promote road safety and reduce environmental pollution. The government is expected to benefit from an initial entry fee of about US \$ 3 million, annual Concession fees estimated at US \$ 10 million per year and a corporate tax estimated at US \$ 5 million. It is a requirement that the Concession Company will have Kenyans within its shareholding ("The Concession..." 2008.)

In the roads sector, the Ministry of Roads and Public Works (MRPW) also recently concessioned Machakos turn Off –Rironi road through Uhuru Highway and Southern By-Pass on a pilot basis with a concession period of 30 years ("Road Concessioning", 2008). The telecommunication sector has also witnessed the joining together of the Kenya government with the private sector in the formation of a company by the name M/s TEAMS, a partnership that is expected to hasten the installation of the fibre undersea optic cable, connecting Kenya to the rest of the world digitally.

PPPs are also increasingly being used in the provision of public urban services by local Authorities. Indeed the City Council of Nairobi (CCN) is already making concerted efforts to develop and encourage gradual and differentiated approach to

private sector and community based organization (CBOs) involvement in offering its services. Among the on-going PPPs in the city of Nairobi is the Street lighting Programme, a PPP arrangement between the CCN and a private firm by the name M/s Adopt a Light. Since the street lighting programme commenced, crime rate in the city has drastically fallen, businesses remain open for longer hours and city residents have lesser fears as they walk around and work in the city. Notably, the PPP has enabled the City Council of Nairobi to achieve a performance level that may never have been achieved, even with the best of efforts, for many years. However, it is regrettable to note that the programme's progress has been hindered for some time now due to contractual disputes.

These isolated cases of PPP application are indications that the Kenyan Government is gradually and consciously starting to use the PPP approach to procurement as an additional method in public service delivery.

In the area of public toilet services, CCN, which has a current population of approximately 3.5 million residents, has one hundred and thirty four public toilet blocks spread out in the city along city streets, recreation parks, market areas and bus parks. The management of these toilets was under the water and sewerage department of the Council until five years ago when a PPP was initiated between CCN and the Private Sector Entities in the rehabilitation and subsequent management of the city toilets. The said private entities include business companies, self-help groups, youth groups, car wash groups, city residents, market communities and local community groups. These partnership arrangements have so far led to the rehabilitation of fifty two toilet blocks, some of which are currently running on a twenty –four hour basis. A fee of three to ten Kenya shillings is charged to all those intending to use the rehabilitated toilets and is collected at the door into each toilet block, accompanied by a receipt. Additionally, some of the rehabilitated toilets have bathrooms, charged at between ten and fifteen shillings per visit. It is important however to note that only those toilets falling within the Central Business District and its neighborhoods have

been rehabilitated under the PPPs. Toilets in the slums and other unplanned settlements, where 55%-60% of Nairobi residents live, have remained in a pathetic situation and are rarely used.

2.4 *Theoretical Framework for the Study*

Migai (2005) urges in his paper that a sound public procurement method must emphasize four principles namely, competition, publicity, use of commercial criteria to award and transparency. Competition means that supply contracts must be awarded by holding competition between a number of suppliers to establish which can offer the most favorable terms for delivering government's requirements. Publicity complements competition by ensuring that suppliers who might be able to win contracts are able to find out about those contracts and put forward a tender. Use of commercial criteria in making procurement decisions involves basing awards on the ability of the firms to undertake the contract and consideration of bids on basis of price, product and quality. Transparency means that procurement process should consist of clear rules and mechanisms of verifying that those rules are followed.

As would be expected, once a public procurement method is made to sufficiently adhere to the above stated principles, it will result in the procurement of high quality goods and or services which are consistent, accurate, complete, timely, durable, serviceable, economical, highly performing and reliable. It is the realization of these positive product or service characteristics that Migai refers to as value for money for the tax payer, which then gets reflected by way of consumer satisfaction. This is the usual expectation of the public whenever traditional procurement methods are used.

However, unlike traditional procurement methods, PPPs are known to add value to projects by way of (i) accelerating the financing of the project, (ii) reducing on the time required for procurement and implementation, (iii) lesser supervision burden on the part of the public sector, (iv) shouldering and or sharing risks. (v)

addresses the entire project life and (v) sometimes may give back returns to the government fairly quickly. Wherever PPP is used it is expected that the added value would be reflected by way of more durable, timelier, more serviceable, more reliable and more consistent goods and services compared to others emanating from a traditional procurement method.

Secondly, according to structural functionalism theory (Emile. 1858 – 1917), human societies consist of social institutions or structures, each of which plays distinct functions for the common good of human kind. The human society is like an organism made of parts with distinct roles. In this regard, the public sector cannot exist in isolation from the private sector. Traditionally, the public sector is largely known as a source of business contracts for the private sector and the only major role the public sector is known to play is that of regulating and controlling the business world. Little harmony, co-operation and integration has been witnessed between the two sectors for a long time. Mwangi K. (Personal communications, December 14, 2007) was of the view that most private sector players view the public sector as a cash cow for self enrichment. Consequently, in their pursuit towards huge profits, they often offer bribes to public officials and together collude to inflate government contracts, thereby resulting in huge losses of much needed public funds and huge profits for their private enterprises.

On the other hand, government officials, whose main business is regulation and control, often seek to rule over the private sector with an iron fist, threatening dire consequences for the minutest deviation from the 'set rules'. Under such circumstances, private sector enterprises find themselves with no option other than to oil their way to profits by way of heavy bribes to public officials. In such a situation, Koimet E., (Personal communications, January, 2008) felt that there is completely no oneness of purpose and as such, no synergy is harnessed at all. Instead, you have every side working for its own gain and advantage

However, it is now widely appreciated that the two sectors are mutually complementary and that in fact, combining the two together under one entity yields even better results. This is where the management skills and business acumen of the private sector merges with the strict adherence to standards professed by the public sector to produce a PPP that has the two components embedded in it.

This mutually beneficial relationship between the two sectors, especially in the area of joint-ventures has yielded wonderful results in the area of waste management, education, health services, street lighting, and water supply in several local authorities across the world. It is this reality that the Kenyan public sector needs to immediately and willingly embrace.

1.5 *Conclusions on Literature Review*

This review of the existing literature on the subject of PPPs has revealed that both the developed and developing countries have and continue to benefit greatly from the use of PPPs. It is however apparent that the developing countries must first overcome the problem of laying down appropriate legal and institutional frameworks under which PPPs arrangements will work. They must also jealously guard the PPPs against political influence and corruption.

It is also clear that a lot of literature exists regarding the use of PPPs in the developed countries (like Europe, Australia, Japan and America) unlike in the developing countries

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 *Research Design*

The research design adopted in the study was descriptive survey. The design enabled the researcher to collect information on the attitudes, opinions and habits of toilet users, government officials involved and the private toilet operators. It also enabled the researcher to describe the state of affairs of the PPP arrangements as they existed then. This generated in-depth insight and understanding on the formulation, implementation and the general running and impacts of the PPPs on public toilet services in the city of Nairobi.

3.2 *Research Site*

The study was carried out in Nairobi city. Purposive sampling was used to select the research site. Nairobi city was chosen because it was the only Kenyan town known to have a well established, officially recognized and long-standing PPP programme on public toilet services. Besides, Nairobi has been and still is a major victim of rapid urbanization where pressure on quality public services is rising daily.

Notably, the partnerships between the CCN and private sector entities commenced approximately five years ago thus making them some of the oldest PPP arrangements in Kenya. It was therefore anticipated that studying the said partnerships would greatly enrich the researcher with a lot of practical experiences and knowledge on the emerging concept of PPPs.

3.3 *Target Population*

The City Council of Nairobi currently has a total of one hundred and thirty four toilet blocks. Fifty two of these blocks have already been placed under the PPPs and are now under the management of private sector entities. The rest are still

under the management of CCN. The main focus of the research exercise was to find out effect of the toilet management Partnerships on the provision of public toilet services in the CCN. Respondents were to include the following:-

- i. Officials of various private sector entities involved in the PPPs.
- ii. Departmental heads in the department of environment, City Council of Nairobi.
- iii. Government Officials heading departments that deal, in one way or another, with public private partnerships
- iv. Users of city public toilets.

3.4 *Sampling Techniques*

For purposes of managing the public toilets, the City Council of Nairobi is divided into nine different zones. These include the Central Business District (CBD), Embakasi, Kasarani, Makadara, Kamukunji, Dagoreti, Starehe, Westlands and Langata. The 134 toilet blocks stated above are all unproportionally distributed in different zones in locations such as markets, bus parks, rail stations, recreation parks and city streets.

