



## Collusive Bidding and Price Fixing

Collusive bidding is a procurement scheme that predetermines the winning bidder and limits competition for the conspirators. Price fixing involves an agreement among competitors to manipulate the selling price of goods or services. Indicators of potential violations affecting VA include the following:

- Certain contractors always bid against each other, or certain contractors never bid against each other.
- The successful bidder repeatedly subcontracts work to companies that submitted higher bids or to companies that picked up solicitation documents and chose not to bid as prime contractors.
- Competitors agree to take turns winning bids (bid rotation or allocation).
- Competitors agree to submit intentionally high bids, or otherwise unacceptable bids (cover or complementary bids). Unacceptable bids can also reflect a pattern of regularly recurring low bids (bid suppression) in a certain geographical area, or in a fixed rotation with other bidders.
- Competitors exchange any form of price information among themselves. This may result from the existence of an “industry price list” or “price agreement” to which contractors refer in formulating their bids, or it may take other subtler forms such as discussions of the “right price.”

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