

Circular purchasing computers



provincie :: Utrecht



Project supported by LIFE funding



Company: Utrecht Province

Innovative business model type: Re-use of ICT

Sector: ICT

Organisation size: Large

Service: Purchase and maintenance of laptops

Key facts

- Utrecht is the smallest of the Netherlands' 12 Provinces with the provincial council employing 800 staff.
- The REBus pilot involved buying laptops for 1,000 workspaces with the challenge of supplying refurbished hardware.
- The project team and REBus had to think of circular ways to ensure the laptops remained valuable once they reached the end of their useful lives at the provincial council.
- Workshops were held to:
 - explore the principles of circular purchasing;
 - consider award and selection criteria; and
 - to increase awareness of circular purchasing.
- Market consultations were held to ensure that the level of procurement was in line with what the market could handle.

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Case Study



Rijkswaterstaat
Ministry of Infrastructure and the
Environment

Introduction

Utrecht Province has a population of 1.25m and is located in the centre of the Netherlands. Although it is the smallest of the country's 12 Provinces, it boasts the highest gross domestic product per capita and the highest educated population in the Netherlands. It has also been named Europe's most competitive region. The provincial council is based in the city of Utrecht and employs around 800 staff.

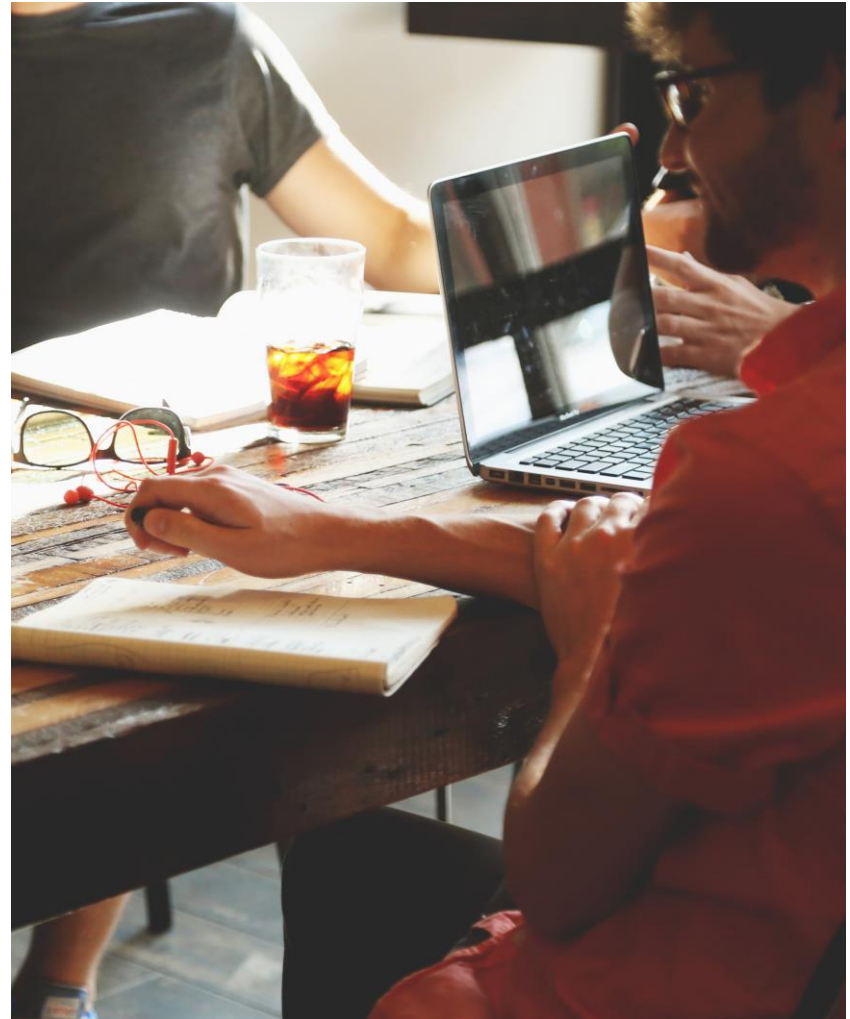
REBM for ICT procurement

The Province of Utrecht has been working towards circular procurement for some time. It was one of the first to join the Green Deal on Circular Procurement and it is strengthening the circular economy in the region on behalf of the Economic Board Utrecht (EBU). The Province has set a goal to buy at least 10% total purchasing budget on a circular basis by 2020.

