

How to handle auctions?

Supplier manual



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1 About this Manual

This manual contains the description of performing an auction.

The customer can invite you to different types of auctions:

- Dutch Auction (reverse)
- First Price Sealed Bid
- English Dynamic Auction / Rank Auction

1.1 Intended Audience

This manual is intended for suppliers who have a working knowledge of SupplyOn.

1.2 Typographical and Graphical Conventions

The following typographical conventions are used throughout the manual:

Example	Meaning
command	Text, which are you required to type at a command line, is identified by <i>Courier</i> font.
Screen text	Text, which is visible in the user interface, is bold .
<i>Reference</i>	Reference material is in <i>italics</i> .
Parameter	A command parameter or a method name is identified by <i>Courier</i> font.

The graphical convention is used throughout the manual:

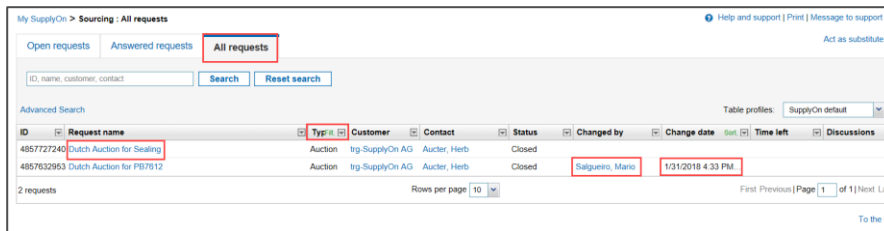


Figure: Red borders are used to indicate special areas.

Red borders indicate special areas on the screenshot. They are *not* part of the user interface.

1.3 Abbreviations

Abbreviation	Meaning

2 Overview

Auctions are used by customer purchasing departments. There are two scenarios:

- Create a bid via SupplyOn Sourcing (RFQ) and then attend an auction
- Attend auction and after rewarding by customer create bid in SupplyOn Sourcing (e.g. confirmed price step in a dutch auction and then submit your binding bid)

2.1 Accessing Auctions in SupplyOn

You can use the SupplyOn **Sourcing** module to participate in an auction.

NOTE: You need the role **Seller**, to be able to attend the auction. If you do not have the appropriate role, you must request it from your user administrator.

To access and participate in an auction:

1. Log on to SupplyOn.
2. On the main menu, point to **SupplyOn Services**, and then click on **Sourcing**.

The **Open requests** page is then displayed. In case the screen is empty, the auction is not yet published.

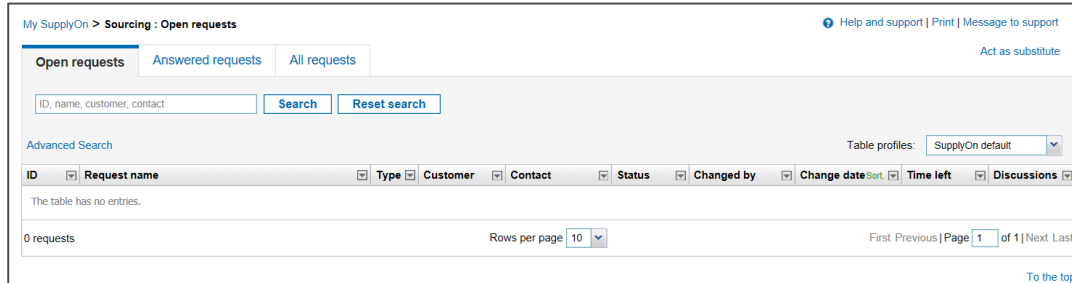


Figure: **Open requests**

As soon as the auction is published it looks like this. The column **Time left** shows the time until activation.

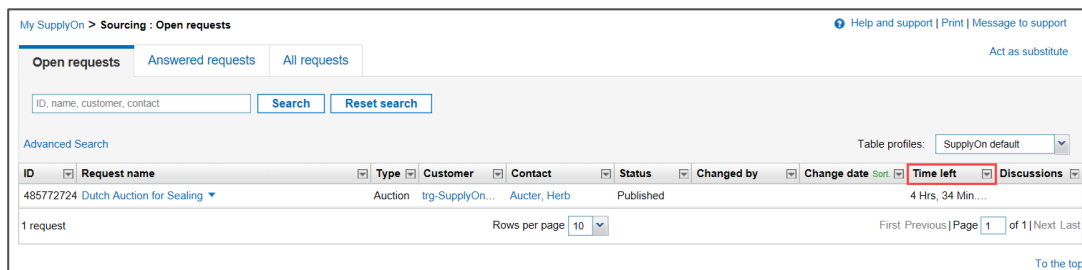


Figure: **Open requests with auction**

3. Open the Auction with a click on the **Request name**

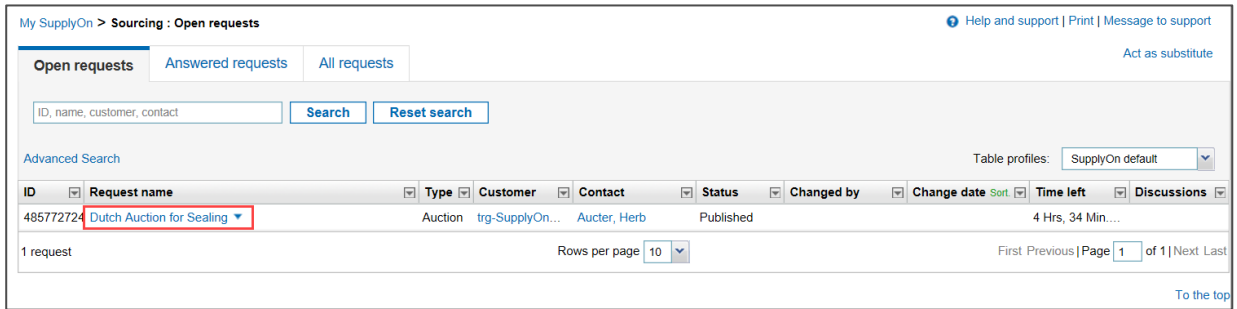


Figure: **Open requests** with type Auction

When you enter the app for the first time a Guided tour is started automatically.

