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Guide to the economically most advantageous offer in Contract Catering

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PREFACE

The social partners in the Contract Catering sector, **FERCO** (European Federation of Contract Catering Organisations) and **EFFAT** (European Federation of Food, Agriculture and Tourism Trade Unions) note that a growing number of public bodies, or authorities, and private enterprises, are subcontracting their catering services to firms specialised in such services.

To choose the service provider, these entities resort to tendering procedures at local, regional, national and even European level, depending on the size of the contract.

At the moment, most such catering contracts are awarded to the company that submits the lowest bid. This predominance of the criterion of price can be partly explained by budgetary restrictions in the public sector and cost-cutting policies of private companies, as well as by a lack of instruments that could help these entities select the contract catering company offering the best quality/price ratio.

While fully aware of the budget constraints facing public and private operators, EFFAT and FERCO consider **that the policy of awarding contracts to the lowest cost tenderer is not in the interests of the parties concerned**, neither the client entities and their users, nor the contract catering companies and their employees.

In fact, choosing service providers on the basis of price results in damaging effects at every level. It generates **increased competition between contract catering companies** and induces them to **streamline their costs as much as possible**. This streamlining is sometimes to the **detriment of the quality of the meals and services** provided, which may imperil **food safety**. It can also have an adverse effect on the jobs and working **conditions of those in the sector** and the viability of contract catering companies more generally.

This preference for the lowest price can also have a **negative impact on the image of the client entity**, which can appear to be concerned only about the price and not about the quality of the meals. This is particularly true in the case of schools, hospitals and retirement homes, where a low quality service can have a significant impact in nutritional, health and educational terms.

FERCO and EFFAT consider that the priority given to price is also due to difficulties encountered by the **entities in communicating their qualitative needs** when drawing up invitations to tender, and **to the absence of instruments for weighting, assessing and comparing offers**, mindful not only of price but also of quality.

Given this, EFFAT and FERCO have decided, in the interests of the client entities and of their users, and also of the companies in the contract catering sector, to propose a method for awarding catering contracts that accounts for both quality and price.

To facilitate the practical implementation of this procedure, EFFAT and FERCO have drawn up a **“guide to the economically most advantageous offer”**. The guide, available in most of the European Union languages, is intended for distribution in Member States.

FERCO and EFFAT would like to make available the tools needed to award a contract on the basis of the best quality/price ratio and hence to promote in Europe the principle of the “economically most advantageous offer” which, it should be pointed out, is supported by European legislation and the case law of the European Court of Justice.

In the view of FERCO and EFFAT, **the choice, by both public and private bodies, of the economically most advantageous offer** will provide real added-value and have positive implications for all parties involved.

This approach will lead to:

- more transparent processes for awarding contracts
- a better analysis of the needs of the purchasing entities
- a response that is more in line with the expectations of the entities and of their users
- higher levels of quality, hygiene and food safety
- guarantees in terms of jobs, working conditions and training for those working in the contract catering sector.

The guide has been produced thanks to the collaboration between EFFAT and FERCO in the context of their European social dialogue, and to the financial support of the European Union. We must also express special thanks to the European Commission's Employment and Social Affairs Directorate General for its support for this project, as well as the steering group and national associations of experts who contributed their time and efforts to complete this work.

CONTRACT CATERING IN BRIEF

Contract catering comprises the services needed to prepare and deliver meals to people working and/or living in communities: public and private undertakings, administrations, crèches, schools, hospitals, retirement homes, prisons, barracks, etc. When these activities are entrusted to a service provider, this is called contract catering (CC).

CC has the following characteristics:

- the existence of a written contract between the client entity and the company providing the service
- a well-defined group of users, consisting of members of the client entity
- special constraints arising from the fact that the service is provided on the premises of the client entity, in line with a method of organisation specific to that entity
- a social price that is significantly lower than the price of a meal in commercial catering.

THE ONLINE GUIDE

In order to provide a practical tool for entities wishing to base the awarding of their catering contract on the principle of the economically most advantageous offer, an electronic version of this guide is available at this address: <http://www.contract-catering-guide.org>

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GLOSSARY

Contract: this is the set of terms binding the purchasing entity to the contract catering firm in the context of the provision of services. The **contract** refers to a public invitation to tender, or to the relationship between the client (the entity) and the service provider (the contract catering company).

Tendering procedure: competition between various providers to perform a contract. The concept of invitation to tender refers specifically to the awarding of a contract in the public or private sector. Invitations to tender are by nature more regulated in the public than in the private sector, with legal deadlines for advertising (the announcement of the tender and the announcement of the award).

Announcement of the tender: in the context of tendering procedures by a public authority, the launching of the tendering procedure must be announced and advertised according to legal requirements.

Award announcement: in the context of tendering procedures by a public authority, the results of the procedure (winning tenderer, amount of the contract) must be announced and advertised according to legal requirements.

Award entity, conceding entity or purchaser: the entity (public authority or private company) that is organising the tendering procedure. In other words, the body purchasing the catering service.

CCC: Contract Catering Company.

Service provider: in this guide, this is the Contract Catering Company.

Tenderer: the undertaking applying as a candidate to take part in the tendering procedure organised by the entity.

Successful tenderer: the undertaking to which the contract is awarded.

User: “final customer”, the consumer living in and/or working for the entity.

Provision of multi-services: provision of various services, for instance catering and cleaning, by the same service provider.

HACCP: HAZARD ANALYSIS CONTROL CRITICAL POINT (set of principles to analyse risks and control critical points).

Excl. Taxes: Taxes not included.

Variants: replies and proposals by tenderers that go beyond the minimum requirements set down in the specifications. Generally speaking, tenderers must formulate a basic offer that strictly complies with the specifications. They may, if the entities in the invitation to tender mention this, propose alternative or innovative solutions that go beyond the “basic offer”.

1. INTRODUCTION

1.1. THE CHALLENGES

In all European countries over the past thirty years, the number of meals consumed outside the home has been constantly growing. **Collective catering (whether or not on a contract basis) has followed this trend, and currently represents half of the meals consumed outside the home.**

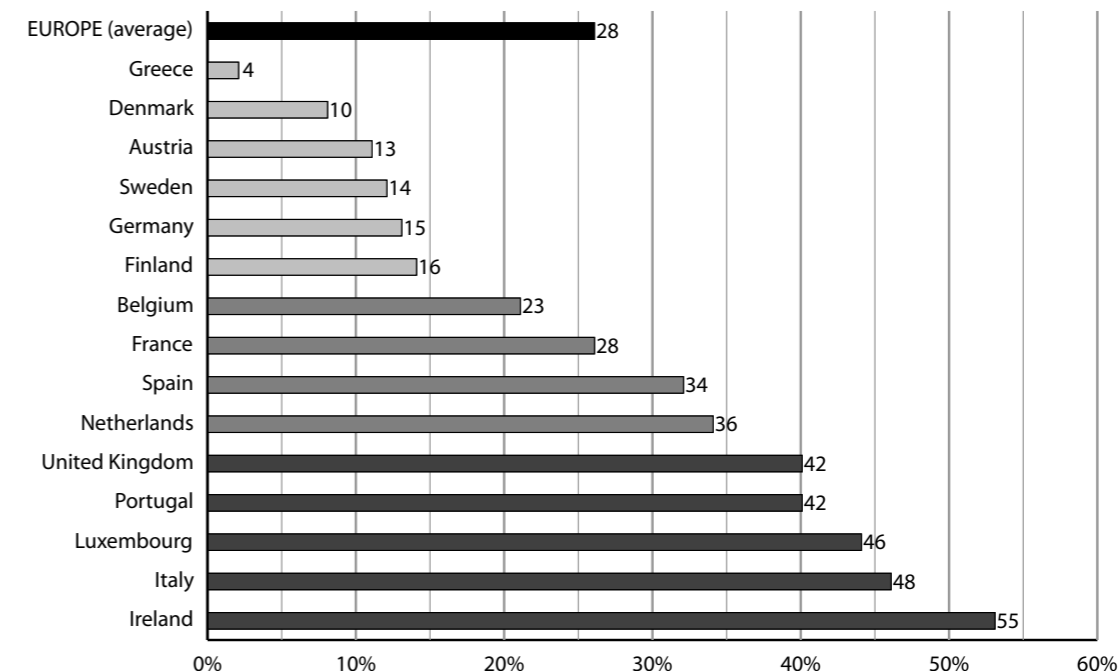
In Europe, the share of contract catering has risen from **14% in 1990** to **31% in 2005**. It will exceed **35% in 2010**.

