

The deployment of framework agreements in Colombia



Public Procurement Principle: Efficiency



Procurement Stage: Tendering

Audience: Procuring entity, Policy makers, Private sector, Civil society

Description

The framework agreement was a breakthrough for government agencies in Colombia. It helped public agencies in buying fuel at service stations in Bogota. Prior to the agreement, it took four months to complete an open tender. With the agreement, procurement now takes less than an hour, as officials can place purchase orders via the Colombian State Online Store (Tienda Virtual del Estado Colombiano), an e-procurement platform within Colombia's SECOP suite of e-procurement systems. In addition, after the implementation of the framework agreement, suppliers offered a discount on the reference price for fuel in a greater number of service stations. Furthermore, the government created a management system for fuel supply to increase control over fuel expenditure. Colombia Compra Eficiente, the central purchasing body of Colombia, currently offers public agencies 34 frameworks agreements, including insurance, vehicles, janitorial services and cloud services, among others. Law mandates that central government agencies procure through framework agreements. Other institutions, including Congress, the judiciary system, oversight institutions and institutions at the subnational level, may use the agreements if they deem them useful. The total value of purchase orders placed is more than EUR 1.25 billion, and there is a growing trend for subnational-level entities to use these contracts.

Source: OECD (2019), <u>Public Procurement in Kazakhstan: Reforming for Efficiency</u>, OECD Publishing, Paris



