



# BUYING QUALITY PRIVATE SECURITY SERVICES



Confederation of European Security Services



With Financial Support of European Commission



## Table of Contents

Executive Summary .....	3
Terminology & Definition .....	4
Chapter 1 – Introduction.....	6
1. Main objectives of this Manual .....	6
2. How to use this Manual? .....	7
3. History and Background .....	7
Chapter 2 - Why Quality Matters to you, the Buyer?.....	12
Chapter 3 - What are Good Tendering Practices for Private Security Services?.....	16
Chapter 4 - Public Tendering for Private Security Services - European Legislation .....	20
Chapter 5 - How to Define Quality Criteria for Buying Private Security Services? .....	26
1. Introduction.....	26
2. Private security personnel .....	27
3. Contract management.....	31
4. Contract Operations.....	32
5. Contract infrastructure .....	34
6. The Private Security Services Company .....	37
Annex 1 - Evaluation Guidelines: An example of how to Award Contracts Based on Quality Criteria. ....	40
Annex 2 – Exclusion, selection and award criteria .....	51
Annex 3 - Contract Notices .....	55

<b>Executive Summary</b>	<b>Terminology &amp; Definitions</b>
<b>CHAPTER 1</b>	<b>CHAPTER 2</b>
<b>CHAPTER 3</b>	<b>CHAPTER 4</b>
<b>CHAPTER 5</b>	

## Executive Summary

The manual "Buying quality private security services", developed by the Confederation of European Security Services (CoESS) and UNI-Europa with the financial support of the European Union, has one main objective: to assist buyers in their tendering processes, highlighting the benefits of choosing quality providers. In short, it explains why quality matters to you, the client of private security companies.

This manual tries to provide the buyer with the necessary arguments for which private security services should be based on best value, including social criteria relevant to the sector. It shows the key importance of defining, identifying, searching and selecting best value for private security services.

What is best value? It means, in concrete terms that the buyer secures the best deal within the parameters chosen. It also means that the buyer finds the most valuable trade off and optimum combination between price and quality providing the greatest overall benefit to the buyer according to defined needs and criteria.

This is particularly important in our industry: because the private security services sector is very specific in nature as it pertains to ensuring citizens and clients' security, and, therefore, it should be differentiated from other sectors due to its public order function. This is why the best value approach matters substantially for private security services and as such should be a high priority for buyers of those services.

This manual is easy to use since Chapters are independent and the executive summaries provide an overview of each one.

The first chapter focuses on the main objectives of the manual, how to use it and also includes the history and background, since this manual updates the one first published in 1999.

In the second chapter, the manual provides the reasons why quality matters to the buyer. It provides you with 5 benefits of choosing a quality security provider and the risks of choosing lowest price only in the tendering processes.

The manual also provides a guide in chapter 3 as to what CoESS and UNI-Europa consider as good tendering practices, namely the DO's and DON'Ts in buying private security services.

Furthermore, in chapter 4, the manual explains the EU legislation on public procurement and which provisions of it are relevant for private security services. The EU legislation is mainly relevant for public buyers based in the EU or a candidate country. However, public buyers based outside of the EU or any private buyers are encouraged to use the EU legislation as inspiration when buying private security services.

Chapter 5 is key for illustrating how quality criteria for buying private security services have been developed. This Chapter seeks to assist buyers with identifying quality criteria for private security services. Thus, it elaborates on quality criteria related to guards, contract operations, operational management, contract infrastructure and the private security services company as bidder itself.

Annex 1 provides with a concrete example on how the whole tendering process takes place.

Finally, an additional online user friendly tool complements this manual and has been developed aimed at assisting buyers in defining their needs for private security services.

The manual covers, in this sense, all aspects of a tendering process. It assists buyers with defining what they consider as quality; drawing up tender documents where those quality elements are reflected; comparing tender submissions with the practical tool developed as part of this manual where different bids can be evaluated against the originally selected quality criteria; and finally evaluation of the bids using the selected quality criteria, and selection of the bid with the highest quality up to the signature of the contract.

## Terminology & Definition

*Note that also international, EU and national standards and industry driven charters are useful for terminology and definitions reference.*

**Backup Plan:** An alternative plan which can be used if something with the original plan, e.g. the operational plan or roster goes wrong.

**Bidder:** Private security services companies participating in private or public tenders in or outside of Europe.

**Buyer:** Tendering organization or contracting authority looking to buy private security services. In this manual, buyer means potential & actual buyers, tendering companies and contracting authorities in and outside of the European Union, preparing to or currently buying private security services.

**Operational Plan:** Outlines how in detail the bidding private security companies intend to satisfy the requirements set out in the tender.

**Performance monitoring assessment** - also refer to KPI's (key performance indicators): This includes monitoring and reviewing achieved results which are consistent with the operational requirements of the security services provided. It also includes the provision of feedback from the buyer and the guards on what has been accomplished and how the work was performed, as well as which competences were required.

**Private Security Company:** As defined in CEN standard, company providing private security services. In this manual, the term is used interchangeably with **economic operator**, which is the term used in legislation and standards.

**Private security services:** Defined in CEN standard as services provided by security companies aimed at protection of people, property and assets. These may include

the following services (non-exclusive list): manned guarding - access/exit control, airport security checks, armed security officer/guard, port security checks, reception security, site security, static guarding, store detective; mobile patrolling and mobile site/area patrolling; alarm response – alarms, monitoring and alarm receiving centre, alarm receiving and monitoring centre operator, alarm response, alarm response officer; key holding – key holding and key storage; event security – crowd controller, crowd control supervisor, crowd control management; door security and supervisor; close protection/body guarding; public order services – city patrolling, transport security; etc.

**Procurement/Tendering:** The purchase or other form of acquisition of services by one or more contracting authorities from private security companies chosen by those contracting authorities, whether or not the services are intended for a public or private purpose.

**Reporting structure:** A hierarchy of administration within the bidding organization for the dissemination of company and staff related communication. The reporting structure often reflects the chain of command.

**Rostering:** Part of the operational plan and is a schedule of guards working on any given day, week or month on-site. It is necessary for the day to day operation and balances ideally the needs of the employees, with the requirements of the contract. This is important as excessively long working hours can lead to accidents and potential breaches of security. The roster bears significant social implications to the guards, which is why it is crucial that there is a level of predictability, continuity and a process of review for the roster in place.

**Screening Supervisor:** Member of staff responsible for supervising and recording all aspects of screening (background / vetting) within the company.

**(Security) guard:** As defined in CEN standard, a person who is paid a fee, wage or salary and is trained and screened and performs one or more of these security functions:

- ★ Prevention or detection of intrusion, unauthorized entry or activity, vandalism or trespass on public or private property;
- ★ Prevention or detection of theft, loss, embezzlement, misappropriation or concealment of merchandise, money, bonds, stocks, notes or valuable documents or papers;
- ★ Protection of individuals from bodily harm;
- ★ Environmental protection and management in rural and maritime domains;
- ★ Enforcement of established company rules, regulations, policies and practices related to crime reduction;
- ★ Reporting and apprehension of violators as defined by national law.

**Standard operation procedure:** Established or prescribed methods to be followed routinely for the performance of designated operations in designated situations.

**Tender documents:** All documents produced or referred to by the buyer to describe or determine elements of the tender, including the contract notice, the prior information notice where it is used as means of calling for competition, the technical specifications, the descriptive document, proposed conditions of contract, formats for the presentation of documents by candidates and tenderers, information on generally applicable obligations and any additional documents.

**Tender submission:** A bid or offer document submitted by a bidder in response to a request for tenders containing detailed information on requirements and terms associated with the provision of the private security services.

**Training Plan:** Set up by the bidder internally, it outlines who will deliver specific training to the guards, when and where it will take place including structural components for the training. It should be a document flexible enough to be amended, e.g. if operational requirements change.

## Chapter 1 – Introduction

This manual is developed for buyers of private security services - both public and private, in the EU or outside - which would like to ensure that they are choosing a quality private security company. The combination between quality and price is crucial in choosing [private security services](#), hence this manual's key objective is to provide solid arguments for choosing quality and provide recommendations and examples on how to buy quality private security services.

### 1. Main objectives of this Manual

With this manual, CoESS and UNI-Europa would like to raise to the attention of [buyers](#) of [private security services](#) the importance of defining, identifying, searching and selecting **best value** for private security services. The manual is aimed at assisting buyers in their buying processes but also at highlighting the benefits of choosing quality providers. The ultimate aim of CoESS and UNI-Europa is to ensure that future contracts for private security services are awarded based on best value that include social criteria relevant to the sector.

The manual covers all aspects of tendering private security services:

- ★ To assist with defining what buyers consider as quality
- ★ To draw up [tender documents](#) where those quality elements are reflected
- ★ To compare [tender submissions](#) with the practical tool developed as part of this manual where different bids can be evaluated against the originally selected quality criteria
- ★ To evaluate the bids using the selected quality criteria, and selection of the bid with the highest quality up to the signature of the contract

#### What is Best Value?

Best value for money means that the buyer secures the best deal within the parameters set. This means that the buyer finds the most valuable trade off and optimum combination between price and quality providing the greatest overall benefit to the buyer according to foreseen needs and criteria. Value for money also includes social considerations.

#### What is quality in the private security services sector?

The private security services sector is very specific in nature as it pertains to ensuring citizens and clients' security. It should be differentiated from other sectors due to its public order function. This is why quality matters substantially for private security services and as such should be a high priority for buyers of those services.

Extensive description of what quality is in the private security services sector is provided in [Chapter 5](#). To name a few examples, quality private security services include a training plan for personnel, good employment conditions and respect of the collective agreements, labour law, health and safety plan, internal code of conduct, etc.

This manual includes a user friendly tool aimed at assisting buyers in defining their needs for private security services. The tool contains an easy to use framework for allocating values/scores to different criteria of importance to the buyer. The aim of this framework is to provide buyers with maximum autonomy in defining the quality criteria which are of particular relevance to them and to the private security services to be performed. After values/scores are allocated to the different criteria, the tool allows for applying weightings according to the buyer's own estimation. Thus, the buyer can set the balance between quality and price elements.

In conclusion, by using this tool, the buyer should be able to define, search, identify and select best value private security services companies where the contract awarded reflects the quality criteria originally allocated by the buyer to the specific tender.

## 2. How to use this Manual?

This manual is designed to be used as a menu of options. Interested buyers do not have to read the whole document in order to find the most relevant points for them. Instead, all the Chapters are independent and can be read separately as per interest. The Table of Content allows for immediate re-direction to your most relevant Chapter(s). Moreover, short executive summaries are included in the beginning of each Chapter providing buyers with an indication about the content and allowing them to decide quickly whether the Chapter is relevant or not. Finally, in order to facilitate easy referral to concepts and Chapters in the manual, hyperlinks are used throughout the document.

In addition, a very practical tool is developed for buyers to define their best value through a scoring framework. The scoring framework and tables can be

copied and used limitless number of times and can be adapted to the precise requirements of the buyer. The manual can be used as explanatory document for the practical tool for buyers to understand the rationale behind the included concepts.

## 3. History and Background

The first version of this manual was initiated by a Memorandum of Understanding between the Confederation of European Security Services (CoESS) and UNI-Europa (previously Euro-FIET) signed on 10<sup>th</sup> June 1999 in Berlin. Based on a joint CoESS and UNI-Europa survey in 1999, it was established that a majority of the public authorities at the time awarded contracts for private security services on the basis of price alone. Hence, this joint manual was developed to support and guide initially public authorities in their [tendering](#) process for the sector. This is the second version of the manual updated with developments in [procurement](#) and the sector since the publication of the first version in 1999.