In 2004, the cumulative annual turnover of all contract catering companies operating in Europe represented approximately €22 billion. The subcontracting rate is rising considerably depending on the sector of activity: B&I (public and private undertakings, administration), Health and Welfare sector (hospitals, crèches, retirement homes), Education (schools, colleges, universities, etc., and other sectors (prisons, barracks, etc.).

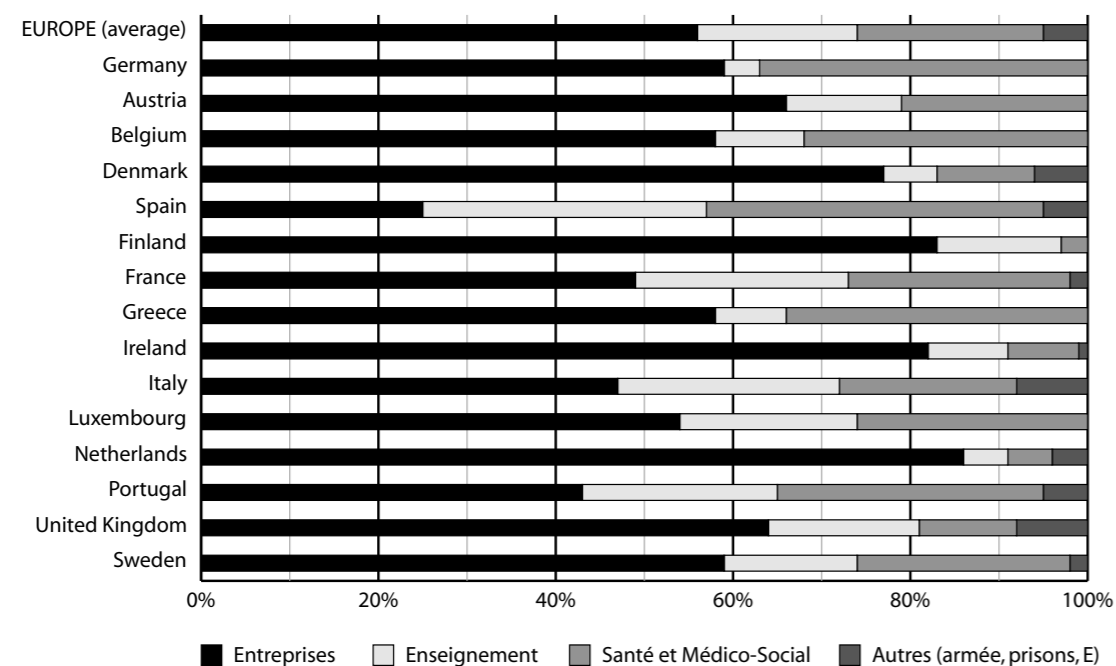
In 2004, the B&I sector alone accounted for 56% of the turnover in contract catering, followed by the Health and Welfare sector (21%), and Education (18%).

The Health and Welfare sector will, by 2020, be one of the main sources of growth for contract catering companies.

RATE OF PENETRATION OF CCC (2003)



RATE OF PENETRATION OF CCC (2003)



In parallel with this quantitative development, “European users” have changed considerably. They have become more demanding and their expectations more complex. For instance, there is:

- o an overall demand for quality
- o an expectation of a wide choice of food that is varied regularly
- o a need for comfort and an aesthetically pleasing setting (acoustics, decoration, furniture, etc.)
- o a search for attractive, varied methods of distribution
- o a focus on nutrition
- o a high expectation in terms of the hygiene and safety of foodstuffs
- o a demand for information regarding the meals served.

To meet these new challenges, contract catering companies have embarked on the transformation of canteens and the development of their services.

At the same time, laws (on food hygiene and safety, the environment, working conditions and training, safety of users, etc.) are increasingly restrictive and are allocating further responsibilities to both the contract catering companies and the client entities.

Managing a catering service requires know-how and professionalism

Faced with this new environment and eager to streamline costs and focus on their main activity, a growing number of organisations, both public and private, are subcontracting their catering services to specialised companies. They are then faced with the challenges of managing the tendering process, in particular:

- drafting specifications that reproduce fairly and accurately their expectations and needs, mindful of budget and organisational constraints, and/or
- undertaking a comparative analysis of offers.

Tendering authorities do not have an easy job. They must choose the best solution that takes into account their needs and constraints, in particular financial constraints, while complying with professional practices and the many regulatory provisions inherent to catering.

Opting for the economically most advantageous offer allows all of these challenges to be met and enables the process of subcontracting to be managed as efficiently as possible.

1.2. THE OBJECTIVES

The aim of this guide is to assist public and private purchasers of contract catering services in their efforts to organise a tendering process that will result in the selection of the economically most advantageous offer.

To do this, the guide offers:

- a range of contractual solutions
- a standard format that indicates what the specifications for contract catering must include, enabling all entities to formulate their expectations and needs clearly and in a structured manner
- analytical tools enabling the economically most advantageous offer to be selected.

Forming part of a joint initiative by the European social partners in the contract catering sector, this guide is also intended to raise awareness among tendering authorities of those contract catering companies that are eager to:

- promote respect for social values within their undertakings by means of working conditions and staff training, company agreements and the social dialogue
- develop quality-related programs that will guarantee safety for users
- take all measures possible to ensure the maximum level of food hygiene and safety.

1.3. WHY CHOOSE THE “ECONOMICALLY MOST ADVANTAGEOUS” OFFER?

When a catering contract is being awarded, decision-makers have two options:

Opt for the lowest bid

This consists of basing the decision on the sole criterion of price, taking into consideration only economic and financial aspects. Since 50% of the price of a contract catering service consists of raw material costs and 50% consists of labour costs, taking account only of price inevitably means a significant decline in the quality of the:

- o meals (reduction of the cost of food supplies)
- o service (reduction of staff, recourse to less skilled staff, reduction in hygiene and food safety levels, etc.)
- o working conditions (reduction of labour costs, etc.).

Opt for the economically most advantageous offer

This second solution incorporates qualitative in addition to economic criteria into the analysis. It allows the financial constraints to be taken into account in a more balanced way, but also incorporates the:

- o needs of the entity

- o demand for quality and diversity of meals
- o obligations relating to food hygiene and safety
- o working conditions of employees in the CC company.

Entities have an interest in promoting the selection of the economically most advantageous offer as it optimises the resources invested in the functioning of the catering service.

1.4. CONTENTS OF THE GUIDE

This guide reviews the entire process of awarding catering contracts in line with the economically most advantageous offer:

Section 2 sets down in detail the **stages prior to issuing an invitation to tender**.

