

STUDY CASE

Complaint by Industrias Innovadoras LTD

Industrias Innovadoras LTD

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May 15, 2024

To: Public Prosecutor's Office, Buenos Aires, Argentina

Subject: Complaint for irregularities in the public bidding process No. 2023-001

Hereby, Industrias Innovadoras LTD, a leading company in the development of technological solutions for the public sector, presents a formal complaint for the irregularities detected in the public bidding process No. 2023-001, the purpose of which was the acquisition of a Document management system for the City Council of San Miguel.

Our company actively participated in said bidding process, presenting an offer that we consider highly competitive and adjusted to the technical requirements established in the bases. However, surprisingly, the company "Soluciones Digitales LTD" was awarded, despite having clear indications of irregularities in its proposal and in the development of the bidding process.

Below, we detail the irregularities observed:

1. Overvaluation of the object of the tender:

- o The winning company submitted an offer with a total value 30% higher than the average of the other proposals, without adequately justifying this increase.

- o The technical documentation presented by "Soluciones Digitales LTD" presents significant inconsistencies and omissions, which calls into question the company's ability to meet the project requirements.

2. Conflict of interest:

o The manager of "Soluciones Digitales LTD" He maintains a close personal relationship with the IT director of the Municipality of San Miguel, which could have influenced the final decision.

o There are indications that both officials have made trips abroad on dates close to the award of the contract, which could have been financed by the winning company.

3. Failure to comply with participation requirements:

"Soluciones Digitales LTD" did not comply with one of the requirements established in the bidding rules, by not presenting the ISO 9001 quality certification required for this type of project.

We consider that the irregularities described constitute a serious violation of the principles of transparency, equality and free competition that should govern bidding processes. These actions not only harm our company, but also affect the public interest by favoring a company that, allegedly, does not comply with the established requirements and could generate cost overruns for the City Council.

We attach to this complaint the following documentation:

- Copy of our economic and technical offer.
- Copies of the bidding rules.
- Technical reports that compare our proposal with that of the winning company.
- Documentation that shows the conflict of interest.

We request this control body to initiate a thorough investigation into the reported irregularities and to adopt the relevant measures to guarantee transparency and legality in the bidding process.

Likewise, we request that we be kept informed about the progress of the investigation and the measures taken.

We are waiting for a prompt response.

Sincerely,

Juan Garofalo

General Manager Industrias Innovadoras LTD

EVIDENCE ATTACHED TO THE COMPLAINT

1. Comparison of Offers

| Company | Total Price | Technical Score | Comments |
|----------------------------|--------------------|------------------------|---|
| Industrias Innovadoras LTD | \$1,500,000 | 92/100 | Complete and detailed proposal, meeting all requirements. |
| Soluciones Ditailes LTD | \$2,100,000 | 85/100 | Overvaluation of the system, lack of detail in some technical specifications. |
| Company C | \$1,800,000 | 88/100 | Solid proposal, but with some deficiencies in the implementation plan. |

2. Technical Analysis of the Offers

- **Technical report:** A document prepared by an expert in document management systems detailing the technical differences between the proposals, highlighting the inconsistencies and omissions in the proposal of "Soluciones Digitales LTD"

- **Comparison of functionalities:** A table that compares the functionalities offered by each company, showing how the proposal of "Soluciones Digitales LTD" does not meet all the requested requirements.

3. Documentation that shows the conflict of interest

- **Email messages:**

- o From: [email address removed]

- o To: [email address removed]

- o Subject: Meeting

o Content: "Dear [Director's Name], I would like to schedule a meeting to discuss the City Council's project. I think we can adjust some details of the proposal to make it more attractive."

- **Hotel reservations:**

o A hotel reservation in the name of both individuals in the same hotel and dates close to the award of the contract.

- **A witness:** A City Council employee who declares having seen the manager of "Soluciones Digitales LTD" and the City Council's IT Director meet on several occasions outside of working hours.

4. Report of non-compliance with requirements

- **Quality certificate:** A document issued by a certifying entity indicating that "Soluciones Digitales LTD" does not have ISO 9001 certification at the time of submission of the offer.

- **Response from the certifying entity:** An email confirming that the company has not requested or obtained the required certification.