



Department of Business and Management

Course: Strategic Management of Innovation

Bidding for Megaprojects: A Case Study of the Rome Olympic Games 2024

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ABSTRACT

This thesis investigates the nature of Megaprojects and the different phases to undertake in order to deliver a strong performance. The in-depth analysis allowed to discover in detail all the elements constructing a bidding process that otherwise would be hidden from the general knowledge. Thanks to case studies, research, papers and the witness of one of the most renowned project manager it has been possible to cover all the aspect bounded with the outcomes of these megaprojects.

Subsequently, the case analysis of the candidature of Rome for the Games of 2024 provided a real example of how tough is for cities managing such assignments. It will be exposed the bidding process and the manifest proposed by the city of Rome to support its candidature for the Games and the impacts these could have on the city and communities. Furthermore, it will be highlighted the positive and negative results deriving from them as well as pros and cons attributed to host cities that oversee to deliver such projects. In the final section, will be explained the reasons that led the city of Rome to retract from the Olympics 2024 with a glance on a more general vision, analyzing why cities decide to not hosting the Games withdrawing their candidature. Then, it will be presented a section dedicated to the cities transfer of knowledge from events to events, and it will be shown how performances improved from past Olympics, thanks to the knowledge sharing. In addition potential enhancements will be listed for future bidders in order to avoid further errors and waste of money to host the Games. To support these proposals statistics shows how much cities saved, in terms of money, and improved their performance with huge differences, in numbers, since 1999 when the Olympic Games Knowledge Management framework was introduced. The contribute this thesis gives to the general literature is highlighted in description of all the aspects related to megaprojects and the recommendation in order to improve the positive outcomes of the Games and megaprojects in general, reporting real examples with the issues faced by the cities and project managers. From the bidding to the delivery phase, there are a series of elements to consider that cannot be taken for granted. The bid process takes, most of the time, several years

before being approved. At first, project managers try to use a variation of existing bidding routines, verifying that they can be adopted for the new bid, setting them as an objective to reach. Then, a cost analysis is implemented, due to the fact that managers have to plan how much they need to spend for a determined project. Finally, the process is implemented, often with very limited success, especially when the bidding is for huge projects. Here comes the challenges project-managers face, such as, realizing the end result of the project, achieving financial objectives, communicate any issues encountered in the course of the project, adopt right decision in order to reach project's points and abandon if purposes cannot be reached. The obstacles to overcome make these projects prodigious but hard to manage. The most common is the cost overrun. Dealing with megaprojects, especially Olympics, often incur in cost overrun, leading project managers to find a solution to overcome this barrier that most of the times transform the project in a liability for both cities and citizens. For these reasons, in order to try to deliver the most magnificent performance over time there is the need to impose strict rules that will allow to reach this objective.

Specifically, my work suggest that organizing committees should control and manage, thanks to particular organizations, the flows of money addressed to the construction of infrastructures, needed for the events, and general expenditures bounded to this type of projects. In addition, they should ensure that there are not any more "ghosts amenities", because they would represent just a waste of money, paid by citizens or sponsored by the ones who kindly donates it to the host city. Summarizing, supervising the liquidity's flows shall be implemented to overcome the aforementioned challenges and obstacles that constitute the main issue when considering the Olympics.

CHAPTER I: MEGAPROJECTS AND THE ELEMENTS THAT SETTLE THEM

In this first section of the paper we will give some notions about the figure of the project manager; the responsibilities and degree of involvement in the development of a project. Then, will be enlightened what megaprojects are, providing information and tools that measures the impact they have on citizen's lives and cities urban development and the risks associated to them. Subsequently, will be reported an example of a renowned project manager, Mark Thurston, who managed several megaprojects and faced a lot of challenges in order to accomplish his objectives, then will be taken into account the elements characterizing megaprojects, concluding with an introduction of the bid process.

1.1 The Role of the Project Manager

Projects are not a *tout-court* realization of complex artefacts (bridges, buildings); they are the accomplishment of one or more objectives, which are expected to generate precise benefits. The project is not a deadline to respect neither a series of activities or tasks to be performed. It becomes the satisfaction of the internal and external customers, which are the ones benefitting from a good service.

The vision of an enlarged project concept involves a parallel extension of fields and areas of application, such as a program of research, development of systems and technologies, reorganization of the internal processes. These are some examples of modern projects we can find in industry, banks, public administration, universities, etc. In this context, the Project Manager is responsible for the operational management of the project, without limiting his work to the pure and simple "technical supervision". In order to ensure the overall success of the project that has been entrusted to benefits and objectives, it is essential for the Project Manager to adopt an approach that is complete and comprehensive. Thus, the importance of the Project Manager is increasing due to talents and management skills, which enabling an understandable

and effective oversight of the project. The Project Manager is responsible for the quality and financial management of the project; he manages risks associated with the project resources (tangible and intangible), human resources and different entities besides the business. Apart from technical and managerial skills, the Project Manager must take on stakeholders; deal with the Top Management, negotiate with suppliers and potential clients. All these elements lead to developing the professional figure of the Project Manager. He is the formal manager of the project as a whole and must ensure that the end results are achieved in line with the costs, time and quality. His role differs markedly from traditional business roles involved within the work process through the use of formal authority. His role is based on the authority derived from its powers and requires a management style oriented to social relationships, or the construction and maintenance of it, both with team project and other organizational actors (Baglieri et al. 1999). The main objectives that this actor must implement are:

- Realizing the end result of the project
- Achieving financial objectives
- Communicate any issues encountered in the course of the project
- Adopt right decision in order to reach project's points
- Abandon if purposes cannot be reached

To be appointed Project Manager is required a formal legitimacy of the role through a precise assignment. At this stage, the Project Manager will have to demonstrate the ability to communicate and negotiate their assignment with the developer of the project. From now on there will be no interference on the Project Manager's decisions concerning the development of the project. He will be assessed on the basis of the result achieved or on intermediate evaluation indexes. One of the mechanisms for evaluation of the project by the contractor will cover the financial aspect, which must not deviate from the ex-ante forecast. In the case in which the project fails, the contractor will determine if the elements that did not overcome depends on the project manager. Furthermore, the Project Manager has to meet a number of special

skills especially on personnel management, asset planning, control system and the use of information systems. He receives total delegation by the Top Management, being responsible for managing all project interfaces (customers, managers, suppliers, partners, team etc.). Hence, there are several prerequisites required for the Project Manager regarding his supervision and interpersonal techniques. As the table below shows, there are three fundamental characteristics to be taken into account in order to develop this solid figure such as managerial, relational and personal.

| Characteristics | |
|-------------------|--|
| Management | Knowledge of planning and control methodologies Continued commitment to operate in a global quality and customer satisfaction |
| Relational | Good negotiator and mediator, leadership skills Ability to develop individual and team potential Very good relations with superior environment and with the customer |
| Personal | Flexible, communication and organization skills, problem solver |

Table 1.1 Characteristics of the Project Manager. **Source:** Principi di Project Management (Elisabetta Simeoni, Giovanni Serpelloni, Chapter one, pag.10).

For what it concern technical characteristics, there are diverging opinions. According to most experts, is not required for the project manager to have expertise related to the subject of the project. He must be a great manager and find the best professionals figures able to achieve the projects objectives in an integrated and coordinated manner. Before going in deep on how projects are managed we will introduce in the next paragraph what are Mega Projects, that will be the focus of our analysis in this paper. We will then see how the role of the project manager is applied to projects of such size.

1.2 What are Mega Projects

“Mega comes from the Greek word “mega” and means large, vast, high and imposing. They represent complex, large-scale endeavors that cost a billion dollars or more, take many years to develop and build, involve private and public stakeholders, and impact

millions of people” (Bent Flyvbjerg, 2014). Hirschman (1995: vii, xi) called such projects “privileged particles of the development process and pointed out that often they are designed to ambitiously change the structure of society, as opposed to minor and more conventional projects that used to fit into pre-existing structures and do not attempt to modify these”. Hence, Mega Projects are not a larger vision of minor projects. They cover a completely different strain of projects in terms of complexity, lead-time aspiration, and stakeholder involvement. Subsequently, they are also very different and difficult to manage. Megaprojects are increasingly used as the favorite transfer model for goods and services across a range of business sectors like infrastructure, IT, big science and major events. Samples of megaprojects are airports, high-speed rail lines, dams and the Olympics. Even if these projects are made in order to improve community’s quality life, such as constructing bridges that allow connections from one place to another, rather than organizing a mega event that will provide many jobs, they have several weak points that are tough to overcome and could lead to the failure of these Mega Projects. These are:

- Risk due to long planning horizons and complex boundaries.
- Scarce planners and managers experience that leads to leaving leadership fragile.
- Decision-making and planning are typically multi-actor processes involving multiple stakeholders with conflicting interests.
- Non-standard technology and design that makes the project unique and prevent learning from other projects.
- Early over commitment that makes impossible to look for alternative analysis
- Change of the project scope
- Cost overruns and delays

Nowadays project manager lives in stuck with the management of megaprojects; they do not know how to deliver them successfully, therefore, they tend to break and reorganize again, and sometimes refinancing, in attempt to hit problems and deliver

some version of the initially scheduled project. Thus, is not easy to drive megaprojects. Success is defined as the project being delivered on time, budget and benefits. But, as the evidence indicates, around one of ten Mega Projects is on budget, on schedule and on benefits. Managing Mega Projects such as a huge infrastructure enterprise or plant development requires better quality project management controls in order to avoid excessive costs and schedule overruns. Early organization and planning of construction Mega Projects set the stage for everything that takes place after the project authorization. Once materials, machinery and manpower enter the frame, much of the planning elasticity disappears. Hence, is hard to be on track with the pre-established plans. By being smart about project delivery, contracting strategies and by putting appropriate project management controls in place, many project risks can be eliminated or mitigated. Furthermore, is useful for project managers to share their knowledge among projects in order to have a full picture of the problem there are going to face, in particular, is useful having more resources and time saved to count on. In the next sections, we will go through Mega Project's challenges reported by examples and a direct deposition by one of the most famous UK project manager: Mark Thurston.

1.3 Mega Projects Challenges: Keynote speaker Mark Thurston

On May 19th 2016 LUISS Guido Carli University in Rome hosted the 4th International Workshop dedicated to the theme "Mega Projects: Theory meets Practice", organized by LUISS Business School (represented by Professor Andrea Prencipe and Mariangela Barbuzzi) in collaboration with the Project Management Institute (represented by Carla Messikomer) and PMI Rome Italy Chapter (to which were present President Sergio Gerosa and Past President Anna Maria Felici). It was the occasion for a meeting of studying and deepening between the world of research, universities and large companies committed to big global projects. During the event, several arguments were faced; in particular, aspects directly bundled to projects of big dimensions. The keynote speaker, Mark Thurston, detected some factors more specifically related to

Mega Projects: scale factors, complexity, regulation, politics and interface. All of that based on long personal experience, putting evidence on four projects of huge dimensions such as London Olympic Games 2012, realization of a 25km tunnel right below the Thames (Tideway project) and the realization of a highway from London to Leeds and Manchester (High Speed 2 project). Furthermore, Mark Thurston exhibited the interesting parallel between the concept of “*homeostasis*” for a living system and the modeling of the variable setting management such as to maintain the stability of a complex system, applied in the field of management of large projects. That argument has been an interesting debate with the great participation of those present. He then sets out the factors of greatest influence of large projects, divided into four perspectives of greater impact: people and leadership, governance and controls, organization and culture, outside world. The deepening issues brought to focus the debate on topics related to risk management, the importance of the definition and scope of communication and discipline necessary to conduct in an efficient way these companies.

1.3.1 Factors related to Mega Projects

According to the speaker, the transfer of knowledge is one of the key points to be taken into consideration when we talk about Mega Projects. Taking the example of Terminal 5 at Heathrow Airport in London, it was considered the first time from many years where prime organization, supply chain and government regulators came together and got it right. There has been a lot of research around Terminal 5 project and it has been seen as a platform for things that have gone and happened since. Also, the Olympics were built on all the good working aspects that were done out at Heathrow. These Mega Projects are significant undertakings that governments, agencies, countries have taken on and these five elements: scale factors, complexity, regulation, politics and interface are meant to be the foundation for success. They are the things that scan complexity, and because of that scale and complexity, there is invariably huge political dimension and the UK Government has been at the heart of

funding many of the projects that will be listed below. Inevitably, the scan complexity leads to interfaces and these interfaces are not necessarily technical; they could be also organizational (the channel tunnel that is between nations). If we take a step back, we would define Mega Projects the ones that have those characteristics. Mark Thurston will then consider four projects divided into different stages:

- London Olympic games 2012 - Completed
- Crossrail - 70% Completed
- Tideway Tunnel - Just started the construction phase
- High speed two – Third Hybrid Bill readings

Starting from the first one, the Olympic games in London was a 9 billion pound scheme, highly time-critical. Looking at many Olympic cities around the world, they spent a huge amount of money mainly on infrastructure and transports that had no real sustainable base. The games interested a giant amount of not just national, but global media interest. The importance of managing this Mega Project was given by the partners in the preliminary parliament organization that involved Mark and his team from the outset right through to completion. The following one, Cross-rail, is about 70% done in contracts and this is right going on underneath central London providing a new East/West railway that will transform the travelling experience for people in the Southeast of England. This is a big deal that will allow further transportation for those who travels every day by buses or by tube system, which are busy all days, every day, all year round. The Tideway Tunnel has a very different scheme. The actual physical work, its heart is three big tunneling contracts. It's effectively providing a massive sewer under the Thames River. The tunnel will follow the alignment of the Thames River going under the House of Parliament. The outset is now moving away from the development phase. Finally, turning to the last project, and this very much is a mega project built in the UK for decades. The Hybrid Bill has gone through the house of parliament to get approval to build this railway. It is the largest Hybrid Bill initiative for UK legislation. It is only just getting into its delivery phase and yet this project has

already existed four years. So it's taken four years of development. Having pointed that out, what is the takeaway from these major projects? The answer, according to the relator is to take a holistic approach.

