CITY OF LONDON PROCUREMENT STRATEGY

MAY 2009

CONTEXT

Definition

Procurement is the process of acquiring goods, works and services, covering both acquisitions from third parties and from in house providers. The process spans the whole cycle from identification of need through to the end of the useful life of an asset. It involves option appraisal and the critical “make or buy” decision which may result in the provision of services in house in appropriate circumstances.” (National Procurement Strategy for Local Government 2003)

VISION AND AIMS

There is wide recognition within the City of London Corporation and throughout that effective procurement techniques need to be applied across all categories of non-pay expenditure, and in particular in areas of high value and risk, such as construction and social care as well as reducing the process costs of high volume low value purchases.

In implementing its strategic approach to procurement, the City of London Corporation will act in accordance with the following vision and aims.

Vision

To support the delivery of innovative, cost-effective and high quality services in fulfilment of the City of London Corporation’s aims and priorities within its Corporate Plan 2007-10 and The City Together Strategy (the sustainable community strategy for the Square Mile and City fringes).

Aims

- Ensure that procurement practice contributes to the effective use of resources as set out in the Guidance on National Indicator 179 (NI179) on Value for Money Gains and Comprehensive Area Assessment
- Ensure that procurement delivers year on year efficiencies and savings
- Ensure that the quality is measured by seeking feedback from customers
- Secure commitment to effective, consistent and co-ordinated procurement from members and officers to achieve the delivery of high quality, innovative and cost-effective services
- Encourage long-term thinking and commitment to a strategic approach to procurement issues
- Ensure that whole life costing methods are used to assess and evaluate costs and benefits over the entire life of assets and services
- Establish a mechanism to link procurement action plans to this strategy and promote the continuous improvement of procurement activity across the City of London Corporation
- Provide greater visibility and understanding of the role of the procurement function
- Develop skills and provide support for staff involved in procurement
- Promote and deliver sustainability, local economic development, equality and diversity objectives throughout our procurement activities
- Continue to use and further develop procurement collaboration with other public bodies and partnering arrangements with suppliers
- Recognise the contribution of procurement to achieving our community, corporate, departmental and service objectives
- Raise awareness of the complex regulatory framework in which procurement operates & that it is potentially high risk; with financial, legal, environmental, health & safety & reputation impacts.
HOW MUCH DO WE SPEND AND WHAT DO WE BUY?

What do we spend?

The City of London Corporation spent £246m on external goods, services and works in financial year 2007 – 2008. Some of the main features of this spend is set out in the following diagram.

City of London Expenditure Analysis

<table>
<thead>
<tr>
<th>Overall Spend</th>
<th>£246m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Suppliers</td>
<td>13,880</td>
</tr>
<tr>
<td>Number of Invoices</td>
<td>128,145</td>
</tr>
<tr>
<td>Percentage of Invoices less than £100</td>
<td>38.5%</td>
</tr>
<tr>
<td>Percentage of Invoices less than £500</td>
<td>71.0%</td>
</tr>
<tr>
<td>Percentage of Suppliers generating top 20% tranche of spend</td>
<td>0.02% (3 suppliers) this is totally skewed by some large one off construction contracts</td>
</tr>
<tr>
<td>Percentage of Suppliers generating 50% of spend</td>
<td>0.29% (40 suppliers)</td>
</tr>
<tr>
<td>Percentage of Suppliers generating 80% of spend</td>
<td>3.24% (450 suppliers)</td>
</tr>
<tr>
<td>Average invoice value</td>
<td>£1,435</td>
</tr>
<tr>
<td>Percentage of spend managed through corporate contracts</td>
<td>5.4%</td>
</tr>
<tr>
<td>Percentage of spend managed through collaborative contracts via other authorities</td>
<td>5.38%</td>
</tr>
<tr>
<td>Percentage of Suppliers generating bottom 20% of spend suppliers</td>
<td>96.76% (13,430)</td>
</tr>
</tbody>
</table>

What do we buy?

The following diagrams break down the City’s expenditure into four broad categories based on a risk/value matrix. The relative combination of risk and value can help to determine the most appropriate procurement strategy and organisational structure.

The first diagram sets out the types of goods and services in each category along with a value and percentage of overall spend. The second diagram sets out some of the most commonly used tactics and strategies to deal with each spend category.

