

The GLA Group Responsible Procurement Policy

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THE GLA GROUP RESPONSIBLE PROCUREMENT POLICY

Draft

The Mayor's Vision and Statement of Intent

My vision for London is simple - I want all Londoners to have the same opportunities that our city gave me: a home they can afford, a job with fair pay and employment terms, an affordable and modern transport system and a safe, clean and healthy environment.

I'm passionate about the importance of fairness and social justice and will ensure that opportunity and prosperity are shared, and that vulnerable people are protected from exploitation. My mission is to advance London's competitiveness and status as a world-leading city for business, creativity, fairness and environmental sustainability. I want London to be a global beacon of tolerance, acceptance and respect.

How can Responsible Procurement help deliver my vision for London?

I want the GLA Group's extensive public procurement of products and services to deliver lasting positive change to make London a more equal, fair and sustainable city and so generate benefits for all London's communities now and in the future. This will be achieved by:

- Working to improve our communities in partnership with local people and organisations to address their specific needs through relevant contract requirements and performance measures.
- Driving fair employment practice with our suppliers to ensure that their employees receive fair employment terms and pay, including the London Living Wage to the extent permitted by law.
- Breaking down barriers that restrict SMEs, community sector organisations and under-represented groups from entering our supply chain to generate employment, skills and training opportunities.
- Encouraging innovative approaches that advance London's competitiveness as a world leading city for business, creativity and fairness.
- Leading by example in the procurement of clean technologies and using resources efficiently.
- Preserving and regenerating our natural environment and protected buildings/sites.
- Building on and sharing good practice within the GLA Group and externally.

Context

The principal purposes of the GLA are, for the Greater London area, the promotion of:

- Economic development and wealth creation;
- Social development; and
- Improvement of the environment¹.

For the GLA Group, responsible procurement means pioneering socially, environmentally and economically sustainable procurement to deliver improved quality of life and better value for money. It involves working in partnership across London to provide sustained employment opportunities and improve working conditions. It means opening up access to contract opportunities for London's diverse businesses, and voluntary and community sector organisations, encouraging improved practices with our suppliers and promoting greater environmental sustainability to make London a better place to live and work.

The GLA Group² spends around £11 billion on its procurement activities every year. The scale and diversity of our buying power presents considerable opportunities for effective partnership working, to achieve value for money and encourage innovative approaches. Responsible procurement led by the GLA Group and championed by the Mayor has the potential to create a massive ripple effect throughout all of London's suppliers that can fundamentally change the way that products and services are designed, provided and consumed.

¹ Section 30(2) Greater London Authority Act 1999

² The Greater London Authority, Transport for London, the London Fire and Emergency Planning Authority, Mayor's Office for Policing and Crime, London Legacy Development Corporation and Old Oak and Park Royal Development Corporation. This Policy is also supported by the Metropolitan Police Service who are accountable to the Mayor's Office for Policing and Crime. For the purposes of this policy the references to the GLA Group shall include the Metropolitan Police Service.

Review date:

Last amended date:

This document is a high level strategic policy setting out the GLA Group’s plans, ambitions and commitments for ensuring continuous improvement in London, delivered through all the Group’s procurement activities, which supports the delivery of the Mayor’s commitments and related strategies. It reflects best practice and demonstrates that our procurement activities meet all relevant legislative requirements, such as the Modern Slavery Act 2015, the Social Value Act 2012, the Equality Act 2010 and others.

This policy will be supported by action plans to demonstrate how each GLA Group Functional Body will implement the policy using a risk and opportunity based approach in a relevant and proportionate manner. This includes working with our first tier suppliers and their supply chain where possible to fully implement this policy. More information is set out in the ‘Implementation section’.

Our Commitment

We will ensure that decisions taken by members of the GLA Group on the procurement of goods, works or services are undertaken in line with our commitments set out in this document under the following themes:

- 1. Enhancing social value**
- 2. Encouraging equality and diversity**
- 3. Embedding fair employment practices**
- 4. Enabling skills, training and employment opportunities**
- 5. Promoting ethical sourcing practices**
- 6. Improving environmental sustainability**

These will be applied, where relevant and proportionate, in commercial arrangements with partnering and contracting organisations.

ENHANCING SOCIAL VALUE

We will consider how what is proposed to be procured can improve the economic, social and environmental well-being of our communities, working with communities and suppliers to identify any specific needs of the communities in/with they work and how well-being can be improved.

