

Circular Procurement for Beginners

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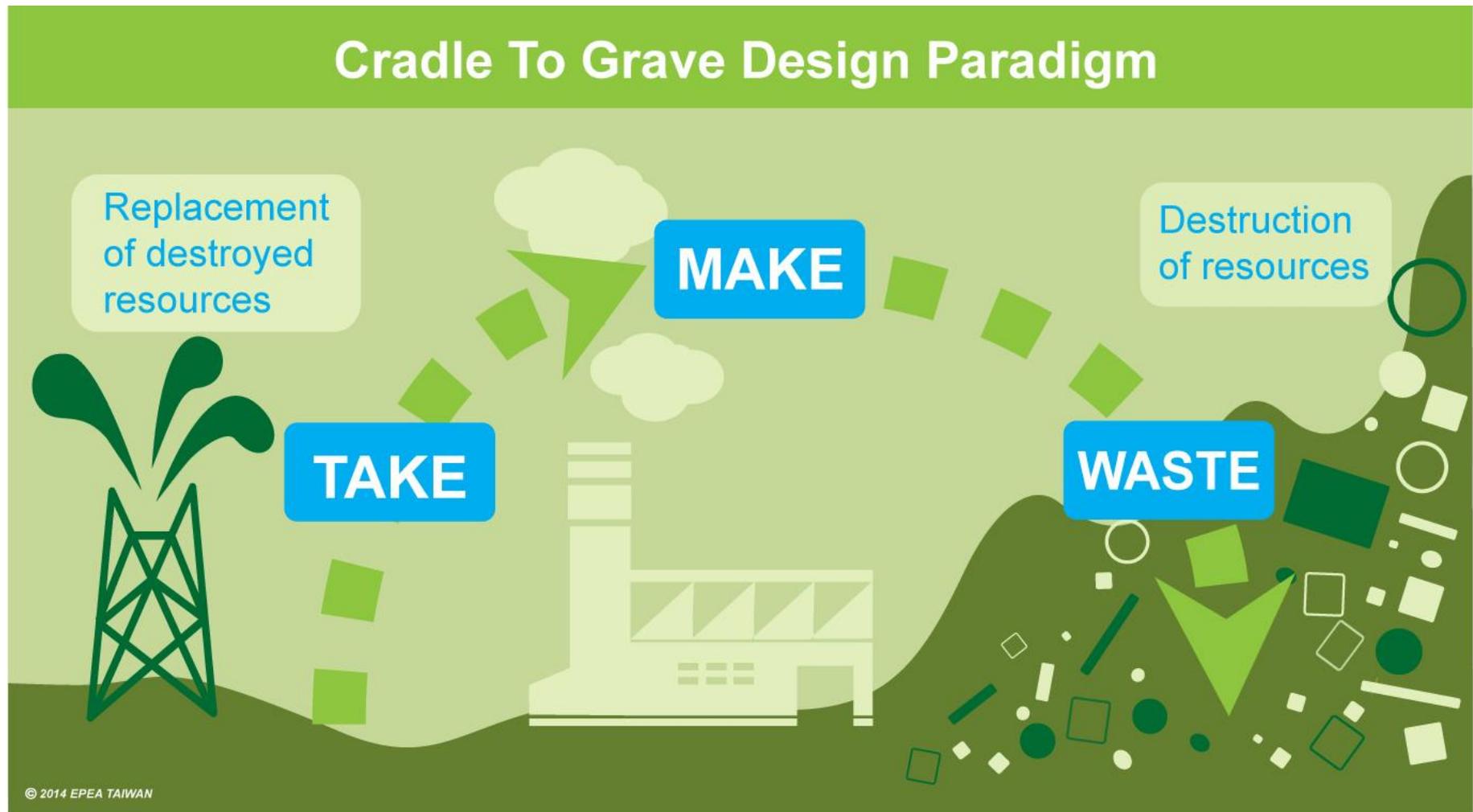
Overview

Today we will cover:

- What is circular procurement
- How to apply circular procurement principles
- Examples of circular procurement in practice

Why circular economy?

There is a design flaw in our current system...



Source: C2C Platform, <http://www.c2cplatform.tw/en/c2c.php?Key=1>.

Resource shortages...



