



# Selecting best value - A manual for organisations awarding contracts for private guarding services

Confédération Européenne  
des Services de Sécurité



*with the support of  
European Commission  
Directorate General Employment  
and Social Affairs*



# Acknowledgements

This manual is the result of the collaborative work of CoESS (the European Confederation of Security Services) and Uni-Europa<sup>1</sup> within the framework of the European social dialogue. Many thanks are due to DG Employment and Social Affairs of the European Commission for the financial and administrative support given to this project and to the members of the high level working group who devoted much time and effort to achieving a successful outcome.

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# Memorandum of CoESS and Euro-FIET on the award of contracts to private security companies in the public sector

1. The social partners in the European private security industry, CoESS (employers) and Euro-FIET (trade unions) have noted, as a result of a survey carried out by their respective members, that, depending on the country concerned, between 40% and 60% of business in the security services industry is in the public service sector. The survey also showed that in the very great majority of cases (85% - 100%) public authorities award these contracts on the basis of price alone.
2. These twin observations have persuaded CoESS and Euro-FIET, in the interests of raising professional standards in the industry, encouraging transparency and improving the quality of services, to adopt this joint recommendation and to put at the disposal of public authorities a handbook (a copy of which is enclosed) giving them all the necessary information to enable them to opt for the "most economically advantageous" quotation as they are allowed to do under European Directive EEC/50/92.
3. Although CoESS and Euro-FIET are aware of the budgetary constraints which face public authorities, they believe that the usually policy, which consists of awarding contracts to companies which put in the lowest bid, has a harmful and detrimental impact on the industry.
4. The existing competition within the private security sector pursuing public service contracts encourages companies to cut their prices to the detriment of the quality of their services, despite the fact that quality is recognised as an important element in client and user satisfaction.
5. The social partners are aware that in some cases companies do not hesitate to put themselves on the wrong side of the law, or at least come very close to doing so, (failure to comply with legislation or collective agreements) in order to set the very lowest price in order to obtain a contract.
6. Given the size of the public service contract sector, such behaviour undermines all efforts at improving quality within the industry as a whole. It also contributes to the industry's rather negative public image, to poor professional standards and/or a failure to recognise rising standards in the business, to employees' dissatisfaction with their working conditions and to problems in attracting new employees.
7. CoESS and Euro-FIET believe that the importance given to price alone in awarding public service contracts is due, inter alia, to the following causes:
  - insufficient transparency in the private security sector,
  - a lack of means for analysing the quality aspect of services,
  - the difficulties clients have in expressing their needs in terms of quality,
  - an absence of instruments enabling the client to assess quality,
  - difficulties in making quality comparisons between services offered by the industry.
8. In order to enhance the quality of services, CoESS and Euro-FIET have produced a handbook for adjudicating authorities. This handbook contains a checklist of criteria for assessing the quality of private security services, drawn up jointly by the social partners. They have also explained the value to clients of taking these criteria into consideration. Finally, they have drawn up a system for quotes which enables bids to be assessed according to criteria of both price and quality.
9. CoESS and Euro-FIET stress that the handbook gives clients in the industry the flexibility they need, in line with the particular needs of the market, to weight price and quality criteria as they choose.
10. The handbook will be distributed as widely as possible to both public authorities and clients in the private security industry in the European Union. The social partners intend to organise information and awareness campaigns, to encourage as many people as possible to make use of the handbook.

Berlin, 10<sup>th</sup> June 1999

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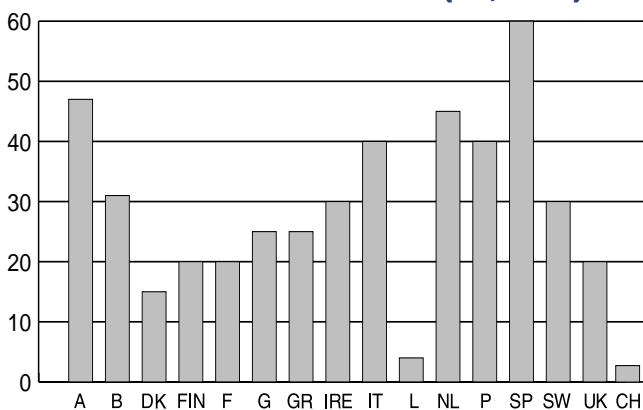
# 1. Introduction

Whether or not we are immediately aware of it, private security services are increasingly becoming a part of everyday life. Demand for guarding services is rising as a result of economic, demographic and political changes, which are leading to a greater polarisation in society. This polarisation is reflected in the number of incidents of aggression and criminal behaviour. At the same time as these developments are taking place, the state and public authorities are taking a declining share of the **direct** responsibility in ensuring public safety. In order to ensure maximum flexibility and cost effectiveness, these functions are increasingly being delegated to the private security industry.

Private security contractors have therefore become responsible for ensuring public safety, and protecting public and private property in a wide variety of locations, including high risk areas such as nuclear power plants, banks, embassies and airports. They are also increasingly providing security services at public events and escorts for high risk transports (including prisoner transports) and are taking over a number of functions previously supplied by police, fire and ambulance services.

Private companies and public authorities at European, national, regional and local level are thus finding themselves in a position of having to contract for the external provision of guarding security services. Their “buying power” is therefore more and more important in determining the rules and quality of the security services provided. A survey carried out by CoESS and Euro-FIET in 1998 showed that the market share of public tendering in the private security sector is rising constantly and in many Member States amounts to over 30% of the market (see Table 1).

**TABLE 1: MARKET SHARE OF PUBLIC TENDERING FOR PRIVATE CONTRACTORS FOR SECURITY SERVICES (EU, 1998)**



Source: CoESS and Euro-FIET, 1998

Despite the sensitive nature of many of the public buildings and locations to be serviced, the CoESS survey showed that the majority of public authorities today select security contractors solely on the basis of the lowest price (see Table 2).

This is partly the result of declining public budgets, but can also be attributed to a lack of available guidance which could

**TABLE 2: PROPORTION OF CONTRACTS AWARDED ON THE BASIS OF CHEAPEST BID (EU COUNTRIES)**

COUNTRY	PROPORTION OF PUBLIC CONTRACTS AWARDED ON BASIS OF CHEAPEST BID
Austria	95%
Belgium	90%
Denmark	90%
Finland	90%
France	90%
Germany	90%
Greece	60%
Ireland	95%
Italy	70%
Luxembourg	100%
The Netherlands	80%
Portugal	80%
Spain	80%
Sweden	50%
Switzerland	30%
United Kingdom	60%

Source: CoESS and Euro-FIET (1998)

assist contracting authorities in selecting a “best value” provider.

*The concept of “best value” seeks to take into account not only a favourable price, but weighs this up with the quality elements of a bid for service provision.*

## 1.1 Aims and Objectives of the Manual

This manual was written for those contracting authorities who are keen to ensure that they are selecting a provider to carry out guarding functions who can combine quality with a favourable price rather than settling for the lowest price bidder. It aims to provide these contracting authorities with a user friendly tool designed to assist them in defining their needs in the area of guarding security services more clearly in relation to different sites and guarding tasks. A detailed specification of their own requirements will subsequently allow them to select a contractor, who does not only offer a competitive price, but also demonstrates the skills and capabilities to provide a high quality, reliable service.

This manual contains an easy to use framework for scoring bids, which is capable of being adapted to the requirements of each tendering organisation and security contract. **The aim of this framework is to provide tendering organisations with maximum autonomy in defining the quality criteria which are of particular relevance to them and to the**

guarding work to be performed. It allows them not only to apply different weightings to quality criteria according to their own estimation, but also enables them to define their preferred balance between the technical merit and price elements when scoring bids.

