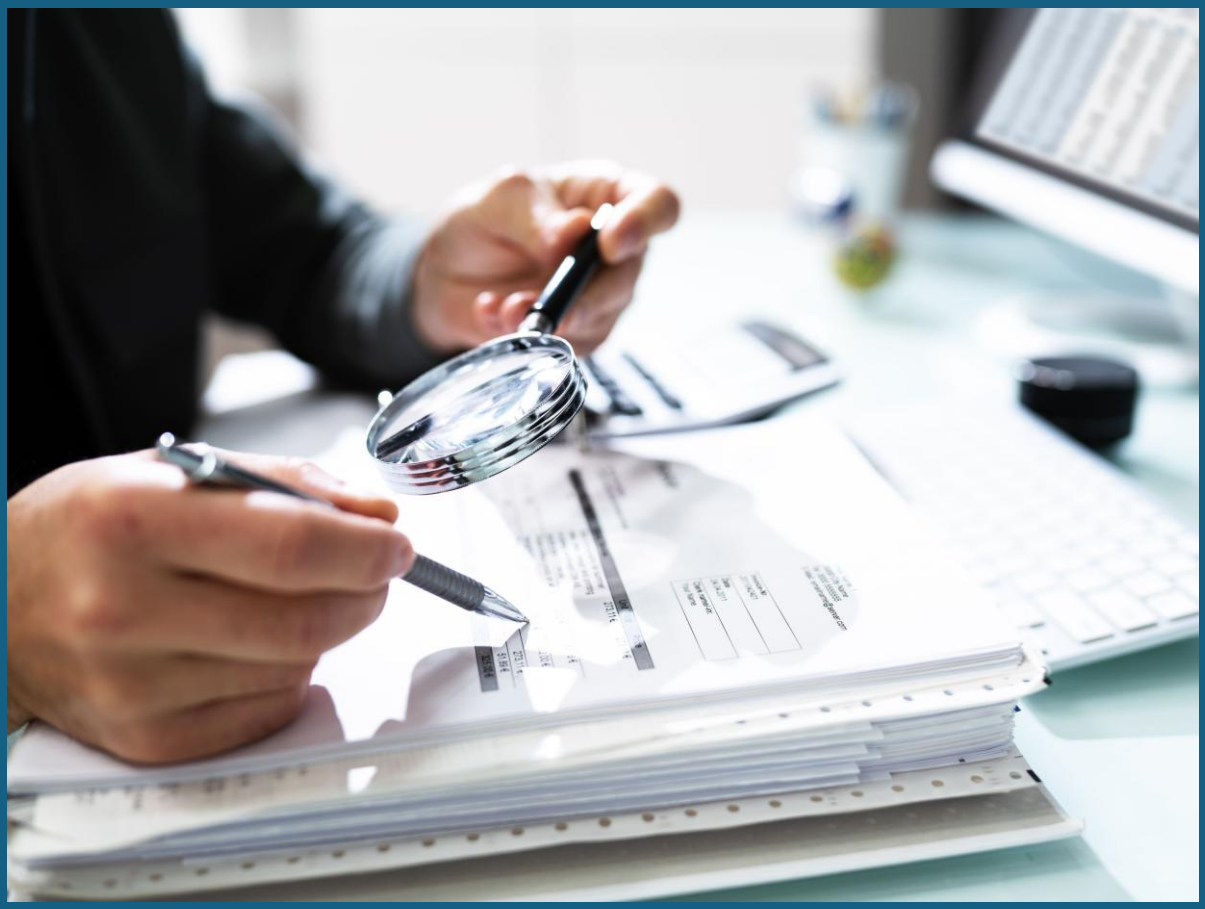
Detecting Bid Rigging – When the Tender Results Do Not Add Up



Procurement and Supply Chain Management Made Simple.

Foreword

Competitive tendering rests on one principle: suppliers must decide independently whether to bid, how to price and what terms to offer. UK public bodies spent £395 billion on procurement in 2024/25, according to the House of Commons Library's analysis of the Whole of Government Accounts. Even modest erosion of that independence carries significant cost. When rivals coordinate rather than compete, the paperwork of a fair contest can survive while its substance disappears.

In the United Kingdom, agreements between undertakings that have as their object or effect the prevention, restriction or distortion of competition may infringe the Chapter I prohibition in section 2 of the Competition Act 1998, the principal statutory framework against which suspected anti-competitive coordination should be assessed. The Competition and Markets Authority estimates that bid rigging can inflate the prices public bodies pay by 20% or more, a margin that, on a single major contract, can run into millions of pounds in avoidable costs.

Collusion rarely announces itself through confession or a single dramatic event. It tends to surface through repeated pricing patterns, suspicious withdrawals, near-identical tender documents, rotating winners, or suppliers that quietly avoid particular customers and territories. Any one indicator can have an innocent explanation. The skill lies in recognising when separate anomalies accumulate into a pattern that ordinary commercial behaviour cannot readily explain.

Procurement teams occupy a distinctive vantage point because they see what individual suppliers cannot. They compare competing prices, evaluate submissions, observe bidder conduct and retain records across successive competitions. That cumulative visibility can expose relationships that are invisible within any single tender: a bid that looks unremarkable on its own may become significant when set against previous awards, bidder combinations, geographic outcomes, and shifts in commercial behaviour over time.

Detection increasingly pairs professional judgement with data. Bid dispersion, participation rates, win sequences, geographic concentration, supplier combinations, and pricing correlation can all help surface unusual behaviour across large datasets, and the CMA is now investing in AI and data science tools to scan bidding data at scale. Technology sharpens scrutiny, but it cannot replace context; anomalies still require interpretation against capacity, cost structures, market design and the realities of the sector concerned.