Rising costs for material, energy, land, water

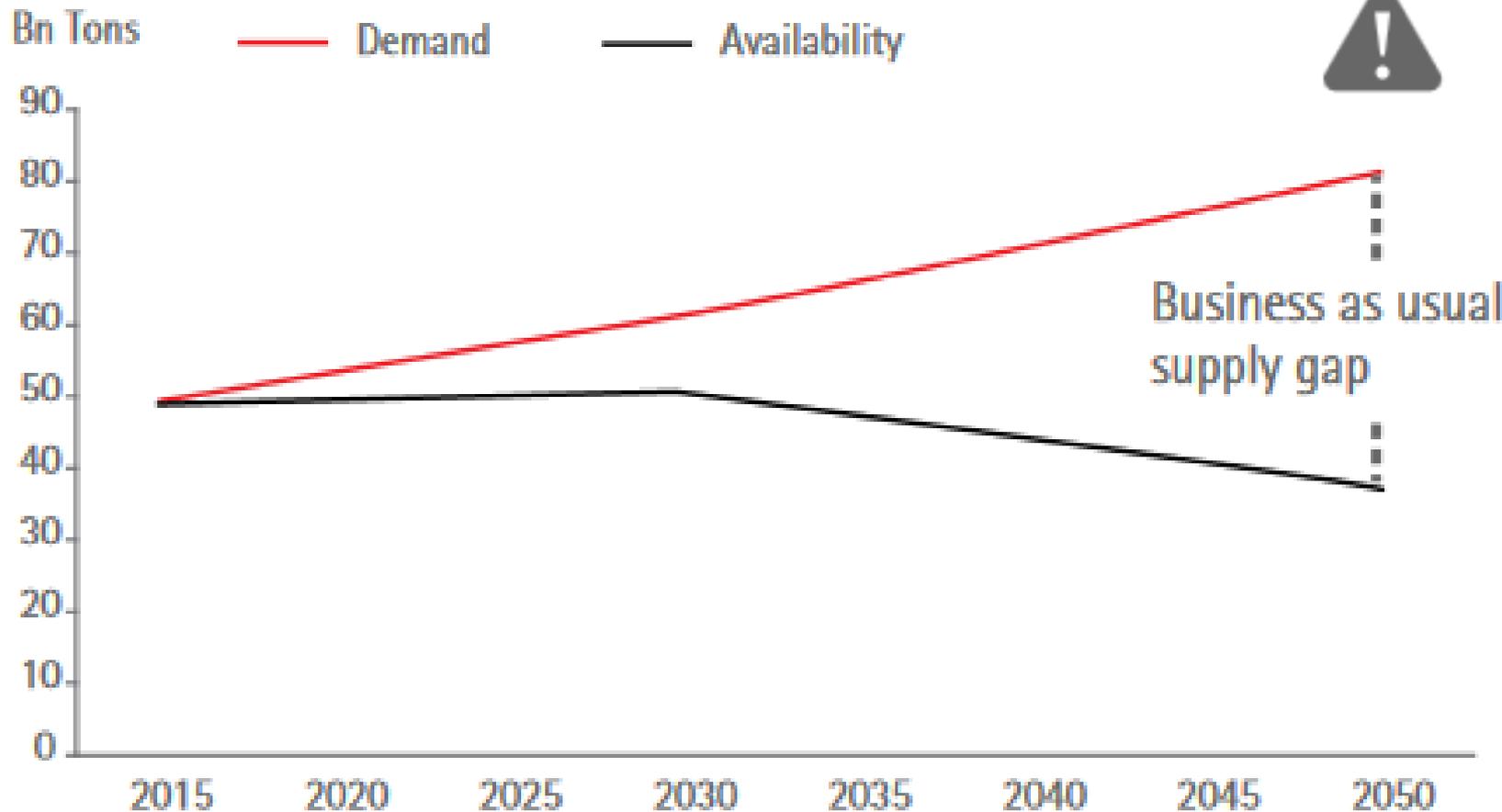


Extreme volatility in commodity markets



Economic and social risk of supply disruptions

Resource supply / demand imbalance 2015-2050



Source: Accenture (2015) Circular Advantage

Public Procurement

Public procurement is a powerful market force!

