

ESSENTIALS WORKSHOP

Advancing circular economy through the power of procurement

Image: sketch bubble

PUTTING CIRCULAR
ECONOMY CONCEPTS
INTO ACTION



AGENDA



A. Day 1 Recap



B. Setting ambition



C. Understanding buying power



D. Choose and Rank Projects



E. Engage with the market



F. Specifications and Evaluation

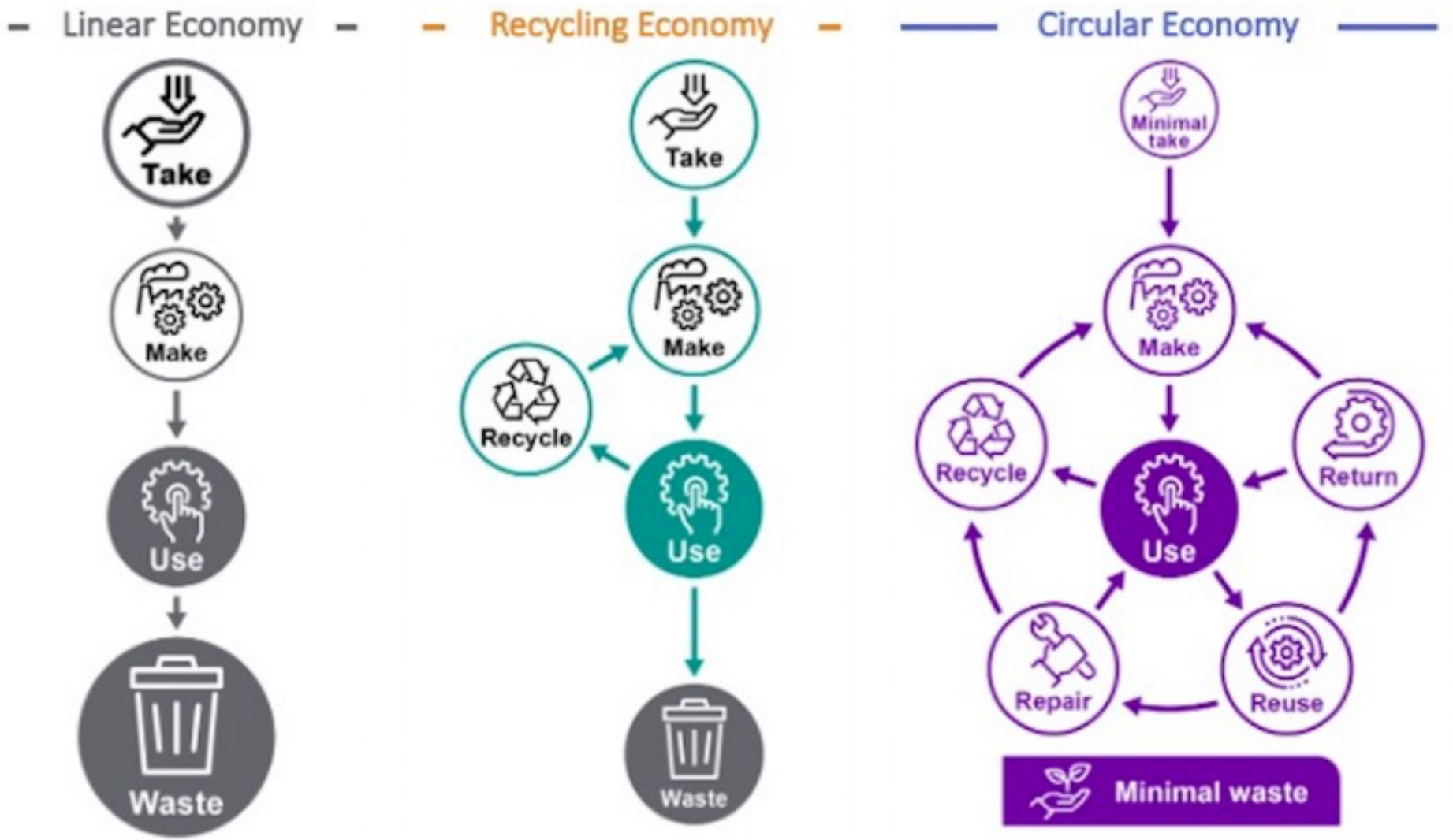


SHARE YOUR
THOUGHTS
ON DAY 1

QUESTIONS?

