24 September 2018: Public lighting in Ardèche

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**The Autorité de la concurrence has fined a company in Ardèche for entering into agreements
with competitors to secure public procurement contracts**

Following an investigation by the Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) into the public lighting sector in Ardèche, three companies, which had entered into an anticompetitive agreement, accepted the settlement offered by DGCCRF. Only the J. Grenot company turned down the settlement. DGCCRF therefore referred the case relating to this company to the *Autorité de la concurrence* pursuant to Article L. 464-9 of the French Code of Commercial Law (*code de commerce*).

Fictive consortium, information sharing and artificially inflated estimates

J. Grenot made use of several practices during public lighting tender procedures run by public authorities in the Ardèche *département*.

First, it formed a consortium with Lapize de Sallée in order to bid for two contracts in the town of Annonay. Although consortia are not illegal as such - they can enable a company to submit a bid which it could not otherwise do on its own-, the facts of the case show that this consortium had no economic or technical justification, but was designed so the two companies could continue their historical sharing of the town's public procurement contracts.

It also exchanged information with this company prior to the submission of its bids so that the latter could submit artificially inflated bids in order to give the impression that its own bid was the most cost effective for tenders put out by the towns of Peaugres and Saint-Julien-Vocance.

Lastly, it made a direct request to two companies to submit artificially inflated bids for a public procurement contract in the town of Roussillon.

These practices defrauded the towns and might have impacted their finances

By thwarting the competitive bidding process, J. Grenot prevented the setting of prices through effective competition. These practices may have increased the costs arising from these markets on the budget of the local authority.

In light of these facts, and taking into account the financial capacities of the company, the *Autorité de la concurrence* fined J. Grenot €19,000.

> See the full tect of Decision 18-D-19 of 24 September 2018 regarding practices implemented in the public lighting sector in Ardèche

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