# CMA trials AI tool to combat bid rigging in government procurement



In an effort to enhance its oversight of government procurement processes and mitigate the risk of collusion among businesses, the head of the UK Competition and Markets Authority (CMA), Sarah Cardell, has announced that the agency is currently trialling a new artificial intelligence tool aimed at tackling bid rigging. This innovative approach is part of the CMA's ongoing commitment to maintaining fair competition within the economy, particularly in light of the substantial value of government contracts, which amount to approximately £300 billion annually.

Speaking to the Financial Times, Cardell outlined the primary function of the AI tool, which is designed to analyse vast amounts of data to identify potential instances of anti-competitive behaviour during bidding processes. This data-driven process is expected to enhance the CMA's ability to detect irregularities and enforce competition law effectively. “The tool was designed to reduce the 'significant risk' of firms colluding,” she stated, underscoring the importance of utilising technology to safeguard the integrity of public procurement.

The CMA is already seeing promising results from an ongoing trial in one government department, where the new system has been described as 'proving quite successful'. This trial indicates the potential for broader implementation across various sectors in the public sphere, enhancing scrutiny on how contracts are awarded and maintained.

Furthermore, in alignment with these technological advancements, there are forthcoming regulatory measures anticipated to prohibit firms that have violated competition law from participating in government contract tenders. This development signals a proactive stance from the CMA, reflecting a commitment to fostering an equitable competitive environment for all businesses engaging with public sector contracts.

As the use of AI continues to expand within different industries, the CMA's initiative represents a significant step towards integrating advanced technological methods in regulatory practices. The trial is expected to pave the way for informed and data-led decisions that enhance compliance and fairness in government procurement processes.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://www.gov.uk/government/news/government-procurement-department-marks-10th-anniversary-having-saved-taxpayers-38-billion-last-year-alone> - Corroborates the substantial value of government contracts, mentioning the £300 billion annual public procurement spend and the centralization of government procurement.
* <https://www.gov.uk/government/publications/commercial-pipeline-guidance-v7-html> - Supports the scale of public sector procurement, highlighting that it accounts for around a third of all public expenditure and the significant annual spend.
* <https://cp.catapult.org.uk/programme/smarter-spending-through-new-procurement-thinking/> - Provides context on the annual spend of £300 billion by the public sector and the potential for public procurement to drive strategic outcomes.
* <https://www.british-business-bank.co.uk/business-guidance/guidance-articles/business-essentials/a-small-business-guide-to-public-sector-tendering> - Explains the process of public sector tendering and the benefits for suppliers, aligning with the context of government contracts and procurement processes.
* <https://www.noahwire.com> - Although not directly accessible, this is the source mentioned for the announcement by the head of the UK Competition and Markets Authority (CMA) regarding the AI tool trial.
* <https://www.gov.uk/government/news/government-procurement-department-marks-10th-anniversary-having-saved-taxpayers-38-billion-last-year-alone> - Details the centralization and efficiency improvements in government procurement, which could be enhanced by AI tools for detecting anti-competitive behavior.
* <https://cp.catapult.org.uk/programme/smarter-spending-through-new-procurement-thinking/> - Discusses the current state of public procurement and the need for innovation, which aligns with the CMA's initiative to use AI for better oversight.
* <https://www.british-business-bank.co.uk/business-guidance/guidance-articles/business-essentials/a-small-business-guide-to-public-sector-tendering> - Outlines the importance of fair competition in public sector tenders, which is a key focus of the CMA's AI tool and forthcoming regulatory measures.
* <https://www.gov.uk/government/publications/commercial-pipeline-guidance-v7-html> - Provides guidance on commercial practices in public sector procurement, which could be influenced by the CMA's new AI tool and regulatory measures.
* <https://cp.catapult.org.uk/programme/smarter-spending-through-new-procurement-thinking/> - Highlights the potential for technological advancements and new procurement thinking to enhance the integrity and fairness of public procurement processes.