RECAP

SHIFTING THE ECONOMY



RECAP

FIVE BUSINESS MODELS OF CIRCULARITY



1. Sharing Platform



Fully utilize assets by maximizing usage and value amongst several users

2. Product As Service



Purchase service or result rather than product or asset

3. Product Life Extension



Prolong lifespan, utilization, and value through repair, remanufacture, resale

4. Circular Supplies



Renewable, recoverable, or biodegradable sources serve as inputs in design and production

5. Resource Recovery

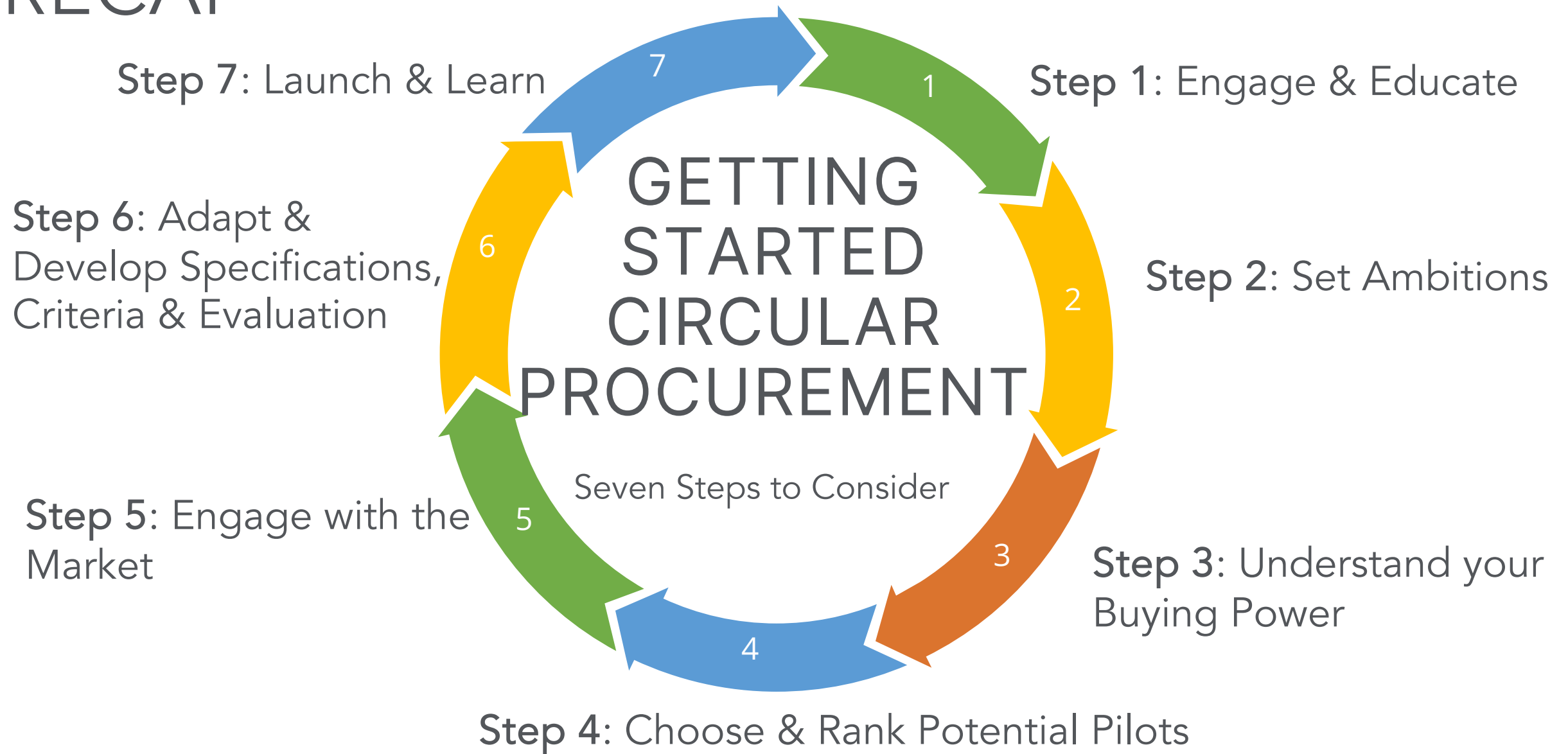


Acquire additional use and value from existing resources by avoiding disposal and impacts from new extraction