The procuring of ICT in a circular way presents a number of challenges, but Utrecht Province chose to pilot the buying of laptops for 1,000 workplaces on a circular basis. Preparations for the project began in April 2015. They decided to organise workshops to increase familiarity in the subject, explore principles of circular procurement and consider possible award and selection criteria.

"Not enough people yet see purchasing as a way of stimulating circularity."

Maarten Rauws, Senior Legal Advisor, Utrecht Province



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The pilot

Employees at Utrecht Province were aware of the potential of using procurement to encourage change towards a more circular economy. A pilot was selected as a means to garner support throughout the organisation and to gather experience.

The REBus team facilitated two workshops and financed a project manager to guide the procurement team, providing expertise on circular procurement. In addition, REBus financed the evaluation of the pilot by recording and disseminating lessons learned.

Workshops were held in conjunction with the Dutch waterways, public works and environment agency Rijkswaterstaat (RWS) to explore the principles of circular procurement and to consider the respective award and selection criteria.

Following this, another workshop was organised with MVO Netherlands to extend the life of aging ICT in the Province. An ICT procurement exercise was held in January 2017, the winner of which was SISO, a Netherlands based IT solutions, products and services company, who will reuse the laptops with a project to provide elderly communities with ICT lessons.

The insights from the workshops were incorporated in a formal market consultation via TenderNed, the online marketplace for procurement of the Dutch government. The invitation to tender got underway in January 2017.

Results

One of the problems in the ICT sector is the way the market is organised. Buyers can only deal with intermediaries, rather than directly with manufacturers, and manufacturers in China and the USA are reluctant to do business with governments.

It has now been decided to continue to procure products in the usual way. The Province would have liked the manufacturers to manage the chain process, but has been unable to negotiate this.

Following the invitation to tender, the Province is now looking for a circular service provider to put hardware back in the chain once it comes to the end of its useful life.

Ultimately, the Province is aiming to award a single contract for the delivery and provision of circular services and it will work towards this model in the coming years.

“Speak with the market. You can’t get far without them: market and government need each other to develop a more circular economy.”

Maarten Rauws, Senior Legal Advisor, Utrecht Province

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Lessons learned

Market consultation proved critical to success. Utrecht Province found that individual contact with players in the market was the most effective approach; it included them in conversations around circular development and the building of the assessment system.

Flexibility was also important. Operating this pilot was, in effect, a trial and error process, so the invitation to tender, amongst other processes, should be expected to take longer than usual. Additional lessons learned were that:

- Circular procurement practice, like other change, requires time to gain momentum and support.
- Addressing barriers in mindsets and processes means change needs to be incentivised, for example, by embedding in personal performance targets.
- Well planned and thought out projects are the best way to get people on board.
- Collaboration with other organisations brings benefits for all.
- However, circular procurement requires custom work, so joint working can be problematic.
- Encouraging participation from market participants can prove more difficult than expected.

"For circular procurement to succeed, it needs to be supported by the whole organisation so that it is included from the very beginning of a call for bids. Also, be sure to share knowledge and learn from each other's mistakes."

Sandra Koolsbergen, Buyer, Utrecht Province

Advice to others

- Be aware of changes to procurement rules, for example within this pilot, making it easier to use competitive dialogue.
- Be realistic as far as the opportunities available in the market are concerned. Circular purchasing requirements often conflict with manufacturers' distribution models.
- Consider the legal implications of 'pay-per-use'. Under this arrangement, your organisation becomes the user rather than the owner.

"In ten years' time, circular procurement will be the norm."

Sandra Koolsbergen, Buyer, Utrecht Province



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REBus is a project delivered in partnership with:



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KTN
the Knowledge Transfer Network



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School of Science and Technology

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Case studies were generated as a result of pilots carried out for REBus by WRAP or RWS and the named organisations from 2013 to 2016.

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