Procurement Portfolio Analysis

<table>
<thead>
<tr>
<th>Bottleneck High Risk/Low Value Ensure supplies</th>
<th>Strategic High Risk/High Value Contract management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specialist Equipment, Raw Materials, Training, Medical, Research &amp; Testing, vital spares</td>
<td>Social Care, Property Construction &amp; Maintenance, Waste Management, Housing, Related Support, ICT Capital Projects, Outsourcing,</td>
</tr>
<tr>
<td>£M</td>
<td>26.5</td>
</tr>
<tr>
<td>Percentage</td>
<td>11%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Routine; Low Risk/Low Value</th>
<th>Leverage Low Risk/High Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum attention</td>
<td>Drive for savings</td>
</tr>
<tr>
<td>Stationery and Office Supplies</td>
<td>Utilities and Fuels</td>
</tr>
<tr>
<td>Curriculum Supplies</td>
<td>IT Equipment and Services</td>
</tr>
<tr>
<td>Furniture and Fittings</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>Cleaning, Janitorial and Hardware Advertising</td>
<td>Agency Staff</td>
</tr>
<tr>
<td>Medical Equipment and Living Aids Plant, Tools and Machinery Health &amp; Safety, Security, Storage &amp; Removals</td>
<td>Cleaning, Disposal and Recycling</td>
</tr>
<tr>
<td>Printed and Pre-Recorded Media</td>
<td>Food and Drink</td>
</tr>
<tr>
<td>Vehicle Supplies &amp; Services Financial &amp; Legal Services, Landscaping &amp; Grounds Maintenance</td>
<td>Catering and Hire of Facilities</td>
</tr>
<tr>
<td>£M</td>
<td>24.5</td>
</tr>
<tr>
<td>Percentage</td>
<td>10%</td>
</tr>
</tbody>
</table>
### How can the procurement portfolio be managed?

<table>
<thead>
<tr>
<th>Bottleneck High Risk/Low Value</th>
<th>Strategic High Risk/High Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ensure supplies</td>
<td>Contract management</td>
</tr>
<tr>
<td>Market development, Raising attractiveness, Ensuring supplies, Cost avoidance</td>
<td>Category management, Performance and benchmarking, Negotiation, Innovation, Cost avoidance, Commissioning, specially trained procurement/contract management staff, e-sourcing, clear tendering regulations, high level of training</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£M</th>
<th>Percentage</th>
<th>£M</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>26.5</td>
<td>11%</td>
<td>12.4</td>
<td>51%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Routine; Low Risk/Low Value</th>
<th>Leverage Low Risk/High Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum attention</td>
<td>Drive for savings</td>
</tr>
<tr>
<td>Centralisation, shared services, Corporate contacts (enforced), Automation of process, Technology e-procurement, short term contracts, framework agreements, consortium purchasing, aggregation</td>
<td>Category management, Centralisation, e-procurement, shared services, quick wins, corporate contracts, short term contracts, framework agreements, standardisation, cost avoidance, market intelligence</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>£M</th>
<th>Percentage</th>
<th>£M</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>24.5</td>
<td>10%</td>
<td>69.6</td>
<td>28%</td>
</tr>
</tbody>
</table>

### Summary and actions

- 3% or 450 of the City’s suppliers account for 80% of expenditure.
- The converse is that 97% of the City’s suppliers account for the bottom 20% of expenditure.
- The highly devolved nature of the City’s procurement structure in which 90% of expenditure is devolved to departments and only 10% devoted to corporate contracts, may account for the large number of low value suppliers and invoices.
- Further analysis needs to be undertaken in conjunction with an overall review of the City’s procurement structure to determine whether there are more efficient ways of managing the City’s low value expenditure.
- The portfolio analysis broadly follows the findings of the expenditure analysis; approximately 20% of expenditure is accounted for by low value items and 80% by high value items.
- Going forward, our strategy is to reach the point of no classification limitations based on the CIPFA mixture of objective and subjective codes by providing additional classification based on the Pro Class system.
- A further analysis needs to be undertaken to determine the division of the City’s procurement capacity in order to ensure that the resources are correctly aligned to expenditure. To be undertaken with a detailed review of procurement commencing in 2009.
STRUCTURES AND ACCOUNTABILITIES

Existing Capacity; The City of London has a largely devolved procurement structure; more than 1,000 officers out of an establishment of approximately 3,500 are able to place orders via the City’s electronic ordering system. Many more are involved in the bill payment process and in the procurement process as project, budget and contract managers.

