



TITLE: **Community Outreach Procurement Directive**
Customer & Community Engagement

EFFECTIVE DATE: **August 18, 2014**

POLICY STATEMENT:

JEA's Customer & Community Engagement department will procure all goods and services needed to support and manage JEA's educational outreach initiatives, including, but not limited to:

- Corporate and Stakeholder Partnerships,
- JEA Speakers Bureau,
- JEA Facilities Tours, and
- JEA Community Event Participation.

This Procurement Directive does not include procurements relating to educational outreach initiatives by the Human Resources department for career awareness or employee health programs.

BACKGROUND:

JEA's Customer & Community Engagement staff approves cooperative programs between (i) JEA and 501(c) (3) non-profit organizations, and (ii) JEA and customer groups (both are herein referred to as "Community Outreach"). JEA's involvement with Community Outreach is authorized by the JEA Charter and must align with JEA CR 10500 Corporate Educational Community Engagement Guidelines.

JEA recognizes that the procurement of Community Outreach goods and services is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide Customer & Community Outreach staff with the authority to make timely procurement commitments and to improve the quality, quantity and consistency of JEA Community Outreach efforts. This Procurement Directive supports JEA's commitment to its customers, JEA values and the use of JEA resources—people, dollars and equipment—in a way that is appropriate to its Charter.

ASSIGNMENT OF RESPONSIBILITY:

The Director, Customer & Community Engagement, is hereby designated by the Managing Director/Chief Executive Officer to serve as the Procurement Officer for Community Outreach in accordance with the JEA Procurement Code, Section 2-602, Exemptions.

In addition to other duties assigned under this Procurement Directive, the Procurement Officer for Community Outreach will be responsible for establishing effective processes and procedures to carry out the policies of this Procurement Directive.

PROCEDURE:

The Procurement Officer for Community Outreach will be responsible for procuring all items covered under this Procurement Directive and will determine whether it is in JEA's best interest to use JEA's Procurement Department to solicit bids for these procurements pursuant to JEA's Purchasing Code, or make direct awards based on unsolicited proposals or other methods. The Procurement Officer for

Community Outreach shall ensure there are properly appropriated and budgeted funds prior for all items being procured.

CONTRACT APPROVALS:

Contracts exceeding \$200,000 in value will require the Chief Customer Officer's approval and be form approved by the Office of General Counsel.

Contracts exceeding \$1,000,000 in value will require the Chief Customer Officer's Approval and the Chief Financial Officer's approval, and be form approved by the Office of General Counsel.

DOCUMENTATION:

Contract Terms of One Year or Greater: The Procurement Officer for Community Outreach will provide original contract documents to the Manager, Procurement Contract Administration, and will maintain a copy and all other documentation in Customer & Community Engagement files.

Contract Terms of Less than One Year: The Procurement Officer for Community Officer will maintain original contract documents and all other documentation in the Customer & Community Engagement files.

EXECUTION OF DOCUMENTS:

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, their designee, or the Procurement Officer for Community Outreach.

RIGHT TO PROTEST:

Any actual or prospective bidder who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

EFFECTIVE DATE:

This Procurement Directive is effective upon its approval by Managing Director/CEO.

APPOINTMENT:

I hereby designate Jane Upton, Director, Customer & Community Engagement, as the Procurement Officer for Community Outreach with authority to take procurement actions under this Directive.

Approved:



Paul McElroy
Managing Director/CEO

8/19/14

Date



TITLE: Electric System Procurement Directive:

Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services – Short-Term and Long-Term Transactions

EFFECTIVE DATE: April 1, 2013

POLICY STATEMENT: It is the policy of JEA to use the most cost effective method to purchase and sell capacity and energy. The markets for buying and selling wholesale electricity, thermal energy, transmission services, electric generation capacity, electric transmission service capacity, their associated ancillary services, reselling transmission service capacity retained from transmission service providers through the open transmission markets are sufficiently different from the markets for other supplies and services required by JEA, that special procurement directives are needed to supplement those presented in the JEA Purchasing Code. Specifically, supplemental procurement directives are needed to allow JEA staff to make the immediate commitments, timely commitments that competing in these markets require. This procurement directive provides JEA's staff the flexibility to competitively participate in the electric markets. While this procurement directive is in force or effect, if any article, part or section of the JEA Purchasing Code or of any other JEA resolution or policy statement conflicts with this procurement directive, this procurement directive will supersede the JEA Purchasing code, but only to the extent of the conflict.

This Procurement Directive replaces the following procurement directives:

TITLE: Electric Energy, Electric Generation Capacity, and Electric Transmission Capacity and Transmission Services Procurement Directive

Purchase or sale of electric Energy, electric generating Capacity, electric Transmission Service Capacity and their associated ancillary services, or resale of Transmission Service Capacity retained from other Transmission Service Providers -Long Term Transactions

EFFECTIVE DATE: April 1, 2011

TITLE: Electric Systems Procurement Directive

Purchase or sale of electric energy or generating capacity or third party transmission short term transactions (starts and stops within current and next fiscal year)

EFFECTIVE DATE: April 1, 2011

ASSIGNMENT OF RESPONSIBILITY: Purchase or sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of

transmission service capacity retained from transmission service providers in the open transmission markets or third party transmission are activities exempted from the JEA Purchasing Code as specified in Section 2-602(1), Exemptions. The Managing Director/CEO has designated Mike Brost, VP/GM Electric Systems, as the Procurement Officer responsible for procurement actions related to all Capacity and Energy transactions related to this Procurement Directive. Electric Systems Planning shall perform any required analyses.

DEFINITIONS:

Capacity: The level of ability for an electric generating resource to produce energy or for the electric transmission system to deliver energy. Capacity is subject to interruption or curtailment due to system disturbance events directly or in-directly affecting the operation of that established capacity.

Energy: A transaction that represents energy supply and may not have Firm Capacity, i.e. the capacity for the energy may not be Firm Capacity and would thus not qualify towards meeting planning reserve obligations.

Expanded Purchases and Sales Transactions: Transactions that were transacted that will flow after the next business day.

Firm Capacity: Firm Capacity would qualify towards meeting planning reserve obligations. Firm Capacity that is not Non-Firm.

Hourly Purchases and Sales Transactions: Transactions that were transacted during the current operating day for energy that will flow for one or more hours of the current day.

Long Term Transactions: Any wholesale electric capacity, electric energy, or transmission service contracts with a term exceeding one year, and generally occurring beyond the current and next fiscal year.

Next Day Purchases and Sales Transactions: Transactions that were transacted during the current operating day for energy that will flow thru the next business day.

