Learning legacy

Lessons learned from the London 2012 Games construction project

Supplier Guide

Champion Products are examples of tools and formats used by the Olympic Delivery Authority (ODA) in executing its programme. The ODA is publishing these as part of its Learning Legacy in the anticipation that they may be of use to future projects seeking best practice examples of tools and templates that have been used successfully on a large, complex programme.

Purpose of the document, description and how it was used

The ODA's Supplier Guide was published in June 2008. It sought to provide useful information for potential suppliers and contractors, particularly to ensure that businesses of all sizes understood how opportunities would be advertised, competed for, evaluated and won.

It explained the legal framework in which the ODA operates, as well as providing a summary of the ODA's procurement policy and the main procurement procedures. The guide also explained the different tiers of the ODA's supply chains, with a case study. This was important to enable smaller companies, who may not have been able to compete for large Tier One contracts, to access opportunities at lower levels of the supply chain.

Most practically, the guide explained what support was available for businesses to develop themselves, for example, their governance arrangements, and explained where and how to register on the CompeteFor portal, which provided access to opportunities at all tiers.

The supply guide was distributed at the ODA's national business engagement events, encouraging maximum exposure and interest in ODA opportunities. The CompeteFor portal had over 130,000 suppliers registered on it, facilitated in part by the guide.

Benefit to future projects

This guide is presented as a best practice template for an organisation to engage with its marketplace and be transparent about its procurement practices and procedures, ultimately driving maximum competition and therefore value for money for in procurement.

LOTTERY FUNDED

department for culture, media and sport

LONDON DEVELOPMENT AGENCY

MAYOR OF LONDON

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The construction of the venues and infrastructure of the London 2012 Games is funded by the National Lottery through the Olympic Lottery Distributor, the Department for Culture, Media and Sport, the Mayor of London and the London Development Agency.

For more information visit: london2012.com/learninglegacy

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Olympic Delivery Authority
Supplier guide

supply

The Olympic Delivery Authority's mission is to deliver venues, facilities, infrastructure and transport for the London 2012 Olympic and Paralympic Games on time, to budget and to leave a lasting legacy.

The ODA is responsible for all the permanent venues and other facilities in the Olympic Park; facilities at Broxbourne, Eton, Dorney and Weymouth and Portland; and the planning and delivery of transport infrastructure and services to support the 2012 Games and their legacy. The ODA is also responsible for venue conversion after the 2012 Games.

The ODA is working closely with the London Organising Committee of the Olympic and Paralympic Games (LOCOG), who is responsible for the preparation and staging of the 2012 Games.

mission

Foreword

The London 2012 Olympic and Paralympic Games will be a showcase for world-class sporting excellence. It is also an opportunity to showcase world-class business performance.

Our key objective is clearly to deliver on time and to the agreed budget. As we do this we want to work with the best of business that also share our values and objectives. We have a duty to achieve good value and high quality from the companies contracted to help deliver the London 2012 Games.

To ensure world-class business performance we will provide a level playing field for companies to compete for contract opportunities. Our procurement will be open, transparent and fair and companies from across the UK will have the opportunity to support the Games and benefit from their success.

We will also help businesses, particularly small and medium size companies, identify and compete for opportunities supplying our contractors.

We have been listening and engaging with businesses of all sizes right across the UK. We have launched the London 2012 Business Network that provides business information, details of business events and CompeteFor – an online business networking and matching service bringing together London 2012 contractors and potential suppliers.

The London 2012 Games is a once in a lifetime opportunity. The Olympic Delivery Authority is grateful to all our funders for their support – the Department for Culture, Media and Sport, Greater London Authority, London Development Agency and the National Lottery.

I hope this guide can help you get involved and play your part.

David Higgins,
Olympic Delivery Authority Chief Executive

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Introduction

This supplier guide aims to provide useful information to suppliers and contractors interested in opportunities supporting the Olympic Delivery Authority's (ODA) work delivering the venues and infrastructure for the London 2012 Olympic and Paralympic Games. The ODA will be procuring a range of works, goods and services and it is important that businesses of all sizes understand how opportunities will be advertised, competed for, evaluated and won.

The ODA's contractors will deliver with the support of large numbers of subcontractors and suppliers. Along with our partner the London Organising Committee (LOCOG) the ODA will help companies identify and compete for opportunities in London 2012 supply chains.

To get the best performance possible it is also important that the ODA understands businesses and the not-for-profit sector. The ODA will continue to engage with and listen to industry as procurement plans are formed and feedback will be incorporated into updated versions of this guide.

