

ACQUISITION REGULATION
(Consolidated version with amendments)

In order to ensure the efficiency of the public benefit activities of the **Central European Support Service for Cross-Border Initiatives** (hereinafter: contracting entity), the sensible use of public funds and a fair economic competition, in the field of the procurement of goods and service orders (hereinafter: procurements) not covered by the relevant Public Procurement Act (hereinafter: Public Procurement Act), constitutes the following regulation in order to ensure the transparency of procurements:

I. Purpose and object of the regulation

The aim of the regulation is for the contracting entity to determine the rules of procedure applicable to its procurement in accordance with the relevant legislation.

II. Interpretative provisions

1. **The subject matter of the procurement:** procurement of goods, ordering services; in case of several necessarily connected procurement objects, the procurement is classified according to the procurement object of decisive value.
2. **Estimated value:** the total compensation usually requested or offered at the beginning of the procurement, for its subject, at the given market;
3. **Financial means:** the financial resources available to meet the procurement needs, determined prior to the start of the procurement procedure, for the availability of which the representative of the contracting entity is responsible.
4. **Tenderer:** the economic operator who lawfully submits a tender in the procurement procedure.
5. **Economic actor:** any natural person, legal entity, sole proprietorship or organisation with legal capacity under personal law that offers the supply of goods or services on the market.
6. **Call for tenders:** a call including the necessary information and documents for submitting a tender, sent by the contracting entity.
7. **Incompatibility:** the involvement of a person or organisation in which their involvement in the preparation and conduct of the procedure, as well as their participation in the submission of a tender, may result in a violation of a fair competition in the procedure.
8. **Tendering:** simultaneously and directly sending a call for tenders to at least three economic operators (potential tenderers), independent of each other, who are able to fulfill the eligibility criteria for performance of the contract, according to the contracting entity.

III. Fundamental principles

1. In the procurement procedure, all parties must respect the rules for a fair competition and the compliance with the requirements of good faith.
2. During the procurements, if it is reasonable under the circumstances, efforts should be made to search for local micro-, small or medium-sized enterprises as potential tenderers in the field of activity of the contracting entity and to take environmental concerns into account.

IV. People authorised to act on behalf of the contracting entity

The contracting entity as people authorised to act in respect of the contracting entity's procurements are the following:

- a) the Director up to 200,000 HUF, without a tender procedure;
- b) the Director over 200,000 HUF, with a tender procedure, up to the maximum amount of the commitment according to the relevant authorisation;
- c) the President of the contracting entity over the maximum amount of the director's commitment, with a tender procedure.

V. Exceptions from tendering

1. Exceptions from the procurements according to points b)-c) of paragraph IV are those procurements that are carried out according to the procedure in point a) of paragraph IV due to the legitimate lack of market competition. The exceptions are the following:

- the contract can only be carried out by a specific organisation or individual due to the protection of technical, legal, professional or other particularities or exclusive rights;
- when ordering a service, due to unforeseen circumstances not included in the previously concluded contract, it is necessary to order an additional service, which cannot be separated from the previous contract without significant difficulties for technical and economic reasons, or it can be separated, but it is absolutely or urgently necessary for the supply of service;
- in case of procurement of goods, if the replacement of previously successful tenderers during the partial replacement or extension of a previously procured item would result in the procurement of different and non-fitting items from a technical viewpoint, or such procurement would result in disproportionate technical-temporal difficulties in operation and maintenance;
- eliminating damage caused by a disaster, a life-threatening situation or an accident risk, and immediate procurements necessary for the protection of property;
- the procurement is published, can be used by anyone and its exceptionally favourable conditions only exist for a short period of time, the compensation is significantly lower than the market process, and the use of these favourable conditions would fail in case of competition;
- commissioning of a specialist or organisation with specific professional knowledge or a specialist or organization that was previously reliable to perform certain tasks related to the contracting entity's activities;

- accreditation of a committee member for procurement procedures;
- the subject of the contract is a personal, trust-related service;
- other justified exempted procurements laid down in the legislation or the contracting entity's regulation.

2. In case of procurements among the scope of exceptions, the acquisition of one tender is sufficient.

3. The representative of the contracting entity in accordance with point a) of paragraph IV orders the procurements falling under the exception, who shall inform the members of the General Assembly about their decisions that are under the exception rule at the next General Assembly.

VI. Tendering rules

1. According to points b) - c) of Chapter IV, the tendering rules of the procurements not under the exception are the following:

1.1 Preparation

1.1.1 The scope of preparation particularly includes proposing the subject, estimated value, financial means of the procurement and the procedure to be followed, examining the incompatibility and compiling the content of the call for tenders.

1.1.2 The content of the call for tenders shall be determined in a way that enables tenderers to submit an adequate tender with equal opportunities, and for the tenders submitted properly and by the deadline to be comparable.

1.1.3 Without a preparatory committee, the Director shall be responsible for the appropriate preparation of the procurement procedure.

1.1.4 The authorised representative according to the threshold of the contracting entity shall decide on the initiation of the procurement procedure and the tenderers to be invited.

1.1.5 The call for tender needs to include at least the following:

- the name(s), address of seat and place of business, telephone number(s) and e-mail address of the tenderer, signatory and contact people;
- the technical-professional and economic-financial eligibility criteria of the procurement;
- the determination of the grounds for refusal and the inadequacy of the tenderer;
- evaluation criteria, which could be the system of criteria representing the lowest compensation and/or the best value for money, adding the method of valuation;
- the final date for tendering (it can be identical with the tender opening date), the deadline and location/address of tender submission and other conditions;
- the conditions of the financial compensation of the contracting entity;
- the planned time and method of the announcement of results,
- whether a part tender/multi-variant tender can be made, for which parts and under what conditions;

- requirements for subcontracting;
- the type of contract to be concluded as a result of the procurement;
- subordinate liabilities providing contracts (as necessary);
- reservation of rights about the declaration of ineffectiveness of the procurement procedure - without any reason -, and an indication that if the winner of the tender withdraws from the contract, the contracting entity will enter into the contract with the tenderer who has submitted the second-best tender;
- reference to this regulation;
- any other information necessary for a sufficient tender.