8 officers are fully or partially qualified to Chartered Institute of Purchasing diploma standard; 4 in the Strategic Procurement Unit, 1 in the Barbican Centre, 1 in the City of London Police and 2 in Community and Children’s Services.

Executive responsibility has been facilitated by the appointment of a Procurement Board to oversee the implementation of the City of London procurement strategy and ensure that leading edge procurement systems and practices are developed, and that staff are appropriately trained in order to deliver maximum long term efficiencies and strategic support to the Community Strategy and the Corporate Plan.

Service and Budget Managers are responsible for managing the delivery of the City of London’s objectives through their own service plans. They have devolved responsibility for service planning, budget management and procurement activities. Service and budget managers are therefore key to ensuring the effective adoption and delivery of this procurement strategy.

Members have a key role to play in aligning procurement decisions with the City of London Corporation’s corporate objectives and in monitoring procurement performance. Our Finance Committee has the ultimate responsibility for overseeing the procurement function.

Central Co-ordination: The Exchequer and Business Support Director of the Chamberlain’s department leads strategic procurement and also oversees the Strategic Procurement Unit (SPU) which undertakes the role of a corporate procurement team and is responsible for:

- putting in place corporate arrangements for the purchase of common use goods and services (indirect supplies) on behalf of all departments
- providing a procurement support and review service to departments and individual contracts
- developing procurement strategy, policies and procedures
- co-ordination and consistency within the procurement process
- delivering appropriate e-procurement solutions
- fostering collaboration with other public bodies
- supporting the activities and providing a link to the procurement arm of Capital Ambition the Regional Improvement and Efficiency Partnership (RIEP) for London

The Procurement Practitioners Forum represents all departments and is responsible for consulting on and implementing corporate procurement initiatives and performance at operational managerial level. In particular to:

- develop procurement practice across all departments
- report and improve on performance
- build more corporate procurement arrangements
- support knowledge and information sharing.

Performance Management for Procurement within the current structure is centrally co-ordinated by the Exchequer and Business Support Director of the Chamberlain’s department supported by and through a combination of the following measures.

- corporate governance by the Procurement Board
monitoring progress on the implementation of the procurement strategy via a linked annual procurement action plan with milestones and regular updates on progress to the Procurement Board

- annual performance reviews for procurement staff
- efficiency targets for corporate procurement initiatives
- review of procurement operations and procedures by the Procurement Practitioners Forum
- collating procurement efficiency gains for the Procurement Board and NI 179 for the Comprehensive Area Assessment
- building procurement capacity by facilitating a learning and development programme for City of London staff
- making the fullest use of the City’s information systems to provide procurement intelligence and expenditure analysis
- liaising with other public sector procurement organisations to share intelligence for market research, benchmarking and collaborative procurement opportunities
- ensuring that all major contracts have appropriate, project, contract and performance management arrangements
- monitoring and auditing compliance with external regulations and the City’s standing orders, policies and guidance for procurement
- ensuring that appropriate procedures are in place to proactively manage budgetary, financial, supplier performance, legal, and health and safety risks

Local performance indicators in order to further underpin our performance management arrangements the City of London has selected the following local performance indicators for scrutiny and action by our Procurement Board. They will be amended or supplemented with new indicators as the City’s procurement structure develops.

<table>
<thead>
<tr>
<th>Local Performance Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Performance Indicator 1</td>
<td>% of corporate expenditure aggregated through corporate agreements and corporate contracts</td>
</tr>
<tr>
<td>Local Performance Indicator 2</td>
<td>% of corporate expenditure aggregated through collaboration with other public sector organisations.</td>
</tr>
<tr>
<td>Local Performance Indicator 3</td>
<td>Average invoice value, corporate spend aggregated by total of invoices</td>
</tr>
<tr>
<td>Local Performance Indicator 4</td>
<td>Value of cashable efficiencies achieved in a financial year for corporate procurement initiatives</td>
</tr>
<tr>
<td>Local Performance Indicator 5</td>
<td>Local Supplier spend in Local Procurement Project Target areas</td>
</tr>
<tr>
<td>Local Performance Indicator 6</td>
<td>Community Benefit Clause expenditure in all City of London contracts</td>
</tr>
<tr>
<td>Local Performance Indicator 7</td>
<td>Percentage of invoices paid within 30 days and 10 days</td>
</tr>
</tbody>
</table>
Looking Forward

As part of its ongoing procurement development programme the City of London is committed to reviewing its current devolved procurement structure during 2009 and moving to a more integrated structure during 2010/2011.