Prevention matters as much as detection. Procurement design can strengthen rivalry or facilitate coordination: restrictive qualification criteria, predictable supplier lists, repetitive contract structures and unnecessary disclosure of sensitive information can reduce competitive tension. Broader participation, proportionate requirements and carefully managed market engagement make collusion harder to organise. At the same time, independent bidding declarations and non-collusion clauses reinforce expectations that suppliers must compete genuinely and independently for public contracts throughout the procurement process.

Since February 2025, the Procurement Act 2023 has strengthened exclusion and debarment consequences for cartel activity, while individuals who agree to rig bids may also face criminal liability under the Enterprise Act 2002, subject to statutory exclusions and defences. Effective protection ultimately depends on informed people, reliable records, and disciplined governance: training, legal awareness, market intelligence, and data analysis together protect competition, public money, and confidence in the integrity of public tendering.

The Procurement Professional as the First Line of Detection

Procurement professionals sit at the centre of the fight against bid rigging because they routinely compare prices, documents, bidder behaviour and outcomes across competing suppliers. A single tender may reveal nothing conclusive, yet repeated competitions can expose patterns invisible to individual evaluators or contract managers. The CMA therefore encourages public procurers to remain alert to suspicious bidding behaviour, recognising that procurement data can provide an early warning of collusion long before a formal investigation begins.

That visibility matters because cartel behaviour is designed to look like independent competition. Teams may notice identical prices, unusual wording, recurring withdrawals, uncompetitive bids, or sudden price reductions when an unfamiliar supplier enters the market. None proves wrongdoing on its own; significance grows when the same suppliers repeatedly appear together, alternate victories, avoid particular territories, or behave differently depending on who else is competing.

The CMA's guidance identifies suspicious patterns including identical prices, similar or unusual wording, expected bidders failing to appear, lowest bidders declining contracts, prices falling when new or infrequent bidders enter, and winners subsequently subcontracting to firms that lost. Procurement professionals are typically the first to connect these signals because they alone hold tender submissions, evaluation records, and award histories across successive competitions.

Detection must remain evidence-led throughout. A suspicious price, withdrawal, shared phrase or subcontracting arrangement can have a legitimate explanation, so records should capture facts rather than conclusions. Where concerns accumulate, legal, governance, or counter-fraud procedures should be engaged, and credible suspicions of cartel conduct should be reported to the CMA, which since 2023 has offered financial rewards of up to £250,000 to individuals whose information leads to a successful investigation.

Suspicious Pricing Patterns

Pricing is one of the clearest places to look for signs that supposedly independent bids may not reflect genuine competition. The OECD's 2025 Guidelines for Fighting Bid Rigging in Public Procurement identify unexplained identical price increases, discounts that vanish without cause, repetitive price differences and unusually large gaps between winning and losing bids as warning signs. None alone establishes collusion, but repeated anomalies across comparable procurements justify closer examination of bidder behaviour and market conditions.

Identical or near-identical prices deserve attention when the same suppliers previously priced differently, or when varying costs, specifications and commercial circumstances should have produced variation. A cluster of bids separated by unusually small or mathematically regular margins can suggest coordination rather than independent calculation. Teams should compare unit rates, percentage differences and historical bids while weighing legitimate explanations such as common input costs, regulated prices or highly standardised products.

Consistently high losing bids can indicate cover pricing, in which suppliers submit deliberately uncompetitive tenders to create the appearance of competition while allowing an agreed bidder to win. This was central to the Office of Fair Trading's 2009 construction case, in which 103 firms were fined a total of £129.2 million for bid rigging across 199 tenders between 2000 and 2006, mostly through cover pricing and related collusive practices.

A sudden price reduction when a new or infrequent supplier enters can also be revealing. The OECD notes that a significant price decline following such entry may signal that an outsider has disrupted an established cartel. Comparing prices before and after changes in bidder participation can expose timing that warrants investigation, even though falling prices may equally reflect ordinary competition, spare capacity or shifting input costs.

Identical Pricing Errors Across Different Bids

Identical errors across supposedly independent bids can be more revealing than identical prices, because genuine competitors normally prepare calculations, documents and spreadsheets separately. The OECD's 2025 detection guidance lists identical miscalculations, incorrect numbering and matching mistakes in bids from different companies as warning signs. An arithmetic slip, duplicated decimal error or unusual formula can indicate common preparation or copying, though innocent explanations must still be tested.

The significance turns on the nature of the mistake. Two suppliers applying the same published tax rate or rounding convention is unremarkable. Two independent bidders reproducing the same incorrect multiplication, transposed figure or obscure spreadsheet formula is much harder to explain by coincidence. Reviewers should first check whether the error originates in the contracting authority's own template, since a defective formula supplied to every bidder could legitimately generate identical results.

Spreadsheet evidence is particularly useful because formulas expose how a price was built rather than merely showing the final figure. Where separate bidders share an unusual calculation sequence, hidden assumptions, cell references or an erroneous formula, that similarity may justify scrutiny. Native electronic files should be preserved rather than printed or converted copies, since formulas, metadata and document properties can reveal how and when competing submissions were actually prepared.

An error becomes genuinely concerning when it sits alongside other anomalies. Matching miscalculations, identical wording, similar formatting, aligned submission timing or regular differences between bid prices together form a stronger evidential pattern than any single feature. The OECD recommends examining tender documents for indications that competing bids were prepared by the same person or jointly, and teams should weigh combinations of red flags rather than treat any mistake as conclusive on its own.

