

Complete Tender Management E AUCTIONS

Authority Guide

April 2012

Version Control

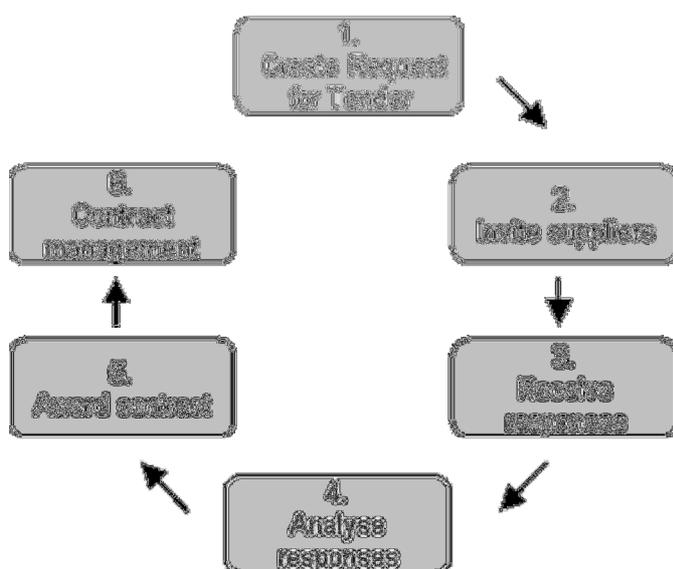
Version	Date	Amendment
1.0	March 2012	Split Tender and Contract Management manuals NEW versions
1.1	April 2012	To include rel 6.9

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Section 1: Introduction to Tender Management and Contract Management

EUS Tender Management (CTM) is a comprehensive tool that allows tenders to be created, distributed and evaluated without the need to create and manage paper documents. CTM makes the tendering process easier for both buyers and suppliers and covers the entire process including the contract management phase.



Tender Management is used by government organisations and general contractors to improve the efficiency of the tendering process. For those who respond to tenders, for example general contractors, sub-contractors and trades people, tender management simplifies and speeds up the process of formulating tender responses.

You can add all of the necessary drawings, specifications, schedules, tender documents and other attachments to the Request for Tender you issue or receive.

Buyers have access to a rich database of their chosen suppliers when issuing a Request for Tender. If appropriate, you can source potential new suppliers, complete with pre-qualification details, from the supplier database.

Suppliers are able to present information to initiating organisations at the time and place that purchasing decisions are made.

Tender Management offers you the following advantages:

- Saves you time and money compared with traditional methods
- Greatly improves the exchange and management of information
- Improves accuracy throughout the tendering, quotation and contract process
- Reduces time wasted on low value administration (faxes, phone, travelling)
- Increases traceability
- Web-based for easy access to information – anytime, anywhere

Section 2: Accessing Tender Management

EUS CTM (Complete Tender Management) is only available if your company has registered to use this system.



To access EUS CTM:

1. Open your web browser and go to your CTM logon page. Insert your Username and Password into the appropriate fields then click on the [Log in] button.

The EUS Tender Management Welcome Page displays.

2.1 Modules and settings within tender management

CTM has modules and settings which can be switched on or off. This guide describes the e-auction module within the tendering process. If you do not find specific links or modules when accessing the system it is likely that certain modules are switched off. To see the modules you can access, review your personal profile described in section [Edit user profile](#) within this document.

To read in detail about the Tendering module and contract module and process within CTM please read the relevant manuals.

If you would like certain modules switched on, contact your company administrator or your CTM support.

Section 3: Management of Information

The Tender Management solution can be run "Project" based if desired. "Project's" enable re-use of information between Request for Tenders, collection of all "Project" related documents in a "Project" document folder and gives access to the Bill of Quantities (BoQ) Manager. Depending on authority setting and semantics the word "Project" might in your configured solution be called e.g. workspace, folder or department depending on your authority structure. In this user manual the word "Project" is used as the possibility to group your tenders into either for example: tender types, category procurement types etc.

To access your "Project's" and subsequently your tenders and e-auctions, click on the [My Request for Tenders](#) link. .