The legal framework

The Olympic Delivery Authority is a Non Departmental Public Body (NDPB) governed by European Union (EU) and UK law. This framework means that the ODA will buy things in different ways depending upon the total contract value of the works, goods or services required. Each of these methods will seek to achieve value for money.

Value for money means the best possible combination of efficiency, effectiveness and economy throughout the life of a project.

European Union Directives
Where the estimated value of a contract is expected to exceed the relevant EU threshold the ODA must advertise it in the Official Journal of the European Union (OJEU), an online publication. The financial thresholds, or EU limits, are reviewed on a regular basis and are currently set at:

£3,497,313 for works
£139,893 for goods and services (see page 3).

EU law establishes rules which promote transparent and non-discriminatory practices in the procurement process. They also set minimum periods of time to allow for suppliers to respond to advertisements and prepare submissions.

This guide deals predominantly with contracts below the EU limits. For further information about the European Union Directives and how to view OJEU contract advertisements visit: **www.ogc.gov.uk**

UK legal framework
The ODA was set up under the London Olympic Games and Paralympic Games Act 2006 and as a public body must carry out procurement in accordance with Treasury guidance. This places a legal duty to achieve value for money in its agreements with suppliers and contractors.

Expenditure amounts	ODA Procurement route required
Up to £25k	At least three quotation documents sought through existing frameworks or advertised on www.london2012.com/business
£25k up to EU limits	Competitive tenders, up to five bids sought, open tendering with appropriate pre qualification and tender procedure or use of pre procured frameworks available to the ODA
EU limits and above	Full OJEU compliant procedure, open, restricted, etc. Or use pre procured frameworks available to the ODA

