



Date: 16 November 2022

Item: Responsible Procurement

This paper will be considered in public

1 Summary

- 1.1 At the meeting of the panel in June 2022, 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 GLA Group Responsible Procurement Implementation Plan

- 3.1 The GLA Group Central Responsible Procurement Team (CRPT) published the revised GLA Group Responsible Procurement Implementation Plan 2022-2024 (RPIP) in September 2022. The RPIP sets out how TfL and the GLA Group functional bodies will deliver the goals of the GLA Group Responsible Procurement Policy, revised in March 2021, between 2022-24.

- 3.2 Key ambitions within the plan include:

- (a) all bidders for contracts over £5m must provide organisational carbon reduction plans at the Selection 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;
- (b) new contracts from 2025 will require zero-emission deliveries to GLA Group sites;
- (c) the GLA Group, including TfL, will work towards purchasing 20 per cent of goods and services from small and medium-sized enterprises (SMEs) either directly or indirectly, in line with the London Anchor Institutions Charter. This ambition will involve further work to understand the constraints, deliver on the 20 per cent target and effectively measure both direct and indirect spend with SMEs.

- (d) a minimum of 10 per cent of the total tender evaluation score will be allocated to responsible procurement and social value for all GLA Group above-threshold contracts, which recognises bidders who will deliver community, environmental and local economic benefits where relevant and proportionate to the subject matter of the contract. Through this approach, the GLA Group, although not directly in scope, is electing to align to the government's Procurement Policy Note 06/20 which outlines how social value should be explicitly evaluated in central government procurement;
- (e) create 500 supply chain apprenticeship starts per annum across the GLA Group and progress towards apprentices reflecting London's diversity;
- (f) across the GLA Group, double the number of signatories to the Mayor's Good Work Standard, from 26 to 52;
- (g) 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. NRMM is a broad category covering mobile machines and transportable industrial equipment or vehicles which are fitted with an internal combustion engine and not intended for transporting good or passenger on roads; and
- (h) one hundred per cent of commercial staff to complete carbon literacy training by 2024.

3.3 The CRPT are working closely with the TfL Procurement and Commercial Improvement Programme (PCIP) to make the necessary process changes to support TfL's delivery of the RPIP. In particular, a significant programme of work is ongoing to ensure consistent and effective delivery of the ambition to require a minimum of 10 per cent of the total tender evaluation weighting to be assigned to social value where relevant and proportionate to the subject matter of the contract. PCIP are aiming to implement this from April 2023.

3.4 The recently formed Chief Officers' Sustainability Sub Group's Terms of Reference includes oversight and scrutiny of TfL's delivery against the RPIP and regular updates will be made at this group to communicate delivery and highlight areas of risk.

4 2022 Activity

Skills and Apprenticeships

- 4.1 TfL's Supplier Skills Team (SST) supports 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.
- 4.2 The team currently manages requirements in approximately 50 contracts to support delivery of supply chain commitments following contract award, and reports quarterly supply chain apprenticeship starts to the Department for Transport.
- 4.3 In the financial year 2021-22, there were 868 new apprenticeship starts in our supply chain, an increase of 344 from the previous year. 52.9 per cent of these are from a Black, Asian or minority ethnic background and 21.8 per cent identify as being female.
- 4.4 The team has continued to deliver in-person pre-employment programmes following restrictions imposed by the coronavirus pandemic which put these on hold. This collaborative approach with suppliers encourages Londoners with employment barriers into our supply chain.
- 4.5 In February 2022 the team hosted a virtual apprenticeship fair as part of National Apprenticeship Week. In total, 20 sessions were hosted throughout the week giving our suppliers a chance to advertise their vacancies to interested candidates. The sessions were varied and included employability skills with the London Transport Museum as well as the Metropolitan Police Service, London Fire Brigade and the GLA. . Attendance across the sessions totalled 547.
- 4.6 In June 2022, the fourth iteration of Women into Transport and Engineering (WiTnE) took place with key suppliers Alstom, ADComms and BAI Communications. This five-week programme gave 17 candidates two weeks of pre-employment training at college before completing two weeks of work experience with one of the suppliers. The women were also offered an appointment with Smart Works, a charity offering work-ready clothing chosen by a stylist, and interview techniques to boost confidence before the work placements and interviews. So far, nine of the candidates have gained employment.

