



Responsible Procurement Policy

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Forward

It's not just the right thing to do.

Responsible procurement can help us make an impact in the communities we serve and it makes good business sense. Research shows that an organisation with responsible business practices motivates employees, attracts talent, improves brand awareness, gives us a competitive edge and reduces costs. Responsible procurement is a key element to the City Corporation's Responsible Business Strategy. It helps to create a diverse and competitive market, reduces risks and enhances the reputation of the City Corporation.

- Research shows 93% of millennials and Gen Zs make choices over the type of work they are prepared to do or organisations they'd work for based on personal ethics ([Deloitte](#))
- In 2019 more than 5,400 companies reported emissions savings within their supply chains that were equivalent to 663 million tonnes of carbon dioxide. This translated into annual monetary savings in excess of US\$19.3 billion ([Carbon Disclosure Project](#))

The procurement decisions we make are significant and have the potential for positive change; to help combat global issues such as climate change, promote equity, diversity and inclusion throughout our supply chain and to address local priorities such as the social mobility and digital inclusion. A robust approach to responsible procurement is fundamental to fulfil the outcomes of the Corporate Plan: to create a vibrant and thriving City, supporting a diverse and sustainable London within a globally successful UK. This policy has been designed to help us achieve those ambitions, affirm our intention to be leaders in responsible procurement and provide clarity to those using the policy on what is expected.

Scope

Who is this policy for?

The policy will apply to all contracts awarded by the City Corporation. It requires action from officers with purchasing responsibilities and suppliers providing goods, services or works contracts.

Officers with purchasing and/or contract management responsibilities, including from our institutions, should be aware of the City Corporation's responsible procurement commitments and actively work with our supply chain to achieve them.

Suppliers should help us advance the priorities of our responsible procurement commitments and report back to the City Corporation how that has been done.

What is Responsible Procurement?

Responsible procurement is one aspect of being a responsible business. As a responsible business we seek to use our spending power to the benefit of our community and wider stakeholders. The City Corporation defines responsible procurement as having three main pillars: social value, environmental sustainability and ethical sourcing.

- Social Value means protecting and enhancing the health and wellbeing of local people and the local environment, reducing inequalities, providing skills and employment opportunities, promoting the local economy and building resilience through diverse supply chains.
- Environmental sustainability means reducing negative environmental impacts by working towards net zero and supporting environmental protection and improvement including animal welfare.
- Ethical Sourcing means ensuring that human rights and employment rights are protected throughout the City Corporation's UK and global supply chains.

Responsible procurement is also commonly known as Social Value, Corporate Social Responsibility (CSR), Sustainable Procurement and ESG (environmental, social, governance).

Why do we need to consider Responsible Procurement?

Under the Public Services (Social Value) Act 2012, when acting in its capacity as a local authority, the City Corporation is required to consider how we can deliver additional economic, social and environmental benefits for the community when procuring goods and services, and how we may act to secure that improvement. This policy sets out how the City Corporation seeks to meet those obligations.

Additionally, the City Corporation has adopted measures to help achieve the United Nations Sustainable Development Goals (UN SDGs) by 2030; committing the entire organisation to embed sustainable development into everything it does. Work on the responsible procurement commitments in this policy will contribute towards at least ten SDGs: No Poverty (Goal 1), Good Health and Well-Being (Goal 3), Gender Equality (Goal 5), Decent Work and Economic Growth (Goal 8), Reduced Inequalities (Goal 10), Sustainable Cities and Communities (Goal 11), Responsible Consumption and Production (Goal 12), Climate Action (Goal 13), Life Below Water (Goal 14) and Life on Land (Goal 15).

Advancement of the responsible procurement commitments in this policy will support a wide range of corporate strategies such as climate action including air quality, equity, diversity and inclusion, and social mobility. It will also play a key role in facilitating the delivery of the Responsible Business (RB) Strategy, which is underpinned by the social and environmental aims of the Corporate Plan.

How will we deliver Responsible Procurement?

Guiding Principles

- Officers must consider how to maximise social value and ensure risks to environmental sustainability and ethical sourcing are minimised when purchasing on behalf of the

City Corporation.

- Responsible procurement should be tailored on a case-by-case basis considering the commitments in this Responsible Procurement Policy against the contract value and length, market maturity and what is being procured.
- Responsible procurement should be considered at every stage of the contract lifecycle and is the responsibility of all officers working on the contract.
- Social Value is over and above the core deliverables of the tender or contract.

Pre-procurement

To be effective it is essential that consideration of responsible procurement commitments starts at the pre-procurement stage and is carried through all stages of the procurement lifecycle. Central government's Outsourcing Playbook emphasises the importance of conducting market engagement, considering the nature of the requirement and market dynamics. Responsible procurement should be included in your discussions with suppliers so that you can gauge the maturity of the market and ask for relevant and proportionate outcomes from the contract.