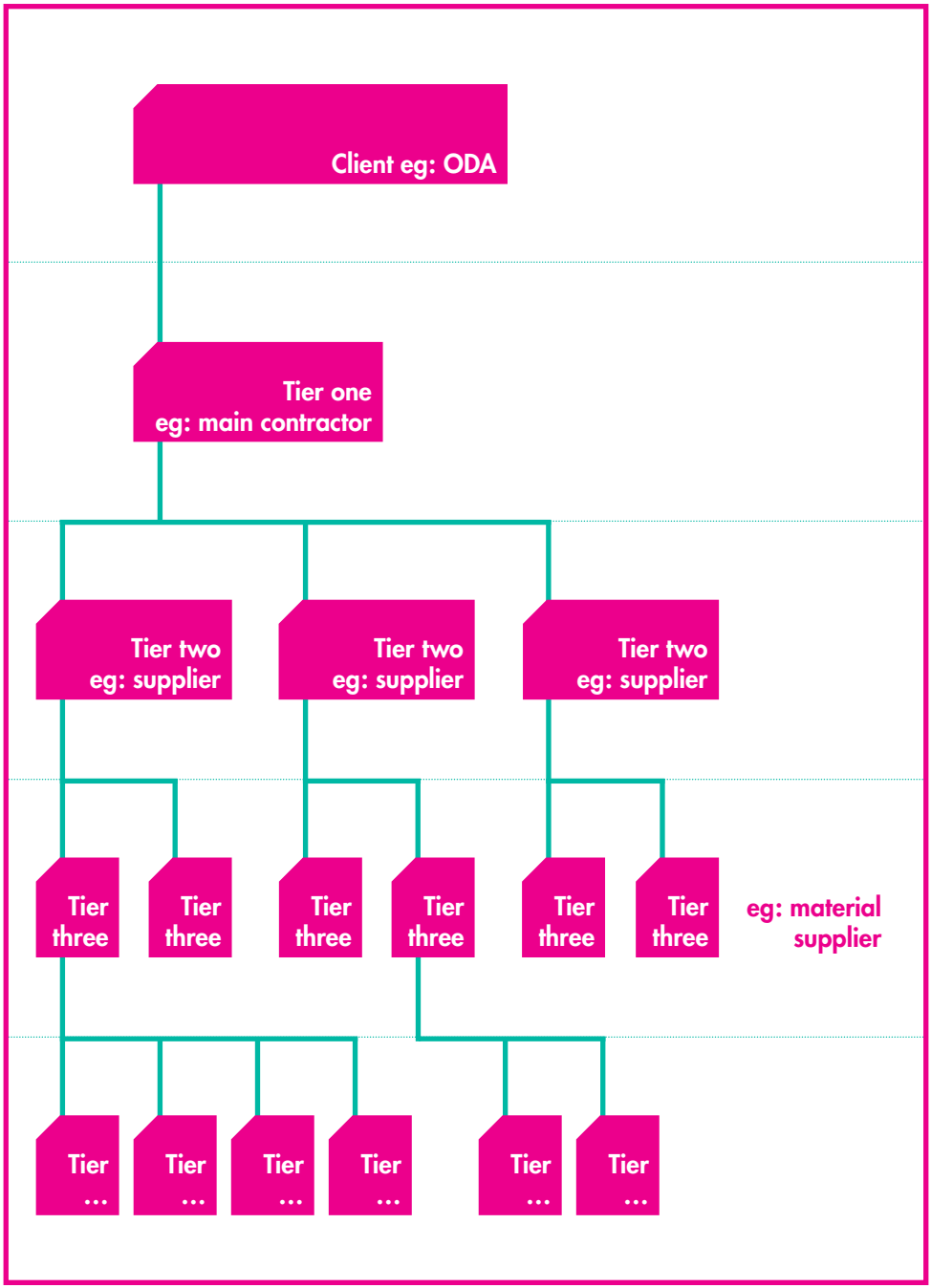
What the ODA will be buying

Procurement is the term used to describe how a company buys or agrees contracts for goods, works and services. The ODA will procure up to approximately 2,000 contracts directly and anticipates that there will be approximately 50,000 opportunities supplying ODA contractors on London 2012 related work.

- **Works** – mostly relating to the construction works to build the venues and infrastructure for the London 2012 Games.
- **Goods** – products bought by the ODA directly such as construction materials and products, stationery items and computer equipment.
- **Services** – providing the ODA with services such as accounting, design and staff health facilities.

The ODA will be a 'thin' client directly buying and managing a relatively small number of agreements with tier one suppliers or contractors who are often called main contractors. This means that the ODA will enter into a contract with a supplier to provide goods, works or services.

Supply chain relationships



Buying through the supply chain

A supply chain is made up of organisations that provide goods, works and services to a client company or organisation. For example a stationer's supply chain will include its product suppliers, delivery firm, printing company, IT provider and cleaning contractor.

Tier one of a supply chain is the main contractor who supplies direct to the client. An organisation that supplies to tier one is a tier two supplier and any organisation(s) that supplies to tier two is a tier three and so on. The diagram opposite shows supply chain relationships.

Companies can view the tier one contracts the ODA intends to sign at the 'future opportunities' section of the London 2012 website, **www.london2012.com/business**

Companies can also register to receive email alerts notifying them when opportunities go live.

Case study

Total CDM Solutions Limited is a six person strong Cardigan based health and safety consultancy, formed in 1999. The company bid for and won the contract to act as a sub consultant to the company designing the London 2012 Aquatics Centre, Zaha Hadid Associates. The contract covers advice on health and safety, in the design of the Aquatics Centre, for use during the Games and in legacy. The company's previous experience carrying out a similar role for a 50m pool in Cardiff helped their bid tremendously.
The company has already taken on extra staff since winning the contract.

ODA procurement values

The ODA is committed to delivering high quality venues, infrastructure and legacy for the London 2012 Games on time and within a given budget.

The London 2012 Games aim to deliver an economic, social, environmental and sporting legacy. This overarching commitment is supported by a number of policies, principles and explicit commitments on ODA objectives such as design and accessibility, equality and diversity, legacy, sustainability and health and safety and security.

The ODA's Procurement Policy explains that good value and high quality are paramount and that companies who want to win ODA contracts will be asked to demonstrate how they perform on these primary performance measures. A 'balanced scorecard' will be used at each stage of procurement to evaluate how a company performs on the ODA's objectives of value and quality. The scorecard can also encompass the broader themes highlighted earlier such as safety, security, quality and functionality, sustainability, legacy and equality.

The ODA will apply its scorecard to the procurement of tier one contracts and will ask contractors to keep the ODA informed of how their suppliers and sub-contractors perform on the same objectives.

ODA policies

The balanced scorecard covers a number of policies including:

Health and safety
The ODA is committed to being a leader in health and safety, and will integrate good performance as a core element in every planning, design and construction operation.

The ODA is determined to work in partnership with suppliers and contractors so that everyone is enthusiastically involved in managing risk and securing success. That means the ODA will support and assist everyone working on the construction programme, in whatever capacity, to prevent illness and injury and promote the well-being of all involved in project work.

