Beyond buying
how can the circular economy principles feed sustainable public procurement policies and practices?

March 2021

commissioned by
Free Hanseatic City of Bremen

supported by
Service für Entwicklungsinitiativen

with its
Professional Service Agency
Communities in One World

with funding from the
Federal Ministry for Economic Cooperation and Development
Index

1. Foreword .........................................................................................................................4

2. Executive Summary ........................................................................................................5

3. Introduction ...................................................................................................................7
   3.1 Towards circular public procurement .................................................................7
   3.2 Methodology ...........................................................................................................14

4. Case studies ................................................................................................................15
   4.1 Aalborg (Denmark) ...............................................................................................15
   4.2 Ghent (Belgium) ..................................................................................................20
   4.3 Ludwigsburg (Germany) .....................................................................................24
   4.4 Malmö (Sweden) .................................................................................................28

5. Guidance for procurers .............................................................................................32

6. Useful links ................................................................................................................40

7. Credits .........................................................................................................................42
As a Hanseatic city, Bremen has benefited from national and international trade since 1260. Today, this identity is motivating Bremen to shape trade in a fair and sustainable way.

Since 2009, the Free Hanseatic City of Bremen has pursued its goal to make public procurement both ecologically and socially responsible. One of the first milestones in this endeavour was the city’s successful bid to become the Fair Trade capital of Germany in 2011. In 2016, the creation of a competence centre for socially responsible public procurement helped to promote the consistent implementation of sustainability aspects in the city’s tendering procedures.

In recent years, the focus has been particularly on the product categories protective workwear, toys, sports equipment, promotional items and catering equipment (coffee, tea, cocoa and cane sugar).

In times where the massive use of raw materials is becoming more and more unsustainable and where current consumption patterns are leading Earth Overshoot Day to fall earlier and earlier in the year, Bremen aims to explore how to reduce its consumption while promoting the remaking and reuse of products through its public procurement policies and practices. Specifically, the municipality aims to explore how best to promote an economy that is both fair and circular.

With these aims in mind, Bremen has commissioned this publication, the purpose of which is to gather more information on the topic of circular economies and to review studies of municipalities that are already active in this field. This publication will also explore the first steps that Bremen, and other municipalities committed to the circular economy, can take in order to procure in a way that respects planetary boundaries. Even if national, regional and municipal public procurement rules vary, this publication aims to provide guidance to those municipalities that are just starting to plan and implement circular public procurement policies, strategies and practices.

We hope that the report will inspire a growing number of municipalities to partner with us in order to advance the promotion of a fair and circular economy.

Dr. Olaf JOACHIM
State Secretary
Free Hanseatic City of Bremen
Executive summary

Circular procurement is about meeting procurers’ needs in alternative ways; not just by buying new products, but also by reusing or recycling items that contracting authorities already own. It provides municipalities with the opportunity to synergise with their social, environmental, and innovative policy objectives, thereby contributing to policy changes.

Circular procurement is a strategic tool that brings about cultural, organisational and systemic changes. It allows municipalities to foster cooperation among their departments (e.g. those dealing with social affairs, North–South environmental issues and innovation) and between internal staff and local stakeholders (e.g. businesses (including social enterprises), universities and civil society organisations (CSOs)).

This report highlights how municipalities can include circular economy considerations in their sustainable public procurement policies, plans and practices. Through desk research, interviews and e-meetings, the report gathers data on four pioneering contracting authorities: Aalborg in Denmark; Ghent in Belgium; Ludwigsburg in Germany; and Malmö in Sweden.

There are some common lessons that can be drawn from the above authorities’ experiences:

- Public procurement needs to be perceived by municipalities’ staff, and by political and top-management levels, as a strategic tool that can promote sustainable development policy objectives.
- The involvement of and consultation with the private sector is crucial to effective circular procurement.
- It is important to take a step-by-step approach to circular procurement; municipalities can start within a specific sector and/or a certain aspect of their purchases, such as packaging.
- Municipalities’ training on circular public procurement should allow them to acquire both technical and managerial skills (stakeholder management, project management, etc.) in order to foster cooperation within the municipality’s departments and with external stakeholders. Such training should also help municipalities incorporate circular economy principles in their broader sustainable public procurement policies and strategies.

Unfortunately, most existing toolkits and guidelines for procurers do not address circularity in conjunction with other sustainability aspects, thus creating a gap between procurers’ ambitions and their capacity to implement comprehensive public procurement strategies and practices. Moreover, since sustainability criteria are not a mandatory requirement in all public procurement activities, public buyers often prefer to avoid circular procurement. Finally, in order to engage the private sector, municipalities need to acquire additional managerial skills and competencies, including the capacity to engage the private sector and to manage a relationship with public-sector suppliers throughout the contract period.

To support procurers’ efforts to implement circular public procurement strategies and practices, local, national, and European policy makers should all support sustainable procurement in an integrated way, rather than addressing ‘green’, ‘innovative’, ‘social’, ‘fair’ and ‘circular’ public procurement in silos. Circular, fair and other sustainability criteria should become mandatory in all public procurement, which the European Commission has announced it plans
to do for the public procurement of food\(^1\).

In addition, the European Commission and European Union (EU) member states\(^2\) should:

- offer professional training that helps contracting authorities incorporate circular economy principles within broader sustainable public procurement policies and practices, helping them to gain both technical and managerial competencies and skills;
- offer capacity-building opportunities to both procurers and municipalities’ top managers and policy makers; and
- organise national events on the transposition of the 2014 EU Directive on Public Procurement into national legislation and the implementation of social and environmental considerations and other instruments (i.e. to foster access by social economy enterprises and other small- and medium-sized enterprises (SMEs)).

While waiting for these policy changes to be adopted, this research identifies a list of first steps that municipalities can take now in order to integrate circular considerations into their public procurement systems. Specifically, it provides guidance on how to:

- build a public procurement strategy that promotes the circular economy; and
- ensure that municipalities’ staff and potential suppliers engage with circular procurement.

Finally, the report identifies how framework agreements can be effective tools that help procurers become circular\(^3\). It also provides examples of labels that can be used in circular procurement (e.g. Cradle to Cradle certification and the Nordic Ecolabel).

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\(^1\) To improve the availability and price of sustainable food and to promote healthy and sustainable diets in institutional catering, the Commission will determine the best way of setting minimum mandatory criteria for sustainable food procurement. This will help cities, regions and public authorities to play their part by sourcing sustainable food for schools, hospitals and public institutions and it will also boost sustainable farming systems, such as organic farming' ([https://ec.europa.eu/food/farm2fork_en](https://ec.europa.eu/food/farm2fork_en)).

\(^2\) The recommendations are also meant for regions, public bodies and support agencies with the competence to support the uptake of sustainable public procurement.

\(^3\) Article 33 of the 2014 EU Public Procurement Directive defines a framework agreement as ‘an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given time limit, in particular with regard to price and, where appropriate, the quantity envisaged' ([https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32014L0024)).
Introduction

Towards circular public procurement

Public procurement as a lever for sustainable development

Public procurement represents approximately 14% of the EU’s gross domestic product (GDP); as such, it plays a key role in promoting inclusive and sustainable economic growth.

Currently, public procurement is evolving into a strategic instrument aimed at fostering sustainable development and contributing to the creation and development of sustainable and innovative markets. The procurement department is becoming an ally of public authorities’ social and environmental departments, as well as a partner to sustainable businesses and suppliers.

With the adoption in 2015 of the 2030 Agenda and its Sustainable Development Goals (SDGs), policymakers at EU, national and local levels have committed to promoting sustainable public procurement practices in order to contribute to sustainable consumption and production patterns (SDG 12.7).

Beyond buying: a new horizon for public procurement

At a time where the massive use of raw materials is becoming more and more unsustainable and current consumption patterns are leading Earth Overshoot Day to fall earlier and earlier in the year, the concept of sustainable public procurement also needs to go beyond the moment of purchase itself (the transaction).

Building on the book Doughnut economics: seven ways to think like a 21st-century economist, contracting authorities need to ask themselves how they can help ‘ensure that no one falls short on life’s essentials (from food and housing to healthcare and political voice) while ensuring that collectively we do not overshoot our pressure on Earth’s life-supporting systems, on which we fundamentally depend – such as a stable climate, fertile soils, and a protective ozone layer’. In a word, public buyers need to ask themselves: how can we procure in a way that respects planetary boundaries?

As noted in the publication Circular Public Procurement in 8 Steps, ‘public procurement should start when procurers define their needs and should finish when their products are reused or recycled’. More and more, public procurement should be a tool with which to ask for products that are designed to be reused, remade and recycled over and over again.

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5 https://sdgcompass.org/sdgs/sdg-12/
6 https://www.overshootday.org/
7 https://www.kateraworth.com/
8 https://circulareconomy.europa.eu/platform/en/knowledge/circular-procurement-8-steps
Circular economy: a definition

A circular economy is the creation of an economic system in which humans do not damage the biosphere where they live, and in which a minimum social foundation is guaranteed to everyone⁹.

