

Readme for Replication Package of *Local Cost Synergies in Reverse Auctions: An Application to Road Salt Procurement*

This directory contains the replication package for *Local Cost Synergies in Reverse Auctions: An Application to Road Salt Procurement*. There are four subfolders:

- **Data:** This folder contains the data files that the paper relies on. The folder is divided into “Raw” data and “Intermediate” data (which is derivative of the raw data).
 - The primary raw data file is MnDOTbids.dta, which contains one observation for each unique combination of year, depot, and bidder. For each observation, the file contains information about the depot (e.g., the quantity demanded, the latitude/longitude, etc.) and the corresponding bid made by the bidder. This file was created by manually compiling the information in the price schedules submitted to MnDOT. Because this bid-level information is highly confidential, MnDOTbids.dta has been suppressed from the replication package.¹
- **Programs:** This folder contains Stata code that generates the tables and figures reported in the paper. The main code file is _master.do, which calls the remaining code in order. For the structural model, given the confidentiality of the bid data, we instead provide code that simulates hypothetical bid data and estimates the model on that data (see the last bullet point below). For additional questions regarding the coding of the structural model and the corresponding counterfactuals, please contact the authors.
- **Output:** This folder contains the results generated by the programs.
- **Simulated Data:** This folder contains Matlab code that simulates hypothetical bid data and estimates the model on that data (as noted above), along with an additional readme file that summarizes that code.

¹ Because MnDOTbids.dta has been suppressed, the code in the replication package that relies on that data will not run. Instead, a code log is provided that demonstrates that the code runs (and generates the results reported in the paper) if MnDOTbids.dta is available. See replication log.log in the Output subfolder.