



Procurement Sub (Finance) Committee

Date: TUESDAY, 24 SEPTEMBER 2019

Time: 11.30 am

Venue: COMMITTEE ROOM 1 - 2ND FLOOR WEST WING, GUILDHALL

Members: Deputy Hugh Morris (Chairman)
Deputy Robert Merrett (Deputy Chairman)
Randall Anderson
John Fletcher
Michael Hudson
Deputy Jamie Ingham Clark
Alderman Gregory Jones QC
Jeremy Mayhew
Susan Pearson
William Pimlott

Enquiries: Antoinette Duhaney, 020 7332 1408,
antoinette.duhaney@cityoflondon.gov.uk

Lunch will be served in Guildhall Club at 1PM
NB: Part of this meeting could be the subject of audio or video recording

John Barradell
Town Clerk and Chief Executive

AGENDA

Part 1 - Public Agenda

- 1. APOLOGIES**
- 2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA**
- 3. PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the public minutes of the meeting held on 10th July 2019
For Decision
(Pages 1 - 4)
- 4. BREXIT UPDATE (ORAL REPORT)**
For Information
- 5. PROCUREMENT SUB-COMMITTEE WORK PROGRAMME 2019**
Report of the Chamberlain
For Information
(Pages 5 - 6)
- 6. CITY PROCUREMENT QUARTERLY PROGRESS REPORT (SEPTEMBER 2019)**
Report of the Chamberlain
For Information
(Pages 7 - 10)
- 7. RESPONSIBLE PROCUREMENT STRATEGY**
Report of the Chamberlain

Note: In the interest of upholding Responsible Business principles, Appendix 1 to this report is not included in printed agenda packs and limited hard copies will be available at the meeting. The appendix can be downloaded from the website [here](#)

For Information
(Pages 11 - 56)
- 8. QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**
- 9. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**
- 10. EXCLUSION OF THE PUBLIC**
MOTION - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

For Decision

Part 2 - Non-Public Agenda

- 11. NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**
To agree the non-public minutes of the meeting held on 10th July 2019

For Decision
(Pages 57 - 60)
- 12. PROPERTY INSURANCE CONTRACT EXTENSION**
Report of the Chamberlain

For Decision
(Pages 61 - 70)
- 13. RECOMMISSIONING OF INTEGRATED DRUG AND ALCOHOL SERVICE**
Joint report of the Director of Public Health and the Director of Community and Children's Services

For Information
(Pages 71 - 76)
- 14. DISPUTE STRATEGY UPDATE**
Report of the Chamberlain

For Information
(Pages 77 - 82)
- 15. HAZARDOUS WASTE COLLECTION - STAGE 1**
Report of the Chamberlain

For Decision
(Pages 83 - 92)
- 16. ARCHITECT CONSULTANTS (FOR CONSTRUCTION) FRAMEWORK
PROCUREMENT STAGE 1 STRATEGY REPORT**
Report of the Chamberlain

For Decision
(Pages 93 - 100)
- 17. MEDIA PLANNING AND BUYING SERVICES FOR THE BARBICAN CENTRE
PROCUREMENT STAGE 2 AWARD REPORT**
Report of the Chamberlain

For Decision
(Pages 101 - 104)
- 18. SOFTWARE LICENCE AND MAINTENANCE FOR MICROSOFT ENTERPRISE
AGREEMENT AND COMMERCIAL OF THE SHELF OR CORPORATION OF
LONDON & CITY OF LONDON POLICE PROCUREMENT STAGE 2 AWARD
REPORT**
Report of the Chamberlain

For Decision
(Pages 105 - 112)

- 19. CORPORATE SUPPLIER SCORECARD RESULTS UPDATE**
Report of the Chamberlain

For Decision
(Pages 113 - 128)

- 20. DEPARTMENTAL RESPONSE TO CHIEF OFFICERS PURCHASE CARD UPDATE**
Report of the Chamberlain

For Information
(Pages 129 - 134)

- 21. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

- 22. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED**

PROCUREMENT SUB (FINANCE) COMMITTEE

Wednesday, 10 July 2019

Minutes of the meeting of the Procurement Sub (Finance) Committee held at the Guildhall EC2 at 1.45 pm

Present

Members:

Deputy Hugh Morris (Chairman)	Deputy Jamie Ingham Clark
Deputy Robert Merrett (Deputy Chairman)	Jeremy Mayhew
Randall Anderson	Susan Pearson
John Fletcher	

Officers:

Christopher Bell	- Chamberlain's Department
Sean Green	- Chamberlain's Department
Antoinette Duhaney	- Town Clerk's Department
Philip Mirabelli	- Comptroller's Department

1. APOLOGIES

Apologies for absence were received from Michael Hudson and William Pimlott.

2. MEMBERS' DECLARATIONS UNDER THE CODE OF CONDUCT IN RESPECT OF ITEMS ON THE AGENDA

There were no declarations of interest.

3. PUBLIC MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the public minutes of the previous meeting held on 30th May 2019 be approved as a correct record.

4. CITY PROCUREMENT RISK MANAGEMENT - QUARTERLY UPDATE

The Sub-Committee considered a report of the Chamberlain providing an overview of the management of the departmental and service-level risks faced by City Procurement and the action taken to mitigate these risks.

During the course of debate, Members

- Questioned the rationale for CP002 (10 day payment target) being retained as a risk. It was felt that going forward, this should be a Key Performance Indicator (KPI) rather than a risk.
- Raised concerns that there was a lack of ambition in respect of certain areas.
- Requested clarification on CP001 (Brexit risk) and the impact on procurement and supply chains with particular regard to construction.

In response to questions and comments from Members, Officers advised that Service Performance was reviewed monthly against KPIs and progress in some areas had been hampered in part by staffing challenges which were being addressed. Discussions were ongoing regarding the impact of a “Brexit No deal” and officers were keen to have a more robust planning process and a response from the City of London Police in respect of CP003 (VAT loss through purchase card spending) was still outstanding.

RESOLVED - That the report and the actions taken in the City Procurement team to monitor and manage risks arising be noted.

5. **QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE**

In response to a question from a Member on how Social Value was driven by the City of London Corporation, Officers advised that a report on the Responsible Procurement Strategy would be presented to the Sub-Committee’s next meeting. The report would include proposals to establish a Social Value Panel with input from key stakeholders.

RESOLVED - The question and response be noted.

6. **ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT**

There was no urgent business.

7. **EXCLUSION OF THE PUBLIC**

RESOLVED - That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the items below on the grounds that they involve the likely disclosure of exempt information as defined in Part I of Schedule 12A of the Local Government Act.

8. **NON-PUBLIC MINUTES OF THE PREVIOUS MEETING**

RESOLVED – That the non-public minutes of the previous meeting held on 30th May 2019 be approved as a correct record.

9. **STAGE 1 STRATEGY REPORT FOR THE RE-PROCUREMENT OF THE LONDON BOROUGHs' LEGAL ALLIANCE (LBLA) BARRISTERS FRAMEWORK**

The Sub-Committee considered a report of the Chamberlain regarding a recommended procurement strategy and evaluation criteria for a Barristers Framework Agreement.

10. **BUSINESS TRAVEL & ACCOMMODATION SERVICES PROCUREMENT STAGE 2 AWARD REPORT**

The Sub-Committee considered a report of the Chamberlain recommending the award of the Business Travel Services Contract.

11. **COMMERCIAL CONTRACT MANAGEMENT ANNUAL REVIEW 2018/19**

The Sub-Committee considered a report of the Chamberlain reviewing the work of the Commercial Contract Management Team.

12. NON-PUBLIC QUESTIONS ON MATTERS RELATING TO THE WORK OF THE SUB-COMMITTEE

There were no non-public questions.

13. ANY OTHER BUSINESS THAT THE CHAIRMAN CONSIDERS URGENT AND WHICH THE SUB-COMMITTEE AGREE SHOULD BE CONSIDERED WHILST THE PUBLIC ARE EXCLUDED

The Sub-Committee considered one item of urgent business.

14. CONFIDENTIAL MINUTES OF THE PREVIOUS MEETING

RESOLVED – That the confidential minutes of the previous meeting held on 30th May 2019 be approved as a correct record.

The meeting closed at 2.35 pm

Chairman

**Contact Officer: Antoinette Duhaney, 020 7332 1408,
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Procurement Sub-Committee – Work Programme 2019

Meeting:	24/09/19	29/10/19	02/12/19	08/01/20	06/02/20	09/03/20
	Strategy, Policy, Continuous Improvements and Performance					
	* City Procurement KPI's (quarterly update) *P-card Update Paper	* Procurement Strategy 2019-2022	* City Procurement Risk Register * E-Invoicing and Automation *P-card Update Paper	* City Procurement KPI's (quarterly update)	*P-card Update Paper	* City Procurement Risk Register
	Sourcing and Category Management					
	*Drug and Alcohol service Recommissioning Stage 1 *Major Works Framework Architectural Services Stage 1 *Hazardous Waste Collection Stage 1 * Barbican Media Planning Services – Stage 2 Award Report *Microsoft Licence renewal Stage 2	*Location Agency Services (Filming) Stage 1 *Rough Sleeper Services Stage 1 * IT Services 2020 – Stage 2 *LBLA Barristers Framework Stage 2 *Major Works Framework Project Management Services Stage 2 *Revenue Enforcement Agents Stage 2 *Digital Recording services, Lessons Learned	*Action Fraud Consultancy Support Stage 1 * Power Purchase Agreement - Stage 2 Award	*Location Agency Services (Filming) Stage 2 *Rough Sleeper Services Stage 2		*Secure City Stage 1 *Hazardous Waste Collection Stage 2
	Contract Management and Responsible Procurement					
	* Corporate Supplier Scorecard Results and Updates * Property Insurance Renewals - – Contract Extension *Responsible Procurement Report * Contract Dispute – Update report	* Corporate Supplier Scorecard Results and Updates * Contract Dispute – Settlement Value and Delegated Authority agreement.	* Corporate Supplier Scorecard Results and Updates * Contract Dispute – Verbal Update or report	* Corporate Supplier Scorecard Results and Updates	* Corporate Supplier Scorecard Results and Updates	* Corporate Supplier Scorecard Results and Updates

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Committee(s)	Dated:
Procurement Sub Committee	24 September 2019
Subject: City Procurement Quarterly Progress Report (September 2019)	Public
Report of: The Chamberlain	For Information
Report author: Chris Bell, Commercial Director, Chamberlain's	

Summary

The report updates Members on the work of City Procurement, key performance indicators and areas of progress.

Members are asked to:

Note the progress report on key strategic improvement projects and performance for Q1 of 2019/20 financial year (FY 19/20):

- i. Procurement savings at end of June 2019 of £1.9m, made up of £235k Commercial Contract Management savings and £1.69m Sourcing & Category Management savings
- ii. Purchase order compliance of 98% (target 97%).
- iii. 95% of all supplier invoices were paid within 30 days (target of 97%)
- iv. 86% of SME invoices were paid within 10 days (target of 88%).
- v. 80% of invoices are currently received in True PDF format (target of 75%)
- vi. Waiver trends:
 - a) Total number of waivers has reduced by 11% compared to same period during the previous financial year.
 - b) Non-compliant waivers have decreased by 33% comparing the same period during the last financial year.
 - c) A total of 8 Procurement Breach waivers have been recorded in Q1 2019/20 with a value of £272k.

Main Report

Background

1. City Procurement has four main functions: Category Management/Sourcing, Commercial Contract Management, Accounts Payable and Policy and Compliance. This report provides an update on the progress and current performance against the service KPIs set in the Chamberlain's Business Plan in April 2019.

Efficiency and Savings

2. City Procurement is set an annual savings target at the start of each year based on the contracts to be let during the financial year that have the potential to make efficiency or cost savings and contracts let in previous years that are generating guaranteed savings in the current year. Each contract is reviewed by the relevant Category Board to set the targets and each contract target considers

historic spend, scope changes, complexity, risk and industry benchmarks. The 2019/20 City Procurement target set is £6.1m.

Commercial Contract Management savings target

3. In addition to the City Procurement annual target, a savings target for Commercial Contract Management has been introduced. This relates to efficiencies and savings delivered within the duration of a contract. The 2019/20 Commercial Contract Management target is £1.18m.

The Annual Savings Target elements explained

4. The 2019/20 annual savings target was set using two types of in-year savings:
 - a. **Previously let contracts generating savings (known as run rate)** – Savings already guaranteed for the current financial year from contracts let in previous years. This is for contracts that span different financial years and is typically for service contracts that are let for a 2-to-7-year period when the savings are spread across the contract life.
 - b. **New contracts let generating savings** – Savings targeted to be generated from new contracts let during the current financial year.
5. The savings targets are for competitive price savings and are not inclusive of scope changes/service downgrades or other operational decisions which are treated as local department savings.

2019/20 Efficiencies and savings progress as at 30 June 2019

6. Sourcing & Category Management achieved savings of £1.69m in Q1 compared to the cumulative target of £1.53m for this period.
7. Additionally, Commercial Contract Management achieved total efficiencies and savings of £235k compared to the cumulative target of £294k for this period.

Accounts Payable Performance – Compliance with No PO No Pay Policy

8. The Corporation's No Purchase Order (PO) No Pay Policy is now fully embedded, and we continue to achieve high levels of compliance. We achieved 98% PO compliance for Q1 FY 19/20, therefore hitting our target of 97%.

Payment Performance

9. The Corporation's 30-day invoices paid-on-time performance for Q1 FY 19/20 is 95%, slightly below the target of 97%.
10. Our 10-day SME invoice payment performance for Q1 FY 19/20 is 86%, falling just short of the 88% target. Further investigation will take place to identify reasons for late payment.