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RECAP



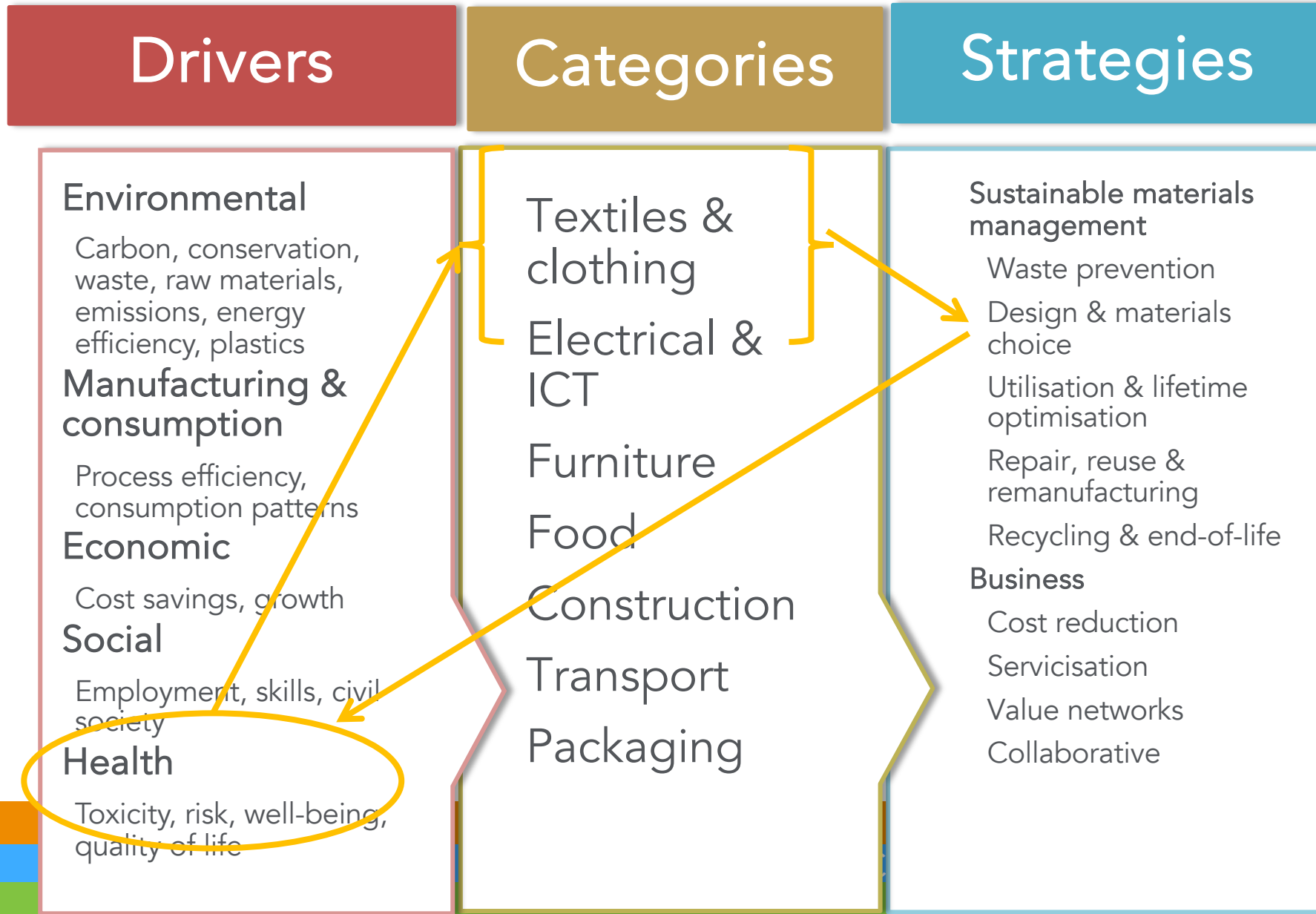
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STEP 2: SET AMBITIONS

The path forward is knowing where
you want to go.



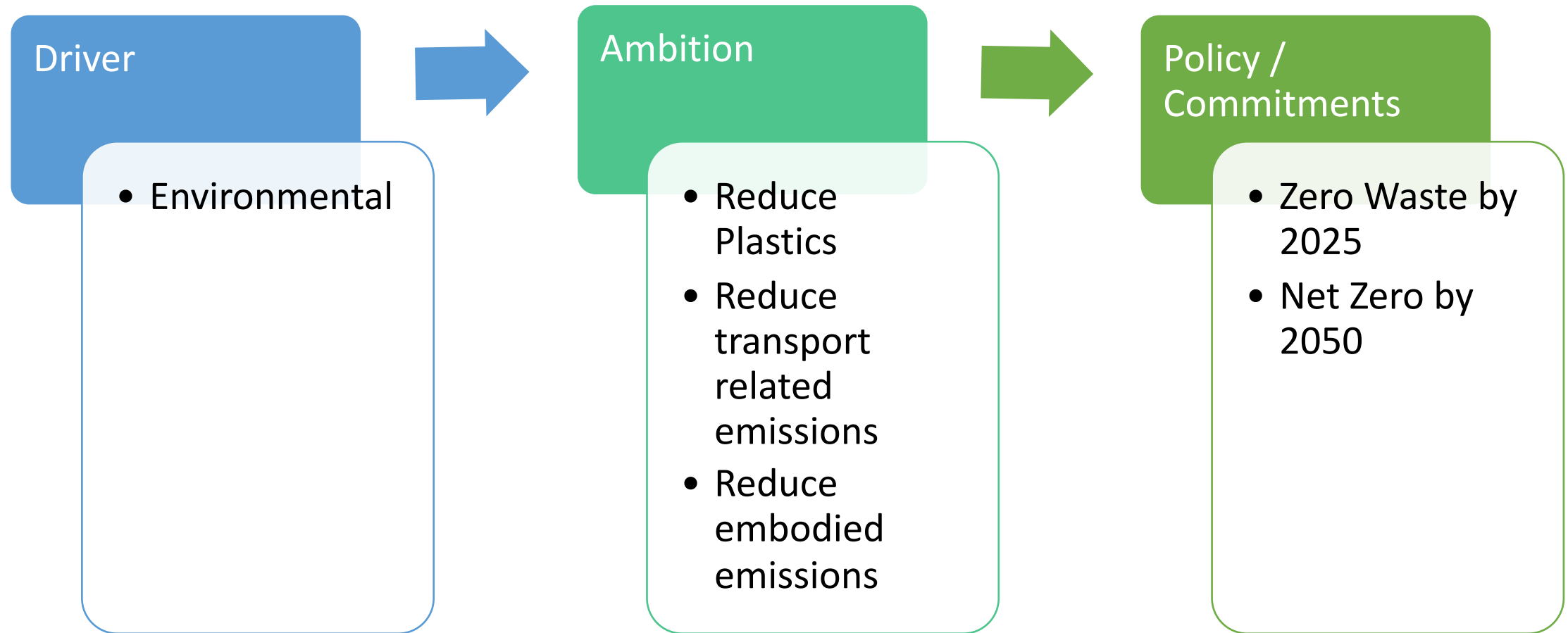
CHOOSING A STARTING POINT



Circular Business Models



EXAMPLE



STEP 3: UNDERSTANDING BUYING POWER

Identifying opportunities through category spends



INFORMATION TECHNOLOGY
(IT)



