

**Interreg**  
North Sea Region  
ProCirc

European Regional Development Fund



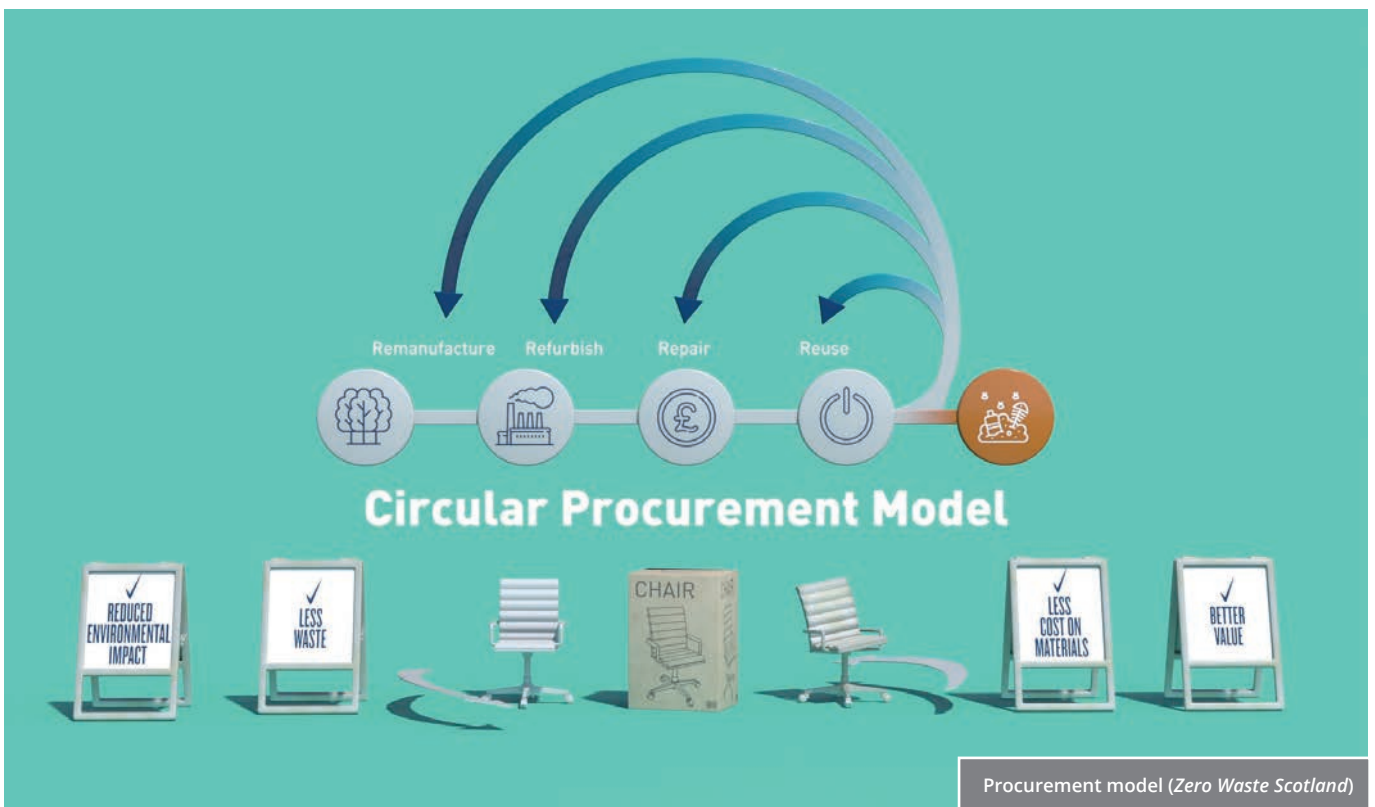
EUROPEAN UNION

# CIRCULAR PROCUREMENT TRANSFORMATION GUIDANCE



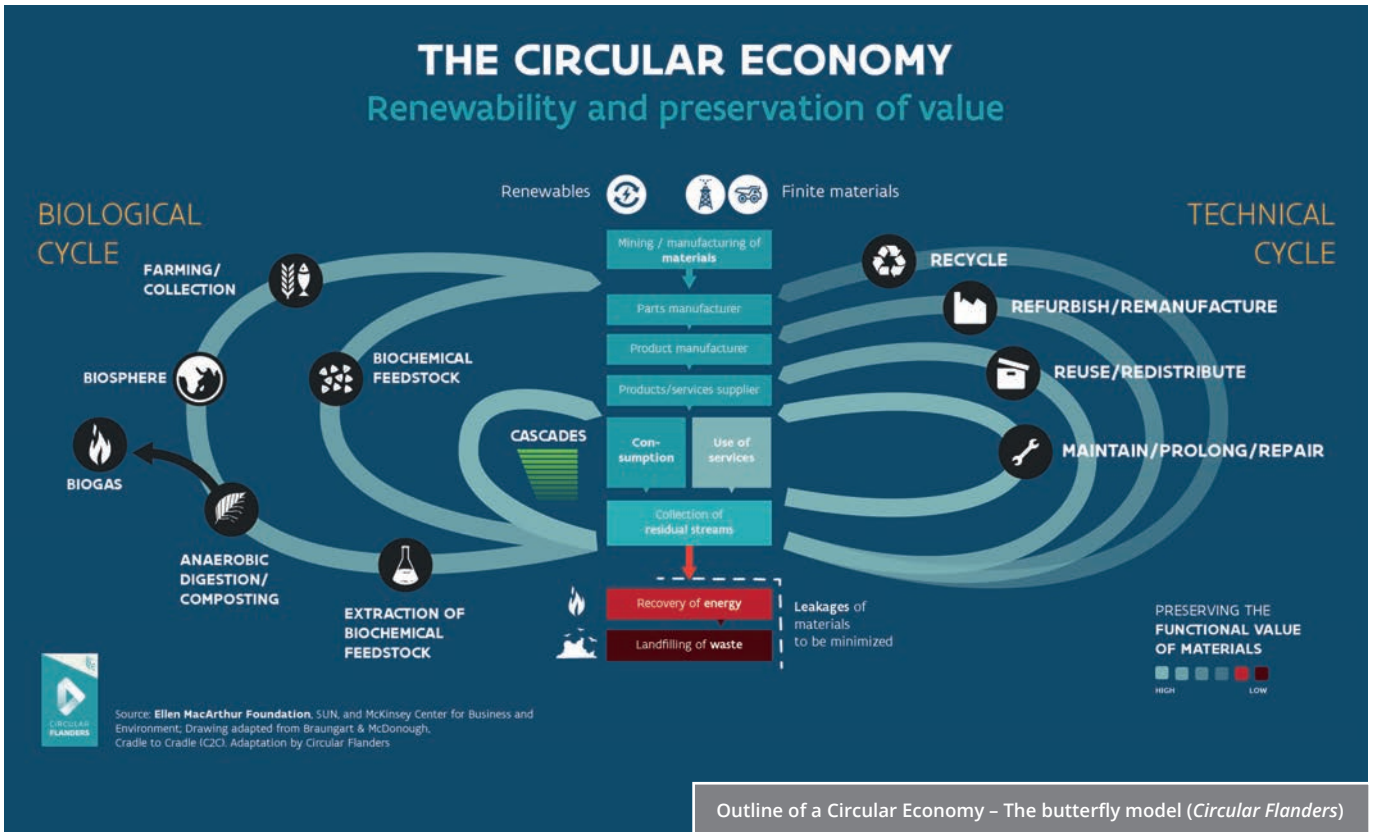
# INTRODUCTION

This guidance is written for procurers and affiliated functions. It focuses on circular procurement. For this purpose, circular procurement is regarded as a means to achieve sustainability. Circular procurement sets out an approach to green public procurement and aims specifically at maintaining the value of products, materials, and energy as much as possible. A circular procurement approach does not exclude social procurement, carbon reduction goals or preventing biodiversity loss. In fact, such aspects should all be part of your integrated procurement practice. This guidance will offer you a general introduction to the topic of circular procurement. We want to guide you to the many resources that are available, and help you decide which are relevant for your specific situation.



A key element to achieve true circularity, is effectively closing the loop. Therefore, this should be considered throughout the circular procurement journey. In this guidance, closing the loop is specifically addressed in chapters 2 'Setting requirements', and 6 'Contract management'. These 'Closing the loop' sections aim to inspire you with some considerations for procuring circular.