**CoESS** is the **Confederation of European Security Services** representing the private security services industry. CoESS has members in 19 EU Member States and in a total of 24 European countries, which translates into some 60,000 private security services companies employing a total of approximately 2.2 million security guards. The European private security services industry generates a yearly turnover of around € 35 billion.

**UNI-Europa**, part of UNI Global Union, represents more than 20 million workers from over 900 trade unions in the fastest growing sectors in the world – skills and services. Through its Sector Global Unions, UNI represents workers in Cleaning and Security, Commerce, Finance, Gaming, Graphical and Packaging, Hair and Beauty, etc. as well as Professionals and Managers, Women and Youth.

Even though the original manual was developed for public tendering which in 1999 was predominant, in the years 2000 it became apparent that private buyers found it a very useful tool and started to use it for buying private security services. The guiding principles of this manual are applicable to any potential buyer of private security services – public and private – within and outside of the European Union. The private security services industry does not distinguish in the quality provided to its private and public clients. On the contrary, quality must remain high for all private security services provided even more so as it concerns citizens' and clients' security. Therefore, any buyer interested in buying private security services should not distinguish in their processes for defining best value, drafting calls for tenders, looking for potential operators and identifying the right one until signing the contract.

Since 1999, there have been many developments in the sector.

It is important to note that the European Commission developed in 2010 extensive guidance for public authorities "*Buying Social: A Guide to Taking Account of Social Considerations in Public Procurement*"<sup>1</sup>. At time of writing, the guide is outdated given the adoption of the Modernized Public Procurement Framework and in particular Article 18.2 of the Modernized Directive<sup>2</sup>. The Guide is a complementary tool in terms of defining what socially responsible public procurement (SRPP) is, its benefits and practical tool to guide public authorities in each step of their procurement e.g. identifying the needs and planning procurement, defining requirements of the contract, selecting operators, awarding of

the contract and during the contract performance, contract management, supply-chain management (sub-contracting) and compliance monitoring.

During the past years, the private security services industry has increased its presence in everyday life. While some ten years ago, [security guards](#) were present at certain locations only, nowadays you can see them in cities, at the metro and railways, in the shopping malls, at stadiums and events, etc. These developments indicate the increasing role of private security services in contributing towards ensuring citizens' security and prevention of crime.

Moreover, the private security services industry is providing services to an increasing number of private clients along with public ones. These clients are ranging from airports to nuclear plants, critical infrastructure facilities, inter-modal transport hubs, transport stations and areas, hospitals, national governmental agencies and institutions (such as asylum seekers centres, universities), etc. In an increasing way, private security services companies also conclude contracts or cooperate formally with police and other public and private security stakeholders for supporting and assisting these in a wide range of security tasks. It is to be noted that in a growing number of cases, private security services companies and security guards are being deployed – without transfer of competences or without interfering in basic rights of citizens – as an extra pair of "ears and eyes" in several domains of fight against terrorism, fight against specific local, national or international criminal phenomena.

---

<sup>1</sup> Buying Social Guide is available at: <http://ec.europa.eu/social/main.jsp?langId=en&catId=89&newsId=978&furtherNews=yes>

<sup>2</sup> See [chapter 4](#)

## BASIC FIGURES ABOUT THE SECTOR

These basic figures provide a consolidated overview of the situation in 2011 for 34 countries in total - 28 EU Member States and six additional European countries: Bosnia & Herzegovina, Macedonia, Norway, Serbia, Switzerland and Turkey ([Source](#)).

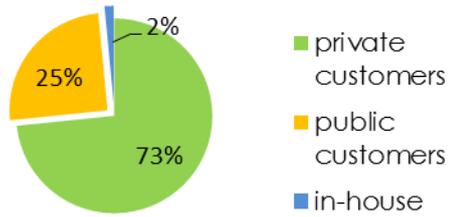
### Private security market

<b>± 52,300</b>	Total number of private security companies
<b>± €35 billion</b>	Total yearly turnover of the private security industry
<b>± 13.30%</b>	Average market growth of the private security industry (based on yearly turnover) 2005-2010
<b>± 60.19%</b>	Average balance of yearly turnover of general guarding services versus other industry segments
<b>± 85%</b>	An Equal Opportunities (EO) Policy is in place in the private security industry
<b>± 62%</b>	There are sector-specific binding collective labour agreements in place for the private security industry

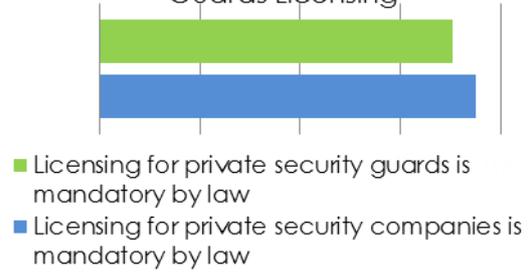
### Training and related provisions

<b>± 97%</b>	There is an obligation for security guards to follow basic guard training
<b>± 97%</b>	This training programme is mandatory by law
<b>± 97</b>	Average number of training hours
<b>± 87%</b>	Upon successfully accomplishing the basic training, private security guards are issued with a certificate of competence
<b>± 50%</b>	Mandatory specialised training exists (by law) for private security managers, i.e. operational managerial staff influencing operations (from site supervisor to CEO)
<b>± 70%</b>	Follow-up or refresher training exists

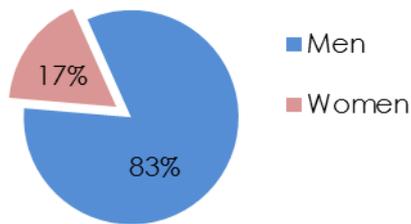
Private Security Contracts  
Average percentage of commercial contrac



Private Security Companies/  
Guards Licensing



Private security guards active  
in the sector



Entrance Requirements



### European Standards

A number of European CEN Standards have been developed and are relevant for the private security services industry. These include a CEN Standard on Airport and Aviation Security Services giving a good overview of quality staffing, training, contract management and operations. Another CEN standard has been developed on terminology relating to economic operators along with Maritime and Port Security Services Standard. All of these standards can be obtained at your national standardization body.

In parallel, over the past years, national standards have been developed relating to economic operators such as the Irish IS999:2004 on Guarding Services, the British Key Holding and Response Services Practice BS 7984:2008, the Danish DS/ISO/PAS 28007:2013 standard on ships and maritime technology, guidelines for private maritime security companies providing privately contracted armed security personnel on board ships, etc. These standards can be obtained at the respective standardization body.

Due to the efficiency and quality of services provided by private security services companies, greater mutual trust has evolved between the public security authorities and bodies and the private security services industry where division of tasks has been a key element to its success. This in turn, has also resulted in larger visibility of private security services along with more direct contact with EU citizens. Consequently, the role and

importance of private security services for ensuring security is increasingly recognized in national legislation/security programmes /policies and strategies. Next, there has also been evolution in the private security services sector in terms of providing integrated solutions. These solutions include a combination of human elements where security guards are still the main driving factor of relevant technology. It has to be also pointed out however that technology plays an important part and adds value to ensuring maximum security of citizens and clients at large. Therefore, skills combined with technology are the best way to ensure a high quality of services.

All the developments outlined above indicate that there is an increasing need for buying private security services by private companies and public authorities at European, national, regional and local level. What is more, both private and public buyers "power" is important in determining the rules and quality of the security services provided. CoESS and UNI-Europa members' experience indicates that procurement in the private security sector is rising constantly. However, in most cases there is increasing pressure on the price e.g. choosing the lowest price both for public and private tenders. This has damaging impact on the quality of services provided, especially in a sector where approximately on average 80-90% of the costs are labour costs.

With these developments in mind, CoESS and UNI-Europa have updated this manual to assist buyers – both public and private, based in the EU and outside of the EU - with defining, searching identifying and selecting the 'best value' private security services companies.

## Chapter 2 - Why Quality Matters to you, the Buyer?

This Chapter explains why quality of private security services matters to you the buyer. It provides an overview of the benefits in choosing a good quality private security services provider. The Chapter also outlines the risks for you as buyer if you opt for a low quality private security services provider which most often is synonymous with choosing the lowest price bidder. A summary of best and worst case scenarios for a potential buyer are included at the end of the Chapter.



Externalization of private security services is becoming more common, in and outside of the European Union, in a wider number of security issues including protection of goods, assets, sites, processes, events and of ultimately citizens. This essentially implies the delegation of many former in-house or public service functions to private security services companies, involving not only security tasks for private purposes but also, in an exponentially increasing way, a significant number of sensitive security tasks in relation to public health and safety and internal security.

The increasing market share of competitive tendering along with budget cuts in public spending means that standards are largely set by buyers in terms of the price paid for services. This has significant impact on the working conditions and salaries in the sector, company infrastructure and therefore, as a result, on the quality of the service provided. There is an on-going concern, amplified during years of economic and financial crisis, among the European social partners representing employers and workers in the private security services sector that the application of the principle of awarding contracts to the lowest bidder is leading to

a gradual lowering of quality standards. CoESS and UNI-Europa members' experience indicates that in most European countries in tendering for private security services, there is increasing pressure on the price e.g. choosing the lowest price bidder. This is particularly alarming especially when private security services companies are increasingly taking over and/or supporting in sensitive former public service functions and are required to become more specialized and improve quality.

The risks of lowest price competition must be viewed by buyers in the context of the organization'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. As a buyer if you inspire to ensure good quality, it is a win-win situation in the end – quality private security services will make your job easier when security is guaranteed. It has to be also mentioned that buyers are not always the ones that want to go for the lowest price but are obliged by existing national legislation to do so. This is the case in some national legislative frameworks in the European Union.

*“How do you expect a guard to react appropriately to a security incident if he has not been properly trained?”*

Companies and institutions that outsource security services to specialized firms do so under the assumption that these firms possess the knowledge and expertise needed to supply the requested services

consistently and on the most economical advantageous terms. However, this does not automatically mean that the private security services companies are capable of delivering the required services for the lowest price. On the contrary, the increasing responsibilities being taken up or being put upon private security companies need massive and heavy investments in guards, equipment, tools and procedures. Quality in the field of security is not compatible with the lowest price for reasons outlined below in next section.

### What are the benefits of choosing a quality private security company?

- ★ Full performance of contract
- ★ Increased security
- ★ Better choice and level playing field.
- ★ Full respect of legislation
- ★ Positive image of buyers and industry

### WHAT ARE THE RISKS OF CHOOSING LOWEST PRICE ONLY?

- ★ **Compromised performance of contract.** Choosing the lowest price bidder can result in early termination of the contract as the costs of performing the original contract may become unsustainable for the [private security company](#).
- ★ **Unfair competition:** If you choose a low quality bidder, you will contribute to unfair competition on the market. This is the case because the lowest bidder will not be able to provide good quality services which will lead to companies competing solely on price and not the quality level of services. It will also have a damaging effect for you as buyer as it will limit your choice of good quality companies to choose from.
- ★ **Non Compliance with legislation**

#### a. Non-payment of taxes and social charges:

In order to provide the lowest price bid, some private security companies resort to non-payment of taxes and social charges. It has to be underlined that in the EU Public Procurement Rules, non-payment of taxes and social charges are mandatory exclusion grounds (Art. 57.2 and 57.4 (a) see [EU legislation chapter](#)) from tendering process for public authorities based in the EU or candidate countries. Furthermore, EU Member States or candidate countries may exclude bids where there is a violation of [article 18.2](#).

#### b. Non respect of labour law:

**b.1. Use of undeclared or partly declared labour, or the employment of staff without complying with relevant labour and social rules, or collective agreements:** In order to provide the services at lowest price, bidders resort to use undeclared guards or employ staff without complying with relevant labour and social rules or collective agreements. UNI-Europa and CoESS signed a joint position<sup>3</sup> against undeclared work in the private security sector in 2006, emphasizing the impact on quality of services. Moreover, the EU legislation on Public Procurement in Article 18.2 obliges bidders to comply with applicable obligations in the fields of environmental, social and labour law established at the European Union, international and national level along with collective agreements. These practices can have a negative impact on you as a buyer.