1.1.6 Grounds for refusal for being a tenderer:

- being wound up, or a court order ordering bankruptcy has been published in respect of someone, or the winding-up procedure launched against them was finally ordered, or if similar proceedings are in progress under the personal law of the economic operator, or being in a similar situation in accordance with the personal law;
- having someone's activities ceased or suspended;
- being a non-transparent entity.

The contracting authority may also formulate other grounds for refusal in accordance with the Public Procurement Act.

1.1.7 The contracting entity may modify the conditions specified in the call for tenders or withdraw the call before the final date for the submission of tenders.

1.1.8 The tenderer is bound by their tender for 30 days after the final date for the submission of tenders. The period of tender validity of the winner of the tender and (due to the winner's possible withdrawal) the second-best tenderer will be automatically extended for a further 30 days from the notification in case of the result announced during the period of tender.

1.1.9 Tenders must be submitted in writing and in sealed packaging to the address given in the call for tenders, either by e-mail or post, by the final date for the submission of tenders.

1.1.10 The call for tenders and the tenders shall be issued or submitted in a comprehensible and ambitious way, in accurate Hungarian or, if the language of submission is English, in English.

1.2 Opening

1.2.1 Opening the documents containing the tenders shall only begin not publicly once the final date for tendering has passed.

1.2.2 During the opening the name and address of the tenderer and the main content elements of the tender from an evaluation point of view shall be described.

1.3 Review

1.3.1 In order to comment on the submitted tenders, it is necessary to appoint an evaluation committee of at least 2 members, extended as necessary with professional co-workers. The preparatory committee may continue their operation as an evaluation committee.

1.3.2 The nominated members of the evaluation committee shall make a declaration of incompatibility and confidentiality and they must be appointed to this position by the contracting authority's representative.

1.3.3 Tenders shall be evaluated after the submission deadline, during the period when the tenderer must maintain its tender, in a way that the contract can be concluded during this period.

1.3.4 The evaluation committee shall examine and comment on the received tenders as specified in the call for tenders, then forward its proposal on the validity and invalidity of the tenders and on the effectiveness and ineffectiveness of the procedure.

1.4 Decision-making

1.4.1 According to Chapter IV, the decision on the procurement procedure shall be made by an authorised person.

1.4.2 If an evaluation committee was operating during the procedure, then the person authorised to make a decision shall make their decision considering the opinion and proposal of the evaluation committee.

1.4.3 A protocol shall be made about the opening, review and decision, and it shall be sent to every tenderer no later than 5 working days after the demolition.

1.5 The validity and invalidity of the tenders

1.5.1 The tender shall be valid if it meets the requirements of the call for tenders.

1.5.2 The tender shall be invalid based on the Public Procurement Law, but especially if

- does not meet the requirements of the call,
- the tenderer is considered unsuitable to conclude the contract,
- the price is disproportionately low and the other significant commitments are also disproportionate, unless the objective justification submitted by the tenderer convincingly supports the reason for the disproportion.

1.6 The efficiency and inefficiency of the procedure

1.6.1 The procedure is efficient in accordance with the relevant rules of the Public Procurement Law, furthermore, the individual in a position to take decisions may consider the procedure to be effective if at least one valid and technically correct tender is submitted within the prescribed period.

1.6.2 In accordance with the relevant rules of the Public Procurement Law, the procedure is inefficient, but especially if the contracting entity or the tenderer becomes unable to conclude or perform the contract

in accordance with the original conditions, and if the contracting entity decides on the ineffectiveness of the procedure.

1.6.3 In case of an inefficient procedure, the individual in a position to make decisions shall decide to carry out a new procedure, involving new tenderers as necessary.

1.6.4 The contracting entity shall notify all tenderers of the outcome of the procedure at least electronically within 8 working days of the decision to close the procedure.

1.7 Contracting and modification of contracts

1.7.1 An effective procedure shall end with the conclusion of a contract during the period of tender validity. The formal and content preparation of the contract to be concluded is the contracting entity's responsibility. According to Chapter IV, the contract shall be signed by the contracting authority's representative empowered to enter into commitment.

1.7.2 The contracting entity shall conclude a contract with the winning tenderer or in case of their withdrawal or exclusion for a subsequent reason, with the tenderer announced in second place.

1.7.3 Contractual amendments shall only be possible if the necessary legal conditions are met, in which case the contracting entity will prepare the necessary amendments.

1.8 The implementation of procurement, legal status

1.8.1 The procurement procedure is deemed to be completed once the contract to be concluded based on the procurement procedure is signed.

1.8.2 Regarding the procurements of the contracting entity, according to the relevant point of the current Hungarian Civil Code, it is considered to be a contracting authority even if it is not required to conduct a public procurement procedure.

1.9 The documentation and internal audit of the procurements

1.9.1 The contracting entity shall keep all documents generated during its procurements for a minimum of 5 years or if other special documentation orders have been prescribed, they must comply with those rules.

1.9.2 Documenting the procurement procedures and exploring them during internal audits shall be the task of the Director.

VII. Final provisions

This procurement regulation and their amended provisions shall enter into force on the date of their adoption by the General Assembly of the contracting entity or on a special day specified for that purpose.

Budapest, 25 May 2022

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dr. Tamás Tóth
president

The amendment of the regulation is adopted by the General Assembly Decision No
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dr. Tamás Tóth
president