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# Identifying and mitigating bid-rigging

*Better safe than sorry*

Presented by: Majid Charania, Director of Compliance and Outreach  
May 4, 2026

# Disclaimer

The views and opinions expressed in this presentation are entirely those of the presenter and do not represent any policies or positions of the Commissioner of Competition, the staff of the Competition Bureau, the Department of Justice or the Public Prosecution Service of Canada.

# Why are we here?



~\$200 BILLION  
WORTH OF PUBLIC  
PROCUREMENT



~30%  
OVERCHARGES  
FROM BID-RIGGING



WASTAGE OF  
TAXPAYER MONEY



DISTORTION OF  
COMPETITION

Cracking down on bid-rigging is a top priority for the Bureau

# Agenda

## Information

- Who is the Competition Bureau?
- What do we mean by bid-rigging?

## Prevention

- What are the risk factors to be aware of?
- How to mitigate your risks?
- Collusion risk assessment tool (CRAT)

## Detection

- What are the warning signs to look for?
- How to report suspicions to the Bureau?



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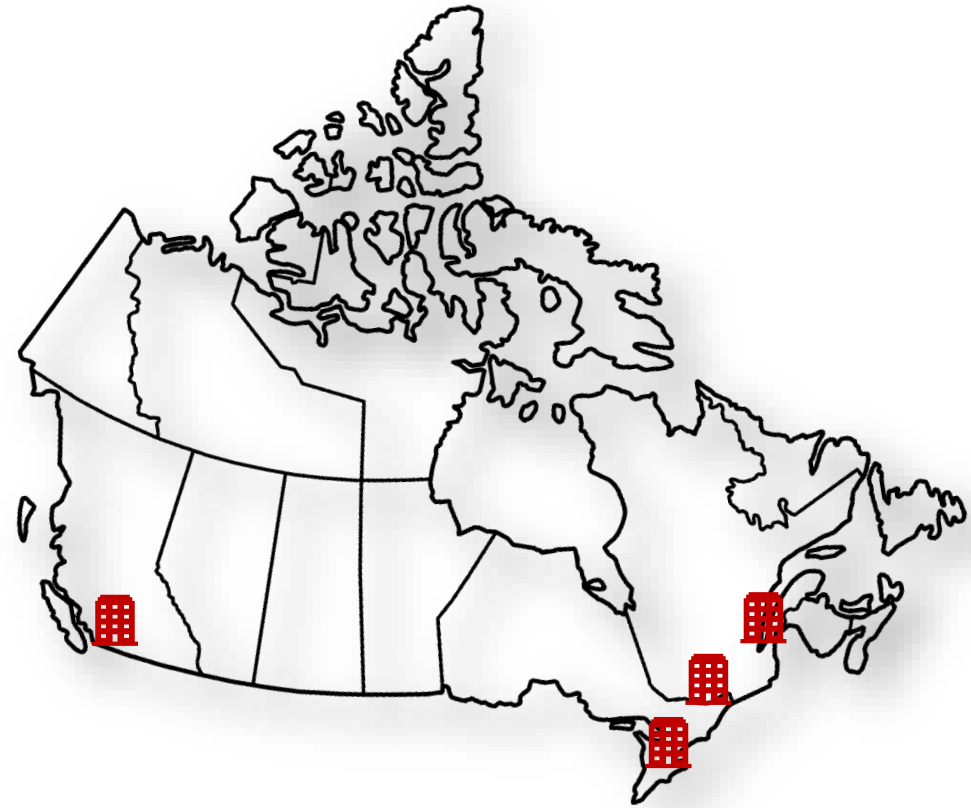
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# INFORMATION

## What is the Competition Bureau?

# About Us...

- Federal independent law enforcement agency
- **Protect and promote competition** in the Canadian market
- Enforce the *Competition Act* that contains **criminal and civil provisions**
- Based in the **Ottawa region** with offices in **Montreal, Toronto and Vancouver**



# What we do

- ✔ We protect and promote the competitive process in markets.
- ✔ We evaluate bid-rigging concerns/tips.
- ✔ We may seek additional information and record production as part of an investigation.
- ✔ As a result of an investigation, we may seek criminal charges against bid-riggers.
- ✔ We provide information to the procurement community on bid-rigging prevention.

