



MEMORANDUM

TO: ITN Evaluation Committee
FROM: JEA Procurement Office
DATE: October 3, 2019
RE: Evaluation Instructions

Evaluation Instructions

JEA ITN #127-19 for Strategic Alternatives

This communication is to assist the Evaluation Committee through the evaluation process for JEA's ITN #127-19 for Strategic Alternatives. There are two supplemental documents to this memo which are an appointment letter that designates the members of the Evaluation Committee by the Chief Procurement Officer for JEA, and a Subject Matter Expert Memorandum.

Please carefully review all of the following instructions regarding the role and responsibilities of an Evaluator.

Questions/Contacts:

1. The Evaluators shall only communicate with the Designated Procurement Representatives. The Designated Procurement Representatives serve as the sole point of contact regarding this ITN and the Evaluators shall not speak to anyone about this ITN outside of the Designated Procurement Representatives.

Designated Procurement Representatives:

Jenny McCollum

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John McCarthy

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Email: StrategicAlternative@JEA.com

Timeline:

2. Be aware of the deadlines for the evaluation phase imposed by the ITN. The Designated Procurement Representatives will keep the Evaluators apprised of any changes to the deadlines.
 - a. Deadline for respondents to submit replies and required documents: October 7, 2019, 12:00 p.m.

- b. Bid opening at JEA Procurement Bid Office: October 7, 2019, 2:00 p.m.
- c. Evaluator target deadline to submit scores to the Designated Procurement Representatives: October 11, 2019 by 12:00 p.m.
- d. Evaluation Committee meeting and posting of Notice of Intent to Negotiate: October 14, 2019

Purpose and Goals of the ITN:

- 3. Evaluate the proposals in consideration of the purpose, goals, and questions being explored in the ITN.
 - a. The purpose of the ITN is to evaluate proposals on strategic alternatives subject to the minimum requirements set forth in the ITN and aligned with the goals of maximizing customer, community, environmental, and financial value over the long term.
 - b. The ITN will explore the questions of: (1) whether there is a path available to JEA to achieve its goals; (2) whether there are alternative structures that allow JEA to achieve its goals; (3) which alternative structure best achieves JEA's goals; and (4) who is the best partner to help JEA achieve its goals.
 - c. The goals of the ITN are to receive competitive and creative Replies that provide:
 - i. Greater than \$3 billion of value to the City of Jacksonville
 - ii. Greater than \$400 million of value distributed to customers (\$350+ paid to each JEA account; \$1,400+ for customers with electric, water, sewer, and irrigation accounts)
 - iii. At least 3 years of contractually guaranteed base rate stability for customers
 - iv. Commitment to develop and provide the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030
 - v. Commitment to develop and provide 40 MGD of alternative water capacity for Northeast Florida by the year 2035
 - vi. Protection of certain employee retirement benefits
 - vii. Maintenance of substantially comparable employee compensation and benefits for 3 years
 - viii. Retention payments to all full-time employees of 100% current base compensation
 - ix. Commitment to new headquarters and employees in downtown Jacksonville, contributing to the economic development of the community

Evaluation Rules:

Evaluation & Scoring:

4. The JEA procurement team, with the assistance of Foley & Lardner LLP attorneys, will conduct the initial mandatory responsiveness review. The mandatory responsive review will determine which Replies conform to all material aspects of the ITN. Only those Replies which are deemed to be responsive will be evaluated by the Evaluators.
5. Review the ITN and each Reply carefully. Independently evaluate the Replies against only the Evaluation Criteria set forth in Section 3.2.3 of the ITN and by using the scoring guidelines provided in Section 3.2.2 of the ITN and provided below.

Evaluation Criteria:

