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Russian Road Agency Investigated for Holding 'Suspicious' Tenders

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Construction of the first section of the Central Ring Road began last August, but the project has since run into a series of stumbling blocks.

Russia's state anti-monopoly watchdog has launched an investigation into all tenders run by road builder Avtodor over the past three years after finding the state-owned company awarded several "suspicious" contracts as part of a major Moscow infrastructure project.

The Federal Anti-Monopoly Service suspects Avtodor of reaching "anti-competitive agreements" on the construction of the 530-kilometer Central Ring Road around Moscow, with the cost of one tender alone reaching up to 50 billion rubles ($890 million), the service's deputy head Alexander Kinyev said Monday, the Interfax news agency reported.

"A number of tenders for the Central Ring Road strike us as suspicious," Kinyev said.
The companies who won these tenders proposed a higher price than other bidders but won nonetheless on criteria the agency found dubious, such as "use of nanotechnology"

and "employees' qualifications," he added.

The agency is now auditing all tenders conducted by Avtodor over the past three years, he said.

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Business newspaper Vedomosti reported in May that Avtodor was considering switching contractors for the first section of the project after builder Stroigazconsulting said that it would be unable to fulfill the contract due to financing issues.

The third and fourth sections of the project are also facing financial problems. In April, Deputy Prime Minister Arkady Dvorkovich ordered the Economic Development Ministry to consider using cash from the Central Bank to support the banks that will fund the project, Vedomosti reported.

The Central Ring Road is slated for completion by the time Russia hosts the football World Cup in 2018. The road is meant to relieve the burden on the smaller, Soviet-era Moscow Ring Road that already circles the city.

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