

## **NHS Institute make 58% saving on first eAuction with Curtis Fitch**

On 10<sup>th</sup> January 2007, the NHS Institute, a valued client of Curtis Fitch, successfully completed their first online eAuction and achieved a saving of 58% on the cost of cleaning services provided to their offices at Coventry House.

The NHS implemented Curtis Fitch *iSource* software to run their first e-Auction. In the run-up and throughout the event, Curtis Fitch consultants advised and guided on all the various stages of the auction, which adhered to a rigorous procurement process.

### **The Highlights**

- Potential bidders were provided with the cleaning contract specification and were offered the opportunity to visit Coventry House to examine the layout of the premises.
- Bidders were invited to enter their opening bids and then offered the opportunity of a practice event on 9<sup>th</sup> January, having already been supplied with full instructions, auction rules and a username and password to the *iSource* site.
- On 10<sup>th</sup> January the eAuction commenced and was scheduled to last 30 minutes.
- During the eAuction, competing suppliers were able to view the value of the leading bid and the ranking of their own bid if they were in the top three from whom the successful supplier would be chosen.
- The bidding became very competitive with suppliers pitching lower prices in order to gain a top three position. The auction rules had stated that the successful bid would not necessarily be the lowest bid so it was important for suppliers to stay in contention.
- Any bids entered during the last two minutes automatically extended the auction by a further two minutes. This occurred several times and on one occasion a supplier entered a lowest bid with five seconds to go!
- After 42 minutes no further bids were received and the auction closed.

### **The Result**

- The lowest bid was £20,969 per annum, which was 58.8% lower than the previous fee of £50,934 per annum. The top three leading bids were within 2% of each other.
- The NHS had achieved this substantial saving in 42 minutes rather than weeks of convoluted negotiation.
- After the auction, the NHS interviewed the three leading bidders to confirm that their bids were sustainable and to select the winning supplier.

**The perfect start for the NHS and Curtis Fitch collaboration.**