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RISK AND UNCERTAINTY IN CONSTRUCTION AND INVESTMENT PROJECTS FOR INFRASTRUCTURE DEVELOPMENT OF THE CITY OF WROCLAW IN THE FACE OF POLAND'S PREPARATIONS FOR THE 2012 UEFA EUROPEAN FOOTBALL CHAMPIONSHIP – CASE STUDY

Introduction

On April 18, 2007 the UEFA Executive Committee announced in Cardiff its decision which country would organize the final tournament of the 2012 UEFA European Football Championship (UEFA EURO 2012). The Committee selected Poland and Ukraine to jointly stage the event. The UEFA decision presented the Polish government and its relevant ministries, the Polish FA, the authorities of the cities hosting the matches, as well as many other national and private institutions with an enormous organizational and financial challenge. The effect of the UEFA decision was that all previous projects and plans regarding further infrastructure development would have a high degree of feasibility, as their implementation will be of importance for the successful staging and organization of the Championships. Since the very participation in the contest to host such a massive event requires potential bidders to have an adequate base, some work has already been done in Poland. Moreover, the bidders have to demonstrate either significant improvement in their preparations for the event

or very realistic plans of such preparations which have a high likelihood of timely realization.. Since Poland met most of the above requirements, it was selected as the Host Association of the upcoming UEFA European Football Championship. To the final phase of the contest, apart from Poland and Ukraine, UEFA also selected jointly Hungary/Croatia as well as Italy. Its decision on the Host Association seems quite reasonable given that such event has never taken place in this part of Europe. Furthermore, the Tournament will trigger, in the host countries, an avalanche of investments in sports venues which have, so far, been very few and below required standards. However, the improvement of the existing conditions is not the only benefit gained from hosting the Football Championship. Ensuring a high standard of the entire event together with its successful organization demands that huge sports and recreational infrastructure, in addition to transport, accommodation and road infrastructure will have to be developed. Also, security systems and mechanism must be created for the smooth operation of services provided for direct participants of the event and many thousands of football fans from all over Europe.

Not only do all the above operations and actions constitute an enormous challenge for the city's authorities, local people, and especially the Polish government, there is also a great responsibility involved here. The challenge Poland is facing lies in the necessity to conduct many very complex operations on numerous organizational and technological levels within a relatively short period of time. But there also arose an opportunity to accelerate the infrastructure development including roads, motorways and motorway ring-roads designed for big urban agglomerations, which had already been planned for a long time; in addition, the infrastructure development encompasses fast train connections all over the country as well as the modernization of airports. The timely implementation of all projects ensuring adequate communication between European countries, Poland and Ukraine, and especially between the cities involved in the staging and organizing of the Tournament, including hotel and restaurant networks and other services is not only the responsibility of the Polish Government but also Poland's responsibility in front of whole Europe. The way Poland is going to deal with the organization of the Championships will not only shape the opinion of the sports world; many eyes from various industries will be fixed on Poland closely watching how the country is managing this extraordinary task the completion of which will come with the referee's blowing the whistle to begin the opening match of the 2012 UEFA European Football Championship. Yet until that moment many actions will have to be planned, organized and implemented. They will testify whether or not the preparations made and skills represented by the Polish authorities, institutions, national companies and private entrepreneurs were adequate when faced with such complicated challenges in terms of organization and investment.

For the organizational part of the Tournament UEFA selected the Polish FA. Moreover, the cities were chosen, both in Poland and Ukraine, to host the matches at various stages of the Championships. In Poland the following cities were selected: Gdańsk, Poznań, Warsaw and Wrocław; whereas in Ukraine: Dniepropetrovsk, Donetsk, Kiev and Lviv. Each of the selected cities will become an arena of sports competition as well as accommodation facilities for thousands of football fans and tourists. As a result, meeting the organizational demands will require that preparations and projects have to be carried out on local levels. However, local authorities are not responsible for the construction and financing of all venues and infrastructure needed for UEFA EURO 2012. Their main responsibility lies in the construction of facilities considered to be part of the city's investments already included in the plans and budgets of individual cities. Not unlike most of the stadiums, some of the hotels, road and public transport infrastructure of local significance will depend on the activities, skills and financing provided on the level of local governmental units. These units will have to decide independently what the priorities are and how to finance and manage the entire process, ultimately leading to the city's being ready for the Football Championship.

The goal of the paper is present the scope of the projects which have to be accomplished in Wrocław before the Championship and to analyze the risk and uncertainty linked to such projects. There are many definitions of project risk and uncertainty in the literature. We understand risk an identifiable and potentially possible event which may occur and once it does so, it may have negative consequences for attaining the project goals. Projects uncertainty, on the other hand, stands also for events that may have negative consequences for attaining the project goals, but these events are not identifiable, not known to the decision maker in the moment of project planning. Obviously, it is better to have a potentially negative event as a risk than as an uncertainty – with risks, we can do something, we can minimize their effects or at least be prepared for them to happen and foresee alternative scenarios or adequate measures. Uncertainty cannot be managed, we can just wait and see what comes.

In the moment the paper is written, the projects have been started, but not fished yet. Thus we already know which events threatening the project goals achievement have occurred. Some of these events were known at the moment of project planning, some came as a "surprise". The present case study will help the managers of similar projects to increase the set of identifiable events, of the events which can be qualified as risk. Thus, they will have less uncertainty in their projects and they will be able to increase the success probability of their projects thanks to an adequate risk management.

In the projects analyzed in the present paper several measures have been undertake to prevent risk from happening. The information about these measures will also be helpful for the managers of similar projects.

The outline of the paper is as follows. First, we discuss the problems with law and how the legal basis had to be prepared for the projects to be accomplished. Then we present projects linked to Euro 2012 and the organizational issues on the national level. Then we pass to the local issues of Wrocław. We discuss in detail the organization of the Championship in Wrocław and describe the investments that are conducted (they are a new football stadium, road construction and reconstruction, airport development, agglomeration transport investments, renovation of the main railway station). At the very end we propose some conclusions.

1. Legal basis for the investments related to UEFA EURO 2012

The organization and coordination of any investment work leading to the preparation of the Football Championship requires that a set of laws be established in order to create a platform ensuring the management of the entire enterprise. Consequently, the Polish Government devised the Act on Preparation of the Final Tournament of the 2012 UEFA European Football Championship (Journal of Laws No. 173, item 1229). In particular, the new law covers the terms and conditions under which activities in the field of planning, constructing, reconstructing and renovating of stadiums and other facilities are to be carried out on the territory of the Republic of Poland (Article 1 (1), point 2), as well as the terms and conditions for conducting other operations necessary for the organization and staging of the Tournament (Article 1 (2), point 2). In addition, the Act makes more precise the exclusions with respect to national roads and railway connections of importance to the country and to which the Act does not apply.

The enterprises described by the Act are to be understood as public purposes (Journal of Laws of 2004 No. 261, item 2603), being part of the public purpose investments to be financed by the national budget, local governments budgets and the European Union's budget. Also, the financial assistance is to be obtained from EFTA as well as other foreign sources not subject to back payment.

The integration of supervision of all the operations is of key importance if we want to meet all the objectives involved in the preparations of UEFA EURO 2012, especially their timely realization. However, considering the huge range of operations to be performed, it seems only appropriate to transfer a number of activities on smaller entities which will finalize the preparations, this being of advantage to the Ministry of Treasury, the organizer of the Championship. In particular, this is important from the perspective of the regions where the matches will be played, as people there are the best judges of what is necessary and what is needed to ensure successful staging of sports events in terms of further development.

In a view to this, the legislation makes it possible to found companies with limited liability, the so called "special-purpose companies." Such companies can be created both by the Ministry of Treasury and the host cities, that is Gdańsk, Poznań, Warsaw and Wrocław. The Act specifies the mode of creating such entities, including the subject of their activities which is the preparation, execution, coordination and supervision of all the UEFA EURO 2012 enterprises. According to the Act, these entities may replace local governments in performing the investor's tasks and the tasks within the investor's supervision; in particular, they are authorized to obtain and prepare any documents, submit applications to obtain decision, permits, agreement and opinion, as well as to acquire property and property rights, to participate in expropriation proceedings and to conclude, supervise and execute supply contracts, including service and construction contracts.

Considering the importance of timely realization of the operations involved in the organization of UEFA EURO 2012, the Act introduced regulations simplifying judicial and administrative procedures related to the organization of the Tournament. First of all, these regulations accelerate administrative decisions issued in relation to the organization of the event, and they are subject to immediate implementation. Furthermore, the time period to appeal administrative decisions issued in relation to the organization of the Tournament was shortened from 14 to 7 days; whereas the appeal against the administrative decision issued is to be considered within 15 days instead of 30 days as was the case before. A complaint is to be considered within 30 days from the day of the receipt of the documents and the time period for considering a cassation complaint by Supreme Administrative Court in connection with conducting the operations for the Championship is 2 months from the day a complaint was filed.

