

Key elements of the framework agreement



Related parties

Discern whether you want to provide your affiliates within your group with the ability to place orders with the supplier of your choice.

Type of contract

Adopt a framework model of the agreement and rely on such a perspective during negotiations – the content is to be the starting point and should include the general terms of cooperation.

Subject of the contract

Identify a potential catalog of services or products to be provided by the supplier. You will determine the detailed scope in your orders.

Orders

Define an ordering procedure and a procurement template that includes key elements: scope of services, schedule, payment, terms of acceptance (including UAT) and milestones, if not directly derived from the contract. Orders should always be jointly discussed with the supplier and entered into with the consent of both parties.

Method of service provision

Specify the method of service delivery – whether it will be provided remotely, on-site, or in a hybrid model. Provide a gateway to allow modification of the established method in the body of the contract.

Acceptance

Determine the acceptance procedure, if the nature of the services requires it. Specify the deadline and conditions for proper execution of acceptance. Establish the acceptance procedure as an option that can be allowed in the order – some services may not be subject to acceptance.

Parties to the contract

Determine who are the parties to the contract, i.e. which entities enter into the contract on your side and on the supplier's side.

Consortium & Partnership

Determine if there is a consortium on the supplier's side or if the supplier has partners who will participate in the contract with your knowledge and consent.

Definitions

Establish a catalog of definitions of terms used in the contract – it is useful to have a complete list in one place. Avoid definitions further down in the contract – with extensive contracts, it is easy to overlook definitions.

Hierarchy & Attachments

IT contracts are elaborate and multi-level – they often contain numerous appendices, sample documents and purchase orders. Determine which document takes precedence in case of contradictions.

Determine the mode and form of changing attachments. Allow the possibility of changing the order design from the attachment by adding or removing elements – not all of them will always fit.

Schedule

If the framework agreement is for a specific project or area, specify – preferably in the form of an appendix – an implementation schedule, divided into phases with responsibilities.

Division of responsibilities

List responsibilities, such as providing access or information to the supplier, to avoid misunderstandings during the project.

AI

Clarify whether the supplier can use AI as a tool in the course of service delivery and whether its use occurs in accordance with your AI policy adopted in the enterprise.

Copyrights or licenses

The main output of IT services are the IT deliverables (works) that you should be able to use. This can be achieved in two ways:

COPYRIGHT (IPR): acquisition of full author's economic rights to a given work (digital IT product) in certain fields of exploitation. In this case, you become the owner of the deliverables - it is advisable in this case to limit the exercise of moral copyrights by creators to a minimum.

LICENSE: the supplier remains the owner of the copyright (IPR), and you can use the works. Note the scope of the license, including its duration and territorial restrictions.

Communications

Due to the complexity and multifaceted nature of the agreement, it is worth establishing clear rules for communication, including the designation of contact persons on each side.

Duration of the contract

Specify the duration of the contract. In the case of framework agreements, it is recommended to conclude them for an indefinite period.

Remember that the mere fact of concluding a framework agreement does not yet oblige you to place an order - it's a good idea to keep it indefinitely and have a supplier available when needed.

Marketing consent

Determine whether you and the supplier can freely and generally communicate about the collaboration, including publicly communicating general information about the services provided and the collaboration undertaken. Include your brand book in the clause requirements, if you have one in your organization.

Form of contract

The agreement must be made in writing, preferably using qualified electronic signatures, and must be accompanied by all agreed and listed attachments.

Change Request

Each party should be able to report the need for a change in the scope of services, stating the rationale, the scope of the changes, the associated costs and any changes in the implementation schedule and the impact on the services themselves and their completion dates.

Salary

A key business aspect for both parties - clearly define the terms of remuneration for the supplier, including acceptable billing models, the basis for calculating the remuneration, the terms of its payment. Rates and intervals or separate settlement terms are established in the respective contract.

Costs

Determine how they will be borne and approved if you intend to cover them.

NDA (non-disclosure agreement)

Safeguard your company's confidential information with an appropriate NDA specifying the scope of confidential information, exceptions, purpose of use, duration and deadlines for deletion.

Termination of contract

Each party should have the right to terminate the contract with a notice period without cause, and to terminate immediately in the event of a material breach of the terms and conditions, which it is worth specifying precisely, taking into account the remedial period before termination.

Personal information

The provision of IT services may require supplier access to and processing of your databases with personal data, which requires a data processing entrustment agreement.

It is worthwhile to provide for a model of the above agreement as an appendix to the framework agreement, and to establish the obligation to conclude it in case the entrustment of processing occurs.

Attachments

List all the annexes to the contract, which are an integral part of it.