

## CASE STUDIES

London, United Kingdom

### Responsible Timber Procurement: London 2012 Olympic Games\*

#### Contextual background

When London bid to host the London 2012 Olympic and Paralympics Games it pledged to set new standards for sustainable development. One of the Olympic Delivery Authority's (ODA's) objectives was that all timber used would come from known legal and sustainable sources.

This followed the UK Government's best practice timber procurement policy for the public sector, as defined by the Central Point of Expertise on Timber Procurement (CPET).

Following consultation with industry, the ODA put in place innovative methods and processes to ensure delivery of its objective.



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#### Implemented measures

- **Establishing the 'Timber Supplier Panel'** as a reliable supply framework for supplying legal and sustainable timber. The panel comprised 16 companies chosen through a bidding process that questioned candidates' environmental and sustainability policies. The panel was sufficiently broad to provide effective price competition.
- **Creating controls, notably a Delivery Management System.** This helped to ensure that only members of the Timber Supplier Panel provided timber to the Park. It also enabled full checking of Chain of Custody, with daily checks being carried out. It flagged up when deliveries were due and highlighted, in real time alerts, any issues with the certification scheme for timber or any non-compliance issues.
- **Educating key stakeholders and the supply chain,** ensuring that every contractor understood the process and cascading that understanding down through their delivery teams and partners.
- **Acting as an effective watchdog of the system** with real policing, and quick and effective action to quash non-conformities. In one instance, a product was ordered from a supply panel member's local outlet rather than directly via the panel contact. The product was found to have come from an FSC certified source but had been bought and sold by a non-certified organisation and at that point Chain of Custody had been broken. The product was, therefore, removed from site and replaced with a product with full chain of

custody. Corrective actions were implemented by the panel member to monitor orders and provide refresher training to the teams at branch level.

- **Identifying a single point of contact** within the ODA for suppliers to seek guidance on timber.
- **Working with two different Chain of Custody certification schemes, FSC and PEFC**, to come up with an agreed single framework. This aimed to minimise confusion regarding timber certification schemes and to simplify the procurement of sustainable timber for future projects.

### Verification

The Forest Stewardship Council (FSC) and the Programme for the Endorsement of Forest Certification (PEFC) certifications scheme are approved for the purposes of both 'Legal Timber' and 'Sustainable Timber'. Where it can be justifiably demonstrated that it is not possible to supply items from FSC or PEFC certified sources then timber and timber products which are able to be verified with appropriate documentation in respect to their origin and legality are acceptable.

### Award/evaluation criteria

Tenders will be evaluated according to a 'balanced scorecard' which is also used at each stage of procurement to evaluate how a company performs on the ODA's objectives of value and quality. On top of cost, delivering on time and technical specifications, the scorecard can also encompass the broader themes of safety, security, quality and functionality, sustainability, legacy and equality.

### Additional/complimentary measures

- **Delivering comprehensive and continuous training to stakeholders and suppliers.** An initial inception meeting between contractors and suppliers was followed by a succession of events (focus groups, briefings and training) and two detailed guidance documents were issued. Meetings and workshops were held to educate the supply chain and wider stakeholders. The project has caused businesses to review, renew and rewrite their sustainable timber procurement policies.

- **Promoting the reuse of timber from temporary uses on site.** Timber shuttering used in the construction of the Aquatics Centre's concrete walls was passed to community projects for reuse.



## Challenges encountered

- Any failure to procure timber from sustainable sources had the potential to pose a significant risk to the reputation of this extremely high-profile project.
- Timber is used extensively across the site, in many different forms, from the Siberian pine used to make the Velodrome track to red louro faced roof cladding panels for the Aquatics Centre, by multiple agencies and organisations. This made it difficult to implement controls on supply.
- There are a number of different schemes certifying timber's Chain of Custody (that it comes from legal and sustainable sources). The two main schemes are those operated by the Forest Stewardship Council (FSC) and Programme for the Endorsement of Forestry Certification (PEFC). Although both schemes work towards the same objective, they operate independently and have different frameworks.
- Maintaining the Chain of Custody was a significant issue and sometimes proved very challenging in a supply chain that had numerous handlers. The contractors relied on the Chain of Custody being managed by procurement through the Timber Supplier Panel.
- The Delivery Management System proved effective at flagging non-compliant timber when it was delivered as sawn timber or timber goods. But it was less effective when the timber was embedded in a prefabricated unit and the item was not identified in the system as timber.

## Results achieved

- FSC and PEFC timber certification schemes worked together, setting a precedent for a unified approach. This cooperation was a step change for the industry.
- The 'Timber Supplier Panel' took risk away from the contractors concerning the use of illegal or non-sustainable timber, which could have resulted in loss of contract, being taken off the project and severe damage of reputation. The ground-breaking nature of the Timber Supplier Panel was confirmed by a special recognition award, 'Achievement in Sustainability', at the Timber Trades Journal Timber Awards in 2009.
- The Timber Supplier Panel helped to mitigate risks, notably in two scenarios: firstly where the contractor did not understand the client's requirements and, secondly, where suppliers lacked knowledge about certified timber and were unwilling to engage.
- A significant legacy for Tier One contractors is their full understanding of the supply chain and delivery routes for the project and of how to ensure design changes are logged and monitored as the supply chain changes.
- A review conducted by the Timber Trade Federation indicated that the volume of certified timber products on the market in the UK raised from 65 per cent in 2005 to



85 per cent in 2009 and continues to rise. The influence of the Games is part of this success story.

- In the early stages of the project there was a gap between what the client was asking for and what the industry perceived as the need. This suggested that the timber industry was not used to bidding for large-scale projects with a diverse range of factors to consider as part of a balanced procurement process. The timber industry has improved directly as a result of this project and will continue to do so by gaining ongoing experience in future bids on large-scale projects.

### Lessons learned

Initially it was difficult to persuade some contractors that the Timber Supplier Panel was necessary as they believed they could deliver satisfactorily through existing channels. Ultimately the Tier One contractors recognised the benefits of the process, noting that it:

- made it easier for the contractors to comply with the ODA commitment
- took a share of the risk away from the contractor and placed it with the suppliers
- enabled the contractors to provide full audit information for the ODA
- created new business relationships.

Some of the suppliers did not understand Chain of Custody well and as a result there was a risk that it could be broken as timber went through the fabrication process. A key learning point is that Chain of Custody should have been brought to the fore earlier and linked to Timber Supplier Panel awareness training and promotion.

### Recommendations for future projects

The client and their contractors should set a clear and focused strategy for sustainable and legal timber.

Government and public bodies are being encouraged to adopt sustainable timber policies in line with CPET. The Timber Regulation coming into place in Europe in 2012 will make the trade in illegal timber an illegal act in itself.

The project has increased knowledge and understanding of certified timber across the supply chain. This knowledge has been cascaded through the tiers of contractors and sub-contractors. The suppliers fully understand the certification schemes, the opportunities available and equally, the consequence of non-compliance. A number of suppliers have said that their engagement with the ODA was the first time they had come together to openly discuss the issues of legal and sustainable timber and the supply chain. This open forum needs to continue beyond the Games and should be adopted by a timber industry organisation.

\*All the information have been found on the report "*Learning legacy: lessons learned from the London 2012 Games construction project*" written by Dr Ed Suttie of BRE and scheduled for publication by IHS BRE Press (<http://learninglegacy.independent.gov.uk/documents/pdfs/sustainability/20-timber-management-plan-sust.pdf>), published in October 2011. For more information visit [london2012.com/learninglegacy](http://london2012.com/learninglegacy) .