TRANSPORTATION & FLEET



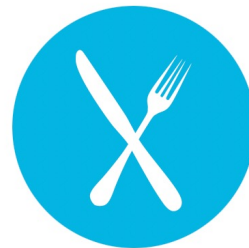
FURNITURE & OFFICE SUPPLIES



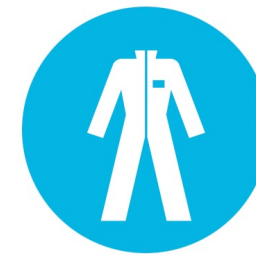
FACILITY & BUILDING
MANAGEMENT



CONSTRUCTION &
RENOVATION



CATERING & FOOD



TEXTILES

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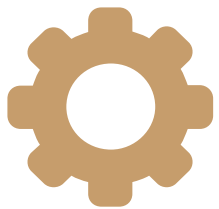
STEP 4: CHOOSE & RANK PROJECTS



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CHOOSING A CATEGORY TO APPLY AMBITION THROUGH PRIORITIZATION

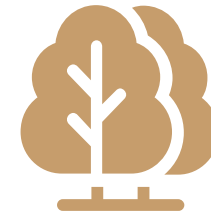
IDENTIFY AND
PRIORTIZE
PRODUCT AND
SERVICE
CATEGORIES



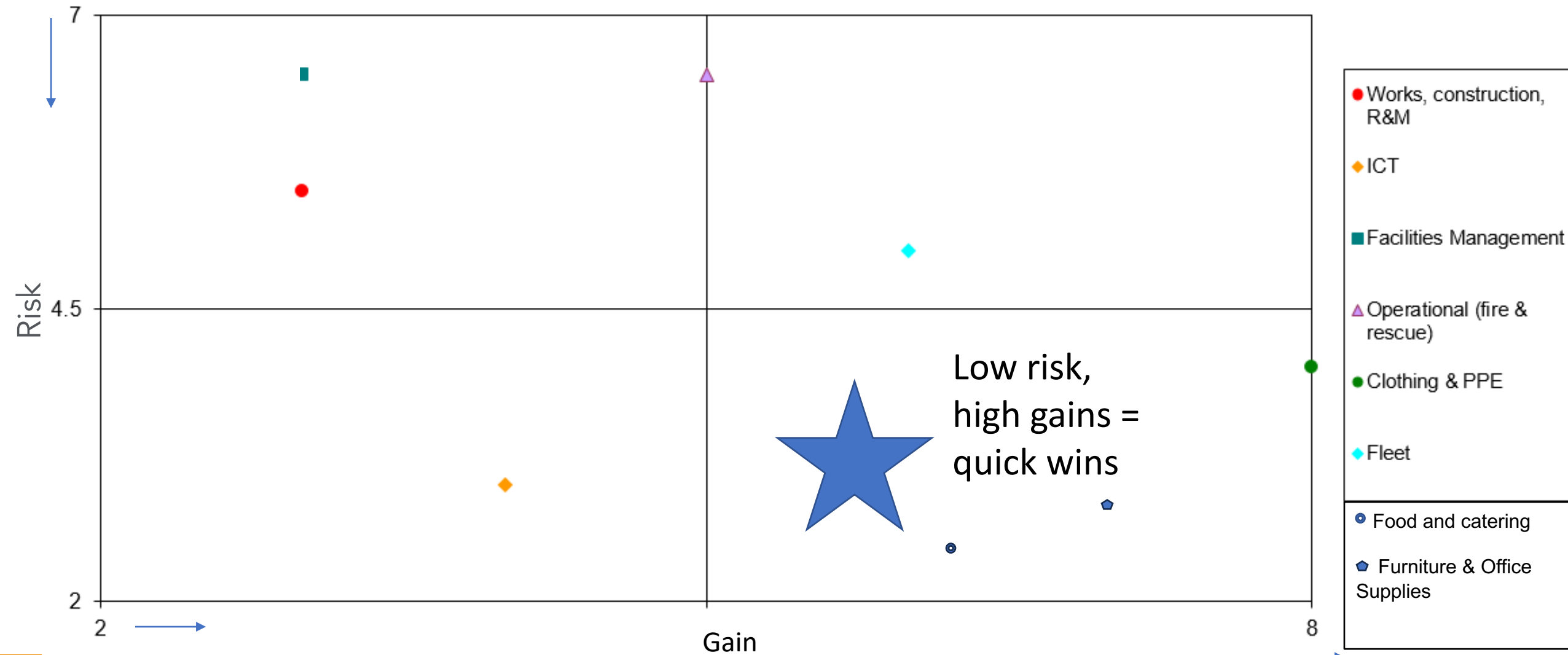
NARROW THE
FOCUS AND
IDENTIFIES AREAS
WHERE PROJECTS
CAN BE
IMPLEMENTED



PRIORTIZE
CATEGORIES
ACCORDING TO
LIMITED RISK BUT
HIGH IMPACT



CHOOSE & RANK PILOTS





QUESTIONS/ THOUGHTS

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STEP 5: ENGAGE WITH THE MARKET

