Best practice guide for circular workwear

Vision and objectives

1.1 Preface

Sharing the vision and objectives of the category with the market provides direction and opportunities for potential business for market parties. However, it should be emphasised with this category that, following the awarding of a contract, the focus of the category will be geared towards operationalising the agreement with a constant focus on delivery reliability, client satisfaction and agreed quality agreements. For this reason, additional capacity is made available within the category for supplier and contract management – among other things. Market parties should realise that, in the future, the focus will be on the protection of the name and address details of civil servants with increasing frequency and urgency. Even the nature of an issued item could expose the role of a civil servant and, if a name can be linked to it, malicious parties could abuse this. For example, who has access to what data within a business? Compliance with the new GDPR, dated 25 May 2018, is therefore of importance.

A contract with a reliable central government with a clear vision, in which both parties can take pride, requires an integral approach from the market party from the invitation to tender onwards, and is not restricted to temporary sales activity; the supplier should be reliable too.

1.2 Vision

The category of central government workwear subscribes to central government policy and helps to achieve the transition agenda towards a circular economy by 2050. There is a strong commitment to SDG\(^1\) 12 in particular: sustainable consumption and production of clothing and textile. It does so with integrity and knowledge of affairs, and in maximum transparency together with the market.

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\(^1\) Sustainable Development Goals, following the Paris agreement.
In addition to standard agreements on the delivery of the right item, at the right price, in the right quantity and at the right location and time, arrangements are agreed upon and honoured in terms of central government targets to be achieved – for example, in the field of sustainability (international) social conditions, stimulus measures for SMEs and the contribution to the circular economy of the textile chain through maximum reuse and recycling. For example, central government stated via transition agendas on 15 January 2018 that 10% of total central government procurement should be circular by 2022. Moreover, in the acceleration proposals for sustainability in central government management, the Chief Procurement Officer for the central government has identified the category of workwear as an example in terms of being fully circular by 2020. This will only be feasible in the return flow, where there is a commitment to 0% waste.

As a follow-up to the Millennium Development Goals, the United Nations formulated 17 Sustainable Development Goals (SDGs), which took effect on 1 January 2016, and which apply for the year 2030. The objective is to eradicate poverty, inequality and climate change, among other things. Figure 9 shows a summary of the SDGs.

Figure 1: Sustainable development goals of the United Nations

The commitment to sustainable consumption and production (SDG #12) with socially responsible procurement and circular procurement should go hand in hand with strict conditions stipulated by the SDGs. For example, ecological damage must not be caused (#6, #14, #15), a contribution must be made towards countering climate change (#7, #13) and ethical working conditions should apply during work (#1, #10, #11, #16). Finally, a circular economy contributes towards economic growth and employment, both in the Netherlands and elsewhere (#8). The category advocates maximum impact by focusing on SDG 12, without losing sight of the other SDGs.
1.3 Implementation of the objectives

1.3.1 Short term

The category of central government workwear is committed to 100% category management by 2018 via:

- Participation by all civil services wearing workwear which place orders based on government-wide (framework) agreements, insofar as current contracts or obligations do not apply. This is in line with central government policy.
- Pursuing contract and supplier management to a greater and more effective degree. This includes making arrangements in terms of tasks and responsibilities at operational, tactical and strategic levels, on both the client and the supplier side.

The category of workwear seeks to make a significant contribution towards sustainable consumption and production by:

- Optimising reuse and recycling based on a controlled flow of return goods. This takes place government-wide and with the full affiliation of the National Police and the Netherlands Institute for Safety (Dutch abbreviation: IFV).
- Increasing the logistics flow and processing quantity with the Bigagroep in Zeist by making a "hand luggage carousel" and a 3D scan available for the inspection of returned and collected clothing and textiles to check whether there are any undesired items.
- A pilot for deploying discarded textiles that cannot be reused at the same level as raw material for recyclable composites of used textiles and used plastic. This includes textile with a fabric or yarn composition of various raw materials such as cotton / polyester. New products are made from these composites. After use, these products can be reverted to raw material in the form of granulate, for the subsequent cycle of new circular items (e.g. road surfaces and hexagonal plates).
- Pilot to be launched together with IFV and Corporate Social Responsibility Netherlands (MVO Nederland) to encourage designers and businesses to create new items with added value from used fire-fighting clothing (aramid).
- Pilot to be launched to create added value in the chain with old sports shoes, but also to prevent the continuous failure of local market initiatives to sell sports shoes, as a result of exports and product-dumping, to poor countries in particular.
- Cooperation in an objective measurement system for recycled post-consumer content in products, so that the composition of an item is unambiguously clear, resulting in increased confidence with other (market) parties in the inclusion of post-consumer content in products.
- Stimulating and motivating other government parties to implement the Roadmap for Circular Textiles, and to follow it, in same way as the commercial clothing & textile sector in the Netherlands together with the trade associations MODINT, VGT and INRetail as well as the Ministry of Infrastructure and Water Management and the category of central government workwear. This serves to increase the sustainability of the entire sector. This also fits in with the covenant for clothing & textiles, which was concluded under the direction of the Social and Economic Council of the Netherlands (SER) – an agreement between central government, the sector, trade unions and NGOs.
- Using external capacity to investigate for each department whether the internal procedures for the supply and management of items can be adjusted to achieve even better results in the return process.
- Applying the principles of eco design (design for recycling).
- Using a certain minimum percentage of recycled (post-consumer) raw materials in new
workwear and other performance-rewarding award criteria. Post-consumer worn clothing has priority, but other sustainable alternatives are appreciated and awarded as well.

- Including socially responsible procurement aspects up to at least 50% in the award criteria; therefore the price should be taken into account by less than 50%.
- (Commissioning the) cyclical evaluation and review of minimum requirements and award criteria.
- Minimising additional costs and maximising potential revenues as a result of the commitment to sustainability.
- The themes of socially responsible (sustainable) procurement and corporate social responsibility are a key priority in all tenders, throughout the entire lifespan.
- Stimulating creativity and a focus on transition among businesses in the textile and clothing sector by providing functional rather than technical specifications.
- Applying minimum requirements with respect to social and environmental aspects.
- Stimulating and complying with ISV via chain initiatives.
- Applying 5% social return per tender (with a minimum wage sum of €250,000 and a minimum term of six months), insofar as a service provision tender is at issue.

The category of workwear undertakes to engage in lawful conduct and act with integrity at all times through:

- Implementation and compliance with the framework of standards by which procurement management is assessed by the Court of Audits. This is in line with central government policy.
- Offering maximum transparency, in terms of the reasons for rejection of tenderers too.
- Using DigiInkoop (e-procurement) 100%. Orders and invoices are supplied and processed automatically. This is in line with central government policy with the exception of independent governing bodies (Dutch abbreviation: ZBO) and High Councils of State (to be affiliated in the future).

1.3.2 Medium term

The category of central government workwear is committed to achieving greater impact from its short-term objectives in the period 2018-2021 by:

- Ensuring uniformed services from public order and the security sector, such as the Ministry of Defence, National Police and IFV are in line with the vision of category plan version 2.0, insofar as this is possible and feasible.
- Investigating whether independent governing bodies, water authorities, provinces and municipalities can be involved in the vision of the category of central government workwear or can cooperate more closely in this respect and, if so, under what conditions.
- Ensuring 100% reallocation (reuse or recycling) of returned collected clothing.
  - Minimising textile waste to 0%;
  - Maximising the sale of discarded clothing and personal combat equipment (Dutch abbreviation: PGU) as valuable raw materials via state-owned moveable property (Dutch abbreviation: DRZ);
  - Maximising the number of participating (central) government services in a controlled returned goods process.
  - Optimising the collection and sorting for each department for the purposes of reuse and recycling;

1.3.3 Long term

As of 2018, the category of central government workwear wants to support the textile sector in making the transition towards a sector that is circular, clean, honest and effective by 2050, and
which inspires other sectors to become as sustainable. Future cabinets will undoubtedly upgrade the ambition level within the framework of the commitment to include climate objectives. The category of central government workwear will respond to this.

