



GAZDASÁGI
VERSENYHIVATAL

Parking struggle in Terézváros

The Hungarian Competition Authority (GVH) welcomes the decision of the Public Procurement Arbitration Board that has suspended the tender announced for the ten-year-long operation of pay parking in the public areas of Terézváros. The competition authority recognised already at the stage of the announcement of the tender that the financial and technological requirements published in the tender restricted competition without any justification. Therefore, the member of the Public Procurement Council delegated by the GVH requested the president of the Council at the end of July to launch a remedy procedure ex officio before the Public Procurement Arbitration Board in order to examine the case. The present decision confirms the concerns of the GVH.

The Local Government of Terézváros, Budapest district VI published the tender relating to the operation of pay parking in public areas in the 85th issue of the Public Procurement Bulletin. The member of the Public Procurement Council (Közbeszerzési Tanács, KT) delegated by the GVH realized that the financial and technological requirements included in the invitation to tender might restrict competition, furthermore the planned ten-year-long period of the contract would foreclose the market without any justification for an unjustified long period of time. The GVH informed the president of the KT about its concerns on July 24. According to the notification, the requirement of the HUF 1.2 billion turnover in the past three years - HUF 600 million of which would have had to originate from parking services - is not proportional to the object of the procurement (the operation of 6641 parking places and 142 ticket terminals for a concession fee amounting to at least HUF 166 million). Among others, this requirement indicated to the GVH that the invitation was practically designed for a tenderer already chosen in advance.

As a result of the measures taken by the GVH, the Public Procurement Arbitration Board (Közbeszerzési Döntőbizottság, KDB) commenced its proceeding ex officio on 28 July 2009. The Board claims that the required amount of the aggregate turnover of the last three years preceding the public procurement is twice as much as the estimated value of HUF 600 million of the ten-year-long contract, thereby infringing the provisions of Act CXXIX of 2003 on Public Procurement. The KDB also has also been investigating whether the technological and professional minimal requirements included in the invitation for tender are too strict, and whether it is justified to set high requirements for entering the market in a case where the risks of operation are not to be taken by the operator of parking places, but by the contracting authority.

A hearing was held by the KDB on 19 August, however, no decision was made the parties were requested to submit the missing information. Finally, on August 25 the KDB, as an interim measure, suspended the tender; thus the parties cannot sign the contract concluded as a result of the tender yet. The decision shows that the concerns of the GVH have been

justified, thus the GVH welcomes the measure taken by the KDB and is looking forward to the future developments of the proceeding.

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Hungarian Competition Authority
Communication Group

Further information:

András Mihálovits

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB. 1036

Email: Mihalovits.Andras@gvh.hu

<http://www.gvh.hu>