1.3.2 The Holistic approach

Project Managers have to see things as one complete whole. Many of those Mega Projects that have been broken down into too many smaller pieces or in fact have been treated as multiple, individual or not related projects finding themselves in trouble. For that reason, the author wanted to underline the importance of the holistic integrated approach, whether it is program management or some kind of portfolio management, if there is an organization involved in these Mega Projects, it has to be taken into consideration that complexity has being an attribute to Mega Projects. That complexity inevitably drives a high degree of ambiguity in these projects at different times. The organizations that get involved in designing, building and delivering these major projects want to get themselves in a place where they are comfortable with the extent of that complexity. The fact that at various points in the life of the program there will be errors of ambiguity is perfectly normal. Generally, organizations try to get clarity on too many issues too soon leading to focus on the wrong things. Then, these ideas considered have opposing priorities and become monsters. They touch the lives of thousands of people, they affect communities, take human too; effectively and divide it in four pockets. The first one, people and leadership, are absolutely pivotal. Going on some controls, the machinery by which these mega projects are being done and controlled is absolutely material. Arriving at the right organization culture is imperative. The last point is the main issue with the outside world. When people work on mega projects, they are all consumed. They absolutely consume almost every minute of people's day, seven days a week. For many persons, it had been a career-defining opportunity to work on some of these things, but actually there is a much bigger world out there. Hence, starting with people in the industry, the speaker focused on how people manage interactions with the suppliers and other entities in

the field, putting them right at the hearth of the project's success. Continuity and succession in the project management experience are key factors. Some people spend five, even ten years of their career on some of these mega projects, and they take a long time to complete. On top of that, there are some human components around succession, continuity, and resilience of the organization. Experience and personality, for example, If we want to take a look at some of the senior leaders, executives that have been involved in some of these mega projects and see where they come from or what they have done we can consider, for instance, Terry Morgan, Chairman and Chief Executive of Crossrail. Their personality, charisma, drive, they focus absolutely in the organization. Andy Mitchell who is now the Chief Executive of the Subway Tunnel spent five years on Cross-rail taken that learning; he had taken that experience. He is now applying the things he liked, changing things as expected to. But experience and personality of these leaders in each big programs either on client side or on supplier side is absolutely half success. Mark put emphasis on the fact that relationships between the team are essential in order to develop and implement the project in which people are working on. The high degree of personal trust, courage, honesty, often very intimate conversations, makes possible to be sure that things are done in the right way. People could not be only political, guarded, play too many games and freeze every single day in terms of getting this job completed. That is just all bucket, thirst bucket around people and leadership. Guidance and control, as mentioned above, are considered the machinery of mega projects, getting these is absolutely the key. To see how relentless these are, it is sufficient to think about market reports, project management and monthly reports that have to be done. It is important do it every month for five years and that requires significant personal discipline and that relentless discipline written across mega project is absolutely the crucial. Authority delegation is another significant element. Looking at what is happening today in High-Speed two, they had no authority from the UK government, so every significant decision they want to take, they got to go back to majesty's treasury. It is hugely time consuming, hugely frustrating but there is a very firm government process with the UK government by which they release dedicational authority to

agency by which time to consume. Risk is really at the hearth of making a strategy before managing mega projects. What is government's requirement to quench its appetite and managing risk? Going back to complexity interfaces and scale, these things are just a wash with commercial time, reputational. Getting that appetite control risk right is fundamental. Scope and baseline are absolutely essential when thinking about managing change; for instance, maintaining High-Speed two projects controlled was tough. Still not got a hybrid bill and authority, the Project manager is already on baseline version six. It is how baseline is revised that baseline six times to get where it is today, showing the relentless discipline required to manage change, but it is just breaking the mega project down into manageable chunks at the time. The project was called two-four-one. Two years to effectively get a sign ready, four years to build, and a year to get ready for banks. People who worked on it understood what were they doing and how effective was the next big faith, to come to work everyday on one of these big projects and then still got nine years, four months and 20 days to go, takes a lot of discipline. At least if is possible to break the things down with chunks of people; it helps the supply chain, government, and team to understand where they sit at the time. But, this is different for people and leadership. This is very much about the questions and answers of the organization. Five rings, the Olympic movement, people understood why they went to work every day. When managers were working on it, it was possible to see the stadiums come out of the ground and feel the thing being built around them, that sense of identity and random culture is very clear and important. Then, incentives and alignment, that's through government and government's department; the part of the organizations that guarantees the supply chain. These mega projects employ thousands of people. The better job for the Project Manager is helping individuals understand where he or she fit in the organization, when their personal contribution, what it does is over end day. Another point would be, health and safety. Taking into consideration the London Olympic games in 2012, project managers had no fatalities, was the first time the Olympic movement that no one had died during construction phase. In essence, 20 people died in Beijing. Looking into organizational culture, health and safety, well-being, all the points right at the

heart of the organization are material in terms of making sure that people go home when they finish until they come to work again.

An additional aspect that is fundamental is the delivery model. To make sure that 95% of the organization knows exactly why they are there, what they are bringing, they have to know exactly what there are working on, is possible to see just a 5% of the people to be still scratching their head, working out how there are going to get their task done.

Finally, the outside world; these Mega Projects touched the lives of many people. In the Olympics, there were 500 boroughs, both Crossrail and the Tideway Tunnel which expand east-west across London, touched many of the local boroughs, councils, communities, businesses and ignoring them and not investing time in managing that relationship is at the heart of success. Creating advocacy is really important. A great example of this is the London Games. It was supposed to be seen as a UK's project, but it was of course seen, as it was a London's project.

But, one of the smartest things Mark Thurston and his team did was to take the torch around the country and had this big torch relay, went all around the UK. They have seen other cities do it, touching communities all around the UK, and make the whole country feel that it was part of what was going on in London. Advocacy and support created across the UK were very material. Understanding the competition and the access to talent and people is an important external factor. But, there were also many divergent opinions. The Government could have done a lot with £30 billion. There were a lot of hospitals they could have built, schools and things about security and police force, so, Mark and his team had to make some tough decisions and the media were all over this. These mega projects know some of that media intrusion, that media commentary. It could be very damaging and equally get the media on your side; for that reason, creating advocacy can be very significant.

Funds, governments and unions are other key players. Maybe those key individual areas have been all researched, but only if we stood back and thought about it, the question now, about learning, is this reflection that all of those factors are in play collectively interacting with each other almost all the time in these mega projects. It is

this idea that they are almost like a living system; they get on our next going system steering. That Mega Project is a very live dynamic system and breathing and does different things just like as people does every single day and that what is the heart of people's learning.

At this point, the speaker underlines the core of his speech that is based on how merges theory and practice together. For that reason, he explained that there is a framework for mega projects that actually managers and people could learn from, creating a reference point from which we people think there is something to be thought about and researched in probably, even more, detail. That is what he calls the idea of homeostasis. It is about how systems, particularly living systems maintain some sense of balance and equilibrium when all the variables are in play all the time. This idea of creating homeostasis more for mega projects is when we have taken these steps back with a heart of our learning. He referred to the idea, "All these mega projects are monsters. They have multiple tentacles, they touch thousands of lives and actually to put all those internal and external things together at the same time."

People have a very significant challenge on their hands. Keeping all of those, which now may have been translated to keep most plates spinning at the same time, is really a high aerial experience of the success for this Mega Projects. That is what makes people the master of somewhat. But, what struck people is being aware of these answers, understand they are all in play and at any point in time they can dial up and down attention and leadership energy to all these different factors. There is no right and wrong. As we have seen, elements are consistently being applied between the four projects, because of the portability of learning across megaprojects. We have seen significant deviations from what has been done on the Olympics and in some levels of different projects. Even if there are different entities, those things are still at play in the homeostasis role of mega projects and project managers try to keep all of them in balance. Being flexible and seen the corporation as a whole with the supply chain, client organization, stakeholders and development team leads toward the heart of the delivery of success.

In summary, these mega projects have internal and external parameters that are applied, they are part of restrictions and are really hard to set. It is about these critical issues and knowing when to focus on what, is an art form. Continuing on the importance of sharing knowledge and the transfer of learning, in the next paragraph, we will see how these are shared among projects and what types of resources are used in order to implement the performance result.

1.4 How knowledge is shared among projects: Resources and the role of artefacts

Transferring learning successfully across projects has been for a long an aspiration among project managers. The difficulties in reaching this objective are created by the very nature of projects themselves: their separation from stable organizations and their uniqueness. Despite significant efforts by firms to develop reliable systems to transfer learning, it is rare to find an organization that does not desire to be able to transfer knowledge in order to gain benefits. In the context of Megaprojects, it becomes even more challenging; this is due the size and complexity of Megaprojects that make it very difficult to define actors and factors that influence the performance of a project. The condition is furthermore complicated by much of the learning that is transferred between Megaprojects, being circumstantial in nature. Some academic studies formulated rigorously the foundations of Megaproject's performance but this far and few among and tend to rely on very ancient sources. Before delving into how knowledge is shared among projects, we have to consider several factors that drive project managers to make decisions. First of all, we have to understand how firms storage their knowledge.

Based on the resource-based view of the firm (Penrose 1980) competencies are key elements in the survival and growth of companies. From an organizational point of view, skills are the result of a learning process that leads to building new routines. These are the main elements that represent organizational memory with regards to firm's operations. In this way, firms remember by doing. The presence of higher order routines, capable of modifying operating routines, are seen as the perilous means by

which firms are able to adapt their competencies to survive in a varying and turbulent environment. At the core both of the normal operations of firms and their ability to produce or adapt changes, there are therefore stable organizational processes. However, firms that operate mainly with projects, has argued that the temporary and often inter-organizational nature of projects makes it difficult to develop routines, preventing one of the principal means through which organizations remember what they have learnt. If we consider two different firms, one an advertising firm and the other one IT firm, we know that they have different ways of storing knowledge. The advertising company needs individual expertise as a key source of competitive advantage, they have to be creative and use current knowledge in new creative ways, while in the IT firm the importance is to accumulate technical and organizational competencies. Hence, sticking to previous and established competencies and routines is much stronger in the IT Company than in the advertising one. In those contexts in which companies are important deposits of information, the initial reaction to the perceived difficulty of encrypting learning has been to rely either on technology or on individuals. The difference between these two forms is that the first one is tacit, and it relies on the behave of the individual, the second one can be easily stored, thanks to the evidence that it gives, this is embodied in objects such as database or software modules, that can be reused and suitable for all. This opposite point of view between extremely codified and extremely tacit leads to an intense debate that states the extent to which IT can be used to store knowledge and complement human memory (Bannon and Kuutti, 1996, Paoli and Prencipe, 2003; Schultze and Leidner, 2002; Swan and Scarbrough, 2001). Other research states that established organizational processes have a significant role even in complex project-based environments. For that reason, when looking at project-based organizing, it is important to distinguish between projects and business processes. The former aims at delivery, design and production of specific product; the latter coordinates the access of each project to firm-specific resources, such as expertise. Studies confirmed that even if there are discontinuities of projects operations, firms are able to develop routines that constitute economies of repetition across similar projects. In this way, the bidding and

project execution costs diminish for later projects in specific lines of business stages, such as outsourcing, build-operate-transfer. Firms usually take solution in one industry and readapt that solution for other problems in similar industries. The important is not the question “what” or “how many” memories works in projects, the importance is given by how they interact and enable the transfer of adaptation of learning from project to project.

For that reasons, a firm should focus more on “remember by doing” instead of focusing on “learning by doing”. The learning curve implies an alteration of the knowledge; it takes place in a firm’s memory that uses learning as a symbol to modify knowledge, taking for appropriate the process through which this is delivered to and recovered from the organization’s memory (Cacciatori, 2012). The process that defines these elements can be better understood explaining the role played by artefacts. Several authors (D’adderio, Howard-Grenville, Pentland and Rueter, Rerup and Feldman, Salvato, Turner and Fern 2012) identified two dimensions of artefacts. The first dimension can be divided in Speaking and Silent artefacts; the second dimension in generic to occupation and specific to occupation. Putting them in a table we obtain:

| | | CONFLICT POTENTIAL | |
|---------------------------|----------|---|---|
| | | GENERIC TO OCCUPATIONS | SPECIFIC TO OCCUPATIONS |
| PROBLEM-SOLVING POTENTIAL | SILENT | Furniture, office layouts, open/closed office doors | Tools (e.g., from stethoscope to CT scanner) Physical prototypes |
| | SPEAKING | Organizational procedures Reports | Professional procedures Drawings Virtual prototypes |

Figure 1.1 A typology of artefacts **Source:** Resolving Conflicts in Problem-Solving: Systems of Artefacts in the Development of New Routines. (Cacciatori, 2012).

Speaking artefacts includes visual or textual representation of knowledge, such as manuals, reports and mathematical formulas. They incorporate product

representation given by drawings, sketches and visual prototypes and process representation, formed by procedures and checklist. Speaking artefacts are fundamental because facilitate the examination of the role of artefacts in the resolution of problems and reasoning aspect of routines. Their evidence allows users to easily adapt this type of knowledge to new developing routines. They are easy to manipulate, thus, evolve in parallel with the problem-solving activity. On the contrary, if artefacts are not flexible, so not easy to adapt, is difficult to develop new routines. In this case, the organization's members have to decide whether to change their personal behavior or changing the artefacts. The rigidity of speaking artefacts enables users to understand the drive and function of a system leading to search solution to a problem they encounter, favoring so alternatives from this rigidity.

Silent artifacts do not contain textual or visual representation of knowledge but they embody and make knowledge available for use thanks to their notability in instruments and equipment, but in a way that is less easily to work with than is possible with speaking artefacts. The main task of silent artefacts is to permit people to collaborate in order to develop a new product or a new project. This is due to their "action affordances", or the action suggested by their shape. For example, handle shapes suggest a lifting movement or a downward pressure if it is a door handle. Hence, we associate silent artefacts as deductive objects; thanks to that, people can easily figure out their scope. Studies show that introducing silent artefacts with direct affordances to desired actions strengthen the stability of routines, rather than reasoning about artefacts, we associate with them experience-based action possibilities.

Finally, artefacts specific to occupation represent the tools of the trade of an occupation or group of closely related occupations. Examples of specific silent artefacts included the scalpel used by surgeons or brush used by artists. Examples of speaking artefacts specific to occupation are technical drawings used by architects or engineers. Artefacts can be developed for a specific occupation or can be readapted to similar occupations. The members of an organization independently of their specific occupation use artefacts generic to occupation. For example, office furniture is an

effective standard of generic silent artefacts. Among speaking artefacts, organizational procedures analyzed above are typically generic to occupations – although the definition of the procedures, carrying out a task may be occupation specific. Artefacts embody and exhibit a particular set of principles, suggesting action that has to be taken and is coherent with the values of the organization. For instance, an open space office policy encourages work colleagues to drop in on one other. Thus, artefacts with a strong symbolic dimension have a normative significance and can be seen as a part of the ostensive aspect of organizational routine. That said, we collect all the elements that allow us to understand the bidding process.

1.5 What is a Bid

The Bid is the dealer's reply to a client's request for a project; the answer to the questions presented by the client. It is referred also to a proposal; it is a binding document, firstly evaluated by the user to establish if the work should be endowed and if it is, it becomes a binder on the part of the supplier as to what will be done. There are many types of bids, as there are many different projects. The bidding process is a key sales activity for most services and products oriented organizations. The principles of bid writing apply equally across the scale from very small to very large project. Focusing on the commercial bid results one of the several possible suppliers being awarded a contract to execute a project or a program of work. However, many of the principles to be discussed remain valid outside of business context, such as when diving for an internal project or undertaking a non-commercial basis. The bid process controls the way the bid group prepares, matures and sends the tender to the customer. If well prepared, the bid proposal represents a perfect blueprint for success. Most successful proposals are not casual results. They are created following structured bid process aimed to guide the bid team in the right direction. The key of having an established bid process is essential to ensure that steps are followed and things are done in the right way at the right time.

