



**PROCEDURE OF BIDDING  
IN REDUCTION**



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## Introduction

This instruction contain information about bidding in reduction on SAP SRM platform.

In case of technical issue it is necessarily to write on [srm@nordgold.com](mailto:srm@nordgold.com) .

Please add to letter following details:

- 1) Name of company
- 2) Describe the actions before issue
- 3) Screenshot of the window with error message

Technical support working time:

Monday – Thursday 8:00 A. M. - 5:00 P.M. (GMT+3)

Friday 8:00 A. M. - 4:00 P.M. (GMT+3)

## 1. Technical requirements

To work with reduction on SAP SRM platform it is necessary to supply following requirements:

a) **Internet browser.**

On PC/Laptop should be installed internet browser. It is recommended to use following browsers:

- Microsoft Internet Explorer 11 version or higher;
- Google Chrome 45 version or higher.

b) **Internet connection.**

Port 443 should be opened for sites:

- <https://procurement.severstal.com>
- <https://procurement-srv.severstal.com>

c) **It should be allowed to work through SSL.**

The setting which allow to work through SSL should be turned on in internet browser .

d) **Software for PDF files view.**

You can use any software for PDF files view, for example:

- [Adobe Acrobat Reader](#)
- [SumatraPDF](#)
- [Foxit Reader](#)

For Microsoft Internet Explorer following settings should be set:

- a) Following web sites should be added to “Trusted Sites”:
- <https://procurement.severstal.com>
  - <https://procurement-srv.severstal.com>
- b) For following web sites should be allowed to open popup windows:
- <https://procurement.severstal.com>
  - <https://procurement-srv.severstal.com>
- c) The setting which allow to work through SSL should be turned on.

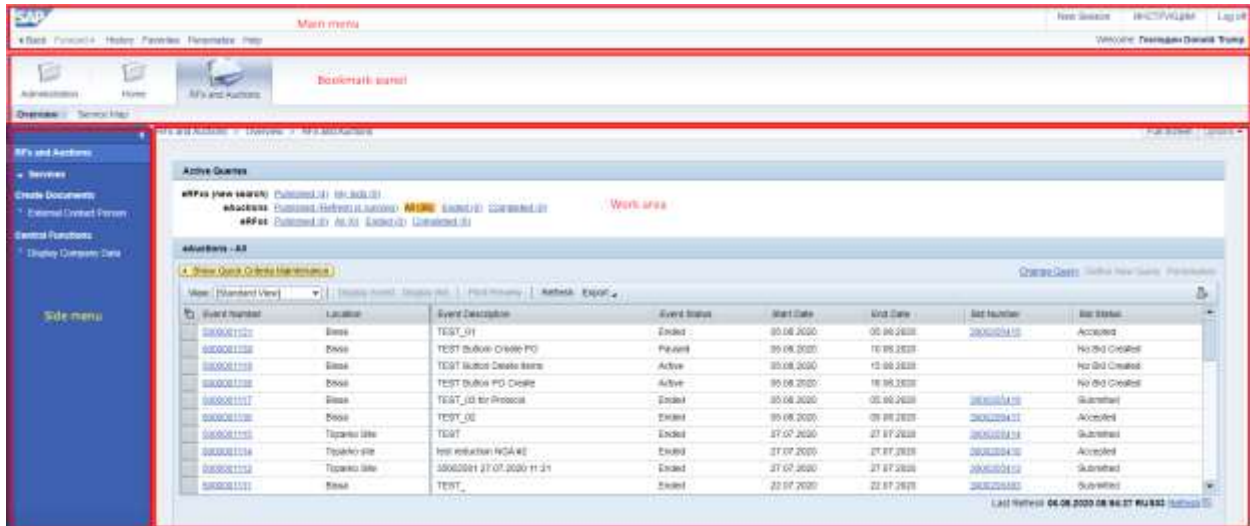
For Google Chrome following settings should be set:

- a) For following web sites should be allowed to open popup windows::
- <https://procurement.severstal.com>
  - <https://procurement-srv.severstal.com>
- b) The setting which allow to work through SSL should be turned on.

## 2. General information about window interface structure.

Window interface is divided to 4 areas (Picture 1):

- Main menu;
- Bookmark panel;
- Side menu;
- Work area.



Picture 1. Window interface structure

“Main menu” contains following buttons:

- a) “Back” and “Forward” buttons help to navigate through “Bookmark panel”
- b) “History” button contains the list of previously used tabs. List is filling automatically.
- c) “Favorites” button may be used to create of the list with most used tabs from “bookmark panel”. List could be filled by user manually.
- d) “Personalization” button could be used to change the language for working area with active “Administration” tab.
- e) «Help» button open the instruction catalogue (Russian language only).

