

Dear Public Official,

Government entities contract with private companies for major projects such as building construction, road maintenance, and equipment and supply procurement. They frequently use a competitive selection process to ensure good stewardship of taxpayer funds.

Sometimes, supposed “competitors” game the system. They may work together to choose which projects to pursue, or they may agree to take turns intentionally submitting high or low bids. Such anti-competitive activity often is difficult to detect and, if unnoticed, deprives government entities and taxpayers of the best possible pricing.

To guard against these illegal activities, my office’s Antitrust Section offers the Partnership for Competitive Purchasing. Through this free service, our attorneys search for evidence of bid-rigging and other anti-competitive practices. If such practices are uncovered, they can conduct an investigation of the contractor that may result in the recovery of funds.

Our reviews are not audits or judgments; rather, we analyze bid files for anti-competitive activity and help prevent unfair practices in the future.

This brochure provides details on the Partnership for Competitive Purchasing. For more information, visit [www.OhioAttorneyGeneral.gov/Competitive Purchasing](http://www.OhioAttorneyGeneral.gov/CompetitivePurchasing) or call **614-466-4328**.

Very respectfully yours,



Mike DeWine
Ohio Attorney General



TIPS | for Preventing Anti-Competitive Activity

- Keep an up-to-date list of potential bidders; solicit bids from as many competitors as possible.
- Require bidders to identify partners, sub-contractors, and joint ventures in their bids.
- Require non-collusion affidavits with every bid.
- If something looks strange, ask bidders to explain.
- Retain bid and purchase records for at least five years, allowing for review.
- Do not reveal the names of prospective bidders or cost estimates before the contract is awarded, unless otherwise directed to do so by law.
- Join the Attorney General’s Partnership for Competitive Purchasing and let us know about suspicious activity.

For more information

To find out more about the Ohio Attorney General’s Partnership for Competitive Purchasing, visit [www.OhioAttorneyGeneral.gov/Competitive Purchasing](http://www.OhioAttorneyGeneral.gov/CompetitivePurchasing) or call **614-466-4328**.

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www.OhioAttorneyGeneral.gov

Protecting Ohio’s Families

Fostering Fair Competition in the Marketplace

The Ohio Attorney General’s Office can help ensure local governments and other public entities get a fair deal on goods and services.



MIKE DEWINE
• OHIO ATTORNEY GENERAL •

A CASE | for Working Together

Was the price you got on that bid a good one? When companies that should be competing work together to bid on a government contract, the answer is: probably not.

It's not news to anyone that government budgets are stretched thin. That means every dollar spent has to count. Anti-competitive schemes that make you pay more than necessary for road salt, copy paper, police cars, building construction, or anything else put out for bid not only waste public dollars, they're illegal.

The Ohio Attorney General's Partnership for Competitive Purchasing can help you get the most for your citizens. Our attorneys regularly work on issues related to anti-competitive activities, giving them the expertise to help you spot bid-rigging and price-fixing.

This is a free, voluntary program. Any political subdivision, government entity, or state agency can register to participate. Simply visit www.OhioAttorneyGeneral.gov/CompetitivePurchasing or call **614-466-4328**.

The Process

At least twice a year, we select an entity registered for the program for an on-site visit. If selected, you will be asked to provide access to bid documents and purchase records for the past few years. If there is enough evidence to suspect a problem, it might lead to a formal investigation of vendors or contractors. And that may result in the recovery of taxpayer dollars.



The Partnership for Competitive Purchasing is **not** an audit. Rather, it is a free, voluntary program that allows you to ensure that anti-competitive activities do not detract from the hard work you do for citizens.



SCHEMES | and How to Spot Them

Price fixing: Competitors agree on a price or other terms of sale for their products or services

Look for:

- Prices that remain the same for a long time
- Costs go up, but not in a logical manner
- Prices that, for no apparent reason, are vastly different from those elsewhere
- Vendors who announce similar price increases about the same time

Bid rigging: Competitors agree who will submit the winning bid

This can take several forms:

Bid suppression: One or more competitors “get out of the way” for the chosen winner

Look for:

- Company XYZ always wins a particular kind of bid in a certain geographic area
- Unusually few competitors submit bids
- Bidders who are a good fit don't submit bids, even when invited
- A company withdraws a bid and is awarded subcontracting work by the winning bidder

Complementary bidding: Bids come in that are obviously too high or are riddled with unrealistic special conditions

Look for:

- The same company submitting significantly higher bids on certain goods or services than others
- A bid that's sky high compared to published price lists, a previous bid by the same firm, or engineering cost estimates
- A new or infrequent bidder shows up, causing bid prices to drop
- Losing “competitors” get subcontract work from the successful bidder

Bid rotation: A game of tag, bid-rigging style

Look for:

- A different bidder wins a contract each time
- The same bidders keep submitting bids and appear to take turns winning

Market division: Competitors take certain customers or geographic areas as their own and agree to stay away from others

Look for:

- A bidder says he can't bid on your project because you're not in his “territory”
- Qualified bidders refuse to bid