1.6 The bidding process

Although each application is unique, the bid must ensure quality and reliability. It asks the same pertinent questions, although the answer is different in each case. The bid process is a guiding framework but it is not a prescriptive join-the-dots formula. The figures below show each step to be undertake when organizations start a bidding process:

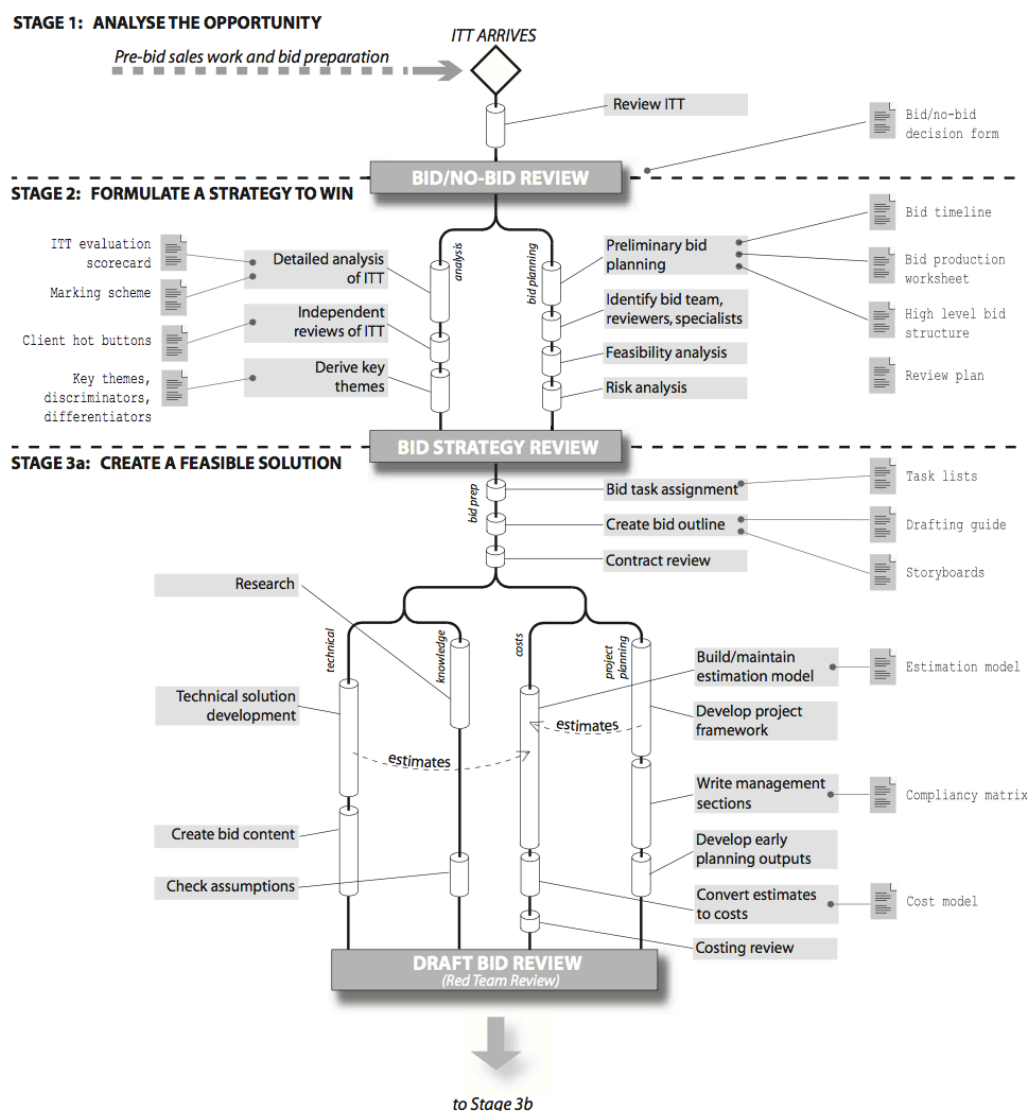


Figure 1.2 A bid Process. **Source:** Bid Writing for Project Managers (David Cleden 2011. Page 36)

ITT = Invitation to tender

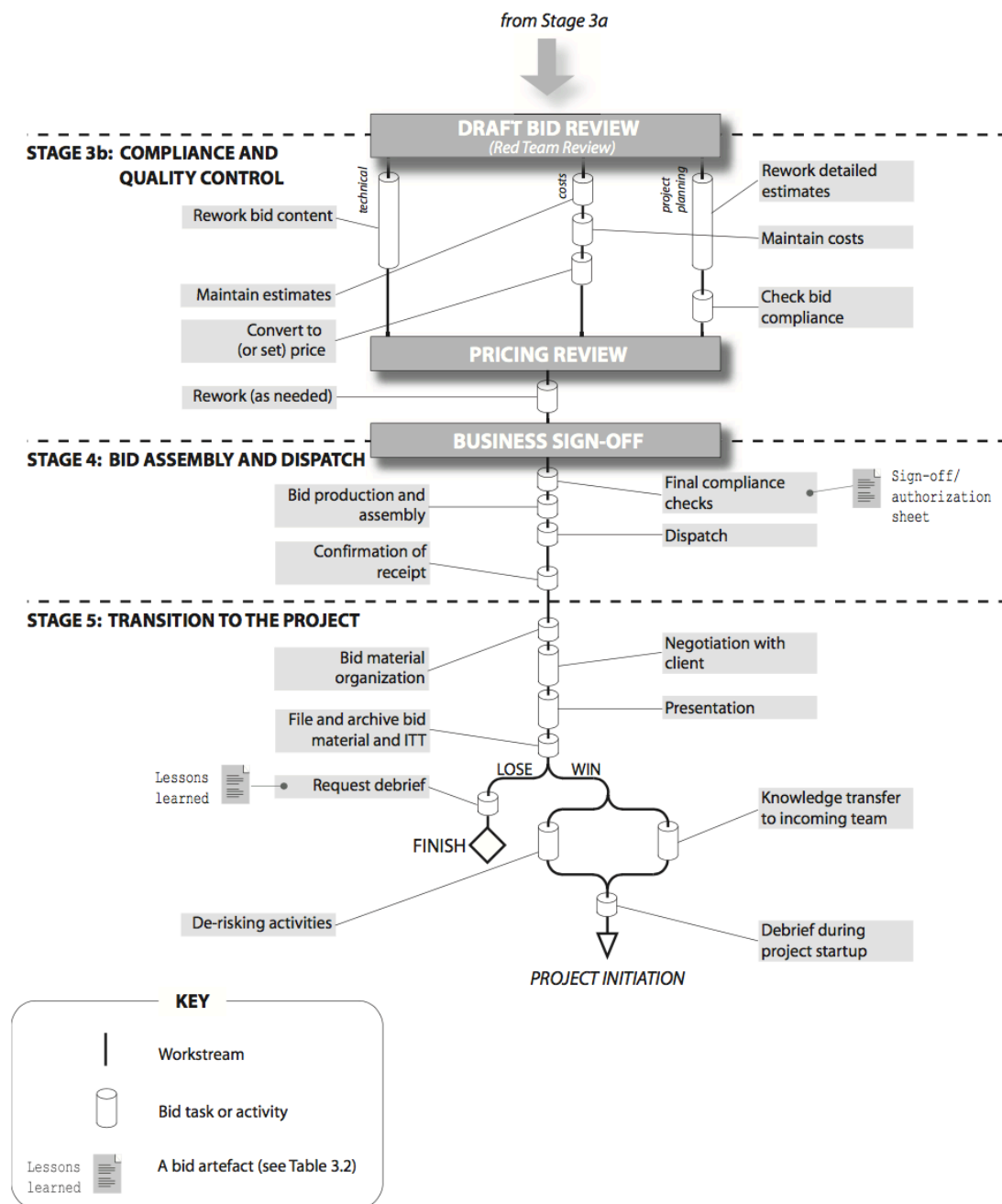


Figure 1.3 A bid process (Stages 3b to 5). **Source:** Bid Writing for Project Managers (David Cleden, 2011)

Referring to the figures above and applying the tools mentioned in the previous paragraphs, the bidding process can be summarized in three big periods.

The first one, see the company using a variation of its existing bidding routines, verifying if they can be adopted for the new bid, and sets then, an objective to reach.

This period makes it possible to identify the resources that firms make available to agents. In addition, this phase considers the so-called “stretching” of the artefacts already used in previous routines in order to make them support novel outline of interaction.

During the second period, agents use the resources at their disposal in order to introduce a new bidding process. In this period it is, therefore, possible to examine how organizations take place. In this stage, a cost analysis is implemented, this due to the fact that managers have to plan how much they need to spend for a certain project and how much they need in order to get the resources required for the development of the assignment.

In the third period, the company attempted to implement the new process, with very limited success – making it possible to compare and contrast areas of success or failure. If the bidding request is declined, managers can store that failure into their organization’s memory as a lesson learnt. On the contrary, if the bid proposal wins, a transfer of knowledge takes place to the incoming team, and they can reuse this winning strategy for next performances. Finally, once the project is approved, there is an initiation of it.

Conclusion

In the next chapter, we will go through the core of our analysis taking into consideration the general bidding process that cities have to follow in order to be elected to participate to the Olympics, the benefits of hosting these events and the case study referred to the candidature of Rome for the Olympic games of 2024.

CHAPTER II: WHY CITIES BID TO HOST MEGAEVENTS: THE CANDIDATURE OF ROME FOR THE OLYMPIC GAMES 2024

In this segment we will delve into the core analysis of this paper, we will go through the phases that are required in order to submit the candidature for the Olympic Games. Before that, we will see the reasons that lead cities to host Mega-events, in particular Mega-sporting events like the Olympics. Hence, the challenges those cities have to face and all the positive outcomes that they could gain from this type of occasions. We will then see the case of the candidature of Rome for the Olympic Games of 2024 with the vision and the objectives proposed by the CONI (Comitato Olimpico Nazionale Italiano) in order to make the bid valid for the IOC (International Olympic Committee). Furthermore, we will highlight the bidding process bounded to the candidature and the proposal arranged to be presented to the IOC. Finally, we will analyze the legacy of the Mega-sports events giving a glance on how the bid proposal could represent an improvement for the policymaking of the city.

2.1 Megaprojects and Mega-events: Why cities decide to host these events

Mega-events are events with a worldwide audience. They are different in class and organization, but the purpose is on those that have a wandering character, resulting from distinctive sites, and are awarded through a bidding process. These incorporate the World Cups, World's Fair and the Olympic Games. Since 1951 mega sport events have outstripped other sorts of mega-events in terms of frequency and commercial investment, a growth related to increasing media attention and worldwide influence. There is a vigorous competition for hosting a mega-event, which is broadly seen as the chance to promote the city and the country at the global scale. Mega-events also took place in the south globe recently: the Olympics held in Brazil in 2016 and in Mexico City in 1968. This new predisposition increases inquiries in the specific context of fast growing cities in emerging countries, specifically the importance of distributing funds

to build sport amenities and world-class infrastructures where the essential needs of the urban population are not met, at least of sizeable proportion of residents (Pillar & Bass, 2009).

Two main features leads cities to host mega-events. First, they are windows for the promotion of national unity and the coherent articulation of national identity. An effective hosting offers international marketing, reputation and legitimacy to the host city and to the nation, which is especially desired by emerging economies eager to prove that they have become major players on the global stage (Black and van der Westhuizen, 2004). Secondly, hosting a mega-sport event rests on the promise of an economic windfall coupled with a substantial urban makeover (Essex & Chalkley, 1998). The idea is that the international exposure generated by mega-events attracts new resources of funding to host cities. The specific facilities (e.g. stadium) mandatory by mega-sporting events can become milestones in the urban background of a town. Afar these, hosting mega-events offers the incentive for the implementation of ambitious urban projects, such as renovation of public transport infrastructure (e.g., roads, airport, transportation system) and undertaking regeneration initiatives in many parts of the city. The Olympics held in Barcelona in 1992 is considered a fascinating example of how to blend a mega-event with metropolitan megaprojects: the rebirth of an abandoned port and industrial area to host sports facilities and lift hospitality capacity allowed a city to recombine with its waterfront and develop a tourist and entertaining area in the inner city. Thus, bidding for mega-event and arranging it usually stimulate a major urban transformation, which may have been in the plans but delayed for various causes.

2.1.2 Financial sustainability and balancing costs and benefits

In general, Mega-Projects are funded by both private and public investments, in a combination that is assumed to assure financial sustainability. Although it is now acknowledged that public-private partnerships in megaproject provision are a crucial

element of mega-events, they have not proven appropriate for ensuring economic sustainability in the long term.

In general, public funds are used to create at least a percentage of the large-scale projects required to host athletes and sports supporters, for instance, transport infrastructure whether upgraded or novel. The reason is that Mega-events are expected to produce future revenue through a multiple effect, i.e. the stimulation of local commercial activity resulting in significant medium to long-term local economic progress. It is essential to note however that megaprojects (e.g., massive stadiums, bigger hospitality capability, etc.) systematically encounter cost overruns (Flyvbjerg et al. 2003; Altshuler, Luberoff 2003) and are regularly not used any longer once the event is concluded. For example a renewed road system may be over-calibrated for habitual traffic drifts. Moreover, infrastructure needs maintenance that may turn out to be a liability on the urban budget.

More significantly, mega-events usually fail to deliver the massive economic bonuses projected by pre-event valuations. The expected costs and benefits analysis, often crafted by activists, generally attend to be off the scratch, as most autonomous research illustrate. While the direct influence of mega-events can be outstanding, involving vast spectators, the net impact on real economic variables, e.g., taxable sales, employment, personal income, has been systematically overestimated (Matheson, 2006). Certain economic segments, in particular tourism, take advantages but the multiples effects wished for to advance the entire economy have rarely concretized.

2.1.3 Governance issues

The evaluation whether to bid for a mega-event fosters essential issues for a city or nation, because although they are usually offered as serving the general public, they tend to serve to groups interest. It appears particularly significant to weigh the choices in emerging countries where limited resources might be better spent on providing fundamental goods and services.

When the decision is made, arranging a mega-event also raises governance issues. Does the city have the necessary competence to get the mega-event off the ground? Who will take control? How will coordination between different agencies be assured? It has been detected that there is a specific market, made up of companies and professionals working at the international scale, which offer their assistances and knowledge. This slot, expert in shaping international mega sport events, often has close connections to international committees and federations reliable for the bidding process and monitoring of the events (Surborg et al. 2008). Beyond these strategic players, firms focused in tourism and media have an attention in investing in mega-events as they can performance a leading role in guiding the choice of correlated projects to be built and also the manner in which they are funded and implemented. Current experience displays that private interests are likely to drive event administration, a condition that presents serious challenges for governments. Indeed, the distribution of specialist and decision-making power from public institutions to private actors can negatively disturb responsibility and transparency. Moreover, because the planning of large scale projects for mega-sport events are subject to strict deadlines, they usually involve “fast-track” decision-making and implementation processes, in order to ensure the accomplishment of projects in time. The procedure can violate on civil rights, existing regulation, environmental sustainability and democracy.

Media reportage and the total studies of mega-events show that some units are ignored from the event and from its economic implications in a life-threatening method: for instance, the Commonwealth Games in Delhi run to considerable dislocation of susceptible sections of the municipal population, especially those living in unofficial residence. Apart from producing great uprising and conflicts, it stopped these groups from getting admission to economic prospects proposed by the Games since they were repositioned far from the city center (Dupont, 2011). This sample showed that mega-events do not automatically work as a stimulus for public harmony and global development, contrary to common belief and widespread expectation.

2.1.4 Endorsements for enriching the positive effects of mega-events

Improve impact evaluation: Carry out a complete social and environmental analysis, including a detailed cost-benefit evaluation. These data should be collected before taking the decision to host the Olympic Games or any mega-event. Furthermore, autonomous experts knowledgeable about the local context should conduct the analysis and a rigorous assessment should be done once the event is over.

Leading public consultation throughout the process: In order to efficiently implement the list of to do things to host a mega-event, public consultation should be included into the process. In this way, the large-scale projects are not implemented against the interest and will of the local population.

Supervision: Is important to have a public sector involvement in order to have wide regulatory regimes and supervising instruments, as implementation mostly relies on a large amount of private actors.

Post-event administration: A plan explaining the long term preservation needs of a planned megaprojects, must be submitted by the organizers at an early stage, in order to guarantee agreement with the national legislation, including local and urban strategies, avoiding future tension on the municipal budget.

Economic sustainability: Most megaprojects require private investment, but the public sector should linger in the management in order to ensure accountability. Nevertheless, public sector commitment should not extend to offering sovereign guarantees to lenders. To reinforce private sector accountability, partners should be involved in designing performance-based projects (Flyvbjerg et al. 2003: 109-10).

2.2 The Bid process for the Olympic Games

The IOC'S advancing development of the Olympic Movement has shaped the current bid process. The IOC constantly tries to increase the available resources and refine the prerequisites for bid cities to maximize the bid experience and aspire for an event of superior level. Parallel the IOC'S fruition; hosts and innovative bidders have learned to shape the bid process to their long-term benefits, in particular through urban renovation initiatives. The early stage of bid and the bid process itself are considered crucial, and the guarantees made during these stages are mandatory if a city is selected to host the Games. In this way, applicant cities are strongly encouraged to apprehend the requests of hosting the Games before building public support for a bid and joining the first stage of the application process.

Setting the Stage: National Olympic Committee Selection

“Before a candidate city can compete against those in other countries, it must win the selection process by the National Olympic Committee (NOC) in its own country. The NOC can then name that city to the IOC as a candidate to host the Olympic Games” [27]. The IOC currently recognizes 204 official NOC's—many of which have unique methods for identifying a single city to represent the entire country in the bid for the Olympics. It must be noted that when individual cities enter the first phase of the bid process, they may have already endured a series of preliminary steps to prove their national merit and readiness.

Fig. 2.1 Many countries organize their own national selection process to identify a single city to enter Phase 1 of the IOC bid process. (Bidding for development, 2014).