Non-Firm Capacity: Capacity that is further subject to interruptions for the corporate benefit of other entities.

Open Access Transmission Tariffs (OATT): A tariff that sets forth the specific terms and conditions of Transmission Service. Usually, but not necessarily, these Tariffs are reviewed and approved by FERC.

Open Access Same-Time Information System (OASIS): A computer based system that facilitates requests for and approvals of Transmission Services provided by a Transmission Service Provider.

Open Transmission Market: An open market for acquiring various Transmission Services from Transmission Service Providers or Transmission Service Retailers via an OATT offering or publically advertised market offering.

Transactions: The financial arrangement of the transfer of capacity and/or energy from one party to another including all third party transmission services. This may also include the physical flow of electricity from one party to another.

Transmission Services: Transmission capacity and ancillary services necessary to transport electrical capacity and energy from the generating resource to the load third party transmission services are the transmission services that are outside of the JEA transmission system. Transmission Services associated with the JEA Transmission system is contained in another purchasing directive.

Transmission Services: All required services necessary to facilitate transmitting energy from a point of receipt (usually a generating resource) to a point of delivery (usually a load serving entity's system).

Transmission Service Provider: Any transmission owner that makes available transmission capacity in the Open Transmission Market.

Transmission Service Retailers: Any entity with retained Transmission Service rights that make those services available via resale offerings as conducted under the original Transmission Service Provider's Tariff.

PROCEDURE:

Enabling Agreements: JEA has established Interchange Contracts and/or Enabling Agreements with The Energy Authority (TEA) for capacity and energy purchases and sales; with other Florida utilities for emergency purchases and sales and associated third party transmission service. Enabling Agreements set out the framework for how capacity, energy and/or third party transmission is purchased and sold between JEA and other companies. Enabling Agreements are executed prior to any business being conducted with TEA, other utilities or any third party transmission provider. Enabling Agreements set out the framework for how business is conducted including, but not limited to, terms and conditions, billing policies, payment policies, and service schedules. The Enabling Agreements are negotiated and developed by the assigned manager. The Office of General Counsel approves the agreements as to form. The Managing Director/CEO executes the agreements.

Transactions: After the Enabling Agreements are executed, JEA is able to enter into purchase and sale transactions with TEA and other utilities.

Electric Capacity, Electric Energy, Electric Transmission and Third Party Transmission

A) Long Term Purchases and Sales of Electric Generating Capacity and Energy:

Based on JEA's contract with TEA, JEA is not required to use TEA for its marketing for periods greater than one year. JEA may optionally engage TEA for this service. Electric Systems Planning will evaluate all offers to buy JEA Capacity and Energy for long term transactions, and will prepare proposals to sell JEA Capacity and Energy for long term transactions.

B) Short Term Purchases and Sales of Electric Energy (one year or less):

Based on JEA's contract with TEA, JEA is required to use TEA for its marketing for periods

less than or equal to one year. Based on the terms and conditions of the contract, TEA engages in energy purchase transactions that are less than JEA's avoided cost and engages in sale energy transactions that are greater than JEA's incremental cost. TEA's goal is to maximize TEA member margins. Hourly and Next Day Purchases and Sales Transactions that are transacted by TEA do not require JEA approval. Expanded Purchase and Sale Transactions require JEA approval. Any third party transmission purchases associated with these transactions will be pursuant to published tariffs of the transmission provider.

TEA works with Bulk Power Operations for current and next month transactions. TEA works with Fuels Management Services for transactions outside the current and next month.

C) Purchases and Sales of Emergency Energy

Based on Public Service Commission Order, all Florida Utilities are required to make available generating capacity to a Florida utility that experiences a unit loss and cannot meet their firm load obligations. To qualify for emergency energy the deficient utility must curtail all its non-firm sales and curtail/interrupt demand side management. Any third-party transmission purchases associated with these transactions will be pursuant to published tariffs of the transmission provider.

APPROVAL

1. Approval of Hourly and Next Day Energy Transactions: Pre-approved pursuant to TEA contract.
2. All enabling agreements will be negotiated by the designated appointed Procurement Officer, with assistance from the applicable appointed manager and executed by the Managing Director/CEO or their designee.
3. Approval of Capacity Transactions: Appointed Manager as authorized in Table of Authorized Individuals:
<http://internalweb/elecsys/fuel/Individuals%20Authorized%20to%20Commit%20JEA%20to%20Transactio>
4. Approval of Expanded Energy Transactions: Assigned personnel as authorized in the Table of Authorized Individuals:
<http://internalweb/elecsys/fuel/Individuals%20Authorized%20to%20Commit%20JEA%20to%20Transactio>
5. Approval of Emergency Transactions: Assigned Operating Personnel.

CONFIDENTIALITY AGREEMENTS

The Managing Director/CEO, or the **Vice President/General Manager** Electric System or the Chief Financial Officer can enter into binding confidentiality agreements, consistent with provisions of the Florida Public Records Law, provided the Office of General Counsel has approved such agreement as to form.

DOCUMENTATION

The Procurement Officer will maintain original contract documents and all other documentation related to procurement of electric energy or generating capacity or transmission-short term transactions, documentation related to long term transactions for the purchase or sale of electric energy, electric generating capacity, or electric transmission service capacity and the associated ancillary services.

EXECUTION OF DOCUMENTS

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/CEO, or the designated Procurement Officer or their designee. The designee shall be in conformance with the table for Individuals Authorized to commit JEA to transactions with The Energy Authority, located at:

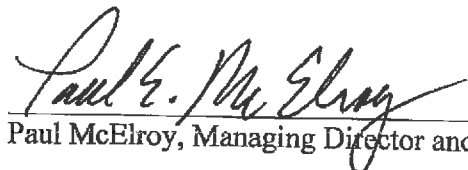
<http://internalweb/elecsys/fuel/Individuals%20Authorized%20to%20Commit%20JEA%20to%20Transaction>

APPOINTMENT

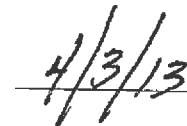
I hereby designate Mike Brost, VP/GM Electric Systems as the Procurement Officer for all JEA procurement actions of the following type:

Purchase or Sale of:

1. Electric Energy;
2. Electric Generating Capacity;
3. Electric Transmission Service Capacity;
4. Transmission Transactions and Their Associated Ancillary Services;
5. Resale of Transmission Service Capacity Retained from Other Transmission Service Providers.



