

# Press release: CMA launches digital tool to fight bid-rigging

The Competition and Markets Authority (CMA) has worked with Spend Network, a company specialising in public procurement and finance data, to develop the tool which is freely available for procurement professionals to download and use.

The software uses algorithms to spot unusual bidder behaviour and pricing patterns which may indicate that bid-rigging has taken place.

Bid-rigging is a serious form of illegal behaviour that can cause public authorities to overpay when buying goods and services.

It occurs when suppliers form a cartel and agree the prices they will bid when quoting for contracts rather than competing fairly.

This removes the incentive for businesses to keep their prices low and means purchasers can end up paying more than they should.

In some cases, this kind of cartel can raise prices by as much as 30%.

John Kirkpatrick, CMA Senior Director of Advocacy, said:

Bid-rigging in the public sector can cost taxpayers many millions of pounds. Companies disguise their bids so that they look like they're genuinely competing, when in fact they are colluding with each other to take advantage of the public purse.

We have launched this free tool to help public procurers spot and stop cartels and make sure real competition gets them good value for taxpayers' money.

The Central Procurement Directorate is responsible for public procurement policy in Northern Ireland and has been a key partner in developing and testing the tool.

It said:

Public authorities are under constant pressure to ensure maximum value for taxpayers' money. That is why we welcome this invaluable tool from the CMA, which can help procurement teams check they are not being unfairly taken advantage of by suppliers who try to 'game the system'.

We've been testing the tool and it's quick and easy to use. Once you've organised your data, you can run it at the click of a

button! It provides you with a clear report at the end, and even allows you to adjust the thresholds and weightings to make it more suitable to the data you are testing.

We would encourage all local authorities to download and use the tool to help combat fraud in the public sector, and provide peace of mind that supply chains are healthy and competitive.

The tool will tell you which – if any – of your procurement exercises show signs of bid-rigging and might merit a closer look.

If, having investigated any suspicious procurement exercises, something still looks odd, you can call the [CMA cartels hotline](#) and we can help you investigate.

The free tool is digitally signed with Microsoft Authenticode certification and has high level IT assurance from the Government Digital Service (GDS) – so we're confident it works well.

After carrying out rigorous penetrating testing on the tool, the GDS is content that issues identified have been remediated to an acceptable level of risk for government usage in alignment with Government Security Secretariat policy.

It is available for download on GitHub, an open source development platform. To receive log in details to access the GitHub site, please email [screeningforcartels@cma.gsi.gov.uk](mailto:screeningforcartels@cma.gsi.gov.uk).

For further details, please see [Screening for cartels: tool for procurers](#).

The CMA has also produced other guidance on bid-rigging to help procurers. This includes a [60-second summary](#), an [open letter](#) and an [e-learning module](#) that gives pointers on what to look out for.

## Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law.
2. The Competition Act 1998 prohibits anti-competitive agreements, concerted practices and decisions by associations of undertakings which have as their object or effect the prevention, restriction or distortion of competition within the UK or a part of it and which may affect trade within the UK or a part of it. Similarly, Article 101 of the Treaty on the Functioning of the European Union (TFEU) prohibits such anti-competitive agreements, concerted practices and decisions by associations of undertakings which may affect trade between EU member states.

3. The CMA has produced a series of [animated videos](#) explaining the main principles of competition law and how they affect small businesses.
4. Any business found to have infringed the Competition Act 1998 could be fined up to 10% of its annual worldwide group turnover. In calculating financial penalties, the CMA takes into account a number of factors including seriousness of the infringement(s), turnover in the relevant market and any mitigating and/or aggravating factors. Bid-rigging cartels are amongst the most serious and harmful forms of offence the CMA investigates.
5. An early version of the tool was tested by some public authorities, as a result the algorithms and thresholds were adjusted in light of their experience.
6. The tool secured a [higher level of IT assurance from the GDS](#). So we are confident it is safe and ready to use.
7. For more information on the CMA see our [collection page](#) or follow us on Twitter [@CMAgovuk](#), [Facebook](#), [Flickr](#) and [LinkedIn](#). Sign up to our [email alerts](#) to receive updates on Competition Act 1998 and civil cartels cases.
8. Enquiries should be directed to Rebecca Cassar [rebecca.cassar@cma.gsi.gov.uk](mailto:rebecca.cassar@cma.gsi.gov.uk), 020 3738 6633.