

# Pioneering the circular procurement of furniture

30 May 2023 - Published by Kraftvaerk

**According to the European Environmental Bureau, 10 million tonnes of furniture are discarded by businesses and consumers in the European Union each year, the majority of which ends up in the landfill or the incinerator. It's symptomatic of our culture of waste: if it's broke, don't fix it. ProCirc and its partners, many of which are European public agencies, are well positioned to help change people's mindset from a linear to a circular one. As Christian Tangene, advisor in Green Public Procurement at the Norwegian Agency for Public and Financial Management (DFØ) says, 'as a public organisation, you want to be one of the pioneers of a sustainable future.' We spoke to three key officials working in pilot projects affiliated with ProCirc in Norway, the Netherlands and Flanders to find out more about the benefits, barriers and lessons of setting up systems for the circular procurement of furniture.**

## Norwegian pilot: 'preserve what we have'

The Norwegian Agency for Public and Financial Management (DFØ) and the Norwegian Digitalization Agency moved into new office buildings in October 2021. Sustainability has not been a priority at DFØ until now, but this is changing with the addition of a department on Green Public Procurement (GPP).

Indeed, the agency has used the move as an opportunity to set up a pilot and change the way it procures furniture. 'From the outset, the goal of our pilot was to preserve what we have by reusing or redesigning existing furniture, and only to buy new, environmentally friendly and circular furniture as a last resort. This also enables us to avoid unnecessary expenses for new furniture', says Tangene. One redesign project involved 15 shelves being redesigned into new bookshelves that fit better in our new offices. 'The results are promising so far. We've managed to reuse all of our desks, office chairs and storage towers.'



**Putting out the tender**

DFØ put out three tenders for this pilot. One was a framework agreement for new furniture, another a framework agreement for used furniture, and the last was an innovative tender for redesign ideas. The framework agreement for new furniture incorporated circular criteria that centred around three principles:

- Promoting long lifetime
- Promoting closed material loops
- Promoting clean loops

'In terms of the first, we incorporated various conditions, such as a 5-year warranty, product quality testing certificates based on recognised methods, textile robustness, and availability of spare parts and information on repair and maintenance,' says Tangene. 'For the second, the supplier had to be part of a waste management cooperation for responsible waste management. And for the third, we focused on compliance with the list of chemicals in the European REACH Regulation [Registration, Evaluation, Authorisation and Restriction of Chemicals] and insisted on the absence of chrome and nickel.'

Tangene stresses the importance of conveying the message of circularity in the tender introduction. 'You need to clarify that the purpose of the contract is to cover the need of furniture in a manner that contributes to a circular economy. This includes clarifying that your primary intention is to procure used furniture before you buy new furniture. If you don't, you could be legally bound to only procure new furniture. We also asked each supplier to present a 1-2 page description on their sustainability work and contribution to a circular economy.'

### **Ensuring leadership support**

One challenge for DFØ was the lack of involvement early on in the project of Tangene's GPP department and challenges related to establishing clearer and more ambitious circular goals. 'What would have made the process easier is a quantified goal for reuse, a clear mandate in the project group for the moving process, as well as a better understanding of funding opportunities.' Even more important, however, is to ensure that there is leadership support. 'Involving me as an expert on circular furniture procurement was a bit ad hoc and fragmented. The other parties involved in the project were not given enough time or capacity to plan these changes properly. Nor were they given a clear incentive, keeping in mind that this pilot was not part of their project description or expected deliverables.' Better leadership would have established an effective and efficient strategy from the outset.

So the lesson here is to plan well and plan early. 'This will give you the necessary time and resources, not to mention the mandate, to coordinate the process internally in your organisation,' says Tangene. 'You also need to plan in advance with your different suppliers. If you want to procure used furniture, you can't do it two months before you need it. Used furniture suppliers need predictability. So give them at least eight months warning. The same applies to repair and redesign: start communicating a lot sooner than you would with a regular supplier of new furniture.'

### **Dutch pilot: 'develop a circular showcase product'**

The pilot project in Groningen, the Netherlands is driven by the municipality's aim to become a zero-waste municipality by 2030. The plan is to reduce the city's waste streams by preventing new waste flows and converting waste into resources. The municipality has set up a pilot project for this purpose called Gronings Goud. The focus is on reusing textiles for the refurbishment of office chairs. 'But one of our wider goals,' says Carolina Vogel, manager of the pilot project, 'is to develop a circular showcase product that can serve as a tangible example of the circular economy.'

