

6. Post-Award Reviews

Evaluation Period

A conscientious effort should be made to determine if bid rigging is currently ongoing or has occurred in the recent past. To make this determination, an adequate number of projects awarded over a sufficient time period must be evaluated. A time period of months should be selected for the initial evaluation to determine if any abnormal competitive bid patterns exist.

Review Considerations

The following information should be considered in a post-award review for abnormal bid patterns: (1) number of contract awards to a specific firm; (2) project bid tabulations; (3) firms that submitted a bid and later became a subcontractor on that project; (4) rotation of firms being the low bidder; (5) a consistent percentage differential between the various firms' bids; (6) a specific percentage of the available work in a geographic area to one firm or to several firms over a period of time; (7) a consistent percentage differential between the low bid and the engineer's estimate; (8) location of the low bidder's plant versus location of the second and third low bidders' plants; (9) variations in unit bid prices submitted by a bidder on different projects in the same letting; (10) type of work involved; (11) number of firms that took out bidding proposal versus the number actually submitting a bid; and, (12) any other items discovered in the review that may indicate noncompetitive bidding. Re-advertised projects should be checked to determine if the eventual low bidder was also low in the first letting.

Analysis

To consider or to analyze the above information to determine if unusual bid patterns exist. The information for project award must be in a readily accessible form, preferably on a computer. Further, although the analysis can be done manually, the use of a computer to analyze the data and to monitor bidding activity has become very prevalent. While some agencies have their own bid analysis system, some agencies are using the Bid Analysis and Management System / Decision Support System, (BAMS/DSS), a module within the AASHTO Trns-port[®] software package. The BAMS is a comprehensive system comprising five modules, which includes the Decision Support System containing the collusion detection capabilities. The use of a computer program is intended only to provide information to indicate whether further investigation is warranted. If for any reason, a person feels that bid rigging or fraud has occurred, they should contact appropriate authorities. This may be based on a suspicion or actual evidence of fraud, waste, and abuse in any project funded source.

In-depth Post-Award Review

The extent to which an in-depth post-award review should be carried out by agency will depend upon the circumstances surrounding each particular review. If the agency believes that irregular bid patterns may exist and further investigation is warranted, any evidence should be furnished to the appropriate authorities. Further, agencies should provide any evidence of wrongdoing to appropriate officials. The frequency of the in-depth reviews should be adequate to indicate to the contracting agency that illegal activities are not ongoing or have not occurred in the recent past.