The IOC supports why it splits the bid procedure into two periods as its approach of picking the most fitting city to host the Games and meet its obligation to guarantee a positive Olympic Legacy. Just as Olympic athletes contend in a series of qualifying trials, cities undertake a similarly complex ranking procedure based on their capacity to complete the Games. In each stage, the Applicant and the Candidate, the IOC tries to recognize the most suitable candidates to move onward. Although a tiered bid process can put an important amount of stress on competing cities, it can also act to

put an edge to the financial burden on bidders who are not ready to execute the Games Candidature Fee (Phase 1, \$150,000) and Candidature Fee (Phase 2, \$500,000) (International Olympic Committee, 2003). These fees represent just a small part of the cost of preparing an Olympic bid, which cost about \$30 million. Within each bid, budget estimation must be taken into consideration since the Organizing Committee for the Olympic Games (OCOG) budget excludes milestone items. Significant expenses, such as transportation services and infrastructure are overdue to cities independently from anything enclosed or contemplated by the IOC. These elements may be instrumental in the success of the Olympic Legacy. Successfully executing the steps of a bid requires that a city is sustained at a national level by both public and private resources distinctly from Olympics related funding. The IOC delivers to candidate cities instruction and practical learning opportunities through the Transfer of Knowledge (TOK) program. Since the Olympic Game Study Commission of 2003, the IOC has enlarged its efforts to improve Games managing process through increased assistance to repeat bidders. Hence, cities pondering a bid now have to choice to tie on the IOC's planning and learning means, many of which specifically focus on application requests. Consequently, submissions continue to rise in value from year to year in terms of their acquiescence with IOC instructions and deadlines.

With each Olympiad, the IOC restructure the bid process in order to incorporate valuable lesson learned. As the process does not promise a positive Olympic Legacy, the IOC's new assets and necessities are used as standards to a fruitful bid and building block for a positive legacy. Resources to bidders are shown in the following figure.

| Phase | Theme | Resource | IOC Description |
|--------------------|--------------------------------|--------------------------------|--|
| Pre-Bid (on-going) | Foundational Resources | Olympic Charter | Codification of the basic principles of Olympism and IOC rules to govern the organization and operation of the Olympic Movement. Sets forth the conditions for the celebration of the Games [32]. |
| | | Olympic Legacy Guide | Emphasis on developing a unique vision for legacy that incorporates post-Games effectiveness. |
| | | Technical Manuals and Guides | Currently 33 manuals on specific subjects, including transport and environment. Provides details on contracts, obligations, planning, and processes. |
| Phase 1 & 2 | Knowledge Management Resources | Transfer of Knowledge Services | 20 to 30 workshops or seminars held every year in the host city of the upcoming Games. Focus on themes (sustainability, telecom, security) and led by advisers with OCOG experience. |
| | | OGKM Extranet | Principal host platform of all of the knowledge (documents and videos) resources collected throughout transfer of knowledge programs. Accessible by all OCOGs and bid cities. |
| Host Prep & Games | OCOG Opportunities | Olympic Games Observer Program | OCOG members take short-term positions in the host city's OCOG during the Games to gain on-the-ground and "behind the scenes" experience that is applicable to bidding and preparation. |
| | | Olympic Games Knowledge Report | OCOG-created reports submitted at four set times during seven-year preparation cycle. The separate reports—totaling about 70—hold technical information from the perspective of host. |
| Post-Games | Olympic Games Debrief | Debrief Seminar | Seminar held at the end of Games in the city set to host the next Games. Allows for all parties involved—NOCs, OCOGs, athletes, IFs, partners, and media—to review the most recent Games and prepare for the next. |
| | | Olympic Games Impact (OGI) | Standard method of "monitoring, measuring, and reporting on the long-term impact of hosting" the Games. IOC plans to use results to assist future host cities. Study covers twelve years with four reports [33]. On-going updates to Technical Manual, Guides, and Charters from lessons learned. |
| | | Olympic Games Study Commission | Analyzes the scale and scope of the Games to make recommendations for managing the "size, complexity, and cost of staging the Games in the future...and assess how the Games can be more streamlined and efficient" [9]. |

Fig 2.2 The IOC has introduced a variety of tools and resources for bidders to use throughout each phase of the bid process. (Bidding for development, 2014).

Pre-bid resources include IOC keystone such as Olympic Legacy guide, technical manuals and Olympic Charter, which may be used throughout the bid. Further

resources; incorporate the flagship OOP (Olympic Observer Program), which allows bidding cities to have a glance inside the execution of the Games.

2.2.1 Application Process

The first phase provides an opportunity for cities to associate political sustenance, accumulate funds and involve with residents to start a plan toward long-term infrastructure enhancement. Cities have to enunciate their resulting vision on transportation plan in a detailed bid book, determining the plan in response to a sequence of IOC enquiries. Subsequently the Invitation Phase, cities, which decided to bid for an Olympic Games, enters to the official Olympic Candidature Process. This covers a period of two years ending in the Host City Election by the IOC Session. Olympic schema has highlighted the requisite for a variation in the candidature process in order to adapt distinct results to meet Games requirements within different cities' background. To enable this, the IOC has placed further emphasis on sustainability and legacy. Moreover, the IOC, through the review of Games' needs has approved to reinforce positioning between a city's long-term extension plans and the Games, qualifying cities to pursuit the promotion of sustainable Games solutions and realistic long-term effects. Through the outlining of the candidature process as an invitation, the IOC and NCOs/cities will enter into a negotiation. This ongoing dialogue and advanced information interchange will be underpinned by periodic opportunities for cooperation, or, touch points between the IOC and the cities. Through each stage the IOC delivers assistances to all cities embracing opportunities to learn, exclusive workshops and transfer of knowledge (Olympic Games Candidature Process, 2015). Official proposals by Candidate Cities will be three in line with the three stages of the process forming part of a unique process, which permits labor to mature until it filings to the IOC to a logical series of milestones with staged analysis by the IOC. Each topic will tackle different sectors of the cities' bid in the perspective of the inherent type of each country, region and city. In stage 1 and 2 the IOC Evaluation Commission Working Group will examine the documentations submitted and provide a revised version to

the IOC Executive Board. Succeeding stage 3 the IOC evaluation Commission analyses the submission and announces its final report following a visit to the locations of each city (Olympic Games Candidature Process, 2015). After each bid, the IOC Executive board will confirm the transition of the cities to the next step.

To summarize, through the implementation of Olympic Agenda 2020 the IOC and the Olympic Movement have founded an openness to distinctive Games value propositions that will deliver great Games for athletes meeting also the city's vision, heritage and sustainable goals.

2.2.2 Learning Prospects – Stage 1

After the proclamation, the International Olympic Committee will host a videoconference for the official candidate Cities. The purpose of this video is to provide information, to candidate cities, with all the important procedure to follow in order to have a clear knowledge about the Olympic Candidature Process and highlighting the importance for a fair and equal competition. This phase provides also that the IOC hosts a distinct workshop for each candidate city to deliver info on Vision, Games Concept and Strategy with the purpose of building a solid Games aligned with the city and region's long-term improvement plan.

This phase ends in the submission by the Candidate Cities of the "Candidature File Part 1" which is then analyzed by the IOC Evaluation Commission's working group. The IOC EB confirms the continuation of each Candidate City to the next stage or addresses specific challenges a City may face and needs to reevaluate.

2.2.3 Governance, Legal and Venue Funding

The IOC evaluation commission in this step will review the proposed governance structures, political and legal elements, private and public support for the project in order to establish the challenges and opportunities related to each project.

2.2.4 Learning Prospects - Stage 2

After having reviewed the Governance, Legal and Venue funding, the IOC will host a second workshop for the candidate cities in respect to this topic. At a later stage, the IOC will host an additional seminar to forward individual opinion to each candidate city according to their stage 1 submission and plans.

At this point, cities will also participate to the Olympic Games spectator program, which is a fundamental element of the IOC's transfer of knowledge and is part of the Candidate Cities overall learning strategies. The observer program is aimed at providing to future candidate cities the access to the behind the scenes Games, in order to acquire knowledge on the evolution and Games process.

At the end of the second stage Cities will submit their candidature file part 2 to the IOC, which will be valued, again, by the Evaluation Commissions Working Group. The Evaluation Commission Working Group will provide an update to the IOC EB who will announce the cities transitioning to the third and final stage of the process (Olympic Candidature Process, 2015).

2.2.5 Games Delivery, Experience and Venue Legacy - Stage 3

This last step analyses how Candidate Cities will ensure to the games a sustainable legacy.

The IOC Evaluation Commission will emphasis on examining the Games procedures to guarantee an efficient delivery. It will also review the legacy scheduling and the Games involvement for all the stakeholders, with a glance on the athlete experience to define the challenges and opportunities in the areas mentioned above. Candidate cities will submit during this phase the final file submission, completing their full project dossier. The IOC Evaluation Commission will come in its totality to evaluate the documentation presented by the cities and carry out on-site examination of each candidate city. The commission's results will be published in the IOC Evaluation Commission Report that will underline the challenges and opportunities of each candidature. The report will act

as a crucial assistance to the IOC members when electing the Host City. The Candidate Cities will have the opportunity to present to the IOC membership at the candidate city briefing for IOC Members and Olympic International Federation (Olympic Candidature Process, 2015). This represents a chance for both the cities to show-cast their projects and for the IOC members and International Federation to ask questions and evaluate the technical aspects of each candidature.

Lastly, during the Host City Election, the Candidate Cities will make a final presentation to the IOC Session and the IOCs members vote by secret ballot and elect the host city. The newly elected host city, then signs the Host City Contracts with the IOC.

2.2.6 Evaluation Commission

The task of the Evaluation Commission is to analyze the Cities' Candidature File Submissions. The commission authenticates the info gave by the candidate cities, studies the practicability of the suggested plans, determines each city's ability to deliver successful Games and evaluates whether the Games would leave a positive legacy that meets the individual needs and long-term development plans of the respective city and region. To foster and intensifying the analysis, the Evaluation Commission visits each city during the third stage of the Olympic Candidature Process and publishes its report that stresses the trials and opportunities presented by each candidature, as well as focusing on the sustainability and legacy proposal of each candidature.

2.3 Candidature Process Olympic Games 2024

The candidature process for the Olympic Games 2024 is currently ongoing and is the first process gaining from Olympic Agenda 2020. The IOC has generated the structure for a candidature process, which takes benefit of a continuing interchange with candidate cities.

Following the Invitation Phase during which interested cities had the chance to learn more about how to plot Games that meet the requirements of the society, cities which have decided to bid for the Olympic Games 2024 enter the official Candidature Process. Cities are sustained to better shape their value proposition, discussing proposals and potential solutions that will deliver outstanding Games, without bargaining the field for the athletes and meeting the needs of the city and region to ensure the positive, long-term and sustainable legacy. This spans a period from 15th September 2015 to 17th September 2017, when the IOC Session will elect the host city for the 2024 Games.

The candidature process 2024 is composed by 3 stages, as already mentioned above, (www.olympic.org):

➤ **Stage 1:** Vision, Games Concept and Strategy

Dates: 15 September 2015 – 2 June 2016

Candidature file submission*: Candidature File Part 1 –17 February 2016

➤ **Stage 2:** Governance, Legal and Venue Funding

Dates: 2 June – December 2016 (Executive Board date to be confirmed)

Candidature file submission*: Candidature File part 2 – 7 October 2016

➤ **Stage 3:** Games Delivery, Experience and Venue Legacy

Dates: December 2016 – September 2017 Election by IOC Session

Candidature file submission*: Candidature file Part 3 – 3 February 2017

Olympic Agenda 2020 highlights the requirement for the candidature process to accommodate different solutions to meet Games needs within different cities' contexts. Each phase will address different components of the cities' proposal in the context of the inherent nature of each country, region and city. After such submission, the IOC Executive Board will approve the transition of the cities to the next stage.

2.4 Candidate Cities to the 2024 Games

The International Olympic Committee (IOC) announced on September 15th 2015, that Los Angeles, Rome, Paris, Budapest and Hamburg would participate to host the world's biggest sporting event. The winner will be announced after voting at the IOC's conference in Lima, Peru, in September 2017. After the candidature, a series of announcement followed as the CNN article reports:

"We are welcoming five outstanding and highly qualified Candidate Cities" IOC President Thomas Bach said in a statement. "Olympic Agenda 2020 has shaped the Candidature Process more as an invitation and the cities have responded by engaging with the IOC through dialogue and cooperation. "In the new invitation process the IOC learnt that all the candidates are embracing Olympic Agenda 2020 from their respective vision for the future of their city".

The IOC also announced it would contribute \$1.7 billion in "cash and services" to the winning organizing committee.

Los Angeles

Los Angeles replaced Boston in July after the city failed to attract majority support from local residents. Los Angeles has hosted the Games twice before, in 1932 and 1984. The last time the Olympics were hosted on American territory was in Atlanta in 1996. The U.S. Olympic Committee threw its weight behind Los Angeles after lauding an "environmentally sustainable bid" that would take advantage from many existing venues rather than constructing new ones.

Paris

The French capital city was the favorite to win the race to host the 2012 Games before London won it. It also failed with bids for the 1992 and 2008 Olympics and has hosted twice hosted the event before, in 1900 and 1924.

Should it be successful it would become only the second city to host the Games three times, alongside London.

Budapest

If the Hungarian capital city will be successful it would be the second time the Games has been held in Eastern Europe, after Moscow in 1980.

It has bid unsuccessfully for the Olympics on five occasions, the last in 1960.

Of the 10 most successful medal-winning countries in Olympics history, Hungary never has hosted the Games.

Hamburg

The German city's participation could last only a few months. Hamburg is holding a referendum on its participation in November and if its residents vote no, it will pull out of the running. It is proposing a carbon neutral Games and a budget of €50 million. The last time Germany hosted the Olympics was in 1972 in Munich.

Rome

The "Eternal City" has hosted the Games once, in 1960. It had been in the running to host the 2020 Games but withdrew due to economic difficulties in the country. Given the city's rich history and a gap of over 50 years since its last Olympics, it could have been a strong contender.

2.5 The candidature of Rome 2024: What were the key points

The manifest used for hosting the Olympic Games was based on showing the art of the Italian pillars to tie the world through sport. The vision relies on family values that Italians hold and the warm welcome and high quality experience that is proposed to all visitors that come to enjoy the beauty and traditional culture of Rome and Italy. The purpose is show the power of sport to connect people, families, places, cultures and faiths and want to use the Olympic and Paralympic Games as a catalyst to achieve these goals, furnishing ever-long memories of pooled experiences for the entirety. The Games Concept is guided by this vision, motivated to recreate the sense of pride

generated by hosting the Rome 1960 Games and the key milestone that this represented in Rome's progress. The objective is to develop a new milestone in Rome's history in 2024, a turning point in the for the growth of the city, for future use and as an incentive to improve the quality of life for all Roman residents. Italy wants to demonstrate to the world that can achieve its goals by hosting highly prosperous major events, such as the Rome 1960 Olympic Games and the Milan World Expo 2015. These aspirations are also in line with the long term plans for the development of Rome and with the Olympic Agenda 2020. The Italian concept of the Games can be summarized in the figure below.



Figure 2.3: Roma Candidate City Olympics 2024. (Candidature file stage 1: Vision, Games Concept and Strategy, 2015)

Exploring these point it can be possible to observe how the different points are faced.

- **Culture, Lifestyle & Landscapes** – Linking the different communities and beliefs of Rome, encouraging all visitors, be they athletes, spectators, officials or the media, to ‘experience life the Italian way’, through a high quality celebration of sport, in a unique outdoor scenery (Candidature file – Stage 1: Vision, Games Concept and Strategy). This will incorporate supporting social interaction, using Rome's urban parks and squares, as the art of the Italian welcome and lifestyle tool to develop community spirit across the whole to create a sense of uniformity to the world through sport, Rome and its local population. This

event is also seen as a chance to renovate the city's infrastructure and enhance the quality of life for Rome's citizens. These developments, which fit perfectly with the Olympic Agenda 2020 values, will benefit both citizens and visitors, leading to bring Rome more reachable, enjoyable, sustainable and even more spectacular.