The reality continues to bring new experiences, especially to the people engaged in the preparations for UEFA EURO 2012. Even the amendments to previous legal acts could not foresee all cases which encumbered the work on investment planning. There have, for example, been cases involving many property owners whose actions paralyzed important investment projects. The host cities encountered problems while acquiring property by means of signing a civil contract with the owners. The city of Wrocław was one of the host cities which experienced how the owner of a lot blocked the construction of an exit from the inner city ring road and the high-speed tram PLUS terminus (Jaraszek 2009). So an amendment was introduced to the Act on Preparation of the Final Tournament of the 2012 UEFA (Journal of Laws No. 161, item 1281) European Football Championship. The amendment makes it easier to acquire property where road investments and stadiums are to be constructed. The main value of this amendment is moreover the acceleration of investments by separating expropriation proceedings from the proceedings specifying the amount of compensation given. As a result, the above case of blocking the investment work will no longer be possible.

Furthermore, this amendment sets up some sort of bonuses for property owners who choose to transfer their property voluntarily. There is a 5 percent increase of compensation to be paid to those who vacate immediately the expropriated lots. In the case when the property is a built-up area the expropriated owner shall receive additional funds as compensation for the cost incurred as a result of having to look for new property, having to pay taxes and other fees related to moving out. The Ministry of Treasury or a local government can thus avoid judicial disputes with property owners, while at the same time shorten the time period necessary for the investment work to begin on the acquired property.

2. Planned and implemented EURO 2012 projects in Poland

While identifying organizational issues, it was very important to indicate the projects which would have to be completed before the opening of the Football Championship. Making the list of such projects opened up the opportunity to assess the costs, allocate the national and EU funding, divide responsibilities for specific operations and specify projects of key importance. There have, so far, been many reasons why the development of Poland's infrastructure, which could be used either for the organization or support of UEFA EURO 2012, has not been running smoothly. Apart from the lack of adequate proposals regarding financing, the factors contributing to the ongoing lack of infrastructure investment, including even road investments for the use of the Polish economy alone, were protracted bidding processes, appeal and expropriation proceedings as well as other administrative proceedings. It may even seem that the government administration was unable to find any incentive to push forward the country's infrastructure development. Fortunately, when the Executive Committee announced its decision stating that Poland and Ukraine were the Host Associations for UEFA EURO 2012, an avalanche of investments has been unleashed. The effects of the decision slowly begin to be visible not only in the cities hosting the matches but also across the whole country.

It was affirmed that Poland as a developing market could not afford being extravagant in terms of time and money. Nevertheless, it was important that the facilities which are currently under construction such as roads, stadiums, motorways, fast highways, air terminals, airports, new railways and railway stations retain high quality and functionality long after the Tournament is over.

It was thus very important that the Council of Ministers, while devising the Act on the List of EURO 2012 Projects (Journal of Laws No. 192, item 1385), specified which tasks were assumed by UEFA and for which the Council of Ministers or local governmental units were responsible and providing guarantees (Table 1). The above division allowed for a simplified use of certain

procedures, especially administrative procedures during the implementation of the projects. Apart from building the stadiums, the Act provided, among others, for numerous road investments, the construction of car parks, railway stations and airports as well as rescue and support systems for police and fire brigade.

Table 1

General list of the EURO 2012 projects in Poland

GENERAL INVESTMENT PROJECTS
STADIUMS
The construction starting from the foundations up and the development of principal stadiums (Gdańsk, Poznań, Warsaw, Wrocław)
Reconstruction and development of reserve stadiums (Chorzów, Kraków)
ROADS
The reconstruction and construction from the foundations up, with the plan to increase capacity, improve traffic conditions and safety; the construction of road infrastructure around the stadiums (Gdańsk, Kraków, Poznań, Warsaw, Wrocław)
URBAN AGGLOMERATIONS RING ROADS
The construction and development of the inner city ring road and motorway ring road, including the connections to the airport and stadium (Gdańsk, Wrocław)
The construction of the inner city ring road (Warsaw)
RAILWAY TRANSPORT
Railway station renovation (Gdynia, Warsaw Central Railway Station, Wrocław Main Railway Station)
Railway stations re construction (Katowice)
Railway stations construction (Kraków Main Railway Station, Poznań Main Railway Station, Warsaw East and West Railway Stations)
The construction of the railway connection MPL „Katowice” located in Pyrzowice with the cities of Upper Silesia agglomeration (Upper Silesia Voivodship)
The construction of Metropolitan Railway (Pomorskie Voivodship)
PUBLIC TRANSPORT
The construction and reconstruction of tram transport in the city area, the construction of an integrated railway transport system and a high-speed tram (Gdańsk, Kraków, Poznań, Wrocław)
The construction of an underground (Warsaw)
Infrastructure development in the agglomeration (Upper Silesia Voivodship)
AIRPORTS
Airport development and reconstruction (Gdańsk, Modlin, Kraków, Poznań, Pyrzowice, Warsaw, Wrocław, Zielona Góra)
CAR PARK INFRASTRUCTURE
The construction of an underground and outside car park as well as a multilevel car park

GENERAL INVESTMENT PROJECTS
(Chorzów, Gdańsk, Kraków)
TRAFFIC MANAGEMENT SYSTEMS
Integrated vehicular and tram traffic management systems in the cities, intelligent information systems with variable message signs (Gdańsk, Kraków, Poznań, Wrocław)
Infrastructure development of the national body for air traffic management (The whole country)
RESCUE
The construction of integrated rescue centers, crisis and emergency response centers (Gdańsk, Wrocław, Poznań)
The construction of the National Fire Brigade coordination center; the construction of fire watch towers of the National Fire Brigade (Warsaw)
POLICE
The reconstruction of the infrastructure and police headquarters (Kraków, Poznań, Warsaw, Wrocław)
The construction and reconstruction of the facilities for the Central Command of Police Squad and Information Exchange Center during EURO 2012 (Sieradz)
CITY SECURITY
The development of visual monitoring system (Poznań)
OTHER SPORTS FACILITIES
The reconstruction of sports and entertainment venues as well as sports and recreational facilities (Poznań)
COMMUNICATION
The construction of nationwide digital radio communication system for public security services and rescue teams (The whole country)
ELECTRIC POWER SUPPLY
The development of electric power supply system in the agglomeration (Lower Silesian Voivodeship, Wielkopolskie Voivodeship)
WATER AND SEWAGE INFRASTRUCTURE
Drain systems adjacent to stadiums, the construction of sewage systems, transmission lines and pumping station (Gdańsk, Warsaw)

Source: Based on the Annex to the Ordinance of the Council of Ministers of October 12, 2007 on the List of EURO 2012 Projects ("Journal of Laws" No. 192, item 1385, with subsequent amendments).

The above tasks have been included in the long-term program developed by the Council of Minister and its realization and coordination were entrusted to the Minister for Sport and Tourism. For the purpose of supervision, the Minister undertakes to deliver reports on the progress of the EURO 2012 projects both to the Council and the Sejm of the Republic of Poland, respectively twice and once a year. The report describes in detail high priority projects in individual cities, indicating their objectives, current situation, percentage of work that has so far been completed, approved budget, financial assurance, risks and the means of risk reduction. Moreover, the structure of the report also reflects the tasks which were divided into major areas such as stadiums, land transport, airports, hotels and accommodation facilities, communication and promotions as well as intellectual property. Detailed analysis of the above areas provided as a report every six months allows to build a solid foundation for assessing the state of preparations for the event. The document is also a feasibility analysis procedure for the plans made, identification of time delay risk as well as a platform for decision making in critical situations.

If all the measures prove to be successful we, as the country of Poland, will have a chance to show our ability to stage and organize successfully a three-week tournament across the entire country at the cost of 25 billion EUR (Szczepaniuk 2009). The most important, however, is that we will finally manage, with the help of the Football Championship, to get rid of numerous delays in the infrastructure development of our country caused by the limitations imposed by the system and previous political eras.

By looking at the expenditures incurred in previous years as well as forecasts regarding the consumption of funds and the plans for the next years, we already get the impression that there has been a significant breakthrough in Poland's road infrastructure sector, which has otherwise been a trouble spot for many years. It is worth mentioning that in 2009 an estimated 32.3 bln PLN (Council of Ministers, No 163/2007) (Figure 1) was spent on roads, which makes about 72% of all funds spent on road investments in the years 2002-2007.



