



DISTORTION OF COMPETITION BY CONTRACTORS: LITHUANIAN PERSPECTIVE

IRMA URMONAITĖ, THE LITHUANIAN COMPETITION COUNCIL

12 JUNE, 2018



44%

56%

**COUNCIL'S
PRIORITY**



**TOOLS TO FIGHT AND DETECT
BID RIGGING**

ENFORCEMENT: SCOPE AND SANCTIONS





SCOPE:

Cover bidding
Bid suppression
Bid rotation
Market allocation



SANCTIONS:

10 percent of the
annual turnover
Disqualification for
up to 3 years
Personal liability



JOINT BIDDING IN THE CONSTRUCTION SECTOR: IRDAIVA/PST CASE

- 24 public procurements for renovation and modernisation of schools and kindergartens in Vilnius (2013-2015)
- Both companies could have participated in the public procurements separately
- Fines: approx. EUR 3,7 mln. and EUR 8,5 mln.



EUROPEAN FUNDS: UAB BALTIC TRANSPORT SERVICE (BTS) CASE

- BTS initiated the public procurements for the purchase of the construction works
- BTS agreed with other cartel participants in advance who will submit the winning bids
- BTS has been acknowledged as the participant of the cartels
- Fines on 4 cartel participants were imposed, no fine imposed on BTS

DIRECTORS DISQUALIFICATION

- The manager of an undertaking may be restricted of the right to be the manager or a member of the collegial supervisory and (or) governing body of a public and (or) private legal person for a period of three to five years.
- Additionally, a fine of up to almost EUR 14,500 may be imposed
- 2018: the first decision imposing personal liability on the cartel participants in the Lithuanian case law



COOPERATION WITH OTHER PUBLIC BODIES

The trilateral co-operation agreement with the Special Investigation Service and Public Procurement Office (2017):

- regular bilateral and trilateral meetings
- consultations
- exchange of information and best practices



AUCTION BY IGNALINA NUCLEAR POWER PLANT (2017)

- UAB Norvesta and Sypra concluded a cartel agreement while participating in the radioactive scrap metal auction conducted by Ignalina nuclear power plant
- *Sypra* submitted only a starting bid which exceeded EUR 1.5 million
- The Special Investigation Service is suspecting criminal offences related to the corruption



ROLE OF THE PURCHASING AUTHORITIES

- Right of the purchasing authorities to exclude allegedly colluding suppliers
- In force since July 2017
- Sufficient evidence needed
- Consultations with the Competition Council



ADVOCACY

- Competition tour around Lithuania (8/10 cities)
- Seminars on how to detect bid rigging
- 600 representatives of public and private sector



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 Competition Council (KT)

 Su konkurencija po Lietuvą

 Konkurencijos taryba

 konkurencijos_taryba