

# THE GLA GROUP RESPONSIBLE PROCUREMENT POLICY

Delivering Social Value Through our Supply Chain

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## 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 to me and my family: a secure home they can afford, a good job with fair pay and conditions, an affordable and modern transport system and a safe, clean and healthy environment.



I'm passionate about fairness and social justice and so I will continue to do my utmost to ensure that opportunity and prosperity are evenly shared across our city, and that vulnerable Londoners are protected, not exploited. My mission is to improve London's competitiveness and enhance our status as a world-leading city for business, creativity, equality and environmental sustainability. I want London to be a global beacon of openness, acceptance and respect for diversity.

Now, more than ever, as our city grapples with the fallout from the COVID-19 pandemic, we need to be working closely with partners in our supply chain to make sure that the GLA Group's extensive public procurement of products and services supports a green and fair recovery, and delivers lasting and positive change for all Londoners.

Of course, we face tough choices as we navigate this crisis. But as we seek to rebuild, we do get to make choices about our priorities and the way forward. We can choose, for example, to focus on rebalancing our economy so that it creates secure and high-quality employment, reduces poverty, and expands prosperity to all of our communities, whilst enhancing our environment.

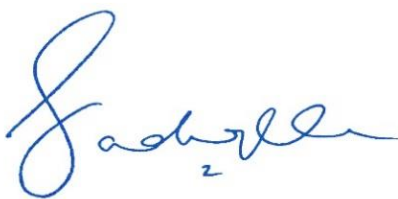
London's Recovery is overseen by a Board jointly led by City Hall and London Councils that includes many institutional partners representing London's private, public and voluntary sectors, along with Trade Unions. The Board has identified a particularly important role for our city's anchor institutions such as the GLA, Transport for London, London Fire Brigade and the Metropolitan Police Service, to work together to meet our city's grand challenge. We have identified nine missions that will help us to meet the challenge of restoring confidence in our city, minimising the impact on London's communities and building back better the city's economy and society. Through the new London Anchor Institutions' Charter, we join other partners from the NHS, education, faith groups and business sectors in committing to using our procurement to bring a particular focus on maximising employment opportunities and helping young people to flourish.

*How can Responsible Procurement help deliver my vision for London?*

Through the GLA's responsible procurement programme, we create social value in our projects and contracts to help 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.

A handwritten signature in blue ink, appearing to read 'Sadiq Khan', with a small '2' written below the name.

**Sadiq Khan**  
Mayor of London

## 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 environment<sup>1</sup>

The GLA Group spends around £9.5 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, as well as those nationally and internationally, that can fundamentally change the way that products and services are designed, provided, consumed and disposed of.

We are committed to responsible and ethical business practice and expect similar standards from our suppliers and throughout our supply chain. We respect international principles of human rights including, but not limited to, those expressed in the UN Declaration of Human Rights, United Nations Guiding Principles, and the UK Government Modern Slavery Act 2015; and the relevant legislation in all of the countries where we procure our goods and services.

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 as well as commissioning and funding opportunities, 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.

The GLA Group Responsible Procurement Implementation Plan<sup>2</sup> sets out the actions that the GLA Group has prioritised to deliver the RP Policy themes. This plan 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'.

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<sup>1</sup> Section 30(2) Greater London Authority Act 1999

<sup>2</sup> [https://www.london.gov.uk/sites/default/files/gla\\_group\\_rp\\_ip\\_final\\_for\\_publishing.pdf](https://www.london.gov.uk/sites/default/files/gla_group_rp_ip_final_for_publishing.pdf)

## Social Value

For the GLA Group<sup>3</sup>, Responsible Procurement means pioneering socially, environmentally and economically sustainable procurement to deliver social value. Social value for us means an enhanced natural environment, 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. It is through the commitments set out in this policy and accompanying implementation plan, and the resulting outputs that are realised, that the GLA Group will deliver social value through its procurement activity and supply chain

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

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 as well as ensuring that opportunities for small and diverse business aren't limited by policy requirements.

Wherever and whenever possible, we will quantify the economic, social and environmental benefits delivered to our communities through procurement.

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<sup>3</sup> The Greater London Authority, Transport for London, the London Fire Commissioner, 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.

## 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. Improving supply chain diversity
2. Embedding fair and inclusive employment practices
3. Enabling skills, training and employment opportunities
4. Promoting ethical sourcing practices
5. Improving environmental sustainability

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

### Improving Supply Chain Diversity<sup>4</sup>

We will encourage equality and diversity by:

- Removing barriers in our procurement approaches and processes that inhibit Micro, Small and Medium Enterprises<sup>5</sup> (MSMEs), community sector organisations, diverse enterprises<sup>6</sup> 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.
- Maximising relevant opportunities to work with voluntary and community sector organisations including social enterprises in supply and service delivery.