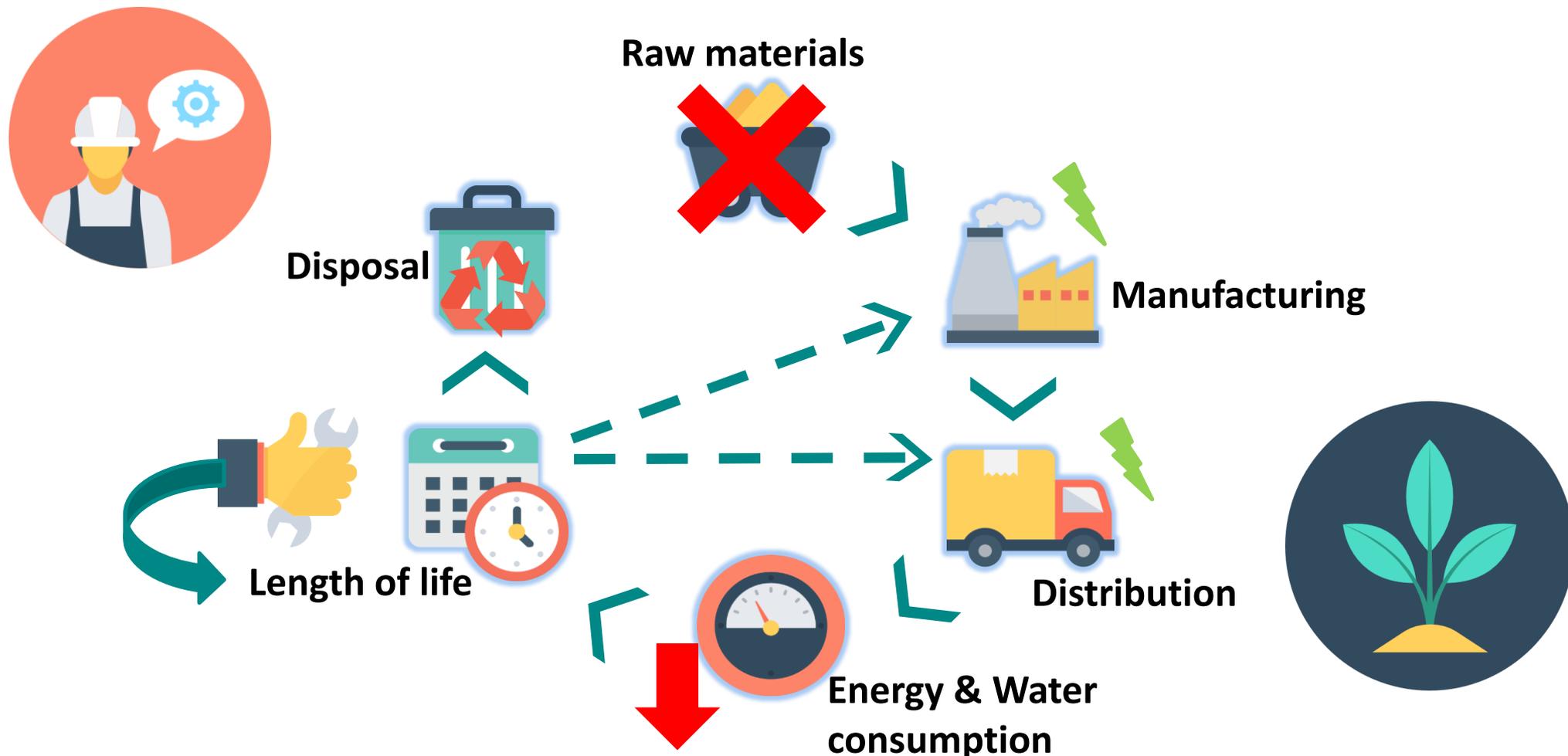
€1.8 trillion

is spent by EU public authorities each year
(14% of EU GDP)

Public authorities can use procurement to support economic, environmental and social outcomes

