The Moscow Times
30 YEARS
INDEPENDENT NEWS FROM RUSSIA

Questions Arise Over Kiosk Tenders

By Irina Filatova

July 11, 2011



City Hall has held more than 117 tenders with 1,316 participants over two weeks to install the new-model kiosks. **Vladimir Filonov**

The results of some of the first tenders to install new-model kiosks in downtown Moscow could be annulled, as the Federal Anti-Monopoly Service has opened an investigation into a number of small enterprises, accusing them of violating the law on competition by hiking prices during the tenders, the service's Moscow branch said Monday.

"If violations are found, the results will be canceled and a new tender will be held," said a spokeswoman for the service's Moscow branch.

"An investigation is being held," she said by telephone.

The competition watchdog's Moscow branch opened a case involving 12 firms that participated in tenders in late June to install kiosks replacing old stalls removed late last year after criticism from Mayor Sergei Sobyanin.

The firms, including MiA Invest, Yunilevel, Delta and 5 Zvyozd, protracted the tenders by creating a cartel and hiking the auction prices, the service's Moscow branch said in a statement.

The investigation was started after Central Administrative District prefect Sergei Baidakov called for the competition watchdog to check the companies earlier this month.

Baidakov received a number of claims from tender participants complaining that some firms "had destabilized the tenders' atmosphere" and hadn't allowed small businesses the chance to work in the central district of Moscow, the district administration said in a statement in early July.

The starting price for an 11-square-meter plot of land on Novinsky Bulvar in central Moscow skyrocketed from 108,000 rubles ($3,860) to more than 300 million rubles, which resulted in the suspension of the tender, the statement said.

Under current legislation, if the violations are proved, the companies' directors face a fine of 300,000 rubles to 500,000 rubles or a prison term of up to three years.

The companies couldn't be reached for comment Monday.

City Hall has held more than 117 tenders with 1,316 participants in almost two weeks to install the new-model kiosks, Deputy Mayor Andrei Sharonov said Friday.

The average price to set up a 6-square-meter stall for three years ranges from 360,000 rubles to install a consumer services kiosk to 5 million rubles for a flower kiosk, he said.

Sharonov added that these are "realistic prices" that will be manageable for small businesses, Interfax reported.

The first kiosks were installed on Tverskaya Ulitsa last month, with the price for setting up the "Classic" model kiosk amounting to 420,000 rubles.

Soon after taking office in October, Sobyanin pushed for retail trade in Moscow to be more "civilized," triggering a mass liquidation of the stalls, which hindered traffic and pedestrian flow.

Original url: https://www.themoscowtimes.com/2011/07/11/questions-arise-over-kiosk-tenders-a8188