

Date: 2 December 2021

Item: Responsible Procurement Update

This paper will be considered in public

1 Summary

- 1.1 At the meeting of the Panel in July 2021, the Panel requested a further briefing on TfL's Responsible Procurement programme, which will now be repeated annually. This paper provides that further briefing.

2 Recommendation

- 2.1 **The Panel is asked to note the paper.**

3 2021 Activity

Skills and Apprenticeships

- 3.1 TfL's Supplier Skills team (SST) supports TfL's delivery of the skills, training, and employment opportunities theme of the GLA Group Responsible Procurement Policy, by embedding contractual requirements in relevant tenders and managing the delivery of supply chain commitments.
- 3.2 The team currently supports around 50 suppliers to implement their contractual requirements after contract award and reports quarterly supply chain apprenticeship starts to the Department for Transport.
- 3.3 In 2020-21, there were 524 new apprenticeship starts in our supply chain, of which 51.2 per cent are from a Black and minority ethnic background and 27.8 per cent are women.
- 3.4 The collaborative approach to contract management is reflected in the pre-employment programmes and annual apprenticeship fair the team delivers in partnership with key suppliers. The team has recommenced delivery of pre-employment programmes following restrictions imposed by the coronavirus pandemic.

- 3.5 In October 2021, the third Women into Transport and Engineering pre-employment programme commenced with Cleshar Contract Services, who provide track and facilities maintenance services, Siemens, who are upgrading London's road network management system, manufacturing rolling stock and provide technology, goods and services across TfL, Riverlinx CJV, who are building the Silvertown Tunnel, and Glenman Corporation, a supplier to the wider GLA Group. The programme is running in partnership with Women into Construction and gives 17 candidates two weeks of pre-employment training at CONEL college to get them work ready, in preparation for two weeks of work experience with one of the four suppliers. Sixty-four candidates attended the information sessions, looking to gain a place on the programme which guarantees an assessment or interview with any of the suppliers. There are various job opportunities and apprenticeships on offer at the end of the programme. Candidates who successfully complete the programme are guaranteed an interview or face-to-face assessment with one of the employers.
- 3.6 Historically, the programmes have put around 33 per cent of candidates into employment, and further benefits such as increased confidence and work-readiness are evident in those who do not immediately find work.
- 3.7 A series of Mentoring Circles sessions is ongoing with Morson Group, a supplier of track maintenance labour. Run in partnership with the Department for Work and Pensions, the online sessions have given over 100 individuals an insight into working on the London Underground network - with two cohorts totalling 17 individuals having completed their training so far. This work has helped support current resourcing issues in the industry resulting from people leaving the industry during the coronavirus pandemic, as well as supporting workless individuals back into work.
- 3.8 The SST has begun planning activity for National Apprenticeship Week 2022. Following the success of the virtual event in February 2021, which featured 12 supplier sessions and 290 people interested in working for TfL and its supply chain, the event will remain online and allow candidates to understand the breadth of apprenticeships on offer in TfL's supply chain.

Ethical Sourcing and Modern Slavery

- 3.9 As referenced at the meeting of the Panel in July, TfL's Modern Slavery Statement 2020/21 is now published on the TfL website.
- 3.10 TfL undertakes internal and external capacity building to raise awareness of the risk of Modern Slavery in our supply chains. Below is a summary of this activity in the first half of 2021/22:
- a) GLA Central Responsible Procurement Team (CRPT) presentation at the Asset Performance and Capital Delivery Supplier Engagement Forum on 14 October;
 - b) Modern Slavery Training: 35 staff from TfL's Property Management department attended a one hour session led by the Supply Chain Sustainability School on 23 September; and

- c) The CRPT published a blog on Modern Slavery on TfL's intranet Platform to mark Anti-Slavery Day on 18 October 2021, to raise awareness to TfL staff of the risk in our supply chains and our current activity.

