CIRCULAR INNOVATION COUNCIL

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Recycling Council of Ontario

PUTTING CIRCULAR ECONOMY CONCEPTS INTO ACTION

Circular Procurement Virtual Series 2020

Putting Circular Economy Concepts Into Action

BUYING THE CHANGE YOU WANT

Monday, 2 November, 2020

Noon – 1 p.m.

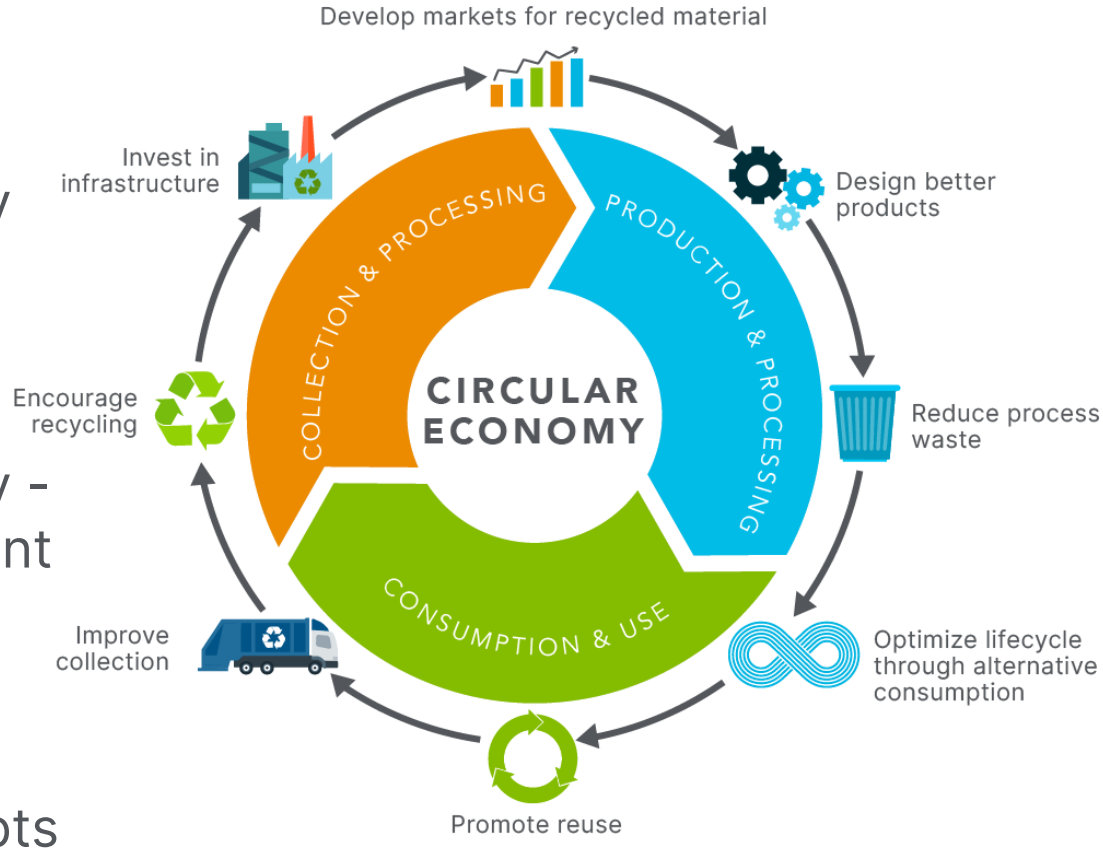
Featuring:

Jo-Anne St.Godard, Executive Director, Recycling Council of Ontario

Nick Xenos, Executive Director, Centre for Greening Government

OUR FOCUS

- Driving greater recognition of circular economy and its benefits
- Advancing the circular economy - linking it to current objectives
- Putting circular economy concepts into action

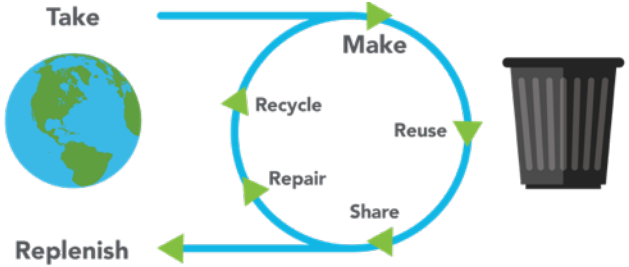


MODELS OF CONSUMPTION

LINEAR ECONOMY

Sustainability is improved by focusing efficiency within “take-make-waste”- model i.e. **maximizing economic value with a minimized environmental impact.**

CIRCULAR ECONOMY



Restorative and **regenerative** by design, and aims to keep products, components, and materials at their **highest utility and value** at all times.

