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[1] Aims

Recommendations on how to improve the Italian approach (adapting it to the new European directives) in order:

- to better fit within the ppp framework**
- to include the adoption of pcm services**
- to strengthen the skills of owners in governing the construction process**

[2] The Problem

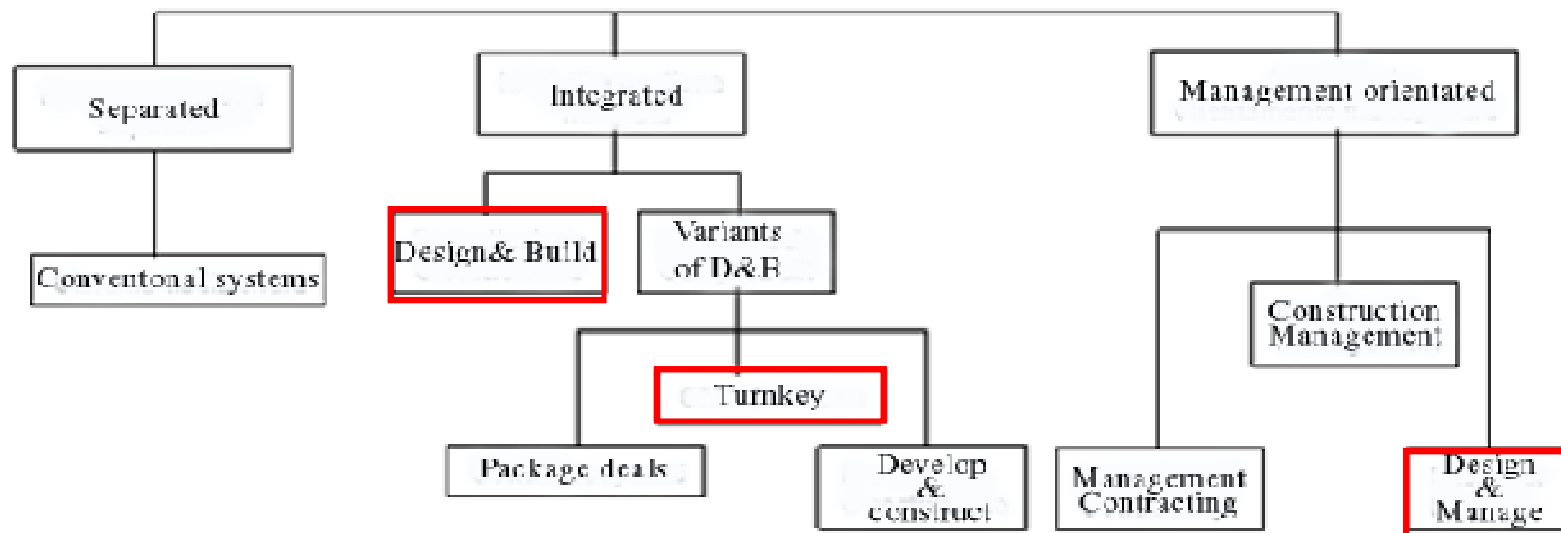
“General Contractor” is the usual and apparently obvious translation for the Italian **“Contraente Generale”** (CG). But it does not help to draw a useful profile of it because:

- ✓ according to the law, CG it is other than a **“construction and management concessionaire”**;
 - ✓ the CG activity brings this figure to the *ppp* definition, as adopted in the Commission paper Com (2004) 327 final (especially considering that the CG must partially **“pre-finance”** a public work), although void of exploitation risk;
 - ✓ CG appears to be similar to a fixed-price turnkey contract with the awarding authority, according to a *design, build, finance and transfer (dbft)* scheme;
 - ✓ CG refers to an *epc (engineering procurement and construction)* scheme of contract with certain features of its own.
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[3] Methodology

Comparison between the Italian CG frame and the most suitable models issued from the specialised literature available abroad.

According to the Mastermann and Perry^(*) classification of the building procurement system, the available references for the Italian CG scheme are:



(*) Mastermann J.W.E., *Introduction to building procurement systems*; Spon Press, London, 2002 (2nd ed.)