According to the Ellen MacArthur Foundation¹⁰, a circular economy aims to redefine growth, focusing on positive society-wide benefits. It entails gradually decoupling economic activity from the consumption of finite resources and designing waste out of the system.

Underpinned by a transition to renewable energy sources, the circular model builds economic, natural, and social capital.

A circular economy is based on three principles:

- to design-out waste and pollution; Keep products and materials in use
- to keep products and materials in use; and
- to regenerate natural systems.

Figure 2
The Butterfly Diagram (Ellen MacArthur Foundation, 2017)


¹⁰ https://www.ellenmacarthurfoundation.org
According to the Ellen MacArthur Foundation’s butterfly (Figure 2), the circular economy model distinguishes between technical and biological cycles. Consumption happens only in biological cycles, where food and biologically based materials (such as cotton or wood) are designed to feed back into the system through processes such as composting and anaerobic digestion. These cycles regenerate living systems, such as soil, thereby providing the economy with renewable resources. Technical cycles recover and restore products, components and materials through strategies like reuse, repair, remanufacture or (as a last resort) recycling.

The circular economy aims to encourage:

- the maintenance, repair and reuse of products;
- the creation of products that are designed to be repaired and reused at the end of their lives;
- the manufacture of new products from parts and from components of other products;
- the recycling of materials and waste; and
- the efficient use of resources within production and consumption patterns.

As highlighted in the publication *Avoiding circular blind spots: promoting circular and fair business models*\(^ {11}\), business models can narrow resource loops by extending a product’s value through remanufacturing, or by providing access and performance models or access to maintenance and repair services, or by designing products with longer lifetimes. Resource loops can be slowed by encouraging sufficiency, or can be closed by extending the value of resources through the collection, reuse and recycling of products and materials via the implementation of industrial symbiosis\(^ {12}\).

**Applying the circular economy principles to public procurement: towards circular procurement**

The circular economy allows public buyers to embrace a broader definition of sustainable public procurement, which has the final aim of satisfying procurers’ needs using the minimum number of resources. Indeed, in a circular economy, raw and other materials are used over and over again. The value of raw materials is retained as much as possible throughout a product’s lifecycle, from design to disposal.

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According to the European Commission, ‘Circular procurement can be defined as the process by which public authorities purchase works, goods or services that seek to contribute to closed energy and material loops within supply chains, whilst minimising, and in the best case avoiding, negative environmental impacts and waste creation across their whole life-cycle\(^ {13}\).

As highlighted above, traditional procurement is about buying, while circular procurement is about meeting procurers’ needs in alternative ways, such as by reusing or recycling products that procurers already own.

\(^{11}\) [https://www.youtube.com/watch?v=EgBivOoNTFq](https://www.youtube.com/watch?v=EgBivOoNTFq)


\(^{13}\) [https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf](https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf)
Circular procurement offers the opportunity to satisfy existing demand in an alternative manner. This affects the procurement process in five important and interconnected ways:

1. **Whether to purchase**: the most circular product is the product you don’t buy at all. Reducing demand, use and the accompanying manufacturing volumes are essential factors in realising a sustainable society.

2. **What to purchase**: decisions about procurement do not by definition result in the purchase of new products. Imagine an organisation that needs 100 chairs. In a traditional procurement process, the organisation would simply place an order for 100 chairs. In a circular procurement process, the organisation would examine whether a purchase order has to be placed at all. Could existing chairs be reused and/or refurbished to provide the necessary functionality?

3. **Who you purchase from (1)**: the decisions you make regarding procurement may mean you have to look for a different type of supplier. For example, if an organisation chooses to maintain and refurbish existing furniture instead of purchasing new furniture, then the call for tenders should be formulated to attract suppliers with expertise and experience in furniture maintenance.

4. **Who you purchase from (2)**: another relevant factor – albeit more complex – is the collaboration between value chain partners. For example, an organisation may choose to combine the purchase of new furniture with maintenance and refurbishment of existing furniture. In such cases, a single party may be unable or less able to satisfy both needs, and a combination of two parties – one to supply the furniture and one to maintain it – may provide the most circular solution. After all, you cannot create a circular economy on your own.

5. **How you purchase**: this follows on from the aspect of what to purchase. The circular procurement process is not a single transaction ending at the point of delivery of the order. Instead, the awarding of the tender marks the beginning of a relationship between the client and the supplier. When both sides assume shared responsibility for the products in some way, shape or form, it creates long-term relationships between them. \(^{14}\)

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Multiple approaches and innovative solutions can help to bring circularity to procurement practices. These solutions can complement each other throughout the procurement cycle and lead to a wider uptake of circularity. They can be structured around three main pillars:

1. Extending the life of the products the municipality already owns.
2. Promoting circular supply chains by procuring more circular products, materials and services.
3. Promoting new business models based on resource-efficient solutions (e.g. innovative rental systems, systems for sharing products and equipment or systems in which consumers buy the service provided by a product, rather than the product itself).

The legal framework

The strategic role of public procurement in achieving societal goals is stated in the 2014 EU Directive on Public Procurement, which represents the legal basis for sustainable public procurement in the EU.

With the 2015 EU Action Plan for the Circular Economy, the European Commission recognised public procurement as a key driver in the transition towards a circular economy. It also set out several actions to be taken in order to facilitate the integration of circular economy principles in public procurement. Through the 2020 EU Action Plan, the European Commission also commits to ‘minimum mandatory green public procurement (GPP) criteria and targets in sectoral legislation and phase in compulsory reporting to monitor the uptake of GPP without creating unjustified administrative burden for public buyers’.

As part of this new plan, the European Commission has also committed to closely cooperating with relevant stakeholders in key value chains such as food, textiles, electronics and information communication technology (ICT) in order to identify barriers to the expansion of markets for circular products and ways to address these barriers.

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15 Article 33 of the 2014 EU Public Procurement Directive defines a framework agreement as ‘an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given time limit, in particular with regard to price and, where appropriate, the quantity envisaged’.


18 https://eur-lex.europa.eu/resource.html?uri=cel- lar:9903b325-6388-11ea-b735-01aa75ed71a1.0017.02/DOC_1&for mat=PDF
Opportunities to implement circular public procurement offered by the 2014 EU Directive on Public Procurement

The directive allows procurement units to benefit from more opportunities to acquire circular solutions.

One significant renewal concerning criteria setting is the life-cycle approach, which is now recommended in the directive. This means that the entire life cycle can be considered, particularly when determining the environmental requirements for each procurement. Life-cycle costing could be an approach to take secondary materials and the reuse and recyclability of materials into account while also making the economic benefits of circular procurement visible (Alhola et al., 2017). It has been argued that the transition to a functioning circular economy requires systemic multi-level change, including technological innovation, new business models and stakeholder collaboration (Witjes & Lozano, 2016).

In public procurement, the interaction and dialogue between buyer and supplier have been identified as an important trigger for innovation (Lundvall, 1992; Edler and Georgiou, 2007) and early market involvement and extensive market dialogue have been observed to enable successful public contracts (Patajoki, 2013).

The new public procurement directive could stimulate co-operation between different parties in the procurement process. For example, technical dialogue (Directive 2004/18/EC (8)) and preliminary market consultation (in the new Directive 2014/24/EC (40)) are mentioned as means of obtaining information from the market before launching a procedure for the award of a contract. With these procedures contracting authorities may seek or accept advice that may be used in the preparation of the specifications provided; however, that such advice does not have the effect of precluding competition (2004/18/EC (8)). The preliminary market consultation also aims to inform economic operators of the procuring unit’s future plans and requirements (2014/24/EC, (40)).

In the EU’s public procurement directive, several tendering procedures, namely competitive procedures with negotiation and competitive dialogue, have aimed to promote innovative and often complex procurement processes. They allow the contracting authority to discuss all aspects of the contract with the bidders before calling for final bids (Haugbølle et al., 2015; Lundström, 2011).