BENEFITS

SUSTAINABLE DEVELOPMENT GOALS

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WHY FOCUS ON PROCUREMENT?

Recycling Council of Ontario

BENEFITS

- Supports environmental, economic, and social objectives simultaneously
- Direct and in real-time
- Outcomes focused: *buy the change you want*
- Can be right-sized or scaled up
- Effective mechanism to shift markets with or without legislation
- Incents innovation: challenges collaborative in nature and works with vendors / suppliers to be innovative
- Can build local supply chains for domestic solutions
- Creates the *right* demand and supply simultaneously
  - Effective market transition tool: economic incentive rather than punitive regulation
- Builds capacity in public and private sectors
- Goes beyond recycling, avoidance, reuse, reduction
- Effectively applied to products, packaging, and systems

BENEFITS

Environmental

- Reduced reliance on virgin materials
- Better efficiency of existing resources
- Create market demand increased for recycled materials and content
- GHG / waste / water usage reduction
- Limit single-use where possible

Economic

- Local employment opportunities
- Innovation is stimulated
- New revenue streams created
- Improved fiscal responsibility and economic growth
- Avoidance of purchase or maintenance
- Savings on disposal and management

Social

- Local employment opportunities
- Overcome barriers to employment
- Gender equity
- Engage marginalized communities
- Fosters unique public and private partnerships

CIRCULAR PROCUREMENT

PUBLIC SECTOR

- Drive broader public policy objectives: Economic, Social, Environment
- Directly: buying requirements and specifications
- Indirectly: funding agreements and partnerships
- Influence and educate the public

PRIVATE SECTOR

- Achieve corporate objectives
- Directly: supply chain requirements
- Indirectly: support of third-party organizations
- Influence and educate consumers

PUBLIC PROCUREMENT OPPORTUNITY IN CANADA

- **15%**: average country's GDP spent on procurement
- **$200 billion**: Canada's spend on procurement
- **$160 billion**: local governments combined spend
- **$6 billion**: Government of Ontario spend
- **20%**: percentage of annual provincial economic outlook
- **$3.5 billion**: Ministries' spend on goods and services:
  - consulting, courier services, office supplies and furniture, wireless devices.
- **$2 billion**: City of Toronto spend on goods and services

EARLY ADOPTERS

CIRCULAR PROCUREMENT IN CANADA

The Government of Canada committed to reducing single-use plastics in operations and using procurement to reduce waste and support secondary plastics markets as part of the Oceans Plastic Charter.

The City of Toronto committed to be the first municipality in Ontario with a circular economy and developed a circular procurement framework.

CIRCULAR PROCUREMENT IN CANADA

The City of Montreal integrated sustainable development into sourcing processes, which has reduced environmental impacts and increased social benefits.

The City of Vancouver implemented a procurement standard to help achieve its vision of zero waste by 2040.

CIRCULAR PROCUREMENT PILOT

- Infrastructure and Resource Management | Solid Waste Management Services constructing replacement office building at Dufferin Waste Management Facility for 2022
- $30 million budget for five-storey, heavy-timber frame, built from ground up with circular economy principles integrated into design
- Circular Innovation Council and global circular procurement experts invited to provide input on circular design workshops to help achieve circular outcomes on future project phases
- Design work awarded to AECOM, which will use future tenders on this project to achieve circular outcomes identified through design workshops
- Case study development to share with municipalities considering near net-zero emissions construction

TOP SPEND CATEGORY	CATEGORY SPEND ($M)	TOTAL SPEND
Construction & Infrastructure	111.6	54%
Information Technology	74.9	4%
Transportation & Fleet Management	51.9	3%
Facilities Management	35.5	2%
Furniture & Office Supplies	37.7	2%
Textiles	10.4	1%
Food & Catering	18.7	1%

OPPORTUNITIES IN COVID-19 RECOVERY

- Pandemic highlighted weakness in community structures and supply chain systems that are important to ensure economic and social stability
- Addressing inequality as part of stimulus will have implications for environmental, economic, and social support strategies
- Governments can lead with spending rather than regulation
  - Reduce their negative socio-ecological impacts
  - Drive markets towards sustainability.
  - Verified products should be prioritized by governments as they offer guarantee of third-party compliance with critical environmental or social requirements
- Promote *buy local* and facilitate greater supplier diversity and inclusion
- Set asides reserved for SMEs owned by women and disadvantaged groups impacted by economic downturns.
- Opens possibilities to focus on community resilience, which is key to climate mitigation and biodiversity protection
- Tie requirements to others through funding

