



# Circular tender for reused office building

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## Introduction

In early 2020, the Waste Department of Kolding Municipality considered the possibility of constructing additional office space at its main location. Personnel were distributed across multiple facilities, and this hampered communication, knowledge distribution and organisational coherence needlessly. The main goal of the project was to create an integrated and flexible work environment that strengthens unity across departments and teams. This had to be done within a strict budget as the costs of the new building could not exceed the office lease that the new space would replace. The project also provided an excellent opportunity to create a building with minimal environmental impact. Therefore, the project aimed to create the building from 100% reused materials, at no added cost.

## Procurement process

The Waste Department first used [Alexander Osterwalder's value proposition canvas](#) to chart the employees' tasks in an everyday workweek to get an overview of the current space needs that the new building should meet in the future. After establishing an overview of the requirements the project team examined the important working relations between teams using network analysis to gauge which teams should be co-located and where informal meeting space was required.

The analysis confirmed a requirement for about 400m<sup>2</sup> of office space from reused materials and the project team then looked to procure this within the available budget of 350,000 EUR. Inspired by Kamp C in Belgium, the project team reversed our tender and went into an open



dialogue with the suppliers asking them what sort of building they could deliver to fit the budget of 350,000 EUR. Buildings in Denmark constructed using modular methods fitted the brief as these can be disassembled and rebuilt at a different location, providing a significant leap towards the goal of 100% reused materials in the construction.

Two of the buildings that the suppliers proposed seemed significantly more attractive in terms of value for money. Subsequently, the overall business case for each of the two buildings were compared. Transport, construction and renovation, were included in the direct comparisons. After including renovation costs and resale value, the two buildings had very similar budgets and both of them stayed within the budget parameters. The building of the higher quality was chosen as the winner.

After the building selection, it was simply a matter of drawing up a standard construction contract, for the supplier to deliver, set up (including foundation and piping) and make the building ready for use, within the agreed-upon offer and schedule.

## Results

Post tender however, there was a change in strategy in the Kolding Municipality's organisation just before the contract was signed. Due to political reasons in Denmark, the municipality had to consider new ways to strengthen the relationship and collaboration between the Waste Department and the rest of the municipality. This could potentially include physically moving the Waste Department's administration closer to the City and Development Department, which would make the new building obsolete. Thus the project was put on hold.

If the building had been built, the construction would have consisted of roughly 80% reused materials. The foundation and piping would not have been reused. Though this was not the 100% as initially intended, it was still beyond the initial expectations of the project team, and it would not have been possible without such an ambitious goal.

## Lessons learned

- Reversing the tender and presenting the suppliers with a fixed budget, asking them to deliver the highest possible value, is a very simple and wholesome approach to circular procurement. It takes the focus off the price and focuses on the supplied value instead.
- The circular criteria for success were high in this project. This could be seen as unrealistic or overambitious, but it actually was a great way to force ourselves to think outside the box, get creative, and find solutions that are a lot better than we would have found if the goals set were lower. The entire project would have been approached completely different if we had aimed at using a mere 15% reused materials. In many ways, it is better to aim high and fall a bit short than to aim low and hit the target. Especially when exploring new areas and themes where innovation is needed.