

## FERCO - EFFAT

### Agreement on

### Corporate Social Responsibility (CSR) in the Contract Catering sector

#### **1. INTRODUCTION**

The July 2001 Commission Green Paper defined CSR as “a concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis”.<sup>1</sup>

CSR implies the respect of existing legal requirements at international level: Declaration of Human Rights, the ILO Conventions, etc., at European level, at national, regional and local level, including binding collective agreements at the various levels of employer/employee relationships, and the will to go beyond these legal and contractual frameworks. CSR is not an alternative but a complement to laws and social dialogue, which can only prosper on the basis of those foundations.

Nowadays, more and more companies are increasingly aware that they can contribute to sustainable development and social cohesion by integrating CSR principles in their relationships with their employees, consumers, customers, shareholders, suppliers, public authorities and, more generally, the community where the enterprise is located. Nevertheless, only competitive and profitable enterprises are able to make a long-term contribution to sustainable development by generating wealth and jobs without compromising the social and environmental needs of society.

For a number of years the European Contract Catering sector has given its support to a European social model through initiatives going beyond legal requirements. It is a social model in which the involvement of the employees and their representatives in the social dialogue at all levels is one of the major elements.

Because of the social character of the Contract Catering and the nature of its business, the social partners of the European Contract Catering sector, EFFAT and FERCO, have decided, in the framework of their social dialogue, to work in common on CSR, focusing on social aspects and employer/employee relationships.

Pursuing continuous social development and the respect of fundamental rights, they will implement exemplary and innovative initiatives aiming at the general improvement of working conditions in the sector. As CSR initiatives are more likely to have a sustainable impact if major stakeholders are involved, the planning, implementation and assessment of CSR measures should be jointly undertaken by management, employee representatives and trade unions, according to national and/or local practices.

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<sup>1</sup> See Green Paper Promoting a European framework for Corporate Social Responsibility (18/07/2001)

This agreement on CSR in the European Contract Catering sector intends to set voluntary minimum standards in a number of suggested areas for integrating CSR, such as fundamental rights, continuous training, health and safety, food safety and hygiene, relationship between social partners, equal opportunities and non-discrimination, working conditions and work organisation, fair pay, awarding of contracts in public procurement, restructuring, business relations and choice of suppliers.

Through the creation of this framework, EFFAT and FERCO recognise that Corporate Social Responsibility is becoming increasingly important, and they thus commit themselves to pursue and demonstrate the overall sustainability of the Contract Catering sector. Contract Catering companies are not only responsible for their products and services, but also for the conditions under which these are produced.

## **2. PRELIMINARY REMARKS**

The Members of FERCO in the countries where FERCO is represented comply with the existing national, European and international regulations, including those resulting from ILO Conventions. Beyond these minimum standards, the aim of this agreement is to open the way by identifying areas in which Contract Catering enterprises might consider, on a voluntary basis, to undertake CSR initiatives. Considering the voluntary nature of CSR, this agreement should be interpreted as an inspiration source and a basis for further discussion, and it shall encourage national Contract Catering associations and their enterprise members to undertake CSR initiatives.

Taking into consideration that exchange of experience and good practices about CSR is an important vehicle to develop the concept, FERCO and EFFAT, the European social partners of the Contract Catering sector, will in the framework of their social dialogue collect and disseminate examples of good practices and help exchanges of experience between national social partners.

## **3. AREAS FOR INTEGRATING CSR**

As far as the relationship between employers and employees is concerned, CSR notably relates to fundamental rights at work, the quality of employment; health, safety and well being at work; training, information and, where applicable, consultation of workers; work-life balance; equal opportunities; eradication of all types of discrimination and integration of people with disabilities.

Social dialogue could be an adequate instrument for dealing with aspects of CSR related to those issues.

### **3.1 FUNDAMENTAL RIGHTS**

The Contract Catering sector complies with the principles and rights at work as defined by the ILO Conventions and in the UN Universal Declaration of Human Rights and the European legislation.

These principles include, in particular, the 10 principles of the United Nations' Global Compact which are listed in Annex 2<sup>2</sup>.

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<sup>2</sup> See also "The Ten Principles" on: <http://www.unglobalcompact.org/Portal/Default.asp>

### **3.2 TRAINING**

EFFAT and FERCO recognise that it is important to invest in the development of human resources, especially for a labour-intensive activity such as Contract Catering.

