

# TORONTO

## CIRCULAR ECONOMY PROCUREMENT IMPLEMENTATION PLAN AND FRAMEWORK

*Creating systemic  
change through public  
purchasing power*



### AT A GLANCE

#### THE INITIATIVE

Toronto's Circular Economy Procurement Implementation Plan and Framework (the Framework) is positioned to become a major tool in creating economic growth, enhancing social prosperity and moving towards zero waste in the city. Toronto's annual purchasing contracts amount to approximately CAD 2 billion in value, which represents considerable potential for suppliers who have long-standing circular economy offerings or who are beginning to integrate circular economy into their existing business models. [The Framework](#) outlines the city's circular economy procurement objectives in addition to a number of opportunities for the city to leverage its buying power. The Framework is consistent with the direction and approach set out in the city's 2016 Long Term Waste Management Strategy.

#### TIME FRAME

Coordination on the development of the Framework took place between January and June 2018. It will initially be implemented in pilot procurements for three years from June 2018 with ongoing business consultation, engagement and capacity building. Final recommendations will be presented in 2021.

#### FOCUS AREAS

Initially, the Framework may potentially be implemented in the following target sectors: food and catering; waste management; information and technology; textiles and clothing; construction and engineering.

#### CORE TEAM & PARTICIPANTS

Development of the Framework was co-led by city staff from the Solid Waste Management Services Division (SWMS) and the Purchasing and Materials Management Division (PMMD).

Sitting within SWMS is the Unit for Research, Innovation and a Circular Economy (UFRICE), which coordinated the work and convened a cross divisional working group on circular economy including one or two senior representatives from SWMS and PMMD in addition to eight other 'champion' divisions, namely: City Planning; Economic Development & Culture; Environment & Energy Office; Facilities Management; Parks, Forestry & Recreation; Transportation Services; Toronto Water; and Toronto Public Health. Other divisions are also open to join.

Toronto is also engaging suppliers in the project, to ensure that the Framework's implementation is informed by potential bidders and business stakeholders.

#### FINANCE

CAD 1.8 million has been allocated to UFRICE over three years to cover the costs of various projects and initiatives, including staffing, studies, grants, partnerships, pilots, conferences, membership fees, and travel.

**OUTCOMES TO DATE**

UFRICE developed and submitted guiding principles to the Toronto's Government Management Committee, and a plan for integrating circular economy approaches into city procurement processes. UFRICE is also determining a baseline and suitable metrics to

track the economic, environmental and social outcomes.

Since inception, the project has launched into pilot phase and has begun not only identifying existing circular procurement activities, but also integrating new requirements within call documents.

**THE JOURNEY**

**ORIGINS**

The development of Toronto's Long Term Waste Management Strategy involved over 40 events, public meetings, and approximately 3,400 survey responses between 2014-2016. The strategy provides a 30-50 year masterplan for Toronto's municipal solid waste management. To fulfill the objectives SWMS will be guided by circular economy principles that aim to fundamentally change how resources are regarded, for example, by designing systems and products that enable greater recovery of materials.

In November 2017, as one of the recommendations of the strategy, UFRICE was formed to deliver on and implement circular economy transformation. Its role is to support innovation and economic growth through a wide range of activities, including convening businesses, engaging new technologies, and building public and private stakeholder awareness and capacity.

In support of the strategy, a local councillor had also [proposed updating](#) the 2007 [Environmentally Responsible Procurement Policy](#) to bring it in line with circular economy principles. Ultimately, this is what led to the creation of Toronto's Circular Economy Procurement Implementation Plan and Framework coordinated by UFRICE.



**SUPPORTIVE ACTORS**

Toronto's Government Management Committee, which governs all city agencies and bodies, was supportive of the initiative, helping to place it high on the agenda. Local agencies and environmental organisations participated in a UFRICE-funded workshop that has spurred conversations promoting circular economy-related activities in areas close to Toronto, and has raised capacity among local staff.

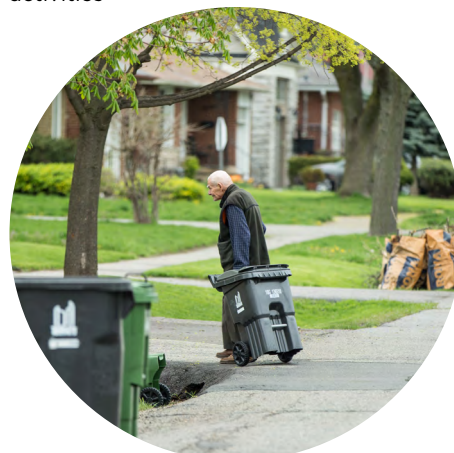
Capacity building also extends to vendors, which could include circular economy training that helps them recognise opportunities for their businesses. The additional businesses which engage with the city on circular economy procurement may meet new contract criteria and the potential to be awarded city contracts.

**MEASURING PROGRESS**

In these early stages, progress is in part measured by tracking the number of engagement interactions with suppliers and fully fledged pilots.

Reporting on progress has been an important consideration and the city has identified core indicators against which to start tracking. These are:

- Economic - cost savings for the city, waste reduction savings
- Environmental - the percentage of waste diverted from landfill, CO2 savings, percentage of recycled content, raw materials avoided
- Social - number of associated jobs created, number of city staff who have received circular economy training, asset sharing activities



## REFLECTIONS

**Supporting key institutions and complementary policies to help create change.** The November 2017 direction from Toronto's Government Management Committee (now called General Government and Licencing Committee) to report on a strategy for procurement allowed this initiative to get off the ground and put it on the agenda of the working group champions. In addition, the project is in alignment with PMMDs [Supply Chain Management Transformation Project](#), which includes implementing Category Management and Strategic Sourcing. Furthermore, the city supports extending responsibility to owners and packaging manufacturers for the life cycle of their products and the waste they generate. In 2018, the city's [Policy for the Addition of New Materials to the City's Waste Diversion Programs](#) was created. Also, at the provincial government level, support for Extended Producer Responsibility is included in the [Waste-Free Ontario Act 2016](#), which enacted both the Resource Recovery and Circular Economy Act (2016) and the Waste Diversion Transition Act (2016).

**Timing and collaboration is key.** Given the selection of suitable procurement pilots is not a straightforward process, timing and collaboration is critical. To ensure circular specifications are included in new procurement contracts, coordination with teams responsible for the developing contract is required. This could include communicating between divisions drawing on the contract, specification engineers, legal services, insurance managers, and PMMD staff.

**Testing, piloting, convening and partnering leads to rich learnings.** The collaborative work across multiple city government divisions, with suppliers and field experts has been integral to the identification of circular opportunities, the ongoing development of the Framework, and the shaping of future procurement in the city.

**Opening up new opportunities for businesses.** The framework opens up new opportunities for businesses to win contracts. The evolution of procurement in the city, alongside the assistance and motivation for businesses to innovate, supports Toronto's wider goal of creating economic growth, enhancing social prosperity and moving towards zero waste in the city.

## FOR MORE INFORMATION

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This case study is part of [Circular economy in cities](#), Ellen MacArthur Foundation