Sustainable development
The ODA's sustainable development commitments include:

– aiming to minimise the carbon emissions associated with the Olympic Park and venues through a 50 per cent reduction in carbon dioxide for the built environment by 2013;

– the reuse or recycling of 90 per cent of demolition material;

– aiming for a 40 per cent reduction in the demand for potable water in permanent venues and aspiring to transport 50 per cent of construction materials, by weight, to the Park by water and rail.

Equality and diversity
ODA is committed to leaving a lasting equality legacy including:

– permanent sports venues and an Olympic Park and Village that form a model for inclusivity and accessibility;

– a step-change in equality practice in the construction sector;

– sustainable skills and experience gained by employees from diverse groups in the London 2012 Host Boroughs – Hackney, Tower Hamlets, Newham and Waltham Forest, London and the UK.

Employment and skills
The ODA will contribute to a London 2012 employment and skills legacy. It will work with national and regional employment and skills bodies to achieve this.

The ODA is committed to fair employment terms and encourages its suppliers and contractors to adopt fair employment terms and conditions and practices. This includes payment of nationally agreed rates where applicable and fair and appropriate pay.

The ODA encourages suppliers and contractors to implement adequate provision for employee representation in the work place, to enable quick and smooth resolution of potential industrial conflicts.

The ODA will look to its main contractors to ensure that their personnel have the required competency and skills, through the use of schemes such as the Construction Skills Certification Scheme, the national vocational qualifications framework, apprenticeships and any equivalent arrangements.

The full policies are available at www.london2012.com and hard copies are available on request.

ODA procurement

The ODA is required by law to open up most of its contracts to competition and has its own policies to ensure it does this in a fair and transparent way. For some contracts the ODA will use its own tendering processes, which differ according to the value of the opportunity. In other cases the ODA may choose to use the framework and contractual arrangements with approved suppliers and contractors that are available through the various government frameworks established by the Office of Government Commerce (OGC), English Partnerships and other Government Departments.

The ODA will publish all direct opportunities through CompeteFor except contracts procured through a framework agreement and some opportunities valued at less than £3k. OJEU opportunities will be advertised on CompeteFor with a link through to the ODA eTendering system.

Online procurement

The ODA's eTendering system enables companies to register online to receive alerts as soon as a new opportunity goes live. Further information on the contract can be read and downloaded from the site. Most of the stages in the procurement process will then take place and be managed online including the submission of documents, updates on the process from the ODA and evaluation of tenders. The eTendering system is simply an online version of the traditional procurement route and will not be used to carry out electronic auctions.

oppor

unities

Steps to procurement

Step one

Registering
Suppliers or contractors interested in ODA opportunities should register through **www.london2012.com/business** to ensure they are alerted when opportunities go live. Registered companies will also be alerted of ODA procurement news and industry days.

To view and apply for London 2012 supply chain opportunities companies can register for CompeteFor (see page 18).

Step two

Qualifying
The ODA invites registered companies to apply for opportunities. Their applications are evaluated to ensure they meet ODA requirements on financial stability, technical competence, health and safety, equal opportunities, sustainability and customer and workforce matters. Companies that successfully meet the necessary standards will be considered 'fit to compete' for ODA procurement opportunities.

The ODA will use the selection criteria and procedures appropriate to the size of the contract and its associated risks. Details of the different approaches to selection are set out in the Procurement Policy (available on the London 2012 website) and in this guide.

For tier one contracts the ODA operates a pre-qualification process. Companies responding to an advertised opportunity complete a questionnaire that is used to assess their application on a range of fundamental criteria including financial standing, legal and governance matters, and technical and professional ability. Compliance to relevant legislation, such as health and safety law, is also assessed.

ODA's tier one main contractors will be encouraged to adopt a similar procedure and to instil this throughout their supply chain. (read more on page 17).

Suppliers who have already gone through a qualification and approval process for other Government frameworks, are able to be automatically selected and shortlisted for relevant procurements under specific ODA frameworks.

Step three

Submitting a tender
The ODA will invite tenders from the suppliers or contractors that have been shortlisted following the application process, or selected from frameworks. The number shortlisted will depend on the contract value and related tender requirements, as well as the number of companies that qualify to bid for the opportunity.

If you are submitting a tender you will be provided with a selection of documents according to the nature of the specific opportunity along with an explanation of how to complete the documents and a timetable of the procurement process.

The majority of the procurement process will be managed through the ODA's eTendering service. For certain contracts the ODA may require suppliers to undertake a presentation to members of an evaluation panel.

