DLA Land Supplier Operations 2012
NDIA
Industry Conference and Exhibition
Break-Out Session

Reverse Auctioning
Session Description

Presenters
- Mindy Tisone
- Mary Johnson
- Carmen Pillitteri

Overview of DLA Land and Maritime’s use of Reverse Auctions to reduce material costs

Details on Reverse Auction policy and application

Demonstration to gain better understanding of the online tool and its functionality
Reverse Auctioning Defined

A process that allows government contractors to bid against each other in a real-time, on-line auction.

Used as a pricing technique during discussions to drive down pricing.

Used in conjunction with the evaluation factors stated elsewhere in the solicitation (past performance, socioeconomic factors, etc.).
<table>
<thead>
<tr>
<th>Battelle</th>
<th>Raytheon</th>
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<tbody>
<tr>
<td>General Electric</td>
<td>Exxon Mobil</td>
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<td>OSU Medical</td>
<td>Caterpillar</td>
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<td>Department of State</td>
<td>Air Force</td>
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<td>Department of Defense</td>
<td>Army</td>
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<td>General Services Administration</td>
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FY 12 DLA Director’s Guide

“Focus engagements with industry partners and apply innovative approaches to drive down acquisition costs, increase competition, provide incentives, reduce supplier lead time, and maximize economies of scale. “
Reverse Auctioning and MCR

FY 12 DLA Director’s Guide, Stewardship Excellence

“Target all competitive procurements for Reverse Auctions.”
Win-Win

Suppliers
- Increased competitive edge
  - Opportunity to see low price
  - Competitor insight
- Increased Efficiency
  - Cycle times
- Accessibility
  - No geographical limitations

Government
- Obtain favorable pricing
  - Increase price competition
  - True product value
- Increase Efficiency
  - Cycle times
- Increased Transparency
  - Accountable spending
Land and Maritime FY 11

- 80 Auctions held
- Deep dive
  - Lessons learned
  - Candidate criteria
- Vendor Survey
  - 86 vendor responses
“Concerning the auction you were previously invited to participate, check all that apply;”

- **35** selected: I did not receive any **notice** of an auction…
- **20** selected: My price could **not** be lowered…
Survey Feedback

What procurement dollar range would attract your participation in a reverse auction?

- $25-$150K: 52%
- $0-$25K: 33%
- $150K +: 15%

If invited to participate in another RA, would you participate?

- Yes: 70%
- No: 30%
Land and Maritime FY 12

Over 200 auctions

April and May
• >184 invitations to bid
Culture
Workforce Development

• One-time-buys
• Long-Term Contracts (LTCs)

Competitive, large dollar procurements

Land and Maritime FY 12
RA prices will be used with the evaluation factors in the solicitation to make the award decision.

The Contracting Officer (KO) will provide offerors in the competitive range with information concerning the on-line auction process.

Discussions can be conducted prior to or simultaneously with the RA.

The lowest offeror’s price(s) for each round of the RA will be anonymously disclosed to other offerors.

An offeror’s final auction price at the close of the RA will be considered its final proposal revision.
When competing a delivery order using RA, the KO will notify the contractor via email.

RA prices will be used with the evaluation factors in the contract or solicitation to make the award decision.

Prior to RA, the government will determine whether all participants’ prices, or just the lowest price(s), will be anonymously disclosed to auction participants and to others authorized access to the RA.

Final auction price(s) at the close of the RA will be considered final proposed prices.
Reverse Auction Notification

KO Notification

- References solicitation number
  - Sites the provision
- Identifies online auction provider (Ariba)
  - Bulk email
  - Access information
- Initial bid entry
- Basic terms
- POC for conducting the auction

Online provider notification

- Email address is from online provider with auction POC, not “DLA.Mil”
  - Bulk mail
- Time and Date of auction event
- Directions to complete registration
  - Accept terms
Preparing for an Auction

✓ Government Sales Representative available
  ✓ Contact POC if an additional user is required

✓ Determine pricing strategy
  ✓ Negotiate your costs
  ✓ Review margins

✓ Test connection to the site
  ✓ Password resets
  ✓ Technical difficulty
Practice Auctions

- Dependent on complexity of procurement
- Optional registration today
Logging into an Auction

- Review and respond to the prerequisites. Prerequisite questions must be answered before you can view event content or partake in the event.
- If you decline the terms of the prerequisite, you cannot continue with the event.

1. Review Event Details
2. Review and Accept Prerequisites
3. Select Lots
4. Submit Bids

All terms and conditions of the solicitation apply. You are bidding on price only.
## 1.1 Reverse Auction Breakout Session

All terms and conditions of the solicitation apply.
- You are bidding on price only.
- As stated in provision 52.215-9023, an offeror’s final auction price at the close of the reverse auction will be considered its final proposal revision. No price revisions will be accepted after the close of the reverse auction, unless the Contracting Officer decides that further discussions are needed and final proposal revisions are again requested in accordance with Federal Acquisition Regulation (FAR) 15.307.
- Auction will be extended automatically if a new low offer is entered within 5 minutes of closing.
- Any system-related problems that occur during the auction must be addressed immediately (during the auction) to your auction Point of Contact at (614-692-6365) and also to Ariba Customer Support at 866-218-2155.
- Any questions concerning the procurement should be addressed to the contracting officer listed on the solicitation.
- Do not use the instant message feature on this Ariba website.
Placing a Bid

### Content

<table>
<thead>
<tr>
<th>My Response</th>
<th>Leading</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rank</td>
<td>Price</td>
</tr>
<tr>
<td>Quantity</td>
<td>Extended Price</td>
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#### Production

**Reverse Auction Breakout**

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#### Commercial Terms

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<th>Reverse Auction Breakout</th>
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<td>975 USD</td>
<td>$105,000.00 USD</td>
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**Vendor Walkthrough**

- Unit Cost: $1,050.00 USD

**Submit Entire Response**
Here to Stay

Technology made it possible

Required to stay competitive

Keep up with new developments

Learn to use effectively
Questions and Discussion
Contact Information

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Carmen Pillitteri
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614-692-6365

Ariba
http://www.ariba.com/
Ariba help at 1-866-218-2155
Thank you!

Please take advantage of the optional pre-registration/practice auction sign-up sheet.