Suspiciously Similar Tender Wording

Tender submissions should be independently prepared, so unusually similar wording can indicate that competitors have communicated or shared material. The OECD lists identical spelling or grammatical errors, matching document order, incorrect numbering and similar formats as possible signs of bid rigging, while CMA guidance separately flags bids containing similar or unusual phrasing. Teams should compare submissions carefully when supposedly rival suppliers repeatedly use the same distinctive language or make the same mistakes.

Similarity matters most when it goes beyond shared industry terminology. Competing suppliers may legitimately describe statutory requirements or technical standards in comparable language, particularly where the contracting authority prescribed the wording. Concern grows when several bids reproduce the same unusual phrase, qualification, exclusion, or grammatical error that was not included in the tender documents, since such repetition can indicate copying or prior exchange between bidders.

Formatting can offer further clues. Separate bidders may legitimately use similar templates, but matching headings, typographical errors, unusual fonts, indentation, table layouts or sequencing can point to a common source where no tender template required them. Similarity should be weighed cumulatively across presentation and substance rather than judged on any single feature in isolation, consistent with OECD advice to inspect documents for signs of joint preparation.

Qualifications and exclusions deserve particular attention because they usually reflect a bidder's own assessment of risk. Where ostensibly independent suppliers use identical caveats, liability wording or exclusions from scope, teams should ask whether normal commercial reasoning explains the overlap. Concern strengthens where the language is uncommon, appears in the same position across bids, and coincides with aligned prices or other suspicious bidding behaviour.

Common Document Characteristics

Tender files can reveal similarities invisible on the printed page. The OECD's 2025 guidance identifies matching metadata as a possible warning sign, including documents created by the same author, files generated at or near the same time, and bids originating from the same IP address. Such characteristics may point to common preparation, although shared consultants, software platforms or procurement portals can sometimes provide a legitimate explanation for the overlap.

Spreadsheet structure can be particularly informative because it records how a price was built. Two bidders sharing the same formula, hidden worksheet, sequencing convention or calculation error may warrant closer examination where the contracting authority did not supply that structure. Similarities matter more when they concern idiosyncratic features rather than standard functions, and teams should preserve native files, since converted PDFs strip out formulas, properties and metadata.

Metadata can reveal software, author details and creation or modification times, depending on how a file was generated. The OECD specifically recognises matching metadata as a warning sign. However, it is not inherently reliable evidence of collusion on its own: shared advisers, group companies or reused templates can create legitimate similarities. It should support a wider evidential picture rather than determine conclusions in isolation.

Common presentation quirks can also matter: repeated misspellings, unusual pagination, identical chart styles, matching comments or unexplained worksheet names may indicate a shared origin, particularly where several such features appear together and cannot be traced to the authority's own template. Reviewers should compare both visible content and underlying file structure before deciding whether escalation is justified.

Electronic evidence needs careful handling once concerns arise. Original files should be retained without alteration, along with submission records, timestamps, and correspondence, to protect the integrity of any subsequent internal review or CMA investigation. Editing source documents for analysis can alter metadata, so working copies should be examined separately while originals remain preserved within the organisation's controlled records system.

Unexpected Bid Withdrawals

Unexpected withdrawals can indicate bid suppression, which the CMA describes as an arrangement in which one or more firms agree not to bid or to withdraw a bid, thereby clearing a route for another participant to secure the contract. The OECD similarly flags suppliers that unexpectedly or frequently withdraw submitted bids. Repeated withdrawals deserve particular attention where the bidder would ordinarily have had credible reasons to compete through to award.

A single withdrawal may well be legitimate: capacity constraints, revised risk assessments, pricing errors, loss of key personnel or competing commitments can all make continued participation unattractive. Concern grows when the same supplier repeatedly withdraws from desirable opportunities, does so shortly before award, or keeps bidding elsewhere under comparable conditions. Teams should record the reasons given and test whether those explanations match the commercial circumstances.

Patterns across suppliers can be more revealing than any single withdrawal. If Supplier A withdraws when Supplier B is best placed to win, while Supplier B later withdraws from a tender favouring Supplier A, the sequence may warrant examination for rotation or suppression. Suspicion strengthens if withdrawn suppliers later receive subcontracts, if expected bidders repeatedly stay away, or if withdrawals coincide with unusual price movements across a series of tenders.

The Winning Bidder Subcontracting to a Losing Bidder

Subcontracting is common and often economically efficient, allowing a prime contractor to

draw in specialist capability, local coverage or additional capacity it does not hold internally. Concern arises when a successful bidder unexpectedly subcontracts substantial work to a competitor that submitted a losing bid, since the OECD identifies this pattern as a possible warning sign: a subcontract can serve as compensation for agreeing not to compete.

Commercial context matters. A losing bidder may be the most capable specialist for a discrete package, or hold scarce equipment or accreditation needed for delivery, all of which can explain subcontracting without any collusion. Suspicion increases where the losing bidder was previously capable of delivering the whole contract, its bid appeared deliberately uncompetitive, or the subcontract was foreseeable but concealed during tendering without a convincing operational rationale.

OECD guidance explains that bid-rigging cartels may compensate participants who lose or refrain from bidding by awarding them subcontracts or supply arrangements once the designated winner secures the work, helping conspirators share cartel profits and discouraging members from cheating on the agreement. Teams should therefore compare declared supply chains against post-award subcontracting, especially where the same competitors repeatedly exchange work after losing tenders.

Historical UK enforcement shows precisely why compensation deserves scrutiny. In the OFT's 2009 construction case, alongside the 199 rigged tenders, the OFT found six instances in which successful bidders made agreed payments to unsuccessful bidders, ranging from £2,500 to £60,000 and facilitated by false invoices. Although payments rather than subcontracts, they demonstrate concretely how losing participants can be rewarded for supporting a collusive scheme.