Environmental Sustainability

- 3.11 CRPT liaised with Safety, Health and Environment (SHE) colleagues to ensure the environmental commitments within the forthcoming Responsible Procurement Implementation Plan (RPIP) 2021-24 closely align with TfL's Corporate Environment Plan. Key environmental commitments within the RPIP are set out in paragraph 4.2 below.
- 3.12 CRPT ensured relevant Responsible Procurement references were included in TfL's inaugural Sustainability Report, published early October 2021.
- 3.13 CRPT, alongside SHE Corporate Environment Team are working closely with Network Rail and the other transport infrastructure bodies to identify opportunities to align carbon reporting and carbon reduction requirements to our supply chains.
- 3.14 Thirty staff from engineering, project management and purchasing and supply chain disciplines attended An Introduction to Climate Change and Carbon half day workshop on 1 July led by the Supply Chain Sustainability School.

Fair and inclusive employment practices

- 3.15 Fifty-two per cent of TfL key suppliers disclosed their workforce diversity data through the Diversity Data Benchmarking Initiative, in which National Highways, Network Rail and HS2 are also participating.
- 3.16 Following supplier engagement activity led by the CRPT, Siemens, one of TfL's strategic suppliers became accredited to the Mayor's Good Work Standard (this includes accreditation to the Living Wage Foundation).
- 3.17 During Living Wage Week, 15-21 November 2021, the CRPT hosted a Fair and Inclusive Employment Practices Supplier Briefing on 18 November. Approximately 35 GLA Group key suppliers attended to hear how accreditation to the Living Wage Foundation and the Mayor's Good Work Standard can benefit their businesses.

Supplier Diversity

- 3.18 TfL has been progressing priority actions within the GLA Group Small and Diverse Business Action Plan, which is aligned with the commitment of London Recovery Board's Anchor Institution Charter to provide greater access to opportunities to small and diverse businesses affected by the pandemic.
- 3.19 TfL is participating in a GLA Group pilot to use a regulatory mechanism to reserve appropriate contracts for Small and Medium-Sized Enterprises (SMEs), identify pipeline procurements suitable for small and diverse businesses, provide access to tender readiness support, and explore scale-based insurance indemnity approaches.

- 3.20 TfL is implementing an approach to capture indirect spend with SMEs, initially engaging with 20 key suppliers, and are also engaging with tier 1 suppliers around subcontracting behaviours and prompt payment.

Contracts and Tenders

- 3.21 The CRPT supports TfL's Purchasing and Supply Chain function on implementing Responsible Procurement requirements from early market engagement through tender evaluation to contract management. The key contracts receiving support in the first half of 2021/22 are : Surface Technology Contracts Retender, High Voltage Power and TfL Revenue Collection Contract.

4 GLA Group Responsible Procurement Implementation Plan

- 4.1 The Central Responsible Procurement Team is going through the final stages of approval of the revised Responsible Procurement Implementation Plan, which sets out how TfL and the GLA Group functional bodies will deliver the Responsible Procurement Policy, revised in March 2021, over the Mayoral term 2021-24.

- 4.2 Relevant TfL highlights from the plan:

- (a) all GLA Group functional bodies will apply a minimum weighting of 10 per cent of the total evaluation score to relevant responsible procurement and social value matters, for above-threshold contracts. Through this approach, the GLA Group, although not directly in scope, is electing to align to Public Procurement Policy Note 06/20;
- (b) TfL key suppliers are to be assessed for their risk of modern slavery using the Cabinet Office tool. Medium to high risk suppliers will be invited to complete the Modern Slavery Assessment Tool, also hosted by the Cabinet Office, by 31st March 2022 and then implement continuous improvement activities to improve their MSAT score and mitigate the risk of modern slavery in their supply chains;
- (c) the GLA Group is electing to align with Public Procurement Policy Note 06/21, so that bidders for new contracts over £5m in value will be required to produce an organisational Carbon Reduction Plan at Supplier Questionnaire stage. We will also include evaluation criteria in these tenders to encourage bidders to demonstrate their contribution towards London's ambition of being net-zero carbon by 2030;
- (d) from 2025, all new contracts will require freight and servicing vehicles under 3.5 tonnes to GLA Group buildings to be zero-emission;
- (e) work across the GLA Group supply chain to support the delivery of the interim target for Non-Road Mobile Machinery (NRMM) to meet stage IV requirements by 1 January 2025; and

- (f) One hundred per cent of commercial staff to complete carbon literacy training by 2024.

List of Appendices:

None

List of Background Papers:

GLA Group Implementation Plan 2018 – 2020

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