## 1.2 How to use this Manual

*The main part of this manual is designed as an initial information or training tool for contracting officers, outlining the technical merit and quality criteria which will help them to identify providers offering a high standard of service. It acts as a guide to the rationale behind, and the use of the scoring framework contained in the Annex. It can subsequently act as a reference tool.*

*The scoring framework and tables contained in the Annex can be copied and used again and again. These can be adapted to the precise requirements of the contracting organisation. A disk version of the scoring tables is currently under development.*

*The remainder of this manual is structured as follows:*

**Section 2** explains the importance of selecting quality as well as price when contracting for the provision of security services. It provides information on the negative implications which can result from the award of contracts solely on the basis of price, as well as highlighting existing good practice in relation to selecting “best value”.

**Section 3** briefly outlines the context of European legislation in tendering security services and explains the extent to which the provisions of the European Services Directive (Council Directive 92/50/EEC) find application in this area.

Information on how best value can be defined in relation to the provision of guarding security services is included in **Section 4** of this manual. This section describes quality criteria in relation to the four key elements which contribute to the successful performance of a contract: the skills and capabilities of guarding personnel; the skills and operational experience of the management staff; the quality of the contract infrastructure and the track record and service philosophy of the security company.

**Section 5** explains the “best value” scoring framework and provides some sample calculations.

## 2. Selecting best value - why it matters to you

As outlined in the introduction, private companies as well as public authorities are increasingly responsible for finding external contractors for the provision of security services to guard public buildings, ensure the safety of the public at events, provide escort services and a wide variety of other tasks. This essentially implies a delegation of many former in-house or public service functions to private contractors, involving a significant number of sensitive security tasks in relation to public health and safety and internal security.

The increasing market share of competitive tendering means that the standards set by tendering organisations in terms of the price paid for guarding services have a significant impact on salaries and working conditions in the sector, company infrastructure and therefore, as a result, on the quality of the service provided. There is an increasing concern among the social partners representing employers and workers in the industry that the application of the principle of awarding contracts to the lowest bidder is leading to a gradual lowering of quality standards. They are particularly worried that this is taking place at a time when private security companies are required to become more specialised and improve quality, as they are increasingly taking on sensitive former public service functions.

Awareness of the dangers of such practices is slow to emerge since the detrimental effect of lowest price competition, which goes beyond the optimisation of costs, cannot immediately be detected, but is a gradual process. This must be viewed in the context of the organisation's own security, the way they view the value of their own environment, their public image and the additional litigation costs resulting from a failure to provide a high standard of service.

Lowest price competition has been found to initially lead bidders to weaken the infrastructure of the performance system, which includes staff training, supervision, and quality management. In order to cut costs further, they will subsequently lower service levels by employing cheaper labour, with a resulting detrimental impact on staff motivation and turnover rates. Wage and social costs are often cut by switching to fixed-term and part-time labour and ultimately to "shadow self-employed" agents in order to by-pass collective agreements. The use of "shadow guards" is also becoming more widespread (the provision of fewer guarding staff than is contractually agreed). As prices are cut safety mechanisms become luxuries and overheads, which increases the security risk for clients and the public. Evidence is increasingly being found among lowest price bidders of neglect of collective agreements or legal regulations. There are instances of the non-payment of taxes and social charges by disreputable security firms; non-compliance with the original contract in relation to the level of staffing provided; and the use of undeclared labour.

Examples of the negative impact of such cost lowering practices are increasingly becoming public and are contributing towards lowering the image of the industry in the eyes of the public. This also necessarily lowers public perception of the contracting authority.

The increasing proliferation of bad practice and security breaches resulting from lowest price competition is leading a number of private companies and public authorities to rethink their tendering strategies. The development of selection criteria which take into account quality as well as price is therefore becoming more widespread and it is upon this experience that this manual has drawn.

Other examples of authorities developing price and quality based bid assessment systems are the US Embassies, Eurocontrol and the UK Post Office.

The Austrian city of Linz recently chose to award the contract for the supply of parking attendants' services to police the city's short term parking zones to the higher price bid, as the relevant company was able to demonstrate a significantly higher quality service to the contracting authority. This particularly related to its commitment to using guarding personnel with more than three years' experience in the industry. The higher price was held to be justifiable as the higher labour and social costs were required for the skilled and experienced staff.

Public and private sector clients are therefore becoming increasingly aware of the business case for selecting best value rather than the cheapest price and are awarding contracts to the "economically most advantageous tender" - an option provided for in European public tendering legislation.

### 3. Public tendering for guarding security services and European legislation

The European Union has developed an extensive legislative framework to cover public procurement. The tendering of a variety of goods and services accounts for 720 billion EURO of public expenditure and is responsible for generating a significant number of jobs.

The tendering of security services falls under the remit of the European Services Directive (Council Directive 92/50/EEC). However, as it was felt by the European legislators that security services were less likely to be provided by companies across borders, the provisions of the Directive only apply to the tendering of security services to a limited extent<sup>2</sup>. What this effectively means is that only two of the Directive's provisions directly apply to the award of contracts for guarding services:

Firstly, the technical specifications to which services are to be provided must refer to either

- a) national standards implementing European standards
- b) to European technical approval or;
- c) to common technical specifications

These provisions apply primarily to any technical tools to be used in pursuance of the contract and therefore bear limited relevance to the supply of manned security services.

Secondly, once a contract has been awarded, the European Commission must be notified. However, the awarding authority is free to indicate whether this notification should be published in the Official Journal or not.

Despite the limited direct application of the Directive to the award of security services, it is provided that “*the factors used for selection have to be related to the objective of the contract*”, and have to be in conformity with the provisions of the Treaty. It is also considered advisable that any criteria laid down by the tendering organisation should meet, as far as possible, with the requirements of the Services Directive.

All public contract award processes essentially go through three stages (see also Table 3):

At the first stage, **exclusion criteria** define the type of companies which are to be automatically excluded from the tender. Article 29 of the Directive provides an exhaustive list of these exclusion criteria. To summarise briefly, it is stated that a service provider can be excluded if he:

- is bankrupt or being wound up;

- is subject of proceedings for a declaration of bankruptcy;
- has been convicted of an offence concerning his professional conduct;
- has been guilty of grave professional misconduct;
- has not fulfilled his obligations relating to the payment of social security contributions;
- has not fulfilled his obligations in relation to the payment of taxes;
- is guilty of serious misrepresentation in supplying or failing to supply information regarding criteria for quantitative selection;
- entry on professional register as required by national legislation.

At the second stage, **selection criteria** define the type of company which will be invited to tender for the work. A number of companies can be excluded at this stage, for example on the grounds of financial, economic or technical capacity. The Directive provides an exhaustive list of the documents which may be required to prove *financial and economic capacity*. Article 32 of the Directive sets out the means of proof which a contracting authority may require to prove *technical capacity*. These include:

- evidence of the service provider's educational and professional qualifications and/or those of its managerial/operational staff;
- a list of principal services provided in the last three years
- a statement of the average number of staff over the last three years
- a statement of plant or technical equipment available to assist in carrying out the contract
- a description of quality control systems
- an indication of how much of the service the provider intends to sub-contract

At the **third stage**, award criteria assess the merit of the individual tender on the basis of how well they meet the tender specifications.

Even if there is effectively only one assessment stage, a logical distinction has to be made between the three different types of criteria.

According to the European Services Directive, criteria for the award of contracts can be the following:

<sup>2</sup>This is the case for all services listed in Annex 1B of the Directive

“without prejudice to national laws, regulations or administrative provisions on the remuneration of certain services, the criteria on which the contracting authority shall base the award of contracts may be:

(a) where the award is made to the economically most advantageous tender, various criteria relating to the contract: for example, **quality, technical merit, aesthetic and functional characteristics, technical assistance and after-sales service, delivery date, delivery period or period of completion, price**; or

(b) the lowest price only.

