

**GENERAL AGREEMENT ON
TARIFFS AND TRADE**

Committee on Government Procurement

Original: English

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 Israel.

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

Procuring entities do not predetermine a standard price. Nevertheless, they are required to estimate the cost of the purchase based on previous procurements and market developments. This estimate is determined for budgetary planning purposes.

- (b) In the case where 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?

If the proposed bid prices exceed approximately 25 per cent of the estimate, the entity is allowed to cancel the tender or to lower the quantity.

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

Please see replies to questions (a) and (b).