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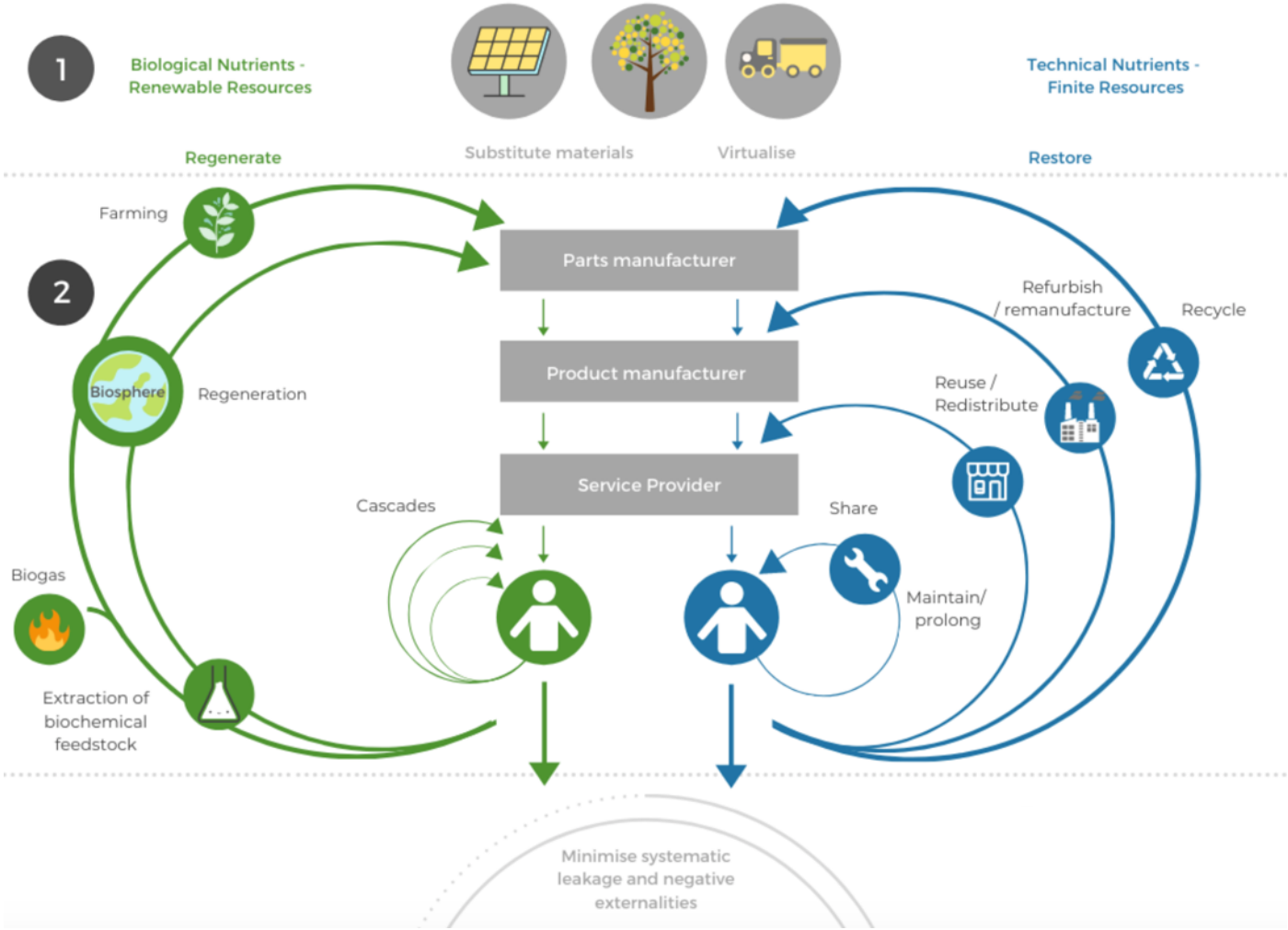
HOW TO BUY CIRCULAR

Recycling Council of Ontario


1
Biological Nutrients -
Renewable Resources
Technical Nutrients -
Finite Resources
Substitute materials
Virtualise
Regenerate
Restore
Farming
2
Biosphere
Regeneration
Parts manufacturer
Product manufacturer
Service Provider
Refurbish
/ remanufacture
Recycle
Reuse /
Redistribute
Cascades
Share
Maintain/
prolong
Biogas
Extraction of
biochemical
feedstock
Minimise systematic
leakage and negative
externalities