Services	
	My Requests for Tender ▶▶ 40 Ongoing, 207 Closed
	Contracts ▶▶ 6 Active, 42 Pending, 11 expired
	Documents ▶▶ Manage company and personal documents
	My Scheduled uploads ▶▶
	My tasks ▶▶ My sent and incoming tasks
	My Approvals ▶▶
	My evaluations ▶▶
	Printorders ▶▶ 1 Ongoing, 1 External, 1 Closed
	Reports ▶▶ Generate reports and statistics
	OJEU Notifications ▶▶ 7 Pending
	Need help? Please contact our support at: support@eu-supply.com phone: +46 8 545 532 88

3.1 "Projects"/Workspace

Within "Projects"/Workspace you can create any number of Tenders and/or E-auctions, It is however not mandatory in any way to create these withing CTM, you can also simply create tenders and e-auctions directly at the list

Section 4: eAuctions

Electronic auction (or electronic reverse auction) is an one-line auction where selected bidders (suppliers) submit offers electronically against the purchaser's specification. Normally after the selection process is completed in a tender an evaluation is made and successful bidders are then invited to participate in the auction.

In an eAuction the bids are based on lowest price or most economically advantageous offer as stated in the contract notice or bid documents. Any quality features that are carried forward in eAuction stage as percentage or/and figure value can be incorporated within the formula which will be used to rank the bids.

4.1 Set up eAuction

An auction can also be at end of a tender in the CTM system, for those cases you would have already chosen a different way to determine that auction should be set up at end of tendering process, however the set up of actual auction and preparation of bids is exactly the same and will be shown here below.

Consider that you need to send information to the suppliers participating regarding how the auction will be set up and the rules around the e-auction, this should be done minimum 3 days before auction start time to assure that suppliers register in the system if not already done so and to validate the first bid that will be in the auction from their company.

4.1.1 Set up eAuction



Set up eAuction.

1. Click the [Create TENDER] button from the main list of ongoing Tenders
2. Click in Only auction which will open up a larger screen with set-up possibilities

3. Once Only Auction has been clicked the screen opens up to set up:

Setting	Description
Auction times	Start and end for the auction, normally one hour
Auction type	Two types of auction <ul style="list-style-type: none"> ▪ Reverse auction – Most normal auction type, where the lowest bid entered by suppliers are the best ▪ Forward auction – Highest bid from suppliers are best.

For description of the other settings, please see section about Tender.

4. Click on [Save] to go to check-list, same type of check-list as for Tender, but with lesser points. We will only go through the points related to auctions.

5. Auction settings, click on the Edit link for Auction settings, the below screen is appearing.

Auction parameters	
Key	Value
Minimum bid decrement	
In absolute or %	Absolute <input type="radio"/> % <input checked="" type="radio"/>
Absolute number	<input type="text"/>
% (max 0.99%)	<input type="text" value=".20"/>
Decrement calculated from	Own best bid <input type="button" value="v"/>
Extension time	
Extension time triggers on	Any new bid <input type="button" value="v"/>
Extension time (seconds)	<input type="text" value="420"/>
Other settings	
Pre-populate bids	No pre-population <input type="button" value="v"/>
Show all bids	Yes <input type="button" value="v"/>
Decimals	<input type="text" value="2"/>
Hide messaging and RFT details	No <input type="button" value="v"/>
Prevent bidders from assigning user rights	No <input type="button" value="v"/>
Show number of participants to bidders	No <input type="button" value="v"/>
<input type="button" value="Save"/> <input type="button" value="Cancel"/>	

Setting	Description
Minimum bid decrement	The suppliers need to lower their bid for each entered bid, you as the buyer can specify how much they need to lower the bid in percentage or in absolute numbers
Decrement calculated from	Specifies if the supplier has to lower the bid in relation to his last bid or the auction's lowest bid.
Extension time	Extension time is there to allow all suppliers to have a chance to evaluate each new bid entered at the end of the auction. The extension will mean that if the supplier enters a bid 5 seconds prior end-time the auction will be pro-longed with the number of seconds entered within the field
Extension triggers on	You can select if the extension should trigger on only if the supplier enters the lowest bid or any bid he enters.
Pre-populate bids	As a help the supplier you can select to pre-populate his bid-field. <ul style="list-style-type: none"> ▪ No pre-population – No pre-population is made for the supplier, and he has to enter his own bid each time. ▪ Previous bid – Pre-populates the supplier bid-field with the last bid he entered.