# What we don't do

- ✘ We don't protect individual competitors.
- ✘ We don't decide how you administer your procurement processes.
- ✘ We don't investigate strictly corruption-related concerns.
- ✘ We don't intervene in contractual or other disputes between tendering authorities and bidders.
- ✘ We aren't the ultimate decision maker, the courts are.



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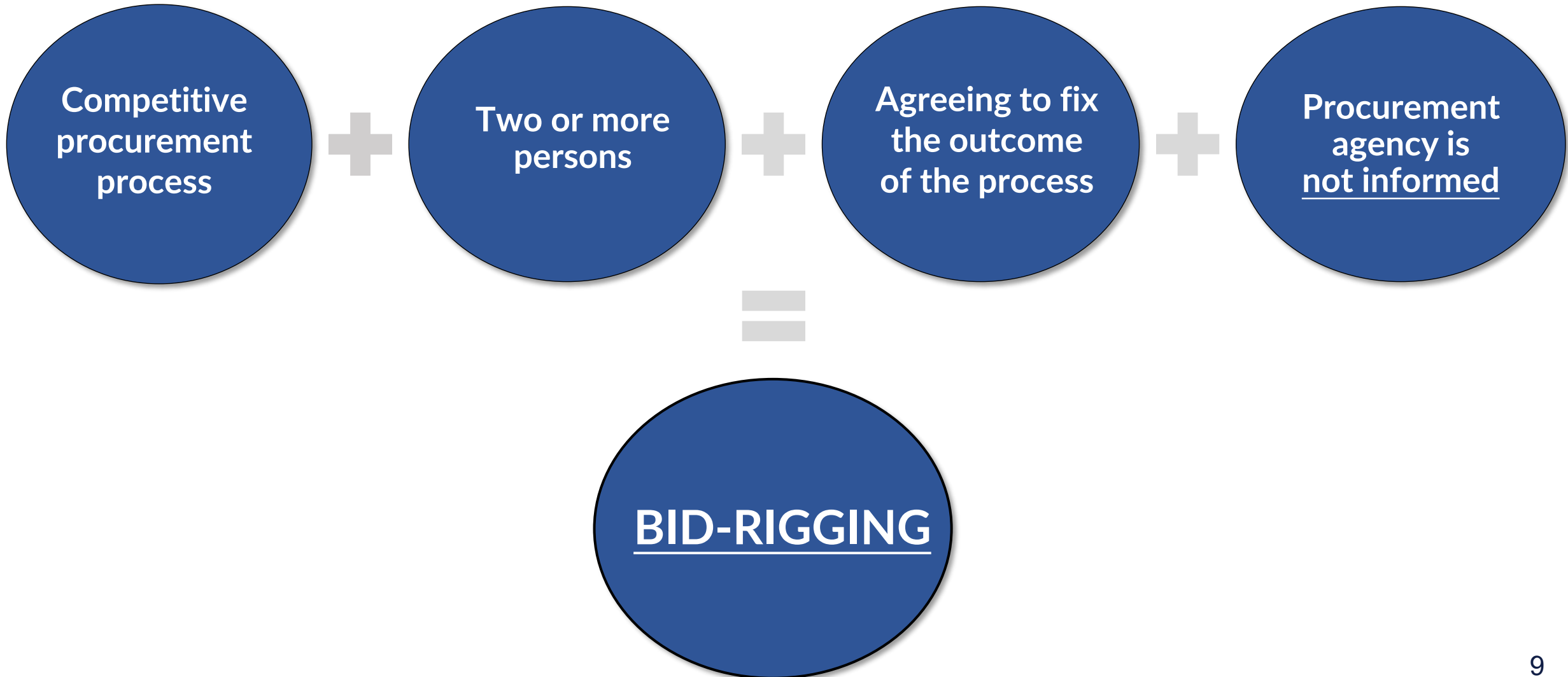
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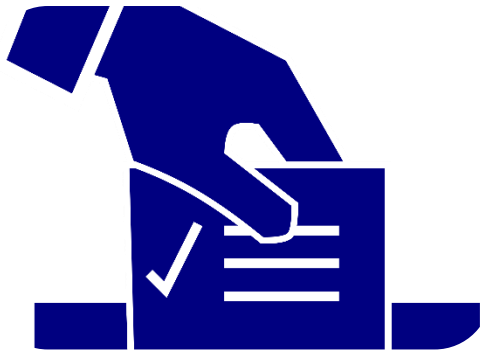
# INFORMATION