The following diagram sets out the type of organizational structure that the City will strive to move towards. This model recognizes that the various procurement processes would benefit from being viewed and managed as a whole rather than separately.

Summary and actions

- The City is committed to a comprehensive review of its procurement structure and processes
- Embedding category management is fundamental to any restructure of the procurement function
- The City will draw upon external exemplars of best practice in determining its future structure
- The City will seek to leverage external partnerships to facilitate change
E-PROCUREMENT STRATEGY

Definitions

Electronic procurement (E-Procurement) is the use of information and communications technology (ICT) to facilitate procurement processes.

For the City of London, e-procurement embraces the automation of a wide range of procure to pay (P2P) applications, including requisitioning, ordering, bill payment, competitive tendering, inventory management, contract management, on-line auctioning, tender analysis and approved list systems.

Responsibility for E-Procurement

Overall responsibility for the e-procurement strategy shall rest with the Procurement Board. Responsibility for the development and implementation of the corporate e-procurement strategy will reside with the Chamberlain’s department Strategic Procurement Unit in consultation with departments via the Procurement Practitioners Forum.

Action plan

The following action plan highlights the main tasks which are required to implement the elements of e-procurement in the various stages of the procurement cycle which the City of London has deemed will provide the greatest benefits and are appropriate to its needs.

Advertising of opportunities

The City of London advertises all supplies and services contracts above £50,000 on our internet site to the business community, publishes information on how to do business with the City and provide access to pre-tender questionnaires. Contracts for Works, Services and Goods above the current EU thresholds are advertised in the Official Journal of the European Union.

Sourcing and tendering

The benefits of electronic sourcing (e-tendering) have been recognised by the City and following a selection process we will be implementing a corporate system supplied by a company called Due North in 2009. This will automate the whole tendering and quotation system in the City of London. It will create a live corporate contracts register and provide links to the City’s internet site and the Official Journal of the European Union for higher value contracts. This system will also place the City in a better position to monitor supplier performance and co-ordinate and measure procurement efficiencies.

E-marketplaces

We are currently hosting 2 electronic catalogues on our financial (CBIS) system and believe it is appropriate to continue to do so pending any future integration with an e-Marketplace. Our strategy thus far has been to work with key corporate suppliers on developing electronic catalogue uploads or ‘punch-out’ to their own internet catalogues.

We are currently evaluating some of the major public sector marketplace providers and the associated costs. It is not clear at this stage whether the City of London would derive major commercial benefits at the prices and functionality being quoted. However we will review this decision in the medium to longer term as the market develops.

Ordering

The majority of the City’s electronic orders are raised via the City of London’s Oracle system (CBIS), though a large proportion of property related orders are raised via the City Surveyor’s Manhattan system. Purchase orders are sent to suppliers by auto fax, electronically (XML format) or on paper.
Goods receipting and delivery notes
All CBIS purchase orders require electronic goods receipting and this process is a pre-requisite for enabling more automated invoice processing and facilitates the preparation of the City of London’s year end accounts.

Invoice processing
There are a number of different approaches which could be adopted for invoice processing. These are:

- Consolidated invoicing (where one invoices covers more than one purchase order)
- Electronic processing of invoices against individual purchase orders
- Self-billing (known as 'evaluated goods receipt' in), where invoices are not submitted, but payment is made by processing the goods receipt transaction.

The electronic receipt of invoices against individual purchase orders will reduce the volume of manual keying locally and will facilitate automatic payment where the invoice matches the purchase order and goods receipt.

Payment
For many years, and in line with BVPI 8, it has been City of London policy to pay all invoices within 30 days. For the 2007/2008 financial year we paid 96.84% of undisputed invoices within 30 days, and in 2008/09 year to date (April - Dec) we have so far achieved 97.82%.

During the current economic crisis, the City of London has acted to support the Government initiative to pay Small and Medium Enterprises (SMEs) within 10 days, and have amended the payment terms on CBIS system for any suppliers that we understand to be SMEs to 10 days. It is too early to measure the impact this has had on our average timescale for payment.

