Procurement Frameworks vs Direct Purchasing: What MAT CFOs Should Know

KEY TAKEAWAYS

- Public procurement frameworks and dynamic purchasing systems (DPS) offer pre-approved supplier routes that reduce administrative burden and speed up buying decisions.
- Frameworks have a fixed list of suppliers, while a DPS allows new suppliers to join at any time during the contract period.
- Direct purchasing gives you more control but requires running a full tender process, which takes time and resources.
- The Procurement Act 2023 introduces "dynamic markets" as the new term for DPS arrangements, with updated rules for contracting authorities.
- Choosing the right procurement route depends on contract value, urgency, market conditions, and your trust's capacity to manage the process.

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Why Procurement Decisions Keep MAT CFOs Up at Night

Multi-Academy Trust CFOs face a unique challenge. You're spending public money, which means every purchase comes with compliance requirements. But you're also running schools, not procurement departments.

So, when you need to buy IT equipment, catering services, or facilities management, you have options. You can use a public sector framework. You can set up through a dynamic purchasing system. Or you can go directly to market with your own tender.

Each route has trade-offs. And getting it wrong can mean wasted budget, audit findings, or services that don't meet your schools' needs.

Procurement in Multi-Academy Trusts can be daunting. This guide breaks down the key differences between public procurement frameworks and direct purchasing. You'll learn when each approach makes sense and how to stay compliant under the Procurement Act 2023.

How Public Sector Procurement Actually Works

Public sector procurement is the process that contracting authorities use to buy goods, services, and works. It covers everything from pencils to building projects.

Unlike private companies, public sector organizations must follow strict procurement regulations. These rules exist to ensure value for money, fair competition, and transparency.

For MAT CFOs, this means you can’t simply pick your favorite supplier. Depending on the contract value, you may need to advertise the opportunity, evaluate bids against set criteria, and publish a contract award notice.

The goal is straightforward: spend taxpayer money wisely while giving suppliers a fair chance to win your business.

What Exactly Is a Procurement Framework?

A procurement framework is a pre-established agreement between a buying organization (or central purchasing body) and a group of pre-approved suppliers. Think of it as a shortlist that’s already been vetted.

The Cabinet Office, Crown Commercial Service, and other bodies set up these frameworks on behalf of public sector buyers.

Local Authorities, NHS Trusts, and Academy Trusts can then “call off” from these agreements without running their own full procurement exercise.

How Framework Agreements Work

A framework agreement sets out the terms and conditions for future purchases. It doesn't commit you to buying anything. Instead, it gives you the right to purchase from framework suppliers when you need to.

There are typically two ways to buy from a framework:

Direct Award

This lets you select a single supplier from the framework without further competition. This works when the framework has clear pricing, and you can justify your choice based on value for money.

Mini-Competition

Also called 'further competition', this means you invite some or all framework suppliers to bid for your specific requirement. You evaluate their responses and select the best offer.

The key benefit? Someone else has already done the heavy lifting. The suppliers are pre-qualified, terms are agreed, and you're buying from a compliant procurement route.

Dynamic Purchasing Systems: A Different Animal

A Dynamic Purchasing System (DPS) looks similar to a framework at first glance. It’s a list of suppliers who’ve met certain criteria. Public sector buyers can purchase from them without starting from scratch.

But there’s a critical difference.

The Open Door Policy

Frameworks close their supplier list once they’re set up. If a provider missed the original tender, they’re locked out until the framework expires and a new one is created.

A DPS stays open. New suppliers can apply to join at any point during the arrangement. As long as they meet the selection criteria, they’re in.

Why does this matter? Markets change. New providers enter. Existing suppliers develop better solutions. A DPS captures this innovation in a way that closed frameworks cannot.