Figure A – 30 Day Payment Performance trend report (Target 97%)

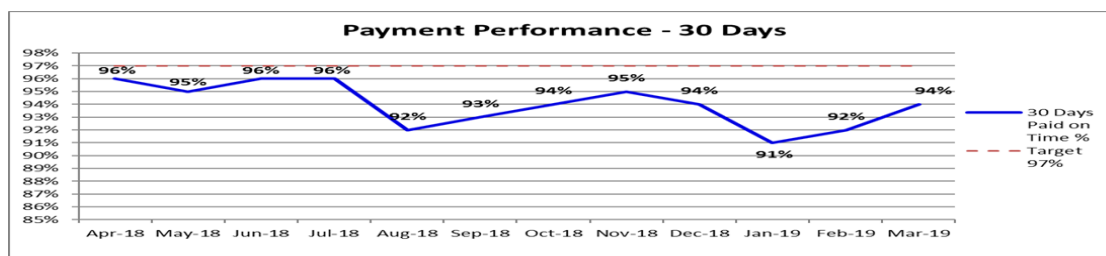
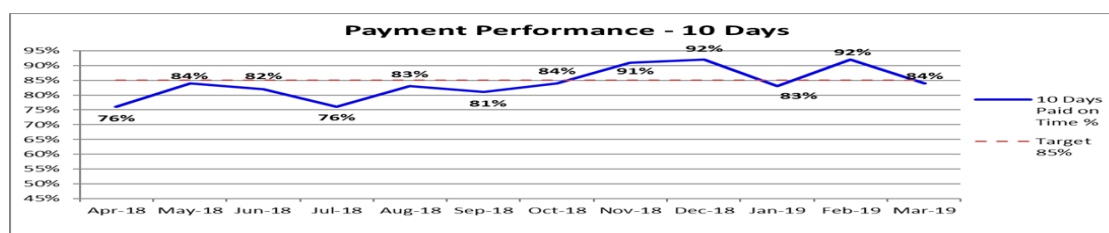


Figure B – 10 Day SME Payment Performance trend report (Target 85%)



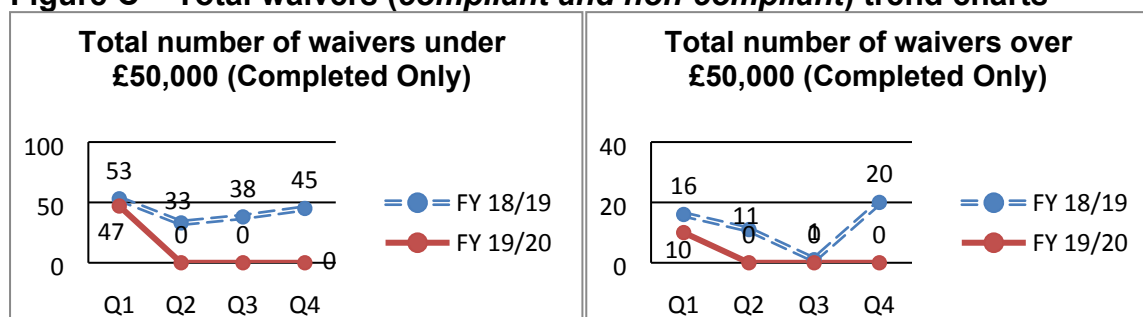
True PDF Invoices Received

11. City Procurement has been monitoring the number of invoices received in 'True PDF' format, which is the machine-readable format required for the new electronic invoicing system. Suppliers already submitting True PDF invoices containing product item numbers have been prioritised and invited to invoice us via the new e-invoicing route. We have made some progress with the onboarding of suppliers and the first invoices via this new system are expected in August/September 2019. We will continue to liaise with identified suppliers to continue the onboarding process.
12. Of all the invoices received from suppliers in Q1 FY 19/20, 80% were in the desired True PDF format. 82%, our highest figure to date, was achieved in May 2019 and shows that we are moving in the right direction and exceeding the 75% target set for the year.
13. The new e-invoicing technology should increase process efficiency whilst reducing error rates, as it eradicates the need for manual keying.

Waiver performance

14. This part of the report sets out the quarterly trend update on the approval of waivers. The following graphs compare the trend for the number of waivers from Q1 FY 18/19 and FY 19/20. Waivers for procurements valued under £50k require Chief Officer approval, while those above £50k require the approval of the appropriate spend Committee.

Figure C – Total waivers (compliant and non-compliant) trend charts



15. The total number of waivers completed in Q1 FY 18/19 is **57** (compared to 69 in Q1 2018/19), which breaks down as follows:
 - a. Compliant Waivers **39** – (value £3.56m)
 - b. Non-Compliant Waivers **18** – (value £586k)
 - i. Procurement Breaches (subset of Non-compliant total) **8** (£272k)

16. Waiver Trends:

- a. There has been a reduction in the number of waivers completed in Q1 FY 19/20 in comparison to the previous financial year (11% decrease), however there is a 4% increase in the total value, from £3.9m to £4.1m.
- b. Comparing Q1 FY 19/20 to the same period last financial year, the total number of non-compliant waivers has decreased by 10%, with the value of non-compliant waivers decreasing by 58%.
- c. Non-compliant waivers make up 23% of all waivers completed during Q1 FY 19/20, and 14% of the total value.

Freedom of Information Requests

17. City Procurement has responded to 13 FOI requests in Q1 FY 19/20, amounting to 43 hours of officer time.

Conclusion

18. City Procurement continues to achieve a high level of performance, meeting or surpassing most of its KPIs for Q1 FY 19/20. The two main savings targets were exceeded by a total of £101k. The payment performance figures are falling just short of their respective targets, but a few adverse factors have been identified and further investigation will be carried out with the aim of introducing measures to counteract these.

Report Author

Christopher Bell, Commercial Director, Chamberlain's Department

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Committee:	Date:
Procurement Sub Committee	24 September 2019
Subject:	Public
Impact of the Responsible Procurement Strategy 2016-19	
Report of:	For information
The Chamberlain	
Report Author Natalie Evans, Responsible Procurement Manager, City Procurement	
<p style="text-align: center;">Summary</p> <p>Since its launch in July 2016, the Responsible Procurement (RP) Strategy has helped ensure that the City Corporation's approach to contracting reflects our values and ambitions. This includes social value (employability and apprenticeships, social mobility and inclusion, local environment and economy), environmental sustainability (climate change mitigation and resilience, low environmental impact materials, methods and equipment) and ethical sourcing (human and labour rights, combatting modern slavery). It has achieved this by providing a framework through which corporate and departmental strategies, alongside wider national and international goals, are translated into requirements and targets for supply chain partners.</p> <p>Corporate and Strategic influence: Working across the organisation in partnership with all departments, the RP function has played a pivotal role in facilitating the delivery of a wide range of sustainable development outcomes set within departmental business plans and strategies. It has helped develop policy and has been instrumental in influencing the content, trajectory and level of ambition of the City Corporation's Responsible Business (RB) Strategy and the RB elements of the Corporate Plan.</p> <p>Implementation: RP has been built into every stage of the procurement cycle; engaging and testing the market during pre-procurement, influencing specifications and scope, setting supplier selection and evaluation criteria and establishing KPIs.</p> <p>Social Value: Our supply chain partners are targeting a wide range of job ready schemes, apprenticeships and other work-related opportunities towards socially excluded groups and those residing within the 10% most deprived boroughs. Many are sharing sector-specific skills with those people and organisations that need it most.</p> <p>Environmental Sustainability: The Corporation is buying 100% renewable electricity and is transitioning to a zero-emission fleet. Our contractors are going beyond legislative requirements to reflect our commitment to sustainable design, low impact goods & services, air quality, the circular economy and reducing waste & energy use.</p> <p>Ethical Sourcing: Contractors providing high risk goods (electronic equipment, construction materials and textiles) are now mapping supply chains to identify forced and/or child labour risks in order to determine and prioritise appropriate due diligence procedures. Contractors not adhering to the Modern Slavery Act 2015 are deselected.</p> <p style="text-align: center;">Recommendations</p> <ul style="list-style-type: none"> • Members are asked to note the report. 	

Background

1. A dedicated responsible procurement resource was brought into City Procurement in 2015 to establish a framework by which the City Corporation could enhance its approach to maximising social value, minimising environmental impacts and ensuring the ethical treatment of people in its supply chains. The Responsible Procurement Manager was tasked with developing this strategy and facilitating its implementation by working in close collaboration with procurement colleagues and stakeholder departments, providing guidance, training and tailored input.
2. In the absence of a corporate responsible business/ sustainability strategy at that time, the Responsible Procurement (RP) Strategy 2016–2019 was developed by:
 - Examining all existing departmental strategies, priorities and policies and identifying any aspects related to sustainable development/ responsible business (e.g. air quality, employability, biodiversity, carbon reduction, local economic regeneration, community engagement etc.) and
 - translating these into objectives, requirements and/or targets for supply chain partners. Further objectives were also included that went beyond existing focus areas e.g. renewable energy and human & labour rights.
3. The RP Strategy took a year to develop due to the breadth of issues it aimed to tackle, and the time dedicated to research, build relationships with departmental stakeholders, determine priorities and gain the necessary buy-in to set ambitious yet deliverable outcomes. Eventually 30 objectives were established under three key pillars; social value, environmental sustainability and ethical sourcing. The achievement of each objective is described in the RP Report (Appendix 1).

Corporate and Strategic Influence and Implications

4. In order to legitimise the drive towards social value, sustainability and ethics amongst our supply chain partners, it was apparent that the City Corporation would first need to identify and adhere to its own responsible business commitments.
5. The European Public Procurement Directives and the UK Public Contracts Regulations (PCR) 2015 require that all interventions made within a procurement procedure over the OJEU threshold must be relevant to the subject matter of the contract and proportionate. These rules were designed to prevent discrimination and promote competition and borderless trade, amongst other goals. Strengthening our internal commitments fortifies their relevance in contracts.
6. When work on the RP Strategy began, there was an extensive amount of positive progress being made on departmental priorities e.g. responsible business and employability (EDO – now Innovation and Growth(IG)), noise and air quality and environmental protection (MCP), strategic transport, waste management and sustainable planning (DBE), but the focus was mostly or solely on the Square Mile and its businesses, residents and developers, rather than internal-facing objectives
7. The RP function took this broad range of areas and worked with key departments and Corporate Strategy team to ensure they were reflected as internal-facing, high level outcomes that the whole City Corporation could work towards achieving through our own business activities and supply chains. City Procurement was well placed to do so as a support function with visibility across all departments and corresponding relationships with key stakeholders. Outcomes 3, 5, 8, 11 and 12 of the Corporate Plan were particularly influenced by this cross-departmental work.

8. The above input was underpinned by the outcomes of a responsible business audit undertaken by 'B Lab UK', which benchmarked the City Corporation's performance against counterparts, highlighting areas of good practice, along with areas for improvement and key recommendations. This led to the creation of a dedicated, internal-facing RB Officer based in the Corporate Strategy and Performance team.
9. Alongside the recommendations from the external RB audit, the RB lead used a number of methods to identify priority areas for inclusion in the City Corporation's RB Strategy including a materiality assessment using surveys and interviews with key stakeholders, the City Corporation's Risk Register and the UN's Sustainable Development Goals (SDGs). The RP function played a significant role in supporting the development of the RB Strategy; influencing its content, trajectory and level of ambition by feeding in knowledge of sustainable development, introducing a network of motivated departmental stakeholders and their associated insights, and shared lessons learned during the development of the RP Strategy.
10. The RB Strategy, published in 2018 by the Corporate Strategy and Performance team, has been instrumental in helping to unite departments across the organisations to deliver a common sustainable development goal and provides a progressive framework for policy development to deliver tangible change.
11. RP implementation helps to deliver the RB Strategy alongside related City Corporation strategies including the Employability-, Digital Skills-, Social Mobility-, Air Quality- and Transport Strategy and the Biodiversity Action Plan. RP principles are being fed into the developing Print Policy and Climate Action Strategy. The RP Manager has also co-led projects to aid the delivery of progressive projects such as electric vehicle charging infrastructure for the Corporate fleet and the renewable electricity Power Purchase Agreement (PPA). The RP Manager has also co-developed and is helping to deliver the following Policies (with listed counterparts):
 - 'No Diesel' Policy – Disallowing the purchase or lease of diesel vehicles unless absolutely operationally necessary (MCP, DBE - 2015)
 - Procurement Policy to support the Air Quality Strategy (MCP – 2016 and 2019)
 - 100% Renewable Electricity Policy & Sourcing Strategy (CSD - 2018)
 - New Living Wage Policy - going beyond Living Wage Foundation requirements to include those working for two hours or more (CHB – 2018)
 - Modern Slavery Statement and Policy (Barbican, COLP, DCCS - 2018)
 - Transition to a Zero Emission Fleet – Policy on decision making hierarchy, plus accompanying loan scheme funding mechanism (DBE, CHB - 2019)
 - Renewed Fair Trade Resolution (TC - 2019)
 - Minimising Plastic & other Unnecessary Waste Policy (TC, DBE, CSD - 2019)

Implementation of RP throughout the Procurement Cycle

12. RP interventions are always tailored according to the; nature of the contract, risks implied, opportunities presented, maturity of the market, level of spend, leverage held and relative competition in order to achieve the best value for money solution, which maximises positive outcomes and minimises negative impacts.

13. The Responsible Procurement Manager has supported the implementation of RP at each stage of the procurement cycle using the following methods:

- Involvement in the procurement of all tendered contracts and in the working groups and evaluation panels for all strategic, high spend/ risk contracts.
- Team training on RP and related policies for Procurement Operations, Sourcing and Category Management and Commercial Contract Management
- Departmental training to Culture, Heritage and Libraries, City Bridge Trust, (the then) Economic Development Office, alongside lunchtime learning sessions
- External training and awareness raising for existing and future suppliers, and facilitated introductions to delivery partners to help achieve employability target
- Creation of a repository of supplier evaluation questions
- Delivery of category-specific action plans, engagement with Category Boards
- Routine consultation with subject matter experts on any plans that may impact on or help deliver their areas of work.

RP integration at each stage of the procurement cycle is summarised below.

14. Pre-Procurement

- The City Corporation's independent Social Value Panel is consulted on all over OJEU service contracts. Panellists provide input based on their knowledge of the communities or interests they represent, and outcomes are reported back.
- All soft market testing exercises undertaken by City Procurement now include an RP element. Results are used to set achievable, good practice specifications and/or to create supplier evaluation criteria to reward best practice.

15. Specification and Scope

- Measures to limit air pollution from vehicles and plant are integrated into specifications for relevant contracts to support the City's Air Quality Strategy.
- Sustainability requirements are included in the scope of refurbishment & construction works contracts to promote energy efficiency and carbon reduction, biodiversity, urban greening and climate resilience.
- A set of flexible yet robust continuous improvement requirements are specified in contracts with a high risk of labour rights infringements including supply chain mapping, sub-contractor provisions, affiliations with experts and auditing.

16. Supplier Selection

- The City Corporation has been an accredited Living Wage employer since 2014, and de-selects any bidders not willing to pay the Living Wage to staff working for 2 or more hours on our contracts.
- Successful bidders for contracts involving the use of vehicles of 3.5 tonnes and above must have attained the Fleet Operator Recognition Scheme (FORS) Bronze level, or equivalent, within three months of contract commencement. This requirement is cascaded to any relevant sub-contractors.
- The City Corporation now deselects suppliers who are 'in scope' of the Modern Slavery Act 2015 and do not adhere to its requirements, including the annual publication of a Modern Slavery (MS) Statement of due diligence procedures.

