



HEATHROW EXPANSION: LOGISTICS HUBS

Call for Expressions of Interest

Heathrow



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FOREWORD

Heathrow expansion is a truly national infrastructure project that will bring real opportunities to businesses and communities across the UK.

Terminal 2 was a great learning experience for us – we partnered with suppliers in every corner of Britain to help build various parts of the project and it was tremendously successful. Not only do we now have one of the greatest airport terminals in the world at Heathrow, but the project supported jobs in communities across the country.

We want to build on that success with expansion; businesses, communities and passengers across the country can be confident that Heathrow is acting to help secure Britain's future as an outward-looking trading nation. Before, during and after construction we are committed to delivering growth and opportunities across Britain.

Today, I'm delighted that we're able to invite communities across the country to apply to host one of our four Heathrow logistics hubs. These new hubs will maximise the opportunities for businesses large and small across the country to become a key partner in delivering one of the largest and most important infrastructure projects in Europe.

Leveraging the expertise and pioneering spirit that runs through British industry, the new hubs are key to Heathrow's delivery strategy. They'll work to pre-assemble and consolidate components before transporting them to Heathrow. The approach will not only deliver better quality products than building everything on-site, but it will help make the project affordable and more environmentally sustainable.

It is a key step to help businesses, large and small, across the country seize the opportunities that come from expansion. This innovative approach means that we will work with the best suppliers in the best locations in the UK to deliver the third runway.

I'm confident that together we'll make a success of expanding Heathrow and in the process reshape how we build things in Britain – leaving a legacy of innovation for Britain's supply chain to sell around the world and creating secure new jobs in regions across the country.

I look forward to working with you to deliver our vision for an expanded Heathrow and help secure Britain's future.



John Holland-Kaye

John Holland-Kaye
Chief Executive, Heathrow



INTRODUCTION

As Europe's largest privately funded infrastructure project, the successful delivery of Heathrow expansion will rely on the talent and resources of firms right across the country.

To help deliver expansion and open up opportunities for suppliers of all sizes, Heathrow have committed to locate four logistics hubs in different parts of the UK.

These facilities will help us find and partner more efficiently with British suppliers. They will ensure our building programme is sustainable and resilient, while leaving a legacy of construction excellence in this country that can be exported all round the world.

For suppliers, the strategically placed hubs will reduce transport costs which in turn will open up new opportunities to small and medium sized firms, creating jobs in every corner of the UK.

As we move into the delivery phase of Heathrow expansion we are working hard to engage with businesses across the UK. We are committed to giving SMEs every opportunity to be involved in the expansion project and in future work at the airport.

In addition to the logistics hubs, we have made five SME guarantees:

1. Develop the successful Heathrow Business Summits across the UK. These bring together SMEs with Heathrow's procurement team and the airport's principal suppliers.
2. As a signatory to the Prompt Payment Code, ensure suppliers are paid on time and ensure this practice flows down through the airports supply chain into SMEs.
3. Establish a new Innovation Networking Forum to reach out to SMEs and start-up organisations in the innovation and technology sector.
4. Offer SMEs access to the millions of international passengers at Heathrow, by brokering deals between stockists and World Duty Free and other retail tenants.
5. Establish a grants programme offering awards up to £2k for SMEs to spend on travel and trade missions to help SMEs reach new markets.

We are now seeking expressions of interest for the proposed locations of the four logistics hubs across the UK. We look forward to working with a diverse range of organisations across the country.

WHY LOGISTICS HUBS?

Logistics hubs will help us create a diverse, innovative and sustainable supply chain that achieves new standards of delivery, while leaving a construction legacy that Britain can be proud of.

The logistics hubs will deliver five key benefits for Heathrow's expansion programme, including:

- 1 DELIVER ECONOMIC BENEFITS ACROSS BRITAIN**
 Establishing logistics hubs will make it easier and cheaper for SMEs in every corner of the UK to access our supply chain. Moreover, each logistics hub will create demand for both a skilled and semi-skilled workforce, delivering economic benefits across Britain.
- 2 DELIVER EFFICIENT AND AFFORDABLE EXPANSION**
 The use of logistics hubs will enable the delivery of an efficient and affordable expansion programme by reducing both build and transportation costs.
- 3 ENABLE QUICKER DELIVERY TO UNLOCK THE BENEFITS OF AN EXPANDED AIRPORT SOONER**
 Logistics hubs will streamline the process for manufacturing and transporting the billions of pounds of components critical to the expansion project. By improving the productivity of the expansion programme, we will unlock the benefits of expansion sooner.
- 4 CREATE A PLATFORM FOR EXCELLENCE IN SUSTAINABILITY**
 Throughout the programme we will continually strive to ensure the Heathrow supply chain is sustainable and our suppliers are responsible members of the Heathrow community. The logistics hubs help us achieve this goal by reducing road movements and promoting diversity in our supply chain.
- 5 SUPPORT OUR EXISTING OPERATION**
 Great passenger experience will be firmly at the heart of the logistics hub strategy. The logistics hubs will remove work and products from site, enabling the smooth running of Britain's hub airport during the construction phase and beyond, protecting our operation, passengers and local community.