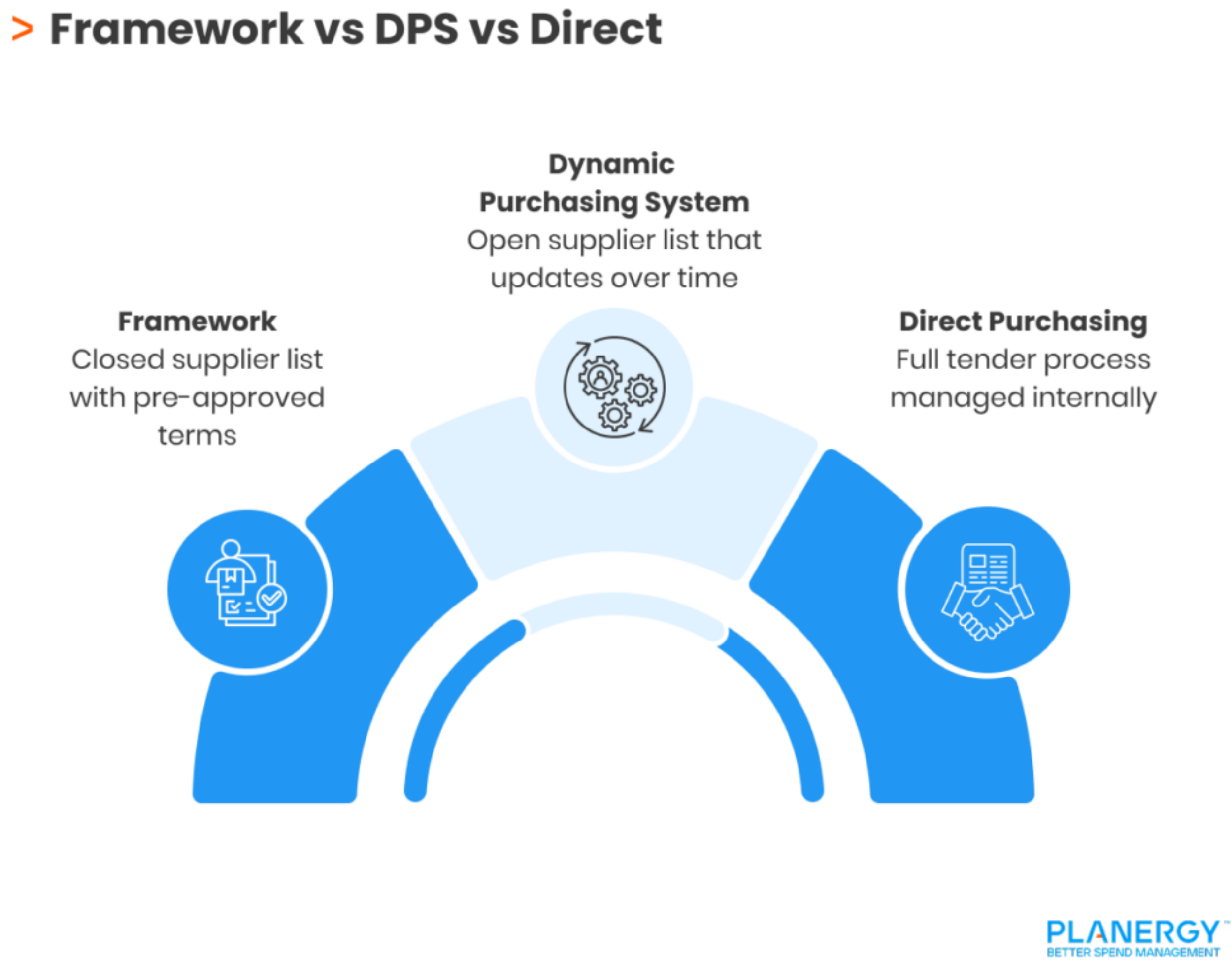
What the Procurement Act 2023 Changes

The Procurement Act 2023 replaces the term “dynamic purchasing system” with “dynamic markets.” The concept remains similar, but the rules have been updated.

Under the new regulations, contracting authorities can set up dynamic markets more flexibly.

The Act allows for better categorization of suppliers and clearer processes for running competitions within the market.

You can learn more about these changes in the official Procurement Act 2023 guidance from the UK Government.



Breaking Down the Four Main Procurement Methods

When MAT CFOs need to buy something, four main procurement routes are available:

Open Procedure

Anyone can submit a bid. You advertise the opportunity on Contracts Finder (and Find a Tender for higher-value contracts), evaluate all submissions, and award to the winning bidder.

This approach is transparent and competitive. But it can generate dozens of bids to evaluate, which takes time and resources.

Restricted Procedure

You advertise the opportunity but pre-qualify suppliers before inviting them to bid. Only those who pass the selection stage receive the full tender documents.

This reduces your evaluation workload while still running a competitive process.