Table 1: Comparison between D&B main features, Italian CG model and NFM scheme

	D&B	Italian CG	NFM
Contracting organization takes sole responsibility	✓	✓	✓
Lump sum fixed price	✓	✓	✓
Client's requirements expressed by performance criteria	✓	✗	✓

Table 2: Comparison between Turnkey main features, Italian CG model and NFM scheme

	Turnkey	Italian CG	NFM
Contractor is responsible for the total project	✓	✓	✓
Contractor's responsibility includes the installation and commissioning of client's process or other equipment	✓	✓	✓
Contractor's responsibility includes the arranging of funding for the project	✓	✓	✗
Contractor's responsibility includes the operation of the project	✓	✗	✓

Table 3: Comparison between D&M main features and Italian CG scheme

	D&M	Italian CG	NFM
A single organization is appointed to both design the project and manage the construction operations using package contractors to carry out the actual work	✓	✓	✓
Lump sum fixed price	✓	✓	✓
Client appoints an independent quantity surveyor to oversee the financial aspects of the scheme	✓	✗	✗

[4] Compared Case Studies

In 1878 the opening of “Galleria Vittorio Emanuele” - the biggest shopping mall in the world – celebrated the city of Milan as industrial capital of the Italian kingdom just unified.

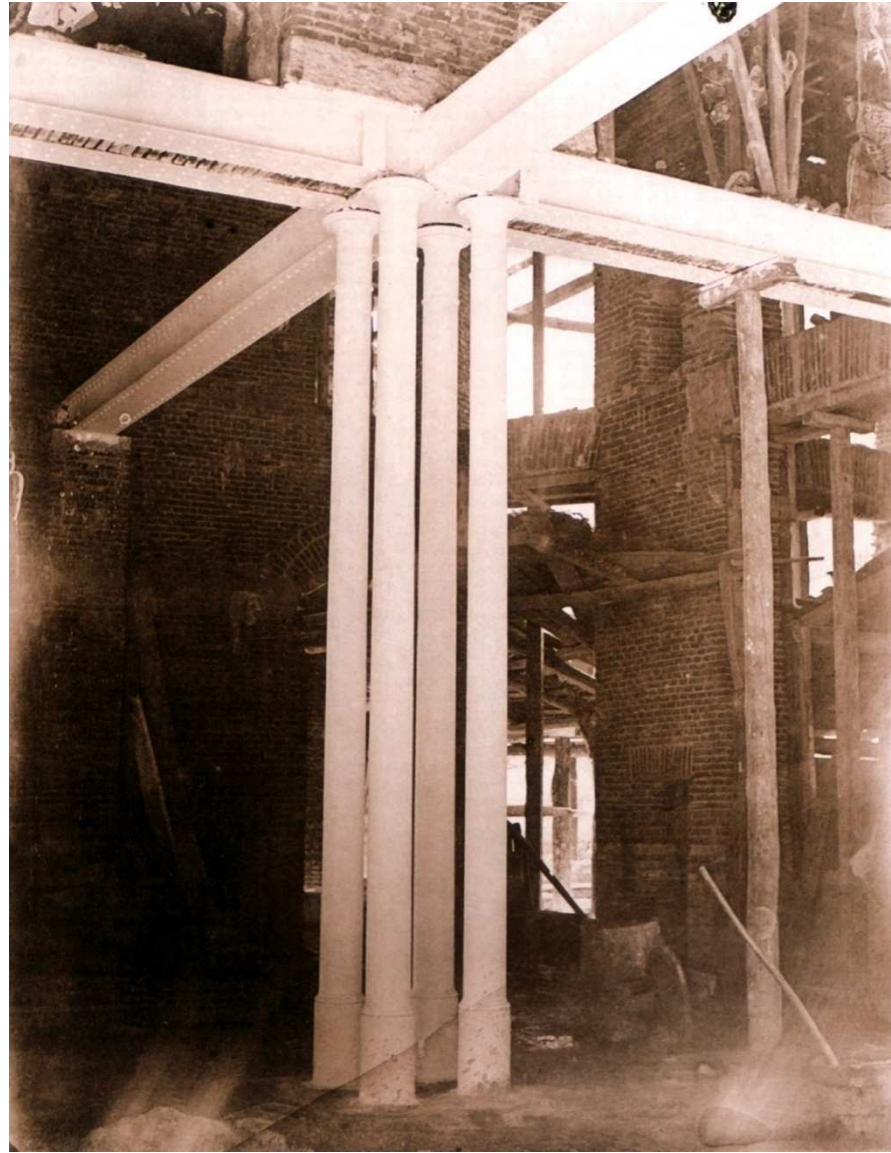
To make this ambitious project possible, an unusual project financing scheme was adopted, in which the architect of the mall designed for himself the part of Project manager.

