Public works unlocks potential for circularity



Rijkswaterstaat Ministry of Infrastructure and the Environment



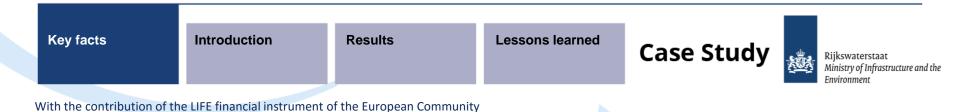


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Company: Dutch Government, central procurement center Innovative business model type: Furniture re-use Sector: Furniture Company size: Large Service: Re-use

Key facts

- Rijkswaterstaat's (RWS) procurement centre is responsible for the government-wide procurement of office furniture.
- The government estate has a commitment to circular procurement and furniture has been identified as having high potential for circularity.
- RWS worked with REBus to develop a vision, investigate opportunities and make recommendations for a circular category.
- The first contract with RWS, for using office equipment on a circular basis, is due to be signed in 2017.
- Internal re-use could save the Netherlands government up to €7 million per year.



Introduction

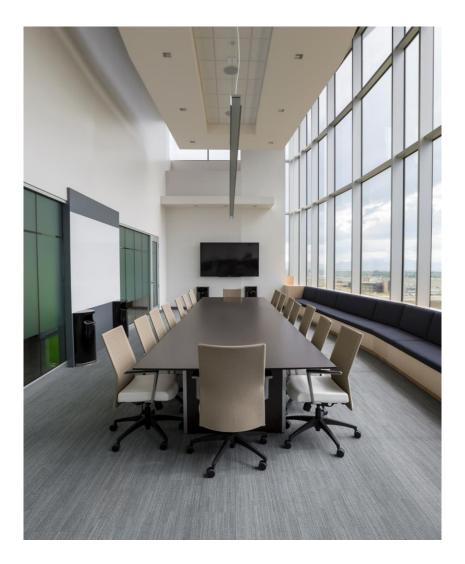
Rijkswaterstaat is the Dutch waterways, public works and environment authority. It is responsible for purchasing office furniture through its InkoopUitvoeringsCentrum (procurement centre) for central government offices across the country.

Why REBus?

A motion in the House of Representatives stipulated that 10% of government procurement in the Netherlands must be circular, part of the <u>'Circular Economy in the Netherlands'</u> report published in September 2016. A review found that since central government buildings house large quantities of furniture, office equipment purchasing offered many opportunities.

As a result, REBus supported research, executed by TurnToo, a consultancy based in the Amsterdam, to create a vision, investigating the opportunities, possible savings and making recommendations for the category of office furniture.

The result was a report focussing on using existing furniture within the Dutch Central Government for as long as possible, buying as little new furniture as possible and when such time arises that new furniture is required, buying in a circular fashion.





REBM for furniture

With help from REBus, the national government is exploring switching from buying office furniture in a linear way to a totally circular way. What this means is that designing, handling and purchasing furniture is organised so that products, materials and raw materials can be recovered.

Apart from supply of the furniture itself, the Dutch government is also considering contracts to maintain, repair, store and modify furniture. This is therefore about buying new or recycled furniture, and re-using existing office furniture, with the main focus being on re-use.

Circularity concerns a wider form of operations, in which responsibility is assumed for what is already available, for re-use and for one's own influence. This requires other roles, activities and agreements than are currently available in the market.

"When you are not buying new furniture anymore, you're really Circular"

Sabien van der Leij, Category Manager, Office Equipment, National Government

Results

The first agreement with Rijkswaterstaat for using office equipment on a circular basis are due to be signed in 2017. The '*Route to Circular Office Furniture*' report includes a favourable business case, showing that the re-use of items could save the national government around €7 million per annum.

Another source of savings in the short to medium-term is to keep furniture in use for longer (recommendations suggest up to eight years longer) giving an extra saving potential of ≤ 1.2 to ≤ 4 million per year. In total, this could save $\leq 8-11$ million nationwide.

Important issues for the implementation of the report include:

- Defining functional requirements.
- Useful life extension.
- Insight into the stock situation.
- Internal circulation of furniture.
- Maintenance, repair, logistics and storage.





Lessons learned

Circular purchasing involves all operational areas; success depends on support from all layers of the organisation. The category manager for furniture for the central government prefers to refer to circular business rather than circular procurement or purchasing. The most important thing is to start.

In addition, the research found that:

- It is important to keep stakeholders on side and make sure that more sceptical partners are closely involved.
- It may be worthwhile engaging a third party, both for their expert knowledge, but also to provide an independent view.



The main success factors for the transition from a linear to a circular category are:

- Firmly establishing knowledge of, and support for, circularity within the organisation.
- Pooling knowledge of insight and data into the existing stock and aligning the demand and supply for surplus furniture. This could be realised by a central organisation or by individual ministries/ service providers.
- Embedding as many policy and procedural documents as possible, such as the category plan and ministerial policy.
- A comprehensive approach between procurement and facilities management in which the entire life cycle of the furniture is managed.
- Interdepartmental consultations in order to find solutions for possible hurdles.
- Review a number of financial rules, such as in this pilot, the strict separation between investment and operating budgets.





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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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