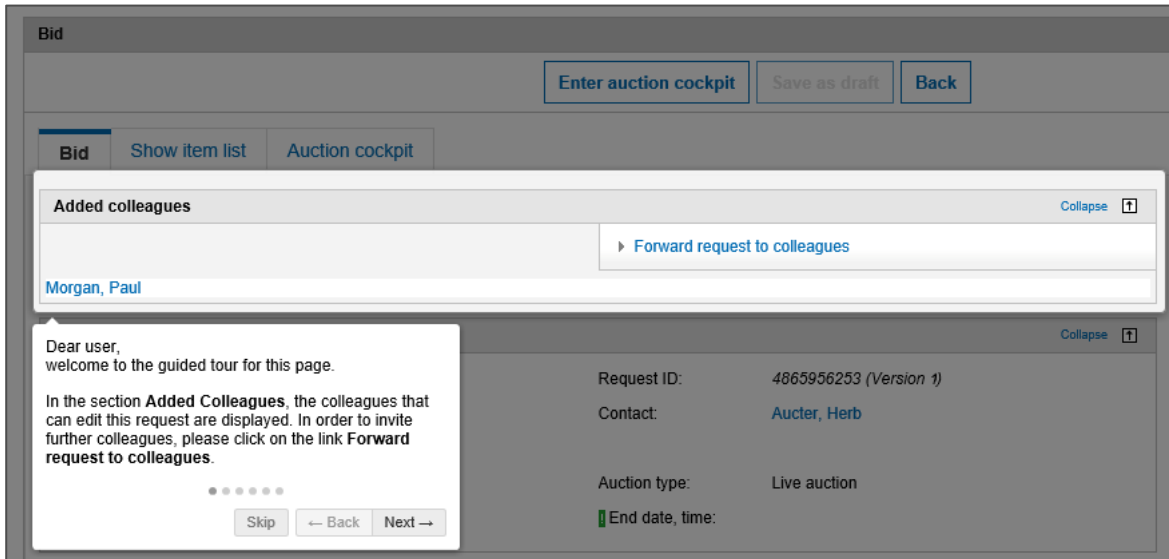


Figure: **Guided tour**

You either watch or skip it. You can start it again at any time with a click on **Start guided tour**.



Figure: **Start guided tour**

4. You can forward this auction to a colleague with a click here:

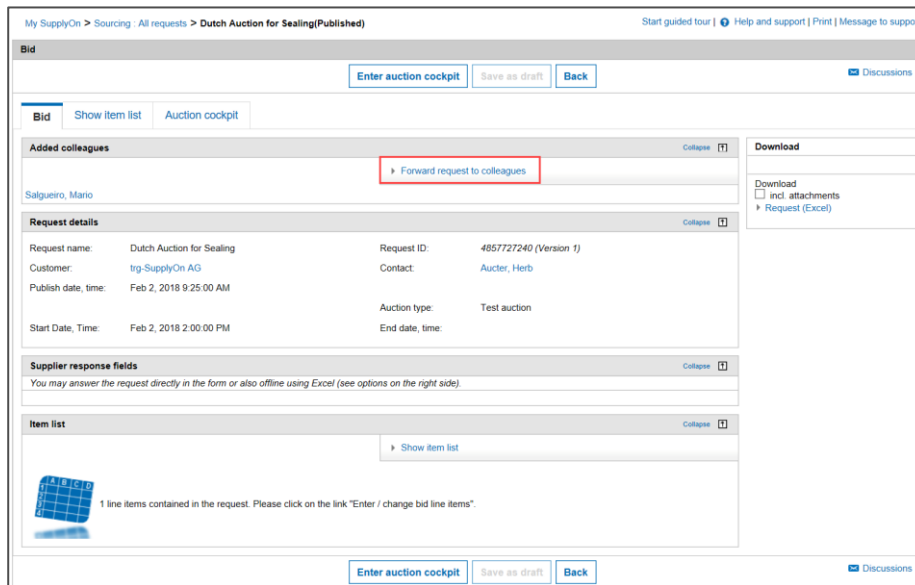


Figure: Auction / Bid

NOTE: Your colleagues will then be able to access this auction and to submit a bid.

5. You can enter the **Item list** to check the inputs from your customer.

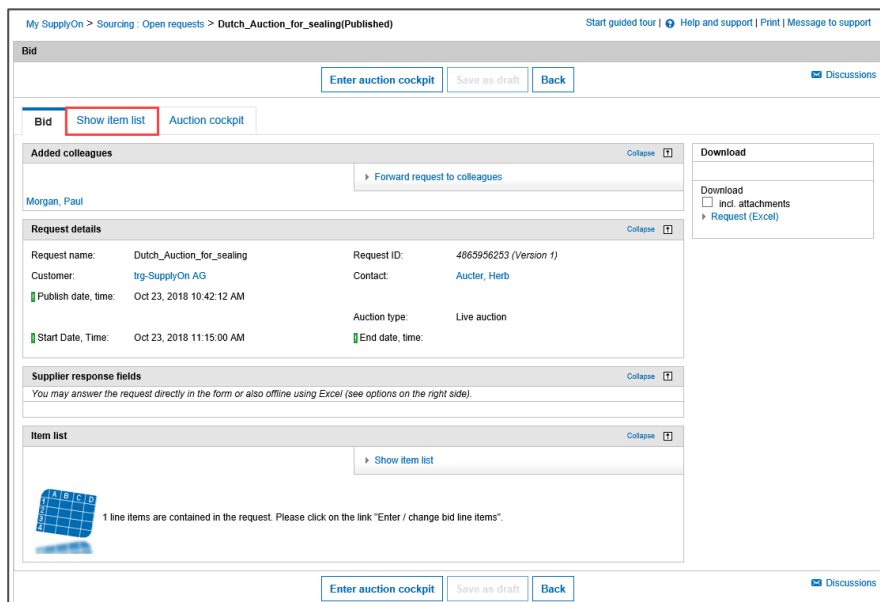


Figure: Show item list

All mandatory fields are already prefilled by your customer. In the auction process you are going to fill out the red marked fields.