## What do we mean by bid-rigging?

# What is bid-rigging?



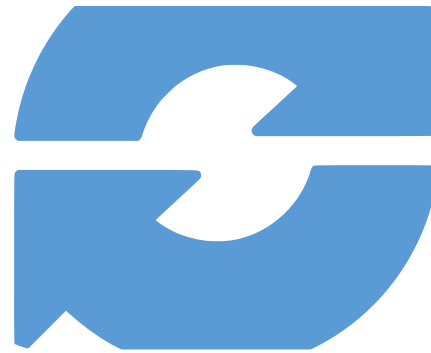
# What are common forms of bid-rigging?



**Cover bidding**



**Bid  
suppression**



**Bid rotation**



**Market division  
or allocation**

# What are the penalties & consequences?

- Fines with no upper limit for individuals and businesses

and / or

- Imprisonment up to 14 years for individuals
- Criminal record
- Civil damages (possible)
- Debarment (possible)



# How do we detect bid-rigging?



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Complaints

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Federal Contracting Fraud Tip Line

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Informant

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Whistleblower

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Immunity and Leniency Programs

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Proactive Intelligence

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Media

# What is the investigative process?



# Brandon bid-rigging scheme

- **Conspiracy** to manipulate 54 contracts for fixing up social housing units between 2011 and 2016
- Contractors **divided up the contracts** among themselves
- Contracts valued at **\$3.5 million**
- **Five individuals** pleaded guilty
- Court imposed fines total \$196,000 and range from \$24,000 - \$61,000 (**to be paid by the individuals**)

Manitoba

## Contractors accused of rigging Manitoba Housing bids plead guilty, face fines

5 Brandon-area men charged by Competition Bureau in 2022



[Kristin Annable](#) · CBC News · Posted: Feb 05, 2025 4:42 PM EST | Last Updated: February 5



Five Brandon-area contractors pleaded guilty on Wednesday to conspiracy charges. (Gregory Bull/The Associated Press)



Five contractors in the Brandon area must pay tens of thousands of dollars in fines after pleading guilty Wednesday to conspiracy offences in a bid-rigging scheme involving Manitoba Housing renovation projects.