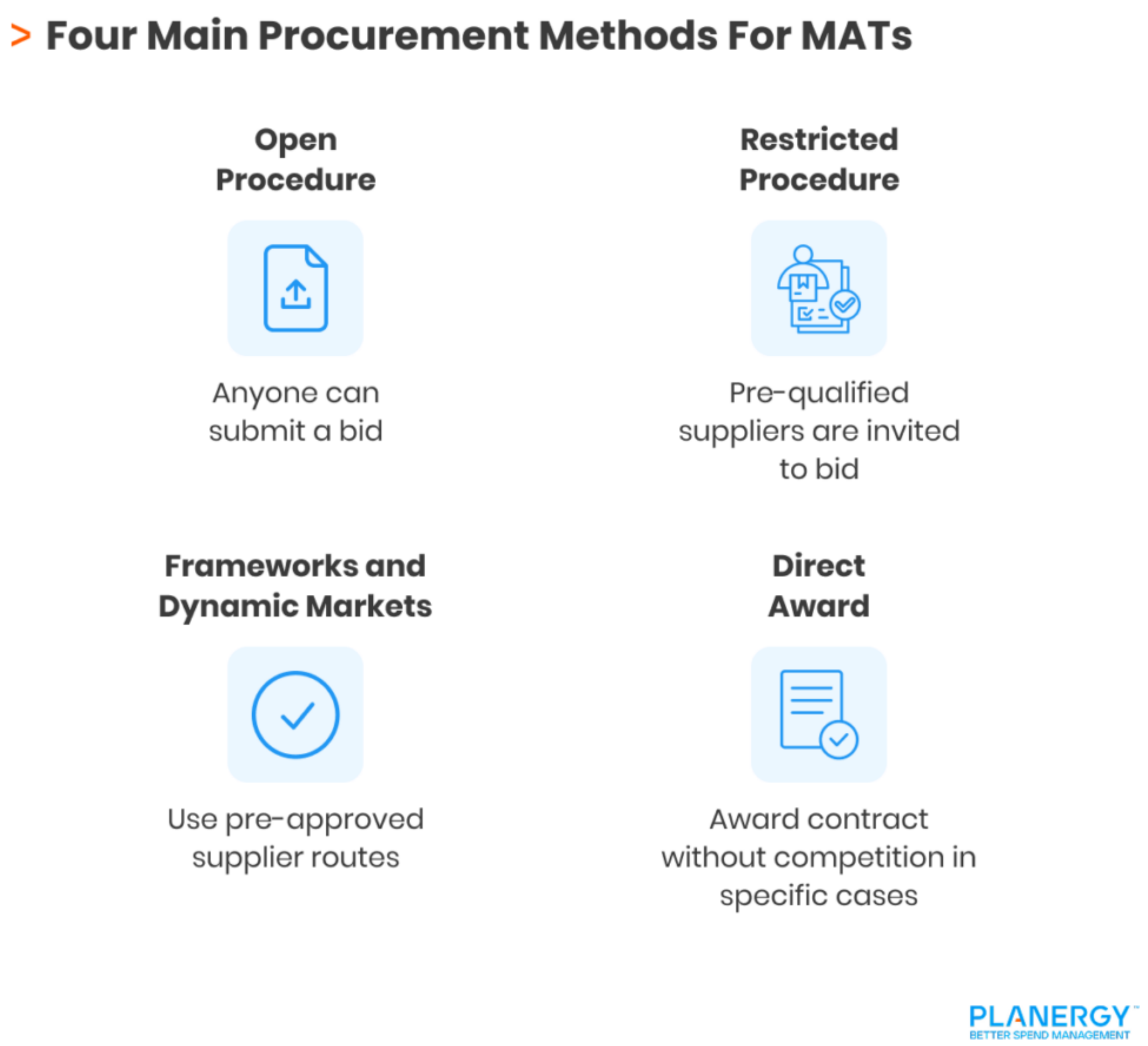
Frameworks and Dynamic Markets

As covered above, these let you access pre-approved suppliers without running your own procurement from scratch. They're faster but limit you to the suppliers already on the list (or, with dynamic markets, those who join during the period).

Direct Award

In limited circumstances, you can award a contract directly to a single supplier without competition. This is only permitted under specific conditions, such as genuine emergencies or when only one supplier can meet your needs.

Direct award within a framework is different. If the framework terms allow it and you can demonstrate value for money, you can pick a supplier without mini-competition.



Direct Purchasing: When You Go It Alone

Direct purchasing means running your own tender process from start to finish. You define your requirements, advertise the opportunity, evaluate bids, and award the contract.

