



IMPROVING LIVES.BUILDING COMMUNITY. to be the best utility in the country

## GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

JEA Headquarters | 1<sup>st</sup> Floor | Room 120-A&B | 225 North Pearl Street, Jacksonville, FL 32202

August 4, 2023 | 9:00 am – 11:00 am

Committee Members: Marty Lanahan, General Joseph DiSalvo, Dr. Zachary Faison. All Board members are welcome.

### WELCOME

Meeting Called to Order

Adoption of Agenda ([Action](#))

Approval of Minutes – January 13, 2023 ([Action](#))

Marty Lanahan, Chair

Values Moment

John Babik, Director,  
Electric Compliance

### COMMENTS / PRESENTATIONS

Comments from the Public

Public

### FOR COMMITTEE CONSIDERATION

#### DEEPEN CUSTOMER AND COMMUNITY ENGAGEMENT

FY23 External Audit Plan

John DiSanto, Managing Director, EY  
Natalia DiFerdinand, Senior Manager, Assurance Services

Audit Services & Ethics Update

Lee Montanez, Director, Audit Services  
Walette Stanford, Director, Ethics

Procurement Directives Updates ([Action](#))

Jay Stowe, Managing Director/CEO  
Randall Barnes, Treasurer  
Michael Corbitt, Director, Real Estate

#### MAKE DOING BUSINESS WITH JEA EASY

Cyber Security

Brad Krol, Chief Information Officer

#### FOSTER AN EXCEPTIONAL WORK CULTURE

Board Member Attendance ([Discussion/Action](#))

Marty Lanahan, Chair

### OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion

Announcements – Next Committee Meeting TBD

Adjournment

### SUPPLEMENTAL INFORMATION

Appendix A: FY2023 External Audit Plan

Appendix B: Audit Services

Appendix C: Procurement Directives



# GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

Marty Lanahan, Committee Chair

August 4, 2023



# VALUES MOMENT

John Babik, Director,  
Electric Compliance

Building a Better  
World - Bringing Out  
the Best in Everyone



# Safety Briefing - Headquarters

In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route: Exit building via Pearl Street main entrance/exit or Monroe Street exit to the left of the American flag

Assembly Point: Front of Duval County Clerk of Courts (NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette



**Pearl Street Exit**



**Monroe Street Exit  
Left of the American Flag**





## Our Values

### Safety

We put the physical and emotional wellbeing of people first, both at and away from work.

### Respect

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.

### Integrity

We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us.



# COMMENTS FROM THE PUBLIC

Marty Lanahan, Committee Chair



JEA

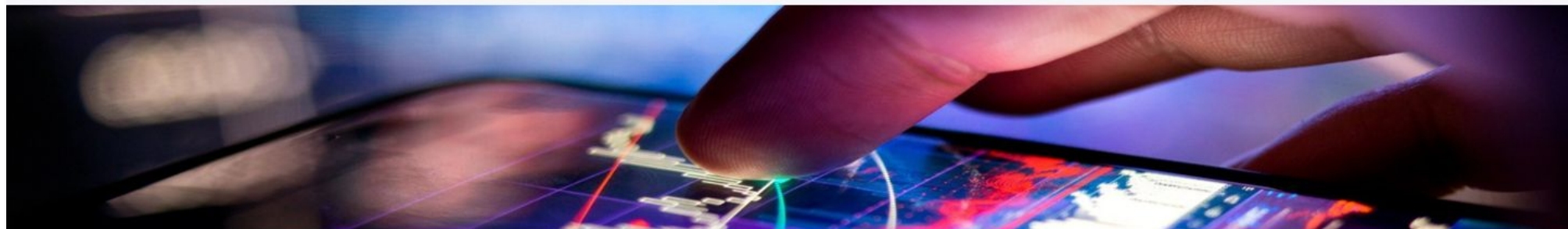
2023 audit plan

August 4, 2023





## Executive summary



### What's new and next

**New:** The following GASB pronouncements come into effect for fiscal year 2023:

- GASB Statement No. 91, Conduit Debt Obligations
- GASB Statement No. 94, Public – Private and Public – Public Partnerships and Availability Payment Arrangements
- GASB Statement No. 96, Subscription – Based Information Technology Arrangements

**Next:** Actions the team is taking in next 90 days:

- On-site tour of the facility and meeting with management
- Perform risk assessment and planning procedures
- Perform walkthroughs of all processes

### Key business priorities

- Uniform Guidance Audit (FEMA) for 2022
  - No findings
  - Unmodified opinions on compliance
- Plant Vogtle
- GASB 87, Leases, adoption – Though implemented in FY22, was determined that no material leases were held that triggered the implementation. However, the new building lease will be material in the current period and will need to be recorded and addressed.

### 2023 audit plan

#### Audit timeline

- Planning: July to August
- Interim: August to September
- Year-end: October to December

#### Audit strategy, including significant risks identified

- Areas of emphasis (pages 2-3)
- Important Updates: New GASB Pronouncements (page 4)
- How data is driving this year's audit (page 5)
- Involvement of internal audit and others (page 6)
- Appendices, including required communications (pages 7-11)

#### Involvement of internal audit and others

- We plan to use the work of the internal auditors in selected areas of our 2023 audit similar to previous years. Refer to the Involvement of Internal Auditors section.









### Digital commitment

We continue to benefit from and improve upon the digital audit technology implemented during our previous audits, including:

- Canvas client portal: Shared audit team access to documentation to ensure status of requests is shared; segregated access of sensitive data to appropriate users.
- EY Helix: Executed the revenue audit program which resulted in a reduction of traditional tests of details.



## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
<b>Revenue recognition</b>			<ul style="list-style-type: none"> <li>Review calculation of unbilled revenue</li> <li>Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards</li> <li>Test timing of revenue recognition based on the terms of the arrangement</li> <li>Confirm terms and conditions with both customers and management as considered necessary</li> <li>Test account reconciliations to determine timely completion and review</li> <li>Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data</li> <li>Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts</li> <li>Through the use of data analytics, we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash</li> </ul>
<b>Regulatory accounts</b>			<ul style="list-style-type: none"> <li>Test approval of any new regulatory assets/liabilities</li> <li>Verify that amortization and expense recognition are consistent with rate recovery</li> <li>Vouch significant activity</li> <li>Test account reconciliations</li> <li>Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets</li> </ul>
<b>Investments</b>			<ul style="list-style-type: none"> <li>Assess estimation uncertainty for significant classes of securities in JEA's portfolio</li> <li>Confirm investments with custodial institutions and managers and test selected transactions</li> <li>Test valuation for selected securities using alternative pricing sources</li> <li>Evaluate GASB 40 risk disclosures and GASB 72 fair market value disclosures</li> </ul>
<b>Capital assets</b>			<ul style="list-style-type: none"> <li>Review items capitalized to determine whether they should be capitalized versus expensed</li> <li>Test selection of assets added, retired, and disposed of during the fiscal year</li> <li>Review depreciation for reasonableness</li> </ul>

## Areas of emphasis

Topic	Significance	Subjectivity	Considerations
<b>Derivative instruments and hedging activities</b>	 Low	 Moderate	<ul style="list-style-type: none"> <li>• Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used</li> <li>• Confirm instruments with counterparties</li> <li>• Test recorded market values using independently developed estimates</li> <li>• Test fuel hedge contract settlements</li> <li>• Evaluate disclosures</li> <li>• Reconsider normal purchase/normal sales assumptions for commodity contracts</li> </ul>
<b>Pension plan accounting and reporting — SJRPP Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>• Review actuary reports for reasonableness of assumptions and methodology</li> <li>• For single employer plan, obtain actuary's reports and procedures performed by plan auditors</li> <li>• Census data testing for JEA plan participants</li> <li>• Assess reasonableness of required disclosures</li> <li>• Substantively test plan assets</li> </ul>
<b>Pension plan accounting and reporting — COJ Plan</b>	 Low	 Low	<ul style="list-style-type: none"> <li>• Review actuary reports for reasonableness of assumptions and methodology</li> <li>• For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows</li> <li>• In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors.</li> <li>• Census data testing for JEA plan participants</li> <li>• Assess reasonableness of required disclosures</li> </ul>
<b>Commitments and contingencies</b>	 Moderate	 Moderate	<ul style="list-style-type: none"> <li>• As part of our procedures, we will continue to inquire of management and legal counsel and evaluate the possible impact on JEA's financial statements, including possible contingent liabilities and required disclosures related to Plant Vogtle and other matters</li> </ul>

## Important Updates: New GASB Pronouncements

Page

4

GASB Statement	Title	Description	2023	2024
GASB Statement No. 91	Conduit Debt Obligations	Clarifies definition of conduit debt, establishes that conduit debt is not an obligation of the issuer, requires the third-party obligor to record the liability for the debt and requires additional footnote disclosures	x	
GASB Statement No. 94	Public-Private and Public-Public Partnerships and Availability Payment Arrangements	Establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement apply to financial statements of all state and local governments.	x	
GASB Statement No. 96	Subscription-Based Information Technology Arrangements	Provides accounting guidance on subscription-based information technology arrangements ("SB ITAs"), such as cloud computing arrangements and requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, as well as expensing of certain costs associated with SB ITAs.	x	
GASB Statement No. 99	Omnibus 2022	To enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by clarifying provision in GASB Statement N. 53, 87, 94 and 96.	x	x
GASB Statement No. 100	Accounting Changes and Error Corrections, an amendment of GASB Statement No. 62	To enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.		x
GASB Statement No. 101	Compensated Absences	To better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.		x

## How data is driving this year's audit

We continue to broaden and deepen our use of data analytics as we continue on our data-driven audit journey. We plan to focus on expanding our use of data in these key areas.

1

### Use data to focus on change in the business and new risks

In the prior year, we developed an understanding of risks using data. This year, we will focus on new or changing risks by analyzing changes in the data compared with the prior year.

Doing so allows us to focus our procedures on new or emerging **risks**.

2

### Use data to enhance our response to identified fraud risks

We aim to **refine** our audit procedures over revenue and the risk of management override through the use of data.

Doing so allows us to identify **unusual transactions** outside the normal course of business that have a higher risk of fraud.

3

### Deepen our understanding of the trade payables processes

We will expand our use of data to **deepen** our understanding of processes.

Doing so will allow us to **streamline** the walkthrough process, corroborating what has been recorded, focusing on what has changed and providing **insights**.

### How can we team successfully?

- Provide subledger data and journal entry data timely
- Continued use of EY Canvas Client Portal



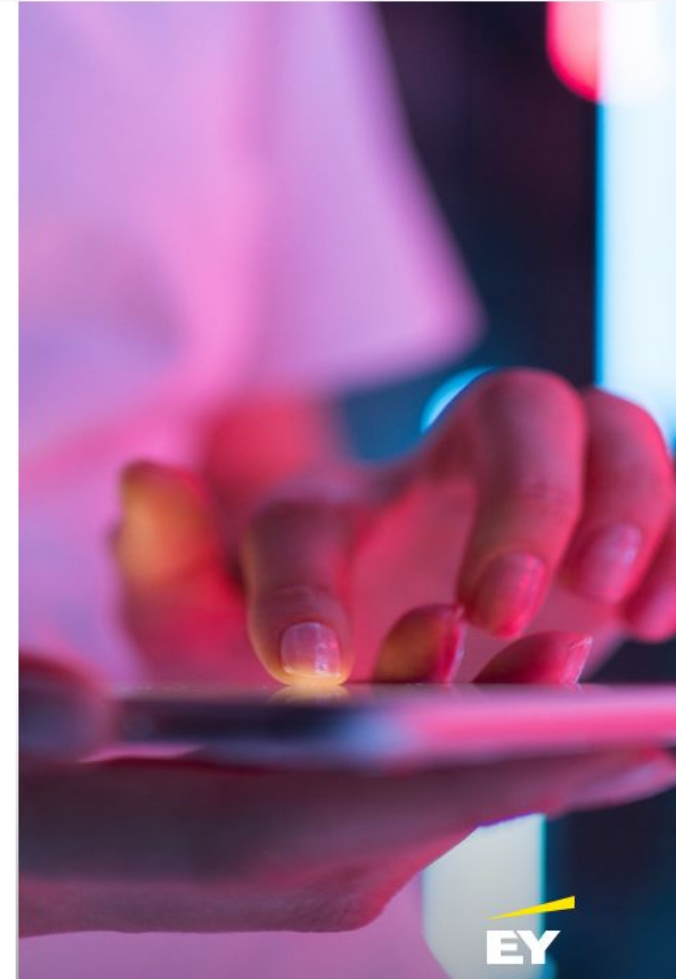


## Involvement of internal audit and others

Areas/significant classes of transactions where EY is planning to use the work of internal audit	Walkthroughs <sup>1, 2</sup>	Substantive procedures <sup>1, 2</sup>	Estimated hours
<b>Internal audit</b>			
Derivative swaps		X	35
Costs to be recovered		X	35
Expense test of transactions		X	35
Fixed assets		X	30
Accruals		X	25
Officer expense testing		X	20
Regulatory assets	X		10
Purchasing, accounts payable and cash disbursements	X		10

<sup>1</sup> Direct assistance model — When we use the direct assistance model, we treat internal audit or others as our own staff by providing audit programs, supervising their work, and performing a detail and second-level review of the workpapers.

<sup>2</sup> Reliance model — When we use the reliance model, we perform certain procedures to evaluate the quality and effectiveness of internal audits or others' work. Procedures will include reviewing audit programs, understanding supervision of procedures performed, reviewing workpapers and results, and performing tests of their work.



# AUDIT SERVICES & ETHICS UPDATE

Lee Montanez, Director, Audit Services  
Walette Stanford, Director, Ethics

## Strategic Objective

Deepen Customer and Community Engagement



# In-Process Audit/Projects

## Project Management - Operations

### Reporting Phase

To evaluate the governance, processes, and controls for recently completed water and wastewater infrastructure projects

## Fiber Network Resiliency

### Reporting Phase

To assess JEA's fiber infrastructure strategy, operations and redundancy

## Senate Bill 64 (Water/Wastewater Discharge) Special Project

### Reporting Phase

Special project to validate JEA's preparedness and monitoring of a recently passed environmental bill

## FY22 Identity and Access Management

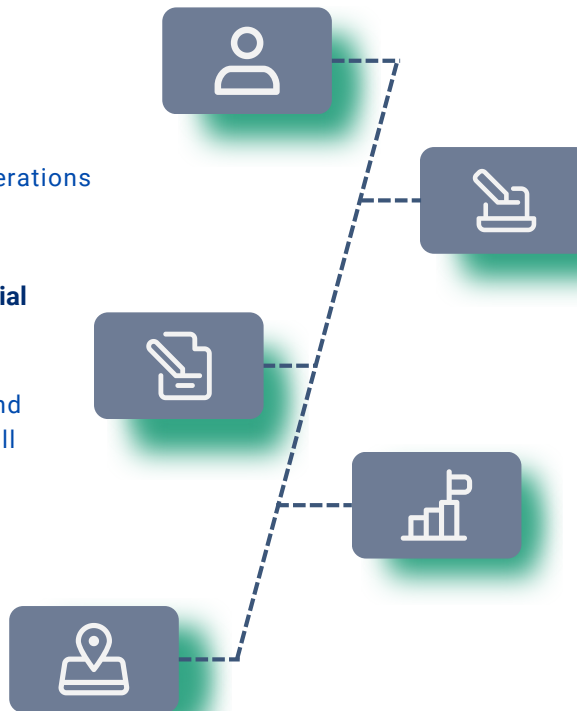
### Fieldwork

To evaluate information security controls for JEA's non-corporate applications and networks

## Data Center

### Fieldwork

Assess JEA's data center strategy, design, and business continuity process and controls



## Project Management - Technology Services

### Fieldwork

Evaluate the governance, processes, and controls for recently completed IT implementation projects

## Learning and Development

### Fieldwork

Assess the strategy, applicability, delivery and effectiveness of JEA's training programs

## Refurbishment Process

### Planning

Evaluate the process and controls of the refurbishment process for inventory items with long lead times (i.e., transformers, bucket trucks, etc.)

## FY24 Risk Assessments

### Ongoing

Annual process to gather enterprise-wide information to use as input for the formation of the FY24 Internal Audit Plan

# Completed Audit/Projects

## Green-e Agreed Upon Procedures

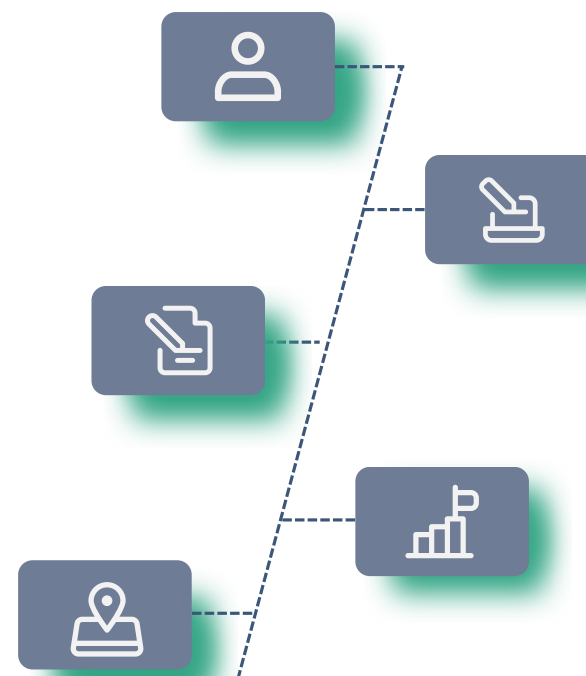
Special project for certifying JEA's renewable energy credit sales to third parties

## Construction Management at Risk (CMAR)

Special project to validate project costs and to provide process improvement recommendations

## National Institute of Standards and Technology (NIST) Internal Readiness Assessment

Special project for validating National Institute of Standards & Technology (NIST) readiness by management in anticipation of an external review





# INTERNAL AUDIT

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## Action Plans

### 9 Open Action Plans

4 Significant (on track)

4 Moderate (on track)

1 Nominal (on track)

### 30 Closed Action Plans YTD

3 Major

15 Significant

11 Moderate

1 Nominal



# Internal Audit (IA) Strategy

## Strategic Goals and Deliverables

To continue to make meaningful contributions to JEA's overall governance, risk management, and internal controls

<p><b>PROFESSIONAL DEVELOPMENT</b> <b>September 2023</b></p> <p>Non-certified Internal Auditors to complete 40 Continuing Professional Education (CPE) hours and encourage to become certified</p> <p>Audit staff with certification(s) to complete CPEs as required</p>	<p><b>OBTAIN RELEVANT AND USEFUL INFORMATION FOR ASSESSING RISK</b> <b>December 2023</b></p> <p>Staff will obtain information from all areas within JEA and share during IA's operational meetings</p>	<p><b>RISK ASSURANCE MAPPING (RAM)</b> <b>March 2024</b></p> <p>Update the RAM for the organization</p>
<p><b>DEVELOP FOCUSED BASED AUDITS TO MEET ORGANIZATIONAL CHALLENGES AND RESOURCE CONSTRAINTS</b> <b>October 2023</b></p> <p>Develop, plan, and complete audit and advisory audits/projects that have a focused scope covering specific areas to better enhance expectations</p>	<p><b>INTERNAL AUDIT / ENTERPRISE RISK MANAGEMENT (ERM) / STRATEGY COORDINATION</b> <b>March 2024</b></p> <p>Collaborate with the ERM and Strategy teams to improve the risk and controls assessment process</p>	<p><b>FRAUD RISK ASSESSMENT</b> <b>July 2024</b></p> <p>Develop and review with the Leadership Team a fraud risk register consisting of the top 10 significant schemes possible at JEA</p> <p>Update the procedure titled "Managing the Risk of Fraud in JEA"</p> <p>Select, plan, and complete audits relevant to fraud risk</p>
<p><b>OPEN ACTION PLAN PROCESS</b> <b>October 2023</b></p> <p>Review and update open action plans to improve communication and increase timeliness of actions taken by management</p>		<p><b>COMPLETE AN EXTERNAL QUALITY ASSESSMENT REVIEW (QAR)</b> <b>July 2024</b></p> <p>Prior to engaging a consultant to perform the QAR, staff will complete an internal readiness assessment to determine gaps</p> <p>Review action plans and potential mitigating activities from QAR with the Governance, Audit &amp; Compliance Committee</p>

# Employee Inquiries Q2 & Q3

Category	Cause	Outcome	Method of Submission	Financial Impact
(3) Timecard	Employee misconduct that went unnoticed during a period where the employee reported under multiple Supervisors (1)  The employee gave the appearance of working but covered actions in a discrete manner (2)	Separation	Labor Relations	\$40,144
Discrimination	Manager discriminating against a direct report	Unfounded	Ethics Hotline	
Fraud	Attempted scam impersonating JEA personnel	Unfounded	Ethics Hotline	
General Concern	External vendor working near JEA equipment. Are they working for JEA?	Unfounded	Ethics Hotline	
General Concern	Employees being videoed doing work without their consent	Unfounded	Ethics Hotline	
General Concern	JEA vendor accused of not following contract	Unfounded	Ethics Hotline	
General Concern	Employee accused of running over a dog in their JEA vehicle	Unfounded	Ethics Hotline	

# Employee Engagement Survey Data

	June 2022	February 2023
Respondents	1434	1459
Engagement	79	82 ↑ 3
Ethics	71	75 ↑ 4
Values	64	68 ↑ 4

## STRENGTHS

- Work Life Balance I am able to successfully balance my work and personal life
- Purpose The work that I do at JEA is meaningful to me
- Resources I have the resources I need to do my job well

## OPPORTUNITIES

- Action Taking I believe meaningful action will be taken as a result of this survey
- Values People at JEA live the company values
- Ethics People at JEA behave ethically



## Post-Survey Approach



### Is the compliance program working in practice?

Are policies and procedures easily accessible and understandable?