Where the contract is to be awarded to the economically most advantageous tender, the contracting authority shall state in the contract documents or the tender notice the award criteria which it intends to apply, where possible in descending order of importance”.

However, the provisions of the Services Directive do not limit contracting authorities’ freedom to decide whether they wish to award a contract to the lowest price provider or to the economically most advantageous tender.

The quality criteria and scoring framework set out in this tender are therefore entirely optional. They represent the joint recommendations of an expert working group made up of employer and employee representatives, meeting at European level, who have many years’ experience of working with public sector clients in a variety of settings.

**TABLE 3: THREE STAGE MODEL OF CONTRACT AWARD PROCESS**

Automatic exclusion from tendering process



Selection of nature of company to be invited to tender



Selection of contractor based on  
a) price  
b) economically most advantageous tender

**STEP 1 - EXCLUSION CRITERIA**

Service provider is:

- bankrupt or being wound up
- subject to proceedings for a declaration of bankruptcy
- convicted of an offence concerning his professional conduct
- guilty of grave professional misconduct
- guilty of failure to fulfil obligations relating to the payment of social security contributions
- guilty of failure to fulfil obligations relating to the payment of payment of taxes
- guilty of serious misrepresentation in supplying or failing to supply tender relevant information
- no entry on professional register if required by national legislation



**STEP 2 - SELECTION CRITERIA**

Financial and economic capacity

Service provider can give:

- proof through bank statement/risk indemnity insurance
- balance sheets
- statement of overall turnover
- other proof

Ability and technical capacity

Service provider can furnish evidence of:

- educational and professional qualifications
- principal services provided over last 3 years
- average annual manpower and managerial staff over last 3 years
- technical equipment available
- quality control systems
- proportion of the contract to be sub-contracted



**STEP 3 - AWARD CRITERIA**

Assessment of individual tender in relation to the award criteria and requirement set out in the tender specifications. Award of contract can be based on

- a) economically most advantageous tender, selected on the basis of
- quality technical merit
  - functional characteristics
  - technical assistance and after-sales service
  - delivery date
  - delivery period or period of completion
  - price

OR

- b) lowest price only

## 4. Defining best value in the guarding security services

### 4.1 Introduction

As is the case with most organisations seeking to provide a service, the quality of the service rendered depends on a number of key factors. Of all these factors, the capabilities, skills and motivations of front line staff is clearly the most important, as they are responsible for the day-to-day performance of the work, as well as the interaction with clients or the public. In addition, the operational planning and management of front line staff and services has to be first rate to ensure that the service is performed to the highest possible quality standard. Of similar importance is the technical, operational and human resource infrastructure available to front line staff and the contract management team. Finally, it is crucial that all operations are backed up by a company infrastructure which not only has the relevant track record to perform a quality service, but also displays a service philosophy which meets with the requirements of its client.

The four key areas in which the technical merit of a proposal for the supply of security services should therefore be assessed are as follows:

- guarding personnel
- contract management/operations
- contract infrastructure
- the company

It should be emphasised that contracting organisations seeking to apply any (or all) of the quality criteria set out below, need to highlight the general award criteria in their tender notices. If they do not appear in the contract documents, a sample of an open tender notice can be found in Section 5 of this Manual.

### 4.2 Guarding personnel

#### *Experience*

The most important asset of any private security company is its guarding personnel. It is with their skills and experience that the daily performance of the service stands and falls. Depending on the nature of the security work to be performed, it is therefore crucial that a bidding company can provide assurance that the personnel selected to perform the work have the necessary experience and capabilities to provide a high standard of service. In the case of highly specialised or sensitive guarding environments, the contracting organisation may look for proof that assigned agents have experience of working in this or a similar environment. On some high risk sites, such as embassies, the contracting organisation may insist on receiving CVs of all the key staff to be assigned to duty (or receive assurance that existing experienced staff will be taken over). In other cases, it may be sufficient to receive information on the average number of years for which agents have been employed in the industry.

If a contract requires the recruitment of a significant number of additional staff, bidding companies should be able to

demonstrate their capacity to recruit or take over experienced staff and to provide relevant training.

#### *Skills and capabilities of guarding personnel*

Evidence of any (nationally recognised or mandatory) basic training received by staff can also provide assurance that any agents assigned to the contract have the key skills and capabilities required of a guard. Contracting organisations in their tender notices should elaborate any additional, technical or contract specific training which they require agents to be assigned to any specialised guarding environments to have received. Bidders can be asked to provide evidence of when and where such training was received, or will be given, prior to the inception of the contract. Information provided by the bidder on the existence and quality of any training facilities can provide assurance that staff skills and qualifications are regularly updated. It is generally recognised that agents receiving continuous training are more likely to show greater motivation and a commitment to the industry. The availability of such facilities can also indicate the availability of suitably trained back-up personnel, should demand for guarding agents increase at short notice (i.e. in an emergency situation). The availability of employer funded training should also be tied in with a transparent career structure enabling vertical and horizontal promotion. This equally ensures higher levels of motivation and ultimately a better quality service.

Depending on the nature of the guarding environment, contracting organisations may also wish to seek proof of additional skills and capabilities such as language and other contract relevant skills. These requirements need to be stated in the tender notice if they do not appear in the tender documents.

#### *Selection, recruitment and vetting*

It is important that companies can provide details of a structured staff selection, recruitment and vetting procedure. These procedures should ideally be implemented by a dedicated and suitably trained personnel team. This can provide peace of mind that all the staff provided by the contractor meet the standards that contracting organisations themselves would wish to apply. Evidence of stringent internal vetting procedures (within the boundaries of national legislation) may be relevant to authorities seeking assurance that staff assigned to the contract are free from a criminal record and - if relevant - any financial liabilities which may interfere with their performance of the work or compromise the contracting organisation's integrity, property or clients, or endanger the public.

Contracting organisations may also wish to seek evidence that a potential contractor's recruitment literature encourages equality of opportunity and avoids racial bias, and is therefore in line with their own equal opportunities policies. Insistence on the observance of such principles by public authorities can send a strong signal to potential contractors and therefore raise the profile and potential for success of equality policies.

#### *Employment conditions*

It is widely recognised that the existence of a fair and transparent reward structure has a positive impact on the

retention of experienced staff, their motivation and job satisfaction, and therefore the quality of performance. Evidence of such systems include respect for any collective agreements which may be in place; the existence of additional performance related reward structures and staff grading and assessment systems. A framework should be in place for the regular review of salaries and training requirements.

In order to avoid awarding contracts to disreputable companies, contracting organisations should seek evidence that working conditions applied to the company’s guarding staff are in compliance with national legislation and/or collective agreements. Where no collective agreements are in place, rostering schedules should provide information on working hours and length of shifts. This is important as excessively long working hours can lead to accidents and potential breaches of security. A copy of the company’s health and safety policy and procedures should also be available on request. Well regulated working conditions and the availability of employee information and consultation systems lower the potential for disputes and reduce risks relating to the health and safety of staff, clients and their property as well as the general public.

