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**Attachment 13 - eAuction Rules**

**RM6118 Payment Solutions – Lot 6 Face to Face & CNP Aggregated Payment Acceptance Services**

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| **eAuction Rules Summary**  Bidders should note that the following details may be altered by the Authority with prior notification | | | | |
| eAuction Type | Reverse English MEAT (Most Economically Advantageous Tender) |  | Minimum Bid Decrement | The minimum Bid decrement is to be confirmed |
| Entry Pricing | Opening Bid | Bidding Type | Total Lot Price |
| Login Time | 20 minutes before scheduled eAuction Start time | Minimum Duration | 30 minutes |
| Date of eAuction: | **w/c 17th February 2020 (exact date TBC)** | eAuction Start Time: | **10:00** |

**URL for Crown Commercial Service eSourcing Suite:**

**https://crowncommercialservice.bravosolution.co.uk/**

**GLOSSARY**

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| **“Authority”** | means the Minister for the Cabinet Office (“**Cabinet Office**”) represented by Crown Commercial Service which is a trading fund of the Cabinet Office whose offices are located at 9th Floor, The Capital, Old Hall Street, Liverpool, L3 9PP; |
| **“eAuction”/ “eAuction tool”** | means the procurement tool used by the Authority, using web-based software which allows Bidders to compete electronically online and in real time by submitting their prices for the provision of the goods and/or services required by the Authority as more fully described in these eAuction Rules; |
| **“Bidder”** | shall have the meaning given to it in paragraph 1.1 of the rules below; |
| **“e-Sourcing Suite”** | means the online tender management and administration system used by the Authority to facilitate its procurement exercises as found at:**https://crowncommercialservice.bravosolution.co.uk/** |
| **“Framework Lot”** | means a discrete sub-division of the goods and/or services as referred to in the Invitation to Tender (described therein as a “Lot”); |
| **“Invitation to Tender (ITT)”** | means the Bid Pack issued to Bidders by the Authority in respect of Crow Commercial Service procurement RM6118 Payment Acceptance; |
| **“Lot”** | for the purpose of these eAuction Rules alone, shall mean an item of the goods and/or services or set of items of the goods and/or services required by the Authority as set out in  the Bid Pack for which Bidders shall submit prices under the eAuction; |
| **“Opening Bid”** | shall have the meaning given to it in paragraph 4 (of the rules below) and is referred to as a “preliminary bid” on the Authority’s eAuction tool; |
| **“Quality Evaluation”** | means the quality evaluation of a Tender undertaken prior to the eAuction as defined in the Invitation to Tender. |
| **“Quality Score”** | means the outcome of the Quality Evaluation expressed in the form of a numerical score as defined in the Invitation to Tender. |
| **“Tender”** | means a Bidder’s formal offer to provide the goods and/or the services required by the Authority in response to the Invitation to Tender; |

**RULES**

**1.**     **Participation in the eAuction**

1.1 The Authority shall invite to participate in the eAuction, those suppliers who have submitted admissible Tenders (the **“Bidders”**).  For the avoidance of doubt, an admissible Tender is a Tender that has been submitted by a supplier, who has not been excluded pursuant to any of the mandatory grounds for exclusion under the Public Contracts Regulations 2015 and who meets the selection criteria, and whose Tender is in conformity with the technical specifications without being irregular, unacceptable or unsuitable.

**2.** **eAuction Type**

2.1.     The Authority will use a ‘Reverse English MEAT eAuction’, as opposed to a ‘Lowest Price eAuction’, to determine which Bidder(s) offers the most economically advantageous tender for each lot. 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.

2.2. As part of the invitation to participate in the eAuction the Authority will communicate to each Bidder their Quality Score and relative ranking based upon quality of their Tender.

During and throughout the eAuction Bidders will have visibility of their ranking in the eAuction, their respective bidsand the best bid (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). The Quality Scores are visible only to the Authority.

2.3. For the purpose of this eAuction, the weighting is based on 70% quality and 30% eAuction price and the MEAT calculation is based on Proportional versus Best.

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:**

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| Quality Weighting | | | | 70 % | |
| Bidder (A) Scored a Quality Score of 49 (out of 70)  *For the purpose of eAuction calculation this has to be converted to a score out of 100 e.g.*  *49 divided by 70 multiplied by a 100 = 70 Quality Score* | | | | 70 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 Sourcing Suite as below: | | | | | |
| (PvB x | (100 - quality weighting) | plus | (Bidder A Quality Score x quality weighting) | | / 100 |
| (83.33 x | (100 - 70) | plus | (70 x 70) | | / 100 |
| (83.33 x | 30 | plus | 4900 | | / 100 |
| Proportional versus Best Total Score | | | | 73.99 | |

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.

Should the lowest Bidder decline to accept the offer of a Framework Contract for Lot 6 post eAuction, then it will be offered to the next lowest Bidder until it has been accepted.

**3.**     **Award Decision**

3.1. The Framework contract will be awarded to the Bidder(s) whose Proportional versus Best Total Score is the highest and is ranked 1st at the end of the eAuction (subject to due diligence).

Bidders should ensure that their closing bids reflect their best and final offer. If exceptional circumstances should arise and it is not feasible or possible for a successful Bidder to conclude a framework agreement with the Authority then the Authority may conclude a framework agreement with the Bidder ranked second and so forth thereafter.

**4.** **Opening Bids**

4.1.     Bidders are required to submit initial prices as part of their Tender in accordance with the instructions provided within the Invitation to Tender (the “**Opening Bid**”).

In the event that two or more Bidders submit the Opening Bids of equal value and have the same Quality Score, those Bidders will be ranked equally at the start of the eAuction and will be required to place an initial bid once the eAuction opens.