WHY MARKET ENGAGEMENT

Benefits Of Market Engagement

- Increased opportunities for learning.
- More effective risk management.
- Investment in circular business models
- More informed decision making.
- Uncover barriers and opportunities through knowledge share
- Creates common ground / shared vision
- Indicates the direction the organization is headed

Communication

- What your policies are in relation to the good you are procuring
- Ambitions and targets, timeframe and trajectory
- Current and future needs likely to be
- Spending levels
- Support on offer

Information

- What market appetite for change is
- Current performance and capability (R&D)
- Solutions and challenges
- What support is needed

Join at [menti.com](https://www.menti.com) use code 7373 8341



What challenges do you foresee when engaging with market?

Waiting for responses ...



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EFFECTIVE PRE-COMPETITIVE SUPPLIER ENGAGEMENT

- Be fair, open and transparent
- Plan how and when you will engage with the market
- Make the process clear to all suppliers and manage expectations
- Treat all suppliers equally – do not discriminate
- Share the same information with all suppliers
- Keep records of your meetings
- Be clear with suppliers as to what will and will not be shared as part of the market engagement process

EFFECTIVE PRE-COMPETITIVE SUPPLIER ENGAGEMENT

- Open house townhall
- Virtual exchanges
- Innovative sessions not interviews
- Opportunity to educate
- Time to openly explain short and long-term goals



Image: freepik

STEP 6: DEVELOP CRITERIA & METRICS

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CONSIDERING THE FULL LIFE CYCLE

Circular procurement addresses all stages of product lifecycle:

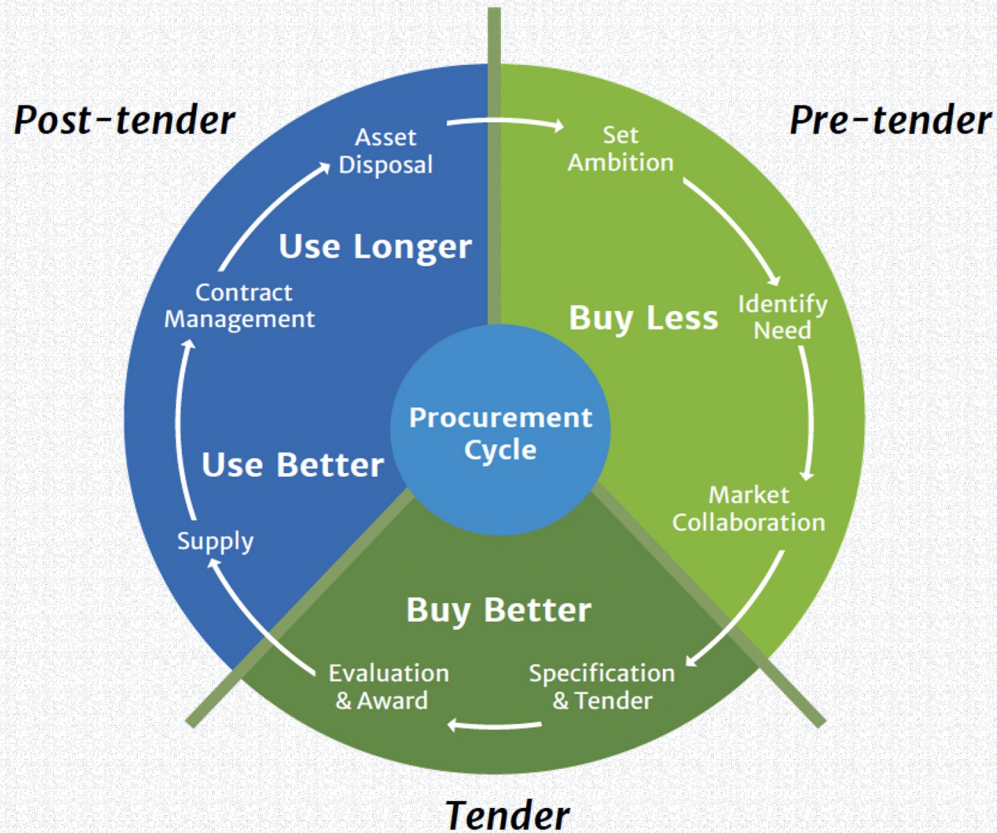






Figure 1 - The stages of circular and fair procurement

- | | |
|------------|-----------------------------|
| BUY LESS | Can we avoid new products |
| BUY LESS | Can we reconsider ownership |
| BUY BETTER | Where does it come from? |
| | Who made it? |
| | What is it made of? |
| | How will it be used? |
| USE BETTER | What will happen to it? |
| | Can it be repaired? |
| | Can it be up graded? |

