



SUSTAINABLE AND CIRCULAR PUBLIC PROCUREMENT TOOLKIT

A comprehensive guide for local governments

ICLEI – LOCAL GOVERNMENTS FOR SUSTAINABILITY USA

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CREDITS & ACKNOWLEDGMENTS

ACKNOWLEDGMENTS

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ABOUT ICLEI USA – LOCAL GOVERNMENTS FOR SUSTAINABILITY

ICLEI is the first and largest global network of local and regional governments devoted to solving the world’s most intractable sustainability challenges. ICLEI USA’s standards, tools, and programs credibly, transparently, and robustly reduce greenhouse gas emissions, improve lives and livelihoods and protect natural resources in the U.S. communities we serve. Through a data-driven approach and focus on just and equitable communities, ICLEI USA and our network partners are working to keep 1.5 °C alive.



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A photograph of the Chicago skyline, featuring the Willis Tower prominently in the center. The foreground shows a park with green trees and a wooden walkway along the water. The sky is blue with scattered white clouds.

SUSTAINABLE AND CIRCULAR PUBLIC
PROCUREMENT

INTRODUCTION



INTRODUCTION

Sustainable Local Government Procurement & The Circular Economy

IN 2019 local governments in the U.S. spent over two trillion dollars procuring products and services, which translates to approximately 10% of the U.S. economy (3). This amount of government spending translates to substantial power and influence over various markets, potentially altering the nature of the supply and demand of local, regional, and national economies. However, local government procurement practices traditionally prioritize selecting bidders based on the lowest price, frequently neglecting to account for the broader environmental, social, and economic impacts of these decisions.

To mitigate these impacts, local governments should prioritize integrating sustainable practices into their procurement processes and decision-making. Sustainable public procurement—also known as sustainable, green, or environmentally friendly purchasing—has gained traction over the past two decades. However, despite the adoption of various policies and programs, many struggle to move beyond the implementation phase, resulting in minimal impact and little transformational change. This challenge is partly due to unclear roles and responsibilities for implementation and progress tracking, as well as concerns over associated costs. A 2019 study by the Institute for Public Procurement (NIGP), which analyzed sustainable procurement trends across approximately 420 local governments,

found that only 2% of participants had dedicated staff to advance sustainable public procurement initiatives [1]." The current economic system in the U.S. operates on a linear consumption model, summarized by the "take-make-waste" approach. This approach, shown in Figure 1, leads to the depletion of natural resources, environmental degradation, increased waste management costs, and promotes inequitable supplier models (1, 2). By continuously relying on finite resources and prioritizing short-term economic gains, the linear model fails to account for long-term environmental and social impacts (2). For local governments, procurement decisions based on this model perpetuate inefficiencies and contribute to the increasing problem of waste and resource scarcity. Shifting away from linear, unsustainable practices is crucial for creating more resilient, resource-efficient communities.

A Quick Glance at Sustainable Public Procurement

Check out ICLEI USA's [*A Quick Glance at Sustainable Public Procurement*](#) document for a succinct summary on how to initiate sustainable procurement policies within your organization.

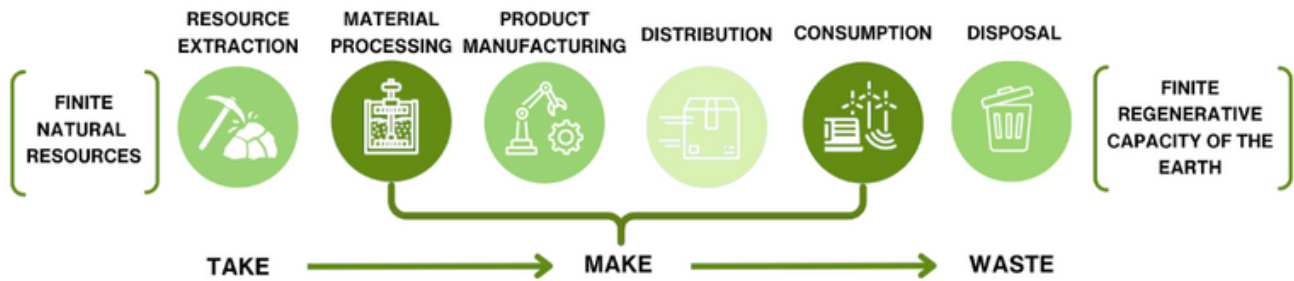


Figure 1. Take-Make-Waste Approach of Production Diagram

Circularity offers a pathway to move beyond traditional linear practices by encouraging models that enhance sustainability through efficient resource use, prolonging life cycles, and maximizing value. (4). By incorporating circular economy principles into procurement strategies, local governments can bolster their resilience, work towards their sustainability objectives, and lead by example for their local communities and beyond. This method allows for more eco-friendly purchasing decisions by considering the life cycle of products and impacts of contracted services. Figure 2 (4) demonstrates what circularity looks like in practice—prioritizing the value of resources and minimizing waste.

