



Significant Savings Achieved by Staffordshire University via e-auction

Staffordshire University recently carried out a reverse e-auction for furniture as part of a major transformation project at their Stoke Campus, making significant savings. Nigel Peake, Head of Procurement at Staffordshire, discusses how they made use of the NWUPC Furniture Agreement and why they chose the e-auction route.

Staffordshire University are currently undertaking a significant transformation project building at our Stoke Campus. As part of this project, it was identified that new furniture would be required, both for office and student use.

Historically, the University generally had a preferred supplier to meet their general furniture needs but with the requirement for this project being such a significant purchase, the Procurement Department stepped in, identifying that there was an opportunity to do something different.

In a previous role within Staffordshire County Council, I had carried out an e-auction which proved very successful, so when reviewing the furniture requirement, it appeared to lend itself to this type of procurement process.

We had specifications and knew the volumes of items required. We had identified that NWUPC had a suitable framework in place and having contacted Laura Hough, Category Manager for the Furniture Agreement at NWUPC, it was confirmed that e-auctions were permissible under this agreement. We were supplied with a copy of a draft mini competition document which we adapted.

It was critical that quality was paramount in the outcome and the use of the framework provided us with this assurance that the suppliers nominated were of the right calibre.

In line with the criteria and weightings identified, we initially sent out the list of requirements along with the mini competition document which contained our specific quality questions. We also undertook a blind evaluation and marking of key samples meaning that by the time the Auction date arrived, all quality elements had been scored.

The auction was set to go, all suppliers had agreed a starting bid of £560,000 (exc Vat), a total cost based on framework pricing. The auction time was set for 30 minutes, we set a 5 minute extension on the last bid made past that time allocated and a minimum of £1000 reduction on any bids made.

A viewing room had been organised which had an air of excitement on the commencement of the event, with key stakeholders and members of the University Executive present. The auction attracted eight bids in total

and lasted for 35 minutes with the final bid received being £429,000 (exc vat), representing a cost reduction of 23.39% and a potential saving of £131,000 (exc vat).

We took the bid values, converted them to scores and based on the combined quality and cost score, awarded the contract to Southern Office Interiors who, on the day, also happened to be the supplier with the lowest bid and who, therefore, came out with the highest overall score.

There was great interest on the day in this more unusual method of procurement and based on the success of this event, we are now in the process of running a second e-auction for residential furniture that is required in the upgrade of our student accommodation.