We will lead by example by routinely considering social value outcomes available from the procurement of goods, works and services and asset disposal in all contracts over £100,000, as well as at lower levels where specific opportunities exist.

We will consult and work with service users, communities and the supply market to improve the design and production of our works and services contracts that have an impact on the community so that outcomes are delivered in the most efficient manner, including through innovative solutions.

At all times, we will ensure that procurement requirements focusing on social value are relevant and proportionate, reflecting need and the nature of the supply market.

Wherever and whenever possible, we will quantify the economic, social and environmental benefits delivered to our communities through procurement. These benefits will be linked to the following themes:

ENCOURAGING EQUALITY AND DIVERSITY³

We will encourage equality and diversity by:

- Removing barriers in our procurement approaches and processes that inhibit Small to Medium Enterprises (SMEs), community sector organisations, diverse enterprises and under-represented groups from easily entering our supply chain. We will ensure our procurement processes are transparent, straightforward, and open to the whole of the supplier community.
- Paying our suppliers promptly and paying SME suppliers within 10 working days, in recognition of their specific challenge around cash flow, and encourage our supply chain to adopt supporting practices.
- Reviewing our requirements to ensure the goods and services we buy support diversity and inclusion within our own workforce.
- Identifying opportunities to encourage our suppliers to employ a workforce that is representative of the diversity of London's population and provide services that are inclusive. We will seek to work with organisations (and their supply chains) that have a good track record and can clearly demonstrate promoting equality and diversity within their own organisations.
- Maximise relevant opportunities to work with voluntary and community sector organisations including social enterprises in supply and service delivery.

EMBEDDING FAIR EMPLOYMENT PRACTICES

We will seek fair employment practices by:

- Working with our suppliers to ensure that those employed in low skilled roles have fair employment terms and pay, including the London Living Wage to the extent permitted by law.
- Discouraging the inappropriate use of zero hour contracts for low paid, low skilled roles by being clear about our service requirements.
- Supporting our suppliers to provide safe and healthy workplaces for employees and supporting them in improving working conditions.

ENABLING SKILLS, TRAINING AND EMPLOYMENT OPPORTUNITIES

We will seek skills, training and employment opportunities by:

- A relevant focus in contracts on training and employment opportunities, including apprenticeships, training leading to qualifications, placement positions and engagement with schools and colleges.
- Addressing skills shortages in key industry sectors through working with our suppliers to ensure that they create the skills and employment outcomes needed to maintain a high standard of delivery of our services to the community.
- Working with our supply chain to address under-representation of diverse groups, including women, disabled people, younger and older people, LGBT people and people from a Black, Asian and minority ethnic background.
- Requiring our suppliers to target relevant opportunities to people experiencing barriers to employment such as long-term worklessness, disability, mental health issues, ex-offenders and ex-service personnel, and to communicate those opportunities to local communities.

PROMOTING ETHICAL SOURCING PRACTICES

We will promote ethical sourcing by:

- Adopting the nine provisions of the Ethical Trading Initiative's Base Code, or equivalent, as the standard we expect of our suppliers to support working conditions that are legal, fair and safe.
- Adopting a risk and opportunity based approach to identify contracts and areas of spend where there may be a high risk of poor working conditions, human rights abuses or negative impacts on security and crime. We will seek to improve transparency within the supply chain, and work with

³ The definitions required for the equality and diversity theme are below:

- The Department for Business, Innovation and Skills definition declares an SME to be a business with under 250 employees.
- The GLA Group defines a minority-led/diverse enterprise as a business which has a majority (51% or more) ownership, or a majority of their senior management team, comprising individuals from Black, Asian and minority ethnic groups, women, disabled people, lesbian, gay, bisexual, trans-person (LGBT) or faith groups.

suppliers to improve any poor performance identified as part of a process of continuous improvement, reflecting existing and emerging legislation and guidance.

- Operating to appropriate animal welfare standards in the management of our own animals and ensuring our suppliers and their sub-contractors operate to these standards.

