



SIGMA

A joint initiative of the OECD and the EU,
principally financed by the EU

Framework agreements Visual

Maja Kušt, Croatia

Beirut, 4-5 July 2023





SIGMA

A joint initiative of the OECD and the EU,
principally financed by the EU

Types of FAs

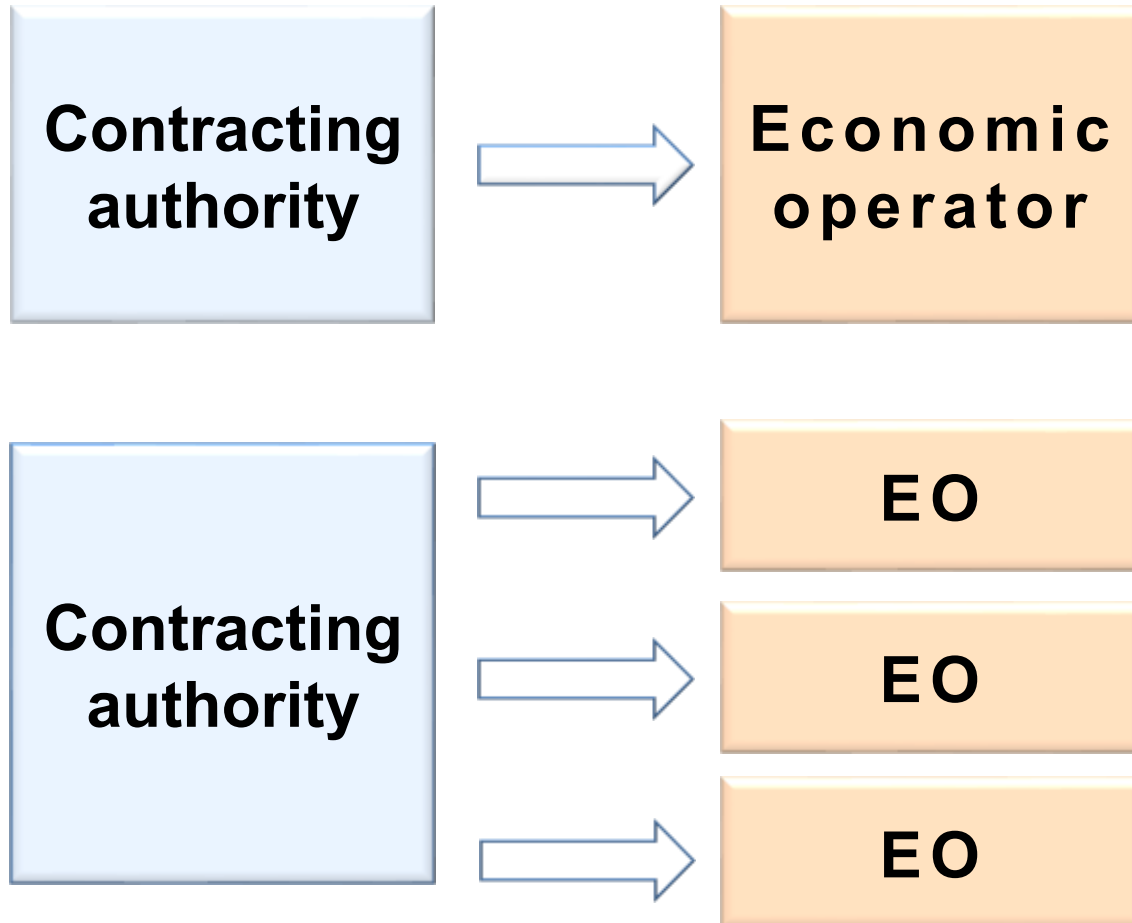
- Two basic types
 - With one economic operator - single-provider FA
 - With more economic operators - multi-provider FAs
- One or more contracting authorities