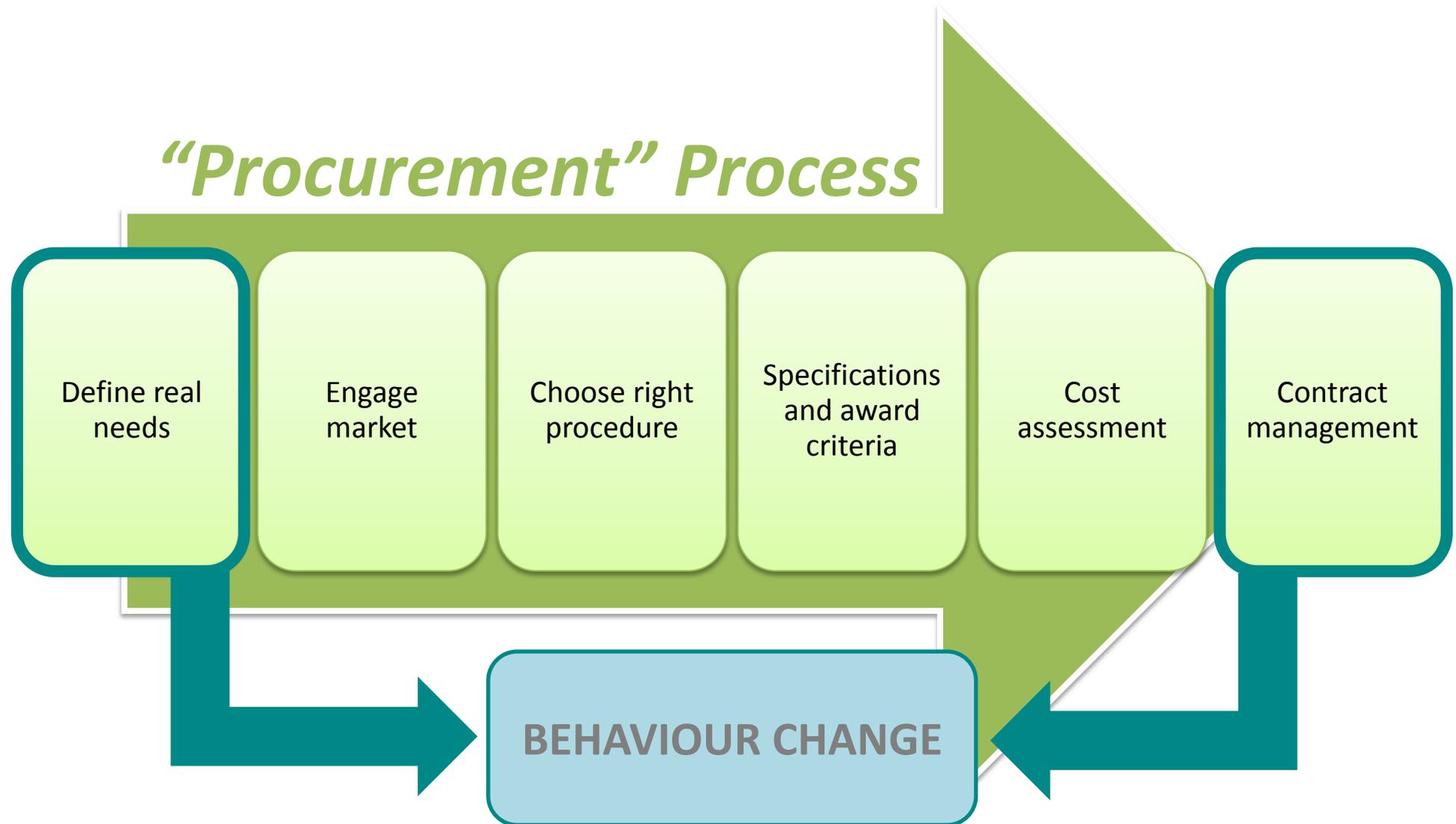
Circular Public Procurement

Holistic approach to sustainability which considers whole life cycle impacts of products and services



**It is not about doing “less bad”, but thinking how we
can do “more good”**

Is circular procurement new?