In addition, the new public procurement directive introduces a new means of awarding tenders – innovation partnership – which gives an opportunity to the tenderer to come up with an innovative solution together with the purchaser (Directive 2014/24/EC). The difference between innovation partnership and pre-commercial procurement (PCP) is that the former includes the procurement of both the development work and the new innovative solution, whereas in PCP the procurer acquires only development work without committing itself to the procurement of the new solution (European Commission, 2007a). Circular aspects can also be triggered through output specifications – whereby the public buyer asks for a solution to a specific problem rather than specifying the concrete product or services to buy, while allowing companies leeway to propose an innovative solution (Edler and Uyarra, 2013; European Commission, 2007b), or they can be stipulated into the technical specifications or award criteria.19

Towards circular public procurement

Through this publication, we aim to highlight how pioneering procurers (Fair Trade Towns\textsuperscript{20} and other municipalities committed to green and fair public procurement) across the EU are:

\begin{itemize}
  \item moving beyond the traditional role of procurers as buyers; and
  \item developing and implementing sustainable public procurement strategies that include both circular economy principles and other social and environmental considerations.
\end{itemize}

Specifically, this publication will focus on the following strategic sectors:

\begin{itemize}
  \item clothing and textile;
  \item furniture;
  \item information and Communication Technologies (e.g. computers, laptops, tablets);
  \item playgrounds; and
  \item office supply.
\end{itemize}

Through this publication, we aim to show how public procurement can be a strategic tool that allows local authorities to achieve social, environmental and economic objectives, internally and within the community. They can achieve this by:

\begin{itemize}
  \item boosting cultural, organisational, and systemic change within municipalities; and
  \item strengthening their dialogue with businesses, CSOs, and citizens in order to raise awareness about sustainable development and to boost the development of sustainable products, services and communities.
\end{itemize}

Finally, the publication will focus on framework agreements; that is, agreements between one or more contracting authorities and one or more economic operators that aim to establish the terms governing contracts awarded during a given period (e.g. price and quality or quantity envisaged). Indeed, these agreements have been used by frontrunner procurers to:

\begin{itemize}
  \item create a healthy competition between suppliers of circular solutions;
  \item work with suppliers covering a range of products and services.
\end{itemize}

\textsuperscript{20} The publication gathers the experience of two Fair Trade Towns: Malmö and Ghent.
This publication is the result of research that aims to:

- identify relevant current policy plans, measures, stakeholders and possible partners to circular economy activities that exist both in Germany and at a European level;
- collect case studies of municipalities that are already active in this field; and
- explore concrete steps that municipalities can take in order to include circular economy principles in their sustainable development strategies.

This research’s data have been gathered through:

- desk research into relevant policy and literature documents on the circular economy and sustainable public procurement;
- interviews with municipalities committed to the circular economy from five different EU countries, including Germany;
- interviews with other relevant stakeholders committed to the circular economy and sustainable public procurement; and
- webinars and e-workshops on circular and fair public procurement at a municipal level.
Aalborg - Denmark

The City of Aalborg, in Denmark, is consistently integrating sustainability into all its activities, including procurement, and was a partner of the European Project 'Circuclar PP'.21 The following case study shows how Aalborg promotes a circular and fair approach to computers and playgrounds.

POLICIES AND ACTION PLANS
National policy framework
In 2013, the Danish government launched its Strategy on Smart Public Procurement; this strategy has three overarching objectives for public procurement:

1. efficiency;
2. innovation and quality; and
3. sustainability.

At the state level, there are three main initiatives that aim to promote sustainable public procurement:

• The Forum on Sustainable Procurement22, a knowledge-sharing national network forum where procurers from both public and private organisations can keep up to date about best practices and methods and tools for green procurement through the website and newsletters and at various events.

• The Partnership for Green Public Procurement23, a collaboration between frontrunner municipalities, regions and other public organisations that are committed to making extra effort in their partnerships with other organisations in order to reduce the environmental impact of their procurement actions and drive the market in a greener direction.

• The Responsible Procurer24, a website where procurers can find green criteria available to ‘copy-paste’ into tender documents for many product areas and total-cost-of-ownership tools for selected product areas.

In addition, the Danish Environmental Protection Agency25 works with environmental professionals and municipal and regional purchasers to promote public green procurement and focus on circular public procurement.

Local policy framework
The Municipality of Aalborg in Denmark has around 207,000 inhabitants. Aalborg has been committed to improving the sustainability of the municipality for over two decades; since 1994, the Aalborg Charter26 has been used as the basis of the commitment by over 3,000 local authorities to support local environmental actions. Since then, the city has been continually pursuing its environmental aspirations; for example, those set out under the Aalborg Municipality’s Sustainability Strategy (2016–2020)27.

Aalborg’s Sustainability Strategy (2016–2020) highlights the importance of a circular economy approach to resource waste and use, and treats procurement as a tool to support the development of circular economy business models.

Public procurement’s objectives
The municipality’s commitments to circular public procurement started 4–5 years ago. The first pilot

21 http://circularpp.eu/
22 https://ansvarligeindkob.dk/
23 https://ansvarligeindkob.dk/partnerskab/
24 https://csr-indkob.dk/
25 https://eng.mst.dk/
26 https://sustainablecities.eu/the-aalborg-charter/
27 https://www.aalborg.dk/media/5671608/baeredygtighedsstrategi-komprimeret.pdf
took place in the school environment; even now, the EU project Circular PP is allowing the municipality to pilot two new projects on circular approaches to ICT equipment and playgrounds.

The municipality aims to reach the following targets for sustainable public procurement:

- All products purchased by Aalborg Municipality must meet the minimum requirements related to the environment, working environment and social clauses, and must be continuously updated in new tenders.
- When purchasing energy-consuming products and services, Aalborg Municipality will choose the most energy-efficient in terms of price from a total-cost perspective.
- The principles of circular economy thinking will be introduced in the call for tenders as part of a close feedback dialogue with SMEs.

Regarding ICT public procurement, the ambition is to increase the lifetime of ICT products by three years (from 3–4 to 5–6 years) and to increase the number of devices that are recycled.

STRUCTURES

Coordination on circular public procurement
Thanks to projects such as the European ‘Circular PP’, a project manager coordinates the circular calls to tender. The project manager was in charge of setting up the steering committee, whose purpose is to support the procurement process.

Internal capacity
The municipality can rely on trained procurers and collaborations between departments. To support the call for tenders, steering groups involving different municipalities’ departments can be created in order to gather the required expertise.

Support services
Internal staff can also rely on various support services, such as the Travel Team for Green Procurement, which is a collaboration between the Danish Environmental Protection Agency and the Danish Standardisation body. Good cooperation with other municipalities in Denmark and across the EU also helps internal staff to continue to build their capacity for sustainable public procurement. External consultants may also be hired to provide ad-hoc support to procurers.

THE PROCESS

Choosing the product
In 2016, Aalborg took its first steps towards making its approach to ICT equipment both circular and fair. ICT is one of the fastest-growing greenhouse gas-emitting sectors; its complex, global supply chains can include hotspots of human and environmental injustices.

The work started by mapping how ICT products were currently being purchased, used and disposed in the municipality. Thanks to this preliminary research, the project manager discovered that the municipality was committed to buying through a national framework contract for ICT equipment that was not due to expire until at least October 2020 (with the option to extend until 2022). Therefore, the municipality identified options to use the existing framework more effectively, including identifying the most sustainable laptops currently available, and took the option to lease (instead of purchase) equipment.

Internal consultations
As the first step, the municipality led interviews with the seven ICT departments. Following the interviews, Aalborg considered how it could improve the in-use environmental impact of its ICT. The Environmental Department tested the energy consumption

28 https://www.ds.dk/da/projekter-og-samarbejder/groenne-indkoeb
29 https://www.ds.dk/en
of equipment in its own offices and found large differences between items (new screens, for example, are up to 10 times more efficient than older models). It also looked at how long laptops were being kept in use, finding that they were usually replaced after 3–4 years as this can be cheaper than the labour costs incurred when maintaining old equipment. These findings pushed the department to extend the intended use period of its laptops to 5–6 years. Informing the staff of how they could contribute to important societal goals, such as reducing emissions or avoiding the use of conflict minerals, and giving them ‘permission’ to contribute to these goals through their work, was a very important first step towards ensuring that staff were integrating circularity into their normal working practices.

Thanks to the internal consultations, the awareness of social and environmental issues among the ICT departments increased greatly, and a series of successful improvements have been identified and put in place along the way. Change takes time and commitment; however, by involving the right people and providing the resources for procurers to develop new approaches, many positive effects can be achieved. After having raised awareness of circularity among the ICT departments, the project manager and the team looked at the collection of used laptops. All seven departments already had temporary arrangements, but these were still mainly focused on financial returns, without much concern about what happened to the laptops and to the materials contained within them once they were disposed of. Some departments also had agreements to donate used items to the city’s Internal Project Unit (which supports the employment of people outside the labour market) or had special arrangements with users; in schools, for example, students were allowed to purchase their laptops at a discounted price after a certain period.

Aalborg realised that if all seven departments of the municipality joined forces and pooled their ICT waste, they could present a much more attractive offer to ICT take-back companies; this would, in turn, have a larger impact on the local market. Therefore, a collaborative approach across all seven departments started with support from the steering committee, the project manager, and all the other staff involved in the process.

**Preliminary market consultations**
The municipality organised some initial seven-market dialogue meetings with four selected suppliers, as well as a market event that involved 52 participants from 18 different companies.

During the workshop, companies were asked about:

- their interest in participating in public procurement;
- their knowledge on circularity;
- their interest in contributing to the municipality’s commitment to the circular economy;
- who the municipality should involve in its consultations (e.g. other policymakers or experts);
- what following steps are needed for the public authorities and the private sector to implement circular procurement; and
- what risks are seen.

