Invitation to Bid

Attachment 10– eAuction Rules

RM6299 Office Solutions

| **eAuction Rules Summary** | | | | |
| --- | --- | --- | --- | --- |
| **eAuction Type** | Reverse English MEAT (Most Economically Advantageous Tender) |  | **Minimum Bid Decrement** | The minimum Bid decrement is TBC  Lot 1 - to be confirmed  Lot 2 - to be confirmed |
| **Entry Pricing** | Opening Bid | **Bidding Type** | Total Basket Price |
| **Extension Rule** | Remaining bid time returns to 3 minutes if any bid is placed in the last 3 minutes [refer to paragraph 6] | **Login Time** | 30 minutes before scheduled eAuction Start time |
| **Minimum Duration** | 30 minutes | **Award Decision** | Most Economically Advantageous Tender |
| **Date of Practice eAuction:** | Both Lots - 6th March 2024 | **Practice eAuction Start Time:** | 10:00 - 15:00 |
| **Date of eAuction:** | Lot 1 - 7th March 2024  Lot 2 - 7th March 2024 | **eAuction Start Time:** | 10:00 |
| **Potential Rollover Date** | Lot 1 - 8th March 2024  Lot 2 - 8th March 2024 |  | **eAuction Rollover Start Time** | 10:00 |

1. **Participation in the eAuction**
   1. Following the conclusion of the quality evaluation, qualifying Bidders will be invited to participate in the eAuction.
   2. For the avoidance of doubt, a qualifying Bidder is a Bidder that has submitted a complaint bid, that meets both the selection criteria and the quality threshold set out in Attachment 2 - How to Bid, who has not been excluded from the competition.
2. **eAuction Type**
   1. We will use a ‘Reverse English MEAT eAuction’ to determine which Bidder(s) offer(s) the most economically advantageous tender for each lot.
   2. MEAT eAuctions allow quality scores achieved during the quality evaluation to be incorporated into the eAuction to determine the overall rank. This ensures that a Bidder’s quality score will have an impact on its bid.
   3. As part of the invitation to participate in the eAuction Bidders will be informed of their quality score and relative ranking based upon quality of their bid.
   4. During and throughout the eAuction, Bidders will have visibility of their ranking in the eAuction, their respective bids and the best bid.
   5. The “best bid” displayed to each Bidder shows the bid that the Bidder would be required to improve on in order to be ranked first in the eAuction. If a Bidder submits a bid that is lower than the “best bid” displayed, their overall score would be the highest and they would be ranked first in the auction. For example, if the “best bid” is displayed as £1000, the Bidder would be required to bid less than £1000 in order to be ranked first. The “best bid” displayed to a Bidder is calculated based on the Quality Score of that Bidder as it is specific to them, i.e. it communicates the bid that a specific Bidder is required to improve on in order to be ranked first in the auction).
   6. The quality scores within the eAuction are visible only to CCS.
   7. For the purpose of this eAuction, the weighting is based on 40% quality and 60% e-Auction price and the MEAT calculation is based on Proportional versus Best.
   8. The following example shows how a Bidders’ price and quality score are combined to calculate the Proportional versus Best Total within the eAuction to determine the overall rank.

**Example:**

| Quality Weighting | 40 % |
| --- | --- |
| Bidder (A) Scored a Quality Score of 39 (out of 40)  *For the purpose of eAuction calculation this has to be converted to a score out of 100 e.g.*  *39 divided by 40 multiplied by 100 = 97.5 Quality Score* | 97.5 Quality Score |
| Best Price Bid (lowest) | £100.00 |
| Bidder (A) Price Bid | £120.00 |
| Proportional vs.Best (PvB) Price  (Best Price / Bidder A’s Price\*100) | = 83.33 |

| The Proportional versus Best Total Score for each supplier will be used to determine the overall ranking in the eAuction, it is calculated in real time within the eSourcing Suite as below: | | | | |
| --- | --- | --- | --- | --- |
| **(PvB x** | **(100 - quality weighting) +** | **(Bidder A Quality Score x quality weighting)** | | **/ 100** |
| (83.33 x | (100 - 40) + | (97.5 x 40) | | / 100 |
| (83.33 x | 60 + | 3900 | | / 100 |
| Proportional versus Best Total Score | | | 88 | |

* 1. During the eAuction, only the best bid, the actual prices submitted and the overall ranking in the eAuction is visible to Bidders. Bidders will not have visibility of the PvB calculations.