Item Name*	Part Number*	Quantity*	Price unit	Currency*	Price per price unit*	One time payment	Other Costs	Tooling Cost
1 Sealing	123	1,000		EUR				

Figure: Bid values

6. You can enter the auction either by clicking **Enter auction cockpit** or **Auction cockpit**.

My SupplyOn > Sourcing : All requests > Dutch Auction for Sealing(Published)

Start guided tour | Help and support | Print | Message to support

Bid

Enter auction cockpit Save as draft Back Discussions

Bid Show item list Auction cockpit

Added colleagues Collapse

Forward request to colleagues

Salgueiro, Mario

Request details Collapse

Request name: Dutch Auction for Sealing Request ID: 4857727240 (Version 1)
 Customer: trg-SupplyOn AG Contact: Aucter, Herb
 Publish date, time: Feb 2, 2018 9:25:00 AM Auction type: Test auction
 Start Date, Time: Feb 2, 2018 2:00:00 PM End date, time:

Supplier response fields Collapse

You may answer the request directly in the form or also offline using Excel (see options on the right side).

Item list Collapse

Show item list

1 line items contained in the request. Please click on the link "Enter / change bid line items".

Enter auction cockpit Save as draft Back Discussions

Figure: Auction / Bid

NOTE: Furthermore you have the option to download the auction as Excel file.

The **Auction Overview** is presented on one page:

My SupplyOn > Sourcing : Open requests > Dutch_Auction_for_sealing(Published) > Auction cockpit Help and support | Print | Message to support

AUCTION OVERVIEW - DUTCH AUCTION

DUTCH_AUCTION_FOR_SEALING

← Back
→ Confirm participation ▾

▶ Start 15/10/2018 **10:45:00** ECT

Auction starts in **00:09:04**

Auction data	Update
Number / Type: 4865956253 / single-item Dutch Auction	

Auctioneer	Running time
Auctioneer: SupplyON Test	
Contact person: Herb Aucter	

Information	Offer

Editing
<p style="text-align: center;">Participation</p> <div style="text-align: center; margin: 10px 0;"> </div> <p style="font-size: small;">Give the auctioneer feedback regarding your participation.</p> <div style="display: flex; justify-content: center; gap: 10px;"> ✔ Confirm ✘ Decline </div>

Position data
Product name: Sealing
Price unit [PU]: 1 (unit price)
Quantity: 1,000 Unit(s)

Auction type	Price settings
<div style="margin-bottom: 10px;"> <p>Dutch Auction</p> <p style="font-size: x-small;">The Dutch auction is a ticker auction in which the price offered automatically increases or decreases at defined time intervals by a specified bid increment. The first participant confirming the currently displayed price level immediately ends the auction and receives the tender. This is a 1-click auction.</p> </div> <div> <p>Reverse auction - rising price</p> <p style="font-size: x-small;">Purchasing auction with rising price (forward auctions) are auctions which are initiated by procurement. The auctioneer put up for auction his needs amongst several competing bidders until the first bidder is ready to accept the contract for the given price. It's the auctioneer's assumption that the good required can not be purchased considerably on good terms due to preceding performed tender.</p> </div>	<p>Auction control elements</p> <p><input checked="" type="checkbox"/> Automatic award</p> <p style="font-size: x-small;">Tender awarded to best bid at auction end.</p>

← Back
→ Confirm participation ▾

Figure: **Auction cockpit**

On the one hand, you can confirm your participation with a click in **Confirm participation** or tick **Confirm**. It is recommended to confirm your participation to avoid automatic reminder e-mails.

On the other hand, you can decline your participation with a click on **Decline participation** or tick **Decline**.

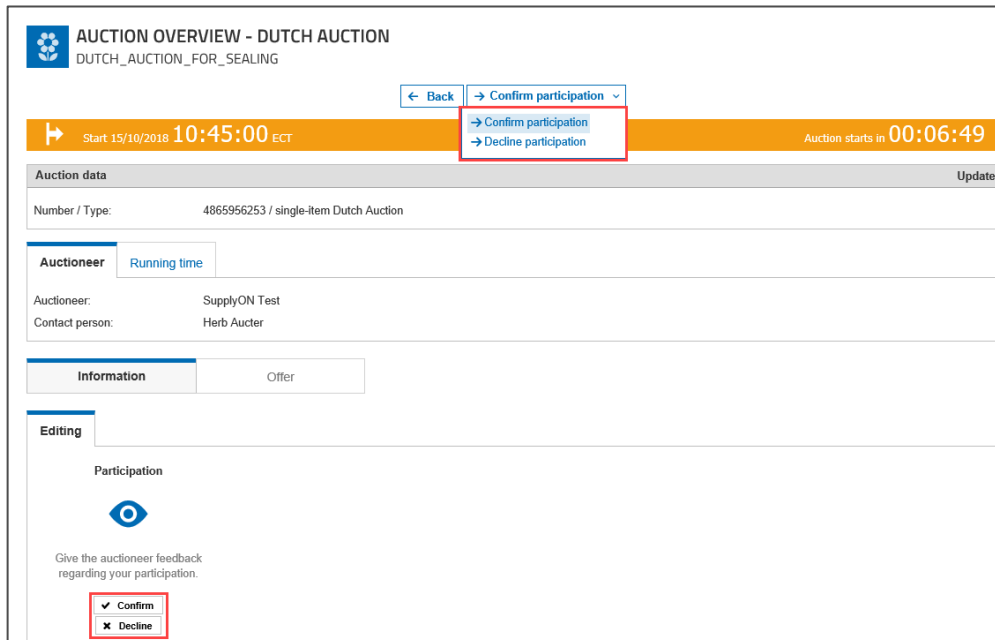


Figure: Auction cockpit

NOTE: When you decline your participation, the auction process has ended for you.

The actual **Start** and the countdown are displayed here.