17. Supplier Evaluation

- All goods and services tenders with a value of £100k and over, and works of £400k and over, have a 10% of technical (quality) marks allocated to RP.
- Higher weightings are used in those contracts with more potential to leverage social value (e.g. DCCS Housing services) or where environmental performance is imperative (e.g. sustainable design of new developments).

18. Mobilisation

- Individuals responsible for RP delivery on supplier side are identified, alongside those in charge of monitoring on the City Corporation's side
- Any ambiguous social value offers are clarified and documented.
- Winning bidders who have made relatively ungenerous social value offers are engaged with and asked to commit to more ambitious outcomes. Suppliers are usually willing as reciprocal offers are made by City procurement to provide support with identifying delivery partners and showcasing positive outcomes.

19. Contract Management

- Three out of the ten measures in the CCM Performance Scorecard cover RP outcomes relating to social value, sustainability and ethical sourcing.
- Monitoring methods include; spot checks on environmental requirements, audits undertaken to verify sustainable sourcing, supply chain maps and action plans for products with a high risk of impacting human and labour rights, monitoring social value delivery e.g. requesting testimonials from apprentices and following up on skilled volunteering offers with suppliers/recipients.

Implementation of RP and impact of achieving strategic objectives

20. A detailed report on the mechanisms implemented to achieve each of the RP Strategy's 30 objectives are set out in the RP Report (Appendix 1). This includes action taken, key achievements, lessons learned and future focus areas. A summary assessment of the level of impact RP implementation has had on the City Corporation's attainment of these objectives is as follows:

21. **RP has enabled some progress on** the City Corporation's approach, but its impact on demand management, applying total cost of ownership, sourcing conflict-free minerals, guarding against bribery, corruption and tax evasion, and promoting green, social and responsible investment has been limited to date.

22. **RP has facilitated positive improvements in** the City Corporation's approach to safeguarding health and safety, improving road safety, enhancing nature and biodiversity, offering time and skills to mission-led organisations, embedding equalities considerations, reducing waste throughout the procurement cycle, embracing the circular economy, ensuring energy efficiency, exploiting innovation to reduce energy use, climate change resilience, complying with UN International Labour Organisation (ILO) conventions, eliminating modern slavery and human trafficking, ensuring workers are employed legally and striving for fair remuneration up the supply chain.

23. **RP has had a significant and material impact on** the City Corporation's approach to mitigating land, water, noise and especially air pollution, combatting social exclusion through the provision of work related opportunities including apprenticeships, community input including through the Social Value Panel, paying the Living Wage, eroding barriers to procuring the services of VCSEs, social enterprises and SMEs, promoting sustainable food, farming and animal welfare, buying green products and services, sourcing sustainable timber, optimising environmental management practices and promoting renewable and low carbon energy.
24. City Procurement's efficiency and savings targets have consistently been met, as RP requirements have been continuously strengthened over the last three years.
25. To date, there has been no indication that procurement costs have increased due to RP implementation, with the exception of upfront costs for electric vehicles (EVs) usually being higher than comparable diesel vehicles. Depending on the drive cycles, life cycle costing of cars and small vans can result in EVs being better value for money, but this is not yet the case for larger, newer technology electric vehicles. Some policy areas that RP has influenced have required investment, including the 'Transition to a Zero Emission Fleet' Policy and the ambitious targets set within the Waste Collection contract. These have necessitated the installation of additional electric vehicle charging infrastructure at five locations in the Square Mile.
26. Both examples of additional investment to achieve these air quality improvements are justified by the level of ambition set by the City Corporation new Transport Strategy and Air Quality Strategy, the increasing stringency of air quality measures brought in by the Mayor of London and moreover by the fact that air pollution is a identified as a corporate risk to public health as local air pollutants in the Square Mile are breaching European and World Health Organisation limits.

Benefits to the Corporation, London and the UK

27. Being receptive to community needs and behaving in a sustainable and ethical manner mitigates risk, helps to optimise resource use and improves the lives of those involved in the City Corporation's supply chains. Committing to responsible business not only benefits the organisation, but also those suppliers that we are helping to influence. It is increasingly recognised as having a positive impact on staff morale and is critical for building trust with customers, suppliers, investors, local communities and the wider public.
28. In 2015, the City Corporation collaborated with Westminster City Council to establish and co-Chair the London Responsible Procurement Network (LRPN) and it has grown in membership ever since. Thirty organisations are now represented including most London boroughs, the GLA family, the NHS and London Universities. Meetings are convened bi-monthly to share knowledge and experience of RP themes including social value, air quality and modern slavery. Options for collaboration on common issues are explored by the group, which also consults with market leaders and SMEs to ensure fair yet ambitious solutions are being uniformly developed across London. One area of current focus currently is the co-development of a London-wide Ethical Sourcing Code of Conduct.

29. Our organisation is recognised as a UK leader in the field of RP. City Procurement is regularly asked to present at national and international conferences, events and training workshops. Some highlights of these are listed below:

- **United Nations Business and Humans Rights Forum, Geneva, November 2018:** *Modern slavery and Human rights – City of London and UK mechanisms*
- **Ethical Trading Initiative International Conference, London, October 2018:** *Modern slavery and Human rights – a practical implementation approach*
- **Re-Source UK – GLA Climate Week event on Power Purchase Agreements, July 2018 – PPA decision making for public authorities**
- **Nottingham University Procurement and Development Masters Course April 2019 – Guest lecture on turning RP theory into practical implementation.**

The future of Responsible Procurement

30. RP has now been integrated as a 'service value' into the new soon to be published City Procurement Strategy 2019-2022. It is no longer deemed an area that needs its own dedicated strategy due to the success of its implementation across strategic themes and its integration at each stage of the procurement cycle.

31. This by no means implies that our work is done. Although there have been key successes, various areas require a deeper and more resource intensive focus, particularly on human rights further up the supply chain and on addressing the climate emergency by reducing Scope 3 emissions (those embedded in products).

32. An RP Policy has therefore been developed, which makes specific commitments to retain the positive progress already made and sets out areas of priority focus over the next three years. These align with the Responsible Business Strategy, the Corporate Plan, wider London and national targets and the United Nations (UN) Sustainable Development Goals (SDGs). The new RP Policy 2019 will be underpinned by an action plan, which will be reported on periodically to both the Responsible Business Implementation Group and Procurement Sub Committee.

Conclusion

33. Since its launch in July 2016, the RP Strategy has helped ensure that the City Corporation's approach to contracting reflects our responsible business values and ambitions. It has achieved this by providing a framework through which corporate and departmental strategies, alongside wider national and international goals, are translated into requirements and targets for supply chain partners.

34. Working across the organisation in partnership with all departments, the RP function has played a pivotal role in facilitating the delivery of a wide range of sustainable development outcomes set within departmental business plans and strategies. It has helped develop numerous key policies and has been instrumental in influencing the content, trajectory and level of ambition of the City Corporation's Responsible Business (RB) Strategy and the RB elements of the Corporate Plan.

35. The implementation of the RP Strategy has brought many benefits to the organisation in terms of its contribution to a positive culture shift towards more ambitious sustainable development goals and has established the Corporation as a recognised leader in the field. RP has positively impacted our reputation and legitimacy amongst stakeholders and peers.

Report Author

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Appendices**1- Responsible Procurement Report - 3 years on***

*In the interest of upholding Responsible Business principles, please access the electronic version and do not print

2- New Responsible Procurement Policy (Part of new City Procurement Strategy)

Responsible Procurement

City of London Corporation

Progress on social value, environmental
sustainability and ethical sourcing
July 2016 – July 2019



Social Value		Environmental Sustainability		Ethical Sourcing	
A: Protecting people & the local environment		D: Low impact materials and methods		Ensuring human and labour rights	
i) Safeguarding health & safety		i) Promoting sustainable food, farming and animal welfare		i) Complying with UN International Labour Organisation Conventions throughout supply chains	
ii) Mitigation air, land, water and noise pollution		ii) Buying green products and services			
iii) Improving road safety		iii) Sourcing sustainable timber		ii) Striving to source products containing conflict-free minerals	
iv) Enhancing nature and biodiversity		iv) Optimising environmental management practices			
B: Social inclusion, equality community benefit		E: Maximising resource efficiency		H: Ensuring fair and legal employment	
i) Combatting social exclusion through work-related opportunities		i) Rethinking need through demand management		i) Eliminating modern slavery and human trafficking	
ii) Offering time and skills to mission-led organisations		ii) Reducing waste throughout the procurement cycle		ii) Ensuring supply chain employees are working legally	
iii) Embedding equalities considerations		iii) Applying cost of ownership principles		ii) Striving for fair remuneration up the supply chain	
iv) Social Value Panel, community input		iv) Embracing the circular economy			
C: Supporting local economic regeneration		F: Mitigating and adapting to climate change		I: Contracting with responsible businesses	
i) Paying the Living Wage		i) Ensuring energy efficiency		i) Guarding against bribery, corruption and tax evasion	
ii) Eroding barriers to procuring services of VCSEs, SEs and SMEs		ii) Promoting renewable and low carbon energy			
Targeting spend towards mission led organisations		iii) Exploiting innovation to reduce energy use		ii) Promoting green, social and responsible investment	
		iv) Climate change resilience			

The City Corporation's Responsible Procurement (RP) Strategy 2016 – 2019 was comprised of


- 30 objectives,
- categorised under 9 policy areas
- and 3 main pillars.

This table provides a snapshot of impacts made by City Procurement's RP work during these three years.


The rest of the report provides detail on these impacts including areas of work and key achievements, partners, lessons learned and future focus areas.

In the interest of responsible business, please avoid printing this report


Impact key:



Impact RP has had a significant and material impact on the City Corporation's approach to achieving this objective



Impact RP has facilitated positive improvements in the City Corporation's approach to achieving this objective



Impact RP has enabled some progress on the City Corporation's approach to be made, but impact has been limited to date

Ai) Safeguarding Health and Safety (H&S)

Areas of work and key achievements

- Current legislation puts a duty of care on the City Corporation to protect all employees, contractor’s employees, and visitors. City Procurement takes its role this responsibility seriously and has continuously improved its approach to ensuring appropriate health & safety measures are undertaken by our supply chain partners, striking an appropriate balance between effective due diligence and the extent of the procedures that underpin it.
- Following on from the introduction of the CoL Control of Contractors Policy by City Surveyor’s in 2018, a proposal was made that all bidders tendering for work with clearly identifiable health and safety risks would be required to hold a ‘Safety Schemes in Procurement’ (SSIP) accreditation, or they would be deselected as part of the SQ stage of the tender. The SSIP forum was created to streamline pre-qualification and reduce H&S assessment costs and bureaucracy in the supply chain, providing a proportionate and cost-effective member scheme for SMEs to prove that they adhere to H&S core assessment criteria recognised by the Health & Safety Executive (HSE).
- The SSIP requirement was subsequently made standard as part of supplier selection, and that those bidders without SSIP accreditation would be permitted to respond to a H&S questionnaire, which was designed to reduce barriers to SMEs further. This questionnaire was developed by City Procurement in collaboration with the Health and Safety leads, with an equivalent approach also developed with DCCS to address safeguarding issues within relevant contracts .

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- City Surveyors Department & Town Clerks
 - Health & Safety leads
- Dept. for Children & Community Services
 - Commissioning
- Comptrollers & City Solicitors

Lessons learned



- Engagement with supply market to ensure that our approach is effective and proportionate is key
- Well documented outcomes of supplier engagement must be appropriately communicated to decision-makers.
- Collaboration between subject matter experts, in this case H&S leads, and counterparts in City Procurement and Legal is very important.

Future focus



- Provision of transparent data to City Procurement on frequency and severity of H&S incidents occurring in tier one and two of our supply chain.
- This can be used to determine whether or not our current processes are fit for purpose.
- Training for contract managers responsible for ensuring H&S on site may be required, depending on the findings of the above, especially as these are the individuals in charge of assessing whether responses to the H&S questionnaires are adequate.

Aii) Mitigating Air-, Land-, Water- and Noise Pollution

Areas of work and key achievements

- Various requirements protect air, land and water courses were built into relevant contracts from the outset of the RP Strategy, along with rules on noise levels in the Square Mile.
- Bidders are de-selected at supplier selection stage for any breeches of environmental legislation in the previous three years, if they are unable to demonstrate sufficient 'self-cleansing' i.e. mechanisms put in place to remedy the original issue(s). City Procurement benefits from the expertise of MCP's Environmental Pollution team in these instances.
- Environmental management questions used in the evaluation of construction and FM contracts require bidders to set out the procedures they would use if an environmental incident such as a paint or oil spillage were to occur. Air and noise pollution are also addressed in this broad question.
- To minimise anti-social noise pollution, contractors providing construction works and ancillary activities such as deliveries, are contractually restricted to standard hours of operation and are required to use methods which minimise noise disturbance and to liaise with neighbours.
- The City Corporation's 'Code of Practice for Demolition and Construction' and 'Code of Practice for the minimisation of the environmental impacts of street works' must be adhered to by corporate contractors or any construction contractors working on projects of a value of £400k and above.
- Construction and civils contractors are required to join the City of London's Considerate Contractors Scheme if delivering projects valued at £2m or over.
- From 2018, a menu of options is integrated into the specifications of all contracts involving the movement of vehicles. This is described in more detail on the next slide focusing on air pollution.

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- Markets & Consumer Protection
 - Environmental Pollution team
 - Air Quality team
- Department for Built Environment
 - Business Performance & Transport

Lessons learned



- Noise is very important issue to residents. Construction contractors working in the Square Mile tend to be trained on appropriate noise levels and sites are set up so that work falls within restricted hours, however staff working on contracts involving the delivery of goods and services tend to be less familiar.
- De-selecting bidders for breaching environmental law is complex even if self-cleansing activities seem to be less than adequate. It is more complex if there is a monopoly, or if it is deemed that the risk of legal challenge outweighs the risk of further environmental infractions.

Future focus



- Case studies on the RP webpage of our contractors that perform well in the Considerate Contractor Scheme awards would aid communication of our environmental management aspirations and encourage potential bidders to be more ambitious in their approach to continuous improvement and innovation.