The pilot relies heavily on co-creation, involving multiple stakeholders in the value chain. There's Vepa, a manufacturer of office furniture, as well as two social enterprises, GoudGoed and ReBlend. The loop works as follows: GoudGoed collects used textile and then sorts it with ReBlend. ReBlend develops closed textile loops in which the textile products are made of end-of-life textile that would otherwise have been incinerated or downcycled into a lower-value product. ReBlend shreds the sorted textile, spins yarn from it and then weaves fabrics from these shredded materials. The collected textiles are converted into fabric, which Vepa uses to refurbish office chairs for the municipality of Groningen. 'We've just started, so we're in the process of getting the textiles sorted. Then that will go to the manufacturer, who will turn them into circular textiles,' says Vogel.



*Photo by Marleen Annema*

### **Setting up the contract**

What's interesting about this pilot project – which is part of a broader circular contract – is how the broader circular contract came about and the case study it involved in the latter stages of the procurement process. 'We started by conducting a market orientation study. This told us that the most suitable sector for circular procurement was furniture,' Vogel says. The process was carefully planned, with procurers taking a one-year course offered by Pianoo, the Dutch Public Procurement Expertise Centre, and organised by Copper8. This led to the development of starting points. Subsequently, a call was opened in the market, kicking off the first phase of procurement. One of the criteria called on interested market parties to measure the circularity of their furniture by using a tool ([Circular IQ](#)). The results were assessed by an independent consultancy.

'We asked the three remaining market parties to develop a case study,' says Hendrik Jan Withag, advisor in Facility Management, which started the second phase of procurement. They received information about an office, the furniture in it, the amount of square metres, the people who work there and their needs. The starting point was to use existing materials as much as possible to discover which party was best placed to deliver the needs of the contract in a real-life situation. 'Normally, interested parties tell us how they work, what they can offer and at what price,' says Withag. 'But the question we always have is: can they really deliver on their promises? The case study was crucial because it showed us which parties had the right mindset to apply circular ideas in practice.'

### **Transparency, patience and trust**

Aside from the mechanics of circular procurement – the tenders, the contracts, the budgets – there are also emotional aspects involved. For many organisations, if not most, circular procurement is new. It often means abandoning tried and tested ways of doing things. According to Vogel and Withag, to make circular procurement work, you need to be transparent, trusting and patient. 'You have to be transparent in your contract,' says Withag. 'The truth is, we don't know exactly where we're going yet. So keep it as transparent as possible. Stay in charge of the contract, obviously, but remember you're giving other companies the opportunity to be involved in something new, something progressive. Don't force them into a corner. Have enough trust in each other and your aims that you can experiment, try different paths, fail if necessary and try again.'

That also requires patience. 'Because we're all working on something new, we need to reorganise things sometimes. To give a small example: I initially had difficulty entering items into our budget system, because it wasn't designed for circularity. So that involved a lot of back-and-forth coordinating with the financial department, for example, to make sure things fit in the system.'

In building trust, it pays to ask yourself what the other stakeholders are trying to achieve with their innovation or process. 'GoudGoed works with people who have a distance to the labour market,' Vogel says. 'To me, that's very important. For ReBlend, it's important to transform the current textile value chain, into a circular textile chain. And for me, it's important to put something on the map that is an example of how we can build a circular economy.'

You can watch a video about the project Gronings Goud [here](#) (English subtitles available).

### **Flemish pilot: 'a lever on the market'**

The pilot launched by the Agency for Facility Operations of the Government of Flanders (AFFO) aims to reduce the amount of office furniture in government entities that ends up as waste. In a wider context, it also dovetails with the stipulation in the Flemish coalition agreement that the government should lead the way in terms of circular public procurement.

One of the main tools of the pilot was to set up a system that coordinates the furniture needs of the government's various entities, which have offices in various locations. Some of

these entities have a surplus of furniture, whereas others need furniture. This required finding a partner that could coordinate the collection, storage, refurbishment, distribution and sale of surplus furniture through a dedicated webshop. 'We're hoping that our agency can act as a lever on the market,' says Alexander Lemmens, legal expert at AFFO. 'It would be great if this pilot could become a catalyst in mainstreaming refurbishment in Flanders.'