**A CIRCULAR PROCUREMENT APPROACH DOES NOT EXCLUDE SOCIAL PROCUREMENT, CARBON REDUCTION GOALS OR PREVENTING BIODIVERSITY LOSS.**



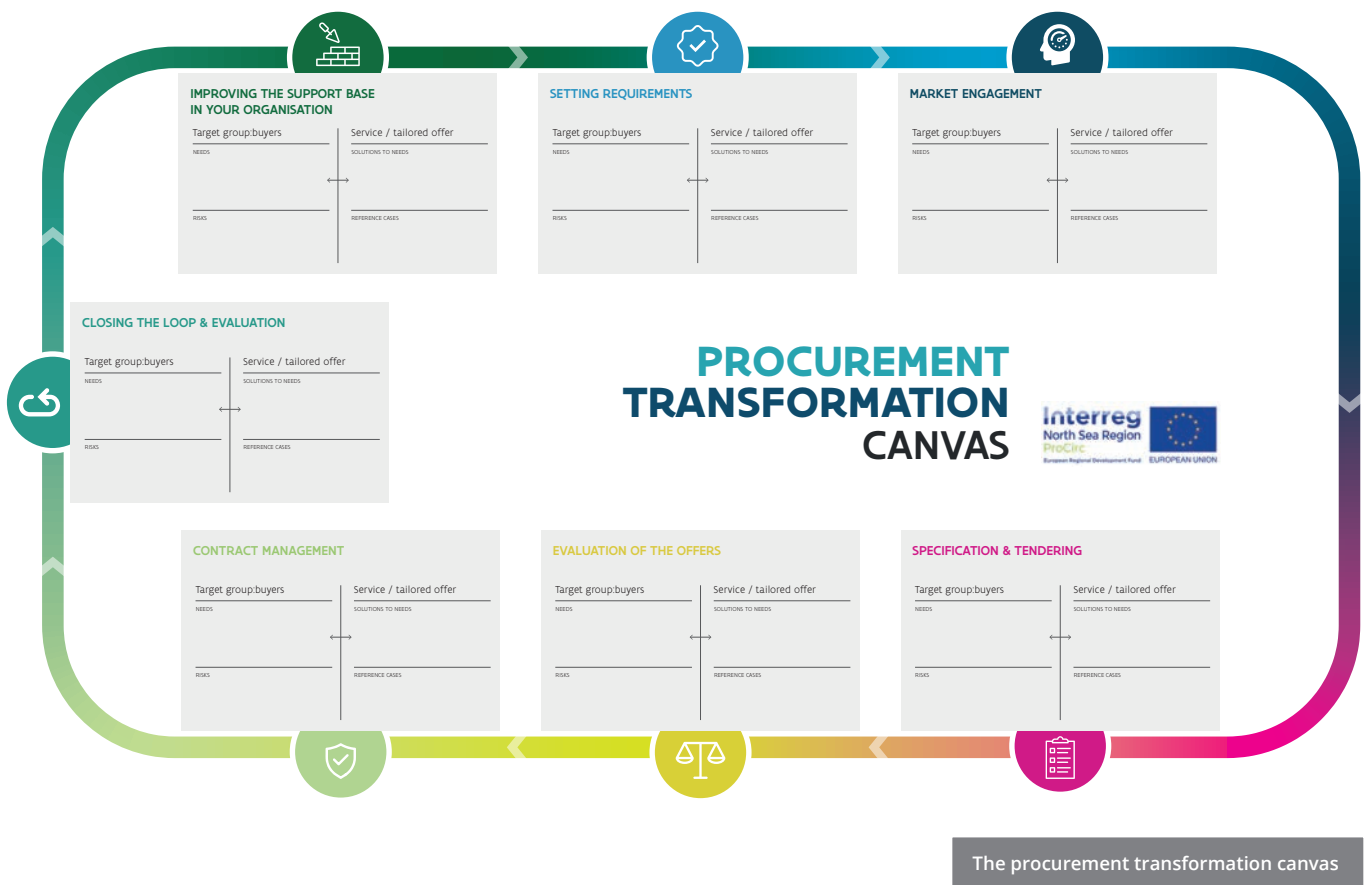
This guidance was developed through the Interreg [NSR ProCirc project](#), which focuses on creating a common framework for circular procurement in the North Sea Region. Within this project, over 30 circular procurement pilots took place. The results are put together in a [case study report](#). Throughout this guidance, excerpts of these pilots are used as illustrations. A brief description links the pilots to the respective chapter content. The full case studies can be consulted on the [Interreg ProCirc website pilot project page](#). For non-ProCirc cases mentioned in the chapters, an external link is added when available.

A great number of circular procurement **tools and toolboxes** were collected during the Interreg NSR ProCirc project. In this guidance, we offer a relevant selection of these tools for each chapter. This selection is by no means exhaustive and product group specific tools were excluded. Unfortunately, a single, perfect circular procurement tool does not exist. When choosing a tool, it is important to take into account your organisations' context, circular maturity, the product category and – most of all – the objective you want to achieve. More circular procurement tools are available on the [Interreg NSR ProCirc toolbox webpage](#) and the [European Circular Economy Stakeholder Platform website](#). Interreg NSR ProCirc project partners created **webinars and publications** about specific aspects of circular procurement. These can be consulted on the [project website](#).

# CIRCULAR PROCUREMENT TRANSFORMATION CASE


A fictional circular procurement case is featured throughout this guidance document. It is a practical translation of the circular procurement principles that are explained in the text. In each of the chapters, the case illustrates the circular procurement transformation journey of a fictional organisation.

This guidance can be used in combination with the Interreg NSR ProCirc [Procurement Transformation Canvas and workshop manual](#). Organising this workshop within your organisation, with all relevant stakeholders, will allow you to identify the focus areas for moving forward with your circular procurement strategy and practice. This guidance aims to provide extra information, tips, tools and inspiration for those phases in the procurement journey focus areas for your organisation.



# HOW TO USE THIS GUIDANCE

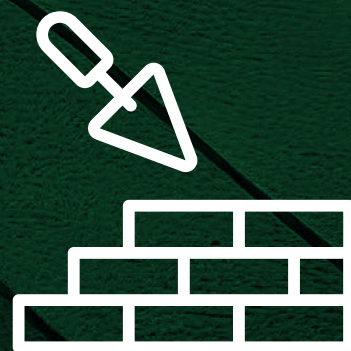
This guidance is structured according to the steps of the circular procurement journey. Each chapter stands on its own and can be read as such. This will allow you to focus on the steps most relevant for your situation. The interactive table of contents below will help you navigate through the document.

You will find throughout the guide this symbol  followed by a number. It indicates to which chapter you can refer and will take you to this chapter when clicking on it.



# 01

## IMPROVING THE SUPPORT BASE IN YOUR ORGANISATION



Whether you want to start a first pilot in circular procurement, or launch a circular procurement strategy for your entire organisation, it is important to get your colleagues and management on board. This can be organised top down, when management formulates organisation-wide ambitions and strategies for circularity, including circular procurement as a supporting process. Alternatively, bottom up initiatives can be taken by motivated personnel. You can start with circular procurement pilot for instance.

In both cases, make sure to involve stakeholders along the entire procurement journey and invest in strengthening the support base. Communicate your experience to allow for upscaling. Ultimately, the circular ambitions and learnings should be connected to the organisation's mission and vision and lead to a to an organisation wide circular procurement policy.

### ➤ Find fellow circularity ambassadors

Look for fellow circularity enthusiasts and influencers to grow the movement. They can provide support to get more people on board and create a support base within the organisation. These allies and ambassadors can be in any department of the organisation or even in an external network. Joining a network on circular procurement can be very beneficial as you can share your own experiences as well as learn from others on a very practical level. Examples of circular procurement networks:

- ⊗ [ProCura+ CP interest group](#)
- ⊗ [Circular Procurement Learning network LinkedIn group](#)
- ⊗ [C-prone](#)
- ⊗ [ACR+ network](#)

**FIND OUT IF ANY INTERNAL INITIATIVES HAVE ALREADY BEEN TAKEN TOWARDS CIRCULAR PROCUREMENT AND WHY THEY WERE – OR WERE NOT – SUCCESSFUL**

### ➤ Identify stakeholders

Map your internal and external stakeholders, as well as their influence on the current procurement processes. This could involve management, procurement officers, Corporate Social Responsibility managers, the financial department, politicians, policy-makers, internal clients, external clients, suppliers, maintenance personnel, category managers, the legal department, the logistics department, communication managers, etc. Find out if any internal initiatives have already been taken towards circular procurement and why they were – or were not – successful. Keep identifying allies and ambassadors along the way.

### ➤ Create a business case for circular procurement

Presenting a business case for circular procurement might help to convince your stakeholders to adopt a circular procurement strategy. The arguments listed below could be relevant for your situation.

- ⊗ Alignment with the organisation's current goals or policy such as circularity, sustainability, environmental footprint or carbon net zero.
- ⊗ Compliance with local, regional or national policy goals or legislation.
- ⊗ Looking at Total Cost of Ownership (TCO) rather than the purchasing price **Q4**. The circular solution might be more cost effective than the linear approach.
- ⊗ Impact on organisation's reputation and/or license to operate.
- ⊗ Provide examples and impact data to demonstrate the feasibility and effectiveness. Ask your network to provide you with the societal and/or environmental impact of their cases to build strong evidence for a circular approach. Or browse databases to find relevant examples:
  - [Interreg NSR ProCirc case study report](#)
  - [Scottish government sustainable procurement examples](#)
  - [Circular Flanders case database](#)
  - [ECESP Good practice database](#)
  - [EU GPP Good Practice](#)

## CIRCULAR PROCUREMENT TRANSFORMATION CASE



Sophie is employed as the carbon reduction officer in a medium sized company with an office staff of 50 people. The organisation has set some high-level targets for reducing carbon, consumption, and waste in the next ten years but has not yet created a detailed plan on how to achieve this. It is the role of Sophie to lead on creating a detailed carbon reduction plan and to deliver several pilot circular procurement projects that can be used to build momentum and interest in this area.

Sophie is aware that they do not have the knowledge and resource to deliver these pilot projects without the help and support of a range of colleagues in the wider organisation. Sophie identifies two parts to the work they must carry out to move things forward. The first is to identify key stakeholders in the process who can help deliver what is needed, and the second is to understand what goods and services are in the procurement plan that could provide an opportunity for circular procurement in the coming months.

Sophie sends out an e-mail to all staff in the office asking for volunteers to join the group as circular procurement champions to learn more about the change in approach to sourcing goods and services, and to promote the idea to other colleagues.

Sophie also arranges a meeting with the Procurement Manager to understand what steps have been taken to introduce circular procurement to the organisation. Sophie discovers that the Procurement Manager, Ben, has undertaken a training course on circular procurement principles and has carried out an analysis of the proposed procurement spend in the coming year to identify possible projects that are suitable. Sophie and Ben create a draft circular procurement policy which details the key decisions needed when identifying potential circular procurement activities.