FIVE BUSINESS MODELS OF CIRCULARITY

Circular Supplies
Supply fully renewable, recyclable, or biodegradable resource inputs to support circular production

Resource Recovery
Eliminate material leakage and maximize economic value of product return flows

Product Life Extension
Extend the current lifecycle of a product: repairability, upgrading, reselling

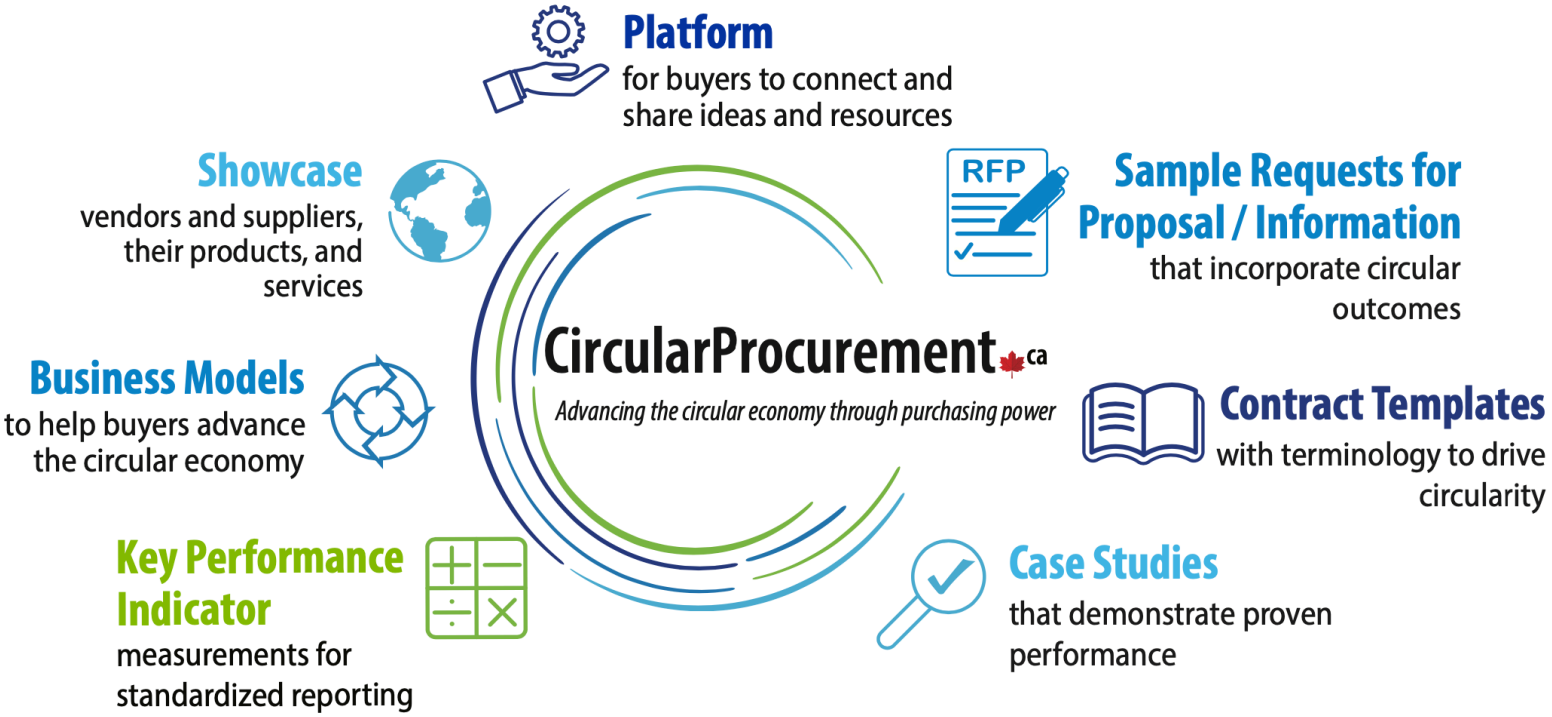
Sharing Platforms
Stimulating collaboration among product users

Products As Service
Products are used by one or many customers through lease or pay-for-use arrangements

RESOURCES

CircularProcurement.ca

RESOURCES


Platform
for buyers to connect and share ideas and resources
Showcase
vendors and suppliers, their products, and services
RFP
Sample Requests for Proposal / Information
that incorporate circular outcomes
CircularProcurement.ca
Advancing the circular economy through purchasing power
Business Models
to help buyers advance the circular economy
Contract Templates
with terminology to drive circularity
Key Performance Indicator
measurements for standardized reporting
Case Studies
that demonstrate proven performance