	<ul style="list-style-type: none"> ▪ Previous bid with decrement – Pre-populates the supplier field calculated from decrement i.e. the least sum the supplier need to lower his bid to be able to enter a bid.
Show all bids	<p>Tells how the bids should be shown to the suppliers. No name of the competitors will ever be shown, only the bids.</p> <ul style="list-style-type: none"> ▪ Yes – All bids are shown to all suppliers during the auction and after, including the ranking ▪ No – This option only shows the best bid and the ranking together with the supplier's current bid. ▪ Ranked – The ranked option only shows the current rank of the supplier, and he does not know the best bid and how much to lower to be have the best bid.
Show number of participants	Showing the number of participants to the suppliers within the auction. Only showing the number, no names of the competitors.
Decimals	Specifies the number of decimals all bids are entered and showed in.
Hide messaging and Tender details	Enables an easier and simplified view for the supplier by removed buttons to click on at the auction.
Prevent bidders from assigning user access rights	Enables an easier and simplified view for the supplier by removed buttons to click on at the auction.
<i>Below settings only available if using more than one Lot</i>	
Competition on	<p>The type of competition i.e. how bids should be entered by the suppliers</p> <ul style="list-style-type: none"> ▪ Each Lot – The suppliers can enter separate bids on each Lot included in the auction. The supplier can also choose not to enter bids on individual Lot. Award of supplier can be done for each Lot separately ▪ Total bid – Suppliers will need to enter bids on all included Lots, and award is on the sum of the Lots.
Allow equal total bids	Allowing the suppliers to enter equal total bids.
Hide best Lot bids to suppliers	Will hide the individual Lot bids of the supplier competitors
Allow increased bid on package if total bid decreased	This setting can be set if competition is made on Total bid . For reverse auctions, the setting allows or prevents suppliers to raise the bid on one of the packages, even if the total bid is decreased, if a previous bid has been entered
Discount bids	If the supplier is allowed to enter a discount bid for all the included Lots.

Click [Save] when completed. Back at the check-list you can add any optional documents related to the auction.

Now you must select the suppliers that should participate in the auction, the suppliers must be in the CTM system and you now search for them by several

different criteria such as name, qualification etc. If you are ending a whole Tender process with an eAuction, you'll need to qualify suppliers from the previous step.

Once you have selected the suppliers you wish to participate in the eAuction you go to next step on the checklist which is Prepare Auction.

4.1.2 Prepare eAuction

You prepare the auction by setting the preferences and entering the first bid/quotation from each supplier/participant that you have received from them in previous offer.



To prepare an auction:

1. Click on the Prepare link from the checklist or the [Set up bidding event...] from the { Bidding } tab.
2. Click the Set preferences for each Lot
3. Enter the first bids and any eventual preferences.

OLB preparation				
Company	Adjustment sum (GBP)	Factor (%)	First bid (GBP)	Adjusted bid (GBP)
	<input type="text" value=""/>	<input type="text" value=""/>	<input type="text" value=""/>	
Donia 1 testcompanysupplier	<input type="text" value="600"/>	<input type="text" value="100"/>	<input type="text" value="7000"/>	<input type="text" value="7600"/>
Donia 2 testcompanysupplier	<input type="text" value="0"/>	<input type="text" value="150"/>	<input type="text" value="7000"/>	<input type="text" value="10500"/>
Donia 3 testcompanysupplier	<input type="text" value="0"/>	<input type="text" value="100"/>	<input type="text" value="6000"/>	<input type="text" value="6000"/>
Donia 4 testcompanysupplier	<input type="text" value="0"/>	<input type="text" value="100"/>	<input type="text" value="9000"/>	<input type="text" value="9000"/>
Donia 5 supplier	<input type="text" value="0"/>	<input type="text" value="100"/>	<input type="text" value="8000"/>	<input type="text" value="8000"/>