- **Families** – Using family values and concepts to create a truly celebratory atmosphere and deliver wider social opportunities to tie, not only Italians, but also players, tourists and the Olympic Family. Contestants will celebrate with their beloved and will have the chance to meet and explore Rome and Italy together. The Games related programs would help to surround these cultural values within the frame of a more complete society, endorsing communication across generations.
- **Tradition & Innovation/Technology** – Combining Rome's tradition, beauty and heritage with new concepts and innovation to deliver a forward thinking Games concept, in our ever growing technological world. Rome's Games will show the history and heritage of sport, in a modern and extensive way. Incorporating revolutionary ideas and use Italy's technological know-how, as they already did with the 1960 Games, as the first Olympic Games to be broadcast internationally and use technology such as slow motion replays. The proposal is for a triumphant parade of medal winners at Games-time, for the first time, in the amazing night-time scenery of the Coliseum, the site of many historical competitions and public shows, it would represent a unique example of how merging tradition and innovation.

There are a series of objectives that Italian representative wants to reach by hosting the Olympic Games (Candidature File stage 1: Vision, Games Concept and Strategy, 2015).

Objective 1: Create a connection with people, not only limited to the city that will

host the Games, but at national and international level. The purpose is to deliver an outstanding experience for athletes and spectators creating long-term memories that are going to build the Olympic history. This will take place in profounder and noteworthy legacies, incorporating pride, honor and excitement for the benefits that could this event give to the city and to the country.

Objective 2: Build new Olympic Games on the legacy of Rome 1960, using the national tradition to stimulate new generation and strengthen society through sports.

Celebrate and encourage participation in sport and deliver more sporting opportunities and undertakings. These benefits to Italian sport include:

- Renewed and new sporting locations
- People of all ages taking part in sport and feeling the health and personal benefit of an active healthy lifestyle
- More efficient talent identification to help more youngsters achieve their sporting goals
- More elite athletes achieving success on the world stage and acting as role models for young people.

Objective 3: Create interactions with groups, families and society and improve the quality of life for Roman and Italian citizens. The Games will be used as an instrument to promote greater social inclusion and respect the next together of different cultures, beliefs and religions, for the long-standing benefit of society. Some of the initiatives include:

- Family friendly programs and notions re- establishing the importance of family values within Italian society
- Olympic and Paralympic education programs, before, during and following the Games, providing a legacy to Rome and Italian sport, education and society, as well as the Olympic Movement
- Greater promotion and awareness of the benefits of active healthy lifestyles to

augment health and wellbeing

Objective 4: Improve city's infrastructure and living environment to create a more accessible and sustainable city. By completing this it is possible to reach a better quality life standard for citizens, in respect for the Rome's historical environment. Some of the benefits include:

- Connectivity between Rome's districts, with improved transport connections
- The adoption of new sustainability standards and transparent best practice construction processes
- A more accessible, inclusive city, providing improvements not only for people with disabilities, but also for everyone, allowing visitors to get around and enjoy the city easily.

Objective 5: Incorporate innovation and technology into all Games-related planning and programs to deliver outcomes of the highest quality. Rome 2024 plan is to use technology and innovation positioning as the largest manufacturing country in Europe. Working with some of the Italians 'hi-tech clusters', allows not only shaping the bid but also exploiting the opportunities that bidding for and hosting the Games can bring and the resultant benefits to be delivered. New ideas and innovations will be promoted, enhancing Rome's position as a hub for creativity, through engagements with universities, new businesses, as well as sports related research projects in the technology sector. This will include:

- Continuation of the #LabRoma2024 (innovation ecosystem network) initiative, introduced in the Candidature phase, to build on Rome's position as an incubator hub for new business.
- Developing the research capabilities at Tor Vergata University as part of the Games legacy plans through additional structure and research programs, involving more young people and students.

Unique iconic settings for sport

Incorporating Rome's iconic ancient territories into the venue planning provide an inspirational setting and unique backdrop for modern day sport, whilst delivering spectacular images of Rome and its heritage across the world. For example, Beach Volleyball will be hosted in the ancient footprint of the Circo Massimo; Road Cycling will finish and the Marathon will start in front of the Coliseum and run beside the Roman Forum where the Archery Finals will take place. This concept also seeks to preserve as many venues as possible within Rome's existing urban areas, to reduce travel times and generate a special Games-time atmosphere (Candidature File stage 1: Vision, Games Concept and Strategy, 2015).

Sustainable venue concept

In order to be sustainable the project aiming at showcase the legacy of the Rome 1960 Olympic and Paralympic Games by using these venues over in 2024, avoiding further construction plans. For example, the Foro Italico has been in use since 1932 and will provide a unique backdrop for the Aquatics events (Candidature File stage 1: Vision, Games Concept and Strategy, 2015). In collaboration with the use of other current venues, this provides a much more sustainable and fiscally responsible approach, with the added benefit of less impact on the environment. Games-time experience for all Rome and Italy's well-developed tourism offer will allow all visitors, including athletes, to fully immerse themselves into the Italian culture. Opportunities to enjoy the Italian lifestyle will be woven into the operational concepts and Games-time experiences, using Rome's beautiful parks and heritage sites. In particular, focusing on families and family values will provide opportunities for athletes, visitors and citizens to celebrate with their loved ones, through concepts such as family areas in Live Sites, family focused city activities, ticketing/tourism offers and the innovative Athlete's Parade, enhancing Rome's long-term development plans. Finally and most importantly, Rome's plans for hosting the Games are based on a concept of responsible, feasible strategic investment and growth, for the economy of Rome and Italy, in line with the Olympic Agenda 2020. The objective is to harness the existing investment and growth strategy

for Rome, rushing and transforming the city to enhance the quality of life for future citizens and visitors.

Legacy and long-term plan integration and alignment

Italian cities are not required to present a long-term development plan. However, Rome has completed this plan. In October 2008, the city of Rome arranged a Special Commission for the future of the city, outlining the strategic direction. It came up five “ambitions” and 14 “objectives” (Candidature file stage 1: Vision, Concept and Strategy, 2015):

- Ambition I: Rome as a polycentric city
- Ambition II: Rome as a city of knowledge and learning
- Ambition III: Rome as a city of tourism, entertainment and leisure economy
- Ambition VI: Rome as cohesive and united city
- Ambition V: Rome as competitive international city

The ambitions and objective were then revisited and approved in 2011, with four main “images” of the city an 12 underlying “objectives” as shown below:

| Rome, city of environment sustainability | | | Rome, a city polycentric and united | | | Rome, a globally competitive city | | | Rome, city of culture and entertainment | | |
|--|--|------------------------------------|-------------------------------------|-------------------|------------------------------|-----------------------------------|--------------------------|---|---|--------------------|--|
| Development of sustainable mobility | Rehabilitation of the Tiber as a vital artery for the city | Action plan for sustainable energy | New model of social inclusion | New urban centres | Urban renewal in the suburbs | Centres of excellence for health | Mixed-mode accessibility | Cooperation between universities and businesses | Improvement of abandoned areas | Second tourist hub | Protection and enhancement of Ancient Rome |

Figure 2.3 Strategic Development Plan for the city of Rome, 2011. **Source:** (Candidature file stage 1: Vision, Concept and Strategy, 2015).

The SDP (Strategic Development Plan) gave special attention to sport, to improve in this way the image of the city and the country, giving a strong contribution to local and

national economic growth. Despite the Italian government decided to withdraw the Olympic Candidature in 2012 due to the economic crisis the SDP identified that hosting the Olympic Games would be “ *an accelerator for the development processes and projects already defined in the SDP, in order to anticipate new infrastructures and services investments already planned and partially financed*”.

In 2013, a new strategic planning aimed at outlining “The 2025 Urban Agenda for the city of Rome” was launched. The primary objectives of this plan were:

- Ease the planning and accessibility to financial resources
- Promote projects for Urban regeneration
- Attract investments for innovative projects to reinforce the city’s competitiveness
- Keep citizens updated about the outcomes of the transformative projects of the city

The four main pillars to support this urban development strategy are shown below

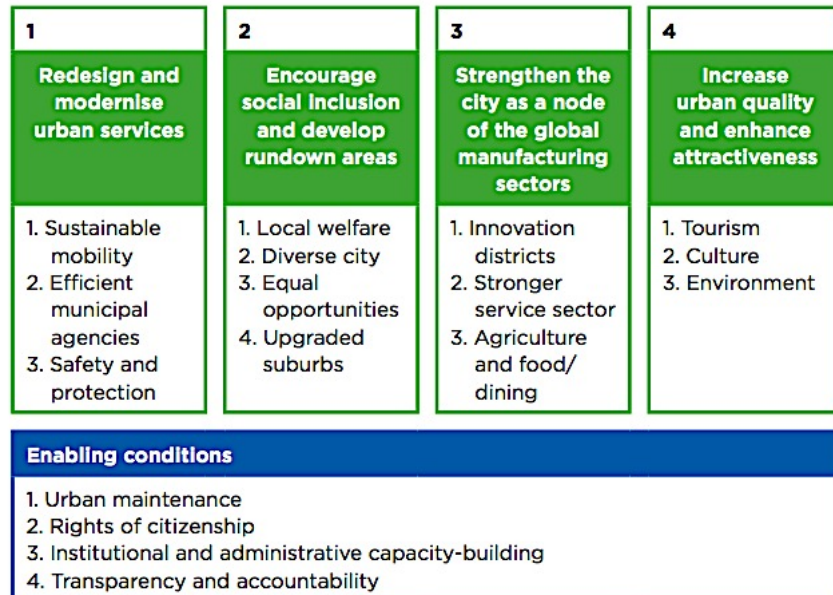


Figure 2.4 Urban Agenda 2025 for the city of Rome **Source:** (Candidature file stage 1: Vision, Concept and Strategy, 2015).

Despite the Agenda Urbana has not been approved by the city council, due to governance changes, there are several elements which have been used to inform the development of the Rome 2024 vision and rationale, such as:

- Focus on sustainable development to promote balance between economic, social, innovative, environmental and cultural heritage
- Sport and culture as a priority for the city development
- Mobilize local economy, social resources and reinforce cohesion

2.6 Benefits from bidding for the Olympic Games

The Rome bid for the Olympic Games of 2024 is already assisting as an incentive for improvement, by endorsing and prioritizing a number of urban facilities and environmental missions that will augment the quality of life for all citizens. Bidding for the Games scratches a turning point in the Italian economy that will help to foster and merge support across Italy, throughout the effective engagement of all regions. Other benefits to be delivered from bidding for the Games include (Candidature file stage 1: Vision, Concept and Strategy, 2015):

- Noteworthy social benefits from the Olympic Education Program which has already began, providing a 'digital kit' to national schools to promote the Olympic values
- Enhancing the communication between agencies, government departments and other bodies both within the city, city and region, and nationally
- Networks with non government organizations, for example, a two year bid program has been established with ActionAid to use sport as a tool to integrate young people from different cultures, beliefs and backgrounds
- Promoting and renewing interest in sport, particularly by young people, students and target groups, specifically engaged during the bidding process as part of the #wewantroma campaign
- Promoting innovation and interest through the '#LabRoma2024' campaign which is encouraging 'young innovators' to come up with ideas and proposals to address modern day challenges

- Promoting active participation and involvement of local communities in the planning and redevelopment of local areas surrounding Games venues
- Improved accessibility and awareness of Para-sport through infrastructure projects and education program

2.7 Benefits of hosting the Olympic Games

The benefits of bidding will be broadening boosted and developed by hosting the Olympic Games, as emphasized below using the IOC's Legacy framework.

Social development through sport

The social and educational program during the candidature process will positively impact on Italian's young people, assimilating and absorbing them through Olympic sport and its ideals. The Games volunteering program, young leaders and other education- related projects would also operate as a platform for social and personal growth promoting social interaction for an enhanced quality of life.

Economic development and governance

The economic impact analysis predicts significant benefits from hosting the Games. By augmenting these benefits through governance and forward-thinking leadership, engaging with business communities and tourism bodies across Italy, is possible to promote the many prospects that hosting the Games will produce.

Culture and identity

Showcasing Rome and Italy's national culture and unique heritage are a fundamental part of Rome's vision for hosting the Games. The Games will act as a stimulus to inspire more cultural and creative activity. They will also lead to place Rome as a city that, whilst rooted in history, taking a modern and innovative approach to new challenges, providing new impetus in the areas of talent, business and innovation. The Games will have an enduring impact on Roman and Italian people, as it produces a great sense of pride and community cohesion.

Natural environment enhancement

Environmental enhances will provide significant improvements to Rome's natural environment including the development of new 'open' spaces to enjoy the city's rich culture; respect and raise awareness of environmentally sensitive areas; and the creation of a more liveable and enjoyable outdoor lifestyle, for which Italy is renowned.

Infrastructure and urban improvement

City infrastructure projects will greatly enhance the quality of life for all residents and visitors. Upgrading Rome's transportation system will promote public transport and reduce the use of cars, further aiding the environment. Upgraded hotel accommodation and areas around historic sites will maintain the city's reputation as an international tourism destination.

Conclusion

Although there are several studies and documents that certifies the positive outcomes for hosting the Olympic Games, there are also obstacles, issues and people representing the Roman governance that are not approving the Candidature of Rome for the 2024 Games. In fact, last October 11th Rome withdrew its Candidature.

In the final section, we will go through the reasons of this choice and we will see similar examples of other cities that withdrew their candidature past years and the motivation that led to make this decision. Furthermore, we will analyze how successful outcomes are used to transfer knowledge from city to city for further Mega-sport events.

CHAPTER III: OUTCOMES FROM HOSTING OLYMPIC GAMES AND HOW KNOWLEDGE IS SHARED AMONG HOSTING CITIES

In this final chapter we will go through the withdraw of the candidature of Rome from the Olympic Games of 2024, analyzing the reasons that have led to make such decision, going forward with the most common problem that does not allow cities to going further with their candidature: cost overrun. Then, we will see how knowledge is shared and could be better implemented among hosting cities, reporting various examples and statistics to sustain this thesis. Continuing with the exploration of the impacts of the Games on communities such as socio-economic, socio-cultural, physical and political impact, closing with the recommendation, studied from different authors, for the path ahead in order to avoid previous mistakes and build a more sustainable and well-defined performance.

3.1 Rome withdraw from the 2024 Games

On October 11th 2016 Virginia Raggi, Mayor of Rome, during a press conference withdrew the candidature of Rome from the Olympics in 2024. There are several reasons that have led to make this decision. The Mayor said: “Is irresponsible saying yes to this candidature” continuing “We did not changed our mind, we strengthened our position”, ongoing “ We were asked to carry on more debts, we cannot afford that” (www.repubblica.it). The Mayor explained that they are still paying debts for the expropriation of the games held in Rome in 1960. They have nothing against Olympics and sports in general, but their willingness is to use sport not just as an excuse for a new inefficient spending for the city of Rome; there are a lot of promises done during the Olympics, but people should take into account the several structures built that are now unused, such as the infrastructures for the World Aquatics.

The position of the Mayor is clear, hosting an event such as the Olympics will incur in cost overruns meaning the transformation of this costs in liabilities for the city, its citizens and especially for the infrastructures that have to be built in order to be

suitable for holding the Games without the guarantee to use these appropriately after the event.

On the other side, Giovanni Malagò, president of the INOC (Italian National Olympic Committee) strongly disagree with the decision made by Virginia Raggi. He supported the importance of this candidature as a chance of redemption for the city Rome. He underlined the essential elements that could help the city of Rome to improve public transportation, public infrastructures and create new job positions. These represents a bunch of fundamentals that could be considered a first step in order to develop the eternal city, just like the Olympics held in 1992 contributed to the city of Barcelona in giving birth to new city areas. To strengthen his position, the president of the INOC, refers to some of the key points listed by Agenda 2020 (www.Olympics.org):

- Changes to the bidding process, new way to invite candidate cities to present a project that suits their sporting, social, economic and environmental long-term planning needs.
- Reducing bidding costs by reducing the number of presentation allowed and providing a significant financial contribution from the IOC.
- Organization of sports and events outside the host city and even, in exceptional cases, outside the host country, always respecting the integrity of the Olympic Village.
- Adapting and further strengthening the principles of good governance and ethics to changing demands. Ensuring compliance with the Basic Universal Principles of Good Governance and transparency of accounts, with the IOC's financial statements to be prepared and audited according to the International Financial Reporting Standards (IFRS).