Purchasing cards
The use of purchasing cards reduces transaction costs particularly for low value or ad-hoc purchases. In the past year we have expanded the use of the Government Procurement Card (GPC) and will continue to do so.

E-auctions
The City of London has participated in the use of auctions, for computer hardware where significant cashable efficiencies were made. We will continue to utilise e-auctions when suitable commercial opportunities are identified.

Disposals
The City of London uses an online disposal system to advertise and allow departments and external organisations to transfer or bid for redundant assets.

Summary and actions
- The City has made steady progress with e-enabling much of our procure to pay processes
- The introduction of new e-procurement applications has brought operational and in some cases cashable efficiencies.
- The implementation of the Due North e-sourcing system in 2009 will bring significant operational benefits to the tendering and contract management processes of the City London. It will also replace several pre-existing stand alone systems such as BIP Tender Notices, Local Supplier Database and Alito.
- Further substantial savings will be realised when development of e-procurement is aligned to a review of the City’s procurement structure.
- The impact of the reduced 10 day payment terms for SME’s will be reviewed in 2009
SUSTAINABLE PROCUREMENT

Sustainable procurement embraces environmental and social objectives and can deliver long term economic benefits. It will help the City achieve the vision outlined in our Sustainable Community Strategy.

Through sustainable procurement, the City of London Corporation will not only meet relevant statutory requirements but will also adopt whole life costing principles into its procurement activities particularly in relation to major projects and corporate contracts. This means assessing and evaluating all costs and benefits over the entire physical life and disposal of goods and services.

The City of London has also developed a Sustainability Framework which is required to be used at the development and implementation stages of significant schemes and proposals many of which will include major procurement projects.

For ease of reference the City's Sustainable Procurement Strategy is divided into environmental and social sections.

Sustainable Procurement (Environment)

The Sustainable Community Strategy details the following sustainability-related matters, which should be considered in procurement decisions:

- Greenhouse Gas emissions / energy consumption
- Water consumption
- Waste and recycling
- Transport
- Biodiversity, nature conservation and greening
- Noise, land and water pollution
- Air quality
- Responsible consumption

The City of London Corporation recognises that it also has impacts on distant communities through its supply chains. It has therefore passed a Fairtrade resolution committing it to actively support and promote the concept of fair trade and to purchase Fairtrade and fairly traded products whenever possible.

The City of London Corporation therefore commits to taking the following actions:

- Where possible, reduce procurement of new products by ensuring the effective maintenance of goods and assets, repairing or reusing existing products and identifying and addressing wasteful procurement practices.
- Establish detailed policies and guidelines for products and services with a significant environmental impact such as timber, construction materials, energy, fuel, food, vehicles and equipment, stationery, clothing and cleaning products.
- Support staff in the delivery of this policy by raising awareness of the environmental issues affecting procurement through provision of appropriate training, information and guidance.
- Continually review its direct purchases and contract specifications with the intention of reducing the environmental impact of its goods, works and service purchases.
- Include environmental considerations on its assessment of suppliers and their products and engage with suppliers to improve their environmental performance and the environmental performance of the goods and services they provide.
- Ensure environmental considerations are included in all contract documentation.
- Specify environmentally and socially acceptable products, services and ways of working in contract conditions and specifications, where possible. In particular, specify products which are made from recycled materials; materials that can be...
recycled and re-used; can be operated in an energy efficient manner that cause minimal damage to the environment in their production, distribution, use and disposal, so long as the requirements of value for money and quality are met.

- Provide active support for the Mayor of London’s Green Procurement Code and communicate this to staff.
- Wherever possible ensure that the final disposal of redundant or obsolete assets is in accordance with the waste hierarchy and relevant legislation, and after all reasonable opportunities for re-use have been explored.
- Avoid the use by the City, or its appointed agents, of certain environmentally damaging products where the use of more suitable products, or production methods, is possible. These products include:
  - Ozone depleting chemicals
  - Tropical hardwood which is not independently certified as coming from sustainable forests
  - Peat for soil amelioration
- Adopt mechanisms and indicators for improving, monitoring and reviewing the environmental performance related to its procurement function.

Sustainable Procurement (Social Issues)

Equality and Procurement

Equality is one of the City of London’s core values and we recognise the important role that procurement can play in promoting equalities and fighting discrimination. We will do this in accordance with our existing Equalities in Service Delivery Policy and in ways that are consistent with value for money policy, the UK procurement regulations and EU Procurement Directives.