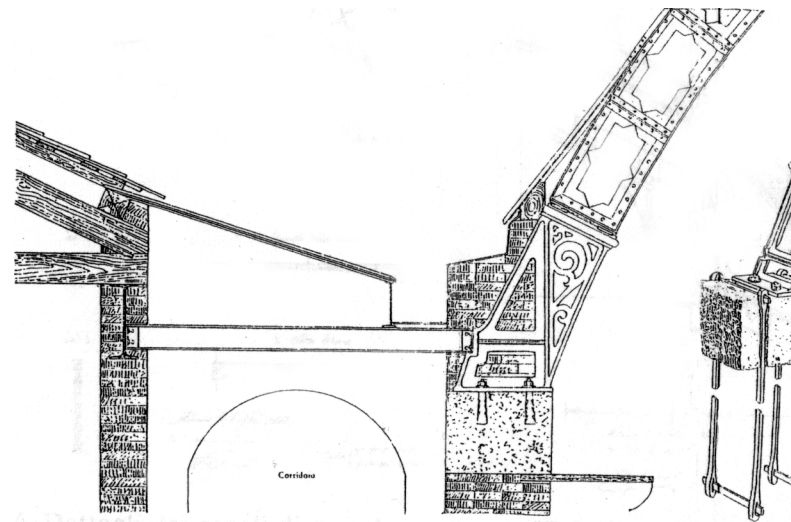
One and half century later, in 2005, Milan built the largest fairground worldwide – the “Nuova Fiera Milano” NFM - applying again a project management scheme totally new for Italy, based on a modified “general contractor” model.

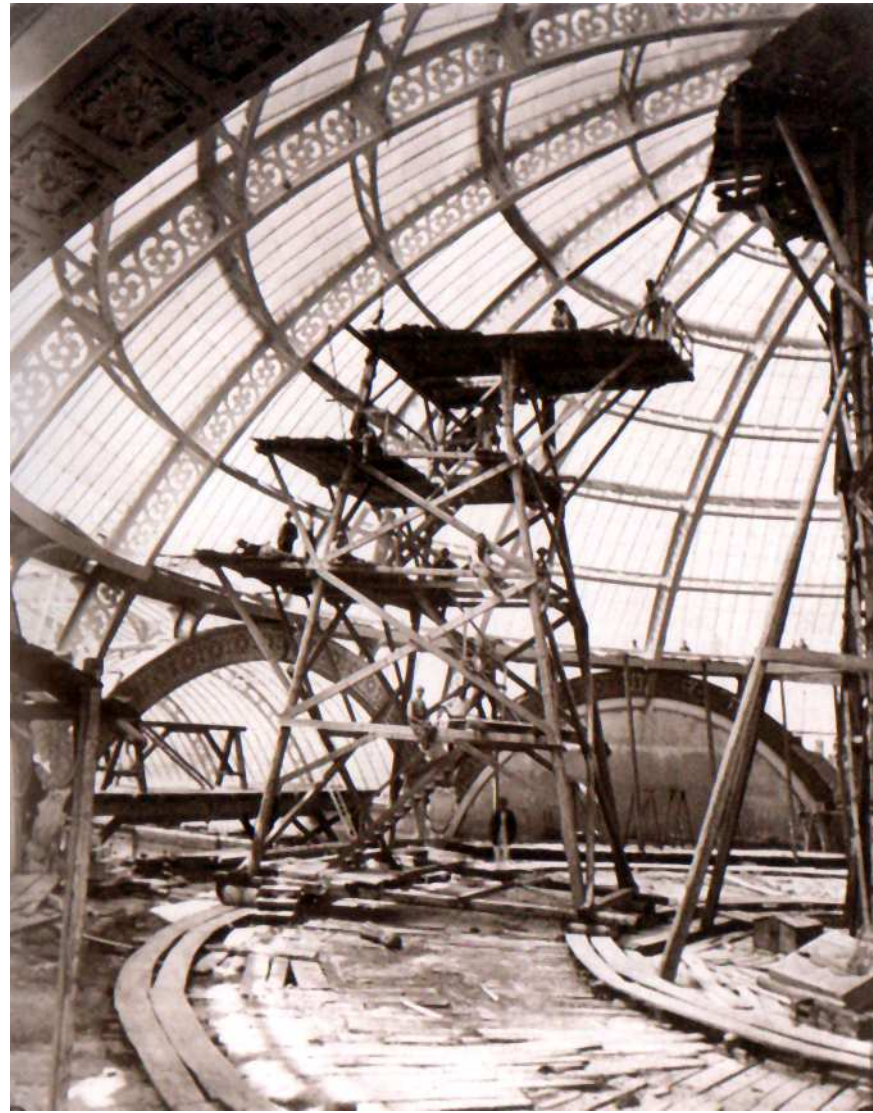
Despite the large time gap, some surprising analogies emerge from these big projects: this paper provides a comparison of both cases, with special attention to the role played by the client, the constraints encountered, the strengths and weaknesses involved.