Preliminary market consultations were also essential to the process. For example, it was thanks to these consultations that the municipality discovered that its practice of engraving laptops with its logo was making laptops much more difficult and expensive to reuse. This practice dated back to an earlier time when laptops were far more expensive; therefore, the municipality determined that this security measure was no longer necessary and changed its policy on the matter. This resulted in a relatively easy win for circular reuse.
Support market readiness
Preliminary market consultations and regular exchanges between municipalities and companies are important as they help the private sector prepare to deliver circular solutions. However, market readiness takes time, and, therefore, it is also important for the municipality to look at actions it could take while companies get themselves ready. For example, municipalities could:

• use ICT products for longer to save natural resources and cut greenhouse gas emissions;
• design and implement take-back programmes and other initiatives to ensure a longer use of ICT material; and/or
• give ICT products a second life by reselling them.

OTHER RELATED ACTIVITIES
Contract management
According to the knowledge gathered by the municipality, contract management time is required in order to:

• liaise with the supplier/s and check the progress made;
• continue consulting with the internal staff on contract implementation; and
• cooperate with other departments on specific issues, such as the financial management of the contract.

Financial management
There is still work to be done on the financial management of the contract. For the moment, although circular public procurement in the ICT sector means savings for the ICT departments, it incurs costs for the procurement department, which still needs to build the expertise needed to manage the process.

Circular procurement means that the municipality as a whole is saving resources; however, mechanisms still need to be put in place to ensure that savings are equally distributed among all the departments.

Communication
Aalborg’s work on circular public procurement is mainly promoted through its participation in EU projects that provide it with the resources to develop communication material such as videos. Moreover, every year the municipality publishes a climate evaluation, which aids the promotion of the municipality’s sustainable development efforts.

Monitoring system
The supplier will be required to write a report each year for the municipality that shows the ‘circularity’ results achieved so far.

THE FRAMEWORK AGREEMENT
Preparation phase
The call for tender was jointly prepared by the Circular Public Procurement Project Manager and the ICT Department.

Chosen sustainability criteria
The selection and award criteria in the call for tender were based on TCO guidance\(^{30}\), which includes environmental and social life-cycle criteria and material recovery concerns (e.g. take-back options for discarded products and recyclable packaging).

Selected supplier
PingIT A/S

Length of the contract
Two years, with the possibility of extending it through mutual agreement.

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Aalborg’s last circular public procurement pilot

The municipality is also launching a circular call for tenders to develop circular kinder gardens. Through its first market dialogue, the municipality:

• obtained an overview of the status quo in terms of knowledge and best practices within circular thinking in the playground sector;
• prepared and trained companies that were interested in participating in the call; and
• provided the support of technical experts on the circular economy.

In cooperation with the North Denmark EU Office, Aalborg University, and the Network for Sustainable Business Development in Northern Denmark, on 16 April 2020 the municipality hosted a webinar for around 100 companies and other stakeholders (e.g. architects, municipalities and universities). The webinar focused on the project vision and the bidding process.

In this pilot project, the municipality aims to promote a more holistic view of playground equipment, which includes considering the play equipment’s lifetime, its environmental impact, its lifetime costs and any recycling possibilities. For more information, please visit the Circular PP website31.

31 [http://circularpp.eu/activities2/download-2/]
In September 2019, Ghent won the Procura+ Award for Sustainable Procurement of the Year thanks to its efforts to include circular and social responsibility requirements in its procurement policy. The following case study analyses how Ghent is using a framework agreement to promote circular and fair workwear.

POLICIES AND ACTION PLANS
As a country, Belgium is among the frontrunners as far as the circular economy is concerned. Both the federal government and its three autonomous regions – Brussels-Capital, Wallonia and Flanders – have set ambitious targets to boost the country’s transition to a climate-neutral economy. In Wallonia, the region’s organic waste will be separated from raw household waste by the end of 2025. Several ‘green deals’ – voluntary agreements between private, public and government partners to support circular economy projects – have also been launched in Belgium.

Local policy framework
Located in the Flemish region of Belgium and with around 250,000 inhabitants, Ghent is the capital and largest city of the province of East Flanders. In 2008, the municipality launched the Ghent 2020 Action Plan, which aims to boost the transition to a more sustainable and inclusive society. Ghent’s public procurement strategy also intends to make public procurement a strategic tool with which to promote circular and sustainable supply chains. Ghent has spent the last 10 years making its procurement strategies and practices fairer, greener and more circular. For example, Ghent was the first city to use Cradle to Cradle–certified products through its contracted cleaning services for all of its buildings and facilities.

Public procurement policy objectives and plans
In 2014, Ghent updated its procurement policy, making sustainable purchasing practices a strategic priority. It defined seven objectives:

• To minimise the ecological footprint through the entire life-cycle of the goods and services it procures.
• To encourage the sustainable employment of disadvantaged groups.
• To promote sustainable innovation.
• To foster local economic growth, with a focus on start-ups and innovative companies.
• To integrate and ensure that international labour standards and Fair Trade principles are complied with within the state supply.
• To encourage sustainable entrepreneurship.
• To increase the maturity of the public procurement function.

Three procurement categories were also identified as having a high-risk profile:

• textiles;
• ICT; and
• stone.

STRUCTURES
Coordination on circular public procurement
Public procurement was first recognised as a strategic tool in 2008 with the launch of the Ghent 2020 Action Plan and the set-up of a sustainable procurement steering committee. The committee developed a set of guidelines and a strategic roadmap for sustainable procurement, which acted as a toolbox for businesses. Several staff members deal with purchases; however, the municipality also has a centralised public procurement department to deal with

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32 For more information:
The City of Ghent: Leading the way in socially responsible procurement of workwear Making socially responsible public procurement work - Publications Office of the EU (europa.eu)

33 https://procuraplus.org/awards/

34 BE_Circular-Economy-Flanders_BirdTuerk.pdf (iiip.eu)

35 Belgium, on its way towards a circular economy (unenvironment.org)
framework agreements, which consists of a Public Procurement Director and ten public buyers.

Procurers’ support services
Procurers receive general training on public procurement legislation and rules. Procurers can also benefit from an internal internet page, templates and guidelines. On specific topics, the municipality can choose to hire a consultant or organise ad-hoc training for procurers. Cooperation initiatives with several networks, such as Eurocities[^36], ICLEI – Local Governments for Sustainability[^37], and Procura+[^38], as well as participation in several EU projects, help the staff stay up to date on sustainable public procurement policies and practices. Finally, the participation in and hosting of international conferences such as Ecoprocurement[^39] are also opportunities for the municipality’s procurers to learn from their peers and other experts.

At a regional level, there are also collaborations with relevant Flemish organisations. In particular, in the field of workwear, the municipality cooperated with the Association of Flemish Cities and Municipalities (VVSG)[^40].

THE PROCESS
In 2016, the municipality of Ghent decided to launch a new framework agreement for circular and socially responsible workwear. Indeed, textiles is a priority sector to meet the policy objectives relating to international labour standards in the city of Ghent. Moreover, the textile industry is a traditional sector in the city. The municipality aimed to guarantee a minimum environmental impact throughout the life-cycle with respect to both national and international working conditions through the whole supply chain.

As a first step, the public procurement officer carried out some market research to check the available options in the sector. The research also helped analyse existing good practices, as well as market readiness.

The internal consultations
The procurer also visited various different services to check their needs and to understand any issues they were facing as far as their workwear was concerned. In particular, the procurer held a dialogue with colleagues from the municipality’s different services such as street works, cleaning services, residential homes, etc. The consultation took a few months, but it was very important as it provided important information about the needs and wishes of the end-users.

Awareness-raising actions were needed, as well as regular collaborations with the managers and colleagues of the different services to engage workers with the project and showcase the quality of sustainable workwear.

Preliminary market consultation
With the help of an external consultant, the municipality carried our separate interviews with relevant suppliers. The municipality also carried out a survey to gather additional feedback. The survey asked for general information on the company and its supply chain management. These consultations helped the municipality collect suppliers’ points of view on the use of social and environmental clauses in public procurement.

This exercise made the city of Ghent realise that the market was not yet ready to deliver the high environmental and social standards that the municipality was expecting. However, suppliers were willing to cooperate, because they felt engaged and motivated. Therefore, the municipality decided to use the

[^36]: https://eurocities.eu/
[^37]: https://www.iclei.org/
[^38]: https://procuraplus.org/home/
[^39]: https://ecoprocurement.eu/
framework agreement as a tool to help the business sector advance on its journey towards a circular and fair economy.

Support business readiness
The municipality has regular exchanges with the business sector to ensure its readiness to participate in calls for tenders. The collaboration is also meant to develop capacity building and communication material for companies. For example, after the described call for tender, in cooperation with VVSG, the municipality developed a toolbox for the procurement of sustainable workwear, which aims to be a guide not only for public buyers but also for suppliers. For example, through the toolbox\textsuperscript{41}, potential suppliers receive details on how to make progress towards circular and fair workwear.

