

Round Table “Selection of Best Value”

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**“Selecting best value:
a necessary starting point as well as a primary objective” -
Reasons for publication of the European Best Value Manual**

Ladies and gentlemen,

As secretary-general of CoESS, the Confederation of European private security companies, it is a pleasure and an honour to be in Berlin today and to give CoESS’ view on such an important subject as tendering for security services.

I first of all would like to thank the organisers of this Round Table, and specifically our CoESS member federation here in Germany (the BDWS), the trade unions for our sector, and the national competent authorities who have agreed to support this event and who are present today.

Tendering is not an easy topic.

It concerns relations with the customer, it is about prices, it is about competition, it refers to work organisation and the input by the employees... it is about core activities and delicate high level decisions in every private security company throughout Europe.

When CoESS and UNI-Europa, the European representative social partners for the sector, decided to start discussing together this topic – and this decision has been made already some years ago - , they took without any doubt a big RISK. Tackling this topic from the angle of quality (a notion that will often be referred to today), in a joint effort and at a European level was at the start, and by definition, a hazardous adventure and indeed not a very self-evident matter.

The reason why the European social partners dared to take this risk and brought along all the long and necessary efforts to reach the result (= the manual) which is being presented to you today, is that they had already established a long-standing and fruitful cooperation, with some very positive results, through their social dialogue at European level.

Along the lines of all their joint projects (and they have been numerous over the last nearly two decades), the European social partners have been able to build up the necessary maturity. Not only to take up in a fully responsible way the appeals launched to them by the European Commission to play an active role in the construction of a social Europe, but equally to move together towards more sensitive issues. Such as public tendering.... It is no wonder then – and the social partners fully realised this – that they were able to tackle the theme. Allow me now to go into some more details about this important joint work.

When they met here in Berlin in June 1999 (for their second European Conference), UNI-Europa and CoESS, before an audience of some 300 key players of the sector, signed a memorandum on the awarding of contracts concluded with private security companies. This was the “political” crowning of a joint project that the European social partners had launched several months before and which resulted afterwards in the creation of a manual.

In this memorandum, UNI-Europa, CoESS, with the support of their national member organisations, recommend that the authorities and private sector players awarding private security services and surveillance contracts use this manual. Its goal is to convince these public and private clients to take account of the best value for money when choosing a security firm and private security services.

The Memorandum also reflects a joint commitment to seek a consensus on a subject where interests appear to be highly different and at first view in contradiction. Yet the goal to improve the quality of services, on the one hand, and the quality of working conditions, on the other hand, is consistent with the common objective of improving the sector's level as a whole. On this point, there is NO contradiction.

The serious part of the private sector has long understood that the term QUALITY, as used in the concept of “quality management”, has a totally different meaning from quality in the narrow sense of “soundness”.

With the customers – be they public or private - showing growing interest in quality management, they are in need of an objective, defensible, instrument for justifying their choice - in public or private expenditure.

So, CoESS and UNI-Europa considered that the time had come to put heads together. They worked out what later became the “Manual for public authorities awarding contracts for guarding security services”.

Why?

When it comes to quality, both parties - the producer and the consumer - have **SUBJECTIVE** judgements about what is good and what is not so good. The goal of quality management is to connect and objectify the judgements of the two: the consumer expresses his wishes, the producer explains how those wishes will be met. The consumer knows what he can expect, the producer knows what criteria he has to fulfil. Therefore, quality is thus not just based on a relationship between two products (this is a quality product, that is not a quality product) but indicates an understanding between two parties.

Between supplier and customer there is a consensus over their common interests. Meeting the established and obvious needs in a cost-effective way is the number one business objective. The objectivity of quality management lies in the defining of the demands and expectations, of the way in which they will be fulfilled and the way in which the (extent of) satisfaction will be checked.

What was the reality when the Manual was developed, and what is still – much too often - the reality today?

Research has learned us that in Europe the overwhelming majority of government and other public contracts are awarded on the basis of the cheapest bid, even if it involves contracts for the supply of security services. And, sadly, this aspect is also present to a high extent when private customers award contracts.

And what is even more frustrating, is that the overwhelming majority of customers do not even know that they can go for quality, that they are not bound by price alone. It is also for that reason that CoESS and UNI-Europa created the manual.

As I said, when awarding contracts, customers nearly always opt for the cheapest supplier. There is no examination into what the best economic bid is; in other words, price and quality are not weighed up against each other. Nevertheless, when a particular quality is required, the minimum requirements have to be met first. Only afterwards can price come into play.

Specifically public authorities count every penny carefully before spending it; inspection bodies check that every penny has indeed been carefully counted. An inspection authority however, does not have the technical competence to make a judgement on the quality required, they can only assess a procedure; this has been another important reason for CoESS and UNI-Europa to produce their manual.

The meticulous adherence to the one sacred factor “price” also has to do with the worry about manipulation. CoESS and UNI-Europa have always been fully aware of this too and always kept it at the back of their minds when compiling the manual. Choices made must always be defensible and so, great attention has been paid to the methodology.

About the manual

It is important that, as a customer, you know what you consider to be important, and for this reason, the manual has a dual aim: on the one hand to determine what is important and how important it is (in other words, what weight is the customer ready to give to quality), and on the other to assess and evaluate offers.

It has a pre-specifications aspect (checklist of what is important) and an assessment aspect (comparison with the competition).

To that end, the methodology should be explained to the inspection body in advance, so as to allow later retrospective checking.

Qualitative statements must be objectified. In other words, qualitative statements must be weighed up beforehand (satisfactory or not satisfactory) to reach an objective figure. All qualitative statements and associated objective figures are added up to give an overall figure: the end score.

Ladies and gentlemen, the tool which is being presented to you today, has existed now for already several years. CoESS and UNI-Europa members in some 12 European countries have already organised similar national round tables to make it known and to promote it.

It is a slow but sure process. Looking back at the results, CoESS and UNI-Europa can be proud: although not a legally binding instrument, it has found its way (and this process still continues) way into the mind and operations of customers. Even the European institutions themselves often use our Manual. And, referring to my own country Belgium – and I know similar developments are taking place in other countries – more and more customers request a copy of the Manual and take a lot of their inspiration from it when starting their tendering procedures.

We must continue this positive development. Although a very good and very useful tool, it must be embedded in a larger campaign at national level. With a very important role for every serious private security company: it is you who must convince customers about its usefulness and to “educate” the customer toward a more “quality” oriented approach to the services our industry provides. It is for many customers an important step to take (and often not an easy one). But experience has shown that it is a step worth taking. Quality offers a much greater return than the extra money invested, and, if chosen, is beneficial for all parties involved: our companies, our personnel, our customers, the competent and controlling authorities, the general public.

I thank you for your attention and wish you a very fruitful conference that will be, I hope, the start of a very positive new development regarding this issue in Germany.