The first project identified as suitable for a pilot project is related to a request to replace existing IT equipment. A meeting with the IT manager, Charlie, is arranged to explain the concept of circular procurement and to get their input into how this procurement exercise could be more circular. Charlie agrees this procurement should be as circular as possible. So, a business case is created relating to the outcomes that are being proposed, the timescales for delivery, the agreed measures to be recorded, and the training required for IT staff on how this project will differ from a normal linear procurement process.





## › Circular procurement policy

An important first step is defining the **circular procurement ambitions and goals** for your organisation, together with your stakeholders. These can be organisation-wide, or specific to a particular

procurement or product category. Then map the **strategies and actions** to achieve these goals. Once your ambitions are set, communicate them within your organisation and to current and potential new suppliers.

A	B	C	D	E
 Reduce total amount of materials	 Reduce amount of virgin inputs	 Extend the useful life	 Maximise the reusability of a product or component	 Maximise the reusability or recyclability of materials
A 1 Internal sharing	B 1 Understanding the share of recycled, biobased and virgin materials present	C 1 Extending guarantees	D 1 Design for Disassembly	E 1 Design for recycling
A 2 Renting or peer to peer sharing	B 2 Increasing the amount of recycled content	C 2 Contractual arrangements for maintenance and repair	D 2 Modular design	E 2 Understanding materials
A 3 Reuse, refurbishing or upgrading	B 3 Increasing the amount of biobased content	C 3 Upgradable products	D 3 Standardised design	E 3 Contractual arrangements for take back and recycling
A 4 Minimal use of materials in design		C 4 Design for longevity	D 4 Understanding the internal composition and connections	E 4 Reducing or banning toxicity
A 5 Less waste		C 5 Repairability and maintainability	D 5 Contractual arrangements for take back and reuse	E 5 Biologically degradable / compostable
		C 6 Modular/change oriented design	D 6 Stimulate circular business models	E 6 Stimulate circular business models
		C 7 Contractual incentives for extension of useful life		
		C 8 Supplier guidance for use optimization		


**GOALS AND STRATEGIES FOR CIRCULAR PURCHASERS**

Circular Ambition Chart helps you determine your circular procurement ambitions. (Circular Flanders). The letters represent the circular goals, the numbers the strategies that can be used to achieve them.

Ideally, this process leads to a **circular procurement policy** for your organisation. This will provide a structured, supported approach to circular procurement for the entire organisation. And make implementation in practice much easier, as time and resources can be spent. This policy can be made into a living document, where experiences and learnings are added over time. If this seems too big of a leap forward, you could start with a **pilot circular procurement**. The learnings from this pilot, together with the organisation's circular procurement ambitions; can later on feed into a policy. Either way, avoided relying on the personal engagement of a single staff member, as this is a high risk situation. Continuous investment in a broad support base will build firmer foundations.

## › Monitoring

Additionally, Key Performance Indicators (KPI's) can be chosen to measure the impact and/or success of your circular procurement(s) and/or policy. Take into account what is realistic given the available resources and timeframe when defining them. If you want suppliers to provide data for your KPI's, include this in the tender. 



### ➤ Communication is key

Once you have approval or a mandate from your management, make sure to formalise and communicate it internally. Creating and upholding a support base is of vital importance to be successful and for this communication is key. Allow yourself enough time to create this support base and continue regular dialogue with your stakeholders and colleagues to maintain this support. It is equally important to communicate your circular ambitions and projects to suppliers and external clients. Once you have procured a circular product or service, short films or interviews with internal clients and users can be used to communicate the results.

ALLOW YOURSELF ENOUGH TIME TO CREATE THIS SUPPORT BASE AND CONTINUE REGULAR DIALOGUE WITH YOUR STAKEHOLDERS AND COLLEAGUES TO MAINTAIN THIS SUPPORT.



Communication of results by the city of Malmö

## › Training

Gauge whether additional internal or external training of (procurement) staff is needed, as it might require some new skills. Online training resources on circular procurement are widely available. Check if your regional or national government or circular economy hub provides one, as this will be the most suitable. Some training resources that are available in English:

- ⊗ Circular procurement e-learning to be published on [Interreg NSR Procirc website](#) (Zero Waste Scotland)
- ⊗ [Circular Procurement Framework](#) (Ellen McArthur Foundation)
- ⊗ [Circular Procurement framework for regions and cities](#) (Ellen McArthur Foundation)
- ⊗ [Guidance Procuring for: Repair, Re-use and Remanufacturing – Zero Waste Scotland](#) (Zero Waste Scotland)
- ⊗ [Public procurement for a CE good practice and guidance](#) (European Commission)
- ⊗ [Public Procurement \(training on innovative & responsible public procurement with a dedicated module for circular procurement\)](#) (Urban Agenda)
- ⊗ [MRA Roadmap Circular Procurement & Commissioning](#) (Metropolitan Region of Amsterdam)
- ⊗ [Circular procurement for a circular economy](#) (in Swedish, Upphandlingsmyndigheten)
- ⊗ [Climate-adapted and circular procurement](#) (in Swedish, Ivl, Svenska Miljöinstitutet)
- ⊗ [E-learning Circulair inkopen](#) (in Dutch, GDCI)

**Tips**

- ⦿ Invite external presenters to talk about circularity, including best practices. This would help to raise awareness.
- ⦿ Define what circularity means for your organisation to create a common vocabulary and understanding.
- ⦿ Backcasting methodology can be used to move from defining the desirable future backwards, to identify policies and actions to connect it to the present.
- ⦿ Do not look for the perfect circular solution. It is better to choose an option that has a high chance of success but a lower degree of circularity, than risking to fail with a very complex, completely circular solution.

**Tools**

- ⦿ [ICEBREAKER tool](#) to start the dialogue about circular procurement within the procurement team.
- ⦿ [Procurement Transformation Canvas workshop](#) to raise awareness within the organization and identify focus areas.
- ⦿ [Circular Flanders ambitions chart](#) to identify circular goals and procurement strategies.
- ⦿ [Zero waste Scotland accelerator](#) to get inspired by circular strategies.

# ICEBREAKER

## A Tool for Basic Circular Procurement Potentials

Rethink	Cooperate	Prioritize	Design	Reuse	Integrate	Preserve
<ul style="list-style-type: none"> <li>■ We have limited or avoided the purchase, because we found out that it no longer provided a benefit or because we improved the process, logistics or job it was intended for.</li> <li>■ The product can be leased for a given period.</li> <li>■ The product can be rented as 'pay per use'.</li> <li>■ The product can be 'bought as a service' ('products as a service').</li> <li>■ The product can be procured with a circular take-back scheme to maximize the suppliers circular interests.</li> </ul>	<ul style="list-style-type: none"> <li>■ I have researched the needs of the users to ensure that the product matches this.</li> <li>■ I have been in dialogue with relevant players in the market, to uncover circular potentials and collaborate to match users' needs.</li> <li>■ I have researched whether there are other users with the same needs and been in dialogue with them about the possibility of joint purchasing.</li> <li>■ I have brought in circular procurement experts to analyze for further circular potentials/requirements.</li> </ul>	<ul style="list-style-type: none"> <li>■ The product is made from "healthy" materials i.e. materials containing no harmful substances (e.g. to humans or environment).</li> <li>■ The product is made from renewable material(s) (e.g. from wood or other natural renewable sources).</li> <li>■ The product has a neutral CO2 imprint.</li> <li>■ The product has a positive CO2 imprint.</li> <li>■ The product, production and transportation methods live up to the organization's overall vision for sustainability.</li> </ul>	<ul style="list-style-type: none"> <li>■ The product can be adjusted so that it can be adapted to the individual user and / or the intended use.</li> <li>■ The product is designed so that it is easy to maintain and repair.</li> <li>■ The product is designed so that it is easy to disassemble, to make it easy to recycle.</li> <li>■ The product is produced from recycled material.</li> <li>■ At end of life the product can be recycled because it is made from recyclable materials.</li> </ul>	<ul style="list-style-type: none"> <li>■ There is an existing product in the organization that can be used for the task, so there is no need to buy something new.</li> <li>■ It makes sense to buy the product as reuse/secondhand.</li> <li>■ The product can be sold for reuse when it is beneficial to do so.</li> <li>■ The product comes with information so current and future users are able to identify e.g. product materials, circularity potentials or former ownership ect."</li> </ul>	<ul style="list-style-type: none"> <li>■ The tender is based on TCO - the total economy for the product's lifespan (including purchase, repair and maintenance).</li> <li>■ Digital technology and/or data collection can be integrated (e.g. for mapping, usage and maintenance optimization, wear, material content etc.).</li> <li>■ The user of the product should be trained to a certain extend in order to maximize correct use and minimal wear and damage.</li> </ul>	<ul style="list-style-type: none"> <li>■ The product lifespan can be prolonged through reducing use and/or general wear.</li> <li>■ The total procurement and repair costs over the entire product lifespan are financially viable.</li> <li>■ The product is upgradable to satisfy changing needs in the future.</li> <li>■ The product has a warranty for minimum life expectancy.</li> <li>■ The product has a warranty for spare parts accessibility.</li> </ul>

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- › **Municipality furniture reuse (Asker, Norway):** Support was acquired from the mayor, the case connects to Asker's ambition to be the best Norwegian circular economy municipality.
- › **Aberdeenshire New Build & Refurb Projects (Aberdeenshire Council, Scotland):** This pilot focuses on a major contract that committed to delivering energy efficient developments, which are built in line with circular economy principles. These principles were to enable repurposing and ease of reuse of construction materials.
- › **Construction and temporary occupation of a circular hub and Makerspace (City of Leuven, Belgium):** The pilot experiences were discussed with all local stakeholders, including politicians and the financial department, to create an action plan on circular construction for the city.
- › **Sustainable vending machines with healthy products (bpost, Belgium):** Bpost put emphasis on internal change management for their pilot and upscaled circularity into their procurement strategy.
- › **Circular furniture in office move (DFØ/Digdir, Norway):** This case highlights the importance of coordination and common goals for success.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).





