

ADVANCED WORKSHOP

Advancing circular economy through the power of procurement

Image: sketch bubble

PUTTING CIRCULAR
ECONOMY CONCEPTS
INTO ACTION



AGENDA



A. Introductions



B. Recap



C. Procurement across the Life Cycle



D. Exercise – From Linear to Circular Criteria



E. Vendor Engagement

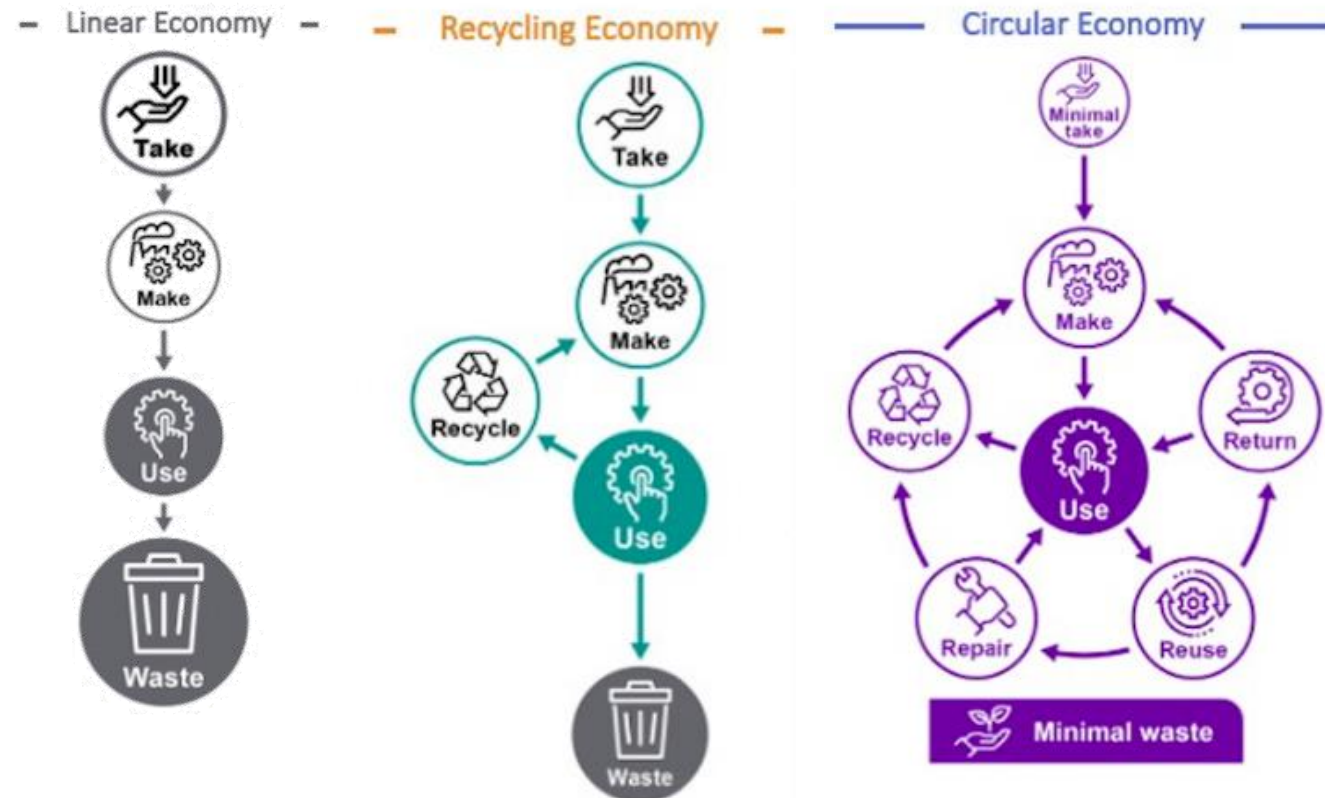


F. Barriers and Opportunities

CIRCULAR ECONOMY IS MORE THAN RECYCLING

In a properly built circular economy, one should rather focus on avoiding the recycling stage at all costs. It may sound straightforward, but preventing waste from being created in the first place is the only realistic strategy.

