Government Commercial Function

The Framework Practice Guide

Contents

Foreword

A large proportion of the UK's £400bn spending on public procurement is channelled through frameworks as a commercial tool for efficient, cost effective procurement. A consistent approach and robust standards for establishing and using frameworks are required, as stressed by the National Audit Office and the Public Accounts Committee; this has led to the development of the Framework Practice Guide.

To improve market efficiency, and adherence to the Procurement Act 2023 (PA23), it is essential to reduce framework proliferation and establish more transparent, compliant routes to market. To support this, existing commercial tools should be assessed for suitability prior to undertaking new sourcing activity.

By applying guidance grounded in legislation, the management and delivery of frameworks will be enhanced, allowing contracting authorities to align more effectively with commercial policies and best practice.

I would like to express my thanks to everyone who contributed to the development of this Practice Guide; I fully endorse its implementation across the framework landscape.

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Introduction

There is an interdependent relationship between the organisations that design frameworks and the buyers who use them. A framework cannot achieve "value for money" at its set-up stage if it is poorly executed at the call-off stage. Conversely, a buyer cannot run a high-quality call-off if the framework's underlying design structure is flawed or misunderstood through poorly worded specifications or overly complicated pricing matrices. In order to move away from transactional working, where parties look at their responsibilities in complete isolation, for a framework to achieve value for money, framework providers and buyers will benefit from an end-to-end understanding of the entire framework lifecycle. This approach also supports and addresses the obligations set out in the HMT guidance on managing public money.

This Practice Guide is organised into progressive, sequential "parts" in order to easily find specific information. Reading the document in its entirety will ensure a unified commercial approach across the entire procurement lifecycle of a framework, with regards to framework design and use.

Who this document is for

This Framework Practice Guide has been designed with three primary user groups in mind.

Centralised Procurement Authorities

Centralised Procurement Authorities and public sector-owned consortia whose core business model is establishing and managing commercial tools, including frameworks, on behalf of others. Their interest in this Practice Guide is to ensure framework design is strategically driven, avoids duplication of other frameworks, encourages market health, facilitates effective supplier management and delivers meaningful value-added services without placing an unnecessary bidding burden on suppliers.

Individual Contracting Authorities Who Establish Frameworks

Any public sector body, ranging from local councils and education establishments to NHS trusts and central government departments, that establishes a framework (on its own or jointly) for its own operations, or chooses to open that framework up for wider public use. Their interest in this Practice Guide is to understand how frameworks can achieve value for money whilst actively preventing market proliferation, and to carefully evaluate the risks and liabilities associated with jointly establishing frameworks and/or hosting frameworks on behalf of private operators. This is because contracting authorities who act jointly to establish a framework may retain joint liability for any procedural errors made and, as contracting authorities are unable to delegate their responsibilities to undertake lawful procurement, remain liable for any unlawful awards made by entities acting on their behalf.

Public Sector Buyers

These are procurement, policy and/or commercial professionals, project managers and budget holders across the public sector who use frameworks to award specific call-off contracts. Buyers' interest in this Practice Guide is to understand the framework provider landscape, the distribution of risks and liabilities that may impact their choice of frameworks, their responsibilities around executing pre-procurement "checks" and to understand their responsibilities for actively owning the day to day contract management, financial distress monitoring and supplier exit strategies for their call-off.

What is a framework?

Frameworks are an important tool in a public sector buyer's commercial toolkit. Getting frameworks right starts with understanding what the framework will ultimately achieve whilst creating a compliant, efficient and flexible route to market for common goods, services and works.

Definition and Purpose

The Procurement Act 2023 (Section 45) defines a framework as a contract between one or more contracting authorities and one or more suppliers that provides for the future award of contracts. These future awards are known as call-offs.

Frameworks are designed to establish the process for awarding future contracts, provide certain legal protections for contractual parties and to establish the price payable (or the mechanism for determining the price payable) for the goods, services and/or works being bought. Frameworks drive efficiency by reducing the administrative burden and resource demands on both buyers and suppliers. This is achieved through completing preliminary due diligence at the framework level.

A Dynamic Market is another commercial tool. It is a list of qualified suppliers (in other words suppliers who have met the 'conditions for membership' of the dynamic market) who are eligible to participate in future procurements. Dynamic Markets are not in scope of this Practice Guide.

The Benefits of Frameworks

Frameworks usefully aggregate demand by leveraging the collective buying power of the public sector often by securing competitive maximum pricing (which may be reduced through a further competition at call-off) and sometimes volume discounts.

Frameworks are also a useful tool to manage markets in line with government policy by setting common requirements. This ensures that suppliers work to meet many of the key policy requirements, such as prompt payment, carbon reduction, modern slavery and government buying standards, and are held accountable for that delivery across a wide number of public sector organisations. This has the benefit of ensuring public sector suppliers deliver consistently against the wide range of public sector policy goals.

Types of Frameworks Under The Procurement Act 2023 (PA23)

PA23 introduced more flexibility in how frameworks are structured when compared with the previous regime(s).

