Central European Service for Cross-Border Initiatives
(registered office: 1067 Budapest, Teréz krt. 13., tax number: 18188071-2-42)

PROCUREMENT REGULATION

(as consolidated with the amendments)

The Central European Service for Cross-Border Initiatives (hereinafter referred to as "Contracting Authority") hereby adopts the following regulation for the procurement of goods and services not covered by the applicable public procurement regulation (hereinafter referred to as "Procurement"):

I. Subject of the Regulation

The Regulations define the rules to be applied during the procurement process by the Contracting Authority, including the preparation, implementation and monitoring phases. It also outlines the responsibilities of the individuals and organizations involved in the procurement process, as well as the documentation procedures for the procurement process.

II. Scope of the Regulation

1. The scope of the Regulation applies to the Contracting Authority, while the personal scope extends to the officials, employees and individuals or organizations involved in the procurement process. The material scope covers the procurements that the Contracting Authority intends to implement or is in the process of implementing.

2. The scope of this Regulation does not extend to procurements required for the immediate action necessary to eliminate life or accident hazards, address extraordinary events, or ensure asset protection.

3. In the case of procurements financed by grant support, in addition to the provisions of this Regulation, the guidelines specified in the project manual must also be considered, and, if necessary, those rules shall take precedence.

III. Interpretation provisions

1. **Procurement**: the entirety of technical, professional, and economic tasks and processes - from the definition of the need to the fulfilment of contracts - that ensure the supply of materials, equipment, and services necessary for the continuous and uninterrupted operation of the Contracting Authority.

2. **Subject of procurement**: purchase of goods, ordering of services; in the case of multiple procurement items that are necessarily interconnected, the procurement item with the predominant value.

3. **Estimated value**: the total consideration generally requested or offered for the subject of the procurement at the time the procurement process begins, on the relevant market.

4. **Financial coverage**: the financial resources available to the Contracting Authority for the implementation of the procurement, which are defined prior to initiating the procurement process, and for which the representative of the Contracting Authority is responsible.

5. **Tenderer**: an economic operator who (which) lawfully submits a tender in the procurement procedure.

6. **Economic operator**: any natural person, legal entity, sole trader, or organization capable of legal action under applicable law, who or which offers the supply of goods or provision of services in the market.

7. **Invitation to tender**: the invitation sent by the Contracting Authority containing the information and documents necessary for submitting a tender.

8. **Conflict of interest**: the involvement of a person or organization in the procurement procedure in such a way that their participation in the preparation and implementation of the procedure, as well as their involvement in submitting a tender, could result in a violation of the integrity of the competition.

9. **Order**: a document containing the precise specifications of the goods or services to be procured, the detailed conditions for delivery, and the price, sent to the supplier in a verifiable manner, in which the Contracting Authority undertakes to take delivery of the goods or services and to pay the price for them.

10. **Competitive procurement**: the simultaneous and direct sending of an invitation to tender to at least three independent economic operators who, according to the Contracting Authority’s judgment, meet the conditions for performing the contract.

IV. Principles

1. The principles governing the procurement procedure are: fairness of economic competition, equal treatment and equal opportunities, transparency, documentation, efficient and responsible management of public funds, good faith.

2. Procurement shall seek, where reasonable in the circumstances, to identify local micro, small or medium-sized enterprises relevant to the Contracting Authority's field of activity as potential tenderers and shall take account of environmental and sustainability considerations.

V. Conflict of interest

1. Any person or entity that is unable, for any reason, to perform its functions impartially and objectively shall not be a party to, or participate in, the preparation and conduct of the procurement on behalf of the Contracting Authority.

2. A person or organization is considered conflicted and cannot participate in the procurement procedure as a tenderer, subcontractor, or any other individual or entity involved in the procedure, whose involvement could compromise the integrity of the competition.

3. During the preparation of the procurement procedure or at any other stage of the procurement process, no person or organization may act on behalf of the Contracting Authority, nor may they be involved in the procedure if they are in an employment relationship or any other legal relationship with the tenderer, are an officer of the tenderer, or hold ownership shares in the tenderer, as well as their close relatives.

4. The participant in the procurement procedure is obliged to immediately notify the representative in accordance with Section VI of any conflict of interest that may arise in relation to them.