Rotation of Contract Awards

Bid rotation occurs when competitors agree to take turns winning contracts rather than compete independently for each opportunity. The arrangement may follow a simple sequence, such as Supplier A, then Supplier B, then Supplier C, or allocate contracts by value, volume or market share. The OECD recognises rotation as a classic form of bid rigging and warns procurement officials to watch for companies that repeatedly appear to take turns winning.

A rotating sequence is suspicious when losing bids appear designed not to win: prices are unusually high, qualifications are needlessly restrictive, or submissions are compliant yet consistently weak. Cover bids can support rotation by preserving the appearance of competition while protecting the agreed winner. The Public Sector Fraud Authority describes bid rotation as firms agreeing to take turns submitting the most attractive bid so that each obtains a share of the available market.

Rotation rarely becomes obvious from a single procurement because each award can look defensible viewed in isolation. A team may see three compliant bids, evaluate them correctly and award to the highest-scoring supplier without detecting anything unusual at all. The pattern only becomes visible when results are compared over time, when win sequences, bidder combinations, price gaps and participation rates reveal a regularity that ordinary commercial rivalry would not readily produce.

Patterns should still be tested against legitimate explanations. Different suppliers may have genuinely different capacities, specialist expertise, or geographic strengths that lead to awards alternating without coordination. At the same time, framework call-offs, seasonal workload, and contract size can influence who bids competitively at any given time. Concern strengthens where rotation remains unusually orderly despite changing specifications and market conditions, particularly if losing suppliers rarely challenge the apparent turn.

Teams should retain enough data to identify recurring sequences rather than relying solely on individual evaluation files, capturing bidder identity, price, score, withdrawal, contract value, location, incumbency, subcontractors and award outcome. The OECD recommends examining bidding patterns and the frequency of wins and losses; where apparent rotation

coincides with cover bids, withdrawals or suspicious communications, the combined evidence provides a stronger basis for escalation.

Geographical Patterns in Tender Results

Geographical allocation is another recognised form of bid rigging, in which competitors agree that each will dominate particular territories and avoid meaningful competition in areas allocated to others. The OECD describes market allocation as agreements not to compete for particular customers, geographic areas, bids, goods, services or works. Teams may detect concerns when suppliers consistently win in specific territories despite having the capability to compete in neighbouring areas for comparable contracts.

The pattern can appear through participation as much as through awards. A supplier might bid aggressively in one county while declining invitations or submitting weak, high-priced bids just across the boundary, with a competitor behaving in exactly the opposite way. Repetition matters: one distant project may involve high mobilisation costs, but a persistent geographic division between capable competitors is harder to explain where travel distances and delivery conditions remain comparable.

Pricing can help distinguish genuine geographic cost differences from suspicious allocation. Transport, labour availability, depot locations, congestion, local wage rates and mobilisation requirements can legitimately make one territory more expensive than another. Analysts should compare price differentials against measurable cost drivers rather than assume that regional variation indicates collusion, with concern rising when prices change abruptly at territorial boundaries or when bidders reverse their competitiveness upon entering areas routinely won by particular rivals.

The OECD's detection guidance identifies geographic allocation of winning tenders as a warning sign, including cases where particular bidders win only in specific areas. Mapping awards, bid participation, and price rankings over several years can expose boundaries that are invisible in spreadsheets, particularly where the same firms repeatedly avoid one another; analysis should include unsuccessful bids, as cover pricing can conceal an underlying territorial agreement.

Geographic patterns should always be weighed against market structure and operational reality. Suppliers with local depots, specialist licences or shorter travel distances may hold genuine regional advantages, and teams should document these explanations before escalating. Where boundaries remain stable despite new contracts, changing costs and sufficient supplier capability, the pattern becomes more significant, particularly alongside reciprocal non-entry, cover bids or statements suggesting a territorial understanding.

The Same Suppliers Always Winning the Same Customers

Customer allocation operates like geographic allocation, except competitors divide buyers rather than territories. One supplier may repeatedly win contracts from Customer A while another dominates Customer B, each avoiding meaningful competition for the other's business. The OECD identifies agreements not to compete for certain customers as a form of market allocation; long-term customer loyalty is not inherently suspicious, but reciprocal patterns among capable competitors warrant closer analysis.

Normal competitive advantage can also produce persistent winners. Incumbents may understand an organisation's estate and systems better than rivals, while strong performance or lower logistics costs can support repeated success on entirely legitimate grounds. Teams should therefore ask whether observed outcomes reflect measurable advantages, with concern increasing where other capable suppliers consistently submit token bids, decline opportunities, or price themselves out of particular customers' work while competing aggressively elsewhere.

Customer allocation need not be confined to construction. In 2018, following a tip-off, the CMA found that two of the UK's largest suppliers of barbecue charcoal had shared out customers

and rigged bids between themselves, and fined the pair £3.4 million in total, a figure reduced by 20% because both firms admitted the infringement and cooperated with the investigation. The case shows that customer allocation can arise in ordinary consumer-facing supply chains, not only major infrastructure contracts.

The strongest evidence often lies in reciprocity. Where Supplier A rarely competes seriously for Customer B while Supplier B behaves similarly toward Customer A, outcomes may indicate an understanding to respect established accounts, since OECD guidance notes that market-allocation participants may refrain from bidding or submit cover bids for customers assigned to a fellow conspirator. Behaviour repeated across several buyers can reveal a structure that any single award decision would not expose.