SIGMA

One contracting authority



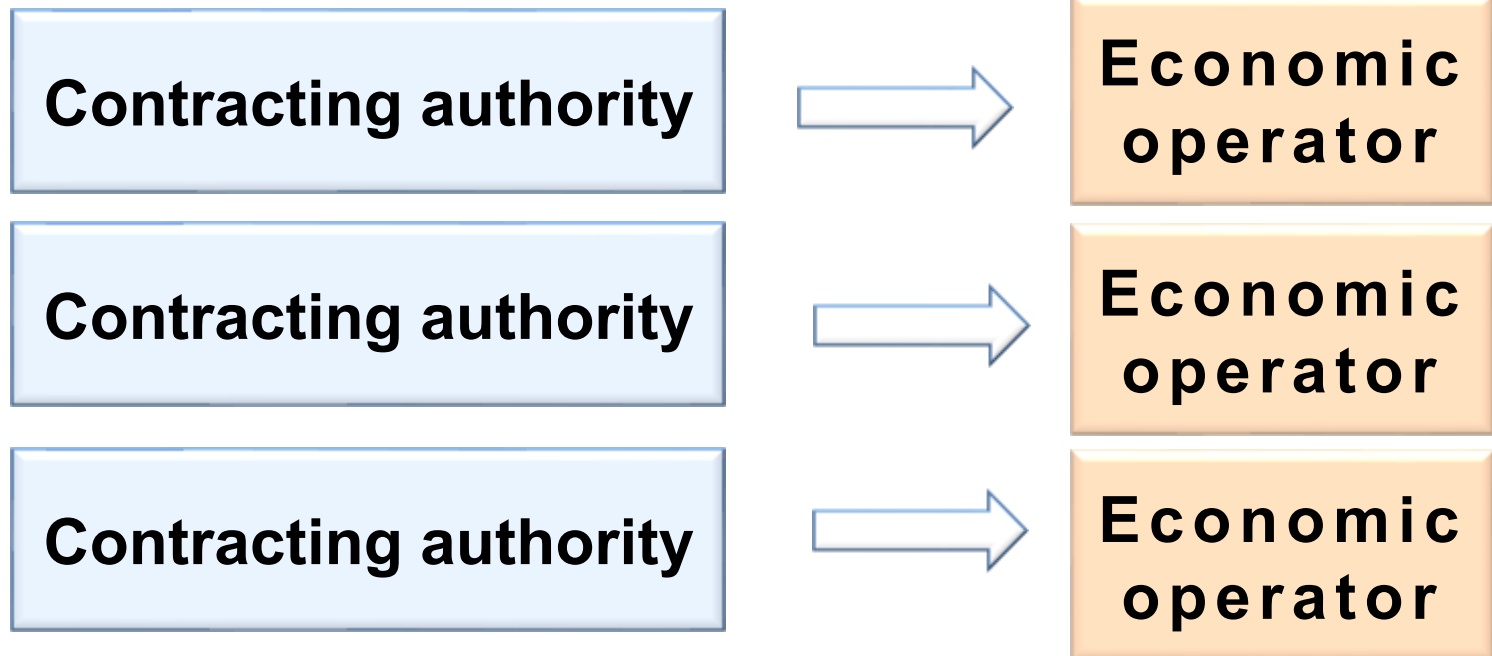
A joint initiative of the OECD and the EU,
principally financed by the EU





SIGMA

Several contracting authorities



A joint initiative of the OECD and the EU,
principally financed by the EU





SIGMA

Several contracting authorities (cont.)

Contracting authority



Contracting authority



Contracting authority



Economic operator





PP contracts vs FAs

Procurement procedure

Publication

- Same notice
- Info that a FA will be awarded

PP procedure

- Same as for a PP contract
- Qualification and selection criteria
- Award criteria (price or price/quality)
- Some additional info relevant to FA in a tender documents

Award

- Awarding a FA instead of contract
- PP contract – one EO
- FA – there can be several EOs



