
Guidelines & Rules for Auctions

EGP HR, ME, MK, SI



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1. Conventional auction (English reverse auction):

- The Conventional auction (English reverse auction) in EGP system is an auction process where the price goes down during the auction time, from the **starting (the highest) price** to the **end (the lowest) price**.
- Auction time/duration is predefined by EGP (for example: auction duration = 15 minutes).
- The auction is finished when the auction time expires. The auction winning supplier is the first ranked supplier at the time when auction procedure is finished.
- The auction duration might be prolonged by EGP or automatically by the system, in case the bidder(s) submit a new offer in the last minutes timeframe, depending by EGP predefined settings (for example: duration is prolonged for 5 minutes in case a new bid is placed within the last 2 minutes of auction).
- The starting price might be defined by EGP according to internal regulations. If there is no starting price at the beginning of the auction, the starting price is defined by the first bid of the bidder.
- The prices always go down, based only on the valid offers submitted by the bidders. EGP might define minimum or exact decrements and/or others specific rules for submitting the bids.
- The bidders are allowed to submit unlimited number of bids within the auction timeframe, respecting the bidding rules (for example: new price must be lower than the current price).
- The bidders will not see in the system other bidders' information. They will see the customized information related to auction process (for example: their own price, ranking and/or the best existing auction price).

2. Dutch purchasing auction:

- The Dutch purchasing auction in EGP system is an auction process where the price goes up during the auction time, from the **starting (the lowest) price** to the **end (the highest) price**.
- Unlike conventional auction (English reverse auction) where bidders can bid prices downwards several times during the auction timeframe, for Dutch purchasing auction the bidders:
 - Are not allowed to input any price in the system, bidders can only accept the price as given by the system.
 - Cannot bid several times and will not get a chance to bid in case other bidder accepted the price as given by the system during auction time.
Important: When the first bidder accepts the price given by the system, auction is automatically finished.
- The starting price is the price which EG is willing to pay for the auctioned commodity/service. This initial starting price is available in the system for some time period predefined by EGP (for example: 5 minutes). If there is no bidder to

accept the price within that time period, the price is automatically increased to the new (higher) price and a new time period starts for this new price. This process goes on in several steps with each new price being higher than the previous price.

- The bidder is able to submit the offer in the system by accepting the price currently shown by the system.
- The first bidder that will accept the currently shown price is considered the auction winning supplier. After this first acceptance by some bidder, the auction procedure is finished, no further bids are possible by any other bidder and the auction is immediately closed.
- If no bid is submitted in time when the offered price arrives to an upper (the highest) price, as predefined by EGP, the system will automatically stop the auction without auction winning supplier.
- The bidders will not see in the system other bidders' information. They will see the customized information related to auction process (for example: the available price).

3. General rules

- All suppliers must follow the terms, conditions, rules and system requests by EGP auction process. By accepting and entering in the auction, supplier accepts all the regulations applicable for the auction process.
- The bid which was offered during the auction process is considered legally valid. Supplier accepts all rights and obligations based on the offered bid.
- After auction procedure is finished, supplier has no right for any sort of partial/full withdrawal or correction of the valid bid.
- Notwithstanding the auction results and the offers received by the supplier during the auction process, the supplier's offers from previous procurement activities (offers received in the previous RFx process or any other valid offer as submitted by the supplier to EGP) remain valid in parallel to the offer submitted on the auction. EGP has right to accept any, some or none of the offers received from the supplier during the execution of these processes without any compensation.
- Supplier accepts that any potential technical obstacle in using of EGP auction system and/or any mistakes made by supplier, caused by any reason, does not create the obligation from EGP side to stop, cancel or repeat the auction process.
- EGP has the right to set-up, change or cancel the auction process at any time without obligations or compensation to any supplier in the process.
- EGP has the right to accept some, any or no bids from any of the suppliers, without obligation for further explanations or information toward any party.
- All other rules which are valid within the RFP process which lead to this auction remain valid for the auction also.
- These rules and the others terms and conditions are available on the website: <http://www.erstegroupprocurement.com/en/aboutus/our-contacts/croatia>
- For more technical and functional details related to auction system, please download the user manual from Fluenta or inform the EGP contact person.