Purposive sampling and convenience sampling were used to select users of city public toilets. Efforts were made to obtain a large sample, well over the minimum thirty for descriptive research, by selecting and interviewing a total of sixty eight public toilet users drawn from across the city. This would help make the results of the study more generalisable. Deliberate efforts were made to ensure that users from all the nine zones in the city were included. Purposive sampling and convenience sampling were used to identify officials from the private sector entities and government bodies for interviewing purposes.

While making observations on the toilets, stratified random sampling method was used to select samples of toilets from all the nine zones. This was expected to minimize bias and increase the level of representativeness.

3.5 *Research Instruments*

The research instruments used in the study were questionnaires to users of the toilets, interviews schedules for interviews with government and private sector officials and observations made by the researcher and his assistants in the field.

A pre-test was carried out on the questionnaire by piloting it among a small sample of eight users drawn from different zones in the city. Following this exercise, minor modifications were carried out before final dispatch of the questionnaires. These included corrections to ensure the wording of the questions was clear, eliminating researcher bias in the questions, ensuring the questions provoked a response, ensuring the questionnaire measured what it was supposed to measure and finally ensuring that the results obtained from the questions were consistent. For example, some questions were repeated using different wording to ensure the reliability of the answers given.

Semi-structured interviews were employed while interviewing the government and private sector officials stated above. Interview schedules, each containing a list of questions to be asked were used as reflected in Appendices B, C, D and E at the end of this Project Paper. This helped to intensively investigate every topic of interest and thereby obtain a complete and detailed understanding of the subject matter. Both open and close-ended questions were used. Though this was time consuming, in-depth information was obtained.

Direct observation was used to provide information on actual outlook or behavior. On several occasions, the researcher and the assistants paid and used the toilets under study. This helped to reduce reactivity and give comfort to the respondents, besides giving the researcher a clear picture of the physical features found in and around the toilets blocks as well as a deeper understanding of the behavior patterns among the toilet users and managers.

3.6 *Scope of the Study*

The study was confined to the investigation of the existing PPPs between the City Council of Nairobi and eight Private Sector Entities in the rehabilitation and management of existing public toilet in the City of Nairobi. Public toilet services offered under the said Partnership arrangements were compared with the services previously offered by the CCN, with a view to determine the impacts of the Partnerships on the effectiveness of the said services.

3.7 *Data Collection Procedures*

The main ways of collecting data in the study included the administration of self developed instruments and recording of naturally available data. Collection was backed by an introductory letter from the department of Extra-Mural studies, University of Nairobi (UON). Primary sources of data, which included records maintained by both the City Council and Private Sector Entities were particularly emphasized. Responses from respondents during interviews were all recorded.

Similarly, notable observations made in the field were recorded and important features captured by way of photographs.

3.8 *Data Analysis methods*

In preparation for analysis, the raw data collected from the field was organized in an orderly and systematic form. This involved eliminating unusable data, interpreting ambiguous answers, dealing with contradictory data from related questions and finally assigning codes to the various answers in the responses. This made it possible to examine the data and make inferences.

Most of the data in the study was in qualitative form. This was analyzed in terms of major themes from the ideas and other forms of responses obtained from the respondents. The various themes were identified, categorized and a summary in respect of each was developed.

In interpreting the results, the frequency with which ideas or concepts appeared was interpreted as a measure of importance, attention or emphasis.

Finally, data was presented in form of statistical techniques such as frequency distribution tables and figures.

CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 *Data sources*

The data was obtained by way of sixty eight questionnaires administered to users of the public toilets, four interviews with government officials drawn from relevant departments, five interviews with managers of private toilet operators and finally from observations made by the researcher and his assistants.

4.2 *Questionnaires*

70 questionnaires were administered as planned to users of CCN public toilets of which 68 were returned. This amounted to a 97% return rate. The users were asked various questions, all relating to their opinion on the effects of the PPP arrangement on the quality of city's public toilet services. The respondents were chosen randomly, though deliberate efforts were made to get respondents from a wide variety of city zones.

4.2.1 *Occupations of Respondents*

The 68 respondents were categorized in terms of their individual occupations. 82% of them consisted of city residents in form of students, business owners and employees while the rest were either travelers or visitors. This indicates that most of the responses were from persons with a deep history and knowledge of the city public toilets and therefore were likely to have reliable information. This is shown in Table 01 here below.

Table 01: - Occupations of respondents

OCCUPATION	FREQUENCY	PERCENTAGE (%)
Business owner	13	19
Employee	36	53
Student	7	10
Visitor to the city	7	10
Traveler across the city	5	8
TOTAL	68	100

4.2.2 Respondents' Education Background

The education background of each of the respondent was noted. Overall, this helped the researcher to know the literacy levels of the respondents. It was encouraging to note that only 3 out of the total 68 respondents had not attained high school education, thus indicating that the respondents in the study were highly literate.

Table 02: - Respondents' education background

EDUCATION LEVEL	FREQUENCY	PERCENTAGE (%)
Primary	3	5
Secondary	20	29
College	34	50
University	11	16
TOTAL	68	100

4.2.3 Respondents According To Their Sexes

The gender of each of the respondents was also noted. The frequency of each gender is indicated in Table 03 here below. The two sexes almost shared the sample equally.

Table 03: - Respondents according to their sexes

RESPONDENT'S SEX	FREQUENCY	PERCENTAGE (%)
Male	37	54
Female	31	46
TOTAL	68	100

4.3 Findings from Questionnaires

67 out of the 68 respondents, which is 99% of the total number, expressed dissatisfaction with the quality of public toilet services offered by the city council before the take-over by the PPPs. They went ahead to highlight several items which they considered important but lacking in the former toilets. The said items include reliable lighting inside the blocks, reliable water supply, regular cleaning of the toilets, toilet rolls, washing soap, wash-hand basins, enclosures to toilet blocks, full time attendants, security lighting around the toilets, proper drainage for the toilets, bathrooms and finally clear and conspicuous signage for the toilets.

However, one respondent out of the 68 indicated satisfaction with the former toilets, citing free service as their main attraction.

Table 04: Responses to former CCN Toilet services

NATURE OF RESPONSE	FREQUENCY	PERCENTAGE (%)
Dissatisfied with former CCN services	67	99
Satisfied with former CCN services	01	01
TOTAL	68	100

Similarly, 66 of the respondents, which is 97% of the total number, expressed great satisfaction with the toilets services offered by the PPPs. They all indicated that indeed, the PPPs had greatly improved the toilet services in terms of the toilets' reliability, security to users, waiting time, maintenance, cleanliness and customer care. They went on and indicated their wish to have more council services put under similar PPP arrangements.

However, two respondents out of the 68, which is 3% of the total number, were of a different view. They indicated that the main problem leading to the poorly maintained toilets lay in the CCN's inadequate management and neglect for the toilets. They suggested that the best solution was that the CCN should rise to the occasion and put more effort in the management of the toilets instead of 'handing them over' to private entities. They were of the view that CCN could still achieve better results than the PPP arrangement.

Table 05: Responses to PPP Toilet services

NATURE OF RESPONSE	FREQUENCY	PERCENTAGE (%)
Satisfied with PPP Toilet services	66	97
Dissatisfied with PPP Toilet services	2	3
TOTAL	68	100

In terms of affordability, 10 out of the 68 respondents, which is 15% of the total number, indicated that the charges to the users were either 'high' or 'too high' to afford and that this in effect limited access to the toilets particularly for the city poor. However, majority of the respondents, which is 82%, viewed the charges as 'fair' and generally affordable. At the other end, 2 out of the 68 respondents, that is 3%, felt that the charges were 'too low' for the private operators to sustain the operations. This is as shown in Table 06 here below.

Table 06: Responses to Toilet Charges

NATURE OF RESPONSE	FREQUENCY	PERCENTAGE (%)
Too high	2	3
High	8	12
Fair	56	82
Low	2	3
TOTAL	68	100

Asked about areas of improvements that they considered necessary to toilets under the PPP arrangement, respondents responded as shown in Table 07 here below.

