

The olympics: contractors bonanza goes live

The procurement database for the 2012 Olympics goes live today, as a bonanza of about £5 billion goes up for grabs by bidders. There is still squabbling about the budget for the games, because the London Development Authority bid a good deal less than that when it was competing with other cities to obtain the event. There is still controversy over whether or not the games will be VAT-exempt, and the political argument underway over that issue will have a significant effect on the final budget determinations. The procurement isn't handled by the people who do the games, of course, but rather by a separate group called the Olympic Development Authority.

Yet, however large the whole amount may be - and there have been reports that it will slip up as far as £8 billion - contractors need to find out where and how they fit in. "This is not just about construction," says one IT contractor who has experience on major public projects. "This is about every kind of contracting, from heavy engineering, to architectural modeling to database building. Every type of contractor can find work on this project if the contractor knows how to get through the procurement process."

Obviously workers and engineers in construction are badly needed. But the project will involve the effective rebuilding of a large part of East London (Stratford is slated to become a kind of Atlanta, Georgia with ecofusion restaurants replacing the chip shops), the creation of new means of mass transit including 10 rail lines and one dedicated high-speed shuttle. Then there is obviously the entire infrastructure for the games themselves, and that will include security for those at the games, catering, hospitality, tourism, and much more. Businesses from all sectors including construction, manufacturing, merchandise, retail, business and financial services, media and creative industries will be needed from across the UK.

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IT Contractor

"The experience of the Sydney 2000 Games showed that New South Wales' business won the equivalent of £400 million in contracts for the Games, with more than £115 million going to regional companies," the spokesman adds.

And now is the time to start competing for the new contracts. "The vast majority of contracts will be awarded from mid-2007 onwards according to a spokesman for the Olympic Development Authority. "As of February 8, 2007, a new page will be added to the business section of our website. While all procurement opportunities will be handled by the trans-European process mandated by European Union Law, they should all be visible on this site as well.

The spokesman for the Olympic Development Authority assures us that , even though the development process is just getting started, with the redesign of the Olympic park underway and the initial land purchases taking place, there is still plenty of work to be put up for tender even in the next few weeks.

Contractors should be aware that the Authority is not the only organisation involved in the procurement process. This is of course logical as the work involves many civic organisations which have nothing directly to do with the Olympic Games. The Authority has sought to share a common procurement approach with that of the London Organising Committee for the Olympic Games, the [Greater London Authority](#) and the [London Development Agency](#). The object is to achieve sustainable development by maximising the economic, social, health and environmental benefits of the Games.

Here is how the procurement process will work. Within the "Programme for the Games and Legacy", different venues and elements of infrastructure will be broken down into a series of separate projects, within which a number of contracts/services will need to be procured, each with particular characteristics.

Each segment will be detailed within the procurement code, a portion of which will be listed with each tender. There will be working instructions for each segment. In accordance with European Commission legislation, all bids will be made via electronic means, and handled by a platform.

The best advice to contractors is to go to the website, and to get hold of the working instructions for the specific segment the contractor will want to bid on. The contractor may be well advised to work with a group of other contractors, forming a consortium, if the project is large enough to warrant it.

If the contractor puts together a professional bid, with a bit of luck, the contractor could find work that will last for a long time.

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