Section 3 describes the **successive selection phases of the economically most advantageous offer**.

In addition, there **are practical** tools in the annex:

- a description of the various types of partnerships that are possible between an entity and a contract catering company
- a model to be used for analysing the offers.

2. STAGES PRIOR TO ISSUING AN INVITATION TO TENDER

Before inviting catering companies to tender for the contract, the purchaser must:

- describe its needs and expectations by drawing up **specifications**
- transcribe these specifications in a **reply form** which tenderers will have to fill in when drawing up their offers of services
- define the **selection and exclusion criteria** for the service providers and lay down the **criteria for awarding** the contract to the economically most advantageous offer.
- Determine the **scoring procedures** for the technical and financial offers.

2.1 STAGE 1: DRAWING UP THE SPECIFICATIONS

The specifications establish in detail and at length the tendering entity's needs, expectations and constraints. They provide tenderers with the information needed to draw up an offer.

The specifications may be structured as follows:

- (1) Description of the **services that are subject of the tender**.
- (2) The entity's expectations regarding the **quality of the service**.
- (3) **Other information** needed for the contract catering tendering procedure.

2.1.1 DESCRIPTION OF THE SERVICES TO BE PROVIDED

2.1.1.1. THE ENTITY'S OBJECTIVES AS REGARDS CATERING

The entity must first define its catering policy and adapt the organisation of the tendering procedure accordingly.

For instance, depending on the case, the entity may wish to:

- **Maintain its catering policy unchanged and renew the service, ensuring an identical service to the one that is in place at the time of the tendering procedure.** In this case, detailed visits to the premises and restaurant for the tenderers will enable each candidate to fully appreciate the service that is required. As a result, the entity does not have to provide a detailed description of the premises and equipment in the specifications, and can concentrate on describing the food to be provided to the users.
- **Or, change the current service substantially.** In this case the specifications must be more detailed and communicate the entity's new objectives. This enables the tenderers to formulate offers that are in line with the objectives in question. A detailed visit of the premises and restaurant may also prove useful in determining the feasibility of the service required.

2.1.1.2. TYPE OF CONTRACTUAL PARTNERSHIP

The contract catering company's role may range from simple technical assistance, to delivery of prepared meals, to full management of the restaurant. Thus there are various types of partnerships and contracts that correspond to each type of engagement (¹).

The entity may opt for one or another type of partnership depending on its **catering policy** and on the state of the catering service at the time of the tendering procedure. (For instance, will the contract catering company be asked to invest in the premises and equipment?).

No matter the type of contract, a distinction must be made between:

- o **“variable” costs:** correspond to the raw material (the food), the volume and costs of which vary directly depending on the level of activity of the restaurant. These costs are charged “per meal” in most contracts.
- o **“fixed” costs: 80%** of these costs are labour costs and are generally invoiced each month. Typically, these costs do not evolve directly and in a linear way with the volume of activity, but in stages, with high and low periods of activity.

It will, therefore, be necessary to provide for a system of invoicing in the contract that is adjustable according to restaurant usage levels. In this case the contract will comprise:

- **a contractual base** calculated on the basis of the volume of activity observed for the catering service, for instance over the year preceding the tendering procedure.
- specific **clauses in the event of a change** (upwards or downwards) in the level of activity of the restaurant. Under these clauses, the fixed costs invoiced every month may be adjusted in line with the level of activity (for high and low periods), while respecting the rights of employees in contract catering companies.

2.1.1.3. DEFINING THE CONTENT OF THE SERVICE

The content of the catering service may change considerably depending on the functioning, constraints and wishes of the entity. It is recommended, therefore, that the respective responsibilities of the entity and the catering company be clearly defined (for instance, does the service include equipment maintenance?). This approach guarantees that offers are in line with the expectations of the entity and can be compared.

The following list covers almost all areas for which responsibility must be assumed by either the client entity or the contract catering company. This division of responsibility must be set down in the specifications.

¹ See Annex 4.1 “Overview of contractual relationships proposed by CCCs”

	Client	Service provider
Restaurant premises		
Heavy maintenance		
Compliance		
Everyday maintenance		
Safety/fire fighting equipment		
Heavy kitchen equipment	Client	Service provider
Supply		
Renewal		
Maintenance		
Repairs		
Compliance		
Payment equipment and software	Client	Service provider
Equipment (server and cash registers)		
Software		
Supplies		
Computerised payment orders		
System maintenance		
Light service equipment	Client	Service provider
Supply (basic equipment)		
Renewal		
Light kitchen equipment	Client	Service provider
Supply (basic equipment)		
Renewal		
Flexible costs	Client	Service provider
Telephone (Subscription/ Communications)		
Water		
Gas		
Electricity		
Heating, air conditioning		
Potential cleaning and occasional work contracts	Client	Service provider
Floors		
Walls over 2 metres, ceilings, windows, domes		
Piping		
Extraction fans and ventilation shafts		
Hoods		
Grease filters		
Recycling of used oil		
Extermination of rats and elimination of insects		
Decoration and signs		
Emptying of grease bin		
Waste removal		
Plants		
Everyday cleaning	Client	Service provider
Tables and chairs		
Light and heavy kitchen equipment		

Kitchen and storage areas		
Floors and walls under 2 metres		
Floors of eating areas		
Miscellaneous supplies	Client	Service provider
Office supplies and postage		
Single use products		
Maintenance products		
Washing products		
Softening salts		
Paper serviettes		
Payment orders		
Sanitary supplies (customers and staff)		
Salaries and social charges	Client	Service provider
Income tax on salaries		
Transport costs		
Medical check-ups		
Supply of professional clothing		
Miscellaneous	Client	Service provider
Civil liability insurance		
Tenant's risk insurance		
Bacteriological checks		
Costs relating to service vehicles		
Miscellaneous costs for theme days		
Office maintenance costs		
Bank charges		
Postal costs		
Administrative documents		
Accountant's fees		
Visits / receptions		

2.1.1.4. VOLUME OF ACTIVITY

An in-depth **quantitative analysis of the services** to be provided should be undertaken so that it will be possible to detail a **reliable volume of activity** in the specifications. **This analysis should include: number of daily users, frequency of visits by day of the week, number of days of activity per year, and above all, the annual volume of meals served, per type of service.**

In the case of a catering activity consisting of a “single product” service with a fixed rate charge, the entity may simply indicate the number of meals per year and the number of days of activity per year. However, in the case of a food service that may vary according to the type of user, a detailed volume of activity must be given per service:

Types of service	Number to be served per year
Type of user 1	
Service 1	
Service 2	
Service 3	
Service 4	
Service 5	
Sub-total	
Type of user 2	
Service 1	
Service 2	
Service 3	
Sub-total	
Type of user 3	
Service 1	
Service 2	
Service 3	
Service 4	
Sub-total	
Total	

Note: in the table above, examples of the various types of users could include:

- pupils and teachers in the education sector
- medical staff and patients in the health sector.

The various types of services may cover, for example, the simultaneous supply of a self-service site, a cafeteria and a management-only restaurant, or may involve different types of meals: breakfast, snacks, lunch, dinner; hot meals, cold meals, etc.

This information is important as it will be used by the **tendering entities to define the resources to be deployed**, particularly human resources (number of employees and number of working hours), and **to calculate the cost of the service.**

2.1.1.5. ORGANISATIONAL MATTERS

The specifications should also note any functional or organisational matters that the entity anticipates will impact contract fulfilment: Examples might include: site opening times on a daily, weekly and annual basis; works projects at the site during the period of the contract that may have an impact; security issues such as access to the site, employee authorisations, etc.