**TABLE 4: QUALITY CRITERIA RELATING TO GUARDING PERSONNEL**

<b>GUARDING PERSONNEL</b>	
Experience	<ul style="list-style-type: none"> <li>• Experience in the industry</li> <li>• Contract specific experience</li> </ul>
Skills and capabilities	<ul style="list-style-type: none"> <li>• Basic training</li> <li>• Additional training and qualifications</li> <li>• Contract specific training</li> <li>• Recurring training</li> <li>• Other skills (e.g. language skills)</li> <li>• Career opportunities</li> </ul>
Selection, recruitment and vetting	<ul style="list-style-type: none"> <li>• Recruitment and selection methodology</li> <li>• Vetting</li> </ul>
Employment conditions	<ul style="list-style-type: none"> <li>• Salary and benefit levels</li> <li>• Working conditions</li> </ul>
Other criteria to be defined by the customer	<ul style="list-style-type: none"> <li>• a justification of these criteria must be provided; they must remain within the framework of relevant European and national legislation</li> </ul>

### 4.3 Contract management / operations

#### *The management team*

When contracting out security functions, contracting organisations are generally keen to ensure that a minimum supervisory effort will be required on their part in ensuring the contractual performance of the work. The competence and organisation of the external contract management team is therefore highly significant. The client must feel satisfied at all members of the external management team have the necessary skills to meet his requirements. Channels of responsibility must be clearly laid out and rapid response times and adequate back-up capacity must be demonstrable. The bid must therefore provide information about the skills and experience of each member of the management team and their responsibility within the framework of the contract. Standards should be set in relation to how quickly a client’s queries are dealt with and who has ultimate responsibility. In highly specialised guarding environments or where a premium is being placed on the immediate smooth functioning of the service, evidence of contract specific experience may be required.

#### *The on-site contract manager*

From the point of view of the client, the on-site contract manager is his most important port of call in all matters relating to the performance of the contract. It is therefore crucial that he is satisfied of the skills and capabilities of this individual. Bidders must therefore provide detailed information on the identity, skills and experience of the contract manager. In certain cases specific, in-depth contract specific knowledge may be required to avoid the need for a long warm up period and the emergence of potential security risks. In these cases, the contract manager should be able demonstrate a perfect understanding of the client’s requirements, organisational structures and security philosophy. The operational plan must make provision to ensure that the contract manager can be contacted easily and quickly and that he has the capacity to make decisions effectively, within a clear chain of responsibility and set response time.

#### *Rostering*

The operational plan presented in the bid must satisfy the client that the contractor has the required knowledge of the respective guarding environment to draw up a rostering methodology which meets his security requirements and can act as the basis of contractually agreed levels of provision. The rostering methodology must ensure that:

- the correct agent profile is scheduled;
- 100% coverage of the contract is guaranteed;
- the contract is executed at the right time;
- the contract is executed in the right location;
- each agent knows his schedules long enough in advance;

- the agent is well informed about his schedules;
- the client has seen the schedules;
- the schedules are flexible when required;
- schedules are compliant with working conditions as regulated;
- the contract is executed according to the schedules;
- controls are carried out at the beginning, during and at the end of each duty roster.

The operational plan must also demonstrate that the contractor has sufficient capacity organisationally and in term of qualified and experienced manpower, to ensure that any agent can be replaced or supported at short notice.

The bidder should demonstrate that procedures are, or can be put in place, which can guarantee a quick and smooth start-up and operation of the contract, even should unpredicted situations arise. Assurance must be given that any procedures specifically agreed with the client will always be met and clients will always be consulted and informed of any necessary modifications.

The information given in the operational plan must satisfy the client that he can monitor the performance of the contract on a regular basis and at specified times/dates. The proposal put forward by the bidder should therefore outline a comprehensive reporting structure which ensures that:

- reporting is always done and is done at the correct time;
- reporting provides responses to relevant questions;
- reporting is objective;
- the way in which reporting is done does not handicap the agent in the execution of the security contract;
- reporting is more than just an administrative task;
- reporting is client customised;
- reports are collated and analysed;
- the information can be used to carry out corrective or preventative actions.

In order to ensure that a minimum of time input is required from the client, the operational proposal should set out how client contract is to be managed and the frequency and organisation of meetings.

#### *Support services*

The provision of effective contract support services from the company's headquarters assists in ensuring the smooth running of the contract. The operational proposal should contain information about the support services made available by the company's headquarters (such as administration, invoicing, personnel). Information should also be given on the schedule and frequency of inspections. The procedure to follow at

inspections must satisfy the client that inspections are carried out with a maximum measure of objectivity and that infringements of agreed quality standards can be remedied immediately.

**TABLE 5: QUALITY CRITERIA RELATING TO CONTRACT MANAGEMENT AND OPERATIONS**

<b>CONTRACT MANAGEMENT/OPERATIONS</b>	
The management team	<ul style="list-style-type: none"> <li>• Structure, organisation and skills of the management team</li> <li>• Contract specific know-how of the management team</li> </ul>
The on-site contract manager	<ul style="list-style-type: none"> <li>• Skills and experience</li> <li>• Contract specific know how</li> <li>• Availability</li> <li>• Response time</li> </ul>
Rostering	<ul style="list-style-type: none"> <li>• Rostering methodology</li> <li>• Back-up capacity</li> <li>• General and client-specific procedures</li> <li>• Reporting</li> <li>• Client contact</li> </ul>
Support services	<ul style="list-style-type: none"> <li>• Inspections</li> <li>• HQ support</li> </ul>
Other criteria to be defined by the customer	<ul style="list-style-type: none"> <li>• a justification of these criteria must be provided; they must remain within the framework of relevant European and national legislation</li> </ul>

#### 4.4 Contract infrastructure

To ensure the safety of the locations to be guarded and members of the public, it is crucial that all equipment and technological tools used in pursuance of the contract are appropriate, well maintained and used by skilled staff. Bidders operational plans and technical proposals must therefore contain sufficient information to ensure the standards set out below are met.

#### *Equipment*

All *communication tools and systems* to be used must be appropriate to the security contract and location, as well as the level of risk involved. They must ensure the safety of both the site and any individuals or property on it, as well as the staff member. All equipment must be checked and maintained regularly.

Similarly, any IT *hard and software* used must be adequate for the performance of the contract and be subject to regular maintenance checks. The equipment and its use must meet with health and safety guidelines.

The outward appearance of security agents is of particular relevance to the image of the authority they indirectly represent. Contractors must therefore provide standard *uniforms* for all agents or ensure that uniforms supplied are worn and cared for appropriately.

Any *weapons* carried in order to protect the safety of the site and any individuals on it must be appropriate, used, maintained and stored appropriately. They must only be used by agents who have the necessary permits, training and experience in using them. Weapons must be inventoried and checked regularly. The technical proposal must lay out who may use them and under which circumstances. All agents must be aware of weapons procedures.

All *vehicles* used in carrying out the contract must be clearly marked and maintained in good conditions. It must be clearly set out who has access to them and how they should be used.

Any *dogs* used in the execution of the contract must have received the relevant training and must be handled by a trained agent. The technical proposal must set out where they are to be used.

**Technical support**

The technical proposal must provide the necessary information to assure the client that up-to-date and appropriate technology is used and its properly maintained to ensure continuity of surveillance. Staff using such equipment must be fully trained in its use and access to maintenance personnel must be established. Where *CCTV systems, access control systems, guard control systems, alarm installations or central monitoring systems* are to be used in the performance of the contract, the technical proposal should provide evidence of the following:

- the necessary knowledge to operate the system effectively;
- the latest technology is available in house;
- ability to take care of the installation, or contract technical maintenance services;
- availability of appropriate experts in service;
- ability to deal with the maintenance of the system.

**TABLE 6: QUALITY CRITERIA RELATING TO CONTRACT INFRASTRUCTURE**

<b>CONTRACT INFRASTRUCTURE</b>	
Equipment	<ul style="list-style-type: none"> <li>• <i>Communication tools and systems</i></li> <li>• <i>IT hardware and software</i></li> <li>• <i>Uniforms</i></li> <li>• <i>Weapons</i></li> <li>• <i>Vehicles</i></li> <li>• <i>Dogs</i></li> </ul>
Technical support	<ul style="list-style-type: none"> <li>• <i>CCTV-system</i></li> <li>• <i>Guard control system</i></li> <li>• <i>Access control system</i></li> <li>• <i>Alarm installation</i></li> <li>• <i>Central monitoring system</i></li> </ul>
Other criteria to be defined by the customer	<ul style="list-style-type: none"> <li>• <i>a justification of these criteria must be provided; they must remain within the framework of relevant European and national legislation</i></li> </ul>

**4.5 The Company**

The criteria set out below allow the contracting organisation to define the type of company they would like to deal with, in terms of its size and capacity, number of employees, level of turnover, level of specialisation or breadth of experience.

