

Olympic Delivery Authority Procurement Policy John Ward, August 2007

The Olympics Delivery Authority ("ODA") has recently published its procurement policy. This follows the publication of the policy in draft form for consultation in July 2006.

The ODA is the public body responsible for procuring the new venues and infrastructure of the Olympic Games. The ODA is working in close conjunction with the London Organising Committee of the Olympic Games and Paralympic Games ("LOCOG"). LOCOG will let the contracts for services to deliver and stage the Games.

In September 2006, the ODA appointed a delivery partner, CLM, to programme manage the construction project. The three companies which form the CLM consortium, CH2M Hill, Laing O'Rourke and Mace, have between them worked on five previous Olympic and Paralympic Games. The ODA has set itself the ambitious target of completing all of the infrastructure and venues by July 2011, a full 12 months in advance of the Games themselves, with ten key milestones such as starting upon construction of the Olympic Village by the end of the Beijing 2008 Games. CLM will have a critical role to play in managing the procurement process, but the contracting authority will always be the ODA and the procurement policy refers specifically to the ODA obtaining collateral warranties in favour of other interested parties, such as the bodies responsible for the main park area after completion of the Games.

The ODA is developing a "contract packaging" approach which breaks down the entire programme to deliver venues and infrastructure into individual procurement elements. The procurement policy makes much of ODA's commitment to the principles of the Egan and Latham Reports and the Office of Government Commerce's "Achieving Excellence in Construction". Although it reserves the right to use other forms of contract, as a general rule, the ODA intends to use the new engineering contract version 3 (NEC 3) for all major construction procurement. The ODA believes that NEC 3 incorporates the partnering approach which it is seeking. The ODA intends to use the "Z" clause provisions of NEC 3 to accommodate particular delivery requirements. There would appear to be an intention to have Design and Build contracts in place. For example, in relation to the Velodrome, ODA has said that it will be novating the design team to the contractor.

In terms of insurance, the ODA intends to have site wide insurance cover in place although this only applies to contractors all risk and public liability type insurance not PI type insurance.

One aspect which has not been fully formulated is the way in which disputes will be resolved. The original draft procurement policy referred to the ODA as being in the process of establishing a Dispute Resolution Board. There is no direct mention of this in the final procurement policy which records that these arrangements will be set out separately although this has yet to be published.

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