

Pioneering circularity: from phones and tablets to baby strollers

06 June 2023 - Published by Kraftvaerk

Circular procurement is a key driver of sustainability, underscoring the potential of organisations to influence the shift towards a more resource-efficient and resilient future. Johan Rodenhuis, a sustainability advisor for the Dutch government, and Caroline Hultstrand and Johanna Tunlid from Malmö's Central Procurement Unit, share their experiences implementing circular procurement practices for two very different types of products: ICT hardware and baby strollers.

Adopting a circular approach

One of the primary goals of circular procurement is to re-imagine traditional procurement systems to prioritise sustainability. Rodenhuis' main objective, in procuring sustainable ICT products, is to position the Dutch government as a front runner in sustainability. Indeed, he strongly believes that sharing knowledge and working with organisations both within and outside the government will drive the market towards more sustainable solutions. 'We call what we do "procurement with impact",' says Rodenhuis. He works with a team of seven other people and the category has a procurement budget of around 170 million euros annually, catering to the hardware needs of government employees and buildings.

The city of Malmö's purchasing budget is an impressive 860 million euros a year. Its Central Procurement Unit buys goods, services and ICT for the municipality. One of the products Hultstrand and Tunlid have recently focused on are baby strollers and buses for preschools. The priority in this case was to set up an effective system of repair and maintenance, thereby extending the lifecycles of their products and reducing the need to buy new products. 'We work with municipal departments that don't have huge budgets. Our strollers are an easy product in that sense. It's not the same as with computers or smartphones, where everyone wants the latest model. Preschools just want a product that works.'

Small steps for a big impact

Implementing circular procurement practices requires an organic, incremental approach, underpinned by collaboration and information sharing and creating engagement with other procuring organisations in order to drive the market towards sustainable solutions.

For Rodenhuis, each small step is part of creating a bigger impact. 'We explore different markets to see what they're doing, and we develop our own criteria, focusing on the climate, circular economy and social aspects such as social return and corporate social responsibility in supply chains,' Rodenhuis says.

There's also considerable outside interest in what Rodenhuis and his team are doing. Indeed, he would like to see the Dutch government not only become a leading player in circularity in the EU, but also globally. 'We try to share a lot of knowledge with different organisations inside and outside the governmental framework and the EU because it's a global market, after all. In order to make the transition towards a circular economy, we need

to collaborate globally, because we have global supply chains, global producers and global vendors.'

By engaging with organisations who have similar sustainability ambitions, Rodenhuis hopes to drive the market towards more sustainable solutions. His department has set up working groups within the government and with projects such as ProCirc and rating organisations such as EcoVadis. 'They all contribute towards a greener product and service catalogue, so anyone buying through our contracts are sure to get greenest possible product in the market.'

Adjusting to the new reality

Malmö has been working with circular procurement for about six years now, covering areas such as furniture and ICTs, among other things. The city uses an incremental approach, as the circular procurement of baby strollers as a product category is new territory. 'It's new for us, but it's also new for our suppliers and our clients, the preschools,' says Tunlid.

Maintenance, refurbishment and repair are added to the contract, with the aim to prolong the lifecycle of the strollers. All the stakeholders need to work closely together to create a dynamic system that works. 'It's important to cover all the bases in the contract from the outset. That means working closely with your partners. You need to have routines for maintenance and repair in place before the point of contract start. In addition to the preschool department, we also needed to involve the internal service department in the pre-phase of this procurement, in order to figure out if they could take care of the maintenance of the baby buses.'

The implementation of the contract will be carried out by the preschools' central purchasing team. The implementation and contract management are essential to achieving the circular ambitions in this contract. If maintenance and repair services do not work, it will not be possible to prolong the lifecycle of the products. The procedures for this need to be followed up with both the preschools and the supplier on a yearly basis.

It also helps to have a procurement officer who's familiar with the circular economy, as the process can take longer than usual because it covers new ground. A good relationship with the supplier cannot be understated either. 'You gradually build and perfect the process,' Hultstrand says. 'Because our suppliers know we're interested in circularity, they or their subcontractors can increase the demand for more circular products. Sometimes we test a new product, and if it works, the suppliers continue the process.' Some suppliers are also starting to adapt their business models to the new reality. For them, the economic incentive has started to shift away from primarily selling new products to selling spare parts and providing repair services.

All this is having a ripple effect extending beyond the municipality. Other municipalities have shown interest and contacted them to learn about their experiences. Tunlid actively participates in various networks, sharing their case as an example and exchanging knowledge with peers. This exchange helps lower the threshold for other organisations to embrace circular procurement practices. The city of Malmö is also part of various international networks and a partner in the ProCirc project, which is an ideal platform for learning and exchanging knowledge.

Challenges

Shifting towards circular procurement comes with challenges, from organisational readiness and cultural shifts to communication hurdles. Rodenhuis believes gaining support from senior management was crucial. 'Start small, focus on pilot projects and gradually scale up to facilitate significant change,' he says. Highlighting successes and seeking out best practices from other organisations can help build momentum and support for circular procurement initiatives.

One key lesson learned by Rodenhuis's team is the importance of embracing calculated risks and learning from failures. By taking risks and experimenting with different approaches, they gained valuable insights and improved their strategies over time. He encourages others to allocate sufficient time for innovation and change, as circularity initiatives and innovations require time and effort to develop. This leads f.e. to better strategies, higher quality requirements and award criteria, which makes implementing and managing the agreement more straightforward.

Similarly, Tunlid and Hultstrand had to ensure clear communication across diverse departments within the municipality to ensure everyone understood the new contracts and their provisions. 'That can be quite a task when you have 28,000 employees, like our municipality,' says Hultstrand. 'Not everyone is behind their computer logged into the intranet every day. So we also relied on extra communication activities. We wrote articles and published them on LinkedIn and conducted interviews with our clients and our internal service department.'

Another key challenge in implementing their framework agreement was managing different routines for strollers bought before, during and after the agreement period. That also required clear communication 'Strollers bought before the framework agreement are served in-house,' Tunlid says. 'And then we have those bought within the framework agreement period that are served by our supplier, and we have the baby buses, which are handled by the internal service department. So we needed to communicate how things are going to work and who to contact for those who bought a stroller at a given time. The lesson here, according to Tunlid, is to think about having a separate contract for service and maintenance in the future. 'But even that is tricky, as there are safety standards and other concerns to consider.'

Interviewees

[Johan Rodenhuis](#) is a sustainability advisor for ICT Werkomgeving Rijk, the Dutch government's ICT workspace category.

Caroline Hultstrand is a procurement officer at the Central Procurement Unit for the city of Malmö.

[Johanna Tunlid](#) is a sustainability coordinator at the Central Procurement Unit for the city of Malmö.

More information

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