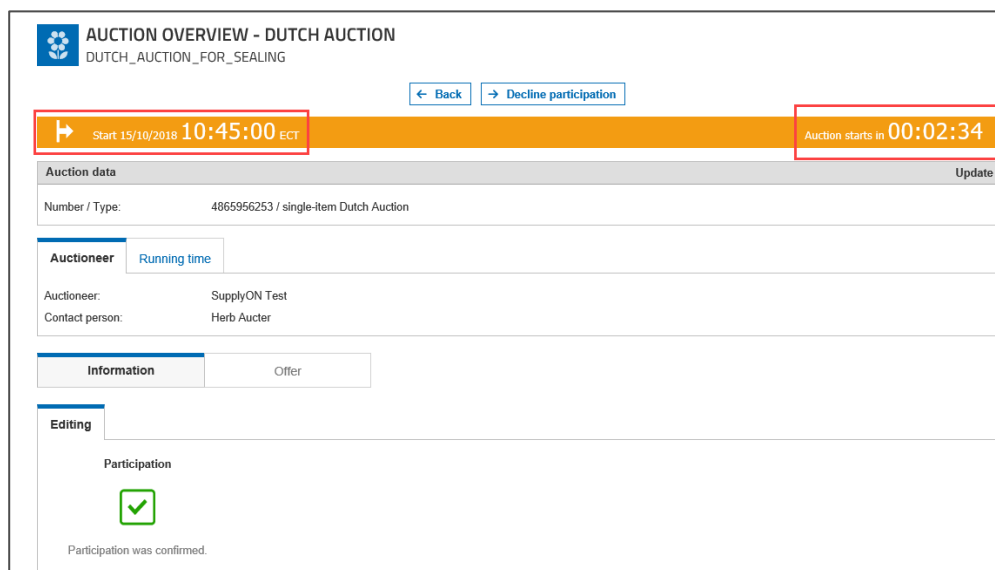


Figure: Auction cockpit

NOTE: When you work in a different time zone than your customer, you will see an additional note in the auction banner.

The **Running time** shows the date and time of **publication** and the **Start of auction**.

Auction data	
Number / Type:	4865956253 / single-item Dutch Auction
Auctioneer Running time	
Publication:	15 October 2018 10:29
Start of auction:	15 October 2018 10:45
Time zone:	ECT (Central European Time)

Figure: Auction cockpit

You can find details about the auction in the tab **Auction type**.

Auction type

Price settings

Dutch Auction
The Dutch auction is a ticker auction in which the price offered automatically increases or decreases at defined time intervals by a specified bid increment. The first participant confirming the currently displayed price level immediately ends the auction and receives the tender. This is a 1-click auction.

Reverse auction - rising price
Purchasing auction with rising price (forward auctions) are auctions which are initiated by procurement. The auctioneer put up for auction his needs amongst several competing bidders until the first bidder is ready to accept the contract for the given price. It's the auctioneer's assumption that the good required can not be purchased considerably on good terms due to preceding performed tender.

Auction control elements

Automatic award
Tender awarded to best bid at auction end.

Position data

Product name: Sealing

Price unit [PU]: 1 (unit price)

Quantity: 1,000 Unit(s)

← Back
→ Decline participation

Figure: Auction cockpit

In the tab **Price settings** you can find further details. In this example you see the **Start price**, **Price level** and **Step duration** for the Dutch auction.

Auction type
Price settings

Pricing for the entire course of the auction

Starting price: 10.00 EUR
The starting price defines the first price level in this auction.

Price level: 10.00 EUR
The price increment defines how much each bid must increase by. During the auction, the price is increased step-by-step by this increment.

Step duration: 90 Seconds
The step duration defines the duration of a price level. During this period, the bidder has the option to accept the displayed price as a bid.

Figure: Auction cockpit

In the tab **Position data** you find the customer's details about the bidding positions. This can vary for every auction.

Position data

Product name: Sealing

Quantity: 100,000 Unit(s)

← Back
Decline participation

Figure: Auction cockpit

7. Attend the auction

Further details to attend an auction can be found in the next chapters. Each auction type will be explained in more details.

To access an already closed auction:

1. If you want to view an already closed auction again, open **Sourcing** and click on **All requests**.
2. Set the **Filter** in the column **Type** to **Auction**

My SupplyOn > Sourcing : All requests Help and support | Print | Message to support

Open requests
Answered requests
All requests
Act as substitute

Search
Reset search

Advanced Search Table profiles: SupplyOn default

ID	Request name	Type	Customer	Contact	Status	Changed by	Change date	Time left	Discussions
4857727240	Dutch Auction for Sealing	Auction	trg-SupplyOn AG	Aucter, Herb	Closed				
4857632953	Dutch Auction for PB7612	Auction	trg-SupplyOn AG	Aucter, Herb	Closed	Salgueiro, Mario	1/31/2018 4:33 PM CET		