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<sup>4</sup> This includes the nine protected characteristics included within the Equalities Act 2010  
<http://www.legislation.gov.uk/ukpga/2010/15/section/4>

<sup>5</sup> The department of Business, Industrial and Energy Strategy (BEIS) declares that, a company is an SME if two of these three characteristics are met: annual turnover less than €50m; number of employees less than 250; or annual balance sheet total less than €43m. This is based on the EU definition (recommendation 2003/361/EC) that also defines a Micro enterprise as <10 headcount, less than €2million turnover or less than €2m balance sheet.

<sup>6</sup> The GLA uses the term minority led/diverse enterprise for 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, people with disabilities, lesbian, gay, bisexual, trans-person (LGBTQ+) or faith groups.

## Embedding Fair and Inclusive Employment Practices

We will seek fair employment practices by:

- 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.
- Securing the Mayor's Good Work Standard<sup>7</sup> as a key part of our dialogue with suppliers, encouraging them to join the programme, participate in the Standard's community, and requiring that all suppliers have fair terms of pay, including the London Living Wage, to the extent permitted by law.
- Working with our suppliers to understand (and regularly assess) the terms on which people working in our supply chain are employed and to ensure they are not exploitative or unlawful.
- We will work with suppliers to ensure that our service requirements do not result in the inappropriate or exploitive use of 'zero hours' contracts for low paid, low skilled roles, or in any other employment practices that exploits people working in our supply chain.
- Supporting our suppliers to provide safe and healthy workplaces for their workforce including employees, self-employed workers and contractors and supporting them in improving working conditions.
- Reviewing our requirements to ensure the goods and services we buy support diversity and inclusion within our own workforce.
- Seeking to contract with suppliers that recognise and respect the rights of their employees to associate freely and to organise and bargain collectively, and that are willing to enter into a Trade Union Recognition Agreement if their workers choose to seek one.

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<sup>7</sup> <https://www.london.gov.uk/what-we-do/business-and-economy/supporting-business/what-mayors-good-work-standard>



## 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, people who have disabilities, younger and older people, LGBTQ+ 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, being ex-offenders or ex-service personnel, and communicating those opportunities to local communities.
- Support London's just transition<sup>8</sup> to a fair, zero-carbon economy by supporting green skills and jobs.

## Promoting Ethical Sourcing Practices

We will promote ethical sourcing and address risks of modern slavery by:

- Adopting the nine provisions of the Ethical Trading Initiative (ETI)'s Base Code<sup>9</sup>, 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, modern slavery, forced labour, human rights abuses, sourcing from conflict-affected areas, or negative impacts on security and crime.
- Seeking to improve transparency within the supply chain by working with suppliers and in partnership with the ETI and Electronics Watch to improve any poor

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<sup>8</sup> 'Just transition' means equipping organisations and individuals with the skills, infrastructure and other resources to participate in and benefit fully from the zero-carbon economy, and ensuring equality of access to its benefits across the community.

<sup>9</sup> <https://www.ethicaltrade.org/>

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 economy<sup>10</sup> by:

- Ensuring that the need to meet the Mayor's ambitious targets on climate change and air pollution reduction are given appropriate priority in procurement decisions. We will identify opportunities for reducing emissions that contribute to climate change and poor air quality associated with purchases of products, works and services. This includes sourcing of low or zero carbon energy wherever possible and phasing out the use of fossil fuels from our fleets, and from vehicles servicing and delivering to our premises, prioritising phase-out of diesel, and transitioning to zero or ultra-low emission vehicles.
- Giving priority to circular procurement<sup>10</sup> options and business models that maximise value from products and services for as long as possible, keep long term expenditure down, use sustainable materials, 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 and reduce the usage of disposable products, particularly single-use plastics.
- Applying relevant sustainability standards to support delivery of target outcomes relating to climate change mitigation and energy, water, materials and waste, air quality, adaptation and biodiversity as a minimum, including minimising the ecological harm caused by chemicals such as herbicides and addressing the risks presented by specific spend categories such as timber and food.
- 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,

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<sup>10</sup> 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](http://www.london.gov.uk).

ISO 20400, others as relevant, including emerging standards, or their equivalent, where relevant and proportionate.

- 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.
- Encouraging the uptake of walking and cycling and working with suppliers to improve the safety of cyclists and walkers, through the mitigation of Work-Related Road Risk<sup>11</sup> and uptake of the Direct Vision Standard<sup>12</sup> throughout the supply chain where relevant.

## Implementation

To ensure effective implementation of this policy we commit to:

- Developing a relevant and proportionate GLA Group Responsible Procurement Implementation Plan, 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 and develop group-wide minimum evaluation criteria where appropriate.
- 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 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.

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<sup>11</sup> [www.tfl.gov.uk/wrrr](http://www.tfl.gov.uk/wrrr)

<sup>12</sup> [www.tfl.gov.uk/direct-vision-HGVs](http://www.tfl.gov.uk/direct-vision-HGVs) and <http://content.tfl.gov.uk/vision-zero-action-plan.pdf>

The GLA Group Collaborative Procurement Board is responsible for overseeing the implementation and monitoring the performance of the Responsible Procurement Policy across the Greater London Authority's Group's procurement activities. 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.

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