VI. Individual procurement procedures

1. The types of procurement procedures for the Contracting Authority are as follows:

a) Procurement without a written contract up to an amount of HUF 200,000 (unless otherwise stipulated by a funding contract or legislation), which may be carried out independently by any Director or another employee designated by the President of the Contracting Authority;

b) Simplified procurement between HUF 200,000 and HUF 5,000,000, to be carried out independently by any Director. In this case, at least three comparable offers must be obtained via email in a transparent and non-discriminatory manner, in order to secure the most favourable price or the most advantageous offer; in this respect, the price catalogue, official price list of the representative/contractor and the list of time-stamped price comparison portals publicly available on the internet shall be considered as written tenders for the purchase of goods and services, provided that the product or service which the Contracting Authority wishes to purchase is comparable with other written tenders which are capable of justifying the market price; the conclusion of a written contract following the relevant procedure;

c) a competitive procurement procedure above HUF 5,000,000, carried out independently by the President of the Contracting Authority; during this process, market research will be conducted regarding the subject and content of the procurement, the method and results of which must be documented in writing. Subsequently, at least three comparable offers must be obtained transparently and without discrimination to ensure the best price or the most advantageous offer. After the procedure, a written contract will be concluded.

2. The secretariat of the Contracting Authority will assist, as necessary, in the preparation and implementation of the procedures outlined in point 1.

VII. Exceptions to competitive procurement procedure

1. The Contracting Authority is not required to send a written request for a price to at least three different potential tenderers simultaneously for procurements specified under point VI.1. c), if justified by technical characteristics, protection of exclusive rights, unforeseen circumstances, temporary favorable market conditions, specialized professional knowledge, previous reliable performance, urgency, or other characteristics aligning with the interests of the Contracting Authority.

2. The justification for the exceptions shall be prepared by the secretariat of the Association and approved by the President. The procurement procedure based on the exception can only commence after the approval of the President.

3. It is sufficient to obtain one tender for purchases that are covered by the exception.

4. The President of the Association shall be the person in charge of and responsible for the purchases covered by the exceptions.

VIII. Competition rules

1. The rules of the competitive tendering procedure under point VI.1. c) are the following:

1.1 Preparation

1.1.1 The preparation process includes, in particular, the examination and proposal regarding the subject of the procurement, estimated value, financial coverage, and the procedure to be conducted, the assessment of conflicts of interest, as well as the preparation of the content of the call for tenders.

1.1.2 The content of the call for tenders must be determined in such a way that, based on it, tenderers can submit suitable offers on equal terms, and the properly submitted offers within the deadline can be compared in terms of the lowest price or the overall most advantageous price proposal.

1.1.3 The President or the established preparation committee is responsible for the proper preparation of the procedure.

1.1.4 The President shall decide on the launch of the procurement procedure and the tenderers to be invited.

1.1.5 The invitation to tender shall include at least the following:

- the name(s) of the Contracting Authority, its registered office and office address, telephone number(s), email address, signatory and contact person;
- the technical-professional, economic-financial eligibility requirements for the procurement;
- exclusion criteria and determination of the tenderer's non-compliance;
- evaluation criteria, which could be the lowest price or the most advantageous overall offer, along with the method for calculating the evaluation;
- the deadline for submitting tenders (which may coincide with the tender opening time), the deadline for submission, and the location/address;
- the conditions for the financial consideration to be provided by the Contracting Authority;
- the planned date and method for announcing the results;
- whether partial or multiple offers can be submitted, and if so, which parts and under what conditions;
- the requirements for the use of subcontractor;
- the type of contract to be concluded as a result of the procurement;
- any collateral obligations securing the contract (if necessary);
- a reservation of rights for the procurement process to be declared unsuccessful without justification, and a reference that if the winning tenderer withdraws from the contract, the Contracting Authority will enter into an agreement with the tenderer who made the second most favourable offer;
- a reference to this regulation;
- any other information necessary for making a proper offer.

1.1.6 A person may not be a bidder who:

- is under liquidation, or against whom a court decision ordering bankruptcy proceedings has been published, or for whom a liquidation procedure has been ordered with final effect, or if the economic operator is undergoing a similar procedure according to its personal law, or if they are in a similar situation under their personal law;
- has suspended its activities or whose activities have been suspended;

- is a non-transparent organization.

The Contracting Authority may also specify other grounds for exclusion.

1.1.7 The Contracting Authority may modify the conditions specified in the invitation to tender or withdraw the invitation until the deadline for submitting the tender offers.

1.1.8 The tenderer is bound by their offer for 30 days after the tender submission deadline. In the case of a result communicated during the tendering period, the tendering obligation of the successful tender and (if applicable, due to the withdrawal of the successful tenderer) the next lowest tenderer is automatically extended for a further 30 days from the date of communication.

1.1.9 Tender proposals must be submitted in writing and in sealed packages, in accordance with the specified requirements, directly to the address indicated in the call for proposals, or by email or post by the closing date for submission of proposals.

1.1.10 The invitation to tender and the offers must be issued and submitted in clear, concise, and precise Hungarian, and if necessary, in English language.

