

# Army Acquisition Reform Newsletter



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## FORSCOM'S FIRST REVERSE AUCTION CONDUCTED AT FORT HOOD

The III Corps and Fort Hood Contracting Command recently conducted the Army Forces Command's (FORSCOM) first reverse auction, using the software available on CECOM's Interagency Business Opportunity Page (IBOP) web site. Fort Hood used this innovative e-commerce tool to obtain a 10.67% price savings over the estimated product price and significant quality increases.

The requirement was forty Pentium III, 650 MHz, 8GB Hard Drive capacity CPUs with a 250 MB Zip Drive and Optical mouse, estimated to cost \$1500 each. Forty Gateway Pentium III, 733 MHz, 15 GB Hard Drive CPUs with 250 MB Zip Drive, MB AGP Video Card, Internet Keyboard, and Optical Mouse, were purchased at a final cost of \$1340 each. All minimum requirements were met, and exceeded in many cases.

Fort Hood conducted a private auction with four small business GSA vendors. The vendors were selected by conducting market research on various GSA schedule holders that supply computer equipment. To keep a level playing field, all companies were classified as a small or small disadvantaged business. Fort Hood spent approximately six days preparing for the reverse auction and made the delivery order award on the day the auction was completed. Offerors were informally debriefed the day after the award.

Fort Hood was satisfied with the reverse auction and plans to hold other auctions for future requirements that are acceptable for the auctioning process. In addition, Fort Hood can foresee using reverse auction procedures to augment other procurement methods, such as a two-step sealed bid process. During the first step, technical requirements are negotiated with the offerors. In the second step, a reverse auction is conducted to determine the final contract price, and ultimately, the contract winner.

This new process is a significant step toward realization of the Army's goal to make online acquisition more efficient and cost effective

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