**b.2. Use of shadow guards & subcontracting:** In order to cut costs, private security services companies

<sup>3</sup>[http://www.coess.org/Uploads/dbsAttachedFiles/Jo\\_int\\_position\\_against\\_undeclared\\_work\\_EN.pdf](http://www.coess.org/Uploads/dbsAttachedFiles/Jo_int_position_against_undeclared_work_EN.pdf)

revert to shadow guards employment. It includes the provision of fewer security staff than contractually agreed. As a result, wage and social costs are often cut by switching to fixed-term and part-time labour and/or to “shadow self-employed” guards in order to by-pass collective agreements. The use of sub-contracting for the sole purpose of circumventing wage and social costs is also becoming more frequent, particularly with the danger to subcontract to interim agencies. These practices can have a negative impact on you as a buyer.

**c. Non respect of private security legislation.** Evidence can be found that the lowest price bidders neglect private security legislation compliance in order to cut costs. This often includes lack of provision of mandatory trainings, diminishing the quality of services provided. Noncompliance can also have a negative impact on the buyer.

- ★ **Race to the bottom:** Choosing for lowest price bidder will have detrimental effect regarding the quality of services provided because low cost cannot justify necessary trainings and employment conditions for guards. Consequently, a race to the bottom in terms of quality of private security services will be observed in the buyer's market for private security services. As a result, the buyer will have less choice of good quality companies to choose from and ensure that you goals are achieved in terms of security. The alternative of choosing the lowest

price bidder with a low level of security contributes substantially towards lowering the image of the industry in the eyes of the public. This also lowers positive public perception of the buyer.

Therefore, this manual was developed in order assist buyers in choosing high quality private security services. Accompanying Good Tendering Practices are also outlined to further support buyers with choosing for best value private security services companies.

### **WHY QUALITY MATTERS IN THE PRIVATE SECURITY SERVICES SECTOR**

#### **Best case scenario**

Buying quality private security services is a win-win situation for the buyer. A well-paid motivated guard is the “face to the customer”, the first person a guest meets when entering a building/site. Quality guards do their work properly and prevent or reduce damages caused by criminals, accidents, fire etc. As a result, also the costs of insurance for buyers may fall. Quality guards are able to communicate better with guests or other persons, also in foreign languages. Furthermore, quality guards are able to work with technical equipment too. Consequently, the buyer will achieve its objectives in terms of ensuring the level of security needed by contracting trained and motivated external security staff. This in turn ensures good reputation and return on investment along with level playing field for companies and fair competition.

**Worst case scenario**

On the contrary, if the buyer does not invest in buying quality private security services, the security guards may not be properly trained. Moreover, low price private security services mean that guards are not properly paid and may decide not to come to work which will impact the buyer as a result. Furthermore, a company that has won a tender to provide private security services which are not quality ones, can contribute to the bankruptcy of the buyer's business, should a major incident happen and the buyer become liable for damages. Therefore, investment in quality private security services is crucial from the onset: the buyer may need to invest in additional guards but if this would mitigate major security risks and avoid costs for the buyer in the long run, it will be a return on investment. Further information on how to choose quality private security services companies are outlined in [Chapter 5](#).

## Chapter 3 - What are Good Tendering Practices for Private Security Services?

This Chapter provides an overview about what CoESS and UNI-Europa consider good tendering practices for buyers of private security services. The Chapter includes a list of DOs and DON'Ts as our members have experienced them and explains the importance of good tendering procedure for selecting the best value provider.

In order to further help buyers with defining, identifying, searching and selecting best value security services company, this chapter provides an overview of what good tendering practices for private security services should be. When tendering for products or other services, different practices can be considered as good, the nature of private security services is very specific as it pertains to the essence of the protection of both private and public spheres and therefore certain commonly used practices in tendering may be detrimental to the level of security provided.

However, before we go into the details of recommended tendering practices, for the buyer the following good procurement/tendering procedure is essential to achieve your final goal. Good tendering procedures consist of the following steps:

- ★ **Define** what good quality and best value means for the buyer, according to the buyer's very specific needs.
- ★ **Choose** which quality criteria suit best the buyer's needs in security.
- ★ **Apply** the chosen quality criteria to the tender to select a good quality private security services provider

Furthermore, below gives an outline of good tendering practices, namely the DOs and DON'Ts as CoESS and UNI-Europa members have experienced them.

The Final Report of the High Level Group on Business Services organized by the European Commission provides a good overview over the more general context of

Business Services within the EU economy and beyond<sup>4</sup>

### DOs

- ★ Do award tenders on best quality-price ratio
- ★ Do an audit before, during and after execution of the contract
- ★ Do consider the private security company as your partner

**Tender awarding on best quality-price ratio.** While the price element is important, CoESS and Uni-Europa recommend buyers to look for the highest quality against final objectives and results set. By choosing quality service, buyers can be reassured that security guards will be properly trained, know how to use the appropriate equipment, will come to work as planned, be motivated, have a sense of loyalty and pride which is vital in security.

Countries put measures in place to guarantee compliance with collective agreements for private security services companies in public tendering processes involving public authorities in the EU and candidate countries. [This may also be the case in other countries with legislation on the procurement by public authorities.](#)

The Final offer should reflect the original quality parameters. The original weight buyers assign to quality should be followed throughout the whole process and mainly to be reflected in the final result e.g.

<sup>4</sup> [http://www.eurosportello.eu/sites/default/files/report\\_gal\\_1014.pdf](http://www.eurosportello.eu/sites/default/files/report_gal_1014.pdf)

award of contracts to private security services.

A minimum threshold of quality criteria should be requested before the contract is awarded, in order to guarantee the necessary quality of the provider.

**Audit before and after contract awarded:**

Experience demonstrates that sometimes bidders winning a contract do not have the capacity to fulfil the conditions on which the contract is awarded due to use of undeclared labour. We recommend that buyers audit selected bidder before and after awarding the contract. Audit means checking whether they comply with all conditions, have necessary infrastructure, full compliance with relevant legislation, respects collective agreements, payment of taxes and social security, technical specifications are met, etc. For those audits a reference can be made to data available at relevant national authorities, employees' organizations, police offices, external auditors, etc. Moreover, auditing becomes even more and more important, where there is a risk of non-compliance with legal provisions, when buyers include complex conditions in tender specifications.

**Private security services bidders are your partners:**

Due to the nature of services provided e.g. security of citizens and clients, it is important to treat private security companies as partners in finding the right security solution for the objectives at stake, rather than looking for the lowest price bidder.

- ★ **Only use variants when relevant for the contract:** Use of variants can be encouraging from the point of view of increasing and adjusting productivity and including social criteria in procurement. In this case, buyers can ask potential bidders to submit variants which could include socially responsible ones or with innovative and competitive solutions. It means that the buyer should establish a

minimum set of technical specifications for the service it wants to purchase, which will apply to both the neutral offer and to its variant.

- ★ **Consider competitive dialogue to support and ensure quality:** The competitive dialogue helps the qualitative evaluation of bidders. This way, after a dialogue with interested bidders, buyers can ask them to submit their final tenders on the basis of the solutions presented during the dialogue. This procedure allows for selecting the best quality-price ratio and is a good practice for buying quality private security services. In the EU legislation on public procurement, elements of how competitive dialogue is to be designed are included.

**DON'Ts**

- ★ Don't accept abnormally low tenders
- ★ Don't enter unnecessary complicated or illegal conditions
- ★ Don't fix prices for the whole duration of the contract
- ★ Don't accept e-auctioning
- ★ Don't re-tender and negotiate after prices are offered

**Abnormally low bids:** According to the [EU Public Procurement Rules \(Article 69\)](#), if public buyers consider a tender to be abnormally low, they must ask for explanations before they can reject it. The same legislation in Article 69 states that these explanations may also refer (amongst other factors) to compliance with labour and social provisions along with collective agreements. These provisions should also serve as inspiration for any buyer of private security services, whether private or public. Buyers should reject the bid where the reason for abnormally low tender is either non-

compliance with labour law /collective agreements or the reason cannot be satisfyingly justified. When the prices are abnormally low, it also means that the company cannot buy the right equipment to ensure the security level required, etc.

**Unnecessary complex or illegal conditions**

**in tenders:** experience indicates that in some tenders, buyers include complex requirements to meet conditions such as fixed reaction time which cannot be guaranteed by any private security company. In terms of illegal conditions, some tenders specify that background checks and vetting will be performed by the customer, while this is illegal in many countries according to national private security legislation where it is obligatory for the government to perform background checks and vetting. Therefore, it is not to the benefit of quality when buyers ask private security services companies to perform tasks forbidden by law. Neither it is to the benefit of quality to ask performance of unnecessary complex conditions when most private security services companies know from the beginning that they cannot meet them. When complex or illegal conditions are being included, bidders should flag them from the very beginning to the potential buyer. In addition, it is recommendable there is a possibility to reset tendering conditions without penalties in dialogue with all parties involved in the tendering procedure. Finally, private security service companies and buyers need to work in dialogue to be able to ensure all specifications meet legal requirements and avoid complex unrealistic conditions.

In some cases buyers include penalties in tenders which are linked to complex conditions. Often these conditions are impossible to meet by any private security company. It then turns out that customers include penalties as price reduction mechanism as main goal linking it to complex conditions. Instead of including

penalties for complex conditions, a more productive approach towards ensuring quality would be to include bonus for good performance of contract. Finally, customers when including complex or illegal conditions which cannot be performed by any private security company also withhold payments for services or pay only partly as for them this is non-performance of contract. This practice should be avoided.

**Fixed prices:** private security companies have experienced tenders where fixed prices are included obliging them to keep the same fixed price for the duration of the whole contract which is most of the time of long duration. Moreover, sometimes in tenders part of a price is fixed, by for example, setting a price for what a security guard should cost. For private security services a possibility to adapt prices should be left as an option. This is because factors such as legislative changes requiring further investments, collective labour agreements, indexation of salaries and inflation all influence the price of the security services. Therefore, by including fixed prices as obligatory condition in tender and/or contracts, it will often mean that private security services companies will have to compromise on one or more of the abovementioned points which in the end will result in low quality services e.g. non-performance of contract or incident happening due to insufficient security. There could also be the possibility of facing industrial action as a risk for the buyer if the option of adapting prices is not included from beginning in contracts.

**E-auctioning:** From experience, e-auctioning is often used as an instrument to drive down the prices towards the lowest bid. For private security services where protection and security is at the heart of the business, e-auctioning is not an appropriate tool especially if its underlying objective is to drive down the

prices. It could be a suitable procedure only when quality is well-defined throughout the whole process.

**Re-tendering and negotiation after prices are offered:** Many private security companies have experienced cases where after the submission of the proposal for the original tender brief with accompanying price estimation, the buyer organizes re-tendering in order to drive down the prices. This practice should not be applied to the private security services as it will jeopardise citizens and clients security. In our sector, it is advisable that buyers ask for the best price offer at the very beginning and not as part of lengthy procedures as this will only result in lowering quality.

Moreover, experience with the negotiation procedure has not been positive for the private security services industry. In recent tenders for private security services, upon completion of the selection phase, the awarding procedure consisted of different stages of negotiations where buyers negotiate with the different bidders based on lowest price provided. This practice undermines quality of services provided and it should be avoided.

