

*Report to the Federal Parliament on the follow-up framework agreements*

**The Court of Audit has examined whether on the federal level proper use was made of the “framework agreements” through which pooled purchases can be made and whether the product range available was sufficiently wide. The survey showed that large federal government departments were making little use of existing framework agreements and were not making use yet of new framework agreements offering potentially favourable terms in relation to telecommunications and fixed telephony, ICT, catering and energy. On the basis of comparisons with other procurement offices, the Court is of the opinion that considerable savings could be made each year if framework agreements were better used.**

The federal authorities can make significant savings when they buy pooled goods and services through framework agreements. By buying large quantities, lower prices can be obtained and the purchasing process cost is lower because there is only one purchasing procedure applied. Smaller government departments are most happy with framework agreements because they cannot afford to go through the whole procurement procedure due to their limited staff capacity. Framework agreements are a guarantee for government departments to be provided quality products and services and to be sure that these agreements comply with the regulations governing government procurement agreements.

In mid 2002 the Federal Procurement Office responsible for concluding framework agreements was dismantled and replaced by the trans-departmental framework agreements office (FOR-CMS). This reorganization induced the Court to examine whether FOR-CMS operates regularly and efficiently (2005). The Court assessed that it worked according to the rules but that efficiency was liable for improvement.

Two years later the Court verified to what extent the main bottlenecks had been resolved. It examined whether proper use was made of the framework agreements and whether the product range was sufficiently wide. A large part of this examination was based on a comparison with other government central procurement offices both at home and abroad.

The Court found that bottlenecks had been resolved but that there was hardly or no improvement for some essential issues. The use of existing framework agreements as well as the development of new framework agreements can be improved, entailing that possible savings remain untapped. Large federal government departments are mainly the ones that make little use of the framework agreements available with FOR-CMS. The study showed that there is a market for new, potentially very favourable framework agreements for supplies and services in the field of telecommunications and fixed telephony, ICT, catering and energy, which the federal authorities do not go into for the time being. In terms of comparisons with other purchasing bodies the Court is of the opinion that annually 20 to 70 million euros could be saved by making a better use of framework agreements.

Here follows a list of the main causes for these bottlenecks according to the Court:

- Defective regulations, among others for the organization of electronic auctions, the modus operandi with “leading government departments (that conclude a framework contract themselves and then open up the agreements for the other government departments), the failing of the network consultation among government departments, etc.
- Shortage of resources for the FOR-CMS agreements limiting thus the expansion of the product range and sometimes causing a break off in contract offer ;

- Lack of a coordinated and integrated approach of the purchasing policy within the federal authorities, among others the shortage of a federal purchasing strategy, a fragmentation of powers between various services, insufficient match and deficient communication between government departments and public bodies, on the one hand, and FOR-CMS on the other hand.

In his reply the minister responsible for FOR-CMS said he agreed that a better federal policy could contribute to savings. But in view of the political situation prevailing after the completion of the audit (end of 2007) he added that he did not want to take a stance about the decisions to be made.