Are resources viewed as effective?

Are the modes to report widely known?



### Is there an open and trusting environment for speaking up?

Are systems and programs designed to encourage employees to speak up without fear of retaliation?

What is prohibiting those who see something from saying something?

Where or whom to employees view as the most trustworthy resources available for submitting questions and reports?



### Is there a commitment to ethics at all levels?

Are managers viewed as trusted resources for employees for questions?

Do employees take personal ownership for establishing their immediate environment as one where integrity is valued?

Are senior leaders demonstrating the company's commitment to integrity in both words and deeds?

# PROCUREMENT DIRECTIVES UPDATE

Jay Stowe, Managing Director/CEO

Randall Barnes, Treasurer

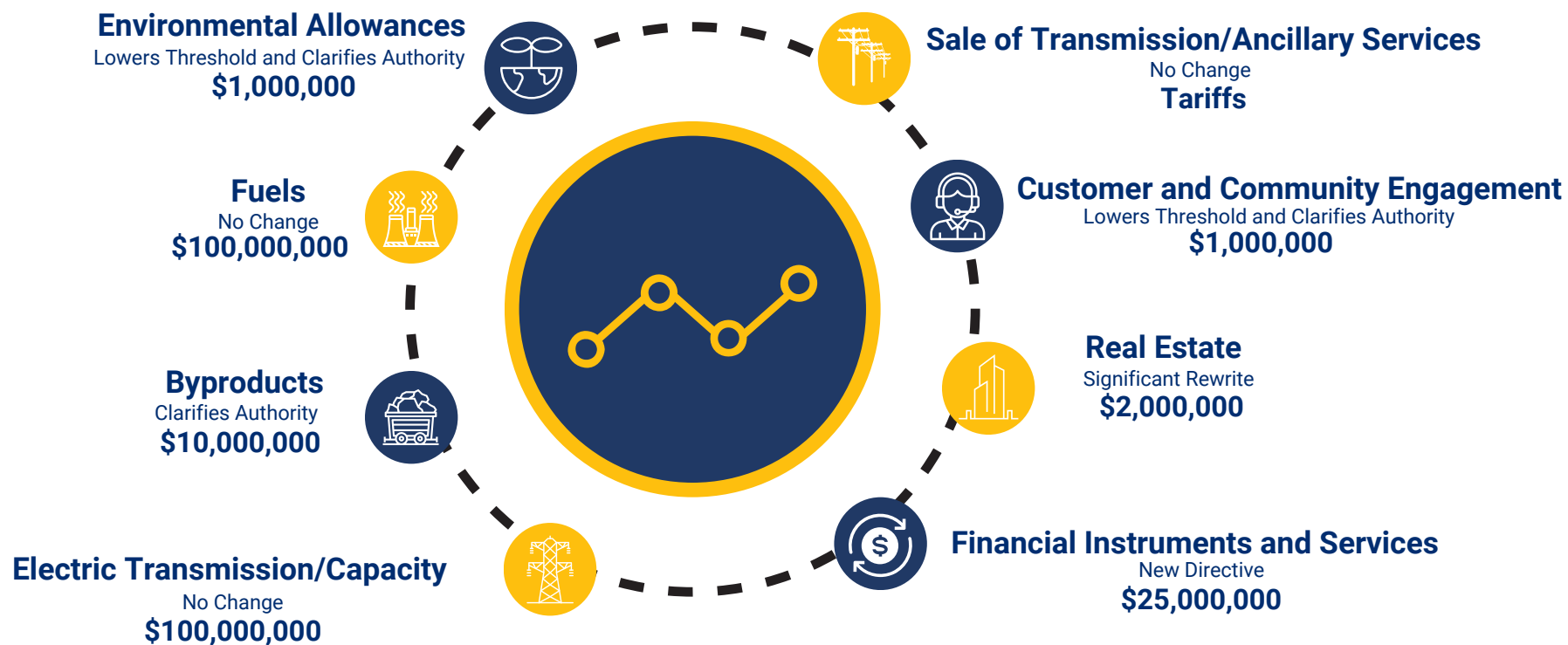
Michael Corbitt, Director, Real Estate  
Action

## Strategic Objective

Deepen Customer & Community Engagement



# Procurement Directives Board Approval Limits



- Supplemental information has full set of directives
- Limits and signature authority below Board approval are detailed in supplemental information and are set by delegation from the Board to the Managing Director/CEO

## Services Covered under the Finance Directive

**Dollar Thresholds Remain Unchanged From the Original Procurement Code**

**Treasury Will Be Responsible for Maintaining All Documentation for the Procurements**

**Any Procurement Not Within the Scope of this Directive Will Follow the Normal Procurement Code**

**Financial Transaction Support Services**

**Financial Instruments and Arrangements**

**Agency Services for the Sale of Financial Assets  
Investor Relations Services**

**Financial Compliance Services**

**Bond Underwriting Services**

**Fiduciary Services**

**Credit Rating Agency Services**

**Dealer and Remarketing Services**

**Investment Purchase and Management Services**



**Staff seeks a recommendation for Board approval of the Finance Directive**

**BOARD RESOLUTION: 2023-28**

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE PROCUREMENT CODE EXEMPTION FOR FINANCIAL INSTRUMENTS AND SERVICES SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, in accordance with Article 21, Section 21.09, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", JEA's governing body is required to review and approve JEA's procurement procedures, including any amendments thereto; and

WHEREAS, in accordance with the JEA Charter, on April 25, 2023, the Board of Directors adopted a revised JEA Procurement Code; and

WHEREAS, in the revised Procurement Code, the article that previously addressed the procurement of financial instruments and services was deleted with the intent to submit a Procurement Code Exemption addressing such procurements for consideration by the Board of Directors; and

WHEREAS, it is advisable to address the procurement of financial instruments and services through a Procurement Code exemption due to the fact that such services often exist in a limited market and must be completed in a limited timeframe in order to accommodate the needs of financing or investment transactions; and

WHEREAS, at its August 4, 2023 meeting, the JEA Governance, Audit & Compliance Committee recommended that the Procurement Code Exemption for Financial Instruments and Services be adopted in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the Procurement Code Exemption for Financial Instruments and Services as recommended by the Governance, Audit & Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended Procurement Code Exemption for Financial Instruments and Services substantially in the same form as attached hereto.
3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
4. This Resolution shall be effective upon approval by the Board.

Dated this 29th day of August 2023.



# REAL ESTATE DIRECTIVE

Previously approved in 2016  
Proposed directive provides compliance and improves functionality

## PROPOSED REVISIONS

New requirements pertaining to real estate from the 2020 Charter amendments

Functional updates to reflect how the Real Estate department operates

### **Current directive addresses:**

Delegation of authority to the Managing Director/CEO and Director of Real Estate to enter into real estate transactions on behalf of JEA

General guidance for buying, selling and leasing property; and

Approval process for transactions

## 2020 CHARTER AMENDMENTS

Board will approve rules and procedures regarding the reporting, buying, selling, or other transfer of real estate

The rules and procedures are defined in this directive:

Board will review the Directive no less than every two years

Directive will be made available to the public

There were some other minor administrative updates including, requirements for appraisals and recording documents with the Clerk of Court

## REQUESTED ACTION

Staff seeks a recommendation for Board approval of the Real Estate Directive

**BOARD RESOLUTION: 2023-27**

**A RESOLUTION BY THE BOARD APPROVING REAL PROPERTY RULES AND PROCEDURES; REVISING THE JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, Article 21 of the Jacksonville City Charter authorizes JEA to acquire real property (or any estate or interest therein), for the use or expansion of the utilities systems; and

WHEREAS, JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) that is no longer needed or useful for operation of the utilities systems; and

WHEREAS, in accordance with Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property; and

WHEREAS, the Board, is further required to review such real estate rules and procedures no less than biennially; and

WHEREAS, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, contains revised rules governing the acquisition, use, and disposition of JEA real property; and

WHEREAS, the proposed Directive is hereby presented for the Board's biennial review and approval.

BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance Article 21.04(b)(4) of the City Charter, the Board has reviewed the rules and procedures contained in the Directive.
2. Based upon its review, the Board hereby approves the Directive. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.
4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 29th day of August 2023.

# CYBER SECURITY

Brad Krol, Chief Information Officer

## Strategic Objective

Make Doing Business With JEA Easy



# National Institute of Standards and Technology (NIST) Cyber Security Framework

## Identify

Asset Management, Business Environment, Governance, Risk Assessment, and Risk Management Strategy

## Protect

Access Control, Awareness and Training, Data Security, Information Protection Processes and Procedures, Maintenance, and Protective Technology

## Detect

Anomalies and Events, Security Continuous Monitoring, and Detection Processes

## Respond

Response Planning, Communications, Analysis, Mitigation, and Improvements

## Recover

Recovery Planning, Improvements, and Communications





# Risk Assessment & Management

## Independent Audits



### Overall Alignment: 3.78/5.00

**Areas of Opportunity**  
Increased Client Visibility  
Increased Correlation  
Threat Hunting  
Incident Response  
Forensics

### Rated Level 3/3

Fully implemented for 5  
of the 10 domains

### Assessment Score: 82

Industry Average: 67

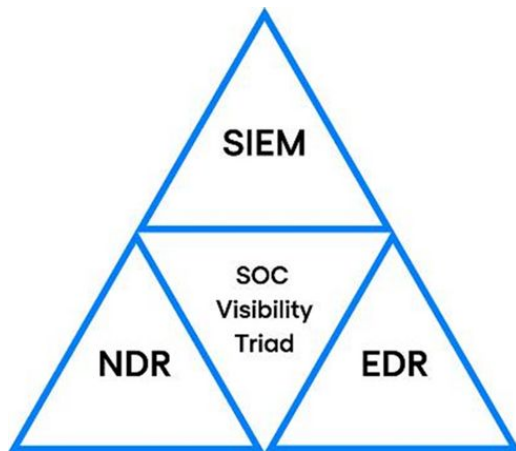
Assessment of an  
assumed breach. JEA  
Team was able to detect  
many of Trend's attacks  
with various monitoring  
tools and the overall  
maturity of the  
environment and the skill  
of the team

External Assessment: CISA was  
not able to penetrate JEA's  
perimeter defenses

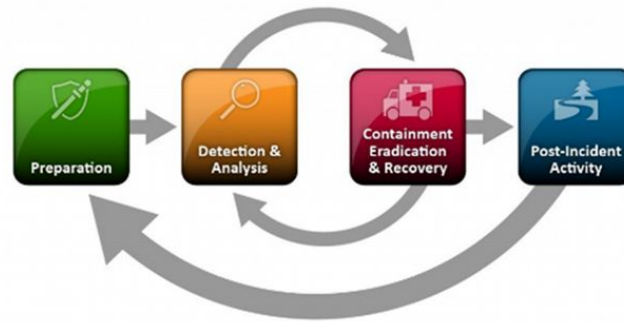
Still waiting on the final report

Internal Assessment: JEA is  
aware of key findings and has  
plans to address

# Detect and Respond



**Network and Endpoint**  
Monitor network traffic and endpoint activity to detect



**Incident Response**  
Responding to malicious cyber activities



**Forensics**  
Investigation and analysis techniques to gather and preserve evidence

SIEM – Security Information and Event Management  
NDR – Network Detection & Response  
SOC Visibility Triad – Security Operations  
EDR – Endpoint Detection and Response



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# Program Highlights

Information Security Team offers services to perform several different assessments

**01** External Data Protection (Cloud) Questionnaires

**02** Risk assessments performed for new software (products/services) and Technology Services (TS) Capital projects managed by TS Project Management Office

**03** Vulnerability & Penetration Assessments

**04** Partner with virtual Chief Information Security Officer (vCISO)



# Continual Investment

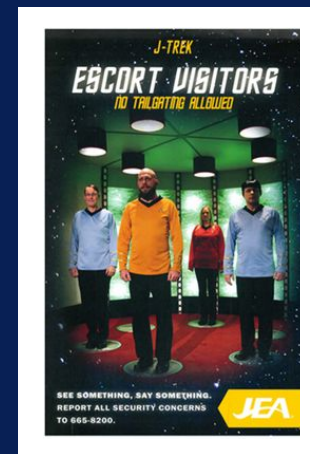
Perimeter  
Security

Security  
Operations  
Center

Operational  
Technology  
Security



Endpoint Security



Education &  
Training of Users

# BOARD MEMBER ATTENDANCE

**Marty Lanahan, Committee Chair**  
Discussion / Action

**Strategic Objective**  
Foster an Exceptional Work Culture



## Board Member Self-Assessment - Attendance



### Board Member Comments

Not all Board members attend the meetings in person, which is a requirement to have a quorum. We do have good attendance counting virtual attendance.

I would like to see us commit to being at meetings face to face and not on WebEx. I understand that is an option, but I do believe that our conversations could be more robust if everyone was there.

Attendance of all Board members is difficult at times. We are all executives in our organizations, but I think we can improve this item.

I know I am prepared and engaged with strategy and staff. We are missing some Board members on a pretty regular basis from being with us face to face...that has hampered the ability for me to say that we are all engaged in discussion. It is hard to chime in on WebEx in a meaningful manner.



# By-Laws of JEA

Approved at August 10, 2022 JEA Board Retreat

## Teleconference or Videoconference Meetings

All Board and Committee meetings will be conducted in accordance with the Charter and Florida Statutes. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication.

## Quorum and Votes Required for Action

A majority of the Board's membership physically present shall constitute a quorum for the purposes of meeting and transacting business. Each member shall have one vote. A majority vote of the members physically present at a meeting shall be required to accomplish an act of business. A Board member may attend a meeting virtually when extraordinary circumstances would not permit the Board member to be physically present at the meeting. Whether extraordinary circumstances exist shall be a determination of the Board members physically present at the meeting. Providing a quorum physically present has been met, and the Board members who are physically present have determined that extraordinary circumstances exist to justify the Board member's virtual attendance, a Board member attending virtually may vote. By adoption of these By-Laws, the following are presumed to constitute extraordinary circumstances with no need for further action on the part of the Board:

- Military duty
- Health-related issues
- Board member being out of town due to circumstances beyond Board member's control
- State of emergency declared by federal, state, or local authority
- Other reasons as deemed appropriate by the Board

# GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

## Supplemental Information



JEA GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE MINUTES  
January 13, 2023

The Governance, Audit, and Compliance Committee of the JEA Board met at 10:00am on Friday, January 13, 2023 on the 8<sup>th</sup> Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx.

**WELCOME**

**Meeting Called to Order** – Committee Chair Marty Lanahan called the meeting to order at 10:00 a.m. Attending the meeting was Committee Vice Chair General Joseph DiSalvo. Board Member John Baker attended the meeting virtually. Dr. Zachary Faison was not in attendance for the meeting. A quorum of the committee was physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; Ted Phillips, Chief Financial Officer; Jordan Pope, Vice President, Corporate Strategy; and Regina Ross, Chief Legal Officer, Office of General Counsel. Others in attendance virtually were Raynetta Curry Marshall, Chief Operating Officer; Laura Schepis, Chief External Affairs Officer; Sheila Pressley, Chief Customer Officer; Kurtis Wilson, Vice President, Government Relations; Hai Vu, Vice President, Water/Wastewater Systems; Pedro Melendez, Vice President, Planning, Engineering & Construction; Stephen Datz, Vice President, IT Infrastructure and Operations; and Wayne Young, Vice President, Environmental Services.

**Adoption of the Agenda** – On *motion* by Rick Morales and seconded by General DiSalvo, the agenda was approved.

**Approval of Minutes** – On *motion* by Rick Morales and seconded by General DiSalvo, the October 13, 2022 Governance, Audit, and Compliance Committee meeting minutes were approved.

**Safety Briefing and Values Moment** – Julie Moore, Manager, Internal Audit, noted the safety protocol is outlined in the materials and provided a Values Moment on integrity.

**Comments from the Public** – There were no in-person, virtual, or emailed public comments

**FOR COMMITTEE CONSIDERATION**

**Ernst & Young FY22 Audit Results** – John DiSanto, Managing Director, Ernst & Young, provided the committee with the 2022 JEA Financial Statement Audit Results and the 2022 St. John's Retirement Power Plan Audit Results to include executive summaries and required communications for both result books. This presentation was received for information.

**Internal Audit Update & Charter** – Lee Montanez, Director, Audit Services, provided an update on open audits and projects and those that were closed in FY23. Mr. Montanez provided the committee with an overview of the recommended proposed revisions to the Internal Audit Charter to include updated definitions and required language from the Institute of Internal Auditors, Committee name change, position title change, and language revisions.

On *motion* by General DiSalvo and seconded by Rick Morales, the Governance, Audit and Compliance Committee unanimously approved to recommend the Board approve the Internal Audit Charter.

**Ethics Officer's Report** – Walette Stanford, Director, Ethics, provided an overview on integrity and JEA's commitment to fostering a strong ethical culture. Ms. Stanford presented to the committee an

action plan to include more awareness on tools to report unethical behavior, provide value moments at townhalls, continue 1:1 ethical training, communicate more about issues and concerns to the organization, and implement a streamlined process for hotline intake. This presentation was received for information.

**Slate of Officers** – Committee Chair Lanahan provided a recommendations to continue with the current slate of officers to maintain continuity in leadership. Committee Chair Lanahan verified with legal before a motion was made.

On *motion* by Rick Morales and seconded by General DiSalvo, the Governance, Audit and Compliance Committee unanimously approved recommending the current slate of officers to the Board for approval.

**FY22 Board Self-Assessment Summary** – Laura Dutton, Chief Strategy Officer, provided an overview, timeline, and results of the annual Board of Directors Self-Assessment. This presentation was received for information.

**FY22 CEO Evaluation Summary** – Laura Dutton, Chief Strategy Officer, provided an overview and timeline of the annual CEO Evaluation criteria and informed the committee the results have been provided to the Board of Directors. This presentation was received for information.

## CLOSING CONSIDERATIONS

### Old and Other New Business/Open Discussion –

**Announcements** – Next Governance, Audit, and Compliance Committee Meeting is August 25, 2023.

**Adjournment** – With no further business coming before the Committee, Chair Lanahan declared the meeting adjourned at 2:33 p.m.

APPROVED BY:

\_\_\_\_\_  
Marty Lanahan, Committee Chair

Date: \_\_\_\_\_

Submitted by:

*Allison S Hickok*

\_\_\_\_\_  
Allison S Hickok

Executive Staff Assistant



## Appendices

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A

Required communications

B

Peer review report

# Appendix A

## Required communications

## Required communications

Area	Comments
Terms of the audit engagement, including the objective of the audit, the auditor's responsibilities under generally accepted auditing standards and management's responsibilities	Refer to the engagement letter.
Overall planned scope and timing of the audit, and significant risks identified and any changes thereto	Refer to the executive summary and areas of emphasis for additional information.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	There are no matters to communicate.
Independence matters	None
Inquiries regarding: <ul style="list-style-type: none"> <li>• Risks of material misstatement</li> <li>• Fraud and noncompliance with laws and regulations (illegal acts)</li> <li>• Related-party relationships and transactions</li> </ul>	Inquiries regarding these matters are to be performed at this meeting.

As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor's Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.





# Appendix B

## Peer review report

# Peer review report

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GRANT THORNTON LLP  
1100 Peachtree St. NE, Suite 1200  
Atlanta, GA 30309

☎ +1 404 330 2000  
✉ +1 404 330 2047

## Report on the Firm's System of Quality Control

May 1, 2023

To the Partners of Ernst & Young LLP and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Ernst & Young LLP (the firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including compliance audits under the Single Audit Act; audits of employee benefit plans; audits performed under

FDICIA; and examinations of service organizations (SOC 1® and SOC 2® engagements).

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Ernst & Young LLP, applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended June 30, 2022, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)*, or *fail*. Ernst & Young LLP has received a peer review rating of *pass*.