THE FRAMEWORK AGREEMENT
Preparation phase
Based on the results of the survey to the potential suppliers, the framework agreement was divided into five lots:

1. Sustainable workwear
2. Standard workwear
3. Towels and baby bibs
4. Work and safety shoes
5. Gloves and other personal protection equipment

Each lot required different degrees of environmental and social performance, in line with the readiness of the market. This solution allowed fair competition between suppliers, and it helped to identify the best supplier for the product.

To facilitate higher participation in the call to tender, a two-step procedure was adopted.

Chosen criteria
The award criteria were different according to the lot, but, in general, suppliers were assessed on the basis of the end-of-life solutions of the offered workwear, the end-of-life durability and the quality of their products. Ghent demanded on the one hand respect for minimum social and environmental standards, and, on the other hand, continuous improvement of suppliers’ social and environmental performance\textsuperscript{42}.

As a technical requirement, suppliers were also obliged to propose workwear made of organic and Fair Trade cotton and recycled polyester.

Selected supplier
In the first phase, suppliers had to agree to engage in a process to increase their supply chain’s transparency and social responsibility. This was a selection criterion (part of the code of conduct).

After the first phase, nine suppliers were preselected and asked to:

- Sign the ‘socially responsible supply chain management’ code of conduct.
- Complete the ‘socially responsible supply chain management’ questionnaire and provide more details on its supply chain management.
- Provide a list of vehicles used for the delivery of their products.

Five suppliers complied with these obligations and then received the technical specifications. Given the high standards required, suppliers were given one month to reply. All suppliers had to provide samples for testing by end-users (the staff of the municipality). The procurer also received training to check the clothes’ end-of-life durability.

\textsuperscript{41} ToolboxSocResWorkwear_1406-1.pdf (hrprocurementlab.org)

\textsuperscript{42} Making socially responsible procurement work - 71 good practice cases | European Commission (europa.eu)
In the first half of 2018, a contract was awarded to five suppliers: Alsico (sustainable workwear), Bel-Confect (standard workwear), Stemico (towels and baby bibs), Tric (work shoes), and Fabory (gloves and other protection equipment).

**Length of the contract**: 4 years (2018-2022)
**Contract value**: € 1,200,000.00

**OTHER RELATED ACTIVITIES**

**Contract management**
The Public Procurement Officer has regular dialogue with the suppliers to monitor their progress and to check any implementation challenges they are facing (twice a year). Contract management also included:

- Organising kick-off meetings with the end-users of the procured products.
- Ensuring the clothing was available to fit before ordering it.
- Regularly discussing with suppliers about adjustment measures to make their chains more transparent, more circular and fairer.
- Ensuring that old workwear is recycled in a sustainable and circular way.\(^43\)

**Financial management**
From a financial point of view, the circular and fair framework agreement did not require any more financial resources than the previous agreements.

**Communication**
The municipality of Ghent is active within several EU networks, which allows the city to give visibility to its effort towards circular and fair public procurement. Through the organisation of the Fair Fashion Fest, the municipality also aims to provide visibility to those businesses that are committed to circular and fair workwear, as well as to include them in relevant consultations and initiatives.

**Monitoring system**
The municipality has a regular dialogue with all suppliers. This allows the municipality to monitor the progress made and record any requirement for adjustments.

Thanks to this dialogue with suppliers, the municipality was able to measure the following positive impacts and benefits of their circular and fair public procurement work:

- Increased awareness among local suppliers on their responsibility in making textile supply chains more sustainable.
- Increase participation of local suppliers in relevant networks such as the Fair Wear Foundation or other initiatives aiming to help them make their chains more transparent and environmentally and socially responsible.

**Control system**
Suppliers’ performance is verified by third parties and specialised auditors. Ghent also works in partnership with suppliers to help them go further in the promotion of a circular economy, Fair Trade, and other sustainability initiatives.

\(^43\) The old workwear is being recycled into insulation material.
In 2020, Ludwigsburg won the German BME-Award for Innovation Procurement thanks to the development of an interdisciplinary competence centre for sustainable procurement, which also promotes circular procurement. The following case study describes how the municipality started to procure circular office supply.

POLICIES AND ACTION PLANS
In Germany, there is still no overarching strategy on how a circular economy can be achieved through public procurement and other policies. However, there are various strategies, platforms and initiatives that address elements of the Circular Economy narrative, but they are not yet aligned to one overall strategy (e.g. the Circular Economy Initiative Deutschland).

Local policy framework
The Municipality of Ludwigsburg in Germany is home to around 93,000 inhabitants. The city government has a sustainable development strategy, which includes the use of procurement to achieve its sustainability goals.

Public procurement’s policy objectives and plans
In 2018, the City government instructed all public procurement departments to follow ‘Cradle to Cradle’ principles. ‘Cradle to Cradle’ is a design concept that requires objects to declare all the materials used both during the production and in the final product, as well as their environmental impact. It foresees five critical performance categories: Material Health, Material Reutilisation, Renewable Energy and Carbon Management, Water Stewardship, and Social Fairness.

The municipality’s commitment to ‘Cradle to Cradle’ helped the switch from traditional sustainable public procurement to circular procurement.

For all sectors, the instruction is mandatory as of 1 January 2019. As a long-term goal, the city of Ludwigsburg wants to only procure products and services that fulfil these criteria.

STRUCTURES
Coordination on circular public procurement
The municipality has a team in charge of public procurement, which provides all departments with guidelines and rules on how to comply with public procurement legislation, as well as how to promote sustainable development through procurement.

The team is composed of the Head of Unit, two legal experts, a sustainability officer and two procurement assistants.

Procurers’ support services
Apart from the public procurement team, the municipality’s procurers can benefit from a guideline that helps to integrate social and environmental concerns in public procurement.

THE PROCESS
In 2019, Ludwigsburg wanted to award a new two-year framework agreement for office supplies (e.g. paper, pens, folders, desk equipment). At the same time, employees were pushing the Head of Administration to start applying circular economy principles for use while procuring.

Once the employees had asked the Head of Administration to start committing to circular procurement, the Head of Administration organised consultations with citizens and the private sector regarding this topic. Citizens reacted with enthusiasm to the initiative. Moreover, companies said that an increase in the demand for circular products would have moti-
vated them to invest in sustainability. This feedback convinced the Head of Administration to set up a project group to work on a first circular and a fair call for tenders to procure office supplies.

The internal consultations
The Circular Procurement Project Team defined a new sustainable public procurement strategy, which was then discussed with 200 colleagues of the municipality through four workshops with approximately 50 participants.

The workshops aimed to present concepts such as the ‘cradle to cradle’ principles and the circular economy. During the meetings, the 200 participants also received instructions on how to implement the new strategy. On the municipality’s intranet, more information was also made available to provide the personnel with the required know-how.

These preliminary steps were key to enabling the staff understand the importance of circular procurement and to engage the internal personnel with the initiative.

After these preliminary workshops, the Project Team, in particular the Procurement Officer responsible for the Office Supply, identified the demand for office material in all public administration departments as well as all schools and day-care centres. The demand was pooled and a list of product groups was defined. The list contained 38 product groups and 295 individual products.

Since then, the Project Team continues to meet three times per year to present the progress made, as well as to try and anticipate any changes or updates in the municipality’s circular procurement plans.

Preliminary market consultation
The Sustainability Officer of the Project Team carried out some market research to identify both the sustainable alternatives that the market could offer and the possible suppliers. Once identified, the Officer called the suppliers to explain the municipality’s public procurement plans and get them on board. The consultations happened through calls that also helped the potential suppliers to get more information on the ‘cradle to cradle’ principles and the circular economy concept.

The municipality also provided potential suppliers with relevant background information, including a checklist to guide them on how to submit a circular proposal. The Project Team, in cooperation with external consultants and a local NGO promoting the cradle to cradle principles, produced this material.

Following the market research and the consultation with the suppliers, the Project Team defined ambitious sustainability criteria for each requested product. For some products, there were no sustainable alternatives in the market so the Project Team had to aim to simply encourage the suppliers to produce and deliver products as sustainably as possible.

Thanks to the market consultations, the local private sector became more aware of concepts such as ‘Cradle to Cradle’ and circularity. The commitment to circular procurement also encouraged companies to invest in sustainability and circularity.

Support business readiness
The city of Ludwigsburg is in regular contact with its suppliers to encourage them to include more ‘Cradle to Cradle’ based developments, such as a recycling programme for their own products and the inclusion of greener options in their product range.

THE FRAMEWORK AGREEMENT
Preparation phase
As described above, internal consultations with the municipality’s staff and external consultations with the private sector, the NGOs, and the citizens were required before launching the call for tenders.
These consultations led the municipality to look for a supplier responsible for office supplies' delivery to approximately 100 drop points within the City of Ludwigsburg. The municipality also included in the call for tenders the development and maintenance of a web-based ordering system that all departments involved in procuring could use to order office materials.