**Structure and organisation**

Tendering companies should therefore be asked to provide information about the organisational structure of their company, the range of services it provides and the length of time it has been operating in this field.

Good quality providers should also be able to give information about the health and safety policies and procedures. These should conform with European framework regulations and national legislation. A good health and safety track record and availability of advice and guidance services for staff following violent attack indicates a company which rates its personnel as its highest asset, is likely to provide a higher quality working environment and should therefore have lower rates of absenteeism and more motivated staff. In addition, a high quality provider will be able to show evidence in relation to strategy development, recruitment policy and procedures, equal opportunities policy, training provision, client focus and strong administrative and accounting support services.

In order to ensure that emergencies can be dealt with speedily, companies should have facilities for the permanent monitoring of incoming alarms (24 hour control room), as well as staff resources for immediate and effective intervention after an alarm has sounded and for monitoring of staff on-site.

If the company is a member of a recognised trade association, evidence of current membership should be provided.

### Security

High quality providers will be able to outline their security philosophy and how it seeks to implement this in relation to the contract. This will allow the contracting organisation to ensure that this philosophy conforms with their own requirements.

Tendering companies should be required to provide a track record of their relevant experience, the number of years they have been active in the security sector, if necessary providing sector or contract specific references. This should include information on the level of experience and qualifications of staff employed by the company.

### Quality

Similarly, information should be available on the quality standards the company commits itself to upholding. Procedures for quality control should be clearly set out and should be capable of being monitored. Evidence of any relevant quality certification should be provided.

### Human Resource Management

A company's human resources policy provides an indication of the quality of personnel it will be able to recruit and retain. This includes the provision of training and career development, professional selection and recruitment practices, which ensure objectivity and the observance of equal opportunities principles, as well as evidence from staff satisfaction surveys.

Information should be available on the total number of employees (operational and administrative staff), the level of staff turnover among full-time, part-time and temporary staff and the evolution of employee turnover over the last three years. This provides an indication not only of the size and occupational structure of the company, but also of the level of staff satisfaction. This could also be ascertained by obtaining information on the level of absenteeism among the workforce.

### References

Evidence of previous client satisfaction is always a good indication of a quality provider. Sector or contract specific references should therefore be available on request. A contracting organisation may award points for previous satisfactory performance of the contract.

### Certification and awards

Evidence of relevant certifications and awards (such as for excellence in service provision or training provision) can also be a hallmark of a good quality provider and can be taken into account.

**TABLE 7: QUALITY CRITERIA RELATING TO THE COMPANY**

<b>THE COMPANY</b>	
Structure and organisation	<ul style="list-style-type: none"> <li>• Organisation chart</li> <li>• Range of services</li> <li>• Health and safety resources</li> <li>• Company procedures</li> <li>• Assistance of 24 hour control room</li> <li>• Membership of trade association</li> </ul>
Security	<ul style="list-style-type: none"> <li>• Philosophy</li> <li>• Track record</li> </ul>
Quality	<ul style="list-style-type: none"> <li>• Philosophy, experience and practice</li> </ul>
HRM	<ul style="list-style-type: none"> <li>• Philosophy and practice</li> <li>• Number of employees</li> <li>• Staff turnover</li> <li>• Absenteeism</li> </ul>
References	<ul style="list-style-type: none"> <li>• Sector related</li> <li>• Contract related</li> <li>• Past experience of tendered contract</li> </ul>
Certification and awards	<ul style="list-style-type: none"> <li>• Relevant certifications</li> <li>• Awards</li> </ul>
Other criteria to be defined by the customer	<ul style="list-style-type: none"> <li>• a justification of these criteria must be provided and they must remain within the framework of relevant European and national legislation</li> </ul>

## 5. Evaluation guidelines

As set out in section 3 of this manual, every tender award process should follow a three stage process, in which tenders are assessed according to specified exclusion, selection and award criteria. Table 9 sets out the three stage contract award process using the quality criteria elaborated in Section 4 of this manual. Even where tendering procedures are carried out in one step, a logical distinction should be made between exclusion, selection and award criteria. Exclusion and selection criteria are merely designed to eliminate companies from the tendering process which

- a) have not met their statutory requirements in relation tax or social security payments and are not considered financially stable
- b) do not meet the basic selection criteria in terms of their size or expertise.

The final detailed evaluation of the technical and operational proposals contained in the bid is subject to the relevant award criteria and an assessment of price proposals.

The “best value” evaluation framework proposed in this manual allows tendering authorities to apply their own priorities in relation to:

- the importance of price over technical merit (STEP 1);
- the importance attached to different categories of technical merit criteria (e.g. the quality of guards, contract management, contract infrastructure and the company - STEP 2);
- the relative importance of specific technical merit criteria under each category (STEP 3);

As required under European legislation, tendering organisations should announce the award criteria to be applied in the tender notice, if they do not appear in the contract documents (STEP 4). Only the award criteria set out in STEPS 1 and 2 need to be mentioned in detail.

An easy to apply scoring framework is then used to determine the “best value” provider (STEP 5).

### STEP 1 - The importance of price over technical merit

To determine the proposal which represents the best value according to the technical and price criteria, the following formula is used to arrive at the overall proposal score:

$$\text{Offerors proposal score} = \text{Technical score} + \text{Price score}$$

It is up to the tendering organisation to determine its own priorities in relation to the weight to be given to the technical score and the price score. A balance of quality and price can be created by allocating a number of points out of 100, for example:

Technical score	Price score	Prioritisation of technical merit and price
50	50	Quality and price are of equal importance
60	40	Quality is more important than price, but price is still an important factor
80	20	Quality is of overarching importance, price is a secondary consideration
40	60	Price is more important, but quality is still an important factor
20	80	Price is more important, quality is a secondary consideration

### STEP 2 -Defining the importance of different categories of technical merit criteria

This step allow tendering organisations to define which categories of criteria are most important to them in their technical evaluation, by allocating differing proportion of the points allowed for the technical merit score in STEP 1:

Category	Prioritisation of categories of criteria
Guards	A high number of points allocated to the “guards” category indicates that the skills and professional qualifications and qualities of the guarding personnel to be used are a prime concern
Contract management	A high number of points allocated to this “contract management” category indicates that the skills of the contract manager and contract management team are considered to be of prime importance
Contract infrastructure	A high number of points allocated the “contract infrastructure” category indicates that the technological infrastructure to be used is highly significant
Company	A high number of points allocated to the “company” category indicates that the tenderer emphasises stability, reliability and service potential.

#### EXAMPLE A

60 points have been allocated to the technical score

Category	Points	Indicates following priorities
Guards	25	The quality of guarding personnel is considered to be the most important factor in contract performance
Contract management	15	Highly skilled contract management staff are considered to bring strong know-how and service guidance
Contract infrastructure	10	Technical components are also considered relevant
Company	10	Company stability, reliability and service potential are expected

#### EXAMPLE B

40 points have been allocated to the technical score

Category	Points	Indicates following priorities
Guards	30	The quality of guarding personnel is considered to be paramount
Contract management	5	Supervision is more important than consultation
Contract infrastructure	2	The contract has a relatively low technical content
Company	3	A reliable partner is expected but change is not a problem

#### EXAMPLE C

80 points have been allocated to the technical score

Category	Points	Indicates following priorities
Guards	40	The quality of guarding personnel is considered to be paramount
Contract management	15	Contract needs innovative management and close contact between client and management team
Contract infrastructure	10	The use of technology is significant in the performance of the contract
Company	15	The tenderer strongly emphasises reliability and stability. The cost of change is high.