Teams can test customer-allocation concerns by comparing bidder participation, win rates, price rankings, and incumbency across organisations, where lawful data access permits, and assessing these over time and against contract characteristics, because customer specialisation can be entirely legitimate. Suspicion becomes credible when loyalty coincides with reciprocal avoidance, deliberately weak bids, rotation, unexplained subcontracting or evidence of direct communication between competitors.

Suspicious Bid Timing and Behaviour

Bid timing can reveal behaviour that prices alone do not. The CMA identifies bids received at the same time, the sudden disappearance of expected discounts, and other last-minute changes as possible warning signs. Teams should record submission times, withdrawals, amendments, and bidder enquiries rather than treating them as incidental details, since repeated timing patterns involving the same suppliers can become significant when they coincide with unusual pricing or outcomes.

Last-minute withdrawals deserve particular scrutiny where a supplier appeared capable and commercially interested throughout the process. A legitimate bidder may withdraw for genuine reasons, but repeated late withdrawals can also indicate bid suppression, as the OECD lists the unexpected or frequent withdrawal of submitted bids as a warning sign, particularly where regular suppliers continue to compete for comparable opportunities elsewhere without an obvious explanation.

Submission sequences can also become informative when the same suppliers repeatedly tender in a strikingly consistent order or at similar times. Timing alone proves nothing, since procurement portals and shared deadlines naturally cluster submissions. Concern rises when timing aligns with other indicators, such as a single bidder consistently submitting after competitors, late price changes following market participation, or withdrawals that clear a path for the expected winner.

Attempts to discover who else is bidding can also deserve attention. The OECD lists a company's attempt to determine the identities of other bidders as suspicious, particularly when accompanied by meetings, shared enquiries or other evidence of coordination. Procurement teams should distinguish ordinary market curiosity from persistent efforts to obtain non-public bidder information, since apparent advance knowledge of participation or likely outcomes materially strengthens the case for closer examination.

Statements That Reveal Too Much

What individual suppliers say can sometimes reveal more than their formal bids. The OECD lists references to agreements among bidders, statements that territories or customers belong to another supplier, and advance non-public knowledge of a competitor's prices as warning signs. Procurement professionals should record the exact words, date, context, and participants because an apparently casual remark can become important when weighed alongside pricing, participation, and award patterns.

A comment such as "it is their turn" can be particularly significant because bid rotation involves competitors agreeing to take turns winning. The phrase does not prove an unlawful agreement

on its own, since staff may use informal language to describe an expected result, but when it accompanies a recurring sequence of winners and deliberately weak losing bids, it makes an otherwise ambiguous pattern considerably more suspicious.

A remark that another supplier "wanted this one" may be innocuous where competitors understand one another's specialisms. It becomes more concerning when the speaker appears to know a rival's precise intentions before award, or implies that contracts have been informally divided, consistent with OECD guidance treating statements about territory or customer ownership as a warning sign of possible market allocation between competitors.

Beyond the civil regime, statements suggesting a deliberate agreement can also point towards individual criminal liability. Under section 188 of the Enterprise Act 2002, an individual who agrees with others to fix prices, share customers or rig bids commits the cartel offence, punishable on conviction by up to five years' imprisonment and an unlimited fine; three individuals received custodial sentences of up to two-and-a-half years in the 2008 Marine Hoses prosecution. Since 2014, the offence has no longer required proof of dishonesty, thereby widening its reach.

Knowledge of another bidder's pre-publication price is particularly difficult to reconcile with independent bidding when that price was confidential. The OECD expressly identifies advance non-public knowledge of a competitor's pricing as suspicious. An isolated comment may arise from subcontracting discussions or accidental disclosure, so context matters, but concern is heightened when the knowledge is precise, unexplained, and accompanied by other signs that competitors communicated it before submission.

Looking Across Procurements Rather Than at One Tender

A single tender often provides too little context to expose collusion. Three compliant bids and a defensible award can appear entirely competitive even where suppliers coordinated behind the scenes. The OECD therefore recommends examining bidding patterns and the frequency with which firms win or lose, since a clearer picture emerges once several years of awards, unsuccessful bids, withdrawals and subcontracting relationships are analysed together rather than reviewed in isolation.

Longitudinal analysis can reveal patterns that individual evaluation panels cannot see: Supplier A may repeatedly win one customer while Supplier B wins another, both often submitting losing bids to preserve the appearance of competition; or three suppliers may rotate awards while strategically withdrawing. Mapping bidder combinations, pricing gaps and participation across many procurements can surface regularities that would be statistically or commercially difficult to spot in any single competition.

Historical data also helps distinguish collusion from legitimate commercial behaviour. A high price in one tender may reflect genuine capacity constraints or risk, while a withdrawal may result from workload; if the same behaviour recurs whenever a particular competitor participates, however, the innocent explanation becomes progressively less persuasive, which is why the OECD recommends retaining winning and losing bids, correspondence and records of suspicious behaviour within controlled information systems.

The clearest UK illustration of the value of looking across tenders is the CMA's 2023 finding against ten construction firms — Brown and Mason, Cantillon, Clifford Devlin, DSM, Erith, John F Hunt, Keltbray, McGee, Scudder and Squibb — which collectively rigged bids for 19 demolition and asbestos-removal contracts worth over £150 million between January 2013 and June 2018, affecting sites including the Metropolitan Police Training College, Bow Street Magistrates' Court, Selfridges and Oxford University. The CMA imposed fines of £59,334,957 and secured the disqualification of three company directors.

Analysis across procurements should still avoid assuming that repetition equals collusion. Incumbency, regional depots, specialist accreditation and genuine supplier capacity can legitimately produce recurring winners and bidder combinations. The purpose is to identify

patterns that require explanation, not to manufacture a finding of guilt. Where several independent indicators converge, teams should preserve the evidence, seek specialist advice, or report serious suspicions to the CMA rather than confront suppliers directly.

