



Procurement Department Bid Office
Customer Center 1st Floor, Room 002
21 W. Church Street
Jacksonville, Florida 32202

February 21, 2020

ADDENDUM NUMBER: ONE (1)

TITLE: COMMERCIAL SECURITY DEPOSIT OPTION

JEA RFI NUMBER: 98464

RFI DUE DATE: February 24 2020 February 26 2020

TIME OF RECEIPT: 12:00 PM

THIS ADDENDUM IS FOR THE PURPOSE OF MAKING THE FOLLOWING CHANGES AND CLARIFICATIONS:

Add (1): JEA adds the following documents to this Solicitation: Additions are in Red, Bold, Underlined Font.

- **Attachment A – Large Commercial Receivables (Current State)**
- **Attachment B – Commercial Write-Off Losses (Three Years)**

Change (1): JEA extends the Response Due Date from February 24, 2020 to February 26, 2020.

Add (2): JEA adds the following questions and answers to this Solicitation.

Supplier Inquiry:

Several of the questions you have asked in the RFI are confidential in nature. We do not want our response shared publicly. Please advise.

JEA Response: Please submit a full response and a Redacted response, and if there is a public records request to JEA, we will only give out the redacted copy. See “Redacted Submissions” Section of the RFI document for details.

Supplier Inquiry:

Can you confirm the services being provided and the terms of sale employed.

- 1) We note from information in the public domain that about half of JEA revenue derives from commercial and industrial clients. Can we assume an estimate of roughly \$900 million in sales from the segments for which insurance is sought? We believe this is germane to about 50,000 buyers.
 - a. Can you confirm if there is interest in insuring the entire portfolio or specific customers? (We’re happy to discuss the pros and cons of each approach but simply, the former is comprehensive and costs more in absolute terms but less on a per risk basis and makes it more likely that tougher risks will be accepted by the carriers)
- 2) Can you provide a roster of buyer and credit limits for which insurance is sought?
 - a. An accounts receivable aging report can be used for this purpose and is also a needed underwriting data point for the carriers.
- 3) Can you confirm bad debt write offs for the commercial and industrial clients over the past three years?

JEA Response: See Add (1) in response to this inquiry. The first (excel file) gives detail as to our current state of outstanding large commercial receivables. The second provides a snapshot of our commercial write-off losses over the past three years. JEA emphasizes that we are simply in the exploratory phase of understanding the product and whether Trade Credit Insurance is a possible third solution for some of our customers.

Supplier Inquiry:

Can you confirm if there is interest in insuring the entire portfolio or specific customers? (We're happy to discuss the pros and cons of each approach but simply, the former is comprehensive and costs more in absolute terms but less on a per risk basis and makes it more likely that tougher risks will be accepted by the carriers)

JEA Response: JEA is interested in exploring both options.