1.2 Opening, evaluation

1.2.1 To open and evaluate the received offers, an evaluation committee of at least two members, possibly extended with professional staff, should be appointed. The preparation committee can continue its work as the evaluation committee. The committee's work is not public.

1.2.2 The appointed members of the evaluation committee must submit a conflict of interest and confidentiality statement by the date of issuance or dispatch of the request for proposals. The representative authorized to make the appointments is the one acting in accordance with section VI. 1. c).

1.2.3 The opening of the documents containing the offers can begin no earlier than the deadline for submitting offers. During the opening, the names, addresses, and the main elements of the offer based on the evaluation criteria should be announced.

1.2.4 The offers should be evaluated after the submission deadline, during the validity period of the offers, in a way that the contract should, if possible, be concluded during this time.

1.2.5 The evaluation committee examines and evaluates the received offers according to the requirements set in the invitation to tender, and then submits its recommendation regarding the validity or invalidity of the offers and the success or failure of the procedure to the decision-maker acting in accordance with section VI. 1. c).

1.3 Decision making

1.3.1 The decision on the procurement procedure shall be taken by the person authorised to do so under Chapter VI.

1.3.2 The person entitled to take the decision shall take his/her decision after considering the opinion and the proposal of the evaluation committee.

1.3.3 Minutes shall be taken on the opening, evaluation and decision.

1.4 Validity and invalidity of tenders

1.4.1 The offer is valid if it complies with the requirements of the call for tenders.

1.4.2 The offer is invalid, in particular if

- it does not meet the requirements of the call,
- the tenderer is deemed to be unfit to conclude the contract,

the price is disproportionately low and the other essential commitments are also disproportionate, unless the objective justification provided by the tenderer convincingly substantiates the reasons for the disproportionality; in assessing the disproportionately low price, the Contracting Authority may take into account the experience of previous procurements or the results of a market survey carried out prior to the procurement.

1.5 The failure of the procedure

1.5.1 The procedure fails if

(a) they have not submitted a tender;

b) none of the tenderers meets the conditions set out in the request for a quotation;

(c) none of the tenderers meets the requirements concerning conflicts of interest;

(d) none of the tenderers has submitted a satisfactory tender, taking into account the financial resources available to the Contracting Authority;

f) if none of the tenderers are the same as the tenderers invited to tender;

(g) otherwise fails to comply with the terms of the contract;

(h) the Contracting Authority declares the procurement procedure ineffective without giving reasons.

1.5.2 If the procedure fails, the decision-maker may decide to launch a new procedure, if necessary with the participation of new tenderers.

1.5.3 Within 8 working days of the decision to close the procedure, the Contracting Authority shall notify all tenderers who have submitted valid tenders of the outcome of the procedure by electronic means, by sending the minutes referred to in point 1.3.3. Invalid tenderers shall be informed separately by electronic means, stating the reason for the invalidity.

1.6 Contract Conclusion, Contract Modification

1.6.1 The successful tender procedure concludes with the contract conclusion signing during the period of the tender. The preparation of the contract is primarily the responsibility of the Contracting Authority. The

contract is signed by the representative of the Contracting Authority acting in accordance with VI. 1. c) point.

1.6.2 1.6.2 The Contracting Authority shall conclude the contract with the successful tenderer, or in the case of their withdrawal or exclusion for subsequent reasons, with the tenderer offering the next best price.

1.6.3 Contract amendments may only be made in justified cases, in which case the Contracting Authority shall prepare the necessary amendments.

1.6.4 The provisions relating to the terms and conditions governing the conclusion, performance, modification and termination of the contract shall be governed by the civil law of the Contracting Authority.

1.7 Documentation of procurement and monitoring of the procurement procedures

1.7.1 The Contracting Authority, through its administrative structure, is required to retain all documents created during the procurement process, from its preparation through to the announcement of results, for a minimum of 5 years. Additionally, if other specific documentation procedures are prescribed, those rules must be followed.

1.7.2 The President, with the assistance of the Contracting Authority's administrative body, is required to immediately investigate any circumstances that may influence the outcome of the procurement or threaten the legality of the procurement process. The Supervisory Board of the Contracting Authority also participates in the investigation, within its scope of authority.

IX. Final provisions

This Procurement Regulation, along with its unified revised text, shall enter into force on the day of its adoption by the General Assembly of the Contracting Authority, or on a later date specified by the General Assembly.

Budapest, 19 May 2025

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dr. Zsuzsanna Fejes
President

The amendment to the Regulation was adopted by the General Assembly Resolution ..... Date of entry into force: .....

Budapest, 19 May 2025.

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dr. Zsuzsanna Fejes
President