



# Manual for Framework Agreements



# MANUAL FOR FRAMEWORK AGREEMENTS



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## Acronyms and abbreviations

<b>B2B</b>	Business-to-business
<b>B2G</b>	Business-to-government
<b>CA</b>	Contracting authority
<b>CMS</b>	<i>Centrale de Marchés pour Services fédéraux</i> – the Belgian central purchasing body
<b>CONSIP</b>	<i>Concessionaria Servizi Informativi Pubblici</i> – the Italian central purchasing body
<b>CPA</b>	Central purchasing authority
<b>CPB</b>	Central purchasing body
<b>DGPP</b>	Directorate General of Public Procurement, Secretariat General of Commerce, Ministry for Development and Competitiveness (Greece)
<b>EO</b>	Economic operator
<b>FA</b>	Framework agreement
<b>ICT</b>	Information and communication technologies
<b>MEAT</b>	Most economically advantageous tender
<b>MoU</b>	Memorandum of understanding
<b>NCPA</b>	National Central Purchasing Authority
<b>OECD</b>	Organisation for Economic Co-operation and Development
<b>SGC</b>	Secretariat General of Commerce, Ministry for Development and Competitiveness
<b>SLA</b>	Service-level agreement
<b>SME</b>	Small and medium-sized enterprise
<b>SPPA</b>	Single Public Purchasing Authority (ΕΑΑΔΗΣΥ)
<b>TD</b>	Tender documents
<b>TEC</b>	Typical electrical consumption
<b>TFGR</b>	Task Force (of the European Commission) for Greece
<b>TLC</b>	Telecommunications



## *Chapter 1*

### **Background**

Since 2013, Greece has taken action to:

- transform the Directorate General of Public Procurement (DGPP) of the Secretariat General of Commerce (SGC) at the Ministry of Development into an operational central purchasing body (CPB)
- set up work processes for concluding and managing framework agreements (FA) for goods and services for the Greek central government.

To achieve this, the European Commission's Task Force for Greece (TFGR) organised a technical assistance project between June and December 2013 with experts on CPBs and FAs from European Union (EU) member countries, which examined the SGC's situation and needs, provided advice and produced a number of deliverables on core features of a CPB, organisational change at the SGC, and key stages and steps for the successful award and management of FAs.

The co-operation of the OECD was requested by Greece and the TFGR to carry forward and enhance support to the SGC in 2014. The OECD helped prioritise actions and shape directions for this co-operation through sustained discussions with Greek counterparts and the TFGR throughout 2013. OECD support consisted of an intensive nine-month project, which provided five targeted capacity-building workshops by leading public procurement experts on CPBs and FAs, this manual for FAs (the "Manual") and a communication and change management strategy for the CPB. The workshops were attended by more than 100 Greek public officials in total, from the SGC and almost all ministries, as well as the Health Procurement Committee (EPY), the Single Public Procurement Authority (SPPA), the Hellenic Competition Committee, the National Anti-Corruption Co-ordinator and the Inspectors-Controllers Body for Public Administration. The workshops presented experiences and good practices from EU member countries for successfully managing the SGC's transformation into a CPB and developing a communication strategy for it geared towards the market and the contracting authorities (CAs). Furthermore, good practices on creating FAs, including aggregation of public-sector purchasing needs, selection of categories of products and services to be bought centrally, market research and consultation with suppliers, were shared.

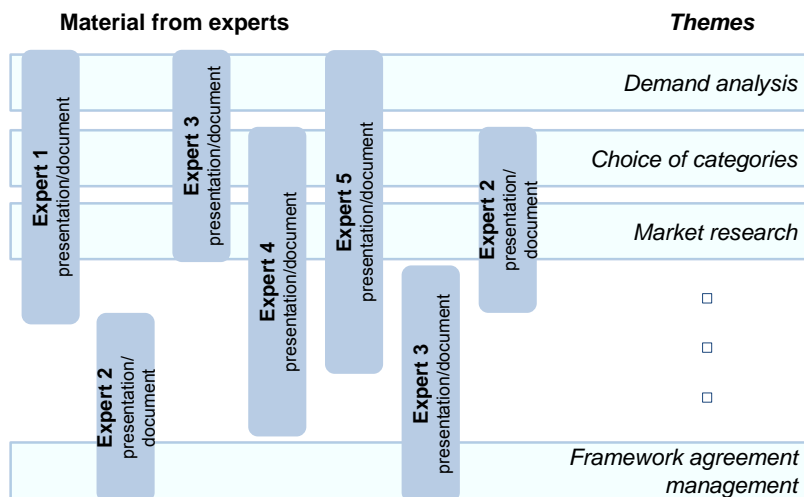
This Manual was prepared by the OECD based on relevant deliverables of the 2013 technical assistance project and, in particular, the capacity-building materials and outcomes of the workshops in 2014. It includes information, advice, practical examples and case studies from EU member countries. Experts who provided support to the SGC in 2013 and 2014 and shared materials used in drafting this Manual are (in alphabetical order):



- Ivančica Franjković, Head of Sector, State Office for Central Public Procurement, Croatia
- Klaartje Gysen, Head, Public Procurement Workstation, Federal Public Service Personnel and Organization, Belgium
- Kenza Khachani, Economic Performance Manager, Supply Direction, Union des groupements d'achat public (UGAP), the French central purchasing body
- Paulo Magina, Head of Procurement Unit, Public Sector Integrity Division, OECD
- Luca Mastrogregori, Head, E-procurement Strategies, CONSIP S.p.A., the Italian central purchasing body
- Andreas Nemeč, CEO, Federal Procurement Agency BBG (Bundesbeschaffung GmbH), Austria
- Timo Rantanen, Procurement Professional, Hansel Oy, Finland
- Angela Russo, Head, International Co-operation Projects, CONSIP S.p.A., Italy.

The information relied on for creating this Manual was extracted from more than 20 deliverables, materials and documents shared by experts throughout 2013 and 2014 (including advice, flowcharts, case studies and sample framework agreement documents). This Manual compiles, structures and sequences all of the relevant information organised around the core components of the FA lifecycle (see Figure 1).

Figure 1. Sources for this Manual



This Manual is a checklist of the steps for setting up and managing framework agreements and relevant recommendations. A public procurement official can thus refer to the parts of this Manual that are relevant to the FA at hand, identify the appropriate actions and choose the best applicable solutions. This Manual includes a set of methodologies and practical answers to possible questions.

This Manual, although comprehensive, is not a complete A-Z list of actions for setting up and implementing an FA. It deals with core selected areas within the FA lifecycle, chosen by the SGC and discussed with the experts. A careful selection of

recommendations made in this Manual is required, as not all of them may be applicable at all times to every FA.

In parallel to the OECD workshops, new legislation on public procurement (Law 4281/2014)<sup>1</sup> was adopted in August 2014. The new public procurement law is a uniform legal framework for works, goods and services. It provides that the SGC, the Health Procurement Committee (EPY) and the Secretariat General of Public Works are central purchasing bodies performing centralised procurement and includes articles on FAs. Secondary legislation is expected to define specific operational procedures as well as to simplify Greece’s Unified Purchasing Programme (UPP), the tool through which common purchasing needs for the public sector are collected and consolidated. The new law refers for the first time to the need for specialised personnel for public procurement and relevant certification by the National Centre of Public Administration and Self-governing Administration, EKDAA. Furthermore, the Single Public Procurement Authority (SPPA) published a set of guidelines on FAs,<sup>2</sup> explaining the legislation and giving useful advice on setting up and managing FAs. Those guidelines are complementary to this Manual.

This Manual consists of:

- an introductory chapter (Chapter 2) on “Definitions and guiding principles” which includes the key concepts, main principles and rules guiding FAs
- seven chapters (Chapters 3-9) corresponding to the seven steps of the FA lifecycle (see Figure 6)
- a final chapter (Chapter 10) which includes case studies
- annexes with additional information and links to external documents with valuable information and tools.

It is proposed that this Manual be treated as a living document, updated on a periodic and on *ad hoc* basis, when:

- new advice is provided (for example, from local or international experts)
- good practices become apparent (for example, as a result of carrying out FAs) and are considered worthy of being recorded
- there are significant changes in the Greek public procurement institutional, regulatory or organisational framework.

Disseminating this Manual as widely as possible would help consolidate the good practices included herein. Web-based dissemination would bring the additional benefits of saving on printing costs and ease of access.

In addition, it would also be useful to create a web-space that allows two-way communication, where readers could leave comments and ask questions.

In order to ensure the widest dissemination possible of this Manual, that it is regularly updated and that recommendations are implemented, the SGC should assign a change management owner, as the introduction of FAs is a significant change in the way that the SGC works. Among other responsibilities, the change management owner should keep a documents repository, distribute documents to all relevant parties, and organise updates and outreach events.

## Notes

1. [www.et.gr/idos-nph/search/pdfViewerForm.html?args=5C7OrtC22wEc63YDhn5AeXdtvSoClrL8xcreXeJIx8t5MXD0LzQTLWPU9yLzB8V68knBzLCmTXKaO6fpVZ6Lx3UnKl3nP8NxdnJ5r9cmWyJWeIDvWS\\_18kAEhATUkJb0x1LldQ163nV9K--td6SluTuWFLb4Zx1tcubv-CiyIk8ksdvNiGHA1m6Ulu0Ww7Ip](http://www.et.gr/idos-nph/search/pdfViewerForm.html?args=5C7OrtC22wEc63YDhn5AeXdtvSoClrL8xcreXeJIx8t5MXD0LzQTLWPU9yLzB8V68knBzLCmTXKaO6fpVZ6Lx3UnKl3nP8NxdnJ5r9cmWyJWeIDvWS_18kAEhATUkJb0x1LldQ163nV9K--td6SluTuWFLb4Zx1tcubv-CiyIk8ksdvNiGHA1m6Ulu0Ww7Ip)
2. [www.eaadhsy.gr/images/docs/20141103\\_4591-Kateythynthria-Odhgia-6.pdf](http://www.eaadhsy.gr/images/docs/20141103_4591-Kateythynthria-Odhgia-6.pdf)

## Chapter 2

### Definitions and guiding principles

#### Concepts

A framework agreement (FA) is an agreement with one or more economic operators for the supply of goods, services and, in some cases, works, the purpose of which is to establish the terms governing contracts to be awarded by one or more contracting authorities (CA) during a given period, in particular with regard to maximum price, minimum technical specifications and, where appropriate, the quantities envisaged.

An FA can be set up by a CA for itself or on behalf of other CAs. However, the information presented in this Manual refers only to FAs set up by a central purchasing body (CPB) on behalf of CAs.

Directive 2014/24/EU of 26 February 2014 on Public Procurement provides a definition of an FA.<sup>3</sup> It sets forth principles and procedures which should be followed by suppliers and by the public authorities in EU member countries in the course of the procurement of works, goods or services and includes various articles related to FAs.

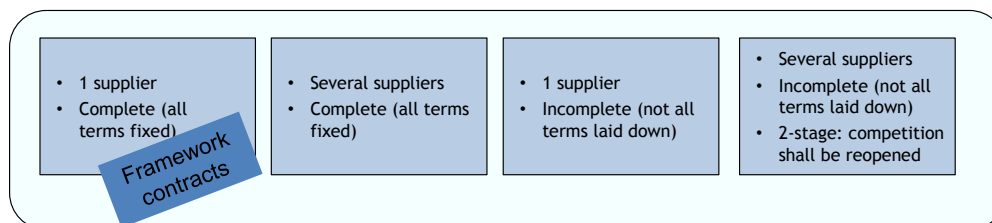
An FA differs from a conventional contract. It is an umbrella agreement for the future supply of goods and services and, as opposed to individual contracts under such agreements, does not itself order the actual goods and services.

When concluding a framework agreement, the quantities and delivery times are usually described in broad terms or (in particular in the case of quantities) left open.

Framework agreements can differ according to:

- The number of suppliers: an FA can include one supplier or many suppliers, as per Figure 2. The types of framework agreements are described in more detail in Annex F (Options for Framework Agreements).

Figure 2. Types of framework agreements



- The terms and conditions: whether all of the supply and payment terms are laid down or not.

- Call-offs: CAs are required to carry out mini-tenders to proceed to supply and payment or if no mini-tenders are required, when all terms are laid down in the FA, in which case a purchase order suffices.
- Consolidation of needs: the FA results from the consolidated needs of more than one CA or covers only one CA.

The usual types of FA considered depend on a combination of the two main driving parameters: the number of suppliers (one/many) and the level of completeness of the terms of the agreement (complete/incomplete).

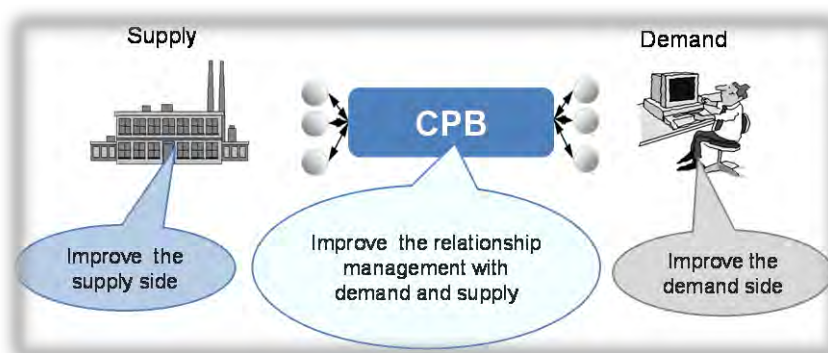
All types of FAs have advantages and disadvantages. Those in which all of the terms are defined (whether single- or multi-supplier) facilitate the workload of CAs as they allow more straightforward contracting, through non-negotiated, directly placed purchase orders. They are often used for products or services that do not require customisation or where additional flexibility at the call-off stage is not necessary. These FAs define all of the technical specifications and service-level agreements (SLAs) in the FA itself. Typical goods or services categories for this type of FA can be office supplies, hardware, furniture or fuel.

FAs in which not all of the terms are laid down at the outset allow CAs additional flexibility in the second (call-off) stage. In these FAs, the CPB deliberately leaves the definition of additional technical specifications and SLAs conditions (such as delivery period, specific types of products or services, use of green/sustainable awarding criteria) to be set by the CA in the second stage competition, thus aligning purchases to specific needs and market conditions. Typical categories of goods or services for which this type of FA is suitable are mobile communications, travel services or software.

### Guiding principles and rules

The objective of an FA is to deliver goods and services to the public administration, through the rationalisation of the public procurement process and leveraging the power of demand, supply and CPBs, as per Figure 3 and Table 1.

Figure 3. Supply, demand and central purchasing bodies



The creation of an FA carries certain risks. It is important to assess these risks in order to take action to mitigate them:

- market closure, when few suppliers are contracted for a long period
- exclusion or demotivation of small and medium-sized enterprises (SMEs)

- diminishing scale benefits by including too many SMEs or breaking up the FA into too many lots
- ignoring particular needs of specific CAs as a result of standardisation
- increased complexity of FA management – the bigger the agreement, the more complex it is to monitor its performance.

Table 1. Objectives, actions and benefits of framework agreements

	Objectives	Actions	Benefits
Improve the demand side	Rationalise public expenditure	<ul style="list-style-type: none"> <li>– Framework agreements (FAs) for the major spending categories</li> <li>– Goods and services standardisation</li> </ul>	<ul style="list-style-type: none"> <li>– Reduction and rationalisation of public expenditure</li> <li>– Reduction of waste</li> <li>– Controlling public debt</li> </ul>
	Increase savings and quality	<ul style="list-style-type: none"> <li>– Awarding on the most economically advantageous tender (MEAT) if the subject of the contract allows it, or lowest price</li> <li>– Definition of maximum price and minimum technical specifications, assuring quality and service-level agreements (SLA)</li> </ul>	<ul style="list-style-type: none"> <li>– Scale benefits</li> <li>– Value for money: best product/price ratio</li> <li>– Increased quality of procured goods and services</li> <li>– Better management of products and services</li> </ul>
Improve the supply side	Improve competitiveness	<ul style="list-style-type: none"> <li>– Supplier selection based on financial, technical, environmental, quality and SLA performance criteria</li> <li>– Possibility of grouping and sub-contracting</li> </ul>	<ul style="list-style-type: none"> <li>– Market competitiveness development</li> <li>– Support the diversity of suppliers and the viability of SMEs</li> <li>– Better supply terms for the public administration</li> <li>– Increased transparency</li> <li>– Environmental and social sustainability</li> </ul>
		<ul style="list-style-type: none"> <li>– Subdivision into lots – by regions and/or by category of goods or services</li> <li>– Reducing tendering procedures for contracting authorities (CAs)</li> </ul>	
Improve the relationship management	Increase efficiency	<ul style="list-style-type: none"> <li>– Purchasing process simplification</li> <li>– E-procurement development</li> </ul>	<ul style="list-style-type: none"> <li>– Dematerialisation of the business process</li> <li>– Allowing public administration modernisation and achieving e-government goals</li> <li>– Possibility to free up resources dedicated to the procurement process and direct them to other activities</li> </ul>
	Develop reliable information	<ul style="list-style-type: none"> <li>– Group and analyse information from all stakeholders, including suppliers and CAs</li> <li>– Create transparent and reliable databases</li> </ul>	<ul style="list-style-type: none"> <li>– FAs performance monitoring</li> <li>– Ongoing improvement of public purchasing</li> <li>– Greater control of expenditure through purchasing reports</li> <li>– Reliable audit trail</li> </ul>
Improve compliance	Ensure compliance	<ul style="list-style-type: none"> <li>– Comply with local and EU rules</li> <li>– Comply with public sector engagements</li> <li>– Follow guidelines</li> </ul>	<ul style="list-style-type: none"> <li>– Avoid disputes and sanctions</li> <li>– Leverage local and international experience</li> </ul>

Directive 2014/24/EU sets new requirements, seeking to:

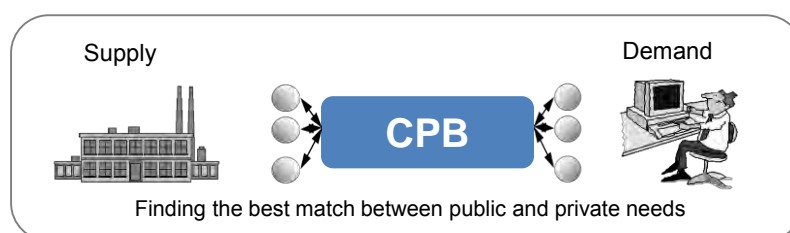
- create a modern public procurement legislative framework
- ensure public procurement efficiency and value for money
- simplify rules and make them more flexible
- reduce the administrative burden on public authorities and contractors
- facilitate the participation of SMEs
- stimulate greater competition across the European single market
- switch to electronic procurement
- promote innovation and contribute to a better use of resources.

New provisions in the Directive which are relevant to FAs include:

- Division into lots is mandatory to support SMEs. If an FA is not divided into lots, it needs to be justified.
- There can be a limit to the number of lots awarded to the same supplier.
- Direct payments to sub-contractors should be allowed.
- The most economically advantageous tender (MEAT) will be the standard awarding criterion, although lowest price can still be used in some cases.
- Financial requirements in terms of turnover should not exceed, at most, twice the estimated contract value except in duly justified cases, such as those relating to the special risks attached to the nature of the procurement.

## General roles and responsibilities

Figure 4. The central purchasing body joins the public and private sectors



Three major players are involved in FAs:

- CAs, who form the demand side. They can also be regarded, and in many cases are referred to, as the “customers”.
- Economic operators (EOs), who form the supply side, also referred to as the “suppliers”.
- The CPB. According to Directive 2014/24/EU on public procurement, a “CPB is responsible for making acquisitions, managing dynamic purchasing systems or awarding public contracts/framework agreements for other contracting authorities, with or without remuneration”.

Regarding FAs specifically, the CPB’s mission is to conclude contracts that meet the common needs of its customers. This mission includes building partnerships between customers and suppliers.

Apart from these three major players, other entities are indirectly involved in the demand-CPB-supply relationship; these are the various policy, regulatory, audit and oversight bodies.

The role of the CPB is crucial in this relationship. The tendency in EU countries is for this role to go beyond the traditional limits of managing demand and supply towards a continuously maturing state where it is able to create a true partnership between the public and private sectors in a win-win situation for all parties.

Such a partnership can be accomplished through:

- carefully listening to suppliers and CAs

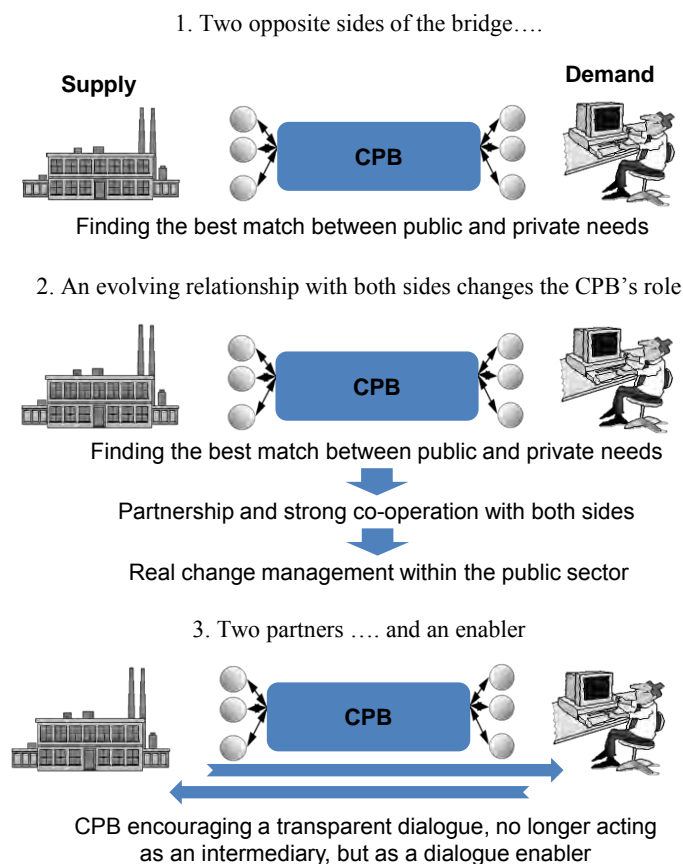
- strong involvement of the private sector in the market analysis phase in order to present and promote to the public sector innovative or cost-saving opportunities
- the CPB acting as flywheel of structured and innovative offers, capable of generating new and greater business opportunities
- applying business-to-business (B2B) best practices in a business-to-government (B2G) environment.