IMPROVING ENVIRONMENTAL SUSTAINABILITY

We will work with suppliers to deliver a resource efficient and resilient city with high environmental quality, accelerating London's transition to a low carbon and circular economy⁴ by:

- Giving priority to circular procurement options and business models that reduce waste, maximise value from products and services for as long as possible, keep long term expenditure down, and reduce financial and asset disposal risks. We will encourage and trial materials innovation to keep materials in circulation for longer to reduce consumption of resources.
- Sourcing refurbished, re-manufactured, recycled and recyclable equipment and products wherever appropriate. Where relevant suppliers will be required to apply circular economy outcomes in the delivery of projects and services that include repair, re-use, refurbishment and re-manufacturing.
- Ensuring relevant requirements in contracts that aim to reduce total waste produced and achieve high reuse and recycling performance in line with Mayoral targets, while operating to relevant regulations and reporting performance. We will require the relevant use of recycled content and recyclability in materials and products procured.
- Applying relevant environmental or sustainability standards to support delivery of target outcomes and leading by example. Where possible we will work with suppliers to go beyond minimum requirements within Government Buying Standards (GBS) and EU Green Public Procurement criteria (GPP), for relevant product groups and services.
- Applying whole life cost assessments of products and services in order to gain a better understanding of the full costs and benefits over the relevant lifetime.
- Ensuring that the need to meet the Mayor's ambitious greenhouse gas reduction targets is given appropriate priority in procurement decisions. We will identify opportunities for reducing emissions that contribute to climate change associated with purchases of products, works and services. This includes sourcing of low carbon energy wherever possible.
- Working with our suppliers to improve the safety of cyclists to encourage more people to cycle delivering a number of benefits including health and improved air quality.
- Working with our suppliers to continually reduce emissions of air pollutants through the equipment (including generators) that we source and the way we require our suppliers to deliver services.
- Phasing out the use of fossil fuels from our fleets, prioritising phase-out of diesel, and transitioning to zero or ultra-low emission vehicles.
- Sourcing products and services that use water efficiently, minimise water consumption, maximise reuse and reduce pollution of water.
- Ensuring that infrastructure, services procured and supply chains are resilient to the impacts of a changing climate by implementing measures such as sustainable drainage systems.
- Sourcing food used in catering services in line with the GLA Group Sustainable Food Commitment and emerging food standards and strategies which address sustainability, fair trade and animal welfare standards.
- Ensuring suppliers mitigate negative impacts on and, where possible, promote the enhancement of, biodiversity and protected buildings and sites as a result of providing works, services or goods.
- Ensuring that the timber and timber based products we purchase, and that used by our suppliers on our projects, is in accordance with the UK Government's Timber Procurement Policy, so that it is legally sourced and is accredited to a sustainable timber certification scheme such as Forest Stewardship Council (FSC) or Programme for the Endorsement of Forest Certification (PEFC), or equivalent.
- Encouraging suppliers through selection processes to adopt processes and procedures to reduce their environmental impact. This includes certification to independent environmental accreditation schemes such as ISO14001, BES6001, others as relevant, including emerging standards, or their equivalent, where relevant and proportionate.

⁴ A circular economy is one that produces no waste or pollution by design or intention. It keeps products, parts and materials at their highest use and value at all times. It is a more efficient and environmentally sound alternative to the traditional linear economy in which we make, use and dispose of resources. More information about the circular economy business models and work led by the Mayor can be found at www.london.gov.uk.

Implementation

To ensure effective implementation of this policy we commit to:

- Developing a relevant and proportionate action plan for each GLA Group Functional Body, including relevant targets and KPIs that enable consistent monitoring and reporting of performance and good practice across the Group against this policy.
- Embedding relevant and proportionate responsible procurement requirements in our contracts.
- Communicating and reviewing this policy and its benefits across our Functional Bodies, our partners and through our supply chains, and working with national and international organisations and networks to share best practice and maintain the GLA Group's leadership role in responsible procurement within the UK and worldwide.
- Making appropriate financial and staff resources available, including a lead Mayoral Advisor /champion, and providing training and mentoring for our staff to continue to successfully implement responsible procurement.
- Engaging with our suppliers to identify opportunities for business and market development that can be realised from responsible procurement, and providing support and guidance to help them comply with our policy.

The GLA Group Responsible Procurement Forum is responsible for ensuring this policy is kept up to date, reflecting legislation, policy, intended outcomes and best practice lessons, and will review this policy every two years.

Greater London Authority
Transport for London
London Fire and Emergency Planning Authority
Mayor's Office for Policing and Crime
London Legacy Development Corporation
Old Oak and Park Royal Development Corporation
GLA Group Collaborative Procurement Board

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