



## **Moving Toward a Circular Economy**

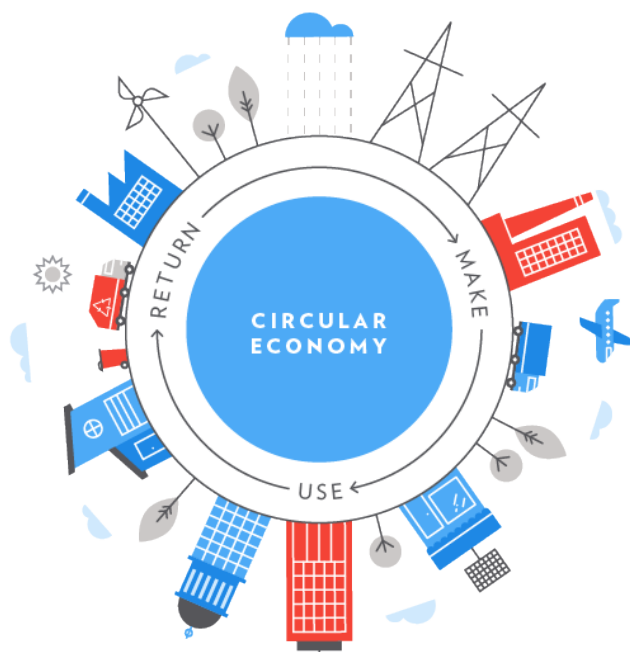


### ***Considerations for Developing a Circular Procurement Framework for Municipalities***

June 2018

Organizations and governments are committed to advancing the circular economy, and are doing so by fostering partnerships to support the transition. Recycling Council of Ontario (RCO) and the City of Toronto have a longstanding relationship to support and promote waste reduction, and partnered to deliver workshops in March 2018 to build capacity and awareness on how to develop a circular procurement framework for municipalities. More than 45 representatives from local municipalities and agencies took part to contribute to the considerations found in this guide.

## What is the circular economy



The circular economy transitions from the historical linear consumption model of take-make-dispose to a system where materials and resources are utilized and valued as long as possible in their current form and becomes feedstock for other material at end of life. The circular economy closes the loop and designs out waste, and considers the entire lifecycle to extract as much value as possible during use and at end-of-life.

The model also prioritizes access over ownership whereby consumers/buyers collaboratively share, use, and focus on what a product provides rather than the product itself.

Traditionally, efforts to promote sustainable use of resources has focused on the environment, whereas the circular economy advocates for a holistic approach that connects social, economic, and environmental benefits.

Procurement is a powerful mechanism that facilitates and drives circularity that supports resource efficiency, waste reduction, and sustainable consumption.

## Education, Awareness, and Collaboration

***Circular procurement begins with those who are responsible for planning, budget development, procurement policies and practices, specifically those that draft specifications that guide procurement***

Critical to integrating circular procurement into current practices is education and collaboration. Having a clear understanding of the circular economy and how procurement can (or may already) be utilized across all departments is important for any framework. Education, awareness, and collaboration ensures that municipal staff have clear understanding of divisional needs, opportunities, and barriers for increased circularity. Collaboration also provides opportunity to build on the insight and experience between municipalities to support advancing the circular economy.

## Pre-Procurement Planning : Get to Know Your Purchasing Department

### *Fostering a circular economy involves a high level of pre-procurement planning*

Engagement with purchasing and procurement staff is necessary. These staff are central in developing, implementing, and reviewing circular procurement requirements. Appreciating that the process and timing for procurement decisions is often short and multi-layered it is critical to understand how procurement is managed, the parameters under which the function operates, where the opportunities lay, and what other considerations may be influential.



Pre-procurement planning also helps sort through and gain insight into who has the ability to integrate circular procurement requirements: Where does responsibility lie in drafting the requirements? What should be considered in drafting procurement language, such as objectives, requirements, scoring matrices, evaluation processes, and reporting affects?