Key factors for fostering a collaborative environment include:

- Innovation: including skilled and professional human resources, simplifying procurement processes and using advanced e-procurement technologies.
- Efficiency: using a target-oriented approach, a positive and pro-active approach towards new challenges, capitalising on best practices and repeating them, and learning from errors.
- Sponsorship: having institutional/political support and an appropriate legal framework.
- Partnership: sharing the goals with all stakeholders and ensuring that the project is co-owned.

The CPB's role would evolve from creating a bridge between the public and private sectors to enabling a dialogue and creating a partnership, as shown in Figure 5.

Figure 5. Evolution of the role of the central purchasing body

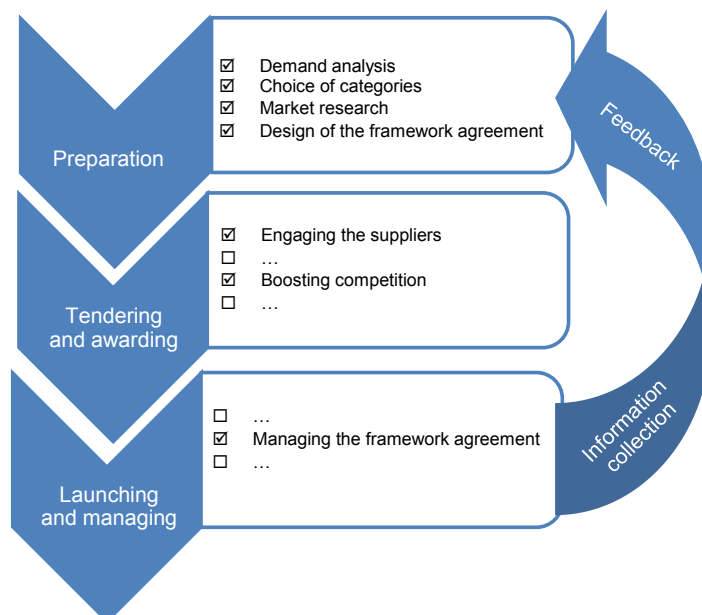




## Stages of a framework agreement

The remainder of this Manual is structured into chapters which correspond to selected steps of the FA lifecycle, as shown in Figure 6.

Figure 6. Stages of a framework agreement



The steps in Figure 6 and the corresponding chapters of this Manual are not strictly sequential. There are some overlaps and some steps may be executed in parallel. For example, demand collection, consolidation and analysis on the one hand and market analysis on the other can run in parallel and feed into one another. Supplier engagement includes various activities which run in parallel to almost all of the other steps mentioned here, i.e. starting from market analysis up through FA management.

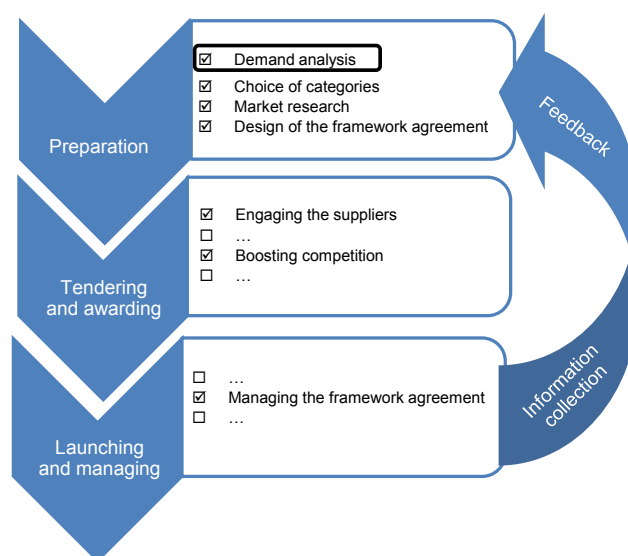
A complete breakdown of the FA lifecycle into phases/activities/tasks is provided in Annex B (Tasks during the FA Lifecycle).

## Note

3. Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32014L0024>.

## Chapter 3

### Demand analysis



The demand analysis, i.e. the inception and needs analysis stage, is the time at which the need for an FA is conceptualised and measured.

This is an important step of the FA lifecycle:

- It is the foundation of the entire process, where the ideas for possible opportunities for framework agreements are generated.
- It has a direct link with the results of the FA, as the main objective of the FA is to satisfy effectively and efficiently the initial needs upon which it was built.
- It can be overlooked, if the needs are assumed and the demand analysis is limited to demand aggregation.
- It is challenging, as many different inputs and approaches have to be combined in order to produce the output.

The first question to be answered in the demand analysis stage and before starting a procurement process is: “Do we really need this?”

The main objective of the demand analysis is to analyse the CAs’ supply process and subsequently measure the type and value of potential demand, using information such as:

- the geographical distribution of the CAs
- identifying total annual needs in terms of:

- total demand value
- total demand value by CA type and geographical area
- A detailed description of already procured products and services.

Involving the right people and teams from the initial stage is crucial for the success of the demand analysis:

- The preliminary demand and supply analysis could be carried out by a project group within the CPB and result in a feasibility report.
- The project group, in addition to CPB staff, could be composed of technical and procurement experts from among the CAs, especially the large ones.
- The success of an FA is highly dependent on the involvement of the large customers early in the procurement process.
- Officials from the CAs will not only support the consolidation of requirements but can provide input and help prepare tender documentation in a later stage.
- Involving regulatory and oversight bodies as early as possible will ensure compliance with legal obligations and the transparency of the process.

In terms of methodology, the following recommendations can help to choose the sources of information and suggest approaches for collecting this information:

- Use data from the government accounting system on past spending (under various elements, e.g. product categories, geographical distribution, CAs, etc.).
- Examine which CAs are the most important buyers and what their needs are or what they have bought frequently over the past years, how they have done it and from whom.
- Study procurement notices and invitations to tender published by CAs.
- Analyse CAs' current/former contracts looking for information about their suppliers, the quantities purchased, the current price lists with all items as well as the terms and conditions.
- Consult with suppliers. The CPB can obtain information from the suppliers on how they see the government as a buyer and their suggestions for making it easier and more efficient for them to sell to the government.
- Interact closely with a few CAs to acquire rough data on their spending in different categories. This could be achieved through a questionnaire or by visiting the CAs.

If the customer base is large, the CPB could focus on those customers which may provide representative numbers which could be extrapolated to all CAs.

Information collected by such representative CAs can be used to estimate the spending for all CAs based on, for example, personnel numbers. This process can give a good estimation on standard commodities where usage is closely tied to personnel, e.g. computers and other IT equipment, mobile phones, office supplies.

In addition, it is important to know what goods or services CAs procure the most often and whether they buy them through a procurement procedure or, if of low value for example, they are bought directly without a competitive process. This will help understand the real needs.

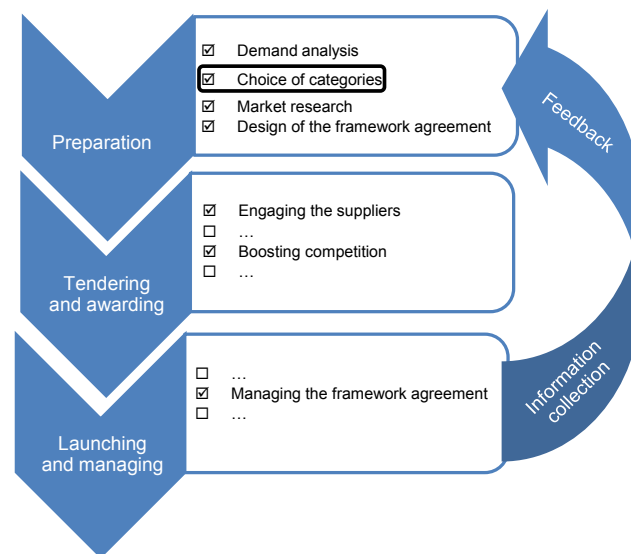
- Provide a list of common items, to conduct demand aggregation and consolidation based on the CAs' input. This can also be done through questionnaires. In this case, the data need to be “neutralised” as CAs may use different products or brands or even names for the same product that could fulfil the same need. Standardisation of items, possibly in the form of a catalogue, might be useful in this process.

In all cases, good IT infrastructure to analyse the data and standardise the collection of information is needed.



## Chapter 4

### Choice of categories

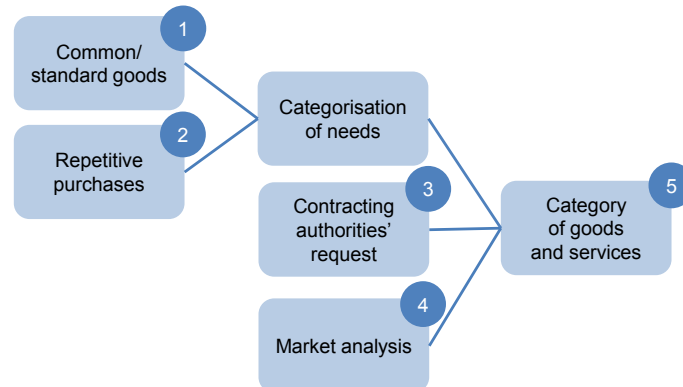


### Methodology

The following steps must be taken when defining the categories of goods and services subject to a framework agreement (FA) (see Figure 7):

- Retrieve historical information on:
  - common/standard goods ①
  - repetitive purchases ②
- Categorise the historical needs, based on that information
- Collect requests from all CAs ③
- Conduct a market analysis ④
- Combine and compile the results from the categorisation of historical needs, the collection of the CAs' requests and the market analysis, to end up with the proposed categories of goods and services ⑤

Figure 7. Definition of categories of goods and services for framework agreements



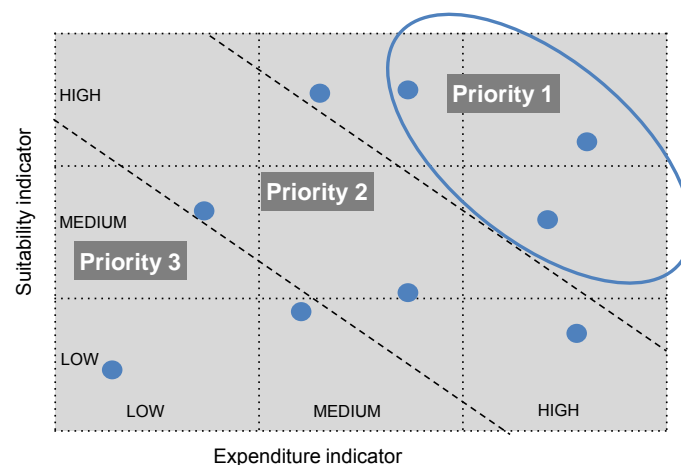
The most common category selection criteria include:

- The value of the expenditure: the higher the value of the goods or services purchased, the higher the potential savings can be.
- The impact on CAs: the higher the effect on the CAs is, the lower the chances to aggregate the volume will be, i.e. when a product is specific for an organisation it will usually have a high degree of customisation and thus cannot be standardised. It would be difficult or impossible to respond to special, non-standard needs of an organisation with a generic product that covers common needs.
- Easily standardised goods: the easier it is to standardise the goods, the higher the chances to aggregate the volumes will be.
- The competitiveness of the supply market: the more competitive the market is, the more successful the aggregated tender will be.

The analysis of the potential categories of goods and services against the above criteria results in a priorities chart for suitable categories (see Figure 8) for an aggregated tender, where:

- expenditure indicator results from criterion (a) above
- suitability indicator results from criteria (b), (c) and (d) above.

Figure 8. Priorities chart for suitable framework agreement categories



## Common practices and examples from EU countries

Table 2 presents a consolidated list of common products and services categories suitable for framework agreements from several EU countries.

Table 2. **Common products and services categories for framework agreements, EU countries**

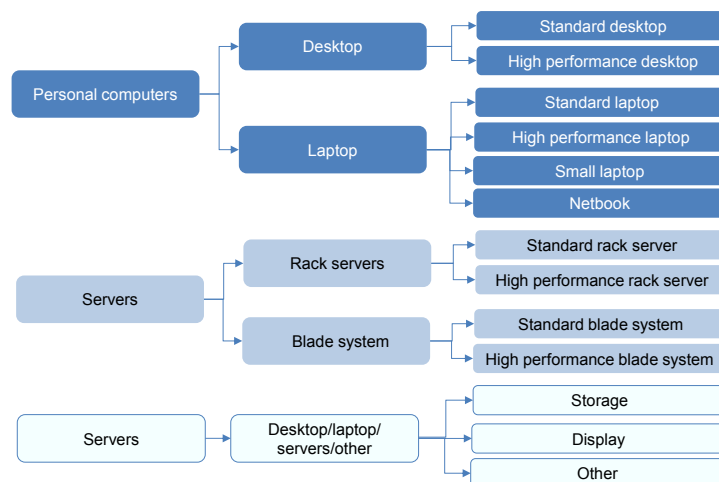
– PC desktop/laptop	– Telecommunications products and services (networks, mobile and landline phones and services)
– Copiers and printers	– E-procurement tools
– Hardware and IT equipment	– Meals
– Software licensing	– Printing and copying
– Office furniture	– Travel and accommodation
– Fuel (for heating and transport) and electricity	– Cleaning services and products
– Vehicles and motorcycles and their insurance	– Transport services
– Paper and office supplies	– Security and surveillance services

Office supplies are one of the most common categories of framework agreements and cover numerous items that are common across many CAs. A further split into sub-categories can include:

- supplies for office equipment: ink and toner cartridges, ribbons for printers and calculators, data and storage media, batteries, etc.
- paper and paper products: copy paper, paper and foil for special purposes, “infinite” printing papers, notebooks, self-adhesive labels, printed forms, etc.
- shelving and archiving of documents: archival folders, file folders, envelopes, rubber bands, etc.
- writing and drawing supplies: pens, markers, rulers, erasers, etc.
- desk accessories: Post-it notes, tape, racks, hole punchers, staples, paper clips, etc.
- presentation equipment: spiral binding, thermal binding covers, writing boards, and white boards and supplies, etc.

IT products/equipment are another common category for framework agreements. A further split into sub-categories is provided in Figure 9.

Figure 9. **IT products sub-categories**

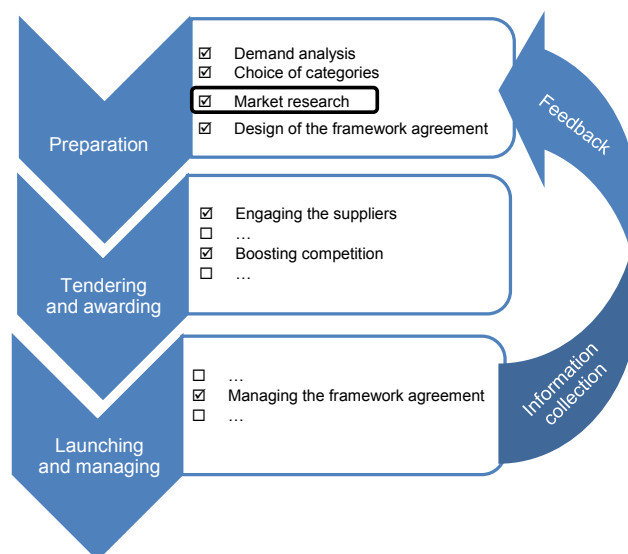






## Chapter 5

### Market research



Market research provides the opportunity for fair and transparent access to the market. It is a means to adjust the tender specifications so as to maximise competition.

It is also a way to understand and manage the supply market efficiently (see Box 1) by:

- knowing the specific good and/or service segment of the market
- knowing the suppliers, their size and market presence
- establishing dialogue with the suppliers at an early stage of the procurement process, transparently and in accordance with the applicable rules
- designing appropriate procurement strategies for the framework agreements (FAs) and call-off systems.

The team that conducts the market research can be the same team that runs the demand analysis activities, i.e. the project group within the CPB, consisting of CPB staff and of technical and procurement experts from among the (large) customers.

Demand analysis and market research are complementary activities that provide input and feedback to each other, so they should be run mostly in parallel.

### Box 1. Supply market analysis

Supply market analysis provides a strategic understanding of:

- how a market works
- the direction in which a market is heading
- the competitiveness of a market
- the capability, capacity and performance of a market
- the key suppliers and market share information
- how suppliers or markets can be developed to better meet customer requirements
- how the pricing of the market works, cost structures and recent price trends
- the risks, which would allow taking actions to mitigate them
- the probability of market failure.

The outputs of market analysis as regards tender procedures include:

- planning and budgeting the procurement activity
- designing tender documents which match needs with the suppliers' available solutions, including the right specifications as well as evaluation and award criteria
- choosing the right procurement procedure and strategy (both in terms of how the market currently operates and how it may operate in the future in relation to new entrants or innovative technology)
- structuring public tenders so as to obtain healthy competitive bids
- procuring without negatively affecting the supply base, and in particular providing opportunities for SMEs.

Key outcomes are:

- improving value for money
- identifying and managing supply-related risks
- increasing fair and equitable opportunities for suppliers

The benefits of supply market analysis increase in proportion to the degree of business risk and/or expenditure for the goods or services.

Market research serves to learn about the suppliers' classification of the goods/services, their cost structure (e.g. percentage of labour/materials in the price), what makes it a mass or premium goods/service, etc. It also serves to inform about the suppliers' current contracts and their performance.

Two sets of market research-related activities are presented below along with important points to remember when carrying out such activities. The first set focuses more on new FAs and the second on renewals of existing FAs.

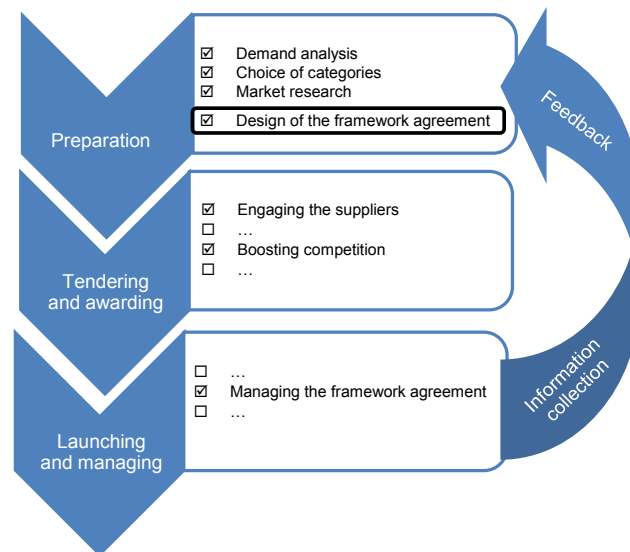
- **Market research for new FAs:**
  - know companies on the market

- obtain information on administrative and technical specifications, i.e. on the characteristics of the products/services under procurement, which will be included in the tender specifications
- create a financial estimate of the contract
- define labels/norms (like eco labels, ISOs or sustainability requirements) to be included in the tender specifications
- choose the tender procedure, taking into consideration that open tender is the standard procedure
- divide into lots
- give special attention to:
  - ❖ the presence of SMEs on the market, including compliance with European guidelines, delivery conditions, financial and other qualification criteria
  - ❖ not favouring any one company in particular.
- Questions to be answered:
  - ❖ What is the structure of the supplier market related to the subject of the procurement? Are there many small companies operating on this market segment or is it dominated by bigger companies?
  - ❖ Who are the important suppliers in the market?
  - ❖ Are the goods/services uniform, are the pricing models established and do the terms and conditions differ from one supplier to the next?
- **Market research for renewal (replacement) of an existing FA:**
  - verify if there is a need to replace the current FA instead of continuing it through any extension periods; consult with CAs
  - carry out a performance review of the current FA including coverage and real use of the FA, prices, savings, complaints, suppliers, eventual market changes or new entrants
  - receive feedback, ask for innovation ideas, record lessons learnt, from both CAs and the private sector
  - estimate the number of CAs and turnover
  - decide:
    - ❖ new goods/services eligible to be included in the basic list and their specifications
    - ❖ requests from CAs
    - ❖ the number of lots to be provided for in the tender specifications in order to maximise competition, being careful to allow opportunities for SMEs
    - ❖ the number of companies capable of submitting an offer
    - ❖ a financial estimate of the contract based also on experiences of the current contract

- ❖ eco labels/norms like ISOs and sustainability requirements to be included in the tender specifications
- ❖ choice of the tender procedure, taking into account that an open procedure is the general rule.

## Chapter 6

### Designing a framework agreement



### Methodology

The design of the framework agreement (FA) should be based on the information collected during the demand analysis and market research steps.

A set of basic items needs to be defined during the design of the FA:

- determine the subject matter (e.g. toner and ink, other office supplies)
- agree on the main principles
- determine the expected amount of supply, the forecasted expenditure and estimated savings
- determine the quality (minimum technical specifications)
- define delivery to the required points, relevant terms and timing
- choose a public procurement procedure
- divide into lots
- define the qualification and awarding criteria
- define the contract terms, conditions for call-offs, supply rules, update of the FA and monitoring procedures.

It is recommended to create a template to be used for all FAs as an official FA summary form, which includes the most important information concerning the FA. It should be completed by the end of the design of the FA. It will provide a consistent presentation of the important points of the FA, in a short and easily readable format.

An example of such a template is provided in Annex C (Summary Form Template).

A feasibility study for each FA helps to evaluate the decision to proceed or not with the specific FA. The feasibility study should be based on a predefined template that will ensure the completeness and objectivity of the study.

A proper feasibility study would:

- ensure that all of the required information has been collected and evaluated
- ensure that the decision to proceed or not is based on objective criteria
- serve as a record of all of the assumptions under which the FA has been decided and, hence, which have to be respected in order for the FA to yield the expected results.

A proposed feasibility study template is provided in Annex D (Feasibility Study Template).

A simple, Excel-based planning tool which helps to evaluate the attractiveness of a specific potential FA is presented in “Annex E (Planning Tool for Framework Agreements)”. This consists of scoring the potential FA in two dimensions: the complexity of the subject matter of the procurement vs. the manageability of the supplier market.

## Common practices

The following list, based on common practice, provides general advice to consider when preparing a tender, includes:

- Involve officials from the CAs in the preparation of tender documentation. It is important to generate ownership of the entire process.
- Consider the involvement of external experts and consultants if required to complement in-house knowledge.
- Involve other institutions (audit and regulatory agencies, etc.) and academic institutions where relevant.
- Plan regular training.
- Ensure strong IT infrastructure is in place.
- A degree of standardisation will help optimise the effect of the FAs.
- Simple design pays off: “core” FAs for goods or services with few dimensions of differentiation are easier as a first step.

Useful lessons learnt from EU countries’ CPBs’ experience include:

- The preparation stage – including demand analysis, market research and FA design – might take longer than expected, as it depends on the quality of the input data, the rate of changes in the market, the experience of the FA team, etc.