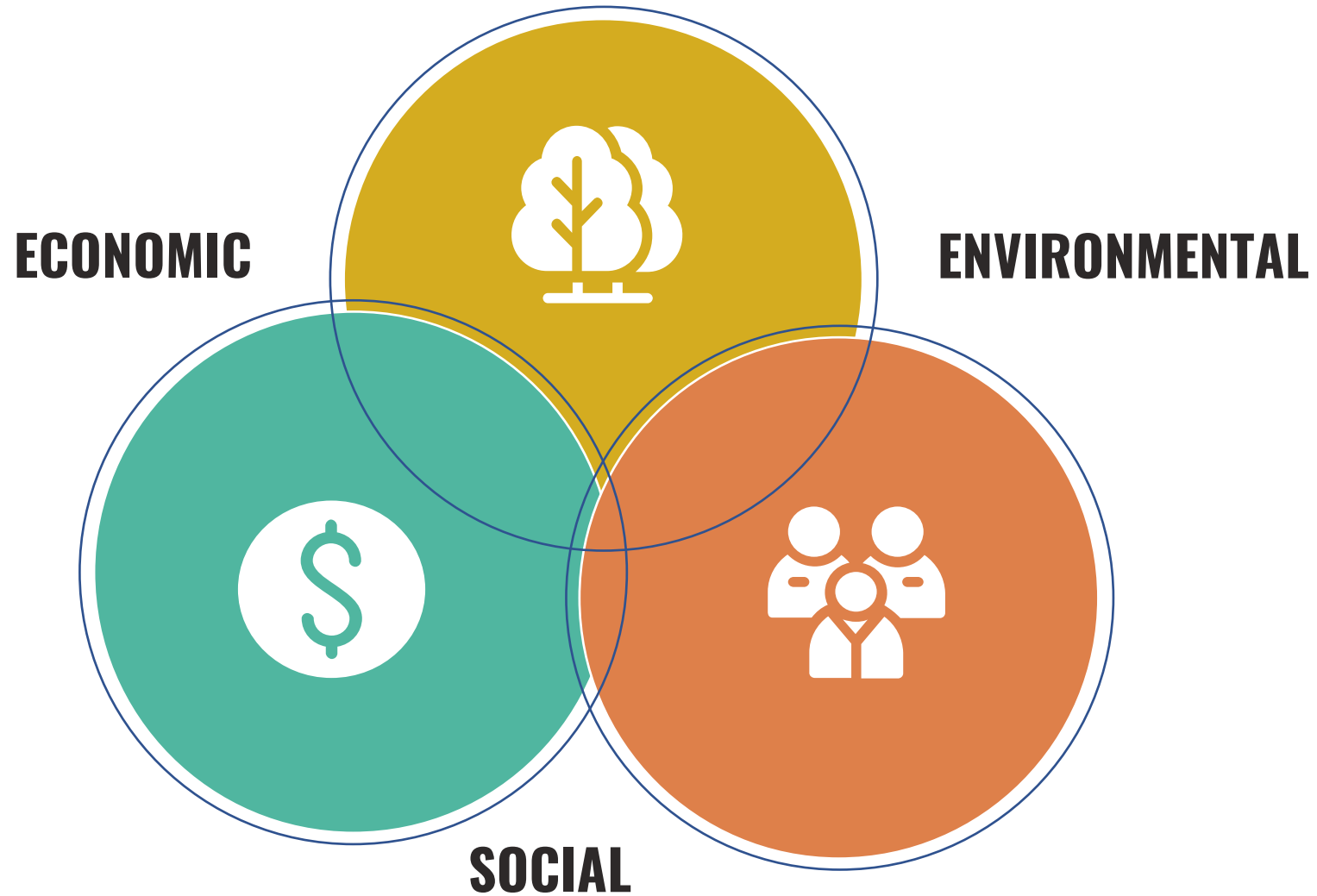
DELIVERING POSITIVE OUTCOMES

STRATEGY	CIRCULAR PROCUREMENT ACTION
AVOID 	<ul style="list-style-type: none"> ▪ Avoid new products ▪ Reconsider ownership ▪ Fewer products
LIFETIME OPTIMISATION 	<ul style="list-style-type: none"> ▪ Optimize utilization of existing assets ▪ Repair existing products ▪ Reuse-internally or externally
LIFETIME EXTENSION 	<ul style="list-style-type: none"> ▪ Remanufacture ▪ Design for deconstruction/disassembly ▪ End of life collection
CLOSE LOOPS 	<ul style="list-style-type: none"> ▪ Recycle materials ▪ Displace virgin materials ▪ Reduce Landfill