#### EXAMPLE D

20 points have been allocated to the technical score

Category	Points	Indicates following priorities
Guards	18	An easy service is needed, change is not a problem, price is the highest priority
Contract management	2	Contact with the management team is minimal
Contract infrastructure	0	The contract has no technology content
Company	0	Performance is not important, price is the main priority

### STEP 3 - Prioritising technical merit award criteria

*This step allows contracting organisations to prioritise the detailed award criteria which it considered to be important allocating points out of the total assigned to each category in STEP 2 (for quality award criteria see tables 4-7 in section 4):*

#### EXAMPLE A

**Out of 60 overall points for the technical merit criteria, 25 points have been allocated to the “guards” category:**

<i>Quality award criterion</i>	<i>Points</i>	<i>Indicates the following priorities</i>
<i>Experience in industry</i>	4	<i>It is essential that guards have experience in the industry to ensure a problem free start-up or take-over period</i>
<i>Contract specific experience</i>	2	<i>Some contract specific experience is needed as the guarding environment requires specialist skills</i>
<i>Basic training</i>	4	<i>Guards must have received a basic standard of training to ensure quality of service is guaranteed</i>
<i>Additional training and qualifications</i>	1	<i>Additional training would be beneficial</i>
<i>Contract specific training</i>	2	<i>Key personnel should have received contract specific training to ensure awareness of the challenges posed by the guarding environment</i>
<i>Recurring training</i>	2	<i>The contract requires the use of skills or technology which is constantly improving. Regular training must be given to ensure skills are up to date</i>
<i>Other skills</i>	0	<i>No other skills are required</i>
<i>Career opportunities</i>	2	<i>There is a recognition that the availability of career opportunities contributes to higher retention rates of skilled staff.</i>
<i>Recruitment and selection</i>	3	<i>Significant importance is attached to the selection of quality staff</i>
<i>Vetting</i>	3	<i>All guards should have been vetted because of the sensitive nature of the guarding environment</i>
<i>Salary and benefit levels</i>	1	<i>There is a recognition that satisfactory salary and benefit levels contribute to the retention of skilled staff and increase motivation</i>
<i>Working Conditions</i>	1	<i>There is a recognition that satisfactory working conditions contribute to the retention of skilled staff and increase motivation</i>
<i>Other criteria</i>	0	<i>No other criteria are relevant</i>

**Out of 60 overall points for the technical merit criteria, 15 points have been allocated to the “contract management” category:**

<i>Quality award criterion</i>	<i>Points</i>	<i>Indicates the following priorities</i>
<i>Structure, organisation and skills of the management team</i>	2	<i>The skills and expertise of the management team are important to ensure flawless planning and service support</i>
<i>Contract specific know-how of the management team</i>	1	<i>Certain members of the management team should have contract specific experience to ensure awareness of the particular requirements of the guarding environment</i>
<i>Skills and experience of the on-site manager</i>	3	<i>The skills of the on-site manager are of prime importance. Trust between the contractor and this individual are essential for the</i>

contract to be delivered satisfactorily as there is a high level of contact between the client and the on-site contract manager. Change may be a problem.

Contract specific know-how of the on-site manager	2	The on-site manager should have significant contract-specific experience. Change may be difficult.
Availability	1	The on-site manager should be easy to reach when required
Response time	2	A quick response time is of great relevance
Rostering	1	The management plan should show significant expertise of rostering. This proposal should be adequate to form the basis of the contract
Back-up capacity	2	There must be evidence that the company has sufficient back-up capacity to meet the requirements of the contract in an emergency
General and client specific procedures	0	Not deemed relevant to the contract
Reporting	1	Reporting structures should be clearly set down and meet the needs of the client
Client contact	0	Not deemed relevant to the contract
Inspections	0	Not deemed relevant to the contract
HQ support	0	Not deemed relevant to the contract
Other criteria	0	Not deemed relevant to the contract

*Out of 60 overall points for the technical merit criteria, 10 points have been allocated to the “contract infrastructure” category:*

Quality award criterion	Points	Indicates the following priorities
Communication tools and systems	3	The use and quality of communication tools and systems is of prime importance to the performance of the contract, as the site layout is complex.
IT hardware and software	0	Not deemed relevant to the contract
Uniforms	1	Contractors must supply uniforms to meet required standards
Weapons	1	The approved use and maintenance of weapons is significant
Vehicles	1	Properly marked vehicles must be provided for the performance of the contract
Dogs	2	The use of well trained and properly handled guard dogs is a key feature of the contract
CCTV system	0	Not deemed relevant to the contract
Guard control system	0	Not deemed relevant to the contract
Access control system	0	Not deemed relevant to the contract

Alarm installation	2	The use and maintenance of alarm installations is significant to the performance of the contract and the management proposal must demonstrate knowledge of these systems
Central monitoring system	0	Not deemed relevant to the contract
Other criteria	0	Not deemed relevant to the contract

*Out of 60 overall points for the technical merit criteria, 10 points have been allocated to the “company” category:*

Quality award criterion	Points	Indicates the following priorities
Organisation chart	0	Not deemed relevant to the contract
Range of services	1	The contract requires flexibility and adaptability in service provision
Health and safety resources	0	Not deemed relevant to the contract
Company procedures	0	Not deemed relevant to the contract
Assistance of 24 hour control room	1	It is crucial that assistance and security back-up is supplied 24 hours a day
Membership of trade association	0	Not deemed relevant to the contract
Security philosophy		Not deemed relevant to the contract
Security track record	2	Proven experience in the security industry is a must
Quality philosophy, experience and track record	0	Not deemed relevant to the contract
HRM philosophy and practice	0	Not deemed relevant to the contract
Number of employees	1	Tendering companies must demonstrate that they either have sufficient staff to carry out the contract and provide back-up if required, or have the potential to take-over existing staff
Staff turnover	0	Not deemed relevant to the contract
Absenteeism	0	Not deemed relevant to the contract
Sector related references	3	Companies must be able to demonstrate a proven track record in the sector as the contract requires significant knowledge of the industry
Contract related references	2	The complexities of the guarding environment require proven contract related experience
Past experience of tendered contract	0	Not deemed relevant to the contract
Relevant certifications	0	Not deemed relevant to the contract
Awards	0	Not deemed relevant to the contract
Other criteria	0	Not deemed relevant to the contract

STEP 4 - Announce chosen award criteria in tender notice

As outlined in Section 3, contracting organisations seeking to award a contract to the “economically most advantageous tender” must state the award criteria to be applied in their tender notices. Table 8 shows an example of a standard format for an open tender notice, as provided for by the Guidance Notes for the European Services Directive.

