

ProCirc Minimum Circular Requirements

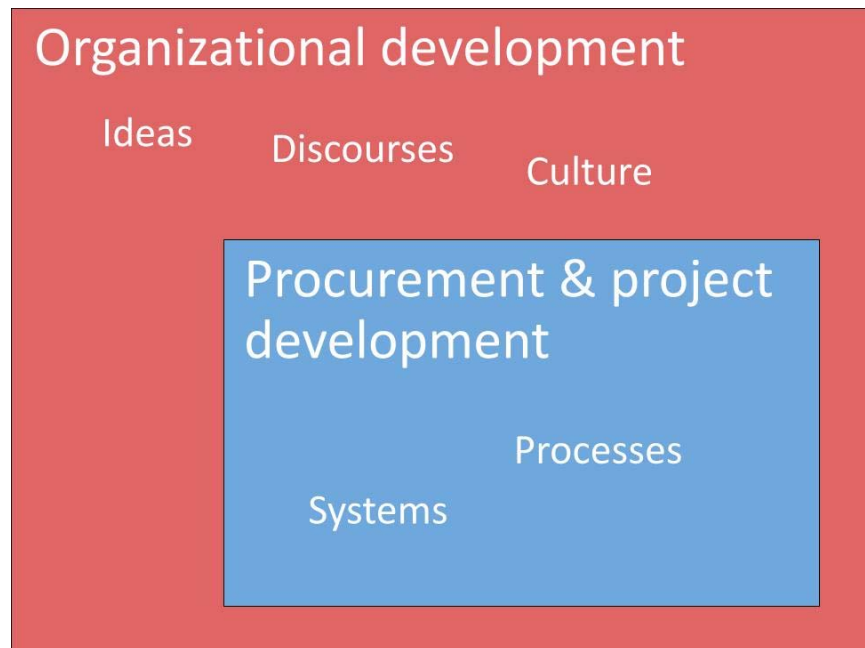
Seven steps to circular procurement

The buyers journey

- 1. Creating a support base in your organization
- 2. Setting requirements
- 3. Market engagement
- 4. Specification & engagement
- 5. Evaluation of the offers
- 6. Contract management
- 7. Evaluation

The buyers journey

Two main phases



*If we're not moving forward,
we are falling behind*

The buyers journey

Organizational development

- 1. Creating a support base in your organization
- 2. Setting requirements
- 3. Market engagement

Procurement and project development

- 4. Specification & engagement
- 5. Evaluation of the offers
- 6. Contract management
- 7. Evaluation

Organizational development



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Four opportunities for developing ideas, discourses & culture

- Pre project
- Design process
- Execution
- Implementation



Creating a support

- Political level / Upper management level
 - Pre project, Design process, Execution, Implementation
- Strategic level
 - Pre project
- Management level
 - Pre project, Design process, Execution, Implementation
- Organizational level
 - Design process and implementation

Case: Rethinking the Waste Station & New office building

Setting requirements



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Two very different standards

- We want more sustainability in our construction project
 - Rethinking the Waste Station
- 100% of the building materials must be recycled
 - New office building

These requirements affect every future aspect of the project. Vague requirements can benefit flexibility and experimentation, put clear and ambitious criteria create out of box thinking, far better results and better contract management and evaluation.



Market engagement

- Focusing on price and good basis for collaboration with no clear criteria for sustainability at this point.
 - Rethinking the Waste Station
- Setting the conditions for the project before going into a market dialogue, to force ourselves and the suppliers to collaborate on how to solve the challenge.
 - New office building

The requirements guide the questions you ask your advisors and suppliers, and this in turn affect the project outcome.

Procurement and project development



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Three approaches to developing systems and processes in projects and circular procurement

- Incremental
- Radical
- Developmental

Specification & engagement

- Incremental: Using standard contracts with price as the defining factor. Focusing on sustainability in the process and not in the tender itself.
 - Rethinking the Waste Station
- Radical: Setting the conditions for the tender high to narrow the number bidders to the businesses with the most sustainable processes. Thus rewarding businesses that strive to achieve better results.
 - Insulation waste tender
- Developmental: Setting criteria in the contract that focus on development. This will bring every bidder to the desired level of sustainability by the end of the contract.
 - Still need testing in Redux

Evaluation of the offers

- Incremental: Looking at price as the sole determining factor.
 - Rethinking the Waste Station
- Radical: Using a standardized formula to evaluate the different criteria, using standardization to make both price and qualitative evaluations comparable. Good documentation is very important here if you are a public entity.
 - Purchasing a suction system for hazardous waste facility & New office building
- Developmental: Looking at price as the sole determining factor, but with funds set aside as a reward for satisfactory contract completion. It is also an option to include a penal structure for failure to complete certain deliverables on time.
 - Still need testing in Redux

Contract management

- Incremental: Focusing on budget management and looking for opportunities to include sustainability ad hoc. This makes it difficult to produce a high level of sustainability in the project, but affords a high level of flexibility for experimentation.
 - Rethinking the Waste Station
- Radical: Focusing on the criteria and deliverables already set in the contract. This creates a high level of sustainability, but with less project flexibility.
 - New office building
- Developmental: Using milestones or clear deliverables as determining factors for rewarding or penal action. There can be no doubt or loop holes on deliverability completion, as this incentivize continuous struggles and debates.
 - Still need testing in Redux

Evaluation – Developing the process

- Incremental: Successful project completion is the overall goal here. Staying inside the allotted parameters of budget, quality and time. Evaluation the project deliverables and criteria for success in the classic project fashion.
 - Rethinking the Waste Station
- Radical: Sustainability (or whatever key criteria was used) takes precedence over the classical project measurements. The key is to understand how this new approach affects the classical project measurements to create better predictability in the future.
 - New office building
- Developmental: Deliverables and milestones are surly important here, but focus will be on improving supplier development along with the process of contract management.
 - Still need testing in Redux

Evaluation – Developing the organization

- 1. How do you create a support base in your organization?
- 2. How do you set better requirements?
- 3. How can you improve market engagement?
- 4. How do we create better specification & engagement?
- 5. How can we evaluate the offers better?
- 6. How can we improve our contract management?
- 7. How do we improve evaluation?

Next steps

- ProCirc will continue to develop this model and the end result is a tool that can be used by procurers.
- By mapping needs, risks and solutions from real projects, the tool is firmly grounded in praxis.
- Current work focuses on making all of this information easy to comprehend and understand.
- The goal is to make it easy to become aware of the needs for each phase, be aware of likely risks and how to mitigate them, and find a tool that can help.

How to get started?

Evaluate your starting position and take the first/next step

- 1. How do you create a support base in your organization?
- 2. How do you set better requirements?
- 3. How can you improve market engagement?
- 4. How do we create better specification & engagement?
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Questions



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- When you look at this model – what is the next step you can take in your organization, to improve your procurement?
- Is this model useful to you/how could we improve the model?