- Several similar products can be replaced by fewer (or just one) product(s) responding to same needs and purchases can be consolidated and standardised. A parallel process is to check outliers, exceptional purchases, and find out why they exist, i.e. whether they correspond to real needs, habit, ignorance of alternatives or negligence. Goods and services the use of which cannot be justified should be eliminated, and exceptional (non-standardised) products bought only when indispensable.
- Good and continuous communication with customers and suppliers is necessary.
- Public consultation (discussed in Chapter 6) is a useful tool as it allows a two-way transparent communication. It informs the FA design.
- The FA should be simple to use. Guidelines, like those prepared by the Single Public Purchasing Authority (SSPA, or in Greek ΕΑΑΔΗΣΥ), are very helpful in this respect.

Issues and difficulties based on the EU experience can be answered in the following ways:

- the diversity of public administration needs can be fulfilled by creating different lots
- market diversity and modularity can be promoted by lots divided by product category with various options
- products with frequent changes, which are typical of hi-tech purchases, can be bought including an update procedure for the duration of the FA.

Tender documentation should include:

- definitions and the duration of the FA
- obligations of the parties
- award criteria
- duration of contracts under the FA
- conditions and payment terms
- service levels, minimum technical and functional requirements
- reporting and monitoring
- penalties
- object of the tender
- type of procedure
- contracting authority
- registration in the e-platform
- e-signature requirements
- clarifications and rectifications procedure
- errors and omissions procedure



- qualification documents
- tender documents (administrative and technical specifications and annexes)
- possibility for consortiums and sub-contracting
- price proposal template
- variants of the proposal, if accepted
- minimum validity period of the proposal
- deadline to present proposals
- list of competitors and consultation of proposals
- award criteria
- electronic auction process (if applicable)
- costs of the proposal.

The duration of the FA is decided at the FA design stage. Under Article 33 of Directive 2014/24/EU on public procurement, the term of an FA “shall not exceed four years save in exceptional cases duly justified, in particular by the subject of the framework agreement”. Point 62 of the preamble of the Directive further explains that such exceptional cases “might, for instance, arise where economic operators need to dispose of equipment the amortisation period of which is longer than four years and which must be available at any time over the entire duration of the framework agreement”. A shorter period, with the possibility of extensions (e.g. 2 + 1 + 1 years), is usual practice in many EU member countries.

The SPPA’s guidelines<sup>4</sup> give the following recommendations concerning the duration of the FAs:

- Choose a four-year maximum duration. Any duration longer than this can only be exceptional and duly justified in the tender documents, in accordance with EU rules. The SPPA recommends using particular care when providing for a duration longer than four years.
- Shorter periods may be preferred depending on the type of goods, e.g. for hi-tech products with a short lifecycle the FA may be for only two years.
- Balance scale benefits of long duration with risks of limiting the competition or closing the market.
- Call-offs must be awarded before the end of the FA and may only extend beyond its duration in accordance with EU rules.<sup>5</sup> Call-offs may not be used to circumvent the FA’s maximum duration.

Achieving the right balance of award criteria between the two phases (FA vs. call-off awards) is decided at the FA design stage and depends on the needs of the CAs and the solutions available from the suppliers. This balance, detailed below, is one of the crucial components of the FA design so as to ensure both flexibility and competition.

The first stage of the process is the FA award:

- Degree of completeness of the FA contract

- Establish during the first stage all of the dimensions/clauses which are likely to be common for all call-offs.
- If CAs wish to buy the same good but require different delivery conditions and service levels, then:
  - ❖ let suppliers compete on price in the first stage (but require minimal quality standards)
  - ❖ let suppliers compete on delivery conditions to award call-offs in the second phase.

If the degree of heterogeneity of needs at the call-off stage is high, then in the first phase the number of clauses and terms fixed must be decreased, the number of suppliers admitted must be increased, and/or a relative higher weight must be given to the economic dimensions at call-off stage (if most economically advantageous tender criterion is used).

- In terms of the number of suppliers:
  - ❖ The lower the number suppliers selected to enter the agreement the higher the competition for entering the agreement and the lower the flexibility (if firms are specialised).
  - ❖ The number of economic operators (EOs) should increase with the expected number of call-offs and the degree of heterogeneity of the specific competition for the FA.

The second stage of the process is the call-off award criteria (to be considered and included in the design of the FA):

- The CPB can introduce the “inherited technical score” i.e. the technical score inherited by economic operators from the first phase.
  - When the level of the heterogeneity of the purchasing CAs’ needs is high, the inherited technical score is lower.

## Examples from EU countries

This section presents two real-life examples of FAs.

### ***Case 1: Design of a framework agreement for “office supplies” (Croatia)***

This framework agreement was for the following three lots:

- Copy paper – FSC (Forest Stewardship Council) certificate and statement of the producer/graphic faculty as a proof of technical specification
- office supplies – paper-based: filing folders, material for archiving and envelopes
- office supplies – stationery (pencils, etc.)

Office equipment (binding machines, projector screens, etc.) made up a separate procedure.

The quantities and place/time of delivery were defined as follows:

- places of delivery were listed in the tender document (TD)

- estimation of quantity per county was given in percentage, for example:
  - Grad Zagreb 49%
  - Splitska county 7%
  - Primorska county 6%, etc.
- delivery delay: maximum 72 hours after receiving an order
- technical description in terms of required characteristics: dimensions, weight, unit of measure, packaging, colour, etc.
- description of material defect – replacement according to the Consumer Protection Law and Law on Obligatory Relations
- written complaints directly to the supplier:
  - replacement of an item
  - more than five complaints the customer may activate the tender guarantee
- requirement for a simple catalogue (example of it in the tender document)
- required samples of offered items:
  - are all items needed or only part of them
  - a description of how it will be analysed, and compared during the realisation of the FA
- signature of the FA and contract (define and clarify):
  - the draft FA should be part of the tender document – it will shorten the signature process
  - define who is signing the FA and who is signing the contract
  - Croatian experience:
    - ❖ the FA is signed by the head of the central purchasing authority; the contracts are signed by each individual CA
    - ❖ possible to make order by fax or email, without signing the contract (needed for small CAs)
    - ❖ contract is needed if the CA wants to ask for the guarantee.

### ***Case 2: Design of a framework agreement for IT software (Portugal)***

A detailed division into lots, including the description of items included in each lot, is provided in Annex G (Example of Lots Creation – FA for IT Software), as it is a well-structured and most likely a reusable asset.

- Proposals per lot: the five best proposals for identical products (identical commercial designation) that match the characteristics, requirements and functionalities of each lot. For price calculation purposes the proposals are ranked according to:
  - Desktop software lots: license price per user (80%); after sales service annual price (15%); installation price (5%)

- Server software (per user license) (50% of total server SW score): license price per user (60%); average of price per physical/virtual machine, CPU, core (10%); after sales service annual price (15%); installation price (15%)
- Server software (NOT per user license) (50% of total server SW score): average of price per physical/virtual machine, CPU, core (70%); after sales service annual price (15%); installation price (15%)
- To calculate the value of the tender offers to draw up the FA, the following elements are necessary in the price proposal:
  - price for the state of acquiring a licence
  - annual price of after-sale support, by licensing unit:
    - ❖ assistance: support services (Internet, e-mail or phone) – working hours;
    - ❖ assistance: support services (Internet, e-mail or phone) – 24 hours a day 7 days a week
    - ❖ product continuity price (including the right to have corrective updates and same version updates, during the execution of the contract)
    - ❖ additional services – support in training, optimisation, integrations: price per hour
    - ❖ annual after-sale support price is limited to a maximum of 20% of the license value, if existing – it is not permitted to present the price as a percentage of licensing
  - migration price, with average hourly rate of services
  - installation price, per licensing unit (with a limit of 10% of license value) – it is not permitted to present the price as a percentage of licensing
  - price for version upgrades (when the entity already owns the license)
  - in the calculation of the proposal price if no value is presented for a certain attribute, that attribute is considered with a value of zero, unless the bidder specifically mentions that it is not presenting proposal for that specific attribute.
- Award criteria:
  - First step: Supplier qualification – technical and financial selection criteria:
    - ❖ experience (at least five customers of EUR 50 000 each)
    - ❖ earnings before interest, tax and depreciation of assets (EBITDA)
    - ❖ number of workers
    - ❖ years in the market
    - ❖ NP EN ISO 9001:2008 and NP EN ISO 14001:2004
  - Second step: FA award criteria – Economically most advantageous offer based on:
    - ❖ price
    - ❖ energy efficiency
    - ❖ manufacturer environmental certification

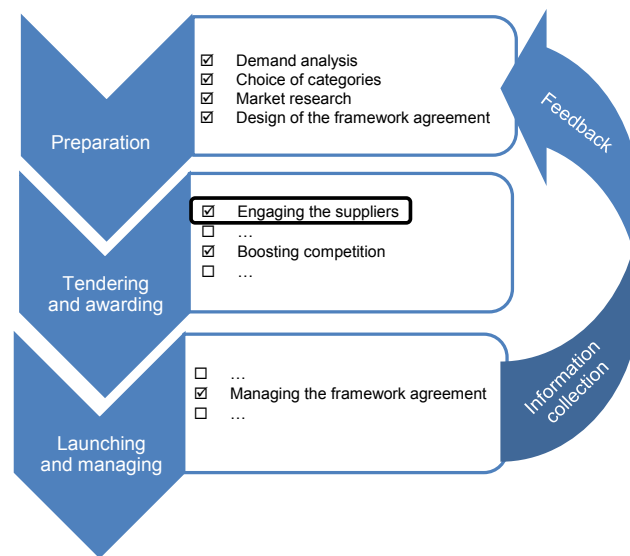
- ❖ in addition, all of the products and equipment must fulfil technical/environmental requirements as well as required service-level agreements.
- Third step: Call-offs award criteria: the lowest price or the economically most advantageous offer based on:
  - ❖ price
  - ❖ environmental/energy efficiency, and/or
  - ❖ time to delivery, and/or
  - ❖ technical and functional adequacy, and/or
  - ❖ warranty period.

## Notes

4. [www.eaadhsy.gr/images/docs/20141103\\_4591-Kateythynthria-Odhgia-6.pdf](http://www.eaadhsy.gr/images/docs/20141103_4591-Kateythynthria-Odhgia-6.pdf).
5. Point 62 of the preamble of Directive 2014/24/EU on public procurement explains that “while contracts based on a framework agreement are to be awarded before the end of the term of the framework agreement itself, the duration of the individual contracts based on a framework agreement does not need to coincide with the duration of that framework agreement, but might, as appropriate, be shorter or longer. In particular, it should be allowed to set the length of individual contracts based on a framework agreement taking account of factors such as the time needed for their performance, where maintenance of equipment with an expected useful life of more than four years is included or where extensive training of staff to perform the contract is needed”.

## Chapter 7

### Engaging the suppliers



### Partnering with the private sector

#### *Where and how to engage the private sector*

The private sector can and should be engaged in various components of the framework agreement (FA) preparation stage in a two-way, transparent manner. The central purchasing body (CPB) provides information to the suppliers on business opportunities and receives feedback. The most effective engagement takes place during the preparation of the FA, as per steps shown in Table 3.

Table 3. Engaging with suppliers in preparing a framework agreement

Stage	Step	Activities	Tasks
Preparation	Demand analysis	Conceptualisation of the framework agreement (FA)	– Identification of annual expense – Evaluation of the public administration's needs
	Market research	Conceptualisation of the FA	– Review of the market solutions (with or without experts)
	Design of the framework agreement	Consultation with contracting authorities	– Review with all CAs' concept models and technical solutions – Decide on the terms of the framework agreement
		Technical validation by experts	– Review and validation of goods and services specifications
	Public consultation	– Suppliers, associations, public administration and citizens	

Public consultation with, in addition to suppliers, all of the different stakeholders (media, civil society, the public) in the process helps to increase transparency and citizen trust. A public consultation document can be used to gather feedback and can include:

- the objectives of the FA
- the type of procedure, duration, lots and set-up of the FA
- the award criteria
- the minimum technical and functional requirements (base + optional)
- the conditions to participate in the tender
- product update and changes in the offer during the FA.

Once the general purchasing concept has been developed it is often good to test both the idea and the capacity of the supply market. One method which ensures transparency and equal treatment is publishing a prior information notice on the e-procurement platform. The prior information notice provides a general description of the subject matter of the planned FA. The CPB asks all of the interested suppliers to submit their contact details and organises a technical consultation with them to discuss all of the matters related to the tendering procedure. During this technical consultation, the suppliers can be informed about how the FA has been planned, what products and services it plans to include, the proposed lots and be asked to answer some questions. Depending on the number of interested suppliers the CPB could organise meetings with each supplier separately. If the number of interested suppliers is large, a “public hearing” on the draft tender documentation could be organised asking for comments and views through a dedicated webpage.

Consultations with suppliers should be undertaken with care so as not to distort competition or create an impression of wrongdoing. Transparency and creating an audit trail are important in this respect. It is thus useful to record and file the results of the supplier consultation process, which can also be of use in the future when procuring similar goods, services or works from similar markets.

It is not forbidden to discuss and exchange ideas with the suppliers, if this is done in a fair, transparent and open manner, structured indicatively as per Box 2. An awareness-raising campaign could be considered, explaining that communicating with industry can take place as long as the process is transparent. The campaign could include a newsletter and general information aimed at a “cultural change” for increasing and improving communication between the government and industry.

## **The new EU Directives**

According to Directive 2014/24/EU on public procurement, preliminary consultations and partnerships for innovation provide opportunities to consult with suppliers.

### ***Preliminary consultations***

Informal consultation with future interested parties is accepted for procedure preparation and information purposes (calendar for contracting and requirements). Special attention is needed to protect competition and to respect the principles of non-discrimination and transparency. The CA is obliged to reveal to all of the potential interested parties the communications exchanged in this process. There is no absolute

protection to the entities consulted in the process; they can be excluded from the future tender if that is the only way of safeguarding equal access and competition.

### Box 2. Structuring supplier consultations

Questions that can be raised at supplier meetings include:

- Are you interested in this opportunity? If not, why not?
- Is the business model realistic?
- Are the business aims realistic? Is the business attractive?
- What in your opinion are the possible risks?
- Can you give an early indication of cost, what are the major cost drivers and how can these be minimised?
- Can you give a broad indication of the likely timescales for setting up and implementation?
- Are there other, better approaches?
- What added value could you provide?
- Are there examples of good or bad practice in terms of how other organisations have tried to procure these goods or services and what can we do to ensure clarity and improve the outcome?

It is useful to meet different types of suppliers to inform the strategic options, i.e. the views of a small or medium-sized enterprise (SME) compared to that of a large supplier may differ.

The procurement officer should be present at meetings with suppliers. For integrity purposes, it would be useful for more than one public official to be present in meetings with suppliers. From the supplier side, someone who understands the requirements and can offer innovative solutions and constructive advice should be present. The right attitudes must be adopted: respecting confidentiality, maintaining flexibility and openness.

The objective is to identify the desired procurement outcomes and risks and allow suppliers to provide feedback on how these outcomes might be achieved, the risks and issues as they see them, along with feedback on the timescale, feasibility and affordability.

The outputs of the supplier meetings will help shape the requirements based on what the market is able to provide. The market can also be encouraged to develop in such a way that it can meet the requirements in the future.

### *Partnerships for innovation/variants*

The idea of the public and private sectors collaborating to conceptualise and develop an innovative product that will respond to the specific requirements of the public sector not addressed by existing products and services, is promoted by Directive 2014/24/EU.

The Directive defines innovation as the implementation of a new or significantly improved good, service or process, including but not limited to production, building or construction processes, a new marketing method, or a new organisational method in business practices, workplace organisation or external relations. In short, innovation is the process of generating new ideas and translating them into innovative output.



To promote the use of public procurement to support innovation, the Directive establishes a new procedure, called the “Innovation Partnership”. This allows a public authority to enter into a structured partnership with a supplier with the objective of developing an innovative product, service or works that is not currently available on the market and thereafter purchasing the outcome.

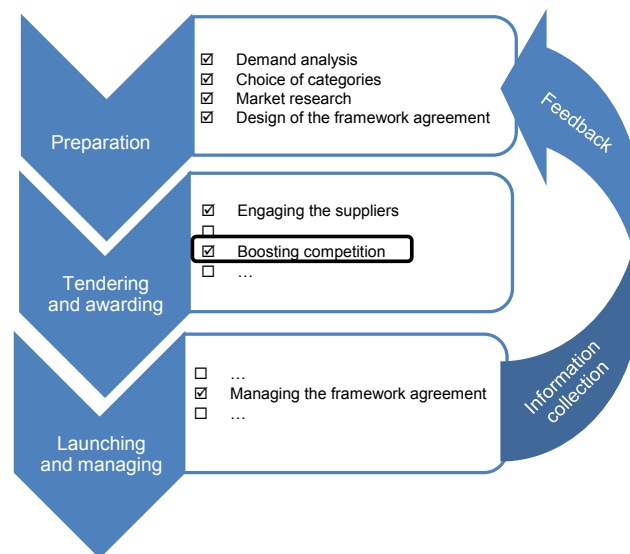
The aim of this scheme is to enable public and private organisations to work in partnership towards a shared goal without foreclosing the market and to reward successful solutions by allowing public authorities to buy them. Innovation partnerships should be structured to provide the necessary “market pull” and incentivise the development of an innovative solution.

The Directive also recommends that innovation should be promoted by technical specifications that express, as far as possible, functional and performance-related requirements. The requirements should be sufficiently precisely specified to allow bidding suppliers to determine the subject matter of the contract and to allow contracting authorities to compare bids and award the contract.

Lastly, to promote suppliers’ creativity and make procurement more flexible, the Directive states that public authorities should, as often as possible, encourage variant bids. To that end, they should specify that they welcome variants, but must first spell out in their procurement documents the minimum requirements that the suppliers’ bids must meet. The criteria on which contracts are awarded should be applicable to fully compliant bids and to variants which meet the minimum requirements.

## Chapter 8

### Boosting competition



#### During the implementation of the framework agreement

Recommendations for boosting the competition during the implementation of a framework agreement (FA) include:

- Conduct a thorough market survey to:
  - ensure that tender specifications allow suppliers to bid and do not exclude some suppliers
  - plan the lots
  - focus the FA on the right products.
- Publication of prior information notice:
  - for suppliers to express their interest
  - at the latest, x months beforehand.
- Information sessions for suppliers:
  - on tender documents, for specific tenders
  - to notify the market about forthcoming agreements.
- Defining tender specifications appropriately, to attract more suppliers:

- give a clear description of goods or services
- allow sub-contracting
- allow grouping, i.e. the participation of consortiums with joint offers, which can, among others, facilitate the participation of small and medium-sized enterprises (SMEs).
- Lots:
  - Create appropriate lots, regionally and by size. Small lots allow SMEs to participate.
  - Limit the number of lots awarded to the same supplier, to allow the inclusion of more suppliers.
- Adaptation to market reality:
  - Define selection criteria in proportion to the scope and financial estimate of the contract.
  - Adapt the requirements to the market solutions. Suppliers can bring references of already delivered supplies when they do not have an ISO, to document their past experience.
  - Use a clear price adjustment mechanism.
  - Selection criteria: give a clear description and fair determination of award criterion.
  - Allow sufficient time to draft and introduce the offers.
  - Consider carefully the request for submission of bank guarantees from bidders during the submission of proposals. Access to bank guarantees has dropped significantly in recent years for all types of companies, especially for SMEs. This creates additional burdens for SMEs in tendering. A good alternative would be to request bank guarantees only from the winning bidder, when and if necessary for the proper execution of the contract. Some EU member countries like Portugal and the United Kingdom already adopt this approach in the majority of their FAs.

### **At the call-off stage**

Recommendations for boosting competition at the call-off stage include:

- contractors should be under an obligation to respond to all calls for tender
- the requirements and award criteria defined in the FA must be followed
- reference prices must be included in the call-off phase in order to accompany market evolution if it is not properly reflected in the FA.

### **Bid rigging**

Bid rigging (or collusive tendering) occurs when “businesses, that would otherwise be expected to compete, secretly conspire to raise prices or lower the quality of goods or services for purchasers who wish to acquire products or services through a bidding process”.<sup>6</sup> Bid rigging includes any agreement (written or oral) between bidders that

limits or reduces competition in a tender. The agreement may be between a bidder and a potential bidder that does not actually submit a bid. Bid rigging is an illegal practice in all OECD member countries that can be investigated and sanctioned under competition rules. In a number of OECD countries, bid rigging is also a criminal offence. It can raise procurement prices by 20% or more and thus can cause great waste of public funds.

Common forms of bid rigging include:

- Cover (virtual) bidding: a competitor agrees to submit a bid that is higher than the bid of the designated winner or agrees to submit a bid that contains terms that are known to be unacceptable to the buyer. It is the most common form of bid rigging as it gives the appearance of genuine competition. It may be used independently or in combination with any other form of bid rigging.
- Bid suppression: one or more companies agree to refrain from bidding or to withdraw a previously submitted bid.
- Bid rotation: conspiring firms continue to bid, but they agree to take turns being the winning (i.e. lowest qualifying) bidder. They can take turns for a specific market, or by rotating different products and/or different geographical areas among them.
- Market allocation: competitors carve up the market and agree not to compete for certain customers or for certain products or in certain geographic areas.
- Bid rigging can be accompanied by practices such as sub-contracting (i.e. when a competitor agrees not to submit a bid or to submit a virtual bid in return for a sub-contracting agreement under the winning bidder) and/or joint bidding (i.e. genuinely independent competitors bidding together for the same contract opportunity, rather than in competition).

There are certain market factors which favour bid rigging:

- a small number of competitors in the market
- a few suppliers sharing a large market percentage
- few new entrants in the market
- a small number of substitute products
- homogenised or standardised products
- small technological progress across time
- a mature market with stable demand conditions
- repeated participation of the same companies.

Other factors which may favour bid rigging include:

- rotation of employees in key positions for the tender procedures among companies
- consortia
- tender specifications that:
  - limit the participation of international players

- favour sub-contracting or the participation of consortia
- increase the participation cost
- define the technical specifications in a limiting manner
- extend transparency regarding the identity of the participants and/or the submitted financial offers beyond the framework imposed by the legislation.

The *OECD Guidelines for Fighting Bid Rigging in Public Procurement* cover two major areas: improving tender design to help procurement officials design public tenders to reduce bid rigging (design checklist) and tightening up law enforcement to help procurement officials detect bid rigging when it occurs (detection checklist).

The tender design checklist mentioned above includes:

- learning about the market and suppliers
- maximising the participation of potential bidders
- defining the requirements clearly and avoiding predictability
- reducing communication among bidders
- raising awareness of the risks of bid rigging and providing training.

