



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