

Report 4/2014 of Transparency International Hungary on the public procurement of the City of Budapest XIII. District Council, regarding the 'Complete interior renovation, facade renovations and structural reinforcement of Boribon Nursery School'

Subject of present report: Monitoring the process starting with the conclusion of the contract conducted as the result of the public procurement procedure and finishing with the completion of public works

According to the contract signed between Transparency International Hungary (TI) and the City of Budapest XIII. District Council (Council) on 20 February 2013, TI reviews all documents of the public procurement procedure regarding the 'Complete interior renovations, facade renovations and structural reinforcement of Boribon Nursery School', considering aspects of lawfulness, transparency and the assurance of fair competition. As part of the procedure, the Contracting Authority, TI and the Bidders sign an integrity pact in accordance with the contract.

During the implementation of the contract, XIII. District Public Service Ltd. is acting on behalf of the Council.

The Council has disclosed the following documents to TI:

1. Draft of the contract amendment
2. Contract amendment
3. Minutes from the meeting on cooperation
4. Notice and request of contract amendment
5. Partial invoices
6. Documents regarding the implementation of the contract
7. Draft instructions of the CEO of XIII. District Public Service Ltd, based on the experiences collected during the renovation works of Boribon Nursery School.

As the result of the examination of provided documents as well as the inspection of the working site, TI has reached the following conclusions.

The inspection of the Contracting Authority regarding the involvement of subcontractors as well as the provision of information to the parties entering into contract as winning tenderers regarding the involvement of subcontractors was presumably not comprehensive during the process of the performance of the contract. According to the opinion of the Contracting Authority, since the subcontractors, who became involved during the process fulfil the relevant requirements of the PPA, the objective of the PPA in this respect was not violated fundamentally.

TI draws the attention of the Contracting Authority to carry out the performance of the contract regarding the inspection at the subcontractor level in complete compliance with the Article 128. §2-3 and Government Decree 306/2011 (XII. 23.) Article 10. §1 in the future, therefore pursuing to ensure transparency throughout the process in the most comprehensive manner.

TI welcomes the initiative of the Council to utilise the practical experience gained during the monitoring process for preparation and conduct of the public procurement procedures as well as the performance of contracts in the future.

The performance of the contract concluded based on the public procurement procedure was carried out in compliance with the pertaining provisions to the performance of the integrity pact.

In case of acquiring previously unknown information concerning the procedure, TI will submit further data request to the Council and revise its report based on the notification.

Budapest, 08 September 2014.



Jozsef Peter Martin

Executive Director

Transparency International Hungary