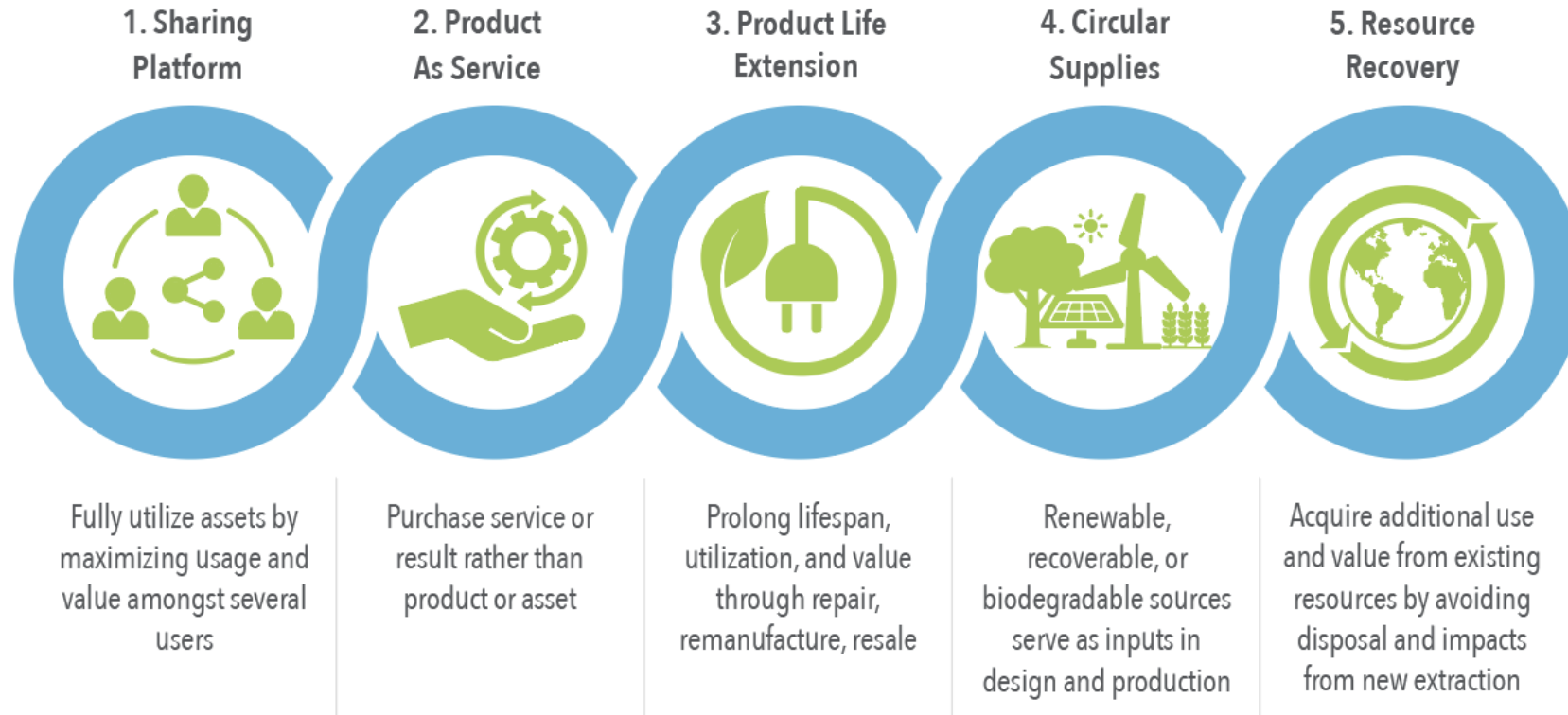
- [World Economic Forum](#)



PUTTING CIRCULAR ECONOMY CONCEPTS INTO ACTION

RECAP

FIVE BUSINESS MODELS OF CIRCULARITY



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CONSIDERING THE FULL LIFE CYCLE

Circular procurement addresses all stages of product lifecycle:

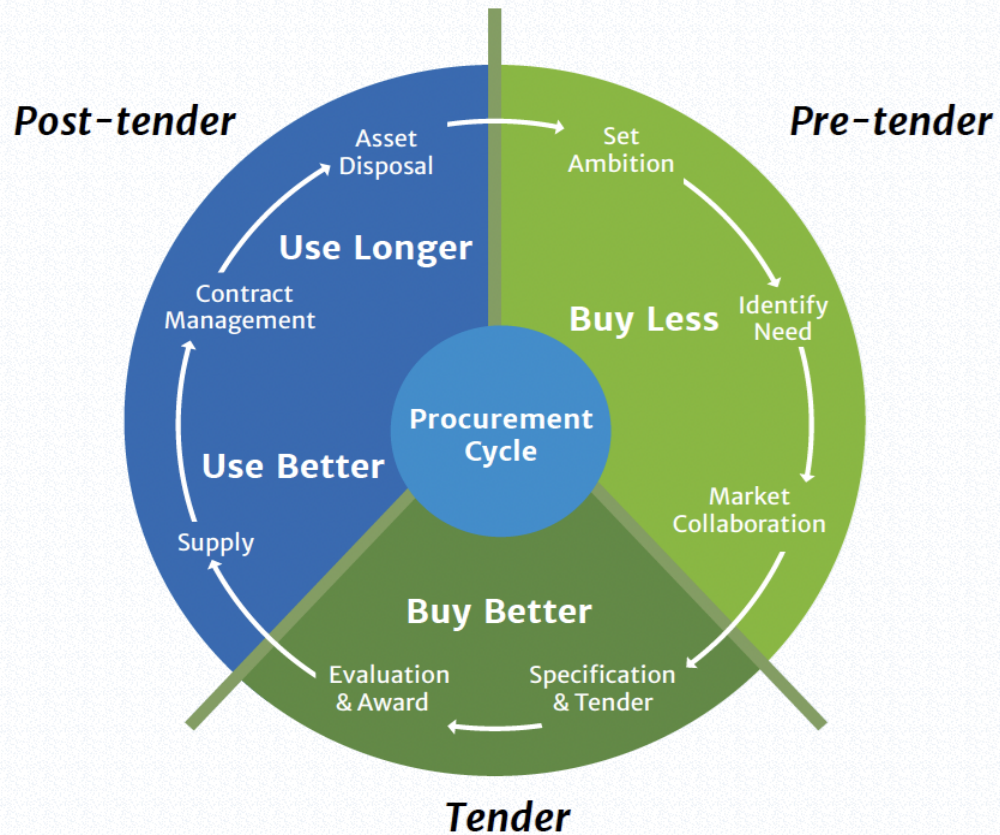


Figure 1 - The stages of circular and fair procurement

BUY LESS

Can we avoid new products

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 upgraded?

CIRCULAR PROCUREMENT: DELIVERING POSITIVE OUTCOMES

PRINCIPLE	CIRCULAR PROCUREMENT OUTCOME
AVOID / BUY LESS	<ul style="list-style-type: none"> ▪ Avoid new products ▪ Reconsider ownership ▪ Fewer products
EXTEND VALUE / BUY BETTER	<ul style="list-style-type: none"> ▪ Where does it come from ▪ Who made it ▪ Who am I buying from ▪ What is it made of ▪ How will it be used ▪ Can we optimize utilization
LIFETIME OPTIMISATION USE BETTER	<ul style="list-style-type: none"> ▪ How will it be used? ▪ Can it be repaired /upgraded?? ▪ Optimize utilization of existing assets ▪ Repair existing products ▪ Reuse-internally or externally
LIFETIME EXTENSION / USE LONGER	<ul style="list-style-type: none"> ▪ Remanufacture ▪ Design for deconstruction/ disassembly ▪ End of life collection ▪ Can it be upgraded
CLOSE LOOPS	<ul style="list-style-type: none"> ▪ What will happen to it? ▪ 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



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 • Reduction in material toxicity
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



EXERCISE: FROM TRADITIONAL SPECIFICATION TO CIRCULAR OUTCOMES

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

Groups will come back to discuss

Time 60 mins + 15 mins discussion



CIRCULAR RENOVATION

Spend Category: Building Renovation (translate RFP from 2018)

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.

