

The CC fines Medical Equipment Traders for collusive Behaviour in Public Procurements

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On 8 September, the Competition Council (the CC) fined two medical equipment traders SIA OPTIKA&DENTIKA and SIA KJ SERVISS for participating in a cartel agreement in four public procurements. Due to the violation of the Competition Law, both undertakings were imposed with a fine in the total amount of almost EUR 80'000.

During the case investigation, the CC found that both medical equipment traders between year 2011 and 2015 have coordinated their actions in four public procurements organized by SIA Salaspils veselības centrs, learning centre in city of Smiltene, and SIA Ogres rajona slimnīca. Agreeing on participation conditions, organizers did not receive tenders made of genuine competition.

The CC concludes that participation of SIA OPTIKA&DENTIKA was only formal to ensure a sufficient number of tenderers in procurements mentioned above. At the same time, representatives of SIA KJ SERVISS prepared documents and price offers for submission for both undertakings. Such actions were accepted by SIA OPTIKA&DENTIKA.

Ms Skaidrīte Ābrama, the Chairwoman of the CC, says: "Over the years, statistics have been discouraging – prohibited agreements in public procurements are the main competition law issue in Latvia. Such procurements, especially in healthcare sector considering its continuous discussions on lack of budget funding, deny organizers to receive services or goods at a lower market price. Thus, procurements have been ineffective and public funds have been spent irrationally, reducing opportunities to increase volume and quality of medical services within the existing funding. Procurements are useful only if tenderers mutually compete and submit tenders in accordance of their possibilities."

SIA OPTIKA&DENTIKA used the opportunity of fine reduction provided by the Leniency Programme, supplemented the information available to the CC and disclosed new information on two additional infringements. Therefore, the amount of the fine imposed was reduced by half and SIA OPTIKA&DENTIKA is obligated to pay into the state budget EUR 6'024.53.

For cooperation with the CC, the amount of fine imposed was also reduced to SIA KJ SERVISS, thus, the undertaking is obligated to pay into the state budget EUR 73'884.64.

For media inquiries

Paula Vilsone
Communications Officer of the
Competition Council of Latvia
Phone +371 67365210
E-mail: paula.vilsone@kp.gov.lv

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