Frameworks and Open Frameworks

Frameworks establish a fixed list of suppliers through a procurement process for a set term. These suppliers can then be accessed through that framework. Under PA23, the maximum term is generally four years (though this can be eight years for defence and utilities frameworks). No new suppliers can join a framework during the term, which ensures they remain highly appropriate for mature, stable commodity or utility markets where pricing structures are predictable over their term, or where continuous supplier onboarding would add unnecessary administrative complexity without generating additional market tension.

Open frameworks are a key innovation of PA23. An open framework is a scheme of successive frameworks, of substantially the same terms, that allows new suppliers to join at predefined points during a collective term of up to eight years. This promotes continuous competition when new suppliers join the open framework, and allows buyers to access new market entrants and benefit from emerging technologies. Open frameworks can be utilised in dynamic, fast-evolving markets (such as technology, digital services or research sectors) where frequent market entry by new startups or rapid technological advancement requires the framework to remain flexible and accessible over time. Providing buyers with the operational visibility of the framework's opening schedule allows buyers to align their internal project pipelines with refreshes.

For further detailed legislative parameters, framework providers and buyers can consult the Procurement Act 2023 Guidance on Frameworks.

Single-Supplier vs. Multi-Supplier Frameworks

The choice between establishing a single-supplier or multi-supplier model is a strategic decision made by the framework provider, and will be based on the market assessment(s) of the suppliers.

Single-supplier frameworks are when all future work under the framework is awarded to one pre-selected supplier.

Multi-supplier frameworks can be open frameworks. They are when two or more suppliers are selected through the procurement process to provide buyers with a choice of who delivers their contract at the call-off stage. This model is used to maintain competitive tension throughout the life of the framework. Buyers can select their specific supplier through a competition (when suppliers on the framework bid against each other for the particular call-off) or, in defined circumstances, without a competition (when awarding to a specific supplier is based on objective criteria which is set out in the framework terms).

Part one

The framework landscape and risks

Public procurement in the UK is largely decentralised, resulting in a complex landscape where thousands of frameworks are available for use by public sector buyers. To achieve value for money, it is important to understand who provides these frameworks, and the commercial risks to buyers, associated with the different delivery models.

Types of Framework Providers

Frameworks are established and managed by a variety of organisations, each with different primary objectives and funding models. For example:

Centralised Procurement Authorities (CPAs),
previously known as Central Purchasing Bodies, are contracting authorities in the business of carrying out proacurement on behalf of others. Examples include the Government Commercial Agency (GCA), which is the UK's largest CPA, as well as other established purchasing organisations like ESPO, YPO and NEPO, and regional Public Sector Consortia and Health Sector Hubs. These are all not-for-profit, public sector-owned entities providing a range of procurement services to and for their public sector buyer customers.

Individual contracting authorities
are any public sector body, ranging from a local council to a school to a central government department. They can establish their own frameworks for their specific needs for their own operations and, in many cases, open that framework up for use by other public sector bodies.

The "Private Provider" Landscape

The PA23 does not permit a body other than a public sector body to establish frameworks and likewise, contracting authorities can only award a call-off contract from a framework that has been established by a public sector body. In recent years, the market has seen the emergence of procurement frameworks that are operated by private sector organisations but "hosted" by smaller contracting authorities.

While these can offer a convenient and proactive route to market, these frameworks operate separately from public sector initiatives to aggregate demand and improve category management and have often not been subject to oversight or, in some sector-specific cases, the required accreditation. Hosting a framework with an estimated total value that significantly exceeds the hosting authority's own annual financial turnover can expose that public body to disproportionate liabilities if the framework or its suppliers fail, including if legal challenges arise as a result of errors made when establishing the framework. So it is important that individual contracting authorities who are considering acting as a public "host" for a private operator evaluate the systemic risk to their organisation.

Some frameworks, including those operated by private providers, may have been established or they may operate in ways that mean they are not fully compliant with procurement legislation, and could be subject to legal challenge. Where private operators are involved, buyers will need to carefully assess how the allocation of risks and benefits is managed between the private operator, any named public authority host and themselves as a buyer using the framework, because the apportioning of liability may differ depending on the framework provider establishing the framework.

In other words, if a buyer uses a framework established by a CPA, they gain a higher level of institutional assurance from any procedural errors committed by the CPA during the framework's original creation. This institutional assurance relates strictly to the CPA's initial framework setup; it does not exempt the buyer from legal challenge for any procedural errors or evaluation flaws introduced during their localised call-off process. However, if a buyer awards a call-off from a framework such as those operated by a private provider using an individual authority as a "host", this protection does not exist. This means that buyers take on liabilities for any procedural flaws, evaluation defects or other non-compliance made by that host or private provider during the original framework setup that affects their call-off, and if the original setup is found to be unlawful, the buyer's subsequent call-off can be set aside.

This is revisited in Part Four.

Levies and Incentives

Framework providers can and do financially benefit from spend through their frameworks, and a framework's funding model can directly impact the price buyers pay for goods and services.

Understanding Levies

Most framework providers charge a levy, or other form of management fee, typically structured as a percentage of the overall contract value won by a supplier. Framework providers use this "income" to cover the costs of managing its frameworks and employing its specialist staff, to fund improvements in wider public sector commercial capability and systems, and to provide enhanced operational support directly to resource-constrained buyers. Under the PA23 framework providers can only charge fees to suppliers if the rates are clearly stated in the framework documents and are proportionate to the contract value. These rates cannot be changed during the lifetime of the framework.