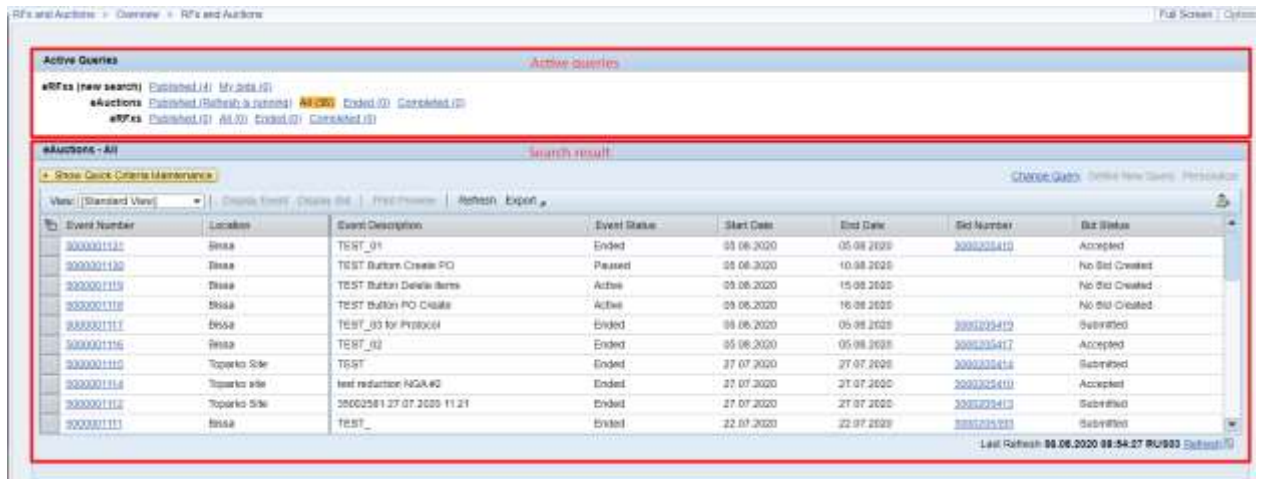
“Bookmark” panel contains tabs. Tab is used to switch between different functions of “Work area” and change content of “Side menu”. This instruction is used only for “RFX and Auctions” tab.

In case “Rfx and Auctions” tab selected, “Side menu” contains:

- a) «Rfx and Auctions» – shows content for "RFX and auctions" in side menu and work area.
- b) «External Contact Person» – could be used to create additional contact person for company in “Work area”.
- c) «Display company data» – could be used to check company data in “Work area”.

“Work area” with selected “Rfx and auctions” could be divided to following parts (Picture 2):

- a) “Active Queries”;
- b) “Search result”.



Picture 2. “Work area” structure

“Active Queries” contains 3 parts:

- “eRFxs (new search) ” – contains all standard queries for RFX search by status (Picture 3);
- “eAuctions” – contains all standard queries for reductions search by status(Picture 4);
- “eRFxs” – contains all standard queries for RFXs search by status (Picture 5);

eRFxs (new search) [Published \(4\)](#) [My bids \(0\)](#)

Picture 3. “eRFxs (new search) ”

eAuctions [Published \(Refresh is running\)](#) [All \(36\)](#) [Ended \(0\)](#) [Completed \(0\)](#)

Picture 4. “eAuctions”

eRFxs [Published \(0\)](#) [All \(0\)](#) [Ended \(0\)](#) [Completed \(0\)](#)

Picture 5. “eRFxs”

**!Note!** “eRFxs (new search) ” and “eRFxs” is described in “tender procedure”

«eAuctions» contains:

«**All**» - search query, result contains all auctions with supplier participation.

«**Published**» - search query, result contains all auctions with status “Published” or “Active”. The status “Published” is set to reduction in case it was published, not started and not finished. The status “Active” is set to reduction in case it was published, started and not finished.

«**Completed**» - search query, result contains all auctions with status “Transaction Completed”. The status “transaction completed” is set to reduction in case it was close without a winner. Buyer can decide to close the reduction without a winner in case of:

- Need in material supply is gone;
- Technical issue with reduction, in this case reduction should be recreated.

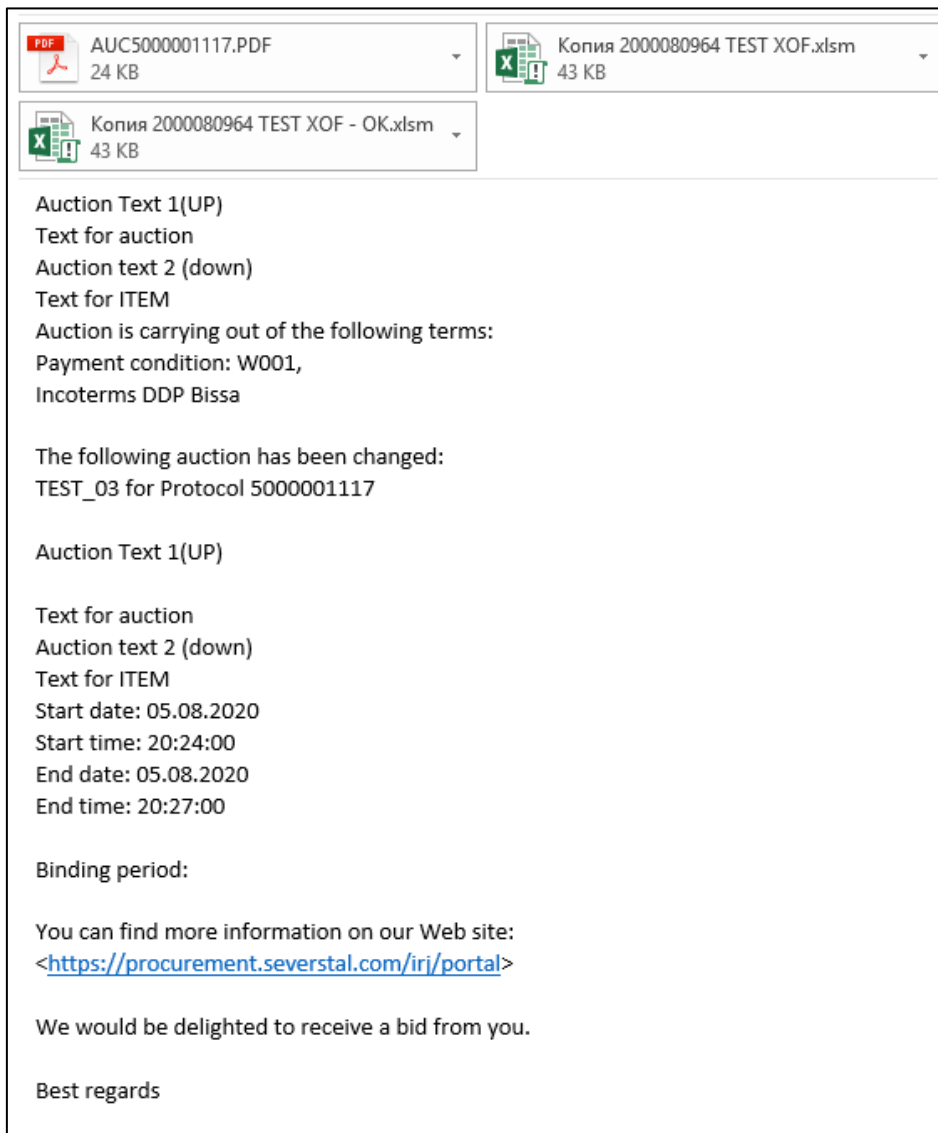
«**Ended**» - search query, result contains all auctions with status “Ended”. The status “ended” is set to reduction in case the time for it duration out.