## Understanding Buying Power

### *Understanding how areas in which funds are spent is fundamental to planning and streamlining product and service focus areas, and identify high potential product groups*

Understanding and conducting a spend analysis helps to identify and prioritize product and service categories and their potential to transition to a circular model. Characterizing spend categories and structuring them in relation to potential barriers and opportunities will narrow the focus and help to recognize areas where projects can be implemented that have limited financial risk combined with high impact economically, socially and environmentally.

Projects with low risk and high impact are a good focal point. Generally, procurements in the following categories involve low risk and high impact:



Furniture



Building Materials



Textiles



Office Supplies



Lighting



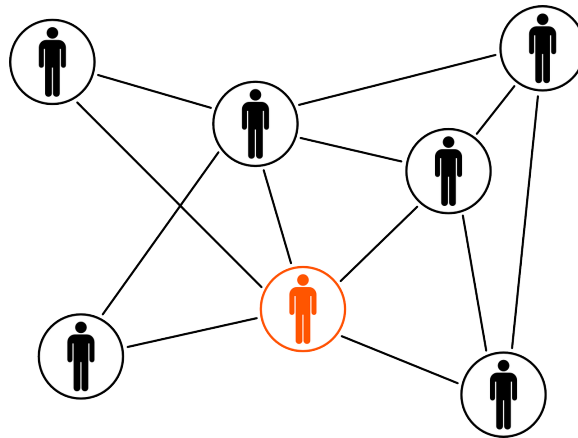
Food

## Setting Objectives and Key Priority Indicators

***State your objectives and know how to measure your progress towards them***

Goal setting and identifying areas for measuring impact demonstrates how to set objectives, baselines, and targets. It is essential to have a clear picture of what it is that you want to do, why, and what impact it will have against environmental, social, and economic gains.

KPI Examples for Measuring Impact		
<i>Economic</i>	<i>Social</i>	<i>Environmental</i>
Number of jobs created	Sustainable consumption models created (e.g., sharing economy)	Amount of waste reduced / more efficient use of resources
Savings on disposal	Number of staff trained	GHG emissions reduced
Avoidance of purchase or maintenance	Inclusion of equity-seeking groups in poverty reduction work	Total reduction in water use