While some national providers may apply a lower levy (typically averaging less than 1%), other providers may charge higher rates (ranging up to 5% or 6%). Framework providers offering lower levy models may require the buying authority to execute and resource all further call-off activities internally. Framework providers with higher levy rates may use these to fund dedicated, end-to-end resource support for buyers who lack local commercial capacity or time. This means that using a framework with a higher levy could represent a "value-enhanced model" funding an extended procurement resource for the buyer, and therefore buyers looking to use a framework from a provider that charges a higher levy ought to assess the value received in exchange for that fee.

Suppliers generally treat these levies as a cost of doing business and many do embed them into the prices charged to the buyer. "Value leakage" occurs when a supplier embeds a framework fee into their final pricing schedule without the buyer receiving additional operational efficiency, technical support or some other commercial benefit from the provider.

A core characteristic of public sector frameworks is that levy income remains within the public sector ecosystem. This means that surplus funds are utilised for the public good, whether these are returned via customer rebate schemes, distributed to member authorities to lower local operating costs, or reinvested directly into widening public sector commercial capability, systems, and training. Private sector organisations that operate frameworks on behalf of a public host often have a different financial mandate.

Unlike public bodies, private operators may aim to make a profit to reward owners or shareholders. Profits generated from levies are then extracted from the public procurement system, and are not available for reinvestment into public services or capability (apart from a portion of the levy potentially being paid as a fee to the public sector "host" for the framework).

Framework providers ought to be transparent about their ownership and the fees being charged, and watch out for supplier access fees and associated charges, including fees charged by the supply chain. Buyers ought to be aware that unlike standard framework levies, some frameworks are known to charge suppliers hidden fees simply to access the framework or to access software, regardless of any business won. This practice creates artificial commercial barriers to competition, severely penalises Small and Medium Enterprises and drives up suppliers' overhead costs, which are ultimately passed back to the buyer.

Transparency of Cost to the Buyer

Buyers can search for valuable information relating to levy by reviewing the framework provider's published notices on the Central Digital Platform. While fee transparency is an important factor, the lowest levy is not the only factor buyers might consider when choosing a suitable framework. A higher levy rate may represent an economically advantageous choice for a buyer, provided the framework's design or a specific framework provider delivers overriding strategic or economic benefits. For example, a framework with a slightly higher management fee may be the optimal route if its lot structures specifically lower barriers to entry for local suppliers, provides access to specialised market innovators (such as niche AI technologies), or significantly reduces the buyer's internal resource overheads and project timelines through dedicated services.

Selecting the Right Route: What to Look For

When choosing between different framework providers (or deciding whether to appoint an agent to set up a framework on behalf of a public sector body), a Delivery Model Assessment style review of the following can be conducted:

Provider / Agent Relationships: If a public sector body wants an agent to set up a framework on their behalf, that body ought to clarify who is responsible for ongoing supplier due diligence, financial monitoring and performance management throughout the framework's life.

Fee Transparency: Is the levy or commission rate clearly disclosed? is the value being provided in exchange for the levy transparent, and how does it compare to other available commercial tools?

Risk Allocation: Does the framework use standard public sector terms (like terms seen in the Model Services Contract or the Public Sector Contract) that allocate risk to the party best able to manage it?

Market Health: Does the framework have a suitable number of suppliers for the framework, or is it a "limited market"? These are often found in an industry or category where there are very few suppliers available, or where on a framework a handful of dominant companies win almost all the public sector's business. There may be important exceptions to this; for example frameworks awarded by contracting authorities for their own operations.

How to spot a limited market

Insights

If, for example, a framework has 20 suppliers on it but one or two suppliers consistently win 90% of the call-off contracts, that framework can be said to operate a structurally "limited" market.

When a market is limited, there is very little natural competition. This gives dominant suppliers the power to operate at the higher end of their price, resist certain contract terms and reduce service quality because they know buyers have very few alternative choices.

The framework provider can identify limited markets before the framework is built by conducting a market assessment. They can then use this data to design smaller "lots" or choose to create an open framework to actively attract smaller businesses, local suppliers and new startups into the market to create more competition within the framework.

Key points

1. Ensure any agent or provider demonstrates the operational capacity to monitor and manage the suppliers awarded to the framework for the duration of the agreement.
2. Be cautious of frameworks where the public host has limited oversight of the private operator running them.
3. Understand the funding model of the chosen provider, as levies are often embedded in supplier pricing.
4. Check that the framework has a healthy number of suppliers to encourage competition at the call-off stage.

Part two

Section 1: How frameworks work

Frameworks operate through a specific procurement procedure designed to balance front-end compliance with back-end speed and flexibility. Roles and responsibilities for both the framework provider and the buyer are different, and are described in more detail in Parts 3 and 4, but here is a high level overview of how frameworks operate.

Setting up the Framework (The Provider's Role)

At this stage, the framework provider establishes the "rules" for the future use of the framework. This involves a full competitive selection process to identify suppliers who have the legal, financial and technical capacity to deliver the various on-going requirements of buyers. Suppliers then bid and are awarded a place on the framework. Framework providers should ensure their selection process is a proportionate means of ensuring suppliers can perform the future contracts placed by buyers.