EFFAT (ECF-IUF at that time) and FERCO concluded on 13 October 1999 an “Agreement on vocational training in the European Contract Catering sector”. This document (see Annex 3) sets up a series of principles concerning vocational training activities. Contract Catering Companies implement those principles.

Contract Catering companies are encouraged to apply the principles also on temporary staff and workers of sub-contracted companies, by granting the right to be informed on vacancies, by specific measures to encourage workers to take part in training.

### **3.3 HEALTH AND SAFETY**

FERCO and EFFAT recognise the importance of health, safety and well being at work.

Consequently, the enterprises of the sector will establish, in full respect of European and national legislation, policies ensuring health and safety for all employees, and seek to anticipate new hazards by promoting preventing measures.

Specific training programmes and safety procedures, focusing on the specific hazards linked to the Contract Catering sector, should be developed in all enterprises. Employees and their representatives should be fully informed on such programmes and procedures, and consulted according to national and/or local practices.

### **3.4 FOOD SAFETY AND HYGIENE**

FERCO and EFFAT (ECF-IUF at that time) signed on 17 April 2000 the “Joint Declaration in favour of higher food safety and hygiene standards and their proper implementation” (see Annex 4).

Contract Catering companies should follow the principles outlined in this declaration.

Particular attention will be paid to the proper communication of information on the expiry date of food products.

FERCO and EFFAT will take the necessary steps to update the Code of Good Hygienic Practices and the training manual on food safety and hygiene elaborated by FERCO in 1994-1995 under the EU FORCE program.

### **3.5 RELATIONSHIP BETWEEN SOCIAL PARTNERS**

The European social partners of the Contract Catering sector, EFFAT and FERCO, recognise the importance of a constructive social dialogue, based on the principles of cooperation and consensus, between employers, employers’ associations, employees’ representatives and trade unions at all levels that takes into consideration the specificities of the Contract Catering, for the development of the sector.

This is why the European social partners for the Contract Catering sector have jointly carried out a number of surveys and studies, e.g. on continuous training practices, on collective bargaining in the contract-catering sector, on the economically most advantageous offer in public procurement, and signed several agreements and declarations, e.g. on vocational training, on VAT, on food safety and hygiene, and they will continue to do so in the future.

Contract Catering enterprises will abide by European legislation, such as the Directive establishing a general framework for informing and consulting employees, and the Directive on the establishment of European Works Councils, and pursue to continuously enhance the cooperation between the social partners, as a well-functioning social dialogue is a competitive edge.

Specific efforts should be made to reduce the staff turnover and to retain workers in the company.

In connection with the enlargement of the European Union, the social partners, FERCO and EFFAT, express the wish that, with the assistance and support of the public authorities, a social dialogue can be established in the new Member States.

### **3.6 EQUAL OPPORTUNITIES AND NON-DISCRIMINATION**

EFFAT and FERCO encourage social partners at all levels to promote equal opportunities and to work against all types of discrimination, by fully abiding to European legislation on these items<sup>3</sup>, and by implementing innovative measures in the sector at the appropriate level.

The European Contract Catering sector should ensure the full integration of each employee in his or her working environment, regardless of his or her ethnic or national origin, colour, age, gender, disability, trade union or political affiliation, religion, sexual orientation or other distinguishing characteristics.

Enterprises should develop explicit policies against discrimination in hiring, salary, promotion, training or termination of contract. In general, the same regulations as laid down in law and/or collective agreements have to be applied to any worker at a given location.

### **3.7 WORKING CONDITIONS AND WORK ORGANISATION**

The Contract Catering sector fully respects European legislation on working conditions.

FERCO and EFFAT condemn any form of illegal or undeclared work, and support any initiative aimed at the eradication of this form of work in order to avoid unfair competition and social dumping.

The European social partners of the Contract Catering sector invite the enterprises to be open to a better work-life balance.

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<sup>3</sup> See e.g. Council Directive 76/207/EEC of 9 February 1976 on the implementation of the principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions; Council Directive 2000/43/EC of 29 June 2000 implementing the principle of equal treatment between persons irrespective of racial or ethnic origin; Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation

### **3.8 FAIR PAY**

Enterprises should assure their employees a fair pay in proportion with their position in the company and the hours effectively worked.