Using Data Analytics to Detect Collusion

Data analytics allows procurement teams to test patterns systematically rather than rely on intuition. Useful measures include bid dispersion, participation rates, win rates, price rankings, geographic distribution, withdrawal frequency, recurring supplier combinations and subcontracting relationships. Correlation analysis can identify prices that move together unusually closely, while anomaly detection highlights departures from historical behaviour; the objective is to prioritise procurements for human review, not to automate determinations of guilt.

Bid dispersion can show whether competitors' prices cluster unusually tightly or maintain recurring gaps, while participation analysis can reveal suppliers that repeatedly appear together, avoid one another, or enter only when particular rivals are absent. Win-rate analysis can identify improbable rotation or dominance, and geographic mapping can expose territorial boundaries; each measure needs commercial context, since transport costs, capacity and procurement design can all produce patterns that resemble collusion without any unlawful agreement.

The CMA has steadily built data science into cartel detection since launching its Screening for Cartels tool with the analytics firm Spend Network in December 2017, giving procurers free software to scan tender data for algorithmic signs of unusual bidder behaviour. Its 2026 to 2027 Annual Plan takes this further, confirming that anti-competitive bid rigging can inflate prices by 20% or more and committing the authority to use AI and other data-science tools to scan bidding data and identify illegal activity at scale.

Analytics is strongest when quantitative signals are combined with documentary and behavioural evidence. A pricing correlation becomes more significant when paired with identical errors, unusual wording, suspicious withdrawals, shared metadata or statements revealing foreknowledge. Teams should establish baselines, monitor changes over time and investigate anomalies proportionately, recognising that data models can identify where scrutiny is warranted, but legal conclusions require sufficient evidence and commercial context rather than algorithmic scores alone.

Red Flags Are Evidence to Investigate, Not Proof of Guilt

Red flags are prompts for investigation, not findings of guilt. The OECD expressly cautions that suspicious bidding patterns, statements and behaviour should not be treated as proof of bid rigging, since innocent explanations may exist: a supplier may quote highly because it assesses risk differently, decline work because capacity is constrained, or withdraw because circumstances genuinely change. Teams should test for anomalies objectively before concluding that collusion or misconduct occurred.

That safeguard matters because procurement data naturally contains coincidence. Similar prices can result from common input costs or regulated charges, repeated winners may reflect incumbency or genuine expertise, and identical document features can originate from authority templates or shared software. The evidential question is therefore whether several independent indicators converge, recur across procurements, and resist a credible commercial explanation, rather than whether a single suspicious feature appears.

The stakes for getting this right have risen under the Procurement Act 2023. A CMA finding that a supplier participated in cartel activity can trigger a mandatory exclusion ground where statutory conditions are met. Suppliers may also be considered for the central debarment list through the ministerial process. Debarment can prevent participation in covered procurements for up to five years, subject to the Act's rules, including self-cleaning and relevant exceptions.

Where several red flags create serious suspicion, teams should preserve records, avoid

alerting suspected bidders, and seek specialist advice; the OECD recommends checking serious suspicions with the relevant competition authority, which in the United Kingdom is the CMA. That division of labour protects due process: procurement professionals identify and document anomalies, while the CMA investigates whether the evidence establishes unlawful coordination under the Competition Act 1998.

Designing Procurement to Promote Genuine Competition

Procurement design can make collusion either easier or harder. OECD guidance recommends maximising participation by genuinely competing bidders through clear specifications, open tendering where possible, and conditions of participation that are relevant and proportionate. Unnecessary turnover thresholds, excessive experience demands or disproportionate guarantees can exclude credible entrants and leave a smaller, more predictable supplier group that is easier to coordinate.

Contract structure also shapes competitive intensity. Large aggregated contracts may attract capable suppliers but exclude smaller competitors, while excessive fragmentation can create convenient parcels for cartel members to divide between themselves. The OECD recommends carefully weighing aggregation and disaggregation, allowing bidding on appropriate lots while avoiding structures that mirror the number of likely bidders, thereby inviting informal allocation.

UK procurement law reinforces attention to participation barriers. Under section 12 of the Procurement Act 2023, contracting authorities must have regard to barriers faced by small and medium-sized enterprises and consider whether those barriers can be removed or reduced. For these purposes, an SME has fewer than 250 staff and either turnover of £44 million or less, or a balance-sheet total of £38 million or less, subject to ownership considerations.

Understanding the Market Before Tendering

Effective prevention starts before the tender is drafted. The OECD recommends understanding the relevant market, potential suppliers, recent industry trends, past tenders and alternative sources of supply. Teams should know how many suppliers could realistically perform the requirement, not merely how many names appear on an approved list; a market with ten registered suppliers may still exhibit weak competition if only three genuinely have the capacity to deliver.

Ownership structures can materially change that picture. Two bidders with different trading names may belong to the same corporate group, and joint ventures, parent companies or commercial ties can affect whether apparently separate bids represent genuinely independent competitive pressure. OECD guidance recommends requiring bidders to disclose corporate structure and beneficial ownership, together with relevant ties to other companies, joint contractors and subcontractors connected with the particular tender.

Capacity and geographic coverage should be tested realistically. A national supplier may lack operational resources in one region, while a smaller local firm may have stronger delivery capabilities there; depot locations, labour availability, specialist equipment, and mobilisation times can all influence competitive reach. Understanding these factors helps teams distinguish legitimate regional pricing from suspicious territorial allocation, and prevents tender requirements from inadvertently excluding suppliers capable of delivering well.