**TABLE 8: FORMAT FOR INDIVIDUAL CONTRACT NOTICES - OPEN PROCEDURE AS SET OUT IN ANNEX IIB OF THE SERVICES DIRECTIVE**

<ol style="list-style-type: none"> <li>1. Name, address, telegraphic address, telephone, telex and fax numbers of the contracting authority</li> <li>2. Category of service and description. CPC reference number.</li> <li>3. Place of delivery.</li> <li>4.             <ol style="list-style-type: none"> <li>a) Indication of whether the execution of their service is reserved by law, regulation or administrative provision to a particular profession.</li> <li>b) Reference to the law, regional or administrative provision.</li> <li>c) Indication of whether legal persons should indicate the names and professional qualifications of the staff to be responsible for the execution of the service.</li> </ol> </li> <li>5. Indication of whether service providers can tender for a part of the services concerned.</li> <li>6. Where applicable, non-acceptance of variants.</li> <li>7. Time limits for completion of the service or duration of the service contract and, as far as possible, the time limit for starting the service.</li> <li>8.             <ol style="list-style-type: none"> <li>a) Name and address of the service from which the necessary documents may be requested.</li> <li>b) Final date for making such requests.</li> <li>c) Where applicable, the amount and terms of payment of any sum payable for such documents.</li> </ol> </li> <li>9.             <ol style="list-style-type: none"> <li>a) Final date for receipt of tenders.</li> <li>b) Address to which they must be sent.</li> <li>c) Language or languages in which they must be drawn up.</li> </ol> </li> <li>10.             <ol style="list-style-type: none"> <li>a) Persons authorised to be present at the opening of tenders.</li> <li>b) Date, time and place of the opening.</li> </ol> </li> <li>11. Where applicable, any deposits and guarantees required.</li> <li>12. Main terms concerning financing and payment and/or references to the relevant provisions.</li> <li>13. Where applicable, the legal form to be taken by the grouping of service providers winning the contract.</li> <li>14. Information concerning the service provider's own position, and information and formalities necessary for an appraisal of the minimum economic and technical standards required of him.</li> <li>15. Period during which the tenderer is bound to keep open his tender.</li> <li>16. Criteria for the award of the contract, if possible, in order of importance. Criteria other than that of the lowest price shall be mentioned if they do not appear in the contract documents.</li> <li>17. Other information.</li> <li>19. Date of dispatch of the notice.</li> <li>20. Date of receipt of the notice by the Office for Official Publications of the European Communities.</li> </ol>
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Tendering organisations seeking to use the “best value” framework to award a contract to the economically most advantageous tender could, in their tender notice, make reference to the framework as agreed by CoESS and Euro-FIET in their social dialogue, by joint opinion of 10 June 1999. Details should be provided of the following:

Exclusion criteria: (state criteria, see Table 9 for exclusion criteria as defined by the European Services Directive)

Selection criteria: (state criteria, see Table 9 for selection criteria as defined by the European Services Directive)

Award criteria: (state criteria, see Table 9 for full list)

**Details of award criteria**

Maximum points to be allocated

Price (state number of points)

Technical merit (state number of points)

**Technical merit will be assessed as follows:**

State number of points

Guards (summarise key quality award criteria)

Contract management (summarise key quality award criteria)

Contract infrastructure (summarise key quality award criteria)

Company (summarise key quality award criteria)

Source: Guidance Note for the Application of the Services Directive, CEC

**TABLE 9: CONTRACT AWARD PROCESS**

**EXCLUSION CRITERIA**

*Applicants must provide the following;*

- Entry in the professional register if required by the legislation of the Member State in which the company is registered
- Certificate from social security authorities to the effect that the applicant is up to date with the payment of social security contributions
- Certificate from social security authorities to the effect that the applicant has met all his tax obligations in accordance with the legal provisions of the country in which he is registered
- Profit and loss accounts if publication is compulsory under the legislation or practice in the country in which the applicant is registered
- If relevant, certification that any technical equipment to be used in pursuance of the contract conforms with European standards and/or their national implementation



**SELECTION CRITERIA**

*Financial and economic capacity*

*Applicants must provide the following:*

- Balance sheets and profit and loss statements for the past three financial years if their publication is compulsory under the legislation or practice in the country in which the applicant is registered
- Total turnover and turnover relating to services similar to those covered by this call for tenders for the past three financial years

*Technical capacity is assessed on the basis of the following:*

- The organisational structure and capacity of the company, including back-up capacity
- The professional experience and relevant training of the persons proposed to carry out the work
- A proven track record of the organisation, provision and support of services which are the subject of this contract over the last three years
- Availability of the necessary infrastructure to meet the requirements set out in the tender
- Average annual staff turnover over the last three years
- Proof of quality control systems in relation to the company's security philosophy, HRM philosophy and practice and operational back-up



**AWARD CRITERIA**

*Award is on the basis of the economically most advantageous tender, assessment is based on the following:*

- Price
- Skills and experience of operational and management staff to be assigned to the contract
- A detailed description of how the service is to be organised, provided and supported in terms of manpower, back-up and the use of technology
- Compatibility with the objectives of the contract
- The track record and quality standards offered by company in relation to the objectives of the contract

*The assessment breaks down into the following quality criteria:*

*Guarding personnel*

- Experience in the industry; contract specific experience
- Basic skills; additional training and qualifications; contract specific training; recurring training; other relevant skills; career opportunities
- Recruitment and selection methodology; vetting
- Salary and benefit levels; working condition; other criteria



### *Contract management/operations*

- Structure, organisation, skills of management team; contract specific know-how of the management team
- Skills and experience of the contract manager; contract specific experience of the contract manager; availability; response time
- Rostering methodology; back-up capacity; general and client specific procedures; reporting; client contact
- Inspections; HQ support; other criteria

### *Contract infrastructure*

- Communication tools and systems; IT hardware and software; uniforms; weapons; vehicles; dogs
- CCTV; guard control system; access control system; alarm installation; central monitoring system; other criteria

### *The company*

- Organisation chart, range of services, health and safety resources, company procedures, assistance of 24 hour control room, membership of trade association
- Security philosophy, track record;
- HRM philosophy and practice, number of employees, staff turnover, absenteeism
- Sector related references; contract related references; past experience of contract to be let
- Relevant certifications, awards; other criteria

### *STEP 5 - The scoring framework to determine the “best value” provider*

After the tenders which are being disregarded because of their failure to meet the exclusion or selection criteria have been eliminated, the tendering authority can carry out an evaluation of the prices quoted in the remaining bids. This evaluation is based on the number of points which have been allocated to price, as stated in the tender award notice.

### *Price evaluation*

The firm offering the lowest price is awarded the full number of points available for price. All higher price offers are assessed against the lowest price bidder. Points for price are deduced in relation to the percentage that the price offer is above that of the lowest bidder. In the example below, where a total of 40 points are available for the price score, a 10% increase in price leads to a deduction in points of 10% off 40 points and so on.

#### **EXAMPLE**

Company	Price	Points
A	100.000 €	40
B	110.000 €	36
C	120.000 €	33

### *Assessing technical merit*

After the tendering organisation has defined its priorities in terms of technical merit by awarding points to categories and quality criteria as set out in STEPS 2 and 3, it is crucial that an objective assessment is made of extent to which bids meet these requirements. In order to ensure this objectivity, the following scoring parameters are being used:

- not applicable
- non-compliant
- supposed compliant
- compliant
- excellent

Table 10 below provides definitions for each of our scoring parameters. Not applicable is used in the scoring tables for criteria which are not deemed relevant to the contract.

Clearly, a company which scores “excellent” in relation to one of the quality criteria should be awarded a higher proportion of the points available than a company which is merely deemed “supposed compliant”. Different weightings are therefore applied to the points awarded to each criterion.

These are as follows:

Parameter	Weighting
“non-compliant”	0%
“supposed compliant”	50%
“compliant”	80%
“excellent”	100%

The company with the highest number of “excellent” scores for key criteria (those criteria allocated the highest number of points by the tendering authority) will therefore obtain the highest score in the technical merit evaluation.

The points from the technical merit evaluation are added to the points awarded in the price evaluation to establish the “best value” provider.

The example below show how this system is used.

**TABLE 10: DEFINITION OF SCORING CRITERIA**

Not applicable	This takes account of the fact that not every item is applicable to every client. The criterion is not applicable to the award of this tender and is therefore not scored. The assessment “not applicable” should not be used randomly, but needs to be justified in relation to the requirements of the tender. For example, the criterion “CCTV” is not applicable if this technology is not to be used in carrying out the contract.
Non-compliant	This assessment applies if the information provided totally fails to meet with the contracting authority’s requirements. It is not to be used if no information is provided on a certain item.
Supposed compliant	The information provided does not allow a full assessment whether the item proposed meets with their requirements.
Compliant	Information provided fully meets the requirements outlined in the tender notice and meets the tenderers expectations.
Excellent	Item exceeds the requirements and expectations and demonstrates an exceptionally high quality service based on successful performance in operation.