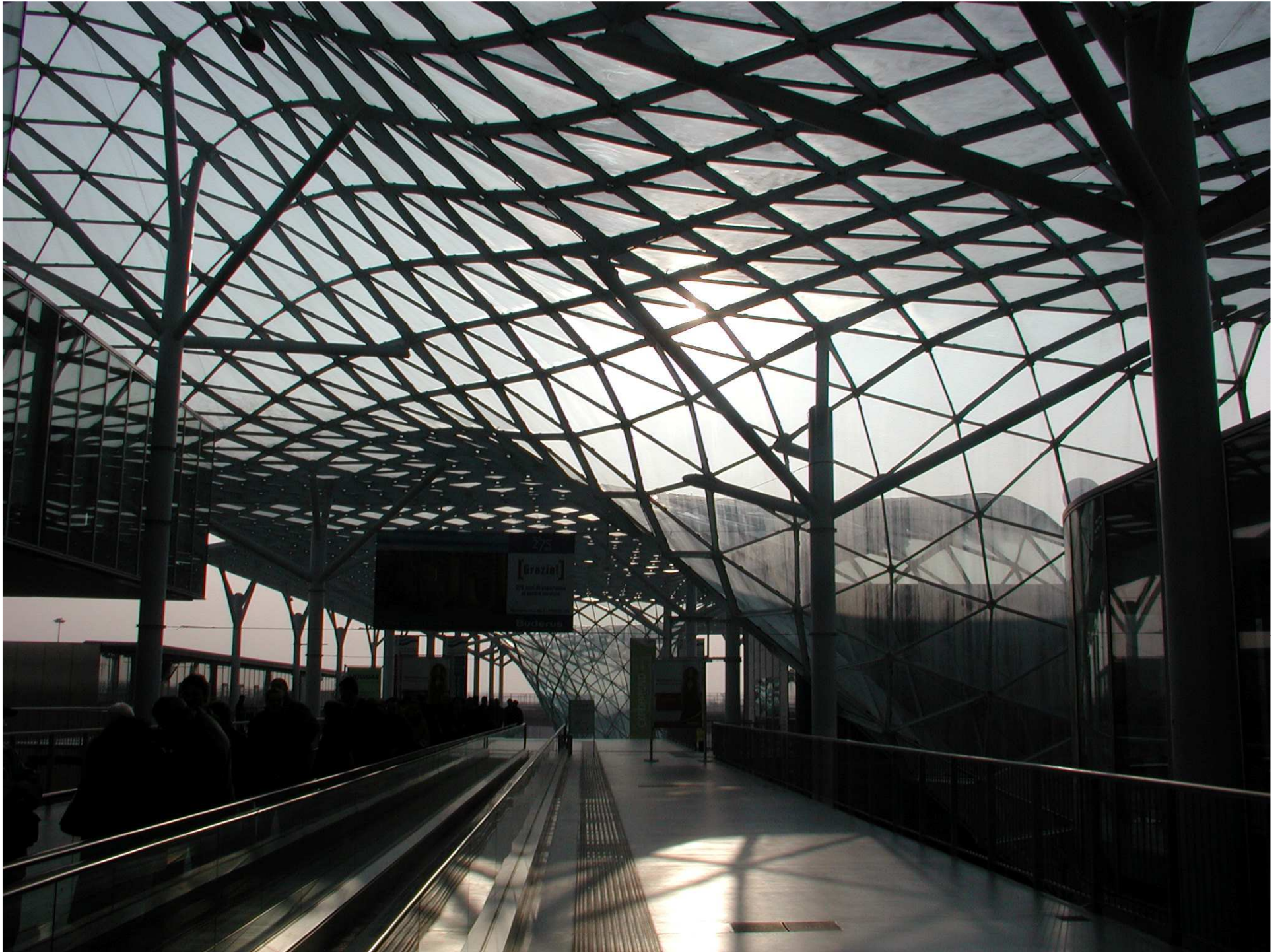
In addition, the lesson learned from these experiences is summarized gathering some best and bad practices emerging from the comparison of other available evidence.















[5] Suggestions

- ✓ **Whenever a public client requires “prefinancing” from a prospective contractor, it must apply a ppp scheme (extend to the phase immediately following construction: i.e. operation of the built facility).**
- ✓ **This is especially advisable if Italy wants to favor the growth of few general contractors large (and strong) enough to compete with counterparts from other European countries.**
- ✓ **Contracting authorities, to improve their management skills, should resort to the services of professional project/construction managers (pcm) to help them govern the whole process and make sure that the works are delivered in time, at cost and with quality adequate to the stated performance requirements**