

Guidelines for Reverse Auction

Initiation on the Bid Process:

Opening bid price and bid decrements will be intimated at the start of the bidding process by the means of on-line messages. In case of not receiving the details, the supplier has to inform PNB system administrator one hour before the scheduled event time through email and request for the details.

- **Opening Price** - Opening price is the upper/ceiling price of the contract value fixed by PNB for the lot / item. Suppliers can bid only lower than the opening price in case of Reverse Auctions
- *(Bid price would be based on the total price arrived at multiplying specified quantities with unit rates and summing up for the entire requirement).*
- **Weightage / Loading Factor** – This factor shall be incorporated by the System Automatically during the event. This factor is the effect of financial implication arising out of the deviation taken by the Bidder in his Bid.
- **Auction Types** - Bank may either go for Price Base Auction when the price quoted by each bidder is shown to all the participants or Rank Base Auction when only rank of the particular bidder is visible instead of price.
- **Alias Name** - Each bidder will be given a unique alias name, generated by the system and informed by system generated email. Bidders can see the bids of other suppliers but the real name will not be visible on the screen.
- Complete, schedule of the auction will be intimated through a system generated emails to the participating suppliers.
- Flash messages between the event and at the end of the events.
- The normal duration of Reverse auction will be 1 hour (60 minutes) with provision of auto extension as per auction rules to be decided by Negotiation Committee before start of auction.
- The Bid Extension rules shall be governed after the expiry of the Auction Time earlier set & decided before start of Event.
- In the event a bidder is placing his bid in last “x” minutes of the scheduled end time of the event, the event will get automatically extended for next “x” minutes for “x” number of times. “X” can be decided by Negotiation Committee. The auction time will get automatically extended so as to allow other the bidder an opportunity to supplier to participate and give better offer to win the bid.
- In the event of any typographic error while posting the bid, the auction would still get extended so as to allow the bidder an opportunity to correct the mistake.
- Screen will refresh automatically in every seven (7) second. It is recommended to manually refresh screen by pressing “F5” from keyboard, if no changes are seen on screen for unusual period.
- **Bid Decrement** - Bid Decrement is the minimum fixed amount by which, or by multiples of which, the next bid value can be decreased. Bid decrement is usually calculated 0.25% of the opening price. However PNB reserves the right to decide appropriate bid decrement factor.
- Bidders should enter the next bid price considering the “**Bid Decrement**”, with reference to self bid for Rank Auction and L1 bid with reference to Price Auction. However in no case would the system accept modification to a higher value.
- **Auto Bid** - Auto Bid is enabled from the start time of bidding. Once the vendor activates this feature in the system, the system places bid on behalf of the vendor as per the next bid decrement until the time the auto bid amount gets out-bid by another participating vendor.
- In case more than one vendor is using the auto bid facility, then the vendor who first initiated the auto bid functionality would be considered the active bidder.

- In the event of auto bid feature when prices are equal, under such possibilities the bidder, who has first initiated / invoked the option of auto bid, shall be considered the active bidder and given preference.
- **Surrogate Bidding** - Surrogate bidding is not allowed.
- **Price Break Up** - Bidders are required to submit the price break up of the final bid price just after the event on to the formats/ price breakup sheet.
- **Mistake Proofing**- If a bid placed “X” times below or higher of the bid decrement / increment as decided by PNB, a warning message will be flashed on screen to confirm the placed bid, Bid once placed will not be deleted in any circumstances and the supplier will be bond to deliver the item on the quoted bid.

The following terms and conditions are deemed as accepted by vendor on participation in the bid event:

Bidders/ participants are deemed to have accepted the auction rules on participation at the bid event. Participation in a bid event is by invitation from PNB. Any other supplier does not automatically qualify for participation.

PNB will make every effort to make the bid process transparent. However, the award decision by PNB would be final and binding on supplier.

1. You agree to non-disclosure of trade information regarding the purchase, identity of PNB, bid process, bid technology, bid documentation and bid details.
2. You cannot change price or quantity or delivery terms (or any other terms that impact the price) post the bid event.
3. You need to furnish the item rate form within the stipulated time after the bid event.
4. You cannot divulge either your bids or those of other suppliers to any other external party.
5. Technical and other non-commercial queries (not impacting price) can be routed to the respective PNB contact personnel indicated in the RFP.
6. You are advised that you will understand auto bid process to safeguard yourself incase of technical failure. Inability to bid due to telephone line glitch, Internet response issues, software or hardware hangs will not be the responsibility of PNB.
7. You should be prepared with competitive price quotes on the day of the bidding event.
 - Participate in the online bidding event as per the schedule.
 - Submit the item wise price break up for all the items as per your last bid price in the stipulated time as per the schedule immediately after the online sourcing event.
 - The bidder has to necessarily quote for all the items listed in the BOQ. In case of incompleteness of the bid, same may be rejected.