Table 07: - Responses on improvements to PPP toilets

NATURE OF RESPONSE	FREQUENCY	PERCENTAGE (%)
Train attendants on public relations	1	2
Add more toilets	12	18
Improve water supply	4	6
Add bathrooms	2	3
Issue more toilet paper	6	9
Nil	43	62
TOTAL	68	100

4.4 Interviewees

These included the following:-

4.4.1 Owners of private entities currently running the subject toilets

These interviewees gave detailed accounts of their experiences as co-partners with CCN in a PPP arrangement. The interviews were all semi-structured. Those interviewed included the chairman of Nairobi Central Business District Association (NCBDA), which runs a total of 13 toilet blocks within the CBD; directors of four different private entities operating the city toilets, all running a total of 32 toilet blocks located outside the CBD.

4.4.2 Policy Manager, Public Procurement Oversight Authority (PPOA)

This respondent provided an insight into the current public procurement policy, particularly with regard to procurement of private partners by government bodies. He is In-charge of policy formulation Section in the department of Research and Policy in Public Procurement and Oversight Authority (PPOA). Notably, PPOA is the body mandated by the Kenyan laws to ensure that laid down procurement procedures are complied with and to initiate public procurement policy, among other things.

4.4.3 Assistant Director of Environment (Environmental Planning and Management Section), City Council of Nairobi

This respondent gave a detailed account of CCN's experiences in the PPP arrangement under study. He is in-charge of Environmental Planning & Management (EPM) Section, within the Department of Environment in CCN. EPM Section is the one charged with the responsibility of managing the city public toilets (Nairobi: the city ...", 2004)

4.4.4 Senior Deputy Secretary, Department of Government Investments and Public Enterprises (DGIPE), Ministry of Finance.

This respondent helped to explain the role of the Ministry of Finance in the formulation and implementation of PPPs. He is In-charge of the Section under DGIPE that deals with PPP matters. Notably, DGIPE is charged with the responsibility of, among other things, representing the Government in the negotiation and implementation of public private partnership initiatives; representing Treasury in committees and fora focused on addressing government investment policy; as well as coordinating the overall management of government investments and public enterprises.

.4.5 Public health officer, City Council of Nairobi

This respondent provided an overview of the effects of the PPPs on the quality of sanitation offered to the city residents. He works as a senior health officer in the department of Public Health and has been actively involved in the assessment of health standards in the rehabilitation of former city public toilets by the private entities.

4.5 Findings from Interviewees

As a result of interviews with the above mentioned interviewees, the following findings were made:-

4.5.1 Government Policy on Public procurement

The overall management of public procurement in Kenya falls under the mandate of the Public Procurement Oversight Authority (PPOA) which was created by The Public Procurement and Disposal Act (Laws of Kenya) of January 2007.

According to the Policy Manager PPOA, the main policies currently guiding Public procurement in Kenya include:-

- (i) maximization of economy and efficiency
- (ii) promotion of competition and ensuring competitors are treated fairly
- (iii) promotion of the integrity and fairness of procurement procedures
- (iv) increase in transparency and accountability in procurement procedures
- (v) increase in public confidence in public procurement procedures and
- (vi) facilitation of the promotion of local industry and economic development

4.5.2 Government Policy on PPPs

When asked what the current government policy is on PPPs, the respondent from DGIPE stated that the main PPP policy currently is to improve delivery of public services through private sector participation. He indicated that the government's

view is that such participation will result in creation of jobs, more efficient and effective service delivery as well as realization of value for public money.

4.5.3 *Legal framework for PPPs in Kenya*

On the question of the existing legal framework for PPPs, the respondent from PPOA stated that PPP as a procurement method was not provided for under Kenyan laws until recently when it was included in the Public Procurement and Disposal Act (Laws of Kenya) of January 2007. He also confirmed that the necessary standard tender documents and implementation guidelines supposed to accompany the Act are still being formulated. Such guidelines, in his view, are critical in enabling public bodies comprehend the provisions of the Act and in the formulation and implementation of PPPs. He explained that in the circumstances, any upcoming PPPs are handled on a case by case basis, with advice on all modalities coming directly from the PPOA. He hinted that the end of third quarter of year 2008 was the probable date when the guidelines may be ready.

This position was also echoed by the Assistant Director-Environment, who explained that it was due to the absence of enabling legislation and standard tender documents that CCN resorted to the use of a Memorandum of Understanding (M.o.U.) with the private partners, after making the necessary by-law to allow for such an arrangement.

In this respect, the chairman of NCBDA was quite categorical during the interview that a comprehensive legal framework is a must in order to ensure that the interests of all the parties are protected at all times. He stated that it is because of the weak legal basis provided by the M.o.U arrangement that some of the PPP arrangements for the city toilets have ended up with suits in courts of law.

4.5.4 *Institutional framework for PPPs in Kenya*

In an interview, the respondent from DGIPE indicated that in order to streamline the emerging PPP sector, his department recently generated a Cabinet Paper proposing the formation of a public body or office to manage and coordinate PPP matters in the country. As at the time of the said interview, no response had come from the Cabinet. He stated that the urgency to streamline the PPP sector was born out of the need to prevent the government from falling into liabilities out of poorly drawn PPP agreements. The Cabinet Paper, once approved, would serve as basis for creating and mandating a recognized body to deal with PPPs in the country. It is then that the drafting of a bill for further debate and action by Parliament would follow for purposes of enacting a comprehensive law on PPPs.

According to him, it is such an institution that should be responsible for, among other things:-

- (i) Attaching value to a PPP development proposal and ranking the proposals.
- (ii) Financing feasibility studies for promising PPP proposals.
- (iii) Monitoring and evaluating performance of PPPs
- (iv) Protecting and patenting good ideas/proposals from individuals.
- (v) Controlling the quality of developed facilities until the handing -over stage.

4.5.5 *Formulation of the Partnerships*

In his interview, the Assistant Director, Environment (AD-E) in CCN revealed that the formulation of the partnerships was initiated by the private sector at a time when CCN was completely unable to manage the toilets due to lack of human and financial capacity. He explained that the first body to approach CCN was the NCBDA who proposed to renovate the dilapidated toilets within CBD at their own cost in order to avoid losing business as well as improve the CBD's lost image. This position was confirmed during interviews with the managers of several private toilet operators as well as the chairman of NCBDA.

Following the proposal by the NCBDA, the Council approved the formulation of partnerships with private entities and made a by-law to that effect.

The partnership between CCN and NCBDA took the form of a Memorandum of Understanding (M.O.U.) and covered 13 toilet blocks in total. In the M.O.U. the parties agreed on a basic working arrangement. In summary, NCBDA was to renovate the toilets at its own cost and commence operations immediately, CCN was to allow NCBDA to charge the public for the services (up to an agreed ceiling) until it fully recovered its renovation costs. CCN was to facilitate the renovation by way of free development approvals and free technical advice from its officials. It was also to remain the regulating body for the service.

However, as stated by both CCN and NCBDA interviewees, the M.O.U. did not adequately address long-term partnership matters beyond the initial cost recovery period, such as the maintenance and operation of the toilets long after the renovation exercise.

AD-E explained during the interview that after NCBDA take-over 13 toilets within the CBD, other private operators followed suit. Their entry was however regulated by way of a public advertisement where interested parties were officially invited. However, as more private entities took-up more toilets, AD-E stated that the partnership arrangements were enhanced from mere M.O.U.s. to a formal contracts with provisions on maintenance and operations clauses (to cater for post-recovery period).

4.5.6 *Implementation of the Partnership Agreements.*

As explained by the AD-E, implementation of the PPP picked up quite well. Having noticed an opportunity, private investors turned up in large numbers to invest in the newly -found sector and to date, 52 toilets locks have been/are being renovated by private operators in the city.

This however required a structural change/adjustment in the department of environment, whereby most of the toilet attendants formerly employed by CCN to clean and manage the toilets had to be deployed to other departments. AD-E stated that the move was a great relief to most of these staff members, since they were often ill-treated and looked down upon by staff from other 'cleaner' departments-to a point of being nicknamed as "churas" (that is 'those dealing with human faeces'). It was however very necessary, as the AD-E explained, to assure the affected staff of their jobs during the partnership formulation process. He stated that had he not acted on the same, riots and rampage would have ensued. He also explained that during the implementation period, CCN has largely played a supervisory role in ensuring compliance on the part of the operators. It is therefore upon the private operators to ensure that all public health and other requirements are followed in the running of the toilets.

Following the expiry of the initial cost recovery periods for a few of the partnerships, CCN made attempts to place the renovated toilets under management contracts. However, AD-E stated that some operators were aggrieved by this move and complained that CCN should allow them some more time to run the toilets and make a little profit, since all along they were only making recoveries on the initial capital investment. This situation eventually resulted in civil suits between the parties.

