

The GVH imposed fines for involvement in a public procurement cartel

31 March 2022, Budapest – The Hungarian Competition Authority (GVH) fined three construction companies HUF 42.8 million for market sharing and price fixing. The undertakings tried to acquire a public investment in Baja while pretending to compete with each other.

An investigation by the GVH has revealed that three construction companies colluded in an illegal manner in the public procurement for the energy renovation of the government office building at 11-13 Deák F. Street, Baja. During the bidding process from August 2021 to September 2021, the undertakings coordinated their behaviour in order to ensure that Ponty-Poronty Ltd. won. However, the experts at the Bács-Kiskun County Government Office, which issued the tender, noticed that the documents had the heading of the same undertaking, also there were similarities in the content of the offers that cannot be explained by chance (certain detailed costs for labour and materials in each of their batches were exactly the same), therefore they notified the GVH. The GVH an on-site inspection ('dawn raid') at the undertakings, where they obtained further direct evidence of collusion. These clearly showed that the undertakings were acting in a concerted effort to help one of them win the tender by preparing joint bids, and afterwards – until the contracting authority noticed – they continued the illicit cooperation during the public procurement procedure.

The Competition Council of the GVH has imposed fines totalling HUF 42.8 million on Ponty-Poronty Ltd., Operon Group Ltd. and Építő Szolgáltató General Partnership for the infringement. The decision took into account, among other things, that the GVH considers the restriction of competition in the context of public procurement procedures as a particularly serious infringement, the collusion in question constituted the most serious category of market-sharing and price-fixing conduct. The GVH also took into account the fact that the undertakings were small and medium-sized, all three admitted the infringement during the proceedings, waived their right to appeal and agreed to implement a compliance programme.

Reference number of the case: **VJ/39/2021.**

Press Office of the GVH