Table 5: Evaluation Criteria		
Criteria Item	Requirements	Weighted Value
1. Proposal to Achieve JEA's Goals in this ITN	Respondents must indicate clearly and specifically how their Reply would allow JEA to achieve the goals outlined in this ITN	20
2. Experience and Customer Commitment	<p>A summary of experience managing related or similar operations of comparable size and scope to JEA is required. The Respondent must provide information regarding its experience, knowledge, skills, and abilities for owning, operating, and managing electric generation, transmission, distribution, and water systems or other complex business entities.</p> <p>Specific information regarding experience in other customer service areas, including customer billing, complaint management and resolution history, experience with purchases of other utility systems, customer question management, and emergency/repair reply times should be included. Replies demonstrating the following will be treated favorably:</p> <ol style="list-style-type: none"> 1. Longevity of utility generation, transmission, and distribution operations greater than 5 years; 2. Successful customer relations demonstrated through customer outreach, surveys such as JD Power or other comparable sources; 3. Corporate culture demonstrating a long-term commitment to operations; 4. Strong focus on maintaining reliability and minimizing time of disruptions; and 5. Focus on maintaining rate stability for customers, as illustrated through historical rates <p>Where available, Respondents should also include a history of their customer rates for the past 10 years. Respondents are encouraged to provide any incremental information they believe relevant to demonstrate their experience and customer commitment</p>	15
3. Economic Development and Benefits to Jacksonville	Respondents will be treated favorably for their willingness to make commitments to the City of Jacksonville. Additionally, Respondents will be treated favorably based on ability to demonstrate how they may drive economic development and job creation in the City of Jacksonville	10
4. Employee Retention and Benefits	<p>Respondents will be evaluated on the basis of their willingness to make certain commitments to employees consistent with JEA's goals of:</p> <ol style="list-style-type: none"> 1. Protection of certain employee retirement benefits; 2. Maintenance of substantially comparable employee compensation and benefits for three (3) years; and 3. Confirmation to funding of retention payments to all full-time employees of 100% of current base compensation, as provided in the Employee Protection and Retention Agreement approved by the Board of Directors on July 23, 2019 	10
5. Innovation Plan	<p>Respondents should provide initiatives under which they will be committed to provide innovative services or investments that leverage the tangible and intangible assets of JEA in order to achieve the following:</p> <ol style="list-style-type: none"> 1. Position the business for the future; 2. Create new revenue channels; and 3. "Future-proof" the utility business. <p>Separately, Respondents only interested in providing Replies related to potential new business opportunities or innovation or disruption of JEA's business are strongly encouraged to do so</p>	15
6. Environmental, Social and Governance	Respondents will be treated favorably for their willingness to make commitments, including, but not limited to, sustainability initiatives, renewable energy goals and the maintenance of an equitable workforce and management team	10
7. Community Stewardship	Respondents will be treated favorably for their willingness to make commitments to the City of Jacksonville and surrounding communities, including, but not limited to, volunteer activities, charitable contributions, an ongoing community relationship plan and comprehensive storm responsiveness plans	10
8. Financial Stability	Respondents will be treated favorably based on long duration and/or permanent capital availability. Additional merit will be placed on willingness and demonstrated ability to continue growth investments in JEA	10

Scoring Guidelines:

Table 4: Scoring Guidelines		
Assessment	Assessment Description	Evaluator Score
Inadequate	Reply is not directly or completely applicable to the requirements of this ITN	0
Poor	Reply in part or otherwise deficient in addressing the requirements of this ITN	1
Adequate	Reply generally addresses requirements of this ITN in an acceptable or minimally appropriate manner	2
Good	Reply completely addresses requirements of this ITN in a detailed manner	3
Exceptional	Reply thoroughly and completely addresses all requirements of this ITN, while providing additional details and/or commitments with regards to the enumerated goals set forth by JEA and the Respondent's plans to achieve these goals	4

6. Individually evaluate and the score the Replies. Do not speak to other Evaluators regarding any aspect about this ITN including the Replies, the Respondents, or your scores. No collaborations or discussions are permitted with anyone except for Designated Procurement Representatives and Subject Matter Experts (SME) as designated in section #18.
7. The written information submitted in the Replies will be the sole basis upon which the Replies are evaluated and scored.
8. Do not conduct independent research about any topic related to the ITN, the Replies, or the Respondents.
9. Past experience or knowledge of a Respondent shall not be considered when evaluating a Reply.
10. Evaluate each Reply on its own merit. Do not compare the Replies.
11. It is the Evaluator's job to review and determine a fair and objective score in accordance with the Evaluation Criteria and Scoring Guidelines in the ITN. The same scoring principles must be applied to every Reply evaluated. Evaluators should work carefully to be as thorough as possible in order to ensure a fair and open competitive procurement.
12. Scoresheets must be turned in to the Designated Procurement Representatives by the designated deadline.
13. There will be a public evaluation committee meeting to provide the scores and determine which Respondents will advance to the negotiation phase.

Confidential Information:

14. At this time, all material submitted as part of the Replies are confidential. Do not disclose any information contained in the Replies with anyone.

Public Records:

15. All documents and notes associated with the evaluation become public record. If the Evaluator takes notes, the notes must be turned in with the scoresheets to the Designated Procurement Representatives.

Ex Parte Communications:

16. The ITN strictly prohibits ex parte communications. An ex parte communication is “any communication concerning this ITN during the time beginning when the ITN was released on August 2, 2019 through the time of an award resulting from this solicitation process between a firm or any agent or representative of a firm submitting or potentially submitting a Reply and any JEA board member, employee, agent or representative (other than the two Designated Procurement Representatives).” “Examples of such prohibited communications include but are not limited to: details or merits of or participation in this ITN by which a Respondent becomes privy to information not available to the other Respondents.” See Addendum 3 to the ITN. Do not speak to anyone outside of the Designated Procurement Representatives about this ITN. If you are contacted regarding the ITN, do not reply to the communication and immediately advise the Designated Procurement Representatives of the contact.

Improper Influence:

17. If an attempt is made to influence an Evaluator, the Evaluator must immediately report the incident to the Designated Procurement Representatives.

Use of Subject Matter Experts:

18. Evaluators are permitted to use the assistance of the designated subject matter experts. If the assistance of a subject matter expert is desired, the Evaluator must contact one of the Designated Procurement Representatives. The Designated Procurement Representatives will connect a subject matter expert to the Evaluator. To obtain a list of subject matter experts, please refer to the Subject Matter Expert Memorandum.