4.5.7 *Status of the Toilets before Take-over by the Partnerships*

According to AD-E, the 134 CCN toilet blocks were totally dilapidated and had serious management inadequacies before the take-over by the PPPs. Such shortfalls included the following;-

- (i) The toilets had become hide-outs for muggers who would then rob and sometimes murder unsuspecting users.
- (ii) CCN had very low toilet management capacity – both financial and human resources had dwindled to nil.

- (iii) There was low morale on the part of staff employed in the toilet cleaning section.
- (iv) In some areas, the toilet blocks had been taken-over by street families, who had turned them into their homes, while others cleaned them and charged users some fee.

In the interview with the managers of the private operators, they all described the state of the toilets before the formation of partnerships as totally unusable: a description also confirmed by the users in their questionnaire responses.

Currently, more toilets are still being taken-over by the private sector, with preference starting from those in the CBD going outwards. AD-E indicated in his interview that CCN is in the process of identifying and designating more sites for city toilet construction purposes, now that several of the existing sites are already in the hands of private operators.

4.5.8 *Satisfaction of Users*

In the interviews with managers of the private toilet operators, most expressed satisfaction with the rate of usage of the toilets by the city residents. Most stated that they rarely received complaints from users and that most users paid for the service joyfully. However, one operator expressed concern at some users who had insisted on using the service free of charge, citing that 'the toilets are public facilities'.

A similar expression of satisfaction was shared by the users, whereby 99% of 68 respondents indicated satisfaction with the partnerships' work. Similarly, 97% of the 68 users indicated dissatisfaction with the toilets formerly managed by CCN citing insecurity, lack of water, inadequate facilities/accessories, filth, stench and lack of attendants.

4.5.9 Impact of PPP on Public Toilets Services.

4.5.9.1 Quality

According to AD-E, toilets under the management of private operators are cleaner, more secure, more customer friendly and more reliable than they were before. To quote his own words, "...they are now improved, modified and of superior quality."

This position was resounded by 99% of the 68 users in their response to the question of how they rated toilets under the partnership management as against former CCN's management. They were in agreement that the toilet services had greatly improved in terms of waiting time, reliability, and security to users, maintenance levels, cleanliness and customer care.

Similar improvements were observed by the respondent from CCN's public health department. In an interview with him, he stated that the toilet services had greatly improved citing regular and generally adequate water supply, regular cleaning (with the right detergents), adequate lighting that enhances visibility and safety, adequate supply of necessary facilities and accessories (like toilet soap, wash hand basins, cisterns) and that the users are provided with anal cleansing material (toilet papers). This in his view will greatly reduce contaminations from water-borne diseases among the toilet users and other city residents. He expressed hope that the drive for profit will make the private operators maintain the high standards already set in the provision of these services. However, he expressed concern that the provision of toilets in public toilets posed a high risk of disease contamination. Instead he suggested the use of disposable tissue papers as an appropriate alternative for hand drying.

4.5.9.2 Availability

AD-E indicated during his interview that CCN has already realized that the number of usable city toilet blocks is by far inadequate compared to the current demand. To this end, he stated that CCN is in the process of identifying and

setting aside more sites to be used for the erection of more toilets blocks. Indeed, several such sites have already been designated and toilet blocks are at advanced construction stages (examples include upcoming blocks at the Globe –Cinema roundabout and Uhuru Park areas). This means that eventually, the PPP arrangements will not only have initiated the renovation of existing toilets but will also have added more toilets to the city residents.

Notably, 18% of the 68 user respondents called for the addition of more toilets in addition to those under the PPP arrangement.

4.5.9.3 Accessibility

As stated by the AD-E, most of the toilets were merely hideouts for muggers and homes to dirty, rude and violent street families until the new management by private operators set in. This made it impossible and obviously risky, for needy city residents to access them. This was confirmed during interviews with managers of the private operators, most of whom had individually witnessed the toilets deterioration over the years. Besides, even where street families cleaned and charged the toilets, the costs were still prohibitive to many needy cases (ten shillings for short call and twenty for long calls). The same assertion was made by the NCBDA Chairman in his interview where he stated that most of the 'street family vendors' were untrained in public relations, customer care and hygiene unlike today's friendly, skilled and health -conscious attendants.

4.5.10 Existing Toilet Charges System

Following interviews with AD-E and managers of several private operators, it emerged that the toilet charges vary depending on the location of the toilet block and that this generally ranges between 3 to 5 shillings for the short call and 5-10 shillings for the long call. The charges are ordinarily a result of an agreement between the CCN and individual operators.

Notably, 82% of the 68 users who responded stated as 'fair' the amounts charged to them by the operators. However, 15% indicated that the charges should be reviewed downwards to increase access and affordability by the urban poor.

On the other hand, some of the operators indicated in their interview that they could improve the standards of the facilities further if only the charges are enhanced. 3% of the 68 users indicated that the charges currently charged by operators are too low to generate any income.

4.5.11 *Main Drawbacks to the PPPs*

The interview with AD-E and managers of several operators revealed the following as the key drawbacks to the partnerships between CCN and the private toilet operators:-

- (i) Political interference – especially by councilors who feared loss of popularity with the electorate if toilet services were to be charged.
- (ii) Lack of customers (in some locations)
- (iii) Lack of legal and institutional basis. They were all in agreement that by-laws and M.O.U.s are weak legal instruments that cannot adequately and effectively support a long-term contractual agreement.
- (iv) Frequent disputes due to incomprehensive contractual terms.
- (v) Reluctance by CCN to 'release and entrust' public services to management by private entities.
- (vi) Lack of strong incentives by CCN to investors
- (vii) Uneducated CCN leaders who do not understand how best to manage available resources and promote local economic development.

4.5.12 *Main Catalysts of PPPs*

According to most of the operators, the banks have been very supportive to those seeking the necessary capital for toilet renovations and extensions. Similarly, the operators also cited a ready market (high demand for the services) as a key catalytic factor. Notably Nairobi city not only hosts its own residents during

daytime (currently estimated at 3.5 million) but also those from the neighboring 'dormitory' towns like Machakos and Thika.

4.5.13 PPPs and Traditional Procurement Methods

Both the AD-E and the private operators were in agreement that PPPs arrangements are generally faster to organize result in higher quality services and add value to investments. Further they stated that PPPs do accommodate creativity, innovation and best practices in the formulation and implementation of projects. This, they said is unlike traditional methods of procurement like open tendering, restricted tendering and quotations, all of which are well known for their bureaucracy, rigidity and the usual time and cost over-runs.

4.5.14 Key Benefits of PPPs

According to interviews held with the AD-E, chairman of NCBDA, other private operators and responses from users, the following were identified as the key benefits of the PPPs between CCN and private city toilets operators:-

- (i) Timely service delivery
- (ii) Job creation
- (iii) Value for money to citizens
- (iv) Better quality toilet services
- (v) More user-friendly environment
- (vi) More attractive city and
- (vii) Achievement of a model for other Kenyan towns.

4.6 Observations

The researcher and his assistants made various observations on the status of the city toilets during the study, most of which were captured by way of photographs as shown in Appendix 'F'. Deliberate efforts were made to cover a variety of the city's eight geographical regions while making the said observations.

4.7 *Findings from observations*

During the visits to the various sample toilets under study, the researcher and his assistants observed that most private operators worked hard to provide a user-friendly and homely environment to their customers. A close scrutiny on most of the toilets revealed the provision of such 'luxurious' items as towels, high quality and expensive soaps, coat hangers, condom dispensers, decorative flowers, huge water reservoirs and rain-harvesting tanks, cashiers' offices, stores, special toilets for the disabled and children as well as bathrooms for use by travelers.

The number of workers in each toilet block ranged from about three to six, depending on the size of the block. For the large blocks, there were two cashiers (one serving the ladies toilets and the other serving the men's toilets) and two cleaners on each side. In all cases the cashiers played the dual role of issuing receipts as well as pieces of toilet papers to users upon payment of the required fee. For the smaller blocks, one cashier would serve both the ladies and men users, assisted by two cleaners.

In almost all the toilets visited, every toilet (including the surrounding floors) would be cleaned immediately after use. This made the floors remain sparkling clean almost throughout. Conversely, the researcher recalls being welcomed by rivulets of urine meandering through hips of human waste at the entrances of most of the toilets blocks he attempted to use before the PPP arrangement came about. Ever-clean floors were never heard of!