Paul McElroy, Managing Director and CEO



Date



TITLE: Electric Systems Procurement Directive

Sale of JEA-Owned Transmission and Ancillary Services including applicable Enabling Agreements

EFFECTIVE DATE:

POLICY STATEMENT: It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and Federal Energy Regulatory Commission (FERC) orders, on the JEA Open Access Same-time Information System. The markets for selling transmission and ancillary services are sufficiently different from the markets for other supplies and services required by JEA that special procurement directives are needed to supplement those presented in the JEA Purchasing Code. Specifically, supplemental procurement directives are needed to allow JEA staff to make the immediate commitments as needed to comply with FERC Orders. This procurement directive provides JEA's staff the flexibility to sell transmission and ancillary services pursuant to JEA tariff that meets FERC orders. While this procurement directive is in force or effect, if any article, part or section of the JEA Purchasing Code or of any other JEA resolution or policy statement conflicts with this procurement directive, this procurement directive will supersede the JEA Purchasing code, but only to the extent of the conflict.

ASSIGNMENT OF RESPONSIBILITY: The sale of transmission and ancillary services are activities exempted from the JEA Purchasing Code as specified in Section 2-602(1), Exemptions. The Managing Director/CEO has designated Garry Baker, Director Bulk Power Systems, as the Procurement Officer responsible for procurement actions related to this Procurement Directive.

DEFINITIONS:

Open Access Same-time Information Systems (OASIS): Systems that facilitate marketing of transmission capacity to eligible transmission customers in a non-discriminative manner. JEA is an owner and user of the Florida Oasis (FLOASIS) system along with several other Florida utilities.

Transmission Service: Excess transmission capacity into, out or through JEA's electrical transmission system for the purpose transporting electrical capacity and energy

Ancillary Services: Services that are required to transmit capacity and energy into, out or through a system. These services are fully defined by FERC Order 888, and include the following:

- Scheduling, System Control and Dispatch Service
- Reactive Supply and Voltage Control from Generation Sources Service
- Regulation and Frequency Response Service
- Energy Imbalance Service

- Operating Reserve - Spinning Reserve Service
- Operating Reserve – Supplemental Reserve Service
- Generator Imbalance Service

PROCEDURE:

Enabling Agreements: The JEA Board has approved a tariff for the sale of transmission and ancillary services. Included in the tariff are blanket service agreements that have been approved to form by the Office of General Council. These service agreements or Enabling Agreements are negotiated by the Bulk Power Systems Department and executed by the Procurement Officer. Enabling Agreements are executed prior to any business is conducted on JEA's OASIS. Enabling Agreements set out the framework for how business is conducted including, but not limited to, transmission service studies, facility studies including any facility upgrades and the payment of transmission and ancillary services.

Transmission and Ancillary Services

In accordance with FERC Orders, JEA will study and post its available transmission capacity on OASIS to facilitate transfers in, out or through the JEA system. JEA will sell its available transmission capability to any transmission customer that has an enabling agreement with JEA. Transmission and ancillary services are sold per the tariff, the enabling agreement and online negotiations on OASIS.

In cases where there is no available transmission capacity and a request is made on OASIS, JEA will perform studies to determine what facility upgrades would be necessary to satisfy the request to any customer that executes the appropriate enabling agreements. Additional agreements will be needed to actually expand the system to satisfy the request.

Approvals

1. All enabling agreements including study agreements will require the Procurement Officer's signature.
2. Approval of the sale of hourly and daily transmission and ancillary services: Assigned operating personnel
3. Approval of the sale of weekly, monthly and yearly transmission and ancillary services: Designated appointed manager

Documentation

The Procurement Officer will maintain service agreements and all other documentation related to the sale of transmission and ancillary services.

Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/CEO, their designee, or the designated Procurement Officer.

I hereby designate Garry Baker as the Procurement Officer for all JEA procurement actions of the following type:

- Sale of transmission and ancillary services



Jim Dickenson, Managing Director and CEO

6/17/10
Date



INTEROFFICE-OFFICE CORRESPONDENCE

January 27, 2021

To: Jay Stowe, Managing Director/CEO

From: Jenny McCollum, Chief Procurement Officer

Cc: Alan McElroy; Interim Chief Supply Officer; Heather Beard, Manager, Procurement Contract Administration; Jody Brook, Chief Legal Officer

RE: Designation of Procurement Officers for Procurement Directives

I hereby designate the following Procurement Officers for the Procurement Directives listed below:

Procurement Directive	Procurement Officer
Environmental Allowances	Wayne Young - Interim Chief Environmental Officer
Electric System - Transmission Capacity and Services - Short - Term and Long-Term Transactions	Garry Baker – Sr. Dir. Energy Operations
Community Outreach	Sheila Pressley - Interim Chief Customer Officer

A handwritten signature in black ink, appearing to read "J Stowe", is positioned above a horizontal line.

Jay Stowe, Managing Director/CEO

January 27, 2021

Date



INTEROFFICE-OFFICE CORRESPONDENCE

October 21, 2019

SUBJECT: Designation of Real Estate Procurement Officer

FROM: Aaron Zahn, Managing Director/CEO

TO: Jordan Pope, Director of Economic Development & Real Estate

CC: Steve McInall, VP & Chief Energy & Water Planning; John McCarthy; VP & Chief Supply Chain Officer; Jenny McCollum, Director of Procurement Services; & Heather Beard, Manager of Procurement Contract Admin.

Effective June 1, 2019

I hereby designate Jordan Pope as the Real Property Procurement Officer for procurement actions relating to fee simple purchases, sales and leases made under the authority of the JEA Real Estate Services Procurement Directive.



Aaron Zahn
Managing Director/CEO

10/21/2019

Date



TITLE: **Environmental Allowances Procurement Directive**
Procurement of Environmental Allowances

EFFECTIVE DATE: February 13, 2006
Revision 1: March 19, 2014
Revision 2: March 11, 2020

POLICY STATEMENT: JEA employs a staff of professionals in Environmental Services that develops and administers cost-effective strategies for the procurement and sale of Environmental Allowances, excluding Air Emission Allowances which are procured via the Fuels Management Services Procurement Directive.

JEA recognizes that the procurement and sale of Environmental Allowances is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in the Environmental Allowance markets. This Directive also governs the procurement of Environmental Allowances notwithstanding any provision in JEA's Procurement Code to the contrary.

ASSIGNMENT OF RESPONSIBILITY:

The VP & Chief Environmental Services Officer is hereby designated by the Managing Director/CEO to serve as the Procurement Officer for Environmental Allowances in accordance with JEA Procurement Code, Section 2-201, Exemptions.

DEFINITIONS:

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code.