The pay levels in the Contract Catering sector meet at least the minimum rates provided for by branch or industry collective agreements and/or legal provisions. When no agreement or pay scale exists, wages are enough to ensure that workers and their families have a decent standard of living as defined by the Universal Declaration of Human Rights and the ILO Tripartite Declaration.

In order to avoid any discrimination, the Contract Catering sector also recognizes the right for employees in similar conditions to receive equal pay for equal work (ILO Convention 100, EU Treaty 141, Directive 2000/78/EC).

### **3.9 AWARDING OF CONTRACTS IN PUBLIC PROCUREMENT**

EFFAT and FERCO jointly prepared a “Guide to the ‘economically most advantageous’ offer in Contract Catering”. This document proposes a method for the awarding of catering contracts that accounts for both quality and price.

The preamble of this document (see Annex 5) describes the philosophy of the guide and the intentions of the two organisations. Contract Catering associations are encouraged to promote the utilisation of the guide.

### **3.10 RESTRUCTURING**

Since an open dialogue is a pre-requisite for a climate of mutual respect and confidence, employees and their representatives should be regularly kept aware of the situation of the enterprise as well as informed and consulted on planned restructuring measures in due time, in order to avoid, or at least limit, negative consequences of such changes on employment.

The transfer of contracts is a special feature of the Contract Catering sector. The Contract Catering enterprises pursue the safeguarding of employees' rights in the event of transfers of catering contracts in respect of the relevant European legislation.<sup>4</sup>

### **3.11 BUSINESS RELATIONS AND CHOICE OF SUPPLIERS**

The European Contract Catering sector expects a socially responsible behaviour from its suppliers. Suppliers are generally chosen on a professional business basis, but for major suppliers this also includes a consideration of their corporate social responsibility according to the provisions of this agreement. The Contract Catering sector will thus contribute to circulate the concept of CSR at a wider level.

The sector supports all European provisions aimed at counteracting fraud and corruption in the trade developed with different countries of the world and, in the general context of business ethics, undertakes to comply with the OECD guidelines for multinational companies.

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<sup>4</sup> See Council Directive 77/187/EEC of 14 February 1977 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of businesses, and amending Directives 98/50/EEC and 2001/23/EC

### **3.12 FIGHT AGAINST OBESITY**

According to the World Health Organisation, obesity and overweight have reached epidemic proportions on a world scale and the consequences of obesity make this disease one of the greatest challenges of public health for the 21st century. Given the multifactor nature of obesity, the challenge faced requires the involvement over time of all stakeholders and of society as a whole, in order to invert this rising trend and reduce morbidity and mortality attributable to obesity.

In this context, FERCO and EFFAT recognise the role that the contract catering sector can play and commit themselves to use the Social Dialogue as a platform from which to encourage their members to contribute to the promotion of a healthy diet and the prevention of a sedentary lifestyle.

### **4. IMPLEMENTATION, MONITORING AND REVIEW OF THE DOCUMENT**

1. EFFAT and FERCO will invite their members to disseminate and discuss this agreement at national level.
2. To ensure a wide dissemination and good understanding of the agreement at national level, it will be translated into the different European languages by the national delegations. The French, English and German versions will be deemed authentic.
3. EFFAT and FERCO members will be encouraged to report on examples of best practices developed by enterprises in relation with this agreement. These best practices will be assessed in periodic reports so as to ensure the follow up of the implementation of the present agreement.
4. This report will be discussed in the framework of the EFFAT – FERCO social dialogue and will be disseminated among national member associations.

Brussels, 31 January 2007

For FERCO

For EFFAT

Antonio LLORENS  
President

Harald WIEDENHOFER  
General Secretary

### **Annexes**

1. List of EFFAT and FERCO member organisations
2. 10 Principles of the UN Global Compact
3. Agreement on vocational training in the European Contract Catering sector
4. Joint Declaration in favour of higher food safety and hygiene standards and their proper implementation
5. Preamble of the Guide to the 'economically most advantageous' offer in Contract Catering