2.1.1.6. TECHNICAL ASPECTS

To ensure **that the service and the technical resources are properly matched**, the specifications should include a precise quantitative and qualitative **inventory** of the technical resources the entity will make available to the service provider for the performance of the catering service, namely:

- the premises
- the facilities
- light operating equipment.

This information will allow tenderers to adapt their offer to the available technical resources. Where appropriate, the entity may ask the tenderers to indicate in their offer any mismatch between the resources being made available and the service required, and to propose practical solutions to solve the problems raised.

The technical inventory may be entrusted to a **specialised consultancy**, in particular when tenderers are asked to make investments or take care of the maintenance and/or repair of equipment. In this case, it is recommended that a distinction be made in the specifications between **equipment that is not depreciated (which may have a trade-in value), and equipment that is already depreciated (which has no impact in the event of a transfer or sale).**

As precise and professional as this technical inventory may be, it does not preclude a visit to the premises and a viewing of the equipment for the benefit of the tenderers.

The specifications should also outline the manner in which the technical resources will be made **available**. Depending on the case, this is done:

- **free of charge** (for instance, the premises and heavy equipment), or
- **for financial consideration**: this may consist of
 - o the purchase of the equipment by the contract catering company
 - o investments to be made by the contract catering company.

In the case of purchases or a new **investment by the contract catering company**, the latter must specify clearly in its reply:

- **depreciation tables** for the various types of investment by type (main works, secondary works, equipment, furniture, computer equipment, light operating equipment, etc.)
- **procedures for transfer/trade-in** of the investments in the event of contract termination, for whatever reason (compensation for termination, etc.).

2.1.2. QUALITY OF SERVICE EXPECTATIONS

2.1.2.1. THE FOOD SERVICE

In the specifications the entity shall detail :

- the nature of the food service to be provided (choice / diversity of daily supply, classification of prices, frequency of each type of food, etc.)
- the general qualitative requirements (types of supplies: fresh products, for instance)
- nutritional requirements (for instance, the exclusion or inclusion of certain products).

2.1.2.2. ORGANISATION OF HUMAN RESOURCES

Since contract catering is a **labour-intensive activity**, it is the **quality of the management and the skills of the staff assigned to fulfilling the contract** that essentially makes the every-day difference.

The entity should ensure that the organisation of human resources foreseen by the tenderers corresponds to the service required and is in keeping with the proposals made in their offers. For instance, a tenderer who states in his offer that he will opt for fresh supplies cannot claim at the same time that it is possible to work with a team of cooks and assistants that is very small or low-skilled.

Moreover, pursuant to **Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses** (*Official Journal No L 082 of 22/03/2001*), legal provisions specific to each Member State govern the **take-over of existing staff** by the service provider who is awarded the contract. These provisions contribute to protecting the rights of the employees in the event of a change of subcontractor or service provider.

The tendering entities have, therefore, every interest in ensuring transparency and in providing tenderers **with precise information concerning the restaurant team in place at the time of the tendering procedure**. This information will contribute to continued employment and the **protection of the employees' rights**, as well as the **success of the future partnership** between the entity and the contract catering company.

Table 3: Summary of the human resources management information to be provided to and required of tenderers	
Information to be provided to tenderers	Information required of tenderers
Level of qualifications, seniority, and the professional category of each member of the team in place.	Evidence that the proposed staffing corresponds to the anticipated daily activity levels and the level of service required (diversity of daily supply, type of distribution, etc.). For example, if the entity wants to give priority to raw product supplies, this will require a larger number of workers who are more skilled than in the case of supplies involving pre-prepared products. Professional experience of the manager or managers and kitchen staff proposed by the tenderers.
Remuneration.	The procedures for taking over and integrating the staff (guarantees given to the workers already employed, supporting measures, etc.).
Existing training and development planning.	The training/development plan to be proposed to the existing team (and to workers recruited to fulfil the contract).
Composition of staff envisaged for implementing the contract.	The breakdown of the staff needed to implement the contract, particularly in the case of multi-service contracts (for instance catering plus industrial cleaning), distinguishing between the various classes of workers depending on the collective agreement in force in each sector.

2.1.2.3. QUALITY MANAGEMENT

The entity must ask the tenderers to describe the resources they intend to deploy to comply with quality-related commitments, namely:

- **control of food supplies**, in particular the traceability and identification of the origin of the foodstuffs
- **the processes and methods for monitoring and evaluating quality** (quality of the food, quality of the service, reception, information, etc.)
- **compliance with both European** (REGULATION (EC) No 852/2004 of the EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 April 2004 on the hygiene of foodstuffs, *Official Journal of the European Union*, L 139 of 30 April 2004) and national regulations on food hygiene and safety: the tenderers must be asked to provide evidence of their ability to comply with legal provisions in this area and their perfect knowledge of procedures based on HACCP principles (analysis of risks and control over critical points) relating to, among others:
 - o the premises and equipment, including maintenance
 - o the staff and the training and development plan
 - o waste management
 - o the transformation and distribution of foodstuffs
 - o the documentation system, the HACCP plan and self-checks
 - o epidemiological investigations in the case of food poisoning
 - o the information made available to the entity.

2.1.3. OTHER INFORMATION NEEDED FOR THE TENDERING PROCEDURE IN CONTRACT CATERING

2.1.3.1. SOCIAL RESPONSIBILITY REQUIREMENTS

The authorities should state in the specifications whether they have special requirements regarding corporate social responsibility or sustainable development. This could include, for instance, the recruitment of socially underprivileged or disabled persons, equal opportunities for men and women, combating racism and xenophobia, environmental protection, etc.

2.1.3.2. SAFETY REQUIREMENTS

Depending on the type of contract, and the engagement level of the contract catering company, the entity must define restaurant and premises safety requirements where the service is to be provided:

- **risk prevention** (introduction of a risk prevention plan, training of a safety team, compliance by the team with the prevention plan, etc.)
- **protection of employees and users:** both collective and individual protection
- **emergency** intervention procedures.

2.1.3.3. FINANCIAL CONSTRAINTS

The choice of the economically most advantageous offer has as its objective the selection of **the offer with the best ratio between the quality of the service proposed and the price.**

To assess the quality/price ratio of each offer, the price related information of the service (the **financial offer**) provided by the tenderers must be perfectly transparent in order to guarantee the **comparability of offers.**

The entity must insist that tenderers specify in their financial offer the **VAT rates that will be applied to each service**, in particular where several VAT rates apply.

Strict compliance with tax legislation is required by tenderers, who must indicate whether prices are taxes included or excluded and specify, when calculating prices with taxes included, the type of tax and the rate applied to each service as well as the basis for calculation.

2.1.3.4. MONITORING CONTRACTUAL COMMITMENTS

Once the contract has been awarded, the entity will, with the successful tenderer, establish a **system to monitor and check the contractual commitments of each party.**

The specifications should include a description of the monitoring system envisaged by the authorities (or, at a minimum, its main characteristics: type and frequency of checks, etc.). This monitoring should focus on, for example, the number of persons using the restaurant, the main items consumed, operational and staff activity, quality of the service, the state of the premises and equipment, energy consumption and administration.

