

Workshop 6: State of the art for CPP (day 2)

- 1) *State of the art of Circular Procurement policies*
- 2) *Analysis of Circular business models*
- 3) *Circular Procurement practices at municipalities*

Alberto Huerta Morales, PhD Fellow,
Aalborg University.

Objective of the workshop:

Introduce the state of the art research related to Circular Public Procurement and **engage in a discussion with the audience** based on the findings presented

Structure of the workshop:

Circular Procurement policies

- 7 minute presentation followed by 5 minutes of questions from audience (2 – 3 max)

Circular business models

- 7 minute presentation followed by 5 minutes of questions from audience (2 – 3 max)

Organizational barriers and opportunities in municipalities for Circular Procurement

- 7 minute presentation followed by 5 minutes of questions from audience (2 – 3 max)

Concluding remarks (or one last question)

- 5 minutes (2.5 per speaker)

What's next in the Congress?

- 2 minutes

Circular business models

- *7 minute presentation followed by 5 minutes of questions from audience (2 – 3 max)*

Circular Business Models: creating value through circularity

Sample

50 cases

7 countries

7 product groups:

food and catering, furniture, clothing and textiles, built environment, ICT.

Main business strategies

Promoting sufficiency
Waste as a resource
Product life extension
Performance model
Marketplace creation
Recovery

Advantages of CBM:

Lower cost for materials

Less materials used

Less waste generated

Help reduce consumption

Products used multiple times

Used products are appealing for certain customers

Waste-based products are unique

Challenges for CBM

Higher salary costs

Difficulties in standardization

Restrictive regulations

High transaction costs

Misconceptions from consumers (e.g. old or unsanitary, needs to be cheap, new designs),

Hibernation of products



What type of circular business models can be found in the different product groups?



Food and food-based products

- Facilitate sustainable consumer practices such as allowing consumers to buy in bulk, or minimize food waste at the household level.
- Capitalize on the residual value of secondary flows (e.g. by-products from production or “waste” generated across the supply chain)
- Create or enhance accessibility to secondary flows through digital or physical markets, particularly to the food service industry and consumers.



ICT equipment



- Capitalize on the residual value of used ICT equipment by acquiring it from organizations and private individuals; then refurbishing it (i.e. repair, upgrade and data wipe) in order to be sold to different users
- Collaborate between manufacturers and remanufacturers to include a buy-back guarantee into leasing programs
- Provide office ICT equipment management as an integrated service including purchasing, upgrade and take-back of used equipment that can be re-sold.

Built Environment

- Design constructions that incorporate available material flows in the region. Improve the coordination between (selective) demolition sites and new constructions through digital flow mapping
- Design components (e.g. carpeting, luminaries and insulation panels) based on circularity principles. When possible, offer these components as a service (e.g. luminaries or signs as a service)
- Renovate construction components such as lighting fixtures and conduct selective demolition in order to recover valuable components.



Furniture

- Provide office furniture management as an integrated service including design, manufacturing, maintenance and buy-back or collection.
- Collect used furniture that can be refurbished and re-sold. Offer training courses for consumers and organizations to refurbish their own furniture.
- Facilitate the connection between supply and demand for used and refurbished furniture through digital markets.



Clothing and textiles

- Purchase recycled material, by-products from other industries (e.g. leather from furniture sector) or consumer garments (e.g. old jeans) in order to use them as the main raw material for manufacturing of new garments. Offer a buy-back guarantee of own garments
- Provide washing, drying and maintenance as a service for corporate clothing
- Collect un-wanted clothes that can be repaired and resold, reworked into new garments or down-cycled as non-clothing textiles



Organizational barriers and opportunities in municipalities for Circular Procurement

- 7 minute presentation followed by 5 minutes of questions from audience (2 – 3 max)



Circular Procurement Practices: Organizational barriers and opportunities

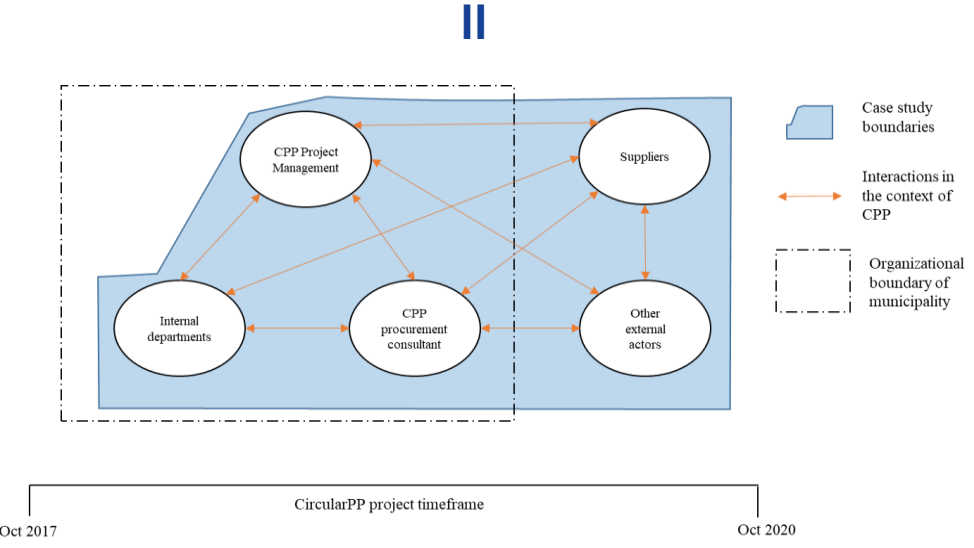
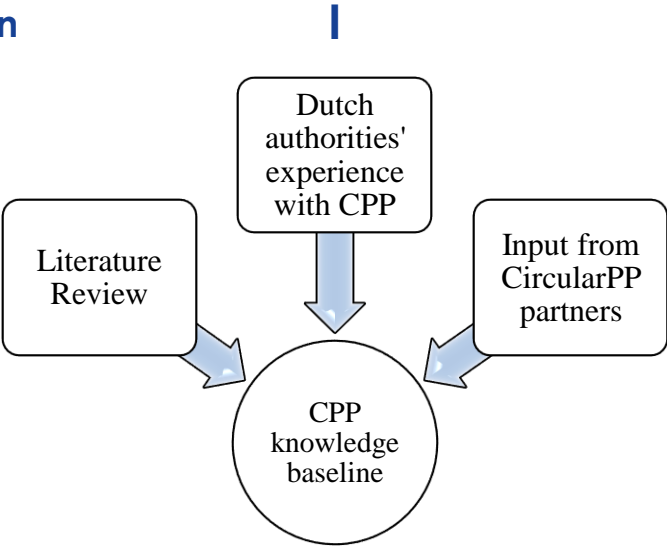
Cases Analyzed