In this respect, some organisations have:

- changed the eligibility conditions to maximise the participation of potential bidders
- prevented local authorities from attempting to limit eligible bidders to local firms
- evaluated bidders' qualification after, rather than before, the tender
- widely publicised procurement notices in both national and provincial papers in prominent places and in large typefaces
- ended the mandatory participation of suppliers in pre-bid meetings.

The bid rigging detection checklist mentioned above includes items that procurement officials should be aware of, such as:

- opportunities that bidders have to communicate with each other
- relationships among bidders (joint bidding and sub-contracting)
- suspicious bidding patterns (e.g. ABC, ABC) and pricing patterns
- unusual behaviour.

Examples of real cases indicating potential bid rigging, identified by various organisations include:

- identical characteristics in communications from the bidders, e.g. typos, same stationery, sent from the same fax number, sent at the same time, etc.
- electronic file metadata similarities, e.g. same author, company, etc.
- identical overall prices
- identical handwriting on different bids.

In Greece, the Hellenic Competition Commission (HCC) has issued a guide for contracting authorities on detecting and preventing bid rigging in public procurement.<sup>7</sup> Bid rigging requires:

- agreement or harmonised practice between competitors or
- communication between competitors regarding their participation in the tender procedures.

Tools used by the HCC to detect bid rigging include on-site checks, questionnaires and testimonies. The HCC also keeps a database with information on tenders, offers and pricing, which it uses to identify potentially suspicious patterns. It performs a detailed analysis of facts, examining information on companies and individuals, time, behaviour, statements and reports.

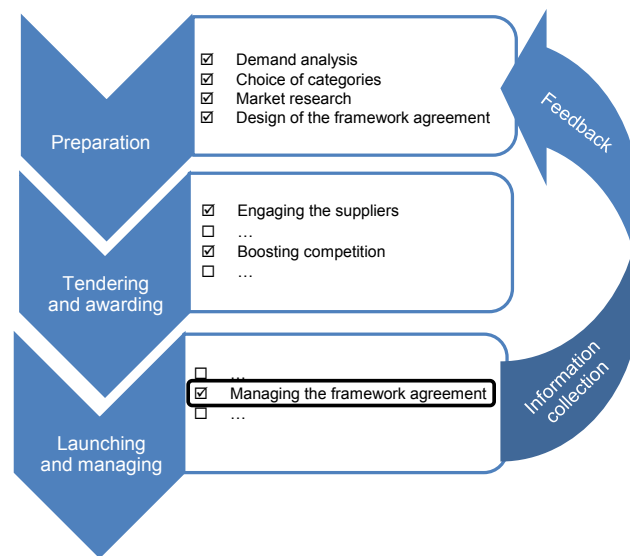
## Notes

6. *OECD Guidelines for Fighting Bid Rigging in Public Procurement*, available at <http://acts.oecd.org/Instruments/ShowInstrumentView.aspx?InstrumentID=284&InstrumentPID=299&Lang=en&Book=False> and in Greek available at [www.oecd.org/daf/competition/cartels/43332537.pdf](http://www.oecd.org/daf/competition/cartels/43332537.pdf).
7. HCC guide for contracting authorities – Detection and prevention of bid rigging in public procurement, available at: [www.epant.gr/img/x2/news/news678\\_1\\_1411562876.pdf](http://www.epant.gr/img/x2/news/news678_1_1411562876.pdf).



## Chapter 9

### Managing the framework agreement



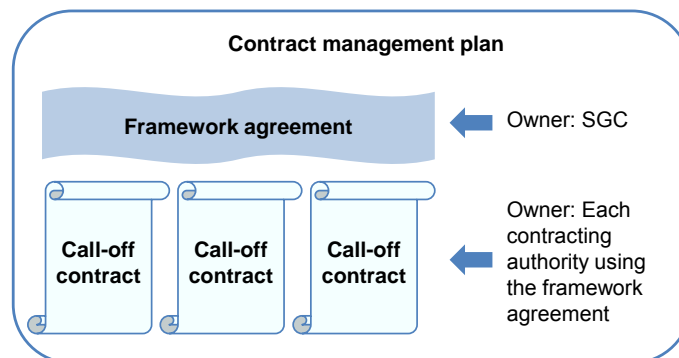
### Rolling out the framework agreement

The framework agreement (FA) management stage could be split up into the following work streams, with each work stream including the following sets of activities:

- Initiation of the framework agreement (the period from the FA's contractual start until it is smoothly operating):
  - meeting with suppliers and explaining the rules and roles of the central purchasing body (CPB), of the suppliers and of the contracting authorities (CAs) (see Figure 10).
  - organising informative events for CAs
  - organising meetings with CAs
  - providing guidance for customers and suppliers on how to use the FA
  - providing information on the CPB's website and in newsletters
  - informing all other relevant parties, like oversight authorities, on the existence of the FA and its purpose.



Figure 10. Framework agreement management plan



- Customer guidance and co-operation:
  - measuring customer satisfaction
  - supporting customers with various questions
  - information sharing and feedback from customer to suppliers
  - enhancing co-operation with customers
  - resolving problems between customers and suppliers.
- Supplier guidance and co-operation:
  - guiding and supporting suppliers in various questions
  - information sharing and feedback from suppliers
  - measuring suppliers' performance
  - enhancing co-operation with suppliers.
- Continuous development and following the market:
  - new developments in the market, their impact on existing FAs and anticipated chances in customer needs
  - running and organising a customer reference group meeting to find out how the FA fulfils the needs
  - continuously updating observations regarding the FA with the aim to improve it next time.
- Ending of the current agreement and moving to a new one:
  - definition of the transition period and terms
  - validity of contracts awarded under the current agreement
  - available options for the CA if no FA is in place.

### Efficient management and call-offs

The Directorate General for Public Procurement (DGPP), as a CPB, should move to a project management culture. The major tasks during the management of FAs are:

- Nominate a responsible person to oversee the FA.

- Foster take up of the FA and help the CAs in this respect.
- Oversee together with all customers the execution of the FA.
- Help the CAs interpret the terms and conditions of the FA.
- Upload the following documents on the CPB website:
  - the FA and guidance on how to use it
  - tender documents
  - product/service and price information (to be updated when something changes)
  - if there are call-offs, the CPB may prepare templates for conducting the call-offs, to facilitate the CAs' work.
- Periodic meetings with customers and suppliers, for example every three months. Feedback from customers should be relayed to suppliers.

Customers' major tasks during the FA management period are:

- define deliverables, timetables, pricing and payment terms
- nominate a responsible civil servant
- contact the CPB if the supplier does not follow the FA.

Updating an FA should follow the requirements of the tender specifications. Typical updates refer to a product update/upgrade or to a price update. Updates can occur at the request of the CPB or of the supplier, when newer models exist, products are discontinued or prices have decreased.

Updates usually maintain or decrease the price offer and maintain or improve the technical specifications. The frequency of updates varies depending on the reason for updating it and can be, usually, once or twice per year.

In the call-off phase:

- Award criteria can be either lowest price, or most economically advantageous tender (MEAT), in which case, the criteria can be:
  - product adequacy to the requirements set by the CA, with a minimum weight of 50%
  - price, considering product/service price, after-sale services (if applicable) and initial installation price (if applicable).

The CAs place orders directly with the supplier, after awarding the contract, and are responsible for receipt and formal acceptance of goods and payment.

The CPB can request statistics and monitor whether prices are correctly applied and can intervene in case of a breach of the contract's conditions.



## Chapter 10

### Case studies

#### Purchase of desktop computers by the Belgian central purchasing body

##### *Scope of contract*

The object of the contract was the renewal of an existing contract comprising desktop computers and accessories for the Belgian federal organisations.

Table 4. Statistics regarding previous and current contract

	Price of “basic” PC (in EUR) (no CD, no OS, no keyboard, no mouse)	Year	Turnover (EUR)	Quantities
FORCMS-PC-047	245.00	2009	1 640 522.22*	2 964
		2010	5 940 836.17*	8 491
	235.80	2011	9 192 987.63*	12 654
FORCMS-PC-063	252.56	2012	4 981 747.88*	7 935
	255.24	2013	6 949 121.82*	9 638
FORCMS-PC-073	210.00	2013	37 957.20	63
		2014	1 478 735.76	2 565

Note: \* Including “external” accessories.

The contract was concluded in October 2013 for a duration of three years (with the possibility to prolong it up to six months).

##### *Market survey*

The market survey consisted of the following elements:

- The Belgian central purchasing body (*Centrale de Marchés pour Services fédéraux*, CMS) contacted the customers of the previous contract as well as the companies that had either tendered previously or left their data following the prior call for tender.
- Customer information took place via the electronic catalogue of CMS.
- CMS esteemed that it could obtain better prices and reduce the complexity of the contract by focusing on one product. Some accessories could be included, but only “internal” ones (processors, mother boards, ...)
- Customers that had bought before the same product were contacted to identify the prices and the conditions (tender specifications were requested). This benchmarking took place together with the ICT service of CMS.

The market survey showed multiple delivery addresses, price and selection revisions. Some federal organisations had obtained better prices than CMS in the past, but it appeared that this was due to the specificity of their contract: “one shot” deliveries or different conditions, among others.

A prior information notice was published at the beginning of 2013.

### ***Tender specifications***

The estimation of volumes based on the statistics provided by the suppliers was mentioned in the tender specifications. CMS also stipulated expressly that an increase or decrease of this number would not trigger compensation.

CMS chose to have only one lot since the scope of the contract only concerned desktop PCs. A detailed description of the minimum standards of the PCs was given in the offer form. It was stipulated that all products had to be new and unused, correspond to the European norms concerning safety and conform to environmentally friendly criteria.

The FA is open termed, with only one supplier.

No variant bids were allowed. Bidders offered a “shopping list” containing all of the articles that the bidder deemed necessary to guarantee the good functioning and optimal use of the proposed PCs in an IT environment.

All bidders were obliged to propose a three-year guarantee, as well as an extension for years 4 and 5.

Because of the specificity and complexity of the contract, an information session was organised in which a presentation was given and questions asked.

The electronic introduction of offers was allowed. No use was made of e-auctions.

Selection criteria:

- List of references: the tenderer had to provide at least three references for at least 10 000 PCs over the last three years (2010, 2011, 2012), with mention of the quantities, the dates of execution and the addressee. References of sub-contractors were allowed to be taken into account.
- The tenderer had to submit a certification/acknowledgment of delivery/repair services by the manufacturer.
- The tenderer had to submit a certificate that the manufacturer can reserve a productive capacity of at least 150 PCs per working day, irrespective of the PC configuration.

For all of the proposed products, the tenderer had to submit the commercial and technical documentation, the conformity certificate and proof that the product complies with the EnergyStar label (TEC energy level). Each bidder had to provide a sample PC, including a keyboard, mouse and flat screen.

Following a Belgian circular regarding the prohibition to mention technical specifications limiting or excluding normal competition in tender documents, use was made of five benchmarking tests to evaluate the bids. By taking into account five benchmarking tests instead of just one (due to the PC parameters), CMS wanted to ensure that no manufacturer was given preferential treatment.

Bids were evaluated based on the following breakdown:

1. Price: 55%
2. Quality of product: 40%
3. Variety of the bid: 3%
4. Included services in bid: 2%

A global guarantee of EUR 100 000 was required, since the quantities could not be determined. The guarantee was returned gradually.

During the course of the contract, the products could be adapted taking into consideration innovation in the market, either at the request of the supplier or the contracting authority. Items could be discontinued, replaced or added. These modifications could not give way to an increase in prices.

Price revisions were stipulated, but were only possible at least six months into the contract and no sooner than six months after the approval of a price revision (prices fixed for at least six months). CMS reserved the right to apply a price revision “in less” in the event that the supplier could benefit from new, more advantageous conditions.

### ***Awarding the contract***

Three bids were received: two via e-tendering and one on paper. All bids were found to be compliant on both the administrative and technical levels. CMS then co-operated with the ICT service to execute the five benchmarking tests. The offers were doubly evaluated: with and without taking the shopping list into account. The same tenderer obtained the best overall score on both evaluations.

### ***Execution of the contract***

CMS intervenes in the event of a serious problem between the customers and the supplier, if the problems pertain to the original tender specifications (for instance default of deliveries, pricing issues). Price revisions and selection modifications are closely monitored by the project leader.

All prices are published on the CMS electronic catalogue (to be published on e-catalogue in a later phase) and updated with each price/selection revision. Public buyers can consult the prices and specifications at all times. In order to place orders, they have to complete an order form and ask for approval within the organisation. They then send the form directly to the supplier. CMS does not intervene in this process.

## **The comprehensive insurance policy of the Belgian central purchasing body**

### ***Scope of the contract***

The object of the contract is comprehensive insurance for the use of private vehicles by Belgian federal officials during official trips in Belgium and abroad, at the request of the Minister of Public Affairs, who asked CMS to set up the FA.

After discussion, it was decided that it should be a comprehensive car insurance policy covering the risks during official trips for all organisations joining in as “customers” of CMS.

A first contract was concluded in 2010 and its renewal is currently being treated by CMS.

### ***Market survey***

Very little information was available regarding the previous contract, except:

- only one insurer submitted a bid
- the amounts had greatly increased over the three-year period.

Belgian insurers were contacted on an informal basis. No tender specifications were communicated in order to avoid foreknowledge. The reasons for the low level of participation in the past were investigated and it appeared that this was due to three main factors influencing the premium:

- age of the driver
- no-claims bonus system
- value of the vehicle.

It was impossible to accurately define these numbers in the tender specifications since there are in theory about 80 000 federal officials that can use the contract. Therefore, the decision was made to provide for a price per 100 kilometres without taking into account the identification of the official, their age or the type of car.

The market survey also showed that most insurers contract these types of insurance out to brokers recognised by the FSMA (former Belgian Bank Commission).

In terms of the technical specifications, most customers indicated that two aspects are preferable:

1. having an electronic version of the policy (Internet access protected by a password)
2. the possibility of getting help from a point of contact close to home.

Some best practices were identified from the previous contract, namely that no franchise will be applied when the repair is executed by an acknowledged garage and that the insurer's expert had to inspect the damage within five days in case of urgent repairs.

### ***Tender specifications***

An estimation of the number of kilometres was stipulated to the bidders. CMS also stipulated expressly that an increase or decrease of this number cannot trigger compensation.

In order to prevent improper use, a financial intervention of a maximum of EUR 25 000 per accident was stipulated. A number of exemptions were also stipulated, including:

- the car has to have been cleared at the technical inspection
- the accident must not have been caused on purpose
- the official has to be sober when driving the vehicle
- normal wear and tear is excluded
- the official has to have his own personal liability insurance.

Because of the specificity and complexity of the contract, an information session was organised in which a presentation was given and questions asked.

Electronic bidding was allowed. E-auction was not used, since the number of bids expected was low.

Selection criteria included:

- Proof of recognition by the FSMA or equivalent.

- List of references: the tenderer had to prove at least two references for the same type of services over the last three years (2011, 2012, 2013), with mention of the number of kilometres, the dates of execution and the addressee. Each reference should amount to at least EUR 100 000 per year.
- List of contact points: the tenderer had to join a list with all the details regarding his offices or contacts in Belgium and abroad. Special attention had to be given to this criterion: the tenderer has to have at least one contact or office per province, as well as for the Brussels-Capital Region.
- List of acknowledged garages to be attached to the bid.

Awarding criterion: the contract is adjudication, so the price is the only criterion.

Bid prices were evaluated as such:

$$P = (0.25 \times P1 + 0.25 \times P2 + 0.25 \times P3 + 0.25 \times P4)$$

In which:

P1 = price applicable in 2015

P2 = price applicable in 2016

P3 = price applicable in 2017

P4 = price applicable in 2018.

A global guarantee of EUR 15 000 was demanded, since the quantities could not be determined.

The service provider must provide statistics and documentation regarding financial data and number of claims.

Exceptionally, no price revisions were stipulated as insurers work with fixed prices. To levy this, the contracting authority has asked for different prices from year to year (see above) to include in the price evaluation.

Special attention was given to definitions, in order to describe every item in detail. This also goes for the description of a “total loss” vehicle.

## Cleaning services in Croatia

Cleaning is defined as the process of removing dirt, dust, organic matter and other stains on the floor, equipment and furniture in order to achieve an acceptable standard of cleanliness associated with the aesthetic appearance of space by using and combining different cleaning techniques. Cleaning services was a suitable category to be split by regions, and therefore for creating a framework agreement.

First, market research was conducted in order to gain knowledge on the specificities related to cleaning services.

- A few big suppliers of cleaning services were contacted and their experiences were discussed. This was a mandatory step before starting the demand aggregation, as the procurement team needed to understand how to formulate tables for the demand aggregation, what data to ask for, etc.



- The procurement team learned about the classification of space, the types of cleaning services, the percentage of labour in the price of service per m<sup>2</sup>, the types of cleaning products used, etc.
- Information on the current contracts of the cleaning service suppliers was also very useful.

As understood during the initial market research step, the two major classifications of cleaning services (Table 5) are per type of space and per frequency of cleaning.

Table 5. Classification of cleaning services

Type of space classification	Frequency of cleaning classification	
	Regular cleaning: daily or weekly basis	Periodic cleaning: once or twice a year, or quarterly
Offices, conference rooms, meeting rooms	x	
Sanitation facilities	x	
Kitchens		
Corridors	x	
Elevators	x	
Stairways, entrance halls, etc.	x	
Facilities for photocopying		
Archives, warehouses, storage rooms, etc.		x
Terraces, balconies and exterior surfaces next to the building	x	
Glass surfaces of windows and frames		x
Textile floor surfaces: carpets, carpeting		x
Laminates, parquet, linoleum, etc.		x
Soft and hard flooring: stone and plastic plates, etc.		x
Curtains, blinds, venetian blinds, etc.		

Based on the above classifications, a template to collect the demand (needs) for cleaning services was created.

Table 6. Collection of needs

General information	Data for regular cleaning on an annual basis	Data for periodic cleaning on a monthly basis
– Contracting authority	– Total surface	– Frequency of cleaning in months
– Subsidiary	– Offices m <sup>2</sup>	– Glass surface m <sup>2</sup>
– Postal code	– Sanitary m <sup>2</sup>	– Textile floor area m <sup>2</sup>
– City	– Hallways m <sup>2</sup>	–...
– Address	– Kitchens, restaurants m <sup>2</sup>	
	– Outdoor m <sup>2</sup>	

A call for tender was published, with the following details:

- Procurement procedure: open public procurement procedure to conclude an FA with at least three economic operators for a period of three years.
- Lots: division of procurement into 30 lots. The largest city, Zagreb, was split into several lots according to the locations of the ministries.

A detailed list of locations and cleaning surface quantities for each lot and for each location was provided.

- Selection criteria:
  - a list of the bidder’s services contracts executed over the past three years, indicating the amount and service
  - bidder’s registration, taxes, criminal record
  - tender guarantee.
- Additional requirements: list of cleaning products
  - self-declaration with the list of cleaning products that the supplier is going to use
  - the list becomes a part of the FA and can be checked accordingly.
- Price definition and adjustment:
  - the bid price shall include all costs and discounts without VAT, including wages, supplies (garbage bags), accessories, machinery and materials for cleaning
  - the price does not include hygienic supplies – toilet paper, hand towels, liquid soap, etc.
  - changes of the unit prices are related to a change in the minimum wage in Croatia.

In order to support the bidders in making better offers and due to the varying quality of surfaces and spaces, suppliers were allowed to visit each location prior to bidding. Visits were arranged with advance notice with the designated contact person for each location. Documentation was provided in advance of the specified times when the inspections could be performed, as well as the contact persons of the CAs (ministries).

Certain important questions were raised during the design and execution phases of the FA, including:

- How can it be verified whether the bidder executes the service according to the standards set in the agreement?
- What should be done if the service is not performed according to the standards?
- What standards should be introduced for the cleaning services?
- How should the minimum wage for the cleaning profession be defined and calculated?

The FA expired in August 2014. The procedure for setting up a new FA for the next period started well in advance of the expiration date. A revision of the initial FA took place in order to identify which items needed to be adjusted as a result of external changes as well as feedback on the performance of the FA.

Some new conditions that tailored the new tender included

- a government decision on outsourcing

- problems reported with call-offs for the 30 lots: there were many changes of facilities during the FA period.

Further to the internal revision of the initial FA, meetings with CAs and suppliers were held. These helped to rationalise the amount of hours for cleaning and decrease the number of lots from 30 to 20.

## *Annex A*

### **MoU requirements: “Avoiding waste and increasing quality through sound public procurement”**

The CPB:

1. Following the identification of three categories for procurement via framework contracts, and the publication of their contract notices, awards the relevant contracts by June 2014.
2. Ensures that framework agreements awarded under (1) above include clauses whereby the providers selected should be able to implement them and set up arrangements for the call-down procedures within two months from the entry into force. The ministries should be provided the supplies and services under these framework agreements within four months from their entry into force (continuous).
3. Revises the list of categories of supplies and services to be procured under the central purchasing scheme depending on the needs of public sector (including central government units and bodies). This list should be presented to and consulted with the European Commission and include in any event military purchases of standardised civil supplies – including fuel – and services (not falling under the scope of Directive 2009/81 on procurement in the fields of defence and security). This list should also identify the areas where further framework agreements should be entered into with a view to increasing efficiency and responding cost-effectively to recurrent needs (June 2014).



## *Annex B*

### Tasks during the lifecycle of a framework agreement

This annex presents a detailed breakdown of the lifecycle of a framework agreement (FA) into phases, activities and tasks. This model is detailed to allow for the efficient management of the FA lifecycle.