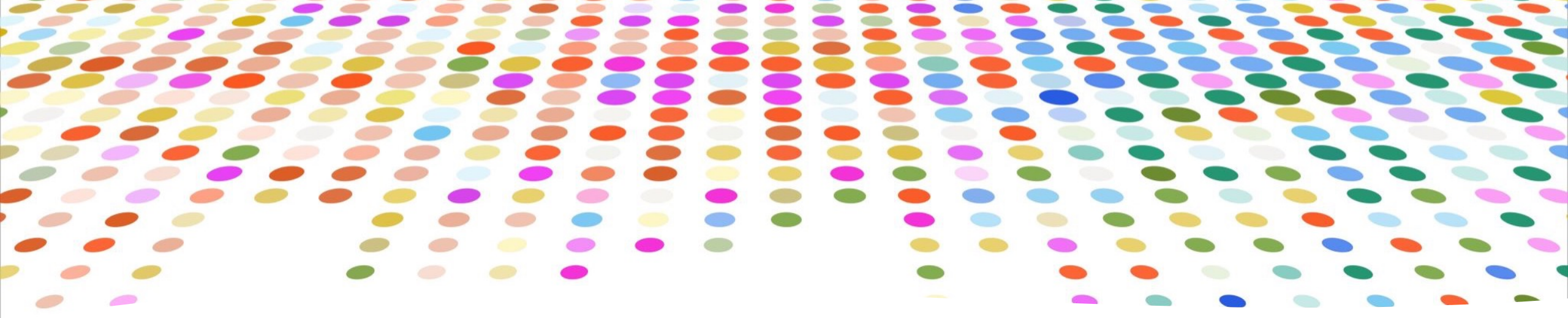
INTERNAL BENEFITS	WIDER BENEFITS
Retaining assets longer to reduce costs	Reduced virgin non-renewable material use
Reduced plastics waste	Closing product and material loops to reduce waste and associated carbon emissions
Improved resource efficiency	Reducing wider environmental impacts
Lower greenhouse gas emissions	More sustainable consumption and production
Improved and market leading performance	Increased whole life value
Taking control of sustainability outcomes	More resilient growth
Balance across triple bottom line	New (Green) training & job opportunities throughout the supply chain
Robust framework to ensure partners aligned with organizational aims	
Improved reputation	Increased social value

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METRICS & INDICATORS



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MEASURING IMPACT: TYPES OF INDICATORS

There are different types of indicators that help measure different elements of the Circular Procurement process:

- **Operational indicators** – measuring the impact of a whole organization or part of it, e.g. total annual water use.
- **Capacity indicators** – measuring the readiness of an organization with respect of Circular Procurement, e.g. % of staff trained
- **Process indicators** – measuring features of the procurement process that are expected to contribute to Circular Procurement, e.g. % of procurement carried out with a sustainability checklist.
- **Outcome indicators** – measuring the impact of what is procured, e.g. circularity, embodied carbon, jobs created etc.

CIRCULAR IMPACT

- Will track measures of circularity achieved in piloting; to be revised based on pilot results

Core Area	Possible CE Measures
Environmental	<ul style="list-style-type: none">• % of Waste diverted/avoid as result of procurement activities• Co₂ savings as result of procurement activities• Embodied carbon savings as a result of procurement activities• % of recycled content used in materials• % material (e.g. plastic) reduced/avoided• Number of City contracts evaluated using CE principles• Number of resource/asset sharing activities
Social	<ul style="list-style-type: none">• Number of green jobs created• Number of local and diverse jobs created• Number of City staff trained on CE procurement principles• Improved access to products/services by marginalized communities
Economic/ Financial	<ul style="list-style-type: none">• Cost savings• Costs avoided through resource/asset sharing• Waste reduction savings

STEP 7: LAUNCH AND LEARN



Image: stockgui

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EXERCISE: WALKING THE PATHWAY

In groups, participants set ambition, identify circular business models, and draft criteria.

Groups will come back to discuss

Time 25 mins + 5 mins discussion



Objective: respond to questions posed in the worksheet to gather insights and considerations which can be used to identify ambition and business models to inform the development of criteria that drive circular economic outcomes.

Breakout Room Exercise

Spend Category: Furniture and Office Supplies

Circular Ambition: What is it that you would like to do. It may be helpful to start with a commitment such as zero waste, zero carbon to help identify your ambition.

1. Deliver on the waste reduction and carbon emissions reductions objectives
2. Support local economic development

Outcomes: What are the outcomes do you want to achieve? Can be economic, social and/or environmental

Identify 3 circular targeted outcomes.

