



Background

With the ambition of the Province of Friesland to lead in the circular economy, it is important for companies such as the waste management company Omrin to adapt their business to a circular economy-friendly model. Moving towards a circular procurement will ensure the company's transition (1). There are knowledge sharing associations of companies that try to understand what is circular procurement, how to practice it best, and how to measure their circular performance. So far, there is no agreed upon definition of circular procurement nor is there one measurement framework used by all.

Introduction

In order to improve their circular procurement, Omrin seeks to develop a measurement framework that will show them how far they are with their circular procurement and where they can still improve. However, the company must first know what to measure. Therefore, this research will be the first step to answer *How can Omrin operationalise circular procurement?* Since there is no agreed upon definition of circular procurement specific to companies, this research looked at the shared understanding of circular procurement within and outside Omrin to formulate a preliminary definition which future research can use as a starting point. Based on this definition, some recommendations on how to find its indicators for a measurement framework is provided.

Methods

An exploratory qualitative methodology with semi-structured interviews and one focus group. From the data, patterns can be seen: what is procurement, what is procured, the aim of circular procurement and how to procure circular.

Omrin:

- Focus group with all Directors
- Interviews with Sustainability Advisor and Head of Administration and Facility Affairs

External Interviews with:

- Philips
- ECOstyle
- Circulair Friesland Vereniging
- Provincie Fryslân
- Municipality of Leeuwarden

Results

AIM

Ultimately the goal is to close the loops of materials and resources. This also include slow loops where the the life-span of the materials are extended but the materials are not reused in the production process.

WHAT

Procurement in circular procurement is to buy or aquire an item but also the act of not procuring. Indeed, the procurer must first start to *reduce* the consumption and find an alternartive to procuring, such as reusing materials which the company is already in possession of.

What is included in circular procurement?

- Direct spends (for the production)
- Indirect spends (for daily operations but not for production)
- Waste collection

HOW

When procuring circular, one must:

1) Respect the circular economy foundations

- Ellen MacArthur Foundation principles - design out pollution and waste, keep products and materials in use, regenerate natural systems (2)
- 7 pillars of Metabolic

2) Follow the circular procurement hierarchy: Reduce - Reuse - Recycle - Recover

3) Guarantee that the materials and resources will be reused through agreements and collaboration with chain actors

4) Intra- & interorganisational collaboration to have the same mindset. Omrin must influence not only its supplier but also all waste producers.

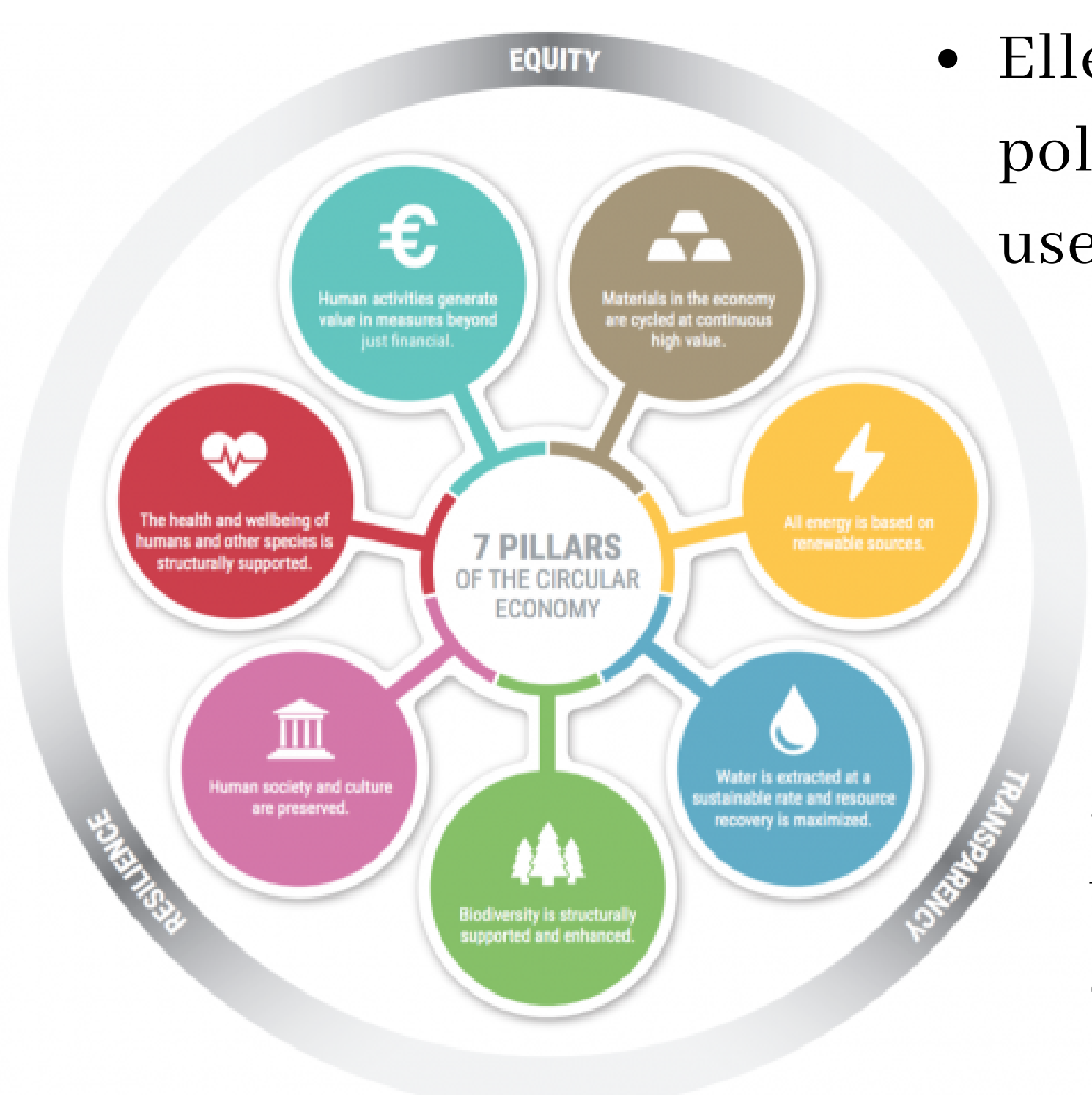


Figure 1: The 7 Pillars of Metabolic (3)

Definition:
Circular procurement is the process of procuring, if there is no other way, a product, service or waste that is guaranteed to be reusable with a highest value after its use in order to achieve a closed loop of materials and resources through a collaboration between actors along the chain that commit to the circular principles.

INDICATORS

Having identified the different aspects of circular procurement, Omrin can base itself on the different criteria to apply the concept to the company. The activities linked to circular procurement would, then, be identified, which Omrin can find measurable indicators for the impacts of their activities.

The indicators and activities can be organised in three levels:

- Product/service/waste level touches upon everything about the procured item (e.g. material composition)
- Supplier Level regards how the suppliers operate (e.g. amount of energy use)
- System Level entails the collaboration with Omrin (e.g. Agreements)

Recommendations

How to operationalise circular procurement?

- 1) Build a shared vision throughout the company
- 2) Apply circular procurement to the company activities
- 3) Identify the indicators for those activities
- 4) Find measureable impact for those indicators

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References

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