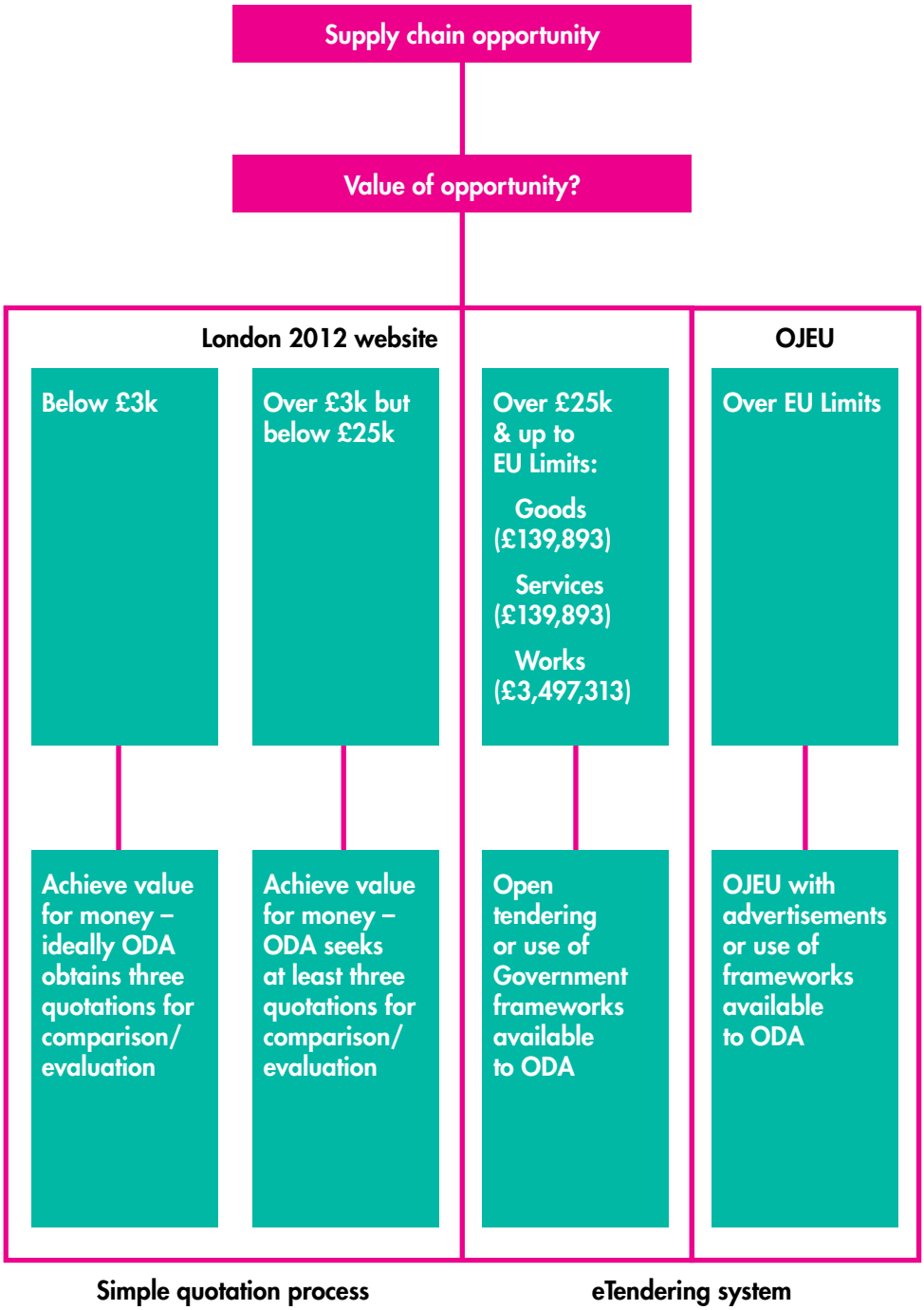
The tender itself will be evaluated according to the ODA's balanced scorecard. On top of cost, delivering on time and technical specifications, the quality element of the scorecard can incorporate the five different themes that embody the ODA's corporate objectives: safety and security, quality and functionality, sustainability, legacy, equality and diversity.

Within these broad themes the scorecard used to evaluate bids can include a number of specific ODA objectives or commitments. For example, the ODA's commitments on sustainable development and health and safety.

The evaluation will be objective, consistent and fair and unsuccessful bidders will receive constructive feedback. The tendering and evaluation process is subject to scrutiny by the ODA's Internal Audit Department.