**Chosen criteria**

Based on prior market research, the strictest possible sustainability criteria were included both in the technical specifications and in the award criteria.

The contract was awarded based on the most economically advantageous offer: assessment was based 80% on price and 20% on sustainability criteria that included the following circular and fair aspects:

- Has the bidder assessed which components of the product should re-enter biological and technical material cycles? This does not include energy or thermic reuse. Does the bidder have take-back and reuse schemes for this product? Does the contractor offer takeback and recycling systems? Does the contractor commit to reducing packaging, plastic, and using recycled material?
- Does the production process including the supply chain have been assessed for compliance with human rights standards? Does the contractor employ people with limited access to employment opportunities to perform the contract? Does the contractor demonstrate awareness of social responsibility, (e.g. by supporting social projects linked to the contract)?

**Selected supplier**

The City of Ludwigsburg received three bids. The tender was awarded to Lyreco, which commissioned the development of a new product that adhered to higher sustainability standards (a note cube that complies with ‘Blauer Engel’ certification) to be eligible for this tender. Thanks to the criteria applied in the technical specifications and the award criteria, most products included in the framework contract comply with certification schemes such as FSC, Blauer Engel, and even Cradle to cradle criteria.

Having participated in the call for tenders helped Lyreco raise its sustainability profile for public tenders in other cities.

**Length of the contract:** 2 years  
**Contract value:** €165,000

**OTHER RELATED ACTIVITIES**

**Contract management (maintenance and recycling)**

The Procurement Officer in charge of the office supply procurement, one of the Project Team members, was the main contact point for Lyreco.

At the beginning of the contract, the Officer also liaised with Lyreco for the setting-up of the web-based ordering system. The Officer also monitored Lyreco's work through regular dialogue.

**Financial management**

Buying sustainably can be seen as being more expensive at the beginning, but it can be cheaper in the long term. To keep the costs low, the municipality:
- Ordered large volumes of supplies
- Had a long collaboration framework with Lyreco (a two-year contract that can be renewed)

**Communication**

As explained above, at the beginning of the process the municipality organised events for their citizens.

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46 For more details on the used technical specifications, as well as the selection and award criteria: [https://ec.europa.eu/environment/gpp/pdf/news_alert/issue_94_Case_Study_178_Ludwigsburg.pdf](https://ec.europa.eu/environment/gpp/pdf/news_alert/issue_94_Case_Study_178_Ludwigsburg.pdf)
to involve them in the project.

Thanks to its commitment to sustainability, the municipality of Ludwigsburg raised its profile, also through networking and communication activities. This work led the European Commission to recognise the municipality as an example of good practice. Moreover, in 2020, Ludwigsburg won the German BME-Award for Innovation Procurement.

**Monitoring system**

Lyreco is required to provide statistical data on orders and volumes delivered on a bi-annual basis.

The municipality is also piloting an e-procurement system to better monitor its sustainable purchases. Lyreco’s office supply will then be managed through the new system without the need for another online shop for office supplies.

**Control system**

At the moment, there is no control system.
In the framework of the Procura+ Award 2020, the city of Malmö was rewarded for its sustainable and innovative procurement policies and practices. The following case study shows how Malmö started the procurement of furniture using circular and fair principles.

POLICIES AND PLANS

National and regional legal framework
In June 2016, the Swedish government launched a new national strategy for public procurement, which relates to all aspects of sustainability (both environmental, socio-economic and innovation-related aspects). Since environmental challenges are closely related to the social ones, the Environmental Strategy 2017–2020 of the Scania Region (of which Malmö is the capital) closely aligns with the goals of the Agenda 2030.

Local policy framework
The Municipality of Malmö in Sweden is home to around 300,000 inhabitants. Acting locally for a global impact is well embedded in the city’s procurement procedures. More details are available from the city’s environmental programme.

Public procurement’s policy objectives and plans
Malmö has the goal of making ecologically and ethically certified products the first-choice for all purchases by 2030, as well as incorporating terms in procurement agreements to ensure that employees providing the purchased services get a fair salary, vacation time and working hours.

STRUCTURES

Coordination on circular public procurement at municipal/regional/national level
The City has three procurement units (the central one, the street department one and the real estate one). In the central one, two sustainability coordinators help procurers include social and environmental concerns into their calls for tenders. The central procurement department also focuses on framework agreements with the objective of facilitating solutions for a circular economy in specific sectors, such as furniture.

Internal capacity
The sustainability coordinators work together with the procurers to find ways to strengthen social and environmental sustainability through the city’s purchases. Within the municipality, they work with the Project Manager of the municipality’s circular procurement pilots, as well as the legal advisor of the central procurement department. The coordinators also collaborate with other key stakeholders in the city in order to maintain a holistic approach to sustainability (CSOs, start-ups, and other private sector representatives).

Since 2013, Malmö also has been using ‘Malvin’, a system aiming to prolong a product’s life cycle by utilising the municipalities’ furniture, books, tools and other equipment between different departments. This service has provided major savings for the city of Malmö, in both financial and environmental impact terms. However, the municipality is currently looking at ways to keep this system active.
Support services
The Employment Unit, Labour Market and Social Administration (ASF) offer internal services for furni-
ture (including moving, cleaning, painting, carpentry, textile work, and upholstery).

The municipality can also rely on national relevant sustainability criteria that they can include when calling for tenders.

Thanks to its participation in EU Projects, such as Circular PP\textsuperscript{51} and PROCIRC\textsuperscript{52}, as well as international networks, such as ICLEI, the staff of the municipality also learn through the experience of other munici-

pals across the EU.

THE PROCESS
Internal consultation
An initial draft of the reused furniture framework was prepared and reviewed internally.

A ‘priority list’ was developed by the Procurement Officer of the central procurement unit and the EU Project Manager, alongside the creation of the new framework contract to guide users’ actions when the need for furniture arises.

The priorities were as follows:

1. Furniture already owned by the City of Malmö.
2. Renovation or refurbishment.
3. Purchase via the reused furniture framework.
4. Purchase via the new furniture framework.
5. Recycling.

Preliminary market consultations
Having several exchanges of dialogue with the pri-
ivate sector was essential for the municipality to prepare the call for tenders. This helped them to un-
derstand what was feasible. Before publishing the tender, Malmö also visited furniture suppliers in the region, which allowed the procurers to understand what kind of furniture was available, in what quantities and to what quality standard.

Carrying out market research was an important step in the success of this tender. By learning about the suppliers’ business models, and using this information to develop criteria, Malmö was able to ensure that suppliers could offer a complete portfolio of services. Consultations also helped the city realise that the furniture refurbishment industry is ready to supply quality products that can meet public sector needs, but the demand from public authorities is still low.

Thanks to this preliminary work, no questions were raised during the tendering process, and all bidders met the requirements.

Supporting market readiness
There are several hubs in Malmö aiming to promote innovation and sustainable development which are financially supported by the city. Minc\textsuperscript{53}, for example, was set up by the City of Malmö in 2002 to fuel inno-

vation and was established as one of Scandinavia’s first start-up incubator programmes.

THE FRAMEWORK AGREEMENT
Choosing the product
The municipality wanted to start in a sector where the circular principles were easier to apply: the fur-

niture one.

Chosen criteria
Malmö already has high sustainable public procure-
ment standards for new furniture, and initially wanted

\textsuperscript{51} http://circularpp.eu/
\textsuperscript{52} https://northsearegion.eu/procirc/partners/
\textsuperscript{53} https://www.minc.se/
to transfer these same high standards into the tender for reused furniture. However, including the same documentation and material declaration requirements did not prove to be compatible with reused furniture. Therefore, middle-ground had to be established: used items do not need documentation, but new materials used as part of the refurbishment of furniture need to meet the same high standards required for new furniture.

Malmö decided to start slowly with ‘soft’ requirements. As for the award criteria, in particular, bidders were requested to provide a circular development action plan, which had to specify the suppliers’ goals, strategy, risks and actions, as well as include a proposal for one or more key metrics that the supplier could measure. In order to ensure that the framework had an impact, Malmö focused on awareness-raising and behavioural change. For example, it hosted two ‘framework briefing’ seminars, attended by the four selected suppliers plus users, buyers, and other stakeholders interested in the new approach (with around 30 participants attending each seminar). The seminars aimed to promote the new framework and its ease of use.

Selected supplier
One framework supplier is a big company which produces and sells new furniture, while the other three suppliers are small businesses focusing on second-hand furniture and related services.

Duration of the contract
The framework agreement was published in November 2018, and the framework agreement was signed at the end of January 2019. It will run for at least two years, with a possible extension of up to a further two years. Contracts normally last four years. Ten years can be a good period to assess the impact of the contract. A 2–3 year guarantee was also envisaged.

