

Case study 2

The road to Responsible Procurement: implementation through the Highways Maintenance and Works Contracts

The Highways Maintenance and Works (HMW) contracts provide the framework under which all major highway maintenance and repairs in London are undertaken. The six-year contracts, worth £1.2 billion, were awarded in April 2007 to three suppliers: Amey, Ringway Jacobs and EnterpriseMouchel.

Key themes

Management of social, economic and environmental impacts was integral to the contractual process, while consolidating existing contract arrangements to achieve cost and operational efficiencies. Particular focus was given to improving social elements of sustainability by delivering equality and inclusion outcomes for Londoners.

Supplier diversity and environmental requirements were included in the contracts, and all three suppliers exceeded expectations in their response.

Supplier diversity

Ahead of the Invitation to Tender (ITT) process, workshops were held with interested contractors to outline some of TfL's newly-developed sustainability requirements. These allowed bidders to familiarise themselves with the requirements, and TfL to ensure its approach was robust in advance of the formal contract process.

The requirements were for suppliers to provide an equality policy, a diversity training plan, a supplier diversity training plan, and a communications plan. These elements were considered in advance of the quality and technical aspects of each bid, enabling TfL to work with the bidders to develop their policies and plans.

Ethical sourcing

The three HMW contractors are voluntarily taking part in a pilot on SEDEX and ethical sourcing. This is initially focused on one item in the supply chain –

road signs. The contractors joined SEDEX, and asked their road sign providers to do the same. They in turn asked the manufactures to join, thus mapping the supply chain on the system.

Environment plan

As part of the tender evaluation process, contractors were required to propose how they would manage and mitigate negative environmental impacts. The contractors' submissions outlined all the value-added services that would be offered in addition to design, construction and maintenance works. On award of the contract the sustainability submissions became contractually binding.

The contract also required that successful bidders maintain sustainability plans outlining improvements and environmental efficiencies over the life of the contract.

Monitoring and reporting

Performance against objectives by each of the HMW contractors is monitored through project board meetings, quarterly contractor forum meetings, and six-monthly service delivery audits.

Outcomes

Supplier diversity

A number of benefits have emerged. These include contractors putting in place Equality and Inclusion (E&I) monitoring systems, gaining a better understanding of their baseline position, and a greater ability to set appropriate targets. They have invested additional resources to ensure sufficient focus on E&I goals and have been recognised as leaders in this area by other public sector authorities and the construction industry.

For example, one of the contractors, Enterprise Mouchel, has appointed a full time Equality and



Men at work: highway maintenance on the A2.

Diversity Officer responsible for equality and diversity policy, core values, collecting monitoring information and training and recruitment of the local community. The three contractors, along with others in the industry, have set up an E&I forum to share experiences and to challenge each other to improve their E&I practices.

Boosting training

To date, 15 new apprenticeship positions have been created within the framework of this contract, and further opportunities are being explored.

Other outcomes are helping to address labour needs and boost training provision. For example, the three contractors have sought to attract more women into their workforces, by providing access to information and offering taster days in different areas of their businesses. The contractors have joined Local Employer Partnerships, agreeing to work with and advertise their vacancies with local Job Centres. Ringway Jacobs have signed the Skills Pledge, a national initiative for employers to display their commitment to developing and training their staff. Enterprise Mouchel have formed a partnership with

Windsor Fellowship, an organisation that works with graduates, often from disadvantaged communities, linking them into employment opportunities within the partnership company. The contractors have formed local school partnerships and regularly attend community events and offer work experience opportunities to students.

Environment plan

Examples of outcomes include Amey's adoption of an innovative recycling process. It has resulted in recycling more than 400 tonnes of material from landfill, and delivering more than 2,000m² of resurfaced footway, quicker and approximately 20% cheaper than traditional methods.

Enterprise Mouchel have introduced low-carbon transport by running a 'dual-fuel' fleet, in addition to the procurement of two electric motorbikes and four electric highway maintenance vehicles. Ringway Jacobs have developed staff travel plans for all depots and offices to promote sustainable travel options for all staff.

It is estimated that cost savings of more than £14 million have been realised in the first year.