Specifications or briefs must be developed to further the aims of the Responsible Business Strategy and Responsible Procurement Policy commitments. Specifications should incorporate relevant Procurement Code rules (e.g., buying standards and whole life costing) and other relevant City Corporation policies (e.g., Living Wage). Information on specification wording for responsible procurement commitments and other policies is provided to officers in the Responsible Procurement Toolkit.

Key takeaways:

- Put responsible procurement on the agenda at pre-market engagement
 - Check the Responsible Procurement Toolkit for specification wording
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Supplier Evaluation and Selection

Responsible procurement proposals will be required and evaluated at 10% of the overall score as part of the assessment process from all bidders on all contracts at or over £100,000 (including call-off contracts from frameworks where relevant). Officers are able to apply responsible procurement assessments to lower value contracts on a discretionary basis. This means that those bidding for major contracts to deliver goods, services and works for the City Corporation will be partly assessed on their proposals to deliver wider benefits in line with the priorities set out in this policy, in addition to an assessment of the cost and quality of their bid.

The only permissible exception to the 10% minimum of the overall score is where pre-market engagement demonstrates that the approach would significantly reduce competition due to lack of market maturity in delivering social value. In these exceptional cases, officers should consult the Responsible Procurement Manager to agree a recommended way forward

Further guidance on how to include responsible procurement in contracts under £100,000, contracts awarded without competition and contract extensions can be found in the Responsible Procurement Toolkit or obtained from the Responsible Procurement Manager.

Included as part of any assessment, suppliers should provide information on how they will report deliverables back to the City Corporation.

Key takeaways:

- For contracts over £100,000, responsible procurement is evaluated at a minimum of 10% as part of the overall score alongside cost and quality.
 - The Responsible Procurement Manager can help integrate responsible procurement into contracts under £100,000, contract extensions and contracts which are direct awarded.
 - Suppliers should include how they are going to report back progress on their responsible procurement commitment as part of the tender response.
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Mobilisation and Contract Management

Once let the responsible procurement commitments included in the tender response or as included in the specification should be translated into the contract deliverables and monitored according to the nature of the commitment. At mobilisation, the Responsible Procurement Manager can provide guidance on delivery through City Corporation partners or channels if requested.

Delivery of responsible procurement commitments should be considered as part of any contract extension review.

Contract managers should work with the Responsible Procurement Manager to report deliverables centrally for update reports to Members.

Procurement Category Boards can call a contract in at any time to demonstrate effective management of the contract they are responsible for, including on responsible procurement deliverables.

Key takeaways:

- Where responsible procurement is set out as a contractual obligation, this must be measured and monitored as part of contract management.
 - Contract Managers should work with the Responsible Procurement Manager in contract on reporting and signposting.
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A note to SME suppliers

The inclusion of responsible procurement outcomes in the tender process should not exclude SMEs from bidding. The City Corporation's Supplier Diversity strategy includes the commitment to facilitating diverse suppliers into our supply chain and that means breaking down barriers to entry. Where possible, we will ensure that responsible procurement is assessed in a way which allows the largest group of suppliers possible through pre-market

engagement, use of menus and evaluating questions based on qualitative measures rather than quantitative.

Information on [supplying to the City Corporation](#) is included on our website including what good looks like for responsible procurement and top tips from our buying team on submitting a better tender return.

Responsible Procurement Commitments

Each commitment is a strategic theme based on related policy outcomes that reflect the City Corporations priorities.

The City Corporation commits to working with its supply chain to:

1. Take **Climate Action** and minimise environmental impacts of procurement on our operations and throughout our supply chain
2. Encourage and facilitate **Supplier Diversity** (Diverse Owned Enterprises and SMEs) through direct contracts, partnerships and active monitoring
3. Embed **equity, diversity and inclusion** throughout the contract process and work with suppliers who have proven to take active steps within their own organisations, supply chain and industry
4. Protect human rights in our supply chain by working with suppliers who undertake due diligence to guard against **modern slavery** and other human rights abuses
5. Facilitate **meaningful work-related opportunities**, which are actively targeted to enable social mobility and inclusion
6. Achieve **meaningful social value outcomes** according to organisational and stakeholder priorities through internal collaboration, community input and supplier engagement

Officers and suppliers are encouraged to consider intersectionality when designing responsible procurement questions or proposals. For example, officers might ask how meaningful work-related opportunities might be offered to under-represented groups in a particular industry. A supplier's response might include what pastoral support might be required to recruit and retain from those groups and what active steps will be taken as a result of our contract.

Further information on 'what good looks like' including examples of actions and activities for each commitment will be published on the [Responsible Procurement](#) pages of the City Corporation's website.