Air Emission Allowances – Trading credits associated with JEA's activities in purchasing, generating, using, or providing energy. Emission Allowance markets include but are not limited to sulfur dioxide (SO₂), nitrogen oxides (NO_x), and carbon dioxide (CO₂). The Fuels Management Services Procurement Directive exists for the procurement of Air Emission Allowances.

Environmental Allowances – refers to environmental trading credits associated with JEA's activities in purchasing, generating, using, constructing, or providing energy, water, or wastewater services or other related services. Examples of Environmental Allowance markets include, but are not limited to, renewable energy attributes (also known as green tags), wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting impact offsets and substitution credits.

PROCEDURE:

The following procedure augments the JEA Procurement Code. At the option of the Procurement Officer for Environmental Allowances, Environmental Allowances may be procured in a streamlined

approach. When market conditions and time constraints allow a standard bid and award process, the Procurement Officer for Environmental Allowances may utilize the Solicitation Review Team and/or Award Committee involvement.

Public Notice

Due to the nature of Environmental Allowances procurement, there is no requirement to advertise individual bid solicitations. The Procurement Officer for Environmental Allowances will, however, provide general notice on JEA's website of its ongoing intent to engage in future bid solicitations and will solicit bids from those known suppliers.

Procurement of Environmental Allowances

Use of Competitive Bid Procedures

The Procurement Officer for Environmental Allowances will use a competitive bidding process when soliciting for bids. The time available for procurement of allowances is typically less than that required by JEA's conventional procurement process. Due to the nature of allowances, the Procurement Officer for Environmental Allowances must request, receive and evaluate bids, and consummate a procurement contract in a much shorter time frame than required in the standard procurement process. Therefore, at the option of the Procurement Officer for Environmental Allowances, JEA may informally solicit bids from known providers, use a broker, or utilize a combination of both methods to expedite the transaction. As market conditions and time constraints allow, a conventional bid and award process as described in the JEA Procurement Code may be utilized.

Accelerated Bid Procedure

The Procurement Officer for Environmental Allowances may distribute a bid form to prospective bidders. Under this method, the Procurement Officer for Environmental Allowances will receive bids directly for quick evaluation and award.

Acceptance of Unsolicited Offers

JEA may enter into contracts based on an unsolicited offer for Environmental Allowances without using the competitive bid process. JEA may engage in negotiations with the party who provided the unsolicited offer to improve the terms, conditions and/or pricing. The Procurement Officer for Environmental Allowances will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.

Cooperative Procurement

JEA may participate in, sponsor, conduct, or administer a cooperative procurement agreement for the procurement of Environmental Allowances with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in JEA's best interest.

Loan or Sale

JEA may loan or sell Environmental Allowances when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

Contract Approval

Procurement Approval of Contracts of \$1,000,000 or more in Total Value

All actions taken under this Procurement Directive for these contracts will be approved by the Procurement Officer for Environmental Allowances, and the Chief Financial Officer, or their designees unless Awards Committee approval is utilized as described below.

Procurement Approval of Contracts of Less than \$1,000,000 in Total Value

All actions taken under this Procurement Directive for these contracts will be fully documented and approved by the Procurement Officer for Environmental Allowances unless Awards Committee approval is utilized as described below.

Awards Committee Approval

As market conditions and time constraints allow, the Procurement Officer for Environmental Allowances may elect to take a procurement action to the Awards Committee for approval.

Documentation

Contract Term of One Year or Greater

The Procurement Officer for Environmental Allowances will provide original executed contract documents to the Manager Procurement Contracts for storage, and the Procurement Officer for Environmental Allowances will maintain a copy and all supporting documentation.

Contract Term of Less than One Year

The Procurement Officer for Environmental Allowances will maintain original contract documents and all supporting documentation.

Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, their designee, or the Procurement Officer for Environmental Allowances.

VII. Right to Protest

Any actual or prospective bidder who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

VIII. Authority/Appointment

Pursuant to the authority contained in Section 2-202 of the Procurement Code, I hereby designate Paul Steinbrecher, VP & Chief Environmental Services Officer, as the Procurement Officer for Environmental Allowances for procurement actions made under the authority of the Environmental Allowances Procurement Directive.



Melissa Dykes, Interim Managing Director/CEO



TITLE:

**Byproduct Services Procurement Directive
Byproduct Marketing and Management**

EFFECTIVE DATE:

**December 20, 2010
Revised September 17, 2013
Revised July 15, 2014
Revised April 26, 2018
Revised May 28, 2020**

POLICY STATEMENT:

JEA employs a staff of professionals in its Byproduct Services Department (BPS) that develops and administers cost-effective strategies for the marketing, transportation, beneficial reuse, installation and disposal of byproducts

JEA produces byproducts through its normal operations. In efforts to support JEA's environmental sustainability initiatives, and to obtain the best use of rate payer dollars, JEA may either beneficially reuse or landfill byproducts. In efforts to beneficially reuse the byproducts, JEA may apply for certification from appropriate state agencies in Florida and other States, may certify contractors to handle the byproducts in accordance with the certifications received, may sell the byproducts for use within the certifications, and may procure existing landfill space or lands for landfill purposes in accordance with procedures that will best serve JEA. JEA may operate a landfill for byproducts through use of JEA forces, or may contract for services relating to operation of a landfill for byproducts using methods which will produce the best result for JEA, including requiring that contractors operating landfills be certified and experienced in the use of both the byproduct materials and in landfill operation.

This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, beneficially reuse, install and dispose of byproducts. It governs the marketing, transportation, beneficial reuse, installation and disposal of byproducts notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.

ASSIGNMENT OF RESPONSIBILITY:

The CEO designated Procurement Officer for Byproducts is responsible for the implementation and maintenance of this Procurement Directive.

The Procurement Officer for Byproducts will conduct business in compliance with the JEA Procurement Code, and this Byproducts Services Procurement Directive.

DEFINITIONS:

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code.

Byproducts -Materials resulting from the process of generating electricity including, but not limited to, bottom ash, bed ash, fly ash, and gypsum.

PROCEDURE:

The following procedure augments the JEA Procurement Code. At the option of the Procurement Officer for Byproducts, BPS may market, install, beneficially reuse, dispose and transport byproducts in a streamlined approach. However, this Procurement Directive does not allow for a Procurement Code exemption for the purchase of equipment, vehicles or goods associated with the marketing, installing, beneficially reusing, disposing and transporting of byproducts.

When market conditions and time constraints allow a standard bid and award process, BPS may utilize Solicitation Review Committee (SRC) and/or Award Committee involvement.

