

SDP's Quick Guide to Frameworks and Other Collaborative Purchasing Arrangements



Framework agreements are a popular mechanism for sourcing goods, services and works in the public sector. There are many different types of frameworks that can be utilised by contracting authorities and could have one or more suppliers awarded onto each.



What is a Framework Agreement?

A Framework Agreement is an 'umbrella agreement' that sets out the terms that relate to price, quality and quantity, under which individual contracts (call-offs) can be made throughout the duration of the agreement. This helps suppliers to actively participate in national and large collaborative contracts, where the requirements are divided into geographical or service delivery Lots (grouping of similar requirements).



What are Framework Lot(s)?

A Lot is where a buyer separates a procurement exercise into smaller categories e.g. type of products, service or geographical location. Scottish Government policy encourages this as it makes it easier for smaller businesses to participate.

If the authority has divided a contract into Lots, it must indicate whether tenders may be submitted for one, several or all lots; may limit the number of lots that may be awarded to one tenderer; and/or may award contracts containing more than one Lot. However, it must provide details of these arrangements in the contract notice or the invitation to tender.



Types of Framework Agreements

Single Supplier Framework Agreement: The contracting authority enters into contracts with the supplier in accordance with the terms of the Framework, but can also ask the supplier to supplement its tender to reflect more refined requirements.

There are three types of **Multi-Supplier Arrangements:**

1. The contracting authority sets out all the terms under which contracts may be called off without further agreement. It must be clear from the procurement documents which supplier will perform the contract. Typically, this will be the supplier that achieved the highest score following evaluation to get onto the Framework Agreement; or, if not available, and the documents permit it, the next highest scoring supplier.
2. Multi-supplier arrangements which do not set out all the terms of the arrangement and under which contracts will be awarded following mini competitions, must comply with the procedure outlined in Regulation 33 (11).
3. Multi-supplier arrangements can allow both for contracts to be called off without opening competition, and for mini competitions. The contracting authority's decision as to which to approach to use must be made on objective criteria and this must be set out in the initial procurement documents.



The Value of a Framework

The Framework value is the estimated total of all contracts envisaged to be awarded during the agreement term.



What is a DPS (Dynamic Purchasing System)?

A DPS is an electronic process where pre-qualified suppliers of commonly purchased goods and services are invited to tender by Scottish public sector buyers. A DPS has some aspects that are similar to a Framework agreement, except that new suppliers can join at any time throughout the life of contract. However, as an electronic process, the opportunities (call-offs) are tendered via mini competition only. There is no limit to the number suppliers that can be awarded a place on the DPS and suppliers can apply to join at any time. Even if unsuccessful at first, suppliers can re-apply after a period of time - having rectified the issues(s) that prevented a successful submission first time around. A DPS is simple and proportionate - especially for SMEs.



Hybrid of the Dynamic Purchasing System and Framework Agreements

There are also other iterations of Frameworks known by various names, such as Procured Service Arrangement (PSA) or Flexible Framework Arrangement (FFA). Regardless of the name, this process combines aspects from both Frameworks and a DPS to give maximum flexibility to social contracts and other specific services such as high value / above threshold education contracts.

Hybrid PSA /Flexible Frameworks are run using an Open Procedure with a shorter time scale for mini-competition, which unlike a DPS can include Direct Awards - providing it is defined in the tender notice. A hybrid PSA /Flexible Framework, like the DPS, has no deadline and is generally open for 15 years or more, giving new suppliers the opportunity to be added to the Framework at regular intervals during this time.



How do I get my business on a Framework or other collaborative purchasing arrangements?

All calls for competition including notices announcing Framework Agreements and collaborative purchasing arrangements will be published on Public Contracts Scotland (PCS) by contracting authorities. The suppliers that wish to participate must register interest using the details provided within the contract notice and may be awarded a place subject to their ability to satisfy selection criteria. Only those suppliers that respond to the original notice and are selected will be eligible to participate in the call-off process to secure work.



What are the benefits to my business?

Benefits of this tender route for suppliers include a REDUCTION in tendering costs, RECOGNITION of a company's ability to provide the required goods or services and also an increased chance of being AWARDED valuable business, plus an opportunity to build lasting working relationships with multiple buyers.

It is important that suppliers understand that being part of a Multi-Supplier Framework is not a guarantee of business. There is still a need to compete and be successful in mini competitions.



How do I find out details about Frameworks or similar collaborative opportunities?

As with all other contracts, Framework agreements need to be advertised as Open or Restricted procedures on PCS by the contracting authority on www.publiccontractsscotland.gov.uk.



List of Frameworks in Scotland

To find information on potential collaborative opportunities which may be advertised over the next 12-18 months, visit the "Info Centre" on PCS and then click on the Forward Plan. You will find a list of Frameworks for: Scotland Excel, APUC, NHS Scotland and Scottish Government.



Use the Forward Plan data to:

- Research which suppliers are currently on the Framework and if there is a potential for sub contract opportunities.
- Research the actual details of Scotland Excel Framework suppliers on the Contract Register by visiting www.scotland-excel.org.uk.
- Plan and manage re-tender dates to prepare your bid.
- Talk to the owner of the Framework about future opportunities.

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