*Grant Thornton LLP*



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For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

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# Internal Audit Open Action Plans Report

Audit Name	Observation Title	Severity	Management Action Plan	Current Due Date
IA FY20 Personnel Out Process (POP) Follow-up	Ineffective Contractor Termination Process	Significant	Phase I: The three responsible area directors will chair a task force with the purpose of defining the best potential solution including: Technology solution (how) Human solution (who) Control solution (sustain) Develop estimated cost, resources and timing to implement. Phase II: Task force present recommended solution to SLT seeking funding and resources to complete the project	1/1/2024
IA FY21 MEAG/Vogtle Special Project	Budget Spreadsheets from MEAG are not currently Itemized	N/A - Special Project	The Vice President, Financial Services will request from MEAG specific monthly GL line item detail for Project J.	9/30/2023
IA FY21 MEAG/Vogtle Special Project	Process Improvement	N/A - Special Project	The Vice President, Financial Services will work with the Controller, Financial Planning & Analysis and Fuels to develop reconciliation processes and procedures for MEAG Power Project J monthly invoices against its annual budget and long-term financial model.	9/30/2023
IA FY21 Project Engineering & Construction (PEC)	Inconsistent Project File Maintenance and Tracking	Significant	The solution will be completed in the following stages: Identify technical needs and begin Technical Services (TS) approval process. (4/1/2022) Gain TS approval and issue Request for Proposal (RFP). (TBD) Implementation of approved solution and update new procedures accordingly. (TBD)	4/30/2024
IA FY22 Fleet Services Audit	Preventive Maintenance Timeliness	Significant	All outstanding PMs will be brought current in the next 6 months. Fleet is currently beta testing 20 units for a PM scheduling application through our telematics provider. The schedule should alert operators, coordinators, and managers when PMs are triggered by the following criteria: hours, mileage, and date. This beta test will be complete by the end of Q2 before expanding to the rest of the fleet no later than June 30, 2023.	9/30/2023
IA FY22 Project Accounting Audit	Business Continuity Plan	Moderate	Management will update the Business Continuity Plan annually.	6/30/2023
IA FY22 Project Accounting Audit	Procedures	Moderate	Management will create a process to ensure that procedures are reviewed on an annual basis and are on PolicyTech.	6/30/2023
IA FY22 Project Accounting Audit	Training	Nominal	Management will develop a process to ensure tracking of additional training.	6/30/2023
IA FY22 System Protection and Controls	Relay Numbers not updated in EAM.	Significant	Relay assets will be field verified and updated in EAM.	12/29/2023



**BOARD RESOLUTION: 2023-28**

August 29, 2023

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE PROCUREMENT CODE EXEMPTION FOR FINANCIAL INSTRUMENTS AND SERVICES SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE**

**WHEREAS**, in accordance with Article 21, Section 21.09, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", JEA's governing body is required to review and approve JEA's procurement procedures, including any amendments thereto; and

**WHEREAS**, in accordance with the JEA Charter, on April 25, 2023, the Board of Directors adopted a revised JEA Procurement Code; and

**WHEREAS**, in the revised Procurement Code, the article that previously addressed the procurement of financial instruments and services was deleted with the intent to submit a Procurement Code Exemption addressing such procurements for consideration by the Board of Directors; and

**WHEREAS**, it is advisable to address the procurement of financial instruments and services through a Procurement Code exemption due to the fact that such services often exist in a limited market and must be completed in a limited timeframe in order to accommodate the needs of financing or investment transactions; and

**WHEREAS**, at its August 4, 2023 meeting, the JEA Governance, Audit & Compliance Committee recommended that the Procurement Code Exemption for Financial Instruments and Services be adopted in accordance with the document attached hereto as Exhibit A and incorporated herein; and

**WHEREAS**, it is in the best interests of JEA to adopt the Procurement Code Exemption for Financial Instruments and Services as recommended by the Governance, Audit & Compliance Committee.

**NOW THEREFORE, BE IT RESOLVED** by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended Procurement Code Exemption for Financial Instruments and Services substantially in the same form as attached hereto.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Procurement Code Exemption for Financial Instruments and Services.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
5. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

\_\_\_\_\_  
JEA Board Vice Chair on behalf of  
JEA Board Chair

\_\_\_\_\_  
Board Secretary

Form Approved by:

\_\_\_\_\_  
Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

Procurement Code Exemption Financial Instruments and Services			
<p><b>Scope of Procurement Exemption:</b> This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible. The following financial instruments and services may be procured under this exemption:</p> <p><b>Bond Underwriting Services</b> - Including services to underwrite variable or fixed rate bonds, notes, commercial paper or other debt-related financial instruments issued under any bond resolution approved by the JEA Board, subject to a negotiated sale or competitive bid.</p> <p><b>Fiduciary Services</b> - Including trustee, registrar, paying agent, escrow agent, custody, and other similar fiduciary services in conjunction with the issuance and management of debt and/or investment of assets.</p> <p><b>Credit Rating Agency Services</b> - Including the procurement of debt ratings and related informational services from nationally recognized credit rating agencies.</p> <p><b>Dealer and Remarketing Services</b> - Including dealers or remarketing agents that market commercial paper, variable rate demand obligations, or other variable rate debt issued under any bond resolution approved by the JEA Board.</p> <p><b>Investment Purchase and Management Services</b> - Including the purchase or sale of allowed securities or entering into securities lending arrangements under JEA's Investment Management Policy, or entering into agreements with professional investment managers to manage JEA's assets.</p> <p><b>Financial Transaction Support Services</b> - Including services directly related to a financial transaction including, but not limited to escrow verification services, accounting services, and financial printing services.</p> <p><b>Financial Instruments and Arrangements</b> - Including financial instruments and arrangements primarily used as risk management strategies (including but not limited to swaps, caps, floors, collars, options, forward supply agreements, float contracts, and Guaranteed Investment Contracts), credit support (including but not limited to bond insurance, surety policies, letters of credit, and other credit enhancement facilities), and liquidity support (including but not limited to continuing covenant agreements, standby bond purchase agreements, and lines of credit).</p> <p><b>Agency Services for the Sale of Financial Assets</b> - Including, but not limited to, procuring the services of an agent to sell tax credits or other financial assets.</p> <p><b>Investor Relations Services</b> - Including services related to the research of or direct communication with the investors, either electronically or in person.</p> <p><b>Financial Compliance Services</b> - Including services necessary to meet compliance requirements of bond covenants and regulators.</p>			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Financial Instruments and Services	> \$25,000,000	JEA Board	
	\$10,000,000 to \$25,000,000	Chief Executive Officer	
	\$1,000,000 to \$10,000,000	Chief Financial Officer	
	\$100,000 to \$1,000,000	VP Financial Services	
	< \$100,000	Treasurer	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract	Any	Any	Treasurer
Procurement Methodology			
Type of Procurement	Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Treasurer	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email through JEA's Financial Advisor or directly to prospective bidders. Under this procurement method, JEA's Financial Advisor or staff of the VP Financial Services or will receive bids directly from the bidders for quick evaluation by JEA staff and award of a contract.
Unsolicited Offers	Any Amount	Treasurer	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA staff or JEA's Financial Advisor may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe  
Managing

Date:

Accepted:

Ted Phillips  
Chief Financial Officer

Date:



# Amended and Restated JEA Procurement Code

Effective April 27, 2021

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## DEFINITIONS

*Addendum* means a document issued by JEA which modifies a Solicitation.

*Appeal* shall have the meaning set forth in Section 54-106 of this Code.

*Award* means the written approval of the ~~JEA Awards Committee~~Chief of Procurement with the written concurrence of the Chief Executive Officer that a Formal Purchase will be in accordance with this Code and the best interest of JEA.

~~*Awards Committee* means the body appointed by the Chief Executive Officer in accordance with Section 2-106 of this Code.~~

*Best and Final Offer* or *BAFO* means a Vendor's final offer following the conclusion of contract negotiations in connection with an Invitation to Negotiate.

*Bid* means a Vendor's offer to provide Services or Supplies in response to an Invitation for Bid.

*Bidder* means a Vendor submitting a Bid in response to an Invitation to Bid.

~~*Bond Insurance* means an agreement supplied by an insurance company in conjunction with a debt issue that provides for the guarantee of payment of principal and interest to the debt holder.~~

*Business Day* is any day except any Saturday, any Sunday or any holiday observed by JEA's Procurement office.

~~*Cap* means an agreement obligating the seller of the Cap to make payments to the buyer of the Cap, each payment under which is based on the amount, if any, by which a reference price or level or the performance or value of one or more underlying interests exceeds a predetermined number, sometimes called the strike/Cap rate or price.~~

*Chief Procurement Officer* or *CPO* means the person holding the position appointed in accordance with Section 2-103 of this Code.

*Code* means this Amended and Restated JEA Procurement Code.

~~*Collar* means an agreement to receive payments as the buyer of an Option, Cap, or Floor, and to make payments as the seller of the Collar of a different Option, Cap, or Floor.~~

*Construction* means the process of building, altering, repairing, improving, or demolishing any structure or building, or other improvements of any kind to any real property. It does not include the routine operation, routine repair, or routine maintenance of existing structures, buildings, or real property.

*Construction Management Entity* means a licensed general contractor or a licensed building contractor, as defined in Section 489.105, Florida Statutes, as amended, who coordinates and supervises a Construction project from the conceptual development stage through final Construction, including the scheduling, selection, contracting with, and directing of specialty trade contractors, and the value engineering of a project.

*Construction Manager at Risk* or *CMAR* shall have the meaning set forth in Section 3-109 of this Code.

*Consultants' Competitive Negotiation Act* or *CCNA* means Section 287.055, Florida Statutes, as amended, relating to the Procurement of certain architectural, engineering, landscape architectural, and mapping and surveying Services.

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*Contract* means all types of agreements for the Procurement of Supplies or Services, regardless of what these agreements may be called, and shall include, but not be limited to, a Purchase Order issued by JEA and accepted by a Vendor.

*Contract Amendment* means a written amendment executed after the execution of the Contract formalizing any revisions to the Contract.

*Collaborative Procurement* means a Procurement undertaken by JEA in accordance with Section 3115 of this Code.

*Data* means recorded information, regardless of form or characteristic.

*Design-Build Contract* means a single Contract with a Design-Build Firm for the design and Construction of a Construction project as defined in CCNA.

*Designee* has the meaning set forth in Section 4-302 of this Code.

*Determination* means a finding or decision by JEA made in the course of the process of procuring Supplies or Services under this Code.

*Emergency* shall have the meaning set forth in Section 3-113 of this Code.

*Ex Parte Communication* has the meaning set forth in Section 1-107 of this Code.

~~*Floor* means an agreement obligating the seller of the Floor to make payments to the buyer of the Floor, each payment under which is based on the amount, if any, that a predetermined number, sometimes called the strike/Floor rate or price, exceeds a reference price, level, performance or value of one or more underlying interests.~~

*Forward Supply Agreement* means a supplier has agreed to supply or cause to be supplied appropriate investments in appropriate amounts and for appropriate periods and to pay consideration to an entity either over time or up-front in an amount determined by bid or negotiation for the right to supply such investments to the escrow holder or other recipient identified by the entity.

*Governmental Entity* means any state or territory of the United States, or any county, city, town or other subdivision of any state or territory of the United States, or any public agency, public authority, educational, health, or other institution of such subdivision.

~~*Hedge* means any transaction which is entered into and maintained to reduce the risk of a change in the value, yield, price, cash flow, or quantity of, or the degree of exposure with respect to, assets or liabilities which the buyer has acquired or incurred or anticipates acquiring or incurring.~~

*Intent to Award* means JEA's announcement via an email, posting of the Awards Committee agenda, or issuance of an Addendum stating its intent to award a Formal or Informal Contract.

*Invitation for Bid* or *IFB* means a type of Solicitation requesting price offers and qualification information for defined Supplies or Services.

*Invitation to Negotiate* or *ITN* means a type of Solicitation requesting competitive sealed replies with the intent to select one or more Vendors with which to commence negotiations for the procurement of Supplies or Services, and usually concluding with a Best and Final Offer from Respondents.

*JEAs* means that body politic and corporate created and established in Article 21 of the Charter of the City of Jacksonville.

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*JEA Board* means the members of the JEA appointed to serve as provided by Section 21.03 of the JEA Charter.

*JEA Charter* means Article 21 of the Charter of the City of Jacksonville, as amended from time to time.

~~*Letter of Credit* means a commitment, usually made by a commercial bank, to honor demands for payment of an obligation upon compliance with conditions and/or the occurrence of certain events specified under the terms of the commitment.~~

*Operational Procedures* means the written process and procedures applicable to JEA Procurements and Procurement activities that have been promulgated in accordance with this Code.

~~*Option* means an agreement giving the buyer the right to buy or receive, sell or deliver, enter into, extend or terminate, or effect a cash settlement based on the actual or expected price, level, performance, or value of, one or more underlying interests.~~

*Organizational Element Manager* means the person designated by the Chief Executive Officer to have responsibility for Procurement policies and procedures for certain categories of Supplies and Services under Section 2-102 of this Code.

*Pre-Source Selection Methods* means the pre-source selection methods described in Section 3-103 of this Code.

*Pilot Project* shall have the meaning set forth in Section 3-118 of this Code.

*Post, Posting or Posted* means placing documents or information on JEA's centralized internet website in the manner and location in which similar documents or information are typically posted.

*Procurement* means purchasing, renting, leasing, or otherwise acquiring; or selling, renting, leasing or otherwise disposing of any Supplies or Services, including, but not limited to, all functions that pertain to such activities – e.g., description of requirements, selection and solicitation of sources, and preparation and Award.

*Procurement Appeals Board* means the body comprised of at least three members of the Awards Committee as designated in this Code to hear Appeals regarding Procurement actions in accordance with Article ~~54~~ of this Code.

*Professional Services* shall have the meaning set forth in the CCNA.

*JEA Project Manager* shall have the meaning set forth in Section 3-122.

*Proposer* means a Vendor submitting a Proposal in response to a Request for Proposals.

*Proposal* means a Vendor's submittal of its offer in response to a Request for Proposals.

*Protest* shall have the meaning set forth in Section ~~54~~-101 of this Code.

*Protestant* means a Vendor who files a timely and proper Protest in accordance with Article ~~54~~ of this Code.

*Purchase Order* means a document issued by JEA requesting that a Vendor provide specified Supplies and Services to JEA and may contain additional terms and conditions related to the provision of such Supplies and Services.

*Real Estate* means land, including buildings and improvements, its natural assets, easements or a permanent interest therein.

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~~Request for Proposals means a type of competitive Solicitation requesting offers that includes qualifications, methods or other information, and may or may not include price, in the form of a Proposal.~~

*Request for Proposals* means a type of competitive Solicitation requesting offers that includes qualifications, methods or other information, and may or may not include price, in the form of a Proposal.

*Request for Qualifications or RFQ* has the meaning set forth in Section 3-103 of this Code.

*Response* means a Vendor's submittal of its qualifications and price to in response to an ITN or other Solicitation.

*Respondent* means a Vendor submitting a Response to an ITN or other Solicitation.

*Responsible Bidder (or Responsible Proposer or Responsible Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has the business judgment, experience, facilities and capability in all respects to perform fully the Solicitation requirements, and the integrity and reliability that will assure good faith performance.

*Responsive Bidder (or Proposer or Respondent)* means a Vendor that, in the Chief Procurement Officer's Determination, has submitted a Bid, Response or Proposal that conforms in all material respects to a Solicitation.

~~*Reverse Auction* means a type of auction in which sellers bid for the prices at which they are willing to sell their Supplies or Services.~~

*Single Source* has the meaning set forth in Section 3-112 of this Code.

*Solicitation* means a document (which may be electronic) issued by JEA for the Formal Purchase of Supplies, Services, or Real Estate.

*Source Selection* means the type of Solicitation advertised or Procurement method JEA utilizes to obtain responses from Vendors to provide Services or Supplies (e.g., Invitation for Bids, Request for Proposals, Invitation to Negotiate)

*Specifications* means any description of the physical or functional characteristics, or of the nature of an item of Supply or Service. It may include a description of any requirement for inspecting or testing an item of Supply or Service or preparing such item for delivery. Also commonly referred to as Technical Specifications.

*Supplies* means all property, including but not limited to, equipment, materials, repair parts, consumables, tools, printing, and leases of real property.

~~*Swap (Interest Rate or Commodity)* means an agreement to exchange, or net, payments at one or more times based on the actual or expected price, level, performance, or value of one or more underlying interests.~~

*Vendor* means any person or legal entity that provides, agrees to provide, or is interested in providing, Supplies or Services to JEA.

## ARTICLE 1- GENERAL PROVISIONS

### 1-101 Purposes, Rules of Construction

(1) *Interpretation.* This Code shall be construed to be consistent with the guiding principles and to promote its underlying purposes and policies set forth in this Section 1-101.

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(2) *Guiding Principles.* This Code shall at all times be subject to the provisions of the JEA Charter found in Article 21 (JEA), Charter of the City of Jacksonville and the following guiding principles:

(a) *Open and Fair Competition.* To the greatest extent reasonably possible, JEA shall use fair, competitive, and generally accepted government Procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including but not limited to laws governing the purchase of construction services and professional design services.

(b) *Transparency in Procurement processes.* This Code and all Procurement policies, Operational Procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view. All records of JEA Procurement activities shall be subject to disclosure under Florida's public records laws, including, but not limited to those laws codified in Section 119, Florida Statutes, as amended.

(c) *Use of certain agreements.* The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of its Procurement activities. Additionally, JEA shall not require a member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.

(3) *Purposes and Policies.* The underlying purposes and policies of this Code are:

(a) to provide for increased public confidence and consistency in the procedures followed in JEA Procurement;

(b) to ensure the fair and equitable treatment of all persons who deal with the JEA Procurement system;

(c) to maximize, to the fullest extent practicable, the purchasing value of JEA funds;

(d) to foster effective, broad-based competition among vendors purchasing good and services from JEA;

(e) to simplify and expedite the procurement of goods and services in a way that best serves customers;

~~(e)~~(f) to provide safeguards for the maintenance of the quality and integrity of the JEA Procurement system, and

~~(f)~~(g) to ensure JEA's Procurement activities comply with all applicable Florida Statutes.

(4) *Singular-Plural and Gender Rules.* In this Code, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

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(5) *Use of Capitals in Text.* Capitalized terms used in this Code shall have the meanings given to them in the Definitions section of this Code.

(6) *Job Titles.* If a JEA job title used in this Code is changed in the future due to JEA organizational changes, this Code shall be construed by substituting the appropriate successor job title.

(7) *Interpretation:* Where the word “shall” is used, it connotes a mandatory requirement. Where the word “may” is used, it connotes a permissive requirement.

#### **1-102 Application of this Code**

(1) *General Application.* This Code, and any amendments to this Code, apply only to Procurement activities, Contracts and Contract Amendments solicited or entered into after the effective date of this Code or an Amendment, as the case may be.

(2) *Application to JEA Procurement.* This Code shall apply to expenditures of public funds under Contract by JEA, irrespective of their source. It shall also apply to the sale or other disposal of JEA property and Supplies.

#### **1-103 Determinations**

Written Determinations required by this Code shall be retained in the appropriate official Procurement or Contract file maintained in accordance with promulgated by the Chief Procurement Officer.

#### **1-104 Policy of Continuous Improvement**

*Suggestions for Improvements.* The JEA Board intends for this Code to be a dynamic document comprising the best available public sector Procurement practices. To this end, the Chief Executive Officer encourages employees of JEA and others who deal with the JEA Procurement system to submit to the Chief Procurement Officer any ideas or suggestions for improvements to this Code.

#### **1-105 Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises**

JEA shall adhere to the City of Jacksonville’s Small Emerging Business (JSEB) Program, or successor city program, in its Procurement procedures. Subject to applicable federal, state and local laws, with the JEA Board’s approval, JEA is authorized to implement and to take all actions necessary to administer a race-conscious purchasing and Procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts. Any such race-conscious program implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of Contracts must be



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supported by evidence and based on the required criteria and standards as set forth in applicable federal and state laws.

### **1-106 General Counsel of the City of Jacksonville**

The General Counsel of the City of Jacksonville has the responsibility for providing all legal Services to JEA, including, but not limited to, legal Services relating to Procurement matters. The General Counsel may employ, supervise and terminate assistant counsels to assist with the efficient provision of legal Services for JEA. The General Counsel may authorize JEA to engage outside counsel upon certification by the General Counsel of compliance with the City of Jacksonville's Charter and JEA's authority, and a written finding of necessity by the General Counsel. The General Counsel shall consult with JEA before the General Counsel selects outside counsel. The provision of all outside legal Services to JEA shall be in accordance with the terms of an engagement letter authorized and approved by the General Counsel, including, but not limited to, the scope of the services provided and the maximum indebtedness of JEA's obligations in connection with the engagement.

The provision of legal Services as contemplated by this Section 1-106 shall include all legal related services, e.g., court reporters, expert consultants or witnesses, and Real Estate property appraisers. Legal counsel engaged by JEA shall have the authority to engage such related legal Services only to the extent that the vendor of such related legal Services and the maximum indebtedness of JEA's obligations in connection with such services is approved ~~in~~ by the General Counsel and described in the engagement letter for such legal counsel. The engagement of related legal Services by outside counsel shall not be used as a means to circumvent the competitive bidding requirements or any other provisions of this Code.

### **1-107 Ex Parte Communication Prohibited**

Adherence to procedures that ensure a fair open and impartial Procurement process is essential to the maintenance of public confidence in the value and soundness of the important process of public Procurement. Therefore, except as provided in subsection (3) of this Section 1-107, employees, agents and all other representatives of a Vendor shall be strictly prohibited from communicating, directly or indirectly, with any of the JEA representatives described in subsection (1) below during a period described in subsection (2) below.