The cashiers were usually jovial in their work. They were grateful that the PPP arrangements had created jobs for them. They would also watch over their customers luggage (including holding babies and young children) while the users responded to the call of nature. The cleaners would strategically position themselves in such a way that they are close enough to respond to any needy customer (say for soap, towel or direction inside the block). They were generally

cautious and friendly. It was noted generally that most blocks sought to maintain high standards of cleanliness. Some went ahead to put up clear warnings to the public not to fix posters or notices on the external surfaces of the walls. This made their walls remain neat and attractive.

The issuance of toilet papers and water for flushing was notably very much controlled in all the blocks. The attendants however recounted to the researcher how in the first days of business, the customers misused the toilet papers and water in large quantities until the attendants had to intervene and curb the misuse.

CHAPTER FIVE

SUMMARY OF STUDY FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 *Summary of Study Findings*

Following the data analysis in the previous chapter, it is clear that the existing government policies on both public procurement and Public Private Partnerships, though fairly recent, are very supportive to the development of PPP arrangements in Kenya. Regrettably, however, the current legal and institutional frameworks for PPPs are too inadequate to effectively and efficiently facilitate the formulation and implementation of PPP arrangements. This was clearly demonstrated by the nature of legal instrument used to create the PPP arrangements- a Memorandum of Understanding. It is no wonder that the parties are currently settling disputes in courts of law.

It is also regrettable to note that even after witnessing the readiness and willingness that the private sector players had to invest their money and skills in PPPs with the government, CCN gave a very 'cold' response of nil incentives. This can be very de-motivating to a partner! The government needs to shed off rigidity as well as learn and start practicing business principles in its partnerships with the private entities.

As much as CCN may have wanted to effectively play its role as a partner in the PPP arrangement, it could not effectively do so since it also had to double up as the regulatory body in ensuring compliance to the laid down Council's sanitation Standards. An independent body drawn from all the industry stakeholders may do better and act more objectively.

The drastic improvement in the quality of Nairobi's public toilet services has made the services more marketable, resulting in a happier and more satisfied clientele. Subsequently, the demand for the same has risen and there is now need to increase the number of toilets blocks and space them more closely in order to enhance accessibility and availability. However, it emerged that it is extremely essential that great care is taken while setting the charges in order to avoid public exploitation and enhance easy accessibility by all. Otherwise there is danger that in desperation, poor urban residents may, with time, resort to other unhygienic means of seeking relief.

It also emerged that adequate transitional provisions must be made for departments that get affected in the formulation and implementation of PPPs, especially with regard to management of redundant staff. Were it not for the timely intervention of CCN to caution staff formerly working in the public toilet cleaning section, the PPP arrangement would have aborted.

The turn of events from filthy, murder chambers to clean business entities also indicates that there exists untapped potential for more private investments in public toilet management and other public services in Kenya.

5.2. Conclusions

The study results helped to reveal local experiences on the employment of a PPP in the provision of public services. On one hand, they reaffirmed the benefits that PPPs arrangements could yield in enhancing delivery of public services, especially where the government's financial, human and technological capacity is inadequate or overstretched. These include faster procurement, quality services and more importantly, value for money for the tax payer.

The results also clearly pointed to some of the common pitfalls that must be avoided if an effective and efficient PPP is to be realized. It became abundantly clear that instruments such as enabling laws, policies, implementation guidelines,

standardized and well researched contractual agreements as well as administrative institutions to monitor and evaluate PPPs, must form the foundation to any fruitful PPP arrangements in a country.

5.3 Recommendations

- 5.3.1 The government should offer more incentives to private investors in order to attract more investments in the area of public toilet services delivery.
- 5.3.2 The user charges, while reflecting the operational costs of the services offered, should always be set in such a way that the service is affordable to the urban poor.
- 5.3.3 The City Council of Nairobi should develop, in conjunction with the private sector, a comprehensive and systematic public toilets expansion programme that takes into account the population densities to be served and keeps pace with population growth patterns in the city. Where the population densities are extremely high, for example in the low-income urban areas, such a programme should encourage the introduction of 'sanitation kiosks' and mobile toilets.
- 5.3.4 CCN and the private partners should provide simple-to-understand information to city residents on the types, charges and locations of available sanitation products and services in order to save on time and efforts spent by toilet users in tracing such information.
- 5.3.5 The government should act speedily and strengthen the existing legal, policy and institutional framework for PPPs in Kenya by enacting comprehensive laws and formulating the necessary guidelines to specifically address this sector.

- 5.3.6 CCN and the private partners should sensitize the city residents on the need for community policing of the toilet facilities in order to discourage misuse and vandalism.
- 5.3.7 A quality control oversight board should be created to ensure continued quality service through frequent quality inspections and tests on the toilet services. This may comprise of members drawn from the CCN, the private operators, Ministry of Health, Kenya Bureau of Standards and the Ministry of Local Government. The same body could serve as a permanent referral for dispute resolution between the PPP members.
- 5.3.8 The private toilet operators should be exempted from taxation for the incomes generated there from and be required to use the tax equivalent to supply an agreed free sanitation lifeline in slum areas, within public hospitals and to subsidize rates for the lower income areas.
- 5.3.9 PPPs should be cautioned from influence or interference by public officials, especially from the host Local Authority or from the central government. The forces of free market should be allowed to prevail, though within a strict environment of government checks and regulations.

5.4 *Areas of Further Study*

- 5.4.1 During the study, the researcher noted that there is still room for further improvements in public toilet services if the industry players could exploit available technologies in a larger way. Examples of such opportunities include the development and use of mobile public toilets and more cost effective flushing systems. A detailed study on the role of technology in the provision of efficient public toilet services would help to reveal and hopefully unlock such potential.

5.4.2 It was also noted during the study that many users spent a lot of time trying to trace the location of available toilets along the city streets. It may help to conduct a study on the role of a Geographical Information System in enhancing the efficiency of public toilet services in the city of Nairobi. Such a system would provide location and operational information for each toilet block to potential users and also provide spatial database to CCN officials for purposes of analysis and decision making.

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APPENDICES

APPENDIX 'A'

Questionnaire Administered To Users Of Public Toilets In The City Of Nairobi.

The Researcher is a postgraduate student undertaking a Masters Degree course in Project Planning and Management in the University of Nairobi. He wishes to carry out a research study for his Final year project paper under the title 'An investigation of public private partnerships as a procurement method for public services in Kenya - a case study of Nairobi city council public toilet services.'

Any information provided shall be treated with confidentiality and will be strictly used for the purpose of this study.

Questionnaire No.....

Date.....

A. General Issues

1. Name of the Respondent (optional).....
2. Age (Tick as appropriate)
 - Below 18 years
 - Adult
3. Sex (Tick as appropriate)
 - Male
 - Female
4. Kindly indicate your education background (Tick as appropriate)
 - Primary
 - Secondary
 - College
 - University

5. In which part of the city are the toilets you have commonly used located?

- Central Business District
- Makadara
- Starehe
- Kamukunji
- Langata
- Westlands
- Embakasi
- Kasarani
- Other (specify).....

6. Kindly indicate the status /occupation you fall under among the following.

- A business owner in the city
- An employee in the city
- Visitor to the city
- Traveler through Nairobi city
- Other (specify).....

B. City toilets- before Partnerships were formed.

7. In the past few years, the City Council of Nairobi has engaged Private companies to partner with it in the management of the city public toilets. Were you satisfied with the free city public toilets that existed before the toilets were handed- over to the private operators?

- Yes
- No

8. If No, which of the following items was in your view important but missing in the city public toilets during that time? (Tick all those applicable)

- Reliable water supply
- Reliable lighting inside the toilet building
- Regular cleaning of the toilet

- Toilet rolls
- Washing soap
- Washing basins/sink
- Fence or enclosures around the toilet block
- Full time attendant
- Reliable security lighting around the toilet building
- Proper drainage of the sewerage
- Bathrooms
- Regular repairs to doors, windows, wash basins, roofs, wall painting
- Clear and conspicuous signage for the toilets
- Other
(specify).....

9. If Yes to (7) above, what features/attributes of the toilets impressed you most?
(Specify).....

C. City toilets -after formation of Partnerships

10. In your view, has the joint effort (partnership) between the City Council and the Private sector improved the city public toilet services?

- Yes
- No.