Frameworks are often divided into 'lots'. This is when similar goods, services or delivery locations are grouped together. This allows framework providers to attract specialist or local suppliers, including Small and Medium Sized Enterprises, who may only wish to bid for specific portions of the requirement.

When setting up a framework, the provider provides, through the noticing regime, an estimated overall total value of all the potential call-offs by all the potential buyers who could use the framework over its lifetime. It is important that this limit is not exceeded.

The Call-Off Contract (The Buyer's Role)

Once a framework is live, named public sector organisations can "call-off" the framework and award to a supplier who has won a place on the framework. Doing this can be significantly quicker for the organisation when compared with running a full procurement exercise themselves because preliminary due diligence and terms are already completed. Every call-off contract should be awarded by applying the specific terms and selection criteria laid out in the framework documentation.

Summary of award method

With Competition:
Refers to running a mini-competition or a competitive tender among the framework suppliers.

Without Competition (AWOC):
Refers to awarding a contract directly to a single supplier on the framework based on clear, objective criteria set out at framework inception.

For further detailed legislative parameters, framework providers and buyers can consult the Procurement Act 2023 Guidance on Frameworks.

Section 2: Transitioning from Public Contracts Regulations 2015 to the Procurement Act 2023

The introduction of PA23 represented a significant shift in how frameworks were structured and managed. As we continue the transition to the Act, it is important for both providers and buyers to understand how to operate effectively across differing sets of rules.

No "Cut-off" Rule

Since PA23 came into force on 24 February 2025, no new frameworks can be established under the previous regulations. However, any framework validly established under the previous regulations prior to this date remains "live", is still a legitimate route to market and is legally governed by the old regulations until its natural expiry, and the expiry of the call-offs from those legacy frameworks.

It is important to note that unlike Dynamic Purchasing Systems (DPSs), which unilaterally end on the 23rd February 2029, there is no single unified expiry date for frameworks awarded on previous regulations across the public sector. This means that for several years, the frameworks market will contain a mix of "legacy" and "new" frameworks, and buyers may be managing a mix of legacy and new call-offs.

Multi-Regime Management

Framework providers and buyers alike will need to note that the legislative environment governing frameworks is not limited to the Public Contracts Regulations 2015 (PCR) and PA23. This is particularly important when sector-specific legislation applies, such as instances where the healthcare sector buyers are navigating the Provider Selection Regime (PSR), because there is no mixing of rules.

Framework providers will need to be diligent in managing their frameworks in accordance with the correct regulations. Buyers will also need to be diligent in identifying which regulatory regime governs the framework they intend to use because the specific regulatory origin of the framework dictates the rules for the entire call-off process.

Because there is no mixing of regulatory regimes, frameworks awarded using the PCR (2015) are always managed in accordance with PCR, and all call-offs will therefore need to be procured in accordance with those legacy rules, regardless of when the call-off itself takes place. Frameworks awarded using PA23 are managed in accordance with the Act, and all call-offs will therefore need to follow the current procedures and transparency requirements of the Act.

The Scenario:

A contracting authority wishes to award a call-off contract in September 2026 using a **multi-supplier IT** framework.

1 Step 1 (Check):

The buyer checks the framework's original contract notice and finds it was established in January 2025 under PCR.

January 2025 (PCR established)

2 Step 2 (Apply)

Even though PA23 is live, the buyer has to run the call-off award process and issue notices using **PCR rules** and platforms such as **Contracts Finder**. They **cannot utilise any multi-stage award processes that may be associated with the Act**, unless these were provided for under the old regulations by the framework provider in the framework documentation.

September 2026 (Award)

To improve ease of use and reduce the risk of legal challenge to the users of the frameworks, framework providers are encouraged to "tag" or clearly label their agreements on digital portals or via Buyer's Guides to clearly show the governing regime. Rather than limit "tagging" efforts to newly established PA23 frameworks, framework providers have a responsibility to review their entire live portfolio and retroactively apply clear labelling to all active legacy agreements, where it is proportionate to do so. Leaving legacy tools unlabelled creates an immediate compliance risk for buyers who face managing a multi-regime market for several years to come.

Where e-tendering systems, portal platforms and commercial trackers lack specific fields to automate regime tagging, in order to avoid the costs associated with bespoke software modifications, framework providers can instead utilise simple, manual naming conventions across all of their public facing titles, Buyer's Guides, and wherever possible, search descriptions.

For Example: low-cost practices for “tagging” within existing infrastructure:

Standardised Title Prefixes: Embed a clear prefix directly into the title of the framework on all e-tendering and buyer portals (e.g. changing a framework title from 'M&E Maintenance Services' to '[PA23] M&E Maintenance Services' or '[PCR15] M&E Maintenance Services').

Watermarked Documentation: Apply a clear, standardised text header or watermark to the cover page of all customer guidance notes, framework user specifications and call-off templates clearly displaying the governing legislation.

Search & Answer Engine Optimisation: Insert the phrase ‘Procurement Act 2023’ or ‘Public Contracts Regulations 2015’ into the keyword search tag strings of web-based portal descriptions to ensure buyers can instantly filter search results using standard web browsers.

