

Appendix A – Relative benefits and Disadvantages of a DPS vs a Framework Agreement



<b>DYNAMIC PURCHASING SYSTEM (DPS)</b>	<b>IMPLICATION</b>	<b>FRAMEWORK</b>	<b>IMPLICATION</b>
<i>Suppliers can join at anytime</i>	<i>Can include additional providers at any time, allowing for market fluctuation / dropouts</i>	<i>Suppliers can join within a limited application window</i>	<i>Reduced market, limited to only the successful providers at the point of framework conclusion. Doesn't allow for market volatility / dropouts</i>
<i>No direct award of contracts</i>	<i>There still needs to be a mini-tender of suitable contractors. Benefits – VFM  Disadvantage – time consuming</i>	<i>Buyers can direct award (sometimes)</i>	<i>A contractor can be selected for a direct award contract.  Benefit – less time taken  Disadvantage – no evidence of VFM</i>
<i>Pricing determined at the contract award stage</i>	<i>Prices are real time and reflect market fluctuations</i>	<i>Pricing fixed at the point of tender</i>	<i>Whilst this gives some certainty, if the prices are fixed for the length of the framework, they will accommodate prices rises from the start</i>
<i>Unlimited suppliers may join</i>	<i>Allows for additions who can demonstrate greater</i>	<i>Number of suppliers decided before procurement</i>	<i>A reduced, ring-fenced market</i>

	<b><i>capability and potentially value for money</i></b>		
No limit to how long the DPS can run	Reduced requirement to tender	Maximum four years	Must be retendered every 4 years