- (1) *Persons covered.* The prohibitions of this Section 1-107 shall apply to all JEA Board members, employees, agents, and other representatives if such persons are involved in JEA's Procurement process, or have any decision-making authority with respect to an Award.
- (2) *Periods.* Ex Parte Communications are prohibited during the following periods:
  - (a) from the advertisement of a Solicitation through the Award of a Contract or cancellation of the Solicitation prior to Award; and
  - (b) from the initiation of a Protest through final resolution of such Protest under this Code.
- (3) *Exclusions.* This Section 1-107 shall not prohibit:

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(a) communications concerning process and questions regarding a Solicitation addressed to the JEA Procurement staff member designated in a Solicitation to answer questions about the Solicitation, including, but not limited to, communications initiated by such staff member in order to clarify aspects of a Bid, Proposal or Response;

(b) communications during public meetings held in accordance with Florida's Open Meetings Laws, for the purpose of discussing a Solicitation or an evaluation or selection process including, but not limited to, substantive aspects of the Solicitation document (Such public meetings may include, but are not limited to, pre-Bid, pre-Proposal or pre-Response meetings, site visits to JEA's or a Vendor's facilities, interviews or negotiation sessions as part of the selection process, and other presentations by Bidders, Proposers, or Respondents. Exempted communications at such public meetings shall be limited to those consistent with the advertised purpose of the meeting and shall be communicated in a manner which can be heard by all those present at the meeting.);

(c) communications during negotiation sessions with Vendors to the extent exempt under Section 286.0113(2), Florida Statutes, as amended;

(d) Awards Committee and the Procurement Appeals Board at meetings advertised and conducted pursuant to Florida's Open Meetings Laws;

(e) contact by a Vendor currently under Contract with JEA, but only regarding work under that Contract and unrelated to the Solicitation or Protest currently in process; or

(f) communications between a Vendor and the Chief Procurement Officer, or JEA's legal counsel in accordance with the requirements of Article 5 of this Code.

(4) Violation of this Section 1-107 by a Vendor or any of its employees, agents or other representatives may be grounds for any one or more of the following: (i) disqualification of the Vendor from eligibility for an Award; (ii) rescission of any Award to the Vendor; (iii) termination of any Contract with the Vendor; or a decision to suspend or debar the Vendor.

#### 1-108 Retention of Procurement Records

All Procurement records shall be retained, made available and disposed of in accordance with the requirements of all applicable laws, including but not limited to Chapter 119, Florida Statutes (Florida's Public Records Laws), as amended, and the rules and regulations promulgated by the Division of Library and Information Services of the Florida Department of State.

#### 1-109 Collection of Data Concerning JEA Procurement; Annual Vendor Survey

The Chief Procurement Officer shall prepare and maintain statistical Data concerning the Procurement, usage, and disposition of all Supplies and Services, except for Procurements exempt under Section 2-102 of this Code and not procured under a process overseen by the Chief Procurement Officer. Organizational Element Managers overseeing Procurements exempt under Section 2-102 shall furnish such

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reports as the Chief Procurement Officer may require concerning usage and needs, and the Chief Procurement Officer shall have authority to prescribe forms to be used by such Organizational Element Managers in requisitioning, ordering, and reporting of Supplies and Services.

The Chief Procurement Officer shall annually conduct a survey of actual, interested and prospective Bidders, Proposers, Respondents, and Vendors to obtain feedback on JEA's Procurement process. Such survey shall be on a form approved by the JEA Board and participation in the survey shall be open to actual, interested and prospective Bidders, Respondents, and Vendors. survey topics may include, without limitation, various aspects of JEA's Procurement process such as information transparency and accessibility, preconferences, bid submittal packages, evaluations, and Awards. The Chief Procurement Officer shall report the results of such survey to the JEA Board and the JEA Board shall consider such survey results during the JEA Board's biennial review of this Code.

#### **1-110 Record of Procurement Actions**

The Chief Procurement Officer shall prepare and deliver a written report to the JEA Board on or before the JEA Board's last regularly scheduled meeting held in each calendar year summarizing all Awards made during the immediately preceding fiscal year. Such written report shall contain at a minimum the following information:

- (a) The number of Awards for the reporting fiscal year;
- (b) A detailed listing of all Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.) and a brief description of each Award containing the Vendor name, Contract amount and Contract term;
- (c) The number of JSEB Awards categorized by service type (e.g., Construction, Professional Services, Supplies, etc.), Award type (e.g., Single Source, Emergency, Request for Proposals, Invitation to Negotiate, piggyback, etc.), and a brief description of each Award containing the JSEB contractor name, Contract amount and Contract term;
- (d) The number of Protests for the reporting fiscal year and the outcome of each Protest (i.e., whether JEA prevailed); and
- (e) The annual survey results pursuant to the survey requirement in Section 1-109 of this Code.

After providing such written report to the JEA Board, the Chief Procurement Officer shall deliver the report to the Jacksonville City Council and the Mayor and post the report on JEA's website in a conspicuous manner for the public to view.

## ARTICLE 2 - PROCUREMENT AUTHORITY, DESIGNATIONS, AND COMMITTEES

### 2-101 Procurement Authority and Duties of the JEA Board

Pursuant to Article 21 of the Charter of the City of Jacksonville, the JEA Board shall review and approve this Code and all amendments to this Code. The JEA Board may not delegate its approval of this Code, including any amendments thereto, to the Chief Executive Officer or any other officer, employee or agent of JEA.

The Chief Procurement Officer shall biennially review this Code and JEA's other Procurement procedures and shall report to the JEA Board on the results of such review including any recommendations for changes the Chief Procurement Officer deems appropriate.

### 2-102 Procurement Code Exemptions

(1) Due to the nature of the following Supplies and Services, such Supplies and Services need not be procured through the Chief Procurement Officer and are not subject to approval by the Awards Committee, but may be procured using Procurement policies and procedures established by an Organizational Element Manager designated by the Chief Executive Officer for that category of Supplies and Services:

- (a) Generation Fuels, Emission Allowances, and Associated Transport;
- (b) Byproducts;
- (c) Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services – Short- and Long-Term Transactions;
- (d) Sale of JEA Owned Transmission and Ancillary Services, including applicable Enabling Agreements;
- ~~(e)~~ Environmental Allowances; ~~(f)~~
- ~~(f)~~ Real Estate, including easements; and ~~(g)~~
- ~~(e)(g)~~ Community Outreach Procurements.
- (h) Procurement of Financial Instruments and Services

The Operational Procedures shall provide more detail concerning the types of Supplies and Services included within the exempt categories of Procurements listed above.

(2) Prior to the Procurement of Supplies or Services by an Organizational Element Manager, the Organizational Element Manager shall establish Procurement policies and procedures for the exempt category of Supplies and Services and obtain all appropriate approvals required by the Operational Procedures.

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(3) In the absence of an Organizational Element Manager for a category of Supplies and Services exempt under subsection (1) of this Section 2-102, the Supplies and Services shall be procured through the Chief Procurement Officer in accordance with this Code and Operational Procedures.

(4) Property and casualty insurance, and Human Resource Benefits may be awarded through the broker or consultant for those services with ultimate approval by the Awards Committee.

### 2-103 Appointment and Authority of the Chief Procurement Officer

(1) *Central Procurement Officer of JEA.* The Chief Executive Officer shall appoint a Chief Procurement Officer. The Chief Procurement Officer shall be a full-time, appointed employee of JEA with demonstrated executive and organizational ability. The Chief Procurement Officer shall serve as the central point of contact for JEA Procurement matters.

(2) *Operational Procedures.* The Chief Procurement Officer shall promulgate Operational Procedures governing JEA Procurement activities that are consistent with the provisions of this Code. Whenever practicable, the Operational Procedures shall be updated to incorporate the use of new technologies, best practices, and streamlined procedures for continuous improvement of JEA's Procurement activities. Material revisions to the Operational Procedures shall be approved by the Office of General Counsel prior to the revisions becoming effective.

(3) *Duties.* Except as otherwise specifically provided in this Code, the Chief Procurement Officer duties shall include, but are not limited to:

- (a) supervise and coordinate the Procurement of all Supplies and Services by JEA;
- (b) make Determinations as to what constitutes a minor irregularity in Bids, Proposals and Responses and when Bids, Proposals and Responses should be rejected as unresponsive;
- (c) conduct or coordinate training on JEA's Procurement policies and processes and related matters;

(d) develop and maintain the standard contract language for Solicitations, Contracts and other documents used in the JEA's Procurement process in consultation with the Office of General Counsel;

and

(e) advertise and make Awards in a manner that is in compliance with this Code; and

~~(e)~~(f) exercise the duties given to the Chief Procurement Officer in Article 54 of this Code.

### 2-104 Delegation of Authority by the Chief Procurement Officer

The Chief Procurement Officer may delegate any duty or authority given to the Chief Procurement Officer under this Code in writing to one or more designees.

### 2-105 Procurement Document Review and Transparency



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The Chief Procurement Officer shall create ~~a process~~processes and procedures to ensure all Solicitations and

(2) Any documents used in JEA's Procurement process, including Solicitation Determinations or Awards, shall be made available to the public on JEA's website for at least three (3) business days prior to a going into effect.

## 2-106 Awards ~~Committee~~

(1) ~~Awards Committee Membership.~~ The JEA Awards Committee shall consist of three to five Vice Presidents or other senior Officers of JEA appointed by the Chief Executive Officer. Members of the Awards Committee ~~Scope of Review. Award items~~ shall serve until their successors have been appointed. Members of the Awards Committee may be removed at any time with or without cause by the Chief Executive Officer. If an Awards Committee member shall cease to be qualified to serve, then the member's term shall be vacant until the Chief Executive Officer appoints a replacement.

~~(4)(2)~~ Required Approvals. The following Procurements of Supplies and Services by JEA shall require approval of: ~~or ratification by the Awards Committee~~ the Chief of Procurement:

— Formal Purchases of Supplies and Services by JEA unless exempt under Section 2-102

(b) rescissions of Formal Solicitations and rejection all Bids, Proposals and Responses after Bids, Proposals after Bids, Proposals or Responses have been received;

Proposals after Bids, Proposals or Responses have been received;

~~(e)(d)~~ ~~termination of Contracts previously executed in connection with Awards approved by the Awards Committee~~ Award

~~(f)(e)~~ changes to, and renewals of, any Contracts executed in connection with an Award approved by the Awards Committee if:

(-) the financial impact of the change or renewal exceeds 10% of the amount of the most recent Award approved by the Awards Committee;

~~(m)(g)~~ Procurements exempt under Section 2-102 (Procurement Code Exemptions) of this Code if required by the Procurement processes and procedures established by the applicable Organizational Manager; and

~~(n)(h)~~ ratification of all Formal Purchases procured under Section 3-113 (Emergency Procurements) of this Code.

(3) Concurrence of Chief Executive Officer. All approvals and ratifications of the Awards Committee shall be subject to the written concurrence of the Chief Executive Officer or designee.

(4) Availability of Funding for Procurement Items. The ~~Awards Committee~~ Chief of Procurement shall approve ~~Awards~~ Award items only after receiving confirmation as provided in this Section 2-108(4) that sufficient funds are available for the Award. ~~Prior to presentation to the Awards Committee approval~~ each Award item shall be reviewed and approved by the Budget

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Organizational Element to determine whether sufficient funding is available for the Award. If the Budget Organizational Element is unable to confirm that sufficient funds are available, the senior executive Officer for the Organizational Element requesting the Award may confirm by signature on the Award document or email that sufficient funding is or is expected to be available in that Organizational Element's Budget.

(5) *Effect of Approval.* Once an Award item is reviewed and approved by the ~~Awards Committee~~ Chief of Procurement and the Chief Executive Officer or designee, JEA is authorized to proceed with actions to finalize the Procurement of the Supplies or Services consistent with the Award, including but not limited to, execution of a Contract, issuance of a Purchase Order and notice to proceed, and acceptance of delivery of Supplies and Services, subject to lawfully appropriated funds.

## ARTICLE 3 – SOURCE SELECTION AND CONTRACT FORMATION

### 3-101 Formal Purchases

~~(1)(2)~~ Unless exempt under Section 2-102 of this Code, the following Procurements shall be considered Formal Purchases under this Code:

- (a) the Procurement of Supplies or Services where the estimated aggregate costs and fees for the Procurement exceed \$300,000;
- (b) "Public construction works" required to be competitively awarded under Section 255.20, Florida Statutes, as amended;
- (c) "Electrical work" required to be competitively awarded under Section 255.20, Florida Statutes, as amended; and
- (d) "Professional Services" required to be publicly announced under Section 287.055, Florida Statutes, as amended.

~~(2)(3)~~ Formal Purchases shall be procured using the process and procedures for Formal Purchases detailed in the Operational Procedures.

### 3-102 Informal Purchases

(1) Unless exempt under Section 2-102 of this Code, all Procurements not considered to be Formal Purchases under Section 3-101 of this Code shall be considered Informal Purchases.

(2) Informal Purchases may be made in accordance with Operational Procedures.

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(3) Procurements shall not be artificially divided to constitute an Informal Purchase under this Section 3-102.

(4) Unless the Procurement is otherwise exempt under this Code, the Operational Procedures for Informal Purchases shall require, at a minimum, the following kind and number of quotations from prospective Vendors:

- (a) one properly documented quotation for Informal Purchases of \$~~40~~50,000 or less; or
- (b) three properly documented quotations for Informal Purchases exceeding \$~~40~~50,000; provided, however that if JEA fails to receive 3 quotations despite using all reasonable efforts to obtain 3 quotations, the Chief Procurement Officer may waive this requirement.

(5) Informal Purchases exceeding \$~~50~~100,000 shall be Posted for 7 to 10 calendar days.

(6) Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA in the amount of \$~~35~~100,000 or less shall be exempt from competitive bidding under this Code. JEA may procure such services directly without competition.

### 3-103 Methods of Pre-Source Selection

The Chief Procurement Officer may authorize any one or more of the following Pre-Source Selection Methods:

(1) A Request for Information ("RFI") is a Pre-Source Selection Method that requests written information about the capabilities of Bidders, Proposers or Respondents and may prepare interested Vendors for participation in future Solicitations. The publication of an RFI does not obligate JEA to make the purchases referred to in the RFI. JEA may use information obtained from RFIs to develop scopes of work for future Solicitations.

(2) A Request for Qualifications ("RFQ") is a Pre-Source Selection Method used to qualify a pool of two or more Vendors which will be eligible to respond to future Solicitations.  
~~of two or more Vendors which will be eligible to respond to future Solicitations.~~

(3) An Intent to Bid is a Pre-Source Selection Method intended to provide notice and information to potential Vendors of JEA's intent to issue a Solicitation for Supplies or Services. The Intent to Bid may request a response from Bidders confirming their intent to submit a Bid, Proposal or Response to a future JEA Solicitation. The publication of an Intent to Bid does not obligate JEA to make the purchases referred to in the Intent to Bid.

### 3-104 Methods of Source Selection

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Unless exempt under Section 2-102 of this Code, all Formal Purchases shall be procured using one of the following Methods of Source Selection:

- (a) Section 3-105 (Invitation for Bids (IFB));
- (b) Section 3-106 (Request for Proposals (RFP));
- (c) Section 3-107 (Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services));
- (d) Section 3-108 (Design-Build Contracts);
- (e) Section 3-109 (Construction Management and Program Management);
- ~~(f)~~ Section 3-110 (Multi-Step Competitive Bidding); ~~(g)~~
- ~~(f)(g)~~ Section 3-111 (Invitation to Negotiate (ITN))
- ~~(g)(h)~~ Section 3-112 (Single Source);
- ~~(h)(i)~~ Section 3-113 (Emergency Procurements);
- ~~(i)(j)~~ Section 3-114 (Public Private Ventures);
- ~~(j)(k)~~ Section 3-115 (Collaborative Procurements);
- ~~(k)(l)~~ Section 3-116 (Joint Projects);
- ~~(l)(m)~~ Section 3-117 (Use of Publicly Procured Contracts);
- ~~(m)(n)~~ Section 3-118 (Pilot Projects);
- ~~(n)(o)~~ Section 3-119 (Use of Reverse Auctions);

~~Article 4 (Procurement of Financial Instruments and Services);~~

The Chief Procurement Officer may elect to use any one of the Methods of Source Selection listed in this Section 3-104 if the Method of Source Selection is deemed by the Chief Procurement Officer to be in the best interest of JEA consistent with the purposes and guiding principles set forth in Section 1-101 of this Code. Notwithstanding the foregoing, the Method of Source Selection shall comply with the requirements of this Code, the provisions of any grant or other funding or cooperative agreements to which JEA is a party, and all applicable laws and regulations, including but not limited to, statutory requirements for the Procurement of Professional Services subject to the CCNA and Construction services meeting certain statutory thresholds. The Operational Procedures shall establish a process and procedures for each Method of Source Selection.

### 3-105 Invitation For Bids (IFB)

An IFB may be used when JEA is capable of defining the Specifications for a Supply or Service. An Award generally will be made to the Responsive and Responsible Bidder who submits the lowest Bid in a sealed competitive bidding process. Notwithstanding the foregoing, the Chief Procurement may waive minor irregularities in a Bid and may reject all Bids if the Chief Procurement Officer deems such actions to be in the best interest of JEA.

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**3-106 Request for Proposal (RFP)**

An RFP may be used when the Chief Procurement Officer determines that a Solicitation should include selection criteria in addition to price. Various combinations or versions of Supplies or Services may be proposed by a Vendor to meet the Specifications in the RFP.

An RFP may be used to procure Construction Services to the extent permitted by Section 255.20(1)(d)(2), Florida Statutes.

**3-107 Consultants' Competitive Negotiation Act (CCNA) (Architectural, Engineering, Landscape Architectural, or Surveying & Mapping Services)**

Architectural, engineering, landscape architectural, or registered surveying and mapping services considered "Professional Services" under the CCNA shall be procured in accordance with the requirements of the CCNA.

**3-108 Design-Build Contracts**

A Design-Build Contract may be used when the general design and construction requirements are known, but the detailed design and engineering has not been completed. Design-build contracts as defined in Section 287.055(2)(i), Florida Statutes, shall be procured in accordance with the CCNA and the Operational Procedures.

**3-109 Construction Management and Program Management**

Services may be procured from Construction Management Entities and program management entities in accordance with the provisions of Section 255.103, Florida Statutes. After selection and competitive negotiations, a Construction Management Entity may be required to offer a guaranteed maximum price and a guaranteed completion date or a lump-sum price and a guaranteed completion date as a construction manager "at risk" in accordance with the provisions of Section 255.103, Florida Statutes (a "Construction Manager at Risk" or a "CMAR").

**3-110 Multi-Step Competitive Bidding**

The Multi-Step Bidding Method of Source Selection involves a two-phase process in which Bidders first submit proposed revisions to both the commercial and technical terms of the Solicitation. During the second phase of the process, Bidders submit a bid price based on a revised Solicitation issued by JEA. An Award is based solely on the price of the Bid and does not include additional discussions or negotiations of material terms and conditions with Bidders after Bids are received. Multi-Step Competitive Bidding allows



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JEA to obtain Vendor feedback before finalizing commercial and technical terms to be used in an Invitation for Bids.

### 3-111 Invitation to Negotiate (ITN)

The Invitation to Negotiate is a Method of Source Selection that allows JEA to directly negotiate with Vendors to obtain best overall value for JEA. Under the ITN, JEA first evaluates initial Proposals with the intent to identify one or more Responsive and Responsible Respondent with which JEA may enter into one or more rounds of negotiations. Negotiations may result in modifications to the scope of work and terms and conditions of the ITN, submission of revised Bids or Responses, and may conclude with the submission of Best and Final Offers from one or more Vendors. The procedures for conducting an Invitation to Negotiate shall be described in the ITN Solicitation and the Operational Procedures.

ITNs may provide best value for JEA when establishing master contracts or definite delivery contracts for complex Supplies or Services, or when determining or refining scope, methods, or other nonprice aspects of a Solicitation.

For each use of the ITN Method of Source Selection, prior to issuance of the ITN, the Chief Procurement Officer shall document the reasons an ITN will produce the best value for JEA compared to an IFB or RFP. In addition to negotiating price, additional reasons must be stated as to why negotiations are needed to realize best value for JEA. Examples of such reasons are “the ITN method allows refining approaches, methods, tools, requirements, deliverables, and systems;” or, “identifying and incorporating value added services offered by Vendors into final requirements.”

### 3-112 Single Source

A Contract may be awarded for Supplies or Services as a Single Source when, pursuant to the Operational Procedures, the Chief Procurement Officer determines that:

- (a) there is only one justifiable source for the required Supplies or Services;
- (b) the Supplies or Services must be a certain type, brand, make or manufacturer due to the criticality of the item or compatibility within a JEA utility system, and such Supplies or Services may not be obtained from multiple sources such as distributors;
- (c) the Services are a follow-up of Services that may only be done efficiently and effectively by the Vendor that rendered the initial Services to JEA, provided the Procurement of the initial Services was competitive;
- (d) at the conclusion of a Pilot Project under Section 3-118 of this Code, the Procurement of Supplies or Services tested during the Pilot Project, provided the Vendor was competitively selected for the Pilot Project

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### 3-113 Emergency Procurements

In the event of an Emergency, the Chief Procurement Officer may make or authorize an Emergency Procurement, provided that Emergency Procurements shall be made with as much competition as practicable under the circumstances. A written Determination of the basis for the Emergency and for the selection of the particular Vendor shall be included in the Procurement file.