MENTORS AND PARTNERSHIPS

Government of the Netherlands

OUR WORK

Circular Procurement Summit June 11 - 13, 2019

Advancing the Circular Economy Through Public Sector Purchasing

One planet handle with care

Richmond

WORKSHOPS

- Designed for public and private sectors
- Customized for buyers and/or vendors and suppliers
- Introduction to circular economy and circular procurement
- Detailed review of circular economy business models
- Dig into the how of prioritizing product categories and identifying circular economy requirements / evaluation matrices.
- Moving to an online format

Greening the Government of Canada and Procurement

Circular Innovation Council
Circular Procurement Webinar Series
Nov 2, 2020

Nick Xenos
TBS - Centre for Greening Government (CGG)

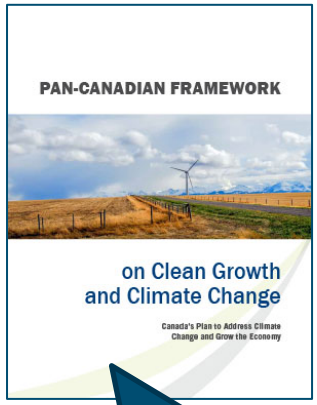
www.canada.ca/greening-government
www.canada.ca/gouvernement-vert

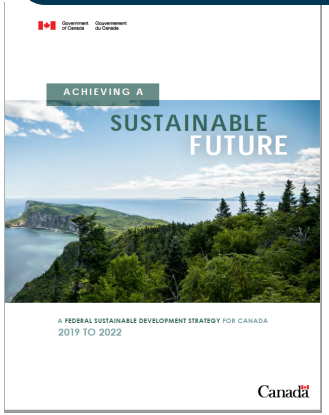
Broader context - federal climate change commitments

The Speech from the Throne and ministerial mandate letters commit the Government of Canada to exceeding Canada's 2030 greenhouse gas emission reduction targets, with the goal of net-zero emissions by 2050

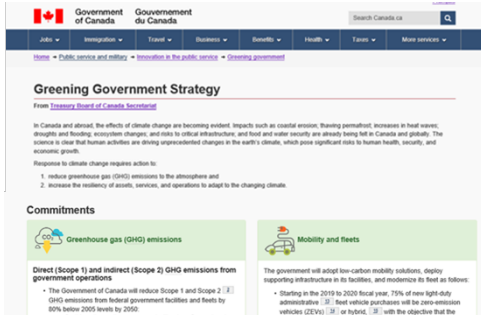
PARIS2015
UN CLIMATE CHANGE CONFERENCE
COP21·CMP11

Keep the global temperature increase to well below 2 degrees Celsius





Canada to be net-zero carbon by 2050



Govt leadership through ambitious targets, GHG emissions reductions and clean procurement

Greening Government Strategy (GGS) overview

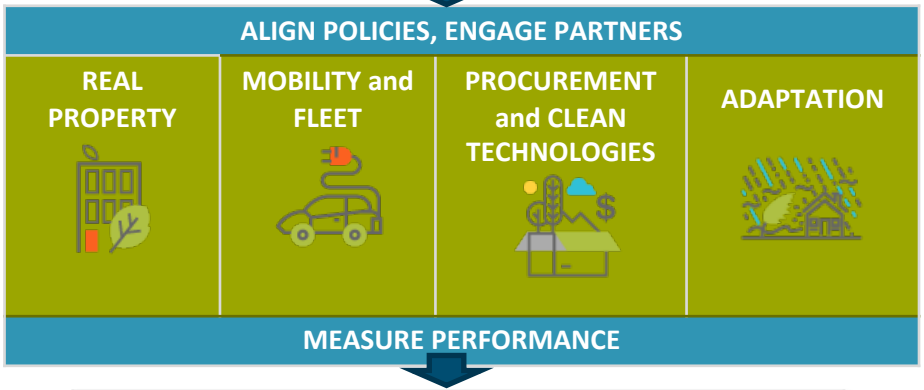
Objective:

In-line with:

PARIS2015 UN CLIMATE CHANGE CONFERENCE COP21·CMP11

- ❖ Net-0 emissions by 2050
- ❖ 40% reduction of real property and conventional fleet emissions by 2025
- ❖ Overall green & climate resilient government operations

Strategy (GGS) developed to get there:



Implementation:

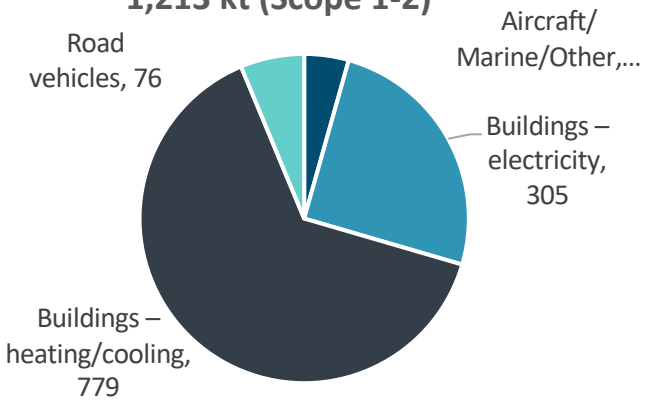
- ➢ TBS providing direction, guidance, Greening Govt Fund
- ➢ Expert depts. providing support (TBS/NRCan/PSPC/NRC/ECCC)
- ➢ DEPARTMENTS TAKING ACTION

Performance:

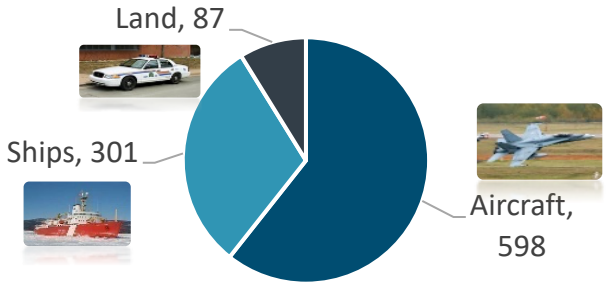
32.6% reduction in GHG emissions to date (on buildings and fleet)

Sources of all federal emissions – 2018-19

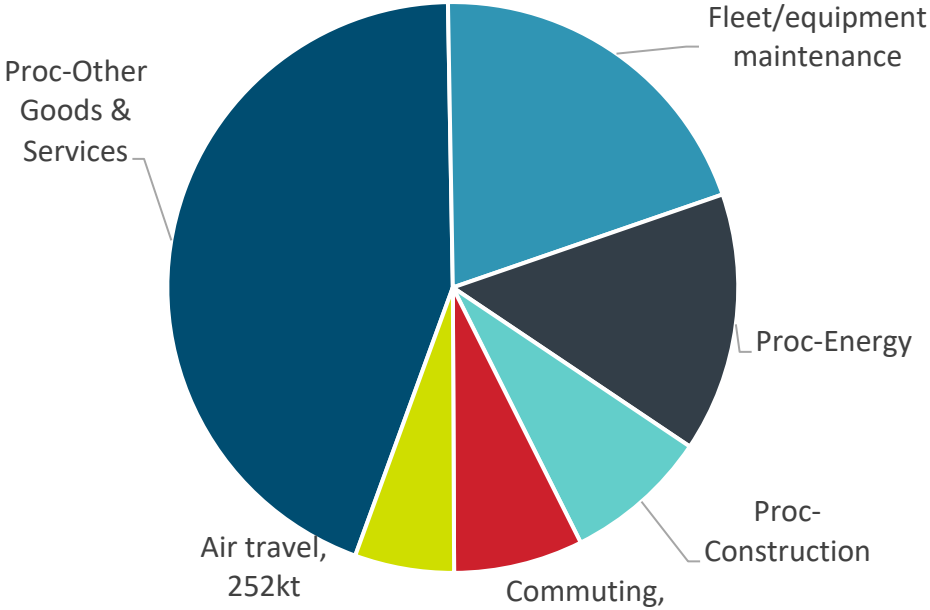
Buildings, Fleet
1,213 kt (Scope 1-2)



National Safety and Security
986 kt (Scope 1)



Procurement/Air Travel/Commuting
(Scope 3-Indirect emissions)



Other sources of emissions:
- **Crown corporations, missions abroad, office leases, fugitive gases, emissions from procurement of IT**

Note: All numbers in kilotonnes (kt) of carbon dioxide equivalent

Existing real property, fleet and adaptation commitments

Require new builds to be net-zero carbon

- 100% clean electricity by 2022 where possible, latest by 2025
- Divert 75% of operational waste, including plastic waste, by 2030
- Incorporate climate-resilient design

Targets for zero-emission vehicles (ZEVs) and hybrids

- 75% of administrative vehicle purchases must be ZEVs or hybrids, moving to 80% ZEVs by 2030
- 100% of new executive vehicle purchases will be ZEVs or hybrids

