

DO YOU PROCURE? ARE YOU SENSITIVE TO BID RIGGING?

In this e-Guide, learn what is Bid Rigging, it's various types and indicators!



SO, WHAT IS BID RIGGING?

According to Competition Act – It is any agreement, between enterprises or persons engaged in identical or similar production or trading of goods or provision of services, which has the effect of eliminating or reducing competition for bids or adversely affecting or manipulating the process for bidding.



TYPES OF BID RIGGING?

1.

IDENTICAL BIDDING:
competitors agree to submit identical bids

2.

SUB-CONTRACTING:
winner sub-contracts to other pre-designated bidders

3.

NON-CONFORMING BIDDING:
Bidders deliberately introduce certain conditions under the contract that may not be acceptable to the buyer

4.

COVER BIDDING:
pre-decided bidder wins the contract, others bid high

5.

BID SUPPRESSION:
competitors deciding not to bid against each other & pull out

6.

BID-WITHDRAWAL:
winner withdraws the bid to ensure a pre-decided bidder is awarded contract

7.

BID ROTATION:
competitors mutually agree in designating winners in advance – on rotational or geographical basis.



ARE THERE ANY INDICATORS?

There are some indicators & warning signals that you should pay heed to. We have outlined 10 scenarios for your reference.

1. Same vendor wins often
2. Some vendors win in only certain geographic areas
3. Vendors suddenly withdraw from bidding
4. Some companies always participate but never win.
5. The L1 bidder frequently sub-contracts work to unsuccessful bidders.



ARE THERE ANY INDICATORS?

6. Competitors meet just before the tender deadline.
7. Sudden increases in price by bidders.
8. Huge difference between the price of a winning bid and other bids.
9. A vendor submits its own as well as a competitor's bid and bidding documents.
10. Comparable transportation costs specified by local and non-local suppliers.



SO, WHAT CAN YOU DO?

As a buyer, you have to be aware of what is happening around in the procurement eco-system. Hence it is recommended that you pay heed to the following very closely.



BIDS



DOCUMENTS



**BID PRICING
PATTERNS**



**STATEMENT
OF BIDDERS**



**BEHAVIOR
OF BIDDERS**



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