Figure 1. The expenditures planned in the National Road Construction Program for the years 2008-2012

When Poland started being considered as the candidate for the organization and staging of UEFA EURO 2012, the infrastructure expenditures began to rise. From the year 2006 to 2008 the following sums were spent each year respectively: 9.25 bln PLN; 11.7 bln PLN and 13.6 bln PLN; whereas the highest amount of the expenditures was planned for 2009 and 2010 with estimated 63.74 bln PLN (Council of Ministers 2007) total. Susequent years up to the year 2012 will be marked by a gradual process of completing the planned road investments included in the program. As a result, in 2011 the amount of the funds spent were smaller than in the previous years reaching 23.22 bln PLN and in the year 2012 it will be 13.22 bln PLN (Council of Ministers 2007) (Figure 1). Thus the total amount included in the National Road and Motorway Construction Program for the years 2008-2012 will be 121 bln PLN, of which EU funds make up 35 bln PLN (Trochymiuk 2009) (Figure 2).

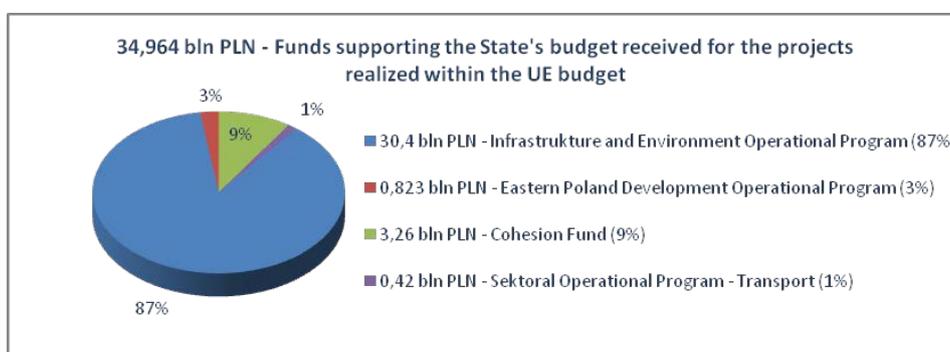


Figure 2. Funds and programs included in the EU donations

Although the above – cited data refers only to the road infrastructure, it nevertheless reflects the scale of the investments in which so many forces and measures are currently engaged within the entire country. As the result of selecting Poland and Ukraine as countries to organize and stage UEFA EURO 2012, an adequate development plan was devised for road connections between the host cities including transborder connections. The objective of these activities is to create freedom of movement across various regions and countries during the Tournament. That is why some projects, being part of the national development program, were given priority, as they were considered to be of key importance in terms of EURO 2012 preparations. We should distinguish here the projects dealing with the construction of roads connecting the cities hosting the football matches and borderland sections. Ultimately the total value of the EURO 2012 investments whose implementation have been accelerated may reach approximately 27 bln PLN (Council of Ministers, No 163/2007).

3. The organisation of the 2012 UEFA European Football Championship on the national level

By virtue of the Act on Preparation of the Final Tournament of the 2012 UEFA European Football Championship a coordinating company PL.2012 was founded. Through national coordinators, PL.2012 supervises the projects dealing with the preparation of UEFA EURO 2012. The company's highly qualified team consists of several dozens of experts from various fields working directly with the Ministry of Sport and Tourism, UEFA, the Polish FA and pertinent representatives from Ukraine. The collaboration between these institutions serves to ensure that newly emerging problems as well as priorities are quickly identified and all the projects are implemented according to schedule. The host cities prepare investments which will be included in the network of facilities used during the Tournament. To ensure that these investments' development is carried out according to the requirements involved in the preparations for EURO 2012 across the entire country, PL.2012 is a body coordinating the activities of the institutions established by the host cities.

Apart from displaying a thorough knowledge of the UEFA guidelines imposing on Poland the scope of investments, PI 2012 is also aware of what can be done within the state's budget, as well as knows the current state and the progress made regarding the infrastructure for UEFA EURO 2012. Also, the company conducts the following (PL.2012):

- analysis of legal acts which can impact the implementation of projects related to EURO 2012;
- periodic assessment of the state of investments, projects monitoring and specifying the areas of danger linked to the EURO 2012 organization;
- monitoring activities related to the fulfillment, by proper entities, of guarantees and obligations made while applying to become the candidate for EURO 2012;
- current reporting to UEFA on preparatory work progress;
- training and seminars for the entities responsible for the organization of the Football Championship;
- support systems to help implement security plans, including medical and rescue services for the EURO 2012;
- development and implementation of transport and communication concepts for EURO 2012;
- marketing and advertisement connected with the promotion of Poland, including providing information on the progress regarding the preparation for EURO 2012.

Since the introduction of the new regulations enabling the founding of special-purpose companies, the subsequent years have provided the companies representatives with an increased number of experiences with the result that part of the regulations had to be adjusted to the realities of the current situation. This refers mainly to the operations of PL 2012 whose powers of control over the special-purpose companies founded by the local governments were extended by the Amendment (Journal of Laws No. 68, item 575) of the Act on Preparation of the Final Tournament EURO 2012. However, this does not mean that the special-purpose companies became subordinate to PL 2012. The aim of the amendment is to specify the range of control carried out by PL 2012 over the implementation of the EURO 2012 projects, Pl 2012 being the main entity responsible for the smooth implementation of all the projects nation wide. Thus the Amendment of the Act makes it possible to require information and check in detail how the projects are carried out without inspecting a given company (Graczewska-Ivanowa 2009). Such solutions seem to be adequate to ensure instant and real monitoring of the work progress. Early detection of failure and common delays can prevent conflicts that can have impact on all the preparatory activities conducted across the country.

4. The organisation of the 2012 UEFA European Football Championship in Wrocław

Although it was already known on April 18, 2007 that Poland and Ukraine would stage the Finals of the European Football Championship, what was not known was which cities would host European footballers. Warsaw and Kiev being state capitals could feel quite secure in their position of the future host cities. However, there was still no final go-ahead for such cities as Chorzów Gdańsk, Kraków, Poznań and Wrocław. At last, as was expected in Wrocław and in line with the application filed by Poland during the early phase of bidding for EURO 2012, Gdańsk, Poznań, Warsaw and Wrocław have become official arenas of the Football Tournament as of May 13, 2009. For the people of Wrocław and its government it was obvious that their city could not be disregarded as one of the host cities, as there were many arguments speaking for Wrocław.

- The city's location near the A4 Motorway which is the route from Western Europe to Europe's eastern borders;
- The location at the intersection of European vehicle routes: west-east and north-south;
- The proximity of the German and Czech borders;
- Well-developed railway junction;
- International airport;

- Advanced construction work at the football stadium;
- Dynamically developing road network – inner city ring-road and motorway ring-road;
- Progressive modernization and development of the city's communication system.

Many of these projects were already in the city's development plans some years ago. However, their implementation was in many cases postponed because of financial problems. Only these projects were selected for further development which seemed to be the most needed for the city such as road renovation or maintaining the existent infrastructure. The perspective of hosting EURO 2012 by Poland triggered a series of initiatives which turned out to be very effective and managed to influence the UEFA decision on making Wrocław one of the host cities of the Tournament. We should also consider that the state of the city's infrastructure at the moment of the decision announcement was at its minimal percentage in terms of the city's readiness to host the event. However, the projects that are currently being carried out allow us to believe that Wrocław will be ready when the time comes. Among the projects which are being conducted the most important are the following:

- The construction of the municipal stadium together with the adjacent sports and recreational infrastructure;
- The modernization of the airport by developing the passenger air terminal, the construction of aprons and taxiway;
- Investments related to land transport – the construction of the new or reconstruction of the existent transport routes in the city and in the vicinity of the city;
- Car park construction;
- The construction of an integrated railway transport system in the agglomeration;
- Accommodation facilities development;
- Integration of medical and rescue services;

A special Office dealing with EURO 2012 organization was brought into existence by Wrocław Municipal Authorities for the purpose of coordinating many projects conducted in the city. The Office belongs to the Department of Social Issues and serves as a supervision tool for the City's President who is responsible for the city's readiness to organize and stage the Wrocław part of the Tournament. Director of the Department of Social Issues has been appointed as the President's representative for EURO 2012.

The Special EURO 2012 Office is responsible for the following tasks

(Report, April 2009):

- cooperation with the Union of European Football Associations (UEFA) and with the Polish Football Association for the purpose of organizing and staging the UEFA EURO 2012 in Wrocław;
- coordination of preparatory work of the city of Wrocław for UEFA EURO 2012 in such fields as infrastructure, security, medical services and volunteer work;
- cooperation with the entities involved in the organization of UEFA EURO 2012 in Poland and in Ukraine;
- compiling data related to the preparation of the city of Wrocław for UEFA EURO 2012;
- preparing and managing information connected with the preparation of the city for UEFA EURO 2012, including the cooperation with the media, investors and public administration;
- promoting Wrocław as the UEFA EURO 2012 host city and promoting UEFA EURO 2012 in Wrocław;
- preparing and implementing the budget for the project „The Construction of a Football Stadium in Wrocław;”
- the Office management, including planning and implementing the Office’s budget, preparing draft resolutions of the Council and the President’s regulations regarding the activities that are being conducted and, implementation of the tasks connected with public procurement.