SUMMARY OF STAGE 1

Table 4: Structure of the specifications for contract catering	
1 – Description of the provision of services	
A -	Entity's catering objectives
B -	Type of contractual partnership
C -	Definition of the service
D -	Volume of activity
E -	Organisational constraints
F -	Technical aspects
2 – Entity's expectations	
A -	The food service
B -	Organisation of human resources
C -	Quality management
3 – Other information needed for the tendering procedure	
A -	Social responsibility requirements
B -	Safety requirements
C -	Financial constraints
D -	Monitoring contractual commitments

2.2. STAGE 2: DRAFTING THE REPLY FORM

The entity must transcribe the specifications into a reply form. In order to have **similar and directly comparable offers**, the entity must require all tenderers to use the reply form. Offers that do not conform to the format of the reply form will be disregarded. This will be clearly stated in the specifications.

Ideally, the reply form is structured in the same way as the specifications.

Two types of information are to be provided by tenderers on the reply form:

- technical and organisational information describing all the components making up the service proposed by the tenderers (“**technical offer**”);
- financial information relating to the price of the service (“**financial offer**”).

2.2.1. THE TECHNICAL OFFER

The following tables summarise the type of information that may be requested on the reply form for the main areas of the specifications.

1. Description of the proposed service	
A. Entity's catering objectives	Summary presentation by the tenderers of their offer enabling an assessment of the overall compatibility of the offer to the requirements.
B. Agreement on proposed contractual partnership	If a draft contract is provided within the tender process, tenderers will be asked to indicate their agreement on the reply form. It may be useful to give them the opportunity to make comments. As such it will be possible to assess whether or not the contract proposed corresponds to the service sought in the specifications.
C. Compliance with service limitations imposed by the entity	The reply form should enable the entity to check compliance with the service limitations and evaluate the description provided of the allocation of roles between the two parties.
D. Volume of business	The degree of detail with regard to the volume of business will vary according to the type of end user and services to be provided on a day-to-day basis.
E. Organisational constraints	The reply form will give tenderers the opportunity to make organisational proposals that can contribute to improving the service and/or make best use of the financial resources invested in the catering service by the entity. The entity will then be able to assess each tenderer's professionalism and to differentiate between the proposed service offers.
F. Technical context	<p>Tenderers will have an opportunity to make comments on the reply form regarding the suitability of the available technical resources to the service sought (for example, any work and/or equipment purchases they consider necessary).</p> <p>If in the specifications the entity has requested the restructuring of the premises, the reply form should make it possible:</p> <ul style="list-style-type: none"> • to measure the quality and relevance of the tenderers' proposed changes to the facilities and equipment; • to check their conformity with good practice and current regulations, whether in terms of food health and safety, health and safety of workers, safety of end users, fire safety...; • to evaluate the suitability of the areas, facilities, works and equipment proposed by the tenderers to the type of supply recommended and/or sought in the specifications (for example, tenderers cannot claim to be working with fresh produce if they do not include the necessary facilities/equipment in their plan).

2. The entity's expectations	
A. Food service	Tenderers will describe in detail the food service they intend to introduce. The entity will then be able to check whether the proposals correspond to the service sought as well as their internal coherence, between, for example, the type of supplies envisaged and the organisation proposed by the tenderers. A restaurant based on raw supplies (fresh produce) requires a bigger team than a restaurant supplied with ready-made products.
B. Organisation of human resources	<p>On the reply form tenderers will commit to the components within the specifications relating to take-over/transfer of staff. If necessary, they may make comments and/or express reservations as appropriate.</p> <p>Tenderers will also explain how the catering service will be managed on a day-to-day basis: administrative structure at the operational management level responsible for the contract, and profile of the manager in charge of the restaurant.</p> <p>Lastly, tenderers will explain the human resources structure they intend to implement, which forms the basis for the calculation of total wages.</p>
C. Quality management	Description of planned activities relating to quality management. Tenderers should explain their policy with regard to quality – another element allowing for differentiation between service providers.
3. Other information regarding the proposed service	
A. Social responsibility	Tenderers will outline their corporate social responsibility policy as well as any related actions they will undertake in response to such requirements in the specifications.
B. Safety	The reply form should make it possible to assess the tenderer's ability to adhere to the entity's safety requirements.
C. Monitoring of contractual obligations	<p>On the reply form tenderers will be able to describe the information systems they plan on using to monitor their contractual obligations. These may involve systems:</p> <ul style="list-style-type: none"> • that are used for all their clients; • that have been put in place for particular clients (specifying the clients concerned) • and/or that are planned specifically for the contract in question.

2.2.2. THE FINANCIAL OFFER

The financial offers are presented in tabular form showing the various cost items corresponding to the components of the proposed service. These tables should be strictly identical for all tenderers so that their offers may be compared.

The presentation model for the financial offers proposed below distinguishes between, firstly, operating costs and, secondly, investment.

The financial offers are presented according to the volume of business indicated in the specifications (§ 2.1.1.4). However, the entity may request that the financial offers be projected against various usage scenarios, for example:

- a **minimal usage** scenario,
- a usage scenario corresponding to the **volume of business recorded at the time of the tender process**,
- A **maximum usage** scenario that may correspond, for example, to the number of meals served in a new restaurant after a period of growth in the number of end users.

2.2.2.1. OPERATING COSTS

Operating costs distinguish in turn between:

- food costs (table 6 below),
- labour costs (table 7 below),
- running costs (table 8 below),
- structural and remuneration costs (table 9 below).

Table 6: Food costs			
Type of service	Note of annual volume (1)	Unit cost excluding tax (2)	Annual budget excluding tax (2)
Type of end user 1			
Service 1			
Service 2			
Service 3			
Service 4			
Service 5			
Sub-total			
Type of end user 2			
Service 1			
Service 2			
Service 3			
Sub-total			
Type of end user 3			
Service 1			
Service 2			
Service 3			
Service 4			
Sub-total			
Total excluding tax			
Total including all taxes			
	(1) supplied by the entity		
	(2) indicated by the tenderers		

Table 7: Breakdown of labour costs	
a - Number of positions proposed by the tenderer	
Position	Number of positions – full-time equivalent
Example: cooks	1,5
Total	
b - Calculation of related staff costs	
Gross monthly wages	
Social security contributions	
Annual wage bill excluding tax	
Annual wage bill including all taxes	
Cost excluding tax/meal	
Cost including all taxes/meal	

Table 8: Breakdown of running costs	
Cost item	Annual amount excluding tax
Cleaning and detergent products	
Disposable packaging	
Operating supplies	
Office supplies	
Telephone	
Laboratory	
Activities/decoration	
User surveys	
Travel/business trips	
Establishment taxes	
Insurance	
Staff uniforms	
Maintenance of cash-registers etc.	
Other items of expenditure, to be specified below:	
Annual total excluding tax	
Annual total including all taxes	
Cost to meal excluding tax	
Cost to meal including all taxes	

Table 9: Costs relating to structure and remuneration		
Item	Cost excluding tax	Cost including all taxes
Training and head office costs		
Remuneration		
Annual total		
Cost to meal		

Table 10: Summary of costs		
	Cost excluding tax	Cost including all taxes
Food costs		
Staff costs		
Operating costs		
Costs relating to structure and remuneration of service provider		
Annual cost		
Cost to meal		

Note: if the entity asked tenderers to submit an offer incorporating different levels of catering service activity, a separate reply form is required for each of the scenarios.

2.2.2.2. INVESTMENT

The reply form should make it possible to group the investment offers by type, in order to show the **financial impact of the investment on the meal cost** to be borne by the entity.

In addition to the summary table, intended to facilitate the comparison of offers, tenderers will provide, in the form of an annex, detailed figures (identification of specific areas, listing of equipment and furniture...) that will enable the entity to make a qualitative assessment of the investment offers.

