

RISE

Retrofit information,
support & expertise

Procurement Frameworks

Quick guide

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What are procurement frameworks?

A procurement framework is an agreement between a public organisation (e.g., a local authority (LA) or housing association (HA) and suppliers. Frameworks can be set up and run by LAs or other public sector bodies, but they can also be set up and run by separate framework provider organisations. The organisation leading the framework runs a procurement process that complies with the necessary regulations. The suppliers that tender successfully can then be seen as a cohort, who can be called on for project work by users of the framework.

This quick guide will set out the different types of procurement frameworks that are available, before providing advice on next steps you could take if using one.

LA-run frameworks

In this case, the LA will develop all the tender documents and run the tender process to procure contractors. Depending on the type of framework, there could be a short list or a long list of contractors to choose from. Usually, the list of suppliers can only be used for procurement through the framework by the LA.

Framework provider-run frameworks

In this case, a separate framework provider will develop all the tender documents and run the tender process to procure contractors. Depending on the type of framework, there could be a short list or a long list of contractors to choose from. These lists are available for use by a variety of organisations and sometimes focus on a specific geographical area or certain type of work. There may be a framework provider available locally that specialise in energy efficiency works.

Example scenario

You can use a framework whether or not you have delivered project work, such as a Social Housing Decarbonisation Fund project, before. As long as any existing contract has finished, you can use a framework to support the procurement of new suppliers.

These suppliers will have already been chosen, usually based on pre-qualification questions. These questions could include:

- Checking for relevant qualifications
- Compliance with health and safety legislation
- Financial checks
- Performance standard checks

The contractors may will also have supplied rates for the installation of measures and may include other associated activities, such as retrofit coordination, lead generation, and enabling works.

Depending on the rules of the framework, you may also have the option of a direct appointment. If you choose this route, you may have to appoint the first placed contractor first. If they decline, the contract may be offered to the next placed contractor, and so on. Direct appointments can sometimes be made to any contractor on the pre-approved list. Most frameworks also allow mini tenders, which is like undertaking a new procurement with the details for your specific project, but using the pre-qualification and rates provided by the contractor when they applied to the framework.

Under the Procurement Act 2023, the rules around frameworks have been clarified. It now includes open frameworks, which allow suppliers to continue being added over time. This makes it easier for the framework to add new suppliers, adjusting the framework as needs change.

Most frameworks involve a competitive process. This means suppliers are selected through a fair and transparent process based on how well they can meet your needs. The suppliers can be awarded call-off contracts, which are individual projects, but done under the broader framework terms.

In short, procurement frameworks can provide a quicker, more efficient way of awarding contracts with the necessary assurance that you're complying with the relevant regulations. It avoids the need to start from scratch, so could be advantageous to those commissioning something new to them for the first time.

Procurement routes for retrofit projects

In this guide, we will detail some key procurement routes used in the retrofit sector. Each route offers unique advantages that you can consider before deciding which meets the specific needs and goals of your retrofit project.

Single-supplier frameworks

This route involves selecting a single supplier from a fixed group to fulfil a specific scope of work or provide goods and services within a defined period. It simplifies management and ensures consistency but may limit competition.

Use	<ul style="list-style-type: none"> • When continuity and consistency are critical. • For smaller scale retrofit programmes or where a long-term partnership is desired
Pros	<ul style="list-style-type: none"> • Simplifies management with a single point of contact • Builds strong supplier relationships
Cons	<ul style="list-style-type: none"> • Limited flexibility if supplier performance declines • Potential lack of competitive pricing over time

Multi-supplier frameworks

These frameworks involve a fixed pool of multiple suppliers, allowing for mini competitions for each contract. This approach promotes competition and may be preferred by those wanting choice or other aspects such as rates.

Use	<ul style="list-style-type: none">• When continuity and consistency are critical.• For smaller scale retrofit programs or where a long-term partnership is desired
Pros	<ul style="list-style-type: none">• Simplifies management with a single point of contact• Builds strong supplier relationships with an element of flexibility
Cons	<ul style="list-style-type: none">• Limited flexibility if supplier performance declines• Potential lack of competitive pricing over time.

Open frameworks

Open frameworks allow suppliers to be added over time, providing flexibility and adaptability to changing needs.

Use	<ul style="list-style-type: none">• When you need to continuously add new suppliers to adapt to changing project requirements• For projects where maintaining access to a broad and evolving pool of suppliers is important
Pros	<ul style="list-style-type: none">• Flexibility to add suppliers as needed.• Encourages innovation by including new/smaller suppliers
Cons	<ul style="list-style-type: none">• Requires ongoing management to assess and onboard new suppliers• Potential for variability in supplier quality

Lot-based frameworks

These frameworks divide the procurement into lots based on specific categories or regions, allowing for more targeted and specialised procurement. This approach can enhance competition and ensure that suppliers with specific expertise are engaged.