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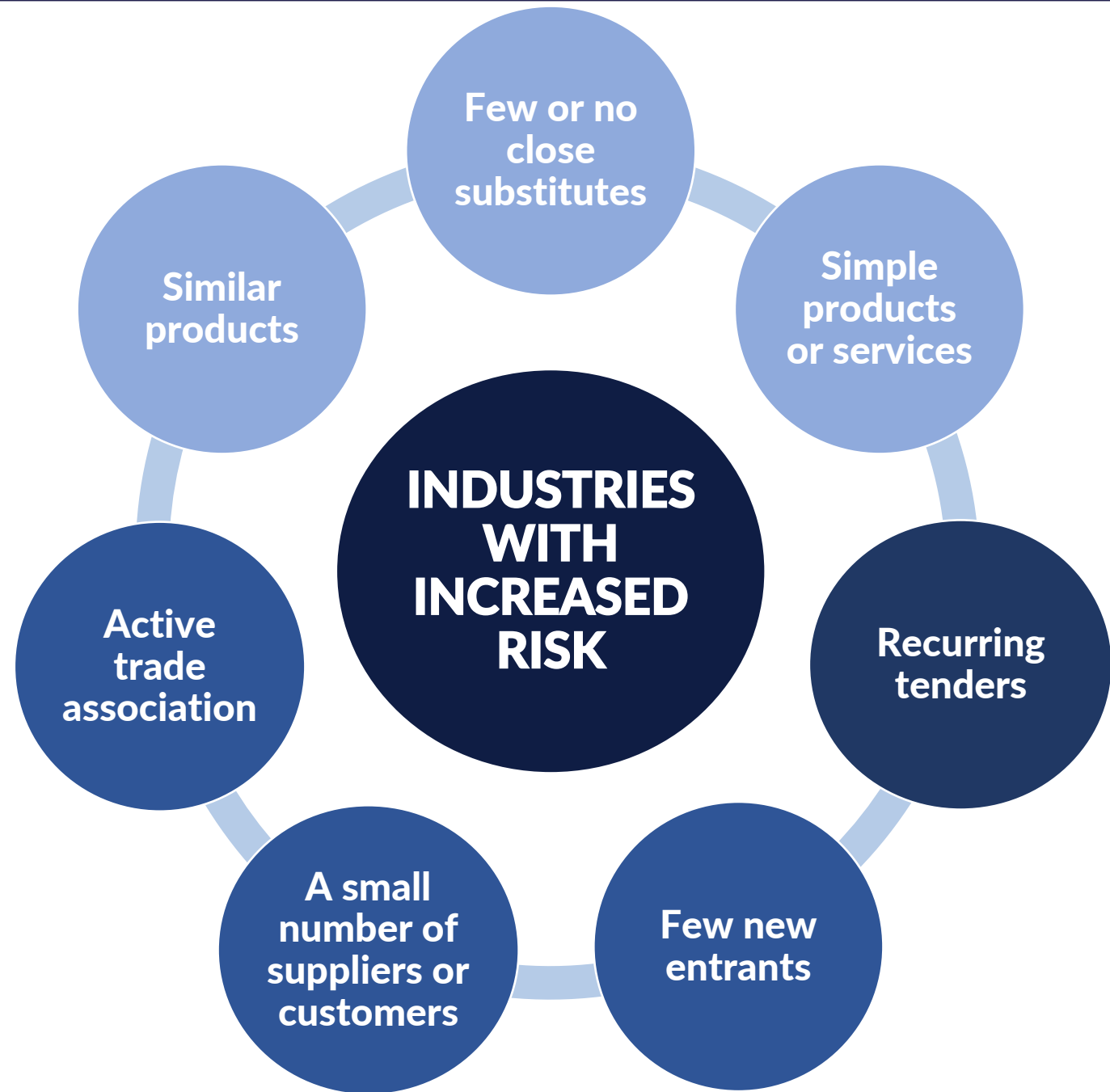
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# PREVENTION

## How to mitigate bid-rigging risk?

# Risk factors to be aware of...



# What is the Collusion Risk Assessment Tool?



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## Collusion Risk Assessment Tool

The Collusion Risk Assessment Tool is a self-assessment tool designed to help procurement agencies evaluate and mitigate their risk of collusion when organizing and administering a tender. The Tool is not designed to assess any other type of risk.

The Tool can be used completely autonomously. No identifiable information will be shared outside the Competition Bureau.

\* 1. Are you completing this survey as a member of a procurement agency?

- Yes
- No

\* 2. Do you wish to provide your contact information? ⓘ

- Yes
- No

Next page

Save and continue later



**Pro-competitive  
tenders by design**



**Tailored best  
practices & Tips**

# Let's imagine a hypothetical project...



You are conducting the following procurement project:

- Pavement maintenance (construction)
- Small community in rural New Brunswick
- Remote and isolated (100+ km from closest large city)
- With a handful of suppliers available



**Based on these factors i.e. a construction project in a small, remote and isolated market, what do you think the risk of bid-rigging is?**



**Let's add some facts to this hypothetical: same project but the process is selective which means that only a small group of pre-selected suppliers are invited to bid on the project.**

**Selective tenders can carry a higher risk of bid-rigging.**

# Open it up!



Selective tenders allowing only a closed pool of selected companies to bid carry a **heightened risk** of attracting bid-rigging.



Pre-selected bidders who are aware of who the other bidders are and who repeatedly bid alongside those companies may wish to collude, with **little risk of being disrupted** by new bidders.



If your tender is selective, consider the reasons why it is selective. By **opening up your tender** and inviting all prospective bidders, you lower your risk of attracting bid-rigging.

# Open it up!



- ✓ **Maximize the pool** of potential bidders
- ✓ Allow for **substitute products** whenever possible – focus on specific performance
- ✓ **Avoid obligatory bids**
- ✓ **Avoid preferential treatment** for a certain class of suppliers
- ✓ Keep the **identities of bidders secret** from other firms on your list



**A few more facts. Pavements need maintenance every 2 years. Your municipality has gone out to tender on a recurring basis for over a decade & so has a neighbouring town. What risks and opportunities are associated with long-running, recurring tenders?**

# Recurrence is risky!



- ✓ Allow for **flexibility** in your tender specifications, timing and scope.
- ✓ Consider **aggregating and disaggregating** recurring contracts when appropriate.
- ✓ Consider **reaching out to neighboring agencies** about their recurring tenders.
- ✓ Be creative!