Procurement procedure

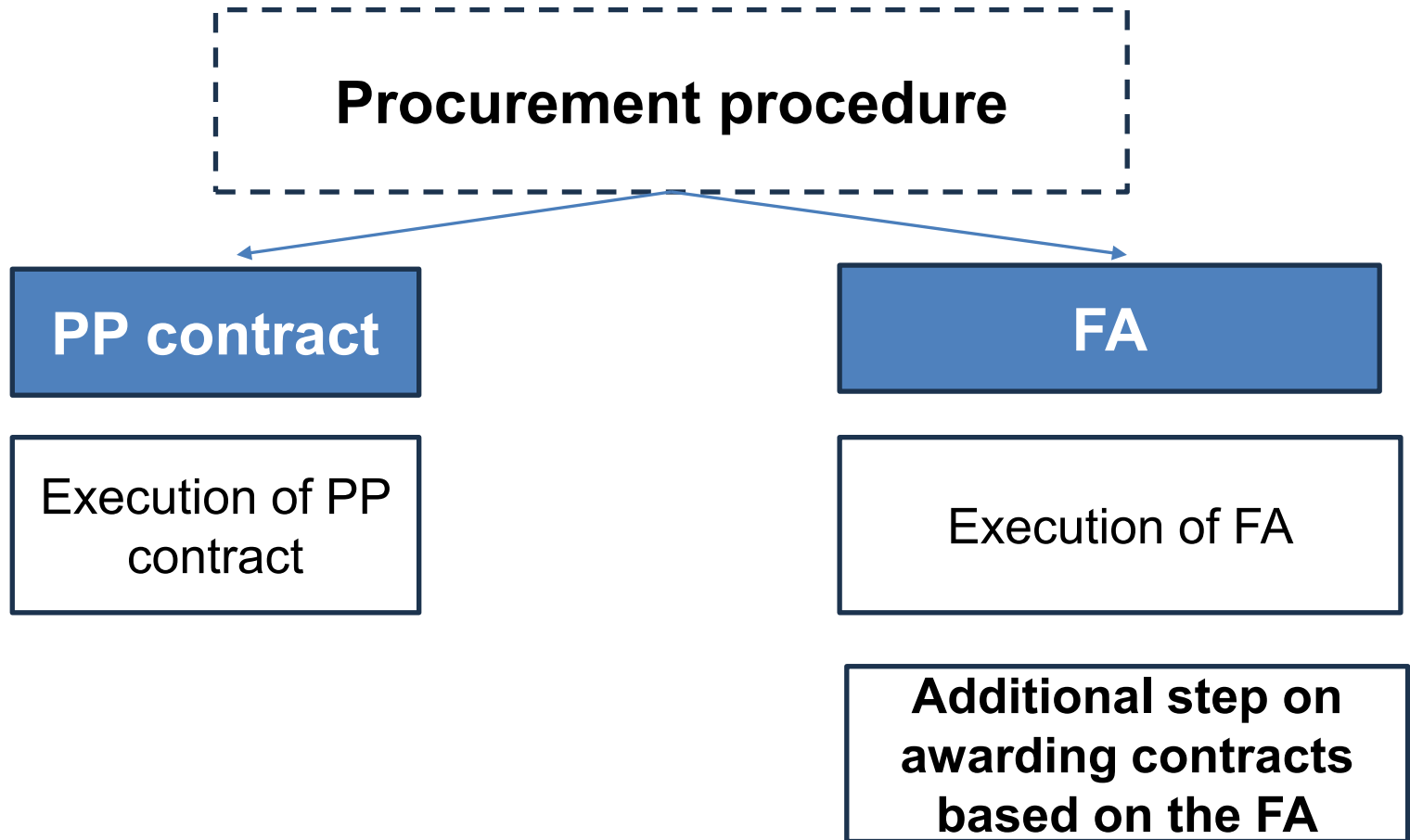
- Procurement procedure for awarding FA is the same as for awarding contract
- Example of open procedure – CA defines:
 - Qualification criteria
 - Exclusion and selection criteria
 - Award criteria – price or price/quality
- Result of a procedure – awarding FA instead of a PP contract
 - Multi-provider FA – award of FAs to several EOs