Circular Hub and Makerspace in Leuven (Belgium)

# 02

## SETTING REQUIREMENTS



Once the circular ambitions of your organisation and/or procurement professional(s) are clear, they can be implemented in an actual **procurement project** 1. Procurement projects with limited risks (low costs) and visible impact are well suited for pilots. Also make sure the project has no urgent deadlines such as an imminent contract end. Circular procurement requires more time in the pre-tender phase, especially the first time around. Prioritize

impact and market maturity to internal procurement planning. If this is your first attempt at buying circular, opt for a suitable product category. Conduct a market orientation study 3 to decide on this. Look at the market maturity, the complexity of the supply chain, and the lifetime of the product. [Circular Flanders' Quick Scan](#) can help you decide if a project is suitable as a circular procurement pilot.

## CIRCULAR PROCUREMENT TRANSFORMATION CASE



In the past, Charlie would have ordered a brand-new laptop for every member of staff every three years regardless of the condition of the original device. An important change to enable Circular Procurement thinking was to question whether there was a need to change every laptop each time. A review of the status of all laptops was carried out with all items being graded in terms of continued use, upgrade capability, need for refurbishment/repair, suitability for sale to others, available for spares use or recycling.

The approach of extending the life of existing items as well as the supply and maintenance of new items is a change to the previous supply-only contracts that have been used in the past. Ben and Charlie were required to create a new Outcome Specification to not only cover the supply of any new items but to also detail what service was needed to maintain and upgrade the existing stock over a period of five years to encourage the maximum lifespan of all devices within the organisation or by finding future owners or a recycling programme that keeps components in the supply chain for as long as possible.

Make sure to involve relevant internal stakeholders at this stage [Q1](#). This could for instance be the financial department, maintenance staff, CSR manager and of course your internal client. Try to formulate **functional specifications** with them, rather than details for specific product or service. Talk to the internal client or user to find out what they actually need, and assure them those needs will be met. For instance, graphic designers use software that has high requirements for the hardware. Try to formulate these technical requirements, rather than a specific type and brand of computer. This applies to products, works as well as services. Functional specification is key to allow the market to come up with innovative, circular solutions.

### Investigate if a purchase is really necessary.

Perhaps reuse or sharing can answer your client's needs in a more circular way. This can be organised internally or externally. Check if there are platforms for second-hand products or sharing of products in your region. Refurbishing or upgrading your own products can also be alternatives to buying new items. Instead of buying factory new items, refurbished items can also be bought, often with similar warranties as new products.



Upscaling the use of refurbished office furniture (Flemish government)

The market engagement phase [Q3](#) is extremely important to **set realistic requirements** for your procurement. First, align your circular ambitions with needs-based requirements. This will help you prepare to get the most out of your market engagement. If the product category demands really specialised knowledge, consider hiring an external consultant. In the end it may save you time and money. Use circular procurement networks [Q1](#) about their experience and advice for this concrete procurement project.

In chapter 4 on specification & tendering [Q4](#), you will learn more about formulating circular criteria. However, you should have a look at the [EU GPP criteria](#) or [the SPP criteria tool](#) for your product category in this phase already. Use them as an inspiration for formulating requirements suited for your situation. A similar approach can be taken to [labels](#) and certifications. Check which ones could be relevant to your specific procurement and can be linked to your circular ambitions.



## › Closing the loop

In a circular economy we design out waste and aim to retain the highest utility value of products, components and materials. This should be considered throughout your circular procurement journey: it should be reflected in your conversations with suppliers [Q3](#), your tender procedure and document [Q4](#) and contract with the supplier [Q6](#). In this pre-tender phase of setting requirements, it is addressed through considering alternatives to the procurement of new products: check if sharing, reusing, repairing, upgrading, refurbishment or remanufacturing can meet the functional requirements of your client. Also consider extending the lifespan as well as end-of-life phase for the goods you will be procuring (or using through services). In the pre-tender phase, you secure the *circular potential* for your procurement.

The proof of the pudding, however, is in the contract management phase [Q6](#) when the actual *circular impact* is achieved. This realized impact depends on a number of internal actors such as users, contract managers, financial department and maintenance personnel. Therefore, it is important to consult these actors when setting your requirements. This will enhance their involvement, as well as provide you with practical information that can impact the requirements. It might also be necessary to adjust internal procedures.

Some questions to discuss within your organisation.

- › Do we have to buy new or are alternatives available?
- › Do we know how to best maintain the product?
- › Is a procedure in place to determine when a product is end-of-life or end-of-use?
- › How do we dispose of the product? Are users aware of it?
- › Will the supplier take back the product? Will the product have a residual value?
- › Do we know what suppliers do with the products when they leave the organisation?
- › Is there potential for a second life internally or externally for the product and/or parts?
- › Can the product be taken apart easily to facilitate re-use of the parts?





### Tips

- ⊗ Assure management approval for spending time and mandate to involve stakeholders.
- ⊗ Management approval should include specific, measurable goals for the product category. For instance, an 80% reuse rate of furniture when moving to new offices.
- ⊗ You do not have to wait for the current contract to end, a lot can be achieved in partnership with your current suppliers. Explain your circular ambitions and inquire about theirs. Negotiate what could be a win-win.
- ⊗ Check for requirements and lessons learned in similar procurements through case databases and circular procurement networks [📍1](#)
- ⊗ Take the wider requirements of your organisation into account.
- ⊗ Contact a [GPP helpdesk](#) to discuss with expert (regional, national or EU).



### Tools

- ⊗ [BITC Professional clothing publication](#), [EU GPP Criteria](#), [SPP Criteriatool](#), [Circular Flanders Procurement website](#) Product group specific criteria and strategies for inspiration
- ⊗ [ICEBREAKER tool](#) to facilitate internal dialogue
- ⊗ [SPP regions output bases specifications video](#)
- ⊗ [Circular Flanders Quick Scan](#) to check if your project is suited as a pilot



### Relevant Interreg NSR ProCirc partner and pilot cases

- ⊗ **Refurbished office furniture (Agency for Facility Operations, Flemish Government, Belgium):** AFFO set up a furniture library to allow sharing between all of their offices across the region of Flanders.
- ⊗ **Circular tender criteria for professional clothing (Integral UK Ltd, UK):** The facilities management company set minimum circular criteria and stretch requirements to select a clothing supplier that could provide circular options.
- ⊗ **Social housing neighbourhood renovation (Zonnige Kempen, Belgium):** This social housing company implements the circular principles on the renovation of a neighbourhood of similar houses. They renovated 2 houses as a testcase first. Stakeholders are involved through cocreation sessions.
- ⊗ **ICT take-back system (City of Malmö, Sweden):** The city set up a take-back system for ICT hardware, to actively close the loop. Computers and smartphones are reset and either resold or recycled afterward. If resold the municipality will be paid.
- ⊗ **Circular furniture in office move (DFØ/ Digdir, Norway):** Identifies how a clear quantifiable goal is better than more vague descriptive goals that can be interpreted in different ways.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).



MANAGEMENT APPROVAL SHOULD INCLUDE SPECIFIC, MEASURABLE GOALS FOR THE PRODUCT CATEGORY. FOR INSTANCE, AN 80% REUSE RATE OF FURNITURE WHEN MOVING TO NEW OFFICES.

# 03

## MARKET ENGAGEMENT



*“The success of any procurement exercise will ultimately be determined by how the market responds to your request.”* Procura+ Manual

A circular procurement approach changes the relationship with your suppliers. You create **partnerships** in the search for circular solutions for your organisation’s functional needs 2, rather than one-sidedly asking them to meet very specific technical specifications. These circular solutions have to reflect your established circular ambitions 1, so engagement with the market is crucial. Market engagement can be extensive and complex, or fairly simple. It can range from just informing the market on your intentions or sending a written Request for Information (RFI), to having a dialogue with supplier groups or even organising a meet the buyer event.

You can engage with the market at any time, from the early pre-procurement phase, during the tender-phase and at any other time during a procurement process.

There is no limitation on when you can engage, as long as you take into account the principles of public procurement:

- ⊗ Transparency
- ⊗ Integrity
- ⊗ Openness
- ⊗ Fairness
- ⊗ Effective competition
- ⊗ Accountability
- ⊗ Economy 4

To achieve circular procurement, we need to consider circularity in the different stages of the value chain of a product. Thus, market engagement could go beyond collaboration with suppliers and engage all the actors that have a role to play in the value chain. Yet, this approach needs to be further explored if we want to accelerate the transition towards a more circular economy.

Market engagement will provide you with important **information** about:

- ⊗ Solutions for your requirements that are readily available (market maturity, capacity, monopoly positions)
- ⊗ Potential bidders, interest from the market (feasibility, competition)
- ⊗ Suppliers willing to engage in an innovation or growth trajectory and/or identify the need for these (feasibility)
- ⊗ Insight in the supply chain and the suppliers’ potential impact on circularity
- ⊗ Feedback on your requirements, suppliers are best aware of recent innovations (market trends)
- ⊗ Potential alternative circular business models that might be suitable, helping you chose the optimal procurement procedure
- ⊗ Potential risks and issues involved

As your tender specifications will be more **realistic** through market engagement, the chances of receiving qualitative, suitable bids will be much larger. This pre-tender phase may require more time than usual at first, so it is important to budget for it and plan accordingly.

TO ACHIEVE CIRCULAR PROCUREMENT, WE NEED TO CONSIDER CIRCULARITY IN THE DIFFERENT STAGES OF THE VALUE CHAIN OF A PRODUCT.

