

BID RIGGING

What are the red flags?



Bid rigging is a form of fraud in which a contract is promised to one party although, for the sake of appearances, several other parties also bid on the contract.

OVERLY RESTRICTIVE REQUIREMENTS

Pay attention to contract specifications or requirements that are unnecessarily restrictive or require expertise that only one vendor appears to have.

SUBCONTRACTING

Flag any instances of a winning bidder subcontracting parts of the work to one or more losing bidders.

REPETITION

Look out for identical bids received from different vendors.

PERSONAL RELATIONSHIPS

Assess any evidence of personal relationships between vendors and staff who work in the contracting or procurement functions for potential conflicts of interest.

TIPS TO PREVENT BID RIGGING

- Avoid unnecessary restrictions that reduce the number of qualified bidders.
- Establish rigorous contract monitoring procedures.
- Require bidders to sign non-collusion affidavits.
- Appropriately segregate duties between procurement staff and contract monitoring staff.

Visit www.sfgov.org/whistleblower to see how to file a report.