Barriers to entry deserve equal attention because collusion is easier where new competitors rarely enter. The OECD identifies little or no entry as a market characteristic that can facilitate bid rigging, particularly where entry is costly or slow. Teams should examine accreditation, insurance, capital investment, incumbent data access and mobilisation periods to determine whether procurement choices unnecessarily reinforce those barriers for credible new entrants.

Subcontracting relationships can reveal both capability and competitive risk. A supplier may depend on a rival for specialist equipment, labour or inputs, creating commercial links that can

explain pricing or participation patterns without collusion. OECD guidance recommends understanding ties between bidders and requiring disclosure of joint contractors and subcontractors, so market intelligence maps who can deliver independently and where repeated supply-chain relationships could, in practice, reduce genuine competition.

Certificates of Independent Bidding and Non-Collusion Clauses

Certificates of independent bidding require suppliers to confirm that their tenders are genuine and non-collusive. The OECD Recommendation on Fighting Bid Rigging supports signed attestations stating that a bid is genuine, non-collusive and submitted with an intention to accept the contract if awarded. Tender documents may also require disclosure of communications with competitors, making expectations explicit before the authority evaluates bids.

Their value lies in deterrence and accountability rather than detection by themselves. A signed declaration makes it harder for individuals to claim that independence requirements were unclear, and creates a documentary record against which later evidence can be tested. Non-collusion clauses reinforce the same message by prohibiting coordination and setting out contractual consequences, provided they are drafted consistently with applicable procurement and competition law.

Certificates cannot guarantee independent bidding, since a cartel participant may sign falsely. Their effectiveness, therefore, depends on enforcement, proportionate tender controls, and continuing scrutiny of behaviour and data. OECD guidance also recommends warning bidders about the scale of sanctions for bid rigging and explaining reporting mechanisms; combined with training and clear escalation routes, declarations signal that the authority understands the risk of collusion and is prepared to challenge suspicious conduct.

Protecting Commercially Sensitive Information

Commercially sensitive information should be controlled carefully, because excessive transparency can make collusion easier to organise and monitor. The OECD warns authorities to consider carefully what information is disclosed during bidding and after award. Revealing detailed losing prices, bidder identities or strategic information can help competitors understand one another's behaviour, detect deviations from a cartel arrangement, and adjust future bids with greater confidence.

Teams should distinguish necessary transparency from unnecessary commercial disclosure. Suppliers need enough information to understand requirements, evaluation methods, and contractual obligations, but do not normally have access to competitors' confidential pricing strategies or bidding intentions. The OECD specifically recommends avoiding disclosure of bidder identities to one another where possible, since limiting unnecessary information exchange reduces competitors' ability to coordinate conduct during or between tender exercises.

Information released after award also requires judgement. Publishing enough detail to explain the outcome and meet transparency obligations under the Procurement Act 2023 does not require unrestricted disclosure of commercially sensitive material, since the OECD cautions that tender results can facilitate collusion if they reveal information competitors can use to monitor one another. Disclosure rules should therefore balance transparency, accountability and confidentiality rather than assume that more published information automatically improves competition.

Communication channels should also be structured to prevent suppliers learning about competitors indirectly. Clarification questions can be anonymised where appropriate, bidder meetings can avoid unnecessary disclosure of attendance, and commercially sensitive responses should not be circulated. Maintaining records of what information has been shared, and with whom, protects fairness while reducing suppliers' ability to infer competitors' identities, pricing approaches or strategic intentions before award.

Managing Preliminary Market Engagement

Preliminary market engagement can improve procurement design by testing specifications, capacity and likely supplier interest before competition begins. Under section 16 of the Procurement Act 2023, contracting authorities may engage suppliers for purposes including developing requirements and preparing tender documents, provided they take steps to ensure that participating suppliers are not unfairly advantaged and that competition is not distorted as a result.

Market engagement should seek intelligence without becoming a forum for competitors to exchange sensitive information. Group events can usefully explain requirements or identify barriers, but discussion should be carefully structured; suppliers should not be invited to disclose future prices, margins or bidding plans in front of rivals. Bilateral engagement may be preferable where genuinely sensitive matters need exploration, provided all participants are treated fairly overall.

The Procurement Act 2023 also creates transparency requirements around this stage. Under section 17, an authority that undertakes preliminary market engagement must either publish a preliminary market engagement notice before its tender notice, or explain in the tender notice why none was published. Government guidance states that such notices support a level playing field and can attract new entrants, strengthening rather than narrowing participation.

Information obtained from one supplier should never be allowed to shape a procurement secretly in that supplier's favour. Government guidance confirms that information gathered during preliminary market engagement can be shared with the wider market, and that adequate tender timescales can prevent unfair advantage. Specifications should reflect organisational needs rather than a single incumbent's proprietary solution, and records should explain decisions sufficiently to demonstrate fairness where engagement materially influenced requirements.

Broad participation reduces both procurement risk and collusion risk. Government guidance encourages engagement with a range of suppliers, noting that market engagement can particularly help new entrants and SMEs understand opportunities. Teams can invite input from incumbents, challengers, trade bodies, and potential substitutes while avoiding unnecessary disclosure among them, since diverse input makes tender design less dependent on a small, repeatedly consulted group of suppliers.

Preliminary market engagement should be documented as carefully as the competition itself. Records should identify participants, subjects discussed, information received and any measures taken to neutralise advantage, with conflicts of interest identified and mitigated under the Procurement Act's conflicts regime. Good records allow later reviewers to distinguish legitimate market intelligence from supplier influence, and help demonstrate that engagement increased understanding without compromising equal treatment between bidders.