The BPS Operational Procedure will provide detail for each item below.

I. Public Notice

- A. Due to the unique nature of Byproducts, BPS is not required to advertise individual bid solicitations.

II. Management of the Marketing, Transportation, Installation and Disposal of Byproducts

A. Use of Competitive Bid Procedures

BPS will use a competitive bidding process when soliciting for bids. The time available for management of byproducts is typically less than that required by JEA's conventional procurement process. Due to the unique nature of byproduct management, BPS staff must request, receive and evaluate bids, and consummate a procurement contract in a much shorter time frame than required in the standard procurement process. Therefore, at the option of the Procurement Officer for Byproducts, BPS may use one of the following methods as appropriate for a specific procurement action:

- Accelerated Method - BPS may distribute a bid form to prospective bidders that references the current terms and conditions document. Under this method, BPS will receive bids directly for quick evaluation and award.
- Conventional Method - As market conditions and time constraints allow, a conventional bid and award process as described in the JEA Procurement Code may be utilized.

As market conditions and time constraints allow, at the option of the Procurement Officer for Byproducts, BPS may take a procurement action to the Awards Committee for approval or may use the approval process detailed in Section IV.

A. Acceptance of Unsolicited Offers

JEA may enter into contracts based on an unsolicited offer for the marketing, transportation, beneficial reuse, installation and disposal of byproducts without using the competitive bid process. JEA may engage in negotiations with the party who provided the unsolicited offer to improve the terms, conditions and/or pricing.

BPS will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest

B. Loan or Sale

JEA may loan or sell generating byproducts, when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

Byproduct loan or sale opportunities may be assigned for some time period to another department. Regardless of any assignment, byproduct loan or sale opportunities will be governed by the terms of this Procurement Directive.

C. Cooperative Procurement

JEA may participate in, sponsor, conduct, or administer a cooperative procurement agreement for the procurement of generating byproducts, with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in JEA's best interest.

III. Contract Approval

A. Procurement Approval of Contracts of \$1,000,000 or more in Total Value

All actions taken under this Procurement Directive for these contracts will be approved by the Procurement Officer for Byproducts, the Senior Director Energy Operations, and the Vice President/GM of Electric Systems, or their designees unless Awards Committee approval is utilized as described below.

B. Procurement Approval of Contracts of Less than \$1,000,000 in Total Value

All actions taken under this Procurement Directive for these contracts will be fully documented by BPS and approved by the Procurement Officer for Byproducts or their designee unless Awards Committee approval is utilized as described below.

C. Awards Committee Approval

As market conditions and time constraints allow, at the option of the Procurement Officer for Byproducts, BPS may take a procurement action to the Awards Committee for approval.

IV. Documentation

A. Contract Term of One Year or Greater

BPS will provide original contract documents to the Manager of Procurement Contract Administrator and will maintain a copy and all other documentation in BPS files.

B. Contract Term of Less than One Year

BPS will maintain original contract documents and all other documentation in BPS files.

V. Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, their designee, or the Procurement Officer for Byproducts.

VI. Right to Protest

Any actual or prospective bidder who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

VII. Effective Date

This Procurement Directive is effective upon its approval by Managing Director/CEO.

VIII. Appointment

I hereby designate Randall Van Aartsen, Mgr Fuels Mgmt Services, as the Procurement Officer for procurement actions made under the authority of the Byproduct Services Procurement Directive.

Approved:



Paul McElroy, CEO

June 19, 2020

Date

TITLE: REAL ESTATE SERVICES PROCUREMENT DIRECTIVE

REVISION DATE: May 26, 2016

POLICY STATEMENT:

Pursuant to JEA Charter, JEA may sell, lease or otherwise transfer, with or without consideration, any property, real or personal, when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer is in the best interest of JEA. It is the policy of JEA to acquire, manage, and dispose of interests in real or personal property for utilities system use and expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA recognizes the procurement and sale or lease of Real Property, Tangible Personal Property, and related easements is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in these markets. The directive applies to all property rights, real or personal, or any estate or interest therein, to be acquired or for the use of the utilities system by purchase, condemnation by eminent domain proceedings, exchange or lease.

ASSIGNMENT OF RESPONSIBILITY:

The CEO designated Real Property Procurement Officer for JEA real property, easements, exchanges and leases is responsible for the implementation and maintenance of this Procurement Directive as it relates to the sale, lease or transfer of JEA real property interests.

The CEO designated Tangible Personal Property Procurement Officer for JEA tangible personal property is responsible for the implementation and maintenance of this Procurement Directive as it relates to the lease of JEA tangible personal property.

The two named Procurement Officers will conduct business in compliance with the JEA Procurement Code as supplemented by this Real Estate Services Procurement Directive.

DEFINITIONS:

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Procurement Code:

Fee Simple – a permanent and absolute tenure of an estate in land with freedom to dispose of it at will, especially in full.

Option to Purchase Agreement – is an arrangement in which, for a fee, a tenant or investor

acquires the right to purchase real property sometime in the future.

Real Property – is land and immovable property on land such as buildings.

Sale and Purchase Agreement (SPA) - is a legal contract that obligates a buyer to buy and a seller to sell a product or service. SPAs are found in all types of businesses but are most often associated with real estate deals as a way of finalizing the interests of both parties before the closing of the property.

Tangible Personal Property – are physical assets of JEA, excluding real property and buildings, that includes, but is not limited to, poles, towers, telecommunication equipment, fiber optic cables, or other such physical assets of JEA used in the operation of the utilities system.

I. FEE SIMPLE REAL PROPERTY ACQUISITIONS

A. Background and Additional Guidance.

It is the policy of JEA to acquire interests in real property for system expansion or for other uses in an expeditious and economical manner, with a minimum of risk.

JEA Real Estate Services will diligently determine and pursue the types of property rights most advantageous to JEA. These rights may include fee simple acquisitions, easement acquisitions, licenses or permits. Levels of approval for each of these property rights acquisitions are outlined in this Procurement Directive.

B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Fee Simple Acquisitions.

1. Board Approval is Required for Purchases of More than \$500,000: If the negotiated purchase price is more than \$500,000, the Option to Purchase or Purchase and Sale Agreement will be presented to the Board for its consideration. Prior to presentation to the Board, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by Office of General Counsel (OGC). The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
2. Awards Committee Approval is Required for Purchases of \$500,000 or Less but More than \$50,000: If the negotiated purchase price is \$500,000 or less but more than \$50,000, it will be presented to the Awards Committee for its consideration. Prior to presentation to the Awards Committee, the Option to Purchase or Purchase and Sale Agreement will be approved by the Procurement Officer and reviewed by OGC. The request for Awards Committee consideration may summarize relevant

purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.