### 3 How to make a bid in reduction

#### 3.1 Invitation to reduction

At the moment reduction is published, all participants received the invitation letter via email. Example of invitation letter is present in Picture 6.

In case supplier is not included to bidders list, he cannot participate in reduction.



Picture 6. Example of invitation letter.

### 3.2 Reduction search

#### 3.2.1 Search reduction by event number

To search reduction by event number it is necessary to follow steps:

- a) Press on button “Show Quick Criteria Maintenance”;
- b) Fill in Reduction ID in the “Event number” field;
- c) Press on “Apply” button

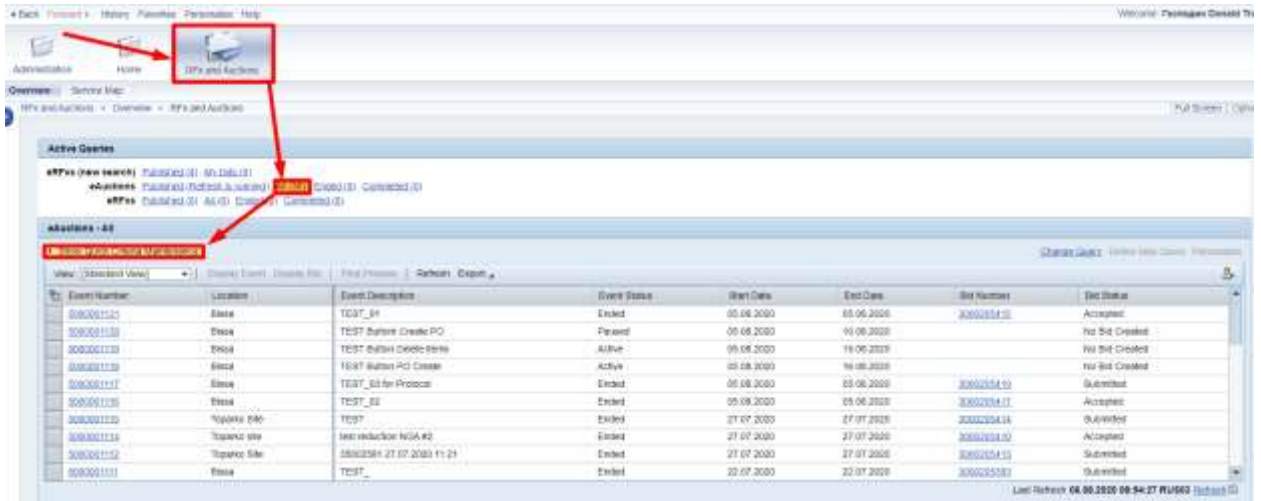
Result of search could be seen in the table “Search result” beyond button “Show Quick Criteria Maintenance”.

In case there is reduction with searched ID, it is shown in “Search result” table.

In case there is no reduction with searched ID in “Search result” table, it is necessary to:

- Check the reduction ID;
- Select “All” in “eAuctions” from “Active queries” area.

Example of reduction search is shown on picture 7 and 8.



Picture 7. Open “Quick Criteria Maintenance”



Picture 8. Fill in reduction ID and start of search

### 3.2.2 Search reduction by quick criteria

To search by quick criteria it is necessary to follow steps:

- a) Press on “Quick Criteria Maintenance”;
- b) Fill in the search criteria into the fields;
- c) Press on “Apply” button.

Result of search could be seen in the table “Search result”.

In case there is no reduction with searched ID in “Search result” table, it is necessary to:

- Check the search criterias;
- Select “All” in “eAuctions” from “Active queries” area.