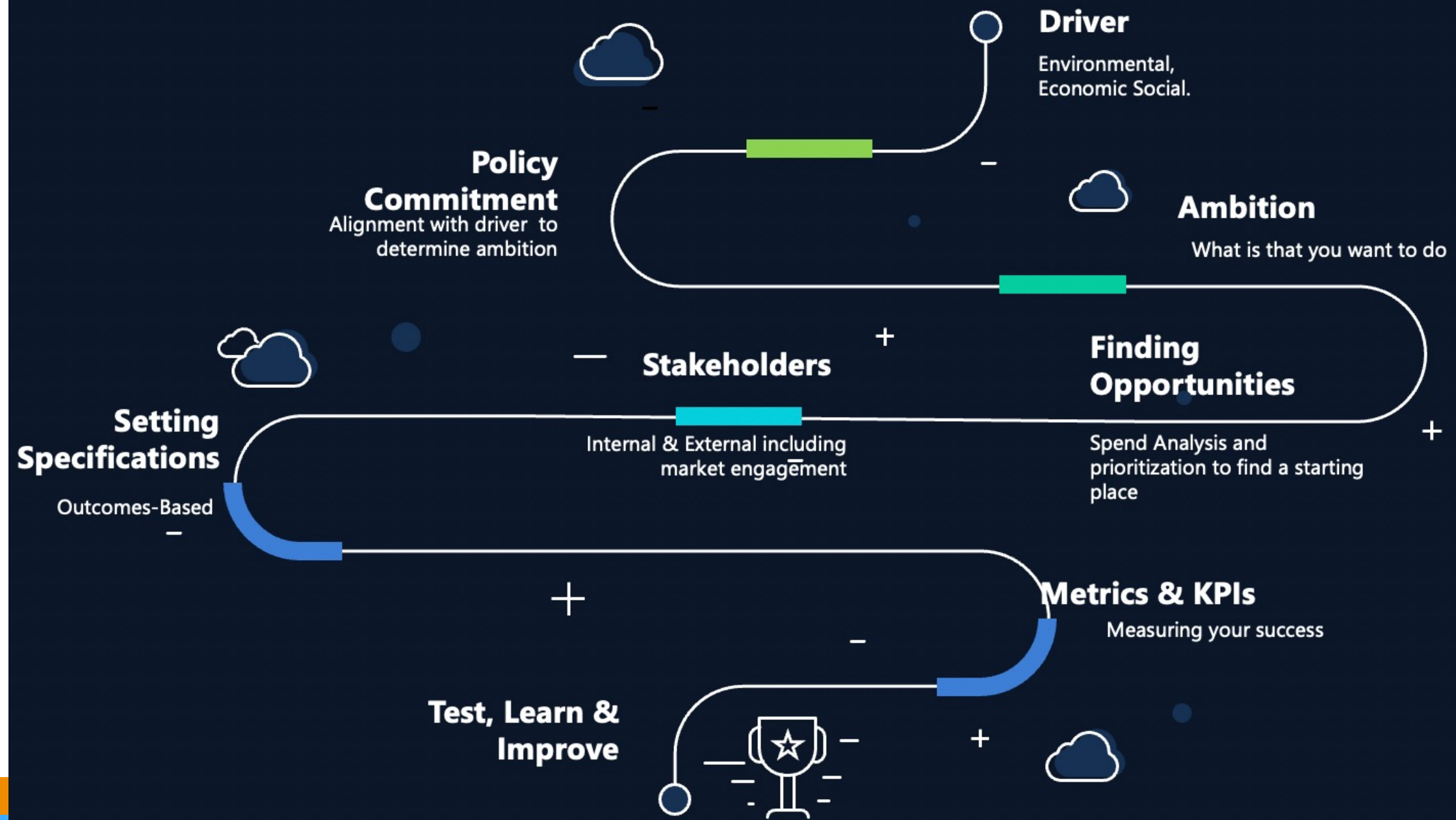
- Reduce waste by 50%
- Reduce GHG carbon emissions by 15% (production, materials or transport)
- Increase local business opportunities

Circular Business Model(s): Using your ambition determine which business models could help drive the desired outcomes. Can be one or a combination. Thinking through the lifecycle of the product could help here.

- Product as a service
- Sharing platform
- Product life extension
- Circular supplies
- Resource recovery

Circular specifications: What are the kinds of questions you would want to ask the supplier/vendor, which can shape your procurement criteria.

- PAAS - Can you provide access to the furniture under a rent or lease contract
- CS / PLE - Do you provide modular furniture that can be updated or refurbished
- Do you intend to involve **local small businesses/social enterprises** in the provision of furniture
- CS / PLE - Percent use of **existing furniture**? Percent of recycled content used
- What are the embodied **greenhouse gas emissions** in the furniture that you will supply compared to furniture made from virgin resources?
- RR - What will you do with the furniture when it is **no longer required/serviceable** to minimise disposal costs and environmental impacts?



CIRCULAR PROCUREMENT LEARNING JOURNEY

To continue to build momentum and develop implementation capacity of CEC members, PPG is proposing to collaborate with CIC to continue with the circular procurement learning journey. We would like to offer CEC members an opportunity to build on critical learnings from the essentials workshop and provide 'hands on' and actionable supports in their transition through:

1. A **virtual Advanced workshop** that provides practical insights into key strategies and builds capacity to develop circular procurement criteria and key performance indicators and metrics.
2. A **in -person Category-specific Workshop** where participants will choose a category or categories and go through the process to develop circular procurement criteria and metrics.

The **outputs** from the Advanced and Category Specific Workshops could lead to organizations **updating current sustainable procurement policies or develop circular procurement policy or running pilot projects** to advance sustainable procurement processes in your organization and **sharing lessons learned**.

The workshops will be conducted over a 4 month period. The report and sharing lessons learned will be over the next 6 months.

“IT’S YOUR MONEY,
SPEND IT WISELY”

“JUST START”

— Cuno van Geet, Senior Policy Advisor
Government of the Netherlands





Christine Abbott Photography

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