Last October 11th 2016, Giovanni Malagò gave up on his conflict with the decision made by the Mayor, delivering to the IOC the letter that certifies the withdraw of Rome from the 2024 Games.

The concerns about cost and cost overrun are very common between candidate cities, and these are the main reasons that lead cities to give up to their candidature.

3.2 Cost and cost overrun at the Games

Since the development of the modern Olympics in 1896 attention to cost and cost overrun of the Games has been raised. Baron Pierre de Coubertin, the man responsible for the modern Games, referred to “the often exaggerated expenses incurred for the most recent Olympiads” (Coubertin, 1911).

Cost for hosting the Games fall into three categories, established by the IOC:

1. *Operational cost* deserved by the Organizing Committee for the purpose of hosting the Games. Technology, workforce, transportation represent the vast majority of this cluster and administration costs. Other costs include security, medical services and ceremonies services.
2. *Direct capital cost* incurred by the host country or city or private investors to build the Olympic Villages, media and press center and the competition venues required to host the Games.
3. *Indirect capital costs* such as for road, airport or infrastructures, rail, hotel or other business investment necessary for the Games but not directly related to staging the Games.

The first two represents the costs related to the sports of the Games; the last one represents the indirect costs related to the Games and getting data about these is so difficult and they are rare, due to the arbitrariness. Regularly, the indirect costs are higher than the direct ones. Baade and Matheson (The Oxford Olympic Study, 2016) found that for seven Games for which they could obtain data for both sports infrastructure and general infrastructure, in all cases was the cost of general infrastructure was higher than the cost of sport infrastructure, sometimes several higher.

In the following table are shown the outturn costs related to sports of the Olympic Games 1960-2016 merged with the number of athletes and events for each Game.

| Games | Country | Type | Events | Athletes | Cost, billion USD |
|---------------------|----------------|---------------|---------------|-----------------|--------------------------|
| Rome 1960 | Italy | Summer | 150 | 5338 | n/a |
| Tokyo 1964 | Japan | Summer | 163 | 5152 | 0.282 |
| Mexico City 1968 | Mexico | Summer | 172 | 5516 | n/a** |
| Munich 1972 | Germany | Summer | 195 | 7234 | 1.009 |
| Montreal 1976 | Canada | Summer | 198 | 6048 | 6.093 |
| Moscow 1980 | Soviet Union | Summer | 203 | 5179 | 6.331 |
| Los Angeles 1984 | United States | Summer | 221 | 6829 | 0.719 |
| Seoul 1988 | South Korea | Summer | 237 | 8397 | n/a |
| Barcelona 1992 | Spain | Summer | 257 | 9356 | 9.687 |
| Atlanta 1996 | United States | Summer | 271 | 10318 | 4.143 |
| Sydney 2000 | Australia | Summer | 300 | 10651 | 5.026 |
| Athens 2004 | Greece | Summer | 301 | 10625 | 2.942 |
| Beijing 2008 | China | Summer | 302 | 10942 | 6.810 |
| London 2012 | United Kingdom | Summer | 302 | 10568 | 14.957 |
| Rio 2016* | Brazil | Summer | 306 | 10500 | 4.557 |
| Average | - | Summer | 239 | 8177 | 5.213 |
| Median | - | Summer | 237 | 8397 | 4.791 |
| Squaw Valley 1960 | United States | Winter | 27 | 665 | n/a |
| Innsbruck 1964 | Austria | Winter | 34 | 1091 | 0.022 |
| Grenoble 1968 | France | Winter | 35 | 1158 | 0.888 |
| Sapporo 1972 | Japan | Winter | 35 | 1006 | 0.117 |
| Innsbruck 1976 | Austria | Winter | 37 | 1123 | 0.118 |
| Lake Placid 1980 | United States | Winter | 38 | 1072 | 0.435 |
| Sarajevo 1984 | Yugoslavia | Winter | 39 | 1272 | n/a** |
| Calgary 1988 | Canada | Winter | 46 | 1432 | 1.109 |
| Albertville 1992 | France | Winter | 57 | 1801 | 1.997 |
| Lillehammer 1994 | Norway | Winter | 61 | 1737 | 2.228 |
| Nagano 1998 | Japan | Winter | 68 | 2176 | 2.227 |
| Salt Lake City 2002 | United States | Winter | 78 | 2399 | 2.520 |
| Torino 2006 | Italy | Winter | 84 | 2508 | 4.366 |
| Vancouver 2010 | Canada | Winter | 86 | 2566 | 2.540 |
| Sochi 2014 | Russia | Winter | 98 | 2780 | 21.890 |
| Average | - | Winter | 55 | 1652 | 3.112 |
| Median | - | Winter | 46 | 1432 | 1.997 |

Table 3.1: Actual outturn sports-related costs of the Olympic Games 1960-2016, in 2015 USD

Source: The Oxford Olympic Study 2016: Cost and Cost Overrun at the Games, 2016.

The above table shows that the most expensive Summer Games held are London 2012 at USD 15.0 billion and Barcelona 1992 at USD 9.7 billion. Sochi 2014 and Torino 2006 are the most expensive for the Winter Games with USD 21.9 billion for the former and

USD 4.4 billion for the latter. The least expensive Summer Games is Tokyo 1964 with USD 212 million, for the Winter Games Innsbruck 1964 with USD 22 million; not considering urban and transportation infrastructures costs that represents a substantial number.

Further observing Olympics cost overrun, based on the data quoted overhead:

- *All Games, without exception present costs overrun.* Based on statistics 10-20 percent of mega events and mega projects in general come in or under budget. The budget is the limit established, in terms of money, to be spent on a project. For what it concern the Olympics the percentage is zero. Regarding the Games this limit is constantly overspent, even if each budget is established with legal requirements from host city, country and government to guarantee that they will cover the costs overrun. The agreement can be compared to a blank check for the event, with the certainty that the cost will be higher than it has been quoted above.
- *The Games have the highest average cost overrun of any type of megaproject,* at 156 percent in real times. Flyvebjerg et al. (2002) found average cost overruns in major transportation projects of 20 percent of roads, 34 percent for large bridges and tunnels, and 45 percent for rail, Ansar et al. (2014) found 90 percent overrun mega dams; and Budzier and Flyvebjerg (2011) 107 percent for major IT projects, all in real terms. The table below will summarize these percentages:

| | Roads | Bridges, tunnels | Energy | Rail | Dams | IT | Olympics |
|----------------------------------|--------------|-------------------------|---------------|-------------|-------------|-----------|-----------------|
| Cost overrun | 20% | 34% | 36% | 45% | 90% | 107% | 156% |
| Frequency of cost overrun | 9 of 10 | 9 of 10 | 6 of 10 | 9 of 10 | 7 of 10 | 5 of 10 | 10 of 10 |
| Schedule overrun | 38% | 23% | 38% | 45% | 44% | 37% | 0% |
| Schedule length, years | 5.5 | 8.0 | 5.3 | 7.8 | 8.2 | 3.3 | 7.0 |

Table 3.2 The Olympic Games have the largest cost overrun of any type of large-scale project, real terms

Source: The Oxford Olympic Study 2016: Cost and Cost Overrun at the Games, 2016.

The elevated cost overrun could be bounded to the strict deadline for projects delivery: the opening cannot be moved. Hence, when problems comes-up is not possible to have the choice among cost and schedule, as is usual for other megaprojects. All that managers can do is cover problems with more money, which is what happens.

- The combination of Games cost overrun and outliers should be considered by anyone who is intentioned in hosting the Games, in particular small and fragile economies that cannot afford escalating costs and related debts. Even pondering a slight risk of a 50 percent cost overrun on a multi-billion project should concern government executives and taxpayers when a guarantee to cover cost overrun is imposed, because such overrun may have fiscal implication for decades to come, as happened in Montreal where it took 30 years to pay off the debt incurred by the 720 percent cost overrun on the 1976 Summer Games (Vigor, Mean, and Tims 2004:18). Similar situation took place in Athens 2004, where Olympic cost overruns; and the debt worsen the 2007-2016 economic and financial crisis.

3.3 The efficiency of the Olympic Games Knowledge Management Program: Has cost overrun slow down over time?

As stated above, the reason why Olympic Games hold the record of cost overrun is that the strategy, as biddings moves from nation to nation and city to city, force hosts into the role of eternal beginners. During 90's the IOC started to see more efficient the knowledge transfer between host cities that might be affected by the "eternal beginner" syndrome (The Oxford Olympic Study 2016). Since that time, the committee initiates a new program called the "Olympic Games Knowledge Management Program", which is aimed at improving the efficiency in delivering the Games having new host cities and nations learn from the previous ones. The main characteristics of this program are a platform of stored knowledge and services that hosts can resort to, and a program to have a bunch of people accountable for future Games participate as

trainees and observer at previous ones. Comparable to all knowledge-transfer programs in general, the aim of this program is to facilitate and support learning across cities. As Schön (1994: 69) observed, learning can only be said to take place if performances improve over time. “Performance that deteriorates, regresses, or merely swings from one mode of action to another does not qualify as learning,” according to Schön. Speaking about costs, the improvements would take place in the reduction of cost risk – i.e. cost overrun – over time. If data shows a decrease of costs, they support that the Olympics Games Knowledge Management Program works. The program quoted ahead was first implemented in 1990’s in preparing for the Sydney 2000 Summer Games and has been used since then. In the following table is possible to compare cost overrun before and after the use of the program in 1999.

| Pre-1999 Games | % cost overrun | Post-1999 Games | % cost overrun |
|-----------------------|-----------------------|------------------------|-----------------------|
| Grenoble 1968 | 181 | Sydney 2000 | 90 |
| Montreal 1976 | 720 | Salt Lake City 2002 | 24 |
| Lake Placid 1980 | 324 | Athens 2004 | 49 |
| Sarajevo 1984 | 118 | Torino 2006 | 80 |
| Calgary 1988 | 65 | Beijing 2008 | 2 |
| Albertville 1992 | 137 | Vancouver 2010 | 13 |
| Barcelona 1992 | 266 | London 2012 | 76 |
| Lillehammer 1994 | 277 | Sochi 2014 | 289 |
| Atlanta 1996 | 151 | Rio 2016* | 51 |
| Nagano 1998 | 56 | - | - |
| Average | 230 | Average | 75 |
| Median | 166 | Median | 51 |

Table 3.3: Sport-related cost overrun in the Games pre-1999 and post-1999, real terms. The difference is statistically significant ($p=0.0101$). **Source:** The Oxford Olympic Study 2016: Cost and Cost Overrun at the Games, 2016.

For the first few years after 1999 it was impossible to do the comparison, due to the fact that the program was short while launched and the Games take place every two years, so observers were too few.

As the table shows, cost risks seem to have come down after the promotion of the Olympic Games Knowledge Management Program.

3.4 The impacts of Olympic Games on communities

The impact of mega sporting events on the host city or region can be massive and various, and a great part of the relevant literature supports the idea that such events can mainly generate optimistic results. Whether mega-sporting events can surely produce such outcomes, still, has been under debate by several authors. The impacts of mega-sporting events are divided in four categories: socio-economic impact, socio-cultural impacts, physical impacts and political impacts.

3.4.1 Socio-economic impact

The most important reason for hosting a mega sport event for a city is the positive outcome that this one could have on the local economy, which can improve also the status of the host society. According to Crompton (1995) “ the economic impact of an event can be defined as the net economic change in the host community that results from spending attributed to the event”. In this way it is necessary to understand that the direct income of a mega-sporting event, from sources like ticket sales, sponsorship or television rights does not contribute to the economic development of the host community, since such income usually covers the cost for organizing the event itself. The economic support of mega sporting events is mainly related to the chances they provide in increasing awareness of the region as a tourism destination and the familiarity concerning the potential for investment and commercial activities in the region. Hence, they can interest more visitors and investment, and consequently create new jobs and contribute to the community economic growth. Taking into consideration the issue of job creation, indisputably a mega sport event can generate a huge number of jobs, not only for those associated with the event itself, but also related with the tourism field and retail industry due to the increased volumes of spectators and tourist that would be present, and in the construction industry, especially when the staging of the events requires major infrastructural development, such as the case of the Olympic Games. For example, when Barcelona hosted the

Olympic Games in 1992, from October 1986 to July 1992 the unemployment rate fell from 18.4% to 9.6% (Brunet, 1995). Although, it could seem a positive impact, it has to be taken into account that the staging of mega-sporting events generates new job, but a glance should be given on the quality and the duration of these jobs. As Schimmel points out “sporting events create service related jobs which are often part-time or lower-paying”.

When the socio-economic impact of a mega-sporting event is evaluated it has to be taken into account a number of essential considerations. First, the importance of whether the host city accomplishes to use the one-time economic impulse of such event to change its structure in a way that will provide a self-sustaining process through: industrial establishment, long-lasting tourism or new economic relation between countries or regions. Second, it has to be understood that the degree of the advantage for the whole economy relies on the economic situation of the city and when other investments related to the event are achieved. A phase in which there are increasing investments activities and increasing consumption expenditure in line with an economic turnaround may reduce the economic benefits. On the other hand, if expenditures made during the event are subject to an economic recession these will be considerably reinforced.

3.4.2 Socio-cultural impact

Mega sporting event are not only a sporting-festivity, they provide also socio-cultural benefits for the host region. Olympics, for example, can increase the local interest and participation in sporting activities, and also, strengthen regional traditions and values, increase local pride and community spirit. Increased sport participation can make a significant contribution to the quality of life of both the individual and community. Hooper (2001) argued “increased sport participation provides a sense of well-being through fun and enjoyment, leading to self-fulfillment and achievement, and encourages social interaction and cohesion for those who may feel socially excluded”.

Consequently, hosting mega sport events can deliver localities with an occasion to produce world acknowledgment and support their local pride and community soul.

3.4.3 Physical impacts

Mega-sporting events create also chances for the erection of new sporting facilities as well as the improvement of the material background of the host city. The presentation of mega-sporting events such as the Olympics regularly involve the building of new sporting amenities or the restructuring of the existing ones in order to arrange them for hosting the multiple sports in a short period of time. Furthermore, the huge numbers of members as well as tourist related with the event usually require the construction of new highways and the development of the public transport network to ensure their efficient transportation to the sporting location during the event. In addition, infrastructural development that is not directly related with the event often take place, such as facilities, commercial centers and open spaces, which aim to improve the physical appearance on the host city or region. Thus, it has become gradually usual for mega-sporting events to be used as a quick mean for significant urban enhancement. For example, the 2000 Sydney Olympic Games continued the theme of major urban change; the organizers spent A\$1.7 billions on the construction of sporting facilities, in addition to A\$1.15 billion on supportive infrastructure (Budget statement of the New South Wales Government 2000-2001. *In Sydney Olympic and Paralympic Games*, 2001, Ch. 6). While the hosting of mega-sporting event can add value to the urban development of the host city or region, attention should be focused on the process involved for achieving major construction projects. As Lenskyj points out “the set deadline for the construction of locations and the completion of infrastructure supports are often used by local politicians as the excuse for major constructions to avoid the usual stages in urban development applications, including environmental assessment, public hearing and so on”. The choice of such projects is usually a political one, since the cost of the often-widespread event-related infrastructure is primary covered by local governments; stressing the role of

governments and the subsequent politics involved in hosting mega-sporting event represented below.

