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Government of NCT of Delhi INFORMATION TECHNOLOGY DEPARTMENT

9th Level, B-Wing, Delhi Secretariat, IP Estate -110002

F.No. E-13016/1/2022-Development-IT Department/3766-3835 Date: 07/07/2022

Circular

National Informatics Centre, Ministry of Electronics and Information Technology (Meity) has developed a generic electronic auction (eAuction) software and the same is being implemented online by various Government entities. The System facilitates two major types of electronic auctions: Forward Auction in which several buyers bid for one seller's goods and Reverse Auction in which several sellers bid for one buyer's order.

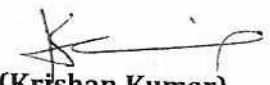
Departments/Autonomous bodies/PSUs etc under Govt. of NCT of Delhi are requested to use this system i.e. Government eAuction System. [URL: <https://eauction.gov.in>]

The features and functionalities including bidding process of Government eAuction System is attached as Annexure-I. Draft onboarding request letter with Auction Input Form is also attached as Annexure-II.

The departments may contact eProcurement Help Desk at Delhi Secretariat (011-23392722) for further clarifications.

This issues with prior approval of Competent Authority.

Encl: As Above


(Krishan Kumar)
Joint Director IT

Copy to: All Addl. Chief Secretaries/Pr. Secretaries/Secretaries/ Head of Local /Autonomous Bodies, GNCTD

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1. All Secretaries to the Hon'ble Ministers, Delhi Secretariat, GNCTD
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Government eAuction System – Features and Functionalities

National Informatics Centre, Ministry of Electronics and Information Technology (Meity) has developed a generic electronic auction (eAuction) and is being implemented online by various Government entities since November 2013. The System facilitates two major types of electronic auctions: **Forward Auction** in which several buyers bid for one seller's goods and **Reverse Auction** in which several sellers bid for one buyer's order..

The eAuction process includes transparency of the process wherever necessary and without disclosing the details of Bidders and the Bidders Identity are either masked or hidden till the auction process is completed. This ensures maximum profit for the sellers.

Types of Auctions: The Auctions can be broadly categorized into Single Lot or Multi Lot Auctions. **Single Lot Auctions** are for items that are similar in nature and are auctioned at a single event. In the case of **Multi Lot Auctions**, similar Items with varying quality / price / other factors are auctioned and each lot will be conducted in parallel. The system facilitates both single lot and Multi Lot Auctions

Registration of Bidders: The System provides online registration of Bidders and only the registered bidders will be able to participate in the eAuction process. Registered Bidders should also enroll their Digital Signature Certificates which will be used for signing the Bid Values submitted by the bidder during the bidding process. Any registered bidder will get Automatic email Alerts from the system when Auctions of the Bidders interest are published in the portal.

Bidding Process:

The online Auction process flow and the list of process is enumerated below:

Creation of Auction, Publishing of Auction, Creation of Corrigendum, Publishing of Corrigendum, Approval of the Participating Bidders by the Auction Inviting Authority, Conducting of Online eAuction, Downloading of Results, Award of Auction.

Auction Parameters: Base Price or **Reserve price** is the price for at which the Seller is obligated to sell the asset. Reserve Prices are set by the seller, and act to protect the seller's financial interest in an asset, **Increment Value** is defined at the time of Auction creation. The bidder can quote the subsequent value in multiples of the Increment/decrement value for continuing in the bidding process. **End Time** is the predefined end time for Auction process defined at the time of creation of Tender. However, when any of the bidder submits the bid at the last moment before the end time, the auction process will get extended automatically by a predefined **extended time** (defined earlier) and will facilitate other bidders to compete. This will result in healthy and competitive bidding. The bidding process will come to a halt when no bidders quote for a specified time after the end time or extended time.

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eAuction Hall: eAuction Hall is the heart of the eAuction system. When a bidder clicks on the Auction Hall, the active auctions in which he has been approved gets listed and the bidder can quote online with his Digital Signature Certificate. The bidder can see the latest L1 / H1 Value depending on Reverse / Forward Auction. The bidder names are masked to maintain confidentiality and the details are revealed once the auction summary is uploaded,

Security: Security is one of the key requirements of Online Auction System. In order to ensure proper participation, two factor Authentication is implemented, the first factor being the Username / password and the second factor the Digital Signature Certificate. All the bid values submitted by the bidder are digitally signed and is valid as per the IT ACT 2000. The bid documents uploaded by the Department and other documents submitted by the bidder are also digitally signed. This ensures Authenticity and Integrity of the document also can be checked by verifying the signature. The application is hosted in the ISO-27001 certified National Data Centre and the application is security audited on a yearly basis.

Audit Logs: The System maintains necessary Audit logs and all events are time stamped to ensure that the activities are done within the time frame. The IP address of the Bidder is also captured in the system for later analysis.