**!Note!** Result of search could be empty in case of not auction satisfies the searching condition.

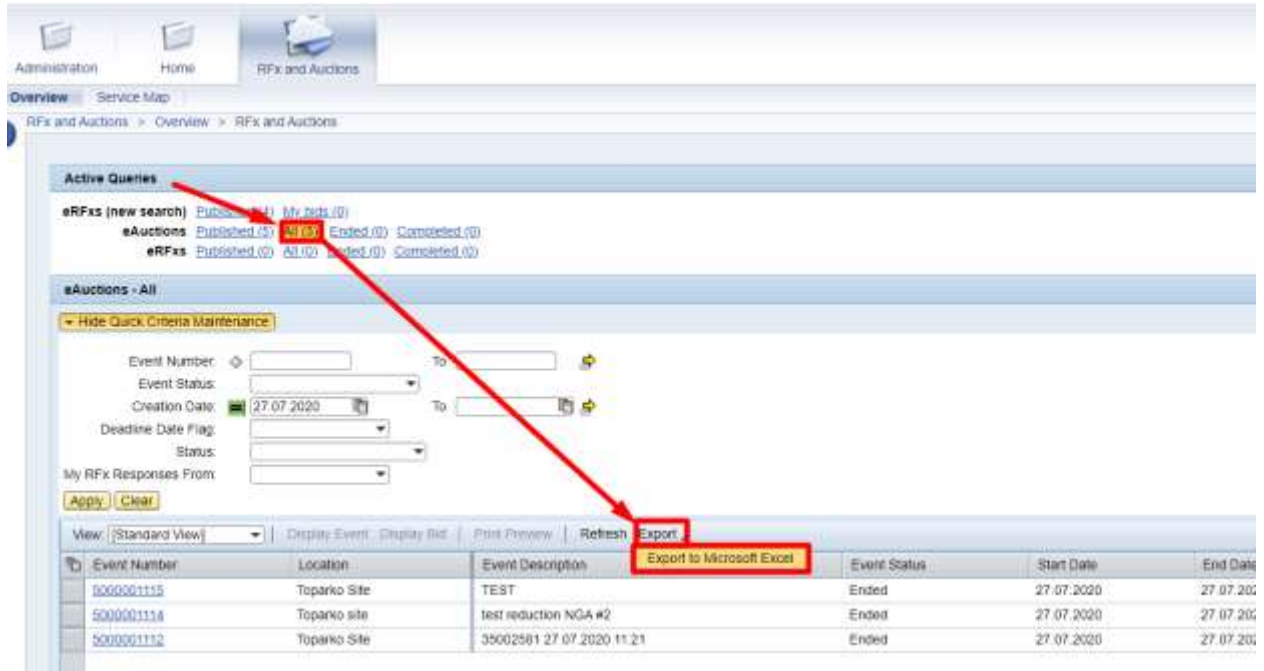


### 3.2.3 Export list of reductions into Microsoft Excel file

For export list of reductions into Microsoft Excel file it is necessary to follow steps:

- a) Search reductions by necessary criterias;
- b) Press on “Export”→ “Export to Microsoft Excel” menu under the “Search results” table;
- c) As result all records from “Search results” is added to Microsoft Excel file.

All steps of export is shown on Picture 9.



Picture 9. Steps of export into Microsoft Excel file

### 3.3 Reduction overview

To check the details of reduction it is necessary to click on its number in “Search results” table. All information is present, to check it select the proper tab.

“Auction information” tab contains general information about reduction condition.

“Items” tab contains information about items (material information, start price, Bid Decrement Amount and etc.).

“Notes and attachment” tab may contains additional comments and attachments from buyer.

#### 3.3.1 “Auction information”

To check the general information it is necessary to select “Auction information” tab→”Auction parameters”.

This tab contains following areas with parameters:

- a) “**Identification**” area contains following parameters:
  - “**Auction name**” – usually it contains information about site, purchasing material and date.
  - “**Currency**” – main currency of the procedure. In case buyer add additional currency, it could be chosen in “Live Auction” mode before first bid.
- b) “**Dates**” area contains following parameters:
  - “**Start Date**” – date and time of reduction start.

- **“End Date”** – date and time of reduction finish. This date could be changed by buyer manually or automatically by “automatic extension” settings.

- **“End of Binding Period”** – validity date of bid for Nordgold.

c) **“Term of payment”** area contains following parameters:

- **“Term of payment”** – contains code of payment term.
- **“Payment text”** – contains description of payment term.

d) **“Event parameters”** area contains following parameters:

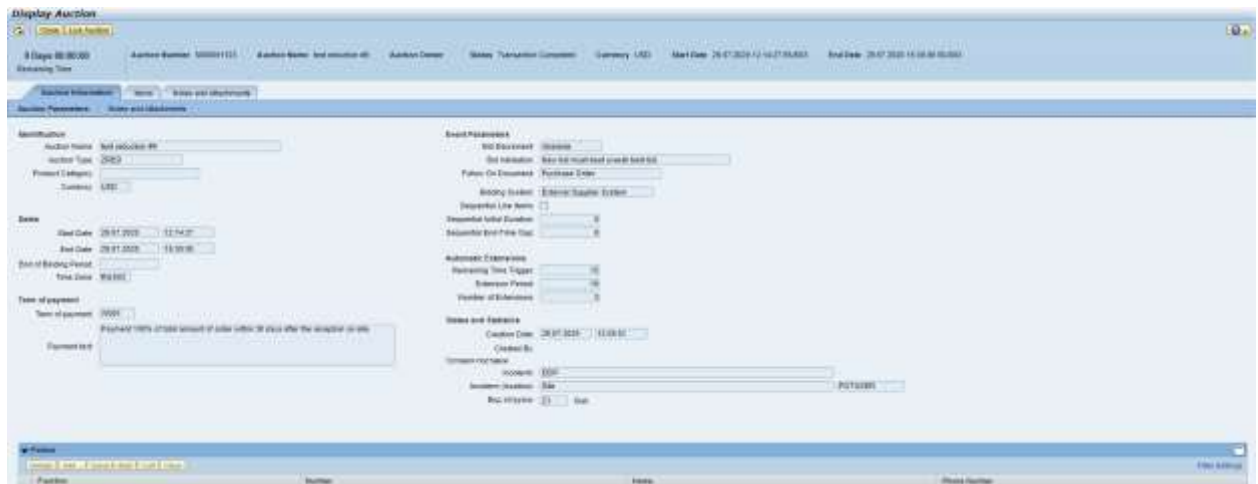
- **“Bid validation”** – in case empty
- **“Bid Decrement”** – condition of bid decrement, it could be percent or fixed value. It is value located in “Items tab”.