*Photo by Het Facilitair Bedrijf*

### **The tendering process**

The partner contracted for this pilot is an organisation called Nearly New Office Facilities (Nnof). Finding a partner for the pilot was not straightforward, however. 'We organised a market consultation to bring different parties together. For example, we knew that some major players in new furniture had some experience in refurbishing their own furniture, while smaller players from the social sector were good at custom refurbishment jobs but not big enough to deliver this kind of contract on their own. Our hope was that they would team up and form a consortium. But that did not work out unfortunately.'

In the end, only one supplier submitted a tender. 'The lesson here is that it's not enough to simply place everyone around the table and discuss what you want. I think it's important to more actively point out the possibilities of cooperation and communicate even earlier that setting up a cooperation between organisations takes time.' On the bright side, however, Nnof works with various subcontractors. Many of these are small companies that hire people who are at a distance to the labour market, such as people with a handicap or people who have been unemployed a long time.

### **Innovative credit system**

The AFFO pilot consists of two framework agreements for circular office furniture (see 'Two Framework agreements' box). One of the innovations is its credit system. Government entities that feed surplus furniture into the system receive credit that they can use to buy furniture through the system's webshop – either immediately or at a later date. This not only

saves furniture from being wasted but also money that would otherwise be spent on new furniture.

Nearly New Office Facilities (Nnof) becomes the legal owner of the furniture once it has been collected and stored. Another innovative element of this setup is that the furniture is not only offered to other government entities but also to other organisations. Conversely, Nnof also collects furniture from other organisations, which it can then offer to government entities. This further reduces waste as it increases the chances that an entity will find what it needs.

So far, the pilot has been successful, particularly the framework agreement for services. 'Of course, it's a growth trajectory,' Lemmens says. 'Our aim is to increase the turnover every year and hopefully create a hub for refurbishment using the credit system.' The pilot also measures the amount of carbon that has been offset. 'The contractors use a peer-reviewed calculating tool, which has been assessed and approved by universities. So, if you buy 10 pieces of furniture, for example, you can calculate how many kilos of CO<sub>2</sub> have been saved.' The pilot also monitors the amount of material that is reused. 'Although we're talking about refurbishment, some of the materials – such as wheels, bolts and nuts – are new.'

### **Impact of pilots**

All three pilots aim to have an impact at the local and wider level. By adopting sustainable practices, these public organisations are leading by example and helping to create a more sustainable circular market. Ultimately, circular procurement will reduce the impact on raw materials, energy use, carbon emissions and waste production. And by sharing their experiences and knowledge with other organisations in the Interreg NSR ProCirc network, these pilots will enhance our knowledge on circular procurement, which will benefit other procurers across the NSR to develop circular procurement in their organisations.

#### **Two framework agreements for circular office furniture**

The first is a delivery contract for a platform that collects, stores, refurbishes and redistributes furniture. The contract is limited to the Government of Flanders, but because the collected furniture becomes property of Nnof, other organisations can buy the refurbished furniture from a dedicated webshop as well.

The second is a services contract for the refurbishment of furniture on a project basis. The contract is open to local authorities as well. The refurbishment in this contract consists largely of repairing and updating existing furniture as well as tailor-made furniture from old materials.

For the Government of Flanders there is an interesting symbiosis between these two contracts. Nnof can collect, store, refurbish and sell furniture that cannot be used in the project itself, while the dedicated webshop for used and refurbished furniture can provide items that are needed to realise the project.

## A hierarchy of circular principles

There is a general hierarchy of principles that organisations can use as a guide once they have decided to switch to the circular procurement of furniture:

- Using existing furniture for as long as possible (maintenance)
- Repair and upgrade furniture
- Remanufacture/redesign furniture that cannot be used for its current purpose
- Try to procure used furniture
- If all else fails, buy new furniture that has been produced according to circular principles

The [circular ambition chart](#) is also a helpful tool for organisations getting started with circular procurement.

## interviewees

[Christian Tangene](#), advisor in Green Public Procurement at the Norwegian Agency for Public and Financial Management (DFØ).

[Carolina Vogel](#), project manager of the pilot project Gronings Goud at the Municipality of Groningen.

**Hendrik Jan Withag**, policy officer and advisor in Facility Management at the Municipality of Groningen.

[Alexander Lemmens](#), legal expert at the Agency for Facility Operations AFFO (Government of Flanders) and procurement procedure advisor in the pilot project Refurbished Office Furniture.