- *Adjustment sum* – This is a sum which makes this particular suppliers offer more expensive with this amount. Thus, in example above the first supplier in the list has extra delivery charge of 600 which makes his bid of 7000 really worth 7600 in comparison with other suppliers that include their delivery charge in total quote
- *Factor* – The factor adjustment can be seen as a quality difference that you have decided from the qualification, for example you might know that the second supplier on the list always delivers much too late, thus you have decided that this is for the negative cost equivalent of 50%
- *First bid* - You also enter the first bid for each supplier, the first bid is the bid received from the suppliers original quote without any adjustment. The first bid is also the bid shown to each supplier. The competitor's bids are calculated against the adjustment sum and factor.

4. Click [Save].
5. Next step is to send the first bids to the suppliers and allowing them to validate the bids entered and be part of the auction. He also has the possibility to reject this bid should there be any mistake/misunderstanding.

Overview			
View bid preferences»	Set preferences»	Set preferences»	Set preferences»
Package	Donia 1 testcompanysupplier	Donia 2 testcompanysupplier	Donia 3 testcompanysupplier
1. eAuction regarding purchase of 50 PC according to specification 98:10 Set preferences»	7,000.00 (GBP) [7,600.00] (GBP)	7,000.00 (GBP) [10,500.00] (GBP)	6,000.00 (GBP) [6,000.00] (GBP)
	<input type="button" value="Send :"/>	<input type="button" value="Send :"/>	<input type="button" value="Send :"/>
	Not yet sent	Not yet sent	Not yet sent

6. Click [Send] for each of the suppliers, when completed sending for all suppliers click [Done].

The buyer now waits until the suppliers have accepted/approved the first entered bid. As soon as a supplier has done so the buyer can see that in his bidding tab.

4.1.3 eAuction event

During the eAuction the buyer does not take much action, only views the auction event. The event is available from the { Bidding } tab.

Suppliers	Bidding	Contracts	Messaging	Audit trail	Reporting
<input type="checkbox"/> Best bid by package The bids displayed below are adjusted					
	Fruit company (s1) Status: First bid accepted	Vege supplier (M1) Status: First bid accepted			
1. Fruit and vegetables»	41,000.00	40,500.00			
2. Fruits»	23,000.00	25,200.00			
Total of all packages	64,000.00	65,700.00			
Page updated: 01/06/2008 20:24					
<input type="button" value="Add suppliers..."/> <input type="button" value="Set up bidding event..."/> <input type="button" value="Lock/Unlock suppliers..."/> <input type="button" value="View all bids"/> <input type="button" value="Refresh"/>					

Best bids per Lot is marked with green and best bid for the total is marked with red in the overview on the { Bidding } tab.

You can also click on [View all bids] in order to see the bids in chronological order (latest bid at top) it also gives you the possibility to see all the bids as either actual bids or adjusted bids.

Display: Adjusted bids
 Filter on: Adjusted bids
 Real bids

Bids				Refresh	
<input type="checkbox"/> Best bid by package					
No	Time (CET)	Company	1. eAuction regarding purchase of 50 PC according to specification 98:10 (GBP)		
4	22/01/08 13:43	Donia 4 testcompanysupplier			9,000.00
3	22/01/08 13:42	Donia 3 testcompanysupplier			6,000.00
2	22/01/08 13:42	Donia 2 testcompanysupplier			10,500.00
1	22/01/08 13:41	Donia 1 testcompanysupplier			7,600.00

Page updated: 22/01/08 13:53
 Refresh Back

After bidding is completed, you can go to award of the supplier. Award is same as in tender phase.

4.1.4 Weighted evaluation model-auction(separate module)

New setting “Auction module weighted evaluation model”

If this setting is ON:

In auction setting window, for reverse auctions, there is a possibility to select 2 different evaluation models for ranking supplier proposals: Standard or Weighted model:

Standard is existing functionality where lowest bid is considered the best.