- **Sequential Line Items** – in case turned on, the items is bided by supplier, one by one. In case it turned off, supplier can bid for any item at any time.

e) **“Automatic Extensions”** area contains following parameters:

- **“Remaining Time Trigger”** – period until the end date, if there were placed a bid, end date will be prolonged for value from “Extension Period”.
- **“Extension Period”** – how many time will be added in case of automatically prolonged by system. It is measured in minutes.
- **“Number of Extensions”** – amount of automatic prolongs. In case, it equal to zero, automatic extension is turned off.

Content of “Auction information” tab is shown on picture 10.



Picture 10. “Auction information”

### 3.3.2 “Notes and attachments” tab

In case buyer add additional information or attached files, it could be found on “Notes and attachment”. There are two ways to open this tab:

- 1) Go to “Auction information”→ “Notes and attachments”
- 2) Go to “Notes and attachments” tab

“Notes and attachments” tab can be divided to two areas:

- **“Notes”** area – comments and additional information from buyer.
- **“Attachments”** area – contains files uploaded by buyer.

To check content, click on the link.

### 3.3.3 “Items” tab

On the “Items” tab there are following information:

- **Product ID** – material/service ID in SRM.
- **Description** – Name of material/service.
- **Quantity** – quantity of material for buy.
- **Unit** – unit of measure.
- **Start price** – start price of item. Nominal price cannot be higher than start price.
- **Bid Decrement amount** – amount of minimal price (price step) for item. The condition of bid decrement, it could be percent or fixed value. Every next bid should be less for value of bid decrement amount.
- **Notes** – quantity of buyer’s comments to item.
- **Attachments** – quantity of buyer’s attachments to item.

To check the details of item it is necessary to select line with it and press on “Details” button.

### 3.4 Bidding process

To enter into “Live auction” mode it is necessary to press on button “Live Auction” (Picture 11).



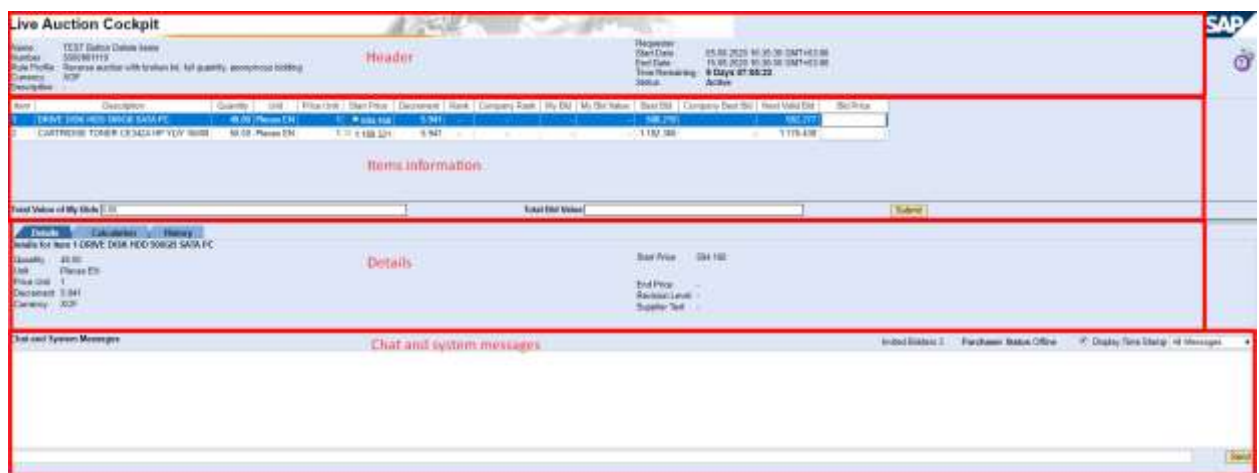
Picture 11. Initialization of “Live auction” mode

On the entering the “Live Auction Cockpit” there is a “Terms and condition” window with reduction condition (Picture 12). In case buyer add the additional currency, it could be selected from the list in “Currency Selection” area (it is located on the left bottom corner). Currency should be selected before supplier add first bid, otherwise the default Auction currency will be used. Supplier cannot change currency after his first bid.

In the middle part could be additional conditions of procedure. To enter the auction it is necessary to accept procedure conditions by pressing button “Accept”, as result “Live Auction Cockpit” window is opened. The structure of “Live Auction Cockpit” is shown on picture 13.



Picture 12. How to select currency and accept conditions for reduction



Picture 13. The structure of “Live Auction Cockpit” window

The “Live Auction Cockpit” window could be divided to following areas:

- 1) **Header** area contains following parameters:
  - **Name** – name of reduction, usually it contains business unit, short description of purchased material/service and date. For example, “BISSA BATTERY 14.06.2020”.
  - **Number** – ID of procedure, it could be used for search.
  - **Currency** – currency for bid.
  - **Start Date** – date and time when the reduction starts.
  - **End Date** – date and time when the reduction ends.
  - **Time Remaining** – time remaining until the end of reduction. Count starts when reduction have status “Active”. Remaining time could be extended manually by buyer or automatically by system (if there any options are set in automatically extension area and condition are reached).
  - **Status** – status of reduction. In case it is “Active” supplier can place a bid.
- 2) **Items information** area contains following information:
  - a) Table with information about items, it contains following columns:
    - **Item** – position of item in table
    - **Description** – descriptions of material/service
    - **Quantity** – required item quantity
    - **Unit** – unit of measure;

- **Price Unit** – dividing coefficient for price. It is equal to minimum quantity for selling. This coefficient is used to calculate the price of one material unit.

