

WHAT IS BID RIGGING?

Two or more suppliers/purchasers collude on bid submission for tenders. They may take turns to win a tender by agreeing on terms in a bid submission, or not participate in certain tenders after agreeing on who should win the tender.

Impact? Suppliers do not genuinely compete, resulting in customers not getting the best offers which a competitive process should provide.



WATCH OUT FOR SIGNS OF POSSIBLE BID RIGGING:



SIMILARITIES IN BIDS

- Same text errors in bid documents
- Same text when one would expect the text to be different
- Different bid submissions created by the same author
- Bids submitted from same IP address
- Insufficient details submitted for tender evaluation



ODD PRICE DIFFERENCES

- Unexplained bid price increase from the same bidder as compared to past similar tenders
- Large price differences between winning and losing bids with little difference in quality



'FISHY' BUSINESS BEHAVIOUR

- Successful bidder subcontracts to losing suppliers that submitted higher bids
- Bidders suggest they know competing bidders' prices or identities



FOR TENDER DESIGN

- **Research the industry, including suppliers, goods & services, prices and trends**
- **Avoid unnecessary tender restrictions, so as to allow more suppliers to participate**
- **Define requirements clearly, specify desired outcomes**
- **Require bidders to declare any relationships with entities that may be competing bidders, and that bids submitted were determined independently**
- **Include a warning to bidders about the penalties for bid rigging**