Pathways to circular procurement

Share & Learn
RWS SPP TEAM
Vision & Mission

- Our aim is a 100% sustainable, fair and circular world.
- A strong international circular economy is beneficial for all, including our Dutch goals.
- We share our experience in international networks and partnerships.
Agenda

- 8 steps towards CP
- Lessons learned
- Examples
- Q&A
8 steps towards circular procurement
Circular Procurement in 8 steps

1. From definition to ambition
2. Internal organisation
3. Defining your need
4. Business models
5. Market collaboration
6. Tender procedure
7. Measuring and awarding
8. Contract management

https://www.pianoo.nl/nl/sustainable-public-procurement/spp-themes/circular-procurement/circular-procurement-8-steps
From definition to ambition

STEP 1
First comprehensive and systematic analysis of circular economy (CE) definitions in the current scholarly and practitioner discourse.

114 definitions examined; some definitions mistake CE as recycling, link to sustainable development (particularly social equity) weak.

Variety of understandings can result in CE concept eventually collapsing or ending up in conceptual deadlock.


114 options...
Internal organisation
Where is the biggest impact?

Clients
Budget holders
Managers
Decision makers

Degree to which specifications are fixed
Sustainability gains

Preparatory stage
Stage 1: Specification
Stage 2: Selection
Stage 3: Contract
Stage 4: Order
Stage 5: Monitor
Stage 6: Servicing
Utilisation Stage
Defining your need
A connection between A en B

A nice working environment for 1500 employees
Business models
Business models

1. Product Service Systems
2. Product life extension
3. Resource recovery
4. Sharing platforms
5. Circular supply chain

Procurement concepts

3 main contract types:
- buy - sell back
- buy - resell
- product service systems
Market Collaboration
Supply chain network

- raw materials supplier
- yarn supplier
- producer
- supplier
- designer
- repair shop
- laundry
- user
- company
Share ambitions and opportunities
Tender procedure
Tender procedure

• Establish a clear picture of what you wish to achieve via this tendering procedure and select the procedure most suited to this ambition.

• Enable engagement with the market

• Is a call for tenders mandatory or not?

*If you are conducting a pilot most of the time you don't need to tender*
Measuring and awarding
Measuring & awarding

• Award criteria need to relate to your ambition and your requirements
• Determine how you will measure and assess the circularity of the tender.
  • measure technical specifications
  • assess qualitative specifications
• Determine how you will incorporate the price aspect into the assessment and what weighting will be assigned to it
  • Price:Quality -> 80:20 or 30:70
Contract management
Circular procurement is NOT just about purchasing...

- A huge part of the expected impact is delivered during the contract phase
- The procurement officer and the contract manager are rarely the same people
- Contract managers are responsible for delivering, involve them!
Lessons Learned
Benefits of circular procurement

There’s something in it for everybody

- Reducing your carbon footprint
- Reducing your materials footprint
- Reducing waste, landuse, wateruse
- Substantial cost savings
- Job creations
- Stimulate innovation
- Become less dependant on foreign imports of ‘critical’ raw materials
- Practice what you preach
- ...
• Benefits of circular procurement

• There’s something in it for everybody

Circular Procurement

= Circular Economy

- Savings on raw materials: +7.3 billion euro/yr
- More work: +54,000 jobs
- Less emissions of carbon dioxide: -17,000 kiloton/yr
- Less usage of raw materials: -100,000 kiloton/yr
- Less land and water use: -2,180 km² en -0.7 billion m³
Appreciate the chain
Change it one step at the time
....but where to start?

100%
Potential vs reality

- Internal co-operation
- External co-operation
- Long-term partnerships
- ...

Circular potential

- Reducing required material amount
- Design for disassembly
- Extending product lifespan
- ...

Technical

Financial (revenue model)

Process (collaboration)

Source: Copper8 (2011)
Circular procurement is NOT about purchasing alone...
The biggest impact is before procurement

Clients, Budget holders, Managers, Decision makers

Degree to which specifications are fixed

Sustainability gains

Preparatory stage
Stage 1: Specification
Stage 2: Selection
Stage 3: Contract
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Stage 6: Servicing
Utilisation Stage
Circular procurement is more than just a set of criteria...
1876 invention of the telephone products to last a lifetime

2007 first iPhone
2017 iPhone 8 -> 'X'

A product is not circular until YOU arrange it to be circular!

Which one is the most circular?
Just start