**5.** **Preparation for the eAuction**

5.1.    The Authority shall, in advance of the date of the eAuction, provide Bidders with guidance on how to use the eAuction tool.

 5.2.   In order to take part in the live eAuction Bidders are strongly advised to attend a demonstration of the eAuction tool via webinar. Bidders will receive an invitation via the webinar system in advance of the demonstration.

 5.3.    Following the demonstration, referred to in paragraph 5.2 above, Bidders will be invited to a practice eAuction in order to familiarise themselves with the eAuction tool and to practice placing bids.

 5.4.     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:

 (a)   become familiar with the software by participating in the webinar demonstration and practice eAuction;

 (b)   mobilise participation from the right people within their respective organisations who can make bidding decisions on the spot during the live eAuction; and

 (c)   develop a price negotiation strategy and calculate a ‘walk-away’ price that the Bidder can commit to before the eAuction commences.

 5.5. The Authority will invite Bidders to log-on to the eSourcing Suite by 18:00 on the day before the date of the eAuction in order to view their Opening Bids.

5.6. Bidders must log on to the eSourcing Suite tool at least 20 minutes before the eAuction is due to start to ensure that their respective connections are fully working and that they are able to participate.

**6.** **The Live eAuction**

6.1.    The duration of the eAuction will initially be 30 minutes.  The Authority reserves the right to extend or reduce this initial time before or during the eAuction.

6.2.     Subject to paragraph 6.7, if a bid is received at any time within the last five minutes of the eAuction, the remaining time will automatically reset to five minutes. Each subsequent bid will trigger a further time extension, resetting the time to five minutes remaining. Please note that where the goods and/or services to be procured are divided into Lots, a time extension for one Lot will be applied to all Lots synchronously. The Authority reserves the right to extend/reduce this time before or during the eAuction.

6.3.     The eAuction will end when the clock has counted down to zero and states ‘Ended’.

6.4.     The Authority advises Bidders 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 their bid prior to the eAuction closure. The Authority 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 Authority’s system across the internet. Only bids registered in the Authority’s system (eSourcing Suite) before the eAuction closes will be accepted as valid bids.

6.5.     The eAuction may be terminated at any time at the sole discretion of the Authority. Should this happen, the Bidder will receive notification via instant messaging or by phone. Bidders should ensure that the correct telephone numbers for their designated contacts are recorded in the eSourcing Suite so that the Authority can contact them during the eAuction if required. This may be different from the normal contact number set out in a Bidder’s Tender.

6.6.     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.

 6.7. Should the eAuction still be running at 16:30 hours the Authority reserves the right to suspend the event overnight and resume the next morning. In the event of this happening, Bidders will be notified of timings via an eSourcing Suite message.

6.8.     Following the close of the eAuction there will be no further opportunities for bidding either on the eSourcing Suite or via any other method.  All bid adjustments must be completed during the currency of the eAuction.

6.9.     Should any Bidder experience any technical difficulties during the eAuction, they must report the problem to the Authority immediately. In the first instance contact with the Authority should be via the e-Sourcing Suite messaging facility, but if network connectivity is lost then Bidders should please call: **0151 672 2046.**

6.10    The Authority may, at its sole discretion, suspend the eAuction and resume it from the point at which it was suspended or in very rare cases, terminate the eAuction.  Where the Authority terminates the eAuction, it will cancel all previous bids and restart the eAuction. The Authority may suspend or terminate the eAuction at any time acting reasonably, for any reason, including but not limited to technical difficulties and will notify of this all Bidders accordingly. The Authority will advise Bidders when the eAuction will resume or be restarted.

6.11    Where the goods and/or service to be procured are divided into Lots, suspension and resumption activities are applied synchronously to all Lots.

6.12    Where problems in respect of the eAuction are reported by Bidders in the final 2 minutes of the eAuction, the Authority 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.

**7.  Placing bids**

7.1.     All bids must be placed using the eAuction tool and the Authority will not consider bids made using any other means.

7.2.     It is the Bidder’s responsibility to ensure that they have understood the guidance provided by the Authority 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.

7.3.     All bids must comply with the requirements set out in the Invitation to Tender.

**8.** **Binding nature of bids**

8.1.     All bidsplaced are binding on the Bidder (for the avoidance of doubt this is the price submitted by the Bidder in the bid and not the transformed price).  The eAuction tool 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, the Authority will not accept any increase in price in respect of that bid.

8.2.     If a Bidder makes an error it should notify the Authority immediately via an eSourcing Suite message and the Authority may, having the sole and absolute discretion to do so, allow the Bidder to adjust that bid. The Authority may be unable to allow for the adjustment of bids submitted during the final 2 minutes of the eAuction. As such, where Bidders submit erroneous bids during the final 2 minutes of the eAuction, they may be bound by such erroneous bids.

**9.** **Tied bids**

9.1. The eAuction tool allows for one or more bids to be submitted for the same value. Bidders ranking will be determined by the date/time stamp, therefore, the Bidder who placed the bid first will be ranked ahead of the Bidder whose bid was submitted after theirs.

**10.**  **Minimum decrement**

10.1.  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 tool.

**The minimum bid decrement for this eAuction will be confirmed prior to the eAuction.**

10.3.  The Authority reserves the right to change the minimum bid decrement before or during the eAuction by notifying Bidders of the change. 

**11.**  **Currency**

11.1.  All bids must be displayed in GBP (£ sterling).

**12.**  **Messaging**

12.1.  Bidders may be sent messages at various times throughout the eAuction via the eSourcing Suite 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 eSourcing suite. It is important that Bidders respond promptly as necessary.