3.4.4 Political Impacts

Hosting a mega-sporting event of the importance of the Olympic Games usually has as its central component regional, local or central governments. The main reason is that the administrations of such events face difficulties in covering the cost for the supportive infrastructure of the event or even for operating costs from tickets sales or sponsorship, so government contribution is required. Hence, the decision to bid for hosting a mega-sporting event is supported by governments, which regularly make these types of decisions, especially when the event delivers the chance to compensate them back economically, physically or with other settlements. Public governance is mostly affected in such decisions at a local or regional level, since the benefits for hosting the Olympics are awarded to cities rather than countries. The organizing committee of mega-sporting events frequently includes elected representatives who serve as their members or even presidents. These politicians often experience conflicting pressures to represents taxpayers on one side and profit-oriented interest on the other.

3.5 Recommendation for the path ahead

In this final section we explored the outcomes derived from hosting the Olympics, the difficulties related to cost overrun and urban development that affect host cities. In addition to general best practice legacy projection, particularly the authoritative to integrate a Games plan with the city's long term planning objectives, and to plan for legacy from the very beginning of the bid process (Smith, 2012), several authors listed the following recommendation (Legacy after the bid, 2014):

- *Support cities to form a long-term “bid coordination” organization.* Many cities apply for multiple bids, not just for the Olympics, but also for other types of events. However, there is the risk that temporary bid organizations will either suspend after an unsuccessful bid, or transition into an organizing committee after a prosperous bid. In the case a city presents more than one bid there is the organization committee that take care about the project, but the ideal model to follow will be the institution of an external organizing committee, that will be able to handle the management for pairing individual bids with a long-term urban development strategy. If this hypothetical team is built to represent potential stakeholders, it could become a manifesto for coordinating public conversation about what an Olympic, or other mega events, should entail in order to develop the city even if the bidding is not successful.

- *Monitoring ongoing impacts of bids, especially among high frequency bidders.* Cities that bid for the Games several times, often implements part of their bid plans before securing an Olympic host contract. Much of this investment was already accounted as part of the non-Olympic initiatives, but the bid themselves provide the improvement of existing infrastructures (empowering sports facilities, for example). This represents a chance for arranging and pursuing Olympic legacy throughout and among bids, and for maintaining a long-term local dialog on bid legacy goals. It also presents challenges to Olympic legacy, in that bid legacy investments must be planned for two situations: that a bid is unsuccessful and that a future bid may be successful. When a city bids for the Games multiple times the IOC should request documentation on legacies of the city’s previous bids. The abovementioned bid coordination agencies could play a leading role in implementing and documenting bid legacies, and this monitoring would help ensure accountability and transparency within those agencies.

- *Add subsequent seminar, after the host city elections, for all of the applicant and candidate cities.* The IOC already sets post-election examinations for the future host city, managed through the IOC Coordination Commissions. The proposed seminar would be an additional, independent event. It would ideally play two functions: helping the future host city learn from the best practices of its previous contenders and instructing unsuccessful bidders on how to realize their bid legacies. The second one should accentuate making premeditated long-lasting decisions about whether or not to bid in future elections round, and on picking offered projects from within the bid that would still add value to the city. The seminar could be integrated into the current Olympic Games Knowledge Management framework, as a workshop analogous to the bid cities orientation seminar (held at the initiation of a host city elections round).

The suggestions above represent a way to enhance and avoid the waste of money and time during the organization and after the hosting of the Olympic Games. Even though the points listed are very useful, is not easy to put them into action, since there are too many facets to be considered that most of the time makes difficult to not overcoming the limits imposed.

CONCLUSIONS

This paper reviews the current literature on the bidding process for mega events, in particular, mega sporting events and the Rome Olympic Games 2024 as the case example to clarify the impacts on the host city and country. The choice of this topic is to put in evidence the key points of managing and bidding for such projects, but especially analyzing the positive and negative aspects and the challenges that project managers face because of the complexity of these. Since the role of the project manager is fundamental for this type of events it has been interesting reporting the example of a respectable project manager such as Mark Thurston; his experience in managing very complicated and articulated mega projects such as the Crossrail and the London Olympics in 2012, represents an interesting case where he explains the challenges and the steps he took in order to accomplish the objectives pre-established to deliver the projects at his best.

The aim of this paper was to stress the bidding process and all the facets that characterized mega projects. Most people don't know all the work behind the structure of these mega events. They participate and make the best out of these events, don't expecting that for a single event there are years of preparation and especially battles and risks taken in order to deliver the best performance for each single occurrence. Hence, to the extent of revealing the background of these types of events I tried to answer the following questions: How the bidding process is built? What are the main trials encountered? How host cities and countries behave when they compete to host a mega-event? What are the positive and negative outcomes? To answer the above inquiries, I referred to several papers wrote by different authors who experienced and managed projects of such importance. What I discovered is that there are many steps to take into consideration when talking about bidding and mega projects. There are processes taking several years before being approved and then implemented, and especially a lot of costs to be covered that very often are transformed in liabilities for the host cities. Such a costly, complex and high profile

activity as hosting the Olympic Games involves different interests fluctuating from the commercial, with the purpose of maximizing profit, to the governmental, with the objectives for political, economic and social benefits. Settlements for the host cities, deriving from staging the Games can be enormous and various. For example, they can recommend economic activity as a result of the jobs made in socially related sectors. The creation of sports amenities can also play a role in the programs of urban renewal by introducing new sporting and recreational facilities into previously under-provided spaces. On a larger scale, organizations for the event can also offer a means of justifying new investment in transport and in projects to enhance the city's scenery and esthetical presence. Furthermore, I have seen that the fundamental qualities of mega-events have been classified as the unit of impact, the managerial complexity, and commitment of various representatives and scale of the length. Due to the rising extent, the performance of the Olympics now includes considerable investment in sporting capacities, adding also the improvement or construction of other infrastructure and services, such as housing, transportation and communications. Recent mega-events has shown how the outcomes, positive or negative, affected results. Increased city awareness, economic development, creation of new job's positions and urban reinforcement have been seen along with high inflation, high-priced housing and even city denigration. However, It is argued that the IOC, jointly with local Olympic managers and public relations specialists, has largely succeeded in maintaining the impression that, while bad effects as well as pressures may manifest themselves in misconducts or obstructions, the sporting world is unequivocally supportive of the Olympic mission. Hence, notwithstanding the general disapprovals surrounding the institution of the Olympic Games, which mainly face the correlation between the concepts of Olympics and the current nature of the event, the Games continuously grow in scale and importance. The current Olympics show that the economic benefits are the primary reason for all the interests involved in hosting the Games, be it the local administration, which pursues city development of the region through infrastructure made for staging the event, or the organization that choose to become sponsors of the event to attract advertising. Taking into consideration the

candidature of Rome for the Olympics 2024, the decision of the Major is questionable, since the candidature could have represented an occasion of redemption for the eternal city. It is considered one of the most beautiful cities in the globe and the chance to host again, after several years, the Games should be considered an asset and a way to improve some of the city's area that otherwise would be unused. It would also have represented a valid circumstance to attire more tourists and organize more events bounded to sports or other cultural activities with a view of the future Games.

As a result, while bidders fight for the glory of winning the staging of a mega-event, the wanted fiscal, economic, social, political and cultural outcomes are projected to support their actions. In conclusion, through this work, having seen that everything that shines is not always gold, is possible to state that even if is difficult to manage all the aspects of preparing Olympics and mega events in general, organizing committees should arrange a specified program to follow or at least impose strict points in order to allow cities to be eligible, respecting deadline, costs and other non-directly related costs such as the Olympic Agenda 2020 is trying to doing. But, based on my research the most important aspects to take into account should be:

- Assuring that the infrastructures built are not any more left as “ghosts amenities” because they would represent just a waste of money, paid by citizens or sponsored by the ones who kindly donates it to the host city.
- Super-visioning the liquidity's flows.

The organizing committee should ensure that no one speculates, earning money, on these types of events that should represent an occasion to unify population, cities, and nations in the representation of one of the most spectacular worldwide events.

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SUMMARY

What are Mega Projects

“Mega comes from the Greek word “mega” and means large, vast, high and imposing. They represent complex, large-scale endeavors that cost a billion dollars or more, take many years to develop and build, involve private and public stakeholders, and impact millions of people” (Bent Flyvbjerg, 2014). Hirschman (1995: vii, xi) called such projects “privileged particles of the development process and pointed out that often they are designed to ambitiously change the structure of society, as opposed to minor and more conventional projects that used to fit into pre-existing structures and do not attempt to modify these”. Hence, Mega Projects are not a larger vision of minor projects. They cover a completely different strain of projects in terms of complexity, lead-time aspiration, and stakeholder involvement. Subsequently, they are also very different and difficult to manage. Megaprojects are increasingly used as the favorite transfer model for goods and services across a range of business sectors like infrastructure, IT, big science and major events. Samples of megaprojects are airports, high-speed rail lines, dams and the Olympics. Even if these projects are made in order to improve community’s quality life, such as constructing bridges that allow connections from one place to another, rather than organizing a mega event that will provide many jobs, they have several weak points that are tough to overcome and could lead to the failure of these Mega Projects. These are:

- Risk due to long planning horizons and complex boundaries.
- Scarce planners and managers experience that leads to leaving leadership fragile.
- Decision-making and planning are typically multi-actor processes involving multiple stakeholders with conflicting interests.
- Non-standard technology and design that makes the project unique and prevent learning from other projects.
- Early over commitment that makes impossible to look for alternative analysis
- Change of the project scope

- Cost overruns and delays

Nowadays project manager lives in stuck with the management of megaprojects; they do not know how to deliver them successfully, therefore, they tend to break and reorganize again, and sometimes refinancing, in attempt to hit problems and deliver some version of the initially scheduled project. Thus, is not easy to drive megaprojects. Success is defined as the project being delivered on time, budget and benefits. But, as the evidence indicates, around one of ten Mega Projects is on budget, on schedule and on benefits. Managing Mega Projects such as a huge infrastructure enterprise or plant development requires better quality project management controls in order to avoid excessive costs and schedule overruns. Early organization and planning of construction Mega Projects set the stage for everything that takes place after the project authorization. Once materials, machinery and manpower enter the frame, much of the planning elasticity disappears. Hence, is hard to be on track with the pre-established plans. By being smart about project delivery, contracting strategies and by putting appropriate project management controls in place, many project risks can be eliminated or mitigated. Furthermore, is useful for project managers to share their knowledge among projects in order to have a full picture of the problem there are going to face, in particular, is useful having more resources and time saved to count on. In the next sections, we will go through Mega Project's challenges reported by examples and a direct deposition by one of the most famous UK project manager: Mark Thurston.

Mega Projects Challenges: Keynote speaker Mark Thurston

The keynote speaker, Mark Thurston, detected some factors more specifically related to Mega Projects: scale factors, complexity, regulation, politics and interface. All of that based on long personal experience, putting evidence on four projects of huge dimensions such as London Olympic Games 2012, realization of a 25km tunnel right below the Thames (Tideway project) and the realization of a highway from London to Leeds and Manchester (High Speed 2 project). Furthermore, Mark Thurston exhibited the interesting parallel between the concept of "*homeostasis*" for a living system and

the modeling of the variable setting management such as to maintain the stability of a complex system, applied in the field of management of large projects. That argument has been an interesting debate with the great participation of those present. He then sets out the factors of greatest influence of large projects, divided into four perspectives of greater impact: people and leadership, governance and controls, organization and culture, outside world. The deepening issues brought to focus the debate on topics related to risk management, the importance of the definition and scope of communication and discipline necessary to conduct in an efficient way these companies.

Factors related to Mega Projects

According to the speaker, the transfer of knowledge is one of the key points to be taken into consideration when we talk about Mega Projects. Taking the example of Terminal 5 at Heathrow Airport in London, it was considered the first time from many years where prime organization, supply chain and government regulators came together and got it right. There has been a lot of research around Terminal 5 project and it has been seen as a platform for things that have gone and happened since. Also, the Olympics were built on all the good working aspects that were done out at Heathrow. These Mega Projects are significant undertakings that governments, agencies, countries have taken on and these five elements: scale factors, complexity, regulation, politics and interface are meant to be the foundation for success. They are the things that scan complexity, and because of that scale and complexity, there is invariably huge political dimension and the UK Government has been at the heart of funding many of the projects. Inevitably, the scan complexity leads to interfaces and these interfaces are not necessarily technical; they could be also organizational (the channel tunnel that is between nations). If we take a step back, we would define Mega Projects the ones that have those characteristics.

What is a Bid

The Bid is the dealer's reply to a client's request for a project; the answer to the questions presented by the client. It is referred also to a proposal; it is a binding document, firstly evaluated by the user to establish if the work should be endowed and if it is, it becomes a binder on the part of the supplier as to what will be done. There are many types of bids, as there are many different projects. The bidding process is a key sales activity for most services and products oriented organizations. The principles of bid writing apply equally across the scale from very small to very large project. Focusing on the commercial bid results one of the several possible suppliers being awarded a contract to execute a project or a program of work. However, many of the principles to be discussed remain valid outside of business context, such as when diving for an internal project or undertaking a non-commercial basis. The bid process controls the way the bid group prepares, matures and sends the tender to the customer. If well prepared, the bid proposal represents a perfect blueprint for success. Most successful proposals are not casual results. They are created following structured bid process aimed to guide the bid team in the right direction. The key of having an established bid process is essential to ensure that steps are followed and things are done in the right way at the right time.

The Bid process for the Olympic Games

The IOC'S advancing development of the Olympic Movement has shaped the current bid process. The IOC constantly tries to increase the available resources and refine the prerequisites for bid cities to maximize the bid experience and aspire for an event of superior level. Parallel the IOC'S fruition; hosts and innovative bidders have learned to shape the bid process to their long-term benefits, in particular through urban renovation initiatives. The early stage of bid and the bid process itself are considered crucial, and the guarantees made during these stages are mandatory if a city is selected to host the Games. In this way, applicant cities are strongly encouraged to apprehend the requests of hosting the Games before building public support for a bid

and joining the first stage of the application process. The IOC supports why it splits the bid procedure into two periods as its approach of picking the most fitting city to host the Games and meet its obligation to guarantee a positive Olympic Legacy. Just as Olympic athletes contend in a series of qualifying trials, cities undertake a similarly complex ranking procedure based on their capacity to complete the Games. In each stage, the Applicant and the Candidate, the IOC tries to recognize the most suitable candidates to move onward. Although a tiered bid process can put an important amount of stress on competing cities, it can also act to put an edge to the financial burden on bidders who are not ready to execute the Games Candidature Fee (Phase 1, \$150,000) and Candidature Fee (Phase 2, \$500,000) (International Olympic Committee, 2003). These fees represent just a small part of the cost of preparing an Olympic bid, which cost about \$30 million. Within each bid, budget estimation must be taken into consideration since the Organizing Committee for the Olympic Games (OCOG) budget excludes milestone items. Significant expenses, such as transportation services and infrastructure are overdue to cities independently from anything enclosed or contemplated by the IOC. These elements may be instrumental in the success of the Olympic Legacy. Successfully executing the steps of a bid requires that a city is sustained at a national level by both public and private resources distinctly from Olympics related funding. The IOC delivers to candidate cities instruction and practical learning opportunities through the Transfer of Knowledge (TOK) program. Since the Olympic Game Study Commission of 2003, the IOC has enlarged its efforts to improve Games managing process through increased assistance to repeat bidders. Hence, cities pondering a bid now have to choice to tie on the IOC's planning and learning means, many of which specifically focus on application requests. Consequently, submissions continue to rise in value from year to year in terms of their acquiescence with IOC instructions and deadlines.

With each Olympiad, the IOC restructure the bid process in order to incorporate valuable lesson learned. As the process does not promise a positive Olympic Legacy, the IOC's new assets and necessities are used as standards to a fruitful bid and building block for a positive legacy.

