

MAYOR OF LONDON



responsible
procurement

The GLA Group Responsible Procurement Policy

March 2006; updated January 2008

The policy name was changed from Sustainable Procurement to Responsible Procurement and minor updates made to factual context in January 2008. The policy content remains unchanged.

The Mayor's Vision

The Mayor's vision is for London to be an exemplary, sustainable, world city. Sustainable development for London is about creating a better quality of life for London's communities now and in the future and is underpinned by three key principles:

- strong and diverse economic growth;
- social inclusivity to allow all Londoners to share in London's future success;
- fundamental improvements in environmental management and use of resources.

The GLA Group¹ will lead by example in using procurement as a mechanism for achieving his vision.

Context

The principal purposes of the GLA are the promotion of:

- Economic development and wealth creation within the Greater London area;
- Social development within the Greater London area; and
- Improvement of the environment².

The GLA has the power to do anything in furtherance of these principal purposes and in exercising these powers the GLA must do so in ways best calculated to promote improvements in the health of Londoners, and ways calculated to contribute towards the achievement of sustainable development in the United Kingdom³.

In performing its principal purposes the GLA must have regard to principle that there should be equality of opportunity for all people⁴.

- The Mayor has a statutory obligation to produce strategies for London's spatial development (the London Plan), transport, economic development, and five environmental strategies covering air quality, biodiversity, waste, energy and noise. For each of these areas, the Mayor has produced strategies following appropriate consultation. In addition, the Mayor has prepared a number of non-statutory strategies.
- The Mayor sees procurement as a key opportunity to take forward the delivery of these principal purposes.
- The GLA Group spends in the order of £3 billion a year. The scale of this expenditure means that there is the potential for it to have a noticeable positive direct socio-economic and environmental impact, and for the GLA Group to influence wider procurement practice.
- The scale of the GLA Group procurement expenditure creates economic opportunities in relation to the delivery of the principal purposes and the GLA Group will seek to increase these opportunities through increased collaborative purchasing.
- Developing responsible procurement is an important national policy priority, reconfirmed and emphasised in the March 2005 UK Sustainable Development Strategy⁵. The strategy states the UK's goal of becoming 'a leader within the EU' on sustainable procurement by 2009.
- The UK Government's current efficiency programme, initiated by Sir Peter Gershon's efficiency review⁶, has increased the importance of the public sector's efforts to deliver cost efficiencies while pursuing environmental and social objectives. The Gershon review contained a number of references to SMEs, innovation, competitive markets and whole-life costing⁷ and clearly stated that efficiency does not equal lowest price.
- EU procurement directives⁸ have helpfully clarified the extent to which environmental and social considerations can be taken account of during public sector procurements.

- Responsible procurement was a valuable feature of the successful 2012 Olympic bid, and it will bring huge benefits to London as well as developing good practice that benefits the whole of the UK. A Statement of Procurement Principles for the Olympics was published in September 2005⁹ and provided a clear commitment to fully incorporating sustainable development into Olympic procurement processes.

Our Commitment

We the members of the GLA Group and the Metropolitan Police Service are committed to leading on and promoting Responsible Procurement in London.

We will strive to ensure that decisions taken by members of the GLA Group on the procurement of resources and/or in relation to the provision of grant funding or financial assistance to any organisation or individual are undertaken in line with our sustainability commitments, and wherever possible commercial relationships are formed and nurtured with partnering and contracting organisations who share our values on sustainability.

In our determination to become leaders in the field of Responsible Procurement we will seek to identify and learn from examples of best practice. We will support, and evaluate opportunities for working in partnership with relevant organisations to deliver and promote responsible procurement both in London and the rest of the United Kingdom.

We will communicate this policy across our organisations, our partners and through our supply chains.

Aims

The GLA Group and the Metropolitan Police Service aim to improve London's sustainability through its procurement across the following themes:

ENCOURAGING A DIVERSE BASE OF SUPPLIERS

- We will continue our commitment to the GLA Group Statement of Principles on Supplier Diversity.
- We will provide ongoing engagement and support to the Diversity Works for London Programme, which promotes greater supplier diversity in the private sector.
- We will explore opportunities for working with voluntary and community sector organisations in supply and service delivery.
- Our ongoing programme of reviewing our procurement processes will seek to ensure they remain transparent and open to the whole of the supplier community.

PROMOTING FAIR EMPLOYMENT PRACTICES

- Our ongoing programme of contract review will seek to ensure we move towards a position that, where appropriate, our contractors' staff receive a fair wage reflecting the environment in which they work, and that they enjoy contractual terms which represent reasonable minimum standards and which provide for family friendly, flexible and diverse working environments.
- We will support the ongoing work of the GLA's Living Wage Unit in monitoring the development and implementation of a London Living Wage Policy.
- We will seek to promote the benefits of adopting fair employment practices through the supply chain to our partner organisations, suppliers and the market.