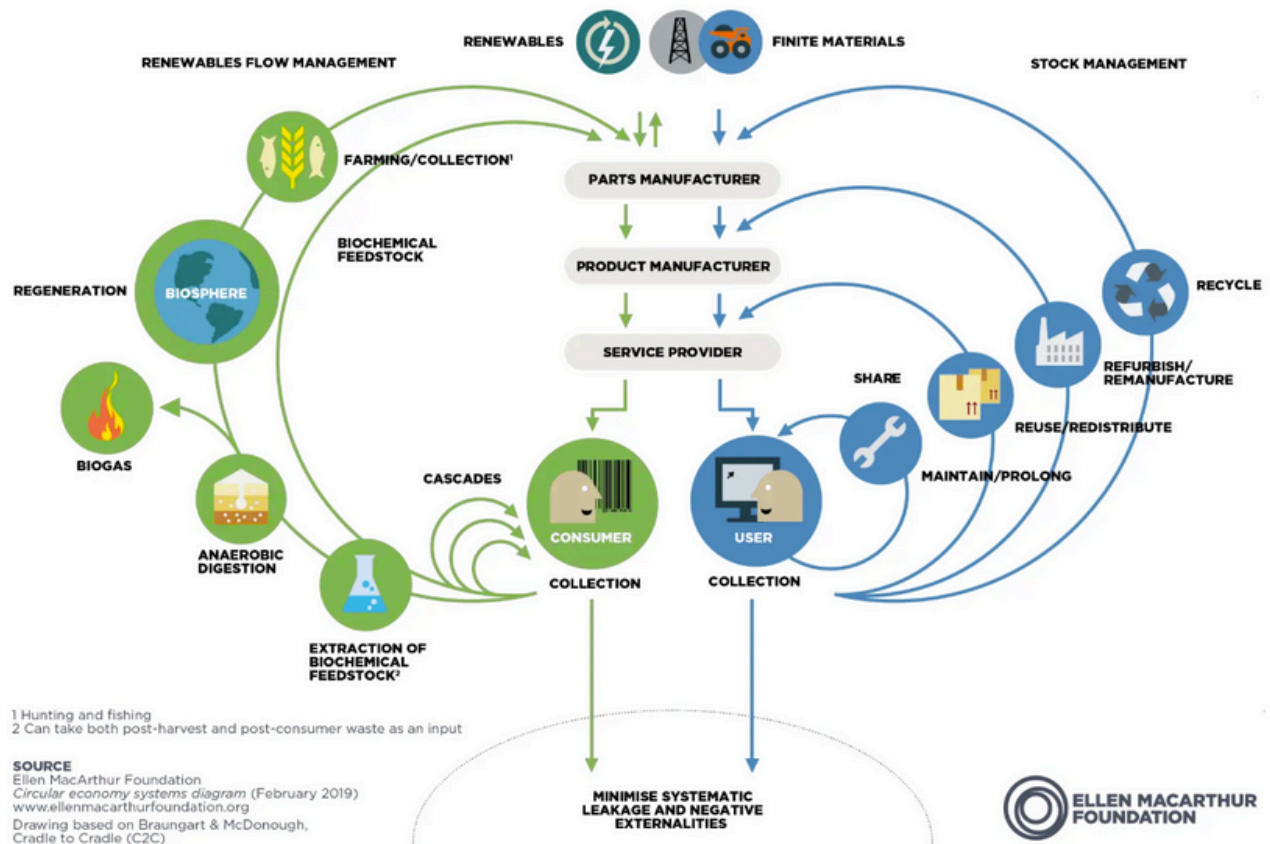


Figure 2. Circular Economy Systems Diagram (5)

Introduction

By adopting circular procurement practices and developing sustainable and circular public procurement (SCPP) policies, local governments can improve their sustainability initiatives by aligning their purchasing decisions with environmental goals. This approach encourages staff to consider the long-term environmental, social, and economic impacts of procurement decisions.