2 requests Rows per page: 10 First Previous | Page 1 of 1 | Next Last

To the top

Figure: All requests

3. Open the auction with a click on the **Request Name**

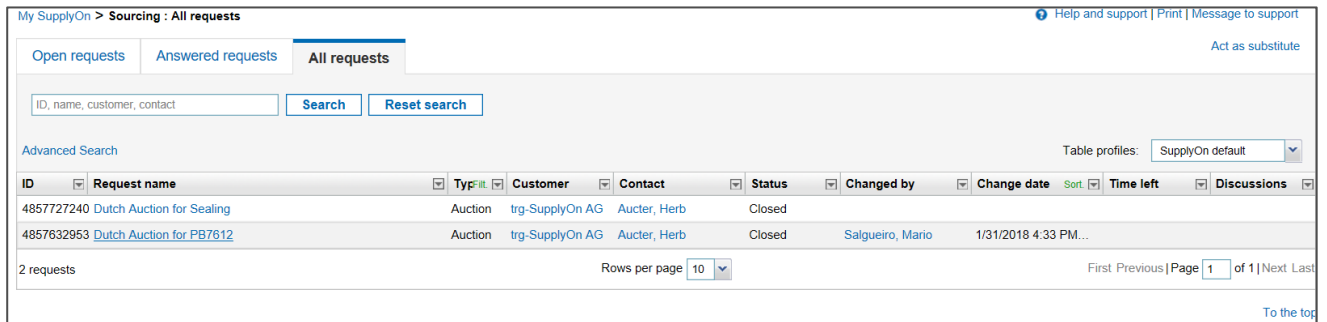


Figure: All requests

4. Click on **Enter auction cockpit** or **Auction cockpit**

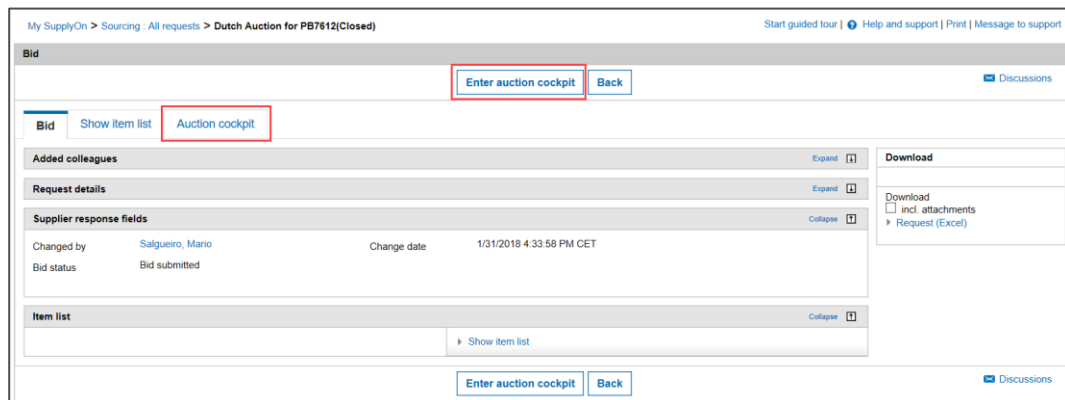


Figure: All requests_Dutch Auction

Depending on the auction type the content may differ to the displayed.

The screenshot shows the 'AUCTION OVERVIEW - DUTCH AUCTION' interface. At the top, there is a red banner indicating the auction status: 'Start 23/10/2018 11:15:00 End 13:53:15' and 'server time 19:58:04'. Below the banner, there is a 'Back' button. The main content area is divided into several sections: 'Auction data' (Number / Type: 4865956253 / single-item Dutch Auction), 'Auctioneer' (Auctioneer: SupplyON Test, Contact person: Herb Aucter), 'Information' (Offer), '1 Messages' (Note: The auction has ended, price confirmation is no longer possible!), and 'Editing' (Confirmation of price level: You have not placed a binding bid. The auction ended without any bid. Participation: You did not participate in this auction.).

Figure: Auction cockpit

NOTE: A closed auction is marked by a red banner.

3 Participation in Auctions

This chapter explains the different tasks for all different types of auctions. In case of further questions regarding the auctions don't hesitate to contact the customer who has invited you.

The customer can invite you first to a Test auction. You can identify it in the Subject of the invitation E-Mail whether you are invited to a Test or a Live Auction.

NOTE: Test auctions are used to get familiar with the auction environment.

3.1 Dutch Auction

A Dutch auction is a one click auction. For a Dutch auction, the auctioneer defines a relatively low starting price. The price is increased in small increments until a bidder accepts the current bid. The longer a bidder waits, the higher the selling price, but the more the risk that a competitor will preempt him and win the bid as it increases. If no tie-break option is activated, the first bidder accepting the current bid closes the auction for all participants.

To bid in a Dutch auction:

1. Open the invitation E-Mail and click on the link to the auction

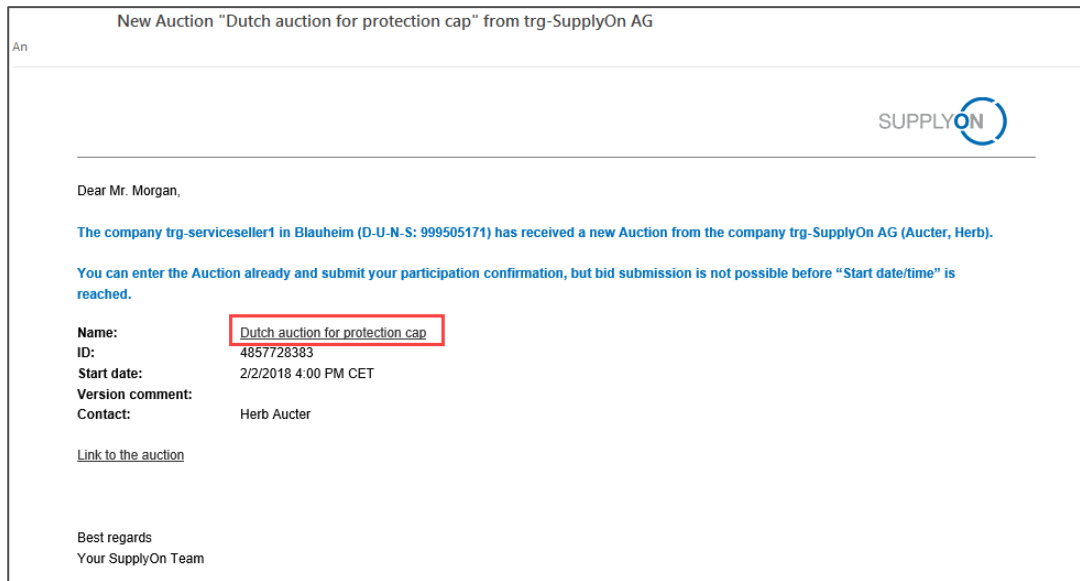


Figure: Invitation E-Mail

2. Log on to SupplyOn and you automatically will enter the auction
3. Then click on **Enter auction cockpit** or **Auction cockpit** and confirm your participation

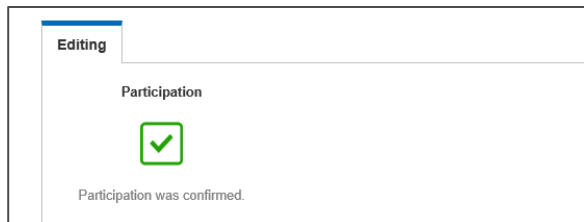


Figure: Auction cockpit

NOTE: You can also log on to SupplyOn, point to **SupplyOn Services**, then click on **Sourcing** and enter the auction by clicking on its **Request name**.

4. You can take a look on the Auction type but most importantly, check the **Price settings** the customer defined for this auction

Auction type	Price settings
	Pricing for the entire course of the auction
Starting price:	10.00 EUR The starting price defines the first price level in this auction.
Price level:	10.00 EUR The price increment defines how much each bid must increase by. During the auction, the price is increased step-by-step by this increment.
Step duration:	90 Seconds The step duration defines the duration of a price level. During this period, the bidder has the option to accept the displayed price as a bid.