The Case for Going Direct

Sometimes frameworks don't cover what you need. The suppliers on existing agreements might not serve your region, or the framework terms don't fit your specific requirements.

Running your own procurement gives you complete control. You set the specification. You choose the evaluation criteria. You decide which suppliers to invite (within the rules).

For large, complex, or unusual purchases, this tailored approach can deliver better outcomes than squeezing your needs into a framework that wasn't designed for them.

The Hidden Costs

Direct purchasing takes time. A full tender process can run 3-6 months or longer. You'll need to write specifications, manage the tender portal, evaluate submissions, handle supplier questions, and manage standstill periods.

For MAT finance teams already stretched thin, this workload is significant. And if you make procedural errors, you risk legal challenges from disappointed bidders.

Frameworks vs Direct Purchasing: A Side-by-Side Look

Speed

Frameworks win here. Because suppliers are pre-qualified and terms are agreed, you can award a contract in days or weeks. Direct purchasing typically takes months.

Supplier Choice

Frameworks limit you to the providers on the list. With dynamic markets, you get ongoing access to new suppliers. Direct purchasing opens the field to anyone who wants to bid.

Control Over Specification

Direct purchasing lets you write exactly what you need. Frameworks require you to work within pre-set categories and specifications that might not perfectly match your requirements.

Compliance Risk

Frameworks reduce compliance risk because the procurement process has already been validated. Running your own tender means managing that compliance yourself.

Administrative Burden

Using a framework significantly reduces paperwork and process management. You’re leveraging work that’s already been done. Direct purchasing means doing it all yourself.

Value for Money

This one’s complicated. Frameworks often include volume discounts and pre-negotiated pricing. But they might not always beat what you could achieve by running a competitive tender in your local market. It depends on what you're buying and where you're based.

> Frameworks vs Direct Purchasing

Criteria	Frameworks	Direct Purchasing
Speed	Fast procurement process	Longer tender process
Supplier Choice	Limited to approved suppliers	Open to all bidders
Control	Predefined terms and scope	Full control over requirements
Compliance Risk	Lower risk with validated process	Higher responsibility for compliance
Administrative Effort	Reduced workload	High workload and management

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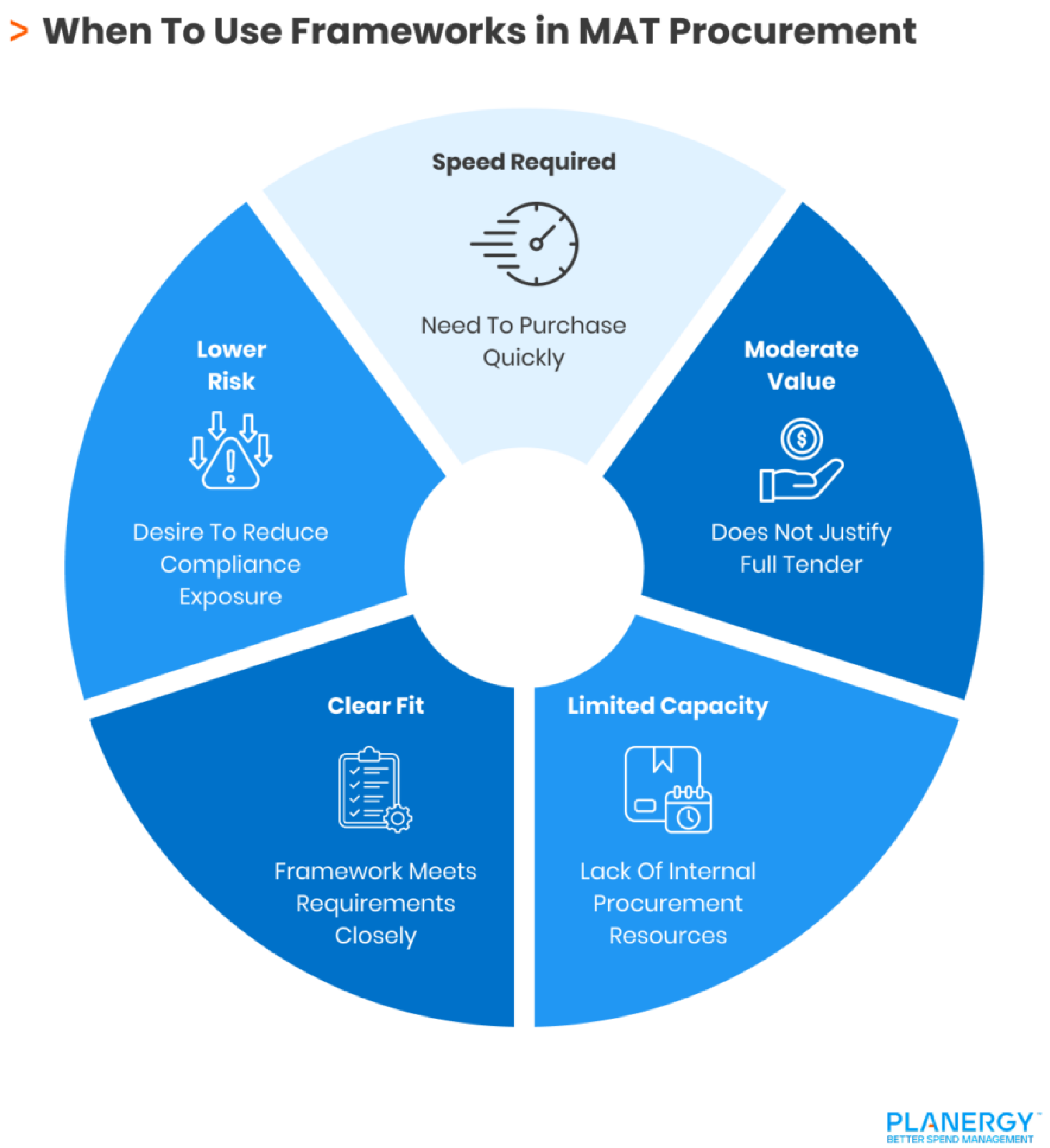
When MAT CFOs Should Choose Frameworks