SIGMA

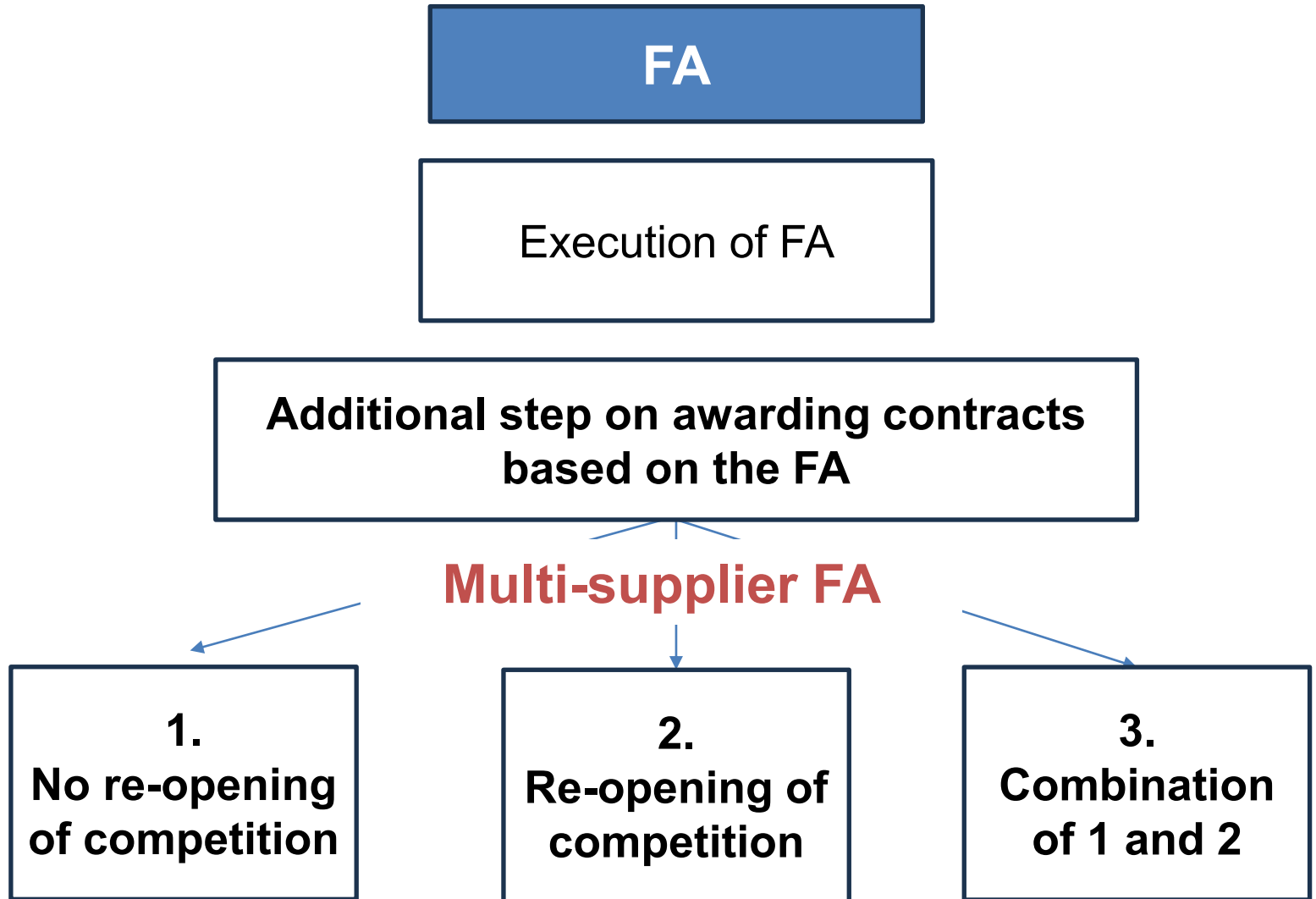
PP contracts vs FAs

Procurement procedure





Execution of FA





SIGMA

Multi-provider frameworks

- Involves an initial process to choose several EOs who can supply on terms and conditions set by CA – first award phase
- When a requirement actually arises – CA chooses from these EOs that parties of the FA
 - Second award phase – "call-off", mini tender

A joint initiative of the OECD and the EU,
principally financed by the EU





Multi-provider frameworks (cont.)