## CIRCULAR PROCUREMENT TRANSFORMATION CASE

Ben was keen to open the opportunity to as many suppliers as possible and set up a webinar to outline the proposals of what the organisation was trying to achieve by taking a more circular approach to the purchase and maintenance of the IT equipment.


Key considerations for the suppliers to consider included helping reduce the quantity of raw materials entering the supply chain, minimising the carbon impact of the decisions taken in delivering the contract, and reducing the waste generated by the goods and services provided. Suppliers were given the opportunity to ask questions in the open forum as well as to provide feedback directly to Ben on elements that could also be useful in delivering the contract.


Some areas of feedback included a question on whether a leasing model would be considered as part of the proposed bid, a question on whether the upgrades and repairs would be done in-situ at the office or off-site using a pool of devices that could be ready to rotate with a faster turnaround time.

Ben and Charlie agreed that the tender specifications should be designed as far as possible to allow as many suitable options as possible to be included. It was considered that this would most likely increase the number of bids that had to be evaluated but would be worthwhile in terms of finding the best solution.

### ► How to prepare for market engagement

You can prepare yourself for market engagement. This will help you to pitch questions at the right level. Suppliers may already have very well-developed circular offerings, or may have never considered the circular economy before.

- ⊕ Involve experts (internal clients, users, maintenance personnel,...) from within your organisation.
- ⊕ Consider asking external experts for advice if the subject is really specific or technical.
- ⊕ Browse through relevant circular criteria, such as the [EU GPP criteria](#) or [SPP Criteriatool](#), for the product group for inspiration.
- ⊕ Make sure the functional needs and (circular) requirements are clear  2 Avoid being too specific in formulating your questions, as this will constrain opportunities for innovation.
- ⊕ Check for updates in relevant legislation.
- ⊕ Carry out a desktop research to understand the level of circular maturity within the marketplace that you will be approaching. Identify and target the appropriate companies for your product category as well as circularity leaders. The latter can give useful hints on which direction to take. You may also be able to find information from industry bodies, reports by sustainability consultancies or think tanks.

⌚ Your own, local market research can be complemented by asking procurement networks  for advice, or through circular supplier catalogues and matchmaking sites such as:

- [Suppliers in Flanders](#) (Belgium) stating suppliers' circular ambitions
- [Scottish circular office suppliers](#)
- [Loopfront \(Norway\)](#)
- [The Professional Clothing Industry Association Worldwide](#) (PCIAW) have a matchmaking service for buyers and suppliers within workwear, corporate wear, PPE and accessories which aims to save time for buyers researching the market for compatible business partners and aims to help forge trust and transparency quickly between both parties.

⌚ Consider general sustainable procurement best practices, such as human and labour rights, social and economic value and supplier diversity.

### ➤ **Supplier benefits**

Market engagement is also useful for suppliers. As they become aware of the needs of procuring organisations, bidding for tenders will be more attractive, and innovation will be incentivized. Meet the buyer events can help inform suppliers about where opportunities are advertised, how the procurement process is structured, and which tender documentation is necessary.

### ➤ **Meet the buyer events**

These larger scale, regional events are a brilliant opportunity for procurers and suppliers to meet each other in a safe environment. This allows for discussion of circular ambitions, opportunities and bottlenecks. During the Interreg NSR ProCirc project, meet the buyer events were held in [Belgium](#), [Norway](#) and [Denmark](#) (video [recording](#) available in Danish).

Circular Flanders published a white paper with advice for organisations who want to set up Buyer Meet Supplier events. Free to download from [circularprocurement.be](https://circularprocurement.be).





### Tips

- ⊗ It is worthwhile to ask your current suppliers if they have circular ambitions, as you may not be aware of them yet.
- ⊗ Organising information sessions about circular economy can also inspire & inform suppliers about circular opportunities for their products.
- ⊗ Organise a pre-tender event to inform suppliers about your project and ambitions.
- ⊗ Give your suppliers a platform to present their circular solutions. They are great ambassadors and can help improve your internal and external support base [👉1](#).
- ⊗ A good circular tender strikes the right balance between market maturity and challenging the market to be more ambitious.



### Tools

- ⊗ [Best practice report on market engagement](#) and [complementary video](#) (SPP Regions)
- ⊗ [Procura+ Manual](#) (SPP Regions)
- ⊗ [GPP Training toolkit – Module 6](#) (European Commission)
- ⊗ [Buying green! a handbook on green public procurement \(EC\)](#) (European Commission)
- ⊗ [Guidance Procuring for: Repair, Re-use and Remanufacturing](#) (Zero Waste Scotland)
- ⊗ [5 steps for market engagement](#) (Circular PP project)
- ⊗ [Circular ambition chart](#) (Circular Flanders) to communicate suppliers' and buyers' ambitions
- ⊗ Some of the training materials mentioned in chapter 1 [👉1](#) have dedicated chapters on market engagement



### Relevant Interreg NSR ProCirc partner and pilot cases

- ⊗ **Circular Building 't Centrum (Kamp C, Belgium):** To inform the market about the opportunities and possibilities, Kamp C organised a training session for suppliers and procurers.
- ⊗ **Reusing post-consumer textiles for the refurbishment of office chairs (Municipality of Groningen, The Netherlands):** A market orientation study was conducted.
- ⊗ **Prolonging life-time of baby strollers for preschool (City of Malmö, Sweden):** Supplier dialogues before publishing the tender made clear that they could not offer repair in the contracts. Therefore, it was taken out of the tender and alternatives within the organisations were explored.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).

# 04

## SPECIFICATION & TENDERING





Setting your specifications at the right level will **stimulate innovation** for circular goods, works and services. Setting the bar too high, will result in no offers. The key is to embed your circular wishes and needs **Q2** in tender documents in such a way, that they challenge the market whilst being realistic. Setting them too low, means there will be no incentive to improve. Striking this balance is not easy, but a good market engagement phase **Q3** will significantly increase your chances of receiving high quality offers that meet your circular ambitions **Q1**. It is important that the procurer has the mandate to spend enough time on this pre-tender and tender phases, and that there is room for failure and learning **Q7**.

#### › 4.1 Public procurement law

Public procurement law by no means hampers circular procurement. However, as for all procurements, public authorities must ensure that their circular procurement tenders respect the law and principles which apply. The following principles should especially be taken into account when using circular criteria.

- › **Transparency, Openness & Fairness:** All potential bidders should be informed in the same way, at the same time. Environmental requirements should be specified as clearly as possible, in order to enable objective comparison of offers. The used evaluation methodology should be clearly communicated in the tender documents.
- › **Effective competition:** Social and environmental criteria cannot be introduced in order to give an advantage to local or national suppliers.
- › **Link all requirements/criteria to the subject matter:** There should be a clear link between what you ask for in the tender and the subject matter of that tender. For example, a public procurer buying vehicles cannot require the supplier to serve organic food in its canteen.
- › **Equivalent standards:** Contracting authorities should always explicitly recognize and accept products complying with equivalent environmental specifications (as attested under equivalent certifications or schemes).

#### › 4.2 Procurement project scope

Once you have discussed your requirements **Q2** with the market **Q3** you can determine the scope of your procurement project. First of all, decide if your requirements are best met through procuring a **product or service**. Keeping in mind that although as-a-service business models (aaS) have benefits, they are not circular per se. Make sure to compare the Total Cost of Ownership (TCO) and/or Life-Cycle Costing (LCC) (see below) for the different options to make an informed decision. Should you opt for aaS, then demand transparency from the service provider on how circularity is achieved. Especially concerning lifetime extension and end-of-life treatment for the products offered.

Consider what **contract duration** makes sense, taking into account the functional lifespan of your product. During the market engagement stage, you can ask the market what duration they would regard as a reasonable in terms of return on investment **Q3**. This can help you when you want to encourage suppliers to accept a longer contract duration than average. It's useful to include conditions for termination or performance bonuses. You can also opt for shorter contracts with renewal options. Make sure to discuss this with your financial department as well, as this may have an impact on their procedures.

To increase the lifespan of the products, **include repair and maintenance** into the tender. If this is not feasible, draw up a separate tender for this or ask for training for in-house staff to carry out these tasks.

IT IS IMPORTANT THAT THE PROCURER HAS THE MANDATE TO SPEND ENOUGH TIME ON THIS PRE-TENDER AND TENDER PHASES, AND THAT THERE IS ROOM FOR FAILURE AND LEARNING

### › 4.3 Procurement procedure

Match the choice of your procurement procedure with the goals you want to achieve with your circular procurement project. Certain procedures have greater flexibility, yet they may also require more time and specific skills. **Competitive dialogue** for instance, allows to discuss and align your circularity goals with the approach of the bidders. The **innovation partnership** allows for a partnership with the supplier for the development of new,

circular products and services. Offering benefits to both parties. **Allowing variants** encourages the market to come up with innovative solutions to meet your minimum requirements.

More information about procurement procedures can be found in the [Guidance for public authorities on Public Procurement of Innovation](#) and the [Guide to the Community rules on public procurement of services other than in the water, energy, transport and telecommunications sectors](#).

## CIRCULAR PROCUREMENT TRANSFORMATION CASE

The project team decided that extra time would be allowed for the bidders to prepare and submit their bids. The logic behind this decision was to encourage the bidders to propose alternative solutions that could meet the specification in an innovative way. To maximise the responses from interested parties, a two-month tender period was agreed.

The decision to allow as many options as possible within the tender response was followed through by asking bidders to submit a proposal that would meet the necessary outcomes of the service. These included providing a solution that offered the same benefits as buying new, reducing the amount of new raw materials being used, reducing the carbon impact of the solution, and reducing the waste generated by the solution. Each of these elements was weighted and scored separately during the tender evaluation to ensure the scores would be proportionate and relevant to the required outcomes of the tender.


