



Dar Al Riyadh Insight #39

Logistics – Resource Assessments

Dar Al Riyadh Insights reflect the knowledge and experience of our Board, executives and staff in leading and providing PMC, design and construction management services. Dar Al Riyadh believes in the importance of broadly sharing knowledge with our clients and staff to improve project outcomes for the benefit of the Kingdom of Saudi Arabia.

Logistic management efforts must begin with basic **resource assessments**. This is true for large scale projects, but equally true in industries or regions experiencing high demand for construction materials. Resource assessments often are seen in peak markets, where global demand for steel is constrained as much by mining rates for iron ore as it is by steel mill capacity. Also, projects in remote locations are required to assess local, even national, labor and skill shortages. The result may mean moving labor and certain skill sets from other countries to the new construction sites.

Some projects of scale have been required the logistical task of operating substantial bus operations to move up to 100,000 workers a day to and from the construction site. On-site bus operations for routine movement of some staff also are common at many large sites.

High quality labor market assessments are another element of resource assessment for logistics management. One emerging example is worth noting. Market conditions in the U.S. have made the prospect of multiple offshore wind turbine farms entering construction simultaneously a real prospect. A key equipment resource will be the necessary offshore vessels for turbine erection. U.S. law, specifically the Jones Act that focuses on issues related to maritime commerce, requires these vessels to be U.S. flagged as well as U.S. manufactured. Today those vessels do not exist in the quantities the market requires.