## Annex 1: List of EFFAT and FERCO member organisations

Country Pays Land	<i>EFFAT</i>	<i>FERCO</i>
<b>Austria</b>	vida (ex HGPS)	
<b>Belgium</b>	CSC Alimentation et Services (CCAS-CSC) Syndicat des travailleurs de l'alimentation, de l'hôtellerie et des services (CAHS-FGTB)	Union Belge du Catering (UBC)
<b>Croatia</b>	Sindikata Turizma i Usluga Hrvatske (STUH)	
<b>Cyprus</b>	Cyprus Hotel Employees Federation (OEXEV-SEK)	
<b>Czech Republic</b>	Ceskomoravský Odborový Svaz Pohostinství Hotelu a Cestovního Ruchu (COSPCHCR)	
<b>Denmark</b>	Fagligt Fælles Forbund - 3F HK Privat	
<b>Finland</b>	Palvelualojien pamattiliitto PAM ry (PAM)	Finnish Hotel and Restaurant Association (FHR)
<b>France</b>	Fédération des Services CFDT (FdS-CFDT) Fédération générale des Travailleurs de l'Agriculture, de l'Alimentation, des Tabacs et des Services annexes - Force Ouvrière (FGTA-FO) Fédération CGT des Personnels du Commerce, de la Distribution et des Services (CGT Services) Syndicat National CFTC du Personnel des Hôtels, Cafés, Restaurants, Bars et Collectivités (CFTC-HCRBC) Fédération nationale de l'hôtellerie, restauration, sports, loisirs et casino (CFE-CGC-INOVA)	Syndicat National de la Restauration Collective (SNRC)
<b>Germany</b>	Gewerkschaft Nahrung-Genuß-Gaststätten (NGG)	Verband der Internationalen Caterer (VIC)
<b>Greece</b>	Panellinia Omospondia Ergaton Epiteismou kai Ypallelon Touristiko Epaggelmaton (POEEYTE)	
<b>Hungary</b>	Vendéglato és idegenforgalmi szakszervezet (VISZ)	Hungarian Hospitality Association (MVSZ)

<b>Iceland</b>	Starfsgreinasamband Islands (SGS)	
<b>Ireland</b>	Services Industrial Professional & Technical Union (SIPTU)	Association of Irish Contract Caterers (AICC)
<b>Italy</b>	Federazione Italiana dei Lavoratori Commercio, Turismo e Servizi (FILCAMS-CGIL) Federazione Italiana Sindacati Addetti Servizi Commerciali Affini e Turismo Agrigento (FISASCAT-CISL) Unione Italiana dei Lavoratori Turismo, Commercio e Servizi (UILTUCS-UIL)	Associazione Nazionale Aziende di Ristorazione Collettiva (ANGEM)
<b>Latvia</b>	Latvian Public Services Employees' Trade Union (LAKRS)	
<b>Luxembourg</b>	Lëtzebuenger Chrëschtliche Gewerkschaftsbond (LCGB) - Fédération Commerce et Alimentation Onofhängege Gewerkschafts-Bond Lëtzebuerg (OGB-L) - Syndicat Alimentation et Hôtellerie	
<b>Malta</b>	General Workers' Union (GWU)	
<b>Netherlands</b>	Christelijk Nationaal Vakverbond (CNV) Bedrijvenbond Federatie Nederlandse Vakbeweging - Horecabond (FNV-HB)	Vereniging Nederlandse Catering Organisaties (VENECA)
<b>Norway</b>	Hotell-og Restaurantarbeiderforbundet (HRAF)	
<b>Poland</b>	Sekretariat Przemyslu Spozywczego NSZZ Solidarnosc	
<b>Portugal</b>	Sindicato dos Trabalhadores de Escritório, Comércio, Hotelaria e Serviços (SITESE)	Associação da Restauração e Similares de Portugal (ARESP)
<b>Slovakia</b>	Odborový Zväz Pracovníkov Obchodu a Cestovného Ruchu (OZPOCR)	
<b>Slovenia</b>	Sindikát Delavcev Gostinstva in Turizma Slovenije (SGITS)	
<b>Spain</b>	Federación Estatal de Trabajadores de Comercio, Hostelería, Turismo y Juego de la UGT (FETCJTJ-UGT) Federación Estatal de Comercio, Hostelería y Turismo de Comisiones Obreras (FECOHT-CC.OO.)	Federacion Espanola de Asociaciones Dedicadas a la Restauracion Social (FEADRS)
<b>Sweden</b>	Hotell-och Restaurang Facket (HRF) Svenska Kommunalarbetareförbundet (SKF) Tjänstemannaförbundet (HTF)	Swedish Hotel and Restaurant Association (SHR)