Use	<ul style="list-style-type: none">• Multi-disciplinary retrofit programs where different skills or technologies are required• Large-scale housing projects with diverse needs
Pros	<ul style="list-style-type: none">• Allows specialised suppliers to bid for relevant work only
Cons	<ul style="list-style-type: none">• Ensures expertise in specific areas

Regional/LA frameworks

These frameworks are tailored to the needs of specific regions or LAs, promoting local economic development and ensuring that procurement aligns with regional priorities.

Use	<ul style="list-style-type: none">• Local housing retrofit projects targeting specific communities• Encouraging the use of local SMEs (Small and Medium Enterprises), although high Professional Indemnity (PI) insurance requirements can sometimes be a barrier for SMEs
Pros	<ul style="list-style-type: none">• Supports local economic development and job creation• Tailored to regional priorities and challenges
Cons	<ul style="list-style-type: none">• Limited supplier pool compared to national frameworks

Specialist frameworks

These frameworks focus on specific sectors or types of work, such as energy efficiency or heritage building retrofits. They ensure that suppliers with the necessary expertise and experience are engaged, enhancing the quality and success of the project

Use	<ul style="list-style-type: none">• Targeted retrofit interventions or specialised project needs.
Pros	<ul style="list-style-type: none">• Access to niche expertise and innovation.• Tailored terms for specific technologies or services
Cons	<ul style="list-style-type: none">• May require combining with other frameworks to cover broader needs

Key considerations when choosing a framework

Your project's scope and complexity

Assess the size and complexity of your project. Larger, more complex projects may benefit from multi-supplier frameworks that offer flexibility and access to a wide range of suppliers.

Supplier expertise and quality

Evaluate the expertise and track record of potential suppliers. Frameworks that pre-qualify suppliers based on their experience and performance can reduce risk because of their PQQ process including the financial checks.

Cost and value for money

Consider the cost implications and potential for achieving value for money. Frameworks that encourage competition, such as multi-supplier frameworks, can help achieve better value while maintaining quality

Flexibility and adaptability

Determine how adaptable the framework is to changes in project requirements. DPS and lot-based frameworks offer greater flexibility by allowing new suppliers to join and by segmenting procurement into specific categories

Geographic and local considerations

If your project has regional or local priorities, consider frameworks that support local suppliers and economic development. Regional or local authority frameworks are designed to meet these needs

Innovation and sustainability

Look for frameworks that prioritise innovation and sustainability, especially for retrofit projects aimed at improving energy efficiency. Innovation-led frameworks can provide access to cutting-edge technologies and solutions

Social value and community impact

Assess the framework's ability to deliver social value, such as job creation, apprenticeships, and support for local SMEs. Some frameworks explicitly focus on these outcomes

Management and administrative burden

Consider the administrative effort required to manage the framework. Single-supplier frameworks simplify management but may lack flexibility, while multi-supplier frameworks and DPS require more oversight

Managing risk

Conducting an in-house procurement might add more risk to the project. Using a framework can help reduce this risk by leveraging pre-qualified suppliers and established processes. The direct appointment route can provide greater certainty and lower risk as it involves selecting a pre-approved supplier directly from the framework. On the other hand, the mini-tender approach can introduce some risk due to the competitive process. It also allows for more tailored procurement to specific project needs, potentially balancing risk with flexibility.

Utilising frameworks

How to join a framework (for suppliers/installers)

Joining a procurement framework involves a competitive process where suppliers and installers must demonstrate their qualifications, experience, and ability to meet the framework's requirements. This process may involve PQQs and invitations to tender (ITTs), which are often required in a two-stage procurement.

Suppliers typically need to respond to a call for competition, which includes submitting detailed information about their capabilities, past performance, and compliance with relevant standards. Suppliers need to provide information to meet all the framework requirements. Once they've been accepted onto the framework, they'll need to complete an agreement. Then they can be added to the framework and become eligible to bid for contracts under its terms.

How to procure off a framework (for grant recipients)

For organisations looking to procure services, goods, or works under a framework, the process is streamlined and efficient. First, identify the appropriate framework that aligns with your project needs and preferred route within a framework. Then, follow the framework's procurement procedures, which may include conducting mini competitions among the pre-approved suppliers or directly awarding contracts based on predefined criteria.

Ensure that all procurement activities comply with the framework's rules and the terms of your grant funding. This approach not only saves time but also ensures that you are working with qualified suppliers who have already been vetted for their expertise and reliability. By leveraging a framework, you can focus on achieving your retrofit project goals while adhering to funding requirements and maintaining high standards of quality and efficiency.

Next steps

Questions to consider

- Does the organisation you work for have an internal framework?
- If so, does it include the specialist contractors needed for your work?
- If not, do they have experience using external frameworks that could support your project?
- Is there a policy preference towards using frameworks or direct procurement?

