

Mini Plenary #1

Raising Awareness of bid-rigging with
(and generating leads from) public
procurement agencies/authorities

INTERSTELLAR TENDER

Your name



JUPITER

35%
of interstellar
resources

Bid A

IMU



VENUS

30%
of interstellar
resources

Bid B

IMU



MARS

25%
of interstellar
resources

Bid C

IMU



MERCURY

10%
of interstellar
resources

Bid D

IMU

YOUR BIDS

You have **1000 Interstellar Monetary Units (IMUs)**.
Therefore, the sum of your four bids must equal 1000 IMUs.

PIA ÖDQVIST



**Lawyer at the Swedish Competition Authority
Competition Counselor**

Project leader in cartel investigations

**Responsible for methodological internal support
for dawn-raids and interrogations**

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Pia Ödqvist

4 October 2017

Outreach activities – public procurement officials

The SCA offers public procurement officials training with the purpose of:



- » Raising awareness on how to detect cartel activity.
- » How they can reduce the risk of bidrigging cartels.

CHECKLIST

Twelve ways to detect a bid-rigging cartel



High prices?

Companies can submit tenders for the sake of appearances, aware that another company will win the contract.



Price variation?

If one company submits a significantly higher tender in certain procurements than others, without there being any obvious differences in cost, this could be a sign of a bid-rigging cartel.



Large price differences?

Inexplicable price differences between the winning tender and other tenders could be a sign that the others have a bid-rigging cartel.



Similar prices?

If several companies submit identical prices, this could mean that they have agreed to share the contract.



Coordinated boycott?

If none of companies submits a tender, this could mean there is a coordinated boycott in order to influence the conditions of the procurement.



Few tenders?

Companies can refrain from submitting a tender within a certain area to allow another company to win the contract there.



Similar tenders?

It is illegal to have sector-wide pricelists and thereby submit similar tenders.



Suspicious patterns of behaviour?

If the same company wins the contract each time it comes up for renewal, the companies may have divided up the market between themselves.



Collaboration with sub-contractors?

If the company that wins a contract engages the services of the companies that submitted higher tenders in the same procurement, this could be a sign of a bid-rigging cartel.



Carelessly prepared tenders?

If only the winning tender is prepared with thoroughness and attention to detail, while the others appear to be carelessly put together, this could be a sign of a bid-rigging cartel.



Identical wording?

Be on the lookout for identical wording, the same errors in calculations or the same letter paper and forms between the companies.



Alternating lowest tender?

If the suppliers appear to have taken turns in submitting the lowest price in a procurement, they may have agreed who will win the contract in certain years.





Honesty pays

How to detect and prevent bid-rigging cartels

INFORMATION FROM THE SWEDISH COMPETITION AUTHORITY

 **KONKURRENSVERKET**
Swedish Competition Authority

Bid-rigging cartels and corruption

Reveal secret information



Influence the evaluation of bids

Convince the procurer not to publish a contract notice

Convince the procurer not to contact authorities

Conclusions

- » Raising awareness among public procurement officials should involve both information about detection and how to make tenders less prone to bid-rigging.
- » Cooperation with other authorities will increase your chances of finding bid-rigging cartels.
- » Have an understanding of procurers' situation and convince them that alertness will pay off.

www.konkurrensverket.se

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Torshgatan 11, Stockholm, Sweden

Your name _____



Fully agree

Partially agree

Disagree

Comments/suggestions?

BARBARA GLOVER



**Assistant Deputy Minister
Public Services and Procurement Canada**

Responsible for oversight of departmental operations

**Responsible for public consultations
Government of Canada's Integrity Regime and
deferred prosecution agreement regime**

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The Government of Canada experience

Barbara Glover

4 October 2017

Topics

- I. Context
- II. Canada's framework to detect and prevent corporate wrongdoing in federal procurement
- III. Partnerships with the Competition Bureau and Royal Canadian Mounted Police



Context

- The Government of Canada (GC) awards approximately \$20 billion worth of contracts and real property agreements annually.
- Given the sizeable financial flows of these expenditures, contracts and real property agreements have the potential to leave the GC vulnerable to fraud, collusion and corruption.
- Over time, the GC has established a strong framework to detect and prevent various types of corporate wrongdoing in the context of federal procurement, including bid-rigging.



PSPC fraud/wrongdoing risk management framework

GOVERNANCE AND COMMUNICATION



PREVENTION

DETECTION/MONITORING

ENFORCEMENT/RECOVERY



CONTINUOUS ASSESSMENT

- Enhanced integrity of the contracting process
- Reduced fraudulent activities against the Crown
- Continued confidence in public servants/institutions



Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Key elements of Canada's framework

- **Procurement Code of Conduct**

Ensures all involved in the procurement process understand what is expected of them. Establishes clear linkages to the Government of Canada's measures, policy and legislation on matters of conflict of interest and anti-corruption.

- **Federal Contracting Fraud Tip Line**

Collects anonymous information from suppliers, their employees and competitors on unethical business practices in federal procurements.

- **The Government-wide Integrity Regime**

Aims to reduce the risk of the Government of Canada entering into contracts or real property agreements with unethical suppliers.



Each of these elements are supported by solid partnerships

- PSPC works in partnership with the Competition Bureau and the Royal Canadian Mounted Police to detect and prevent unethical business practices in the context of contracts and real property agreements.
- Examples of these partnerships include, but are not limited to:
 - Screens pilot project
 - Federal Contracting Fraud Tip Line
 - Bid-rigging awareness sessions
 - Information sharing related to special investigations and disclosures





ADDRESSING CORPORATE WRONGDOING IN CANADA

#LetsTalkCorporateWrongdoing

canada.ca/lets-talk-corporate-wrongdoing



Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Related links

Integrity Regime

<https://www.tpsgc-pwgsc.gc.ca/ci-if/ci-if-eng.html>

Federal Contracting Fraud Tip Line

www.canada.ca/contract-fraud-tipline

Public Services and Procurement Canada Code of Conduct

<https://www.tpsgc-pwgsc.gc.ca/apropos-about/code-cond-eng.html>

Consultation: Expanding Canada's toolkit to address corporate wrongdoing

www.canada.ca/lets-talk-corporate-wrongdoing



Public Services and
Procurement Canada

Services publics et
Approvisionnement Canada

Your name _____



Fully agree

Partially agree

Disagree

Comments/suggestions?

Let's discuss

Moderator's comments

- Fight against bid rigging supports fight against corruption in public procurement and increases welfare
- Advocacy and enforcement reinforce each other
- Institutional cooperation improves detection and effectiveness

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