3. The Procurement Officer may Approve Purchases of \$50,000 or Less: If the negotiated purchase price is \$50,000 or less, the acquisition may be approved by the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, the assessed value of the property, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donations of Property to JEA: If a property owner donates a parcel to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

SUMMARY OF FEE SIMPLE ACQUISITIONS:

Purchase Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

II. REAL PROPERTY CONDEMNATION ACTIONS.

A. Background and Additional Guidance.

JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights only as a last resort. JEA is vested with the power of eminent domain under authority of Article 21, Charter of the City of Jacksonville, Chapter 92-341, Laws of Florida, as amended, and Chapter 361, Florida Statutes. Statutory provisions for eminent domain procedures and supplemental proceedings are found in Chapters 73 and 74, Florida Statutes.

B. Board Approval is Required for All Condemnations.

After determining that the property cannot be purchased by negotiation and upon direction by the Procurement Officer, Real Estate Services will submit legal descriptions of the required property to OGC. OGC will prepare a Resolution authorizing condemnation to be presented to the Board. Real Estate Services will prepare the endorsement memo for the CEO's signature requesting the approval of the Resolution. Real Estate Services will present the endorsement memo and Resolution to the Board for consideration. If the Resolution is approved by the Board, Real Estate Services, on

behalf of JEA, will initiate condemnation proceedings by sending the following to OGC: a certified copy of the Resolution, the survey, the appraisal, title commitment, a copy of the Board approval, and statements of any conflicts of interest of Board members or JEA employees. Condemnation preparation and proceedings are managed and implemented by OGC and Real Estate Services. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated for fee simple acquisitions in Section I.

III. DISPOSITION OF REAL PROPERTY.

A. Background and Additional Guidance.

JEA will dispose of interests in real property that are no longer needed or useful to JEA.

B. Preparation to Declare Real Property Surplus.

In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. The Procurement Officer makes this determination by notifying JEA departments that may have an interest in the real property that it is being considered for surplus disposition. If no JEA departments have a present or future use for the real property, Real Estate Services will notify other municipal agencies of the availability of the property. If another municipal agency has a need for the real property, Real Estate Services will arrange for transfer of ownership consistent with the approval levels outlined in this Procurement Directive. If no municipal agencies have present or future use of the real property, Real Estate Services may notify adjoining property owners and may sell the property according to the procedures in Section IIID below.

C. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer) for Dispositions.

1. Board Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is More Than \$500,000: When either of these situations occurs, Real Estate Services will submit a resolution to the Board for its review and approval. The Resolution for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the real property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Resolution will request that the Board declare the real property surplus to the needs of JEA and the real property may be sold at the price stated in the resolution.
2. Awards Committee Approval is Required to Sell Surplus Real Property when the Assessed Value OR the Negotiated Sale Price is \$500,000 or Less but More than \$50,000: When either of these situations occurs, Real Estate Services will submit an Award to the Awards Committee for review and approval. The Awards Committee

may, at its discretion, forward such a request for Award to the Board for its review and approval. The Award submitted to the Awards Committee for consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, JEA's investment in the property, minimum sale price, and/or statements of any conflicts of interest of Board members or JEA employees. The Award will request that the Awards Committee declare the property surplus to the needs of JEA and the property may be sold at the price stated in the approved Award.

3. The Procurement Officer May Sell Surplus Real Property when the Assessed Value AND the Negotiated Sale Price is \$50,000 or less: When both of these situations occur, the Procurement Officer may declare the real property surplus and authorize the sale of the surplus property upon terms and conditions acceptable to the Procurement Officer. The Procurement Officer may request review by OGC or the Vice-President to whom Real Estate Services reports. The Procurement Officer's determination may include, but not be limited to, a review of the following: a comparison of the negotiated price, the appraised value of the real property, the assessed value of the property, JEA's investment in the property, minimum sale price, Real Estate Services estimate of value, and/or statements of any conflicts of interest of Board members or JEA employees.

D. Sale of Real Property.

1. Sealed Bidding for the Sale of Real Property Assessed for More Than \$50,000.
 - a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by sealed bidding is in the best interests of JEA, the Procurement Officer shall certify that the real property is surplus to the needs of JEA, and Real Estate Services will solicit sealed competitive bids for the public sale of the real property.
 - b. The bids will be evaluated by the Procurement Officer who will determine which bid is the most advantageous to JEA.
 - c. In no event shall real property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
 - d. The public advertisement for bids will disclose the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
 - e. Sale of real property will be made to the highest and best bidder after approval by the Board or the Awards Committee, as appropriate.

- f. Upon receipt of the purchase price in cash or by cashier's check, or upon receipt of the mortgage or other instrument evidencing the terms of sale if other than for cash, the JEA shall execute and deliver to the purchaser an appropriate instrument of transfer of title to the real property.
- g. If an offer at or above the minimum sale price is not received in the solicited bids or if the sale is not concluded successfully, Real Estate Services may, subject to the proper levels of approval, rebid the property, dispose of the property by public auction, enlist the services of real estate brokers to sell the property, or sell the property by direct sale after negotiation with any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.

2. Public Auction for the sale of Real Property Assessed for More Than \$50,000.

- a. When the Procurement Officer determines that sale of real property assessed for more than \$50,000 by public auction is in the best interests of JEA, the Procurement Officer shall certify that the property is surplus to the needs of JEA, and Real Estate Services shall present a resolution to the Board or Awards Committee, as appropriate, to have the Board or Awards Committee declare the property surplus and authorize the sale of the property for a price not less than the price stated in the resolution.
- b. Real Estate Services may engage the services of a qualified real estate auctioneer to hold a public auction to sell real property to the highest and best bidder.
- c. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.
- d. The public advertisement will set forth the date, time and place of the auction, the amount of the minimum acceptable bid and any additional bid requirements as may be prescribed by Real Estate Services.
- e. As soon as is practicable after the auction, and upon receipt of the purchase price in cash or by cashier's check, JEA shall execute and deliver to the successful bidder an appropriate instrument of transfer of title to the property.
- f. If the property is not sold at the public auction, Real Estate Services may, subject to the proper levels of approval, solicit sealed bids for the property, auction the property, enlist the services of real estate brokers to sell the

property, or sell the property by direct sale after negotiation with any prospective purchaser. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval by the Board and City Council.

