

# The CC reprimands SEA about superficial analyses of applicants of public procurements

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On 24 October the Competition Council of the Republic of Latvia (the CC) met with the representatives of the State Employment Agency (SEA) in order to discuss responsibility of organizers of procurements for identification of prohibited agreements and notification of violations to the CC.

In July the Central Finance and Contracting Agency informed the CC about the signs of cartel in the procurement organized by the SEA. Obvious similarities were observed in the applications submitted by two applicants, besides they were the companies of one family with one registered legal address.

The CC established that both applicants quite often participate and win in public procurements, therefore there are reasonable suspicions existing that the participants of the market have agreed its action also during other public procurements organized by SEA and other public organizers of procurements. Thus the principal purpose of fair procurements – to receive competitive or independently prepared offers, even if the representatives of the companies are relatives - is not provided.

Taking into account that this violation is comparatively small, the company undertakes not to repeat it, as well as the resources of the authority required for investigation of the violation may exceed the advantage of society, the CC decided not to commence the violation case, but to warn participants of the market.

Despite that, signs of cartel were so obvious and therefore the CC is in incomprehension, how the SEA had not noticed any signs of that and had not informed on them. This is the second time within a year, when public procurements organized by the SEA appear in the view of the CC. Previously the CC warned the representatives of driving schools, who had prima facie agreed on the distribution of the market and prices in another procurement of the SEA.

“As long as the organizers of procurements will not be interested that procurements take place in the fair manner, the prohibited agreements will not decrease. Our purpose is not to punish, but rather fair competition in public procurements, which is not only the responsibility of the CC, but responsibility of all public administrative bodies, because it is very important to reduce careless spending of public resources,” said by Skaidrīte Ābrama, the Chairperson of the CC.

The SEA informed that structural changes were performed in the authority in spring and in order to ensure high quality methodological management of procurement specialists, the procurements are organized in a centralized manner. The authority recommends already now and will continue to recommend the applicants of procurements to complete a certification that the proposal has been developed individually. Besides, in order to minimise the same violations in the future, the authority plans, in cooperation with the CC, to train procurement specialists to recognize signs of prohibited agreements.

This year the CC has made 35 warnings in total regarding signs of prohibited agreements in public procurements. In order to emphasize responsibility of customers for identification of prohibited agreements and notification of violations as well as not to permit recurrence of non-permitted violations, the CC performs active education of specialists of the industry. Such activities have been organized already in several state administration authorities this year.

<https://www.kp.gov.lv/en/article/cc-reprimands-sea-about-superficial-analyses-applicants-public-procurements>