- Considering equality issues before major procurement projects starts by conducting equalities impact assessments and ensuring the requirements of diverse customers are addressed, as well as relevant opportunities pertaining to suppliers as below.
- In specifications, ensuring relevant equality requirements are addressed e.g. access to buildings for disabled people.
- At selection stage, asking suppliers for evidence of professional or technical ability e.g. for services to ethnic minority communities, cultural awareness and language skills.
- Contract conditions can be used to further equality outcomes where they relate to the performance of the contract and are indicated in the contract notice or specification e.g. the obligation to recruit a number of disabled people to be employed for the duration of the contract.
- Consider whether it is appropriate on the basis of their user requirement and specification to reserve a contract for organisations providing supported employment opportunities for disabled people.
• Reducing barriers to, and improving the opportunities for, diverse suppliers that wish to compete for Government contracts, particularly by reducing the bureaucracy involved in competing for a delivering such contracts.

• Where appropriate, working with suppliers on a voluntary basis to promote the importance of equality to their suppliers and supply chain, for example including suppliers’ workforce on internal equality and diversity training courses.

• Striving to ensure that procurement assists the City in attaining the Equalities and Human Rights Commission Level 4 standard on equalities.

Local Procurement

A key part of the City’s drive for sustainable procurement is to take positive steps to use procurement as a way of benefiting disadvantaged local communities. We have therefore developed a Local Procurement Strategy for businesses in the City and in postcodes adjacent to the City in the following boroughs; Tower Hamlets, Southwark, Hackney, Lambeth, Islington, Camden and Newham.

Small contracts are covered by the Local Procurement Directive: “It is required that when seeking quotations for all contracts of a value in excess of £500 and up to the EU threshold (currently £139,893) for supplies and services and to £400,000 for works, the officer seeking quotations must ensure that at least one firm located in the local procurement target boroughs is invited to quote, where possible.”

Larger contracts in the City are subject to Community Benefits Scheme where appropriate which identifies suitable contracts and encourages suppliers to enter into voluntary agreements to employ, subcontract and procure in the LPP target areas to the value of 10% to 20% of the contract value. This allows local SME’s to participate in larger projects and programmes they might not have been able to compete for and provides an incentive for suppliers to employ local residents and undertake their own local procurement programmes.

A permanent full time officer has been deployed in the SPU to promote the Local Procurement Policy internally. This project was initially time limited to 4 years but is now fully embedded in the City’s procurement strategy and procedures. At the same time, our Economic Development Office promotes the City’s good practice on local procurement to the commercial square mile commercial sector via the Partnerships Team.

Small and medium enterprises

The City of London recognises the importance of small and medium enterprises to its own supplier base and the wider British economy and the difficulties many face during the current economic downturn. Measures taken by the City to support the SME sector include signing an SME concordat to set out clear fair and consistent rules of engagement, reducing payment terms to 10 days together with the local procurement project mentioned above. In addition, the City is committed to implementing as many as possible of the recommendations of the recent Glover Report (Accelerating the SME economic engine November 2008) by 2010.

The third sector

A key part of the City’s approach to sustainable procurement is to engage and work in partnership with the third sector, made up of charities and voluntary and community organisations. The City’s Local Strategic Partnership has produced a Compact, a voluntary agreement between the public sector and the third sector, which sets out how they will work together in partnership for mutual benefit and for wider community gain. The Compact, which also includes a Commissioning Code of Practice, aims to “ensure a cohesive and vibrant relationship between the public and third sectors in the City of London – a relationship that will promote our role as a world class city and maximise high quality, accessible and responsive services for our workers, residential and business communities.”
Summary and actions

- The City has a good track record of incorporating environmental and social sustainability into our procurement procedures.
- We do need to further embed good practice by producing better practical sustainable procurement guidance for officers and systematically recording progress and we will take the following measures during 2009/2010:
  - Produce clear guidance on incorporating sustainable principles into procurement decision making such as the use of sustainability and equalities impact assessments.
  - Draw up an action plan for ensuring that our equalities procurement procedures meet the requirements of Equalities Level 4 standards and incorporate this plan into the strategic review of procurement.
  - Facilitate further courses on sustainable procurement to communicate the message.
  - Implementing as many as possible of the Glover Reports recommendations on supporting SME’s by 2010.