The ODA will apply its scorecard to the procurement of direct contracts and will ask contractors to keep the ODA informed of how their suppliers and sub-contractors perform on the same objectives. The ODA's contractors will be encouraged to adopt this balanced scorecard approach throughout their supply chain.

Process of procurement



Identifying ODA supply chain opportunities

The ODA recognises its tier one main contractors will have existing supply chains. The ODA wants to help businesses, particularly small and medium sized companies to identify the opportunities that will emerge across the supply chains related to London 2012 contracts. This will be achieved through a mixture of contractual arrangements and incentives.

The ODA will be as open and transparent as possible and help open up supply chains. The ODA is committed to publishing the details of the companies it appoints as tier one main contractors. The current list is available at **www.london2012.com/business**

The ODA will be encouraging its tier one main contractors to advertise and process their tier two supplier opportunities through the London 2012 website and the CompeteFor electronic brokerage system (see Business Network section on page 17 for further details).

London 2012 Business Network

Visit www.london2012.com/business to:

- View current and future tender opportunities
  Sign up for e alerts of emerging opportunities, industry days and ODA procurement news
- Read about London 2012 speakers and events
- Learn about eTendering
- Read answers to frequently asked questions
- Find links to business support organisations
- Find ODA policies
- Read about the use of London 2012 branding
- Compete for contracts for direct and supply chain contracts

Local business opportunities

Within the five Host Boroughs – Greenwich, Hackney, Newham, Tower Hamlets and Waltham Forest a joint initiative has been established. This will help match local residents to employment possibilities and local businesses to supplier opportunities. A number of local companies have already benefited from the Host Borough job brokerage schemes.

Case study

Doric Signs Limited is a Greenwich based sign manufacturing company employing 42 people, and is celebrating its 50th anniversary. The company bid for and won the opportunity to supply and fit 21 road signs around the Olympic Park site, which will direct the construction traffic to the correct areas of the Park development. All the signage is manufactured in the company's own workshops in Greenwich using environmentally friendly materials. The company has previously supplied similar services to Greenwich and, Havering Councils, as well as many national rail companies.

London 2012 Business Network

Most of the work procured by the ODA will be delivered by the supply chains of tier one contractors. To help companies access both direct and supply chain opportunities London 2012 has launched the London 2012 Business Network. The Network is made up of three components all accessible at **www.london2012.com/business**

1. Information
Comprehensive information on London 2012 business opportunities.

2. Events
A national programme of business events around the UK.

3. CompeteFor
An online business networking and matching service bringing together London 2012 contractors and potential suppliers. CompeteFor is the vehicle through which London 2012 contractors will publish Games related subcontracting and supplier opportunities.