In case it is equal to 1, total price for item is calculated as placed bid multiplied by required quantity. In case it is more than 1, total price for item is calculated as placed bid multiplied by required quantity and divided by “price unit”.

- **Start Price** – start price for item.
  - **Decrement** – amount of minimal price (price step) for item. Every next bid, should be less for value of bid decrement amount.
  - **Rank** – indicator of first place. It is set to “1” value in case bid of company is the best. In other case it is set to “-” value.
  - **Company Rank** – indicator of place. It is set to current bid of company bid. For example, “Company rank” is set to “3” value, in this case two bids have better prices.
  - **My Bid** – current price for item
  - **My Bid Value** – contains total value of bid. It calculates by multiplying the bid price on item required quantity.
  - **Best Bid** – contact person best bid for item.
  - **Company Best Bid** – best bid for company supplier. In case only one contact person participate in procedure it should be equal to value of “Best bid”.
  - **Next Valid Bid** – contain next valid price for bidding. Its calculates as best bid for item minus decrement;
  - **Bid Price** – text field for bid price. Supplier should enter here bid price for item.
- b) **Total Value of My Bids** – total value for all bided items. It calculates as sum of multiple of required quantity on Bided price.
- c) **Total Bid Value** – total value of offered bid in current turn. It calculates as sum of multiple of required quantity on value from “Bid” column.

3) **Details** area contains following elements:

**Details tab** contains general information about item.

**History tab** contains history of supplier bidding for selected item.

4) **Chat and System Messages** area contains field for messages. There could be messages from system, buyer/supplier (depends on procedure settings). In case chat option is enabled supplier can send messages to buyer. To send message supplier should type it in text field and press on “Send” button.

**!Note!** Supplier cannot send message to another supplier. Supplier cannot read messages from another participant.

Supplier can pause the procedure, in this case, status is changed to “Paused” and system is added message about this event to Chat.

In case remaining time is changed system shows pop information window and system is added message about this event to Chat.

### **3.4.1 Bidding**

To place a bid supplier should follow steps:

- 1) Set the price into the “Bid” column for line with necessary item. Supplier can place price for multiple items in one time;
- 2) Press on “Submit” button (Picture 14)
- 3) Check the details in “Confirm Action” window, in case all is correct press on “OK” button (Picture 15).

Rank of suppliers bid is present in columns “Rank” and “Company Rank”. Each item have their unique rank.

## Procedure of bidding in reduction

Nordgold

**!Note!** In case “remaining time” is equal to “00:00:00” or price of bid higher than valid next bid - supplier cannot place a bid. In case “remaining time” is equal to “00:00:00”

When remaining time is 00:00:00 for all suppliers, who placed bid for at least one item, SRM creates Bid response. Bid response contains information about all best bids for supplier.

When buyer decide about accepting or declining the supplier bid response, system sends email notification with results.



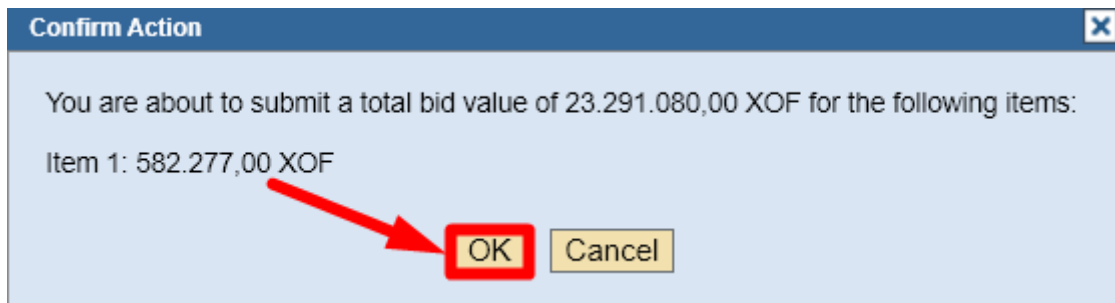
The screenshot shows a bidding interface with a table of items and a 'Submit' button. A red arrow points from the 'Bid Price' column to the 'Submit' button.

Item	Description	Quantity	Unit	Price/Unit	Start Price	Decomposition	Rank	Company Rank	My Bid	My Bid Value	Best Bid	Company Best Bid	How to Bid	Bid Price
1	DRIVE: DISK HDD 500GB SATA PC	40.00	Pieces EN	1	594.160	5.941	-	-	-	-	582.277	582.277	-	582.277,00
2	CARTRIDGE TONER CE302AHP YLW 16000	50.00	Pieces EN	1	1.188.321	5.941	-	-	-	-	1.162.360	1.179.430	-	-

Total Value of My Bids: 0,00      Total Bid Value: 23.291.080,00

Submit

Picture 14. Entering price for bid and sending it to SRM



Picture 15. Confirm bid in “Confirm bid” window.