Procedural Differences in Handling Call-offs

The approach to awarding contracts varies between the previous and current regimes, particularly regarding the flexibility of the selection process run at call-off stage. For example, under the PCR, call-offs are limited to mini-competitions (sometimes called “further competitions”) or “direct awards” based on the terms laid down when the framework was first established.

Under PA23, flexible processes allow for multi-stage call-off competitions provided these are set-out by framework providers. For example, buyers could verify the original Conditions of Participation set by the provider at the call-off stage to ensure that suppliers have maintained the required legal, financial and technical standards before a call-off contract is awarded. Buyers could also run a flexible competitive process that included technical demonstrations, product trials or staged negotiations, provided these possibilities are outlined in the framework's original design.

Transparency Requirements

PA23 introduced a mandatory noticing regime aimed at increasing transparency across the entire procurement lifecycle. There are 17 notice types that are published on the Central Digital Platform, and many of these notices will be filled out by buyers using frameworks. Notices are linked together using numerical identifiers, which will make it possible for buyers to link their required notices to the frameworks they have used, to ensure there is a full picture of the framework.

Key Differences at a Glance

	Public Contracts Regulations 2015	Procurement Act 2023
Supplier Access	All frameworks were "closed" systems; once established, no new suppliers could join for the duration of the term.	Introduces open frameworks which allow providers to reopen the agreement at set intervals (at least once in the first three years and again within five) to admit new suppliers.
Maximum Term	Generally limited to four years, with some exceptions for longer durations.	Generally frameworks remain at four years, but open frameworks can be up to eight years.
Transparency & Notices	Required basic notices on Contracts Finder for call-offs.	Introduces a much more robust transparency regime, including additional notices linking spend data to contracts on the Central Digital Platform.
Verifying Selection Criteria & Conditions of Participation	Could not be revisited to make award decisions.	Buyers can re-verify original *Conditions of Participation* set by the provider to make a call-off with a competition award decision.

Key points

1. **Always verify the regulatory regime a framework was awarded under before starting a call-off, as the rules for one do not apply to others.**
2. **Ensure all call-off contracts from PA23 frameworks meet the transparency requirements, such as completing required notices and publishing these to the Central Digital Platform.**
3. **Providers ought to clearly signpost the governing legislation in their Buyer's Guides to support compliant purchasing.**

Part three

Setting up and managing a framework under the Act (for framework providers and public bodies establishing a framework)

The Strategic Decision: Why set up a framework?

Deciding to establish a framework is a strategic commercial choice that ought to be driven by a clear business need and an understanding of the market landscape. There is usually critical preparation and planning required to ensure a framework delivers long-term value for the public sector.

Before a framework is established, an analytical, evidence-based approach ought to be taken to ensure it is the right procurement model and that it can provide the wider benefits of using a framework to buyers around delivering their policy objectives.

Delivery Model Assessments

A Delivery Model Assessment (DMA) is mandatory for all new public services or significant transformations of existing public services. For framework setup, the application of a DMA differs depending on who is setting the framework up:

Centralised Procurement Authorities (CPA) are "in the business" of procurement for others. For a CPA the strategic decision is often whether a specific category of goods and services warrants a new framework, based on broad market demand and the potential for aggregating public sector spending across categories. When CPAs set up frameworks they do not usually need to complete a DMA in order to do so.

Individual Contracting Authorities choosing to set up their own framework, for example for their internal staff, can undertake a thorough DMA to determine if delivering the service in-house, outsourcing via a standalone contract, or establishing an internal framework is the best value for money.

For further detailed guidance, framework providers and buyers can consult the guidance on Delivery Model Assessments.

Managing Framework Proliferation

The effectiveness of a framework is in its ability to aggregate demand and secure economies of scale for the public sector. Overlapping and duplicated agreements clutter the framework market and can have the effect of heavily diluting the public sector's spending power. Furthermore, a cluttered landscape of competing frameworks can burden suppliers, forcing them to spend time and resource bidding for similar tools in order to stay visible to the same public sector buyers. Before deciding to create a new framework, all authorities ought to consult the Summarised Search in Find a Tender to identify if a suitable commercial tool already exists in order to manage framework proliferation.

Summarised Search is a dedicated register of the available frameworks and dynamic markets for contracting authorities to buy from under both PA23 and the PCR. Consulting the Summarised Search is an essential discovery step, and this central registry search is one way to assess the numbers of similar frameworks in the market. It works by compiling all the available notices for a single procurement into one current-state view.

The first step in the strategic decision-making process is demonstrating through the business case that the proposed framework does not duplicate existing central commercial tools and the ultimate gatekeeper is an organisation's internal commercial governance and approvals process. Internal governance teams will likely expect that rigorous justification is made well before a project advances to formal business case signatures or central spend controls.

A requirement of the business case is proving that clear demand for the framework exists through evidence of structured framework customer, or framework buyer, engagement. Framework design should then be driven by these requirements. Contracting authorities establishing new frameworks ought to ensure there is a genuine gap in the market or specific unique requirement is identified by buyers. To ensure a balanced approach, the business case can distinguish between the relative merits of an existing framework, and a proposed new framework that is being designed for specialised local delivery, highlighting the gaps the proposed new framework seeks to fill. Unjustified duplication therefore only occurs when a contracting authority establishes a framework that mirrors the supplier base, lot structure, geography and technical scope of an active framework without generating any clear price, process or capability advantage. In other words, a framework might not be considered a duplicate if its creation is explicitly required to meet distinct regional economic variances, specific clinical or specialised member needs that existing frameworks lack the flexibility to accommodate. These reasonable justifications can then be made through the business case to an authority's internal governance processes.

