

RISE

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Procurement Routes: Frameworks

Supply Chain Advice Pack

February 2025

Funded by:



Department for
Energy Security
& Net Zero

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Overview

Procurement is a key element of retrofit projects. Without successful procurement, project outcomes may not be met, and in some cases projects will fail.

Procurement is required throughout retrofit projects, but it is particularly important for the provision of service providers (e.g. retrofit assessments) and contractors (e.g. retrofit installers).

Where no existing service provider or contractor is in place, or it is not possible to vary an existing contract, a new procurement exercise must be undertaken. The way this must be carried out is changing, with the introduction of a new set of regulations on how public procurement should take place - the Procurement Act 2023.

This advice pack provides information on Frameworks, helping to contextualise their use for suppliers and public contracting authorities, and explore how they will change following the Procurement Act 2023.

What is a Procurement Framework?

A procurement framework (also known as a Public Sector Framework Agreement) is one of the procurement routes that are available to public contracting authorities. It is a list of pre-approved (qualified) suppliers who are capable of providing goods and services to public authorities.


They have agreed terms, including prices, quality and quantity, as well as legal protections for authorities using them. Frameworks can be used to procure all types of goods and services, simplifying the sourcing process and removing the need for extensive tendering processes for every aspect of a project.

How is a framework similar to other procurement routes?

Just like a DPS, a framework can be broken up into lots, usually by differing services and works requirements. Lotting allows for greater competition for the opportunities offered and therefore helps to achieve improved value-for-money.

Similarly to conventional tendering and DPSs, frameworks involve a pre-approved list of suppliers and give public contracting authorities the ability to engage with suitable suppliers.

How is a framework different to other procurement routes?



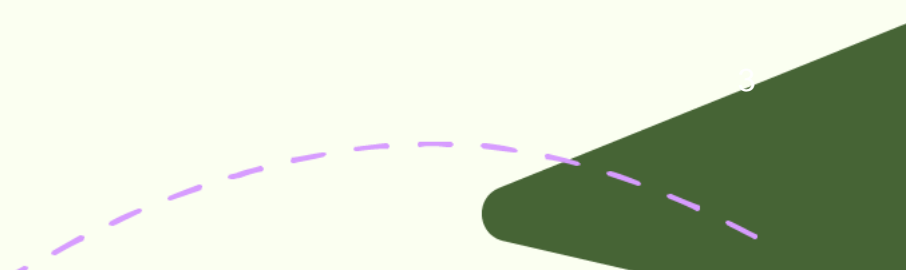
Frameworks are one of the primary procurement routes and are very commonly used, they have a wide range of formats and can differ greatly between one another. They do however have specific elements that differentiate it from other popular procurement routes:

- Frameworks have **set application windows** for suppliers, after which new suppliers are unable to join (whereas a DPS is always open, or frequently reopens).
- They have a **top limit**, which is the total amount of money the public sector can spend on it (unlike DPS which are not financially limited)
- The **pricing** for a framework contract is **fixed at the point of tender** (unlike a DPS where it is decided at the contract award stage)
- Frameworks (although not all) **do allow for direct award** (whereas DPS do not)
- The **number of suppliers** that can join is **limited** (unlike on a DPS, where it is unlimited)
- Frameworks are usually **limited to 4 years**, although can include options for an extension (whereas a DPS does not have a time limit)

What are the advantages and disadvantages of Frameworks?

The nature of each procurement route makes it suitable, or unsuitable, depending on the contracting authorities' requirements. Frameworks, however, have broadly identifiable advantages and disadvantages:

Advantages of Frameworks:

- **Faster Procurement:** By using **pre-established terms**, contracting authorities can access suppliers **quicker** instead of having to carry out a tendering process.
 - **Potential to Direct Award:** Some frameworks allow for **direct awards** which can give contracting authorities more control over the suppliers for their projects.
 - **Ensures Compliance:** As suppliers have been **pre-approved** to be allowed on to the framework, public authorities can be confident in the **compliance of suppliers**.
 - **Simple to use:** Frameworks are **easy to use** for both suppliers and contracting authorities.
 - **Cost-saving:** Using a Framework can **speed up** the procurement process and therefore **save authorities money**.
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Disadvantages of Frameworks:

- **Locked-in with suppliers:** An authority could potentially be stuck with the **same suppliers** through varying market conditions. Some firms may stop trading and new suppliers are not able to replace them.
- **Limited Competition:** As frameworks have limits on the number of suppliers on them, **competition is restricted** once on the framework.
- **Administrative effort:** It can be a **labor-intensive** task to pre-qualify and add new suppliers to a DPS, particularly if there are lots of suppliers.
- **Possible exclusion of SMEs:** The high levels of administration required for suppliers to get on some frameworks can lead to them not applying to join altogether, this is particularly relevant with SMEs.

Frameworks for the Supply Chain

Due to the sheer **number of frameworks that exist**, it is unlikely that no framework would be useful. They are **designed for all different types of goods and services** and so understanding how they work is important as both a supplier and as a public authority.

Many frameworks **include catalogues** which allow for the ordering of simple goods, but for most goods and services an authority would have to issue a **'call-off'** (an individual contract) from the framework, which would then trigger one of the following options:

- **Direct Award:** Certain frameworks allow authorities to directly award to a supplier for specific goods and services
- **Further/'Mini' Competitions:** Suppliers bidding against one another for a tender

Frameworks are therefore often a good choice for many authorities when procuring, but due to the vast number of frameworks and the differing rules which govern them, they still require careful consideration.

For suppliers, frameworks have numerous benefits, for example, once pre-qualified, procurement opportunities can be accessed without having to carry out further qualification processes. They also **increase a supplier's visibility**, giving them easy access to a **wide range of potential customers**.

Also, the legal protections that exist under a framework helps to **ensure compliance** and **minimizes the administrative burden** that may otherwise exist through bidding for opportunities individually. Additionally, frameworks provide the opportunity to **develop long-lasting, potentially fruitful relationships** with

contracting authorities that SMEs may not typically be able to work with, as the lotting structure can help break down major projects into accessible sections.

Ultimately, which procurement route that a contracting authority may choose **depends on the nature of the procurement** exercise: What is being procured? What are the needs of the contracting authority? In what market or sector will the procurement be carried out?

It is therefore crucial that proper understanding of the available procurement routes and the specific requirements of the contracting authority are understood before making a decision on which route to choose. **Improper procurement can be costly**, both financially and reputationally, putting a contracting authority **at risk of legal challenge and extensive cost**.

How will Frameworks change following the Procurement Act 2023?

The Procurement Act 2023 goes live on the **24th of February 2025** and brings with it differing procurement regulations from the PCR2015, it is important to keep well informed of these changes and the requirements for both suppliers and contracting authorities.

As part of the new Act, a **new type** of framework – an **'open' framework** has been added with the aim of **improving flexibility**. This will allow suppliers to be added throughout a framework's life, helping to alleviate some of the problems associated with more restricted frameworks.

Additionally, a new term is being placed into every framework that will enable contracting authorities to **exclude a supplier** from any selection process if they classify as an excludable supplier.

Useful links

- Frameworks and Dynamic Markets: [Module 5: Frameworks and dynamic markets - GOV.UK](#)
- What is a Framework: [What is a framework – Procurement Essentials - CCS](#)

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