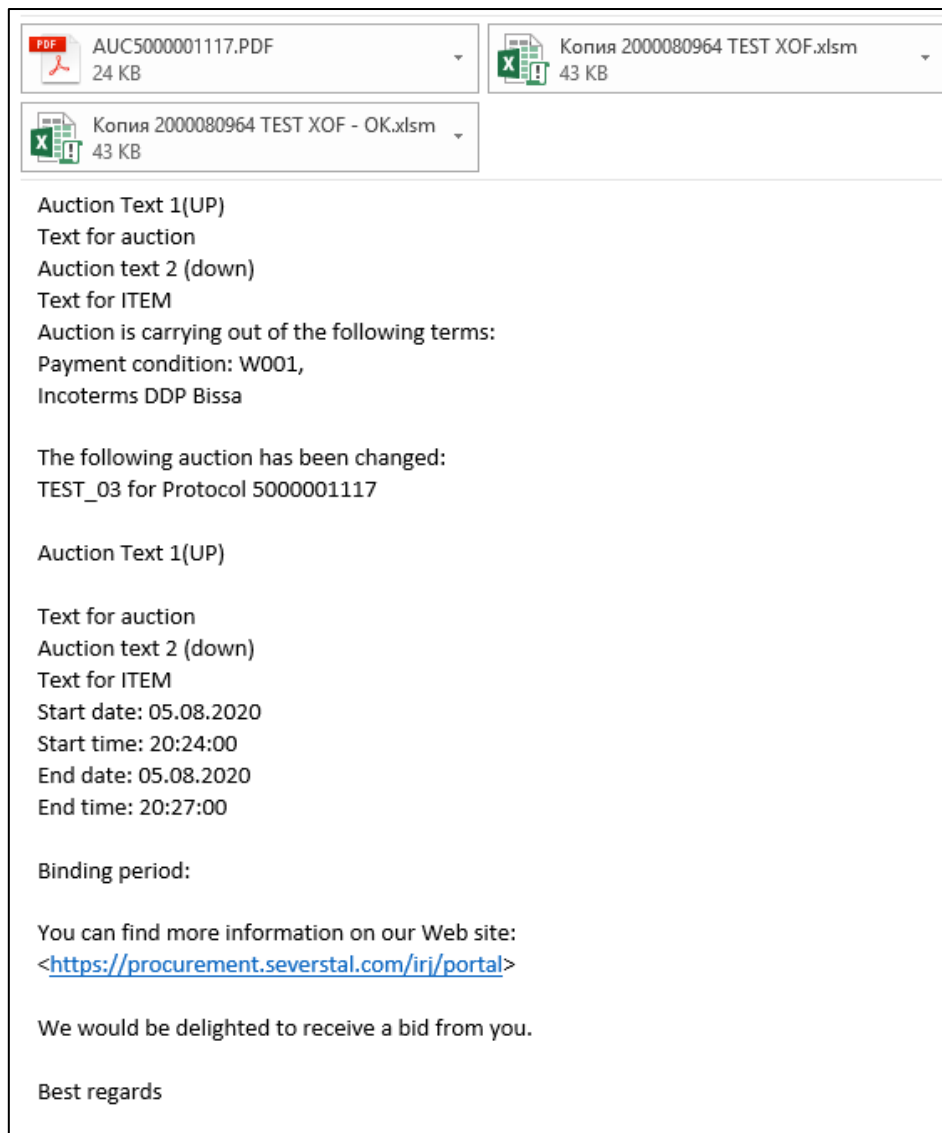
**3.4.2 E-mail notifications**

During reduction supplier is been notified by e-mail then following events happened:

- Reduction is published;
- Reduction is modified;
- Reduction ends and Bid response is created;
- Bid response accepted;
- Bid response declined;

Systems sends invitation letter to supplier then procedure is published. Example of this kind of letter is presented on picture 16. In case buyer add additional comments or files to reduction it added to invitation letter.

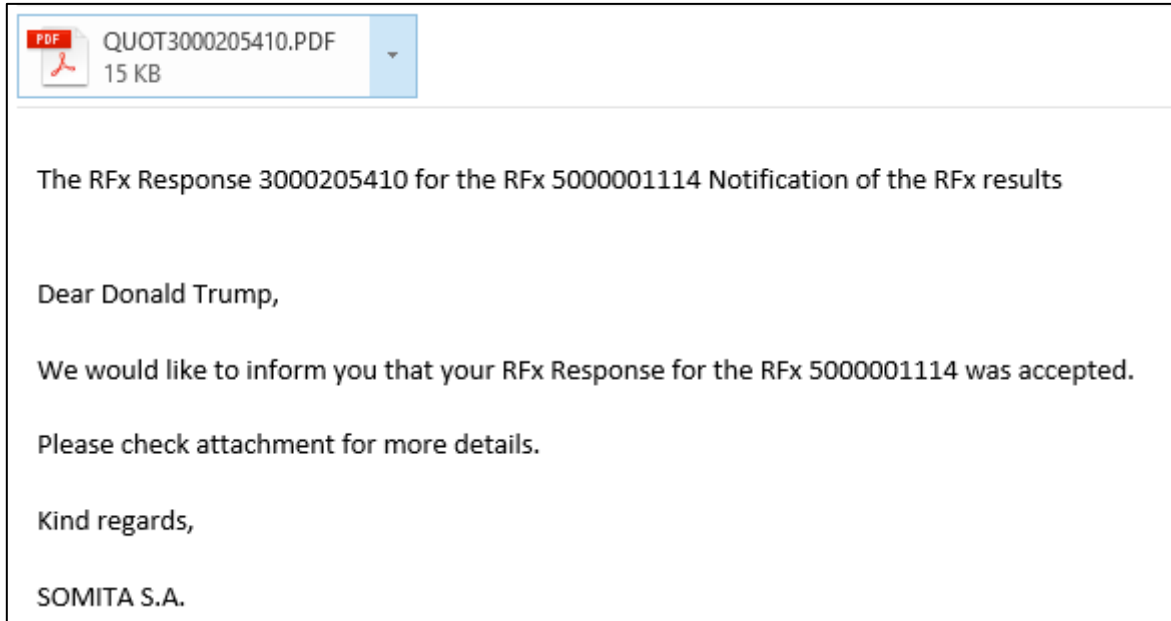
In case reduction was modified by Buyer system sends email notification for all participants. It looks the same as invitation letter to reduction.