Aalborg: procurement of **ICT collection service**

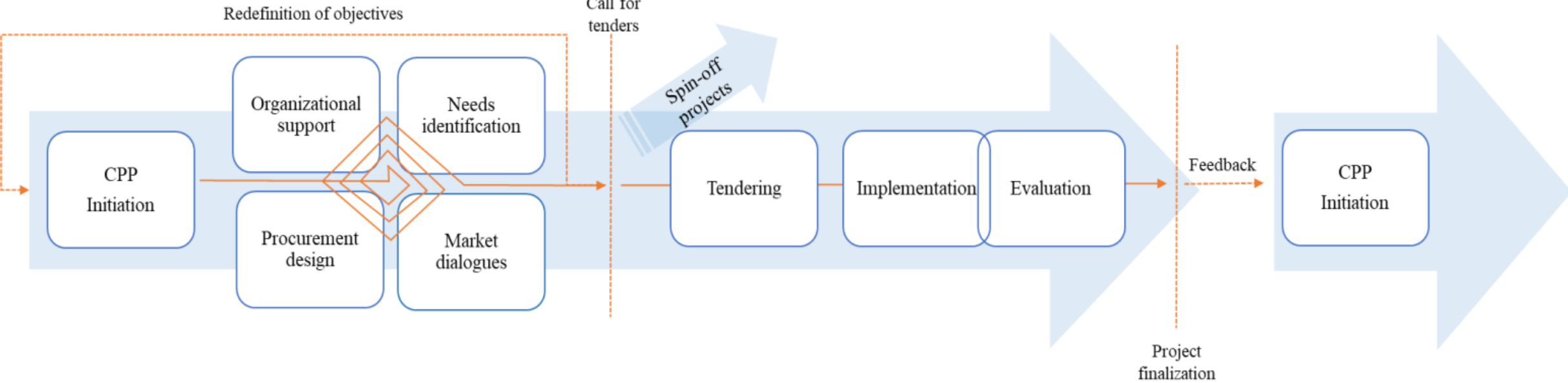
Malmö: procurement of **re-used furniture and related services**

Latvia: procurement of **gymnasium furniture and school catering services**

Research Design



CPP Process diagram



Malmö case: refurbished furniture and related services



Picture of one of the events part of the promotion campaign for using the new framework

- Key drivers: **Procurer experience** with product group and knowledge of the municipality. **CPP project members personal drive** - not a political mandate- for obtaining organizational support.
- **Not a new service** in the municipality but rather an external provision of an existing service. Framed as **complementary capacity**.
- Market dialogues allowed **suppliers to influence the tender design**, (e.g. delivery conditions)
- **Internal services were included** into the process early, however, (users: **buyers/sellers**) **were not consulted only after the agreement was signed**
- The choice of **PP procedure** (e.g. framework agreement) helps **promoting market competition and inclusion** of small and medium enterprises into the framework.
- The use of **action plans** as award criteria **facilitated the tendering** processes (i.e. qualitative assessment), however it also created **additional follow-up tasks and uncertainties** in the implementation and evaluation
- The priority list developed as part of this case has already been implemented in additional procurements = **spill over effects**.
- **Multi-event campaign** appeared successful as sales volume from the first year approached the expected number.

How to improve Circular Procurement practices at municipalities

- **Widespread training** to all relevant personnel
- Establish **flexible methodologies** for stakeholder engagement, including market dialogues and end-user engagement in pre-procurement process
- Develop **synergies** between **internal and external service provision**.
- **Include Socio-economic and small enterprises** in market dialogues
- **Campaigns** for **behavioural change** (framework agreements)
- **Verification mechanisms** for long-term and ongoing circularity
- Use existing green criteria AND **develop ad-hoc circular criteria**
- **Avoid** lowest price, **promote** life-cycle costing
- Balance cost with **quality, environmental and social** criteria



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Thank you for your attention!

For **more information**, go to
CircularPP website > Activities
> State of the Art research.

Full reports are made
available for download as
soon as they are concluded

Alberto Huerta Morales
PhD Fellow Aalborg University
ahm@plan.aau.dk