■ Why to chose them?

- It may not be possible to know who can offer the most advantageous terms for a particular requirement until it arises
 - Products that are constantly changed (e.g. IT)
 - Fluctuations in supply and demand result in continuous price changes
 - Specific nature of the order is known – consultancy services (nature of the specific project or document to be prepared)



Multi-provider frameworks (cont.)

- **Why to chose them?**
- Centralized purchasing - higher freedom of choice for end-users (different users may have different preferences)
- Security of supply
 - Example - In the case of small works at the city level, when there is a high number of requests, the capacities of a single economic operator may not be sufficient





SIGMA

Multi-provider frameworks (cont.)

- **Why to chose them?**
- Enhancing participation of SMEs
 - Involving smaller orders compared to a single large contract
 - Orders spread out over time

A joint initiative of the OECD and the EU,
principally financed by the EU





Awarding contracts

- Placing orders **only between**:
 - CAs clearly identified for this purpose in the call for competition and
 - EOs party to the FA as concluded
- CAs that are parties to a specific FA should be clearly indicated
 - By name or by other means
 - Reference to a given category so that CAs concerned can be easily and unequivocally identified





SIGMA

Award of contracts under FAs

EU rules and methodologies

■ Single-supplier FA

- Contracts to be awarded within the limits of the terms laid down in the FA
- CA awards the contracts directly to the EO without a further competition
- CA may contact the EO in writing, requesting it to supplement its tender as necessary
 - **No substantial modifications may be made to the terms laid down in the FA**





SIGMA

A joint initiative of the OECD and the EU,
principally financed by the EU

Award of contracts under FAs (cont.)

- **Multi-supplier FA**
- **Option 1:**
 - By awarding the contract directly to a particular EO by applying the terms and objective conditions laid down in advance in the FA,
 - Without re-opening competition





SIGMA

A joint initiative of the OECD and the EU,
principally financed by the EU

Award of contracts under FAs (cont.)

- **Option 1 (cont.) :**
- If the FA sets out all of the terms governing the provision of the works, services, supplies
- Parties may under no circumstances make substantial amendments to the terms laid down in the FA





Award of contracts under FAs (cont.)

- **Option 1 (cont.):**
- Various methods for awarding contracts - for example:
 - contract is always offered first to the first-ranked EO; or
 - award of contracts may rotate between the EOs; or
 - the EOs may be awarded a pre-agreed percentage of the total value or number of awarded contracts
- Method has to be transparent and to ensure equal treatment





Award of contracts under FAs (cont.)

- **Multi-supplier FA**
- **Option 2:**
 - By re-opening competition between the EOs that are parties to FA
 - Inviting all of the EOs in the framework that are capable of performing the contract to participate
 - “mini-competition”





Award of contracts under FAs (cont.)

- **Option 2 (cont.):**
- May be used **where not all terms are laid down in the FA**
- Must be based on the same terms as those applied for the award of the FA
 - Those terms may be “more precisely formulated”





Award of contracts under FAs (cont.)

- **Option 2 (cont.):**
- Allowed to use for other terms that are referred to in the procurement documents for the award of the FA
- Subject to the principle that the parties may under no circumstances make substantial amendments to the terms laid down in the FA
 - For example, cannot change maximum delivery time if defined in the FA, but can define additional terms (delivery method, place, etc.)





Award of contracts under FAs (cont.)

- **Multi-supplier FA**
- **Option 3:**
 - by awarding the contract partially without re-opening competition, in accordance with Option 1, and
 - partially with re-opening competition between the EOs that are parties to the framework agreement, in accordance with Option 2.





Award of contracts under FAs (cont.)

- **Option 3 (cont.):**
- If the FA sets out all of the terms governing the provision of the works, services, supplies
- Use must be stipulated in the procurement documents for the FA
 - Objective criteria to be used to determine the award of a contract must be set out in the procurement documents for the FA.
 - It must be specified which terms may be subject to the re-opening of competition





SIGMA

A joint initiative of the OECD and the EU,
principally financed by the EU

Thank you for attention!