**Picture 16. Example of reduction invitation letter**

In case Buyer have not yet decide there is no additional notifications, for additional information supplier should communicate with supplier.

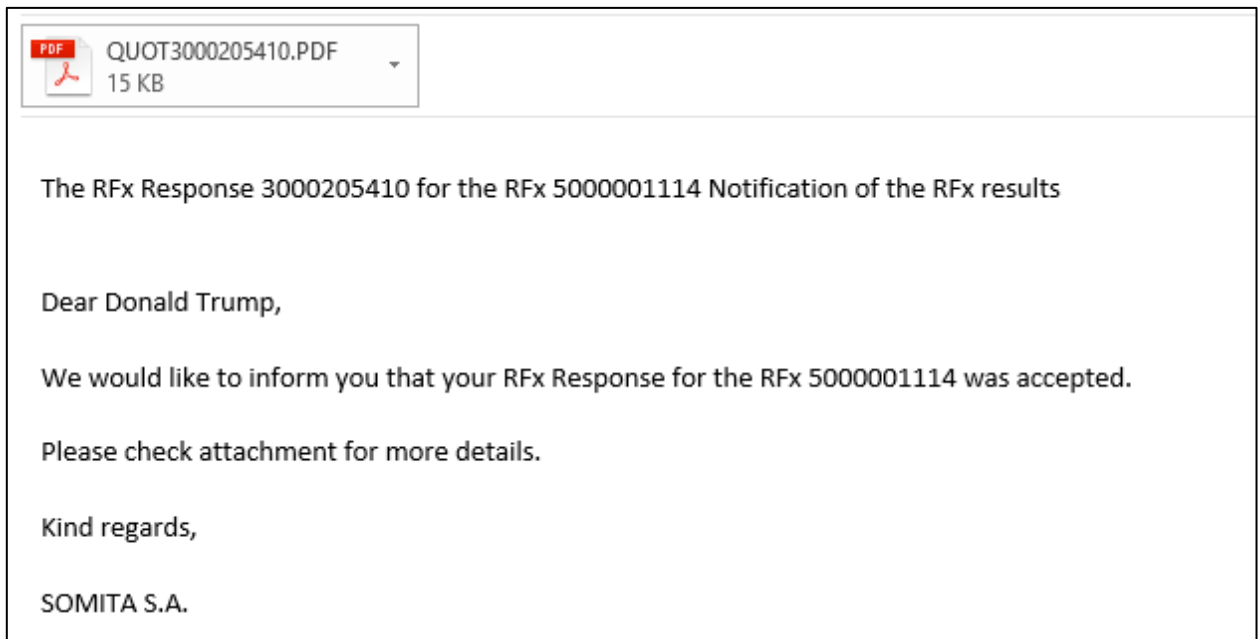
In case procedure ends system sends to supplier the notification via e-mail (Picture 17).



**Picture 17. Example of the notification with Bid response information**

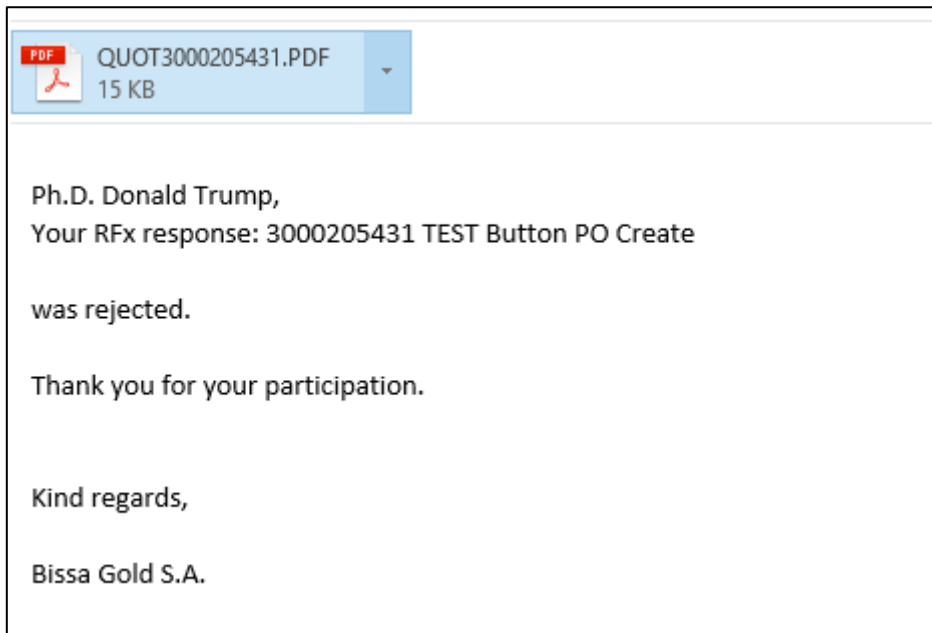
As result of procedure buyer can accept or decline supplier Bid response.

In case Buyer accepts (picture 18) or decline (picture 19) Bid response system send the notification via e-mail



**Picture 18. Example of the notification letter in case Bid response is accepted.**





Picture 19. Example of the notification letter in case Bid response is rejected