Design concept of the Olympic Village after the London 2012 Games

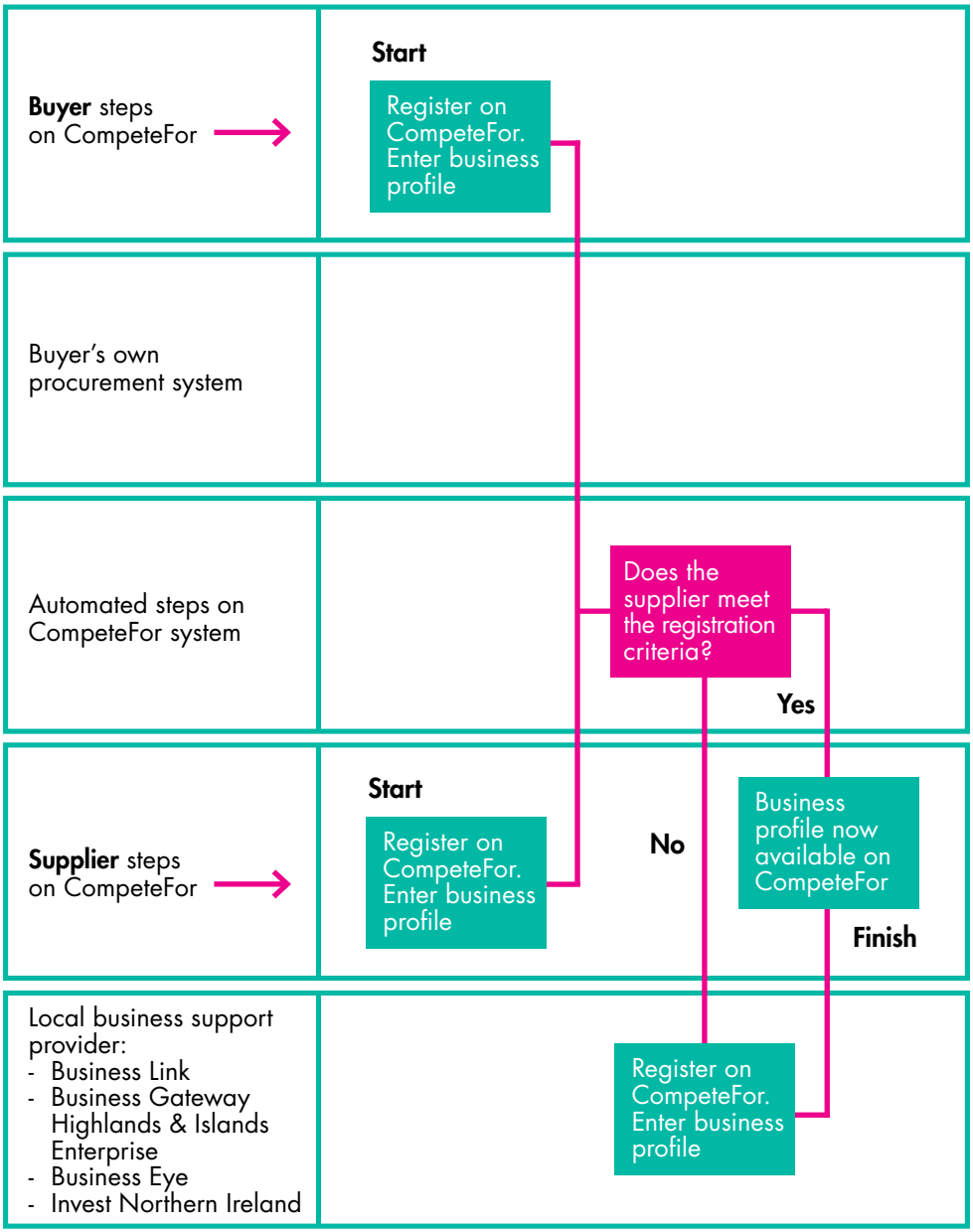
CompeteFor
The ODA will publish all direct opportunities through CompeteFor except contracts procured through a framework agreement and some opportunities valued at less than £3k. OJEU opportunities will be advertised on CompeteFor with a link through to the ODA eTendering system.

Buyers at every level of the London 2012 supply chain, including major construction contractors, will be encouraged to advertise new contract opportunities through CompeteFor.

Register
Businesses of any size can utilise the CompeteFor service to access London 2012 related supplier opportunities. After registering basic company information, businesses can view opportunities and London 2012 business news and events.

To apply for opportunities listed on CompeteFor companies complete a full business profile, which includes answering a series of simple questions and specifying areas of business interest.

CompeteFor registration process



Prepare
To support its commitments in a number of areas London 2012 requires its suppliers to meet certain requirements such as having a health and safety policy and a suitable quality management system.