For purposes of this Section 3-113, an "Emergency" means any one of the following:

- (a) a reasonably unforeseen breakdown in machinery;
- (b) an interruption in the delivery of an essential governmental service or the development of a circumstance causing a threatened curtailment, diminution, or termination of an essential service;
- (c) the development of a dangerous condition causing an immediate danger to the public health, safety, or welfare or other substantial loss to JEA;
- (d) an immediate danger of loss of public or private property;
- (e) the opportunity to secure significant financial gain, to avoid delays to any Governmental Entity or avoid significant financial loss through immediate or timely action; or ~~(f) a valid public emergency certified by the Chief Executive Officer.~~  
a valid public emergency certified by the Chief Executive Officer.

### 3-114 Public-Private Partnerships

JEA may receive unsolicited proposals or may solicit proposals for a qualifying project and may thereafter enter into a comprehensive agreement with a private entity, or a consortium of private entities, for the building, upgrading, operating, ownership, or financing of JEA's facilities in accordance with the provisions of Section 255.065, Florida Statutes, as may be amended from time to time. The Operational Procedures shall set forth a process and procedures for the receipt and solicitation of such proposals that meet the requirements of Section 255.065, Florida Statutes, as amended from time to time.

### 3-115 Collaborative Procurements

JEA may participate in, sponsor, conduct, or administer a Collaborative Procurement for the Procurement of any Supplies or Services or Real Estate with one or more Governmental Entities, utility industry partners, nonprofit organizations or purchasing alliances in accordance with the terms of an agreement entered into between the participants. Such Procurements shall be in accordance with this Code and the Operational Procedures.

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JEA shall not participate in, sponsor, conduct, or administer a Collaborative Procurement agreement for the purpose of circumventing this Code.

### 3-116 Joint Projects

Except where doing so is to circumvent the purpose of this Code, JEA may enter into joint projects with public or utility industry partners, the City of Jacksonville and its other independent agencies, political subdivisions or other Governmental Entities (e.g., the United States Navy, the Florida Department of Transportation, etc.). Joint projects may include, but shall not be limited to, combined water, sewer, drainage and road projects with the City of Jacksonville and Florida Department of Transportation.

Notwithstanding the foregoing, the Procurement of Supplies and Services by JEA in a Joint Procurement shall be consistent with the guiding principles and purposes of this Code set forth in Section ~~404-1-101~~.

### 3-117 Use of Publicly Procured Contracts

JEA may procure Supplies or Services by using or “piggybacking” on contracts of the City of Jacksonville or its independent agencies, political subdivisions, other city and state or governmental agencies, school board districts, community colleges, federal agencies, Governmental Entities, or public colleges or universities, provided that the contracts of such other entities were competitively procured and the terms and conditions of JEA’s Contract are at least as favorable as the terms and conditions of the contract on which JEA is piggybacking. Formal Purchases using this Method of Source Selection shall be awarded ~~throughby~~ the ~~Awards Committee~~ Chief Procurement Officer.

### 3-118 Pilot Projects

A Pilot Project allows JEA to procure Supplies or Services on a trial basis in limited amounts and for a limited period of time in order to determine whether to proceed with a Formal Solicitation for the Procurement of such Supplies or Services.

If the estimated aggregate cost of Supplies and Services to be procured during a Pilot Project do not exceed \$100,000, and the term of the Contract for the Pilot Project does not exceed two years, the selection of a Vendor to participate in the Pilot Project is not required to be selected using a competitive solicitation process unless required by applicable law. However, after the conclusion of the Pilot Project, the Supplies or Services evaluated during the Pilot Project shall be procured using one of the other Methods of Source Selection provided in Section 3-104 of this Code.

Where the cost to JEA of the Supplies and Services during the Pilot Project is \$100,000 or more, JEA shall publicly advertise the Pilot Project so that Vendors may submit their qualifications to provide such

Supplies or Services. Based on the qualifications submitted by Vendors in response to such public advertisement, JEA will select one or more Vendors to participate in the Pilot Project. Once the Pilot Project is complete, the Chief Procurement Officer will determine whether JEA will initiate a competitive bidding process to obtain the Supplies or Services.

### 3-119 Use of Reverse Auctions

When the Chief Procurement Officer determines that procurement by a Reverse Auction is in the best interest of JEA, the Chief Procurement Officer may procure Supplies or Services by Reverse Auction. Reverse Auctions may be used with the following Solicitation types:

- (a) Invitation for Bids (IFB) – With Reverse Auction
- (b) Request for Proposals (RFP) – With Reverse Auction
- (c) Invitation to Negotiate (ITN) – With Reverse Auction

Reverse Auctions are to be used solely for obtaining lowest pricing. Prior to conducting a Reverse Auction, the following must be established for each Bidder, Proposer or Respondent:

- (a) Invitation for Bids – Bidders must provide documentation that they meet the minimum qualifications and any other requirements set forth in the IFB.
- (b) Request for Proposals – The Proposers must provide fully responsive Proposals. JEA shall evaluate Proposals and select at the top three, or more, ranked Proposers to participate in a Reverse Auction to establish pricing.
- (c) Invitation to Negotiate – At the conclusion of the negotiation process for an ITN, where all terms other than price have been agreed, JEA may choose to use a Reverse Auction to establish pricing.

### 3-120 Form of Contract Documents

The Office of General Counsel shall approve as to form all Contract documents for Formal Purchases. Contract Amendments do not require OGC form approval, unless otherwise provided in the Operational Procedures.

Purchase Orders may be used to form a Contract for Informal Purchases and Formal Purchases when the Chief Procurement Officer determines that a Formal Contract is not necessary. Purchase Orders shall be on a form that incorporates general terms and conditions reviewed and approved by the Office of General Counsel. If a Contract other than a Purchase Order is executed for an Informal Purchase, the Contract does not require form approval by the Office of General Counsel, unless specifically requested by JEA, or unless

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such Contract contains terms materially different than JEA's standard terms and conditions, and can be executed as set forth in the Operational Procedures.

In accordance with the JEA Charter, unless otherwise provided in the JEA Charter or by law, all Contracts of any kind, and in any form entered into by JEA, including, but not limited to, Procurement Contracts, Joint Project Contracts, interlocal agreements, and Purchase Orders for Informal Purchases shall contain a provision clearly specifying a fixed, maximum monetary indebtedness of JEA thereunder. Such Contracts may, however, provide for a lesser variable indebtedness of JEA upon a reasonable basis, subject to such fixed, maximum monetary indebtedness.

### **3-121 Execution of Contract Documents**

The Chief Executive Officer shall execute all Contracts. The Chief Executive Officer may delegate to the Chief Procurement Officer the authority to execute Contracts. Contracts and Purchase Orders may be executed by electronic means or by facsimile signatures.

### **3-122 JEA Project Manager**

All Contracts shall provide for a JEA Project Manager who will have the responsibility for overseeing all Work under the Contract and all payments made by JEA under the Contract. The Operational Procedures shall contain additional details concerning the responsibilities of JEA's Project and Contract Managers.

### **3-123 Continuing Services Contracts**

Continuing services contracts, and continuation contracts based on unit prices, may be utilized for recurring Procurements of Supplies and Services that are projected to be made over a period of time. The total amount of all Procurements issued under a continuing services contract shall not exceed JEA's maximum indebtedness set forth in the Contract or the amount as authorized by Florida Statutes for the specific category of work, if any, and shall comply with all other applicable laws.

### **3-124 Contract Pricing Terms**

Contract pricing terms are required in all Contracts and are the basis for payment approvals. The appropriate type of pricing terms will depend on the type of Contract and work being performed. The Operational Procedures may contain additional guidance concerning the type of pricing terms what are appropriate for certain types of Contracts.



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**ARTICLE 4 PROCUREMENT OF FINANCIAL INSTRUMENTS AND SERVICES****54-101 Protests**

(1) *Guiding Principles.* It is important that actual or prospective Bidders, Proposers and Respondents have confidence in JEA's Procurement process and procedures. One method of maintaining this confidence is to provide Vendors with an opportunity to file Protests relating to Solicitations and Awards as provided in this Section 54-101.

(2) *Right to Protest.* Any Vendor who is adversely affected by (i) the requirements of a Solicitation or a Determination made in connection with a Solicitation prior to ~~the issuance of an Intent to Award, or (ii) an Award or an Intent to finalization of an~~ Award may submit a written Protest meeting all of the requirements of subsections (3) and (4) of this Section 54-101. Protests in connection with the requirements of a Solicitation or a Determination made in connection with a Solicitation shall include, but not be limited to, Protests concerning any event or aspect of the Procurement process that followed the issuance of the Solicitation and led to the Award ~~or Intent to Award~~, Protests relating to the rejection of a Bid, Proposal or Response, including, but not limited to, whether a Bidder, Proposer or Respondent is Responsible or Responsive, and Protests relating to any ranking, scoring, or short-listing of Proposers or Respondents.

(3) *Protest Requirements.* Protests shall:

- (i) be submitted in writing in a letter or email addressed to the Chief Procurement Officer;
- (ii) identify the Solicitation, Award, ~~or Intent to Award~~, by number and title or other language sufficient to enable the Chief Procurement Officer to identify the Solicitation, ~~Award~~, or ~~Intent to Award~~;
- (iii) demonstrate the timeliness of the Protest;
- (iv) state the Protester's complete legal name and legal standing to protest; and
- (v) clearly state with particularity the issues and material facts supporting the Protest, and any legal authority upon which the Protest is based.

Contact information for the Chief Procurement Officer can be found at [jea.com](http://jea.com) under the Procurement section of the website.

~~(4)~~ *(4) Timeliness.*

- (i) Protests concerning the requirements of a Solicitation, including, but not limited to, the choice of Procurement method, process or procedure, any minimum qualifications or any Specifications, must be received by the Chief Procurement Officer at least five Business Days prior to the date on which Bids, Proposals, or Responses are due to be submitted under the Solicitation.

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(ii) All Protests concerning an Award or ~~an Intent to Award, or any~~ Determination made in connection with a Solicitation, must be received by the Chief Procurement Officer within ~~two~~ three Business Days after the Posting of the written notification of JEA's decision ~~in the decision, which is made~~ in the decision, which is made ~~Without notice to the Posting of the Award Committee regarding Award~~ or JEA's issuance of an Addendum or email to all Bidders, Proposers or Respondents stating its Intent to Award or establishing the short list of Respondents or Proposers, shall constitute ~~notification of an Award or Intent to Award, or other Determination~~. The period for filing a Protest under this subsection (ii) shall begin at the time of the Posting or other such notification.

(5) Protests failing to meet the requirements of subsections (3) and (4) shall be rejected and shall constitute a waiver of all rights of the Protester to file a Protest with respect to that subject matter. A Determination of whether a Protest meets the requirements of subsections (3) and (4) shall be made by the Chief Procurement Officer and is not subject to Protest or Appeal to the Procurement Appeals Board.

(6) JEA shall have the right to cancel, or rescind and re-issue, all Solicitations of any type, at any time until the time JEA executes a Contract under the Solicitation. Such right shall include the right to rescind an Award or an Intent to Award. After a Contract is executed, the terms of the Contract shall govern the parties to the Contract. Such cancellations and rescissions are not subject to Protest.

(7) *Notice of Protest to Affected Third Parties.* Upon receipt of a timely and proper Protest, JEA will notify Vendors known to JEA to be directly affected by the outcome of the Protest. All information, documents, materials and legal authority relating to the Protest that any such Vendor will provide to the Chief Procurement Officer must be received by the deadline established by the Chief Procurement Officer in such notice.

(8) *Protest Hearings.* Protestants shall not be entitled to a hearing of any kind prior to a decision of the Chief Procurement Officer concerning a Protest. The Chief Procurement Officer may conduct a hearing before making a decision. The Chief Procurement Officer shall be entitled to establish procedures for the conduct of any hearing and may set forth some or all of such procedures in the Operational Procedures or in the notice of the hearing. The Chief Procurement Officer shall provide Vendors known to JEA to be directly affected by the outcome of the Protest with a notice of the hearing providing the time, date, location and manner of the hearing.

(9) *Decision by Chief Procurement Officer.* After receipt of a Protest, and following a hearing, if any, and any period of time the Chief Procurement Officer may allow for other interested parties to respond to the Protest, the Chief Procurement Officer shall issue a written decision on the Protest. The written decision shall identify the Protester, recite relevant facts material to the decision, and state the decision and briefly summarize the Chief Procurement Officer's reasoning leading to the decision. In the event the decision is subject to review by the Procurement Appeals Board under this Article ~~54~~, the written decision of the Chief

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Procurement Officer shall inform the Protester of this right with a reference to the Sections of this Code and Operational Procedures outlining the procedures for Appeals.

(10) *Appeal Rights.* Protest decisions made by the Chief Procurement Officer may be appealed to the JEA Procurement Appeals Board pursuant to Section ~~54~~-106 below. Notwithstanding the foregoing, a Protester shall not have the right to appeal a Determination by the Chief Procurement Officer about whether a Protest met the requirements of subsections (3) and (4) of this Section.

(11) *Stay of Procurement During Protests and Appeals.* During the pendency of a Protest meeting the requirements of subsections (3) and (4) or an Appeal properly filed under Subsection (10) above, JEA shall not proceed further with the Solicitation or with the Award unless the Chief Procurement Officer, after consultation with the Organizational Element Manager, makes a Determination that proceeding with the Solicitation or Award without delay is necessary to protect substantial interests of JEA.

(12) Nothing in this Article ~~54~~ shall affect the ability of the Office of General Counsel to settle Protests pending the outcome of decisions by the Chief Procurement Officer, the Procurement Appeals Board, or the courts.

#### ~~54~~-102 Suspensions and Debarments

(1) *Authority.* The Chief Procurement Officer, after consultation with the Organizational Element Manager, shall have authority to suspend or debar a Vendor from consideration for participation in any Procurement undertaken by JEA. A suspension will be for a period of no more than 12 months, unless otherwise stated in the Operational Procedures. A debarment shall be for a period of no less than 13 months and no more than 36 months. Prior to a decision to suspend or debar a Vendor, the Chief Procurement Officer shall provide notice to the Vendor and an opportunity to be heard using a process determined by the Chief Procurement Officer to be fair and reasonable and consistent with this Code and the Operational Procedures.

(2) *Causes for Suspension or Debarment.* In making a decision of whether to suspend or debar a Vendor, and the length of any suspension or debarment, the Chief Procurement Officer shall consider the seriousness of the facts leading to the suspension or debarment. The causes for suspension or debarment may include, but not be limited to, the following:

- (a) conviction of a Public Entity Crime and inclusion on the State of Florida Convicted Vendor List pursuant to Section 287.133, Florida Statutes, as amended;
- (b) violation of the terms or requirements of a Contract in a manner that is regarded by the Chief Procurement Officer to be so serious as to justify a suspension or debarment decision, including, but not limited to, the following:

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- (i) a failure, without good cause, to perform in accordance with a Contract, Specifications, performance levels, warranty provisions, bonding and insurance requirements, or to comply within the time limits provided in the Contract, or
- (ii) failure to timely pay subcontractors or materialmen; or
- (iii) continued failure to perform or of unsatisfactory performance in accordance with the terms of one or more Contracts, provided that the failure to perform or unsatisfactory performance was not caused by acts beyond the control of the Vendor; or
- (c) suspension or debarment by another Governmental Entity including, but not limited to, the City of Jacksonville;
- (d) actions by the Vendor that are determined by the Chief Procurement Officer to be fraudulent or in bad faith;
- (e) violation of JEA's or the City of Jacksonville's Ethics Code;
- (f) violation of provisions of this Code relating to Ex Parte Communications;
- (g) existence of delinquent obligations of the Vendor to JEA, including claims by JEA for liquidated damages under any Contract; and
- (h) any other cause the Chief Procurement Officer determines to be so serious and compelling as to justify a Vendor's suspension or debarment.

(3) *Effect of Suspension or Debarment.* A Vendor that is suspended or debarred under this Section ~~54~~-102 shall be ineligible to participate in any manner in any Procurement undertaken by JEA. The suspension or debarment shall extend to all entities with common ownership or common management as the Vendor that has been suspended or debarred and shall include work undertaken by the debarred Vendor (or such related entity) as a subcontractor or materialman.

(4) *Decision.* The Chief Procurement Officer shall issue a written letter to the Vendor informing it of the decision to suspend or debar that Vendor. The decision shall:

- (a) recite relevant facts material to the Chief Procurement Officer's decision; (b) state the reasons for the decision;
- (c) state whether the Vendor is a suspension or debarment;
- (d) state the timeframe for suspension or debarment; and
- (e) inform the suspended or debarred Vendor involved of any rights to administrative review as provided in this Article ~~54~~.

(5) *Finality of Decision.* A suspension or debarment decision by the Chief Procurement Officer shall be final and conclusive, unless appealed.

#### ~~54~~-103 Creation of the Procurement Appeals Board

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~~The Chief Counsel for Procurement Appeals Board must be a member of the Governance, Audit, and Compliance Committee and shall be appointed by the Chief Counsel for Procurement.~~ A representative from the Office of General Counsel shall serve as counsel to the Procurement Appeals Board. The chair and two other members of the Procurement Appeals Board must be present to constitute a quorum of the Procurement Appeals Board.

#### **5-104 Procurement Appeals Board Procedures**

(1) Meetings of the Procurement Appeals Board shall be held in accordance with Florida's Open Meetings Laws. Accordingly, meetings will be publicly noticed, minutes will be taken, and a member of the Procurement Appeals Board shall not discuss with another member any matter which foreseeably may come before the Procurement Appeals Board unless the discussion occurs in a meeting held in accordance with Florida's Open Meeting Laws.

(2) Each member of the Procurement Appeals Board shall have one vote. A decision by the Procurement Appeals Board shall require a majority vote of the members of the Procurement Appeals Board.

(3) The chair of the Procurement Appeals Board shall have the authority to establish procedures for the Procurement Appeals Board and its meetings, provided that such process and procedures are consistent with this Code and the Operational Procedures.

#### **~~54~~-105 Authority of Procurement Appeals Board**

The Procurement Appeals Board is authorized to review and make a final decision on any Appeal of a written decision issued by the Chief Procurement Officer under:

- (a) Section ~~54~~-101 (Protests) of this Code; or
- (b) Section ~~54~~-102 (Suspensions and Debarments) of this Code.

The Procurement Appeals Board is not authorized to intercede in, or hear Appeals relating to, Determinations made in connection with Vendor disputes regarding performance under a Contract, other than the authority granted to review and make decisions regarding Appeals of Suspensions or Debarments as provided in this Code.

#### **~~54~~-106 Appeals**

(1) *Appeal Submittal.* A Vendor seeking to appeal a decision of the Chief Procurement Officer under Section ~~54~~-101 or ~~54~~-102 of this Code shall submit its appeal in writing by letter or email to the Chief Procurement Officer in accordance with the timeliness and other requirements set forth in this Section ~~54~~-106 (an "Appeal"). The Appeal shall clearly state the following:



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(a) the grounds, relevant facts and legal authority supporting the Appeal; and (b) acts supporting the Vendor's standing to Appeal.

(2) *Timeliness and Standing.* An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-101 of this Code must be received by the Chief Procurement Officer no later than three Business Days after issuance of a written decision by the Chief Procurement Officer. An Appeal relating to a decision of the Chief Procurement Officer under Section ~~54~~-102 of this Code must be received by the Chief Procurement Officer no later than 30 days after issuance of a decision by the Chief Procurement Officer under Section ~~54~~-102. To have standing to Appeal, a Vendor must have been adversely affected by such decision.

(3) Failure to submit a timely Appeal or to have standing to Appeal under subsections (1) and (2) of this Section ~~54~~-106 shall result in dismissal of the Appeal and constitute a waiver of all rights to appeal a decision of the Chief Procurement Officer. A Determination of whether an Appeal meets the requirements of subsections (1) and (2) shall be made by the chair of the Procurement Appeals Board and is not subject to appeal to the Procurement Appeals Board.

(4) All written information, documents, materials and legal authority the Vendor making an Appeal desires to provide to the Procurement Appeals Board must be sent to the Chief Procurement Officer and received by the deadline established by the chair of the Procurement Appeals Board in the notice of hearing provided to the Vendor making the Appeal.

(5) Upon receipt of a timely and proper Appeal, the Chief Procurement Officer will notify Vendors known to JEA to be directly affected by the outcome of the Appeal. Any information, materials and legal authority relating to the Appeal that any such Vendor desires to provide to the Procurement Appeals Board must be received by the deadline established by the Chief Procurement Officer in such notice.

#### ~~54~~-107 Review of Appeals

(1) Upon receipt of an Appeal, the Chief Procurement Officer shall forward the Appeal to the Procurement Appeals Board and, if the Appeal is determined by the chair of the Procurement Appeals Board to be proper and timely, a meeting of the Procurement Appeals Board to consider the Appeal shall be scheduled.