A pricing model was developed that allowed the bidders to price a total cost solution that provided a cost of service to guarantee a specific number of machines were available and working throughout the life of the contract. This number was arrived at using historical information of the number of staff, how often machines were replaced, and the number of repairs that had previously been needed during the life of a machine. Consideration was also given to the predicted levels of staff over the life of the contract. To offer further flexibility, clauses were included to increase or decrease the service level with appropriate changes to the pricing structure during the life of the contract.

The use of appropriate performance indicators, how these would be monitored and reported against, and the level of contract and supplier management needed throughout the life of the contract was also included as part of the tender specification. The circular elements of the specification were set out in detail to ensure that it was not possible for the supplier to default back to a simple “new for old” replacement model of delivery. A penalty clause was included if the number of brand-new replacement machines reached a certain level during each year of the contract.



## › 4.4 Criteria & specifications



**Selection criteria** are embedded to guarantee the competence of the contractor. However, it's not always easy for circular providers, often SMEs and start-ups, to present experience, certificates and references. In order not to exclude these providers, you could use alternative selection criteria, whilst avoiding unlawfully favouring them.

- › Ask for a description of the provider's technical equipment, the measures taken to safeguard quality or their study and research possibilities.
- › An indication of supply chain management systems and the tracking systems that the provider can apply when executing the contract.
- › An indication of the environmental management measures that the provider can apply when executing of the contract, linked to the subject matter of the tender.
- › A growth trajectory can be included in the award criteria or execution requirements. Both the client and the contractor can ask for something to be realized during the contract duration, not yet possible at the start of the agreement. For instance, acquiring a certain label, providing a certain percentage of recycled content, or providing circularity or carbon data.

Formulate what you want to purchase and the requirements it has to meet in the **technical specifications**.  **2** Communicate your circular ambitions, specified to this product group, in the tender document. This provides the supplier with information about the circular priorities for your organisation. It's best to describe technical specifications in terms of function as much as possible (functional specification), rather than in terms of very specific characteristics, types or brands. This offers the market more flexibility to come up with innovative, circular solutions. Allowing variants, can be an option to encourage the market to come up with circular solutions. Clearly distinguish mandatory minimal technical requirements these variants have to meet in your description.

**Award criteria** are used to assess and score the offers that are compliant with the technical specifications. Award criteria can relate to production processes, or any other stage of the life-cycle. For example, the way raw materials are sourced, energy or water consumption during use, the end-of-life

recyclability, or biodegradability of a product. Unlike the pass/fail nature of technical specifications, award criteria allow to progressively reward better performance or to grant points if specific thresholds or conditions are met. When formulating these criteria, it is important to consider how they will be evaluated. Evaluating the circularity of offers can be complicated, especially when innovative approaches from suppliers are encouraged.  **5** Try to strike a good balance between quantitative and qualitative award criteria. Use the information you gathered during the market engagement phase  **3** to decide on relevant criteria and circular ambitions for the product or service you are procuring.

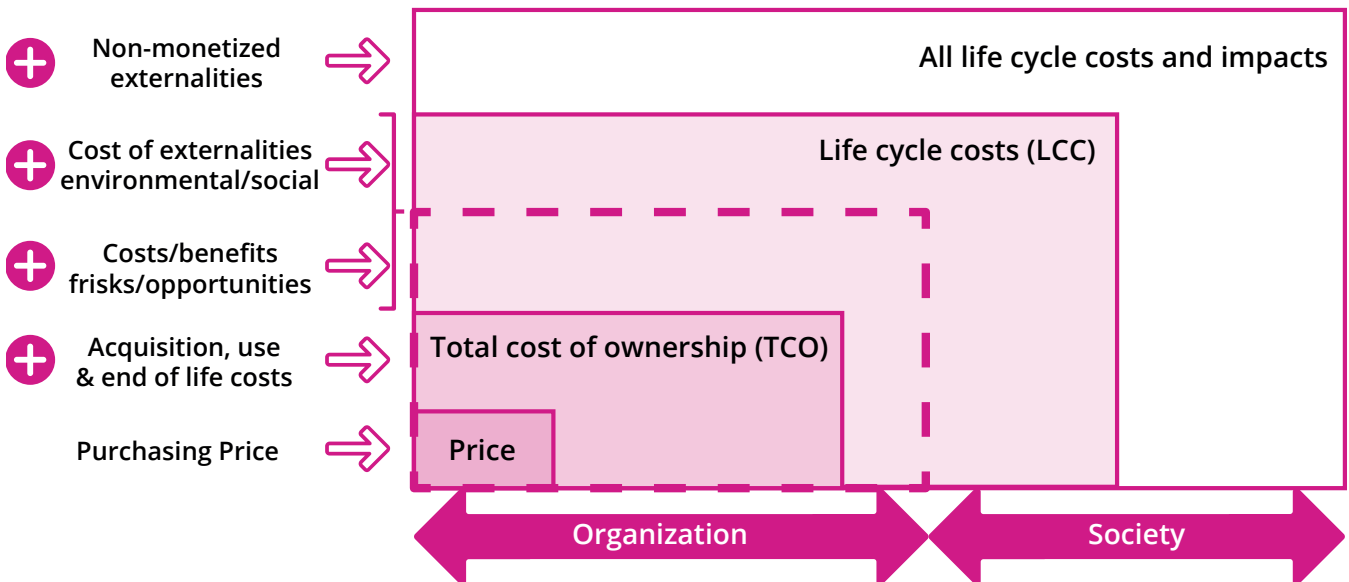
- › **Quantitative:** Objective and measurable criteria. For example, the percentage of recycled content. This could also include data that are to be used to assess the circularity of the offer through a circular procurement tool.  **5**
- › **Qualitative:** A worded, well-motivated proposal by the applicant, such as a plan of action or documented alignment with your circular ambitions.  **1** Provide guidance on the aspects that need to be included and make sure your questions are unambiguous, to ensure comparability of the answers.
- › **A combination of both:** You can quantitatively assess what can be unambiguously measured and checked, and qualitatively assess the other criteria.

Make sure enough **weight** is allocated to the circular criteria. Aim for at least 10% of the total score. If not, you might end up with a winning offer that is not circular at all – and your efforts will go to waste. You can assign scores with a weighting based on which circular economy approaches your own organisation's circular economy strategy is seeking to encourage. E.g. you may want to assign a higher score for a reduction in embodied carbon than for recyclability. Alternatively, you can set flat scores across all of the circular economy criteria you include.

It is recommended that the award criteria are not limited to price. The price-quality ratio depends on the product or service category, but also determines the impact you can achieve.

Directive 2014/24/ EU allows to use of [life-cycle costing](#) (LCC), rather than just acquiring price, to determine the Most Economically Advantageous Tender (**MEAT**). This LCC can consist of the Total Cost of Ownership (TCO), cost for externalities, or a combination of both.

- ⤵ **TCO** maps out all costs during the useful life. The acquirement cost, operating costs (such as energy consumption and other resources), maintenance and repair costs, taxes, and the costs or revenues associated with end-of-use. Therefore, TCO often shows a different result than a comparison on acquirement cost alone.
- ⤵ **Externalities** are environmental and social costs related to the product, service or work during the life-cycle. These are, for example, the costs associated with greenhouse gas emissions and toxic substances.



Overview of life-cycle costing – from ISO201400 Sustainable procurement Guidance (2017)

When using LCC, it is important to indicate in the tender document which data must be supplied by the bidders for the calculations, and which method will be used. They must be able to provide these data with reasonable effort and the cost model must be available to the bidder free of charge. The calculation must be based on objectively verifiable and non-discriminatory criteria. Try to keep it as simple as possible, as asking for complex data and calculations may exclude SME's and start-ups from competing. [Q5](#). The [EU GPP website](#) offers a number of LCC tools. Regionally developed tools for the product category of choice might be available as well.

**Labels and certifications** provide easier verification for the procurer, yet can be quite expensive to obtain for the supplier. Furthermore, circularity is too complex to be secured by a single label or certificate. Check which ones may be relevant to your specific procurement, and link to your circular ambitions. Make sure to not include conflicting requirements and allow SME's and start-ups to acquire them after closing the contract. Contracting authorities are obliged to explicitly accept and recognise equivalent certifications. SPP regions provides more information in [this video](#).

## › 4.5 Contract performance clauses

Contract execution requirements can be imposed unilaterally. Aspects such as take-back, end-of-life provisions, or packaging upon delivery can be included. Make sure that what you ask for is feasible. A growth trajectory description can also be included here.

If you want your supplier to provide data or impact reports, provide a clause about the contents and frequency. Consider what level of detail do you require for measuring circularity. This can easily become very complex, and the measurement metrics will change depending on the category that is being procured. So do not request very detailed information that will be overly burdensome for the supplier to provide. Ask for data which a majority of suppliers will be able to provide. This can be determined in the market consultation phase [Q3](#).



### Tips

- › By public procurement law, your (circular) criteria need to be clearly linked to the subject matter of the tender. Therefore, it might be useful to refer to your circular ambitions. For instance, by including the word 'circular' in the tender title and/or subject description.
- › Include a product information caption in your requirements. For instance, a QR code sticker with info on warranty, maintenance, and repair. Or a (digital) product passport when available.
- › Include a requirement for regular follow-up meetings linked to the circular ambitions.
- › Get a feel for the circular ambitions of the suppliers. Are they willing to be more circular or have an open mindset? Being on the same page is very important in circular projects.
- › Include contract management staff during the tender drafting process to create realistic and manageable agreements with suppliers.

- › Joint procurement increases the volumes of demand and can incentivise suppliers to meet your circular requirements.
- › Public procurement law allows to divide assignments into lots. This can enable more specific circular solutions and attract start-ups and SME's. In case European notification thresholds are exceeded, consideration of using lots is obliged.