Figure 11. **Tasks, roles and responsibilities during the lifecycle of a framework agreement**

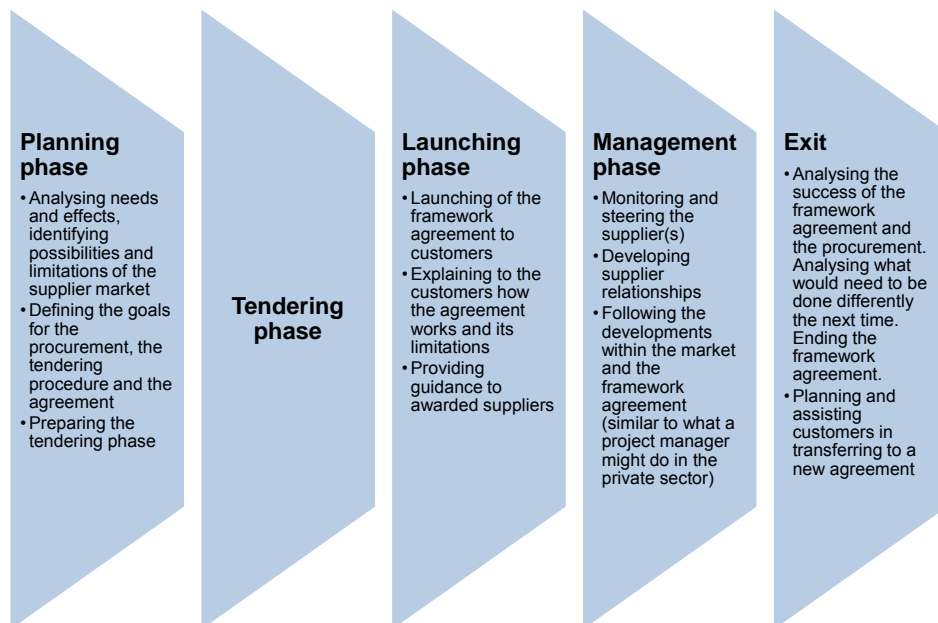


Table 7. Tasks during the planning phase

Description	Methods and tools	Results										Estimated duration
The purpose of the planning phase of the procurement is to ideate and evaluate the needs for the framework agreement and effects of the procurement from the customers point of view. Additionally the goal is to perceive the possibilities of the supplier market and map the supply of various ways how the product or service could be procured from the market in the most efficient and effective way. Based on the analysis the preliminary goals for the procurement and the framework agreement are set. At this stage also the rough timeline for the framework agreement period is decided and the preparation for tendering phase is started.	Discussions and meetings with the most important customers, suppliers and supplier associations. Customer and supplier questionnaires. Acquainting with the data available from various sources. Analysing the data and putting the data together for documentation.	Feasibility study of the proposed procurement including a rough project plan for the procurement, marketing and communications plan, plan how the framework will be managed and maintained during its lifecycle and how the exit would happen										6-18 months
Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project Manager	Tendering Specialist	Account Manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance		
Ideation and preliminary analysis												
Ideation and planning of the various ways how the framework agreement can be established for the product or services intended to be included		A	I			I						
Making the short description of the planned project (on the bases of ideation, customer needs, ideas from supplier side, including also description why this framework agreement would be needed).	R	C										
Setting up a project in the project management system	R						C					
Collecting the customer data and updating the plans		C	I		R		C		I			
Documenting the foreseeable changes in customers.		C			R		C		I			
Analysing the usage of existing framework agreement		R			C		C					
Analysing the need and estimating the effects												
The need for the framework agreement, analysis of the possible effects on customers, effectiveness of the framework agreement (potential savings, savings in process costs, process renewal)	A	R			C							
Relation to government strategies	A	R			C							
Analysis of the development needs in the product and service are (how the procurement could be more efficient and effective, if existing agreements /contracts available: how they could be improved to get out the maximum benefits)		R			C	C				I		
Benefits and risks												
Evaluating the benefit of the framework agreement and risk analysis (likely to be different for each FA) (long-term benefits and risks, whole lifecycle costing (sustainability, data security green procurement, continuity aspects)	A	R			(I)							

Table 7. Tasks during the planning phase (cont.)

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project Manager	Tendering Specialist	Account Manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Risk analysis	A	R			I					
Potential of supplier market and mapping the supply										
Mapping the supplier market (where the industry is at the moment, what is happening in the industry, who are the suppliers (current and potential), supplier associations, other interest groups.		R					(I)			
Results of the market consultation (meeting with suppliers preliminary proposals of the suppliers		R			I		(I)			
Developing a roadmap for the agreement (what is likely to happen during the FA period, technical innovations, new products or services, new versions of current products or services)		R								
Increasing the attractiveness of the future invitation to tender( e.hg.communication campaigns, short information events informing the suppliers on the planning).		R			I			I		
Setting the goals and finalising the planning stage										
Refining the goals for the procurement and the framework agreement		R								
Perceived development needs during the planned FA period.		R								
Writing the feasibility study		R			(I)					
Preparation of the framework agreement and the competitive tendering										
Preliminary plan and timing for the framework agreement and the tendering procedure	A	C	R		I	C				
Setting the goals for the tendering procedure	A	R	C			C				
Analysing the alternative procedures that could be used in competitive tendering (open, restricted, etc.)		R	C			C				
Describing the tendering procedure and preliminary planning of the selection and awarding criteria		C	R			C				
Planning the management phase of the framework agreement - what kind of support do customers need and how do we organise to		R			C			C		C
Marketing and communication plan	A	R			C			C		
Customer co-operations plan (e.g. how often do reference group gather together, how often during the management phase customers are gathered together, what topics would be discussed in each meeting, possible working groups and committees etc.)	A	R			C					
Supplier co-operations plan (what kind of training does supplier need on government procurement practices, how much steering the supplier needs)	A	R			I					
Finalising the feasibility study	A	R		I						
Writing the first draft of the framework manual (customer guidance on how to use the future framework agreement)		R					I			

Notes: R = responsible (does the work); A = accountable (approves the work); C = consulted (one who is asked); I = informed (one who is told about the work) ; all can, however, participate.



Table 8. Tasks during the tendering phase

Description	Methods and tools		Results						Estimated duration	
The purpose of the tendering phase is conclude the competitive tendering procedure in accordance with the law on public procurement. The legally defined tendering procedure start when the contract notice is published. If a prior information notice is used for shortening the time reserved for the suppliers to prepare their bids the procedure starts from the prior information notice. In FA tendering procedures the shortening of the time should not be used as preparing the bids is likely take a long time from the suppliers. Key components in this phase are: technical dialogue with the potential suppliers, customer communications and reference group activities.	Working in project, technical dialogue (technical consultation) with suppliers, more detailed working instructions		Project plan, memos from technical dialogues, invitation to tender and its annexes, terms and conditions						4-8 months	
Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Preparation of competitive tendering										
Preliminary definition of the subject matter	A	R		I						
Naming resources in co-operations with other units	R		I							
Organising project kick off (invitations, spaces, agenda, presentations)	C	C	R	C		C				
Reserving file storage space			R							
Version 0.1 of the subject matter		R	C	C		C				
Choosing the competitive tendering procedure (Open, restricted, negotiated with notice, etc.)		C	C	R		C				
Choosing the model for the framework agreement (1 supplier, 3 or more suppliers: cascading order or mini tenders when customer uses the agreement)		R	C	C		A				
Marketing and communication plan together with the project manager, substance specialist, marketing and communications units		C	R					C	C	
Preparing the project plan (includes the above)	A	C	R	C		I				
Presentation of the model for customer call-offs for the Account Managers	I	C	R	C	C	C				
Presentation of the model and the whole tendering procedure to legal director and category director	C	C	R	C		C				
Presenting the project plan to the Management Board	C	I	R	I		I				
Preparing the invitation to tender										
Notifying and discussions of necessary with the MoF if the FA is mandatory for the customers	R	C		C						
Publishing prior information notice	A	A		R		A				
Customer reference group (invitations, meeting room reservations, agenda, presentations)	I	C	R	C	C	C	C			
Communications: news on preparation of the tendering on the internet, Intranet and in newsletter. If necessary: press release		C	R	C				C		
Technical dialogues with suppliers (invitations, meeting room reservations, agenda, presentations)	I	C	R	C		I				
Writing the invitation to tender		C	C	R		A				
Defining the minimum criteria for supplier eligibility		C	C	R		C, A				
Defining the evaluation criteria		C	C	R		I, A				
Defining the method of giving points		C	C	R		C				

Table 8. Tasks during the tendering phase (cont.)

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Annexing CPB's latest updated customer list				R	C					
Technical specifications and minimum criteria (lawyers approval from the legal perspective)		R	C	C		C, A				
Defining sustainability and green PP criteria		R	C	C		C				
Defining data-security issues		R	C	C		C				
Writing the tender form (with which the suppliers leave their bids)		I	C	R		I, A				
Defining the pricing model		C, A		R		C				
Writing the pricing document (formulas, weighting, format, pricing units, scaling)		C		R						
Writing the form for qualitative matters (always accompanying the invitation to tender)		C		R						
Preparing the terms and conditions		C, A	I	I		R				
Quality control 1. At least three persons who have not been drafting the documents reads them.	A		R							
Presentation of the pricing and quality giving points model to other tendering specialist in their weekly meeting.				R						
Commenting round: comments asked both from customers and interested suppliers			R		C			C		
Finalising the invitation to tender and aligning terms used		C	R	C		C		C		
Testing and simulating that all documents works as planned		C	R	C	C	C, A		C	C	
Writing the customer guidance material version 0.1		R								
If minitendering: making documents for customers mini-tendering				R						
Writing the customer specific contract		C				R				
Quality Control 2 in a meeting where all taking part in the project invited	C, A	C	R	C	C	C				
Publishing the contract notice										
Writing the contract notice and publishing it		C	C	R		A				
Informing the account managers, marketing, communication and category managers on publication		C	R	C		C				
Communication to customers about the expiry of the current FA: Newsletter, Internet, Extranet pages, One on one meeting by account managers		C	R	C						
Sending the invitations to tender to those who request it				R			C			
Organising an informative meeting to potential suppliers (no extra info given, only go through the invitation to tender and basics on public procurement (reserving the meeting rooms, timing, agenda, presentations)	I	C	R	C		C	I			
Answering the written questions from suppliers If changes to the invitation tender - remember the quality control.		C	R	C		C, A	C			
XRM update			R				C			
Bids and evaluations										
Receiving the bids		I		R			I			
Opening of the bids (writing opening protocol)				R			C			
Checking supplier eligibility (writing a memo)		C	I	R		C	C			
Checking that the bids conform to the invitation to tender (writing a memo)		C	I	R		A				

Table 8. Tasks during the tendering phase (*cont.*)

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Checking that the formal requirement of the bid are fulfilled				R						
Checking that the offered products or services fulfil the minimum criteria set for them		R								
Writing clarifying questions to suppliers if irregularities in the bid. Sending the questions.		C	I	R		A	I			
Writing disqualification decisions and informing the disqualified suppliers				R		A				
Evaluating the bids		C	C	R						
Writing the grounds for evaluation and points given	A	C	C	R		A				
Writing the award decision, making the decision and sending it to suppliers (include letter informing the suppliers on the press release practice)	A	C	C	R		A	C			
Quality control on awarding documents			R							
Informing the management board about the awarding		C	R			C				
XRM update				R						
Aftercare of lost and disqualified suppliers	I	C	R	C		I				
Tasks after competitive tendering										
Contacting awarded suppliers		R				R				
Finishing the agreements and starting of the contract management tasks		C					C	C	C	
Updating the information on the Internet, Extranet. Communication, newsletters, press release		R					C	C	C	
Finalising the agreements ready for signing		C				R		C	C	
Checking the suppliers press releases		R								
Appeals procedures (if applicable)										
Gathering the material for appeals procedure		R				A	C			
Informing the owner and management board on appeals		I				R				
Reply to the Court	I	I				R				
Communication with the Court		I				R				
Paying or						R				R

Notes: R = responsible (does the work); A = accountable (approves the work); C = consulted (one who is asked); I = informed (one who is told about the work) ; all can, however, participate.

Table 9. Tasks during the launching phase

Description	Methods and tools	Results										Estimated duration
Purpose of the launching phase is to ensure that both suppliers and customers are aware that the FA exists and how it works. The existence of the FA need to be reminded constantly. The co-operation practices are established in this phase and speed of the FA take up depends much on the activities done during this phase	Extranet pages, Internet pages, kick-off meetings, newsletters, using suppliers account managers in sales process	Updated extranet and intranet pages, updated plans with the supplier information, marketing and communications material,										1-12 months
Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance		
Preparation of agreements												
Informing the Account Managers		I	R		C							
Meeting with Customer Reference Group (invitations, room reservations, agenda, presentations)	I	C	R	C	C	C	C					
Communications: news on the Internet, Extranet and Intranet pages, Newsletter			R					C				
Requesting the legally required documents from suppliers, checking the documents		R		C		C	I					
Finalising the customer material	A	R	C	C		A		C				
Presenting the customer material to Account Managers, Mini-tendering team, communications and marketing		C	R	C	C	I		C				
Simulating the mini tendering and piloting the mini tendering with a client and the mini tendering team	I	C	I	R		C, A						
Reporting and joining the FA, deployment to clients and suppliers.		R	I	I			I			C		
Ending the tendering phase												
Publishing contract award notice				R			C					
Closing down old FA	A	R	I	I								
Sending questionnaire to customer reference group			R				C					
Sending questionnaire to suppliers that took part in the competitive tendering			R				C					
Final report and ending meeting	A	C	R	C		C						
Communications: press release			R					C				
Archiving the tendering material			C				R					
Marketing, communication and account management												
Meetings with customers		A			C			R				

Table 9. **Tasks during the launching phase** (*cont.*)

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Arranging customer events		A			C			R		
Campaigns for customers		A			C			R		
More detailed communications, marketing and account management practices to be defined										
Starting supplier co-operation										
Supplier training		R						C		
Events organised together with suppliers to customers		R						C		
Informing suppliers' regional resellers and sub-constructors		R								
Meetings with Hansel's and Supplies management	I	R								
Meetings with account managers and suppliers personnel		R			C					
Co-operation and development working groups with suppliers and customers		R			C					
Developing customer material based on the first experiences		R						C		

Notes: R = responsible (does the work); A = accountable (approves the work); C = consulted (one who is asked); I = informed (one who is told about the work) ; all can, however, participate.

Table 10. **Tasks during the management phase**

Description	Methods and tools	Results	Estimated duration
Purpose of the management phase of a FA is to steer and follow up the development of the FA and deepen the co-operations with clients and suppliers. Also the management phase helps in understanding how the market functions	Suppliers reports, Customer and supplier feedback, Sustainability questionnaires, customers using the agreement, meetings	Updated extranet and intranet pages, information of usage, information of customer specific agreements, Sustainability reports, SLA levels, KPI reports	Approx. 30 months, depending on the duration of the FA

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Supplier training, follow up and development of practices between CPB, its customers and suppliers										
Monitoring the performance of the supplier and giving feedback		R								
Monitoring that the supplier follows the agreement and SLAs		R								
Follow up and co-operation meetings with suppliers. Also setting up meetings with customer groups and supplier		R				I	I			
Yearly sustainability reporting		R								
Monitoring the economic status and changes in it	R	C					I			A

Table 10. **Tasks during the management phase** (*cont.*)

Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance
Supplier satisfaction surveys		C					C	A		
Developing the ordering, delivery etc. practices		R								
Support fro suppliers		R								
Taking part in events organised by the suppliers	I	R				I	I			
Information events to suppliers (e.g. once a year to all suppliers in certain industry)		R					I			
Training of suppliers sales people		R					I			
Informing suppliers on the customers who have joined for using the FA								A		
Changes to the agreements										
Pricing updates	A	R				C	I			
Product updates	A	R				C	C			
Interpretations on how to use the agreement	A	R				C				
Customer communications and development										
Keeping the customer material up to date		R			C		C	C		
Joint information events		R			A/C		C			
Management and development of customers processes in using FA		C			A					
Customer satisfaction surveys							C	A		
Development of internal processes related to FA		R			C		I	C		
Monitoring the supplier market and development of FAs										
Following the trends in the supplier markets		R								
General follow up related to the industry		R								
Taking part in Industry action groups' activities	A	R								
Follow up of customers' needs, functioning of the FA and how well the FA serves the customers		R			C					
Up keeping up the contact network for the next tendering round		R								
Increasing the attractiveness of the Fas within the industry		R						C		
Raising awareness of government procurement practices within the industry		R				I				

*Notes:* R = responsible (does the work); A = accountable (approves the work); C = consulted (one who is asked); I = informed (one who is told about the work) ; all can, however, participate.

Table 11. **Tasks during the exit phase**

Description	Methods and tools	Results									Estimated Duration
Purpose of the exit phase is to evaluate how well the FA has served its purpose and the government overall goals. Also the phase includes learning from the FA for planning the new agreement. The phase includes the closing down activities related to the ending FA.	Meetings with suppliers and customers, questionnaires, summarising supplier reports	KPI-reports, customer and supplier satisfactions surveys, exit plans taking also account how the customers would exit the agreement and start using a new FA, Final report.									Depending on the duration of the FA from 1 month to 1 year
Tasks and responsibilities during the lifecycle of the framework agreement	Owner	Substance specialist	Project manager	Tendering specialist	Key account manager	Lawyer	Assistant	Marketing and communications	Customer care	Finance	
Evaluation and analysis of the success of the FA											
Goals and targets		R									
KPI-reports and supplier evaluations		R									
Customer feedback		R			C		C	C			
Supplier feedback		R					C	C			
Success of co-operations (hansel, supplier, customers)		R									
Final report		R									
Exiting the FA											
Going through with suppliers and customers for how long time the customer specific agreements can exceed the FA		R									
Reminding the suppliers on ending of the agreement and plans for new one or closing down of FA		R									
Collecting data from existing supplier for preparing to next tendering		R									
Switching over to new FA											
Defining the methods for changing from one supplier to another		R									
Agreeing the methods with existing and the new supplier		R									
Collecting data from existing supplier for giving the data to the new supplier		R									
Communication of the switch over to supplier and customers		R			C		I	C			

*Notes:* R = responsible (does the work); A = accountable (approves the work); C = consulted (one who is asked); I = informed (one who is told about the work) ; all can, however, participate.

## Categorisation and segmentation of agreements

[write the name of the tendering here]

Figure 12. **Complexity of the subject matter**

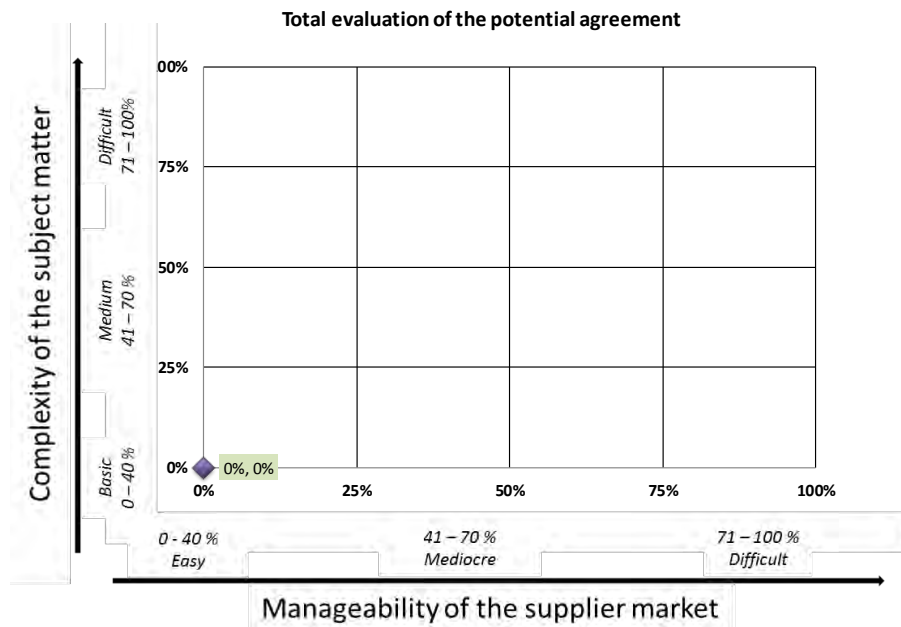


Table 12. **Manageability of the supplier market**

Result of the evaluation of the FA	
Complexity of subject matter of the procurement	0%
Manageability of the supplier market	0%



Table 13. Complexity of the subject matter

		Basic	Medium	Difficult	Score	Max
A. CHARACTERISTICS OF THE SUPPLY OF SERVICES	0%	0	0		0 0	12
A1. Standardisation rate of supplies or services	0%	The product or service is standardised on the market (MTS, made to stock)	The product is manufactured or the service is rendered based on the customer's needs (MTO, made to order), partly tailored products or services	Product is planned and manufactured or the service is planned and rendered in its entirety based on the customer specifications or needs (CTO/ETO, configured and engineered to order), product and services that are tailored to customer	0	3
A2. Technical characteristics	0%	The product or service is technically simple, its functions can be understood by common sense and it does not require specific knowhow.	The product or service is partly complex and requires specific technical knowledge	Product or service on technically complex and requires specific knowhow	0	3
A3. Innovation level	0%	The product or service does not require or include specific innovations	The product or service requires or contains some innovative solutions	The product or service requires innovation or innovative solutions.	0	3
A4. Product or Service Lifecycle Phase	0%	The product or service is well-established (new models or solutions are launched every 24 months)	The product or service is renewed to some extent (new models or solutions are launched in every 12 months)	The product or service is rapidly evolving (new models or solutions are launched every 3 - 6 months)	0	3
A5. Defining the product assortment to be included in the agreement	0%	Defining the whole assortment of the product or service category on adequately detailed level for competitive tendering can be done quickly (at maximum 3 months)	Defining the whole assortment of the product or service category on adequately detailed level for competitive tendering takes some time (between 3 and 6 months)	Defining the whole assortment of the product or service category on adequately detailed level for competitive tendering takes a long time (between 6 and 12 months)	0	3
A6. Data security and other specific requirements	0%	The product or service does not have specific data security issues or requirements	The product or service has some data security issues or requirements and other specific requirements.	The product or service has high level of data security requirements and implications on national preparedness.	0	3
B. CUSTOMER'S VIEWPOINT	0%	0	0		0 0	18
B1. Products or Services economical impact from the customers' viewpoint. Consider all customers of the CPB not just one.	0%	The product or service does not have specific economical value to the customer.	The product or service has some economical value to the customer.	The product or service has a high economical value to the customer.	0	3
B2. Risk management	0%	Procurement of the product or service contains no risk to the customer.	Procurement of the product or service has some risks to the operations of the customer.	Procurement of the product or service contains high risk for the continuity of the customer's operations.	0	3
B3. Customer's need definition	0%	Customers need definition in her own organisation is low (at maximum 1 week)	Customers need definition in her own organisation is notable (between 4 and 8 weeks)	Customers need definition in her own organisation requires a time and resources (over 8 weeks)	0	3

Table 13. Complexity of the subject matter (cont.)