PROCESS AND TIMELINE

We are open and receptive to applications from locations across the UK with the relevant public and private sector support.

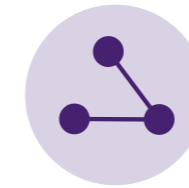
To identify a long list of locations, we are seeking information on the following:



Impacts and benefits – how the proposed logistics hub will benefit the local economy and help Heathrow deliver efficient and affordable expansion.



Facility – the suitability of the proposed logistics hub facility, including its location, size, ownership arrangements, accessibility and amenities.



Connectivity – how is the proposed logistics hub connected to the transport network, including road, rail or air.



Supply chain – is the proposed logistics hub situated in or near a thriving supply-chain relevant to Heathrow expansion requirements.



Labour skills – what existing and future skills are available in the region surrounding the proposed logistics hub, including any connections with education institutions or future plans for skills development.



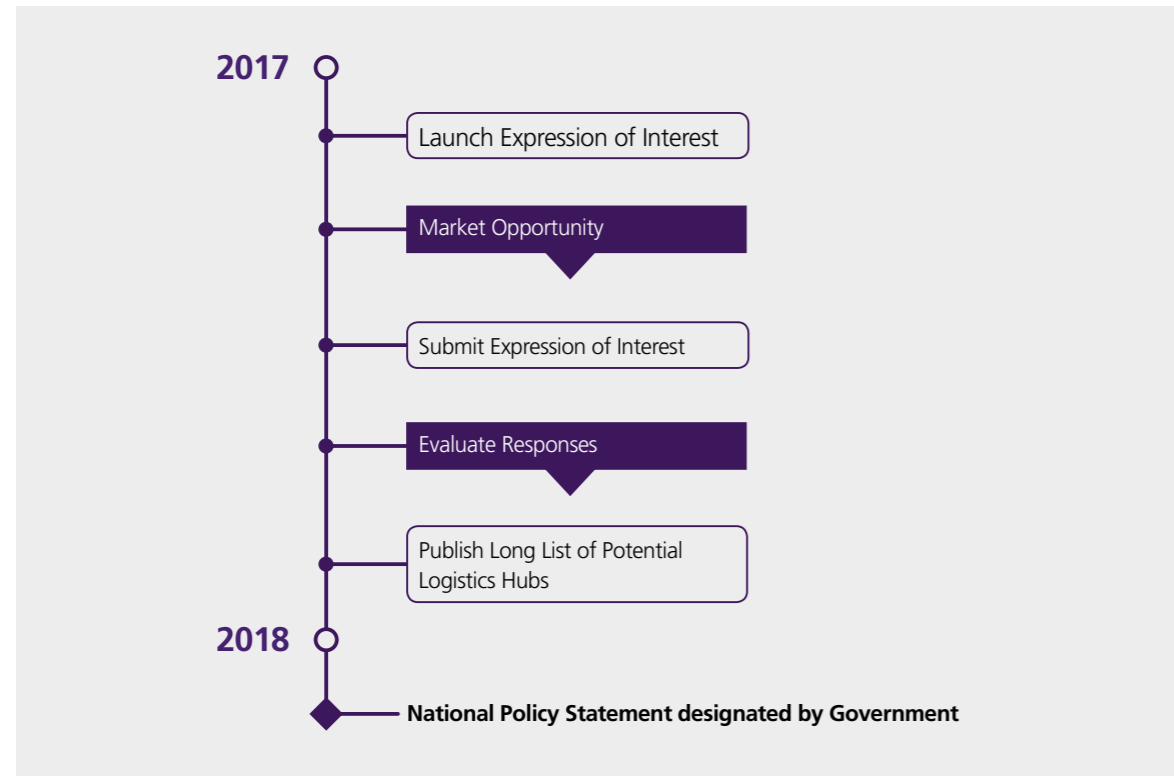
Support – does the proposed logistics hub have support in the region, either political, industrial, or other.



Opportunities – will the proposed logistics hub create opportunities for other businesses or combine requirements with other programmes or clients.

Timeline

An overview of the Expression of Interest process and timeline is depicted below:



Responding to the Expression of Interest

To respond to this Expression of Interest, please visit <https://procurement.heathrow.com> and register as a supplier.

Then please click on Current Opportunities to access the 'Heathrow Expansion Logistics Hubs Expression of Interest', which contains all the information required to register an application.

Applications and all communications will be managed through the MySource procurement portal. The portal includes the full terms and conditions of the Expression of Interest process.

Applicants will be able to ask questions via MySource up to 12:00 hours on 21 July 2017.

The response to this Expression of Interest must be received by Heathrow by 12:00 hours on or before 31 July 2017.

If you have any questions about this Expression of Interest or if you would like any further information, please contact business@heathrow.com.

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