## Chapter 4 - Public Tendering for Private Security Services - European Legislation

The European Union has developed an extensive legislative framework to cover public procurement. The main legal tool is the [Directive of the European Parliament and of the Council of 26 February 2014 on public procurement and repealing Directive 2004/18/EC, OJEU L 94 of 28.3.2014, p. 65.](#)

It sets out **rules for public tendering in the European Union**. The rules include types of procedures, exclusion, selection and awarding criteria which public buyers ("contracting authorities") should adhere to. However, the EU legal framework does not govern tenders for private buyers; the latter have freedom in choosing criteria they see fit for the contract purpose. Nevertheless, CoESS and UNI-Europa encourage private buyers to inspire themselves from EU legislation and to keep it in mind for their tendering processes. Furthermore, EU legislation has been an inspiration for many non-EU countries so far in wide-range of areas. Hence, CoESS and UNI-Europa advise non-EU countries to also use it and inspire themselves both when public and private tendering is concerned. Last but not least, countries candidates for EU membership as part of their negotiations have to approximate or have the same legislation as in the European Union. Therefore, for EU candidate countries the EU Public Procurement Rules are relevant and will become part of their national legislation.

As a general principle, the EU rules oblige in Article 18.2 bidders e.g. companies, organisations to comply with applicable obligations in the fields of environmental, social and labour law established by European Union law, national law, and collective agreements or by certain international environmental, social and labour law provisions<sup>5</sup>. This is an obligatory

<sup>5</sup> Listed exhaustively in Annex X to Directive 2014/24/EU.

requirement also for sub-contracting where the bidder subcontracting services have to ensure compliance with the above-mentioned legislation and collective agreements by the sub-contractor.

**Private security services contracts above value net of value-added tax (VAT) EUR 750 000**

For private security services listed in Annex XIV for amounts equal to or above a value net of value-added tax (VAT) of EUR 750 000, the European Union lays down only conditions for award criteria<sup>6</sup> in Article 76. This threshold includes all lots if contracts are separated into lots and is estimated for the whole period of contract duration specified in the tender<sup>7</sup>.

The following private security services are listed in Annex XIV: investigation and security services, security services, alarm-monitoring services, guard services, surveillance services, tracing system services, absconder-tracing services, patrol services, identification badge release services, investigation services, detective agency services, graphology and waste

<sup>6</sup> Award criteria assess the merit of the individual tender on the basis of how well it meets the tender specifications.

<sup>7</sup> Unless the contract does not indicate a total price, in which case the value is estimated on the basis of the sum of all monthly amounts if the duration is under 4 years or else on the monthly amount multiplied by 48 (Art. 5.14).

analysis services. For other security services not listed in Annex XIV, the general provisions of EU legislation apply e.g. not the award criteria specified in Article 76 but criteria on exclusion (Article 57), selection (Article 58) and award of contracts (Article 67) (see more information below).

As mentioned above, for private security services listed in Annex XIV for amounts equal to or above a value net of value-added tax (VAT) of EUR 750 000, the European Union lays down only conditions for award criteria in Article 76.

Article 76 states that EU Member States have to put in place national rules for the award of contracts, ensuring that the buyer comply with the principle of transparency and equal treatment of bidders. Member States have the flexibility to define the procedural rules which will apply in the national law, as long as these rules allow buyers to take the specificities of the services which are procured into account.

The EU law also indicates in Article 76 that Member States should make sure that buyers have i.e. the possibility to outline quality criteria, continuity, accessibility, affordability, availability and comprehensiveness of the services as well as innovation in national law. Member States may also provide that the choice of the bidder shall be made on the basis of the tender presenting the best price-quality ratio, taking into account quality and sustainability criteria for private security services. All of the above-mentioned elements defining the quality of bidders and choosing for the best price-quality ratio are optional according to EU legislation.

Furthermore, EU Member States in Article 76 have the flexibility to define the procedural rules which will apply in the national law for private security services for

amounts equal to or above EUR 750 000, as long as these rules allow buyers to take the specificities of the services which are procured into account and the principles of transparency and equal treatment are observed.

In addition, as outlined in Recital 114, EU Member States should also pursue the objectives of simplification and of alleviating the administrative burden for buyers and bidders. In doing so, they may apply the general rules applicable to services contracts not subject to the specific regime outlined in Articles 74-77.

This in practice means that EU Member States may decide to include in national law for the private security services the exclusion and selection criteria stated in the EU Public Procurement rules.

Exclusion criteria define the type of companies which are to be automatically excluded from the tender. Article 57 of the EU Public Procurement rules provides an exhaustive list of exclusion criteria which are divided into mandatory and optional ones.

Mandatory exclusion criteria: participation in a criminal organisation; corruption, fraud, terrorist offences or offences linked to terrorist activities, money laundering or terrorist financing, child labour and other forms of trafficking in human beings, breach of payment obligations of taxes or social security contributions<sup>8</sup>.

Optional exclusion criteria: EU, international and national environmental, social and labour law as well as collective agreements are not respected; bankruptcy or insolvency or winding-up proceedings; grave professional

---

<sup>8</sup> Where these have been established by a decision having final and binding effect. Breach of payment obligations of taxes or social security contributions, which have not (yet) been so established may be used as an optional exclusion ground.

misconduct, which renders integrity questionable; agreements with other economic operators aimed at distorting competition; conflict of interest; significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract are known; unduly influence of decision-making process of the contracting authority.

Selection criteria define the minimum capacities (the "type") of bidders which will be invited to tender for the work. Article 58 of the EU Public Procurement rules describes main selection criteria for tenders which are divided in three main areas:

**1. Suitability to pursue the professional activity:** This may include requirement for bidders to be enrolled in one of the professional or trade registers kept in their Member State of establishment. In procurement procedures for services, in so far as bidders have to possess a particular authorisation or to be members of a particular organisation in order to be able to perform in their country of origin the service concerned, may be required.

**2. Economic and financial standing:** Buyers may require that bidders have a certain minimum yearly turnover, including a certain minimum turnover in the area covered by the contract<sup>9</sup>. In addition, bidders may have to provide information on their annual accounts showing the ratios, for instance, between assets and liabilities. They may also require an appropriate level of professional risk indemnity insurance.

**3. Technical and professional ability:** With regard to technical and professional ability, buyers may impose requirements ensuring that bidders possess the

necessary human and technical resources and experience to perform the contract to an appropriate quality standard. This may include:

- ★ Sufficient level of experience demonstrated by suitable references from contracts performed in the past (for example, a list of the works carried out over at the most the past five years, accompanied by certificates of satisfactory execution and outcome for the most important works). Another way to demonstrate the technical and professional ability is providing the educational and professional qualifications of the bidder or contractor or those of the undertaking's managerial staff, provided that they are not evaluated as an award criterion;
- ★ In procurement procedures for supplies requiring siting or installation work, services or works, the professional ability of bidders to provide the service or to execute the installation or the work may be evaluated with regard to their skills, efficiency, experience and reliability.

In addition, in view of simplification and removing administrative burdens, EU Member States may apply the general award criteria listed in Article 67. Article 67 states that public authorities shall base the award of public contracts on the most economically advantageous tender. The most economically advantageous tender shall be identified on the basis of: a) the price or b) the cost using a life-cycle costing approach outlined in Article 68 and may c) include the best price-quality ratio which shall be assessed on the basis of criteria including qualitative, environmental and/or social aspects. Such criteria may comprise of for instance quality, including technical merit; qualification and experience of staff assigned to perform the contract, where the quality of staff assigned can have a

<sup>9</sup> For contracts which are subject to the full set of rules, the minimum turn-overs may not, as a general rule, exceed two times the estimated contract value.

significant impact on the level of performance of the contract. The cost element may also take the form of a fixed price on the basis of which bidders will compete on quality criteria only. Member States may provide that buyers may not use price only as the sole award criterion.

Finally, the EU Public Procurement Rules also provide procedural guidance with regard to abnormally low tenders in Article 69. Should there be an abnormally low tender submitted, buyers shall require bidders to explain the price or costs proposed in the tender. The explanations that would be required may in particular relate to compliance with obligations referred to in Article 18.2 e.g. compliance with labour law and/or social agreements, collective agreements.

Private security services contracts  
below value net of value-added tax  
(VAT) EUR 750 000

For contracts below the threshold of a value net of value-added tax (VAT) of EUR 750 000, Member States are at liberty to voluntarily apply procedural rules they see fit to private security services. Hence, EU Member States may apply the exclusion (Article 57), selection (Article 58) and general award (Article 67) criteria to all private security services contracts, irrespective of whether they are listed in Annex XIV or not, below the threshold of value net of value-added tax (VAT) EUR 750 000.

For more information on the procedural rules, including exclusion (Article 57), selection (Article 58) and general award (Article 67) criteria, please refer to the section above.

### Examples of good tendering documents

An **awarding authority** uses as selection criteria for private security services the **inclusion of a training plan** to assess the competences and professional qualifications of the bidder. The buyer asks bidders to submit details on the training of persons who will perform the contract. Moreover, details about the teaching methodology, place of training, content and practical exercises, duration of courses, the qualifications of the trainers should be submitted. The bidders have to formally commit to conducting these trainings for the persons that will perform the contract and include a detailed calendar of these trainings as part of the bid. The calendar has to include the number of hours of training and the number of employees that will take it on the specific date.

Moreover, as complementary selection criterion for bidders a programme to ensure **quality of services** is requested. The programme could include the following elements: system for inspection, check and control of quality of services; certificates for quality of services especially for the services the tender is for; loyalty plan for employees to ensure that there is stable and motivated staff; employee satisfaction survey; client satisfaction survey; response time if reinforcement of staff is needed or to ensure substitution due to absence of staff; internal or external audit regarding quality control of services; implementation of data protection laws. Other elements can be considered too, such as: use of quality control tools; established indicators for quality control; criteria for selection of staff; CV of services responsible or for the middle management; statistics for quality control; frequency of quality control.

Issue: Type of tender: public or private?	
European Union (EU)/EU candidate countries Tenders	International (Non-European Union) Tenders
Public tenders	Public tenders
<p><b>European Union:</b></p> <p><b>Public contracts equal and above EUR 750 000.</b> If you are based in the European Union and are looking into public tenders/public service contracts, the EU legislation applies for contracts with a net value of value-added tax (VAT) equal to or greater than EUR 750 000.</p> <p><b>Public contracts below EUR 750 000.</b> If you are based in the European Union and are looking into public tenders/public service contracts, the EU legislation does not apply to contracts with a net value of value-added tax (VAT) below EUR 750 000. There may be national legislation applicable for such contracts.</p> <p><b>EU Candidate countries:</b></p> <p>If you are based in one of the candidate countries for membership to the European Union, your country will have an obligation to approximate its legislation on public procurement with the EU one within established time limit (see next Chapter). Therefore, EU rules will become applicable to public contracts <b>equal and above EUR 750 000</b> in due time.</p>	<p><b>International (Non-EU) :</b></p> <p>If you are based outside of the European Union, the European legislation does not apply to public tenders. It can always be a source for inspiration for your government. There may be national rules applicable to public tenders in your country.</p>
Private tenders	Private tenders
<p>If you are based in European Union member state or in candidate country for EU membership and are looking into tenders by private organisations, the European legislation is not applicable. There may be national legislation applicable or European legislation may serve as inspiration.</p>	<p><b>International (Non-EU):</b> If you are based outside of the European Union, the European legislation does not apply to private tenders. It can always be a source for inspiration for governments. There may be national rules applicable to private tenders in your country.</p>

**THREE STAGE MODEL OF TENDERING PROCEDURE**

**STEP 1 – EXCLUSION CRITERIA**

At this step, buyers will use certain criteria to exclude some private security services companies from the tendering process. These criteria will vary for public and private buyers but they are used as filter for exclusion of companies.

If used in the right way, at this stage some low quality private security services companies will be excluded automatically.

Automatic exclusion from tendering process

**STEP 2 – SELECTION CRITERIA**

At this stage, buyers select the **best value** private security services company to meet their objectives and needs. Buyers will use different criteria to select what they find best value company.

