



Reverse Auction

What it is and How it can work for
you.

What is a Reverse Auction?



- A reverse auction is an on-line bidding process which allows vendors to bid as often as they wish during the auctioning period. Three or more vendors should be available to participate in a reverse auction.





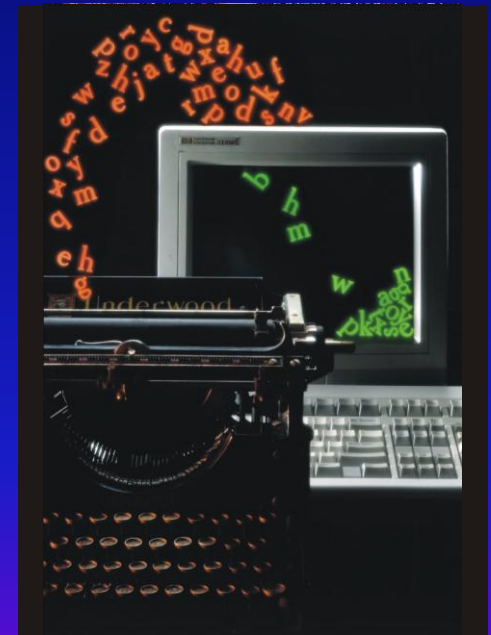
- It is important to remember that a reverse auction is only a pricing tool. It does not preclude any other aspect of the acquisition process. It is simply a technique to capture the best pricing available at auction time.

What are the Roles and Responsibilities of Participants?



NIH Reverse Auction Team

- Lead/Coordinate Effort
- Assist in Commodity Selection
- Assist in Enabler Selection
- Develop Specifications
- Monitor Reverse Auction
- Assist with any aspect of the acquisition process



Enabler



- Coordinate Reverse Auction requirements with vendors
- Educate vendors to the Reverse Auction process
- Instruct vendors in Reverse Auction procedures
- Ensure vendor equipment is appropriate and properly connected
- Conduct a successful mock Reverse Auction
- Monitor/support the Reverse Auction
- Provide Reverse Auction documentation

Vendors/Bidders

- Abide by all conditions of the solicitation
- Submit samples if applicable
- Have proper web/internet connections
- Be punctual
- Abide by the rules of Reverse Auction
- Participate in the instructional mock reverse auction
- Participate in the live Reverse Auction



***What type of
Documentation do you get
for your file when the
Auction is over?***





A Reverse Auction Summary generally contains the following types of information:

- ◆ Vendors
- ◆ Date
- ◆ Time
- ◆ Number of extensions, if any
- ◆ Bid results/ranking



Detailed vendors' list including appropriate demographics



Detailed requirements list



Bidding History



- 📄 Price reductions as a result of the Reverse Auction
- 📄 Summary of vendor bids
- 📄 Connection log, demonstrating proof of on-line capability

Reverse Auction Statistics



Completed Reverse Auctions

OLAO:

- Date: May 10, 2001
- Government Cost Estimate: \$1,363,448.00
- Cost Saving % achieved: 29%
- Actual Cost Savings: \$395,400.00
- Enabler Cost: Gratis

Clinical Center:

- Date: December 14, 2001
- Government Cost Estimate: \$1,980,399.00
- Cost Savings % achieved: 25%
- Actual Cost Savings: \$505,099.00
- Enabler Cost: \$2,500.00