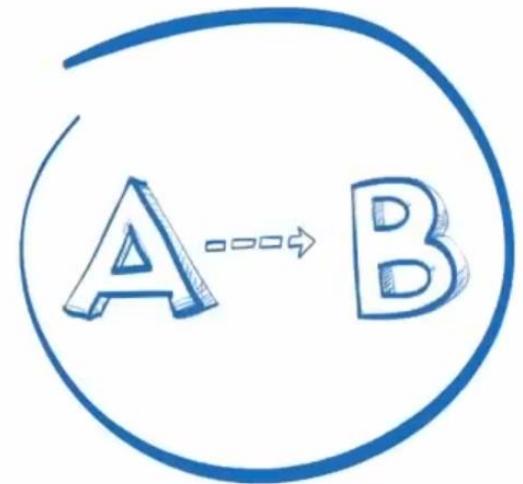


Define real needs

Example – do you need a vehicle? Or do you need mobility?

- Typical European car parked 92% of the time
- The utilisation rate of city owned cars is low (less than 3 hours a day).

Defining outcomes not products > innovation



Mobility

Case study: An electric vehicle car sharing service for city workers and citizens (City of Lappeenranta, Finland)

Four electric cars plus mobile app booking service. Two cars must be reserved 100% for City during weekday working hours, otherwise, all cars are available to book by any user.

Value: €27,000 per year

Results:

- 36 tonnes CO₂ directly saved
- Opportunity for citizens to use and test electric vehicles.
- Better utilisation of city-owned cars (and city space)



Indoor Lighting

Case study: Procuring energy-efficient indoor lighting-as-a-service (City of Mechelen, Belgium)

15 year lighting-as-a-service contract for four public buildings.

Value: €500,000

Results:

- 50,477kWh energy or 10 tonnes CO₂ saved per year
- Potential 15 year saving of 150 tonnes CO₂
- Switch to service was 'budget neutral'



Image: Unsplash / Franck V

Internal engagement

How do you define real needs?

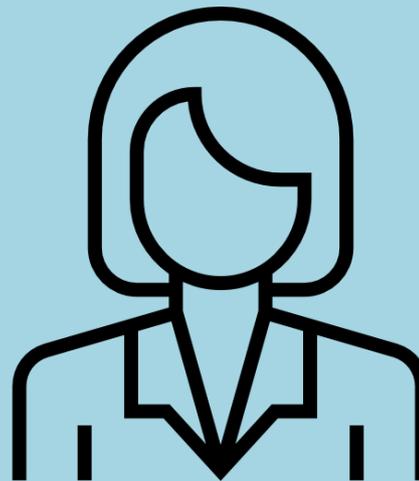
Collaboration!



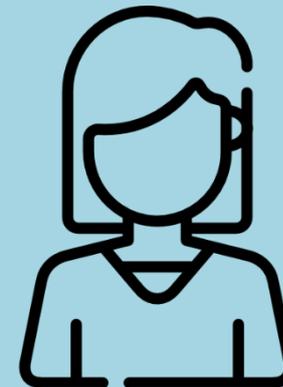
USER REP.



ENVIRON.
DEPT.



PROCURER



LABOUR
DEPT.



SERVICE
DEPT.

Engage Market

Effective market engagement > better procurement and a more circular economy!

- Identify potential bidders and / or potential solutions
- Increase suppliers' understanding of what you need, and how they can meet these needs
- Inform your choice of procurement procedure and contract type.



BEST PRACTICE REPORT



Market engagement

Download from: www.sppregions.eu

Choose the right procedure

Choice of procedure can influence the outcome of your procurement:

- Open procedure
- Restricted procedure
- Competitive procedure with negotiation
- Competitive dialogue
- Pre-commercial Procurement
- Innovation Partnership

Specifications & Award Criteria

Subject matter: defines product, service or work you want to procure.

- Refer to circular objectives in Subject Matter. Strong signal to market + specifications and award criteria MUST be “linked to subject matter”.

Selection criteria: used to evaluate previous experience and technical capacity of suppliers to carry out circular aspects of contract.

- For example: request method statement demonstrating how to meet stated goals of procurement

Technical specifications: compulsory minimum requirements. Best suited for specific, measurable needs (i.e. product warranty, spare parts, disassembly and repair, presence of chemicals etc).