Design & Transparency

The design phase sets the contractual arrangements of the framework, determining how future call-offs will operate.

Policy Alignment

The procurement policy landscape is incredibly complex. Framework providers are in a unique position when creating a framework, as they have the potential to manage markets and suppliers for the benefit of more public sector buyers all seeking to deliver their policy objectives. Therefore, framework providers ought to design their tools to proactively support the strategic missions set out in the National Procurement Policy Statement (NPPS), and ensure that their frameworks lower barriers for Small and Medium Sized Enterprise entrants, maximise social value and maintain supply chain security in addition to any other specific policies their buyers need to comply with.

Accreditation and Standards

Where applicable, framework providers will have to align their development processes with recognised national standards. For example, the principles outlined in 'Constructing the Gold Standard' for public works, construction or associated consultancy services. Furthermore, NHS England has a Framework Accreditation Programme in place. NHS organisations are expected, in the first instance, to review whether there is an accredited framework available for their requirement, or to work with an accredited Framework Host where a framework has not yet been accredited in that sub-category.

Market Health & Capability

A successful framework requires a healthy, competitive supply chain. Poorly-designed frameworks can unintentionally stifle competition over time. Framework providers are required to undertake a market assessment early in the planning stage. This assessment needs to address the impact of "locking out" new suppliers who are not successful in the initial competition and inform decisions whether or not to set up open frameworks.

To avoid limited markets, framework providers ought to ensure the framework design (e.g. the number of suppliers, the lot structures and the pricing mechanisms) does not create highly concentrated markets where only a few suppliers win the majority of work.

For a detailed guide on how to do this, framework providers can consult the Market Management Guide.

Call-off Award Methodologies

In accordance with the procurement regulations, the framework documentation will clearly define the criteria buyers will use for awarding call-off contracts. This can be either with a competition or without a competition.

Call-offs "with a competition" utilise competitions to drive maximum competitive tension on price and quality. Framework providers will have to decide how much procedural flexibility to grant their buyers, when designing the framework's call-off competition award processes. Depending on market complexity and their buyers' needs, framework providers can structure the options across a wide spectrum of flexibility ranging from defining fixed award criteria from which the buyer cannot deviate to more adjustable award criteria within a pre-defined model, provided the framework's original design explicitly enables these mechanisms. For example, PA23 made it possible for buyers to design a competition that might include technical demonstrations, site visits, product trials or negotiations and framework providers will have to set out what those choices are in the framework documentation to allow buyers to make use of them.

Call-offs awarded "without a competition" are permitted under specific circumstances and using the specific objective mechanisms set out by framework providers in the framework documentation. It is important that framework design therefore moves from merely "noting" this as an option to establishing strict parameters, and the objective mechanism for awarding without a competition, to prevent its misuse.

Framework Performance Measures

Establishing clear, proportionate measures is essential for effective framework management and can be achieved by focusing measurement on performance trends across all call-offs and using these to drive better strategic outcomes for future frameworks. These could include looking at the numbers of Small and Medium Sized Enterprises who win a place on a framework against the numbers who win work from that framework, or the numbers of suppliers who regularly bid for call-offs against those who do not bid. Framework providers can also use these measures to proactively manage the overall health and "value for money" of the framework through their provider/supplier relationship management processes.

It is important that framework providers ensure the framework terms allow buyers to set their own contract-specific KPIs and measures, and publish them in accordance with transparency requirements.

Effective Management Processes

Effective framework management requires continuous, proactive lifecycle oversight. Framework providers will therefore guard against practices where a framework is left entirely unmanaged once the initial award is concluded. Framework providers are expected to maintain checks on supplier standards, compliance and financial standing throughout the multi-year lifespan of the framework in order to protect calling-off authorities from operational risk. This includes identifying signs of "Financial Distress" early and alerting their buyers to ensure continuity of critical public services.

Framework providers can move beyond monitoring individual measures to assess the framework's overall health. This includes analysing whether an open framework is attracting a diverse range of bidders, including small suppliers and third sector suppliers, and whether it is delivering the anticipated social value.

Furthermore, it is important that framework providers use their role in managing the framework to actively shape the market. By reviewing contract award patterns and supplier performance data, providers can identify if a "limited market" is developing and adjust their future procurement strategies to increase competition and innovation ready for the next time a framework opens, or the next time a similar framework is tendered.

Transparency over the outcomes of a framework is becoming increasingly important. Framework providers can calculate the commercial benefit of a framework by measuring the spend through the framework and the price effectiveness against external price benchmarks. True savings then represent a genuine reduction in cost calculated as the difference between a baseline price and the final price paid.

But measuring a framework's success ought to move beyond tracking spend volume. True framework value ought to be measured by framework providers with their buyer customers using the framework, and assessed against how effectively the framework solves local buyer capability and capacity constraints.

Examples of active, high-impact value-add services that buyers can use to determine a framework's success:

Speed to Contract as a Value Metric: Tracking and actively reducing the cycle time required for a buyer to move from initial framework engagement to final call-off award.

