

# Reverse Auctions

## What's Appropriate & What's Not

*“Auctioning might not be the oldest profession, but it was certainly around when the oldest profession was getting started”* – Sandra Bates, Commissioner,  
GSA Federal Technology Service

Reverse Auctions are appropriate when:

- Requirements are well defined;
- The commodity is easily obtainable with universally accepted standards;
- There are many suppliers;
- The value is large enough to draw interest; and
- The buying organization is forward looking and wants to cut costs.

Reverse Auctions may not be appropriate when:

- Significant servicing requirements are part of a purchase;
- There are no industry or product standards; or
- The requirements are very flexible or complex.

Examples of goods and services ripe for reverse auctioning:

<i>Indirect Materials &amp; Services</i>		<i>Direct Materials</i>		<i>Assets</i>	
<i>Description</i>	<i>Average Savings</i>	<i>Description</i>	<i>Average Savings</i>	<i>Description</i>	<i>Average Savings</i>
Construction & Facilities	29%	Wood, Pulp & Paper	11%	<b>Plant &amp; Equipment</b>	<b>20%</b>
Service	19%	<b>Electronics</b>	<b>21%</b>		
Freight & Logistics	8%	Plastics	26%		
<b>Telecom/IT</b>	<b>35%</b>	Energy & Fuels	3%		
Packaging	23%	Building Materials	14%		
Travel	17%	<b>Metals</b>	<b>21%</b>		
Plant & Equipment	11%	Chemicals	11%		

# Examples of Goods and Services Ripe for Reverse Auctioning

Additional, specific examples are provided on page 2.

## Indirect Materials & Services

### Services

Legal Services  
Payroll & Benefits  
Printing services  
Promotional Items  
Relocation  
Services  
Security Services  
Temporary Labor

### Freight & Logistics

Express Freight  
Freight  
Forwarding  
Freight Trailers  
Refrig.  
Containers  
Ocean Lanes

### Telecom/ IT

Help Desk  
Services  
LAN administration  
Long Distance  
Cell Phone  
Handsets  
Paging Services  
Web Hosting  
Service  
Wireless Service

### Travel

### Packaging

Cartons  
Corrugated  
Die-cut Foam  
Labels  
Linerboard  
Pallet  
Manufacturing  
Paper & Multi-wall  
Bags  
Plastic Bags  
Plastic Bottles &  
Caps  
Polyethylene Bags

### Plant & Equip.

Rental & Leasing  
Machine Tool Repair  
Material Handling  
Machinery Installation  
MRO Inventory  
Protective Clothing  
Scaffolding

### Construction & Facilities

Construction  
Materials  
General  
Contracting  
Office Furniture  
Structural Steel

## Direct Materials

### Electronics

Cables & Harnesses  
Capacitors  
Component Mfg.  
Computers & Prphs.  
Connectors & Wires  
Control Panels  
CRT Monitors  
Electronic  
Components  
Insulators  
Motors  
Printed Circuit  
Boards  
PCB Fab./Assy.  
Resistors  
Switches  
Transistors  
Transformers

### Plastics

Blow Molded  
(Plastic)  
Compression  
Molding  
Extrusion (Plastic)  
Extrusion (Rubber)  
Injection Molding  
Molded Rubber  
Resins & Polymers  
Thermoforming

### Energy & Fuels

### Metals

Aluminum  
Auto Parts &  
Subsys.  
Castings  
Cobalt  
Cold Headed Parts  
Copper & Brass  
Alloys  
Die Castings  
Extrusion (Metal)  
Fasteners &  
Hardware  
Ferro-silicon  
Forging  
Gaskets and Seals  
Iron & Steel  
Machining  
Magnesium  
Metal Fabrication  
Metal Cans  
Press  
Brake/Forming  
Scrap Metals  
Service Center  
Metals Springs  
Stampings  
Steel  
Titanium  
Valves  
Wire Forming

### Chemicals

Acids  
Caustic Soda  
Cleaning Chemicals  
Industrial Abrasives  
Inorganic Chemicals  
Molten Sulfur  
Organic Chemicals  
Road Salt  
Surfactants

### Building Materials

Ceramics  
Clay Products  
Concrete  
Glass & Glass Products  
Paints & Coatings

### Wood, Pulp & Paper

Commercial Paper  
Lumber  
Wood Components

## Assets

### Plant & Equipment

Automotive Robotic Equip.  
Broaching Machines.  
Construction & Mining Mach.  
Earth Moving Equipment  
Electric Engines  
Food Processing Lines  
Forklifts  
Highway, Bridge & Tunnel  
Equip.  
HVAC & Refrigeration  
Machinery  
Injection Molding Machines  
Locomotives  
Material Handling Products  
Metalworking Machinery  
Office Furniture  
Pipe, Tubes & Fittings  
Power Transmission Equip.  
Stamping Presses  
Surplus Petroleum Products  
Turbines  
Transformers (Electric)