OECD Guidelines for Fighting Bid Rigging in Public Procurement (2025 Update)

Report

11 September 2025

Summary Full report Support materials

Abstract

The *Guidelines for Fighting Bid Rigging in Public Procurement* provide a set of good practices to support public officials in preventing, detecting and reporting bid-rigging cartels in public procurement.
The Guidelines support the implementation of the OECD Recommendation on Fighting Bid Rigging in Public Procurement [OECD-LEGAL-0396]. They contain general principles that may be adapted to each procurement process and cover the following main themes: identification of bid-rigging forms and market structures that facilitate collusion, co-operation of public authorities to fight bid rigging, steps for pro-competitive tender design, red flags that may indicate collusion, and reporting of bid-rigging suspicions to the competition authority.

Read the report

Executive summary

Bid rigging occurs when companies, that would otherwise be expected to compete, conspire to raise prices or lower the quality of their bids. The OECD Recommendation on Fighting Bid Rigging in Public Procurement [OECD-LEGAL-0396] (the "Recommendation") establishes a series of principles to help OECD Members and non-Members having adhered to the Recommendation (the "Adherents") prevent and detect bid rigging in public procurement. The Recommendation aims to make public procurement more competitive and strengthen the enforcement of competition law.

The Recommendation recognises that bid rigging is "*among the most egregious violations of competition law that injures the public purchaser by raising prices, reducing quality, establishing output restrictions or quotas, or sharing or dividing markets, thus making goods and services unavailable or unnecessarily expensive for public purchasers, to the detriment of final users of public goods and services, and taxpayers*". It recommends that Adherents assess their procurement laws and practices to ensure that these do not inadvertently facilitate collusion. It also recommends taking action to make collusive schemes difficult to establish and maintain, as well as raise awareness of signs and patterns that may indicate collusion (red flags), so that suspicious activities are identified and investigated.

The Guidelines support the implementation of the Recommendation. They provide detailed guidance for public authorities, and in particular competition authorities and procurement officials, on how to prevent and detect bid rigging. Though addressed to public authorities, the explanation of the risks of bid rigging and the benefits of following the Guidelines are relevant for both public and private procurement entities.

Key messages of the Guidelines

Bid rigging can take many forms. Bid rigging often consists in the following strategies: cover bidding (submitting bids that the procurer cannot accept, to give the appearance of genuine competition), bid suppression (refraining from bidding or withdrawing bids so that a specific bid company wins), bid rotation (companies taking turns being the winning bidder) or market allocation (carving up the market and agreeing not to compete for certain customers, regions, tenders or products). These strategies are not the only ones and are not mutually exclusive; they can be used together and in any combination.

Certain supply and demand factors may facilitate collusion. For example, high market concentration, symmetry of market participants, little or difficult market entry and low level of innovation are supply-side factors that can facilitate the formation of bid-rigging cartels. Demand-side facilitating factors include predicable demand and repetitive bidding. Procurement authorities should understand the features of the market in which they buy and be especially vigilant when facilitating factors are present.

The risks of bid rigging can be reduced if public tenders are carefully designed. The Guidelines include a **Tender Design List**, which details a series of measures to help plan and carry out procurement in a way that limits bid-rigging risks. Such measures include understanding the market and potential suppliers; adopting pro-competitive bidder participation requirements and contract award criteria; using electronic procurement; warning bidders of the existence and extent of sanctions for bid rigging.

The signs of bid rigging (red flags) should be understood so that they can be identified and reported to the competition authority. Bid-rigging agreements are difficult to detect as they are typically negotiated in secret. The Guidelines include a **Bid-Rigging Detection List**, which sets forth red flags to help identify and report bid-rigging schemes. The red flags include unusual bidding or pricing patterns, or suspicious bidder conduct or statements. It is recommended to check serious suspicions of bid-rigging with the relevant competition authority.

Procurement officials should be made aware of competition law requirements in public procurement. Training programmes for procurement officials on bid rigging and cartel detection and guidelines on fighting bid rigging in accordance with these Guidelines can help.

Bid rigging can go hand-in-hand with other offences, like corruption and fraud. This requires educating law enforcement authorities about each other's mandates and fostering close co-operation among them.

Competition authorities should co-operate, formally or informally or both, with procurement and other public authorities, in implementation of the Recommendation's encouragement to competition authorities to "partner with procurement and other relevant authorities such as anti-corruption and audit authorities, and public prosecutors (if applicable)". Notably, the Guidelines contain a section on the importance of inter-institutional relationships, including exchanging data, information and experiences, setting up working groups and enabling staff exchanges, and implementing domestic and/or international co-operation instruments.

Infographic 1. Key messages of the Guidelines

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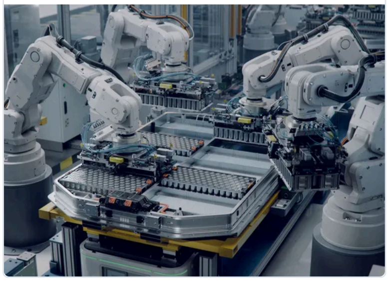

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