Active Mini-Competition and Market Support: Providing operational or technological resources to actively assist buyers with running call-off competitions, managing market interest and troubleshooting thematic supplier performance escalations, without crossing into the day to day contract management of the call-off itself.

Cost Benchmarking: Moving away from publishing maximum capped rates, and instead providing buyers with aggregated, anonymised data on delivered costs and final prices paid on historic projects across the framework.

Tracking Key Policies: Evaluating framework success by its ability to lower barriers for Small and Medium Enterprise and Voluntary, Community and Social Enterprise entrants, actively tracking whether the agreement successfully introduces new, innovative market players to public sector buyers or actively provides demonstrable social value outputs.

The ultimate success of a framework is then assessed against its ability to remain an attractive, sustainable and legally compliant procurement route that buyers choose to use voluntarily due to the outcomes it delivers, the superior commercial support gained or the market intelligence it provides.

For further detailed guidance, framework providers and buyers can consult the Contract Management Playbook.

Supplier Suspension, Exclusion and Debarment

Framework providers are likely to have clear processes and terms that set out the various circumstances that could lead to a framework provider suspending or removing unsuitable suppliers from its frameworks. These will be found in the framework terms.

Furthermore, under PA23, all framework providers should proactively monitor the central debarment list. Framework terms should therefore include clauses for the removal of excluded suppliers and the potential removal of excludable suppliers from their frameworks in those very serious cases, in order to safeguard the public sector.

Key points

1. **Verify that a new framework does not duplicate existing tools in the Summarised Search before proceeding.**
2. **Where applicable, use a Delivery Model Assessment to confirm that a framework is the most effective strategic route for the requirement.**
3. **Design frameworks that enable policy delivery.**
4. **Design Lot structures and selection processes that encourage broad participation of all successful suppliers and protect market health.**
5. **Establish clear protocols for the suspension and/or removal of suppliers who have been entered on the PA23 debarment list.**
6. **Consider what added value can be delivered through the framework back to the public sector.**

Part four

Using a framework (for buyers who want to use a framework)

Contracting authorities are unable to delegate their responsibilities to undertake lawful procurement and therefore, using a framework does not outsource the responsibility for good commercial judgement that is required from the buyer. Buyers may need to conduct a Public Interest Test before deciding to use a framework (where applicable). Buyers ought to follow the Sourcing Playbook, perform due diligence to ensure a framework is the most effective route for their specific business need and utilise their own internal governance and approvals processes. A buyer can determine this through a DMA and, for complex requirements, a Project Validation Review. This will determine whether any outsourcing is required in the first place, which then feeds into the procurement strategy which may then recommend use of a framework as the right route to market. Buyers can continue to apply the policies from the Sourcing Playbook when using a framework.

Pre-Procurement Checks

Summarised Search

Buyers will need to look at the Summarised Search within Find a Tender before deciding on a particular framework or framework provider. Buyers will want to understand (from the published notices that are searchable within the Summarised Search) a wide range of information in order to inform user choice. Data such as how much levy is being charged by the framework provider and what that levy is used for, the range of suppliers across the different lots on the framework, whether or not this is an open framework, the numbers of small suppliers on the framework and the value of the framework against the duration of the framework, is useful to know in order to choose the right framework from the right provider.

The Right Provider, The Right Framework

Where a framework has been awarded by an organisation other than a Centralised Procurement Authority, buyers may find themselves taking on a higher level of risk for any non-compliance issues with the framework they are using that can affect their call-offs. Buyers will want to ensure that they understand who the framework provider is and to ensure that all relevant policies and legislation have been complied with at the establishment stage of the framework.

The PA23 shares liability equally between non-CPA framework providers and their buyers. Proceeding under an improperly-established private or non-CPA framework means the buyer may absorb the provider's liabilities, exposing their own organisation to third-party court challenges and financial damages.

It is therefore important that buyers expand their pre-procurement due diligence to include a thorough check of the framework's original setup. Before awarding a call-off from any non-CPA framework, particularly those operated by private providers or their small hosting authorities, the buyer will want to verify that the framework was established in strict compliance with the Act. For example, buyers can review the framework provider's notices on the Central Digital Platform and check evaluation reports.

Market Validity

Before using a framework, it is important that buyers ensure that the original market assessment conducted by the framework provider is still accurate and has not been distorted by subsequent market consolidation or supplier exits.

For a detailed guide on how to do this, buyers can consult the Market Management Guide.

The Regulatory Regime
Buyers will need to confirm whether the framework is governed by PA23 or another set of regulations, as this dictates the transparency and award rules they will follow.

Policy Implementation
Confirmation is needed that the framework's overarching terms and conditions permit the buyer to enforce required national and local policy mandates at the call-off stage.

Operational Capacity
Verify that the framework provider demonstrates the active, ongoing operational capacity to monitor supplier financial health and manage systemic performance issues holistically.

For an itemised breakdown of pre-procurement checks, buyers can consult the comprehensive guides linked in the References section of this Practice Guide.

Understanding The Cost
Framework levies are frequently embedded into the supplier's prices. Buyers will want to understand what they receive from the Framework Provider in exchange, in those instances when levy charges are passed on to them.

