

The briefing of the President of the Public Procurement Authority

on the public procurement thresholds applicable in 2012

(Public Procurement Bulletin, n° 3/2012; 6 January 2012)

Article 10(4) of the **Act CVIII of 2011 on Public Procurement** (hereinafter referred to as the 'PPA') stipulate that EU thresholds and national thresholds concerning each subject-matter of public procurement be published by the Public Procurement Authority in the Public Procurement Bulletin, at the beginning of each year.

In order to meet this requirement of notification, the Public Procurement Authority hereby notifies the participants of contract award procedures of the thresholds applicable in 2012, as follows.

I. The EU thresholds

The EU thresholds established in the directives on public procurement shall be *verified* by the European Commission (hereinafter referred to as the 'Commission'), as a general rule, *every two years*, in conformity with the procedure set out in the relevant directives (Article 69 of the Directive 2004/17/EC¹, Article 78 of the Directive 2004/18/EC² and Article 68 of the Directive 2009/81/EC³), and shall, if necessary, be revised in accordance with the thresholds set in the WTO Agreement on Government Procurement (GPA). Accordingly, Article 10(2) of the PPA provides that the EU thresholds expressed in euro and in national currencies are determined by the European Commission for a given period, and are published in the Official Journal of the European Union.

As a result of the latest verification, which has taken place in autumn 2011, **Commission Regulation (EC) No 1251/2011 amending Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council in respect of their application thresholds for the procedures for the award of contracts** (hereinafter referred to as the 'Regulation') has been adopted. The abovementioned source of law stipulates that the EU thresholds, which are slightly raised compared to the thresholds of 2010-2011, be applied as of 1 January 2012.

¹ *Directive 2004/17/EC* of the European Parliament and of the Council of 31 March 2004 coordinating the procurement procedures of entities operating in the water, energy, transport and postal services sectors (OJ L 134/114, 2004)

² *Directive 2004/18/EC* of the European Parliament and of the Council of 31 March 2004 on the coordination of procedures for the award of public works contracts, public supply contracts and public service contracts (OJ L 134/114, 2004)

³ *Directive 2009/81/EC* of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216/76, 2009)

As a next step, in conformity with the relevant provisions of the EU directives on public procurement, the Commission has published *Communication n°2011/C 353/01*⁴ (hereinafter referred to as the 'Communication'), in which it disclosed the amounts of EU thresholds expressed in national currencies.

Pursuant to Article 10(3) of the PPA, the EU thresholds concerning each subject-matter of public procurement shall be determined annually by the Budget Act of Hungary. In accordance with this provision, for the period from 1 January 2012 to 31 December 2012, Articles 72-73 of **the Act CLXXXVIII of 2011 on the 2012 Central Budget of Hungary** (hereinafter referred to as the 'Budget Act') determine the EU thresholds for public procurements, exclusive of value added tax, expressed in euro, as follows.

In compliance with the Communication, in addition to the threshold values in euro, this briefing contains the thresholds expressed in the Hungarian national currency as well.

1. For the purposes of Part Two – except for Chapter XIV - of the PPA:

In case of public supplies:

- in the case of contracting authorities under Article 6(1)(a) of the PPA, and in case of such contracting authorities for the procurement of supplies in the field of defence, provided the given supply in the field of defence is covered by Annex 2 to the PPA: **EUR 130,000 – HUF 35,464,000;**

- in the case of other contracting authorities under Article 6(1) of the PPA, and in case of contracting authorities under Article 6(1)(a) of the PPA, provided the given supply in the field of defence is not listed in Annex 2 to the PPA: **EUR 200,000 – HUF 54,560,000.**

In the case of public works:

- **EUR 5,000,000 – HUF 1,364,000,000.**

In the case of public works concessions:

- **EUR 5,000,000 – HUF 1,364,000,000.**

In the case of public services; or, where the design contest results in a public service contract; and for the total amount of the prize and the fees payable to candidates:

- in the case of contracting authorities under Article 6(1)(a) of the PPA, provided the given service is listed in Annex 3 to the PPA, except for Research and development services in category n° 8, and the telecommunication services with the CPC reference no. 7524, 7525, 7526, in category n°5: **EUR 130,000 – HUF 35,464,000**

- in the case of other contracting authorities under Article 6(1) of the PPA, provided the given service is covered by Annex 3 to the PPA, except for Research and development services listed in category n° 8, and the telecommunication services with

⁴ Communication from the Commission - Corresponding values of the thresholds of Directives 2004/17/EC, 2004/18/EC and 2009/81/EC of the European Parliament and of the Council (OJ C 353/01 3 December 2011)

the CPC reference no. 7524, 7525, 7526 listed in category n°5: **EUR 200,000 – HUF 54,560,000;**

- in the case of Research and development services listed in category n° 8, and the telecommunication services with the CPC reference no. 7524, 7525, 7526 listed in category n°5 of Annex 3 to the PPA, as well as services covered by Annex 4 to the PPA: **EUR 200,000 – HUF 54,560,000;**

2. For the purposes of Part Two, when applied together with Chapter XIV of the PPA:

In the case of public supplies: **EUR 400,000 – HUF 109,120,000.**

In the case of public works: **EUR 5,000,000 – HUF 1,364,000,000.**

In the case of public services; or, where the design contest results in a public service contract; and for the total amount of the prize and the fees payable to candidates: **EUR 400,000 – HUF 109,120,000.**

II. National thresholds

Pursuant to Article 10(3) of the PPA, the national thresholds shall also be determined annually by the Budget Act of Hungary. Accordingly, for the period from 1 January 2012 to 31 December 2012, Article 70 of the Budget Act determines the national thresholds for public procurements – which thresholds ***have remained unaltered, compared to the national thresholds in 2011*** –, exclusive of value added tax, as follows.

1. For the purposes of Part Three – except for Chapter XIV - of the PPA:

In the case of public supplies: HUF 8 million,

In the case of public works: HUF 15 million,

In the case of public works concessions: HUF 100 million,

In the case of public services: HUF 8 million,

In the case of service concessions: HUF 25 million.

2. For the purposes of Part Three, when applied together with Chapter XIV of the PPA:

In the case of public supplies: HUF 50 million,

In the case of public works: HUF 100 million,

In the case of public services: HUF 50 million.