

**The Research Centre of the School of Economics and Business**  
cordially invites you to a research seminar  
on Tuesday, **12<sup>th</sup> October 2021**, at **13:00 CEST** in room **P-201**  
at the **School of Economics and Business, University of Ljubljana**  
and via platform **Zoom**

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will present the article:

## **Supplier Behavior in Complex Environments: Sealed-Bid Score Auctions for Public Procurement**

While the analytical solution to a procurement problem might exist, and even be tractable, the economic decisions involved in the process are far from trivial. For bidders participating in an auction, there is a clear difficulty in formulating an “optimal” bid, especially when price is not the only factor weighing in the assignment criterion. The implications of bad decisions in these complex environments can have a huge impact on the financial health and/or reputation of those actors involved. In this work, I take a close look at specific cases of decisions under complex auction environments. I present the results from two studies.

In the first study, we establish nonparametric econometric identification of bidders’ pseudotypes (a measure of bidder’s private cost), when bids are evaluated using a preannounced quasi-linear score, calculated on the basis of the submitted levels of the attributes. Hence, we extend the standard nonparametric method for independent

private costs, sealed-bid, first price auctions, to multi-attribute quasi-linear score auctions.

In the second study, we investigate the impact of using a clear scoring rule in a specific type of scores sealed bid  $A+B$  procurement auction, as frequently used in government procurement. Using an experiment, we analyze the effect of transparently communicating the scoring rule on bidding outcomes by comparing the buyer's surplus and supplier profits when buyers expressly communicate the weight they place on a nonmonetary attribute, versus when this information is concealed from bidders. If the scoring rule is not disclosed, outcomes are poorer for buyers, and sellers see their profits increase.

Please register for the free seminar at <http://raziskave.ef.uni-lj.si/a/1239>  
by Monday, 11<sup>th</sup> October 2021.

Access details will be sent prior to the event to signed up users.

**We look forward to seeing you!**