		Basic	Medium	Difficult	Score	Max
B4.	Need for the customer to take part in defining technical details and other detailed characteristics of the procurement	0% The procurement expert at the customer organisation can define the needs and technical details.	Defining the procurement at the customer requires specific knowhow on the subject matter.	Defining the procurement at the customer requires significant knowhow on the subject matter and cross functional co-operation between various organisations or departments in one organisation.	0	3
B5.	Easiness to start using the product or service.	0% The product or service is easy to start using.	Starting using the product or services requires some customer specific actions.	Starting using the product or services requires significant customer specific actions.	0	3
B6.	How critical is the product from the customer's point of view?	0% The product or service is not critical to the customer and requires no actions when the framework agreement ends.	The product or service is critical to the continuity of customer's operations and requires actions at the end of the framework agreement at the customer.	The product or service is vital for the operations of the customer and requires significant actions by the customer at the end of the framework agreement for ensuring continuity.	0	3
B7.	Are there requirements for the customers to change their working methods? Does the customer need to go through a change management process?	0% The product or service requires no changes to the existing working methods.	The product or service requires some changes to the existing working methods at the customer.	The product or service requires many changes to the existing working methods at the customer.	0	3
B8.	Effects of the product or service to the customer's core functions (reason they exist).	0% The effects of the product or service are insignificant to the customer.	The product or service has some effects on the customer's core functions.	The product or service has significant, long lasting effects on the customer's core functions.	0	3
B9.	Is the supply of service mandatory for the customer?	0% The product or service is voluntary.	-	The product or service is mandatory.	0	3
	C.DELIVERY PROCESS	0%	0	0	0	8
C1.	Sub-contractor network	0% Manuagreementcturing, production or delivery of the product or service requires no sub-contractors contribution or the contribution of sub-contractors is minute.	Manuagreementcturing, production or delivery of the product or service may include some contribution from the sub-contractors.	Manuagreementcturing, production or delivery of the product or service requires nearly always a wide sub-contractor network.	0	3
C2.	Length of the supply chain (from manuagreementcture to reseller)	0% The length of the supply chain and the number of sub-contractors in the chain has no effect on the product or service delivery.	The length of the supply chain and the number of sub-contractors in the chain has some effect on the product or service delivery (max 2 sub-contractor levels).	The length of the supply chain and the number of sub-contractors in the chain affects the product or service delivery significantly (more than 2 levels of sub-contractors).	0	3
C3.	Customer's need for product or service support	0% The product or service does not need any support during its lifetime.	The product or service requires regular support during its lifetime.	The product or service requires continuous support during its lifetime (e.g. 24/7 or by next business day)	0	3
C4.	Monitoring of Service Levels (delivery time, quality of perceived service, rendering of services)	0% Monitoring of service level can be done with few measurable items	Service monitoring of the product or service requires also input from customers and customer specific follow up.	Service monitoring of the product or service requires a lot of inputs from various sources and customer specific follow up.	0	3

Table 13. Complexity of the subject matter (cont.)

		Basic	Medium	Difficult	Score	Max
D. CAPABILITY REQUIREMENT OF SUBJECT MATTER	0%	0	0		0	14
D1. The supply or service is already part of an existing agreement	0%	The product or service has been subject to centralised framework agreement and it has not changed since then or does not require changes or development.	The product or service has been subject to centralised framework agreement but it has changed and requires changes or development in a few features.	The product and service is for the first time subject to centralised procurement or has been in a framework agreement before but agreement needs a lot of development	0	3
D2. The supply or service is dependant on other supplies or services in other agreements, customers' own contracts or other contracts joint with all the customers'.	0%	The product or service has no linkages to other framework agreements offered by CPB or another government agency.	The product or service has as few linkages to other framework agreements offered by CPB or another government agency.	The product or service is directly linked to other framework agreements and does not work alone or requires other agreements so much that its usage would be hampered without them.	0	3
D3. The degree of other interest groups' involvement in planning the procurement and during the management phase of the agreement.	0%	There is little interest by other government bodies in steering or defining the subject matter of the procurement or service.	The other government bodies are interested in the planning and steering of the procurement and in addition to the CPB one or two of them take part in the planning	The other government bodies are highly interested in the planning and steering of the procurement and there are several who want to be included in the planning.	0	3
D4. Risk management	0%	From the CPB point of view there are no potential risks involved.	From the CPB point of view there are some potential risks involved.	From the CPB point of view there are number of potential risks involved that could affect the functioning of the whole CPB (image risk, litigation risks with high value of compensation claims)	0	3
D5. Terms and conditions required for the agreement	0%	It is easy to write the agreement that will accompany the invitation to tender.	There are some difficult parts in the agreement that will accompany the invitation to tender.	The agreement is highly complex and requires to be written to the procurement specifically.	0	3
D6. Sanctions and bonuses required in the terms and conditions.	0%	No sanctions or bonuses in the agreement	The agreement accompanying the invitation to tender includes some quantitative measurable quality management items.	The agreement accompanying the invitation to tender includes also qualitatively measurable items and /or complex quantitatively defined sanctions or bonuses	0	3
D7. Requirement for development manoeuvrability within the agreement	0%	The product or services are not expected to change during the agreement period so that no development manoeuvrability needs to be build in the agreement.	The product or services are expected to change during the agreement period so that the some development manoeuvrability needs to be build in the agreement.	The development and changes to the product or services are required during the agreement period manoeuvrability needs to be build in the agreement.	0	3
TOTAL SCORE	0%				0	52

Table 14. Manageability of supplier market

		Easy	Mediocre	Difficult	Score	Max
X. INDUSTRY CHARACTERISTICS	0%	0	0	0	0	18
X1. Characteristics of suppliers	0%	Supplier are mainly domestic or international but with local presence.	Suppliers differ from each other (regional suppliers, domestic suppliers, international suppliers with less established local presence)	Suppliers are global giants even if they may have some local presence.	0	3
X2. Pricing mechanisms	0%	The pricing mechanism in the industry are same.	There are some differences in pricing mechanisms however there are only a few model that are used in the industry.	The pricing mechanisms vary from supplier to next.	0	3
X3. Industry operational models	0%	Suppliers in the industry are well established.	The new entrants have different operational models that the established players	There are many operational models in the industry and they differ from supplier to next.	0	3
X4. Is the industry prone to appeals?	0%	The industry does not complain or complaints are on a few cases with obvious problems.	There are some players in the market that are prone to complaints.	In the industry complaints are common and subject matter has little to do with the complaints. Loosing suppliers will complain anyway	0	3
X5. Understanding of the public sector role and functions	0%	Suppliers know the public sector customers and are customer to working with it.	Suppliers have some knowledge of the public sector customers.	Suppliers do not know the public sector and have not before worked with public sector customers	0	3
X6. Economical situation of the suppliers	0%	Suppliers economical situation is good or includes only a few risks of e.g. bankruptcies.	Suppliers economic situation is agreementir	Suppliers economic situation is poor and includes many risks	0	3
X7. Grey economy and other unlawful practices within the industry	0%	Grey economy does not exist in this industry or there are very few problem in the industry	Grey economy can exist in this industry and there have been some problems already discovered	Grey economy causes sever problems in this industry	0	3
X8. Relationship between the suppliers (do they tend to quarrel between each others)?	0%	Supplier relationships are good and the get along agreementirly well. Little disputes arise fro time to time.	The relationships between two or more suppliers are problematic.	The relationships in the industry are rancorous	0	3
X9. Trade secrets	0%	There are little or no significant trade secrets in the industry	Some trade secrets need to be protected	The industry has many trade secrets.	0	3

Table 14. **Manageability of supplier market** (cont.)

		Easy	Mediocre	Difficult	Score	Max
Y. SUPPLIER MARKET SITUATION	0%	0	0	0	0	12
Y1. Characteristics of the supplier market and effectiveness of competition	0%	There are many alternative suppliers on the market ( 6) and the competition is effective	There are some suppliers on the market whose position is significantly better over to the others but still to competition works.	One supplier dominates the market and has significantly better position in competition than others.	0	3
Y2. Differences in supplier market in various parts of the country	0%	Regional difference plays no role in the procurement or there are no regional differences.	There are some regional differences and the procurement could be split into geographical lots to ensure market functionality and increased competition	Regional differences play a vital part and the procurement must be split in to geographical lots to ensure the competition.	0	3
Y3. Battle for market share	0%	The market shares have stabilised and there is no significant battles for market share ongoing.	The battle for market share is there but it is gentlemen-like.	The battle for market share is aggressive and several means are in use	0	3
Y4. Proportional share of planned number of awarded suppliers in proportion to suppliers in the industry.	0%	The number of awarded suppliers is small relative to the number of suppliers on the market	The number of awarded suppliers is moderate relative to the number of suppliers on the market	The number of awarded supplier is significant in relation to the number of suppliers on the market	0	3
Y5. Means of competition	0%	At the market the competition is open and transparent. E.g. prices are easy to obtain and compare.	The competition on the market is somewhat obscure and agreements may include collusive practices	The market is flooded with unclear methods of competition and pricing models	0	3
Y6. Changes in the supplier market	0%	Supplier market situation is quite well established and stable	Supplier market changes during the term of the framework agreement	Supplier market changes rapidly (fusions, buy-outs, other restructuring methods, new entrants etc. )	0	3
Z. ATTRACTIVENESS	0%	0	0	0	0	4
Z1. Attractiveness of the agreement	0%	Supplier regard the agreement very lucrative (big volume, clear added value from the agreement to the suppliers, significant benefits)	Suppliers regard the agreement agreementirly attractive (with a significant volume, and value-added benefits foreseeable)	Suppliers do not regard the agreement valuable (no added value, too big workload in proportion to sales and to sales margin)	0	3
Z2. New operational models and new possibilities	0%	The agreement is a new business opportunity to suppliers and it opens up new markets that suppliers have had difficulties to access earlier.	The agreement allows the suppliers some new possibilities and the new market segments.	The agreement only allows the supplier continuing its current business with same operational logics and same bureaucracy	0	3
Z2. General economic situation	0%	Recession, public / private sector demand on low level or in the industry the demand situation is weak	agreementirly good economic situation, public / private sector demand at a moderately good level or within and industry demand is moderately good	Booming economic situation, public / private sector demand is good or there is in an industry strong demand	0	3
TOTAL SCORE	0%				0	34

Figure 13. Complexity of the procurement

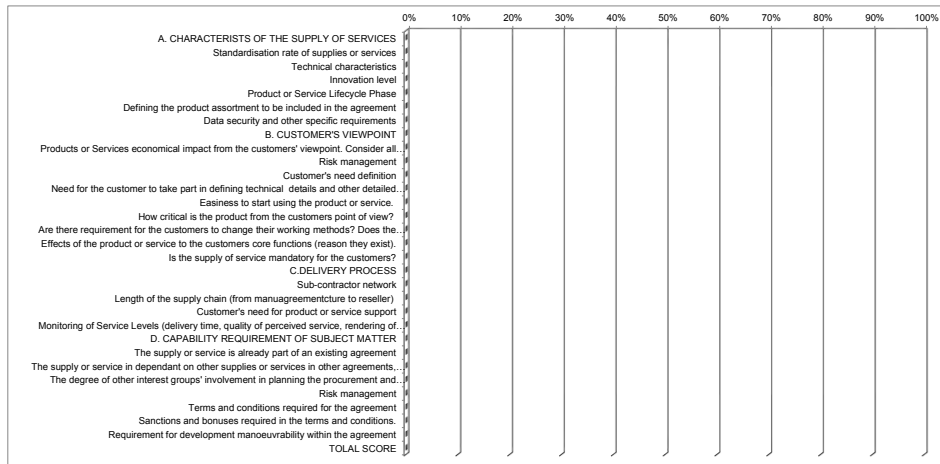
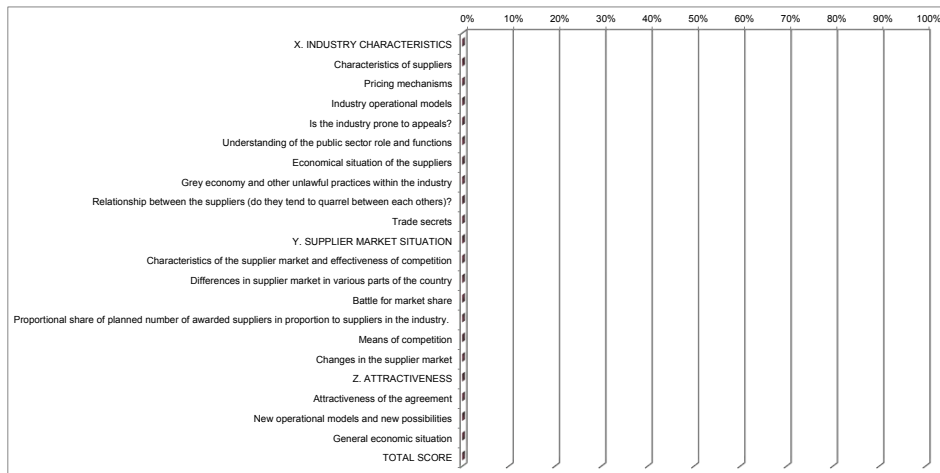


Figure 14. Manageability of the supplier market



## Other aspects to be taken into account

Issues increasing the complexity of the agreement:

- Need to increase competition in this area (e.g. informing foreign suppliers already in the planning phase).
- The agreement has remarkable savings potential despite its small potential usage).
- Is this agreement really needed? Further discussion needed!
- Mini-tendering is the only possible option.
- There are other government institutions that are acting in this area and could potentially mess up the plans for agreement.



## *Annex C*

### Summary form template

This annex presents a template used to provide a concise description of a framework agreement (FA). It is to be used as a living document, updated as soon as there is some new information on a specific FA.

0. Framework agreement		1. Category manager	
2. Relevant dates			
2.1. Publishing	11/12/2013	2.2. Last FA	NA
		2.3. Last extension	NA
2.4. Duration of the FA		Two years from the date of its entry into force and can be automatically extended for successive periods of one year if no party denounces it, up to a maximum of four years	
2.5. Expected entry into force date for the new FA		June 2010	
3. Financial information			
3.1. FA turnover in year n-1	NA	3.2. Revenues for the state in year n	NA
3.3. Public expenditure in the state budget for the year n-1	EUR 103 358 000	3.4. Estimated savings (duration of FA)	EUR 10 336 300 (5%)
3.5. Fees for the agency	1% of the total semester invoiced without VAT (the six-month periods corresponding to half of each calendar year)		
4. Purpose of the FA			
4.1. Targeted goods and services	Supply of prepared meals and associated services in their own facilities or managed by the acquiring entity.		
4.2. Potentially associated goods and services	Products and services complementary to the supply of prepared meals: packaged cutlery, packaged bread, supply of trays, transport and meal delivery to the local consumption, among others		
5. Suppliers	Catering companies that provide prepared meals and delivery services		
6. Strategic orientations			
6.1. Principles	Operational efficiency, rationalization of spending, generation of management information, promoting competitiveness and remuneration of the NCPA.		
6.2. Distinctive factors	Selection of suppliers that satisfy the conditions specified in the specification and offering the best price proposals to the state; implement a system for reporting and monitoring compliance with service levels, requirements and specifications outlined in the EC; sanctions in case of default; promoting aggregation requirements at the level of CPAs (aggregating entities) by leveraging the economies of scale and definition of a "fee" to pay for the running of the NCPA FA.		



7. General technical aspects	
7.1. Lots	7.2. Brief description of the lots
Lots 1-8	Supply of prepared meals and provision of related services in Area1, Area2, ... Area 8 (lots 1-8 respectively)
7.3. Minimum technical and functional requirements	Defined in the specification and its annexes A, B and C, identifying and specifying the various types of diets and their maximum nutrition levels, as well as a description of complementary products and services
7.4. Scale factor (aggregation)	Negotiation and aggregation at the level of NCPA or CPAs
7.5. Awarding criterion	Entities that meet the requirements of technical and financial capacity defined in the tender programme will be invited to submit bids for the lots they apply to. For lots 1-7 the 5 proposals with the lowest price will be awarded, while for Lot 8 the 8 proposals with the lowest price will be awarded. The proposals consist of the unit price for the diets of the FA, indicated in paragraph x of Article y of ...
7.6. Quality requirements (service-level agreements, SLAs)	The following minimum requirements must be ensured: definition of menus at the level of acquirers; control of food hygiene and safety system; control of loading and unloading of food and complementary materials and transport of meals; ensuring compliance with the list of allowed foods as well as the maximum nutritional levels in Annex A and B of the EC; ensuring the regularity of tests and analysis for quality control of foodstuffs and safety equipment; definition of personnel assigned to the map activity and their skills.
7.7. Environmental and social requirements	Presentation of environmental certification in qualifying as an alternative to certification process for quality or food safety

8. Qualification criteria		
8.1. Technical capacity	8.2. Financial capacity	8.3. Integrity (suitability)
<p>Candidates must complete the requirements of technical ability, as described in Article 7 of the PC:</p> <ol style="list-style-type: none"> <li>Average number of paid employees: <ul style="list-style-type: none"> <li>– candidates to lots 2, 4, 5, 6 and 7 must have at least 50 employees</li> <li>– candidates for lots 1 and 3 must have at least 100 employees;</li> <li>– candidates to lot 8 should have at least 150 employees</li> </ul> </li> <li>Experience in object similar to the lot being applied for previous supplies: <ul style="list-style-type: none"> <li>– candidates to lots 2, 4, 5, 6 and 7 must demonstrate expertise in at least one area they are applying, minimum unit value of EUR 75 000 each</li> <li>– candidates to lots 1 and 3 must demonstrate expertise in at least one area they are applying, minimum unit value of EUR 100 000 each</li> <li>– candidates to lot 1 must demonstrate expertise in at least one area they are applying, minimum unit value of EUR 200 000 each</li> </ul> </li> <li>Certification of quality, environmental or food safety: have at least one of the above certifications.</li> </ol>	<p>1 - Applicants must meet the requirement translated according to the mathematical expression in Annex IV to the Public Contract Code, applicable pursuant to paragraph 2 of Article 165 of the same law, considering the following assumptions:</p> <p>Estimated economic value of the contract f Factor</p> <p>Lot 2,4,5,6 and 7 3.000.000 € 9  Lot 1 and 3 10.000.000 € 9  Lot 8 35.000.000 € 9</p> <p>Alternatively, applicants may submit in accordance with the model in Annex VI of the CCP Bank Statement.</p> <p>2 - In addition, applicants must meet at least two of the following requirements:</p> <ul style="list-style-type: none"> <li>• Arithmetic average of the turnover for the years 2011 and 2012, 250,000 € for candidates to lots 2, 4, 5, 6 and 7; 750,000 € for candidates to Lot 1 and 3 and € 2,000,000 for candidates to Lot 8.</li> <li>• Arithmetic average Liquidity General in 2011 and 2012 equal to or greater than 0.65 for the candidates for any of the lots;</li> <li>• Arithmetic Average Financial Autonomy in 2011 and 2012 equal to or greater than 0.25 for the candidates for any of the lots.</li> </ul>	<p>Criteria listed in statement specimen in Annex I of the tender programme, as referred to in paragraph 1 of Article 168 of the CCP.</p>

9. Related rules			
9.1.Purchase	9.2.Supply	9.3.Update of goods and services	9.4.Monitoring
<p>The purchase of meals made by acquirers will be conducted by invitation, by lot, to all entities included in the specific framework agreement lot. The award will be made under one of the following criteria:</p> <p>a) the lowest price;</p> <p>b) The most economically advantageous tender, taking utmost account of the following factors:</p> <p>i. Price, with a minimum weight of 70%;</p> <p>ii) technical and functional adequacy;</p> <p>iii) environmental requirements.</p>	<p>The provider organization undertakes to meet the following minimum requirements for the provision of prepared meals and associated services:</p> <ul style="list-style-type: none"> <li>- Requirements for the preparation and the implementation of standards and procedures for food safety and hygiene;</li> <li>- Requirements for the transportation and storage of food and prepared meals;</li> <li>- Requirements for menus;</li> <li>- Requirements for the hygiene and cleanliness of the spaces and equipment used for manufacturing;</li> <li>- Requirements for laboratory analysis for the certification of the provision of meals;</li> <li>- Requirements for the staff;</li> <li>- Requirements for the training needed.</li> </ul>	<p>The NCPA will, after consultation with the supplying entities, update the pricing regarding the subject of the framework agreement, which cannot be greater than the price submitted in the proposal under the procedure for the conclusion of the framework agreement or the last update performed.</p>	<p>Suppliers must submit the reports for billing and reporting service levels to the acquirers on a monthly basis, to aggregating entities with a quarterly frequency and to the NCPA every six months.</p>

10.FA analysis		
10.1.Risks	10.2.Critical success factors	10.3.Decisions to take
<ul style="list-style-type: none"> <li>- The nine largest companies hold more than 80% of the turnover of the sector, some of them belonging to the same economic group, which carries the risk of cartelization among suppliers</li> <li>- Because there are regional lots, there is a risk of some lots being empty, including the islands</li> <li>- Risk of proposals are made with concerted price in different lots.</li> </ul>	<ul style="list-style-type: none"> <li>- Invest heavily in communication and involvement of Ministries and Agencies with the statement of the rules of buying CPAs;</li> <li>- Ensure effective monitoring of the Framework Agreement and the effective implementation of the reporting system enabling the collection of relevant information for the NCPA;</li> <li>- Ensure adherence and commitment of the CPAs as aggregators of the needs of the ministries and the definition of user profiles by function.</li> </ul>	<ul style="list-style-type: none"> <li>- Decision on the communication model and availability of this framework agreement to CAs in general;</li> <li>- Reporting and monitoring - model template developed by the NCPA adapted to the category.</li> </ul>



## *Annex D*

### Feasibility study template

This document is a proposed template for a structured feasibility study so as to decide whether to proceed or not with a certain framework agreement (FA).

#### Background and business benefits

##### *Summary of the content of the framework agreement and background*

[Describe briefly the planned contents of the framework agreement [What product, what services, what software, etc.] and describe how the customers will be making the call-offs.

[Describe briefly, why this feasibility study has been made. Describe as well whether this framework or any area within the framework is under mandatory usage or proposed to be under mandatory usage.]

##### *Savings to the state budget*

[Describe the state's current spending by customer and estimate the savings to the state budget during the duration of the framework contract. Take into account the costs related to conducting the procurement jointly or if each customer would conduct the procurement separately. Justify your estimations and back them up with data from the state accounting system or if other data is available the state the source and how you came up with the numbers. It is also possible to estimate the demand by e.g. average spending of each government employee who would be using the framework agreement.]

	Year	Minimum	Target	Maximum
State spending	2011			
	2012			
	2013			
	2014			
	2015			
Estimated savings	2011			
	2012			
	2013			
	2014			
	2015			

##### *Business benefits of the framework agreement (only if fees are to be paid to the CPB)*

[Estimate the procurement value and fees vendors'/customer pay to the CPB.]

	Year	Minimum	Target	Maximum
Estimated value of the framework	2011			
	2012			
	2013			
	2014			
	2015			
Estimated fees from the vendors (x.x%)	2011			
	2012			
	2013			
	2014			
	2015			

[Justify your estimations. Base your estimation on calculations that are presented here or in a separate annex.]