11. If No, in which way or ways has the partnership deteriorated the city public toilet services?
(Specify).....

12. How do you rate today's Privately-run city toilets as compared to the free ones that existed there before?

Reliability- More reliable

Less reliable

Security- More secure

Less secure

Waiting time- Reasonable

Not reasonable

Maintenance- Better

Worse

Cleanliness- Cleaner

Dirtier

Friendliness- More user/ customer friendly

Less user/customer friendly

Affordability Easily affordable

Difficult to afford

Other
(specify).....
.....

13. What is your view of the charges levied today on Nairobi city toilets to users by the private operators?

Too High

High

Fair

Low

Other
(specify).....
.....
.....

14. What changes would you recommend to be undertaken in order to improve today's privately -run city toilets?

(Specify).....

15 Which other City Council Services would you propose to be subjected to similar Partnership arrangements?

Health services (Council clinics)

Education services (Council schools)

Policing services

Car parking services

Water supply

Street lighting

Garbage Collection

None

Other (please specify).....

END. THANK YOU.

APPENDIX 'B'

Interview Schedule Used During the Interview with the Assistant Director, Environment Department in the City Council of Nairobi

- 1) What is the name of the Respondent (optional)?
- 2) What is the name of the department the respondent works in?
- 3) Date of interview?
- 4) Is the respondent below 18 years or above?
- 5) What is the sex of the respondent?
- 6) What is the education background of the respondent?

Situation before the take-over by the Public Private Partnerships

7. What is the total number of toilet blocks in the entire city of Nairobi?
8. When were the toilet blocks first put up?
9. Who was responsible for the daily cleaning and maintenance of the toilets?
10. What was the frequency of usage of the toilets by the public?
11. What types and numbers of accessories, equipment and associated items were provided in the toilets?
12. How would you rate the level of security provided to the users of the toilets?
 - High
 - Average
 - Low
 - None
 - Other (specify).....
13. What was the frequency of repair works for the toilets?
 - Instantly after breakage
 - Monthly
 - Yearly
 - Bi-annually

- None
- Other (specify).....

14. Were any efforts made to measure customer satisfaction during that time?

15. Were there any constraints at the departmental level in the provision of toilet services to the public? If yes, which ones

- Budgetary constraints
- Inadequate management and cleaning Personnel
- Inadequate Council land for the erection of toilets
- Other (specify).....

16. Were there any successful efforts to improve the toilets during this time? If yes, which ones?.....

Formation of the Public Private Partnerships

17. What were the reasons/considerations behind the formation of the Partnerships with the private sector entities?

18. Who were the key players in the formulation of the Partnerships?

19. How was the Partnership formulation process up to the point of signing the contract?

20. What factors did you consider in the formulation of the Partnerships?

21. What were the key terms of the Partnership Agreements?

Situation after take-over by the Public Private Partnerships

22. Have any improvements been done to the existing public toilets? If yes, what nature of Improvements?

- Repairs
- Extensions
- Other (specify).....

23. How would you compare the PPP arrangement and CCN's traditional methods of procurement in terms of time spent in the procurement process and project financing?
24. Who is responsible for the daily cleaning and maintenance of the toilets today?
25. What is the frequency of usage of the public toilets by the public today?
26. What types and number of equipment and associated items are usually provided for use in each toilet?
27. What is the level of security provided for users of the toilets?
- High
 - Average
 - Low
 - None
 - Other (specify).....
28. What is the frequency of repair works for broken items in the toilets today?
- Instantly after breakage
 - Weekly
 - Monthly
 - Bi-monthly
 - Bi-annually
 - Yearly
 - None
 - Other (specify).....
29. Have the partnerships faced any difficulties or resource constrains during their formation or in their operations? If yes, which ones and how have they been handled?
 (specify).....

30. Kindly give your brief comments on the following issues with regard to the Partnerships under discussion.

31. What do you consider to be the key benefits of the Partnerships to the Kenyan public?
(Specify)

32 Which improvements would you recommend in similar partnership arrangements in future?

(Specify).....

33 Are there any plans for additional Partnerships for the remaining city toilet blocks?

34. Are there any plans for Partnership arrangements in the provision of other City Council services? If yes, which ones?

- Housing
- Water
- Garbage management
- Car parking
- Education
- City transport
- Other (specify).....

END.

APPENDIX 'C'

Interview Schedule Used During the Interview with the Policy Manager, Public Procurement Oversight Authority

Part A

1. What is the name of the Respondent (optional)?
2. What is the name of the department you work in?
3. Date of interview?
4. Are you below or above 18 years?
5. What is the sex of the respondent?
6. What is your education background?

Part B

7. What is the current government policy on public procurement?
8. Is Public private partnership a recognized/legal public procurement method in Kenya today? If so, has the law provided guidelines outlining how it can be used?
9. How would you compare the PPP arrangements and traditional methods of public procurement in terms of; time spent in the procurement process; project financing; construction supervision; quality of workmanship; quality of construction materials; project monitoring; project time; dispute resolution and Project costs?
10. What is the success rate of PPP arrangements in Kenya?
11. According to your experience, are there projects you would consider unfit for PPP arrangements?

END.

APPENDIX 'D'

Interview Schedule used during interviews with Managers of Private Sector Entities involved in the Management of Public Toilets in the City of Nairobi.

The Researcher is a postgraduate student undertaking a Masters Degree course in Project Planning and Management in the University of Nairobi. He wishes to carry out a research study for his Final year project paper under the title 'An investigation of public private partnerships as a procurement method for public services in Kenya - a case study of Nairobi city council public toilet services.'

Any information provided shall be treated with confidentiality and will be strictly used for the purpose of this study.

Questionnaire No.....Date.....

A. General issues

1. Name of the Respondent (optional).....

2. Age (Tick as appropriate)

Below 18 years

18 years and above

3. Sex (Tick as appropriate)

Male

Female

4. Kindly indicate your education background

Primary

Secondary

College

University

5. What is the name of your organization?.....
6. What is your position in your organization?.....
7. How long have you been working with your organization?
 - 3 years and below
 - 3-10 years
 - 10 years and above
8. How many public toilet blocks in the city of Nairobi are under the management of your organization?
(Please specify).....

Part B

9. Who initiated the formation of the Partnership?
 - My Organization
 - The City Council of Nairobi
10. What prompted your company to join the partnership with the City Council of Nairobi?
(Specify).....
11. What was the condition of the city toilets at the time when you took-over their management?
 - Usable
 - Usable but run-down
 - Unusable
 - Combination of above options

12. What manner of improvements have you had to carry out to the public toilets under your management?
- Extensions to the existing works
 - Repairs
 - Complete demolition and reconstruction
 - Other (specify).....
13. How long did it take you to complete the taking-over, repairs (if any) and commence business with the city toilets?.....
14. How frequently do you carry out repair works for broken items in the city toilets under your management?
- Instantly after breakage
 - Weekly
 - Monthly
 - Bi-monthly
 - Annually
 - Bi-annually
 - None
 - Other (specify).....
15. Indicate the type of challenges the partnership has faced since its formation? (Tick as appropriate)
- Political interference
 - Disputes with partner
 - Interference by former beneficiaries/stakeholders
 - Sharing/distribution of revenue, construction, maintenance, political or regulatory risks
 - Other (specify).....

16. Indicate any difficulties your organization has faced in running the city public toilets under your care?
- Lack / shortage of customers
 - Poor projection of customer preferences
 - Lack/shortage of finances
 - Lack of personnel
 - Other (specify).....
17. How does the Partnership arrangement compare with other traditional public procurement methods being used by Kenyan public bodies today?
(Specify).....
18. What do you consider to be the key benefits of the Partnership to the Kenyan people? (Specify)
.....
19. What is your view of the costs charged to the private toilet operators by the City Council of Nairobi?
- Too high
 - Fair
 - Too low
 - Other (please specify).....
20. What incentives has the government given your company in the venture? (Specify)
.....
21. Do you consider the toilet services you offer to be of higher quality than those rendered by the Council before you took over the toilets' management?
- Yes
 - No.

22 Which of the following do you consider vital in ensuring a successful public private partnership?

- A detailed pre-contract analysis of the technical, economic, political Cultural and social aspects of the project
- Carefully designed and well documented contract
- Effective communication channels between all the partners
- Regular monitoring and evaluation of the project
- Fair and fully agreed distribution of the construction. political. revenue and regulatory risks involved in the project
- Others (specify).....

23. Which improvements would you propose in future public private partnership arrangements of a similar nature?

(Specify).....
.....
.....

END.

