



# Reuse of obsolete ICT equipment

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## Introduction

In November 2022, the Norwegian central procurement body launched a call for tenders for a framework agreement for the reuse and recycling of ICT equipment of 191 central government organisations. The requested service included collection, transport, secure data deletion and sorting for reuse or recycling of the equipment. Prior to the tender obsolete ICT equipment was managed through individual contracts developed by each organisation. A questionnaire revealed that only half of the government organisations had such contracts in place already. Of these only half of the total contracts value, measured by full-time equivalents, covered reuse as well as material recycling. The contract had an estimated budget of 64 million NOK excl vat (5.5 million euro) and is valid for up to 2+1+1 years.

## Procurement process

DFØ started working on the tender one and a half years in advance, and several consultation activities were conducted. Both online surveys to the government organisations, questionnaires and one-to-one meetings with suppliers and a public hearing for all stakeholders were used. These were important elements that helped DFØ to gather information about what services were needed, how the market works and other important aspects to consider in the procurement process.



To allow the participation of big and small bidders, the agreement was divided into several lots with an estimated volume of equipment to be handled for each lot to help bidders prepare their offers. One lot was national, and the others were divided into different regions in Norway (west, south, east, north, and central). The tender also included provisions for organisations with service points in two different regions, where a region or lots would only be affiliated to the region or lot where the contracting authority had the most FTEs.

The contract included legal requirements that



covered the Pollution Control Act, the Waste Regulations, the General Data Protection Regulation and the Second-Hand Trade act.

To make the most of ICT assets from the government, DFØ included a profit-sharing model for equipment that could be reused in secondary markets, where the contracting authority and the supplier share the profit according to a fixed distribution key. Also, suppliers had to be able to trace and document where each equipment was sent to and how they were managed.

To prioritise bidders with business strategies to maximise reuse over recycling and with more advantageous profit-sharing models, the contract award criteria were divided between quality (70%) and price (30%), where the quality criteria was based on a *proposed solution (80%)* and an *allocation key (20%)*. The proposed solution contained information about how the tenderer would treat the equipment in accordance with the waste hierarchy, the demand for a user friendly

contract for the CA's and a description of the second hand market approach to secure economic benefits.

A total of seven companies applied, but a single company won all lots. The contract has contributed to circular goals such as reduced need for new production of ICT equipment, waste and several thousand tons of CO<sub>2</sub>-eq. It has also contributed to work life inclusion through the demand that 20% of the workforce used to deliver services included disadvantaged minorities or people with gaps in their CVs. The contract is also an improvement of the previous decentralized handling of outdated ICT equipment.

### Results after first quarter

- *Reduced CO2 with 1 169 220 kg\**
  - *Reduced energy use with 6550400 kWh\**
  - *Reduced the use of chemicals with 62 656 kg\**
  - *Worklife inclusion 50%*
- \*Results based on the reuse of 4168 units, Q1 2023*

## Lessons learned

- Most importantly – that it is possible to develop circular contracts that are beneficial both economically, environmentally and socially for the CA's.
- Pioneer work takes time, effort, and boldness, and it is important to accept that identifying appropriate criteria for such a new type of tender will be more difficult than for more traditional tenders.
- Market consultation is important to define ambitious, but realistic criteria. For example, regarding low-emissions transport and based on the market analysis, DFØ decided to require the use of cleaner vehicles, without mandating electric ones, given the type of vehicles used for the service (mainly trucks) and the distances to be travelled in some regions.
- In general, the individual CA's have been very supportive of the contract due to the attractive contract terms that were established.
- The questionnaire distributed to the CA's found that the most important aspects of the contract was first of all secure data deletion and secondly environmental considerations.