The following co-benefits can be achieved through effective implementation and integration of SCPP into local government practices (7):

Environmental
SCPP helps local governments achieve climate and sustainability goals by promoting resource efficiency, reducing embodied carbon and waste sent to landfills, supporting conservation efforts, limiting raw material extraction, regenerating natural ecosystems, protecting biodiversity, and reducing pollution (8).
Social
SCPP enhances social sustainability by promoting fair wages and social inclusion, while improving economic opportunities for marginalized suppliers. These practices support equitable supplier models and ensure that the community shares the benefits of sustainable procurement.
Financial
SCPP helps achieve long-term savings and cost-effective procurement decisions by reducing purchases, lowering operational costs, and minimizing regulatory expenses.
Risk Management
Mitigating risks ensures strong contract management, adherence to safety standards, and complying with state and federal standards. This approach reduces legal and regulatory risks, protects public assets, and enhances the resilience of local governments.
Market Transformation and Innovation
SCPP can influence broader market trends, drive market transformation, encourage sustainable solutions, and promote innovative technologies.

ICLEI USA's Best Practices for Sustainable and Circular Public Procurement Policies

To successfully implement a sustainable and circular procurement policy, ICLEI USA recommends developing policies that:

- 01 Address the three pillars of sustainability: Environmental, Social, and Economic.
- 02 Define scope and policy priorities.
- 03 Address at least three key sectors (for comprehensive policies).
- 04 Define the policy as a requirement, not a recommendation.
- 05 Establish a baseline and include SMARTIE (specific, measurable, achievable, relevant, time-related, inclusive, and equitable) targets.
- 06 Include an action plan to develop tools and resources for employees to utilize when making purchasing decisions.
- 07 Require the assessment of the Real Cost of Procurement when making purchasing decisions.
- 08 Define the roles and responsibilities of internal participants.
- 09 Include an implementation and monitoring plan.



The Circular Cities Action Framework

The Circular City Actions Framework guides local governments in embedding circular economy principles into their work and is used to supplement and guide this toolkit. It provides solutions to promote positive long-term environmental, social, and economic impacts through minimizing waste and maximizing resource efficiency. The framework includes five complementary “R” (5R) strategies – Rethink, Regenerate, Reduce, Reuse, and Recover – as a comprehensive approach to integrating circular economy principles at a local level (6).

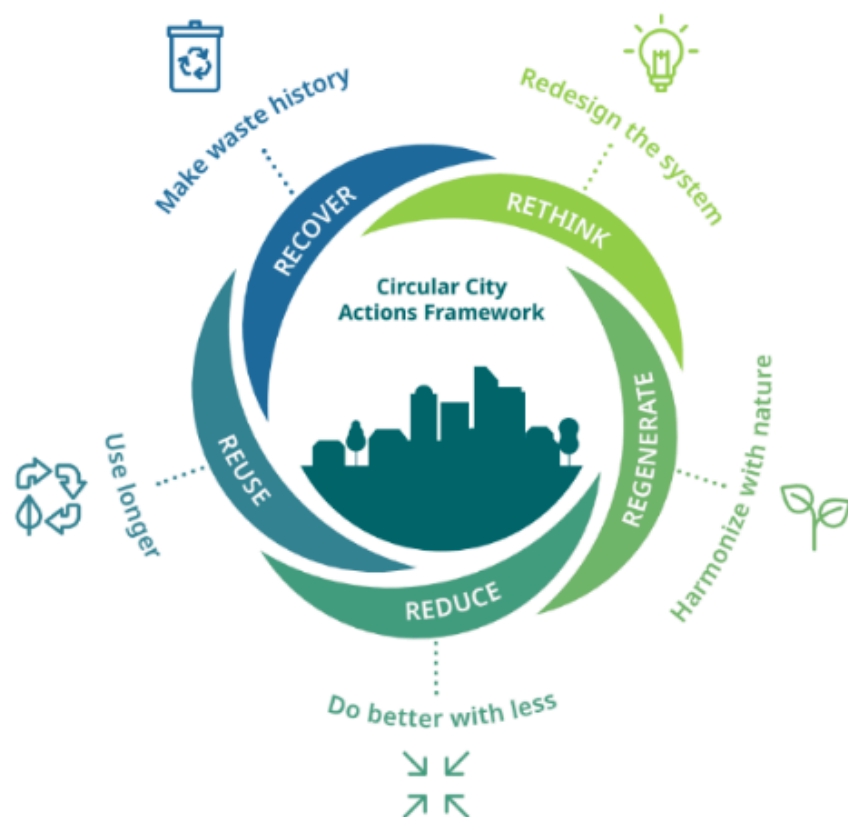


Figure 3. Circular City Actions 5R Framework (6)

This toolkit applies concepts from the framework to provide strategic solutions for local governments seeking to transform their procurement practices toward more circular models. Local governments can significantly decrease their environmental impact and improve economic and social impact by reducing unnecessary product purchases, reducing resource use, reusing materials, recycling waste, and recovering value from products at the end of their life cycle. Implementing the 5R framework allows local governments to lead by example in promoting responsible production and consumption patterns.