Maintaining Competitive Tension

Competitive tension depends on suppliers believing that contracts must genuinely be won rather than informally allocated. Teams should avoid practices that make opportunities predictable, such as repeatedly using identical contract sizes, tender dates, lots and supplier lists. OECD guidance recommends reducing predictability, because recurring, formulaic procurement can help cartel members divide opportunities and monitor one another's compliance with an agreement.

Future contract allocation should also remain genuinely contestable. Frameworks, dynamic markets and repeat procurements should not be managed so predictably that incumbents can assume work will return to them. Competitive tension weakens when suppliers believe outcomes are predetermined by geography or informal rotation, which teams can challenge by refreshing markets, reducing barriers, widening participation and reconsidering packaging

where evidence shows existing structures discourage serious bids.

Evaluation design can either sustain or weaken competitive pressure. Criteria should be clear, proportionate and connected to the requirement, but should not unnecessarily favour incumbents or set conditions only a familiar supplier can satisfy. The OECD recommends selection and award criteria that improve the intensity of competition, so teams should regularly test whether qualification thresholds or technical specifications exclude credible challengers without a defensible procurement rationale.

Maintaining competitive tension does not mean changing procurement rules unpredictably or withholding information suppliers legitimately need. Fair competition requires published requirements, transparent evaluation methods and equal access to material information; the objective is to prevent competitors from predicting one another's conduct or assuming future market shares. Process consistency combined with genuine uncertainty about who will win preserves rivalry without compromising procedural fairness.

Training Procurement Teams to Recognise Collusion

Training is essential because procurement professionals are often best placed to detect suspicious bidding patterns before competition authorities become involved. The OECD recommends training covering competition-law concepts, bid-rigging detection, data analysis, sanctions, leniency arrangements, whistleblowing channels and how to contact the competition authority. Practical training should enable staff to recognise cover bids, suppression, rotation, allocation and suspicious statements without assuming that red flags prove collusion.

Competition-law awareness should extend beyond procurement teams to commercial managers, contract managers, finance staff and internal auditors, who may each hold information that only becomes significant when combined. A contract manager may notice unexplained subcontracting while finance identifies unusual invoice relationships and procurement sees rotating awards; shared training and escalation routes help organisations connect those observations before suspicious patterns remain unnoticed for years.

Scenario-based training is valuable because bid rigging rarely announces itself through explicit confession. Teams can practise identifying identical pricing errors, suspicious withdrawals, common metadata, geographic allocation and remarks such as "it is their turn", including innocent explanations. Hence, staff learn to distinguish indicators from proof. This reduces both under-reaction and unsupported accusations, reinforcing careful investigation and referral to legal, fraud or competition specialists when concerns become credible.

Training should be refreshed regularly because markets, procurement methods and detection tools all change. The OECD's 2025 guidance encourages closer relationships between competition and procurement authorities and regular training on cartel detection. Organisations should build bid-rigging awareness into induction, procurement governance and contract management development, covering what to record, what not to disclose, when to escalate, and why suspected suppliers should not be alerted directly.

Summary – Detecting the Pattern, Protecting Competition

Bid rigging rarely reveals itself through one dramatic warning sign. It is more often detected through patterns: unusual prices, repeated losing bids, identical errors, shared wording, suspicious withdrawals, rotating awards or unexplained geographic divisions. Procurement professionals are well placed to notice these signals because they compare suppliers across competitions. Their task is not to presume guilt, but to recognise anomalies, preserve evidence and ensure credible concerns receive appropriate examination.

Patterns become more meaningful when several procurements are considered together. A single high bid, withdrawal or subcontract may have an innocent commercial explanation, whereas recurring behaviour involving the same suppliers can warrant closer scrutiny. Historical award data, participation rates, bid dispersion, supplier combinations, and

geographic outcomes can reveal relationships that are invisible within a single tender. Data analytics strengthens that capability by helping procurement teams identify unusual correlations and prioritise review cases.

Behavioural evidence can be equally important. Statements suggesting that a contract belongs to another supplier, that it is someone else's turn, or that a bidder was not expected to win may indicate coordination when supported by other facts. Similar documents, shared metadata or unexpected knowledge of competitors can reinforce concern. Such indicators should be recorded accurately and assessed collectively because no isolated comment, spreadsheet feature or decision establishes unlawful collusion.

Prevention begins with procurement design. Wider market participation, proportionate entry requirements, sensible lotting and reduced predictability can make collusion harder to organise and sustain. Authorities should understand supplier ownership, capacity, geographic coverage, subcontracting relationships and barriers to entry before tendering. Preliminary market engagement can improve specifications and attract challengers, but it must be structured so competitors do not exchange pricing intentions, capacity plans or commercially sensitive information with one another.

Information control and competitive tension remain essential throughout the process. Suppliers require enough information to bid fairly, but unnecessary disclosure of bidder identities, losing prices or strategic information can help competitors coordinate or monitor cartel arrangements. Independent bidding certificates and non-collusion clauses can reinforce expectations and accountability, although they cannot replace scrutiny. Procurement structures should keep opportunities genuinely contestable rather than allowing incumbents to predict allocation, rivals or likely outcomes.

Ultimately, effective protection against bid rigging depends on informed procurement professionals supported by sound governance. Training should cover suppression, rotation, market allocation, suspicious communications and appropriate escalation. Red flags should trigger questions rather than accusations, with records preserved and serious concerns referred through legal or competition channels. Genuine competition is strengthened when procurement teams combine commercial awareness, disciplined analysis and careful tender design with a working understanding of competition law.

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Further Reading

OECD (2025), OECD Guidelines for Fighting Bid Rigging in Public Procurement (2025 Update), OECD Publishing, Paris — oecd.org

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