- 4.7 Five candidates started the Women with Drive programme with Abellio on Monday 10 October 2022 aimed at attracting and recruiting more women into bus driving. The programme creates a supportive environment for the women to understand more about the bus industry and the role while building their confidence. Candidates undertake Customer Service training at college and have the unique opportunity to spend time at the bus depot to gain some useful driving practice. Each candidate also has an appointment with Smart Works.
- 4.8 The fifth iteration of the WiTnE programme began on 20 October 2022 with employers Riverlinx, FM Conway, MTR Elizabeth Line and Tarmac Kier Joint Venture offering over 20 work placements between them.
- 4.9 Historically, the programmes have put around 33 per cent of candidates into employment, but more recently this has increased to 50 - 70 per cent moving into sustainable jobs. Further benefits such as increased confidence and work-readiness are evident in those who do not immediately find work.
- 4.10 The SST has begun planning activity for National Apprenticeship Week 2023. Following the last year's event being held online, the team is investigating options for an in-person event in 2023.

Ethical Sourcing and Modern Slavery

- 4.11 As referenced at the meeting of the Panel in June, TfL's Modern Slavery Statement 2021/22 is now published on the TfL website.
- 4.12 Within Commercial Development, property managers have undertaken awareness training on spotting the signs of modern slavery on site and how to report concerns or whistle blow. Standardised tender questions and contractual requirements have been included across the property portfolio to ensure potential developers are evaluated against their risk management processes, including how they will manage construction sites.
- 4.13 A specific focus for 2022/23 is the Cabinet Office Modern Slavery Assessment Tool (MSAT). The RPIP includes an ambition for all medium to high-risk suppliers to complete the MSAT and score 70 per cent or above by 2024.
- 4.14 A modern slavery risk assessment was conducted in January 2022 and those suppliers considered medium to high risk according to the services or works they are delivering were invited to complete the tool. To date, 30 out of 54 (56 per cent) of suppliers have completed. The RP team is working to improve the response rate as well as hosting two due diligence workshops through the Supply Chain Sustainability School to upskill our suppliers and improve their scores.
- 4.15 We continue to progress with internal and external capacity building to raise awareness of the risk of Modern Slavery in our supply chains, including promoting the Home Office Modern Slavery training as part of the RPIP.

- 4.16 TfL is actively participating in the Electronics Watch Low-Emission Vehicle Programme to address human and labour rights risks and issues in the supply chain of electric vehicle batteries. This includes the sourcing of raw materials - namely nickel, lithium, cobalt and graphite - where there is a high risk of labour exploitation. The CRPT are working closely with TfL's Bus Development team and are due to present at the TfL's quarterly Bus Operator Forum in November 2022. This is with a view to gaining future commitment from operators to work with bus manufacturers to improve transparency of their battery supply chains and collaborate with Electronics Watch to monitor and improve working conditions. This aligns with the proposals of London's 2030 Electric Vehicle Infrastructure Strategy.

Environmental Sustainability

- 4.17 The CRPT liaises with Safety, Health and Environment (SHE) colleagues to ensure the environmental commitments within the RPIP 2022-24 closely align with TfL's Corporate Environment Plan.
- 4.18 This engagement includes with the SHE Management System (SHEMS) programme, specifically on managing SHE with suppliers. The standard Selection Questionnaire pack has been updated and includes a requirement for bidders on all contracts over £5m in value to provide an organisational carbon reduction plan, in line with the requirements of Procurement Policy Note 06/21 which outlines how to take account of Carbon Reduction Plans in the procurement of major government contracts and the RPIP commitment. This question has been included in the relet for Mobile Services and the requirement has been communicated to Procurement and Commercial through the RP classroom training delivered by the PCIP team.
- 4.19 The CRPT ensured relevant Responsible Procurement references were included in TfL's inaugural Sustainability Report and the One-Year On report currently in draft.
- 4.20 The CRPT and the SHE Corporate Environment Team are working closely with industry and the Supply Chain Sustainability School to ensure consistency in our approach and best practice sharing. This includes reviewing the School's Carbon Calculator to assist with collecting primary supply chain (scope 3) emissions data.
- 4.21 The CRPT are assisting with supplier spend data to support the development of TfL's scope 3 emissions baseline and further the report completed by Mott MacDonald in 2020. This is with a view to setting reduction targets and monitoring reductions which ties into RPIP ambitions.
- 4.22 The CRPT has worked with ReLondon's Circular Construction in Regenerative Cities project, an EU-funded and Mayor of London collaborative project aiming to reduce the yearly consumption of virgin raw material by 20 per cent in new construction and show cost savings of 15 per cent. The TfL Environment team was involved in an initial workshop so the project could understand current practices, which was followed up with a supplier-focussed