Figure: **Auction cockpit**

5. Now you just have to wait until the auction starts. The Start date and time starts blinking two minutes before the countdown ends.



Figure: **Start date and time**

6. The auction has started. Depending on your customers settings for this auction, the price steps and the remaining time to confirm the step are clearly displayed. Between each price step there is a 5 seconds 'quiet time' slot until the auction starts with the next price step.

The screenshot shows the 'Auction cockpit' interface. At the top, it displays the start time '15/10/2018 12:55:00 ECT' and end time '15:33:15', along with the server time '12:56:42'. The 'Auction data' section shows 'Number / Type: 4865956253 / single-item Dutch Auction'. The 'Auctioneer' section lists 'SupplyON Test' and 'Herb Aucler'. The 'Monitor' section features a circular progress indicator for 'Step duration' at 83 seconds and a 'bid amount' scale from 10.00 EUR to 100.00 EUR, with the current bid at 20.00 EUR. The 'Confirmation of price' section shows 'Next offer price: 30.00 EUR', 'Final price level: 1,000.00 EUR', and 'Current offer price: 20.00 EUR' with a 'Confirm the price' button.

Figure: Auction cockpit

NOTE: This screen may vary from auction to auction depending the auction settings your customer has defined.

7. Click **Confirm the price** when your price limit has been reached within the **Step duration**.

This is a close-up of the 'Confirmation of price' section. It displays 'Next offer price: 30.00 EUR', 'Final price level: 1,000.00 EUR', and 'Current offer price: 20.00 EUR' with a red 'Confirm the price' button. A note at the bottom states: 'Note: Confirm the current price level to end the auction immediately. There will be no further warning.'

Figure: Auction cockpit

8. Your price confirmation is sent immediately.

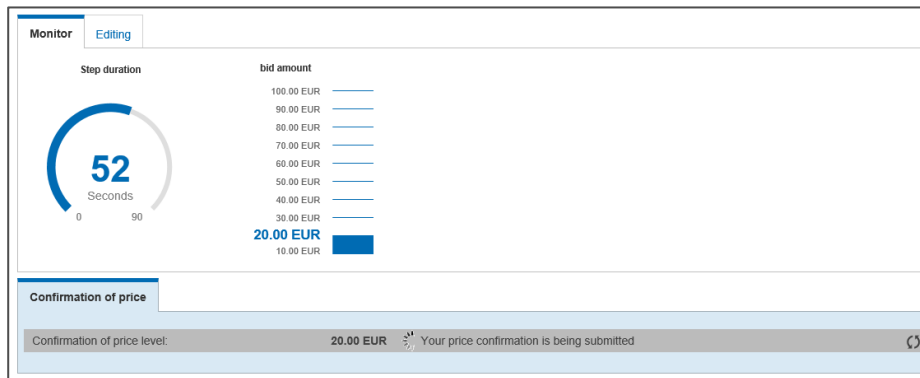


Figure: Auction cockpit

9. a) The auction is closed automatically and if the customer has predefined this, you are awarded automatically.

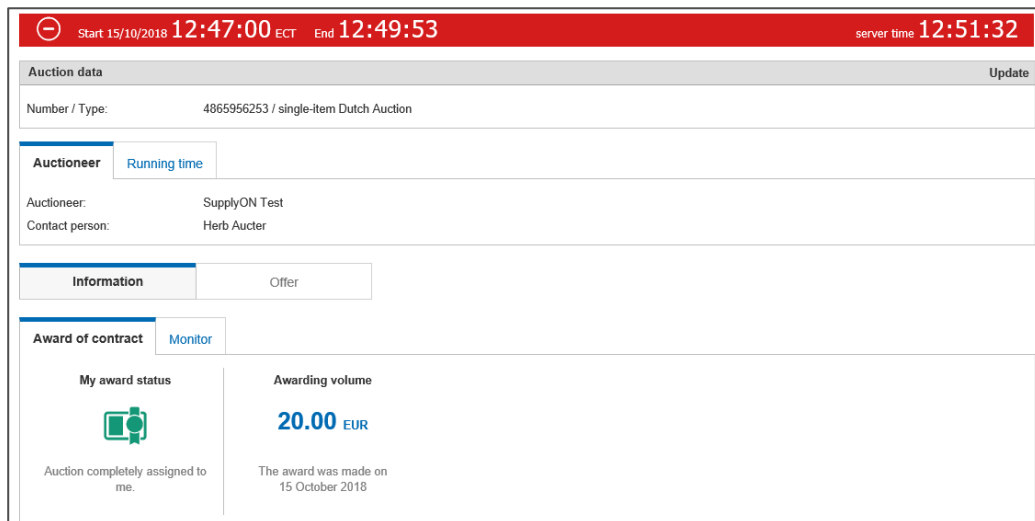


Figure: Auction cockpit

b) If your customer has set the **Tie break** option, the auction does not stop immediately when the first confirmation of price is transmitted. The auction will run until the time of the step duration has expired and bidders have still the possibility to confirm the price step. These bidders will then be in the **Tie break** and need to do a subsequent bid editing. After this the auction will be closed and if the customer has predefined this, you are awarded automatically.

Auction type Price settings

Dutch Auction
The Dutch auction is a ticker auction in which the price offered automatically increases or decreases at defined time intervals by a specified bid increment. The first participant confirming the currently displayed price level immediately ends the auction and receives the tender. This is a 1-click auction.

Reverse auction - rising price
Purchasing auction with rising price (forward auctions) are auctions which are initiated by procurement. The auctioneer put up for auction his needs amongst several competing bidders until the first bidder is ready to accept the contract for the given price. It's the auctioneer's assumption that the good required can not be purchased considerably on good terms due to preceding performed tender.