[Describe here as well the most important risk factors why the business benefits would not materialise.]

### ***Other benefits of the framework to the CPB***

[Describe what other benefits than the fees from the vendors this framework would bring to CPB. These could include issues like image, support for other frameworks, etc.]

[Describe here as well the most important risk factors why the other benefits would not materialise.]

### ***Effect on other framework agreements***

[Describe what is the importance of this framework agreement and what effects might it have to CPB's other frameworks (e.g. cannibalise, support, increase usage)]

### ***Benefits to customers***

[Describe what the benefits are and importance of this framework agreement to the customers and what the agreement may bring to customers. Think of monetary issues, ease of use, faster process compared to customer organising tendering procedure alone. Describe as well if there are parallel projects or project that support the framework on-going with a customer or group of customers.]

[Describe here as well the most important risk factors why the benefits to customers would not materialise.]

## **Analysis of the current framework agreement (if in existence, otherwise describe the situation overall)**

### ***General***

[Describe general background information of the current framework agreement, including lots, if the framework has been divided into sub-sections, etc.]

### ***Volume, vendors and customers***

[Describe the volume and usage over the last two/three/four years plus volume by vendors and customers. This data is available in the reporting system].

## Customer feedback

[Describe both positive and negative feedback. Interview customer if you yourself do not know the history. Organise a web questionnaire for the customers who use the framework to gather further information.]

### *Feedback from the vendors and the market place*

[Describe both positive and negative feedback. If needed, organise a web questionnaire for the vendors within the framework to gather further information.]

### *Functionality of current call-off system*

[Describe how the current call-off system has functioned. Collect feedback from customers and vendors.]

### *Functionality of terms and conditions*

[Describe how the terms and conditions have functioned. Collect feedback from customers and vendors]

### *Summary of the current framework agreement*

[Describe what's worth keeping and what new elements should be added and why.]

## Market analysis

### *Market size and the state's procurement volume in relation to market size*

[Describe the market size and the importance of the state's procurement volume to the market.]

### *Market structure*

[Describe whether there are several small companies operating on this market segment or if it is dominated by bigger companies. Ask what data the associations, etc. of suppliers may have.]

### *Most important vendors in the market*

[Describe the most important vendors in the market.]

### *Uniformity and maturity of the market*

[Describe how uniform the market is and what is the maturity of the products/services that are to be procured. Are the products/services uniform, are the pricing models established and do the terms and conditions differ from one vendor to next? Are the products/services standardised and commercialised? What differences there are?]

### *Market development outlook for the next four years*

[Describe the future outlook in the market sector for the next two/three/four years.]

## Customer analysis

### *Current and upcoming needs of the customers*

[Describe customers' current and upcoming procurement needs within this sector.]

### *Most important customers, volumes and current agreements*

[Describe the most important customers, estimate their volume and describe their current agreements with expiry dates. Evaluate as well how interested and engaged they would be to utilise the framework agreement.]

### *Customer reference group*

[Describe what customers would be needed at the customer reference group (organisation/person/position) and as well why these persons are needed at the group.]

## Stakeholder analysis and steering of procurement at the state administration

### *Stakeholder analysis*

[Describe most important stakeholders and their interest towards the planned framework agreement. How to take the stakeholders into account while describing the framework and during the contracting period? What activities (meetings, etc.) need to be organised for the stakeholders?]

### *Steering of procurement at the state administration*

[Describe who steers the procurement of goods/services in this sector at the state administration. Describe how to involve this/these bodies in designing the framework and during the contracting period. What has already been done and what will be done if this feasibility study is approved? What is the expected attitude and what are the possible actions].

## Framework agreement: Scope and target

### *Scope of the procurement*

#### *Minimum scope of the procurement*

[Describe the scope of the procurement in its smallest possible product/services range that the framework is still doable. Leave out all but the very essential components.]

#### *Maximum scope of the procurement*

[Describe the scope of the procurement in so that all that could be in the procurement is included. Ponder whether this would be feasible with the resources available.]

#### *Alternative methods of procurement*

[Describe the alternative methods of procuring the goods/services (e.g. cars can be bought or lease; servers can be bought, leased or bought as a computing capacity, many services can be done in-house instead of outsourcing, does it make sense to outsource all – could temporary external manpower help].

*Proposal for the scope of the procurement and limits*

[Describe the proposed scope of the procurement. Describe as much detail as possible the products/services to be procured and their minimum, e.g. quality criteria. Describe different lots/sub-categories within the framework agreement. Describe as well what will be left out of the procurement.]

*Duration of the framework agreement*

[What would be the duration of the framework agreement and argument if the period is longer than four years? If the customers make contracts under the framework agreement describe how long are they valid after the framework has expired. Describe as well if the framework is on supplies what is the last day the customer can make orders and when the supplies have to be delivered and billed.]

*Call off model for the framework**Analysis whether one vendor model is applicable*

[Analyse whether one supplier model is feasible. Refer and make conclusion based on previous chapters on markets, customers, stakeholders, etc.]

*Analysis whether ranking /cascading model is applicable*

[Analyse if three or more suppliers with ranking is feasible. Describe how the ranking would be done and whether it would be updated during the course of the agreement period. Refer and make conclusion based on previous chapters on markets, customers, stakeholders, etc.]

*Analysis whether mini-tendering model is applicable*

[Analyse whether three or more suppliers and mini-tendering model is suitable for this framework. Analyse as well what support the customers would need from CPB and if CPB has the resources this would need. Refer and make conclusion based on previous chapters on markets, customers, stakeholders, etc.]

*Proposal for the call off model*

[Describe the proposed model for call offs within the framework: one or several suppliers; if several suppliers: ranking or some other mechanism or mini-tendering.]

[If there are more vendors that are awarded a contract describe how many vendors will be awarded in a single number (e.g. four). If you want to use a range (e.g. three to six) state when and how the absolute number of vendors will be fixed.]

*Customer's call off*

[Describe how the customer makes call offs during the framework period using the framework, e.g. selects one supplier using mini-tendering for the whole contracting period, procures always from number one vendor, procures using IT mechanisms (current or future), Excel sheets that give the selected vendor when procurement volume is inserted, etc.]



***Customers duties and liabilities in relation to the vendor when using the framework agreement***

[Describe the most important duties and liabilities of the customer when using the framework contract.]

***Consideration of impact on local and small and medium-sized enterprises***

[Describe how local and regional considerations are noted. Describe how SMEs are noted.]

***Consideration of green public procurement***

[Describe how the framework supports the green public procurement initiative by the state. Describe how the environmental issues are taken into account in the scope (requirement specification, terms and conditions, quality assessment)].

***Consideration of security and national preparedness***

[Describe here how information, physical, personnel and material security are taken into consideration in this framework agreement, in the requirement specification, in the agreement and pricing].

***e-systems***

[Describe how e-systems will be taken into consideration while tendering and during the lifetime of the framework agreement.]

***Qualifying criteria***

[Describe what criteria the vendor has to fulfil in order to be eligible to offer.]

***Prices***

[Describe how the prices will be asked in the tender documentation and how the prices will be presented in the final agreement [if using reference prices only in the tender process].

[Describe how the price evaluation will be done.]

[Describe the weighting methodology and weight on prices.]

***Quality***

[Describe in detail what quality criteria will be evaluated and how. It is preferable to have no more than five quality related evaluation criteria. State the percentage weight of each criterion and if there are sub-criteria also how the weighting of each question.]

**Tendering process*****CPB's expertise in relation to the industry***

[Evaluate the expertise and capacities of the CPB's personnel in relation to the scope of the procurement, pricing model and terms and conditions. State if conducting the tendering process needs external resources. What, how much, budget.]

***How challenging and large the tendering process is?***

[Estimate how challenging conducting the tendering process is in man-hours.]

***Resources fixed from the procurement sector for the tendering process***

[Describe the people nominated to the process from the Framework Agreements Department and from the sector. Describe their workload taking into consideration other tasks they have and especially parallel tendering processes.]

***Usage of external resources during the tendering process***

[Describe whether there will be external personnel working with the tendering process. What companies/persons could be of assistance? Describe the data security practices in relation to using external workforce.]

***Summary of the tendering process***

[Make a summary of the most important findings. Is it feasible to conclude a framework? If it is feasible: under which circumstances? If it is not feasible or if the time is not yet right not does CPB need to provide consultancy support for the lead customers in doing their own tendering?]

**Vendor management*****CPB's tasks during the contracting period***

[Describe CPB's tasks during the contracting period.]

***CPB's resources for vendor management***

[Describe who from the CPB will be doing this during the contracting period. Does CPB have the required capabilities for the vendor management? What activities and tasks are already known necessary? Are some vendors likely to require more "management" than others? In which areas? Discuss as well the possible problem areas that might arise in relation to vendor/s during the contracting period.]

**Plan B*****Backup plan: Phase 1***

[If the procurement is halted by the court proceedings for one year what alternatives there are or should be for the customers to fulfil the procurement needs? Is there another agreement that customers at least partly could use? Is a temporary contract needed? Does CPB need to provide consultancy support for the customers in doing their own tendering?]

***Backup plan: Phase 2***

[If the procurement is halted by the highest administrative court for several years (normally two to four years) what alternatives there are or should be for the customers to fulfil the procurement needs? Is there another agreement that customers at least partly could use? Is a temporary contract needed? Does CPB need to provide consultancy support for the customers in doing their own tendering?]



## *Annex E*

### **Planning tool for framework agreements**

This annex presents a tool to help plan and define the parameters of a framework agreement (FA). The tool helps the user to evaluate a potential FA in terms of its position in relation to the “complexity of the subject matter of the procurement” vs. the “manageability of the supplier market”. For example, the attractiveness of two potential FAs, may be completely different, even if they refer to the same products. Factors affecting this could be the forecasted procurement volumes, the number and magnitude of the participating contracting authorities (CAs), the geographic coverage, the duration of the FA is expected.



## *Annex F*

### Options for framework agreements

Framework agreements (FAs) can be concluded with a single supplier (single-supplier FAs) or with many suppliers (multi-supplier FAs). Single-supplier FAs are likely to be attractive for suppliers, because of the relative certainty that the winner will receive a good amount of purchase orders and therefore may result in competitive prices. Multi-supplier FAs, on the other hand, give in principle greater security of supply to buyers, since if one supplier does not respond to a purchase order, another one can be asked to supply. Also, multi-supplier FAs do not bind the contracting authorities (CAs) to a particular supplier but allow them to make the choice between different suppliers based on specific pre-agreed procedures or criteria. FAs can also be constructed to allow for the addition or removal of suppliers over time.

The four types of FAs are described below:

#### 1. **FA with fixed terms, with one supplier**

The CPB enters into a FA with one supplier for a period of up to four years. The call-off contract based on the FA is concluded directly by the CA using the conditions set forth in the FA, without any change.

#### 2. **FA without fixed terms, with one supplier**

The CPB enters into a FA with one supplier for a period of up to four years. The call-off contract is concluded on the basis of a written request of the CA sent to the supplier, asking the supplier to send in a new offer. A written request may contain, besides the original terms, precisely defined conditions and other minor amendments to the terms of the FA. After receiving the new offer the CA and supplier will enter into a contract. The essential terms of the FA may not change in the written request stage.

#### 3. **FA with all conditions set, with more suppliers**

The CPB enters into a FA with three or more suppliers for a period of up to four years. If the CPB does not get three or more tenders that meet the selection criteria, it may enter into a FA with a smaller number of suitable suppliers, if allowed by law. Call-off contracts under the FA will be concluded directly by the CA on the basis of terms of FA. In the case that the best supplier is unable to deliver, the contract will be concluded with the next best available supplier. CAs shall, within a reasonable period – for instance within seven days of the conclusion of the contract, send a decision to all suppliers in the FA about the conclusion of call-off contracts.

#### 4. **FA without all conditions set, with more suppliers**

The CPB enters into a FA with at least three suppliers for a period of up to four years. If there are not three or more tenders that meet the selection criteria, the CPB may enter into a FA with a smaller number of suitable suppliers, if allowed by law.

A call-off contract on the basis of the FA will be concluded on the basis of a mini tender. To ensure transparency, the criteria of the mini-tender (second stage) award should be stated in the tender documents. Such criteria could for instance relate to the quantity, value or characteristics of the supply or service concerned or to market developments or changes in price levels compared to a predetermined price index; thus the mini tender may serve to seek a discount or ask for improved products.

The mini tender includes the following steps:

1. invite all suppliers to tender
2. set a sufficient deadline to prepare and submit the bid
3. after review and evaluation of bids received, on the basis of the award criteria set in tender documents, conclude the contract with the bidder who submitted the best offer
4. in a reasonable period, for instance within seven days of the conclusion of the contract, inform all bidders who have submitted an offer about the results of the mini tender.

During the call-off procedure, the suppliers may not offer prices higher than those set forth in the FA unless a stated price index allows it. The essential terms of the FA may not change in the call-off stage.

## *Annex G*

### Example of creating lots: Framework agreement for IT software

This annex presents a detailed example of lots definition for IT Software FAs.

Group	Lots	Minimum technical requirements	
Infrastructure	Directory services	<ul style="list-style-type: none"> <li>– Centralised data store</li> <li>– Scalability support</li> <li>– Integration with the domain name system (DNS)</li> <li>– Client configuration management</li> <li>– Policy-based administration</li> <li>– Replication of information and multitenancy</li> </ul>	<ul style="list-style-type: none"> <li>– Secure authentication and authorisation</li> <li>– Security integration</li> <li>– Access control</li> <li>– Interoperability with other directory services</li> <li>– LDAP compliance</li> </ul>
	Configuration management	<ul style="list-style-type: none"> <li>– Operating System deployment</li> <li>– Application deployment</li> <li>– Device management</li> <li>– Software update management</li> <li>– Asset management and usage</li> <li>– Discovery</li> </ul>	<ul style="list-style-type: none"> <li>– Inventory</li> <li>– Client health monitoring</li> <li>– Centralised administration</li> <li>– Client support</li> <li>– Mobile devices support</li> <li>– “Desired configuration” baseline</li> </ul>
	Server monitoring	<ul style="list-style-type: none"> <li>– Performance monitoring</li> <li>– Health monitoring</li> <li>– Performance and availability reporting capabilities</li> <li>– Notification capabilities and infrastructure</li> <li>– Alerting capabilities</li> <li>– Interoperability and automation</li> <li>– WMI support</li> </ul>	<ul style="list-style-type: none"> <li>– SNMP support</li> <li>– Operating systems support</li> <li>– Centralised administration</li> <li>– Administration and operation consoles</li> <li>– Directory Services integration</li> <li>– Authoring tools</li> <li>– Scalability</li> </ul>
	Application monitoring	<ul style="list-style-type: none"> <li>– Application framework support</li> <li>– Service-level monitoring</li> <li>– Notification capabilities and infrastructure</li> <li>– Alerting capabilities</li> <li>– Interoperability and automation</li> </ul>	<ul style="list-style-type: none"> <li>– Centralised administration</li> <li>– Administration and operation consoles</li> <li>– Directory services integration</li> <li>– Authoring tools</li> <li>– Scalability</li> </ul>
	Server virtualization	<ul style="list-style-type: none"> <li>– HyperVisor Support</li> <li>– x86 and x64 support</li> <li>– High availability (host and guest)</li> <li>– Zero-downtime migration</li> <li>– Endpoint security</li> <li>– Scalability</li> <li>– Usage reporting</li> </ul>	<ul style="list-style-type: none"> <li>– Performance reporting</li> <li>– Data protection (SnapShot Support) and deduplication</li> <li>– Standard VHD and VMDK images</li> <li>– Remote web access</li> <li>– Centralised management</li> <li>– Directory services integration</li> </ul>
	Desktop virtualization	<ul style="list-style-type: none"> <li>– Automated configuration and deployment</li> <li>– Automated desktop provisioning</li> <li>– Automated deployment of updates and patches</li> <li>– Session-based management</li> <li>– Template-based deployment</li> </ul>	<ul style="list-style-type: none"> <li>– Application publishing</li> <li>– USB-based devices support</li> <li>– Centralised management</li> <li>– Directory services integration</li> <li>– High availability</li> <li>– Security</li> </ul>
	IT management orchestration and automation	<ul style="list-style-type: none"> <li>– Runbook automation</li> <li>– Job scheduling</li> <li>– Application release automation</li> <li>– Application process automation</li> <li>– Business process automation</li> <li>– IT operations automation</li> </ul>	<ul style="list-style-type: none"> <li>– Administration and operation profiles</li> <li>– Virtualisation software integration</li> <li>– GUI interface for design</li> <li>– Reliability</li> <li>– Scalability</li> <li>– Multitenancy</li> </ul>



Infrastructure	Server high availability	<ul style="list-style-type: none"> <li>– Distributed metadata and notifications</li> <li>– Resource management</li> <li>– Load management</li> <li>– Health monitoring</li> </ul>	<ul style="list-style-type: none"> <li>– Failover co-ordination</li> <li>– Dynamic reconfiguration of the database</li> <li>– Auto-tuned memory management</li> </ul>
	Backup	<ul style="list-style-type: none"> <li>– Centralised management</li> <li>– Centralised catalogue</li> <li>– Profile-based policy management</li> <li>– Reporting with historical data</li> <li>– Server/client deduplication</li> <li>– Snapshot backup</li> <li>– Agent-based backup for databases</li> <li>– Agent-based backup for e-mail systems</li> <li>– Agent-based backup for collaborative systems</li> </ul>	<ul style="list-style-type: none"> <li>– Block-level incremental backup</li> <li>– Real time replication</li> <li>– Restore single file system object</li> <li>– Restore single database</li> <li>– Restore single email system object</li> <li>– Disk backup</li> <li>– Tape backup</li> <li>– Storage lifecycle policy</li> <li>– Scalability</li> <li>– Encryption</li> </ul>
	Database management	<ul style="list-style-type: none"> <li>– High availability</li> <li>– Centralised administration</li> <li>– Health detection</li> <li>– Failover and fallback</li> <li>– Quorum modes</li> <li>– Data encryption</li> </ul>	<ul style="list-style-type: none"> <li>– Distribution of data files, control files and log files</li> <li>– Database mirroring</li> <li>– Data replication</li> <li>– Data recovery</li> </ul>
	Groupware/e-mail	<ul style="list-style-type: none"> <li>– Email, calendar, contacts and tasks</li> <li>– Directory services integration</li> <li>– Policy-based administration</li> <li>– Collaboration and workflow software integration</li> </ul>	<ul style="list-style-type: none"> <li>– Anti-malware protection</li> <li>– Client support</li> <li>– Mobile devices support</li> <li>– High availability and resilience</li> <li>– Social network software integration</li> </ul>
	Operating systems	<ul style="list-style-type: none"> <li>– File-based storage</li> <li>– Command line support</li> <li>– Script and commandlet support</li> <li>– Application execution support*</li> <li>– Application monitoring</li> <li>– Non-uniform memory access</li> <li>– Runtime memory configuration</li> <li>– Multitasking</li> <li>– Multi-processor architecture support</li> <li>– Access control</li> <li>– Network access protection</li> <li>– Kerberos constrained delegation</li> <li>– Domain name system security extensions</li> <li>– LDAP support</li> <li>– Active directory domain integration</li> <li>– Virtualisation supported</li> </ul>	<ul style="list-style-type: none"> <li>– Off premises domain join</li> <li>– Fine grained password policy</li> <li>– Backup and restore</li> <li>– Recycle bin</li> <li>– Development API</li> <li>– Unattended provisioning</li> <li>– Client and server certificate support</li> <li>– Clustering support</li> <li>– SMB support</li> <li>– FTP support</li> <li>– IPV4 and IPV6 support</li> <li>– Load balancing</li> <li>– Common development platform and tools</li> <li>– Remote access</li> </ul>
	Application servers	<ul style="list-style-type: none"> <li>– Deployment and management model of applications</li> <li>– Deployment and management model of SOAP web services</li> <li>– Configuration of persistence for durable workflows</li> <li>– Customisable tracking profiles</li> <li>– Dedicated, queryable storage for tracked data</li> <li>– Custom management scripts support</li> <li>– Customisable monitoring of hosted services</li> <li>– Support for Internet protocol version 6 (IPv6)</li> <li>– Automatically applications start</li> <li>– Local and distributed cache support</li> <li>– Instance store, query, and control providers</li> </ul>	<ul style="list-style-type: none"> <li>– Workflow management service support</li> <li>– Transaction management</li> <li>– Persistence database support</li> <li>– Persistence configuration support</li> <li>– Security configuration for persistence stores</li> <li>– Event collection service</li> <li>– Policy-based exception handling</li> <li>– Auditing</li> <li>– Monitoring support</li> <li>– Scalability and clustering support</li> <li>– Load balancing support</li> <li>– Data isolation</li> </ul>