Frameworks make sense when:

- You need to buy quickly, and a suitable framework exists.
- The contract value is moderate and doesn't justify a full tender.
- You lack internal procurement capacity to manage a competitive process.
- The framework covers your exact requirements without significant compromise.
- You want to reduce compliance risk by using a pre-validated route.

Central government and NHS bodies have established frameworks for common purchases like IT hardware, cloud services, energy, and professional services. Many of these are available to academy trusts.

Before using a framework, check the access rules. Not all frameworks are open to all public sector organizations.

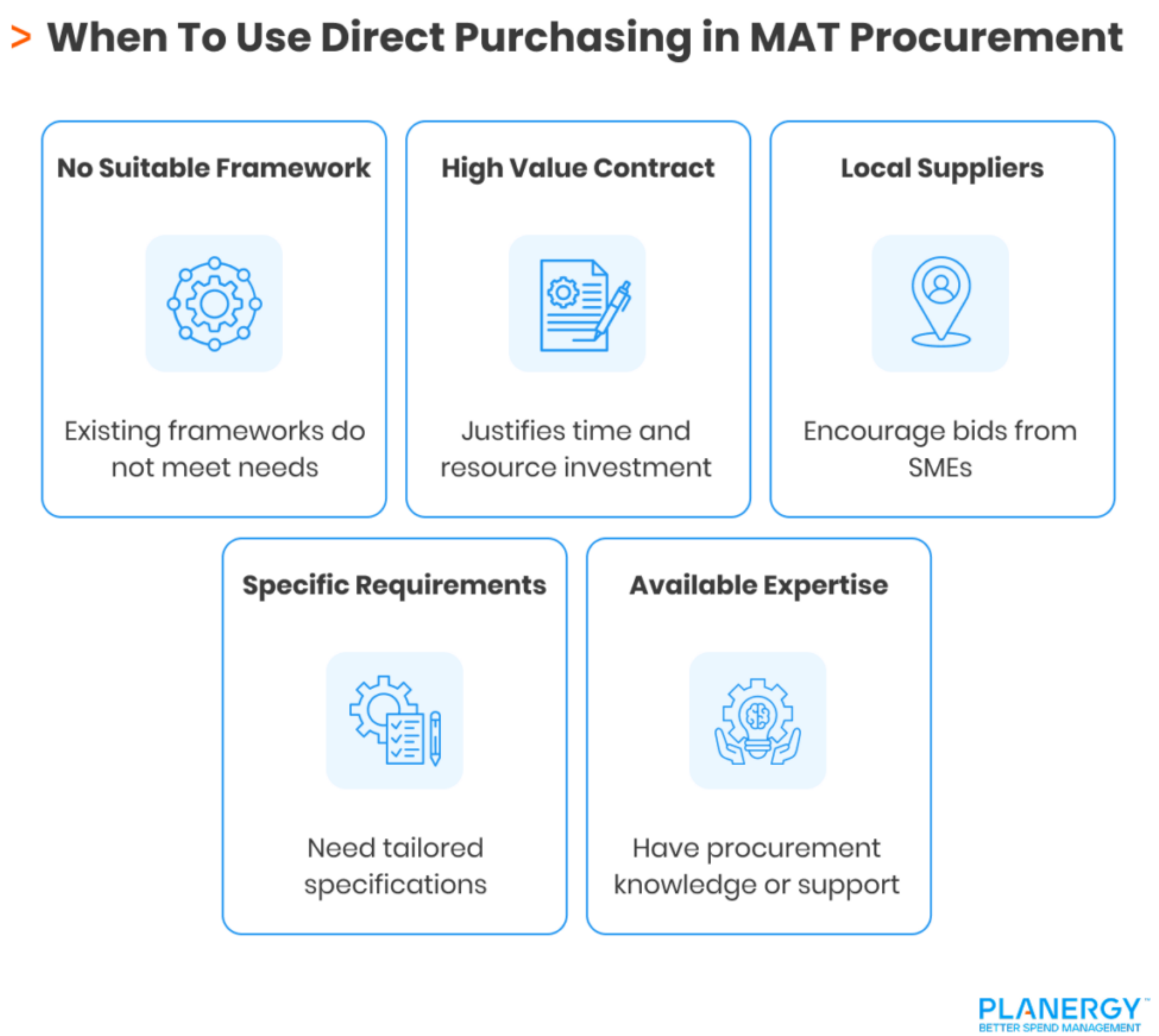


When Direct Purchasing Makes More Sense

Consider running your own procurement when:

- No suitable framework exists for what you need.
- The contract is high-value and justifies the investment in a bespoke process.
- You want to encourage bids from local SMEs who might not be on national frameworks.
- The framework suppliers don't meet your quality or service requirements.
- You have procurement expertise available (in-house or through consultants).

For multi-year, high-value contracts, the effort of running your own tender can pay off through better-tailored solutions and competitive pricing.



Staying Compliant Under the New Procurement Regulations

The Procurement Act 2023 brought significant changes to public contracts regulations. MAT CFOs should be aware of several key points.

Transparency Requirements

All contracting authorities must publish notices at various stages of the procurement process. This includes planning notices, tender notices, and contract award notices. The Contracts Finder portal remains central to this transparency.

Supplier Selection

The Act introduces new rules about how you evaluate and select suppliers. Criteria must be proportionate to the contract and clearly communicated upfront.

Record Keeping

You need to maintain records that demonstrate your procurement decisions were lawful and represented value for money. If auditors or oversight bodies ask questions, you'll need documentation to support your choices.

Small and Medium Enterprises

The Act emphasizes opening up opportunities to SMEs. If you're using frameworks dominated by large providers, consider whether direct procurement might encourage broader participation.

How Procure-to-Pay Software Supports Better Decisions

Managing procurement manually creates problems. You lose visibility over spending. Compliance documentation gets scattered across email threads and shared drives. This can turn the process into guesswork.

Procure-to-pay software brings structure to the procure-to-pay process. It centralizes requisitions, approvals, purchase orders, and invoices in one system.

Managing procurement and invoice processing in a MAT becomes easier when you have the right tools.

Visibility Across Your MAT

When all purchases flow through a single platform, you can see what you're spending, with whom, and whether you're getting consistent pricing across your trust's schools.

