

**Report 2/2013 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 dispatch of the notice launching the contract award procedure, the rectification concerning previously submitted recommendations and finishing with the provision of additionally necessary information

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.

The Council carries out the public procurement procedure entrusting an Operator. The Council has disclosed the following documents to TI:

1. Request for supply of missing information concerning the notice launching the contract award procedure sent by the Notice Control Department of the Public Procurement Authority and the accordingly completed notice;
2. Records of on-the-site inspections;
3. Extension of the time limit for submission of tenders in case supply of additional information is required;
4. Amendment notice;
5. Amended schedule;
6. Provided information to the requests for additional information and their dispatch;
7. Demolition records;
8. Request for supply of missing information and for provision of information and their dispatch;
9. Request of justification

As the result of the examination of provided documents, TI has reached the following conclusions.

TI suggested the Contracting Authority to dispatch information notice about the amendment of the time limit for submission of tenders regulated by Article 45. §4 of the Public Procurement Act prior to the expiry of the original time limit to submit tenders in case supply of additional information is required and to inform the concerned parties directly about the amendment in order to prevent economic operators, who already received the documentation being informed earlier about the extension of the time limit as well as to take into account the possible uncertainties in the interpretation of the law. The Contracting Authority did not dispatch information notice about the extension of the time limit to submit tenders, despite it could have contributed to the assurance of fair competition in the most comprehensive manner.

The Contracting Authority did not specify the amended time limit for submission of tenders in the letter sent directly to the inquiring economic operators and in regard of the extension of the time limit to submit tenders, it intended to calculate the new time limit relative to the date of supplying

the required additional information. According to the review of TI, this practice does not fulfill the requirements established by the regulations of the PPA. However, based on the length of the new time limit for submission of tenders given in the amendment notice, it was possible also for new interested parties to submit tenders in the public procurement procedure.

The dispatch method and form of the notifications sent to the inquiring economic operators, later the tenderers – such as notification regarding the extension of the time limit for submission of tenders, supplementary notification, notification regarding intention to make amendments and dispatch of amendment notice, request for supply of missing information and for provision of information – was conducted lawfully and according to the regulations of the PPA as well as fulfilled the requirements of transparent and fair procedure.

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, 25 October 2013.



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Executive Director

Transparency International Hungary