3. The Sale Price for Real Property Assessed for \$50,000 or Less.

- a. If the assessed value of the real property is \$50,000 or less, the Procurement Officer may negotiate with any and all prospective purchasers for the sale of the real property without bid upon such terms and conditions as the Procurement Officer may deem advisable.
- b. The Procurement Officer may enlist the services of real estate brokers to sell the property. All sales shall be paid by certified check, and the sale price will not be less than the assessed value of the property.
- c. The Procurement Officer may direct that the sale of real property valued at \$50,000 or less be conducted by competitive procedures, including sealed bids or public auction. If the sale price is more than \$50,000 the sale will be approved by the appropriate approval entity.
- d. In no event shall property be sold for less than the assessed value as recorded by the Property Appraiser without approval of the Board and the City Council.

Dispositions Summary Chart:

Assessed Value of Property OR Negotiated Sale Price	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee

Assessed Value of Property AND Negotiated Sale Price	Approving Entity
\$50,000 or less	Procurement Officer

IV. EASEMENTS AND AGREEMENTS RELATING TO REAL PROPERTY.

A. Background and Additional Guidance.

The levels of approval and the respective approving entities delineated below will be used when JEA is granting certain rights or acquiring certain rights in connection with real property. Consistent with the needs of each transaction, JEA will clearly define

the scope of JEA's rights and the rights of other parties.

B. Levels of Approval and Respective Approving Entities (Board, Awards Committee, Procurement Officer).

When the rights under consideration have a Fair Market Value in excess of \$50,000, Real Estate Services will confirm OGC support of the action and will prepare a resolution for presentation to the appropriate entity for its consideration of the requested right.

1. Board Approval is Required for Rights Valued at More Than \$500,000. If the negotiated purchase price is more than \$500,000, a resolution will be presented to the Board for its consideration after a review by OGC. The request for Board consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
2. The Awards Committee Approval is Required for Rights Valued at \$500,000 or Less but More Than \$50,000. If the negotiated purchase price is \$500,000 or less but more than \$50,000, a resolution will be presented to the Awards Committee for its consideration after review by OGC. The request for Awards Committee consideration may summarize relevant purchase information and may include the following: a comparison of the negotiated price, the appraised value of the property, and the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
3. The Procurement Officer May Approve the Purchase or Sale of Rights Valued at \$50,000 or Less. If the negotiated purchase price is \$50,000 or less, the Procurement Officer may authorize the purchase or sale. The Procurement Officer may request review by OGC or the Vice-President, Organizational Services. Records of property transactions may include the following: a comparison of the negotiated price, the appraised value of the property, Real Estate Services estimate of value, the assessed value of the property, and/or statements of any conflicts of interest of Board members or JEA employees.
4. The Procurement Officer may Approve Donation of Property Rights to JEA: If a property owner donates property rights to JEA, the Procurement Officer may approve the acquisition. Real Estate Services will coordinate all legal and transfer requirements of the acquisition.

Summary Chart:

Value of Rights	Approving Entity
> \$500,000	Board
> \$50,000 to \$500,000	Awards Committee
\$50,000 or less	Procurement Officer

V. LEASES – REAL OR PERSONAL PROPERTY

A. Background and Additional Guidance:

This Directive shall apply to leases of Real Property or Tangible Personal Property, whether JEA is lessee or lessor. The Real Property Procurement Officer will negotiate terms including rental rates with the prospective lessee or for JEA as lessor of real property interests. The rental rates are generally at current market value, established at the time of initial lease by an appraisal prepared by an outside real estate appraiser or by a survey of real estate values and market rates conducted internally. The Tangible Personal Property Procurement Officer will negotiate terms of use and lease agreements with prospective user or lessee of JEA tangible personal property.

B. Levels of Approval and Respective Approving Entities for Leases.

1. Leases of \$1,000,000 or More in Total Value. If the negotiated lease price is \$1,000,000 or more in total value, the responsible Procurement Officer will confirm OGC support of the action. The responsible Procurement Officer will also obtain approval from the Chief Financial Officer for Real Property leases, and approval from the Chief Financial Officer and the Chief Information Officer for Tangible Personal Property leases. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.
2. Leases of Less than \$1,000,000 in Total Value. If the negotiated lease price is less than \$1,000,000 in total value, the responsible Procurement Officer will approve the lease. The supporting documentation for approval will summarize relevant lease information and may include the following: overview of lease agreement terms, price comparisons of comparable properties or physical assets, and/or statements of any conflicts of interest of Board members or JEA employees.

Leases Summary Chart:

Value of Lease	Approving Entity
\$1,000,000 or more	Responsible Procurement Officer, CFO, CIO
Less than \$1,000,000	Responsible Procurement Officer

VI. EXECUTION OF DOCUMENTS

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, his designee, or the responsible Procurement Officer.

VII. RIGHT TO PROTEST

Any actual or prospective seller, buyer, lessee or lessor who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with JEA Procurement Code.

VIII. EFFECTIVE DATE

This Procurement Directive is effective upon its approval by Managing Director/CEO.

IX. APPOINTMENT

I hereby designate Donald Burch, Manager, Real Estate Services, as the Real Property Procurement Officer for procurement actions relating to fee simple purchases, sales, and leases of real property made under the authority of this Procurement Directive, and

I hereby designate Paul Cosgrave, Chief Information Officer, as the Tangible Personal Property Procurement Officer for procurement actions relating to leases of tangible personal property made under the authority of this Procurement Directive.

Approved:


Paul McElroy
Managing Director/CEO


Date



TITLE: **Fuel Management Services Procurement Directive**
Procurement of Fuels, Emission Allowances, and Associated Transportation

EFFECTIVE DATE: **August 18, 2014**
Revised: August 28, 2017

POLICY STATEMENT:

JEA employs a staff of professionals in its Fuel Management Services (FMS) Department that develops and administers cost-effective strategies for the procurement of fuel, emission allowances, and associated transportation.

JEA recognizes that the procurement of fuel, emission allowances and associated transportation is sufficiently different from the procurement of other supplies and services required by JEA. This Procurement Directive supplements JEA's Purchasing Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Purchasing Code or current Florida State Statute to the contrary.

ASSIGNMENT OF RESPONSIBILITY:

The Manager of Fuels Management Services is hereby designated by the Managing Director/CEO to serve as the Procurement Officer for Fuels Management Services in accordance with the JEA Purchasing Code, Section 2-201, Procurement Code Exemptions.

In addition to other duties assigned under this Procurement Directive, the Procurement Officer for Fuels Management Services will be responsible for establishing effective processes and procedures to carry out the policies of this Procurement Directive. The Procurement Officer may delegate duties associated with this directive to personnel within JEA, as appropriate.