Table 11: Summary of investment		
	Cost excluding tax	Cost including all taxes
Works		
Equipment		
Furniture		
Total without fees		
Various fees, contingencies		
Overall total		
Investment impact on meal		
Cost of meal with investment impact		

2.3. STAGE 3: ESTABLISHING THE EXCLUSION, SELECTION AND AWARD CRITERIA

After having clearly defined its needs in the specifications and drawn up the reply form, the entity is in a position to establish the criteria that will enable to determine:

- the type of service provider that will be excluded from the tender process (exclusion criteria)
- the type of service provider allowed of presenting an offer (selection criteria)
- and, lastly, the criteria that the entity will use to decide who is awarded the contract (award criteria).

2.3.1. EXCLUSION CRITERIA

In this context, Article 29 of **Council Directive 92/50/EEC of 18 June 1992 relating to the coordination of procedures for the award of public service contracts** (Official Journal L 209 of 24/07/1992) provides an exhaustive list of these exclusion criteria:

- bankruptcy or legal winding up of the service provider
- proceedings for a declaration of bankruptcy
- conviction for an offence concerning professional conduct
- grave professional misconduct
- non-fulfilment of obligations relating to the payment of social security contributions in the countries concerned
- non-fulfilment of obligations relating to the payment of taxes
- non-enrolment in the professional register as prescribed by national legislation
- misrepresentation with regard to information (in particular, financial) that may relate to quantitative selection criteria
- non-compliance with obligations to protect workers and their representatives. The public procurement agent must ensure that service providers submitting a tender offer do not disrupt the existing employment arrangements with regard to:
 - o maximum work periods and minimum rest periods
 - o minimum duration of annual paid leave
 - o minimum salaries
 - o conditions relating to supply of staff, in particular by temporary employment agencies
 - o health, hygiene and safety at work
 - o protective measures applicable to the working and employment conditions of pregnant women and women who have recently given birth, children and young people
 - o equal treatment of men and women as well as other provisions relating to non-discrimination.

In order to ensure that a tenderer complies with these requirements, the authorities may ask for evidence in the form of an extract from the judicial record or equivalent documentation.

Moreover, the exclusion criteria for service providers should also include non-compliance with European and national regulatory provisions in areas such as tax law, employment law, collective agreements, current regulations on food hygiene and safety, the HACCP principles....

2.3.2. SELECTION CRITERIA

These are objective criteria defining which **service providers can make an offer**. Each entity should choose its own selection criteria, as appropriate to the size and complexity (technical, financial) of the contract and related labour issues.

FERCO and EFFAT recommend that, when making their selection, entities ensure there is a suitable match between the size and complexity of the contract and the capabilities of the service provider, particularly when an investment is necessary.

These selection criteria may relate to:

A. Geographical presence/size of company

This information provides a concrete indication of the type of company concerned: global, European, national, regional or local

B. CCC's references in the sector in question

These should be verifiable and therefore specify contact details for each of the references quoted by the tenderer. This information will enable the entity to judge a company's ability to meet its requirements in a specific sector.

C. Capital structure and main indicators of financial performance

While this information will be general in nature, it provides information about the financial stability of the tenderer. Financial data covering the last three accounting years should be requested.

D. Management-labour practices

This relates particularly to the structure and nature of industrial relations between the catering company and those organisations representing staff interests, as well as the relevant collective agreement.

E. Other selection criteria

If an entity has introduced a quality initiative (ISO certification or service certification), it may wish to impose the same requirements on its service providers. The same goes for social responsibility and sustainable development.

2.3.3. AWARD CRITERIA

Once selected the tenderers, the entity should analyse and compare the offers in order to award the contract. According to the European Directive on service contracts, the award criteria may be as follows:

“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

- 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*
- 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 in the tender notice the award criteria which it intends to apply, where possible in descending order of importance.”

SUMMARY OF STAGE 3

Table 12: Exclusion, selection and award principles	
Stage 1 : Exclusion criteria	
Automatic exclusion from tender process	Selection of service provider
	Procedure for a declaration of bankruptcy
	Conviction for an offence concerning professional conduct
	Grave professional misconduct
	Non-fulfilment of obligations relating to the payment of social security or other contributions according to the country concerned
	Non-fulfilment of obligations relating to the payment of taxes
	Non-enrolment in the professional register Misrepresentation with regard to information (in particular, financial) that may relate to quantitative selection criteria Non-compliance with obligations to protect the rights of workers
Stage 2 : Criteria for selection of service providers	
Selection of type of company invited to participate in tender process	A. Geographical presence /size of company
	B. CCC's references in the sector related to the tender
	C. Capital structure and main indicators of financial performance
	D. Industrial relations policy of the CCC
	E. Other selection criteria
Stage 3 : Award criteria	
Selection of service provider	Evaluation of each offer based on the award criteria and requirements laid down in the specifications. Award of the contract may be based on:
	a - The offer declared to be the most economically advantageous based on its technical or qualitative merit and on its economic merit
	or b - The lowest price

2.4. STAGE 4: ESTABLISHING THE SYSTEM FOR AWARDING POINTS TO THE OFFERS

Analysing and awarding points to the offers will result in an effective comparison.

This requires that entities:

- establish the main weighting factors they intend to use to award the contract;
- attach a relative importance to each criterion in the specifications as a basis for awarding points to the offers;
- clearly define how points will be awarded to the technical and financial criteria.

2.4.1. WEIGHTING OF THE MAIN CRITERIA

In order to identify the tenderer offering the best quality/price ratio, the entity should use the following formula to calculate the overall scores for the competing offers:

$$\text{Total score} = \text{technical (quality) score} + \text{financial (price) score}$$

The entity should, therefore, in line with its catering policy, fix the weighting to apply to the two main sets of criteria, **technical (quality)** criteria, on the one hand, and **financial (price)** criteria on the other.

With this in mind, Table 13 shows various possible scenarios, depending on the relative importance attached to the technical and financial criteria:

Note: for ease of analysis, it is recommended that a total of 100 points be used as the basis for awarding points to the criteria.

Example of weighting given to technical criteria	Example of weighting given to financial criteria	Level of priority given to technical (quality) and financial (price) criteria
20	80	Price clearly takes precedence, with quality being secondary.
40	60	Price is more important than quality but the latter remains important
50	50	Quality and price are equally important
60	40	Quality is more important than price, which nevertheless remains an important factor
80	20	Quality clearly takes precedence, with price being secondary

2.4.2. ALLOCATING POINTS TO THE TECHNICAL AND FINANCIAL CRITERIA

Once the main weighting factors have been fixed, the entity will allocate points to the criteria according to their relative importance. The total number of points allocated to each of the two sets of criteria, technical and financial, should equal those allocated to them according to the weighting exercise in 2.4.1.

Once each criterion has a number of points allocated to it from the total available, the entity will then be able to give a score to each of the offers corresponding to how well the tenderer has met the criterion. **This will enable the entity to compare the offers criterion by criterion.**

2.4.2.1. EXAMPLE OF POINTS ALLOCATED TO THE TECHNICAL CRITERIA

Table 14 shows an example of how points might be allocated to the technical criteria. In this example the tendering entity awarded **60 points** to technical (quality) criteria and **40 points** to financial (price) criteria. Here the qualitative criteria take precedence over the price of the service, though the latter remains an important factor.