We should add that the creation of this organizational unit, authority transfer and precise definition of the task, which is all included in the statute of the Office (Announcement, January 2009), were the items positively commented upon in the post-audit report prepared by Supreme Audit Office, after auditing the Office’s work regarding Poland’s preparation for the European Football Championship UEFA EURO 2012.

By virtue of the Act on Preparation of the Final Tournament of the 2012 UEFA European Football Championship, on December 3, 2007 a special-purpose company, *Wrocław 2012 Sp. z o.o.* was founded in Wrocław by Wrocław Municipality. The main task of the company is to conduct successfully the investment project of constructing of a football stadium in Maślice, Wrocław. The company plays the role of substitute investor for the investments preparing the stadium for the Tournament. Moreover, the company is responsible for selecting the General Contractor and it will participate in the proceedings selecting future Stadium Operator.

5. Investment activities preparing Wrocław for UEFA Euro 2012

Project – a new football stadium in Wrocław

At an early stage of the preparation, long before Wrocław was selected as one of the host cities for UEFA EURO 2012, the concept of a municipal stadium had been developed. Wrocław authorities organized a competition for the best venue project, including its infrastructure. The results were announced in October 2007: the so called “Stadium – Lantern” project became the winner of the competition. Out of 21 candidates a German Architects Firm, with its seat in Poland, was selected, having many years experience in the construction of large volume spaces, including sports and event facilities, airport terminals, stadiums, shopping and congress centers, high-rise buildings, office buildings, hotels and residential buildings. Among sports facilities, the Firm constructed LTU Arena in Düsseldorf, Germany. In Poland, the Firm was involved in such projects as the development of a passenger air terminal at the Warsaw airport, National Stadium in Warsaw and a new Legia Warszawa football stadium. The skills of the Architects Firm have been known in Wrocław for some time now as it was selected to devise the concept for the development of Wrocław International Airport.

At its preparatory stage, it was estimated that the construction of the stadium in Maślice would cost about 521 mln PLN and will take up to 30 months. The standard of the finish that was ultimately selected and the monitoring system were to decide about the final value of the venue. The tender to select a contractor for the construction of the stadium brought surprising results. Firstly, the most lucrative offer made by the bidders participating in the tender was still over 200 mln PLN higher than the amount the City Authorities planned to allocate for the stadium construction. Secondly, the very procedure to select a general contractor encountered great difficulties, which resulted in a significant delay to the beginning of the work. What caused the delay were the appeals against the decision by the Tender Committee submitted by the companies which were rejected from the tender process at its early stages.

At the end of January 2009 the Tender Committee assessed that the best offer, out of nine applying companies, in terms of the stadium construction was made by a Greek - Polish Consortium. The decision made by the Tender Committee was influenced by the fact that the Greeks had experience in stadium construction, as, among others, they had built Olimpiakos Stadium in Athens; the Consortium offered the lowest cost of the investment, which was 730 mln PLN (rejected offers included 755 mln PLN and 936 mln PLN (gross price) (Figure 3). Furthermore, the Consortium offered to complete the project within 21 months, provided a 25-year guarantee for the roof and elevation, a 10-year guarantee for the remaining parts of the facility and a 3-year guarantee for all mechanical equipment that belonged to the stadium.

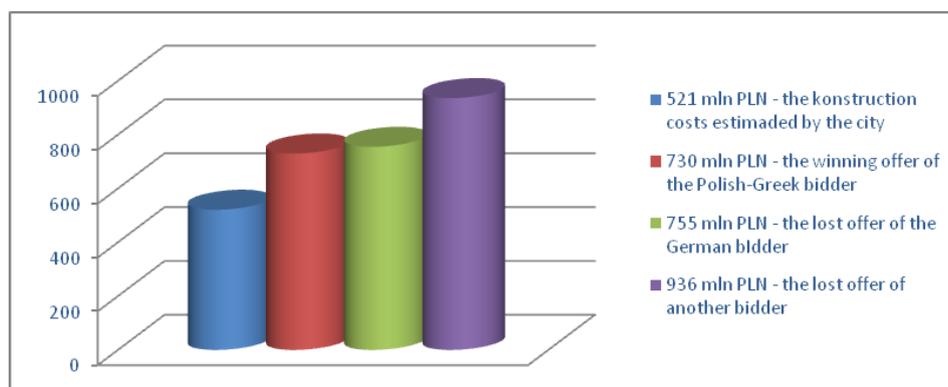


Figure 3. The stadium construction costs as proposed by the city and the bidders

However, a German Consortium lodged a protest on the grounds that the winning offer did not contain sufficient bank guarantees in the deposit document and that it was drafted according to Greek law. The Tender Committee, which for this reason assembled again, acknowledged the arguments, changing its original decision in favor of the Consortium lodging the appeal. National Appeal Chamber, however, upon the application filed by the original winner of the tender, reviewed the previous decisions made at the earlier stages of the tender, and at the turn of February and March 2009, announced its final decision, making the Greek-Polish Consortium the winner of the tender procedure. Moreover, the German company still trying to secure the contract for the construction of the stadium and not accepting the decision of the National Appeal Chamber, filed suit in District Court. Yet, this action did not bring anything new to the case.

Finally, based upon the decision made by the National Appeal Chamber on April 14, 2009 the President of the city of Wrocław signed a contract with the General Contractor – the Greek-Polish Consortium made up of several international companies, including the Polish ones. The final contract was titled, “Working Plans and Specifications for the New Stadium at ul. Drzymały, Wrocław and the Construction of the Stadium”(Mostostal, Report No. 13). The realization of the project was set to take 21 months from the date of signing the contract. The value of the contract amounts to 729.70 PLN (gross price). During the last ten days of April, preparatory works began at the construction site whose purpose was to develop the infrastructure of the entire investment. The money that was missing as a result of the difference between the city’s estimations and the actual price quoted in the winning bid was taken from the city’s budget. This was possible due to the postponement of payments for other investments currently realized in Wrocław, so that, for example, payments due in 2012 will be paid in 2013. One of the investments, to which this

payment postponement applied, was the ring-road of Leśnica – a city's district as well as the reconstruction of some of the streets, the hundred apartment houses program and the construction of the line for high-speed trams. The mentioned investments are linked in varying degrees to the city's preparations for EURO 2012, hence it is assumed that their realization cannot be delayed despite the change in the manner of their financing. The assumption therefore was that part of the financial provision intended for the realization of these tasks came from own resources as in the case of Public Transport Company which is building the line for high-speed trams. To allow these decisions to come into force, the City Council had to approve and pass adequate changes in the Long-Term Investment Plan for the City of Wrocław.



Figure 4. The construction of the municipal stadium in Maślice, Wrocław

The Wrocław football stadium (Figure 4) for the European Football Championship was being built from the foundations up as an innovative venue for sports and entertainment events. It constitutes the central and most important part of a large sports and recreational facility, covering the area of 164.152 m², emerging in the western part of the city called Maślice. The selection of this site was not accidental; the Wrocław Motorway Ring-Road, is adjacent to the site. The Motorway Ring-Road has been considered in the city's plans for many years. It connects the A4 international motorway with national roads 5 and 8, in the future S5 and S8, in the direction of Poznań and Warsaw, serving as a transit traffic route from the west and south of Europe to Northern Poland, avoiding the central parts of Wrocław. Besides, it ensures a more smooth transport of football fans from Wrocław Airport to the stadium, close to which collision-free intersection – exits from the Motorway Ring-Road. Moreover, close to the site of the stadium there is also an important arterial road with several lanes intended for motor vehicle traffic, including a separate lane for public railway transport. Thanks to a several-meter-long lane crossing the inner city ring-road, this arterial road provides a direct connection between the stadium and the city center as well as its northern

and southern districts. In addition, the system of high-speed railway transport called "Tram Plus," provides a special extension into the city center and its eastern parts.

It seems that the location of the venue for sports, entertainment and cultural events that Wrocław has been missing for so long was very well selected. The facility for over forty thousand people should be easy to access and easy to leave for fans coming from different places, not only from Wrocław, as will be the case during international events. Consequently, the entire process should occur without paralyzing the part of the city where the stadium is erected.

In terms of architectural and construction aspects, the facility surely is a big attraction both for Wrocław citizens and football fans and tourists coming from other places. The concept of the architects designing the four-storey facility is reflected in the light reinforced concrete structure of the stands with an in-built part housing conference and office rooms as well as sports infrastructure. The lightness of the structure of the facility is emphasized by open promenades, transport routes for football fans, partially glassed roof and especially by innovative elevation which will be made of a glass fiber net covered with Teflon. The net is spread on steel rings surrounding the entire venue, at the same time hiding its internal elements. Modern illumination technology designed for the external elevation is adjusted in terms of colors adequately to the character of the mass event taking place at the time.

