Frameworks

What is a framework?
The Public Contracts Regulations 2015 define a framework agreement as

"In these regulations, “framework agreement” means an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged."

The Regulations apply when public authorities seek to acquire goods, services or works. The framework agreement may, itself, be a contract to which the EU procurement rules apply. Alternatively it may be a simple agreement under which contracts are only formed when goods, services or works are called off.

Why use a framework?
Frameworks are a particularly effective means of acquiring goods and services the requirements for which occur on a periodic or regular basis. They often lend themselves to collaborative procurement as they enable the requirements of many organisations to be aggregated, thereby securing economies of scale. In addition to the cost savings often achieved, frameworks also same time by eliminating the need to run separate competitive tendering exercises for each requirement, reducing the amount of time and effort required to procure the requirement.

Frameworks or contracts?
Frameworks are often referred to as ‘contracts’. This is a commonly used misnomer. Legal definitions vary, but in essence a contract is a legally binding agreement between two parties which commits them to exchanging goods and/or services in return for a consideration (normally money). Frameworks are different, as they do not normally include a legally binding commitment on the customer to receive the goods/services and to make payment. Only when the customer places an order under the terms of the framework does it become a contract between the customer and the supplier.
What makes a PBO such as ESPO able to create compliant frameworks?

The Public Contracts Regulations 2015 designate some organisations as "Central Purchasing Bodies". ESPO is classed as a “Central Purchasing Body” which means:

A contracting authority which -

(a) acquires goods or services intended for one or more contracting authorities;
(b) awards public contracts intended for one or more contracting authorities; or
(c) concludes framework agreements for work, works, goods or services intended for one or more contracting authorities;

In regard to Central Purchasing Bodies (1) A contracting authority may purchase work, works, goods or services from or through a central purchasing body, and (2) Where a contracting authority makes purchases in accordance with paragraph (1), it shall be deemed to have complied with these Regulations to the extent that the Central Purchasing Body has complied with them.

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