Adaptation to climate change

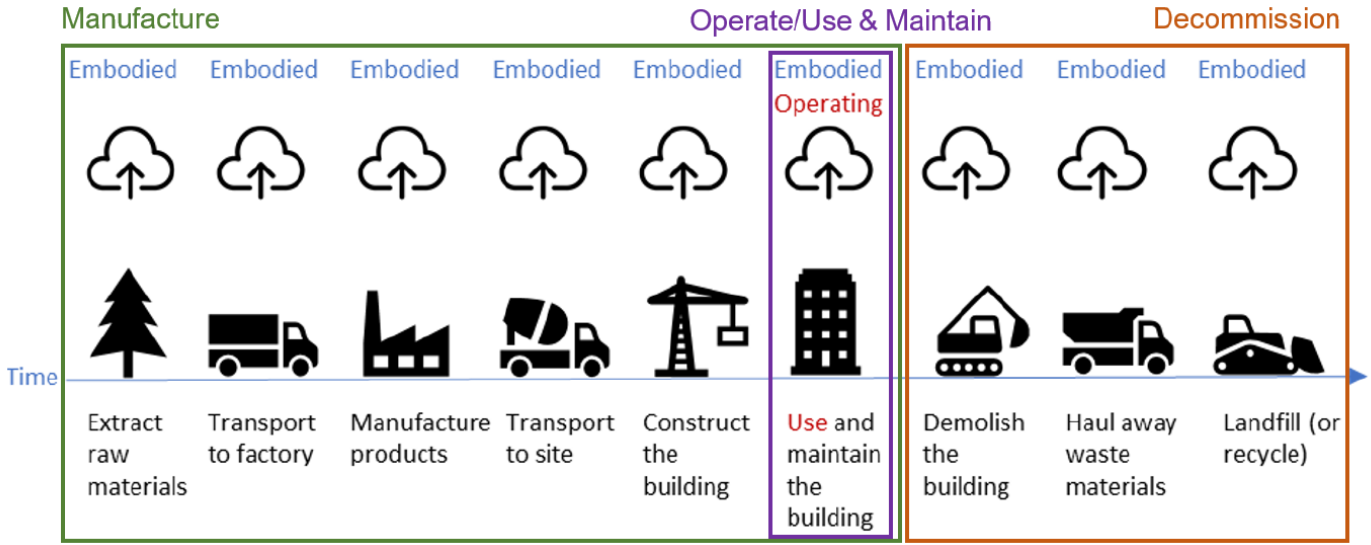
- By 2021, understand the climate change impacts that affect federal assets, services and operations
- BY 2022, develop measures to reduce climate change risks to assets, services and operations