The stadium is used mainly as the place for holding football matches. Before the opening of the European Football Championship 2012, the local league Wrocławski Klub Sportowy (WKS) Śląsk Wrocław will play here matches, and the national team as well. During the rest of the time the facility will fill the spot Wrocław has been missing for so long providing a venue for big cultural events. The stadium with the adjacent satellite facilities, including underground and ground parking will become a place for staging concerts and musical festivals, fairs, exhibitions and conferences of national and international standing. Moreover, a number of rooms will be let for fitness clubs, restaurants, casinos, discotheque and offices. The idea of using the infrastructure continually will expand the city's offer for its citizens regarding free time spending. Furthermore, the venue will contribute to the increase of income financing the facility and to economical growth of this area of the city. Basic parameters of the football stadium (Report, April 2009) are as follows: the area of the lot – 164 152 m², dimensions – 272 x 224 m, the height of the stadium – 39 m, the number of storeys – 6, the roof area – 38 000 m², the external elevation area – 23 000 m², the area to be let – 9 500 m², the number of seats (gross amount) – 41 373 m², parking under the crown of the stadium – 415 parking places.

Risk factors involved in the pre-construction preparatory work and during the construction of the stadium – problems with property

Despite the fact that works were conducted on the construction site of the stadium as of April 2009, the ownership problems related to the real estate where the construction works are taking place have not been fully solved. This refers especially to the property where the plans foresee car parks construction, the Wrocław Motorway Ring-Road exit and the terminus for the system of a high-speed railway transport. Also, part of the property is to be used for widening the street, thereby making the access to the stadium easier in the future.

The basic impediment to the planned work was the dispute between the current owners of the property and the local authorities wishing to acquire the property for further investments. The disagreement between the parties involved stems from the difference between the price the owners expect to obtain for their property and the price the city is willing to offer. At an early stage of the dispute, which was in the mid of 2008, the city offered 5 mln PLN to pay for the property, whereas the owners demanded 7 mln PLN. In the following months, during property market slump and based upon appraiser assessments the city offered 3.6 mln PLN while the property owners' demands remained virtually unchanged. While negotiating, the representatives of the investor tried to settle the dispute by applying various means. One way was to offer another property located in a different part of the city in exchange for the renouncement of the property in question. Moreover, independent experts were called up from Real Property Valuer Association to settle the dispute by arbitration conducting negotiations over the price that would satisfy both parties. Since all these actions did not bring any results, Lower Silesian Governor started an expropriation procedure upon the application filed by the investor, in other words the city, and in accordance with the rules and regulations of the Act, then in force, on Preparation of the Final Tournament of the 2012 UEFA European Football Championship. This, however, proved ineffective when the property owner transferred its property by Deed of Gift to another member of his/her family because by changing the property owner the expropriation procedure became formally unfounded. This situation showed that each time negotiations started, being the requirement of the first phase of property acquisition, the expropriation procedure could successfully be blocked by the property owner. A contributing factor here are Polish regulations specifying the terms for transferring property by Deed of Gift as they stipulate that members of the immediate family can transfer property to one another incurring hardly any costs, since the donation within the immediate family is tax-free. Thus mutual transferring of property within members of the immediate family appears to be a very effective tool against expropriation, thereby allowing owners to hinder public investments very effectively indeed.

The amendment to the Act on the EURO 2012 introduced at the end of 2009 was an attempt to remedy the loopholes which made it possible to block public investments by property owners, as the case in Wrocław clearly exemplified. The Amendment to the Act sets up that expropriation procedure will be conducted by the operation of law, which means that the owner will not be a party to the case. Of course, an expropriated and potentially wronged owner will ultimately be able to claim his/her rights in court, yet this will not have a limiting effect on commencing and implementing investments.

Nevertheless, the case has not been finished yet. After introducing new rules and regulations amending the Special Purpose Road Act, the city asked Lower Silesian Governor to make a new decision regarding investment localization. The new decision was to enable the application of the new rules and regulations of the amended Act. Yet, the Governor claims that such a decision was already made at the beginning of 2009 and remains in force because the city has not acquired the land since the date the decision was given. In response to that the city filed an appeal to Infrastructure Minister. In case the appeal is not accepted, another localization for the investment has been selected. The plan foresees the reduction of the number of parking places for buses and moving the transfer node of public transport to another place, which would still ensure an adequate access to the stadium.

Risk factors involved in the pre-construction preparatory work and during the construction of the stadium – problems with the contractor

On December 30, 2009 quite unexpectedly, hardly eight months after the works began, the winning Consortium was dismissed from the works on the construction site. The contract between the contractor and the investor that is, Wrocław Municipality was terminated due to the growing delay in the investment realization. According to the schedule, at the end of 2009 the so far accomplished work should reach 22 percent of the total work amount to be realized; yet, the substitute investor claimed that only 7 percent of the work was completed. The work which was performed, within the crown of the stadium, included the foundations, 500 monolithic pillars and most of the walls on the level 0 as well as a part (15%) of the roof made of prefabricated and cast elements located above the level 0. Apart from that, the works on the installation of sanitation, water/sewage and electrical systems commenced (Report, December 2009). All the works which were completed were not enough to turn the level zero into a shell, as was foreseen in the project schedule. Until the date of the contract termination the works performed at the levels 0 and +1 should have been completed while the works at the level +2 should have started. As it was not the case, finishing the construction of the stadium by the end of 2010, specified as the deadline, became simply unrealistic.

Additional danger was the ever growing delay, especially that the contractor asked the investor twice to change the commissioning date. First the contractor asked to extend the completion date by 2 months and then by 2.5 months. The special-purpose company as the substitute investor, while monitoring the increasing delays, asked the contractor on numerous occasions to implement plans to remedy the growing delays. As the contractor provided no guarantee that the existing situation would be remedied, the investor terminated the contract after having exhausted all the means to influence the contractor's actions available under the contract. The company Wrocław 2012 sp. z o.o., acting upon the authorization of the President of Wrocław terminated the contract on the following grounds: delay of over 35 days in performing the contract, delays in performing the contract making it very unlikely that the contractor would be able to complete the subject of the contract within the deadline specified under the contract and failure to perform the contract. The investor, under the provisions of the contract, called on the Consortium to pay the contractual penalty in the amount of 72.97 mln PLN (Mostostal, Report No. 1, April 2010).

At the same time it was announced that a new contractor would be selected without tender procedure, as the new tender procedure could cause further significant delay in the construction of the stadium. This was possible as Wrocław Municipality, while selecting the new contractor, used its right to apply a shorter procedure, which is a single-source procurement procedure. According to Public Procurement Law, the investor informed the President of Public Procurement Office about the procedure and presented a comprehensive argument why the Company Wrocław 2012 had decided to use the single-source procurement procedure. Of utmost importance at this stage was to fulfill all legal and formal requirements related to the contract termination and the new contractor selection. Fully aware that the entire project was on the brink of collapse as there was a chance that it would not be completed within the deadline imposed by UEFA, the city authorities had to make decisions extremely carefully in order to avoid potential claims and appeals filed by third parties.

Concerned with the slow progress of the work at the construction site and even before terminating the contract with the Polish-Greek Consortium, the investor initiated talks with the Consortium which had been dismissed in the first tender procedure. This move provided time to conduct final negotiations whose result was the signing of the contract "Continuation of the Construction of the Stadium in Wrocław, Including Working Plans and Specifications" on January 16, 2010. The contract was concluded by the German company which in the first stage of the tender made the second best offer in terms of the price.

A German based company Max Bögl has been in business for over 80 years, with its branch offices in many European countries, including Poland.

At present the company is conducting construction works in several countries. The most well-known large facilities the company has built are the stadiums in Frankfurt and Kiel as well as the sports and recreational facility "Tropical Islands" located near Berlin. One of the biggest assets of the company is its own factory manufacturing prefabricates and steel structures situated in Sengenthal, Bavaria. A significant number of elements for the stadium in Wrocław is to be produced in the factory, as for example the steel construction of the roof.

The selection of the new contractor and its presence at the construction site in January – February 2010 seemed to be the last moment before UEFA would have decided to exclude Wrocław from the group of the cities hosting the Tournament on the grounds that the City did not meet the requirement to have a sports venue ready to use for the Championship. We should remember that the stadium has to be completed early enough to ensure that many other events can be held there, confirming that the facility is technically and operationally adequate.

