

# Bid-rigging: advice for public sector procurers

## What is bid-rigging?

Bid-rigging is when suppliers agree to limit competition in the procurement process, thereby denying the customer a fair price. Bid-rigging agreements can take several forms, such as:

- bid rotation – where firms agree to take it in turns to submit the lowest bid
- bid suppression – where one or more firms agree not to bid, or to withdraw their bids
- cover pricing – bidders arrange for one or more of them to submit an artificially high bid, distorting the procurer's impression of the competitive price

## Why should public sector procurers care about bid-rigging?

- it can cost the taxpayer money
- it can exclude potentially more efficient competitors from the bidding process
- it may reduce suppliers' incentives to improve quality or innovate

## How to spot suspicious bidding patterns

- bids received at the same time or containing similar or unusual wording
- different bids with identical prices
- bids containing less detail than expected
- the likely bidder failing to submit a bid
- the lowest bidder not taking the contract
- bids that drop on the entry of a new or infrequent bidder
- the successful bidder later subcontracting work to a supplier that submitted a higher bid
- expected discounts suddenly vanishing or other last minute changes
- suspiciously high bids without logical cost differences (for example, delivery distances)
- a bidder that betrays discussions with others or has knowledge of previous bids

**Bid-rigging can cost the taxpayer money. Stay alive to the possibility that your suppliers are rigging bids and report any suspicious behaviour to the CMA.**



## What can public sector procurers do to reduce the risks of anti-competitive behaviour?

Look for suspicious bidding patterns, and inform suppliers that you will be looking.

Consider requiring bidders to sign non-collusion clauses and/or certificates of independent bids.

Avoid tender list management that incentivises firms to bid even if they do not want the work.

Share experience with other public sector procurers.

**Report a cartel:**  
**T: Cartels Hotline**  
**020 3738 6888**  
**E: Cartelshotline**  
**@cma.gsi.gov.uk**

[www.gov.uk/cma](http://www.gov.uk/cma)

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