PROMOTING WORKFORCE WELFARE

- Our ongoing programme of contract review will seek to ensure that wherever appropriate, our contract terms require our suppliers to make provision for the welfare of their workforce.
- We will seek to work with suppliers who do not prevent or discourage employees from joining trade unions or discriminate against employees who hold trade union membership.

MEETING STRATEGIC LABOUR NEEDS AND ENABLING TRAINING OPPORTUNITIES

- We will seek to incorporate provisions into our contracts, where appropriate, to offer training and employment opportunities for London's communities and to address under-representation of particular groups in particular sectors, and the need for providing skills and opportunities for people experiencing long-term unemployment.
- We will work with our suppliers to ensure that wherever appropriate employment opportunities arising from our contracts are communicated to local communities.

COMMUNITY BENEFITS

- We will take measures to understand the impact our procurement activities have on local communities.
- We will encourage a positive contribution from our suppliers to the local communities in which they work on our behalf.
- We will fully explore the opportunities for developing appropriate contractual provisions to deliver specific community benefits.

ETHICAL SOURCING PRACTICES

When sourcing suppliers for our contracts we will seek to work with suppliers who:

- Afford their employees the freedom to choose to work for them. Employees should be free to leave the supplier after reasonable notice is served. Suppliers should not use forced, bonded or non-voluntary prison labour;
- Establish recognised employment relationships with their employees that are in accordance with their national law and good practice. Suppliers should not seek to avoid providing employees with their legal or contractual rights;
- Can demonstrate a commitment to equality of opportunity for individuals and groups enabling them to live their lives free from discrimination and oppression;
- Impose working hours on their staff which are compliant with national laws or industry standards;
- Under no circumstances abuse or intimidate, in any fashion, employees and have appropriate disciplinary, grievance and appeal procedures in place;
- Work within the laws of their country
- Take appropriate measures to ensure the health and safety of their workforce and the wider public;
- Support our view that the long-term elimination of child labour is ultimately in the best interests of children, and have taken measures to ensure that child labour is not utilised in their operations;
- Do not support, encourage or facilitate the trade in drugs, arms, tobacco, slavery or prostitution; and
- Offer wages and benefits that at least meet relevant industry benchmarks or national legal standards.

We will encourage ethical sourcing practices among our suppliers, partner organisations and the broader market.

PROMOTING GREATER ENVIRONMENTAL SUSTAINABILITY

In promoting greater environmental sustainability through procurement we will:

- Continue our commitment to the Mayor of London's Green Procurement Code, to ensure that environmental issues are proactively addressed in all aspects of the procurement process and monitor our progress in this area;
- Seek to reduce waste through reviewing the amount and type of materials purchased, and by exploring the opportunities to purchase refurbished, recycled and recyclable equipment, products and materials;
- Source green energy wherever possible and adopt appropriate energy management measures across all GLA Group sites;
- Ensure that goods purchased by the GLA Group derive from natural sources where appropriate, do not have an adverse effect on the environment, and comply with EU and international trading rules;
- Purchase organic and Fair-trade food and drink where practicable;
- Ensure that vehicles purchased have low emissions of local air pollutants and climate change gases, and take account of the need to minimise emissions and exposure to air pollution in purchasing goods and services;
- Develop appropriate procurement frameworks to support the implementation of the Mayor's Ambient Noise, Air Quality, Biodiversity, Energy and Waste Strategies, and sustainable corporate working practices including on asset disposal; and
- Where appropriate, examine the environmental management practices of our current and potential suppliers.

Implementation

To ensure effective implementation of this policy we commit ourselves to:

- Making appropriate financial and staff resources available to take responsible procurement forward;
- Implementing appropriate means of measuring progress, including establishing a baseline and regularly reporting progress;
- Integrating work on responsible procurement across the GLA Group as appropriate; and sharing good practice.

**Greater London Authority
Transport for London
London Development Agency
London Fire and Emergency Planning Authority
Metropolitan Police Authority
Metropolitan Police Service**

References

- 1 The Greater London Authority, the London Development Agency, Transport for London, the London Fire and Emergency Planning Authority and the Metropolitan Police Authority. This Policy is also supported by the Metropolitan Police Service.
- 2 Section 30(2) Greater London Authority Act 1999
- 3 Section 30(5), Greater London Authority Act 1999
- 4 Section 33(1) Greater London Authority Act 1999
- 5 'Securing the Future': March 2005, DEFRA.
- 6 'Releasing Resources to the front Line: An Independent Review of Public Sector Efficiency' by Sir Peter Gershon (July 2004).
- 7 The Office of Government Commerce defines whole-life costs as the costs of acquisition, operation, and maintenance over the whole life of a good, service, facility or works through to its disposal.
- 8 Directive 2004/17/EC (the Utilities Directive), Directive 2004/18/EC (the Public Sector Directive)
- 9 <http://www.lda.gov.uk/server/show/ConWebDoc.1221>