Aii) Mitigating Air Pollution

Areas of work and key achievements

- A great deal of focus has been placed on tackling air pollution through our procurement exercises. Levels of particulate matter (PM) and oxides of nitrogen (NOx) are collectively estimated to cause around 9,400 equivalent deaths every year in Greater London. They exceed European and World Health Organisation (WHO) Square Mile targets meaning air quality is identified as a corporate risk.
- A Stand-alone ‘Procurement Policy to support the Air Quality Strategy’ was published alongside the RP Strategy in 2016 to highlight the importance of the issue and facilitate senior buy-in of the more ambitious aspects of the Policy, which included a ban on buying or leasing diesel vehicles ‘unless absolutely operationally necessary’ and a requirement for taxi firms to provide hybrids by default.
- All bidders must commit to at least one action listed in an ‘Air Quality Menu’ as part of contracts in which vehicles are used. Actions include green driver training, trials of electric or hybrid vehicles, telematics and driver performance software etc., which must be undertaken within three months.
- Various suppliers have participated in ‘action idling’ events alongside the RP Manager. This raises awareness of the issue of engine idling and facilitates engagement with supply chain partners.
- The ‘Transition to a Zero Emission Fleet Policy’ is described overleaf. The Policy was co-developed by City Procurement and DBE’s Business Performance & Transport team and approved by Policy & Resources Committee in February 2019. City Procurement developed the mechanism for an internal loan scheme to support the Policy and managed the initial stages of the EV infrastructure project.

Impact



RP has had a significant and material impact on the City Corporation’s approach to achieving this objective

Partners



- Markets & Consumer Protection
 - Environmental Pollution team
 - Air Quality team
- Department for Built Environment
 - Business Performance & Transport

Lessons learned



- Current market knowledge and trials of new vehicles entering the market is an essential success factor
- Related contracts must be future proofed e.g. vehicle maintenance contractors must have expertise and training schemes on electric vehicles
- Collaborative events involving other boroughs, construction & FM supply chain partners and experts facilitate mutual progress, good planning and strong signalling for manufacturers

Future focus



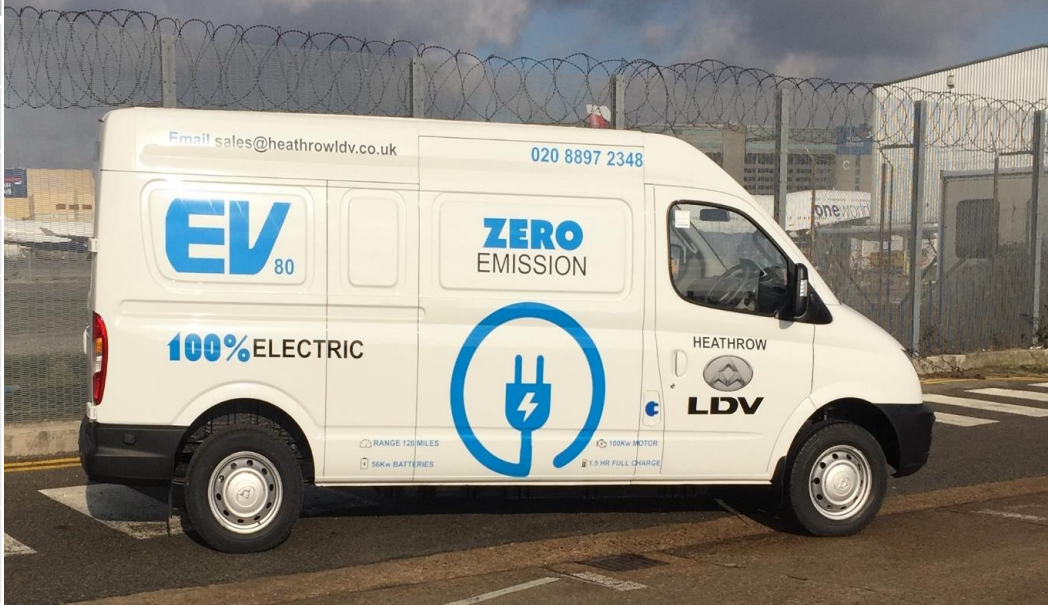
- City procurement will work with DBE to assist departments with procuring the cleanest vehicles possible as part of our zero-emission transition.
- We will continue to ensure that air pollution arising from construction is minimised by encouraging and incentivising trials of electric, hybrid and other low emission construction vehicles, machinery and plant
- Requirements within taxi, courier and other vehicle related contracts will be strengthened, supported by market testing and engagement.

Aii) Mitigating Air Pollution

Transition to a Zero-Emission Fleet Policy - 2019

- This Policy requires departments to apply the following decision making rules when an existing vehicle is non-compliant with air quality regulations or comes to its 'end of life':
 - 1) Do not replace the vehicle, cover operational requirements with other vehicles or means (*hiring for specific events, cargo bikes, pooling resources between departments*)
 - 2) Replace with the cleanest possible vehicle that meets operational need, applying the following hierarchy: **Full electric → Plug in hybrid → Hybrid → Petrol → Diesel**, using suitably reliable technology (*departments are required to carry out trials, with support from DBE*) and representing the best value for money within that vehicle class
- Thirty three vehicles have so far been bought/ leased this calendar year in response to ULEZ and in line with the City's new 'Transition to a Zero Emission Fleet' Policy

No.	Replacement	Procurement	Comment
4	Full electric	bought	2 LDV EV80 vans, 1 LDV EV80 minibus & 1 Polaris 4x4
2	Full electric	leased	1 Tesla S replaced 2 vehicles in Lord Mayor's fleet, 1 Nissan ENV200
4	PHEV	bought	Plug-in Hybrid (PHEV) Mitsubishi Outlanders for Open Spaces
2	PHEV	leased	2 LEVC TX London Black Cabs (Zero Emission Capable)
2	Euro 6 Petrol	leased	Trials of hybrid vehicles are already taking place with a view to replacing the 2 petrol chauffeured vehicles on short term lease
10	Euro 6/ VI Diesel	leased	10 diesel vans and mini-buses replaced by Euro 6 diesels on a short term lease to a) allow the clean vehicle market to develop further and/or b) as an interim before EV charge points are installed
5	Euro 6/ VI Diesel	bought	3 Euro VI diesel open beds and 2 double cab pick ups bought as no other fuel type available to meet operational need - OS & Highways



Aiii) Improving Road Safety

Areas of work and key achievements

- Supported by Transport for London (TfL) and lessons learned from Camden Council, City Procurement worked with Road Danger Reduction colleagues in early 2017 to introduce Work Related Road Risk (WRRR) requirements within relevant procurement exercises. This included contracts involving the use of vehicles of 3.5 tonnes and above.
- Extensive soft market testing was carried out before introducing these requirements into construction and FM contracts, and subsequently into coach contracts.
- Cross-departmental engagement was also carried out through the relevant Category Boards to ensure internal buy-in and support with contract monitoring.
- To progress through supplier selection, bidders for contracts of more than:
 - 6 months duration must:
 - already be accredited with the Fleet Operator Recognition Scheme (FORS) Bronze level, or equivalent
 - commit to attaining FORS Bronze/ equivalent the within three months of contract start
 - 3 years duration (including framework contracts) must:
 - already be accredited with the Fleet Operator Recognition Scheme (FORS) Silver level, or equivalent
 - commit to attaining FORS Silver/ equivalent the within 18 months of contract start
- These requirements must be cascaded to any relevant sub-contractors of the appointed contractor

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- Department of Built Environment
 - Strategic Transport team
 - Road Danger Reduction team
- Transport for London (TfL)
- Camden Council

Lessons learned



- Further engagement with suppliers and more research is necessary on the implications of different schemes if this or similar requirements are to be rolled out to encompass vans as well as larger vehicles.
- Anecdotally, some schemes are more robust in terms of the training elements, others are overly onerous in terms of requirements placed on drivers.

Future focus



- Expand the existing requirements to encompass light vans as well as vehicles of 3.5+ tonnes. Ensure effective market engagement prior.
- Work more closely with the Road Danger Reduction team to look at any available data which shows companies in our supply chain being involved in collisions in the Square Mile. Use this data to check whether the suppliers are up to date with their WRRR audits and the undertaking of associated mandatory requirements.

Aiv) Enhancing Nature and Biodiversity

Areas of work and key achievements

- The following process was developed to support the City of London Biodiversity Action Plan through procurement:
- As part of any relevant specification/ scope of works, Officers must make contractors aware that they must not degrade habitats hosting existing flora and fauna, especially those species listed in the City's Biodiversity Action Plan.
- Officers must make contractors aware of all known protected species during the procurement stage and there is a requirement that contractors stop works upon discovery of protected species where not previously known and inform City of London Officers.
- Habitats hosting the following target species must be protected; House Sparrows, Black Redstarts, Swifts, Peregrine Falcons, Bats, Bumblebees and Stag Beetles. Other important habitats are those that are unique to the City, for example those supporting wall-dwelling species such as mosses and lichens.
- Interventions to create habitats or resources for targets species, including green roofs, living walls, suitable plants and/or water sources must be considered as part of works projects over OJEU.



Lessons learned



- Unfortunately as they are protected species, City Gardens are only able to disclose locations of e.g. Peregrine Falcon nests as and when works are planned at that site/ roof. It is therefore difficult to plan interventions very far in advance
- In the past, some departments responsible for works may not have been aware of the biodiversity value of less obvious species e.g. rare mosses and lichens on ancient walls. As such, some inadvertent degradation may have occurred. This issue has now been resolved.

Future focus



- A more established mechanism to determine if living walls/ green roofs could be integrated at the very outset of works projects is required. This includes more comprehensive details on how feasibility studies should be undertaken
- Increased developer/internal monitoring on the creation/quality of green roofs/ living walls
- Contract managers, especially those leading construction and refurbishment works could benefit from training on habitat protection and creation in relation to biodiversity
- Explore whether it could be built into tenant requirements that FM leads must take on the maintenance of living walls and green roofs

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Open Spaces Department
 - City Gardens

Bi) Combatting Social Exclusion through Work-Related Opportunities

Areas of work and key achievements

- The achievement of this objective is one of the most successful outcomes under the social value pillar. Supplier evaluation criteria, sometimes constituting as much as 25% of quality marks, are used to assess bidders' willingness to train and recruit socially excluded groups. City Procurement facilitates this through networking events to introduce suppliers and relevant agencies
- K&M McLoughlin are the City's contractors who undertake internal and external redecorations work of our residential properties and represent one of our best examples of combatting social exclusion through the provision of targeted training and recruitment:
 - They take active steps to recruit people at risk of social exclusion who are interested in learning to decorate, along with qualified decorators looking to get back in to work.
 - They attend job fairs organised by Prisons, Schools, Mencap, Crisis and Job Centre Plus.
 - They have trained several people on their 4-week 'job ready' programme who having successfully completed, went on to work on our contract. The majority of these learners are from target borough Islington, others were residents of Hackney and other boroughs:
 - A female apprentice who worked on the Barbican Estate has now just completed her 1st year at college and will progress on to her second year in September 2019.
 - a homeless man who had applied at a job fare at the Crisis offices in East London has now been employed to work on the Barbican contract
 - A young Autistic man was referred by Mencap, his positive performance has led to him being offered an apprenticeship, which he starts in September 2019

Page 27

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- EDO now 'Innovation and Growth'
 - Employability team
 - Responsible Business team
- City Bridge Trust
- Dept Community & Children's Services

Lessons learned



- Job ready schemes such as the one illustrated in the example are rare but an essential contributor to creating an apprenticeship-ready workforce with the soft skills, confidence and work discipline needed to enter formal training and/ or a workplace.
- Our suppliers want help to improve their social value offer and 'broking' events have proved successful
- Suppliers that deliver meaningful social value tend to deliver a high quality service across the board, so weightings dedicated to social value need not be seen as a dilution of quality score

Future focus



- More time and resource dedicated networking events, one to one support of suppliers struggling to source appropriate candidates and closer monitoring would leverage significantly more social value delivery
- Engagement with our sponsored academies could be increased, as could collaborative work with other boroughs, Central London Forward and the Culture Mile

Bi) Combatting Social Exclusion through Work-Related Opportunities

A = Any person (non-targeted)

B = People who tend to be socially excluded (long-term unemployed, young people (16-24) not in education, employment or training (NEETs), care leavers, ex-military service personnel, homeless people, formerly trafficked people, refugees or ex-offenders)

	Employment & skills	Detail	Candidate location			A	No.	B	No.	Total
			Any	Residing in one of the boroughs within which the City's Housing Estates are located (<i>Square Mile, Southwark, Tower Hamlets, Hackney, Islington, Lambeth or Lewisham</i>)	Residing in one of the City's 12 Housing Estates					
1	Work placement	2 weeks		✓		5		10		
2					✓	10		20		
3	Traineeship/Pre-apprenticeship course	(4 - 6 weeks)		✓		10		20		
4					✓	15		30		
5		(8 - 12 weeks)		✓		15		30		
6					✓	20		40		
7			✓			15		30		
8	No. people undertaking a recognised apprenticeship	New apprentices starting during the contract period		✓		20		40		
10					✓	25		50		
11			✓			10		20		
12	No. new recruits	New recruits employed for work on the City's contract		✓		10		20		
13					✓	20		40		
(Must add up to at least 100) Grand total:										

- This Employment, Skills and Training (EST) menu was developed by City procurement with input from the Social Value Panel as a means of allowing SMEs to compete with larger organisations on social value. The menu is now used in all relevant DCCS Housing contracts
- The total points offered must be the same for all bidders, but they can choose combinations most suited to their business.
- The menu recognises:
 - Different business models and sizes may wish to take different approaches to providing social value
 - The additional value of training and recruiting residents of our estates
 - The necessary additional resource needed to train and recruit those who have limited experience or have been out of work for prolonged periods

Example:



Bii) Offering Time and Skills to Mission-Led Organisations

Areas of work and key achievements

- With the exception of leveraging training and employment opportunities for socially excluded groups, skilled volunteering is the most common criterion used to assess social value offerings in City Corporation contracts. It is used when contracts are not suitable for any significant entry level recruitment or training, either due to the duration, level of spend or nature of the contract.
- Where the potential for and value of skilled volunteering is more obvious e.g. contracts involving legal services, media, IT and STEM (science, technology, engineering, Maths) skills, and other technical skills and trades, skilled volunteering is used as the basis of a stand-alone question.
- In this circumstance, flexibility is always provided on how bidders propose to share their skills e.g. presentations to large groups, smaller workshops, or one to one mentoring or pro-bono work.
- Where potential social value offerings may be less evident from the subject matter of the contract, skilled volunteering is included in a menu of options.
- In both cases, the City Corporation always offer to broker relationships between the suppliers and those organisations who would most benefit from their expertise e.g. through City Bridge Trust
- Commitments from bidders have been very diverse over the three years, from STEM talks at disadvantaged schools offered by forensic scientists, to cyber crime workshops for charities from IT specialists and careers talks offered by architects, quantity surveyors and engineers. Two community centres in York Way and Avondale have also been redecorated as part of a skilled volunteering offer.