Award criteria: can help assess which bids are more circular than others (i.e. guaranteed lifetime beyond min. warranty, use of recycled materials)

Office equipment

Case study: Framework contract for sustainable office materials based on “Cradle to Cradle” principles (City of Ludwigsburg, Germany)

Provision of C2C stationary across 38 product groups to 100 delivery points

Value: €165,000

Results:

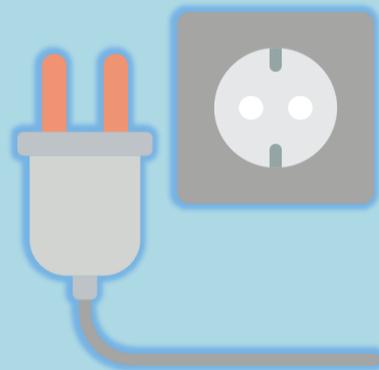
- New product commissioned by winning bidder to comply with ecolabel certifications



Cost assessment

Lowest cost ≠ best value!

Initial price + Running costs + Service costs + Disposal costs



ICT

Case study: Purchase of second-hand laptops for schools (city of Forssa, Finland)

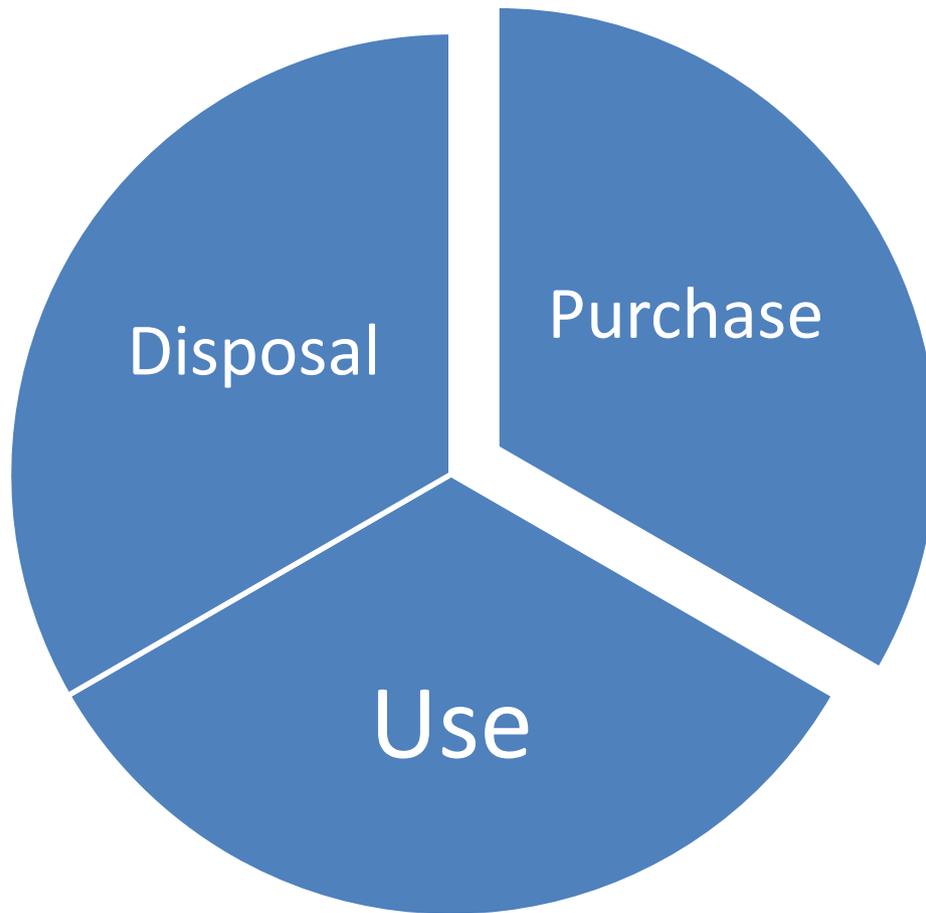
Value: €65,000

Results:

- Savings of €50,000 per year
- Lifecycle CO₂ reduced by over 21 tonnes per year over estimated 3 year lifetime. (equivalent to driving 114,000 kilometres by car).