Auction control elements

- Tie break**
Several bidders can confirm a current price level without the first bidder ending the auction immediately in his favor. Instead, the winner among those bidders who have confirmed the same price level will be determined based on the final price from the bid review or via an external rank.
- Selection of winner in case of confirmation of the same price by Subsequent bid editing**
Defines the ruling to determine the winner of the auction if more than one supplier have confirmed the same price level in the auction (tie break). Bidders who have confirmed the same price level then detail the price and cost fields (for example, TCO calculation) during the bid post-processing phase. The resulting final bid price can be bindingly submitted by the bidders. An award decision is only possible after the bid post-processing phase. In the case of automatic awarding, the time of submission of the post-processed bid determines the winner of the auction.
1 hour(s) for subsequent bidding processing
In case the bidder is asked to detail the prices in a post-calculation process an editing time is granted. If the bidder exceeds this time without submitting a final bid the bidder will be excluded from the awarding process.
- Automatic award**
Tender awarded to best bid at auction end.

Figure: Auction type – Tie break

NOTE: The winner of the **Tie break** will be determined by the setting of the **Selection of winner in case of confirmation of the same price**.

Start 24/10/2018 13:40:00 End 13:49:25 Editing time 00:58:58

Auction data Update
Number / Type: 4865956253 / multi-item Dutch Auction

Auctioneer Running time
Auctioneer: SupplyON Test
Contact person: Herb Aucter

My bid

Information Bid precalculation Bidding **Bid confirmation**

Bid confirmation

i The auctioning party would like to receive additional information about how your price is composed.
i Please check your prices so that the total price of your bid does not exceed the confirmed price of 60.00 EUR.

Confirmed price: 60.00 EUR
Price difference: 0.00 EUR (0.0 %)

Your bid: **60.00 EUR**

2 Items

No. ▲	Product name ▲	Quantity ▲	Price unit ▲	<input type="checkbox"/> Price per [PU] ▲	<input checked="" type="checkbox"/> Item total ▲
1	Sealing	1,000 Unit(s)	1 (unit price)	0.03 EUR	30.00 EUR
2	Sealing 2	2,000 Unit(s)	1 (unit price)	0.02 EUR	30.00 EUR

Figure: Auction cockpit – Subsequent bid editing

Depending on the auction settings, you will be notified per mail about your awarding or declining of the auction.

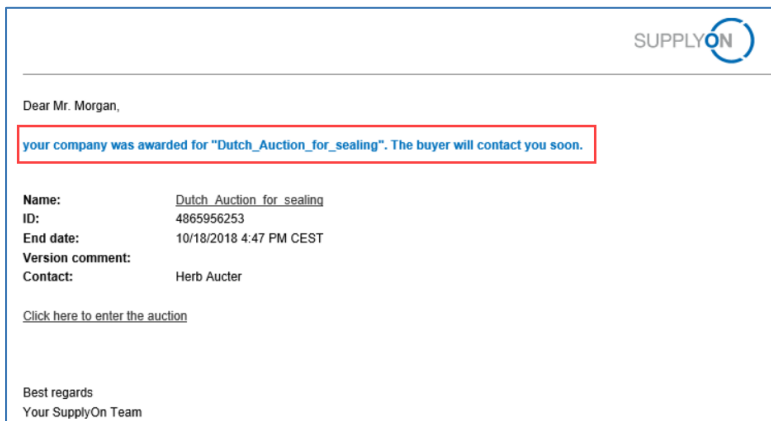


Figure: **Awarded notification**

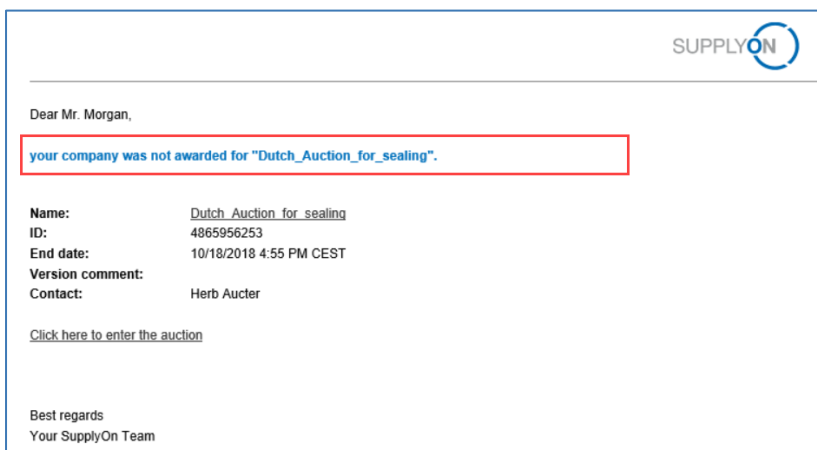


Figure: **Declining notification**

After the auction ended and the awarding took place, wait for further information from your customer. If you want to view the closed auction again

→ See Accessing Auctions in SupplyOn

3.2 First Price Sealed Bid Auction

The first price sealed bid is a common type of auction. It is also known as blind auction. In this auction, the bidders may submit only one concealed bid. The bids of the competing participants are not disclosed at any time by the system. The awarding to the best bidder can only take place upon completion of auction.

To bid in a sealed bid auction:

1. Open the invitation E-Mail and click on the link to the auction

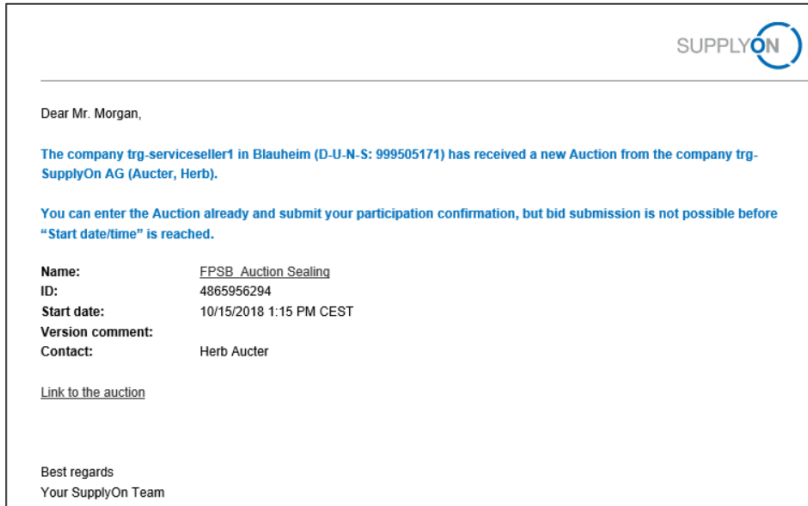


Figure: Invitation E-Mail

2. Log on to SupplyOn and you automatically will enter the auction
3. Click **Enter auction cockpit** or **Auction cockpit** and confirm your participation

