

Procurement Policy Note – How to indicate the use of electronic auctions on contract notices.



Information Note 14/10 12 July 2010

Issue

1. To provide clarification for contracting authorities on the appropriate wording to be used in contract notices to indicate that an electronic auction (eAuction) may be used;
- In the evaluation of tenders to establish a contract or Framework Agreement; or;
 - In the evaluation of tenders as part of a mini competition to establish call off contracts under a Framework Agreement.

Dissemination

2. Please circulate this Procurement Policy Note (PPN) within your organisation, agencies, non-departmental public bodies (NDPBs), and any other bodies for which you are responsible, drawing it to the particular attention of those with a purchasing role.

Contact

3. Enquiries about this paper should be addressed to the OGC Service Desk 0845 000 4999 servicedesk@ogc.gsi.gov.uk.

Background

4. Concerns have been raised at the Central Government eAuction User Forum about the proper use of 'Section IV.2.2' of the contract notice form when establishing a framework agreement via the Official Journal of the European Union (OJEU).
5. This section of the contract notice (OJEU) requires contracting authorities to indicate whether an eAuction will be used to award the advertised contract by selecting a "yes" or "no" checkbox. The information below is intended to assist contracting authorities make the correct choice depending on their specific requirement, and describes the implications of the available choices.

Advice

6. Where a contracting authority intends to award a contract or a Framework Agreement through the use of an eAuction, it should ensure that Section IV.2.2 is

marked “yes”. This is because section IV.2.2 is concerned with the award of the contract or framework agreement, rather than subsequent call-offs.

7. The authority should also include a note that the contract or framework agreement shall be awarded as a result of an eAuction in Section II.1.5 under “Short description of the contract or purchase(s)”.
8. As eAuctions are designed to reach a final determination on all aspects of a requirement, including price, contracting authorities should take appropriate advice before deciding whether to procure a framework agreement using an eAuction as the circumstances where this may be possible will be limited, for example, they cannot be used when setting up a multi-supplier framework.
9. Where a framework agreement is being established without eAuctions, Section IV.2.2 should be marked as “no”. However, where a contracting authority may wish to use an eAuction to award subsequent call off contracts following the reopening of competition among the parties to the Framework Agreement (i.e. a mini-competition), they should ensure that Section II.1.5 makes that intention clear.
10. For further information on the use of eAuctions, please contact the OGC Service Desk on the details above or see OGC’s Guidance on eAuctions, at: http://www.ogc.gov.uk/documents/OGC_Guidance_on_eAuctions.pdf

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