THE DETAILED FIVE COMPLEMENTARY “R” STRATEGIES INCLUDE:

Rethink	Lay the foundation for circular activities and enable the transition to a circular economy.
Regenerate	Embrace infrastructure, production systems and sourcing that allow natural ecosystems to thrive.
Reduce	Design infrastructure, processes and products to minimize material, water and energy use and waste generation from production to end of use.
Reuse	Extend and intensify the use of existing resources, products, spaces, and infrastructure.
Recover	Maximize the recovery of resources at the end of the use phase and reintroduce them into production processes.

Toolkit Breakdown

The SCPP toolkit is a comprehensive how-to guide for developing comprehensive, sector-specific, or product-specific sustainable procurement policies, with tools to integrate circularity if it is a priority. It is organized into six guidelines, complete with examples and practical tools designed to support the implementation of SCPP initiatives. These guidelines should be revisited throughout the development and implementation of your policy to help achieve ICLEI USA’s best practices. By consistently returning to these guidelines, your local government will gain a deeper understanding of progress, identify gaps, and bolster your value case (40). See Figure 4 below for a brief overview of each guideline.

ICLEI USA recognizes that each local government operates within their unique context—shaped by state-level policies and limitations, available resources, community priorities, and organizational capacity. This resource is designed to offer guidance and best practices, but we recognize that there is no one-size-fits-all approach. Staff are encouraged to adapt these strategies in ways that align with their specific legal frameworks, political environments, and the needs of their communities. Flexibility, creativity, and local knowledge are essential to advancing meaningful and lasting progress.

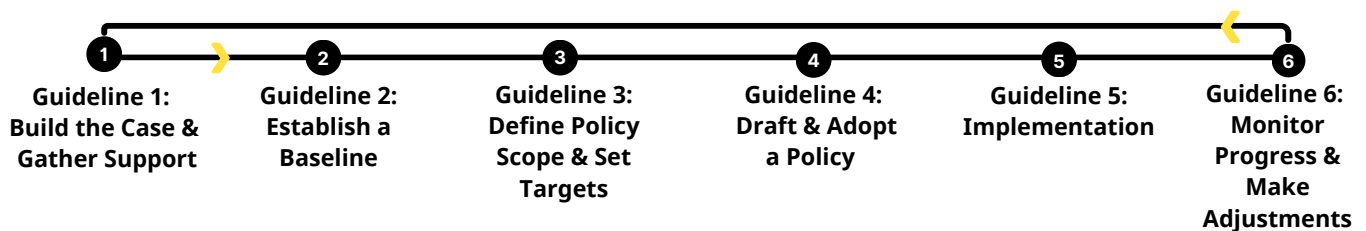


Figure 4: SCPP Toolkit Guideline Breakdown

Incorporating Equity into Procurement

Equitable procurement policies are essential for promoting inclusivity and addressing the systemic challenges faced by minority-owned and operated businesses, which include women, people with disabilities, black, indigenous, and people of color. Historically, minority communities and businesses have been excluded from local government procurement practices, perpetuating these system challenges. By integrating equity into these practices, local governments can ensure that their policies align with broader goals of inclusion, leading to a more equitable and prosperous outcome (10). Implementing equitable procurement policies involves setting clear goals for diversity and inclusion and fostering an environment where underrepresented businesses can compete fairly. This approach expands economic opportunities and enhances the resilience of local economies by diversifying the supplier base and promoting local entrepreneurship. By prioritizing equity in procurement, local governments can build stronger, more inclusive communities, where all businesses, regardless of size and ownership, have the chance to thrive.

Rethinking the term “Stakeholder”

The term “stakeholder” is commonly used to refer to individuals, organizations, and communities, among others, that are involved in a process. However, this word may contain a colonial connotation of “staking claim to ground” that originally belonged to native people (9).

Examples

Check out the [*City of Boston’s Executive Order Promoting Equity in Public Procurement*](#) and the [*City of Tacoma’s Equity in Contracting webpage*](#) to reference examples of ways to incorporate equity into SCPP policy and practices.

Throughout this toolkit, we utilize the phrase “relevant participant and party” when referring to essential collaborators instead of the word “stakeholder”, to encourage the integration of more equitable language into the procurement process. We also encourage your local government to contextualize language like this, consider how language may be perceived by various community members, and use language that best reflects every member of your community.