The important element in selection criteria is to focus on selecting quality private security services company. More information on quality criteria is available in **Chapter 5**.

Selection of bidder to be invited to tender

**STEP 3 – AWARD CRITERIA**

During this phase, selection of bidders is assessed in relation to the award criteria and requirements set out in the tender specifications.

For private security services, contracts should be awarded on the basis of the best quality-price ratio. More information on quality criteria is available in **Chapter 5**.

Selection of company based on best quality-price ratio

## Chapter 5 - How to Define Quality Criteria for Buying Private Security Services?

**This Chapter seeks to assist buyers with identifying quality criteria for private security services. Thus, the Chapter elaborates on quality criteria related to guards, contract operations, operational management, contract infrastructure and the company as bidder itself.**

This chapter seeks to help anyone who is looking for guidance how to buy private security services and to define the right criteria to find a good quality private security provider. This chapter includes both selection and award criteria, as all of these play a key role in a tendering procedure to identify the best bidder with the right balance of price and quality<sup>10</sup>.

For public buyers, based in the EU, EU candidate country or outside of EU, exclusion, selection and award criteria may be subject to EU, national or local procurement legislation. For more information on public tenders in the EU or candidate country, please refer to [Chapter 4](#).

While private buyers have greater freedom to draw up criteria aimed at identifying a quality bidder, inspiration should be drawn from the EU legal framework for public procurement. Additional guidelines tailored for public authorities such as the "Buying Social Guide"<sup>11</sup> developed by the European Commission can also be of valuable inspiration for private buyers. The design of the tendering procedure plays a key role in finding a quality private security services company which suits the needs of the buyer. Therefore, it is highly recommended that all buyers apply exclusion, selection

<sup>10</sup> For further information note the best value box in Aims and Objectives.

<sup>11</sup> Also the document "Buying Social- A Guide to Taking Account of Social Considerations in Public Procurement", published by the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities may be of inspiration to private buyers as it is for public ones.

and award criteria as good tendering procedure. Last but not least, for complex tenders which include several lots and contracts, it is important that buyers develop procedure where it is clear which quality criteria apply to which contract (when there are several contracts) to ensure that best bidders are selected for each service sought.

### 1. Introduction

The quality of the private security services provided depends on a number of key factors. While the capabilities, skills and motivation of the security guards are important factors, the back-office support has to provide an adequate level of support to let the guards focus on their duties. Of similar importance is the technical, operational and human resources infrastructure available to the security guards. For a buyer, the private security services company's team dedicated to managing the contract is for the duration of the contract the link between the buyer and the bidder. As the day to day contact during the contract period, the quality of the contract managing team is highly relevant for the satisfaction of the buyer.

Quality criteria can be applied for five different aspects of the contract:

- ★ Private security personnel
- ★ Contract management
- ★ Contract operations
- ★ Contract infrastructure
- ★ Private security services company

It should be emphasized that buyers

seeking to apply any (or all) of the quality criteria should set them out clearly in the tender documents.

The quality criteria should set out as clearly as possible to whom they apply, for example whether they apply only to the bidder, or, as recommended, to all sub-contractors, self-employed or temporary staff which are included in the proposal for services by the bidder. Buyers should always design the quality criteria in a transparent and non-discriminative manner.

### **Sub-Contracted Private Security Services**

The outsourcing of private security services by one private security company to another has become more frequent in recent years. In certain cases, it may be necessary to subcontract parts of the services (short-term assignment, specific assignment). However, the buyer should be alert that subcontractors are not being used for the sole purpose of being able to offer a lower price or circumvent the quality criteria set out in this Chapter.

Therefore, all quality criteria should also apply to sub-contracted private security service personnel. A specific form of subcontracting is the subcontracting to interim agencies which supply usually for a short period a number of private security guards. Besides its punctual form, also this form of sub-contracting can be used to circumvent the quality criteria

### **Self Employed Private Security Personnel**

In rare cases sub-contractors of private security services may be falsely self-employed, even though the private security service personnel are carrying out a professional activity at the request of an employer. That makes their activity unlawful in some countries, as its sole purpose is to circumvent social security provisions and the quality criteria set out by buyer.

All quality criteria should equally apply to the private security guard and the subcontracted company, whether interim or otherwise. Irrespective of any subcontracting, the liability arrangements should remain at the bidding company.

## **2. Private security personnel**

### **Background screening, vetting, selection, recruitment**

Quality bidders should have a documented process in place for the identification, selection and recruitment of personnel. In most European countries, national legislation requires for operational and management staff to undergo a vetting and background screening procedure, carried out by competent national authorities. Therefore private security services companies should only select and recruit staff which has been duly screened and vetted.

Identification, selection and recruitment procedures within a private security services company should be implemented by specialized and suitably trained staff such as a [screening supervisor](#). This guarantees that all the private security staff provided by the contractor meets the standards that the tendering organisation itself would apply.

For those countries, where vetting and

background checks for operational staff is mandatory by law, evidence of stringent background screening and vetting procedures may be relevant to be sure that the staff assigned to the contract is free from a criminal record and - if relevant - any financial liabilities which may interfere with their performance. Certain European standards on aviation and airport security provide a good overview of the elements that stringent background screening and vetting procedures should include. These could be used as a guideline in all other security segments.

Another indication for a quality private economic operator is social considerations relating to recruitment such as:

- ★ Promotion of youth employment
- ★ Promotion of gender balance
- ★ Diversity policies for the integration of disadvantaged groups such as ethnic and religious minorities
- ★ If and wherever possible, integration of disabled workers<sup>12</sup>.

If a contract requires the recruitment of a significant number of additional private security staff, bidders should show their capacity to recruit additional staff to the same standard and with the same social protection as the staff currently employed<sup>13</sup>.

### **Skills and capabilities of guards**

In most European countries compulsory basic training is required, designed to allow every individual wishing to work as a private security guard to acquire the

<sup>12</sup> The document "Buying Social- A Guide to Taking Account of Social Considerations in Public Procurement", published by the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities elaborates on socially responsible public procurement and helps understand how companies demonstrate socially response governance.

<sup>13</sup> See box on sub-contracted and self-employed guards

minimum level of skills<sup>14</sup>. Private security guards should undergo comprehensive basic training whether they are legally obliged to do so, or not. This should be clearly set out in the quality criteria.

As part of the quality criteria, call for tender should set out any [additional training and regular refresher training](#). Evidence of any internal policy schemes and plans for the additional training of guards and/or of the existence and quality of training facilities can indicate whether the bidding company takes staff skills and qualifications seriously and embraces a philosophy of staff personal development and investment into staff. A training curriculum, schedule / or modules may provide evidence that the internal training policy or scheme is being implemented. Also any additional skills helpful and relevant for the tendered services should be set out in the call for tender (for example language skills, driving licences, communication devices). Private security guards receiving continuous training show greater motivation and commitment. Training programs should also be linked to a clear career structure in the private security service company, enabling vertical and horizontal promotion. This also indicates higher levels of motivation and ultimately a better quality service.

Depending on the nature of the private security services requested, buyers may request proof of additional skills and capabilities such as language- or other contract relevant skills. These requirements need to be clearly stated in the call for tender.

### **Experience**

Another central element to better understand the qualification of the private

<sup>14</sup> For public procurement in EU or candidate countries, the technical and professional capacity is considered a selection criterion.

security personnel employed by the bidding company is the experience of the personnel selected for the work<sup>15</sup>. Particularly in the case of highly sensitive private security services (for example critical infrastructure) the buyer may look for proof that the assigned private security personnel have experience working in similar environments. On some high risk sites, such as embassies, the potential buyer may insist on receiving CVs of all the operational private security staff to be assigned. In other cases, it can be sufficient to receive information on the average number of years for which private security staff has been employed and has been performing similar tasks.

Any indication that private security guards participated in a cooperation or information sharing program with public authorities (e.g. police, rescue services) can further indicate guards, well experienced in the cooperation with authorities.

### Employment conditions

Usually there is a connection between a transparent and clear salary structure and the employment of experienced private security staff. If the bidding company can demonstrate a fair and transparent salary structure, the staff is more likely to be motivated and satisfied with their employment, reflecting ultimately at a better job performance. As such, a framework should be in place for the regular review of salaries, promotion and training requirements. A quality private economic operator should encourage the development of professional careers, and benefits also via its investment in training and coaching from it.

Particularly bidders with a larger number of guards should maintain a channel of complaints, suggestions and feedback

<sup>15</sup> This is also a selection criterion for public procurement in the EU or candidate countries.

from staff.

This may also be done by an appointed representative responsible for collecting and to transmitting complaints from the guards to the management. Some bidders may also have a gender equality person appointed with a direct channel to the management of the company.

Bidders should be able to clearly demonstrate that collective agreements and national labour law are being respected. This should be demonstrated by a [certification issued](#) by concerned authorities<sup>16</sup>. Should no collective agreements be in place, [rostering](#) schedules could serve as an indication for working hours and length of shifts.

A quality private economic company should be able to clearly demonstrate a civil liability arrangement for all its employees, including the management team of the company covering in particular those activities requested by the buyer. This has to include the handling of equipment and weapons if applicable.

<sup>16</sup> Article 18.2: Respect for national labour law and collective agreement is an obligation for economic operators performing public contracts in EU legislation.

**QUALITY CRITERIA RELATING TO PRIVATE SECURITY PERSONNEL**

<b>Private security personnel*</b>	
<b>Recruitment and vetting</b>	<ul style="list-style-type: none"> <li>★ Is a documented screening and vetting process in place?</li> <li>★ Is legislation in place that requires guards of management staff to undergo background screening by authorities?</li> <li>★ Does dedicated staff select and recruit security guards?</li> <li>★ Does recruitment take social considerations into account (i.e. gender balance/ youth employment)?</li> </ul>
<b>Skills and Capabilities</b>	<ul style="list-style-type: none"> <li>★ Is any <i>basic training</i> ensured by the private security service company?</li> <li>★ Are <i>additional trainings / coaching</i> and qualifications provided by the private security service company?</li> <li>★ Is <i>specialized training</i> provided (e.g. crowd control, K9 training, first aid, etc.)?</li> <li>★ Are <i>refresher trainings</i> being offered?</li> <li>★ Does the private security company have dedicated training staff and/or facilities?</li> <li>★ Are training modules or curricula in place for the staff?</li> <li>★ Are other skills thought/ supported (e.g. language skills, technical skills)?</li> <li>★ How are career opportunities for guards linked to the training offered?</li> <li>★ Is it clear that the staff has evidence of any potential additional skills required and outlined in the call for tender (e.g. language skills)?</li> </ul>
<b>Experience</b>	<ul style="list-style-type: none"> <li>★ How does the bidder demonstrate sufficient level of experience? Proof can range from a general statement on average number of years to extensive credentials.</li> <li>★ Has the bidder or the guards put forward participated in any information sharing scheme with authorities?</li> </ul>
<b>Employment Conditions</b>	<ul style="list-style-type: none"> <li>★ Does the bidder present a certification issued by relevant authorities that collective labour agreements / national social and labour regulations are respected?</li> <li>★ Is a clear and transparent salary structure in place?</li> <li>★ Does the bidder maintain a channel of complaints, feedback and suggestions?</li> </ul>

	★ Does the bidder provide proof of clear civil liability arrangements for its guards?
*Also applicable for sub-contracted, temporary or self- employed private security personnel.	

### 3. Contract management

#### The management team

When contracting private security services, buyers generally want to minimize the supervision of the services, which is why the way the private security services provider is being managed is essential. The management team oversees the legal compliance of the company, which is why experienced and professional management is of pivotal importance.