(2) Representatives of the Vendor appealing the decision, will be afforded an opportunity to present the merits of the Appeal based solely upon the grounds, facts and legal authority contained in its written Appeal submitted to the Chief Procurement Officer. Representatives of any other Vendors adversely affected by the resolution of the Appeal will also be given an opportunity to be heard and to present information before the Procurement Appeals Board. The Chief Procurement Officer and the Chief Procurement Officer's legal counsel shall also be given an opportunity to respond to the Appeal and the

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presentations to the Procurement Appeals Board. Formal rules of evidence, including, but not limited to, those found in the Florida Evidence Code, do not apply to presentations made at meetings of the Procurement Appeals Board. The Chair of the Procurement Appeals Board may impose reasonable limitations on the amount of time each Vendor has to present, allow members of the Procurement Appeals Board to ask questions of any party at any time, and may impose other reasonable requirements relating to all presentations and the conduct of the meeting. The chair of the Procurement Appeals Board shall have the authority to make all Determinations and resolve any disputes concerning the process and procedures for Appeals and the conduct of the meeting.

(3) The standard of review used by the Procurement Appeals Board in making its decision shall be whether the Chief Procurement Officer's decision is:

- (i) in conflict with this Code and the Operational Procedures;
- (ii) arbitrary;
- (iii) capricious;
- (iv) dishonest;
- (v) fraudulent;
- (vi) clearly erroneous; (vii) illegal; or
- (viii) without any basis in fact or otherwise must be reversed based on applicable law.

(4) The burden shall be on the Vendor appealing the Chief Procurement Officer's decision to demonstrate that the standard of review is met.

(5) A majority vote of the members of the Procurement Appeals Board shall be required to render a decision.

(6) The Procurement Appeals Board shall deliberate at the meeting held to consider the Appeal and announce its decision prior to adjourning the meeting. The decision of the Procurement Appeals Board shall be final and binding. Following the adjournment of the meeting, the Procurement Appeals Board will issue a written decision.



**BOARD RESOLUTION: 2021-09**  
April 27, 2021

**REVISIONS TO PROCUREMENT CODE**

WHEREAS, the JEA Procurement Code (P-Code) was adopted via a JEA Board resolution in 1996 as a comprehensive purchasing code for use in governing all JEA purchases and related administrative activities. The P-Code provides a solid foundation for JEA's procurement activities and has been amended over the years to remain current with industry best practices;

WHEREAS, the JEA Chief Procurement Officer is responsible for updating JEA's P-Code and ensuring it is in compliance with all applicable laws and regulations. The last significant Procurement Code revision was made in 2015. Since that time, the JEA Charter has been updated and a Procurement Best Practice Study was completed in 2020. JEA has reviewed the requirement changes in the JEA Charter and recommendations from the study, and incorporated those into our processes and procedures in the P-Code and Operational Procedures;

BE IT RESOLVED by the JEA Board of Directors that:

The Board grants JEA approval for the revisions to the JEA Procurement Code.

Dated this 4-1-21 day of April 2021.

EA Board Chair

JEA Board Secretary

Form Approved by

Chief of General Counsel

VOTE	
In Favor	7
Opposed	0
Abstained	0

Header



**BOARD RESOLUTION: 2023-27**

August 29, 2023

**A RESOLUTION BY THE BOARD APPROVING REAL PROPERTY RULES AND PROCEDURES; REVISING THE JEA REAL ESTATE SERVICES PROCUREMENT DIRECTIVE; AND PROVIDING FOR AN EFFECTIVE DATE**

WHEREAS, Article 21 of the Jacksonville City Charter authorizes JEA to acquire real property (or any estate or interest therein), for the use or expansion of the utilities systems; and

WHEREAS, JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) that is no longer needed or useful for operation of the utilities systems; and

WHEREAS, in accordance with Article 21.04(b)(4), the Board is required to approve real estate rules and procedures and amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property; and

WHEREAS, the Board, is further required to review such real estate rules and procedures no less than biennially; and

WHEREAS, the proposed Real Estate Services Procurement Directive (Directive), attached hereto as Exhibit "A" and incorporated herein, contains revised rules governing the acquisition, use, and disposition of JEA real property; and

WHEREAS, the proposed Directive is hereby presented for the Board's biennial review and approval.

BE IT RESOLVED by the JEA Board of Directors that:

1. In accordance Article 21.04(b)(4) of the City Charter, the Board has reviewed the rules and procedures contained in the Directive.
2. Based upon its review, the Board hereby approves the Directive. All previous directives related to the procurement of real property are hereby repealed and replaced by the Directive.
3. The Managing Director/Chief Executive Officer (or designee) shall take all steps necessary to implement and administer the Directive.
4. The Directive shall supplement the Amended and Restated JEA Procurement Code (Code). To the extent that there is any conflict between the Code and the Directive related to any real property transaction, the Directive shall govern.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 29<sup>th</sup> day of August 2023.

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JEA Board Vice Chair on behalf of  
JEA Board Chair

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JEA Board Secretary

Form Approved by:

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Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

**Real Estate Services Procurement Directive****Revision Date:** *{insert date}***ARTICLE 1 GENERAL PROVISIONS****1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.



(h) *Job Titles*. If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms*. Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### ARTICLE 3 REAL PROPERTY ACQUISITIONS

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

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<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA.

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the terms most favorable to JEA or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize donation or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.

## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02 Approval by the CEO.** The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.



## **ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

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.

**Commented [SLA1]:** Removed this narrative paragraph. New Section 1 connects the 2023 Directive to the Charter and outlines the scope of the Directive.

**Commented [SLA2]:** 2023 Directive Section 2 clearly spells out the Board's delegation to CEO and CEO's delegation to Real Estate Services/Real Estate Director.

**Commented [SLA3]:** 2023 Directive language aligns with current JEA org structure and job titles to refer to Real Estate Services and the Real Estate Director, rather than Real Property Procurement Officer.

**Commented [SLA4]:** 2023 Directive combines Rules of Construction and Definitions and includes Board review every two years, tied to Board self-assessment.

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.

**Commented [SLA5]:** 2023 Directive Section 8.01 sets this amount at \$2M.

**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

**Commented [SLA7]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**Commented [SLA6]:** Dollar amount-based sub-delegations are covered in the summary page signed by CEO, rather than being placed in the formal directive.

**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 36i, 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.

**Commented [SLA8]:** 2016 Directive refers to OGC throughout. 2023 Directive affirms OGC's integral role in Sec. 2.03 and incorporates (in a footnote) external counsel which can also provide reviews

**Commented [SLA9]:** 2023 Directive ties Eminent Domain/condemnation to the Charter and Florida Statutes.

**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

**Commented [SLA10]:** 2023 Directive requires Board resolution to classify property as surplus. Board may delegate to CEO ability to determine property is surplus and arrange for disposal.

adjoining property owners and may sell the property according to the procedures in Section III D 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.

**Commented [SLA11]:** 2023 Directive Sec. 8.01 sets this threshold at \$2M.

**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.

**Commented [SLA12]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

- 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.

**DISPOSITION SUMMARY CHART:**

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

**Commented [SLA13]:** 2023 Directive allows a variety of sale processes in order to maximize value to JEA and the community.

**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.

**LEASE 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.

**PROCUREMENT CODE EXEMPTIONS**  
*WITH SUMMARY OF SEPARATE DIRECTIVES*  
August 2023

Exemptions to the JEA Procurement Code are created to accommodate business needs and provide flexibility while still meeting statutory guidelines and the requirements in JEA's Charter, Article 21 of the City of Jacksonville Charter.

In August 2022 the JEA Board approved modifications to delegate certain purchases to the Chief Executive Officer during a period when fuel costs were rising and JEA was attempting to manage current and future fuel costs. The interpretation of the earlier modifications was over broad, and staff has reduced several areas to much lower thresholds. The summary chart attached indicates the lower thresholds made by staff.

The Fuels Management and Energy Purchases directives remain at \$100M. In addition, two other areas are presented to the Board for its consideration. The first area is the Real Estate Procurement Directive that has not been modified since 2016. The JEA Charter requires Board review of the real estate directive every two years. Staff is recommending changes to the levels and dollar amounts of approvals including delegating purchases less than \$2M with a range of approval limits from Director level to CEO. Staff is asking the Board to consider an additional exception to the Procurement Code in the form of a Financial Instruments and Services section. Portions of this delegation were already in place.

The following chart outlines the exceptions and the modified limits for each exemption area. Each directive is summarized in a template format. The modified Real Estate Directive and the new Financial Instruments and Services directive are shown at the end of the chart.

Order of Exhibits:

- Summary chart
- Environmental Allowances Directive
- Fuels Management Directive
- Byproducts Services Directive
- Electric System Energy, Capacity and Transmission Directive
- Electric System – JEA Owned Transmission and Ancillary Services Directive
- Customer and Community Engagement Directive
- Real Estate Directive - Rewrite
- Financial Instruments and Services Directive – New

## Summary of Procurement Exemption Directives

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Environmental Allowances	Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances. This is covered under the Fuels exemption.	>\$1,000,000	JEA Board	Wayne Young - VP of Environmental Services	The proposed changes will lower the signatory threshold to the following per contract: Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		>\$500,000 to \$1,000,000	Chief Executive Officer		
		>\$250,000 to \$500,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$100,000 to \$250,000	VP of Environmental Services		
		< \$100,000	Director Environmental Services		
Fuels Directive	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 exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.	> \$100,000,000	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Systems		
		< \$10,000,000	Senior Director, Energy Operations		
Byproducts - Electric and Water/Wastewater	This procurement exemption provides 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. This includes the procurement, sale, marketing and management of Byproducts for Electric, Water and Wastewater (materials resulting from the process of generating electricity, producing potable water, and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals).	> \$10,000,000	JEA Board	Ricky Erixton - VP of Electric Systems or Hai Vu - VP of Water Wastewater Systems	The proposed changes will lower the signatory threshold to the following per contract: Directors to approve < \$100,000 VPs to approve \$100,000 to \$1,000,000 Chiefs to approve >\$1,000,000 to \$5,000,000 CEO to approve >\$5,000,000 to \$10,000,000 Board to approve >\$10,000,000
		>\$5,000,000 to \$10,000,000	Chief Executive Officer		
		>\$1,000,000 to \$5,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$100,000 to \$1,000,000	VP of Electric Systems <b>or</b> VP of Water & Wastewater Systems		
		< \$100,000	Senior Director, Energy Operations <b>or</b> Director WW & Reuse Treatment <b>or</b> Director Water Operations & Treatment Support Services		
Electric System - Transmission Capacity and Services - Short-Term and Long-Term Transactions	Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale of renewable energy credits (also known as Greentags).	> \$100,000,000	JEA Board	Ricky Erixton - VP Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Services		
		< \$10,000,000 Indemnity Agreements	Senior Director, Energy Operations		
Electric Systems - Sale JEA Owned Transmission and Ancillary Services	It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS).	Tariffs	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		Long Term Firm Short Term Firm & Non-Firm	VP of Electric Systems Senior Director, Energy Operations		

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Customer and Community Engagement	This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of JEA. This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).	> \$1,000,000	JEA Board	Sheila Pressley - Chief Customer Officer  or Laura Dutton - Chief Strategy Officer  or Laura Schepis - Chief External Affairs Officer  Or David Emanuel – Chief Human Resources Officer	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		>\$500,000 to \$1,000,000	Chief Executive Officer		
		>\$250,000 to \$500,000	Chief Customer Officer or Chief Strategy Officer or Chief External Affairs Officer or Chief Human Resources Officer and Chief Financial Officer		
		\$100,000 to \$250,000	VP Customer Experience Insights & Digitization or VP Corporate Strategy or VP Communications		
		< \$100,000	Director, Customer & Community Engagement or Director Customer Experience Insights & Strategy or Director Learning & Development or Sr. Director of Employee Services		
Real Estate	Purchase, sale, or transfer of real or intangible property, easements, and leases.	> \$2,000,000	JEA Board	Michael Corbitt - Director Real Estate Services	Majority of changes are clean up to the current Directive, including: 1. Remove duplicative language 2. Add language for new 2020 Charter amendment language specific to real property a. Record memo of lease with clerk of courts b. MAI appraisal required for properties valued over \$50,000 c. Rules and Procedures must be reviewed biennial d. Rules and Procedures must be made available for publicview 3. Removal of Awards Committee per Procurement Code 4. Update approval amounts to reflect historical Transaction values to support operational needs for growth and resiliency: Directors to approve < \$100,000 VPs to approve \$100,000 to \$500,000 Chiefs to approve >\$500,000 to \$1,000,000 CEO to approve >\$1,000,000 to \$2,000,000 Board to approve > \$2,000,000
		>\$1,000,000 to \$2,000,000	Chief Executive Officer		
		>\$500,000 to \$1,000,000	Chief Financial Officer		
		\$100,000 to \$500,000	VP of Economic Development		
		< \$100,000	Director Real Estate Services		
Financial Instruments and Services	This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible.	> \$25,000,000	JEA Board	Randall Barnes - Treasurer	Deleted Section 4 of the Procurement Code and created a Financial Instruments and Services Directive.
		>\$10,000,000 to \$25,000,000	Chief Executive Officer		
		>\$1,000,000 to \$10,000,000	Chief Financial Officer		
		\$100,000 to \$1,000,000	VP Financial Services		
		< \$100,000	Treasurer		

Summary of Procurement **Exemption** Directives

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Environmental Allowances	Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances. This is covered under the Fuels exemption.	<del>&gt;\$1,000,000</del> <del>\$100,000,000</del>	JEA Board	Wayne Young - VP of Environmental Services	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$250,000 Chiefs to approve >\$250,000 to \$500,000 CEO to approve >\$500,000 to \$1,000,000 Board to approve >\$1,000,000
		<del>&gt;\$500,000 to \$1,000,000</del> <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer		
		<del>&gt;\$250,000 to \$500,000</del> <del>\$1,000,000 to \$10,000,000</del>	Chief Financial Officer <b>and</b> Chief Operating Officer		
		<del>\$100,000 to \$250,000</del> <del>\$1,000,000 or less</del>	VP of Environmental Services		
		<del>&lt; \$100,000</del> <del>\$500,000</del>	Director Environmental Services		
Fuels Directive	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 exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.	> \$100,000,000	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Systems		
		< \$10,000,000	Senior Director, Energy Operations		
Byproducts - Electric and Water/Wastewater	This procurement exemption provides 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. This includes the procurement, sale, marketing and management of Byproducts for Electric, Water and Wastewater (materials resulting from the process of generating electricity, producing potable water, and treating wastewater including but not limited to, bottom ash, bed ash, flyash, gypsum, activated carbon, resin, sludge and biosolids residuals).	<del>&gt; \$10,000,000</del> <del>&gt; \$100,000,000</del>	JEA Board	Ricky Erixton - VP of Electric Systems or Hai Vu - VP of Water Wastewater Systems	The proposed changes will lower the signatory threshold to the following per contract:  Directors to approve < \$100,000 VPs to approve \$100,000 to \$1,000,000 Chiefs to approve >\$1,000,000 to \$5,000,000 CEO to approve >\$5,000,000 to \$10,000,000 Board to approve >\$10,000,000
		<del>&gt;\$5,000,000 to \$10,000,000</del> <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer		
		<del>&gt;\$1,000,000 to \$5,000,000</del> <del>\$5,000,000 to \$10,000,000</del>	Chief Financial Officer <b>and</b> Chief Operating Officer		
		<del>\$100,000 to \$1,000,000</del> <del>\$1,000,000 to \$5,000,000</del>	VP of Electric Systems <b>or</b> VP of Water & Wastewater Systems		
		<del>&lt; \$100,000</del> <del>&lt; \$1,000,000</del>	Senior Director, Energy Operations <b>or</b> Director WW & Reuse Treatment <b>or</b> Director Water Operations & Treatment Support Services		
Electric System - Transmission Capacity and Services - Short-Term and Long-Term Transactions	Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale of renewable energy credits (also known as Greentags).	> \$100,000,000	JEA Board	Ricky Erixton - VP Electric Systems	No change
		\$35,000,000 to \$100,000,000	Chief Executive Officer		
		\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer		
		\$10,000,000 to \$20,000,000	VP of Electric Services		
		< \$10,000,000 Indemnity Agreements	Senior Director, Energy Operations		
Electric Systems - Sale JEA Owned Transmission and Ancillary Services	It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS).	Tariffs	JEA Board	Ricky Erixton - VP of Electric Systems	No change
		Long Term Firm Short Term Firm & Non-Firm	VP of Electric Systems Senior Director, Energy Operations		

Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Directive	Description	Limits	Signatory Authority	Procurement Officer	Notes
Customer and Community Engagement	This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of JEA. <b>This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).</b>	>\$1,000,000 \$100,000,000	JEA Board	Sheila Pressley - Chief Customer Officer or Laura Dutton - Chief Strategy Officer or Laura Schepis - Chief External Affairs Officer Or David Emanuel – Chief Human Resources Officer	<b>The proposed changes will lower the signatory threshold to the following per contract:</b>  <b>Directors to approve &lt; \$100,000</b>  <b>VPs to approve \$100,000 to \$250,000 Chiefs to approve &gt;\$250,000 to \$500,000 CEO to approve &gt;\$500,000 to \$1,000,000 Board to approve &gt;\$1,000,000</b>
		>\$500,000 to \$1,000,000 \$10,000,000 to \$100,000,000	Chief Executive Officer		
		>\$250,000 to \$500,000 \$1,000,000 to \$10,000,000	Chief Customer Officer or Chief Strategy Officer or Chief External Affairs Officer or Chief Human Resources Officer and Chief Financial Officer		
		\$100,000 to \$250,000 \$1,000,000 or less	VP Customer Experience Insights & Digitization or VP Corporate Strategy or VP Communications		
		< \$100,000 \$500,000	Director, Customer & Community Engagement or Director Customer Experience Insights & Strategy or Director Learning & Development or Sr. Director of Employee Services		
Real Estate	Purchase, sale, or transfer of real or intangible property, easements, and leases.	> \$2,000,000 > \$500,000	JEA Board	Michael Corbitt - Director Real Estate Services	<b>Majority of changes are clean up to the current Directive, including:</b> <b>1. Remove duplicative language</b> <b>2. Add language for new 2020 Charter amendment language specific to real property</b> <b>a. Record memo of lease with clerk of courts</b> <b>b. MAI appraisal required for properties valued over \$50,000</b> <b>c. Rules and Procedures must be reviewed biennial</b> <b>d. Rules and Procedures must be made available for publicview</b> <b>3. Removal of Awards Committee per Procurement Code</b> <b>4. Update approval amounts to reflect historical transaction values to support operational needs for growth and resiliency:</b> <b>Directors to approve &lt; \$100,000</b> <b>VPs to approve \$100,000 to \$500,000 Chiefs to approve &gt;\$500,000 to \$1,000,000 CEO to approve &gt;\$1,000,000 to \$2,000,000 Board to approve &gt; \$2,000,000</b>
		>\$1,000,000 to \$2,000,000	Chief Executive Officer		
		>\$500,000 to \$1,000,000	Chief Financial Officer		
		\$100,000 to \$500,000 >\$50,000 to \$500,000	VP of Economic Development Awards Committee		
		< \$100,000 \$50,000 or less	Director Real Estate Services Procurement Officer for Real Estate		
Financial Instruments and Services	This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible.	> 25,000,000	JEA Board	Randall Barnes - Treasurer	<b>Deleted Section 4 of the Procurement Code and created a Financial Instruments and Services Directive.</b>
		>\$10,000,000 to \$25,000,000	Chief Executive Officer		
		>\$1,000,000 to \$10,000,000	Chief Financial Officer		
		\$100,000 to \$1,000,000	VP Financial Services		
		< \$100,000	Treasurer		



## **ENVIRONMENTAL ALLOWANCES DIRECTIVE**

Procurement Code Exemption			
Procurement and Sale of Environmental Allowances excluding Air Emissions Allowances which are procured under the Fuels Management Services			
Scope of Procurement Exemption: Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement, generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances and is covered under the Fuels exemption. Examples of Environmental Allowance markets include, but are not limited to, wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting offsets and substitution credits. The VP shall determine whether to procure supplies and services under this procurement exemption, as time constraints allow, or procure them through the JEA Procurement Code.			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement or Sale of Environmental Allowances	> \$1,000,000	JEA Board (Per Delegation of Authority)	
	>\$500,000 to \$1,000,000	Chief Executive Officer	
	>\$250,000 to \$500,000	Chief Financial Officer <b>and</b> Chief Operating Officer	
	\$100,000 to \$250,000	VP of Environmental Services	
	< \$100,000	Director Environmental Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any Term	Director Environmental Services
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director Environmental Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Environmental Services Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	VP Environmental Services	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Director Environmental Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, 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 the JEA's best interest.
Loan or Sale	Any Amount	Director Environmental Services	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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe  
Managing Director, CEO  
Date:

Accepted:

Wayne Young  
VP of Environmental Services  
Date:

