

PUBLIC PRIVATE PARTNERSHIP IN FACILITY MANAGEMENT: THE STATE OF ART OF GLOBAL SERVICE IN ITALY

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ABSTRACT

In Italy, the topical need to improve the efficiency of the activity and service management and the consciousness of the limits concerning the traditional bureaucratic machinery, get the Public Administration to concentrate itself on strategic and core functions, leaving to someone else periferic or non core functions. That in order to allow Public Administration to optimize the utilization of human and finance resources and to speed up the process of internal reorganization.

A result of this tendency is the now widespread use on the part of public bodies of the "Global Service" instrument for the development of Public Private Partnership (PPP) in Facility Management (FM).

Despite the development of the Global Service, there is a lack of shared rules in order to uniform the behaviour of the market. In this context, a special national study Committee at the UNI (the Italian standardisation Body) has recently published a specific standard project called "Global Service for the management of real estate patrimony - Guide lines".

This standard will represent the first of its kind in Europe and will be able to supply the public grantors and providers of FM services with a common basis of methodological-operational reference in order to standardize the FM Global Service "process" and its correct adoption and usage.

THE ITALIAN WAY FOR PUBLIC PRIVATE PARTNERSHIP IN FACILITY MANAGEMENT: THE GLOBAL SERVICE INSTRUMENT

In Italy, as has been the case in the other EU countries for some time now, the development of the services market appears to be more and more oriented towards the outsourcing of public bodies and private owners or managers of real estate patrimonies.

Within this general framework, the specific section of the market related to Facility Management (FM) assumes particular significance: having developed very late in Italy with respect to the other European countries, this new segment of the market has shown definite and impressive progress over the last years, faced with a potential demand for services (for the most part inundated or outstanding up until now) which in the sector of public real estate patrimonies alone is today estimated at over €33 billion per year and with an actual market which, already exceeding the sum of €5 billion, will tend to treble over the next years, reaching over €18 billion at the end of 2007 (source: CRESME - Centro Ricerche Economiche, Sociologiche e di Mercato per l'Edilizia e il Territorio).

A result of this market tendency is the now widespread use on the part of public bodies - in the context of Public Private Partnership (PPP) tenders for the assignment of FM services for their own real estate patrimony - of the "Global Service" instrument, that is to say, of an assignment system with the integrated services of management with full responsibility on the part of the provider for the results in terms of reaching/maintaining the levels of predetermined services.

¹ TEROTEC (www.terotec.it) is an association-laboratory of national importance, having as its institutional aim the promotion, development and propagation of innovation in the field of the maintenance and management of urban and real estate patrimonies, developing for this aim services of research, experimentation, training, the study of new standards, advice, information and promotion. The promoting partners of TEROTEC are: ANCE/Associazione Nazionale Costruttori Edili *, Condotte Immobiliare spa, Coopservice srl *, DeltaDator spa, EUR spa *, FISE/Federazione Imprese di Servizi *, Groma srl *, Harpaceas Insight srl *, Insula spa *, La Fiorita srl, Manitalidea spa *, Manutencoop srl *, Pirelli & C. Real Estate Facility Management spa (* founding partners).

The State finance law for 2000 has contributed towards the consolidation of this tendency, in so much that it has identified the contractual formula in Global Service that would make it possible for local administrations interested in the targets of stabilising public finance to achieve higher levels of efficiency and management economy.

The most significative expression of this tendency has been the 2001 CONSIP tender, the concessionaire of public computer services that organises and manages the e-procurement of the public administrations and which published and awarded a national scale contract of FM Global Service for property used for offices belonging to the State for a total amount of over €700 million.

In the light of a market trend that involves and will involve more and more the adoption of, in the property sector, contracts for FM Global Service based on the transfer of the direct responsibility for the "results" to third parties, there is to be found however an inadequacy, if not the total inexistence, of specific supports of a technical kind able to standardise market behaviour and regulate the processes, the procedures and services dealt with by Global Service by means of "consensual rules".

This, in the presence - on the one hand - of a not yet consolidated culture and practice of outsourcing on the part of the public "demand" for FM services and - on the other - of a not yet widely developed and certified know-how on the part of the "offer" of the same services.

