



# Bid Analysis

Assessing the Likelihood of  
Anti-Competitive Unilateral Effects

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# What is a Bid Analysis?

- Bottom up analysis of competitive effects
- Descriptive analysis of products offered
  - Functionality
  - Market definition
- Bid data
  - Maintained in the normal course of business
  - Information on customer contracts on which merging parties have bid
  - Identify what, who, and winner



# Bid Analysis

- Who bids against the merging firms?
- How often do the merging firms bid against each other on individual tenders?
- How often the merging firms the only bidders?
- Are prices lower when merging firms bid against each other?
- Are the merging firms less likely to win tenders where the other is a rival bidder?
- What are the capabilities of other bidders (now and in the foreseeable future)?



# When is Bid Analysis Appropriate?

- Firms appear on the surface to be principal competitors in the marketplace
- Firms submit private bids for contracts
- Product market definition is driven in large part by an understanding of functionality
- Good bid data available



# Examples of Recent Transactions that Relied on Bid Analysis

## Public Record from the EU

- Oracle / PeopleSoft, June 1, 2005
- Ericsson / Marconi, December 2005
- Alcatel / Lucent, June 2006

## Types of Deals

- Software
- Telecom and telecom equipment
- Defense