DEFINITIONS:

Unless otherwise specified herein, all terms used herein will have the same definition specified in the JEA Purchasing Code.

Generating Fuels – Fuel or fuel-related product used in the generation of electricity by JEA including, but not limited to, petroleum coke, coal, limestone, natural gas, #6 residual fuel oil, and #2 diesel fuel oil.

Resale Fuels – Procurement of fuel with the intent to resell.

Fuels – Generating fuels and resale fuels are collectively referred to as fuels herein.

Emission Allowances – Trading credits associated with JEA’s activities in purchasing, generating, using, or providing energy. Emission Allowance markets include but are not limited to sulfur dioxide (SO₂), nitrogen oxides (NO_x), and carbon dioxide (CO₂).

PROCEDURE:

The following procedure augments the JEA Purchasing Code. At the option of the Procurement Officer for Fuels, FMS may procure fuel, emission allowances, and associated transportation in a streamlined approach. When market conditions and time constraints allow a standard bid and award process, FMS may utilize Solicitation Review Committee (SRC) and/or Award Committee involvement. Additionally, the Procurement Officer for Fuels shall ensure there are properly appropriated and budgeted funds prior to all items being procured.

I. Public Notice

- Due to the nature of fuel procurement, FMS is not required to advertise individual bid solicitations. FMS will, however, provide general notice on JEA’s website of its ongoing intent to engage in future bid solicitations and will solicit bids from those known suppliers on the FMS Bidder List.
- FMS will seek potential suppliers of fuels, with the exception of natural gas, via JEA’s website. FMS shall direct newly known suppliers to the JEA FMS Bidders List online application. FMS will attempt to solicit for bids from all suppliers on the appropriate FMS Bidders List.
- A bidder’s list is not appropriate for natural gas, transportation or emission allowances. Therefore, FMS shall pursue market opportunities to meet JEA’s needs for these commodities.

II. Terms and Conditions

- FMS will develop and maintain a “terms and conditions” document for the supply of each Fuel, as appropriate.
- FMS will periodically revise its terms and conditions as appropriate for use in subsequent Fuel procurements.
- FMS will distribute the current terms and conditions to prospective bidders contained in the bid list for each Fuel.
- In each bid solicitation for Generating Fuels, FMS shall make reference to the terms and conditions specific to which is being procured. The terms and conditions become part of the contract document.
- In a Resale Fuel contract, the terms and conditions will be referenced and provided to customer. The terms and conditions become part of the contract document.

III. Procurement of Fuels, Emission Allowances, and Associated Transportation

FMS will use a competitive bidding process when soliciting for bids. The time available for procurement of fuels, emission allowances, and associated transportation is typically less than that required by JEA’s conventional procurement process. Due to the nature of fuel, emission allowance, and transportation markets, FMS staff must request, receive and evaluate bids, and consummate a procurement contract in a much shorter time frame than

required in the standard procurement process. Therefore, at the option of the Procurement Officer for Fuels, FMS may solicit bids, use a broker, or utilize a combination of both methods to expedite the transaction. As market conditions and time constraints allow, a conventional bid and award process as described in the JEA Purchasing Code may be utilized.

- **Accelerated Bid Procedure** - If a short turnover is required, FMS shall use an accelerated bid process to procure the Generating Fuel by issuing a request for bid via email to all those on the appropriate FMS Bidders List. All those on appropriate FMS Bidders List shall receive the request for bid. Under this method, FMS will receive bids directly for quick evaluation and award.
- **Acceptance of Unsolicited Offers** - JEA may enter into contracts based on an unsolicited offer for fuels, emission allowances, and/or associated transportation without using the competitive bid process. JEA may engage in negotiations with the party who provided the unsolicited offer to improve the terms, conditions and/or pricing. FMS will be allowed to take advantage of unsolicited offers when such procurements are determined to provide operational and/or economical advantage to JEA and acceptance of such offer is in JEA's best interest.
- **Cooperative Procurement** - JEA may participate in, sponsor, conduct, or administer a cooperative procurement agreement for the procurement of fuels, emission allowances, and/or associated transportation with one or more public or utility industry partners in accordance with an agreement entered into between the participants, when such action is deemed to be in JEA's best interest.
- **Loan or Sale** - JEA may loan or sell fuels, emission allowances, and/or associated transportation when it is in the best interest of JEA to do so. JEA will be reimbursed for expenses incurred and compensated at fair market value for services or product loaned or sold.

IV. Contract Approval

Prior to contract execution and approval, FMS shall follow approval guidelines and authorization limits contained in the Energy Market Risk Management Policy.

- **Procurement Approval of Contracts of \$1,000,000 or more in Total Value:**
All actions taken under this Procurement Directive for these contracts will be approved by the Procurement Officer for Fuels, the Chief Financial Officer, and the Vice President/General Manager Electric Systems, or their designees unless Awards Committee approval is utilized as described below.
- **Procurement Approval of Contracts of Less than \$1,000,000 in Total Value:**
All actions taken under this Procurement Directive for these contracts will be fully documented by FMS and approved by the Procurement Officer for Fuels or their designee unless Awards Committee approval is utilized as described below.

- **Awards Committee Approval:**
As market conditions and time constraints allow, at the option of the Procurement Officer for Fuels, FMS may take a procurement action to the Awards Committee for approval.

V. Documentation

FMS shall follow these documentation requirement as well as any additional requirements as stated in the Energy Market Risk Management Policy.

- **Contract Term of One Year or Greater:**
FMS will provide original contract documents to the Manager Procurement Contracts Administration and will maintain a copy and all supporting documentation.
- **Contract Term of Less than One Year:**
FMS will maintain original contract documents and all supporting documentation.

VI. Execution of Documents

All documents to be executed on behalf of JEA pursuant to this Procurement Directive may be executed by the Managing Director/Chief Executive Officer, their designee, or the Procurement Officer for Fuels.

VII. Right to Protest

Any actual or prospective bidder who is aggrieved in connection with a solicitation or an Award of a Contract may submit a protest in accordance with the JEA Purchasing Code. Nothing contained in this Fuel Management Services Procurement Directive limits a bidder's ability to submit a protest in accordance with the JEA Purchasing Code.

VIII. Effective Date:

This revised Procurement Directive is effective upon its approval by the Managing Director/CEO.

IX. Appointment

I hereby designate Randall Van Aartsen, Manager, Fuels Management Services, as the Procurement Officer for procurement actions made under the authority of the Fuels Management Services Procurement Directive.



Paul McElroy
Managing Director/CEO

10/26/17
Date