One positive factor in the entire situation of having to replace the contractor might be the time it happened. Although for a short period of time no technical works could be carried out at the construction site because of the above problems, fortunately this coincided with a very demanding winter season; since the beginning of January 2010 Wrocław witnessed increased snow fall and temperatures plummeting to as low as -10°C or even -20°C and remaining so for longer periods of time. Freezing temperatures kept a layer of snow 20-30 cm thick, making it very difficult to work on investments that were not a shell yet. Waiting for the weather to change provided time for intensive preparation of the construction site, which involved the removal of technical installations left by the previous contractor, stocktaking of the so far completed constructions as well as the organization and preparation of the new contractor's temporary plant and facilities. While negotiating the terms of transferring the construction site to the new contractor, the previous contractor agreed to leave some of its equipment to be used by the new contractor in exchange for the reduction of contractual penalty for the failure to complete the work within the deadline specified. Undertaking such actions as well as avoiding disputes by both parties during the process of changing the contractor ensured that the time when the construction site stood empty was significantly shortened. Watching closely the actions taken by UEFA in the case of the stadium in Kiev, which at that time constituted a very serious threat to the Ukraine's side organizing UEFA EURO 2012, it could have been expected that the facility would no longer be considered in the plans related to the Tournament. As far as the investment in Wrocław was concerned, it was known at that time that all the elements constituting a part of the stadium such as off site facilities may not be finished. But the stadium itself with all its functions and infrastructure necessary to stage the games is now ready to use.

6. Road infrastructure construction and reconstruction projects in Wrocław



Figure 5. The construction of the Wrocław Motorway Ring-Road A8

The Wrocław Motorway Ring-Road (AOW) (Figure 5) along with the football stadium in Masłice belong to the investments which were most awaited by the people of Wrocław and of neighbouring regions, closely watching the projects. The stadium is a facility where all important and interesting sports and cultural events will be taking place. So far, this kind of facility has never existed in Wrocław and it is expected that the venue would become a big magnet for audiences from the entire voivodeship and beyond. To access the stadium by people coming from such a big region and to meet the demands of increased traffic in Lower Silesia the usual city's road network and transport routes may not be enough. What is needed here is a new transport solution which would enable people to avoid central district of the city which is anyway always over-crowded. The city's main arterial roads are constantly jammed with cars, giving no hope of easing the traffic consisting of different tonnage vehicles. Moreover, the traffic passes through residential districts which either have never been adjusted to this traffic or have not been reconstructed when the time was right for such an action. In spite of enjoying a very advantageous location in terms of trade with the Czech Republic and Germany, the city of Wrocław has remained a barrier hindering the increasing transit traffic as a result of its poorly developed road network, especially to the north and south. Vehicles moving from west to east or the other way round are more lucky as they do not have to face the bottleneck of Wrocław. Important for European traffic is A4, a modernized motorway which passes beyond the southern borders of the city. However, if we want to leave the "Bielany Wrocławskie" motorway intersection in order to head north towards, for example, Warsaw, Łódź or Poznań, we have to pass a 20-30 kilometer-long city road section (depending on the direction) which can take from one to three hours (depending on

the time of the day). The main reason for the present situation is that the streets in Wrocław, being part of the inner the transport route, are overloaded with vehicles driven by Wrocław citizens whose number increases every year and so does the transit traffic. Moreover, this situation has led to a growing number of car accidents, pedestrian injuries, excessive road surface destruction, destruction of public transport facilities, cracking of buildings located directly at the arterial roads, increased air pollution in the city and growing dissatisfaction among its citizens. The idea of building only an inner city ring-road does not solve the traffic congestion problem because the capacity of the inner city ring-road ensures only to ease the inner traffic, and still does not function as a closed “ring.”

However, the inner city ring-road has so far been the only answer to the city’s transport problems. Yet the ultimate solution cannot lie in having a transit road passing through the city center, since most of the intersections there consist of just one level and can include railway transport routes too. Additional problem stems from the characteristic location of Wrocław. It is situated in a valley crossed by small rivers and where the rivers Ślęza, Bystrzyca, Oława and Widawa flow into the Oder River. Moving traffic from one river bank to another requires each time a complicated bridge infrastructure. Any road investments which were to include such infrastructure were abandoned, as the City’s Authorities were daunted by their very high cost. Nevertheless, the upcoming event induced the Authorities to assume the huge financial and organizational burden of solving transport problems in the city while, at the same time, making all the adjustments necessary to host the Tournament. Taking example from Kraków with the aim of easing the traffic in the city’s area, it was decided to construct a road whose features would be that of a motorway in a completely different location. Additionally, design and construction works for a number of roads, connector roads and new tram lines (Table 2) have been started, which will widen the transport infrastructure of the city, connecting it with the new motorway, the stadium and the airport.

Table 2

The projects in the land transport category, classified as the most important for the successful organization of EURO 2012 (Report, December 2009)

Name of the investment and the state of its progress	Financing
The reconstruction of Lotnicza street along the route of national road No. 94. The project was finished before deadline. The work ended in October 2009. In March the permit to use the road was issued.	Co-financing – Infrastructure and Environment Operational Program
The reconstruction of Kosmonatów street along the route of national road No. 94.	Co-financing – no data available
The construction of a junction between the Airport and the Football Stadium along the route of national road No 94 in Wrocław.	Co-financing – no data available
The construction of a junction between the inner city ring road and the Wrocław Airport – phase I.	Co-financing – Regional Operational Program for Lower Silesian Voivodeship for the years 2007-2013
The construction of a junction between the inner city ring road and the Wrocław Airport – phase II.	Co-financing – Regional Operational Program for Lower Silesian Voivodeship for the years 2007-2013
The construction of a junction between the inner city ring road and the Wrocław Airport – phase III.	Co-financing – no data available
The construction of the northern inner city ring road in Wrocław – phase I.	Co-financing – Infrastructure and Environment Operational Program
The construction of road infrastructure in the vicinity of the Football Stadium EURO 2012 in Wrocław. The investment was divided into two phases (No. I and II), encompassing the construction work along the new route and the rebuilding of the streets adjacent to the Football Stadium in order to link them with national road No. 94.	Co-financing – Regional Operational Program for Lower Silesian Voivodeship for the years 2007-2013

<p>The construction of an integrated transfer node in the area of the Football Stadium EURO 2012 – Stadium EURO 2012 transfer node. The Project foresees the construction of an integrated transfer node connecting a train halt and tram stop in one place. The Project is conducted within the framework of the construction of the integrated railway transport system in the agglomeration and in Wrocław.</p>	<p>Co-financing – no data available</p>
<p>The construction of a car park, including land development south of national road No. 94 between the Ślęza river and railway line.</p>	<p>Co-financing – no data available</p>
<p>The reconstruction of Lotnicza street along the national road No. 94 route – phase II. The works relate to the construction and reconstruction of the streets along the route of national road no. 94.</p>	<p>Co-financing – no data available</p>
<p>East land development between the area of the Stadium and the Ślęza river, including footbridges.</p>	<p>Co-financing – no data available</p>
<p>Integrated railway transport system in the agglomeration and in Wrocław – phase I.</p>	<p>Co-financing – EU structural funds within the framework of Infrastructure and Environment Operational Program</p>
<p>Intelligent Transport System in Wrocław „ITS-Wrocław”. Putting the system into operation for the first time foresees traffic control and public transport monitoring, including Tram Plus.</p>	<p>Co-financing – EU structural funds within the framework of Infrastructure and Environment Operational Program</p>

The announced and planned A8, the Wrocław Motorway Ring-Road was built on the north-western outskirts of the city along a completely newly drawn axis. Selecting Wrocław by UEFA to be one of the organizers of EURO 2012 was with no doubt the final impulse to start the investment. Becoming the member of the European Union nations was another influencing factor, especially that some of the funds for the construction of AOW (*Wrocław Motorway Ring-Road*) will be coming from the EU. The ring-road becomes a junction between the southern sections of roads No. 5 and 8 going towards Kudowa Zdrój, Świdnica and Jelenia Góra, the A4 Motorway and the northern road network in the direction of Poznań, Łódź and Warsaw. Besides the present system of the city roads, AOW moves the transit traffic beyond the city's borders, thus having a positive impact

on the environment, among others, and improving road safety on the route and in the city itself. The motorway belongs to the technical class A, with planned speed of 120 km/h, dual-carriageways, two or three traffic lanes, the width of which ranges between 3.5 and 3.75 meters and an emergency lane. It is designed for very heavy vehicle traffic with the maximum load of 115 kN (Egis 2009).

Table 3

Tasks included in the construction of Wrocław Motorway Ring Road

Task No.	Task description
I part 1	<ul style="list-style-type: none"> – road building from 1+603 km to 13+500 km, – the construction of the Kobierzyce junction from 0+000 km to 2+489 km,
IIA part 2a	<ul style="list-style-type: none"> – the construction of the bridge over the Oder river, including access trestle bridges on the section of the road, starting from 18+174 km to 19+960 km, along the route of the A-8 Wrocław Motorway Ring Road,
IIB part 2	<ul style="list-style-type: none"> – the construction of the road section from 13+500,00 km to 18+174,00 km, – the construction of the road section from 19+960,00 km to 28+368,75 km, – the construction of the section of the S8 expressway road from 0+000,00 km to 0+500,00 km at the Pawłowice junction, – the construction of the Długołęka junction from 0+575,00 km to 6+235,85 km,

In terms of organization, the investment was divided into three sections, whose construction was to be conducted by separate contractors selected from three different tender procedures. Six bidders offered to perform task No. II, part 2a, whereas twelve other offered their services to perform the remaining tasks. The contractors (Table No. 3) were chosen by the tender procedure, in which the most important factors were the price and the fulfillment of all terms and conditions specified in Terms of Reference. There were also appeals against the decision regarding the construction of the bridge over the Oder River. Accusations were raised against the winning bidder that he had not fulfilled all the formal requirements, made mistakes while calculating the value of the offer and lowered prices of certain materials.