Weighted evaluation model is using the following formula for calculating a rank score for a supplier:

$$R_{score} = (T_w * (T_s / T_{max}) + (1 - T_w) * (B_{min} / B_s))$$

Where

R_{score} = Supplier point for ranking, this value is used to fetch the ranking position for the supplier's bid B_s

T_w = Technical weighting

T_s = Technical scoring of supplier

T_{max} = Technical scoring maximum

B_{min} = Bid minimum

B_s = Bid supplier

Administrate auction parameters
Possible to select evaluation model in Auction parameters window if Setting -"Auction module weighted evaluation model" is turned on
Auction is "reverse"

Evaluation model options:
-Standard – Value added model
-Weighted evaluation (using the new formula for ranking)

Formula for calculating e-auction supplier score for ranking in weighted evaluation model:

$$R_i = (T_i * (T_i / T_{max}) + (1 - T_i) * (B_i / B_{min}))$$
 T_i = Technical weighting
 T_{max} = Technical weighting maximum
 B_{min} = Bid minimum
 B_i = Bid supplier
 The quote B_{min}/B_i will be set to 0 if B_i = A * B_{min} where A is a constant defined in the parameter setup

Action parameters

Key	Value
Evaluation model	Weighted evaluation
Weighting parameters Enter values for parameters defined in formula for calculating e-auction supplier score for ranking	
T _i (near 1.00)	0.80
T _{max}	23.00
Constant A	100.00
Competition / award	
Competition / award on	Total bid
Allow equal total bids	No
Hide best lot bids for supplier	<input type="checkbox"/>
Minimum bid-decrement	
In absolute or %	Absolute
Absolute number	0
% (near 0.99%)	0.20
Decrement calculated from	Own best bid
Extension time	
Extension time triggers on	Reverse bid
Extension time (seconds)	420
Offer settings	
Pre-populate bids	No pre-population
Show all bids	<input type="checkbox"/>
Decimals	2

If weighted evaluation model is selected:
 -"Hide best lot bids for supplier" is set to YES and disabled
 -"Show all bids" is set to "ranked" and disabled. On the supplier side only ranking position will be displayed (i.e. no bids from other suppliers).

4.1.5 Fixed weights and relative scores Auction(separate module)

The benefit of this evaluation model is to enable weighting on quality criteria within the auction and to be able to display an adjusted bid based on the quality criteria of the bidders.

The "Fixed weights and relative scores" evaluation model has a different calculation formula than the standard one, see below.

Formula for calculating ranked score in relative scoring model:

$$R_i = Wq * (q_i / q_B) + Wp * (B_L / B_i)$$

W_p = Weight for price, allowed value 0 < W_p < 100

W_q = Weight for quality/other factors, W_q = 100 - W_p

q_B = Best/highest quality score among participating bidders

B_L = Lowest price bid across bidders in auction

Mathematical formula

In setting up the auction there will be a new evaluation model in selection. The price weighting needs to be selected in this step as well.

Auction parameters	
Key	Value
Evaluation	
Evaluation model	Fixed weights, relative score
Weighting parameters Enter the weighting for price/bid for calculating e-auction supplier score for ranking. If multiple packages in the auction, the same weighting will be applied across.:	
Wp (0 < Wp < 100):	30

Auction parameter set-up

When setting up the first bids for the suppliers, you will need to enter the quality score for each supplier, the higher the quality score the better it is for the supplier.

First bid (SEK)	q _i
<input type="text"/>	<input type="text"/>
5400000	90
5600000	92

Save Cancel

Setting up quality score

As an example we compare two supplier bids using the 'Fixed weights and relative scores' auction model.

$$R1 = 70 * (90 / 92) + 30 * (5\,400\,000 / 5\,400\,000) = \underline{98.478261} \Rightarrow \text{Rank: 2}$$

$$R2 = 70 * (92 / 92) + 30 * (5\,400\,000 / 5\,600\,000) = \underline{98.928571} \Rightarrow \text{Rank: 1}$$

Example

To be able to use the model 'Fixed weights and relative scores', please contact support.