

Contractors get bonanza at olympic games

Britain will spend about £10 billion on the Olympics, and contractors are getting a bonanza in tenders and assignments--not just in construction, but in every field. We've just gotten some of the details from the procurement plan announced last week by the London based Olympic Development Authority (ODA), which oversees all the other agencies and private groups involved.

Role for SMEs

There's a lot more up for grabs than one might realise. Olympics minister Tessa Jowell has already admitted spending £60 million on consultants--that includes IT and engineering planners. There will be more, even if the Olympics Ministry tries to play down their role.

Okay, so the big consulting firms have their piece of the pie. But the Olympics Development Authority's is committed to giving as much business as possible to SMEs.

Specifically, the Authority's procurement policy document states: "SMEs and social enterprises are particularly important in developing the Olympic Promise, locally, regionally and nationally. The ODA will seek to ensure it does not inadvertently exclude such small companies from accessing ODA contracts, through its procurement strategies and procedures."

Most of the procurement is being done through an electronic process so there's no reason that you should be shut out. Just go to the [Olympics E-Tendering Web Site](#).

So, for example, you will soon be able to bid on building the communications network for the International Broadcast Centre there. Or on mobile phones services. Or on the electronics for the press centre. Or there are just plain vanilla IT software contracts to be had.

The budgets aren't broken down in terms of sector: that is, you don't know how much is slated for a given tender for IT or electrical engineering. Rather the projects are defined in terms of overall goals, and then broken down into phases. While it's probably hard for a small company to bid on a major phase like mobile communications, the subsections of the project are up for grabs by SMEs as well as larger companies.

For engineering projects, the ODA intends to use the new engineering contract version 3 (NEC 3) for all major electronics and construction procurement. It is of course the latest in the evolution of NEC contracts, and one that has become most popular with the industry.

The range of possible contracts is extraordinary. 'Sebastian Coe, chairman of London 2012 Olympic Games, describes it: "Business-related opportunities exist in many areas ranging from tourism, manufacturing, retailing, sports, transport, human services, security, environment, administration, hospitality, construction, IT, marketing & communications, logistics, and many other sectors and industries."

Coe continues: "We need thousands of computers, phones, televisions, hand held radios and the latest technology to wire the Games to the world. The ODA is developing a "contract packaging" approach which breaks down the entire programme to deliver venues and infrastructure into individual procurement elements."

When the Olympics were held in New South Wales, Australia, small business won the equivalent of £400 million in contracts for the Games, and over £115 million were won by small regional companies.

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Olympics Development Authority
Procurement Policy Document

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Sebastian Coe-ODA



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