A TECHNICAL-NORMATIVE INNOVATION

In this context, a special national study Committee at the UNI (the Italian standardisation Body) has recently published a specific standard project called "Global Service for the management of real estate patrimony - Guide lines"².

This standard will face the problem of Global Service from the viewpoint of a "process" of PPP related to the two main subjects involved: the public grantor and the provider of the FM Global Service.

They will therefore provide the "guide lines" for the management of the FM Global Service processes, endeavouring to establish some kind of guided methodology and to determine the fundamental phases of development of this as well as the correlated objectives, procedures and instruments.

The field of application of this set of standards are especially the real estate patrimonies of public ownership.

The standards is divided up into sections correlated to the key-phases of development of the FM Global Service process:

- phase of needs analysis and definition (public grantor);
- phase of preparation of request for offer (public grantor);
- phase of preparation of offer (bidder).

On the basis of this layout, the standard is structured according to the following index:

- Needs analysis and definition phase (grantor)
- *Identification of the services to be assigned to Global Service*

² The UNI National Committee set up for the study and formulation of the standard has the following members: President: Prof. Claudio Molinari; Coordinator and responsible: Prof. Silvano Curcio; Technical secretary: Ing. Roberto Ravaglia; Referees: Prof. Angelo Ciribini, Ing. Angelo Guerrieri, Ing. Fiorenzo Guidoreni, Ing. Marco Mandarino, Prof. Rossella Maspoli, Arch. Pier Giuseppe Mucci, Arch. Laura Papanti Pellettier, Ing. Enzo Scudellari, Prof. Cinzia Talamo.

Identification of the services which could be assigned to Global Service, according to the advantages to be obtained by means of externalisation, on the basis of the objective and historical data relative to the "services".

- *Evaluation of the services to be assigned to Global Service*

Quantification of the services that could be assigned to Global Service and estimate of the economic advantage to be obtained; this estimate must necessarily be based on suitable proof and documentation of the real estate patrimony actually making use of these services, in all its various aspects (size, state of repair, respect of legislation, etc.).

- *Analysis of the organisational impact*

Identification of the transformations in the organisation necessary for the correct and efficient management of Global Service (transformation of the executive functions into control functions, adaptation and eventual integration of the information flows).

▪ Phase of preparation of request for offer (grantor)

- *Documentation of the real estate patrimony to be assigned to Global Service*

Suitable documentation of the patrimony in the context of the request for an offer (identification of real estate, information about the size of buildings and plants, specific documents concerning the state of repair, respect of legislation and safety, etc.).

- *Definition of the services requirements to be assigned to Global Service*

Clear and homogeneous definition of the requirements of the services to be assigned to Global Service and the methods of control that will be adopted for the verification of their carrying out (the real objective of Global Service lies in these identified requirements, that is to say in the "services").

- *Definition of the organisational requirements of Global Service*

Identification of the organisational requirements of Global Service (availability of general interfaces and specific planning processes, carrying out and report of services, independence of quality controls, role of data system and definition of any eventual integration restrictions).

- *Definition of the evaluation criteria*

In the definition of the evaluation criteria of the offers, it is necessary to give more importance to the factors of quality and service as the efficacy of Global Service closely depends on these.

- *Definition of the ways of presenting the offers*

Indication of suitable restrictions for the format and the ways of presenting the offers, according to the typologies of service given by Global Service and the requirements identified, so as to guarantee the homogeneity necessary for the following evaluation (with the identification of the evaluation criteria that will be adopted).

▪ Phase of preparation of offer (bidder)

- *Preliminary evaluation of Global Service*

Preliminary verification of the bidder's interest with regard to the tender documents, with contextual evaluation of its own ability and competence as well as the opportunity for possible integrations (partnership).

- *Global Service planning*

Development of the planning on the basis of the full awareness of the services requirements and the patrimony assigned to Global Service (on the basis of the documents presented for the tender, integrated with "direct" knowledge acquired "on the field"), in which are defined in an organic and integrated way, by means of a repetitive process, the operational, logistic and organisational aspects (this must include therefore: interfaces with the grantor, methods of control and use of data system, definition of starting times, etc.).

- *Formulation of the offer*

Homogeneous and organic formulation of the proposals (description of project) and an accurate economic evaluation (with possible check/representation of project in the case of incongruity).