Networking	Network monitoring tools	<ul style="list-style-type: none"> <li>• Netflow/sflow</li> <li>– SNMP</li> </ul>	– Syslog
	Proxy server software	<ul style="list-style-type: none"> <li>– Method get/post</li> <li>– Method connect</li> </ul>	<ul style="list-style-type: none"> <li>– Content filter</li> <li>– Log activity</li> </ul>
	Network Management tools	<ul style="list-style-type: none"> <li>– SNMP</li> <li>– MIB</li> </ul>	– RMON
	Antivirus and anti-spyware	<ul style="list-style-type: none"> <li>– Overall antivirus protection</li> <li>– Automatic repair</li> <li>– Script analysis protection</li> <li>– Email protection</li> <li>– IM protection</li> </ul>	<ul style="list-style-type: none"> <li>– Connection to an online community with information about undesirable programmes and emerging threats</li> <li>– Sequence analysis</li> <li>– Access protection</li> <li>– Second-level analysis</li> </ul>
	Computer forensic	<ul style="list-style-type: none"> <li>– Malware</li> <li>– Cross-drive analysis</li> <li>– Live analysis</li> <li>– Decryption suite</li> <li>– Physical desk emulator (PDE)</li> <li>– Smartphone examiner</li> </ul>	<ul style="list-style-type: none"> <li>– Data leakage prevention (DLP)</li> <li>– Control sensitive data</li> <li>– Recognise data types</li> <li>– Protect at several locations</li> <li>– Reporting and remediation</li> </ul>
	Database security solution	<ul style="list-style-type: none"> <li>– Protection from real time attacks</li> <li>– Base policy for transversal databases</li> <li>– Allow tailor reports</li> </ul>	– Implementation in heterogeneous IT environments
	Email security	<ul style="list-style-type: none"> <li>– Microsoft environment support</li> <li>– Content filter models</li> <li>– Protection against data erasing</li> <li>– Anti-malware and antispam advanced protection (heuristic)</li> </ul>	<ul style="list-style-type: none"> <li>– Quarantine</li> <li>– Blacklist</li> <li>– Whitelist</li> <li>– Continuous protection</li> </ul>
Security	Firewall	<ul style="list-style-type: none"> <li>– Firewall Layer 2</li> <li>– Firewall Layer 3</li> <li>– Firewall protocol: FTP, H.323, HTTP, HTTPS, IMAP4, MS RPC, NetBios Oracle SQL Net, POP3, RSH, SIP, SMTP, SSH, TFTP</li> </ul>	<ul style="list-style-type: none"> <li>– User authentication</li> <li>– High availability</li> <li>– Support IPV6</li> <li>– Link aggregation (802.3ad)</li> <li>– Link failure detection</li> <li>– Quality of service (QoS)</li> </ul>
	Web application firewall	<ul style="list-style-type: none"> <li>– High performance (milliseconds latency)</li> <li>– Brute force protection</li> </ul>	<ul style="list-style-type: none"> <li>– Cluster mode support</li> <li>– Access control</li> </ul>
	Intrusion detection systems/intrusion prevention systems/IDS/IPS	<ul style="list-style-type: none"> <li>– Monitoring and registration of suspicious activities</li> </ul>	– Real time analysis
	Fraud prevention solution	<ul style="list-style-type: none"> <li>– Real time analysis</li> <li>– Fraud reports</li> </ul>	– IPsec/SSL VPN virtual private network
	Network access control	<ul style="list-style-type: none"> <li>– Profile-based access</li> <li>– Policy enforcement</li> </ul>	<ul style="list-style-type: none"> <li>– Identity and access management</li> <li>– Mitigation of non-zero-day attacks</li> </ul>
	SIM (security information management) and SEM (security event management) or SIEM (security information/event management)	<ul style="list-style-type: none"> <li>– Real-time event monitoring</li> <li>– Multiple event correlation methods to detect both known and unknown threats while reducing the number of false positives</li> <li>– Dynamic visualisation for fast and intuitive threat identification, tracking and analysis</li> <li>– Integrated risk assessment to understand the overall vulnerability of any particular asset within the enterprise</li> </ul>	<ul style="list-style-type: none"> <li>– Comprehensive reporting and forensics for all levels of security operations</li> <li>– Robust incident-management system that organises security event data and enforces security response workflow</li> <li>– Network admission control (NAC) event monitoring, reporting and case management</li> <li>– Complete event monitoring for all multivendor security environments</li> </ul>
	Vulnerability management tool	<ul style="list-style-type: none"> <li>– Manage information</li> <li>– Assess risk</li> </ul>	<ul style="list-style-type: none"> <li>– Assess vulnerabilities</li> <li>– Reporting and remediation</li> </ul>
	Identity management	<ul style="list-style-type: none"> <li>– Policy management</li> <li>– Extensible WS-*APIs</li> <li>– User management</li> <li>– Workflow support</li> <li>– Web console access</li> <li>– Credential management</li> </ul>	<ul style="list-style-type: none"> <li>– Rules-based provisioning</li> <li>– Directory group management</li> <li>– Regulation compliance</li> <li>– Audit policy support</li> <li>– Reporting</li> <li>– Strong authentication support</li> </ul>

Development	Enterprise search	<ul style="list-style-type: none"> <li>– Multiple source support</li> <li>– Federated search support</li> <li>– Customisable scopes</li> <li>– Assync content crawling + indexing</li> </ul>	<ul style="list-style-type: none"> <li>– Security policy support</li> <li>– Customisable results</li> <li>– Multiple content support</li> <li>– Extensible API</li> </ul>
	Web content management	<ul style="list-style-type: none"> <li>– Drag and drop editing</li> <li>– HTML 5 support</li> <li>– Application development</li> <li>– File upload</li> <li>– Image and document library</li> <li>– Web importing</li> <li>– WYSIWYG editing</li> <li>– Page templates</li> <li>– Form to email</li> <li>– Calendar</li> <li>– RSS feed capabilities</li> <li>– Spellcheck</li> <li>– Customisable URL</li> <li>– SEO analysis</li> </ul>	<ul style="list-style-type: none"> <li>– SEO suggestions</li> <li>– Surveys</li> <li>– Web analytics ready</li> <li>– Metadata management</li> <li>– Bandwidth support</li> <li>– File storage</li> <li>– Team collaboration</li> <li>– Workflow</li> <li>– Authoring and publishing</li> <li>– Site backups</li> <li>– User roles security</li> <li>– Staging mode/Sandbox</li> <li>– SSL Certificate support</li> <li>– Extensible APIs</li> </ul>
	Database management system	<ul style="list-style-type: none"> <li>– Cross-box scale limits</li> <li>– High availability (AlwaysOn)</li> <li>– Scalability and performance</li> <li>– Security</li> <li>– Data isolation</li> <li>– Replication</li> <li>– Management tools</li> <li>– RDBMS manageability</li> <li>– Development tools</li> <li>– Programmability</li> <li>– Integration services</li> <li>– Integration services-advanced adapters</li> </ul>	<ul style="list-style-type: none"> <li>– Integration services-advanced transforms</li> <li>– Master data services</li> <li>– Data warehouse</li> <li>– Analysis services</li> <li>– BI semantic model (multi-dimensional)</li> <li>– BI semantic model (tabular)</li> <li>– Data mining</li> <li>– Reporting services</li> <li>– Business intelligence clients</li> <li>– Spatial and location services</li> <li>– Cloud services</li> </ul>
	Business process management	<ul style="list-style-type: none"> <li>– Process orchestration engine</li> <li>– BPMN all versions support</li> <li>– Model-driven composition environment for designing processes and their supporting activities and process artefacts</li> <li>– Content interaction management to support the progression of work</li> <li>– Human interaction management</li> <li>– Integration and connectivity capabilities</li> <li>– Active analytics</li> <li>– On-demand analytics to provide decision support or decision automation using predictive analytics or optimisation technology</li> </ul>	<ul style="list-style-type: none"> <li>– Business rule management</li> <li>– Management and administration</li> <li>– Process component registry/repository for process component leverage and reuse</li> <li>– Social media support</li> <li>– Mobile device support</li> <li>– Audio and video support</li> <li>– Role-based user access, user experience and interaction pattern support</li> <li>– Extensible API</li> </ul>
	Integrated development environment	<ul style="list-style-type: none"> <li>– HTML, JavaScript, XML, WSDL, DML, DDL, C, C++, Java, .NET, PHP, Perl Python support</li> <li>– Support for applications for web, desktop, cloud, server and mobile</li> <li>– Intellisense support</li> <li>– IntelliTrace support</li> <li>– Local and remote diagnostic and debugging</li> <li>– Application profiling</li> </ul>	<ul style="list-style-type: none"> <li>– Multiple compiler support</li> <li>– Type search</li> <li>– Support for plugins</li> <li>– Multi monitor support</li> <li>– Automated unit testing support</li> <li>– Code quality and review support</li> <li>– Lab management</li> <li>– Snippet support</li> <li>– Extensible API</li> </ul>

Development	Enterprise content management	<ul style="list-style-type: none"> <li>– Core document management</li> <li>– Client integration capabilities with popular office suites</li> <li>– Versioning</li> <li>– Support for links, virtual (compound documents)</li> <li>– Common document operations</li> <li>– Document renditions</li> <li>– Security</li> <li>– Navigation</li> <li>– Tagging and rating</li> <li>– Taxonomy</li> </ul>	<ul style="list-style-type: none"> <li>– Content deletion</li> <li>– Auditing</li> <li>– Core records management</li> <li>– Information rights management</li> <li>– Managing document lifecycles</li> <li>– Document workflows</li> <li>– Storage</li> <li>– Programmability</li> <li>– Federatable search</li> <li>– OCR and ICR support</li> <li>– Extensible APIs</li> </ul>
	Enterprise application integration	<ul style="list-style-type: none"> <li>– Service oriented architecture (SOA) support</li> <li>– Enterprise service bus (ESB) support</li> <li>– B2B integration</li> <li>– Cloud services integration</li> <li>– Dependency tracking</li> <li>– Data integration</li> <li>– Application integration</li> <li>– Services brokerage</li> <li>– Service portfolio planning</li> <li>– Enterprise registry/repository</li> <li>– Auditing</li> <li>– Lifecycle governance</li> <li>– Service security and management policy management</li> <li>– API security</li> <li>– Traffic monitoring</li> <li>– QoS management</li> </ul>	<ul style="list-style-type: none"> <li>– App management and provisioning</li> <li>– On-premise or as-a-service</li> <li>– Orchestration and XML mapping support</li> <li>– Operations routing</li> <li>– Business rules management</li> <li>– Business activity monitoring</li> <li>– WS* policy support</li> <li>– Caching</li> <li>– Support for proprietary connectors</li> <li>– Support for industry standards: WS*, REST, SAML, SOAP</li> <li>– BPEL support</li> <li>– BPMN support</li> <li>– Multiple pattern bus architecture</li> <li>– Extensible APIs</li> </ul>
	Master data management	<ul style="list-style-type: none"> <li>– Web-based interface</li> <li>– Scalable</li> <li>– Multiple version management</li> <li>– Complex data validation</li> <li>– Complex data cleansing</li> <li>– Complex data modelling (all relationship combinations)</li> </ul>	<ul style="list-style-type: none"> <li>– Search</li> <li>– Integration support</li> <li>– WS* + REST compliance</li> <li>– Extensible API</li> </ul>
	Software architecture modelling	<ul style="list-style-type: none"> <li>– UML 2.4.1 support</li> <li>– Structural diagrams support</li> <li>– Use case model</li> <li>– Business process model</li> <li>– Dynamic models</li> <li>– Logical model</li> <li>– Component and deployment diagrams</li> <li>– Custom extensions</li> <li>– MDA transformation support</li> <li>– Model driven architecture support</li> <li>– Template driven transformations with DDL, Java, C#, XSD support</li> <li>– Report generation</li> <li>– Documentation generation</li> <li>– Forward and reverse code engineering with C++, Java, C#, VB.Net, Visual Basic, Delphi, PHP, Python and ActionScript support</li> <li>– Support for CORBA</li> <li>– Database modelling</li> <li>– Reverse engineer from DBMS systems, including Oracle 9i and 10g, SQL Server, My SQL, Access, PostgreSQL</li> <li>– Model database tables, columns, keys, foreign keys and complex relationships using UML</li> <li>– Model database tables, columns, keys, foreign keys and complex relationships using XML</li> <li>– Integration with SCC compliant version control support</li> <li>– XML schema support</li> <li>– Generate complex XML schema from UML models</li> </ul>	<ul style="list-style-type: none"> <li>– Transform simple models into XSD models using MDA transformations, then generate XSD to file</li> <li>– Reverse engineer XML schema into UML models</li> <li>– Forward engineer XML schema from UML models – Compare (diff) Utility</li> <li>– Baseline support</li> <li>– Reverse engineer binary files from Java and .NET</li> <li>– Import/export of models in XML format</li> <li>– User security support</li> <li>– Support for testing: unit tests; integration tests; system tests; acceptance tests</li> <li>– WSDL engineering support: built-in profile for WSDL to simplify development of web services using UML; reverse engineer WSDL documents into UML; forward engineer WSDL from UML; transform simple models into XSD models using MDA transformations, then generate XSD to file</li> <li>– Systems engineering: advanced behavioral modelling and executable code generation; SysML 1.1, SysML 1.2, SysML 1.3 and parametric model simulation; hardware description language support for SystemC, VHDL and Verilog</li> </ul>

	Object relational modelling	<ul style="list-style-type: none"> <li>– Visual designer</li> <li>– Extensible API</li> <li>– Batch operations support</li> <li>– Code generation for web services</li> <li>– Code generation for multiple API services</li> <li>– Stored procedures and functions support</li> <li>– Fetch optimisations</li> <li>– Dynamic model modifications</li> <li>– Custom types framework</li> <li>– DDL capabilities</li> <li>– DML capabilities</li> </ul>	<ul style="list-style-type: none"> <li>– Spatial data types</li> <li>– Built-in validation frameworks</li> <li>– Command line generation tools</li> <li>– Optimistic concurrency</li> <li>– Pessimistic concurrency</li> <li>– Advanced connection pooling</li> <li>– XML mapping</li> <li>– Pure attributes mapping</li> <li>– Data transfer objects (DTO)</li> <li>– Self-tracking entities</li> </ul>
Development	Application lifecycle management	<ul style="list-style-type: none"> <li>• Requirements Management support</li> <li>– Change, version and configuration</li> <li>– Test cycle management</li> <li>– Quality management</li> <li>– Build management</li> <li>– Distribution management</li> <li>– Lab management</li> <li>– Source control</li> <li>– Version control</li> <li>– Continuous integration pattern</li> <li>– Support for maintenance: change control details; maintenance and fault recording; track issues and defects; reporting of details fully supported in RTF document generator</li> <li>– Multiple stream and merge support</li> <li>– Distributed team activity</li> <li>– Support for customizable workflows</li> <li>– Manage change process workflows from initial change requests or requirements through build and turnover for release</li> </ul>	<ul style="list-style-type: none"> <li>– Vary workflows for development processes from team to team and from project to project</li> <li>– Share data across phases and activities</li> <li>– Support federated sharing or central storage of metadata for the development resources and processes</li> <li>– Support custom reporting and custom integrations beyond those of the vendor</li> <li>– Work item, action, activity and Item editor</li> <li>– Commercial support</li> <li>– Extensible API</li> </ul>
Productivity	Office suite	<ul style="list-style-type: none"> <li>– Word processor</li> <li>– Spreadsheet</li> <li>– Image editing</li> <li>– Desktop publishing</li> </ul>	<ul style="list-style-type: none"> <li>– Diagram modelling</li> <li>– SlideShow and multimedia presentation</li> </ul>
	Collaboration	<ul style="list-style-type: none"> <li>– File and information sharing</li> <li>– Content management</li> <li>– Authoring and publishing processes</li> <li>– Cross-site publishing</li> <li>– Directory services integration</li> <li>– Application development</li> </ul>	<ul style="list-style-type: none"> <li>– Workflow</li> <li>– Identity management</li> <li>– Social network integration</li> <li>– External data access</li> <li>– Mobile devices access</li> <li>– Search capabilities</li> </ul>
Management	Project and portfolio management	<ul style="list-style-type: none"> <li>– Project management</li> <li>– Resource planning and management</li> <li>– Portfolio management</li> <li>– Task and activity scheduling</li> <li>– Workflow support</li> <li>– Demand management</li> <li>– Resource calendars</li> </ul>	<ul style="list-style-type: none"> <li>– Timesheets and task management</li> <li>– Security and access control</li> <li>– Built-in reporting</li> <li>– Remote access</li> <li>– Shared work support</li> <li>– Extensible API</li> </ul>
	Service management	<ul style="list-style-type: none"> <li>– Support for ticketing prioritised through business service impact analysis</li> <li>– Service catalogues with service costing with chargeback and/or show-back capabilities</li> <li>– Service lifecycle management</li> <li>– Cloud service lifecycle management</li> <li>– Service desk incident management</li> <li>– Remote access support</li> <li>– Mobile device support</li> <li>– Change management support</li> <li>– Configuration database support</li> <li>– Process and workflow support</li> </ul>	<ul style="list-style-type: none"> <li>– Change calendar support</li> <li>– Service request catalogue support</li> <li>– Service-level support</li> <li>– SLA dashboard and analytics management</li> <li>– Service cost support</li> <li>– Workflow support</li> <li>– Supply/demand tracking</li> <li>– Asset management</li> <li>– IT asset lifecycle management</li> <li>– Contract management</li> <li>– Knowledge base support</li> </ul>
	Supply chain management	<ul style="list-style-type: none"> <li>– Software designed to integrate supply chain processes, internal or external, from the supplier to the end user/client</li> </ul>	

Information management	Business intelligence	<ul style="list-style-type: none"> <li>– Location intelligence</li> <li>– Master data support</li> <li>– What if analysis</li> <li>– Meta data layer</li> <li>– Drill down/up</li> <li>– Graphs, charts and trees with custom drill down</li> <li>– Drill down of dimensions with previews of current and past derivations</li> <li>– Pivot table</li> <li>– Cross tabs</li> <li>– Custom calculations</li> <li>– Query wizard expertise</li> <li>– Write back support</li> <li>– Tabular and multidimensional semantic model support</li> <li>– OLAP support</li> <li>– Data warehouse support</li> <li>– ODS support</li> <li>– Data integration and ETL support</li> <li>– Analytical features like ranking, filtering, sorting, group by support</li> <li>– Dashboards/scorecard with KPI reports</li> </ul>	<ul style="list-style-type: none"> <li>– Web portals with RSS feeds</li> <li>– Interval grouping support</li> <li>– Distribution reports with XML publishing</li> <li>– Export reports in different formats (PDF, XLS, TXT, HTML.)</li> <li>– Relational, multidimensional, XML and custom data sources</li> <li>– Tabular, matrix, chart and free-form report layouts</li> <li>– <i>Ad hoc</i> reports</li> <li>– Report publishing</li> <li>– Report scheduling</li> <li>– Report subscription</li> <li>– Report presentation formats (rendering formats)</li> <li>– Linked reports</li> <li>– Integration with collaboration software</li> <li>– Directory services integration</li> <li>– Centralised administration</li> <li>– Report security (profile based)</li> <li>– Report encryption</li> </ul>
	Graphics and diagrams	<ul style="list-style-type: none"> <li>– Graphic tools</li> <li>– Construction of diagrams (functional, technical, commercial, among other natures)</li> </ul>	
	CAD, CAM and CAE	<ul style="list-style-type: none"> <li>– Computer-aided design (CAD)</li> <li>– Computer-aided manufacturing (CAM)</li> <li>– Computer-aided engineering (CAE)</li> </ul>	<ul style="list-style-type: none"> <li>– Might include image, audio or video processing tools if they are not development tools</li> </ul>
	Statistics processing	<ul style="list-style-type: none"> <li>– Data and statistics processing</li> </ul>	
	Document management and workflows	<ul style="list-style-type: none"> <li>– Electronic and image document management aiming to simplify the processes of creating, managing, publishing, distributing and archiving documents</li> </ul>	<ul style="list-style-type: none"> <li>– Usually built around a central library, capable of supporting access control, version control, cataloguing, search engines and the possibility of uploading and deleting documents</li> </ul>
	GIS – geographical information systems	<ul style="list-style-type: none"> <li>– Capture, storage, analysis and management of data and attributes spatially referenced by Earth</li> <li>– Usually with a viewing tool through web browser, a map creation environment and a server to manage maps and data for online and real time visualisation and management</li> </ul>	<ul style="list-style-type: none"> <li>– KML, GeoSPARQL, CityGML, SQL, SpatialSQL, GML, OWS, WaterML, TML, OMX, OM, OSEO, programmable API and SDK, scripting support, LIDAR dataset</li> </ul>
	CRM – customer relationship management	<ul style="list-style-type: none"> <li>– Management of information related to clients aiming to extract value and knowledge from the client's database</li> </ul>	
	ERP/ERM	<ul style="list-style-type: none"> <li>– Management of all relevant resources in an organisation allowing automation and storage of all business related information</li> <li>– This system integrates all data and processes of an organisation and might be integrated either functionally (finance, accounting, human resources, production, marketing and sales, among others) and/or systematically (transaction processing system, decision support system, among others)</li> </ul>	
	ERP/ERM – health	<ul style="list-style-type: none"> <li>– ERP specifically conceived for health sector management</li> </ul>	
	ERP/ERM – human resources	<ul style="list-style-type: none"> <li>– ERP specifically conceived for human resources management</li> </ul>	
Lote 55 – ERP/ERM – Finanças e Contabilidade	<ul style="list-style-type: none"> <li>– ERP specifically conceived for financing and accounting management</li> </ul>		
Bundle of	Bundles of software for desktop	<ul style="list-style-type: none"> <li>– Bidders can present bundles of desktop software (i.e. bundle of OS, antivirus and productivity software)</li> </ul>	
	Bundles of server software	<ul style="list-style-type: none"> <li>– Bidders can present bundles of server software (i.e. bundle of OS, portal middleware and database software)</li> </ul>	



## *Annex H*

### **Law 4281/2014 on Public Procurement**

Law 4281/2014 on Public Procurement, published in the Greek Government Gazette at [www.et.gr/docs-nph/search/pdfViewerForm.html?args=5C7QrtC22wEc63YDhn5AeXdtvSoClrL8xcreXeJlx8t5MXD0LzQTLWPU9yLzB8V68knBzLCmTXKaO6fpVZ6Lx3UnKl3nP8NxdnJ5r9cmWyJWeIDvWS\\_18kAEhATUkJb0x1LIdQ163nV9K--td6SIuTuWFLb4Zx1tcubv-CiyIk8ksdvNiGHA1m6Ulu0Ww7Ip](http://www.et.gr/docs-nph/search/pdfViewerForm.html?args=5C7QrtC22wEc63YDhn5AeXdtvSoClrL8xcreXeJlx8t5MXD0LzQTLWPU9yLzB8V68knBzLCmTXKaO6fpVZ6Lx3UnKl3nP8NxdnJ5r9cmWyJWeIDvWS_18kAEhATUkJb0x1LIdQ163nV9K--td6SIuTuWFLb4Zx1tcubv-CiyIk8ksdvNiGHA1m6Ulu0Ww7Ip) consolidates (articles 14-201) all procurement legislation and provides, among others:

- a definition of a FA in Article 15
- the role of the CPA and its relation to framework agreements in Article 20
- consolidated procurement in Article 21
- the main types of FAs in Articles 52-54
- provisions on e-procurement in Articles 132 onwards.





*Annex I*  
**SPPA Guidelines on Framework Agreements**

The guidelines on Framework Agreements in public procurement were published by the SPPA on 30 July 2014 and are available at: [www.eaadhsy.gr/images/docs/20141103\\_4591-Kateythynthria-Odhgia-6.pdf](http://www.eaadhsy.gr/images/docs/20141103_4591-Kateythynthria-Odhgia-6.pdf). Part III of the guidelines provides step-by-step guidance on awarding FAs and part IV provides a detailed overview of the call-off procedure.



## *Annex J*

### **EU Directive on Public Procurement**

Directive 2014/24/EU of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC covers, among others:

- definitions and explanations around FAs in points 60-82 of the Preamble
- framework agreements in Article 33
- the role of the CPB and its relation to FAs in Article 37.

The definition of an FA, according to the Directive is “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”.

# Manual for Framework Agreements

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