Collaboration for Circular Economy: Linking sustainable public procurement and business models

Last Modified on 08/04/2019 3:14 pm CEST

Authors: Lozano, R. & Witjes, S.

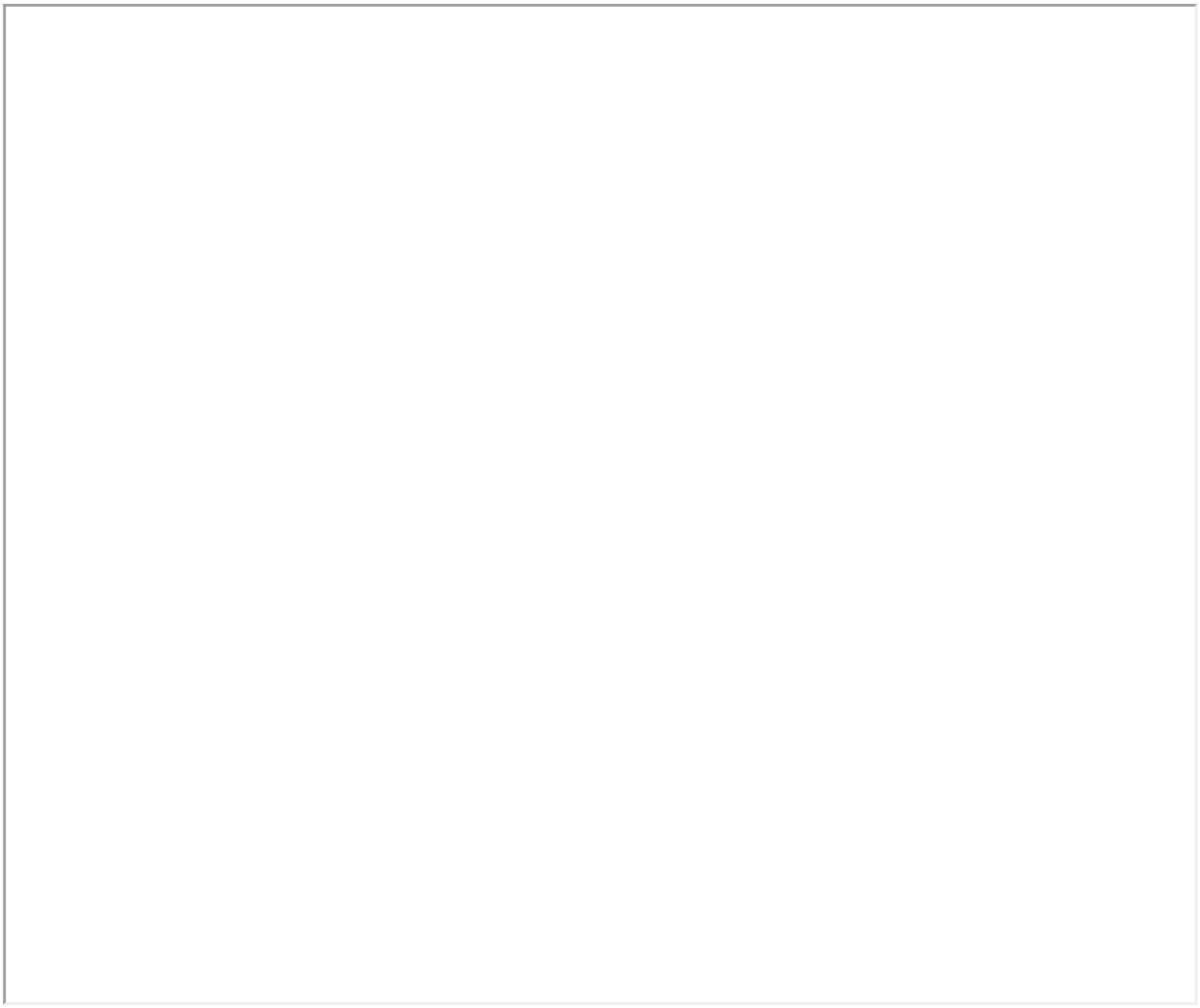
Date Published: 2016

Why did we conduct this research?

Contributing to sustainable development has been a strategic goal of business and government thinking for decades; however, one of the major challenges for this has been integrating this goal into an economic model that also delivers environmental and social benefits. Integrating CE principles in Public Procurement (PP) is one of the options to create fundamental change and contributing to making societies more sustainable. In the EU, PP on goods and services accounts from between 16% and 40% of GDP, which represents a huge opportunity to transition the European economy to a more sustainability oriented society. Given the purchasing power of public organisation, considerable demand for sustainable products and services can therefore, be promoted.

Key Findings

- The framework, its validation, and application on the case studies show that technical and non-technical specifications can motivate suppliers and procurers to develop products or services starting from the definition of customer required value, through the development of a possible PSS aiming for more resource efficiency.
- Integrating sustainability into the procurement process specifications and the organisational system of companies will have to be adjusted on four levels: product, process, business model, and strategy.
- Private and public companies addressing sustainability need support with addressing sustainability issues in collaboration with internal and external stakeholders at all levels.
- More focus on learning processes, such as feedback points, sharing knowledge and experience, can help companies realise greater financial and organisational benefits from their involvement in circular procurement processes.
- Collaboration with other companies, leading to alliances in the value chain, network or the wider society, is an important first step towards contributing to CE.
- Creativity, flexibility, and cooperation of legal advisors and lawyers are key to challenge current procurement legislation. To enable a focus on the division of the responsibility of the value chain actors for the life cycle of the product or services now and in the future, lawyers have to change their focus from a contract that will be signed to ensure future risks from happening towards an agreement for long term collaboration between different actors.



Reference

Lozano, R. & Witjes, S. (2016) Collaboration for Circular Economy: Linking sustainable public procurement and business models. Utrecht University, Faculty of Geosciences.

https://www.pianoo.nl/sites/default/files/documents/documents/linkingsustainablepublicprocurementandbusinessmodels september2016.pdf