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- City Bridge Trust
- Social Enterprise UK

Lessons learned



- Although having social value as a KPI on the CCM scorecard has raised awareness of its importance, monitoring delivery is something that some contract managers still require City Procurement's support with. This is less of an issue with stakeholders who attend the Social Value Panel with procurement counterparts.

Future focus



- More focus needs to be on the communication of volunteering offers by City Procurement to contract managers to facilitate monitoring.
- Establish closer relationships with a smaller pool of mission-led organisations to better understand their needs, improve monitoring of outcomes and gain feedback on contractors and the type of voluntary work that is most useful
- Use new construction frameworks and other strategic suppliers, to set up a dedicated monitoring database with case studies to inspire other suppliers and to drive performance amongst current contractors .

Biii) Embedding Equalities Considerations

Areas of work and key achievements

- Standard terms set out CoL’s commitment to eliminate discrimination, to advance equality of opportunity and to work with contractors that share in these commitments.
- All tenders require the disclosure of any discrimination complaints against bidders that have been upheld in the previous three years. In this case, bidders are de-selected if sufficient self-cleansing is not evidenced.
- Contracts related to recruitment and people-based services are prioritised for equalities interventions:
- In the Recruitment Notice Advertising contract, bidders were given data on proportions of staff at different grades according to declared protected characteristics, which demonstrated some instances of under-representation. Bidders were evaluated on how they’d address this imbalance as part of contract delivery .
- The following requirements were part of the Security contract set alongside relevant evaluation criteria:
 - The service is delivered in such a way that all people are treated in an inclusive, respectful and non-discriminatory manner i.e. security staff demonstrate awareness and consideration of people from diverse cultures, faiths, gender identities, disabilities, mental health challenges etc.
 - Positive action will be taken to address any underrepresentation of BAME staff within all tiers of the workforce, including supervisor and management levels.
 - Targeted recruitment should be undertaken (after TUPE) to achieve appropriate gender representation and to promote social mobility and inclusion by taking positive action to recruit from socially excluded groups and those residing in boroughs with the highest levels of deprivation.

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- Dept. Community & Children’s Services
 - Equalities
- Human Resources

Lessons learned



- It was discovered over time that it was a better course of action to separate out equalities interventions in tenders from those efforts to ensure that work-related opportunities are targeted towards socially excluded groups, so as not to risk crossing the line into ‘positive discrimination’.

Future focus



- Closer monitoring needs to take place to determine to what extent, if any, under-representation of certain groups exists within our service contracts. If action is required, this will take place in harmony with the work being carried out as part of CoL’s Social Mobility Strategy.
- The Social Value Panel will be broadened to include more equalities representatives

Biv) Social Value Panel and Community Input

Areas of work and key achievements

- Community input is sought by stakeholder departments as part of any new project e.g. changes to the public realm or construction projects, either as part of surveys or through community groups. City Procurement has a role in considering the impacts or potential of our spending power on our wider community and set up an independent 'Social Value Panel' in 2014 to facilitate this.
- All service contracts over the European Union threshold (£181,000), at the pre-procurement stage, are consulted on with the Panel. Initial ideas on how social value (including community, economic, environmental and ethical considerations) can be maximised through each procurement exercise are outlined to the Panel by the stakeholder department and the Category Manager.
- The Panel respond by giving feedback on how we may; leverage further social value opportunities; use innovative approaches to minimising environmental impacts; amend our approach if we are inadvertently excluding certain groups; better mitigate the risk of modern slavery on our contracts.



Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- Corporate Strategy and Performance
- City Bridge Trust
- Action Sustainability
- Supply Chain School
- St. Mungo's

Lessons learned



- The Social Value Panel is a novel and progressive concept and it has helped the City Corporation be recognised as a leader in the field of social value. Delegates from Denmark and Finland observed and participated in the Panel, later setting up their own.
- Departmental stakeholders attending the Panel by has aided mutual learning – of the constraints and contexts of projects and on what's possible and needed by communities

Future focus



- Improved communication on what the Panel does and what impact it makes could set clear expectations amongst bidders and inspire other authorities to set up their own Panel.
- We are seeking to broaden and diversify the panel to include experts in equalities and social enterprises

- Transport & Environmental Policy Research
- Prince's Trust
- Youth Climate Coalition
- Independents representing local business, SMEs, apprenticeships, training, skills and education

Ci) Paying the Living Wage

Areas of work and key achievements

- The City Corporation has been an accredited Living Wage employer since 2014, meaning all staff, including staff of contractors and sub-contractors delivering City Corporation contracts are paid at least the 'London Living Wage' if based in Greater London and the UK 'Living Wage' if outside.
- The City Corporation pays its own Interns, Work experience placements over two weeks and Apprentices the London Living Wage as a minimum. This was recognised as an outstanding contribution in an independent responsible business review undertaken by 'B Lab' in 2017.
- The City Bridge Trust is a Living Wage Friendly Funder meaning that any grant awarded by the Trust towards all or part of a post must be paid the Living Wage as minimum
- In 2018, City Procurement had a proposal approved to go beyond the requirements of Living Wage accreditation to require contractors pay staff the Living Wage for two or more hours of work.
- The backdating of payment uplifts are also required from a month after new rates are announced.
- Our Living Wage accreditation, Policy and commitments are communicated on our website and to bidders as part of the tender documents. Any bidders not willing to pay the relevant Living Wage to staff are de-selected and do not progress to tender.
- City Procurement has been ambassadors for the Living Wage, dedicating London Responsible Procurement Network (LRPN) meetings to the subject, as well as advising a number of boroughs on how it can be effectively implement through lessons learned.

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- EDO (now 'Innovation and Growth')
- (The then) Responsible Business team
- City Bridge Trust
- Living Wage Foundation

Lessons learned



- For those starting to introduce the Living Wage, one key lesson learned was that transparent and effective communication is key when introducing new rates into contracts. Contracts come to an end at different times so counterparts working side by side for different companies may be temporarily paid at different rates.
- There are issues when public bodies with different commitments use the same e.g. residential care provider

Future focus



- City Procurement will support other departments with making the case for placing a requirement on leaseholders to pay the Living Wage to their staff, as this currently falls outside the scope of our accreditation licence.
- By collating testimonials from people whose lives the increment has made a real difference to, the team may help make the case for business rates to be adjusted so that they are less for Living Wage SMEs than for those SMEs not paying the Living Wage.

Cii) Eroding Barriers to Procuring from VCSEs, SEs and SMEs

Areas of work and key achievements

- The City Corporation is committed to ensuring that barriers to participation in procurement exercises by Small and Medium Enterprises (SMEs), Social Enterprises (SEs), Voluntary and Community Sector Enterprises (VCSEs) are eroded and that local businesses, particularly those identified as being located within the top 10% most deprived areas, are supported.
- Current local procurement target boroughs include Barking and Dagenham, Hackney, Islington, Newham, Tower Hamlets, Waltham Forest, Haringey, Lambeth, Lewisham and Southwark.
- Wherever feasible in all goods and services contracts over £10k, Procurement Operations Officers are required to invite either a UK based SME or SE, or a local supplier from one of the local procurement target boroughs to be one of the three organisations providing a quote.
- Accounts Payable has a target of paying SMEs within 10 days in recognition of the need for cash flow in smaller companies and simpler terms and conditions were developed by Legal and Finance for lower value contracts to avoid unnecessarily onerous burdens on resources.
- Mechanisms used to eroded barriers to competing for higher value contracts include:
 - Practical presentations given as part of SME engagement events e.g. Supply Chain School
 - Soft market testing exercises carried out to determine if SMEs would be able to adopt more ambitious approaches to e.g. to road danger reduction, health & safety etc.
 - Supplier evaluation scores based on the robustness of responses rather than accreditations
 - The use of menus of options for social value delivery or action on reducing air pollution

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- EDO (now 'Innovation and Growth')
- City Bridge Trust
- Supply Chain School

Lessons learned



- Self declarations made when suppliers registrations on our E-Procurement Platform 'Capital E-Sourcing' are not always reliable in terms of identifying business entity. This could be due to a lack of knowledge on what constitutes an SME or SE. This, and the fact it is a shared system, makes tracking our performance of doing business with smaller/ mission-led organisations somewhat difficult.

Future focus



- We will work with the other boroughs who share Capital E Sourcing and Westminster City Council who administers it to improve the available data, allowing us to target future interventions towards those categories of spend with disproportionately low participation by SMEs, SEs and VCSEs
- Closer partnerships formed under the new construction frameworks will be used to communicate more candidly with suppliers about how our approach may be improved

Ciii) Targeting Spend towards Mission-Led Organisations

Areas of work and key achievements

- City Procurement supported Remembrancers in their concerted efforts to engage SE Café Sunlight and ‘The Clink’ as event caterers, approved for use by internal and external parties using Guildhall.
- A requirement to continuously increase SE engagement was included in our print services contract.
- However, due to the fact that our tier one suppliers have less restrictions on targeting spend towards SEs and VCSEs, its often more effective for City Procurement to encourage, incentivise and facilitate the use of SE and VCSE services within our supply chain rather than contracting directly.
- Flexible supplier evaluation questions are frequently used where one option from a social value menu is to use social enterprises from relevant mature markets e.g. digital marketing, design, event catering, horticulture etc. with the aim of facilitating durable partnerships
- The mission of many SEs, VCSEs and Charities is to provide training and work-related opportunities to the most socially excluded groups in society e.g. ex-offenders, homeless people and people with learning difficulties, mental health challenges and disabilities. One impactful way City Procurement helps support these mission-led organisations is by running events to introduce them to our supply chain partners with the aim of facilitating partnerships that will lead to the employment of these candidates within our contracts.
- The most recent ‘speed broking’ event brought together our key construction and FM contractors looking to recruit work experience placements, job ready scheme candidates, apprentices and new recruits as part of their social value offering to the City, with mission-led organisations working throughout London who offer support, training and work experience to socially excluded groups.

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- EDO now ‘Innovation and Growth’
 - Responsible Business team
- First Step Trust
- Social Enterprise UK

Lessons learned



- Mentoring by larger organisations can help smaller, mission-led organisations to establish themselves
- Gaining an up-to-date knowledge of the SE market is time consuming and necessitates appropriate resources and or partnerships with experts
- Organising events to introduce supply chain partners to mission led organisations is very effective and mutually beneficial to both parties but is also resource intensive

Future focus



- A reassessment of the maturity of SE and VCSE markets is necessary in order to effectively target spend
- It is intended that speed broking event such as the one described will be replicated for contractors from other industries.
- Events to expose staff responsible for buying services below the £10k threshold to relevant SEs and VCSEs are also planned, with the aim of raising awareness of the mission of the organisations and the quality of service they can deliver.

Di) Promoting Sustainable Food, Farming and Animal Welfare

Areas of work and key achievements

- Sustainable food sourcing, low impact farming practices and high animal welfare are RP priorities.
- All corporate catering contracts, with the exception of those serving independent schools and one off events, are required to achieve the 'Food for Life (FFL) Served Here' Bronze accreditation or equivalent. This scheme was identified as the most appropriate as it covers a broad range of City Corporation priorities, but it is based on an options matrix which allows some degree of flexibility.
- FFL criteria include a ban on genetically modified ingredients, undesirable additives and trans fats, and require animal welfare standards to be met, the use of seasonal ingredients, meals to be freshly prepared, sector-specific nutrition standards to be met and training to be provided to staff.
- Independent school catering contractors are adhering to as many of the above as possible, while still respecting student and parent choice. Stand-alone sustainable food and catering commitments are, however, mandatory for schools and they require all corporate catering contractors to:
 - Serve sustainably sourced fish, as stipulated by the City Corporation's Sustainable Fish Cities Pledge. This means that all fish, including fish ingredients, must be demonstrably sustainable with all wild fish caught meeting the FAO Code of Conduct for Responsible Fisheries. Service providers should refer to up-to-date information on sustainable fish for caterers. No 'red list' or endangered fish shall be used under any circumstances.
 - Provide Fairtrade or equivalent ethically sourced goods and services where possible in accordance with the City's 'Fairtrade Resolution' in 2007, re-ratified in 2019.
 - Source free range shell, liquid and powdered eggs from free range hens only.

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- DCCS
 - Health and Wellbeing
- Corporate Catering Working Group
- Soil Association
 - Food for Life

Lessons learned



- Most sustainable food criteria do not significantly impact on price, with the exception of high animal welfare meat and poultry. If the highest standards are to be met i.e. free range or organic meat, caterers need to be challenged to find appetising ways of (at least partially) substituting meat protein with other forms of protein.
- Our corporate catering contracts are price sensitive as most diners can choose to go elsewhere

Future focus



- Support catering contractors with promoting the sustainable food offering provided by raising awareness amongst staff and colleagues of the importance of reducing meat in diets as a way that individuals can contribute towards mitigating climate change.
- Support a subsequent campaign testing internal buy in to determine the impact on sales of introducing 'meat free' days into the menu, raising awareness of the importance of reducing meat in diets as a way that individuals can contribute towards mitigating climate change.

Dii) Buying Green Products and Services

Areas of work and key achievements

- One of the first rules introduced as part of the RP Strategy was that Officers must use the **Government Buying Standards** ‘Mandatory’ criteria, and wherever practicable the ‘Best Practice’ criteria, in the technical specifications of all relevant product, service and works categories.
- Developed by Defra and based on the European Commission’s ‘Green Public Procurement’ (GPP) criteria, the Government Buying Standards (GBS) can be used as “cut-and-paste” specifications, award criteria and contract performance clauses. Their use aims to reduce the environmental impact of cleaning products & services, food & catering services, furniture, electrical goods, horticulture & park services, office ICT equipment, paper & paper products, textiles (e.g. uniforms), transport (vehicles), construction projects & buildings and water-using products.
- GBS cover aspects specifically listed in the Responsible Business Strategy, such as energy efficiency, plastics and packaging, and also more specific areas that may otherwise be overlooked e.g. levels of mercury and volatile organic compounds, production methods, hazardous chemicals, separability of materials at end of life, water use efficiency etc.
- As part of RP work within City Procurement, the GBS are being updated internally and made more rigorous in line with the RB Strategy and the principle of minimising environmental impacts
- Responsible Procurement has now been integrated into DCCS’s Housing Design Guide, which will at least in part inform a new design guide for all investment and corporate properties.

Impact



RP has had a significant and material impact on the City Corporation’s approach to achieving this objective

Partners



- Dept Community and Children’s Services - Housing
- Department for Environment, Food and Rural Affairs (Defra)
- European Commission – DG Environment

Lessons learned



- Defra unfortunately shifted its focus away from UK sustainable procurement initiatives and therefore many of the ‘Government Buying Standards’ are becoming redundant as technology progresses
- It has started to become very resource intensive to set robust requirements for green products and services within specifications through data collation from various best-practice industry publications.