The management team of the bidding company should demonstrate clear financial records, for example free of excessive depths<sup>17</sup>. The buyer should feel satisfied and confident that all management members of the private security services provider have the necessary skills to ensure that all aspects of the company and the contract in particular are well managed. In this respect a clear distinction between staff responsible for the contract management and staff responsible for the contract operations indicate well-organized structures. The experience of the management team in business administration and the management of companies has to be proven by the bidding company, so ensure a professionally managed company and sustainable client management. The buyer therefore sets out as a quality criterion any evidence of experience of a management activity in a comparable position and / or any relating academic or

<sup>17</sup> This is a selection criteria for public procurement in the European Union / candidate countries to the EU.

non-academic training received by the management team<sup>18</sup>.

The deontological code of conduct of the management team reflects the ethical approach to the services of the entire company. Any reflection of the ethical approach by the management team of the company can be applied as quality criteria.

In relation to the specific contract management, buyers should agree on standards for the communication between the bidder and the buyer, for example who the point of contact is for the buyer at the private security service company. Should the contract specify any back-up and emergency response services, the buyer should ask how specifically the management of the bidding company intends ensure this. The roster, may give an indication on back-up and emergency response staff.

#### Support services

Effective support services in the private security services company's headquarters guarantee the smooth running of the contract. Support services for private security guards include all staff working on the administration of the private security service company, such as invoicing, back-up personnel, Human Resource Management Sales and Marketing Personnel.

<sup>18</sup> This may also be selection criteria for public procurement in the European Union / candidate countries to the EU.

**QUALITY CRITERIA RELATING TO CONTRACT MANAGEMENT**

<b>The management team</b>	<ul style="list-style-type: none"> <li>★ Does the management of the company provide proof of clear financial records (i.e. no excessive debts or pending issues with fiscal authorities)?</li> <li>★ Does the management have the necessary skills to manage the contract? What qualifications and experiences can be shown?</li> <li>★ Is there a deontological code of conduct which is applied by the management team?</li> <li>★ Are standards of communication clearly indicated between bidder and buyer? Is it clear who will be responsible on the management team for the duration of the contract?</li> </ul>
<b>Support Services</b>	<ul style="list-style-type: none"> <li>★ Does the bidder have adequate support services in general? E.g. Invoicing, HR, Sales &amp; Marketing Personnel</li> </ul>

**4. Contract Operations****The on-site contract manager**

The bidder needs to clearly set out who is responsible for on-site management and for dealing with all operational matters. This member of staff is usually the on-site contract manager, who ensures the day to day continuity of the services and oversees all operational matters. The on-site manager oversees the execution of the [operational plan](#). Particular attention should be given to procedures which show the plan in place to respond to unforeseen circumstances. The on-site contract manager should have specific knowledge of the contract requirements and the operational plan. The bidder's on-site contract manager should be able to demonstrate a perfect understanding of the client's requirements, organisational structures and security philosophy<sup>19</sup>. It is recommendable that a clear chain of responsibility should be outlined in the

<sup>19</sup> This may be a selection criteria for public procurement in the European Union / candidate countries to the EU.

operational plan as well as when and how the on-site contract manager is available for enquiries to the buyer.

**Operational Plan**

Given that the operational plan is at the centre of the proposal put forward by the bidder, particular attention should be given to the elements that the plan captures and the details brought forward.

The European Standards on Airport and Aviation Security Services give a good indication which elements should be included in the operational plan, but central to the plan is that it satisfies the buyer's security and quality requirements.

The operational plan should include specifics about:

- ★ Rostering
- ★ [Standard operation procedure](#)
- ★ Mobilization plan including [backup](#)
- ★ Transition plan
- ★ [Performance monitoring assessment](#)
- ★ [Training / coaching plan](#)
- ★ Reversibility plan

- ★ [Reporting structure](#) / systems
- ★ Disaster recovery / Business continuity
- ★ Governance Model

The roster or operational plan usually shows whether bidders have sufficient organizational capacities to replace any private security guard at short notice, for example in case of illness. This means that a similar qualified and experienced guard can take over responsibilities of a colleague. The private security services provider should also be able to show that it can deal with unpredictable or exceptional situations and guarantee a quick and smooth adjustment. Particularly as private economic operators are taking over more and more responsibilities, this can range from natural disasters, to demonstrations / manifestations to violent incidences. The buyer must be certain that the bidder follows all procedures as specified in the operational plan and as agreed upon.

The information given in the operational plan should satisfy the buyer and should include the monitoring of the performance of the private security company on a regular basis and at specified times/dates in cooperation with the buyer. The implementation of the operational plan should be reviewed regularly and conclusions from internal quality controls used. Guards should have clear reporting structures. Reporting should take the following points into consideration:

- ★ Reporting is done accurately and regularly;
- ★ Reporting gives answers to responses of questions and input which might arise during operations (For example: How many visitors have been checked? Are entrances / exits to buildings during peak hours spacious enough for an influx of persons?);

- ★ The way in which reporting is done does not handicap guards in the execution of the contract disproportionately;
- ★ Reporting should be, if the results indicate so, amended to the needs of the buyer upon agreement (For example: Are additional female guards required?)
- ★ Analysis of the reporting should result in corrective or preventive measures (For example: We need during peak hours more private security personnel/ We need additional female private security personnel to check women)

Particular attention should be given to the [rostering plan](#) proposed, as it a central element how to reflect the requirements of the contract. Note that based on the reporting, the requirements may change and the roster might have to be adjusted. Any adjustment following the reporting should be well documented. The methodology to roster should ensure:

- ★ The correct private security personnel 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 private security personnel knows his/her schedules long enough in advance;
- ★ The roster is predictable to the guards and incorporates social aspects, i.e. is a substitute mechanism in place / how are holiday seasons managed;

<b>QUALITY CRITERIA RELATING TO CONTRACT OPERATIONS</b>	
<b>The on-site contract manager</b>	<ul style="list-style-type: none"> <li>★ Does the on-site contract manager have enough knowledge about the provisions in the contract to implement all aspects to a degree satisfying?</li> <li>★ What qualifications does the on-side manager have?</li> <li>★ Is a clear chain of responsibility in force?</li> </ul>
<b>Operational Plan</b>	<ul style="list-style-type: none"> <li>★ Does the operational plan include all necessary elements?</li> <li>★ Is a clear methodology for rostering visible?</li> <li>★ Does the bidder have sufficient capacity to replace a security guard in case of illness or other unforeseen circumstances?</li> <li>★ Does the operational plan include any performance monitoring?</li> <li>★ Does the operational plan include mandatory reporting?</li> <li>★ Does the roster methodology put forward include all important elements? In particular does it take social aspects for guards into account whilst ensuring 100 per cent coverage of the contract?</li> </ul>
<b>Quality Control</b>	<ul style="list-style-type: none"> <li>★ Are internal or third party quality control mechanisms for the operations of the bidder in place?</li> <li>★ Are internal quality control mechanisms applied with the necessary objectivity?</li> </ul>

- ★ Each private security personnel is informed about his/her schedules well in advance;
- ★ The buyer has been informed of the schedules;
- ★ Schedules are compliant with working conditions as regulated by national and/or European law;
- ★ The contract is executed according to the schedules;

Both the rostering and the operational plan should be subject to regular formalized review meetings between the buyer and the private security services provider. Given its social implications on the guards, the roster should be predictable, continuous and allow the correct work- life balance.

### **Quality Control**

Any private security provider should have an *internal* quality control and testing methodology. These controls may include vigilance and practical implementation tests of the operational plan. The procedure followed for inspections and audits should also convince buyer that internal inspections are carried out with a maximum measure of objectivity.

## **5. Contract infrastructure**

Technology is sometimes an essential element for the provision of private security services to ensure the highest quality standards. While the range of technology available is ever increasing, it is crucial that the technology integrated into the operational plan is suitable to the

objectives of the contract. Given the increasingly complex demands on guards regarding the handling of technology, all should be well trained to handle the available equipment and technology put forward for the guard's duty. The tools and technology should also be well maintained, in accordance with the instructions of the producer. The bidder should be able to demonstrate in its operational plan that these aspects are fully taken into account.

### Equipment

All equipment used by the bidder company should be maintained by the owner of the equipment (usually the bidder) and national standards, laws and regulations respected as well as manufacturer guidelines. The responsibility for maintenance can alternatively be delegated to another party (for example in the case of vehicles: to a trusted garage). The equipment and its use must meet with health and safety guidelines. Also, the tools must be appropriate to the specific circumstances of the location, for instance suitable for concealed carriage, should the location require it.

The outward appearance of private security personnel is of particular importance, as it reflects on the buyer. The bidder must therefore provide standard **uniforms** for all guards or ensure that uniforms supplied are worn and cared for appropriately.

The necessary **communication devices, IT, hard- and software** should be provided to the private security guard, in accordance to the nature of the work to be carried out.

Any **weapons** carried in the framework of the execution of the concerned private security services must be appropriate, used, maintained and stored appropriately. They should be used only by the bidder and their guards with the

necessary permits, training and experience in using them. Weapons must be inventoried and checked regularly and stored in a safe and appropriate way. The operational plan must lay out who holds the necessary permits to use weapons, and under which conditions and in which circumstances. All concerned private security personnel must be fully 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 guard. The operational plan must set out where they are to be used.

For all of the above-mentioned supportive tools and instruments, it is essential that the bidder can provide sufficient proof of mandatory and /or other necessary insurance guarantees and civil liability arrangements. In addition, for the use of weapons, and dogs specific national laws apply. The bidder must be able to demonstrate full compliance and regularly training on the latest legal conditions for the professional use of this equipment.

### Technical support

The operational plan must provide the necessary information to explain to the buyer the technical support and the equipment provided to the guards and how these are planned to be used for the operations and when. The maintenance of all equipment should be included in the operational plan to make sure all equipment, from logistical material, via communication equipment to reporting material maintains operational readiness. Where Closed Circuit Television, or CCTV systems or other automated systems such as access control and alarm installations

are the operational plan should answer the following questions:

- ★ Is all applicable law respected? In some European countries national law is in place, aimed at protecting the privacy of people under surveillance.
- ★ Does the provider have the technical expertise to handle the equipment?
- ★ Can the private security provider maintain the equipment appropriately? If not, does the private security service company cooperate with a dedicated maintenance company?
- ★ Is the technology up to date?

### QUALITY CRITERIA RELATING TO CONTRACT INFRASTRUCTURE

<b>Equipment</b>	<ul style="list-style-type: none"> <li>★ Can the bidder prove that all national law relating to the handling of weapons / K9 / vehicles is respected? This applies also to .g. privacy law if CCTV operations are integrated.</li> <li>★ Are the tools and equipment suggested in the operational plan suitable for the performance of the contract?</li> <li>★ Does the technology meet all health and safety aspects and manufacturer guidelines?</li> <li>★ Is all operational security personnel trained to handle the equipment?</li> <li>★ Is regular maintenance and update guaranteed?</li> <li>★ Is the equipment used in a manner to ensure the manufacturer's warranty conditions?</li> <li>★ Has the bidder covered any liability requirements with appropriate insurances linked to the handling of equipment?</li> <li>★ Does the bidder demonstrate regularly training for staff handling weapons, including up to date legal training?</li> </ul>
<b>Technical Support</b>	<ul style="list-style-type: none"> <li>★ Does the bidder ensure the operational readiness of all equipment at all times the contract requires the use of the equipment?</li> <li>★ Is it clear for which aspects of the contract the bidding company wants to use outside technical support?</li> </ul>

## 6. The Private Security Services Company

The quality criteria set out below allow the buyer to define the type of private security services company. This relates to the size and capacity, number of staff, turnover, and level of specialisation or range of services of the bidder. It should be mentioned that the quality criteria set down to find the right bidder are linked to the tasks and services to be performed.<sup>20</sup>

The legal environment of all private security companies is changing continuously. Therefore, many companies maintain internal compliance programs, which also for the buyer provide a level of comfort that the legal aspects of the services provided are respected and always up to date. This includes legal risk assessment and control. In some cases, bidders need to have documentation from the appropriate administration, guaranteeing that all certificates and accreditations are compliant with the applicable laws.