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

Circular Criteria: Buy Less; Buy Better; Use Less; Use Longer

Evaluation Criteria: Buy Less; Buy Better; Use Less; Use Longer

CIRCULAR PROTECTIVE PACKAGING

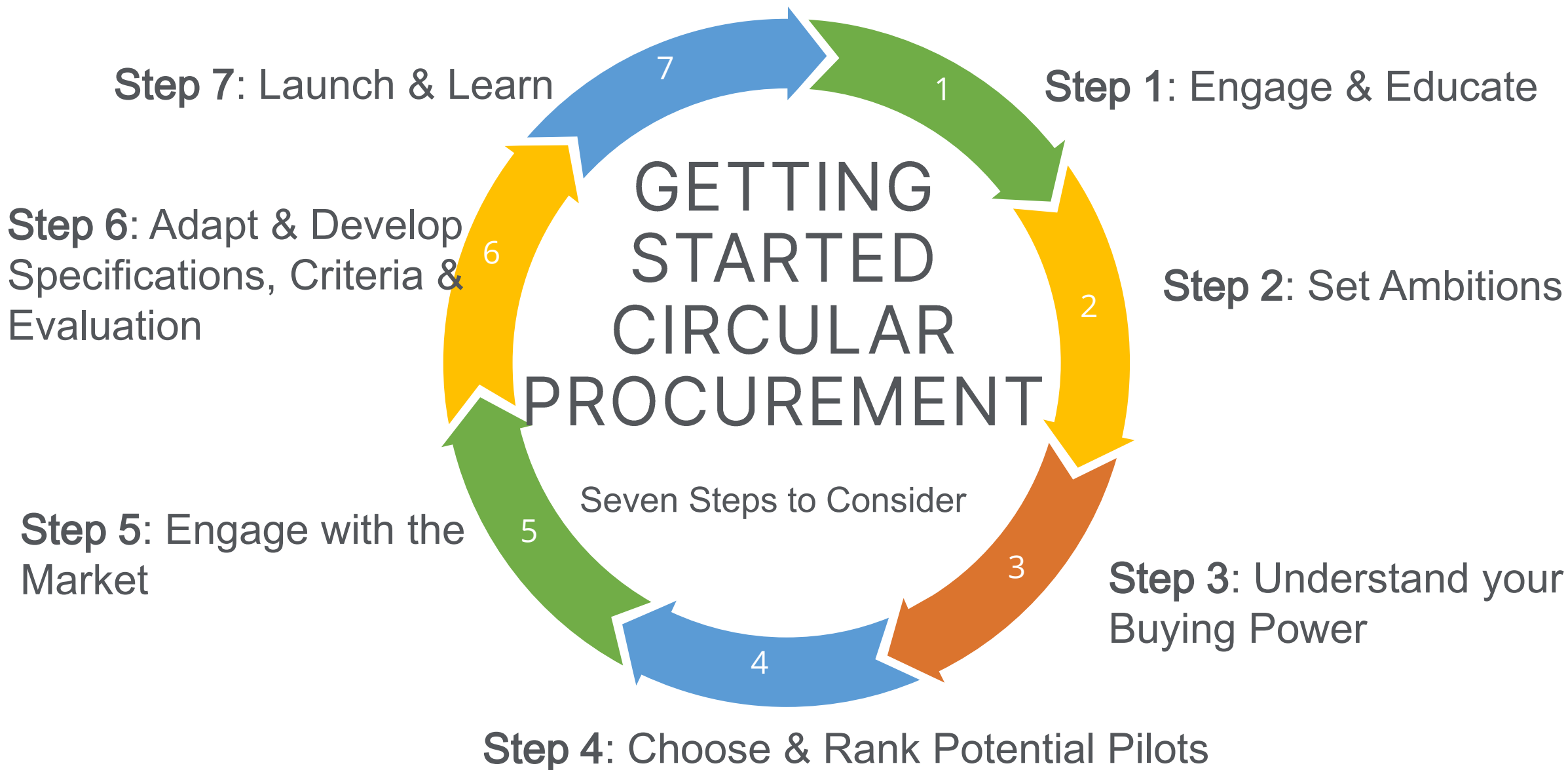
Spend Category: Refurbish Facility Logistics

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.

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

Circular Criteria: Buy Less; Buy Better; Use Less; Use Longer

Evaluation Criteria: Buy Less; Buy Better; Use Less; Use Longer





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

PRE-COMPETITIVE SUPPLIER ENGAGEMENT OPTIONS

- RFI
- Open house townhall
- Virtual exchanges
- Innovation sessions – Vendors educate buyers
- Education and Engagement roundtables
 - Circular economy goals and education
 - Open ended supplier questions re: circular business models, circular innovations, challenges

TIPS FOR SUCCESSFUL SUPPLIER ENGAGEMENT

- Be Open:
 - Prioritize clear communication; be transparent about the buying cycle and likelihood of project moving forward; share size of opportunity where possible
- Be Brief:
 - Recognize supplier time constraints
- Be Flexible
 - If seeking feedback on outcomes and evaluation criteria, be prepared to make adjustments; If RFI/formal vendor engagement process, consider vendor conference to clarify assumptions and feedback and demonstrate how feedback may be considered