Future focus



- Continue work on updating the Government Buying Standards using industry best-practice publications.
- Understand whether other public authorities are undertaking similar work and pool resources if at all possible.
- The future focus for this objective overlaps with that related to energy efficiency, namely the development of a set of standard design specifications to be used by City Surveyors, which will come out of the Sustainable Buildings project.

Diii) Sourcing Sustainable Timber

Areas of work and key achievements

- The world lost more than one football pitch of forest every second in 2017, according to data from a global satellite survey, adding up to an area equivalent to the whole of Italy over the year.
- The scale of forest destruction, much of it illegal, poses a grave threat to tackling both climate change and the massive global decline in wildlife. The loss in 2017 recorded by Global Forest Watch was 29.4m hectares, the second highest recorded since the monitoring began in 2001.
- One of the first requirements brought in under the RP Strategy was that Officers must purchase all timber and timber products in accordance with the UK Government's Timber Procurement Policy. This is applied to all relevant contracts including e.g. works, new Guildhall chairs etc:
 - Only timber and timber products originating either from independently verified legal and sustainable sources or from a licensed Forest Law Enforcement Governance and Trade (FLEGT) partner can be purchased.
 - All wood used in furniture must have evidence from the supplier that the products they are delivering comply with the policy.
- The new corporate contract for print paper has three options for staff to select from:
 - The most common paper for everyday use is made from 100% recycled fibres and bears both the 'EU EcoLabel' and 'Blauer Angel' labels (recognised environmental accreditations)
 - The other two higher specification paper options are both EU Ecolabel accredited and are certified either by the FSC (Forestry Stewardship Council) or the PEFC (Programme for the Endorsement of Forest Certification)

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Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- UK Government
- City Surveyor's
- Remembrancer's

Lessons learned



- The destruction of rainforests and other forests for timber is an already well known and simple issue to communicate to stakeholders and decision makers, therefore robust requirements are supported.
- It is far harder to use RP to try and limit our contribution to indirect rainforest destruction e.g. by reducing red meat consumption or sourcing sustainable soy and palm oil (significant destruction is a result of 'slash and burn' for cattle ranching and subsequently agricultural cultivation)

Future focus



- Spot checks on chain of custody (CoC) certificates could be carried out to verify supplier compliance with the UK Timber Policy.
- Other commodities that drive rainforest destruction could be made areas of priority focus in terms of both supplier engagement and requirements built into contracts. These commodities include soy and palm oil especially.

Div) Optimising Environmental Management Practices

Areas of work and key achievements

- Alongside the 5% question on social value, the vast majority of tenders include a 5% supplier evaluation question on environmental management approaches. This requires bidders to set out how they would minimise environmental impacts associated with the delivery of the contract.
- Key focus areas are set out in the table opposite and the methods and mechanisms listed below the table are suggestions of evidence that may be offered
- The reason this approach has been developed is to ensure that:
 - The focus is on areas of key importance to the City
 - We have industry data setting out what targets should be reasonably expected, especially in construction
 - That SMEs are not excluded – as authenticity of responses are valued over costly accreditations

Aspects to cover	Examples
Safeguard air quality	Using or at least trialling alternative fuel vehicles, dust suppression
Procure sustainable materials	How the highest impact materials are sourced
Minimise waste (incl. water)	Waste hierarchy, training on procedures
Minimise energy use (CO ₂ emissions)	Fuel efficient vehicles, new technologies, logistics, embedded carbon (energy intensity of materials)



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Lessons learned



- Many bidders focus responses to questions about climate change on the separate issue of local air pollution (particulate matter (PM) and Nitrous Oxides (NO_x), which impact on lungs and are therefore related to public health). This issue is solved if more information is contained within the question itself
- There is a lot of potential for SMEs access training and to learn from larger companies as part of networks such as 'Supply Chain School'

Future focus



- The future focus of optimising environmental management practices will overlap with other objectives related to:
 - energy efficiency (energy intensity/ embedded carbon)
 - buying green products and services (new design specs)
 - air quality (new technology including hybrid plant)
 - waste (zero waste to landfill)
 - circular economy (showcasing and trialling new products)

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- Markets & Consumer Protection
 - Environmental Pollution team
 - Air Quality team
- Department for Built Environment
- City Surveyors

Ei) Rethinking Need through Demand Management

Areas of work and key achievements

- Although it has limited direct influence, City Procurement can influence contracts so that suppliers can help our organisation with demand management, in line with responsible business objectives:
- A consistent RP requirement that new buildings are designed to be adaptable to future use, in terms of both fabric and mechanical and electrical equipment, is now introduced into design briefs.
- In our MFD contract with Konica Minolta, a future proofing requirement was introduced that they assist IT with reducing the existing MFD fleet over time, without financial penalties. Other examples facilitated by this contractor include default duplex and grey scale printing and the use of electronic fobs to collect print. This saves a significant amount of wasted print jobs, associated paper and ink.
- City Procurement is implementing the 'Minimising Plastic and other Unnecessary Waste Policy' by removing single use and non-recycled plastics from e-catalogues, identifying sustainable alternatives.
- Those wishing to purchase, lease or hire vehicles are challenged to consider alternatives to vehicle replacement, as part of the new decision making hierarchy introduced in the 'Transition to a Zero Emission Fleet' Policy. Since its introduction, and that of the Mayor of London's ULEZ 2019 requirements, the decision has been made not to replace three Boy's School vehicles and one of the Lord Mayor's vehicles. Previously, the Police fleet was rationalised from 125 to 91 vehicles and the corporate fleet from 200 to 118 with examples including the Road Danger team replacing their motor vehicle with an electric cargo bike and Barbican Library sharing a van with Tower Bridge.

Impact



RP has enabled some progress on the City Corporation's approach to be made, but impact has been limited to date

Partners



- City Surveyors
- Chamberlain's
 - IT
- Department for Built Environment
 - Business Performance & Transport

Lessons learned



- Staff respond much better to resource efficiency and demand management campaigns if they are effectively informed of the corresponding environmental benefits
- Future plans and future uses need to be considered at the outset of all procurement projects in order to avoid redundancies and waste

Future focus



- A new and radical Print Policy is about to be introduced, with plans for a dramatic reduction in printing and an increased use of IT devices to access documents. City Procurement part of the working group helping to deliver this Policy, led by the IT team, and our MFD contractor is supporting us through the provision of data on the highest individual and team users and on the corresponding water, carbon and tree equivalents we are able to save through reductions in print.

Eii) Reducing Waste throughout the Procurement Cycle

Areas of work and key achievements

- Waste minimisation is not only important to maximise resource efficiency, reduce costs and reduce land or air pollution, it is also important in reducing our contribution to climate change.
- The most effective way of minimising waste is to consider the optimum route of disposal during procurement planning. Considering the content, separability, recyclability and/or resale value of component parts during procurement is strongly encouraged, as is the use of closed loop systems.
- Under regulation 15(1) of the Waste Regulations 2011, officers are required to apply the ‘waste hierarchy’ to all items purchased, which is reiterated in the Procurement Code.
- City Procurement was involved in developing the ‘Minimising Plastic and other Unnecessary Waste Policy’. This was originally going to be a ‘single use plastics’ policy but the team worked with cleansing and other colleagues to broaden the scope so that unnecessary materials such as disposable cutlery, food containers and paper towels were also included. City Procurement’s efforts to deliver this new policy will include monitoring and work with consumables suppliers and staff
- Aspects related to waste, especially demand management, energy efficiency, and the circular economy are covered in other objectives, but in terms of specific interventions to minimise the generation of waste through our supply chains:
- Waste is always included as one of four elements in environmental management questions used as part of supplier evaluation. In order to ensure objective marking, each element is scored individually.
- Bidders are marked on their level of ambition, set procedures, staff training and specific targets on waste minimisation, diversion from landfill and recycling rates.

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- Corporate Strategy & Performance
 - Responsible Business
- Department for Built Environment
 - Cleansing
 - Business Performance & Transport

Lessons learned



- When suppliers refer to very high proportions of waste diverted from landfill, this can often mean that it is all sent for incineration (energy from waste), and not necessarily that they achieve very high recycling rates.
- Waste is one of those areas that suppliers with very proficient bid team can score well on, even if operationally they are not performing well compared to industry norms. Claims in tenders may therefore need to be verified spot checks

Future focus



- Getting procedures in place to help deliver the Minimising Plastic and Other Unnecessary Waste Policy will be the main focus over the next six months, the delivery of the Print Policy through close collaboration with Konica Minolta, our MFD contractor.
- A series of case studies will be written to showcase good practice amongst our supply chain in the field of effective waste management.

Eiii) Applying Total Cost of Ownership Principles

Areas of work and key achievements

- The Public Contracts Regulations 2015 require that life cycle costing (LCC) (otherwise referred to as Total Cost of Ownership (TCO)) must cover costs over the life cycle of a product, service or works in public procurement exercises. This is reiterated in the City's Procurement Code, which sets out that LCC to factor in 'in use' phases of buildings, vehicles, plant and equipment should be used along with acquisition costs to determine longer term value duly consider energy/ fuel efficiency.
- Taking TCO into account will justify a certain level of initial cost premium for more efficient products, as energy/ fuel/ water costs over the life cycle will be lower. Even with reputedly costly goods such as electric vehicles (EVs), many smaller models represent better value for money than diesel equivalents on an LCC basis, especially with high mileage drive cycles. This is not yet the case for larger, newer technology EVs, which do impose a premium, but the decision has been made not to determine vehicle choice on a purely monetary level, due to the Square Mile's significant issue with local air pollution and the 'Transition to a Zero Emission Fleet' Policy.
- LCC comparisons help determine the approved design of some construction works undertaken by the City, but it is currently more often the case that the initial construction costs, for designs meeting user requirements, Building Regulations and planning rules, are the determining factor. The newly initiated 'Sustainable Buildings' project and emerging Climate Action Strategy should help mainstream future decision making which incorporates LCC, including energy efficiency and monetised environmental performance.

Impact



RP has enabled some progress on the City Corporation's approach to be made, but impact has been limited to date

Partners



- Transport Coordination Group
- City Surveyors
- Department for Built Environment
 - Public Realm
 - Planning

Lessons learned



- It is difficult to instil the principle of total cost of ownership on an ad-hoc basis, its something that needs integrating into decision making processes at the right time and the right level of governance.
- In order the for optimum decisions to be made, in terms of value for money throughout the lifecycle of the building/ vehicle/ equipment/ project, robust comparative costs need to be presented

Future focus



- Training and guidance materials for procurers and relevant departmental stakeholders will be investigated
- City Procurement intends to support the integration of LCC as standard into construction works decision making processes, along with life cycle assessments, which set out the overall environmental impacts of comparable solutions
- City procurement will also support any changes to the Gateway process that will help achieve the above and climate change mitigation targets

Eiv) Embracing the Circular Economy

Areas of work and key achievements

- Bidders are marked on approaches to applying the circular economy and waste hierarchy as part of supplier evaluation in all relevant contracts. Key examples of suppliers embracing this include:
- The Girl's School IT hardware provider, Dell, has used a variety of innovative materials for packaging
 - Mushrooms grown on agricultural waste, straw that would have otherwise been burned and ocean bound plastics have all been used to manufacture packaging
 - Dell has partnered with Indian company 'Chakr', who provide ink for logos on packaging which is made from local air pollutant 'carbon black' in Delhi. Emission control device are retrofitted on diesel generators, which capture around 90% of particulate matter emissions from the exhaust. Annually this operation helps to purify air breathed by 110,000 people.
- Our waste collection service provider, Veolia, uses advanced separation technology as well as manual separation to recover paper and card, drinks cans and steel cans, aluminium, glass, plastic and wood, supplying high-quality material so manufacturers can use it to make recycled products.
 - Broken glass gets reused in fibre glass insulation as part of their partner 'Knauf's' initiative
 - Some types of glass are used for sand substitution, which is used as part of road surfacing
 - Plastic milk bottles are separated and made into food grade pellets to make new milk bottles
 - Only 1% of materials collected in London are exported outside the UK, including aluminium cans sent to a plant in Germany for reprocessing into new cans
 - Unrecyclable waste is sent for incineration where heat energy is used to power local homes

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Dept Built Environment
 - Cleansing team
- Chamberlain's
 - IT

Lessons learned



- Officers involved in trying to mainstream circular economy principles have discovered that it is more complex than procuring products with recycled content – it requires 'cradle to cradle' principles to be considered and 'designed-in' from the outset of any project.
- Although some progress has been made, CoL still has significant progress it can still make in this area.

Future focus



- Join more London-wide/ national working groups to find out more about what leaders in this field are doing, what good looks like and what good practice we can replicate
- Set up innovation showcases of products made from 'waste' materials that could be used by CoL
- Support the formal and informal staff awareness raising campaign on recycling behaviours. Recyclates must be appropriately separated if they are to be captured and converted into raw materials for new products

Fi) Ensuring Energy Efficiency

Areas of work and key achievements

- At the time of writing, the City Corporation’s target is to reduce energy use in existing buildings by 40% by 2025 compared to 2008 levels. RP contributes towards this Carbon Descent plan by requiring the following of Officers planning or undertaking procurement:
 - Use of Government Buying Standards for energy efficiency in all relevant specifications
 - Compliance with Local Plan requirements, if possible these are exceeded (e.g. BREEAM)
 - All major projects should adopt the Soft Landings methodology from 2019 onwards
 - The most energy efficient products available must be obtained, as set out in the EC Energy Efficiency Directive, and in general energy efficient/ low carbon solutions must be sought when undertaking a procurement that will result in the use of energy.
- The latter is supported by the introduction of energy efficiency into City Surveyor’s Cyclical Works Programme scoring matrix for projects from 18/19. City Procurement encouraged the introduction of this change through participation in Energy Board & Facilities Services Category Board
- City Procurement is contributing towards the ‘Sustainable Buildings’ project, which aims to take a portfolio look at prioritising improvements in energy efficiency and sustainability performance across IPG and corporate properties. It has also been involved from an RP perspective from the outset of new major projects including the new Police, Courts and Commercial development on Fleet Street, helping to ensure that all RB priorities are appropriately integrated into the design.