Business continuity arrangements are made by an increasing number of organisations to ensure the continuation of critical business functions in case of disruptive events. There are several international and national business continuity standards which organizations can apply- which can be requested as a proof of business continuity management arrangements from the bidder<sup>21</sup>.

<sup>20</sup> This is in a procurement process of public authorities located in the EU a legal requirement to the design of selection and award criteria.

<sup>21</sup> Several business continuity standards have been published by various standardization authorities, including ISO, the British Standards Institution and US American Authorities.

### Experience and track record

Bidding private security services companies should be asked to provide information about their organisational structure, the range and nature of the private security services provided and for how long the bidder is already providing private security services. Any on-going or previous cooperation with local or national authorities may give an indication of a quality private security services company. This may go beyond previous services provided and can cover participation in information sharing agreements or training and coordination schemes, e.g. with the police or other emergency services.

A good occupational health and safety track record and availability of support for guards which became victims of (violent) attacks or other incidents shows a good health and safety policy of the bidding company<sup>22</sup>. This in turn is often reflected in lower rates of absenteeism and more motivated staff. An increasingly important element of staff management is any applicable policy on reconciliation of working time and private time. Health and Safety Risks associated with certain contracts can be assessed with a variety of Health and Safety Risk Assessment Tools<sup>23</sup>.

A solid track record of confidentiality with client information the respect of private data is becoming increasingly relevant in a

<sup>22</sup> Also the document "Buying Social- A Guide to Taking Account of Social Considerations in Public Procurement", published by the European Commission's Directorate General for Employment, Social Affairs and Equal Opportunities may provide guidance how to identify a solid Health and Safety Policy in quality private security service operators.

<sup>23</sup> One tool is the European Online Interactive Risk Assessment, a web-application developed by the European Agency for Safety and Health at Work (EU-OSHA). Particular consideration should be given to SMEs, which may struggle to provide proof to their Social policies.

digital world. Therefore, clear data protection measures should be demonstrated by the bidder. Measures should be in place to protect the private data of clients, gathered for example in the course of the bidder's reporting efforts.

### **Ethics, Company Philosophy and Code of Conduct**

An indication that the bidder has a solid quality management structure and company ethics is evidence of any Corporate Social Responsibility Commitment. International Standardized regimes such as the United Nation's Global Compact help comparing efforts in this respect.

Many organizations have documentation bringing forward their approach to clients and business operations, from an ethical and deontological point of view. Should such a statement exist from the bidding company, it gives an indication of the bidder's internal norms, including anti-corruption, the handling of company ethics, financial transparency, and shows whether the bidder matches the expectations of the buyer from a business philosophy point of view. The internal compliance program or quality manager of bidding companies are often responsible for ensuring compliance of all staff with own internal ethical and deontological codes or principles as well as industry standards and obligations.

### **Small and Medium Sized Companies**

Small and Medium Sized Companies<sup>24</sup> face specific challenges in tender processes. Some of the quality criteria outlined may place potential burdens on them either directly or indirectly, which require pragmatic solutions on a non-discriminatory basis for all bidders. Also for

private buyers there are best practices available to help making the tendering processes more accessible to SMEs<sup>25</sup>.

---

<sup>24</sup> As defined in the European Commission Recommendation 2003/361/EC.

---

<sup>25</sup> See for example the European Commission Staff Working Document "Code of Best Practices facilitating access by SMEs to public procurement contracts".

**QUALITY CRITERIA RELATING TO THE PRIVATE SECURITY SERVICES COMPANY**

<b>Experience and Track Record</b>	<ul style="list-style-type: none"> <li>★ Can the bidder demonstrate experience in the required field? Range of services provided? Duration on the market?</li> <li>★ Does the bidder have on-going/previous cooperation with authorities?</li> <li>★ Does the bidder demonstrate a good occupational health and safety track record?</li> <li>★ Does the bidder apply Health and Safety Risk Assessment tools if needed?</li> <li>★ Does the bidder have a good confidentiality and data protection track record?</li> </ul>
<b>Ethics, Company Philosophy and Code of Conduct</b>	<ul style="list-style-type: none"> <li>★ Does the bidder have a solid CSR Commitment?</li> <li>★ Does the bidder maintain an internal compliance and quality program, ensuring legal compliance and industry standards / own commitments?</li> <li>★ Does the bidder maintain a code of conduct / integrity program?</li> </ul>

## Annex 1 - Evaluation Guidelines: An example of how to Award Contracts Based on Quality Criteria

This annex provides you, the client, with a practical example of how to award contracts based on quality criteria.

Three important steps have to be followed.

- ★ **STEP 1**- To fix the relative importance of quality over price.
- ★ **STEP 2** – To establish the importance attributed to different categories of quality and the relative importance of specific quality criteria under each category.
- ★ **STEP 3** – To score the different criteria in order to determine the “best value” provider, once the contract has been published and offers from the different private security companies have been made in accordance with steps 1 and 2.

### STEP 1 - The importance of quality over price

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

$$\text{Bid score} = \text{Quality score} + \text{Price score}$$

It is up to the buyer to determine its own importance given to the quality and price score. The higher the score, the higher

importance is awarded to quality criteria.

### STEP 2- Defining the importance of different categories and specific quality criteria

This step allows buyers to define which categories of quality criteria are most important to them in their quality evaluation, by allocating differing proportion of the points allowed for the quality score:

Category	Attribution of importance
Private security personnel	A high number of points attributed indicate that the background screening, vetting, selection and recruitment, the skills and capabilities, their experience and employment conditions are of prime concern.
Contract management	The number given here reflects the importance attributed to the skills of the contract management, their experience and the support services within the bidding company.
Contract operations	Should the quality of the on-site contract manager, of the operational plan including aspects such as rostering be of primary importance to the buyer, most points should be attributed to this quality category.

Contract Infrastructure	Buyers, who attribute most importance to technical support and the quality of the equipment provided, should attribute most points to this category of quality criteria.
The Company	The number attributed to the general quality of the bidding company, including aspects such as ethics, philosophy or internal code of conducts are reflected here.

You can then choose the importance of specific quality criteria under each category. The client must attribute points on specific aspects which add up to the total amount of points allocated to each category.

For instance, if we award 60 points to quality and 40 points to price (step 1), we have to distribute these 60 points among the different quality criteria. For instance, you could attribute 17 points to private security personnel, 5 to contract management, 20 to contract operations, 10 to contract infrastructure and 8 to the private security company.

You could then choose from those possible criteria identified under each category those corresponding with your priorities. For instance, in relation with the category contract management, you can attribute the 5 points identified to:

- ★ qualification of management team (3 points)
- ★ experience of management team (2 points)

The same operation would be needed in relation with the possible criteria related to the remaining quality categories.<sup>1</sup>

A complete example will be provided to you later in pages 45- 50

**ONCE YOU HAVE DECIDED ON THE IMPORTANCE AWARDED TO QUALITY CRITERIA AND RELATIVE IMPORTANCE OF THE QUALITY CRITERIA IDENTIFIED A TENDERING PROCESS MUST BE LAUNCHED. PROCEDURAL CRITERIA, DEPENDING ON THE NATURE OF THE CONTRACT (AS EXPLAINED IN CHAPTER 4, SHOULD BE RESPECTED).<sup>2</sup>**

Before you award a contract, especially in those contracts subject to public procurement rules (see in this particular chapter 5.) you should first examine:

- a)** Are there any companies that are deemed unsuitable to perform the tasks at hand. Indications can be failure to pay tax or social security, a criminal record or other

<sup>1</sup> As explained in section 5, public procurement authorities must be awarded that some criteria are exclusion criteria instead of awarding criteria (compulsory training or respect of national and labour legislation). In accordance with European Directives, experience of personnel can also be considered a selection criterion.

<sup>2</sup> Contract notices will need to be respected by public procurement authorities. See pages 54-57.

offences. Public buyers within the European Union are obliged to exclude certain bids automatically.

- b) Are there any companies that do not meet the basic selection criteria in terms of experience and capacities. These companies should not be included in the awarding stages.

Once you have excluded some of the unsuitable companies and selected those companies meeting the selection criteria, the best value is obtained by evaluating the criteria previously chosen.

### STEP 3 – Quality evaluation

After the bids have been put forward, the buyer carries out an evaluation of the price quotes, received in the bids. Those bids, which have not met exclusion or selection criteria, are not being considered. The evaluation of the remaining bids is based on the number of points which have been allocated to price, as stated in the tender award notice.

#### Price evaluation

The buyer 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 deducted 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.

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

#### Quality Evaluation

After the buyer has defined its priorities in quality by awarding points to categories as set out in STEP 2 it is crucial that an objective assessment is made to evaluate which bids meet these requirements. In order to ensure this objectivity, the following scoring parameters can be used:

- ★ Not applicable
- ★ Non-compliant
- ★ Supposed compliant
- ★ Compliant
- ★ Excellent

The following table provides definitions for each of the 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 only "supposed

compliant". Different weightings are therefore applied to the points awarded to each criterion.

**Weighting**

Parameter	Weighting
Non-compliant	0%
Supposed compliant	50%
Compliant	80%
Excellent	100%

The bidder with the highest number of "excellent" scores for key criteria (those criteria allocated the highest number of points by the buyer) will therefore obtain the highest score in the quality criteria. The quality criteria evaluation is added to the points awarded in the price evaluation to establish the "best value" bidder.

**Definition of Scoring Criteria**

<b>Non Applicable</b>	This takes account the fact that not every item is applicable to every buyer. 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.
<b>Non-compliant</b>	This assessment applies if the information provided totally fails to meet with the buyer's requirements. It is not to be used if no information is provided on a certain item.
<b>Supposed compliant</b>	The information provided does not allow for a full assessment whether the item proposed meets the requirements.
<b>Compliant</b>	Information provided fully meets the requirements outlined in the tender notice and meets the buyer's expectation.
<b>Excellent</b>	Item meets the requirements and expectations and demonstrates an exceptionally high quality service based on successful performance in operation.