STEP 7: LAUNCH AND LEARN

CIC OFFER: 1 HOUR
CRITERIA/VENDOR
ENGAGEMENT CALL

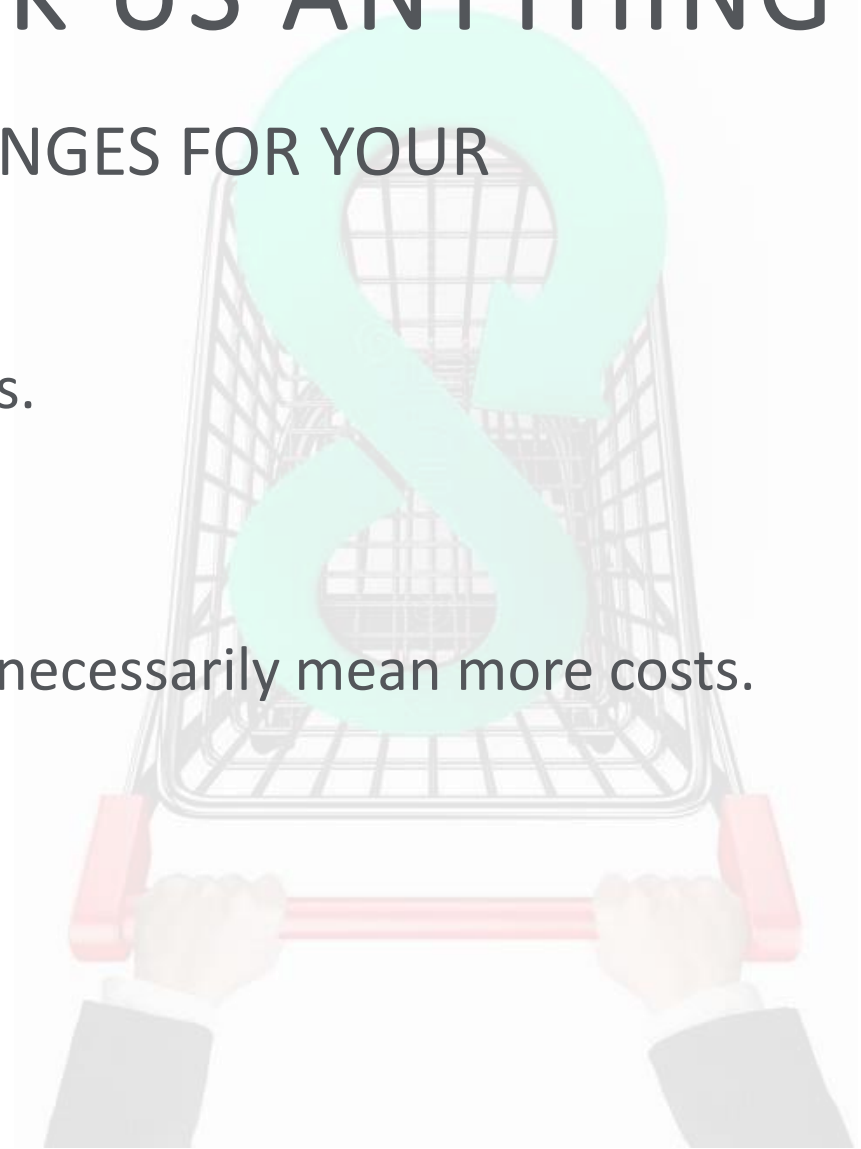


Image: stockgui

CIRCULAR PROCUREMENT – ASK US ANYTHING

CORE PRINCIPLES – WHICH ARE THE BIGGEST CHALLENGES FOR YOUR ORGANIZATION?

- 🕒 Collaboration across the whole organization ensures success.
- 🕒 Engage and collaborate with the market often.
- 🕒 Lowest cost does not mean best value: best value does not necessarily mean more costs.
- 🕒 Use outcome-based criteria rather than specifications.
- 🕒 Encourage innovations while maintaining competitiveness.
- 🕒 Fill immediate need but signal future directions.



“IT’S YOUR MONEY,
SPEND IT WISELY”

“JUST START”

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

Circular Procurement Workshops
Survey





Christine Abbott Photography

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