Dividing the construction of AOW of only 26.765 km long into three separate sections might seem wrong. However, keeping in mind how the companies can potentially act, including lodging an appeal against decisions made during tender procedures, choosing this method at least prevented the blocking of the entire investment. Furthermore, there were three smaller facilities being constructed concurrently, which provides a much better chance of successfully completing the entire work within specified deadline. Another advantage of this way of planning the project was that if the investor was to assert claims for construction defects, the claims would regard a much smaller construction area. On the other hand, there was danger that delaying or discontinuing work on one of the tasks may impact the work performed on the other tasks. This would prevent the investor from using the road fully, forcing him to work out other costly solutions in operational and organizational terms as, for example, creating a detour around the section which is not operational.

Moreover, the complexity of the entire investment was another reason to divide the construction work among the three consortiums. The section to be constructed of 26 km long is part of a 35.5 km long road consisting of a motorway, an expressway road, two connector roads, seven junctions, forty one bridge-type structures, two animal crossings, access roads and technical infrastructure facilities.

Table 4

The scope of work performed within individual tasks related to the construction of AOW

TASK NO I, PART 1
<ul style="list-style-type: none"> – the construction of the A-8 motorway, approx. 12 km long, and the rebuilding of the section of the A-4 motorway in the Nowa Wieś junction area; – the construction of the Kobierzyce junction, 2,5 km-long, between national road 8 from Kudowa to Wrocław and the A-8 motorway ; – the construction of 4 motorway junctions (Kobierzyce, Nowa Wieś, Cesarzowice, Lotnisko) connecting the A-8 motorway with national and voivodeship road going to the south, the A4 motorway and Wrocław Airport; – the construction of an intersection with traffic lights at the junction of national Road No. 8 and the Kobierzyce connector road ; – the construction of 20 facilities, having re-enforced concrete or prestressed structure, over water ways, roads and railway lines: – 10 flyovers along the route of the Wrocław Motorway Ring Road (AOW); – 1 motorway bridge over the Kasina river; – 4 flyovers along the route of the connector roads over roads: A4 and 347 and a railway road; – 5 flyovers over AOW along the route of the streets that are being rebuilt; – the construction of roads crossing AOW of 6,3 km total length and the construction of intersections with traffic lights;

- the construction of access and service roads of approx. 21,5 km total length ;
- the construction of drainage systems for the motorway and the rest of the roads and streets;
- the construction of 22 re-enforced concrete culverts with wildlife overpasses and several dozen steel pipe culverts ;
- the construction of motorway lighting and foundations for the elements of the motorway communication system, lighting for the sections of the remaining roads and streets as well as reconstruction of electric, water, sewage, gas and telecommunication networks;
- the reconstruction of railway facilities at the AOW crossings with railway lines;
- putting up approx 8 km of noise screens, 4-7 m high, mounting road safety facilities, horizontal and vertical road signs;
- removal and transfer of green areas, colliding with the construction works and planting new small and high growing greenery.

TASK No. II A PART 2a

- the construction of the bridge over the Oder River and access flyovers at the left and right river banks;
- the construction of the motorway sections on the left bank and right bank of the Oder and at the right and left sides of the bridge;
- the construction or reconstruction of access roads and streets to the section of A8 and the section of the bridge;
- the construction of drainage system, transformer station, road lighting on the bridge, lighting of the inner corridors located in the bridge pylon and spans, including floodlighting of the bridge;
- the construction of telecommunication network, cable ducting for electrical cables and emergency telephones as well as Motorway Information System and the reconstruction of overhead power lines, medium and low voltage networks that collide with construction works;
- mounting special screens preventing collisions with birds;

TASK No. II B PART 2

- the construction of a 13,08 km long motorway, a 0,5 km long section of the S8 expressway road as well as a dual carriageway junction, 5,66 km long, as a connector road between the A8 motorway and national road No. 8;
- the construction of 3 junctions connecting the A-8 motorway with the streets based in Wrocław, located in the route of national roads;
- the construction of 3 intersections with traffic lights in the junction area;
- the construction of a roundabout, street junctions and the reconstruction or construction of streets of 6.8 km total length;
- the construction of 19 facilities, having re-enforced concrete or prestressed structure, over waterways, roads and railway lines:
- 4 flyovers along the route of A8 over the streets, railway and tram lines as well as irrigation fields located in Wrocław;
- 9 flyovers over streets, roads, junction connector roads as well as railway lines;

- 4 bridges over the rivers: Dobra, Topór and Widawa with its valley and the Soltysowicki brook;
- 2 animal crossings over and under the roads;
- the construction of access roads and access service roads of 8.8 km total length;
- the construction of drainage system for the motorway and the remaining roads and streets; the reconstruction of melioration facilities;
- the construction of 24 ferroconcrete frame or pipe culverts as well as several dozen culverts made of PE-HD pipes;
- the construction of lighting for the sections of the motorway, junctions and some of the roads and streets as well as the lighting for the technical corridors located in the box-bridge spans of the flyovers and the construction of the elements of the motorway communication system;
- the construction or reconstruction of electric, water, sewage, gas and telecommunication networks;
- the reconstruction of railway facilities at the AOW crossings with railway lines;
- the reconstruction of tram railway (railways, traction, lighting, stop platforms);
- the construction of motorway information system, including meteorological stations, traffic measurement stations, in-motion vehicle weighing systems, variable message signs, video access point system, power supply station, the mounting of supporting structures and facilities for the entire A-8 motorway, including the sections covered by the contracts that are concurrently performed;
- the construction of the retaining wall of approx. 0.3 km long and putting up approx. 8 km of noise screens, 3-8 m high as well as the mounting of road safety facilities and making of vertical and horizontal road signs;
- removal and transfer of green areas colliding with the construction work and planting forests on 6.5 hectares of land as environmental compensation;

The scope of the work presented in Table 4 covering the construction of AOW is truly imposing considering the number and complexity of the tasks involved. Moreover, there was relatively little hindrance to the vehicle traffic in the areas adjacent to the construction site. As mentioned above, the works were being carried out within a completely new route, causing no need to reorganize traffic flows. Only in places where the investment overlaps with the existent road facilities there were certain limitations due to safety for the contractor and traffic participants. The very localization of the ring-road was the result of public consultations of many years, whose outcome did not allow the investor to be entirely free when choosing the most advantageous scenario in terms of making the construction work as easy as possible, thus minimizing the costs of the investment. The motorway ring road passes adjacent to the western side of the stadium, which is very convenient for operating UEFA EURO 2012. However, the investor had to face the necessity to build a bridge across the Oder River in a place that required that the bridge would have to have high technical parameters in terms of the length of spans. The crossing is in the valley of the Oder River where a barrage is placed and where there are also

two river channels through which the Oder flows around the island of Rędzin. The island has just been used for the erection of a 122 meter high pylon on which two independent structures, located under each of the carriageways, is suspended using 80 tension rods. Two box-bridge structures, each consisting of three chambers make the carrying structures of the bridge spans. The bridge crossing over the Oder River constructed along the AOW route becomes one of the most interesting facilities across the country in terms of its uniqueness and technological solutions, as for example the temporary technical bridge. Considering the span and the height of the pylon, the bridge will take the lead among the bridges in Poland. The full length of the bridge crossing is 1742 meters, including the main bridge of 612 meters, the left river bank flyover of 611.35 meters long and the right river bank flyover of 521.35 meters long (Bliszczyk and Onysyk 2009). The main bridge is on four spans; the left river bank flyover on eleven spans will be located over the Ślęza river and the flood areas, whereas the right river bank flyover stretching over the flood areas is on nine spans. The elements of the bridge described above as well as other bridge structure elements are monitored by a specially designed automatic supervision system. The system will make it possible to supervise the facility constantly, including the way it operates in various conditions while it is used. Force distribution, deviations, deformation and wind direction and speed are measured automatically. Thus obtained data will be then sent to the AOW management center where it is analyzed and used for responding adequately to the situations that may damage the bridge.