Contract value
The estimated contract value is approximately €370,000 per year (4 million Swedish Krona), and, over time, it is hoped that the quantities purchased using this framework will increase, while the quantities purchased using the framework contract for new furniture will decrease.

OTHER RELATED ACTIVITIES
Contract management (maintenance and recycling)
Bidders were requested to provide an action plan for each of the following themes:

- Circular development
- How Malmö can incentivise the use of the new framework
- How the tenderer will collaborate with the city, its internal services, and with other suppliers

A template was not provided in this call, but it will be useful to provide bidders with one in future calls.

The bidder’s plan was followed-up through meetings. Some suppliers already had a CO2 assessment tool, but the municipality also shared its own.

Financial management
Currently, the use of EU projects to test circular public procurement pilots has ensured the financial management of the circular procurement work. The municipality is also creating the necessary conditions to make this work sustainable in the longer term.

Communication
In addition to creating the Priority List and the host-

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For more details on the used selection and award criteria, please click the following link: https://ec.europa.eu/environment/gpp/pdf/news_alert/issue_88_case_study_169_Malmo.pdf
ing of ‘framework briefing’ seminars to introduce the framework to buyers and users, Malmö plans a campaign where it will ask buyers and users to take pictures of their ‘new’ reused furniture.

Malmö also promotes its work through social media. The environment department administers a channel on both Facebook and Instagram, called ‘Lätt att göra rätt i Malmö’, with about 2500 followers. The function of this channel is to keep the citizens updated on sustainable living in Malmö.

Finally, the municipal work on circular and fair procurement is promoted through events and initiatives such as the Smart Fashion City Malmö, which aims to strengthen and inspire a sustainable and circular textile industry.

**Monitoring system**

The contract is monitored through regular exchanges of dialogue with the suppliers.

**Impact assessment**

With the support of an assessment tool provided by the national government (an Excel file), the municipality has the capacity to assess the CO2 impact of its circular purchases. In 2019, for example, the contract was estimated to have reduced emissions by approximately 170,000 kg of CO2-equivalents, which corresponds to about 18 laps around the world by passenger car.

**Control system**

When there is no third-party certification available, the follow-up of ethical criteria takes place in a structured form through office audits, where documentation is reviewed at the suppliers, but also through factory audits, where the auditor carries out an on-site review of the factory.
Circular public procurement requires municipal authorities to rethink the way they meet their requirements. Very often, circular public procurement will attempt to reuse or recycle what the municipality already owns. As already mentioned, it is no more the task of a procurement officer, but the joint effort of different municipal departments and professional profiles.

Circular public procurement is a long-term journey, which involves different steps.

As suggested by the publication ‘Circular procurement in 8 Steps’, circular procurement is the process in which:

1. The public buyer formulates its needs (internal consultations)
2. The public buyer collaborates with the potential supplier (external consultations)
3. The public buyer includes circular and other social and environmental considerations in the call of tenders (preparation of the call)
4. The supplier is selected (award of the contract)
5. The supplier provides the product and/or service and, afterwards, all the products involved in the procurement process are given a new purpose (contract management)

Source: FTAO

https://circulareconomy.europa.eu/platform/en/knowledge/circular-procurement-8-steps
In this publication, we aim to guide those municipalities that are just starting to integrate circular economy principles into their sustainable public procurement plans, strategies and practices. Therefore, we focus on the first steps to be taken.

LET’S GET STARTED!
Building the strategy

A first step that needs to be taken by municipalities is to incorporate the promotion of the circular economy into the municipality’s sustainable public procurement policy. On the one hand, this helps the engagement of the municipality’s staff with the subject. On the other hand, this motivates potential suppliers to invest in circularity and sustainability.

While updating its public procurement policy, a municipality should provide:

• A definition of circular procurement;
• A list of sectors it would like to focus on;
• A list of relevant activities (including trainings and communication actions), as well as a timeframe;
• A contact person for any questions, as well as an organisational chart which defines roles and responsibilities of the municipality’s staff.

It is also important to check what the municipality has already committed to in terms of sustainable public procurement and other relevant social and environmental policies. This ensures policy coherence and synergies with municipal strategies.

The following European Commission case study of the city of Nantes, France presents a clear and simple breakdown of the policy areas to which the circular economy can contribute: https://ec.europa.eu/environment/gpp/pdf/news_alert/Issue74_Case_Study_148_Nantes.pdf

Focus on priority product categories or services

The next step for a municipality should be to focus on those products on which it can make a more significant positive impact from an environmental, social, and economic point of view.

The following guiding questions, based on the EC publication ‘Public Procurement for a Circular Economy’, can help municipalities assess the life-cycle impact of a specific product:

• Is it made from an unsustainable resource?
• Does its production or its transportation lead to pollution?
• Does it need a high amount of energy or water when in use? If so, how can this be more efficient?
• Is it possible to reuse it at the end of its life?
• Can its design be improved to reduce its sustainability impacts?
• Is there potential to support a broader circular economy ecosystem?

Starting simple and gradually

Bringing circularity in procurement practices requires time. It looks to be more successful by opting for iterative and cyclical processes that support a learning-by-doing approach. This is particularly relevant [56] https://ec.europa.eu/environment/gpp/pdf/Public_procurement_circular_economy_brochure.pdf
if procurement concerns a product, work, or service where the market is not yet sufficiently mature.

Municipalities can start with easy wins such as materials or components retaining value after the end of the use-life, or products or components where product life-service can be extended. Some initial immediate impacts of circularity and fairness will further encourage the municipality to scale up the effort and embed circularity and fairness into other public procurement processes and practices.

**Internal and external consultations**

**Engaging with the municipality’s staff**

As previously mentioned, circular procurement challenges municipalities to rethink their need to buy and to check whether they could re-use and/or recycle the products they already own. Therefore, circular procurement needs to lead to cultural, organisational, and systemic changes within municipalities, thus stimulating new and more sustainable behaviours.

The strategy’s definition needs to engage the staff with specialist competence in:

- Public Procurement;
- Legal issues;
- Financial issues;
- Logistical aspects;
- Project management issues;
- Engagement/support of the private sector;
- Sustainability issues.

It also needs to involve:

- Municipality's policymakers;
- Senior managers;
- Practitioners (public procurers).

Through a steering group with these profiles, municipalities can agree on public procurement priorities. Once a first list has been established, a broader consultation of the municipality’s staff should be planned to:

- Raise awareness of the importance of committing to circular and sustainable procurement;
- Educate the management and team members on the positive environmental and social impacts that circular and sustainable procurement can bring;
- Ensure management level support to help raise the profile of circular and sustainable public procurement as a priority and ensure political backing;
- Gather questions/suggestions from the municipality’s staff;
- Make an inventory of what the municipality already has;
- Brainstorm on
  - What is needed?
  - How can we satisfy the need? Can we re-use/recycle what we already have? Does the need require a purchase of a product, or
can it be provided as a service?’

- In case we need to buy new products, how can we make sure that they are as circular and fair as possible?

Any progress in the development and the implementation of a circular public procurement strategy should be regularly communicated to all the staff to build municipality-wide engagement.

**Preliminary market consultation and engagement of external stakeholders**

Consultation with external stakeholders, in particular the private sector, during the strategy’s definition ensures that the municipalities’ circular public procurement objectives and actions are taken into account:

- What is currently available;
- What kind of support the private sector needs in order to deliver circular solutions.

Since it could be that this is the first-time suppliers have considered the concept of circularity, these consultations can also help business partners build their capacity/awareness on the subject. Consultations also allow the suppliers to get excited about municipalities’ public procurement ambitions. Therefore, while consulting the private sector, it is important to remember to:

- Communicate the municipality’s ambition and priorities;
- Ask the suppliers about their short- and long-term progress in product and supply chain sustainability;
- Discuss the municipality’s intentions about areas such as reuse and recycling to gain new expertise on the topic and what it is currently possible to do;
- Discuss possible criteria the municipality would like to include in future framework agreements in order to check whether they are realistic and what support the business partners need to be able to match the municipality’s ambition.

Suppliers need to understand that circularity is a priority for the municipality and that investing in sustainability will increase their participation in both the public and private markets. The collaboration between municipalities and universities or other experts can help build the case for circular and fair business models. It can also help collect examples of good practices that have been successful. External consultations should be expected not only with the business sector but also with other relevant stakeholders, such as CSOs promoting sustainable development and/or researchers working on relevant topics.

Cooperation with different stakeholders can also help municipalities to create a database of potential stakeholders to engage in future circular and fair public procurement initiatives and calls to tender.

For more ideas on how to engage the market with public procurement, please click the following link: https://iclei-europe.org/publications-tools/?c=-search&uid=4Ts9pw71
Example of good practice: Cologne

The municipality of Cologne is raising awareness on sustainable public procurement among not only its procurers and employees through workshops and guidelines, but also among local businesses, civil society organisations and its citizens. One of the common Fair Trade Towns goals across countries is indeed the need to have a steering committee composed of municipality officials and civil society representers. Events are organised to raise awareness of the impact of consumption patterns on the environment, workers, and our everyday life. The municipality also supports civil society organisations through information, education, awareness, and financial tools. Social media and other communication campaigns are also organised to allow citizens and local stakeholders to contribute to the city's commitment to sustainable consumption and production patterns (e.g. #faireskoeln social media campaign, city tours, shopping guides and school projects).

