

# GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

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Special Distribution

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Committee on Government Procurement

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## ADDITIONAL INFORMATION CONCERNING THE TREATMENT OF HIGH-PRICED BIDS

### Replies to Questions Contained in GPR/W/64

#### Addendum

The following replies have been submitted by the delegation of the United Kingdom on behalf of Hong Kong.

- (a) Does an entity pre-determine a standard price in view of helping competent officers to judge whether the tenders are too high or not?

Hong Kong does compute an estimate for each purchase for budgetary purposes based on the last purchase price and/or current market trend.

- (b) In case an entity does not predetermine a standard price, how can it avoid an arbitrary judgement of the high-priced bids and keep the competition fair?

This is not applicable to Hong Kong as each and every single purchase must have a pre-determined budgetary cost for commitment purposes.

- (c) What kind of criterion do the Parties adopt in order to conclude contracts within a limited budget?

If the bids received exceed the approved budget and additional funds are not available, a fresh open tender with revised specification/reduced quantity will be arranged and all participants in the original tender will be invited again to quote.