1. **Award Decision**
   1. The Framework contract will be awarded to all bidders who submit a fully compliant bid and meet the Minimum Quality Threshold.
   2. Bidders should ensure that their closing bids reflect their best and final offer.
2. **Opening Bids**
   1. Bidders are required to submit initial prices as part of their Bid in accordance with the instructions provided within Attachment 2 - How to Bid.
   2. In the event that two or more Bidders submit the opening bids of equal value, those Bidders will be ranked equally at the start of the eAuction.
   3. Within the eAuction you will be required to bid on a total basket price as detailed in Attachment 2 - How to Bid paragraph 11.
   4. All Bidders will be required to submit their final price matrix following the close of the eAuction, this will reflect the Total Basket Price at the end of the eAuction. Deadline submission is within 24 hours of the eAuction close.
3. **Preparation for the eAuction**
   1. Bidders will be provided, in advance of the date of the eAuction, with guidance on how to use the eAuction system (eSourcing suite).
   2. Bidders will be invited to a practice eAuction in order to familiarise themselves with the eAuction system and to practice placing bids.
   3. It is important that Bidders prepare for the bidding before the eAuction commences. The eAuction will be conducted within a limited time and therefore pricing decisions will need to be made quickly in a real-time, dynamic environment. For this reason, it is important that Bidders:
   4. become familiar with the software by participating in the practice eAuction;
   5. mobilise participation from the right people within their respective organisations who can make bidding decisions on the spot during the live eAuction; and
   6. develop a price negotiation strategy and calculate a ‘walk-away’ price that the Bidder can commit to before the eAuction commences.
   7. We will invite Bidders to log-on to the eSourcing Suite by 17:00 the day before the date of the eAuction in order to view their Opening Bids. Please note that Bidders will not be able to place bids in the eAuction until the event opens on the day of the eAuction.
   8. Bidders must log on to the eSourcing Suite system at least 30 minutes before the eAuction is due to start to ensure that their respective connections are fully working and that they are able to participate.
4. **The Live eAuction**
   1. The duration of the eAuction will initially be 30 minutes. We reserve the right to extend or reduce this initial time before or during the eAuction.
   2. If a bid is received at any time within the last three minutes of the eAuction, three minutes will be added to the clock. Each subsequent bid placed within the last three minutes will trigger a further time extension, adding three minutes to the clock.
   3. Where a multi Lot eAuction is being run, a time extension for one Lot will be applied to all Lots synchronously. CCS reserves the right to extend/reduce this time before or during the eAuction.
   4. The eAuction will end when the clock has counted down to zero and states ‘Ended’.
   5. Bidders are advised to place their bids well in advance of the last remaining minutes of the eAuction in order to avoid the risk of not being able to place a bid prior to the eAuction closure. We cannot be held responsible for the latency of a Bidder’s connection and the time it takes to transmit information from the Bidder’s system to the eAuction system across the internet. Only bids registered in the eAuction system before the eAuction closes will be accepted as valid bids.
   6. The eAuction may be suspended at any time at the sole discretion of CCS. Should this happen, the Bidder will receive notification via the messaging area within the eAuction system.
   7. Bidders should ensure that the correct telephone numbers for their designated contacts are recorded in the eSourcing Suite so that we can contact you during the eAuction if required. This may be different from the normal contact number set out in your Bid.
   8. It is recommended that those persons in a Bidder’s organisation whose participation is required in the eAuction, block out *a* ***minimum***of two hours in their diaries from the start of the eAuction in case the eAuction is extended. Bidders should however note that the eAuction may last longer than two hours.
   9. Should the eAuction still be running at 16:30 the eAuction will be paused overnight and will resume on the morning of the next working day. In the event of this happening Bidders will be notified of timings via a message in the eAuction system.
   10. Following the close of the eAuction there will be no further opportunities for bidding either on the eAuction system or via any other method.  All bid adjustments must be completed during the eAuction being open.
   11. Should any Bidder experience any technical difficulties during the eAuction, they must report the problem to us immediately. In the first instance contact should be via the eAuction system messaging facility, but if network connectivity is lost then Bidders should please call: 0345 410 2222.
   12. Where problems in respect of the eAuction are reported by Bidders in the last two minutes of the eAuction, we cannot guarantee that such problems will be resolved prior to eAuction closure. It is therefore highly recommended that Bidders place their bids well in advance of the eAuction closing time.
   13. We, in our sole discretion, may suspend the eAuction and resume it from the point at which it was suspended or in very rare cases, terminate the eAuction. Where the eAuction is terminated, it will cancel all previous bids. We may suspend or terminate the eAuction at any time acting reasonably, for any reason, including but not limited to technical difficulties and will notify all Bidders accordingly. We will advise Bidders when the eAuction will resume or be restarted.
   14. Where a multi Lot eAuction is being run, suspension and resumption activities are applied synchronously to all Lots.
5. **Placing bids**
   1. All bids must be placed using the eAuction system. We will not consider bids made using any other means.
   2. It is the Bidder’s responsibility to ensure that they have understood the guidance provided on the use of eAuctions (including how to place a bid), these eAuction Rules and all other documentation relating to the procurement in respect of the eAuction.
   3. All bids must comply with the requirements set out in the Attachment 2 - How to Bid.
6. **Binding nature of bids**
   1. All bidsplaced are binding on the Bidder. The eAuction system requires Bidders to confirm their bid. By confirming their bid each Bidder will be deemed to have made a formal offer to supply the stated goods and/or services at the price submitted in the bid. It is the Bidder’s responsibility to ensure that it is familiar with its own bidding strategy prior to the eAuction in order to avoid submitting incorrect bids during the eAuction. Once a Bidder has confirmed a bid, any increase in price in respect of that bid will not be accepted.
   2. If a Bidder makes an error they should notify us immediately via an eAuction system message and we may, having the sole and absolute discretion to do so, allow the Bidder to adjust that bid.
   3. We may be unable to allow for the adjustment of bids submitted during the final two minutes of the eAuction and reserve the right to not allow for the adjustment of such bids submitted during the final two minutes of the eAuction. As such, where Bidders submit erroneous bids during the final two minutes of the eAuction, they may be bound by such erroneous bids.
7. **Tied bids**
   1. In the event that a supplier submits a bid that ties with another bid, the eAuction system will rank the supplier who placed the bid first in the lead and the supplier who placed the bid later will be in the next ranked position.
8. **Minimum decrement**
   1. A minimum bid decrement amount will be stipulated. This means that a Bidder **must** reduce their bid by at least this amount in order to successfully place a valid bid in the eAuction system.

**The minimum bid decrement for this eAuction is to be confirmed**.

* 1. We reserve the right to change the minimum bid decrement before or during the eAuction by notifying Bidders of the change.

1. **Currency**
   1. All bids must be displayed in GBP (£ sterling).
2. **Messaging**
   1. Bidders may be sent messages at various times throughout the eAuction via the eAuction system and/or contacted by telephone. All messages will be sent to the Bidder’s designated contact using the contact details for each Bidder that have been recorded in the eAuction system. It is important that Bidders respond promptly as necessary.