## Identifying Stakeholders: Internal and External

***Understanding key influencers will support the development and implementation of procurement strategy***

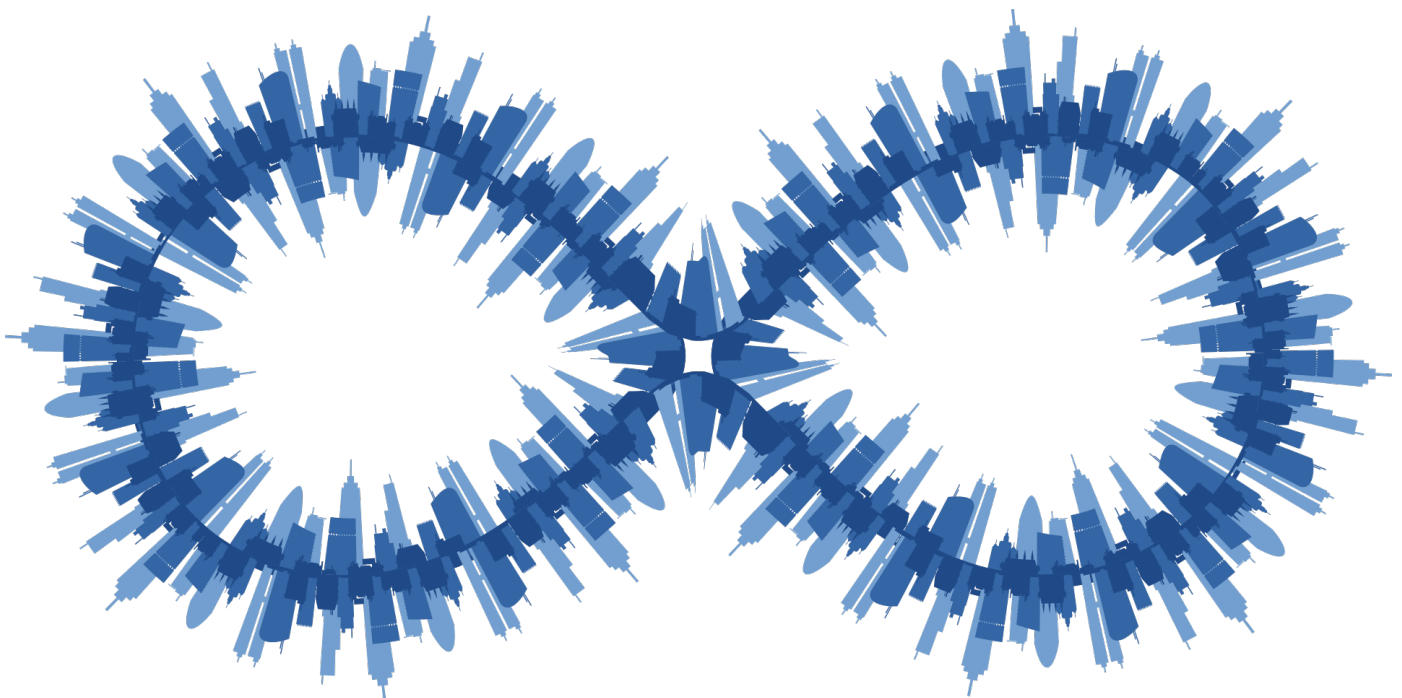
Having a solid foundation of engagement with stakeholders is a prerequisite for a circular procurement framework or policy. Effective stakeholder engagement will help uncover opportunities and barriers, and create common ground moving forward. It is useful to identify internal stakeholders with high interest and influence, as they can be catalysts that champion circular procurement strategies. These stakeholders may include staff from legal, operations, procurement and purchasing, as well as city contractors, and environmental managers.

Engaging with external stakeholders, including your vendors, manufacturers, neighbouring municipalities, etc., will help identify early adopters; those that understand what it is you are trying to do and are willing to take the journey with you. This will validate and strengthen a procurement strategy as well as provide insight into what the market is currently capable of and the ability of the market to respond to circular procurement requirements in the future.

## Moving Forward

There are many opportunities to support and advance circular economy through procurement within your organizations. The following suggestions can support efforts to move forward with a circular procurement framework:

- 1 Educate: training workshops, webinars.
- 2 Develop resources and tools to support understanding and implementation: frameworks, case studies, websites.
- 3 Facilitate peer to peer sharing and collaboration.
- 4 Identify and work with stakeholders already started on the path to greater circularity and find examples of where this is already being done.
- 5 Collaborate: seek advice and support from organizations with expertise and knowledge to support your efforts.





Recycling Council of Ontario is a not-for-profit membership-based organization committed to minimizing society's impact on the environment by eliminating waste. Our mission is to inform and educate all members of society about the avoidance of waste, efficient use of resources, and the benefits and/or consequences of these activities.

Since 1978 our commitment to Reduce, Reuse, Recycling has driven our actions, and is the bedrock of our efforts to facilitate the efficient use of resources to transition the economy from a linear take-make-dispose to circular model, which utilizes resources most efficiently and post-consumed materials are integrated back into use and production cycles. We are committed to supporting Ontario's transition to the circular economy through our work.

[RCO.on.ca](http://RCO.on.ca) : [@RCOntario](https://twitter.com/RCOntario) : 416.657.2797



Toronto is Canada's largest city, the fourth largest in North America, and home to a diverse population of about 2.8 million people. It is a global centre for business, finance, arts and culture and is consistently ranked one of the world's most livable cities.

The City's Solid Waste Management Services Division is responsible for collecting, transporting, processing, composting and disposing of municipal and some private sector waste. This includes garbage, Blue Bin recyclables, Green Bin organics, yard waste, oversized and metal items, as well as household hazardous waste and electronic waste.

[Toronto.ca/Recycle](http://Toronto.ca/Recycle) : [wastestrategy@toronto.ca](mailto:wastestrategy@toronto.ca)

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