APPENDIX 'E'

Interview Schedule Used During the Interview with a Public Health Officer, City Council of Nairobi

Part A

1. What is the name of the Respondent (optional)?
2. What is the name of the department the respondent works in?
3. Date of interview?
4. Is the respondent below 18 years or above?
5. What is the sex of the respondent?
6. What is the education background of the respondent?

Part B

7. What are the health implications of poor sanitation?
8. Has the change in the management of city public toilets (from CCN's hands to the Public Private Partnership) had any effects on the city's sanitation services? If so, which ones?
9. What changes would you recommend for the improvement of the sanitation services offered by the partnership today?

END.

APPENDIX 'F'

Photographs Taken by the Researcher during Visits to Various Toilet Blocks in the City.



Plate 01;- Clean, tiled floors and walls inside toilets in privately-run toilet block at the City Market. Huge plastic water reservoirs are strategically placed next to the customers and cleaners for pour-on in case flashing system is down.

Source; - *Researcher's own photos from the field*



Plate 02; - High class mirrors, wash basins and urinals with clean, tiled floors and walls inside toilets in privately-run toilet block along Koinange street. Plastic water reservoirs are strategically placed. The cleaner is strategically positioned to notice and clean any toilet after use.

Source; - *Researcher's own photos from the field*



Plate 03;- Recently built toilet block next to on-going construction works for the Hakati Matatu terminus in the city centre. The block has a huge plastic water reservoir to address water shortages and ensure cleanliness

Source; - *Researcher's own photos from the field*



Plate 04;- Clean, tiled floors and walls inside toilets in privately-run toilet block at the City Market. The high English type toilet on the left is for the disabled and aged while the squatting type on the right is for ordinary users

Source; - *Researcher's own photos from the field*

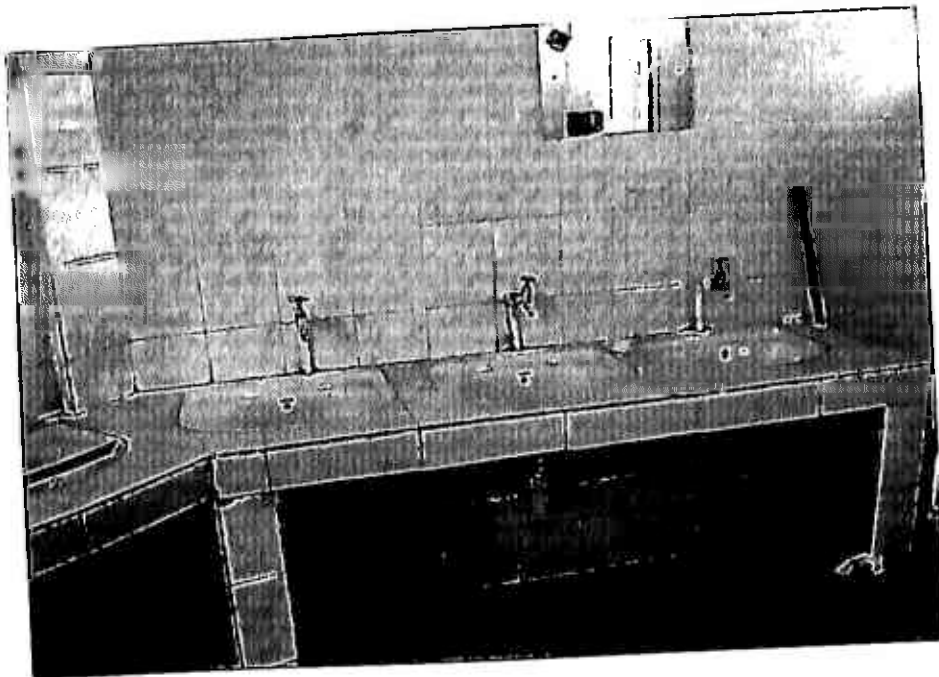


Plate 05;- Clean, tiled walls inside toilets in privately-run toilet block at the City Market with several high class wash hand basins , soap and cleaning gel in the background.

Source; - *Researcher's own photos from the field*

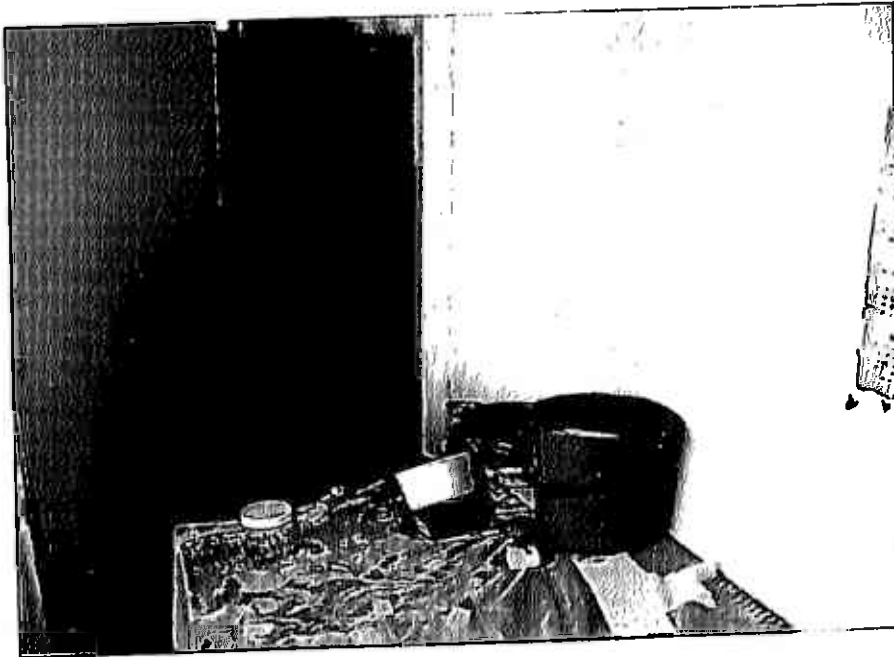


Plate 06;- A cashier puts together her collections inside the toilet block along Koinange street. Neatly cut toilet papers are well arranged inside the plastic bucket, ready for issuance to customers together with the pink receipts. Behind her is the toilet store.

Source; - *Researcher's own photos from the field*

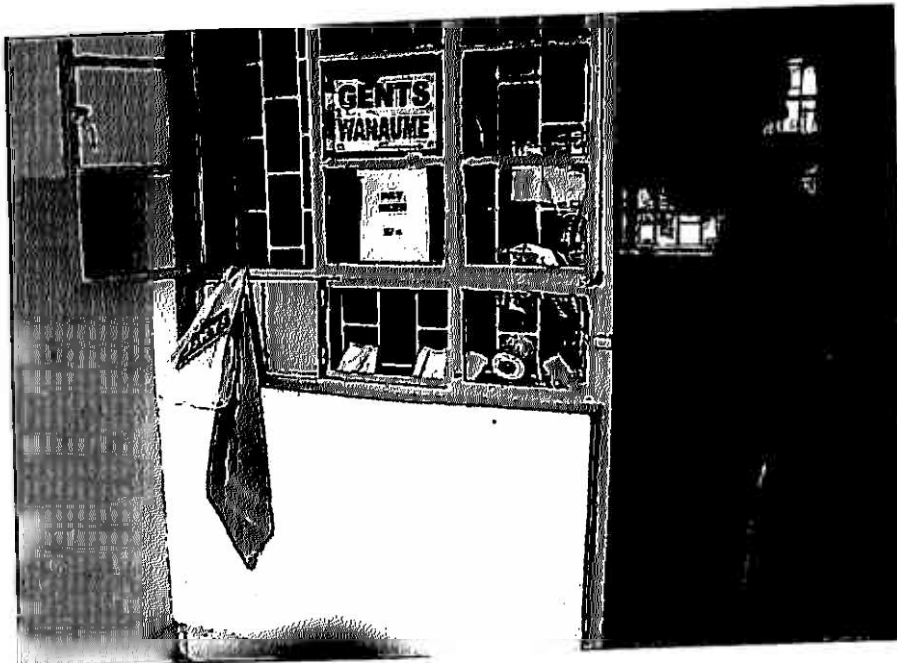


Plate 07;- The reception cum cashier's and cleaner's office of a recently build toilet block at Muthurna Market. It has a large covered porch good as cover to customers in rainy weather.