<b>Switzerland</b>	Hotel & Gastro Union Le Syndicat du Secteur Tertiaire (UNIA)	
<b>Turkey</b>	Otel, Lokanta ve, Eglence Yerleri İşçileri Sendikası (OLEYİS)	
<b>United Kingdom</b>	GMB Transport and General Workers' Union (TGWU) Amalgamated Engineering & Electrical union (Amicus) Union of Shop, Distributive & Allied Workers (USDAW)	British Hospitality Association (BHA)

## Annex 2: 10 Principles of the UN Global Compact

# The Ten Principles of the UN Global Compact

The Global Compact's ten principles in the areas of human rights, labour, the environment and anti-corruption enjoy universal consensus and are derived from:

- [The Universal Declaration of Human Rights](#)
- [The International Labour Organization's Declaration on Fundamental Principles and Rights at Work](#)
- [The Rio Declaration on Environment and Development](#)
- [The United Nations Convention Against Corruption](#)

The Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption:

### Human Rights

- [Principle 1](#): Businesses should support and respect the protection of internationally proclaimed human rights; and
- [Principle 2](#): make sure that they are not complicit in human rights abuses.

### Labour Standards

- [Principle 3](#): Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- [Principle 4](#): the elimination of all forms of forced and compulsory labour;
- [Principle 5](#): the effective abolition of child labour; and
- [Principle 6](#): the elimination of discrimination in respect of employment and occupation.

### Environment

- [Principle 7](#): Businesses should support a precautionary approach to environmental challenges;
- [Principle 8](#): undertake initiatives to promote greater environmental responsibility; and
- [Principle 9](#): encourage the development and diffusion of environmentally friendly technologies

### Anti-Corruption

- [Principle 10](#): Businesses should work against all forms of corruption, including extortion and bribery.

### **Annex 3 Agreement on vocational training in the European Contract Catering sector**

#### **AGREEMENT ON VOCATIONAL TRAINING IN THE EUROPEAN CONTRACT CATERING SECTOR**

concluded between ECF-IUF and FERCO

Technological developments lead to substantial changes in the contract catering sector. The introduction of new technology and restructuring improved the productivity and competitiveness of companies, but at the same time presented new challenges and requirements for job profiles and for the effectiveness of training programmes.

Adequate training and the attainment of appropriate professional skills by employees are among the most important prerequisites for an improvement in quality and services in contract catering, and thus in the competitiveness, in that sector.

Human resources development should be considered by companies as an investment, and as such, it should occupy a substantial part of their strategic and investment planning. The upgrading and development of employees, through training and through the attainment of professional skills, should be regarded as a priority and should be implemented as an ongoing process.

Employees should pay all necessary attention to training programmes and actively participate therein.

FERCO and the ECF-IUF agree on the advisability of developing joint initiatives at European level in the area of continuous vocational training.

They consider that vocational training activities must include the following principles:

1. Equal treatment must be guaranteed for men and women, for full-time and part-time employees and for all professional categories.
2. All training schemes should simultaneously satisfy two objectives:
  - the adaptation of skills to the development of technology, to the products used, to the services provided and to changes in the organisation of work and in the production process
  - the evolution in qualifications and career opportunities for employees
3. Both the enterprise and the employees or their representatives may propose initiatives on training and on the attainment of additional professional skills. It will be organised with respect to existing national sectoral agreements, regulation and culture.
4. Employees participating in training measures should not be discriminated against or endure any disadvantage, e.g. with regard to salary, guarantee of work place, expenses occurring for the training.

5. Growing demands as regards mobility and the special features of catering arising from the transfer of contracts make it important for the whole contract catering sector to strive for the transferability and recognition outside the enterprise of the skills acquired through the training.
6. Continuous training of high quality should be conducted within companies. Social partners should at company level:
  - produce a regular inventory of existing continuous training measures
  - identify training and skills needs
  - Jointly elaborate appropriate training programmes on the basis of the identified training and skills needs
  - evaluate the effectiveness of the measures taken

FERCO and the ECF-IUF consider that the European level is the appropriate level to examine periodically the evolution of training needs in catering, to exchange experiences, to initiate joint action and, where appropriate, to make joint recommendations.

In this spirit the two organisations have decided to address first and foremost the question of environmental good practice.

In the catering sector this could be looked at from several points of view:

- use and management of water
- use and management of energy
- management of solid, liquid and food waste.

Measures taken in contract catering enterprises in order to improve the environmental protection should also contribute whenever practicable to the improvement of the working environment.

Research into the experiences of enterprises will permit the drafting of recommendations on the content and the format of training schemes in this area.