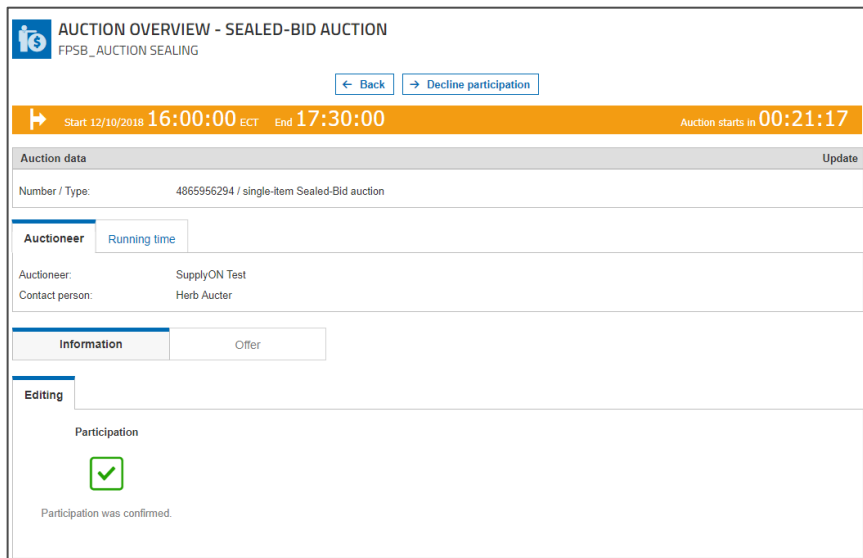


Figure: Auction cockpit

NOTE: You can also log on to SupplyOn, point to **SupplyOn Services**, then click on **Sourcing** and enter the auction by clicking on its **Request name**.

After the auction has started, enter your bid within the defined time frame.

4. Enter your price and confirm with a click on **Binding bid submission**.

The screenshot shows the 'Auction cockpit' interface. At the top, it displays the start time '13:15:00 ECT' and end time '14:45:00', with a remaining time of '01:22:01'. The 'Auction data' section includes the auction number '4865956294 / single-item Sealed-Bid auction'. The 'Auctioneer' section lists 'SupplyON Test' and 'Herb Aucter'. The 'Offer' section shows '0' bids and 'Participation was confirmed.' The 'Bidding' section shows a starting price of '10,000.00 EUR' and a 'New bid price' of '10,000.00 EUR For 1,000 Unit(s)'. There are buttons for 'Check price' and 'Binding bid submission'.

Figure: Auction cockpit

NOTE: You can click on **Binding bid submission** only once.

The screenshot shows the 'Monitor' section of the auction cockpit. It displays 'My last bid.' as '10,000.00 EUR'. Below this, it states 'Bid price of my own last bid submitted.' At the bottom, a message indicates 'A binding bid has been issued. Additional bids are not possible!'.

Figure: Auction cockpit

After the submission, the auction is closed for you and if the customer has predefined this, you are awarded automatically.

The screenshot shows the 'Auction cockpit' interface. At the top, it displays the start and end times: Start 15/10/2018 13:15:00 ECT, End 13:31:25, and server time 13:31:44. The main section is titled 'Auction data' and includes an 'Update' button. Below this, the 'Number / Type' is listed as 4865956294 / single-item Sealed-Bid auction. The 'Auctioneer' section shows 'Running time' and 'History' tabs, with 'Auctioneer: SupplyON Test' and 'Contact person: Herb Aucter'. An 'Information' section has an 'Offer' button. A '1 Messages' section contains a note: 'You have already submitted a bid. Improving your bid in this auction is not possible!'. The 'Award of contract' section has a 'Monitor' button and displays 'My award status' with a green checkmark icon and 'Awarding volume' of 10,000.00 EUR. It also states 'Auction completely assigned to me.' and 'The award was made on 15 October 2018'.

Figure: Auction cockpit

NOTE: Awarding will take place after expiration of time and will be granted to the best bid.

Depending on the auction settings, you will be notified per mail about your awarding or declining of the auction.

The screenshot shows an email notification from SupplyOn. The header includes the SupplyON logo. The body of the email starts with 'Dear Mr. Morgan,' followed by a red-bordered box containing the text: 'your company was awarded for "FPSB_Auction Sealing". The buyer will contact you soon.' Below this, the email provides details: Name: FPSB_Auction Sealing, ID: 4865956294, End date: 10/24/2018 10:35 AM CEST, Version comment, and Contact: Herb Aucter. A link 'Click here to enter the auction' is provided. The email concludes with 'Best regards' and 'Your SupplyOn Team'.

Figure: Awarded notification

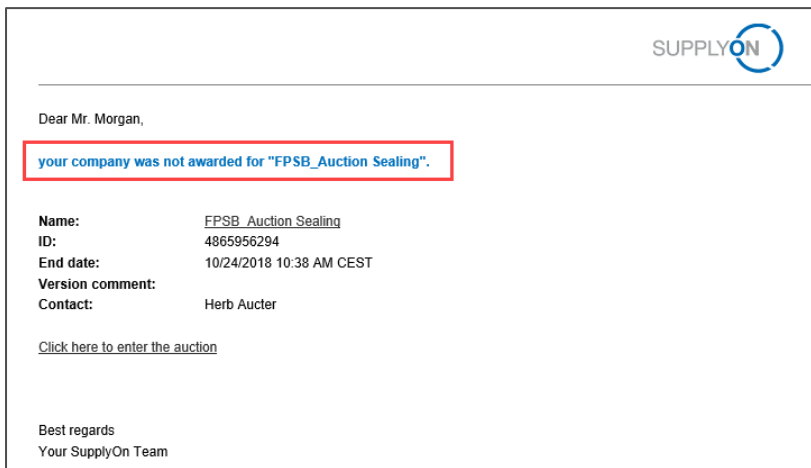


Figure: **Declining notification**

After the auction ended and the awarding took place, wait for further information from your customer. If you want to view the closed auction again

→ See [Accessing Auctions in SupplyOn](#).