Source; - *Researcher's own photos from the field*

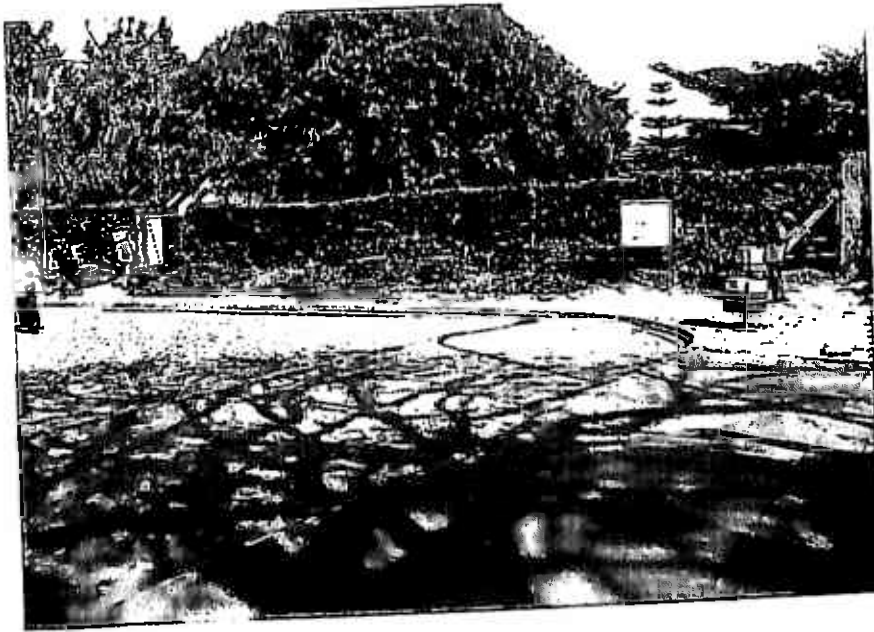


Plate 08;- The frontage of the privately run toilet block next to Kenyatta National Hospital entrance. It has clear directional signs for those coming to the hospital placed right next to the bus stop.

Source; - *Researcher's own photos from the field*



Plate 09;- Same as above, but clearly indicating the well maintained and neat live fence surrounding the neatly marked public toilet.

Source; - *Researcher's own photos from the field*



Plate 10;- The rear view of On-going rehabilitation works at the toilet block along Nyerere road- an NCBDA –CCN joint project.

Source; - *Researcher's own photos from the field*



Plate 11:- The frontage of recently build toilet block at Railways station with clear signage. The old block was on a nearby spot but had to be completely demolished and re-located to this new site. Its one of the most fully and beautifully furnished blocks in the city.

Source; - *Researcher's own photos from the field*



Plate 12;- The front face of the privately run toilet block next to Kenyatta National Hospital entrance with clear directional signs and a good attempt on beautification and customer attraction.

Source; - *Researcher's own photos from the field*



Plate 13;- Clean, tiled floors, walls and urinal inside toilets in privately-run toilet block at the City Market. Similar to the block 12 above, flowers are placed at strategic positions to enhance beauty and attractiveness.

Source; - *Researcher's own photos from the field*

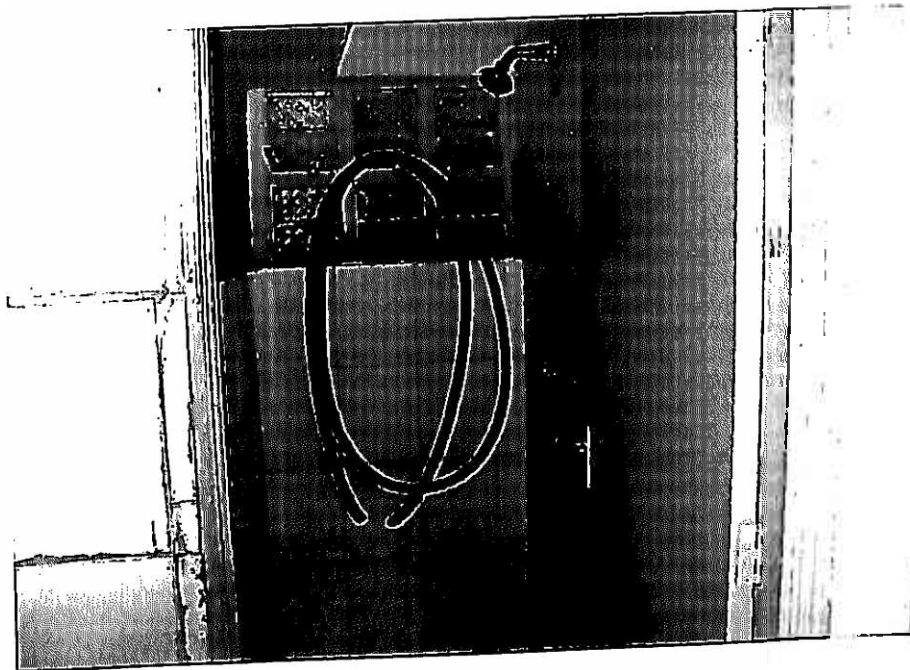


Plate 14;- Inside the bathroom of a recently build toilet block at Muthurua Market. It has a high class shower fitting hang from the wall at a strategic height to curb vandalism.

Source; - *Researcher's own photos from the field*

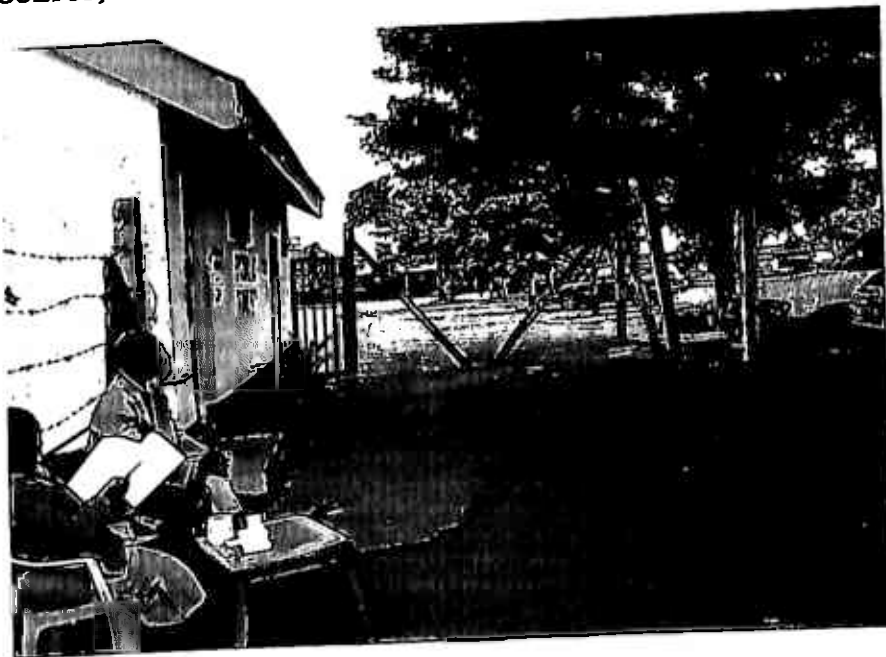



Plate 15:- The side view of privately run toilet block next to Kenyatta National Hospital entrance with the cashier and the cleaner smartly dressed and ready for business. Notice the cleanliness, dustbin and enclosures to the toilet block.

Source; - *Researcher's own photos from the field*

APPENDIX 'G'

Letter of Authority to collect Data and Introduce Researcher to Respondents.


UNIVERSITY OF NAIROBI
COLLEGE OF EDUCATION AND EXTERNAL STUDIES
SCHOOL OF CONTINUING AND DISTANCE EDUCATION
DEPARTMENT OF EXTRA-MURAL STUDIES
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Our Ref:

Telephone: 318262 Ext. 129

Main Campus
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NAIROBI

22ND APRIL, 2008


TO WHOM IT MAY CONCERN

RE: DAVID KANG'ARA - REC. NO L50/P/8130/06

This is to confirm that the above named is a student at the University of Nairobi in the College of Education and External Studies, School of Continuing and Distance Education, Department of Extra-Mural Studies pursuing M.A Project Planning and Management.

He is proceeding for his project entitled "An investigation of Public Private Partnerships as a procurement method in the provision of public services in Nairobi". A case study of city council of Nairobi public toilet services.

Any assistance given to him will be highly appreciated.


PATRICIA W. MUCHIRI
RESIDENT LECTURER
NAIROBI AND ENVIRONS

