

# Public Procurement For Circular Cities

## Context & Challenges

Public procurement in the European Union, United States and Canada totals several trillion dollars of expenditures annually. The opportunity to leverage procurement as a catalyst for market transformations, innovation, and sustainable supply chains is enormous. Some municipalities have begun to tap into the potential of public procurement to transform their local economy and achieve social, and environmental gains. Realizing this potential is now possible through a growing array of tools adapted for cities, training opportunities, buyers' networks and innovations in the marketplace.

The purchasing power of local governments is influential and an important strategy to reach circular economy goals. **Every purchasing decision has an impact.**

## Opportunities

The environment that cities work in today is complex, dynamic and challenging. However, there are several areas of responsibility where a local government can apply circular procurement practices.

**Introducing circularity in municipal areas of responsibility can deliver a range of strategic benefits for the city:**

- New local markets and jobs;
- Increase in reuse, repair and refurbishment of products through service-based businesses;
- Reduction of waste, energy consumption and other environmental impacts;
- Savings on waste management costs;
- Gains in social integration and addressing social inequities by making better use of resources and supporting regional employment.

### Areas where government procurement can influence outcomes:

1. Procurement of products in city operations
2. Procurement criteria in the renovation and maintenance of city-owned buildings and infrastructure
3. New developments on city-owned lands
4. Supporting innovation (e.g. circular business models), local employment and social enterprises
5. Promotion, business & citizen education

## How it Works

**Circular procurement must be looked at as an innovative approach to public procurement. Key features for success are:**

1. **Adopting a systems approach:** considering the entire life-cycle of the product, project or service and collaboration within various segments of the organization is critical.
2. **Starting simple:** go for easy wins or focus on priority issues, then scale up gradually; early wins will build confidence within the organization and gain support for tackling more complex buy categories. Assess what will be the progression in your city and develop a plan.
3. **Engaging suppliers early:** talking with businesses will inform how far you can set your criteria and what you may expect from innovation, identify who might benefit and the impacts.
4. **Broadening your practices:** tools such as environmental or circular procurement criteria, reputable certification or labelling programs, science-based studies, life-cycle studies and experience of other cities will help set new

## Best Practice 2 CE



standards and practices; assess in what areas your city is ready to adopt new levels of performance.

5. **Joining buyers' groups or networks:** many groups are forming around the world to develop criteria, joint tendering proposals and information sharing networks.
6. **Enhancing human resource assets:** learn from others and share your lessons; ongoing training targeted to the various functions and responsibility of staff in your organization is critical to success. Everyone in your organization needs to buy into circular goals and principles and contribute their knowledge.
7. **Monitor your progress:** Measure your results, communicate progress and outcomes, identify lessons and adjust strategies for future procurement activities.

The budget for circular procurement should be based on life cycle costs rather than just the initial capital expenditure. A focus away from 'low price' to incorporate life-cycle costs in procurement options will take time and effort. Various circular business models can support circular cities goals. Some may be widely available in a region while others may require incentives or policy support to scale up or meet a growing demand.

## Successes and Resources

Many local governments have shared **how they are harnessing** public procurement to support **environmental and social goals**. Here are some **cities and regions** to watch for their leading practices: **New York City, USA** for their Environmentally Preferable Purchasing Law and standards; **Richmond, British Columbia, Canada** for its practical step-wise Circular Strategy, Circular Procurement Policy and harnessing market opportunities through pilots and the **North Sea Region in Europe** for their ProCirc project which carried out some 30 pilot projects in various sectors such as textiles, clothing, construction, ICT, and furniture from 2018 to 2023 leading to the establishment of the **C-PRONE network**, and **Madrid, Spain** for the promotion of labour markets inclusion (WISE) as part of their Strategy of Waste Prevention and Management. Take the time to be inspired to begin or expand your journey in circular procurement - consult resources, participate in training, join procurement and buyers' networks.

## References, Networks and Guides

- EU Procurement for a Circular Economy ([switchtogreen.eu](https://switchtogreen.eu/))
- ProCirc, Interreg VB North Sea Region Programme
- C-PRONE – Your gateway to circular procurement
- Circularprocurement.ca: [Circular-Procurement-Best-Practice-Report.pdf](#) and [Building circularity through sustainable procurement \(2018\).pdf](#)
- ICLEI: Sustainable and Circular Public Procurement Cohort | ICLEI USA; [Quick Glance at Sustainable Public Procurement \(Public Version\) \(icleiusa.org\)](#)
- Procura+ | Home ([procuraplus.org](https://procuraplus.org/))
- OECD (2024), *Harnessing Public Procurement for the Green Transition: Good Practices in OECD Countries*, OECD Public Governance Reviews, OECD Publishing, Paris, <https://doi.org/10.1787/e551f448-en>
- United Nations Environment Programme, 2018 Building Circularity into our economies through sustainable procurement : [Sustainable Public Procurement | UNEP - UN Environment Programme](#)
- Product-Service Systems and Sustainability: [Unep-imp 7](#)

## FIVE BUSINESS MODELS OF CIRCULARITY

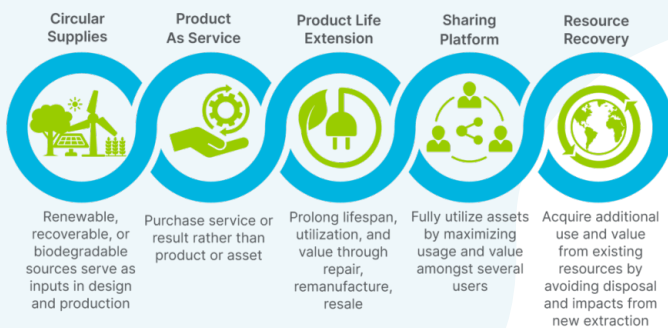


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