Existing procurement, clean tech & plastics commitments

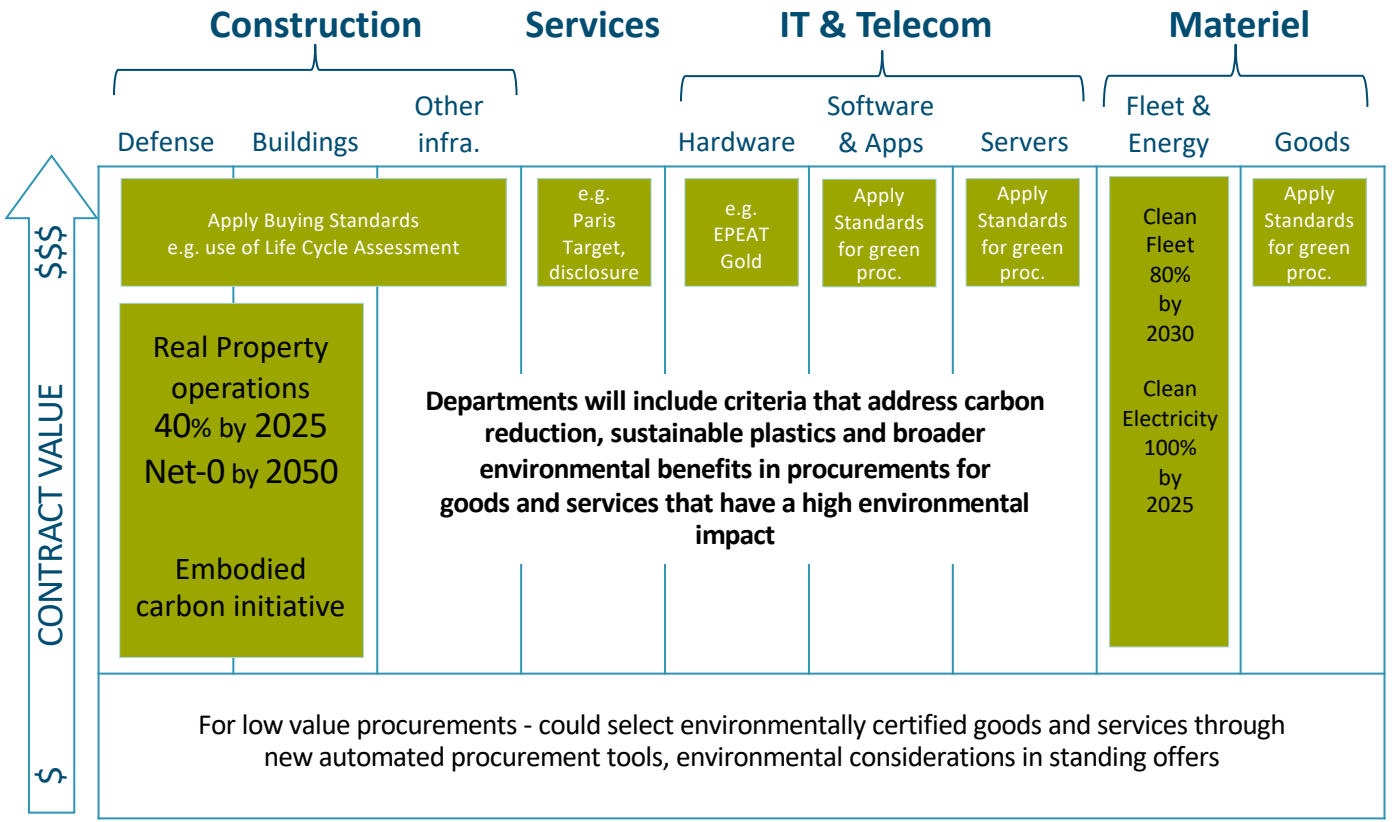
Aid transition to low carbon and circular economy through green procurement and adoption of clean technologies

- including criteria that address carbon reduction, sustainable plastics and broader environmental benefits into procurements by departments for goods and services that have a high environmental impact;
- eliminating the unnecessary use of single-use plastics in government operations, events and meetings;
- promoting the procurement of sustainable plastic products and the reduction of associated plastic packaging waste;
- working with major suppliers to encourage the disclosure of their GHG emissions and environmental performance information;
- supporting departments in adopting clean technology and undertake clean technology demonstration projects;
- Using 100% clean electricity by 2025
- support for green procurement will be strengthened, including guidance, tools and training for public service employees.

Embodied + Operating = Whole life cycle



Applying targets and standards to procurement categories



National and shared procurement instruments

Mandatory goods and services categories in Standing Offers (SO) and Supply Arrangements (SA):

Civilian Audio-Visual Equipment

Minimize packaging waste
Waste is reused or recycled
Extended producer responsibility programs

Clothing and Textiles

Reuse garments to avoid new purchase
Shredded material is reused by other manufacturers as raw material

Fuels and Lubricants

Contains Bio-diesel, ethanol, low sulphur and alternative fuel options to reduce CO_2 emissions

Office Equipment

ENERGY STAR qualification
Compatibility with remanufactured toner cartridges
Hardware take back at end of life

Office Furniture

Certified sustainably managed forests wood
All plastic components must be recyclable

Office Supplies

Paper from certified sustainably managed forests and recycled content
Minimize waste/bulk packaging
Recycled material in packaging

Professional Services

Use of video and teleconferencing where possible to minimize travel

Vehicles

Supplier is ISO 14001 certified Fuel consumption and GHG emission calculation included in financial evaluation

40% of Govt of Canada 7000 SOSA's have environmental criteria

Way forward on green procurement

Developing requirements and/or guidance on green procurement – focused on key environmental criteria and key categories of spend:

Enviro Criteria: GHG emissions, waste, climate-resilience

High impact categories of spend:

- Buildings: 0-carbon new builds
- Fleet: electrics and hybrids (executive, administrative)
- Electricity: 100% 0-carbon
- Low carbon construction materials and fuels – i.e. RFI on cement and concrete, RFI on low-carbon fuels
- Services: incenting suppliers to set a science-based target
- Goods: less packaging
- IT: energy-efficient, lower waste

Circular economy principles key to getting to net-0 carbon and minimizing waste

Complemented by increased support/training/tools to departments and procurement specialists

Membership Invitation

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