### Tools

- › [Guidance Procuring for: Repair, Re-use and Remanufacturing](#) (Zero Waste Scotland)
- › [Video on output based specifications](#) (SPP Regions)
- › Case databases and procurer networks can offer inspiring examples of successful tenders. [Q1](#)
- › Criteria tools offer standard criteria, check if regional tools or criteria sets are available Use them as inspiration and adapt to your specific situation
- › [SPP criteria tool](#) (Rijkswaterstaat)
- › [EU Green Public Procurement Criteria](#) (European Commission)
- › [Sustainability criteria](#) (Sweden)
- › [Tool for Sustainable Public Procurement](#) (DFØ, Norway)

**IF YOU WANT YOUR SUPPLIER TO PROVIDE DATA OR IMPACT REPORTS, PROVIDE A CLAUSE ABOUT THE CONTENTS AND FREQUENCY.**



## Relevant Interreg NSR ProCirc partner and pilot cases

- › **Circular tendering of waste treatment (Kolding municipality, Denmark):** Refurbishment was carried out by people with a distance to the labour market, combining social and circular criteria.
- › **Circular tender criteria for professional clothing (Integral UK Ltd, UK):** The facilities management company set minimum circular criteria with a maximum score of 3 points, and 3 'stretch' criteria that where more innovation focused with a maximum score of 5 points each, thereby rewarding innovative approaches to circular economy.
- › **Education & Office Furniture Framework (Scotland Excel, UK):** Zero Waste Scotland assisted Scotland Excel with the development of the procurement strategy for the supply and delivery framework for education and office furniture across Scotland
- › **Circular Building 't Centrum (Kamp C, Belgium):** A fixed budget was set to challenge the market to form consortia and come up with circular solutions for the requirements.
- › **Circular furniture in office move (DFØ/Digdir, Norway):** DFØ included a separate contract on used furniture as well as minimum requirements for quality standards, warranty (5 years) and repairability criteria.
- › **School furniture (Aalborg, Denmark):** Criteria were included to use existing resources.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).

# 05

## EVALUATION OF THE OFFERS



Once tender responses have been submitted, they will need to be evaluated through measurement (quantitative) and assessment (qualitative) to determine the best solution. Ideally this is the offer that meets the client's needs [Q2](#) and ambitions [Q1](#), as well as offers the best value for money [Q4](#).

First a **pre-qualification process** is used to assess against the **selection criteria** [Q4](#). Then, the selected offers are assessed against the **technical specifications**.

All bids that are compliant with the minimum technical specifications are evaluated against the chosen award criteria that may include LCC [Q4](#). Your circular procurement policy [Q1](#) should act as a reference point to assess qualitative criteria about circular ambition against. **Labels and certifications** may be used to define and prove compliance with

award criteria. Keep in mind the impact of the organisation granting the label, on the value it has. Contracting authorities are obliged to explicitly accept and recognise equivalent certifications [Q4](#)

Depending on the procurement procedure that was chosen, it is possible to enter into **negotiations** with the preferred bidder(s). These might result in an adjusted offer, that better fits your circular ambitions.

The evaluation phase needs to be considered when writing the tender documents. [Q4](#). It is important to ensure that the criteria and evaluation methodology are clearly communicated to potential suppliers. Furthermore, balancing the weight of your award criteria and price, putting enough emphasis on the circularity aspects is vital in circular procurement.

## CIRCULAR PROCUREMENT TRANSFORMATION CASE

The use of the outcome specifications, the ability of the supplier to put forward alternative delivery options, and the total service cost model meant that it was key for everyone involved in the tender evaluation to be given some training on how the evaluation was to be carried out. The training included aspects on the marking scheme for the technical responses including examples of guidance on the type of information and level of detail that could be included in an answer.

Guidance on how the scoring could be applied to the information was also given. Training was also given on reviewing the costing model submissions to ensure that they accurately reflected what was needed to provide the service.

One area of the evaluation was beyond the level of expertise of the project team, and it was decided that external assistance would be obtained to evaluate the carbon reduction submissions of each tender submission.

The tender submissions were broken down into four parts consisting of the technical elements of the IT service delivery, the circular aspects of the solutions (excluding carbon reduction), the carbon reduction numbers, and the pricing element. The project team were each assigned a part of the tender to score for all the bids received.



### › Interreg NSR ProCirc partner Kolding Kommune (Denmark) uses a template for tender evaluation

Martin Pedersen Stub: "Using a template facilitates a systematic approach. It allows for standardization of the evaluations, as well as clear communication and transparency. This approach results in a single score for comparison of the offers on price as well as award criteria."

- › The price (in Danish Kroner) and award criteria scores (out of 10) for each of the offers were added to the template spreadsheet.
- › First the price value was calculated for each offer, relative to the highest price offered (which is valued 1). Resulting in values between 0 and 1, with the lowest value being the best.
- › Then each of the criteria values are calculated relative to the highest score for that specific criterion. Then this value is deducted from 1 as this results in the lowest value being the best.
- › After which the price and criterion values are added up, resulting in a single score. If criteria received a different weight in the tender, this can be accounted for in this step by multiplying the criterion value by the weight percentage.

Contenders	Evaluation board	Criteria	Weight
Suppliers		Price	40%
X	A	Name of criteria 1	40%
Y	B	Name of criteria 2	20%
Z	C		
-	D		
	E		100%

Price	X	Y	Z
Suppliers			
Price	1,000.00 kr.	860.00 kr.	790.00 kr.

Criteria 1	Name of criteria 1			
Suppliers	X	Y	Z	-
Average score	10	8	5.2	0
A	10	8	5	0
B	10	8	4	0
C	10	8	3	0
D	10	8	7	0
E	10	8	7	0

Criteria 2	Name of criteria 2			
Suppliers	X	Y	Z	-
Average score	5	5.4	5.4	0
A	5	3	5	0
B	5	3	6	0
C	5	8	6	0
D	5	6	6	0
E	5	7	4	0

Only edit text with blue. The system will calculate the rest.

Offer and score			
Supplier	Price	Criteria 1	Criteria 2
X	kr 1,000.00	10	5
Y	kr 860.00	8	5.4
Z	kr 790.00	5.2	5.4
-		1	1

Points			
Supplier	Price	Criteria 1	Criteria 2
X	1.00	0.00	0.07
Y	0.86	0.20	0.00
Z	0.79	0.48	0.00
-	0.00	0.90	0.81

Weight			
Supplier	Price	Criteria 1	Criteria 2
X	0.40	0.00	0.01
Y	0.34	0.08	0.00
Z	0.32	0.19	0.00
-	0.00	0.36	0.16

Total	
Score	Supplier
0.41	X
0.42	Y
0.51	Z
0.52	-

Winning score	0.41
<b>Best offer</b>	<b>X</b>

Example of Kolding Kommune's evaluation template



### Tips

- ⊗ “Not everything that can be counted counts, not everything that counts can be counted.” *Albert Einstein*
- ⊗ Recognize the difference between measuring and assessing. A number can be measured quantitatively, a plan or approach should be assessed qualitatively.
- ⊗ Give decent feedback to rejected suppliers. This rewards them for their efforts and might lead to better offers in future.



### Tools

- ⊗ [PRP](#) (circular procurement e-tool)
- ⊗ [Optimal Scans](#) (suppliers fill in a survey that leads to a ranking)
- ⊗ [Circulytics](#) (company-level measuring tool reveals the extent to which a company has achieved circularity across its entire operations)
- ⊗ [Ecochain](#) (environmental footprint for products)
- ⊗ [Circular IQ](#) (circular performance tool for suppliers)
- ⊗ [LCC tools](#) offered by the European Commission
- ⊗ [EU ecolabel](#) (EU-wide certification of environmental excellence)
- ⊗ [CO<sub>2</sub>-performance ladder](#) (Carbon management system & procurement tool)
- ⊗ Training materials  that address the evaluation phase



### Relevant Interreg NSR ProCirc partner and pilot cases


- ⊗ **Furniture for circular building ‘t Centrum (Kamp C, Belgium):** Specifications were based on performance claims and a combination of qualitative and quantitative award criteria was used.
- ⊗ **Reusing post-consumer textiles for the refurbishment of office chairs (Municipality of Groningen, The Netherlands):** An independent consultancy company evaluated the calculations using a tool.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).

06

**CONTRACT  
MANAGEMENT**



We can purchase or lease products that are labelled as circular , but if they end up in the incinerator or landfill, they can hardly be described as such. A lot of the actual **circular impact** is achieved during and after the delivery of the contract. Contract management is often a role that is separate from

the procurement function. Therefore, cooperation between procurers and contract managers is vital to achieve a real impact in terms of circularity. This often involves a learning process, where both internal staff and suppliers must be open to grow together.

## CIRCULAR PROCUREMENT TRANSFORMATION CASE

The tender included several performance indicators that would be used for monitoring that the contract was meeting the original requirements of the tender. There was also a requirement to agree through a service level agreement that the day-to-day delivery of the service stayed within defined parameters. The service level agreement included timescales for delivery of replacement or repairs, the number of machines that would be held ready in reserve to swap for faulty devices, the quality level required for refurbished parts, and the methods used to minimise recycling and disposal.

As part of the service level agreement, it was agreed that these indicators would be monitored by the supplier and provided monthly to the organisation. They would then feed into the quarterly contract review meeting that was held with the wider project team.

A tracker was developed to record performance of all performance indicators that could be accessed by the project team each month as well as being reviewed as part of the contract management meetings.

Some aspects to take into account in regards to the **supplier relationship** are listed below.