Draw up in Brussels on 13<sup>th</sup> October 1999

For FERCO

Patrice Aubert  
President

For ECF-IUF

Harald Wiedenhofer  
General Secretary

## **Annex 4 Joint Declaration in favour of higher food safety and hygiene standards and their proper implementation**

### **Joint declaration by FERCO and the ECF-IUF in favour of higher food safety and hygiene standards and their proper implementation**

FERCO, the European Federation of national associations representing contract catering companies, and the ECF-IUF, the European Federation of food, hotel, restaurant, café and catering trade unions, representing the workers in the contract catering sector, are particularly concerned about the worrying events that have recently shaken the agri-food world, and eroded confidence of consumers and by the development of new processes for producing, manufacturing and preserving foodstuffs, which generate increasing concerns of the consumers.

Contract catering companies and their staff have a duty to ensure to the best of their ability, that the food they serve to their customers is safe to eat. This responsibility is particularly important where meals are provided to the more vulnerable members of society such as children, the elderly and those who are ill.

Conscious of this responsibility, and anticipating in many cases the application of the EC Directive on the Hygiene of Foodstuffs (EC 93/43) contract catering companies have set up effective systems to ensure and check the quality and safety of their services on a daily basis. This initiative applies to all the services they provide, from close selection procedures for suppliers and reinforced controls on the quality and safety of supplies, to control of the food preparation process. This is put into practice through the implementation of HACCP procedures and the use of quality management systems, monitored and continuously improved on a regular basis.

To guarantee the healthiness and safety of the food provided, contract catering companies, have a statutory obligation to train all food handlers, including part-time and temporary workers, in food safety matters to a level commensurate with the risk associated with their tasks.

However, despite the investments which have been and are being made by contract catering companies towards meeting their obligations in full, the quality and safety of meals served by contract catering companies is also partially dependent on the quality and the safety of the products which they are supplied with.

Recent worrying events, such as the Bovine Spongiform Encephalopathy (BSE) or the dioxin crisis called into doubt certain practices within the agri-food world. Certain novel food processes as genetically modified organisms (GMO) and the increased incidence of the presence of dioxins, hormones or antibiotics in a number of products led to a serious loss of confidence in the quality and safety of the food chain, on the part of consumers.

This is why **FERCO and the ECF-IUF**, in the context of the contract catering sector's social dialogue, jointly declare that they:

- welcome the opportunity for stakeholders to discuss the proposals in the European Commission's White Paper on Food Safety;
- support initiatives to meet consumers' expectations as far as the quality and safety of food products is concerned;
- support the European and national institutions in their commitment towards higher food safety and hygiene standards and their effective implementation;
- encourage stricter controls within the framework of a reinforced legislation on waste treatment and re-cycling in the animal feeding chain;
- call for the proper implementation of safety standards and the improvement of control mechanisms to assess the efficiency of the application of Community legislation on food safety, hygiene, waste management and environmental protection;
- subscribe to the Consumers demands which calls for greater transparency, to meet their rights to information so that they may exercise their freedom of choice, and for greater traceability;
- support the use of the precautionary principle in the development of new technologies in the food chain. The long- term consequences of such initiatives must be taken into account, and every effort made to ensure that adequate safeguards are put in place to prevent any harm to human health and to the environment.
- urge all FERCO and ECF-IUF members to appeal to their national authorities and the European Institutions to commit themselves to this cause.

**FERCO and ECF-IUF** commit themselves to the following principles:

- Respect and implementation of high standards in food safety and hygiene requirements by all their members, employers and employees in the contract catering sector.
- Co-operation between the social partners for a constant improvement of food safety and hygiene standards in the practices at the workplace.
- Co-operation between the social partners for the constant improvement of the quality of the vocational and continuous training and of the qualification of those working in the industry, pursued in compliance with the principles laid down in the agreement on vocational training concluded by ECF-IUF and FERCO.

**FERCO and ECF-IUF** will jointly assess the implementation of these principles on a regular basis.

Signed in Brussels, on 17 April 2000

For FERCO

For ECF-IUF

Patrice Aubert  
President

Harald Wiedenhofer  
Secretary General

## **Annex 5 Preamble of the Guide to the ‘economically most advantageous’ offer in Contract Catering**

### **PREFACE**

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

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

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

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

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

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

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

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

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

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

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

This approach will lead to:

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

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