1 - Criteria relating to components making up the service		Number of points allocated to criterion
A - Catering objectives of the entity		1
B - Service limitations defined in the specifications		1
C - Organisational constraints defined in the specifications		1
D - Technical constraints		1
Subtotal for criteria relating to service provision		4
2 - Criteria relating to the entity's expectations regarding quality of service provided		Number of points allocated to criterion
A - Food service		
General requirements of the specifications		3
Nutritional requirements of the specifications		3
Requirements relating to promotional activities		3
Overall attractiveness of the food offer		3
B - Organisation of human resources		
Requirements relating to staff take-over/transfer conditions		3
Requirements relating to staff recruitment or redeployment		3
Requirements relating to staff qualifications and training		3
Requirements relating to the training programme proposed for existing employees		3
Operational management of the contract		4
Operational management of the restaurant		3
Organisational coherence of work on a day-to-day basis		2
C - Quality management		
Food Hygiene and Safety guarantee (HACCP principles)		2
Control of supplies		2
Quality of service monitoring		3
Resources used to monitor quality of service		2
Subtotal for criteria linked to quality of service		42

3 - Other criteria in the specifications	Number of points allocated to criterion
Social responsibility requirements	3
Safety requirements	2
Requirements for monitoring contractual obligations	2
Investment-related expectations: scale, sustainability, architectural quality...	2
Conformity of investment with regulations (health, work safety, establishments open to the public...as appropriate)	2
Resources made available by tendering entity	
Premises	1
Facilities	1
Small-scale equipment	1
Subtotal for other criteria	14
TOTAL OBTAINED FOR TECHNICAL CRITERIA	60

2.4.2.2. EXAMPLE OF POINTS ALLOCATED TO FINANCIAL CRITERIA

Rather than a detailed analysis of each criterion, the financial offers should be ranked according to 3 overall criteria:

- **the sum of the operating costs**, identified by adding together the various cost items presented in detail by each of the tenderers (§ 2.2.2.1)
 - o raw materials costs
 - o labour costs
 - o operating costs
 - o ...
- **the financial impact of the proposed investment** (where the tender process includes a requirement for the CCC to take on all or part of the investment):
- and, **the price proposed to the end user** (day charge at a retirement home, meal cost at a school...).

Depending on the catering policies of the entity concerned, the weighting allocated to each of these three criteria will vary considerably.

In the example in Table 15, the entity has included a project for the overall upgrading of its catering premises. As part of this investment cost will impact the end user through higher meal prices, the entity has divided up the total 40 points allocated to financial criteria as follows (according to the working hypothesis used in § 2.4.2):

Criteria	Number of points allocated
Operating costs	20
Investment	15
Tenderer's proposal regarding price at which meals are sold to end users	5
Total	40

2.4.3. ESTABLISHING THE PROCEDURE FOR AWARDING POINTS TO THE OFFERS

2.4.3.1. PROCEDURE FOR AWARDING POINTS TO THE TECHNICAL CRITERIA

This involves applying a uniform system for awarding points to each criterion that makes it possible to systematically compare tenderers' offers.

Thus, for each criterion, three assessments are proposed: "Does not conform", "Partly conforms" and "Conforms"..

Assessment	Principles governing the various levels of conformity
Does not conform	This assessment is used when the information provided by the tenderer does not meet the entity's stated requirements
Partly conforms	In this case, the tenderer's response does not fully meet the entity's requirements
Conforms	The information provided responds fully to the requirements stated in the tender documents

It is up to the entity concerned to allocate a percentage score to each of these assessments.

For example:

- *Does not conform*: the score is **0 %** of the points allocated to the criteria in question
- *Partly conforms*: this degree of conformity corresponds to a score of **50%** of the allocated points
- *Conforms*: this degree of conformity corresponds to a score of **100%** of the allocated points

2.4.3.2. PROCEDURES FOR AWARDING POINTS TO FINANCIAL OFFERS

The system recommended in this guide consists of **awarding the maximum number of financial criteria related points to the tenderer presenting the lowest financial offer**

All other offers will be measured against this lowest cost offer. To do this, points are deducted in line with the percentage by which each offer exceeds the lowest offer.

In the working hypothesis (see § 2.4.2), 40 points were awarded to financial criteria. In the following example, a price increase of 10% should lead to a points reduction of 10% out of the total of 40 and so on.

Tenderer	Price offer	% difference compared with lowest offer	Points awarded to financial offer
A	1 000 000 €	-	40
B	1 200 000 €	20%	32
C	1 300 000 €	30%	28

3. SELECTING THE ECONOMICALLY MOST ADVANTAGEOUS OFFER

Having drawn up the specifications and reply form, and determined the procedures for selecting/excluding tenderers, the entity is now in a position to undertake the **comparative analysis that will result in the selection of the economically most advantageous offer.**

At this stage, EFFAT and FERCO recommend that each tenderer be given an opportunity to make an oral presentation of their offer. In addition to allowing any necessary explanation and clarification, such a step provides an opportunity to **enrich the tender process** and better understand the written submission. It also allows the entity to meet with the catering company representatives, which is essential when considering offers with similar price points given that this is a service industry in which staffing makes all the difference.

An example of a comparative analysis of offers is provided below to illustrate the methodology recommended in this guide (cf. § 2.4). This purely theoretical example covers the **three stages** required to select the economically most advantageous offer:

- Stage 1: comparative analysis of technical offers;
- Stage 2: comparative analysis of financial offers;
- Stage 3: consolidation of technical and financial comparative analyses to select the economically most advantageous offer.

3.1. STAGE 1: COMPARATIVE ANALYSIS OF TECHNICAL OFFERS

The entity will now note the degree of conformity of each of the criteria, according to the points system they selected (as outlined in § 2.4.2).

Note: a comparative analysis is obviously undertaken on an offer-by-offer basis (i.e. in a “vertical” manner in the tables that follow) but a second “horizontal” reading makes it possible to see show the qualitative differences between tenderers.

The example shows an **overall score that varies according to the degree of conformity of the offer with the qualitative expectations of the entity:**

- Score of 34 for tenderer A,
- Score of 45 for tenderer B,
- Score de 32 for tenderer C.

The technical offer of tenderer B obtains the best score, with 45 of the 60 available points.

Table 18 : Example of a comparative analysis of technical offers in the area of service provision

Criteria	Number of points allocated / criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly con-forms (50 %)	Con-forms (100 %)	Score obtained	Does not conform (0 %)	Partly con-forms (50 %)	Con-forms (100 %)	Score obtained	Does not conform (0 %)	Partly con-forms (50 %)	Con-forms (100 %)	Score obtained
A - Catering objectives of entity	1	X			0				1				1
B - Service limitations defined in the specifications	1		X		1		X		1		X		0
C - Organisational constraints defined in the specifications	1			X	1			X	1			X	0
D - Account taken of technical constraints	1		X		1				1	X			1
Subtotal for criteria relating to service provision	4				2				3				1,5

Table 19 - Example of a comparative analysis of technical offers in the area of quality of service

Criteria	Number of points allocated/criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
A - Food service													
Overall requirements of the specifications	3		X		2		X		2		X		2
Nutritional requirements of the specifications	3			X	3		X		2		X		3
Requirements relating to promotional activities	3			X	3		X		2		X		0
Overall attractiveness of the food offer	3		X		1,5		X		3		X		2
Subtotal food service	12				9				7,5				6

Table 19 - Example of a comparative analysis of technical offers in the area of quality of service

Criteria	Number of points allocated/criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
B – Organisation of human resources													
Requirements relating to staff take-over/transfer conditions	3		X		2		X		2		X		2
Requirements relating to staff recruitment and redeployment	3			X	3		X		2		X		2
Requirements relating to staff qualifications and training	3			X	3		X		2		X		2
Requirements relating to the training programme offered to existing employees	3		X		2		X		3		X		2
Operational management of the contract	4		X		2		X		4		X		2
Operational management of the restaurant	3	X			0		X		3		X		0
Organisational coherence of work on a day-to-day basis	2			X	2		X		2		X		2
s/total human resources	21				13				16,5				10

