

Logistics Countdown to 2012 Forum

Servicing the infrastructure projects

The London 2012 Olympics and its regeneration legacy require the delivery of a number of critical infrastructure projects, most of them large and complex. London - and East London in particular - is already congested and its transport infrastructure under strain.

Organised by Bisham Consulting and the Waterfront Conference Company and endorsed by the CILT (UK), the Forum set out to explore in a non-partisan way the challenges and solutions to the logistics and distribution requirements associated with these construction projects.

The Forum brought together a wide representation from the logistics and construction industries and transport providers, together with representatives from the five host London Boroughs and other local authorities, Transport for London, Port of London Authority, consultants and most importantly representatives from the Olympic Delivery Authority.

The keynote speaker was Christopher Garnett, Board Member ODA; during the course of the two days the Forum heard from Sir Robin Wales, Mayor of the London Borough of Newham (in which the Olympic Park sits), Graeme McFaull, Chief Executive of Wincanton, Stephen Steele, Head of the TfL Freight Unit, Steve Rinsler, Chairman of the CILT and a wide range of speakers from the transport and logistics industries.

It was particularly valuable for the Forum to hear about two other major projects delivered or about to be - the Emirates Stadium presented by Keith Edelman, Managing Director Arsenal FC, and Heathrow Terminal 5 from Shaun Cowlam, Director, Logistics, BAA. Additionally there were presentations from Ken Baxter, former chairman of the Olympic Games Project Committee for the Sydney 2000 Olympic Games, and Sandy Hollway, former Chief Executive Sydney Olympic Games Organising Committee (SOCOG).

Christopher Garnett explained that in terms of setting out a clear construction logistics strategy, to inform the specification of construction procurement, it is still early days. There is a requirement for a construction logistics strategy towards the end of 2007; meanwhile a construction transport plan - dealing with Borough highway, access issues, routing and signage, etc - is working to a shorter timescale, with a draft available in May 2007.

Among the requirements mentioned by Chris Garnett was the adopted policy that 50% of delivery of construction material by weight should be by sustainable transport - in practice this means by rail and water. Chris mentioned that capacity for materials handling had already been scoped, for road, rail and water; and to support the use of water transport the construction of Prescott Channel Lock had already commenced, to facilitate the movement of 350 tonne barges from the Thames up the Waterworks channel to the Olympic site. Using a map, he also showed the designated road freight routes which would be used to approach the site (A13, M11/A12), indicating the vehicle marshalling areas which would be used on these routes to hold delivery vehicles, calling them forward to the Olympic site on a carefully managed schedule. The ODA has estimated that at peak capacity, the main entrance is designed to take 24000 tonnes per day, of which road deliveries will constitute the equivalent of 1600 x 15 tonne HGVs.

Illustrating the scale, diversity and challenging nature of the construction task, the following points deserve particular attention.

- The amount of construction for the Olympic Park is about 1/3 more than at Heathrow Terminal 5, over about twice the area.
- There is the absolute deadline of the Games starting in July 2012, with a set of deadlines before that for the start of the Games period, and for the handover of the infrastructure in 2011.
- East London is one of the most congested parts of London, with several heavily trafficked main roads in the immediate vicinity (A12, A13, A102) and congested local roads
- Other major construction projects going on concurrently, particularly the adjacent Stratford City development, which will actually employ more construction workers than the Olympic Park, the start of Crossrail and other projects in the Canary Wharf area.

Graeme McFaul identified 4 key issues:-

- Road congestion
- Environmental issues eg emissions
- People availability and management
- Contingency Planning and perpetual re-scheduling

Simon Kirby of Network Rail emphasised the need to solve the North London line congestion as well as the need to freeze the scope of the whole project. He requested more definition of the rail and on-site road connectivity. He concluded that strong co-ordination and leadership is required. The last point is complicated by the various local and national government bodies involved.

The learning from the other major projects presented at the Forum - Heathrow T5 and the Emirates Stadium - was very clear.

- The need for leadership from the front, slick decision-making, an integrated team with clear, stable and unchanging objectives.
- Clear responsibility and accountability
- Logistics issues to be taken on board at the beginning as a primary construction planning factor.
- Project disciplines - project management, good project processes and communications – throughout.
- People logistics - not only work through the transport for construction workers, but integrate with induction, disciplines for security, teambuilding etc (good examples at Heathrow T5).
- Appropriate planning and use of off-site materials consolidation centre.

Speakers from the Athens and Sydney Olympics emphasised that London must see and plan logistics as a whole for all stages, namely

- Construction
- The Overlay (fitting out of venues etc)
- Games-time consumables supply and replenishment
- Post-games: reverse logistics and preparation for legacy.

A critical point to emerge from the Forum was the need to see and plan the logistics for all four stages on one canvas.

There are two aspects to this - organisation and expertise. The nature of the task of bringing in and installing the overlay at Stratford is different from the construction of the venues and buildings, but from a logistics point of view the resources, methods, management arrangements and experience from the construction period must be highly relevant - with the vital requirement not to “reinvent the wheel” or to frustrate the logistics industry and the relevant public authorities by going over much of the same ground again..

A risk arises from a split of responsibility between ODA and LOCOG (The London Organising Committee for the Olympic Games): the fact that the ODA is responsible for the first and fourth stages (the construction, and the reverse logistics including conversion to legacy), while LOCOG is responsible for the overlay and the games-time logistics.

There was discussion and enthusiasm to explore the use of materials consolidation centres, as used for Heathrow T5 and also for four construction sites in central London with a centre in South Bermondsey organised and part-funded by TfL. ODA’s current plans are not to organise consolidation centres themselves - they will organise marshalling areas, where vehicles will be checked, validated and marshalled for scheduling deliveries into the site - but vehicle loads will not be touched; they will expect contractors and suppliers to organise their own consolidation upstream as appropriate. As yet there are no plans for marshalling areas for canal and rail traffic.

It was pointed out that games-time logistics (and possibly some of the overlay logistics) will almost certainly require an advance warehouse for holding supplies and consolidating for delivery into site; this is a different requirement from construction, but the point illustrates the potential value of planning the logistics resources on a common canvas.

Regarding site logistics, ODA representatives clarified that the ODA logistics team would be overall responsible for on-site logistics, with delineated areas for contractors’ responsibilities for site management, as is conventional for large multi-project sites. A number of speakers emphasised the need for remove restrictions such as the London night time lorry ban and the requirement for the need to maximise out of hours deliveries.

The Games as a whole - taking the four stages together - present a strategic opportunity for the logistics industry. What emerged from the Forum was:

- The scale of the task is much bigger than commonly encountered. New structures may be required, new methods of partners working together, similar to way the construction sector organises itself for projects of this scale, e.g. CLM, TransManche Link, etc.
- Logistics providers should initiate dialogue and develop and present solutions to the ODA and its contractors. This will be especially true for the rail freight and barge operators, who need to demonstrate that they are capable of delivering the volumes expected of them. This is a challenging project and a demanding client that will expect high reliability and quality of service but will be open to novel techniques that address the logistical issues.
- Innovate - don’t rely on your existing capabilities and methods to necessarily win business. The constraints of the site, the time deadlines and the multitude of other parties involved means that off-the-shelf solutions will probably be insufficient.

About the author Martin Williams is past Chair of the Outsourcing and Procurement Forum and a Director of Bisham Consulting, one of the UK's leading, independent logistics and supply chain consultancies, offering both strategic and operational consulting to a wide range of clients, from major corporations to small and mid sized private firms.