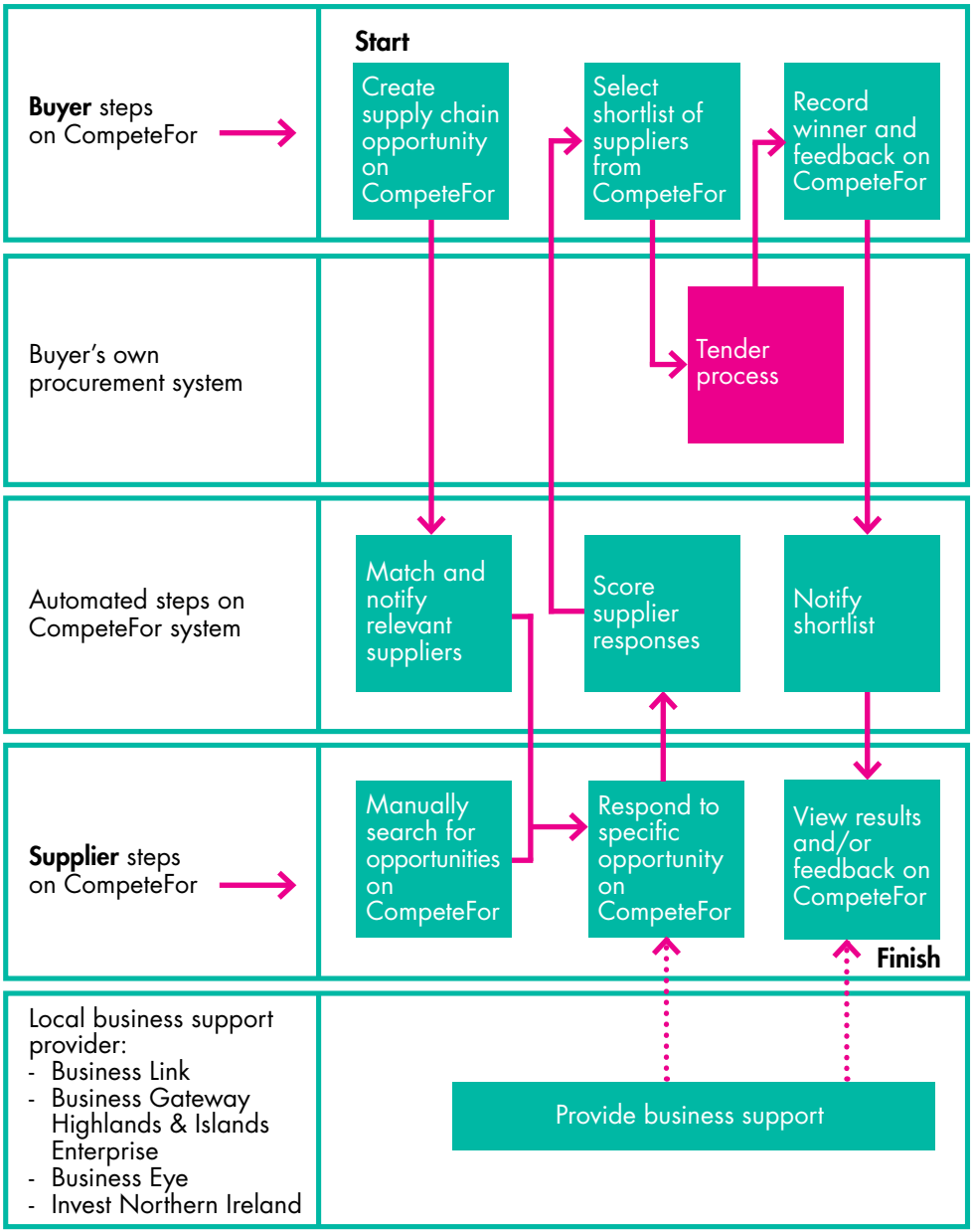
CompeteFor links companies with tailored, local business support to help them meet these basic criteria, which are assessed during the registration process. This support is provided locally by Business Link in England, by Business Eye in Wales, by Business Gateway and Highlands & Islands Enterprise in Scotland, and by Invest Northern Ireland. International businesses will be provided with useful links to help them become fit to compete.

Compete
Once a company's business profile is published on CompeteFor they will be automatically matched to relevant new opportunities according to the business categories selected. The buying organisation will select bidders in line with their relevant criteria and they will then be invited to apply online via a short-listing questionnaire set up by the buyer.

Following this matchmaking the procurement process is completed using the buyer's own tendering process and system. Details of the winning bidder will be published on CompeteFor and unsuccessful bidders will receive feedback from the buyer.

During the opportunity process local business support agencies will be on hand to help companies maximise their chances of success.

CompeteFor business opportunity process



glossary

Applicant
The person/organisation completing a PQQ.

Balanced scorecard
The set of values against which ODA will determine which tenders offer the best value for money.

Delivery partner
The organisation appointed to work alongside the ODA as the programme manager for the construction works for the London 2012 Games.

CompeteFor
An online resource that gives access to London 2012 opportunities and acts as a brokerage service between buyers and potential suppliers throughout the London 2012 supply chain.

Expressions of interest
Notice given by organisations which demonstrates they may be interested in submitting a tender.

ITN
Invitation To Negotiate – the invitation given to an organisation to enter into formal negotiations with the buyer to provide goods, works or services.

ITT
Invitation To Tender – the invitation given to an organisation to submit a formal tender.

Fit to compete
The level of operation at which an organisation must be to submit a tender, this will include items such as relevant insurances, policies etc.

NDPB
Non Departmental Government Body – a body which performs governmental functions, often with government funding or other support.

OGC
Office of Government Commerce – this is an office of HM Treasury, responsible for improving value for money by driving up standards and capability in procurement.

PQQ
Pre-Qualification Questionnaire – the first formal stage for applying to tender to supply goods, works or services.

Tender
The formal offer made to supply goods, works or services.

Please note that this document has been prepared as informal guidance to assist suppliers in understanding how to apply for work with the ODA. It is not a statement of the law.

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Other languages This publication is available on request in other languages.

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