- ⦿ Enter a partnership with your supplier and secure an ongoing dialogue, ensuring you are realising the desired circular impact together.
- ⦿ You do not have to wait for a contract to end to start implementing your circular ambitions (link to chapter 1). Having conversations with current suppliers about your ambitions, as well as theirs, might bring opportunities to light to incorporate circularity that favour both parties.
- ⦿ Discuss achievable performance levels with your supplier before signing the contract.
- ⦿ Allow for bonuses for overachievement (on circularity) as well as penalties or remedies if

it is not delivered as agreed. These should be addressed in the contract.

- ⦿ Take a critical look at your standard terms & conditions and the risks they allocate to the supplier as they may hamper circular innovation.

Points of attention for **internal organisation** are listed below.

- ⦿ Allow for enough time and resources to monitor the performance of the supplier, as circularity requirements and innovation can be complex. For instance, agreements on performance, repair, maintenance, and lifespan must be followed up and evaluated.

- ⦿ When monitoring circular impact, it is important to take into account the actual number of ordered products. This might differ from the estimated purchase quantity, especially for framework contracts.
- ⦿ Correct use of the products by the internal clients is important to maximise their lifetime. When possible and relevant, include user training in the tender.
- ⦿ Put in place procedures for maintenance and repair. Include these services in the tender or sign a separate contract for them. If they are provided in house, include staff training or providing of manuals in the tender.
- ⦿ Take measures to actively close the loop (see insert).

### › Closing the loop

As mentioned in chapter 2 [2](#), this post-tender phase of contract management determines the *circular impact* of your procurement. The pre-tender phase dictates the *circular potential*, now it has to be put into practice.

An example: A cradle-to-cradle office chair is purchased; the user breaks the armrest after 6 months and it gets send off to landfill. The circular potential achieved in the procurement did not lead to the desired circular impact.

The circular impact of the procurement is achieved by the actions of various stakeholders: internal clients and users, maintenance personnel, contract managers, waste managers, financial department and the supplier. They all need to be consulted, informed and involved. Their combined actions will determine the lifespan of the product and the end-of-use/end-of-life treatment.

Some things to address with your actors, are listed below.

- ⦿ Is a procedure in place to determine when a product is end-of-life or end-of-use? Is it effective?
- ⦿ How will end-of-life products be disposed? Is the highest possible utility value maintained?
- ⦿ Are all relevant actors (waste management, finance, IT, etc.) aware take-back arrangements made with the supplier?
- ⦿ Is a second life for the product and/or parts possible within the organisation or externally?
- ⦿ Can specialized providers or non-profit organisations be contracted?
- ⦿ Recycling is the final option if reuse, refurbishment, and remanufacturing are impossible. Opt for high quality recycling when possible, employing licensed contractors.

THE CIRCULAR IMPACT  
OF THE PROCUREMENT IS  
ACHIEVED BY THE ACTIONS  
OF VARIOUS STAKEHOLDERS



### Tips

- ⊗ Provide clear internal procedures for maintenance, repair and disposal together with stakeholders and communicate them to internal clients and users.
- ⊗ Work closely with your supplier to ensure good monitoring. Offer them exposure if they perform well.
- ⊗ Determine clear ownership and responsibility in the contract management phase. Have a thorough handover from procurer to contract manager. To ensure a good follow up of the circularity requirements.
- ⊗ Make yearly checklists to overview contracts and their milestones for compliance. Examples of circular aspects that could be checked: lifetime indicators, growth agreements on circular ambitions, actual use (frequency & duration) of the products, number of purchased products in case of framework contracts, data reported on circular impact, cost & frequency for maintenance and repair and end-of-life cost or winnings.



### Tools

- ⊗ [Optimal Scans](#) (Dutch, monitoring organisation & suppliers by yearly scan)
- ⊗ [PRP](#) (Circular facility management, ProCirc pitch)
- ⊗ [SPP Regions Procura+ Manual](#) (p. 63 – sustainable procurement)
- ⊗ [Public procurement for a CE – Good practice and guidance](#) (European Commission, 2017)
- ⊗ [Circular Procurement Framework](#) (Ellen McArthur Foundation)



### Relevant Interreg NSR ProCirc partner and pilot cases

- ⊗ **Circular signs and navigation (City of Malmö, Sweden):** In this contract a take-back system is in place. The supplier must take back signs from the City of Malmö that become redundant. The preferred option is reuse of the signs. If this is not possible, they are disassembled and recycled.
- ⊗ **Take-back system for ICT (City of Malmö, Sweden):** Computers and smartphones are reset and either resold or recycled. If they are resold, the municipality receives reimbursement for the residual value.
- ⊗ **Refurbished office furniture (Agency For Facility Operations, Flemish Government, Belgium):** Credits are granted for end-of-use furniture delivered to the supplier. These can in turn be used to 'buy' refurbished furniture from their catalogue.
- ⊗ **Demonstration box for circular construction within De Potterij (OVAM, Flemish Government, BE):** A virtual tour through the box offers exposure for the circular suppliers.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).



Malmö's signage pilot was one of the finalists for the 2022 Procura+ awards

# 07

## EVALUATION OF THE PROCUREMENT PROCESS



The circular procurement process is one of continuous learning and improvement, involving more stakeholders than a linear procurement. It is important to work together with these stakeholders (such as internal clients, procurers, contract managers, CSR managers etc.) on evaluating the circular procurement project. It may be beneficial to set clear and realistic indicators for success and failure at the beginning of the circular procurement

journey and have them endorsed by your stakeholders. Make sure time and resources are available for this evaluation phase. Plan it before the next tender (for the particular product or service) is due to be launched, to make sure learning can be implemented. In this way, circularity can eventually be embedded in your organisation's procurement strategy as well as its daily practice.

## CIRCULAR PROCUREMENT TRANSFORMATION CASE

Once the contract had been implemented, it was important to understand how this new approach to tendering and service delivery was received by the market, understood internally, and met the original objectives of the contract.

A meeting with the project team was held to look at each of the elements and to consider how the timescales compared to what was expected, to invite feedback from all bidders, and to consider how they could document this process in a way that would be scalable and repeatable for use in future tenders.

Key considerations from the lessons learned meeting included the use of the supplier briefing to help people better understand what the organisation was trying to achieve, the creation of a guidance document for bidders that could be used for anyone who was not able to attend the supplier briefing, the use of outcome specifications, and the need for technical knowledge from anyone who is evaluating bids.

The organisation created an additional guidance document to supplement the existing procurement guidance including a flow chart with the key steps, the template for the pricing model, and some useful FAQs.

**IN THIS WAY, CIRCULARITY CAN  
EVENTUALLY BE EMBEDDED  
IN YOUR ORGANISATION'S  
PROCUREMENT STRATEGY AS  
WELL AS ITS DAILY PRACTICE.**



Create a safe learning culture, that aims to grow through failures and sharing of good as well as bad experience. Failing and learning is far better than not trying at all.

Some questions that could be addressed during the process evaluation.

- ⦿ How do we score on our indicators for success? What parts of the procurement were successful and which ones failed and why?
- ⦿ Were the original circular ambitions [Q1](#) for the procured goods or service met?
- ⦿ Was the used set of (circular) criteria fit for purpose?
- ⦿ Where the circular aspects of the contract honoured?
- ⦿ Where any of the non-circular traits of the product or service of lower quality than in a linear procurement?
- ⦿ How can we include these learnings in upcoming procurements, also for other product groups?
- ⦿ How can we further support and encourage circular procurement in our organisation?
- ⦿ How do we inform management of the progress?
- ⦿ How was the supplier relationship influenced?



### Tips

- ⦿ Have a yearly circularity evaluation day in your organisation. Check if you are achieving your circular ambitions. Share learning from your circular procurement projects, including the contract management experiences.
- ⦿ Evaluate your organisations' contributions to circularity as well as other sustainability aspects such as climate change, biodiversity, pollution and social impact.
- ⦿ Communicate the impact and lessons learnt within your organisation and explain how this will influence future procurements.
- ⦿ Acknowledge small improvements as well as even trying and failing.



### Tools

- ⦿ This chapter is closely related to monitoring of the contract management phase [Q6](#) and the tools chosen for this phase.
- ⦿ Tools such as [Material Circularity Indicator](#) and [Circulytics](#) are not designed for this purpose, yet can be used to evaluate your procurement. This will help set a benchmark for future projects and aid communication.
- ⦿ Any general tools for project evaluation can be used as well.

- › **Construction and temporary occupation of a circular hub and Makerspace (City of Leuven, Belgium):** The city of Leuven and AGSL upscaled their learnings into an action plan for circular construction during two workshops with all internal stakeholders.
- › **Social housing neighbourhood renovation (Zonnige Kempen, Belgium):** Compared circular procurement to business-as-usual allowing to draw and disseminate valuable learnings.
- › **Sustainable vending machines with healthy products (bpost, Belgium):** Pilot learnings resulted in the uptake of circular principles in general group procurement procedure.
- › **Circular Economy Construction Opportunities (ZWS, Edinburgh University & Edinburgh Centre for Carbon Innovation, UK):** Ongoing monitoring of contracts to ensure contractors are responsible for developing, maintaining, implementing and reporting on circular economy opportunities and outcomes. The impact of this project is focused on dissemination of information to public sector and influencing future decision making for construction projects.

The full case studies and results for Interreg NSR ProCirc pilots can be found in the [Interreg NSR ProCirc case study report](#).



The circular construction opportunities in Edinburgh city

# CONSULTED SOURCES

- ⊗ (ICLEI, 2016) [The Procure+ manual – A guide to Implementing Sustainable Procurement 3rd edition](#)
- ⊗ (Circular Flanders, 2022) [Circularprocurment.be](#)
- ⊗ (Copper8, 2018) [Circular Procurement in 8 steps](#)
- ⊗ (European Commission, DG environment, 2022) [Green Public Procurement website](#)
- ⊗ (European Union, 2020) [Circular Economy Action Plan](#)
- ⊗ (European Union, 2017) [Public Procurement for a circular economy](#)



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