Lessons learned



- Energy efficiency is hard to achieve with the wide variety of fixtures and fittings still in existence
- Collaboration with industry is key since Government Buying Standards are no longer being updated and current building regulations are outdated

Future focus



- When recommendations are provided as part of the ‘Sustainable Buildings’ project, City Procurement will help the Energy team to translate these into a compliant and efficient procurement framework.
- This will be based on a City Surveyors ‘Design Specification’ which will ensure energy efficiency is maximised as fixtures and fittings are standardised, replacement items are readily available - speeding up maintenance and repairs and that the City Corporation benefits from aggregated spend and consequent value for money.

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- City Surveyors Department
 - Major Programmes
 - Operations Group
 - Energy team

Fii) Promoting Renewable and Low Carbon Energy

Areas of work and key achievements

- Along with energy efficiency, this objective is one of the most important for the City Corporation to achieve carbon reduction and as such mitigate the organisation's contribution to climate change.
- Open Spaces has led the way on showcasing the benefits of renewable energy, with the most recent solar panel roof installations now completed at Epping Forest, Harrow Road and Parliament Hill. OS accessed loan funds from City's Energy Efficiency Fund (EEF), supported by the Energy team. The panels produce renewable solar electricity for the buildings, reducing the need to import more carbon intensive electricity from the national grid and generating annual savings of ~£10k.
- One example of an RP requirement that has led to an important carbon reduction plan was part of a variation suggested by our Building Repairs and Maintenance (BRM) contractor, Skanska. They listed the global warming potential (GWP) of a wide range of refrigerant gases used on our sites, with a recommended priority order for replacement according to legislation and climate change potential.
- The procurement of a Power Purchase Agreement (PPA) (live at the time of writing), if successful, will be City Procurement's most significant contribution by far to this agenda. It is a 15 year commitment that constitutes the UK public sector's first physical PPA for renewable electricity.
- This was underpinned by the development of a 100% Renewable Electricity Policy and Sourcing Strategy by City Procurement and City Surveyor's Energy team. This was approved by Policy & Resources Committee in June 2018. Further details in this and the PPA are provided overleaf.

Impact



RP has had a significant and material impact on the City Corporation's approach to achieving this objective

Partners



- City Surveyors Department
 - Energy team
 - Operations Group
- Open Spaces

Lessons learned



- Access to 'invest to save' schemes are important for local authorities who wish to make long term savings and reduce carbon footprints through renewable energy installations
- Suppliers are well placed to know how they can make the best possible environmental impacts on contracts, so building relationships is key
- Knowledge of complex markets such as the PPA market is essential in order to determine the best approach

Future focus

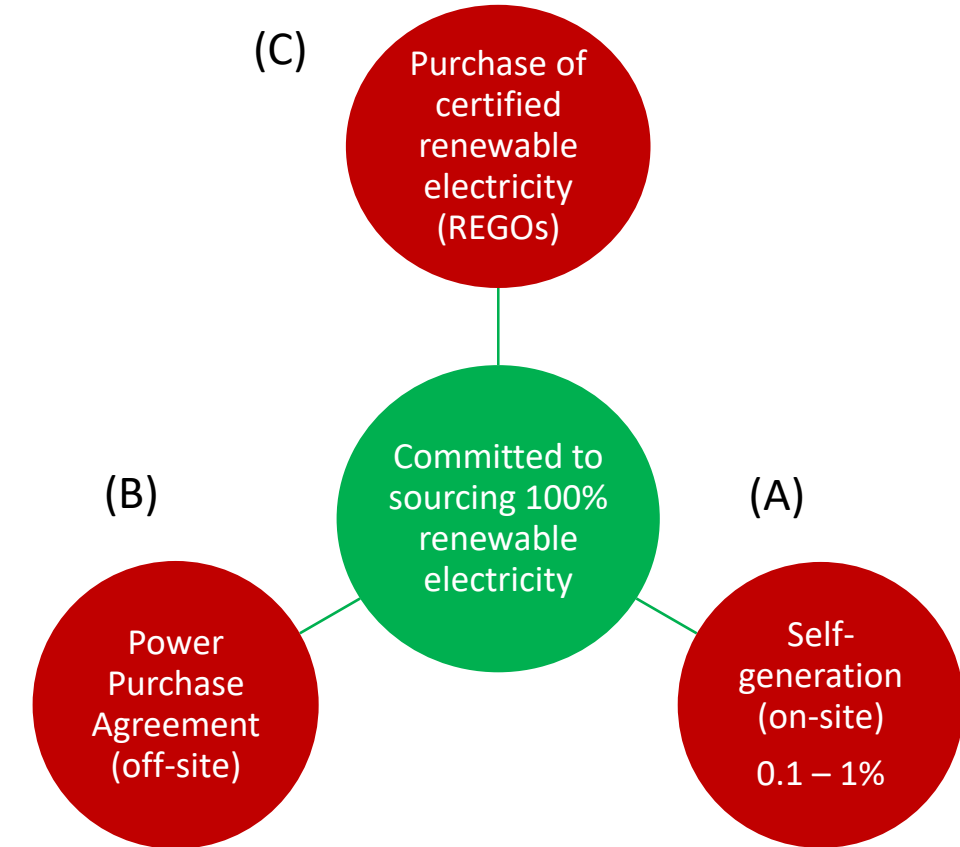


- With the planned release of the City's Climate Action Strategy in June 2020, there is a great deal of work to be done by City Procurement in terms of:
 - Collecting data on Scope 3 emissions (carbon associated with our supply chain is roughly four times the magnitude of Scope 1 & 2 emissions)
 - Developing an action plan to reduce Scope 3 emissions as far as possible
 - Supporting the Climate Action group with carbon reduction delivery and plans to meet net zero carbon targets through sequestration and offsetting

Fii) Promoting Renewable Energy

100% Renewable Electricity Policy and Sourcing Strategy

- The City Corporation's Renewable Electricity Policy commits us to sourcing 100% renewable electricity from October 2018 onwards.
 - The Renewable Electricity Sourcing Strategy involves three parallel workstreams:
 - (A) on-site generation (*solar panels, biomass boilers etc.*)
 - (B) off-site generation (*through a PPA for new wind or solar energy installations*)
 - (C) certified renewable electricity (*existing renewables available through the grid*)
- (A) The workstream to promote self-generation on site is the most cost effective and green option as it improves energy resilience i.e. less reliance in the grid, private wires remove non-commodity costs associated with grid energy and commodity costs are eventually free once the installation has been paid for through savings. The significant limiting factor to self-generation by the City Corporation however is the nature of our sites. Development in the Square Mile is limited by listed building status, shade, roof access and Planning Regs and on our Open Spaces sites by limitations to development on AONBs and SSSIs.
- (B) The workstream to procure a Power Purchase Agreement has the most potential as:
- Environmental benefits are provided through carbon reduction and 'additionality', the principle that our long-term agreement is being used to leverage investment in a new (portfolio of) onshore wind or solar installation(s)
 - It protects against long-term energy commodity price volatility as prices for the renewable electricity through the PPA are linked to CPI, a much more stable index
 - It provides a commercial advantage through the long-term costs savings it is predicted to make when comparing future projections of energy commodity prices vs future CPI
- (C) The workstream to procure 100% renewable electricity has been achieved by buying guarantee of origin certificates (REGOs) since October 2018. This has a slight cost premium and doesn't provide the additionality element. It was therefore seen as a stepping stone to the PPA



Fiii) Exploiting Innovation to Reduce Energy Use

Areas of work and key achievements

- City Procurement has worked closely with the Energy team, our BRM contractors, Skanska, and Action Sustainability's 'Supply Chain School' to facilitate the use of innovative approaches to reducing energy use by supply chain partners through a series of co-led workshops, including a 'Dragon's' Den style Innovation Showcase event held at the Guildhall.
- Setting aside the issue of local air pollutants, electric vehicle (EV) motors are much more energy efficient than vehicles with combustion engines. Peak efficiencies are higher than 90% in EVs compared to 40% or lower in most combustion engines. City Procurement has undertaken significant work to help transition the City Corporation towards an electric fleet through the development of Policy and procurement mechanisms, described more fully under objective Aii.
- The DBE's Business Performance & Transport team have been UK forerunners in trialling new vehicle technologies of all sizes, including the UK's first trial of a 26 tonne full electric RCV at Smithfield market, which yielded very positive results. City Procurement has supported these efforts by leading a project representing six other departments to source funding and endorsement of the installation of EV charge points at four City Corporation sites.
- The team has also introduced requirements in specs to encouraging trials of new tech vehicles and innovative software to increase fuel efficiency within the specs of all tenders
- Other interventions RP contributing to this objective include the use of soft market testing on the potential to reduce embedded carbon associated with energy intensive products such as concrete within relevant construction and civils contracts and the PPA described in objective Fii

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Chamberlains
- City Surveyors
- Department of Built Environment
- Transport Coordination Group
- Supply Chain School
- Skanska

Lessons learned



- Development of clean technology is happening increasingly rapidly and as such it is important for the public sector to keep abreast of advances in technology that may help meet internal sustainability objectives.
- Many technologies being invested in will be redundant in a matter of five years e.g. EV chargers, which often means there is a reluctance to invest. However, to achieve desired results with suitable expediency, it is better to phase installations gradually and learn lessons which are then implemented, rather than waiting until the optimum product is developed.

Future focus



- Exploiting innovation to reduce water use must be an area of future focus due to foreseen water shortages and current lack of data and monitoring.
- City Procurement will explore this area, especially with new major developments, alongside continued work to help facilitate the use of innovation to reduce energy use directly and embedded in products

Fiv) Climate Change Resilience

Areas of work and key achievements

- The effects of climate change are already being felt i.e. more frequent and extreme instances of high temperatures, drought periods, intense rainfall and flooding. Achieving this objective requires recognition of this fact by relevant stakeholders and that weather patterns are only going to become more extreme. Part of the City Corporation's role is to respond by putting measures in place so that human and other species within City Corporation jurisdictions, can cope with these extremes better.
- City Procurement plays a part in raising awareness amongst less familiar departments that they must make sure whatever they are procuring is climate resilient, this requirement is set out in the Procurement Code . It is particularly important that the built environment (new buildings, public realm and other infrastructure) can cope with future, more frequently extreme environments as well as other items intended to have a long life span e.g. trees.
- The RP function aims to ensure the integration of sustainability aspects at the outset of construction, major refurbishment and public realm works into design briefs, including climate change adaptation and resilience considerations. These can include requirements or targets to achieve a certain 'Urban Greening Factor', which is now set in the draft Local Plan at 0.3 for new developments, Sustainable Urban Drainage Systems (SUDS) and integrated water management. City Procurement's main role is to support stakeholder departments with developing supplier evaluation criteria that suitably test bidders knowledge and capability of meeting such targets.

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Department for Built Environment
 - Sustainability planning

Lessons learned



- Cross-departmental collaboration and pooling of knowledge and resources is necessary to achieve progress with climate resilience and adaptation.
- The subject matter itself is complex and challenging, as is the integration of effective mechanisms, which need to be considered at the very outset of projects.

Future focus



- City Procurement's main focus will be to input into sustainability workshops associated with all new major developments including the Police, Courts & Commercial development, Smithfield, Museum of London and the new markets development
- City Procurement will contribute to Lunchtime Learning sessions on how the City Corporation can best future-proof projects by considering climate resilience and adaptation, bringing together Planning and Open Spaces colleagues and other external experts and targeting colleagues with the most scope to influence outcomes

Gi) Complying with UN ILO Conventions throughout Supply Chains

Areas of work and key achievements

- The United Nations (UN) International Labour Organisation (ILO) fundamental conventions set out eight basic human and labour rights, which have been the main focus of the City Corporation’s work on ethical sourcing as part of the RP Strategy. Certain industries pose a higher risk than others of using supply chains that contravene these conventions, including those producing construction materials, textiles, electronic equipment and food.
- Bidders are not assessed at supplier evaluation for contracts involving high risk products as this is deemed neither effective, nor are the responses objectively measurable. It also recognises the fact that many suppliers are only at the start of their journey towards supply chain transparency.
- Interventions are instead used within contract specifications, mandating that specific yet flexible continuous improvement processes are undertaken throughout the duration of the contract.
- Requirements are developed in consultation with stakeholder departments, on a case-by-case basis according to the nature of the contract in question. A supply chain mapping exercise to identify risk hotspots is always the first action, which must be completed within the first six months.
- Subsequently, a set of actions to address these risks are mutually agreed by the contractor and the City. These can include awareness raising and use of additional, cascaded contractual provisions for their supply chain, affiliations with organisations who provide expert support or data, and auditing, either internal, traditional or community based.

Impact



RP has facilitated positive improvements in the City Corporation’s approach to achieving this objective

Partners



- Greenwich University
- Business, Environment and Human Rights
- London Uni’s Purchasing Consortium
- Ethical Trading Initiative
- Swedish Councils
- Danish Human Rights Commission

Lessons learned



- Public sector entities buy a wide variety of goods, services and works, so spend is spread over a diverse and vast number of global supply chains. Unlike retail or manufacturing industries, our leverage, and as such control over top tier suppliers is relatively low.
- Leverage is higher if buying through national frameworks, so joining up with other boroughs has been key
- As has prioritising of sectors we do have higher spend and influence over, which pose the highest risks of human and labour rights abuses in supply chains; construction, textiles

Future focus



- Upcoming areas of focus include:
- Working with the construction companies on our suite of new framework contracts to undertake awareness raising workshops, baseline current due diligence and set continuous improvement targets
- Ensuring that our upcoming uniforms contract includes appropriate due diligence requirements

Gii) Striving to Source Products containing Conflict-Free Minerals

Areas of work and key achievements

- The mineral trade has funded violence and armed conflict for decades. Despite international legislation, conflict minerals including gold, tin, tantalum, and tungsten, often mined by children, enter global markets and end up in products such as computer equipment.
- The most significant work carried out to increase the transparency of our supply chains to identify conflict mineral risk has been on our behalf by our IT Managed Service provider, Agilisys. They undertook a supply chain mapping exercise on ‘Lenovo ThinkPads’, our most commonly used laptop:
- Agilisys undertook this work as part of their responsible business offering to the City and as a sort of pilot exercise – the City Corporation had never undertaken its own supply chain mapping exercise, even though it asks high risk suppliers to map their own, therefore it was a way of learning about the realities of undertaking such a task and adapting our requirements accordingly.
- The supply chain map looked at five key components of the laptops; the RAM & Storage (Samsung), Sound (Realtek), Chipset and CPU (Intel). More detailed findings from the supply chain study are available upon request, but in summary, in 2017:
- 92% of the smelters & refiners in Intel’s supply chain and 98% in Samsung’s supply chain have either received a conflict-free designation from an independent 3rd party audit programme, have begun participating in such a programme or through their own due diligence are deemed conflict-free
- Realtek was less transparent about conflict mineral sourcing than its peers but it did provide reassurance that its suppliers provide a Conflict Mineral Policy Statement and a written certificate that no minerals from conflict-affected locations are used in the manufacture of Realtek products

Impact



RP has enabled some progress on the City Corporation’s approach to be made, but impact has been limited to date

Partners



- Agilisys
- Crown Commercial Services
- Electronics Watch

Lessons learned



- Awareness of the issues surrounding the use of conflict minerals has become far more prevalent, especially in the electronics industry.
- Framework providers with a far higher spend on electronic equipment are those best placed to work on this area on our behalf
- Individuals working in this area need a strong signal to be sent by their clients to justify action, which is often complex and time consuming

Future focus



- The main area of upcoming work will be engagement with framework providers most commonly used to source our electronic equipment e.g. Crown Commercial Services (CCS), to determine whether support and clarity from their local authority clients would help justify further action taken to ensure the sourcing of conflict-free minerals.
- If so, City Procurement will work with counterparts in the London RP Network and national colleagues to help provide a unified stance.