Compliance Documentation

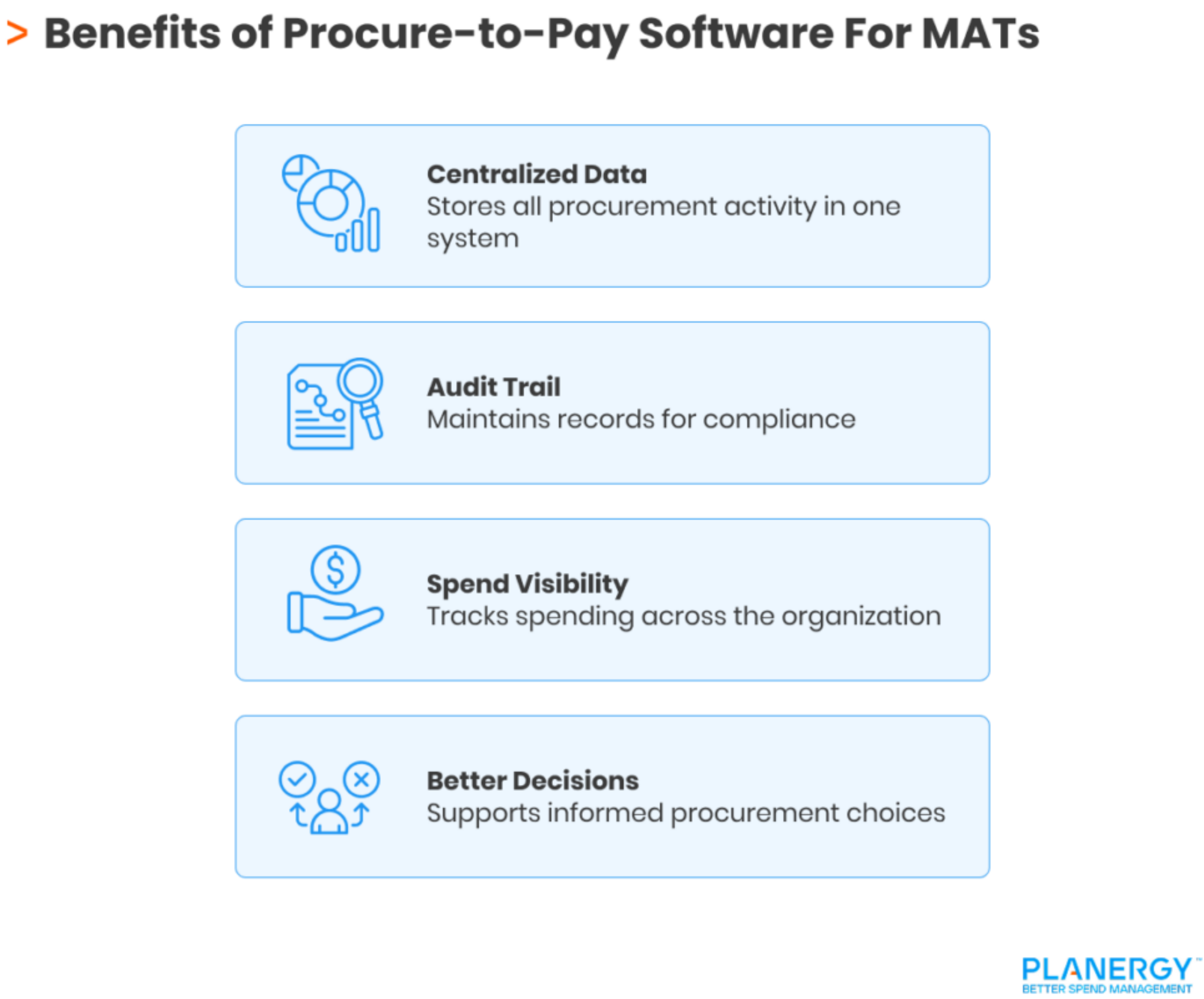
Good procurement software enforces best practices for purchase order management and maintains an audit trail automatically. Every approval, every quote comparison, every purchase order is logged and timestamped.

Framework Integration

Some platforms integrate with public sector frameworks, making it easier to access pre-approved suppliers and pre-negotiated pricing without switching between systems.

Spend Analysis

Over time, your procurement data reveals patterns. You might discover you're buying the same items from multiple suppliers at different prices. Or that certain categories would benefit from consolidating into a framework agreement.



Making the Right Choice for Your Trust

There's no universal answer to whether frameworks or direct purchasing is better. The right procurement route depends on what you're buying, how urgently you need it, and what resources you have available.

For routine purchases where frameworks exist, use them. You'll save time, reduce risk, and get more competitive pricing.

For complex, high-value, or unusual requirements, direct purchasing may deliver better results. Just budget for the time and expertise the process demands.

And whichever route you choose, document your reasoning. Good records protect you during audits and help your successor understand why decisions were made.

The goal isn't perfect procurement. It's procurement that's defensible, delivers value for money, and lets you get back to running great schools.

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