



A Case Study on Reverse Auction

Purchase of Signal Cables for Oil & Gas projects development Major

The Client:

The Client is a Joint venture of Indian Based Oil & Gas PSU with a Singapore based energy sector company. The Client is into building of Oil refineries and other Oil & Gas projects.

The Business Need:

The Organization is procuring the Signal cables for its project in huge quantity where its return on investment can be inevitable after completion of the entire project.

Key Challenge:

The Key Challenge is to create a global participation and award the purchase to the vendors considering various factors, ie Taxation, freight and interest of the material till project completion apart from the Basic price.

Solution:

A Multiplication factor is derived for the individual vendors and is taken as an input in the system to declare the weightage to the vendors. The Vendors can view their basic prices, but the system calculates the ranking based on the landed price which is Vendor multiplication factor * basic price.

Facts

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|-----------------------------|---|
| Product/ Service | Purchase of Signal cables of various grades |
| Volume | 10.24 Lakh - meters |
| Auction type | Sealed Reverse Auction |
| Number of service providers | 07 |

Value Delivered

- Tailored the product to suit the multiplication factor on war foot basis to meet the client's immediate needs.
- Executed Multi lot event to complete the auction for all materials in parallel.
- Provided a web based platform where in all the vendors are trained to understand these tailored needs and enabled the vendors to bid in a hassle free environment.

Results:

Achieved 6-12% of savings are observed on various grades of materials auctioned in the multilot.