Table 19 - Example of a comparative analysis of technical offers in the area of quality of service

Criteria	Number of points allocated / criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
C – Quality management													
Health and food safety guarantee (HACCP initiative)	2		X	2		X	2		X		X	2	
Control of supplies	2	X		0			2			X		1	
Quality of service monitoring	3			3		X	3				X	3	
Other resources to monitor quality of service	2		X	1			2					0	
Subtotal quality management	9			6			9					6	
Subtotal for quality of service	42			28			33					22	

Table 20 - Example of a comparative analysis of “other criteria” in technical offers

Criteria	Number of points allocated / criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
Social responsibility requirements	3	X		0		X	2				X	2	
Safety requirements	2		X	1		X	1				X	1	
Requirements for monitoring contractual obligations	2		X	1			2			X		1	
Investment related expectations: scale, sustainability, architectural quality...	2		X	1			2				X	2	
Conformity of investment to regulations (health, work safety, establishments open to the public...as appropriate)	2	X		0		X	1				X	1	
Resources made available by the tenderer													
Premises	1		X	0,5			0,5					0,5	
Facilities	1	X		0,0			0,5					0,5	
Light equipment	1		X	0,5			0,5					0,5	
Subtotal for «other criteria»	14			4			9					8	
OVERALL TOTAL FOR TECHNICAL CRITERIA	60			34			45					32	

3.2. STAGE 2: COMPARATIVE ANALYSIS OF FINANCIAL OFFERS

This comparative analysis is undertaken using the points system and the example given in § 2.4.3.2.

Note: this example looks at an analysis of financial offers in relation to the overall cost of the service, including investment impact.

Table 21: Example of points awarded to financial offers

Tenderer	Number of points allocated to financial offers	Price offer	% difference compared with lowest offer	Points awarded to financial offer
A	40	1 000 000 €	-	40
B	40	1 200 000 €	20%	32
C	40	1 300 000 €	30%	28

Tenderer A has the lowest financial offer, whereas its technical (qualitative) offer lies between those of its two competitors.

3.3. STAGE 3: CONSOLIDATION OF TECHNICAL AND FINANCIAL ANALYSES TO SELECT THE ECONOMICALLY MOST ADVANTAGEOUS OFFER

This last stage consists of combining the comparative analyses of the technical criteria with those of the financial criteria, based on the overall weighting provided to each (cf. § 2.4.1).

At this stage, the entity should ideally obtain a summary table, similar to Table 22, as an aid to decision-making:

ANNEXES

Table 22: Overall summary of analysis of technical and financial offers

	Tenderer A	Tenderer B	Tenderer C
Score obtained against technical criteria	34	45	32
Score obtained against financial criteria	40	32	28
Overall score	74	77	60

In the above example tenderer B's offer represents the best quality/cost compromise, making it *the economically most advantageous offer*, which would not have been the case had the authorities limited their analysis to financial criteria alone.

This example clearly shows the benefits of an approach that favours *the overall merit of an offer*, both in terms of price and quality, in other words, *the most economically advantageous offer*.

ANNEX 1

OVERVIEW OF CONTRACTUAL RELATIONSHIPS PROPOSED BY CCCs.					
Type of contract	Duration	% of service outsourced	Context	Main procedures	Basis for invoicing
Catering management	Long term, based on contracts	89%	Method of management based on a strategic operating choice by the client	The CCC manufactures and distributes the meals on premises provided by its client. The CCC obtains its foodstuffs from its suppliers. The CCC provides the service using its staff and/or staff made available (or seconded) by its client	Fixed price contract or Cost plus contract
Catering service concession (8)	Long term		Long-term management freeing the client from any investment cost linked to the construction or renovation of the catering equipment	The CCC finances and undertakes the work to construct the catering or meal production unit. The CCC manages the entire "catering" service on a day-to-day basis and takes payments from the customers.	Remuneration of the CCC linked to service operating profits
Meal delivery	Temporary or long term	8%	Works being undertaken make the client's kitchens temporarily unusable or deliberate operating choice	The CCC produces meals at one of its kitchens then delivers them to its client - no premises-based activities	Unit price of meal
Supply of foodstuffs	Depending on the context : Temporary Or Long term	3%	Deliberate operating choice or Initial phase of a more extensive outsourcing process	The CCC supplies raw materials to its client but is not involved in the meal production process. The client is freed from the administrative constraints linked to food purchasing and benefits from the purchasing power of the CCC.	Cost of foodstuffs supplied + fixed price remuneration or Unit price of meal
Technical assistance	Transitional	For the record		The CCC provides its client with a technical adviser who is responsible for • organising the "catering" service, • technical and management know-how transfer to the client's catering staff.	Fixed price agreed between the parties

ANNEX 2 : FRAMEWORK FOR COMPARATIVE ANALYSIS OF OFFERS

1 - Technical offer: service provision analysis													
Criteria	Number of points allocated / criterion	A - Catering objectives of entity	B - Service limitations defined in the specifications	C - Organisational constraints defined in the specifications	D - Account taken of technical constraints	Subtotal for criteria relating to service provision	Tenderer C	Score obtained					
							Conforms (100%)						
							Partly conforms (50%)						
							Does not conform (0%)						
							Tenderer B	Score obtained					
							Conforms (100%)						
							Partly conforms (50%)						
							Does not conform (0%)						
							Tenderer A	Score obtained					
							Conforms (100%)						
							Partly conforms (50%)						
							Does not conform (0%)						

2 - Technical offer: quality of service analysis													
Criteria	Number of points allocated / criterion	Tenderer A			Tenderer B			Tenderer C					
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
A - Food service													
Overall requirements of the specifications													
Nutritional requirements of the specifications													
Requirements relating to promotional activities													
Overall attractiveness of the food offer													
Subtotal food service													

2 - Technical offer: quality of service analysis													
Criteria	Number of points allocated / criterion	Tenderer A			Tenderer B			Tenderer C					
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
B – Organisation of human resources													
Requirements relating to staff take-over/transfer conditions													
Requirements relating to staff recruitment and redeployment													
Requirements relating to staff qualifications and training													
Requirements relating to the training programme offered to existing employees													
Operational management of the contract													
Operational management of the restaurant													
Organisational coherence of work on a day-to-day basis													
s/total human resources													

2 - Technical offer: quality of service analysis

Criteria	Number of points allocated / criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
C – Quality management													
Health and food safety guarantee (HACCP initiative)													
Control of supplies													
Quality of service monitoring													
Other resources to monitor quality of service													
Subtotal quality management													
Subtotal for quality of service													

3 – Technical offer: analysis of other criteria

Criteria	Number of points allocated / criterion	Tenderer A				Tenderer B				Tenderer C			
		Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained	Does not conform (0 %)	Partly conforms (50 %)	Conforms (100 %)	Score obtained
Social responsibility requirements													
Safety requirements													
Requirements for monitoring contractual obligations													
Investment related expectations: scale, sustainability, architectural quality...													
Conformity of investment to regulations (health, work safety, establishments open to the public...as appropriate)													
Resources made available by the tenderer													
Premises													
Facilities													
Light equipment													
Subtotal for «other criteria»													
OVERALL TOTAL FOR TECHNICAL CRITERIA													

4 – Grading of financial offers

Tenderer	Number of points allocated to financial offers	Price offer	% difference compared with the lowest offer	Grading of financial offer
		€		
		€		
		€		
		€		