Template Driven: The Auction parameters are template driven and the customization of these parameters can be individually suited to meet the requirements of Individual Auctions and this adds flexibility within the framework to the Auction process

In Summary, Online Auctions simplify the process and require very little effort on part of the seller and also ensures comfortable bidding by the bidders effectively. The above user friendly system enhances Transparency, Accountability and results in openness for all participating stakeholders. Various MIS reports are included in the application. The entire process is managed and operated and owned by the Auction Inviting Authority.



<https://eauction.gov.in>

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Intent Letter for using NIC's eAuction Software

(OnBoarding Letter should be sent by Head Quarter /Central office of the Procuring entity and not by each Individual Office, on Organisation's Letterhead)

Addressed To: The Director General
National Informatics Centre
A-Block, CGO Complex, Lodhi Road
New Delhi - 110 003 India

Subject: Intent to use NIC's eAuction Software

Dear Sir/Ma'am,

1. Give brief description / Background information about Indenting Procuring Entity.
2. Details of the Highest Competent Authority(*who is addressing the Letter*):
 - Name:
 - Designation:
 - E-Mail ID:
 - Contact Number:
3. Presently using any eAuction System by the Organisation : YES NO

If Yes, Name of the URL being used

(Procuring Entity Name) _____ intends to use NIC eAuction software
on As Is basis. The details are provided below:

Name of Procuring Entity *	
Name of Ministry it belongs to*	
Whether Central Govt /State Govt /Others*	
Type Of Organisation* [Tick the appropriate option]	(Ministry/Department/Attached/Subordinate office/PSU/Statutory Bodies/ Urban Local Bodies/Autonomous/Others)
Approx. No of eAuctions to be floated in a year*	
No. of eAuctions floating locations* *[please provide locations wise number of Auctions to be floated as an annexure]	
Any special Requirements, if any	

* Indicates columns to be filled up mandatorily

Place:

Date:

Thanking you

(Signature and Seal)

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Auction Input Form

Default Properties to be set for 'Auction' in the portal for an Organization:

Name of Property	Recommended default value	Desired value of procuring entity	Remark, if any
Auction Elapse time in minutes:*	5 mins		
Auction Bid Auto Extensions in minutes:*	10 mins		
Max Seal Percentage:*	50		

Note: Please refer to over-leaf for detailed explanation of properties.

Date:

Signature of official

Name:

Seal:

Explanation and Recommended Values for above Properties

The System facilitates two major types of electronic auctions:

- a. **Forward Auction:** In which several buyers bid for seller's goods, so bidder can quote over and above the Starting Price or Current Auction Price.
- b. **Reverse Auction:** In which several sellers bid for buyer's order, so bidder can quote below the Starting Price or Current Auction Price.

Department User can create Auction as:

Lot /Single Lot: An individual object or group of objects that are similar in nature, offered at auction as a single unit.

Multi Lot: Multiple identical items /objects with varying quality /price / other factors are auctioned and each lot will be conducted in parallel.

Auction Properties:

Auction Start Date & Time and Auction End Date & Time: - Live auction would be conducted during this period.

Auction Elapse Time in minutes: It is the time factor in minute(s) before the 'Auction End Time' and acts as a trigger for auto extension of current auction. If a bid is received successfully within these minutes, the auction will be extended by specified time period.

Auction Bid Auto Extensions in minutes: The Auction End Time will be extended by this 'Auto Extension Time in Minutes', if a bid is received successfully within 'Elapse Time in Minutes'. *Process will continue till no bid is received during the Auction elapse time.*

Max Seal Percentage: This parameter is important to control the successive decrement or Increment value. This factor can be used to control the flow of Auction as required so that spurious values of decrement or increment can be controlled. It defines maximum value a bidder can quote in multiples of incremental / decremental value.

In case of **Reverse Auction**, in order to displace a standing lowest bid and to become "L1", a bidder can offer a minimum bid decrement or in multiples of decremental value up to above Max Seal %.

For ex: Current price: -Rs. 49,000 Decrement value: -Rs. 1000 System Defined Maximum Seal %:- 50, in this case a bidder can quote minimum decrement amount as $Rs\ 49,000 - 1000 = Rs.\ 48,000$ and maximum decrement amount is $49000 - 24500 - 1000 = 23500 = 24000^*$.

In case of **Forward Auction**, in order to displace a standing highest bid and to become "H1", a bidder can offer a minimum bid increment or in multiples of incremental value up to or below Max Seal %.

For ex: Current price: - Rs. 49,000 Incremental value: - Rs. 1000 System Defined Maximum Seal %:- 50, in this case a bidder can quote minimum increment amount as $Rs\ 49,000 + 1000 = Rs.\ 50,000$ and maximum increment amount as $49000 + 24500 + 1000 = 74500 = 74000^*$