



MEDIA RELEASE

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CCCS issues Proposed Infringement Decision against three companies for bid rigging in swimming pool and water feature maintenance tenders

The Competition and Consumer Commission of Singapore (“CCCS”) has, on 31 March 2020, issued a Proposed Infringement Decision (“PID”)¹ against three companies for infringing section 34 of the Competition Act (Cap.50B)² by engaging in bid rigging conduct relating to tenders called for the provision of maintenance services for swimming pools, spas, fountains and other water features to privately-owned developments in Singapore.

2. The three companies, namely CU Water Services Pte. Ltd. (“CU Water”), Crystalene Product (S) Pte. Ltd. (“Crystalene”) and Crystal Clear Contractor Pte. Ltd. (“Crystal Clear”) (each a “Party” and together the “Parties”), provide maintenance and cleaning services for swimming pools, spas, fountains and other water features.

CCCS’s Investigation

3. In September 2017, CCCS commenced its investigation into alleged bid rigging of tenders relating to the provision of maintenance services for swimming pools, spas, fountains and other water features to privately-owned developments, including but not limited to condominiums and hotels, in Singapore. Investigations revealed that there were bilateral agreements and/or concerted practices between (i) CU Water and Crystalene, and separately between (ii) CU Water and Crystal Clear, to collude by bid rigging tenders for the provision of maintenance services for swimming pools, spas, fountains and other water features to privately-owned developments, including but not limited to condominiums and hotels, in Singapore.

¹ The PID is a written notice setting out the facts on which CCCS makes its assessment and its reasons for arriving at the proposed decision. It is issued to Parties to assist them to make representations and provide any other information in support of their representations for CCCS’s consideration.

² Section 34 of the Competition Act prohibits any agreements between undertakings, decisions by associations of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore. An undertaking means any person, being an individual, a body corporate, an unincorporated body of persons or any other entity, capable of carrying on commercial or economic activities relating to goods or services.

4. CCCS found that, with cover bidding arrangements³ between the Parties in tenders, there was no competitive pressure on them to submit their best offers to customers. As a result, customers were unable to obtain offers that can best meet their requirements and which provide the best value. The tenders affected by the bid rigging arrangements between CU Water and Crystalene were called from 11 October 2008 to 29 May 2017. The tenders affected by the bid-rigging arrangements between CU Water and Crystal Clear were called from 20 August 2011 to 16 June 2017.

5. In this case, Parties CU Water, Crystal Clear and Crystalene, now have the opportunity to make their individual representations regarding the infringements proposed against them. Following CCCS's careful consideration of any representations received together with the evidence obtained in the course of the investigation, CCCS will then make its final decision.

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³ A Party would request a supporting quotation from the other Party which it believed to be higher than its own. The other Party would then provide this higher quotation to the customer. At times, a Party would specify a price for the other Party to use in the supporting quotation.

About the Competition and Consumer Commission of Singapore (CCCS)

The Competition and Consumer Commission of Singapore (“CCCS”) is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act (Cap. 50B) which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act (Cap. 52A) which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

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

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