1.4 Other objectives and plans

1.4.1 Structural objectives

Category management of central government workwear pursues (main) objectives, and tries to do so with the following core values:

- Maximum transparency and cooperation with market parties by publicly announcing the vision and tender calendar during a suppliers’ open day, which is to be organised annually (the next event is scheduled for 27 June 2018);
- Continued role as knowledge and expertise centre for clients, trade associations, suppliers and designers in the field of workwear;
- Designing contracts in a flexible way, which allows additional or unforeseen requirements and innovations to be included in current contracts;
- Continued role as promotor and stimulator to ensure (continued) awareness among procurers of the added value of sustainable and circular procurement;
- Continued function as inspirer and catalyst in order to encourage the textile market to pursue further initiatives in the field of corporate social responsibility, for example through participation in the frontrunners group within Corporate Social Responsibility Netherlands.2

1.4.2 Other plans

Finally, all contracts of the category of central government workwear concluded from 2016 onwards were included in the register of central government procurement in the third quarter of 2017.

1.5 Broad outlines of the procurement strategy

The starting point for the procurement strategy is the efficient deployment of capacity and financial resources, which are available to a limited degree. The aim is to reduce the financial risks and the supply risks. Each quadrant from the Kraljic matrix has its own strategy.

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2 Entrepreneurs have a personal responsibility where it concerns corporate social responsibility. See www.rijksoverheid.nl/onderwerpen/maatschappelijk-verantwoord-ondernemen/zelf-maatschappelijk-verantwoord-ondernemen-mvo. Businesses that require assistance to put corporate social responsibility into practice can consult various guidelines and resources at www.rijksoverheid.nl/onderwerpen/maatschappelijk-verantwoord-ondernemen/maatschappelijk-verantwoord-ondernemen-in-de-praktijk.
1.5.1 **Routine products**

Process simplification:
- standardisation through functional specification;
- optimal clustering of client demand from various departments;
- reduction in the number of suppliers;
- exhaustive list of items from the catalogue;
- matching of invoice, performance statement and contract.

1.5.2 **Leveraging products**

Competitive quotations:
- clustering of demand through synchronisation upon expiry;
- levelling price differences through a coordinated approach;
- lowest price with preservation of quality and supply security (by supplier).

1.5.3 **Bottleneck products**

Supply security (towards collector, sorter and supplier):
- continuous supply of discarded clothing due to optimisation of the returned goods flow;
- pooling of sorted textiles;
- chain-orientated approach.

1.5.4 **New tenders**

New tenders have been included in the appendix to the tender calendar. It will be further developed in close consultation with clients, after which it will be widely publicised.
Crucial for participation in tenders is a register in which central records are kept of which ministry has granted mandates and authorisation for which procurement categories (full or limited). The register is discussed at least four times a year in conjunction with the tender calendar in the ICIA.
1.6 Potential savings

The potential savings of the category can be specified in a qualitative and quantitative manner.

1.6.1 Qualitative

- The clustering of specialist knowledge in the field of workwear allows for smarter procurement by the category.
- Policy objectives of the central government can be pursued in a better and more uniform manner.
- The chain approach makes it possible to achieve a substantial environmental benefit.\(^3\)
- The differentiated design of contract and supplier management allows for efficient deployment of capacity that is available to a limited degree.
- The implementation of the framework of standards of the Court of Audits will improve the legality and reduce maverick buying.

1.6.2 Quantitative

- The synchronisation of contracts following expiry will save the category costs on tendering procedures and contract process management as well as on government-wide procurement capacity. The savings lie with separate clients.
- Expenditure for each tender is determined, among other elements, by client demands and requirements, prices of raw materials, adjustments to the range, adaptation of the supply standards of wearers and the logistics process. It is therefore difficult or impossible to attribute to the category any quantitative savings on tenders compared to the past.
- The tenders for towels, overalls and uniforms show that significant savings may be achieved by imposing demands in terms of including a certain percentage of recycled post-consumer content in the product, especially in the field of CO\(_2\) savings and the reuse of raw materials.
- By optimising the returned goods flow (this includes collection, sorting and recycling), reuse will enable the departments to achieve savings on new items. Each tender stipulates that suppliers should be willing to supply the client from usable returned items first (as good as new). It is only afterwards that a new item can be invoiced.
- The Ministry of Defence saves an annual amount of €5 - 10 million worth of items that do not have to be purchased as new. Moreover, clothing that cannot be reused results in annual revenues of approximately €0.5 - 1 million because the clothing can be used for raw materials. These raw materials are cut and offered to interested market parties via DRZ. After deduction of a fee, the revenues are paid to the Ministry of Defence.

\(^3\) Success met de ketenbenadering [Success with the chain approach] (issued by the Dutch Ministry of Housing, Spatial Planning and the Environment (VROM), October 2010).