The candidature of Rome 2024: What were the key points

The manifest used for hosting the Olympic Games was based on showing the art of the Italian pillars to tie the world through sport. The vision relies on family values that Italians hold and the warm welcome and high quality experience that is proposed to all visitors that come to enjoy the beauty and traditional culture of Rome and Italy. The purpose is show the power of sport to connect people, families, places, cultures and faiths and want to use the Olympic and Paralympic Games as a catalyst to achieve these goals, furnishing ever-long memories of pooled experiences for the entirety. The Games Concept is guided by this vision, motivated to recreate the sense of pride generated by hosting the Rome 1960 Games and the key milestone that this represented in Rome's progress. The objective is to develop a new milestone in Rome's history in 2024, a turning point in the for the growth of the city, for future use and as an incentive to improve the quality of life for all Roman residents. Italy wants to demonstrate to the world that can achieve its goals by hosting highly prosperous major events, such as the Rome 1960 Olympic Games and the Milan World Expo 2015. These aspirations are also in line with the long term plans for the development of Rome and with the Olympic Agenda 2020. The Italian concept of the Games can be summarized in the figure below.



Figure 2.3: Roma Candidate City Olympics 2024. (Candidature file stage 1: Vision, Games Concept and

Strategy, 2015)

Exploring these point it can be possible to observe how the different points are faced.

- **Culture, Lifestyle & Landscapes** – Linking the different communities and beliefs of Rome, encouraging all visitors, be they athletes, spectators, officials or the media, to ‘experience life the Italian way’, through a high quality celebration of sport, in a unique outdoor scenery (Candidature file – Stage 1: Vision, Games Concept and Strategy). This will incorporate supporting social interaction, using Rome’s urban parks and squares, as the art of the Italian welcome and lifestyle tool to develop community spirit across the whole to create a sense of uniformity to the world through sport, Rome and its local population. This event is also seen as a chance to renovate the city’s infrastructure and enhance the quality of life for Rome’s citizens. These developments, which fit perfectly with the Olympic Agenda 2020 values, will benefit both citizens and visitors, leading to bring Rome more reachable, enjoyable, sustainable and even more spectacular.

- **Families** – Using family values and concepts to create a truly celebratory atmosphere and deliver wider social opportunities to tie, not only Italians, but also players, tourists and the Olympic Family. Contestants will celebrate with their beloved and will have the chance to meet and explore Rome and Italy together. The Games related programs would help to surround these cultural values within the frame of a more complete society, endorsing communication across generations.

- **Tradition & Innovation/Technology** – Combining Rome’s tradition, beauty and heritage with new concepts and innovation to deliver a forward thinking Games concept, in our ever growing technological world. Rome’s Games will show the history and heritage of sport, in a modern and extensive way. Incorporating revolutionary ideas and use Italy’s technological know-how, as they already did with the 1960 Games, as the first Olympic Games to be broadcast

internationally and use technology such as slow motion replays. The proposal is for a triumphant parade of medal winners at Games-time, for the first time, in the amazing night-time scenery of the Coliseum, the site of many historical competitions and public shows, it would represent a unique example of how merging tradition and innovation.

There are a series of objectives that Italian representative wants to reach by hosting the Olympic Games (Candidature File stage 1: Vision, Games Concept and Strategy, 2015).

Objective 1: Create a connection with people, not only limited to the city that will host the Games, but at national and international level. The purpose is to deliver an outstanding experience for athletes and spectators creating long-term memories that are going to build the Olympic history. This will take place in profounder and noteworthy legacies, incorporating pride, honor and excitement for the benefits that could this event give to the city and to the country.

Objective 2: Build new Olympic Games on the legacy of Rome 1960, using the national tradition to stimulate new generation and strengthen society through sports.

Celebrate and encourage participation in sport and deliver more sporting opportunities and undertakings. These benefits to Italian sport include:

- Renewed and new sporting locations
- People of all ages taking part in sport and feeling the health and personal benefit of an active healthy lifestyle
- More efficient talent identification to help more youngsters achieve their sporting goals
- More elite athletes achieving success on the world stage and acting as role models for young people.

Objective 3: Create interactions with groups, families and society and improve the

quality of life for Roman and Italian citizens. The Games will be used as an instrument to promote greater social inclusion and respect the next together of different cultures, beliefs and religions, for the long-standing benefit of society. Some of the initiatives include:

- Family friendly programs and notions re- establishing the importance of family values within Italian society
- Olympic and Paralympic education programs, before, during and following the Games, providing a legacy to Rome and Italian sport, education and society, as well as the Olympic Movement
- Greater promotion and awareness of the benefits of active healthy lifestyles to augment health and wellbeing

Objective 4: Improve city's infrastructure and living environment to create a more accessible and sustainable city. By completing this it is possible to reach a better quality life standard for citizens, in respect for the Rome's historical environment. Some of the benefits include:

- Connectivity between Rome's districts, with improved transport connections
- The adoption of new sustainability standards and transparent best practice construction processes
- A more accessible, inclusive city, providing improvements not only for people with disabilities, but also for everyone, allowing visitors to get around and enjoy the city easily.

Objective 5: Incorporate innovation and technology into all Games-related planning and programs to deliver outcomes of the highest quality. Rome 2024 plan is to use technology and innovation positioning as the largest manufacturing country in Europe. Working with some of the Italians 'hi-tech clusters', allows not only shaping the bid but also exploiting the opportunities that bidding for and hosting the Games can bring and the resultant benefits to be delivered. New ideas and innovations will be promoted, enhancing Rome's position as a hub for creativity, through engagements with

universities, new businesses, as well as sports related research projects in the technology sector. This will include:

- Continuation of the #LabRoma2024 (innovation ecosystem network) initiative, introduced in the Candidature phase, to build on Rome's position as an incubator hub for new business.
- Developing the research capabilities at Tor Vergata University as part of the Games legacy plans through additional structure and research programs, involving more young people and students.

Rome withdraw from the 2024 Games

On October 11th 2016 Virginia Raggi, Mayor of Rome, during a press conference withdrew the candidature of Rome from the Olympics in 2024. There are several reasons that have led to make this decision. The Mayor said: "Is irresponsible saying yes to this candidature" continuing "We did not changed our mind, we strengthened our position", ongoing " We were asked to carry on more debts, we cannot afford that" (www.repubblica.it). The Mayor explained that they are still paying debts for the expropriation of the games held in Rome in 1960. They have nothing against Olympics and sports in general, but their willingness is to use sport not just as an excuse for a new inefficient spending for the city of Rome; there are a lot of promises done during the Olympics, but people should take into account the several structures built that are now unused, such as the infrastructures for the World Aquatics.

The position of the Mayor is clear, hosting an event such as the Olympics will incur in cost overruns meaning the transformation of this costs in liabilities for the city, its citizens and especially for the infrastructures that have to be built in order to be suitable for holding the Games without the guarantee to use these appropriately after the event.

On the other side, Giovanni Malagò, president of the INOC (Italian National Olympic Committee) strongly disagree with the decision made by Virginia Raggi. He supported the importance of this candidature as a chance of redemption for the city Rome. He underlined the essential elements that could help the city of Rome to improve public transportation, public infrastructures and create new job positions. These represents a

bunch of fundamentals that could be considered a first step in order to develop the eternal city, just like the Olympics held in 1992 contributed to the city of Barcelona in giving birth to new city areas. To strengthen his position, the president of the INOC, refers to some of the key points listed by Agenda 2020 (www.Olympics.org):

- Changes to the bidding process, new way to invite candidate cities to present a project that suits their sporting, social, economic and environmental long-term planning needs.
- Reducing bidding costs by reducing the number of presentation allowed and providing a significant financial contribution from the IOC.
- Organization of sports and events outside the host city and even, in exceptional cases, outside the host country, always respecting the integrity of the Olympic Village.
- Adapting and further strengthening the principles of good governance and ethics to changing demands. Ensuring compliance with the Basic Universal Principles of Good Governance and transparency of accounts, with the IOC's financial statements to be prepared and audited according to the International Financial Reporting Standards (IFRS).

Last October 11th 2016, Giovanni Malagò gave up on his conflict with the decision made by the Mayor, delivering to the IOC the letter that certifies the withdraw of Rome from the 2024 Games.

Cost and cost overrun at the Games

Since the development of the modern Olympics in 1896 attention to cost and cost overrun of the Games has been raised. Baron Pierre de Coubertin, the man responsible for the modern Games, referred to “the often exaggerated expenses incurred for the most recent Olympiads” (Coubertin, 1911).

Cost for hosting the Games fall into three categories, established by the IOC:

1. *Operational cost* deserved by the Organizing Committee for the purpose of hosting the Games. Technology, workforce, transportation represent the vast majority of this cluster and administration costs. Other costs include security, medical services and ceremonies services.

2. *Direct capital cost* incurred by the host country or city or private investors to build the Olympic Villages, media and press center and the competition venues required to host the Games.

3. *Indirect capital costs* such as for road, airport or infrastructures, rail, hotel or other business investment necessary for the Games but not directly related to staging the Games.

The first two represents the costs related to the sports of the Games; the last one represents the indirect costs related to the Games and getting data about these is so difficult and they are rare, due to the arbitrariness. Regularly, the indirect costs are higher than the direct ones. Baade and Matheson (The Oxford Olympic Study, 2016) found that for seven Games for which they could obtain data for both sports infrastructure and general infrastructure, in all cases was the cost of general infrastructure was higher than the cost of sport infrastructure, sometimes several higher.

Recommendation for the path ahead

In this final section we explored the outcomes derived from hosting the Olympics, the difficulties related to cost overrun and urban development that affect host cities. In addition to general best practice legacy projection, particularly the authoritative to integrate a Games plan with the city's long term planning objectives, and to plan for legacy from the very beginning of the bid process (Smith, 2012), several authors listed the following recommendation (Legacy after the bid, 2014):

- *Support cities to form a long-term “bid coordination” organization.* Many cities apply for multiple bids, not just for the Olympics, but also for other types of events. However, there is the risk that temporary bid organizations will either suspend after an unsuccessful bid, or transition into an organizing committee after a prosperous bid. In the case a city presents more than one bid there is the organization committee that take care about the project, but the ideal model to follow will be the institution of an external organizing committee, that will be able to handle the management for pairing individual bids with a long-term urban development strategy. If this hypothetical team is built to represent potential stakeholders, it could become a manifesto for coordinating public conversation about what an Olympic, or other mega events, should entail in order to develop the city even if the bidding is not successful.

- *Monitoring ongoing impacts of bids, especially among high frequency bidders.* Cities that bid for the Games several times, often implements part of their bid plans before securing an Olympic host contract. Much of this investment was already accounted as part of the non-Olympic initiatives, but the bid themselves provide the improvement of existing infrastructures (empowering sports facilities, for example). This represents a chance for arranging and pursuing Olympic legacy throughout and among bids, and for maintaining a long-term local dialog on bid legacy goals. It also presents challenges to Olympic legacy, in that bid legacy investments must be planned for two situations: that a bid is unsuccessful and that a future bid may be successful. When a city bids for the Games multiple times the IOC should request documentation on legacies of the city’s previous bids. The abovementioned bid coordination agencies could play a leading role in implementing and documenting bid legacies, and this monitoring would help ensure accountability and transparency within those agencies.

- *Add subsequent seminar, after the host city elections, for all of the applicant and candidate cities.* The IOC already sets post-election examinations for the future host city, managed through the IOC Coordination Commissions. The proposed seminar would be an additional, independent event. It would ideally play two functions: helping the future host city learn from the best practices of its previous contenders and instructing unsuccessful bidders on how to realize their bid legacies. The second one should accentuate making premeditated long-lasting decisions about whether or not to bid in future elections round, and on picking offered projects from within the bid that would still add value to the city. The seminar could be integrated into the current Olympic Games Knowledge Management framework, as a workshop analogous to the bid cities orientation seminar (held at the initiation of a host city elections round).

The suggestions above represent a way to enhance and avoid the waste of money and time during the organization and after the hosting of the Olympic Games. Even though the points listed are very useful, is not easy to put them into action, since there are too many facets to be considered that most of the time makes difficult to not overcoming the limits imposed.

CONCLUSIONS

This paper reviews the current literature on the bidding process for mega events, in particular, mega sporting events and the Rome Olympic Games 2024 as the case example to clarify the impacts on the host city and country. The choice of this topic is to put in evidence the key points of managing and bidding for such projects, but especially analyzing the positive and negative aspects and the challenges that project managers face because of the complexity of these. Since the role of the project manager is fundamental for this type of events it has been interesting reporting the example of a respectable project manager such as Mark Thurston; his experience in managing very complicated and articulated mega projects such as the Crossrail and the London Olympics in 2012, represents an interesting case where he explains the challenges and the steps he took in order to accomplish the objectives pre-established to deliver the projects at his best.

The aim of this paper was to stress the bidding process and all the facets that characterized mega projects. Most people don't know all the work behind the structure of these mega events. They participate and make the best out of these events, don't expecting that for a single event there are years of preparation and especially battles and risks taken in order to deliver the best performance for each single occurrence. Hence, to the extent of revealing the background of these types of events I tried to answer the following questions: How the bidding process is built? What are the main trials encountered? How host cities and countries behave when they compete to host a mega-event? What are the positive and negative outcomes? To answer the above inquiries, I referred to several papers wrote by different authors who experienced and managed projects of such importance. What I discovered is that there are many steps to take into consideration when talking about bidding and mega projects. There are processes taking several years before being approved and then implemented, and especially a lot of costs to be covered that very often are transformed in liabilities for the host cities. Such a costly, complex and high profile activity as hosting the Olympic Games involves different interests fluctuating from the commercial, with the purpose of maximizing profit, to the governmental, with the

objectives for political, economic and social benefits. Settlements for the host cities, deriving from staging the Games can be enormous and various. For example, they can recommend economic activity as a result of the jobs made in socially related sectors. The creation of sports amenities can also play a role in the programs of urban renewal by introducing new sporting and recreational facilities into previously under-provided spaces. On a larger scale, organizations for the event can also offer a means of justifying new investment in transport and in projects to enhance the city's scenery and esthetical presence. Furthermore, I have seen that the fundamental qualities of mega-events have been classified as the unit of impact, the managerial complexity, and commitment of various representatives and scale of the length. Due to the rising extent, the performance of the Olympics now includes considerable investment in sporting capacities, adding also the improvement or construction of other infrastructure and services, such as housing, transportation and communications. Recent mega-events has shown how the outcomes, positive or negative, affected results. Increased city awareness, economic development, creation of new job's positions and urban reinforcement have been seen along with high inflation, high-priced housing and even city denigration. However, It is argued that the IOC, jointly with local Olympic managers and public relations specialists, has largely succeeded in maintaining the impression that, while bad effects as well as pressures may manifest themselves in misconducts or obstructions, the sporting world is unequivocally supportive of the Olympic mission. Hence, notwithstanding the general disapprovals surrounding the institution of the Olympic Games, which mainly face the correlation between the concepts of Olympics and the current nature of the event, the Games continuously grow in scale and importance. The current Olympics show that the economic benefits are the primary reason for all the interests involved in hosting the Games, be it the local administration, which pursues city development of the region through infrastructure made for staging the event, or the organization that choose to become sponsors of the event to attract advertising. Taking into consideration the candidature of Rome for the Olympics 2024, the decision of the Major is questionable, since the candidature could have represented an occasion of redemption for the

eternal city. It is considered one of the most beautiful cities in the globe and the chance to host again, after several years, the Games should be considered an asset and a way to improve some of the city's area that otherwise would be unused. It would also have represented a valid circumstance to attire more tourists and organize more events bounded to sports or other cultural activities with a view of the future Games.

As a result, while bidders fight for the glory of winning the staging of a mega-event, the wanted fiscal, economic, social, political and cultural outcomes are projected to support their actions. In conclusion, through this work, having seen that everything that shines is not always gold, is possible to state that even if is difficult to manage all the aspects of preparing Olympics and mega events in general, organizing committees should arrange a specified program to follow or at least impose strict points in order to allow cities to be eligible, respecting deadline, costs and other non-directly related costs such as the Olympic Agenda 2020 is trying to doing. But, based on my research the most important aspects to take into account should be:

- Assuring that the infrastructures built are not any more left as “ghosts amenities” because they would represent just a waste of money, paid by citizens or sponsored by the ones who kindly donates it to the host city.
- Super-visioning the liquidity's flows.

The organizing committee should ensure that no one speculates, earning money, on these types of events that should represent an occasion to unify population, cities, and nations in the representation of one of the most spectacular worldwide events.