Hi) Eliminating Modern Slavery and Human Trafficking

Areas of work and key achievements

- In late 2017, City Procurement made the decision not to contract with suppliers who do not adhere to the requirements of the Modern Slavery Act 2015, including the annual publication of a Modern Slavery (MS) Statement detailing how the business is undertaking appropriate due diligence according to risks and remit.
- When this mechanism was introduced, the majority of UK public sector organisations tended to only deselect those companies who had been prosecuted under the Act. City Procurement and Comptrollers deemed it justifiable to take the more robust step of requiring the publication of an annual MS Statement by suppliers in scope of the Act as it was underpinned by legislation and the City Corporation was in the process of developing its own MS Statement on a voluntary basis. An cross-departmental working group fed into MS Statement, which was written by City Procurement.
- Published in 2018, it describes our approach to tackling modern slavery across business practices, including its supply chains. City Procurement works with departments with the greatest risk of procuring goods, services or works associated with modern slavery. Example interventions include:
- Electronic equipment: ethical sourcing requirements have been included within the specifications of contracts involving electronic equipment including CCTV cameras and MFDs. Contractors are required to produce a supply chain map highlighting key risks of modern slavery and child labour. Subsequently, a mutually agreed action plan is put in place to mitigate these risks.
- Construction materials: A similar process is employed amongst construction contractors, but this is involving more of a partnership approach due to the market being less mature in this area

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- City of London Police
- The Barbican
- Dept for Community & Children's Services
- Town Clerk's
 - Corporate Strategy & Performance
 - Community Safety

Lessons learned



- Modern slavery and human trafficking is far more prevalent in the UK than would be assumed.
- A wide variety of local authority departments play a part in progressing anti-slavery interventions and it is imperative that efforts are harmonised to leverage the greatest impact (police forces, community safety, licensing, social services, procurement, charities etc.)

Future focus



- The weighted scoring mechanism developed by Reed's Business Master's Intern will be used to assess strategic, high risk/ spend contractors to set a baseline for suggested improvements, which will be communicated through CCM
- More collaborative work will be undertaken with the City of London Police in order to support their awareness raising efforts on construction sites.
- Another area of key focus will be with our catering contractors to ensure correct treatment of people involved in food production and harvesting

Hii) Ensuring Supply Chain Employees are Working Legally

Areas of work and key achievements

- Ensuring that people (sub) contracted to work on City Corporation contracts have the right to work in the UK is imperative. Not only is it illegal to employ people without the relevant permissions to work, it is important to stamp out this practice in order to protect the workers themselves. The chance of being exploited is significantly increased when working illegally (low pay, excessive hours, poor working conditions), as is the likelihood that people are not appropriately trained for the work they are carrying out, which could risk their own safety and that of those around them.
- A pass/fail question is now used as part of supplier evaluation of high risk contracts asking bidders to describe the procedures they will use to ensure that all employees and any workers, including sub-contractors, agency workers or any other contractors working on City Corporation sites:
 - have a legal right to work in the UK
 - are not bonded workers (*e.g. in debt to agencies charging fees for employment or retaining passports*)
 - have legitimate CSCS cards
 - have legitimate qualifications from recognised training institutions
- A clause is included that the City corporation reserves the right to undertake spot checks to verify the procedures described in the response to this question
- Other areas of focus have been on contracts associated with the 'Gig Economy' including our courier contract. Although we have successfully raised awareness amongst supplier that we seek to make improvements to our approach to due diligence in this area, little concrete progress has yet been made.

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- City Surveyors
 - Operations Group
 - Major Projects

Lessons learned



- The City Corporation has learned, through its contacts with industry experts, that there is an increased prevalence of CSCS card fraud, in terms of both illegitimate cards and colleges. This has necessitated additional due diligence procedures.
- There has been an increase in people working under the 'Gig Economy', which can be associated with the mis-treatment of workers, poor pay and incentivising poor H&S

Future focus



- City Procurement will work with contract managers to develop a plan and schedule of spot checks on legal working that can be undertaken with our current construction and FM contractors, which will be effective without damaging relations.
- More of a focus needs to be placed on the Gig Economy, not because the workers/ employees/ contractors are working illegally in the UK, but because the companies they work for are frequently treating them illegally according to UK employment law.

Hiii) Striving for Fair Remuneration up the Supply Chain

Areas of work and key achievements

- The City's Responsible Procurement function is an integral part of the City's Fairtrade Steering Committee, which works to maintain the City's status as a Fairtrade Zone
- It participates in Fairtrade fortnight events including debates and awareness raising/ tasting events
- It collaborated with Remembrancer's and Corporate Strategy team to have the City's Fairtrade Resolution re-ratified following a Member request to investigate its fitness for purpose:

Fairtrade Resolution – The City of London Corporation will therefore continue to:

- procure Fairtrade products where possible, including requirements for Fairtrade options in corporate catering contracts along with tea and coffee at Committee meetings, in its offices and restaurants
 - work with contractors at Guildhall, Mansion House and other significant venues to make sure they are represented on the Steering Group, encourage and assist them in complying with the Resolution and actively support the work of maintaining Fairtrade status for the City
 - promote the use of Fairtrade products by using labelled produce on menus and publicity material
 - promote awareness of Fairtrade issues to the City community and to staff by making information publicly available to all and by highlighting the opportunities that Fairtrade offers for delivering on sustainable development and CSR targets amongst City businesses.
-
- Fairtrade is mostly limited to commodities such as tea, coffee, sugar, bananas, chocolate and wine, but also includes products such as cotton and gold. People involving the supply chain of all other products also need fair remuneration but the focus to date have been on ensuring Gi and Hi

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Town Clerks
 - Corporate Strategy & Performance
 - Remembrancers
- Economic Development Office (now 'Innovation and Growth')

Lessons learned



- Sourcing fairly traded commodity products without the use of certification schemes and labels can be very complex due to the lengths of the global supply chains involved.
- Additional confusion has arisen as more labels have been created, looking at different aspects of ethical trading and sustainability, and more companies have also started to create their own programmes, which are often less transparent than they are well-marketed.

Future focus



- The Fairtrade Steering Committee is planning a debate for the upcoming Fairtrade fortnight on using Fairtrade versus independent labels and company-specific projects
- City Procurement will work with colleagues in Remembrancers and Mansion House to try and ensure that those events that the Corporation has more influence over better embrace the requirements of the re-ratified Fairtrade Resolution

II) Guarding Against Bribery, Corruption and Tax Evasion

Areas of work and key achievements

- Daily automated alerts on media news stories involving our high value/ business critical suppliers are received and monitored by the Commercial Contract Management (CCM) team These are monitored for both contractual and reputational purposes and would highlight any prosecutions for bribery, corruption, tax evasion or other disreputable practices.
- The fact that mandatory exclusion criteria checks were carried out only once, as part of supplier selection, was identified as a potential risk by the Commercial Contract Management (CCM) team, especially in the case of long term contracts with strategic suppliers. Annual checks of these criteria were therefore introduced, including prosecutions related to all breaches of law related to business.
- For high value contracts that are more likely to be affected by serious and organised crime, such as waste collection contracts, City Procurement now includes the following wording in tenders:
- “The Authority has identified that the scope of this procurement falls within a business sector which may be attractive to infiltration by organised crime groups. The Authority therefore reserves the right to include enhanced probity checks / requirements at both the selection and award stages of the procurement. This may include, but not be limited to, verification that a supplier, or any person with powers of representation, decision or control therein, has not infringed the mandatory grounds for exclusion set out in Regulation 57 (1) of the Public Contract Regulations 2015.”

Impact



RP has enabled some progress on the City Corporation's approach to be made, but impact has been limited to date

Partners



- Comptroller & City Solicitors
- City of London Police

Lessons learned



- At present, City Procurement relies almost entirely on supplier self-declaration and media alerts to assure ourselves that our supply chain partners are not involved in bribery, corruption or tax evasion. It was realised that we needed support from experts, namely the City of London Police, to help scrutinise those contracts deemed more attractive to organised crime groups

Future focus



- One potential focus area could be to investigate whether or not we can/ need to take any further action on tax evasion or even tax avoidance amongst our supply chain, either in terms of supplier selection or at least in terms of supplier relationship management
- Further work could be done to raise awareness amongst our tier one contractors of the risks and prevalence of serious and organised crime amongst certain supply chains

Iii) Promoting Green, Social and Responsible Investment

Areas of work and key achievements

- Green, social and responsible investment was included as an objective within the 2016 RP Strategy as a way of raising awareness of these issues, particularly responsible investment, but with the understanding that the scope of this objective was outside the direct remit of procurement.
- Very positive progress in the area of green investment has been made by Innovation and Growth (previously EDO) in terms of the Green Finance Initiative and the launch of the Green Finance Institute as part of 2019's Climate Week.
- City Bridge Trust continues to be a pillar of social investment through its grant giving programme
- The one area in which City Procurement has had an indirect yet positive role in helping to achieve this objective has been its contribution to the organisational culture shift over the last three years towards stronger sustainable development commitments. This was brought about through the development of corporate policy and strategies, many of which were driven and often co-led as part of work to justify RP requirements being placed on supply chain partners.
- The Responsible Business Strategy, which is overseen by the RB implementation Group, co-Chaired by the Chamberlain and the Chief Grants Officer, provides a framework for improvements across a number of key areas, including Responsible Investment.
- In March 2018 the City Corporation published its Responsible Investment Strategy, committing to the UK Stewardship Code and the Principles of Responsible Investment. This work has been a collaboration between Chamberlain and his Treasury team, Innovation and Growth's Green Finance team and the Corporate Strategy and Performance team's Responsible Business lead.

Impact



RP has facilitated positive improvements in the City Corporation's approach to achieving this objective

Partners



- Innovation and Growth
 - Green Finance
- City Bridge Trust
- Chamberlain's
 - Treasury

Lessons learned

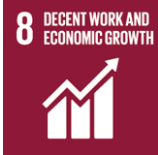





- Applying responsible investment principles to shared vehicles/ investment funds is more complex than determining what a single organisation invests in, meaning that the City Corporation is relatively limited in the restrictions it can enforce, especially in terms of divestment

Future focus



- The City Corporation is due to become part of London-wide initiative to pool local authority pension funds. The opportunity to work with counterparts across London boroughs could be explored to e.g. develop a joint Responsible Investment Policy applied to the unified pension scheme. Depending on contributors and their respective priorities, this work may lead to the opportunity for divestment from certain damaging practices, or to the establishment of a separate ethical pension fund

Sustainable Development Goals	Corporate Plan	Responsible Business links	New Responsible Procurement Policy Commitments: The City Corporation will -
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Inclusive and sustainable economic growth, employment and decent work for all</p>	People have equal opportunities to enrich their lives and reach their full potential.	Human & labour rights	<ul style="list-style-type: none"> - ↑ Establish an Ethical Sourcing Policy & Supplier Code of Conduct - ↑ Continuously improve due diligence procedures used to guard against modern slavery, human and labour rights abuses and unfair working practices in high risk supply chains
	We have access to the skills and talent we need.	Equal opportunities and Diverse organisations	<ul style="list-style-type: none"> - ✓ Pay the (London) Living Wage to staff, apprentices, interns and (sub)contractors working on our premises for 2 or more hours - ↑ Encourage and facilitate integration of VCSEs, SEs and SMEs within our supply chain - ↑ Promote equality, diversity and inclusion amongst our supply chain
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	Communities are cohesive with the facilities they need.	Connecting our communities	<ul style="list-style-type: none"> - ✓ Incentivise and facilitate targeted work-related opportunities offered as part of service and works contracts to achieve social inclusion - ↑ Maximise community input pre-procurement, to achieve social value outcomes - ↑ Liaise with supply chain partners to aid mutual responsible business improvements
	Make cities inclusive, safe, resilient and sustainable	Air quality and People's wellbeing -	<ul style="list-style-type: none"> - ✓ Procure the cleanest vehicles possible as part of our transition towards a zero-emission fleet and ensure all contracts minimise air pollution from vehicles and plant - ✓ Ensure that all contractors comply with the City's noise quality strategy - ↑ Strengthen road danger reduction requirements on (sub)contractors who deliver goods, services or works that involve the use of trucks and/or vans
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> <p>Ensure sustainable consumption and production patterns</p>	Businesses are trusted and socially and environmentally responsible.	Waste and Plastics & packaging	<ul style="list-style-type: none"> - ↑ Set ambitious improvement targets on waste minimisation within all contracts - ↑ Work to eliminate single use plastics & packaging in CoL and supply chain operations - ↑ Maximise resource efficiency and apply total cost of ownership principles - ↑ Promote the circular economy by incentivising the use of recyclates as raw materials
	Take urgent action to combat climate change and its impacts	Climate change	<ul style="list-style-type: none"> - ↑ Procure according to ambitious energy performance and sustainability specifications for buildings, equipment, and plant to help meet CoL's carbon reduction target, optimising business & cost performance - ✓ Procure 100% renewable electricity based on the principles of zero carbon, additionality and cost avoidance - ↑ Build climate resilience into design, construction, public realm & landscape contracts
 <p>13 CLIMATE ACTION</p> <p>Combat deforestation, desertification, degradation biodiversity loss</p>	We have clean air, land and water and a thriving and sustainable natural environment.	The planet is healthier	<ul style="list-style-type: none"> - ↑ Ensure the procurement of low environmental impact goods, services and works: reducing pollution, hazardous & damaging content, embodied carbon & water intensity and maximising recycled and sustainably sourced content - ↑ Promote practices that minimise environmental impacts throughout the supply chain i.e. sustainable farming, fisheries and forestry and preventing land degradation, contamination and habitat & biodiversity loss.

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