Procurement Code Exemption			
Procurement and Sale of Environmental Allowances excluding Air Emissions Allowances which are procured under the Fuels Management Services			
Scope of Procurement Exemption: Environmental Allowances refers to environmental trading credits associated with JEA's activities in procurement generating, using, constructing or providing energy, water, or wastewater to other related services. This Procurement exemption does not include Air Emissions Allowances and is covered under the Fuels exemption. Examples of Environmental Allowance markets include, but are not limited to, wetland mitigation banking credits, wildlife credits, water quality credits, and consumptive use permitting offsets and substitution credits. The VP shall determine whether to procure supplies and services under this procurement exemption, as time constraints allow, or procure them through the JEA Procurement Code.			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement or Sale of Environmental Allowances	> \$1,000,000 <del>\$100,000,000</del>	JEA Board (Per Delegation of Authority)	
	\$500,000 to \$1,000,000 <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer	
	\$250,000 to \$500,000 <del>\$1,000,000 to \$10,000,000</del>	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$250,000 <del>\$1,000,000 or less</del>	VP of Environmental Services	
	< \$100,000 <del>\$500,000</del>	Director Environmental Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any Term	Director Environmental Services
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director Environmental Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Environmental Services Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	VP Environmental Services	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Director Environmental Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, 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 the JEA's best interest.
Loan or Sale	Any Amount	Director Environmental Services	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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
 Jay Stowe  
 Managing Director, CEO  
 Date:

Accepted:

\_\_\_\_\_  
 Wayne Young  
 VP of Environmental Services  
 Date:

## **FUELS MANAGEMENT DIRECTIVE**

Procurement Code Exemption			
Fuels Management Services Procurements - Procurement of Fuels, Emission Allowances, and Associated Transportation			
Scope of Procurement Code Exemption: Fuel Management Services (FMS) Department develops and administers cost-effective strategies for the procurement of fuel (see note 1), 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 exemption supplements JEA's Procurement Code to provide JEA staff with the authority to make timely procurement commitments and to effectively participate in fuel, emission allowance, and transportation (including customs fees) markets. It governs the procurement of fuel, emission allowances and associated transportation notwithstanding any provision in JEA's Procurement Code or current Florida State Statute to the contrary.			
	Agreement Amount	Contract Signatory Authority	
Contracts or Approval for the Procurement or Sale of Fuels Management Services	> \$100,000,000	JEA Board (Per Delegation of Authority)	
	\$35,000,000 to \$100,000,000	Chief Executive Officer	
	\$20,000,000 to \$35,000,000	Chief Financial Officer <b>and</b> Chief Operating Officer	
	\$10,000,000 to \$20,000,000	VP Electric Systems	
	< \$10,000,000	Senior Director, Energy Operations	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Senior Director, Energy Operations or designee
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Senior Director, Energy Operations	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to procure generating fuel by issuing a solicitation via email to all those on the appropriate JEA's bidders list. All those on the Bidder's List shall receive the solicitation. Under this procurement method, JEA Fuels staff will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Senior Director, Energy Operations	JEA may enter into contracts based on unsolicited offer for fuel, emissions allowances, and/or associated transportation of fuels without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Senior Director, Energy Operations	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement of generating fuel, emission allowances, and/or associated transportation of generating fuels 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 the JEA's best interest. Note -JEA's natural gas supply and hedging instruments are procured under a Cooperative Agreement with TEA, and the Cooperative Agreement dictates JEA's day to day purchases of natural gas.
Loan or Sale	Any Amount	Senior Director, Energy Operations	JEA may loan or sell Generating Fuels, Air Emission Allowances and/or transportation of Generating Fuels 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.
Note 1- Fuel is defined as fuel or fuel related products used in the generation of electricity including, but not limited to, petroleum coke, coal, limestone, natural gas, #6 residual fuel oil, #2 diesel fuel oil, biomass and kaolin.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe

Managing Director, CEO

Date: 10/12/2022

Accepted:

*Ricky Erixton*

Ricky Erixton

VP of Electric Systems

Date: 10/13/2022

## **BYPRODUCTS SERVICES DIRECTIVE**

Procurement Code Exemption			
Byproduct Services - Electric and Water/Wastewater			
<p>Scope of Procurement Code Exemption:</p> <p>JEA produces byproducts through its normal operations. In efforts to support JEA's environmental sustainability initiative, and to obtain the best use of rate payer dollars, JEA may either beneficially reuse or landfill byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric and Water/Wastewater (materials resulting from the process of generating electricity, producing potable water and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals). In an effort to beneficially reuse 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 certification received, may sell the byproducts for use within the certifications, and may procure existing landfill space or lands for landfill purposes to 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 results for JEA, including requiring that contractors operate landfills be certified and experienced in the use of both byproduct materials and landfill operations.</p> <p>This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, explore innovative technologies, beneficially reuse, install, sanitation and dewatering to mitigate negative environmental impacts and dispose of byproducts. It governs the marketing, transportation (including the lease/purchase of rail assets), exploration of innovative technologies, beneficial reuse, installation, sanitation and dewatering in mitigation of negative environmental impacts and disposal of byproducts.</p>			
	Agreement Price	Contract Signatory Authority	
Contracts for the Procurement of Byproduct Services	> \$10,000,000	JEA Board (Per Delegation of Authority)	
	\$5,000,000 to \$10,000,000	Chief Executive Officer	
	\$1,000,000 to \$5,000,000	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$1,000,000	VP of Electric Systems <u>or</u> VP of Water & Wastewater Systems	
	< \$100,000	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Price	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services
Procurement Methodology			
Type of Procurement	Price	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure byproducts by issuing a solicitation via email to prospective bidders. Under this procurement method, JEA Byproducts staff will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may enter into contracts based on unsolicited offers for the marketing, transportation, beneficial reuse, installation and disposal of byproducts without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of 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 the JEA's best interest.
Loan or Sale	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may loan or sell 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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
 Jay Stowe  
 Managing Director, CEO  
 Date:

Accepted:

\_\_\_\_\_  
 Ricky Erixton  
 VP of Electric Systems  
 Date:

Accepted:

\_\_\_\_\_  
 Hai Vu  
 VP of Water/Wastewater Systems Date:



Procurement Code Exemption			
Byproduct Services - Electric and Water/Wastewater			
Scope of Procurement Code Exemption: JEA produces byproducts through its normal operations. In efforts to support JEA's environmental sustainability initiative, and to obtain the best use of rate payer dollars, JEA may either beneficially reuse or landfill byproducts. This includes the procurement, sale, marketing and management of Byproducts for Electric and Water/Wastewater (materials resulting from the process of generating electricity, producing potable water and treating wastewater including but not limited to, bottom ash, bed ash, fly ash, gypsum, activated carbon, resin, sludge and biosolids residuals). In an effort to beneficially reuse 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 certification received, may sell the byproducts for use within the certifications, and may procure existing landfill space or lands for landfill purposes to 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 results for JEA, including requiring that contractors operate landfills be certified and experienced in the use of both byproduct materials and landfill operations. This procurement exemption provides JEA staff with the authority to make timely procurement commitments and to effectively participate in opportunities to market, transport, explore innovative technologies, beneficially reuse, install, sanitation and dewatering to mitigate negative environmental impacts and dispose of byproducts. It governs the marketing, transportation (including the lease/purchase of rail assets), exploration of innovative technologies, beneficial reuse, installation, sanitation and dewatering in mitigation of negative environmental impacts and disposal of byproducts.			
	Agreement Price	Contract Signatory Authority	
Contracts for the Procurement of Byproduct Services	> \$10,000,000 ➤ <del>\$100,000,000</del>	JEA Board (Per Delegation of Authority)	
	\$5,000,000 to \$10,000,000 <del>\$10,000,000 to</del> <del>\$100,000,000</del>	Chief Executive Officer	
	\$1,000,000 to <del>\$5,000,000</del> <del>\$5,000,000 to</del> <del>\$10,000,000</del>	Chief Financial Officer <u>and</u> Chief Operating Officer	
	\$100,000 to \$1,000,000 <del>\$1,000,000 to</del> <del>\$5,000,000</del>	VP of Electric Systems <u>or</u> VP of Water & Wastewater Systems	
	< \$100,000 < <del>\$1,000,000</del>	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Price	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services
Procurement Methodology			
Type of Procurement	Price	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure byproducts by issuing a solicitation via email to prospective bidders. Under this procurement method, JEA Byproducts staff will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may enter into contracts based on unsolicited offers for the marketing, transportation, beneficial reuse, installation and disposal of byproducts without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of 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 the JEA's best interest.
Loan or Sale	Any Amount	Senior Director, Energy Operations <u>or</u> Director WW & Reuse Treatment <u>or</u> Director Water Operations & Treatment Support Services	JEA may loan or sell 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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe

Managing Director, CEO

Date:

Accepted:

Ricky Erixton

VP of Electric Systems

Date:

Accepted:

Hai Vu

VP of Water/Wastewater Systems

Date:

## **ELECTRIC SYSTEM ENERGY CAPACITY AND TRANSMISSION DIRECTIVE**

Procurement Code Exemption			
Electric System Procurement Exemption - Purchase or Sale of Electric Energy, Electric Generation Capacity, Electric Transmission Capacity and Transmission Services - Short Term and Long-Term Transactions			
Scope of Procurement Exemption: Purchase or Sale of electric energy, electric generating capacity, electric transmission service capacity and their associated ancillary services, or resale of transmission capacity retained from transmission service providers in the open transmission or open transmission markets or third-party transmission providers, or the purchase or sale renewable energy credits (also known as Greentags).			
Enabling Agreements			
Enabling Agreements set out the framework for how capacity, energy, third party transmission and renewable energy credits are purchased and sold between JEA and other companies. Enabling Agreements are executed prior to any business being conducted with TEA, other utilities, marketers or any third-party transmission provider. JEA has established Enabling Agreements with The Energy Authority (TEA) for the purchase and sale of capacity, energy, 3rd party transmission service and renewable energy credits; with other Florida utilities for emergency purchase and sales; with third party transmission service providers. A signature is not required for TEA standard transactions less than \$10,000,000, however, a signature is required for an Indemnity Agreement for TEA transactions > \$10,000,000.			
Transactions			
Transactions are defined as the financial arrangement of the transfer of capacity and/or energy and/or renewable energy credit from one party to another including any applicable third-party transmission services. This may also include the physical flow of electricity from one party to another. A renewable energy credits, or Greentag, is a market-based instrument that represents the property rights to the environmental, social and other non- power attributes of renewable electricity generation. Greentags are issued when one megawatt-hour (MWh) of electricity is generated and delivered to the electricity grid from a renewable energy resource.			
Type of Agreement	Contract Amount	Contract Signatory Authority	Maintains Documentation
Enabling and Indemnification Agreements	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <u>and</u> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
	< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
Type of Transaction	Transaction Amount	Transaction Approval	Maintains Documentation
Long Term Transactions and required Indemnification Agreements	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <u>and</u> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
	< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
TEA Expanded Transactions and any required Indemnification Agreements (> 1 business day)	> \$100,000,000	JEA Board (Per Delegation of Authority)	Senior Director, Energy Operations or designee
	\$35,000,000 to \$100,000,000	Chief Executive Officer	Senior Director, Energy Operations or designee
	\$20,000,000 to \$35,000,000	Chief Financial Officer <u>and</u> Chief Operating Officer	Senior Director, Energy Operations or designee
	\$10,000,000 to \$20,000,000	VP Electric Systems	Senior Director, Energy Operations or designee
	< \$10,000,000	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
TEA Authorized Transactions (< 2business days)	Any	TEA Pre-approved	Senior Director, Energy Operations or designee
Emergency Transactions	Any	Operator on Duty or higher	Senior Director, Energy Operations or designee
All enabling agreements and indemnification agreements should be reviewed and approved by the Office of General Counsel prior to signature.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe

Managing Director, CEO

Date: 10/12/2022

Accepted:

*Ricky Erixton*

Ricky Erixton

VP of Electric Systems

Date: 10/13/2022

**ELECTRIC SYSTEM – JEA OWNED  
TRANSMISSION AND ANCILLARY SERVICES  
DIRECTIVE**


Procurement Code Exemption			
Electric System Procurement Directive - Sale of JEA-Owned Transmission and Ancillary Services			
Scope of Procurement Exemption: It is JEA's policy to sell transmission and ancillary services, in accordance with JEA's Transmission Tariff and FERC orders, on the JEA Open Access Same-time Information System (OASIS). JEA is an owner of the Florida OASIS with other Florida utilities, which is a system that facilitates the marketing of transmission capacity to eligible transmission customers in a non-discriminative manner.			
Tariff			
The JEA Board has approved a tariff for the sale of transmission and ancillary services.			
Enabling Agreements & Blanket Agreements			
Included in the tariff are Enabling Agreements which are negotiated by JEA and includes Blanket Use Agreements which are templates for sales agreement with other utilities. The Enabling Agreements are executed prior to any business 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 electric system. JEA will sell its available transmission capacity 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 the 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 may be needed to actually expand the system to satisfy the request.			
Approval Requirements			
Type of Agreement	Contract Type	Contract Signatory Authority	Maintains Documentation
Tariffs	Any	JEA Board	Senior Director, Energy Operations or designee
Enabling Agreements	Short-term Non-Firm	Blanket - Senior Director, Energy Operations (Note 1)	Senior Director, Energy Operations or designee
	Short-term Firm	Senior Director, Energy Operations	Senior Director, Energy Operations or designee
	Long-term Firm	VP Electric Systems	Senior Director, Energy Operations or designee
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Note 1: Use of short-term transmission may be authorized on OASIS by the Operator on duty or higher.			

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

  
 Jay Stowe  
 Managing Director, CEO  
 Date: 10/12/2022

Accepted:

  
 Ricky Erixton  
 VP of Electric Systems  
 Date: 10/13/2022

## **CUSTOMER AND COMMUNITY ENGAGEMENT DIRECTIVE**

Procurement Code Exemption Customer and Community Engagement			
This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of JEA. Examples of Customer and Community events include, without limitation, Corporate and Agency Engagement (including memberships), JEA Speakers Bureau, JEA Facility Tours, and JEA Community Event Participation. JEA's Customer & Community Engagement staff approves cooperative programs between JEA and other public and private entities and JEA customer groups. JEA's involvement with Community Engagement is authorized by the JEA Charter, as is cooperative programs that enhance JEA's brand reputation and serve to educate our customers and community on JEA's services, programs and making doing business with JEA easier and more affordable. JEA recognizes that the procurement of these types of goods and services is sufficiently different from the procurement of other supplies and services required by JEA. This directive also covers utility industry association memberships authorized in Section 21.04(u) of Article 21 (JEA).			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Community Engagement Supplies and Services	> \$1,000,000	JEA Board (Per Delegation of Authority)	
	\$500,000 to \$1,000,000	Chief Executive Officer	
	\$250,000 to \$500,000	Chief Financial Officer <u>and</u> Chief Customer Officer <u>or</u> Chief Strategy Officer <u>or</u> Chief External Affairs Officer <u>or</u> Chief Human Resources Officer	
	\$100,000 to \$250,000	VP Customer Experience Insights & Digitization <u>or</u> VP Corporate Strategy <u>or</u> VP Communications	
	< \$100,000	Director, Customer & Community Engagement <u>or</u> Director Customer Experience Insights & Strategy <u>or</u> Director Learning & Development <u>or</u> Sr. Director of EmployeeServices	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Director, Customer & Community Engagement <u>or</u> Director Customer Experience Insights & Strategy <u>or</u> Director Learning & Development
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director, Customer & Community Engagement	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Customer Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Director, Customer & Community Engagement	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Director, Customer & Community Engagement	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, 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 the JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

Jay Stowe

Managing Director, CEO

Date:

Accepted:

Sheila Pressley

Chief Customer Officer

Date:

Accepted:

David Emanuel

Chief Human Resources Officer

Date:

Accepted:

Laura Dutton

Chief Strategy Officer

Date:

Accepted:

Laura Schepis

Chief External Affairs Officer

Date:

# Governance, Audit, and Compliance Committee - Supplemental Informaion

Procurement Code Exemption Customer and Community Engagement			
This JEA Procurement Code Exemption relates to all goods and services needed to support and manage JEA's Customer and Community Engagement initiatives and activities. For purposes of this procurement directive, Community Engagement means any activities authorized in Section 21.04(y) of Article 21 (JEA), City of Jacksonville Charter and other activities regarding JEA or JEA's community brand that inform, engage, and educate JEA customers and the communities that JEA serves. These services should promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of JEA. Examples of Customer and Community events include, without limitation, Corporate and Agency Engagement (including memberships), JEA Speakers Bureau, JEA Facility Tours, and JEA Community Event Participation. JEA's Customer & Community Engagement staff approves cooperative programs between JEA and other public and private entities and JEA customer groups. JEA's involvement with Community Engagement is authorized by the JEA Charter, as is cooperative programs that enhance JEA's brand reputation and serve to educate our customers and community on JEA's services, programs and making doing business with JEA easier and more affordable. JEA recognizes that the procurement of these types of goods and services is sufficiently different from the procurement of other supplies and services required by JEA.			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Community Engagement Supplies and Services	> \$1,000,000 <del>\$100,000,000</del>	JEA Board (Per Delegation of Authority)	
	\$500,000 to \$1,000,000 <del>\$10,000,000 to \$100,000,000</del>	Chief Executive Officer	
	\$250,000 to \$500,000 <del>\$1,000,000 to \$10,000,000</del>	Chief Financial Officer <b>and</b> Chief Customer Officer <b>or</b> Chief Strategy Officer <b>or</b> Chief External Affairs Officer <b>or</b> Chief Human Resources Officer	
	\$100,000 to \$250,000 <del>\$1,000,000 or less</del>	VP Customer Experience Insights & Digitization <b>or</b> VP Corporate Strategy <b>or</b> VP Communications	
	< \$100,000 <del>\$500,000</del>	Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development <b>or</b> Sr. Director of Employee Services	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Agreement Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract Documentation	Any Amount	Any	Director, Customer & Community Engagement <b>or</b> Director Customer Experience Insights & Strategy <b>or</b> Director Learning & Development
Procurement Methodology			
Type of Procurement	Agreement Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Director, Customer & Community Engagement	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email to prospective bidders. Under this procurement method, staff of the VP & Chief Customer Officer will receive bids directly from the bidders for quick evaluation and award of a contract.
Unsolicited Offers	Any Amount	Director, Customer & Community Engagement	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.
Collaborative Procurement Agreements	Any Amount	Director, Customer & Community Engagement	JEA may participate in, sponsor, conduct, or administer a collaborative procurement agreement for the procurement or sale of supplies or services covered by this procurement exemption, 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 the JEA's best interest.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

Accepted:

\_\_\_\_\_  
Sheila Pressley  
Chief Customer  
Officer Date:

Accepted:

\_\_\_\_\_  
Laura Dutton  
Chief Strategy Officer  
Date:

Accepted:

\_\_\_\_\_  
Laura Schepis  
Chief External Affairs  
Officer Date:

Accepted:

\_\_\_\_\_  
David Emanuel  
Chief Human Resources Officer  
Date:



## **REAL ESTATE DIRECTIVE**

Procurement Code Exemption Real Estate Services Procurements			
<p><b>Scope of Procurement Exemption:</b> Pursuant to the JEA Charter, JEA is authorized to acquire real property (or any estate or interest therein), for the use of the utilities system. Such acquisitions may be made by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease, or in any other manner provided by applicable law. JEA is further authorized to sell, lease, or otherwise transfer, with or without consideration, any real property (or interest therein) determined by the Board to be no longer needed or useful in connection with use of the utilities system.</p> <p>The procurement and sale or transfer of real property (or interests therein) is sufficiently different from the procurement and sale or transfer of tangible personal property and services required by JEA. Accordingly, this Real Estate Services Directive ("Directive") supplements JEA's Procurement Code to delegate authority to the CEO and the CEO's designee(s) to acquire, sell, lease or otherwise transfer certain real property (or interests therein).</p> <p>JEA will have the need to acquire, sell, purchase, lease, license or otherwise transfer interest, access or use to property, real or personal for the expansion of utilities or for other uses in an expeditious and economical manner.</p> <p>The full requirements for Real Estate activities are contained in the Real Estate Procurement Directive approved by the JEA Board. The JEA Charter requires Board review of the Directive every two years.</p>			
All agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Acquisitions, Easements and Other Conveyances of Real Property			
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, easements or various other interests as needed.			
Surplus, Dispositions, Easements and Other Conveyances of Real Property			
JEA may market and negotiate transactions for surplus properties in a variety of methods including, but not limited to, direct negotiations, third party consultants/brokers, Request for Proposals, Invitation to Negotiate, Sealed Bids, Public Auction or any other method as determined to be in the best interest and as necessary in real estate matters for utilities system use and expansion or for other uses in an expeditious and economical manner. For any real property that exceeds either an assessed value or just market value of \$50,000 as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value as certified by an MAI certified appraiser, unless approved by the City Council.			
<p><b>Surplus and Sale of Real Property:</b> In declaring property surplus, the Procurement Officer must certify that such real property is no longer needed by JEA. Other charter provisions further govern disposition of assets.</p>			
Leases, Licenses and Other Transfers of Real Property			
This Directive shall apply to leases of Real 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. If JEA leases any real property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.			
Levels of Approval			
Transaction Type	Assessed Value of Property or Negotiated Sales or Lease Price	Required Approval	Contract Signatory Authority
Acquisitions, Dispositions and Leases of Real Property & Easements	> \$2,000,000	JEA Board	Director Real Estate Services
	>\$1,000,000 to \$2,000,000	Managing Director/Chief Executive Officer	Director Real Estate Services
	>\$500,000 to \$1,000,000	Chief Financial Officer	Director Real Estate Services
	\$100,000 to \$500,000	VP Economic Development	Director Real Estate Services
	< \$100,000	Director Real Estate Services	Director Real Estate Services
Eminent Domain Actions			
<p>JEA will use condemnation procedures under the power of eminent domain for acquisition of real property rights as deemed necessary. 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.</p> <p>After determining that the property cannot be purchased by negotiation and upon direction by the Real Estate Procurement Officer, Real Estate Services will submit a Resolution authorizing condemnation to be presented to the Board. If the Resolution is approved by the Board, Real Estate Services, on behalf of JEA, will initiate condemnation proceedings with assistance from OGC. If a settlement is negotiated, the settlement amount will be presented for approval to the appropriate approving entity consistent with levels of approval stated in this Directive.</p>			
Documentation			
The Director Real Estate is responsible for retaining procurement and contract documents for all transactions covered in this directive.			