Executing the Call-Off

The call-off process ought to be treated as a proportional procurement in its own right. While the framework provides a general structure and the price payable, the buyer is responsible for developing the detailed technical specification and, where required, a Should Cost Model (SCM) to ensure affordability and identify abnormally low tenders. Buyers are also responsible for checking the debarment list to ensure they do not inadvertently award a contract to an excluded supplier.

Call-off Award Processes
Public sector buyers are in the business of securing the best commercial outcome for their requirements. Running a competitive selection process to select a supplier is usually the best way to do this. It is important that buyers check the framework documentation, and any guidance, for details about the call-off award processes in order to use the correct processes for awarding their call-off.

Whilst "awards without a competition" (sometimes called "a direct award"[1] when using a framework that was awarded using the previous regulatory regime) are permitted under specific circumstances, buyers can only use the specific objective mechanisms set out by framework providers in the framework documentation to do so.

[1] A historic, informal term used in context with the previous regulatory regime. The term is used in many guidance documents that relate to the previous regulations to denote a call-off award mechanism without running a competition on the framework. It does not have the same meaning as Direct Award under section 41 to 43 of PA23.

Call-off Contract Performance, Risk Management and Exit

The buyer owns the supplier relationship at the contract level. The buyer is responsible for setting, agreeing and monitoring call-off contract-specific Key Performance Indicators (KPIs). While the provider enables the mechanism, the buyer is responsible for performance reporting and notifying the framework provider if systemic supplier issues arise.

It is important that buyers identify and allocate all contract-specific risks. This includes amending liability clauses where appropriate and ensuring the pricing mechanism is suitable for the specific risk transfer approach.

For critical contracts, the buyer will need to ensure the framework provider has enabled Resolution Planning through the contract, and it is buyers who are responsible for monitoring the supplier's financial standing throughout the life of the contract and alerting central teams to any "Financial Distress" following the Resolution Planning processes described.

Buyers are responsible for ensuring the provisions for ending a call-off contract are robust enough for their needs and managing that process with their suppliers.

Transparency Requirements

Buyers are responsible for publishing their required notices to the Central Digital Platform. In order to meet the transparency requirements for PA23, buyers will need to link their required notices to the framework provider's notices when using a framework.

Example decision tree:

Step 1 Define & Governance

The Action: Complete a Delivery Model Assessment (DMA) and, for complex requirements, a Project Validation Review (PVR). Clear your local internal governance and approval gateways to confirm that outsourcing via a framework is the correct strategic route, and whether your organisation has internal rules around the “provider of choice”, before engaging with any external provider.

Step 2 Identify the Framework

The Action: Review the Summarised Search and analyse searchable data (levy rates, supplier lots, duration and SME presence). Verify the framework's "regulatory origin" (PA23 vs. legacy regime such as PCR15) and confirm the provider has the operational capacity to manage systemic performance and monitor financial health of the suppliers, in addition to any value added services they may provide.

Step 3 Award the Contract

The Action: Treat the call-off as a proportional procurement. As well as undertaking additional checks with regards to supplier exclusion and financial health, author your technical specification and create a Should Cost Model (SCM) to identify abnormally low tenders. Follow the provider’s award processes, defaulting to a competitive selection process (“Award With Competition”) to drive maximum value. Only utilise an “Award Without Competition” (AWOC) under specific circumstances and only using the objective criteria explicitly laid out by the provider. Publish and link your required notices to the Central Digital Platform.

Step 4 Post-Award

The Action: Own the contract-level relationship. Set and manage your own call-off KPIs, dynamically adjust risk allocations, and continuously track the supplier’s financial stability. If systemic issues or financial distress arise, implement the pre-agreed Resolution Planning processes and formally escalate the data back to the framework provider to safeguard the rest of the public sector.

References

Constructing the Gold Standard

Contact Management Playbook

Delivery Model Assessments

Managing Public Money

Market Management Guide

National Procurement Policy Statement

Procurement Act 2023

Procurement Act Guidance Documents

Procurement Act 2023 Guidance on Frameworks

Project Validation Review

Public Interest Test

Should Cost Model

Sourcing Playbook

Summarised Search

Using the Playbook in Conjunction With Framework Agreements

With thanks

The following organisations collaborated on the production of this Practice Guide. The recognition of the organisations named should not be interpreted as an endorsement of their frameworks, services or routes to market. Rather, their inclusion reflects their contribution to the development of the Practice Guide and the insights they have provided.

Commercial Services Group (LASER Energy & Procurement Services)

Coventry City Council

Denbighshire County Council

Dorset Council

Eailing Council

ESPO

Government Commercial Agency

Hackney Council

Kent County Council

Leeds City Council

Local Government Association

National Association of Construction Frameworks (NACF)

NEPO - The Association of North East Councils Limited trading as the North East Procurement Organisation (NEPO). NEPO is a Centralised Procurement Authority as defined in PCR15 & the Procurement Act 2023 (PA23)

NHS Commercial Solutions

NHS London Procurement Partnership

NHS North of England Commercial Procurement Collaborative

Royal Borough of Greenwich

SCAPE

South Yorkshire Combined Authority

Stockton-on-Tees Borough Council

Walsall Council

West Sussex County Council

YPO

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