



MEDIA RELEASE

21 March 2017

CCS issues Proposed Infringement Decision for bid-rigging in electrical services and asset tagging tenders

The Competition Commission of Singapore (“CCS”) has today issued a Proposed Infringement Decision (“PID”)¹ against:

- (i) Chemicrete Enterprises Pte. Ltd. (“Chemicrete”), Cyclect Electrical Engineering Pte. Ltd. (“Cyclect Electrical”) and Cyclect Holdings Pte. Ltd. (“Cyclect Holdings”) (together the “Cyclect Group”);
- (ii) HPH Engineering Pte. Ltd. (“HPH”); and
- (iii) Peak Top Engineering Pte. Ltd. (“Peak Top”),

for their involvement in bid-rigging² the tender for the provision of electrical services³ for the Formula 1 Singapore Grand Prix for 2015 to 2017 (“F1 Tender”), and in the case of the Cyclect Group and HPH, for engaging in bid-rigging the tender for the provision of asset tagging services for GEMS World Academy (Singapore) (“GEMS Tender”).

CCS’s investigations

2. CCS commenced its investigation after it received a complaint on the alleged anti-competitive agreements.

¹ The PID sets out the facts on which CCS relies and the reasons for arriving at the proposed decision. It is issued to the Parties to assist them to make representations and provide any other information in support of their representations for CCS’s consideration.

² Bid-rigging occurs when tenderers or bidders coordinate their bids in tenders or auctions.

³ This comprises of the design and calculation, provision and management of labour, the provision of materials and equipment to transport, install and remove electrical works, inspections of existing electrical switchboards, the distribution of boards and equipment and the provision of maintenance and service support to lighting and electrical items for the pit building during the Formula 1 Singapore Grand Prix event.

F1 Tender

3. On 8 December 2014, the F1 Tender was called by Faithful+Gould Project Management Pte. Ltd. (“F+G”) ⁴, on behalf of Singapore GP Pte. Ltd. F+G received a total of four bids from Chemicrete, Cyclect Electrical, HPH and Peak Top. On 23 April 2015, after assessing the bids, including a technical evaluation, price evaluation and tender interviews, F+G awarded the F1 Tender to Cyclect Electrical which had submitted the lowest bid for the three-year contract.

4. CCS’s investigations revealed that in submitting the bids to F+G, Chemicrete, Cyclect Electrical, HPH and Peak Top had engaged in bid-rigging by colluding in the submission of their bids for the F1 Tender. Instead of each party independently preparing their own competitive bid, the Cyclect Group had prepared all price schedules and final bid prices for HPH’s and Peak Top’s submissions for the F1 Tender, with the intention that Cyclect Electrical would win the F1 Tender.

GEMS Tender

5. GEMS World Academy (Singapore) (“GEMS”) called for an invitation to quote (“ITQ”) for the procurement of asset tagging services⁵ for its campus and approached Chemicrete to participate in the said ITQ on 5 March 2015. GEMS received a total of three quotes, including quotes from Chemicrete and HPH. On 31 March 2015, the GEMS Tender was awarded to Chemicrete which had submitted the lowest quote.

6. CCS’s investigations revealed that Chemicrete had sought HPH’s assistance to support Chemicrete in winning the tender. To this end, Chemicrete had forwarded a competing quote to be submitted by HPH that was higher than Chemicrete’s own quote for the GEMS Tender, which HPH eventually submitted to GEMS.

7. Under the Competition Act, business entities should not enter into any agreement or engage in any concerted practice with the object or effect of preventing, restricting or distorting competition. They should, instead, independently determine their responses to competition and refrain from participating in any discussion, coordination, or plan which is anti-competitive in nature.

8. The Cyclect Group, HPH and Peak Top have six weeks from the receipt of the PID to make their representations to CCS. CCS will then make its final decision, after careful consideration of the representations, as well as all available information and evidence.

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⁴ F+G is the Engineering Project Manager for the Formula 1 Singapore Grand Prix.

⁵ This required hardware, software and manpower to generate the barcodes and to tag individual assets, including all IT components and furniture at GEMS World Academy (Singapore).

About The Competition Commission of Singapore (CCS)

CCS is a statutory board established under the Competition Act (Chapter 50B) (the "Act") on 1 January 2005 to administer and enforce the Act. It comes under the purview of the Ministry of Trade and Industry. The Act empowers CCS to investigate alleged anti-competitive activities, determine if such activities infringe the Act and impose suitable remedies, directions and financial penalties.

For more information, please visit www.ccs.gov.sg.

For media clarification, please contact

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Appendix - List of Parties:

F1 Tender

1. Chemicrete Enterprises Pte. Ltd., Cyclelect Electrical Engineering Pte. Ltd. and Cyclelect Holdings Pte. Ltd. (together the "Cyclelect Group");
2. HPH Engineering Pte. Ltd.; and
3. Peak Top Engineering Pte. Ltd.

GEMS Tender

1. The Cyclelect Group; and
2. HPH Engineering Pte. Ltd.