workshop in March 2022. The project is currently drafting circularity criteria for public bodies to apply a consistent approach.

- 4.23 The CRPT has supported the SHE team in the Surface Technology Contracts Retender (STCR) which requires the successful supplier to submit their carbon baseline in year one of the contract along with reduction targets for the following years. The contract is due for award in 2023.
- 4.24 To support London's NRMM Low Emission Zone, the CRPT have engaged with GLA policy leads to ensure reference to the standards and the NRMM Register in relevant contracts. Contractors will be required to upload their NRMM to the Register to demonstrate adherence to the requirements.

Fair and inclusive employment practices

- 4.25 Approximately 50 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. Fifty-nine TfL suppliers responded in total including a higher number of SMEs. This is an increase from 43 suppliers responding last year. In total, the survey represents nearly 350,000 employees working in the sector and the CRPT work closely with the other transport clients and suppliers to act on the results and improve Equality, Diversity and Inclusion in the industry.

Supplier Diversity

- 4.26 TfL has been progressing priority actions within the GLA Group Small and Diverse Business Action Plan, which is aligned with the commitment of the London Anchor Institution Charter to provide greater access to opportunities to small and diverse businesses affected by the pandemic.
- 4.27 TfL has undertaken two trials to implement the guidance in the Procurement Policy Note 11/20 which allows below-threshold contracts to be reserved for SMEs. Following use of this provision, Pest Control for Trams was awarded to an SME in September 2022, a contract was previously held by a large multi-national. The relet delivered a significant cost saving in the process.
- 4.28 In March 2022, the CRPT commissioned Go4Growth to complete research into scale-based insurance and financial requirements to better understand and reduce barriers for small and diverse businesses entering the supply chain.
- 4.29 In April 2022, the CRPT commissioned Go4Growth to complete a report into the barriers faced by small and diverse businesses. The team has analysed the recommendations for ease of implementation which, along with the Small and Diverse Business Action Plan, help TfL work towards the RPIP ambitions and targets.

- 4.30 In September 2022, TfL took part in a supplier readiness webinar with other members of the London Anchor Institute Network, which more than 80 SMEs attended. TfL provided an overview of what we buy and how to do business with us.
- 4.31 TfL is implementing an approach to capture indirect spend with SMEs, initially engaging with around 63 key suppliers. This exercise will provide a more accurate baseline on the totality of spend with SMEs throughout our supply chain beyond Tier One contractors.

Contracts and Tenders

- 4.32 The CRPT supports TfL's Procurement and Commercial function on implementing Responsible Procurement requirements from early market engagement through tender evaluation to contract management. Key contracts receiving support in 2022 include Surface Technology Contracts Retender, Uniforms, Bollo Lane property development, iBus2 and the retender of the revenue collection contract, Project Proteus.

List of Appendices:

None

List of Background Papers:

GLA Group Implementation Plan 2022-2024

https://www.london.gov.uk/sites/default/files/gla_group_rpip_2022-24.pdf

Procurement Policy Note 06/20:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/921437/PPN-06_20-Taking-Account-of-Socia

London Anchor Institutions Charter:

https://www.london.gov.uk/sites/default/files/anchor_institutions_charter_1.pdf

Procurement Policy Note 06/21:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1054374/PPN-0621-Taking-account-of-Carbon-Reduction-Plans-Jan22_1.pdf

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