THE FOCAL POINTS OF FM GLOBAL SERVICE STANDARD

The choice, formulation and adoption of the procedural and contractual system of FM Global Service arises from the demands of the public grantor in order to rationalize and externalise the FM services in an "integrated" way and according to economic, managerial and qualitative objectives.

The choice of the FM Global Service model must, therefore, be founded on the analysis of the grantor's changing needs with regard to the FM system in use.

As a consequence, the standard in question could represent useful contributions, in order to approach this preliminary "strategic" phase, especially for the purposes of obtaining a correct and articulated analysis and clarification of the grantor's needs and objectives, in relation to its own specific reality and general strategies.

In order to obtain this, the above mentioned standard can be useful to translate the needs into the requirements and objectives of the FM, which are definable and verifiable in terms of quality, time and economics.

For the choice of the activities to be entrusted to FM Global Service, the standards set out a methodological approach for the grantor that, in the first place, regards the gradual moving from "episodic" FM to that hinged upon a "management service" or on several "integrated services".

In this way the grantor can consider systematically and rationally, in relation to the obtainable results, the different forms of organisation and the entrusting of the FM system.

The approach of the standard in "process" terms can however supply the grantor with a sort of "guided course", useful to set out, control and plan a series of aspects characterised, at present, by a high level of complexities.

The standard can supply useful guide-criteria for the decision-making and operational support, also with regard to the "knowledge" of the real estate patrimony for which the grantor intends to set up a FM Global Service.

The knowledge of the building patrimony, in fact, (quality-quantitative consistency, technical features, services statement etc.) is a fundamental requirement for the correct setting out of the service reference parameters, the definition of the offer request and the evaluation of the offers. The lack of fact-finding elements relative to the consistency and features of the property often compromises the correct approach to Global Service.

The grantor, before formulating the request for offers of the service, must evaluate the consistency, quality and availability of the information in his possession. This is a preliminary phase, which must be carried out with the correct methodology, based on precise parameters of reference and procedures so as to be able to keep a reliable record of the available information patrimony.

By means of the indications supplied by the set of standards, it is possible to identify the minimum indispensable information.

With regard to this, the standard emphasises that the presence of a "specific information system" constitutes an essential condition for the management of a FM Global Service.

Another crucial aspect about which the standard can give further information of a technical-procedural nature is that of the analysis of the impact of Global Service in terms of the organisation of the grantor's company.

Should, in fact, the grantor's company have to resort for the first time to the entrusting of FM by means of the Global Service model, it needs to first of all evaluate the consequences of this in terms of "organisational planning".

The "Preliminary Approach Document", an innovative instrument introduced by the standard, should, in this regard, involve an analysis of the needs and the availability within the grantor's company in terms of personnel and competences for the purpose of monitoring and checking the carrying out of the Global Service contract.

By means of the "Preliminary Approach Document", there should be carried out a forecast of the features of the possible providers of the Global service contract on the basis of the analysis of the offer, so as to identify the best means of interaction between the organisation of the grantor and that of the provider.

As indicated by the standard, the introduction of the FM Global Service model should lead the grantor's company to reduce the competences of planning and direct management of the services and to increase the competences concerning monitoring and control of the progress and the results of the same services entrusted to external companies.

The grantor should therefore set up its own "FM Global Service Organisation Unit" dedicated to the running of the FM Global Service contract, charged both with verifying the respect of the contract on the part of the Global Service provider, and with learning the new techniques used by it for the purpose of channelling them into its own company at a later date.

As also indicated by the standard, the FM Global Service Organisation Unit should, furthermore, take care that the data and information contained in the system be given to the grantor correctly, completely and in good time.

So far the main reasons have been highlighted for the adoption of a "procedural" approach for the standard, just as the main potential supports of a technical-procedural kind that the same standard will be able to supply.

CONCLUSIONS

Nowadays the Italian way for PPP in FM passes through the Global Service instrument.

The new Italian sectorial standard, once adopted through UNI by the end of summer 2004, will represent the first of its kind in Europe and will supply the public grantors and providers of Global Service real estate FM services (the addressees of the standard) a common basis of methodological-operational reference in order to unify the introductory procedures as much as the capitular, planning and contractual ones connected to the Global Service "process", its correct adoption and operational use.