

Fact Check #9

Why should government bother with bids?

By Dr Bill Ullery

Why bother with bids?

Simply Google; [contract and procurement fraud in government](#). You'll find a mountain of information and examples of why there are laws for every level of government on bidding work, services, purchases, and contracts in general. Yes, bidding is required by law and there are only a few exceptions.

Why is it the law?

1. Proper bidding saves the taxpayers money.
2. Proper bidding helps prevent fraud such as; bid rigging, price fixing, collusion, bid suppression, complementary bidding (also known as cover bidding or courtesy bidding), bid rotation, phantom bids, buy-back bids, phantom auctions, etc.
3. Prevent elected and appointed officials from making stupid decisions.

Sorry history

Why is government bidding such a controversial topic when taxpayer money is spent without bids? First and foremost, taxpayers tend to watch the government purse strings rather closely. Particularly the larger expenditures. Because the taxpayers are watching, the media tends to cover the budgets and purchasing activity of government in considerable detail.

Secondly, a sorry history of corruption and fraudulent contract and procurement activity at every level of government gives cause for skepticism, cynicism, and criticism anytime the bidding process is subverted or avoided. Even the appearance of contract and procurement wrongdoing is unsettling to taxpayers because of the history of fraud.

Thirdly, griping about the government and its spending practices is an American tradition. It's as American as apple pie.

The 12 red flags of contract and procurement fraud: (see www.Fraud-Magazine.com)

1. Repeated awards to the same entity.
2. Competitive bidder complaints and protests.
3. Complaints about quality and quantity.
4. Multiple contracts awarded below the competitive threshold.
5. Abnormal bid patterns.
6. Agent fees.
7. Questionable bidder.
8. Awards to non-lowest bidder.
9. Contract scope changes.
10. Numerous post-award contract change orders.
11. Urgent need or sole source.
12. Questionable minority/disabled ownership.

The [Fraud Magazine](#) has an excellent detailed review of each their twelve flags on contract and procurement fraud.

My recommendations

Complain, audit, investigate, litigate, write and publish, and as a last resort, simply vote out the bums.

If you have information to share and can add to the discussion, please do email me at; dbu@dbuhomes.com
Cell 929-716-3014.