# Ask for more information!



- ✓ Require bidders to **declare any communications OR agreements**
  - ***Certificate of Independent Bid Determination***
    - Bid prepared independently
    - No consultation with competitor
    - Complete disclosure of arrangement
- ✓ Require disclosure from bidders **regarding potential subcontractors and their pricing**
- ✓ General market knowledge

# CRAT report

Risk level

Best practices  
tailored to your  
situation



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## Collusion Risk Assessment Tool

### Risk assessment

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Based on your responses to the questionnaire, the collusive risk level of your tender is **HIGH**.

### Best practices based on your responses

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- Include a statement of non-collusion whereby prospective bidders must certify that their bid was arrived at independently (and not the subject of any agreement or arrangement as per the *Competition Act*) as part of the required documentation that all bidders must provide in their bid package.
- You could use the Bureau's [Certificate of Independent Bid Determination](#) as a reference.
- You could make the completion of this certificate essential to a qualified bid. This means that any bid which omits this certificate will be automatically disqualified.



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# DETECTION

What are the warning signs to look for?





## During the call for bids...

- ❗ Bids from competing suppliers are **received together...**  
**or come from the same place**
- ❗ Suppliers **meet before they submit their tenders** and procurement officials are not present
- ❗ Suppliers who normally tender **fail to do so**
- ❗ Only **one bidder contacts wholesalers** for necessary pricing information

# When reviewing the bids...

- 🚩 Identical irregularities in bids submitted.
- 🚩 Identical bid amounts – especially in areas where you would expect variation.
- 🚩 Use of the same terminology when explaining price increases, e.g. references to “industry suggested prices” or “industry price schedules.”
- 🚩 Significant change from past price levels, e.g. after a new entrant or infrequent supplier participates (suggests possible past bid-rigging).

# After the call for bids...

-  The winning bidder does not accept the contract
-  The winning bidder subcontracts the work to unsuccessful bidders
-  Large difference between price of winning bid and other bids
-  A bidder seems to have knowledge of its competitor's confidential bid

# Over time...



- ✓ Review tender history/results periodically, especially in higher-risk sectors
  - Pattern suggesting allocation of contracts to same winning bidders
  - Pattern suggesting rotation of successful bids among suppliers
- ✓ Gather feedback
  - Complaint mechanism for suppliers
  - Conduct interviews
- ✓ Train your people

# What to do if you suspect bid-rigging?



Thoroughly record details of all relevant behaviour



Do not discuss with suspected participants

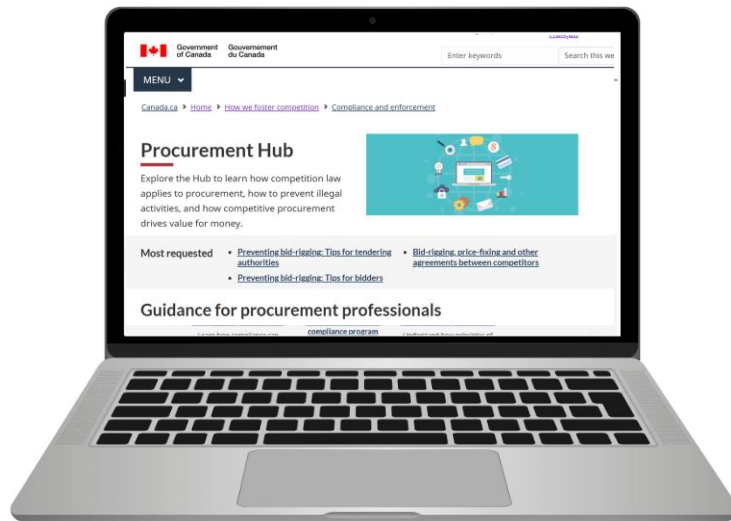


Decide whether to continue with the tender



Contact the Competition Bureau!

# Check out the Procurement Hub!



Stay informed through our social media & newsletter!