From strategy to implementation plans

Internal and external consultations should lead to defining not only a more detailed public procurement strategy, but also an implementation plan that should cover the following aspects:

- The human and financial resources to be allocated to circular and fair public procurement;
- The tools to be used to help procurers/the municipality’s staff to contribute to the public procurement strategy (meetings, online platforms, training modules, etc.);
- The tools/mechanisms to keep the dialogue open with the market and other relevant external stakeholders (market consultations, trade fairs, etc.);
- An internal and external communication plan to motivate internal and external stakeholders;
- A system to regularly assess any progress made.

Once the strategy and the implementation plan are clear, both the municipality’s staff and the potential suppliers need to acquire the capacities and skills to achieve the expected results.

Support business readiness

Suppliers need to be engaged, motivated, and supported to improve their environmental and social performance. In addition to regular dialogue opportunities with them, municipalities can:

- Provide their local businesses with capacity-building opportunities or with incentives to invest in circular and fair solutions (training, funding opportunities for start-ups or innovative projects, etc.);
- Bring together supply chain partners to boost collaboration among them. As mentioned above, in some cases, the most circular solution could be the combination of several supply chain partners. The circular economy is not one man’s job, but the result of the collaboration of many participants.

Municipalities can also consider ways to engage social enterprises with circular public procurement so that they can reach greater social objectives through their public procurement work. For example, they can consider establishing a helpdesk for them, they can ensure they are invited to preliminary market consultations, or they can consider guidelines to...
help them participate in the process.

**Capacity building and networking opportunities for the municipality’s staff**

As already mentioned, a circular public procurement process starts by defining the staff’s needs. In order to extend the products’ end-of-life durability and their reuse or recycling, the role of the municipality’s staff is crucial. In order to engage staff, a municipality can:

- Provide its employees with guidelines, capacity-building opportunities, incentives to take better care of the products they use (to extend their use), as well as to reuse/recycle what they already have;
- Consider virtual and physical spaces to help employees share what they have in terms of products;
- Consider regular exchange opportunities to allow employees to monitor the impact of their more sustainable behaviour and to give feedback on any difficulties they may be facing.

Once the internal staff are ready to engage in a circular public procurement process and the market is ready to deliver the required products and services, municipalities can start the drafting phase of the public procurement cycle.

**Preparing the framework agreement**

According to the experience of the municipalities analysed, framework agreements are effective tools to help procurers get circular. Article 33 of the EU Public Procurement Directive defines a framework agreement as ‘an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given time limit, in particular with regard to price and, where appropriate, the quantity envisaged’. Since it is common for a ‘circular’ buyer to require a range of services and products within circular procurement, these frameworks allow procurers to make longer-term arrangements with one or more suppliers covering one or more industries.

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57 For more information, please click the following links: [https://ec.europa.eu/growth/sectors/social-economy_en](https://ec.europa.eu/growth/sectors/social-economy_en)


59 Even if in this publication, we focus on framework agreements, the following guidance is also relevant for procurers preparing circular calls for tenders.
Before even starting to prepare the framework agreement, municipalities should consider the following questions:

- **Is there a need to procure anything?** For example, are there options to re-use equipment from elsewhere?
- **Procurement alternatives:** This may include the procurement of a service instead of a commodity or it may include leasing. A lease should include maintenance and repair and there is the opportunity to encourage the lease company to re-use and refurbish equipment.
- **Stakeholder engagement:** Ensure that all relevant stakeholders have been engaged with – both internal and external. The contribution that effective supplier and stakeholder engagement can make to successful procurement should not be underestimated, not least in helping to ensure competition, it must however be conducted in an open and transparent manner. Once the procurement begins all informal conversations with potential suppliers must stop.
- **Costs:** Consider all relevant life cycle costs.
- **Socio-economic:** There may also be opportunities for socio-economic outcomes through a focus on enabling SMEs, third-sector organisations and supported businesses to compete for business and relevant community benefits, particularly in service contracts but also potentially in equipment contracts.60

After these first considerations, municipalities can also check how they can use the framework agreement to support the participation of social enterprises in public procurement. For example, municipalities can:

- award contracts in the form of separate lots to facilitate the participation of social economy enterprises;
- restrict some tendering procedures for all types of work, services and supplies to sheltered workshops and economic operators whose main aim is the social and professional integration of persons with disabilities and other disadvantaged persons.

When designing specifications, the Green Public Procurement criteria that the European Commission 61 has developed for more than twenty product groups (e.g. computers, textiles and furniture) act as an important support for municipalities.

**The use of labels**

Article 43 of the EU Public Procurement Directive (on the use of labels and 'equivalent labels') introduces the possibility in a call of bids to 'require a specific label as means of proof that the works, services or supplies correspond to the required characteristics' when some conditions are respected: 1. there is a link to the subject of the contract; 2. there are objective, verifiable, set by a third party and non-discriminatory criteria; 3. there is an open and transparent proce-

61 https://ec.europa.eu/environment/gpp/eu_gpp_criteria_en.htm
dure where all the stakeholders can participate; and labels are accessible to all interested parties. Please find below some examples of labels that can be used in circular framework agreements:

The Cradle To Cradle Certification is a globally recognised measure of safer, more sustainable products made for the circular economy.

The Nordic Swan Ecolabel pays attention to the environmental and health impacts throughout the whole life cycle of the product or service.

TCO Certified claims to be the world’s most comprehensive sustainability certification for IT products.

For more information on labels, please check the International Trade Centre Sustainability Map and the ISEAL Alliance.

Circular public procurement is not about a single transaction. It engages procurers and suppliers in a partnership with the aim to contribute to sustainable consumption and production patterns. Therefore, while drafting the framework agreement, municipalities should opt for long contracts of 2–4 years that allow them to create such a partnership. This also allows awarded suppliers to make progress year on year.

For further suggestions on how to include circular economy considerations in sustainable public procurement strategies and practices, interested municipalities can also take a look at the following relevant links.
Useful European Commission websites
Commission public procurement website
EU Green Public Procurement (GPP) Criteria
GPP Good Practices
GPP Help Desk
GPP Training Toolkit for public buyers

Other relevant websites
Procura+ Network
Sustainable Procurement Platform
The Procurement Forum

Useful European Commission Resources
Public procurement circular economy brochure
Public procurement for a circular economy (good practice and guidance)

Other useful resources
Avoiding blind spots: promoting circular and fair business models
Circular Economy Toolkit for Fair Trade Organisations

Guidelines on circular public procurement in specific sectors
Furniture Sector report
Construction Lessons report
ICT Sector report

Case studies
Aalborg (Denmark)

Ghent (Belgium)
The City of Ghent: Leading the way in socially responsible procurement of workwear
Making socially responsible public procurement work - Publications Office of the EU (europa.eu)

Ludwigsburg (Germany)

Malmö (Sweden)
https://medium.com/circulatenews/making-a-city-circular-f809bf2d06f5

Guidelines on circular public procurement
Dutch Circular Procurement Guide (EN)
French Circular Public Procurement Guide ‘10 étapes pour intégrer l’économie circulaire dans ses achats’
Scottish Procurement Journey
Circular Procurement in 8 Steps
Procuring for: Repair, Re-use and Remanufacturing Category and Commodity Guidance
Building Circularity into our Economies through Sustainable Procurement
Other municipal case studies

Berlin

Prague

Good practices from the UK

Good practice from Scotland

Food sector good practices

IT circular public procurement

Office furniture's circular public procurement

Textile circular public procurement

Construction and infrastructure projects’ circular public procurement

Nantes

Other relevant publications

Circular Public Procurement in the Nordic Countries

Circular Procurement Best Practice Report

Relevant labels

Cradle To Cradle Certification

The Nordic Ecolabel

TCO Certified

International Trade Centre Sustainability Map

ISEAL Alliance

Relevant projects

REBus

Circular PP

PROCIRC
We would like to thank all those organisations and experts who participated in the design and development of this research. In particular, we would like to thank:

**The research's interviewees**
Emma Börjesson (municipality of Malmö)

Emile Bruls (Rijkwaterstaat - Dutch Ministry of Infrastructure and Water Management)

Aline De Cokere (municipality of Ghent)

Thimo De Nijs (municipality of Den Haag)

Miriam Feldmann (municipality of Cologne)

Birgitte Schleemann (municipality of Aalborg)

Patrick Scholz (municipality of Ludwigsburg)

**The participants to the E-workshop ‘Beyond buying: towards circular and fair public procurement’, facilitated by Pierre Echard (Innovaterra), which took place on 14 January 2021.**

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