

## **Letta Report: Social Partners in the contract catering sector welcome his views on public procurement**

Brussels, 6 May 2024 – The European Sectoral Social Partners in the contract catering sector, FoodServiceEurope and EFFAT, would like to express their support for Enrico Letta's [report on the future of the EU Single Market](#) and, in particular, his views on public procurement.

FoodServiceEurope and EFFAT are pleased to see that the main asks of their joint input to the report have been taken into consideration by Mr Letta. Notably, that 'reliance on the lowest price award criterion as the default approach in public procurement warrants critical examination'.

As Mr Letta rightly points out, over-reliance on the cheapest bid can lead to sacrifices in quality, sustainability, innovation, and social value. Therefore, we welcome his call for a shift in mindset, moving away from the lowest price as the sole or main determinant, to a more holistic value-for-money approach, where factors such as quality, life-cycle costs, and broader social and environmental benefits are given equal consideration. This is well in line with implementing a 'best value' approach in public procurement, as detailed in the [EFFAT-FoodServiceEurope Guide to Choosing Best Value in Contracting Food Services](#).

Furthermore, we fully support Mr Letta's view that public procurement must be harnessed to advocate for a "high road" to development. This involves focusing on policies and practices that aim for more than just the minimum requirements in terms of wages and working conditions. Such an approach aligns public spending with a broader agenda of social advancement and economic inclusivity.

He rightly notes that public procurement regulations must ensure that contracts foster the creation of high-quality jobs, characterised by fair wages and conditions underpinned by collective agreements, as we have also called for in the [EFFAT-FoodServiceEurope Declaration on Public Procurement and Collective Bargaining](#).

Additionally, we support robust verification of bids to uphold social and environmental standards, including actions such as rejecting unusually low bids, disqualifying non-compliant bidders or conducting inspections. In this respect, it is imperative to ensure that subcontracting does not result in exploitation or abuse. We also welcome his idea of transforming the EU procurement framework into a Regulation, to limit national fragmentation.