Contract Management



- Contract Performance Clauses
- Remedies in case of non-performance
- Performance monitoring clause

Food and Catering

Case study: Healthy and sustainable school meals (Ottingnies-Louvain-la-Neuve, Belgium)

Catering services with focus on healthy food, training people far from employment, and requirement to monitor food waste

Value: €1.6 million

Results:

- Food waste must be weighed daily
- Data is reported and used to adjust orders
- Foodwaste reduced from 20% to 11%



Circular Procurement in Practice

Textiles

- Design for reusability (removable labels)
- Recycled fibres
- Textiles as service



Textiles

Case study: Purchasing textiles made from recycled fibres (Ministry of Defence, The Netherlands)

100,00 towels and 56,000 overalls with at least 10% recycled content

Value: €430,000 and €1.38 million (respectively)

Results:

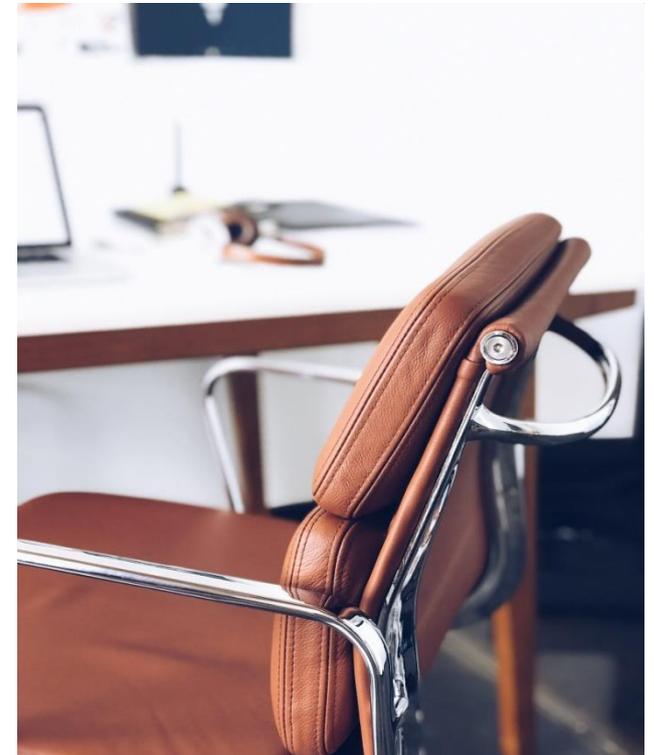
- 36% and 14% recycled content
- 233,478,000 litres of water saved
- 68,880 kg CO₂
- 23,520 MJ of energy consumption



Photo: Clarysse Bath & Kitchen

Furniture

- Reuse and remanufacture already owned furniture
- Design new furniture to be fully recyclable
- Specify recycled content in furniture



Furniture

Case study: Reuse and refurbishment of office furniture (Public Health Wales, UK)

Design office space and supply furniture (using as much existing furniture as possible)

Value: €460,000

Results:

- 94% of furniture reused or remanufactured
- 41 tonnes waste diverted from landfill
- 134 tonnes of CO2 avoided



Photo: Public Health Wales

Construction

- Design out waste (design for deconstruction)
- Extend lifetime (refurbishment over new build)
- Use recycled materials (including from demolition)



Image: Tom Chance, CCO

Construction

Case study: Using recycled concrete in the design of new buildings (State of Berlin, Germany)

Structural works for the Berlin Institute for Medical Systems Biology

Total building value: €33.5 million

Results:

- 880m² of virgin gravel avoided
- 66% of production energy saved
- 7% of associated CO² saved



Photo: Staab Architekten

Demolition

Case study: Increasing brick recovery for reuse when procuring demolition services (Hjørring Municipality, Denmark)

Demolition of two brick buildings

Value: c. €300,000

Results:

- 16,000 bricks salvaged
- 10,950kg CO₂
- Same price as traditional demolition



Additional Resources

- **Public Procurement for a Circular Economy Brochure**
http://ec.europa.eu/environment/gpp/pubs_en.htm
- **Circular Procurement in 8 Steps**
<https://www.copper8.com/wp-content/uploads/2018/10/Circular-Procurement-in-8-steps-Ebook.pdf>
- **Circular Procurement: Best Practice Report:**
[https://sppregions.eu/fileadmin/user_upload/Resources/Circular Procurement Best Practice Report.pdf](https://sppregions.eu/fileadmin/user_upload/Resources/Circular_Procurement_Best_Practice_Report.pdf)