## Example

In the example outlined, the buyer decided to award the 100 points as following:

Price	40 points
Quality	60 points
Allocation:	
1. Private Security Personnel	17
2. Contract Management	5
3. Contract Operations	20
4. Contract Infrastructure	10
5. Private Security Services Company	8

### 1. Private Security Personnel

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
<b>1.1 Background screening, vetting, selection, recruitment</b>							
Documented screening and vetting process	0	✓					0
Evidence of compliance with legislation for screening and vetting of private security personnel	3			✓			1,5
Dedicated screening and vetting staff	0	✓					0
Recruitment with social considerations	3			✓			1,5
<b>1.2 Skills and Capabilities</b>							
Basic Training	3					✓	3
Additional Training	1					✓	1
Specialized Training	1			✓			0,5

## Annex 1 – Example

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
Refresher Training	0	✓					0
Dedicated training staff/ facilities	0	✓					0
Training modules/ curricula	0	✓					0
Other skills supported	0	✓					0
Career and training for guards linked	0	✓					0
<b>1.3 Experience</b>							
Proof of sufficient level of experience	2					✓	2
Cooperation with other organizations/authorities	0	✓					0
<b>1.4 Employment conditions</b>							
Certification of respect for collective labor agreement, national social/ labor law	2				✓		1,6
Clear and transparent salary structure	0	✓					0
Channel of complaints. Feedback and suggestions	0	✓					0
Civil liability arrangements	2			✓			1
<b>TOTAL</b>	<b>17</b>						<b>12,1</b>

## 2. Contract Management

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
<b>2.1 The Management Team</b>							
Clear Financial Records	0	✓					0
Qualifications of Management Team	3				✓		2,4
Experience of Management Team	2				✓		1,6
Responsibilities and Standards	0	✓					0
<b>2.2 Support Services</b>							
Support Services	0	✓					0
<b>TOTAL</b>	<b>5</b>						<b>4,0</b>

## 3. Contract Operations

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
<b>3.1 The on- site contract manager</b>							
Proof of qualification	5					✓	5
Knowledge contract provision	2					✓	2
Chain of responsibility	1			✓			0,5
<b>3.2 Operational Plan</b>							
Completeness operational plan	0	✓					0

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
Methodology rostering	0	✓					0
Flexibility of roster	4					✓	4
Performance monitoring	1			✓			0,5
Use of mandatory reporting	0	✓					0
Social aspect of roster	5				✓		4
<b>3.3 Quality Control</b>							
Internal or third party control mechanism	1				✓		0,8
Objective quality control	1				✓		0,8
<b>TOTAL</b>	<b>20</b>						<b>17,6</b>

#### 4. Contract Infrastructure

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
<b>4.1 Equipment</b>							
Compliance national law relating to weapons/vehicle/equipment (if applicable)	4					✓	4
Suitability of tools for operational plan	0	✓					0
Respect health and safety for handling equipment	0	✓					0
Regular maintenance of tools/equipment	0	✓					0

## Annex 1 – Example

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
Warranty of tools and equipment	0	✓					0
Liability arrangements for handling of tools	3				✓		2,4
Special training for staff handling tools/equipment	1			✓			0,5
<b>4.2 Technical Support</b>							
Readiness of all equipment as per contract requirement	0	✓					0
Clear technical support guaranteed for all equipment	2					✓	2
<b>TOTAL</b>	<b>10</b>						<b>8,9</b>

## 5. Private Security Services Company

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
<b>5.1 Experience and track record</b>							
Range of services provided	0	✓					0
Duration in the market	0	✓					0
Ongoing/ previous cooperation with authorities	0	✓					0
Good occupational health and safety track record	2				✓		1,6

	Points available	Not applicable	Non-compliant 0%	Supposed compliant 50%	Compliant 80%	Excellent 100%	Weighted points allocated
Reconciliation scheme for working and private time	0	✓					0
Assessment of health and safety risks	0	✓					0
Track record of confidentiality with client information	0	✓					0
Data protection measures	0	✓					0

## 5.2 Ethics, Company Philosophy and Code of Conduct

Corporate Social Responsibility Commitment	4			✓			2
Documentation of ethical approach to business	0	✓					0
Business continuity program	1		✓				0
Internal compliance/ quality program	1			✓			0,5

<b>TOTAL</b>	<b>8</b>						<b>4,1</b>
--------------	----------	--	--	--	--	--	------------

## Result

As a result of the evaluation of the bid from provided in the example above, the buyer has an overview to compare the performance of the various bidders on the separate quality criteria. In this example the bidder performs as following on the quality criteria.

Quality Criteria	Points available	Points Awarded
Private Security Personnel	17	12,1
Contract Management	5	4,0
Contract Operations	20	17,6

Contract Infrastructure	10	8,9
Private Security Services Company	8	4,1
<b>Total</b>	<b>60</b>	<b>46,7</b>

## Annex 2 – Exclusion, selection and award criteria

This Annex provides an overview of the exclusion, selection and award criteria which are included in the EU Public Procurement legislation. These criteria are applicable only to public authorities buying private security services. Private clients are encouraged to inspire themselves from these criteria as well.

### 1. EXCLUSION CRITERIA

Public buyers shall exclude bidders from tenders when they have been subject of a conviction by final judgement for one of the following reasons:	Non-compliant	Compliant	Remarks
Participation in a criminal organisation			
Corruption			
Fraud			
Terrorist offences or offences linked to terrorist activities			
Money laundering or terrorist financing			
Child labour and other forms of trafficking in human beings			
Breach of payment obligations of taxes or social security contributions			

Contracting authorities may exclude or may be required by Member States to exclude bidders from participation in tenders in the following situations:	Non Compliant	Compliant	Remarks
EU, international and national environmental, social and labour law as well as collective agreements are not respected			
Bidder is subject to bankruptcy or insolvency or winding-up proceedings			
Grave professional misconduct, which renders integrity of bidder questionable			
Bidder has entered into agreements with other economic operators aimed at			

distorting competition			
Conflict of interest			
Significant or persistent deficiencies in the performance of a substantive requirement under a prior public contract are known			
Bidder has undertaken unduly influence of decision-making process of the contracting authority			

A non-compliant score in any of these mandatory categories leads to immediate disqualification from the tender process. A non-compliant score in any of these optional categories may lead to disqualification from the tender process.

## 2. SELECTION CRITERIA

### Suitability to pursue the professional activity

Bidders may be required to comply with the following requirements:	Non Compliant	Compliant	Remarks
Enrolment in one of the professional or trade registers kept in their Member State of establishment			
In procurement procedures for services, in so far as bidders have to possess a particular authorisation or to be members of a particular organisation in order to be able to perform in their country of origin the service concerned			

**Economic and financial standing**

Bidders may be required to comply with the following requirements:	Non Compliant	Compliant	Remarks
Have a certain minimum yearly turnover, including a certain minimum turnover in the area covered by the contract			
Bidders may have to provide information on their annual accounts showing the ratios, for instance, between assets and liabilities			
An appropriate level of professional risk indemnity insurance			

**Technical and professional ability**

Bidders may be required to comply with the following requirements:	Non Compliant	Compliant	Remarks
Sufficient level of experience demonstrated by suitable references from contracts performed in the past, for example, a list of the works carried out over at the most the past five years, accompanied by certificates of satisfactory execution and outcome for the most important works			
Educational and professional qualifications of the bidder or contractor or those of the undertaking's managerial staff, provided that they are not evaluated as an award criterion			
In procurement procedures for supplies requiring siting or installation work, services or works, the professional ability of bidders to provide the service or to execute the installation or the work may be evaluated with regard to their skills, efficiency, experience and reliability			

A non-compliant score in any of the categories may lead to the exclusion of the buyer 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:

- a) price or cost using a life-cycle costing approach
- b) best price-quality ratio which shall be assessed on the basis of criteria including qualitative, environmental and/or social aspects
- c) quality, including technical merit
- d) qualification and experience of staff assigned to perform the contract, where the quality of staff assigned can have a significant impact on the level of performance of the contract
- e) the cost element may also take the form of a fixed price on the basis of which bidders will compete on quality criteria only
- f) Member States may provide that buyers may not use price only as the sole award criterion.

### **Annex 3 - Contract Notices**

The Contract Notice is an important document which should lay out all the necessary information for a specific tender. Whilst public authorities have to comply with legislation setting out the information included in the contract notices, other buyers should also take inspiration from the example below, set out in the EU Public Procurement Directive 2014/24/EU, Annex V Part C.

**Information to be included in contract notices**

★ Name, identification number (where provided for in national legislation), address including NUTS code, telephone, fax number, email and internet address of the contracting authority and, where different, of the service from which additional information may be obtained.

★ Email or internet address at which the procurement documents will be available for unrestricted and full direct access, free of charge.

Where unrestricted and full direct access, free of charge, is not available for the reasons set out in the second and third subparagraphs of Article 53(1), an indication of how the procurement documents can be accessed.

★ Type of contracting authority and main activity exercised.

★ Where appropriate, indication that the contracting authority is a central purchasing body or that any other form of joint procurement is involved.

★ CPV codes; where the contract is divided into lots, this information shall be provided for each lot.

★ NUTS code for the main location of works in case of works contracts or NUTS code for the main place of delivery or performance in supply and service contracts; where the contract is divided into lots, this information shall be provided for each lot.

★ Description of the procurement: nature and extent of works, nature and quantity or value of supplies, nature and extent of services. Where the contract is divided into lots, this information shall be provided for each lot. Where appropriate, description of any options.

★ Estimated total order of magnitude of contract(s); where the contract is divided into lots, this information shall be provided for each lot.

★ Admission or prohibition of variants.

★ Time-frame for delivery or provision of supplies, works or services and, as far as possible, duration of the contract.

★ In the case of a framework agreement, indication of the planned duration of the framework agreement, stating, where appropriate, the reasons for any duration exceeding four years; as far as possible, indication of value or order of magnitude and frequency of contracts to be awarded, number and, where appropriate, proposed maximum number of economic operators to participate.

★ In the case of a dynamic purchasing system, indication of the planned duration of that system; as far as possible, indication of value or order of magnitude and frequency of contracts to be awarded.

- ★ Conditions for participation, including:
  - ★ Where appropriate, indication whether the public contract is restricted to sheltered workshops, or whether its execution is restricted to the framework of protected job programmes,
  - ★ Where appropriate, indication whether the provision of the service is reserved by law, regulation or administrative provision to a particular profession; reference to the relevant law, regulation or administrative provision,
  - ★ A list and brief description of criteria regarding the personal situation of economic operators that may lead to their exclusion and of selection criteria; minimum level(s) of standards possibly required; indication of required information (self-declarations, documentation).
- ★ Type of award procedure; where appropriate, reasons for use of an accelerated procedure (in open and restricted procedures and competitive procedures with negotiation);
- ★ Where appropriate, indication whether:
  - ★ A framework agreement is involved,
  - ★ A dynamic purchasing system is involved,
  - ★ An electronic auction is involved (in the event of open or restricted procedures or competitive procedures with negotiation).
- ★ Where the contract is to be subdivided into lots, indication of the possibility of tendering for one, for several or for all of the lots; indication of any possible limitation of the number of lots that may be awarded to any one tenderer. Where the contract is not subdivided into lots, indication of the reasons therefor, unless this information is provided in the individual report.
- ★ In the case of a restricted procedure, a competitive procedure with negotiation, a competitive dialogue or an innovation partnership, where recourse is made to the option of reducing the number of candidates to be invited to submit tenders, to negotiate or to engage in dialogue: minimum and, where appropriate, proposed maximum number of candidates and objective criteria to be used to choose the candidates in question.
- ★ In the case of a competitive procedure with negotiation, a competitive dialogue or an innovation partnership, indication, where appropriate, of recourse to a staged procedure in order gradually to reduce the number of tenders to be negotiated or solutions to be discussed.
- ★ Where appropriate, particular conditions to which performance of the contract is subject.
- ★ Criteria to be used for award of the contract or contracts. Except where the most economically advantageous offer is identified on the basis of price alone, criteria representing the most economically advantageous tender as well as their weighting

shall be indicated where they do not appear in the specifications or, in the event of a competitive dialogue, in the descriptive document.

- ★ Time limit for receipt of tenders (open procedures) or requests to participate (restricted procedures, competitive procedures with negotiation, dynamic purchasing systems, competitive dialogues, innovation partnerships).
- ★ Address to which tenders or requests to participate shall be transmitted.
- ★ In the case of open procedures:
  - ★ time frame during which the tenderer must maintain its tender,
  - ★ date, time and place for the opening of tenders, (c) persons authorised to be present at such opening.
- ★ Language or languages in which tenders or requests to participate must be drawn up.
- ★ Where appropriate, indication whether:
  - ★ electronic submission of tenders or requests to participate will be accepted,
  - ★ electronic ordering will be used,
  - ★ electronic invoicing will be accepted,
  - ★ electronic payment will be used
- ★ Information whether the contract is related to a project and/or programme financed by Union funds.
- ★ Name and address of the body responsible for review and, where appropriate, mediation procedures. Precise information concerning deadlines for review procedures, or if need be, the name, address, telephone number, fax number and email address of the service from which this information may be obtained.
- ★ In the case of recurrent procurement, estimated timing for further notices to be published.
- ★ Date of dispatch of the notice.
- ★ Indication whether the contract is covered by the GPA.
- ★ Any other relevant information.