7. Airport development project

Currently the new airport located in Wrocław's Strachowice is already finished. The funding just from the Infrastructure and Environment Operational Program alone amounts to 128.11 mln PLN. It is worth mentioning that the airport receives additional funding of 13 mln PLN to purchase control and safety system for the new terminal. Although the number of passengers flying to and from the airport in 2008 was similar to the number of passengers in the year 2009 (respectively: 1.49 mln and 1.37 mln (Figure No. 6), the result of the global economic situation of the last two years, the airport forecasts that passenger traffic is growing since last two years. It is estimated that in 2012 this number will reach 1.9 mln and in 2014 it will increase to 2.2 mln and in 2016 it may be 2,5 mln passengers. Furthermore, we should consider that in 2012 the number of tourists will increase due to the European Football Championships UEFA EURO 2012. Previously in the article, we presented the road investments which are under construction to ease the increased passenger traffic, ensuring that travelers, tourists and football fans will be able to move easily from the airport to the city's center or to the stadium and back. The airport, in turn, is getting ready

for the growing air traffic by modernizing and developing its infrastructure which, according to the plan, is to be completed in 2012.

The investment includes the construction of a new terminal with modern passenger service facilities; the cubic capacity of the terminal will amount to 330 429.81m³. In addition, aprons and taxiways will be constructed and modernized. Also, a high speed exit taxiway will be built along with a special surface for quick de-icing of airplanes. Besides, the plans include the construction of a bigger car park and a railway station located on the level-1 providing transport services to passengers between the newly constructed airport terminal and the main railway station situated in the city's center.

Total passenger traffic 2000-2011 [in thousands]

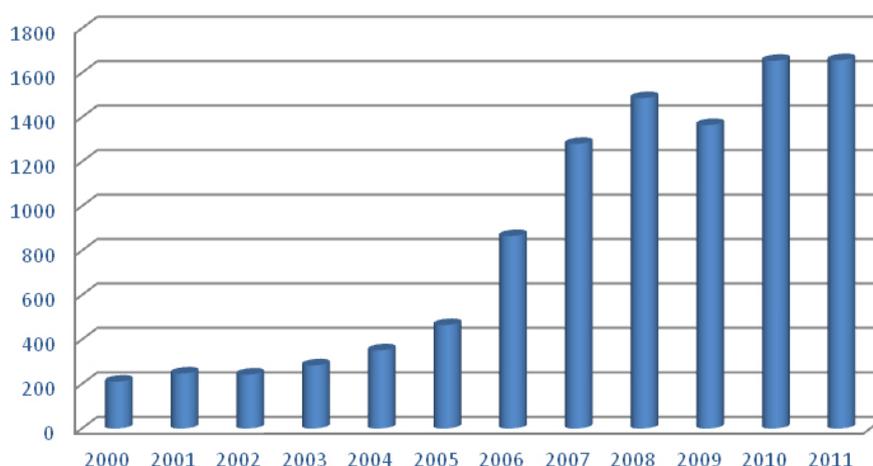


Figure 6. Passenger traffic increase at the airport in the years 2000-2011

8. Agglomeration transport development projects

Since 2006 intensive works have been carried out to integrate public transport in the city of Wrocław. The aim of the project is to integrate all the means of the present public transport into one system managed centrally. The system will include railway transport (Agglomeration Railway of the city of Wrocław – WKA, Kolej Miejska – Municipal Railway), bus transport in the agglomeration area, the subsystem of local transport to WKA, a new Tram Plus system, tram transport and municipal bus transport. There are two main guidelines according to which the goals for a series of investments are defined. The project should ensure a uniform system

for public transport in the entire agglomeration and, taking example from other European countries, it is to become a viable alternative for personal transport. Consequently, actions were taken to build new tram lines and extend the existing ones; as well as to build such facilities as tunnels routing new corridors in the inner city and the construction of transfer nodes integrating all the means of public transport. In addition, adequate solutions will be introduced to give the public transport priority in the city's traffic and passengers will be able to plan easily their movement within the city thanks to dynamic passenger information.

The implementation of the system was divided into two interrelated phases (phase I – 2007-2011 and phase II 2010-2015). When the role of Wrocław in the organization and staging of EURO 2012 was unequivocally defined, some of the works from phase II were moved to phase I. This had the effect that the beginning of the construction works on the transfer node in the vicinity of the stadium was accelerated.

9. Renovation and redevelopment of the main railway station

The Main Railway Station will be the first thing some of the football fans coming to the UEFA EURO 2012 Championships will see. Built in the nineteenth century, the Station is one of the flagships of the city. It will also be rebuilt in order to operate according to European standards and so adequately serve the guests coming to watch the Tournament. Apart from improving its aesthetics, the Station will assume a bigger commercial role, which will make it more popular and no longer associated only with railway transport. Giving a new image to the Station will require its being closed to railway transport from 2010 to 2012. Its operations will be taken over by a substitute facility.

10. The state of hotels

When organizing and staging such a massive event as the European Football Championships, apart from travelling and movement comfort, the standard of accommodations during the Tournament is very important as well. It is the host city's responsibility to provide football teams, UEFA representatives as well as football fans with adequate accommodations. The UEFA guidelines are the first determinant of the required number of accommodation places, including their standard. The guidelines set up that there must be at the minimum 1220 places available in 5-star hotels for the UEFA Family; 1315 places in 4-star hotels; and 210 places in 3-star hotels (Report, April 2009). However, the UEFA Family is not the only

group among football fans. Thousands of fans of individual national teams will come to Wrocław to watch the matches played by their teams. The capacity of the stadium alone, which is 41 thousand people, reflects the number of accommodation facilities that will be necessary during the Tournament.

According to the categorized list of accommodations, at present there are 41 accommodation facilities capable of providing accommodation for 6661 guests (e2012.eu), whose standard ranges from 1 to 5-star hotels. This data are changing since last two years as additional 14 facilities of higher standard are being constructed, thus increasing the number of accommodations by further 3473. Since the work is being conducted by private investors and well-known hotel brands, the city does not directly participate in the construction of the hotels. Nevertheless, it actively participates in these preparations by presenting the real-estates at fairs such as, for example, International Fair Trade for Private Property and Investment EXPO REAL in Munich and at Fair Trade MIPIN in Cannes. Moreover, in line with the plans whose purpose is to support the tourism sector and increase the number of accommodations, the City Council passed a resolution providing tax advantages for new investments within the framework of the economic support program for the region designed to support new investments in the tourism sector in the city of Wrocław. The effect of these actions was the sale of 7 real-estates in the years 2007 – 2008. Currently more land is being considered for the building of hotels in the local real-estate management plan.

Conclusions

The goal of the paper was to present a case study of the preparations for the 2012 UEFA European Football Championship in Poland, and especially in Wrocław, in order to help the managers of similar multiproject undertakings in the future to manage more effectively the risk and to reduce to uncertainty linked to such projects. In the moment the paper is written, the preparations are on their way, and we already have had some difficult, but valuable experience. Several problems occurred which were threatening the success of the projects conducted in the framework of the preparations, several problems can still be expected in the basis of the experience. The problems from the past had to be solved somehow, the problems to be expected have to be managed also – all this may constitute valuable advice for similar projects in the future.

To sum up the main problems that have been identified so far in the projects conducted in the framework of the preparations for the 2012 UEFA European Football Championship, we have to emphasize the legal problems. The law as it was formulated in the legal acts before the beginning of the preparations would have made them nearly impossible to be accomplished. Thus, several modifications had to be introduced. Also later the human nature which makes some people use the “holes” in legal acts for their personal advantage blocked the projects realization for a considerable period of time, which in case of projects which simply have to be finished in time, because otherwise we face a real disaster, is a very serious problem. The disputes concerned above all the land ownership and the bidding results. The long legal procedures of considering the appeals, the expropriation etc. were a real nuisance. Also it happened that a construction company which won the bidding did not accomplish what it was supposed to, thus we faced the necessity of changing a company, which made it necessary to deal with a an “empty” period where a new company had to be selected and the construction site had to be handed over.

We hope that the present paper will allow other project managers to learn from the lesson our country and city has been going through at the moment and that the painful learning process we have been experiencing will be of use to someone else.

Euro 2012 has not resulted in a success of the Polish representation. However, it has brought many economic effects, both positive and negative, unfortunately. Indisputably, a positive effect of the spectacular sport event consists in improving the road infrastructure, especially of the connector road of Wrocław and several sections of the motorway. This influences directly and indirectly the investment growth in the regions of newly constructed roads.

A negative effect of a too high speed of the investments and of the imperfect law of public tendering was the realization of projects which were improperly prepared. This led, paradoxically, instead to a growth of the construction enterprises, to their bankruptcy. Measurable effects of the value decrease of many big construction companies could be observed on the Warsaw Stock Exchange.

To conclude, we have to say that not always an increase in investments results in an increase of companies value. However, taking into account global pros and cons, we can observe that an improvement in the management culture, especially in project management, in a situation of an investment boom, influences the region and country economic growth in a decidedly positive way.

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