**EXAMPLE**

The client has decided to allocated the available 100 points as follows:

Price	40 points
Technical merit	60 points
<b>Technical merit categories</b>	
Guards	25
Contract management	15
Contract infrastructure	10
Company	10

Quality award criterion "GUARDS"	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
Experience in industry	4				✓		3.2
Contract specific experience	2					✓	2
Basic training	4					✓	4
Additional training and qualifications	1			✓			0.5
Contract specific training	2				✓		1.6
Recurring training	2			✓			1
Other skills	0	✓					
Career opportunities	2			✓			1
Recruitment and selection	3				✓		2.4
Vetting	3				✓		2.4
Salary and benefit levels	1			✓			0.5
Working Conditions	1			✓			0.5
Other criteria	0	✓					
<b>TOTAL</b>	<b>25</b>						<b>19.1</b>

Quality award criterion "CONTRACT MANAGEMENT"	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
Structure, organisation and skills of the management team	2				✓		1.6
Contract specific know-how of the management team	1				✓		0.8
Skills and experience of the on-site manager	3					✓	3
Contract specific know-how of the on-site manager	2					✓	2
Availability	1				✓		0.8
Response time	2				✓		1.6
Rostering	1				✓		0.8
Back-up capacity	2			✓			1
General and client specific procedures	0	✓					
Reporting	1			✓			0.5
Client contact	0	✓					
Inspections	0	✓					
HQ support	0	✓					
Other criteria	0	✓					
<b>TOTAL</b>	<b>15</b>						<b>12.1</b>

Quality award criterion "CONTRACT INFRASTRUCTURE"	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
Communication tools and systems	3					✓	3
IT hardware and software	0	✓					
Uniforms	1				✓		0.8
Weapons	1				✓		0.8
Vehicles	1				✓		0.8
Dogs	2			✓			1
CCTV system	0	✓					
Guard control system	0	✓					
Access control system	0	✓					
Alarm installation	2				✓		1.6
Central monitoring system	0	✓					
Other criteria	0	✓					
<b>TOTAL</b>	<b>10</b>						<b>7</b>

Quality award criterion "COMPANY"	Points	Not	Non	Supposed compliant	Compliant	Excellent	Weighted
Organisation chart	0	✓					
Range of services	1			✓			0.5
Health and safety resources	0	✓					
Company procedures	0	✓					
Assistance of 24 hour control room	1				✓		0.8
Membership of trade association	0	✓					
Security philosophy	0	✓					
Security track record	2					✓	2
Quality philosophy, experience and track record	0	✓					
HRM philosophy and practice	0	✓					
Number of employees	1				✓		0.8
Staff turnover	0	✓					
Absenteeism	0	✓					
Sector related references	3					✓	3
Contract related references	2					✓	2
Past experience of tendered contract	0	✓					
Relevant certifications	0	✓					
Awards	0	✓					
Other criteria	0	✓					
<b>TOTAL</b>	<b>10</b>						<b>8.9</b>

**TOTAL SCORE FOR TECHNICAL MERIT**

**47.1**

**POINTS OUT OF 60**

# Annex 1 Evaluation tables

## ASSESSMENT SHEETS

Company

### 1 EXCLUSION CRITERIA

Applicants must provide the following	Non-compliant	Compliant	Remarks
Entry in the professional register if required by the legislation or practice of the Member State in which the company is registered			
Certificate from social security authorities to the effect that the applicant is up to date with the payment of social security contributions			
Certificate from social security authorities to the effect that the applicant has met all his tax obligations in accordance with the legal provisions of the country in which he is registered			
Profit and loss accounts if publication is compulsory under the legislation or practice in the country in which the applicant is registered			
If relevant, certification that any technical equipment to be used in pursuance of the contract conforms with European standards and/or their national implementation			

A non-compliant score in any of the three categories leads to immediate disqualification from the tender process.

### 2 SELECTION CRITERIA

#### *Financial and economic capacity*

Applicants must provide the following	Non-compliant	Compliant	Remarks
Balance sheets and profit and loss statements for the past three financial years if their publication is compulsory under the legislation or practice in the country in which the applicant is registered			

*Technical capacity*

Applicants must provide the following	Non-compliant	Compliant	Remarks
The organisational structure and capacity of the company, including back-up capacity			
The professional experience and relevant training of the persons proposed to carry out the work			
A proven track record of the organisation, provision and support of services which are the subject of this contract			
Availability of the necessary infrastructure to meet the requirements set out in the tender			
Average annual manpower and managerial staff over the last three years			

A non-compliant score in any of the categories will lead to the exclusion of the tenderer from the further selection/awarding process. If a company is supposed compliant, further information may be requested. Supposed compliant will be rated as compliant in relation to exclusion and selection criteria.

**3 AWARD CRITERIA**

The contract will be awarded to the organisation presenting the economically most advantageous tender, assessed on the following criteria:

- Price
- Skills and experience of operational and management staff to be assigned to the contract
- A detailed description of how the service is to be organised, provided and supported in terms of manpower, back-up and the use of technology
- Compatibility with the objectives of the contract
- The track record and quality standards offered by company in relation to the objectives of the contract

**SUMMARY**

	Number of points available	Points awarded	Remarks
1 Guarding Personnel			
2 Contract management			
3 Contract infrastructure			
4 The company			

**TOTAL TECHNICAL MERIT**

**PRICE**

**TOTAL POINTS**

1 Guarding personnel

	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
<b>1.1 Experience</b>							
Experience in the industry							
Contract specific experience							
<b>1.2 Skills and capabilities</b>							
Basic training							
Additional training							
Contract specific training							
Recurring training							
Other skills							
Career opportunities							
<b>1.3 Selection, recruitment and vetting</b>							
Recruitment and selection methodology							
Vetting							
<b>1.4 Employment conditions</b>							
Salary and benefit levels							
Working conditions							
Other criteria							
<b>TOTAL</b>							

2 Contract management/operations

	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
<b>2.1 The management team</b>							
Structure, organisations and skills of the management team							
Contract specific know how of the management team							
<b>2.2 The contract manager</b>							
Skills and experience							
Contract specific know how							
Availability							
Response time							
<b>2.3 Rostering</b>							
Rostering methodology							
Back-up capacity							
General and client-specific procedures							
Reporting							
Client contact							
<b>2.4 Support services</b>							
Inspections							
HQ support							
Other criteria							
<b>TOTAL</b>							

3 Contract infrastructure

	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
<b>3.1 Equipment</b>							
Communication tools and systems							
IT hardware and software							
Uniforms							
Weapons							
Vehicles							
Dogs							
<b>3.2 Technical support</b>							
CCTV							
Guard control system							
Access control system							
Alarm installation							
Central monitoring system							
Other criteria							
<b>TOTAL</b>							

4 The company

	Points available	Not applicable	Non compliant	Supposed compliant (50%)	Compliant (80%)	Excellent (100%)	Weighted points allocated
<b>4.1 Structure and organisation</b>							
Organisation chart							
Range of services							
Health and safety resources							
Company procedures							
Assistance of 24 hour control room							
Membership of trade association							
<b>4.2 Security</b>							
Philosophy							
Track record							
<b>4.3 Quality</b>							
Quality philosophy, experience and practice							
<b>4.4 HRM</b>							
Philosophy and practice							
Number of employees							
Staff turnover							
Absenteeism							
<b>4.5 References</b>							
Sector related							
Contract related							
Past experience of contract to be let							
<b>4.6 Certification and awards</b>							
Relevant certifications							
Awards							
Other criteria							
<b>TOTAL</b>							

CALCULATIONS

Total points for price

Total points for technical merit

**TOTAL POINTS ACHIEVED**