



eAuctions

Overview

The Crown Commercial Service eAuction programme will help the public sector make savings when buying common goods and services.

An electronic auction (eAuction) is a procurement tool that uses web-based software to allow potential suppliers to compete online, in real time, to provide prices for the goods/services under auction.

eAuctions can be based on price alone or other criteria such as quality, delivery or service levels can also be taken into account.

Reverse eAuctions

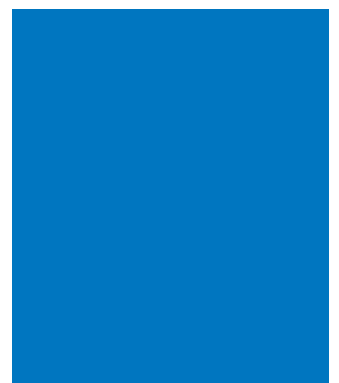
Potential suppliers compete with each other by reducing the price of the goods or services. This is referred to as a 'reverse' auction as prices are reduced rather than increased. Prices gradually reduce during the eAuction, as suppliers offer improved pricing in order to win the contract.

Forward eAuctions

Potential suppliers compete with each other by increasing the price they are willing to pay for the goods or services in order to win the business being offered. This is referred to as a 'forward' auction as prices are increased. Prices gradually increase as suppliers offer improved prices in order to win the contract. An example of this type of eAuction is suppliers bidding to purchase paper and magazines for recycling.

Benefits

- a legally compliant process
- transparency to all parties
- increased savings / revenue potential
- suppliers have multiple opportunities to bid (a traditional tender only provides one opportunity)
- well proven procurement technique using secure internet-based technology
- encourages buyers to clearly specify their requirements so an 'apples with apples' comparison can be made



eAuction programme

Our eAuction programme works to maximise commercial advantages and increase the opportunity for savings across many categories of common goods and services.

This helps public sector organisations achieve real savings quickly, whilst protecting quality and service levels.

eAuctions are an ideal procurement route where the aggregation of volume can affect market prices and greatly reduce the purchase price for buyers.

Our programme of eAuctions to conclude the further competitions to call-off our agreements is fully managed by us, with a dedicated and experienced team and expert advice to help you along the way.

We also offer an eAuction service to conclude your procurement where this falls beyond the scope of a Crown Commercial Service agreement.

During 2014/2015 we ran 67 eAuctions for customers across central government and the wider public sector on a pre-auction spend of £1.99 billion.

Savings include:

- Over £500,000 on a range of technology products for Gloucestershire County Council, which enabled the council to re-invest in technology to improve the customer experience for residents
- £2.2 million for the NHS following an eAuction for SMS messaging services, this equated to a 21% saving against the prices charged under the previous contract
- 39% price reduction for the purchase of passenger and commercial vehicles

The programme is open to all public sector organisations including local authorities, police forces and NHS trusts.

eAuction process

We have developed a 7 step process of the steps involved in a typical eAuction project:

Step 1

Establish customer requirement

Step 2

Stakeholder engagement to clarify, review and aggregate (where applicable) requirements and agree eAuction strategy

Step 3

Invitation to quote (ITQ) and specification is developed, agreed by stakeholders and issued to suppliers

Step 4

Suppliers submit response and opening bids

Step 5

Evaluate quality aspects of responses and invite qualifying suppliers to eAuction

Step 6

The eAuction

Suppliers know their ranking but not who they are bidding against. The eAuction typically lasts between 1 and 3 hours but can last longer. After 30 minutes each bid extends the event and the event closes once no bids have been received for 5 minutes. Constantly updated screens show supplier rankings which are automatically recalculated as bids come in

Step 7

Contract with winning supplier

How to get involved

Please get in touch to discuss your specific needs. We will work with you to identify suitable opportunities for your organisation to get involved and make savings.

This will ensure our programme meets your needs and that we understand your requirements and timescales.

We are also run regular eAuctions in the following categories:

- vehicle purchase
- technology

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Crown Commercial Service



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