**The CEO is authorized to designate the Real Property Procurement Officer(s), who shall maintain and implement this Directive as it relates to the sale, lease, or transfer of real property (or interests therein) for the use of the utilities system. The CEO and designated Real Property Procurement Officer(s) will acquire, sell, lease, or otherwise transfer real property (or interests therein) for the use of JEA in accordance with provisions of the JEA Charter, this Directive as well as applicable laws, rules, regulations, policies and procedures.**

Approved:

Accepted:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

\_\_\_\_\_  
Michael Corbitt  
Director of Real Estate  
Date:

**Real Estate Services Procurement Directive****Revision Date:** *{insert date}***ARTICLE 1 GENERAL PROVISIONS****1.01 Authority.**

Pursuant to Article 21 of the Charter of the City of Jacksonville (Charter), JEA is authorized to acquire Real Property for the use or expansion of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner authorized by applicable law. JEA is further authorized to dispose of Real Property that is no longer needed or useful for operation of the utilities systems by sale, lease, or transfer.

**1.02 Application, Rules of Construction**

(a) *Interpretation.* This Real Estate Services Procurement Directive (Directive) shall be subject to and construed to be consistent with the provisions of Article 21 of the Charter and all applicable local, state and federal laws, regulations, rules, and policies.

(b) *Application of this Directive.* This Directive supplements the Amended and Restated JEA Procurement Code (Code) and applies to transactions for the acquisition or disposition of Real Property. To the extent that there is any conflict between the Code and this Directive related to the acquisition or disposition of Real Property, this Directive shall govern.

(c) *Rules and Policies.* In accordance with Section 21.04 of the Charter, this Directive shall serve to detail the rules and procedures governing JEA's reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property.

(d) *Transparency.* This Directive shall be posted on JEA's website in a conspicuous manner for the public to view.

(e) *Periodic Review.* In accordance with Section 21.04 of the Charter, at least every two years during the time of its self-assessment, the JEA Board (Board) shall review this Directive to make any changes or amendments as deemed necessary to comply with applicable provisions of the Charter or that best serves the interest of JEA. To that end, the CEO, designees, or others that use this Directive may submit to Real Estate Services or the Board any ideas or suggestions that improve the efficient implementation of the rules and procedures contained herein.

(f) *Severability.* If any provision of this Directive is found void, invalid, or inoperative by a court of competent jurisdiction or other binding legal source, then such provision shall be severed and will not render invalid the remaining portions of this Directive.

(g) *Singular-Plural.* In this Directive, unless the context requires otherwise, words in the singular include the plural, and those in the plural include the singular.

(h) *Job Titles.* If a JEA job title used in this Directive is changed in the future due to JEA organizational changes, this Directive shall be construed by substituting the appropriate successor job title.

(i) *Use of Capitalized Terms.* Unless otherwise specified, capitalized terms used in this Directive shall have the meanings given to them in the Definitions section of the Code.

**1.03 Definitions.** The following terms shall have the meanings provided below.

(a) *Easement* means a nonpossessory interest in land created by a grant or agreement that confers upon the grantee the limited right, liberty, and privilege to use the land for a specific purpose, term, and consideration.

(b) *Fee Simple Interest* means a permanent tenure and absolute estate in land and any improvements on or thereto, with freedom to dispose of in whole or in part.

(c) *Lease* means an interest in land, buildings, structures, and/or improvements designated by a contract creating a lessor-lessee relationship in which the lessee is granted use, possession, and control for a specified term for a predetermined cost with conditions attached.

(d) *Long Term Strategic Site* means any Surplus Property that JEA intends to master-plan, develop, or otherwise transfer or dispose of in phases over a period of time exceeding one year.

(e) *Purchase and Sale Agreement* means a legally binding agreement that obligates the buyer to buy and the seller to sell real property. Such agreements provide the terms of the transaction, including but not limited to price, respective obligations, contingencies, and limitations.

(f) *Real Property* means all lands, buildings, structures, improvements, and fixtures thereon; any property of any nature appurtenant thereto or used in connection therewith; and every estate, interest and right, legal or equitable, therein, including any such interest for a term of years. As used in this Directive, Real Property also includes Real property as defined in the Code.

(g) *Surplus Property* means Real Property that is no longer needed or useful for operation of the utilities systems, or disposal of which best serves JEA's interests.

## **ARTICLE 2 DELEGATION OF AUTHORITY, DESIGNATIONS**

**2.01 Delegation of Authority.** By its approval of this Directive, the JEA Board delegates authority to the Chief Executive Officer/Managing Director (CEO) to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

**2.02 Real Estate Services.** The CEO is authorized to delegate to the Director of Real Estate (and Real Estate Services) authority to maintain, administer, and implement this Directive as it

relates to the acquisition, sale, lease, use, or transfer of Real Property. This delegation includes the Director of Real Estate's authority to negotiate, enter, and execute agreements (including all supplemental documentation necessary for closing) on behalf of JEA to acquire, use and dispose of Real Property subject to the provisions contained herein.

Real Estate Services shall administer the use, acquisition, and disposition of Real Property on behalf of JEA; establish priorities and operating standards as necessary; determine and pursue the types of property rights and interests that best serve JEA; and assess risk associated with and provide guidance related to completing Real Property transactions. Subject to applicable rules, policies, and procedures governing the procurement of services, Real Estate Services may retain, on an as-needed basis, all services necessary to implement this Directive, including but not limited to appraisal firms, survey firms, land use firms, and/or environmental firms to assist with the acquisition or disposition of Real Property.

**2.03 Office of General Counsel.** The Office of General Counsel (OGC) shall review substantial written instruments related to Real Property transactions to ensure legal sufficiency. OGC shall be responsible for engaging outside legal services necessary to aid in the initiation, assessment and completion of Real Property transactions.<sup>1</sup>

### ARTICLE 3 REAL PROPERTY ACQUISITIONS

**3.01 General Guidance.** JEA shall acquire Real Property on terms most favorable to JEA, with due consideration to maintenance and operational efficiency, and at costs consistent with prevailing market rates for comparable Real Property situated within JEA's service area. As applicable, in instances where timing may impact terms favorable to JEA, the CEO or Real Estate Services may negotiate transactions and enter into agreements to acquire Real Property, conditioned upon final approval by the Board.

(a) *Negotiations for Acquisition of Real Property.* At the direction of the CEO, Real Estate Services will assess the need for and negotiate acquisition of Real Property for the use or expansion of the utilities systems. Real Estate Services shall coordinate preparation and execution of all written instruments necessary to acquire Real Property.

(b) *Documentation.* Every appraisal, offer, or counteroffer must be in writing. Complete and accurate records of every appraisal, offer, and counteroffer shall be maintained by Real Estate Services.

(c) *No Joint Acquisitions.* JEA shall make no acquisitions jointly with another entity without prior approval by the Board. No property shall be jointly owned by JEA and any private party except as authorized under Florida law.

(d) *Costs of Acquisitions.* Real Property shall be acquired in an economically feasible manner that best serves the interest of JEA ratepayers. Prior to the acquisition of Real Property,

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<sup>1</sup> As used in this Directive, references to the Office of General Counsel shall include the use of outside counsel engaged to provide specialized legal services.

Real Estate Services shall confirm the availability of adequately appropriated funds to pay all costs, including but not limited to any option payments and due diligence expenses.

(d) *Title Examinations and Surveys; Recordable Instruments.* All title examinations, surveys, and other title records obtained in the course of acquiring title shall be reviewed by the OGC for marketability and encumbrances. All documents to be recorded in favor of JEA or placing an interest in Real Property in JEA, including easements, shall be reviewed by the OGC for form and legal sufficiency before delivery of the document is accepted and recorded.

(e) *Form of Deeds.* All fee conveyances to JEA shall be by no less than special warranty deed unless the conveyance is from the federal government, a state agency or another local government, or an instrumentality of any of them, from which a quitclaim deed is acceptable. A donation may be made by quitclaim deed if Real Estate Services determines that acceptance of a quitclaim deed is in JEA's best interests. A quitclaim deed may also be accepted to aid in clearing title or boundary questions. Real Estate Services shall coordinate review and confirmation of all legal descriptions on instruments conveying property to JEA.

(f) *Appraisals.* For parcels assessed at \$50,000 or less Real Estate Services may use the assessed value. All appraisals used for the acquisition of Real Property shall be prepared by a state-certified appraiser and be prepared according to generally accepted appraisal standards. As applicable, each appraisal report shall state any extraordinary assumption or hypothetical condition made by the appraiser in determining market value and shall document and adequately support the appraiser's estimate or conclusion of value.

(g) *Disclosure of Beneficial Interests.* Conveyances to JEA by any person or entity holding Real Property in the form of a partnership, limited partnership, corporation, trust, or any form of representative capacity whatsoever for others shall comply with applicable provisions of section 286.23, Florida Statutes, regarding notice and disclosure requirements.

(h) *Limited Authority to Modify Board Approved Purchase Instruments.* Real Estate Services may modify a purchase instrument approved by the Board to extend the time for option exercise, closing date, submittal deadlines, or any other time limit in the agreement if the total extension of time for closing does not exceed 180 days after the closing date in the purchase instrument approved by the Board. The Real Property Procurement Officer is authorized to modify the legal description in a purchase instrument approved by the Board to conform the description to the description on the certified survey.

(i) *Disclaimer.* In instances where the Real Property Procurement Officer becomes aware of an instrument purporting to convey Real Property to JEA recorded in the public records of Duval County, which instrument has not been accepted by JEA, Real Estate Services may, on behalf of JEA, execute an instrument disclaiming any right, title or interest JEA may have in and to the Real Property and record such instrument in the public records of Duval County after having determined that JEA has no need for such Real Property. Such disclaimer shall be reviewed and approved for legal sufficiency by the Office of General Counsel.

**3.02 Leases to JEA.** JEA may lease Real Property when there is a need for the use or expansion of the utilities systems that cannot be met satisfactorily in JEA controlled space and leasing is more advantageous to JEA than constructing new facilities or altering existing JEA facilities.

**3.03 Donations, Gifts to JEA.** JEA may acquire Real Property by donation or gift when such acquisition best serves the interest of JEA.

(a) In such instance, prior to acceptance, Real Estate Services will investigate the quality of title, boundaries, and any environmental issues to the extent necessary to assess whether the property is marketable, whether the donor has authority to convey the property, and whether there are any apparent adverse impacts to JEA because of the acquisition.

(b) Based upon such investigation, the CEO or designated Real Property Procurement Officer on behalf of JEA, may accept a donation or gift conveying Real Property without prior approval by the Board if: (1) no consideration is paid by the JEA for the conveyance; and (2) JEA assumes no obligations with respect to the property except the normal responsibility incidental to ownership of the property interest being acquired.

(c) No acceptance of a donation or gift is effective until indicated by a written, executed acceptance of the conveyance. The instrument of conveyance and, if applicable, the instrument of acceptance, shall be recorded in the Public Records of Duval County.

**3.04 Real Property Condemnation Actions by JEA.** Pursuant to Chapter 361 of the Florida Statutes (as amended) and Article 21 of the Charter, JEA is vested with eminent domain powers to acquire Real Property for the use or expansion of the utilities systems. Such powers shall be executed in accordance Chapters 73 and 74 of the Florida Statutes (as amended).

#### **ARTICLE 4 DISPOSITIONS OF REAL PROPERTY**

**4.01 General Guidance.** JEA may dispose of Real Property that is determined to be no longer needed or useful, or if such disposition best serves the interest of JEA. When such determination has been made, Real Property may be disposed of through exchange, negotiations, sealed competitive bids, public auctions, lease or any other means JEA deems in its best interest in accordance with this Directive and subject to applicable provisions of local and state law. All conveyances of fee interest in JEA-owned Real Property by the Real Property Procurement Officer shall be "as is, where is, and with all faults."

#### **4.02 Real Property Transactions Subject to Prior City Council Approval.**

(a) In accordance with Section 21.04 of the Charter, any Real Property that exceeds either an assessed value or just market value of \$50,000, as determined by the property appraiser of the county where the Real Property is located, shall not be sold for less than the appraised value as certified by an MAI certified appraiser, without prior approval by the Council.

(b) In accordance with Section 21.11 of the Charter, any sale, lease, assignment, or other transfer of Real Property that will result in a total net loss of 1 percent or more of JEA's

service territory or a total loss of 1 percent of the electric, water, or wastewater, customer accounts (based on the latest available JEA monthly financial statements) shall require prior approval by the Council.

**4.03 Board Declaration of Surplus Property.** In accordance with Section 21.04 of the Charter, the Board shall, by resolution, fix and determine when JEA-owned Real Estate is no longer needed or useful, and authorize the disposition thereof. The Board may also, in its discretion, adopt a resolution delegating authority to the CEO to surplus and dispose of Real Property when doing so best serves the interest of JEA.

**4.04 Disposition of Real Property by Bid, Competitive Solicitation, or Public Auction.**

(a) *Bid/Competitive Solicitation.* Real Estate Services may choose to submit Surplus Property to the Procurement Department for sale through a sealed bid or competitive solicitation process. Real Estate Services may request that the Procurement Department advertise Surplus Property for sale in a local newspaper of general circulation for a minimum bid equal to the appraised value, if an appraisal was obtained, but no less than 25 percent of the assessed value. The bidding period shall remain open for at least ten days after publication of the notice.

(b) *Public Auction.* If Real Estate Services determines that Surplus Property may be more advantageously disposed of by public auction, then it may be sold at public auction to the highest and best bidder for cash, after publication of a notice of the auction in a newspaper of general circulation in the City published at least ten days before the date of the auction, setting forth the date, time, and place of the auction and a legal description and street address (if available) of the surplus Real Property.

**4.05 Disposition by Direct Sale to Adjoining Owners.** At the direction of the Board (or authorized designee), Real Estate Services may negotiate directly for the sale of Surplus Property with adjacent property owners. In such instances, Real Estate Services shall send notice by mail to the adjacent property owners that the property is available for purchase. The property may be conveyed at private sale to an adjoining owner without receiving bids or publishing notice. If after receipt of the notice by the adjoining owners, two or more qualifying adjacent property owners notify Real Estate Services of a desire to purchase the Surplus Property, the Real Estate Services may negotiate directly with the competing property owners and may convey the parcel to the owner who agrees to the terms most favorable to JEA or may reject all offers. Real Estate Services may execute all documents required to convey the property to the successful owner including execution of the deed. The deed shall cite this section of the Directive as authority for execution.

**4.06. Donations or Sales for Nominal Value to Other Public Agencies.** The Board (or authorized designee) may authorize donation or exchange of Surplus Property to another governmental agency for public use regardless of the actual value of the property.



## **ARTICLE 5 TEMPORARY/SHORT-TERM USE OF REAL PROPERTY.**

**5.01 Temporary Use, Licensing and Other Transfers of JEA-Owned Real Property.** Real Estate Services may negotiate, enter, and execute agreements for non-exclusive, use of JEA-owned Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses to the extent that such uses do not interfere with use or operation of the utilities systems.

**5.02 Lease of Real Property.** At the direction of the CEO (or designee), Real Estate Services may pursue, negotiate, and execute leases of Real Property for residential, recreational, commercial, industrial, educational, retail, or other uses. Any lease or renewal thereof lasting for a term of more than five years shall be subject to approval by the CEO (or designee). In accordance with Section 21.04 of the Charter, if JEA leases any Real Property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located.

## **ARTICLE 6 DISPOSITION OF LONG-TERM STRATEGIC SITES.**

The Board, by resolution, may identify a Long-Term Strategic Site and authorize the disposition of such site by the CEO (or authorized designee). Such resolution shall:

- (1) Set forth sufficient findings of fact demonstrating that disposition of the Long-Term Strategic Site best serves JEA's interests;
- (2) Detail the CEO's authority with respect to transfer or disposition of the Long-Term Strategic Site; and
- (3) Authorize the CEO (or authorized designee) to execute any and all documents necessary to effectuate such transfer(s) or disposition(s) subject to review by the Office of General Counsel for legal sufficiency and in accordance with this Directive and all applicable local, state, and federal law.

## **ARTICLE 7 REPORTING; RECORDKEEPING**

No less than quarterly, the CEO (or designee) shall prepare and circulate to the Board a report summarizing all Real Property transactions. Complete and accurate records of Real Property transactions shall be maintained by Real Estate Services.

## **ARTICLE 8 LEVELS OF APPROVAL FOR REAL ESTATE TRANSACTIONS**

**8.01 Approvals by the Board.** Board approval shall be required for all Real Property transactions exceeding \$2,000,000.

**8.02 Approval by the CEO.** The CEO shall be authorized to approve and execute Real Property transactions in an amount not to exceed \$2,000,000. The CEO may delegate such authority to Real Estate Services.

## **ARTICLE 9 WAIVER BY THE BOARD**

In the best interests of JEA, the Board may waive any provision contained herein to the extent that such waiver is not prohibited by local, state, or federal law.

DRAFT

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.

**Commented [SLA1]:** Removed this narrative paragraph. New Section 1 connects the 2023 Directive to the Charter and outlines the scope of the Directive.

**Commented [SLA2]:** 2023 Directive Section 2 clearly spells out the Board's delegation to CEO and CEO's delegation to Real Estate Services/Real Estate Director.

**Commented [SLA3]:** 2023 Directive language aligns with current JEA org structure and job titles to refer to Real Estate Services and the Real Estate Director, rather than Real Property Procurement Officer.

**Commented [SLA4]:** 2023 Directive combines Rules of Construction and Definitions and includes Board review every two years, tied to Board self-assessment.

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.

**Commented [SLA5]:** 2023 Directive Section 8.01 sets this amount at \$2M.

**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

**Commented [SLA7]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

**Commented [SLA6]:** Dollar amount-based sub-delegations are covered in the summary page signed by CEO, rather than being placed in the formal directive.

**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 36i, 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.

**Commented [SLA8]:** 2016 Directive refers to OGC throughout. 2023 Directive affirms OGC's integral role in Sec. 2.03 and incorporates (in a footnote) external counsel which can also provide reviews

**Commented [SLA9]:** 2023 Directive ties Eminent Domain/condemnation to the Charter and Florida Statutes.

**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

**Commented [SLA10]:** 2023 Directive requires Board resolution to classify property as surplus. Board may delegate to CEO ability to determine property is surplus and arrange for disposal.

adjoining property owners and may sell the property according to the procedures in Section III D below.

**C. Levels or 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.

**Commented [SLA11]:** 2023 Directive Sec. 8.01 sets this threshold at \$2M.

**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.

**Commented [SLA12]:** 2023 Directive refers to P-Code and relevant JEA procedures but does not provide as much detail on allocating responsibilities between Real Estate Services and the Awards Committee.

- 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.

**DISPOSITION SUMMARY CHART:**

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

**Commented [SLA13]:** 2023 Directive allows a variety of sale processes in order to maximize value to JEA and the community.

**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.

**LEASE 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.

# **FINANCIAL INSTRUMENTS AND SERVICES DIRECTIVE**

Procurement Code Exemption Financial Instruments and Services			
<p><b>Scope of Procurement Exemption:</b> This Procurement Code Exemption relates to certain financial instruments and services that are offered in a well-defined limited market, may involve complex negotiations among sophisticated counterparties, and often require a limited timeframe in which to complete a transaction. At all times, financial instruments and services procured under this exemption shall include as much fair and open competition as administratively possible. The following financial instruments and services may be procured under this exemption:</p> <p><b>Bond Underwriting Services</b> - Including services to underwrite variable or fixed rate bonds, notes, commercial paper or other debt-related financial instruments issued under any bond resolution approved by the JEA Board, subject to a negotiated sale or competitive bid.</p> <p><b>Fiduciary Services</b> - Including trustee, registrar, paying agent, escrow agent, custody, and other similar fiduciary services in conjunction with the issuance and management of debt and/or investment of assets.</p> <p><b>Credit Rating Agency Services</b> - Including the procurement of debt ratings and related informational services from nationally recognized credit rating agencies.</p> <p><b>Dealer and Remarketing Services</b> - Including dealers or remarketing agents that market commercial paper, variable rate demand obligations, or other variable rate debt issued under any bond resolution approved by the JEA Board.</p> <p><b>Investment Purchase and Management Services</b> - Including the purchase or sale of allowed securities or entering into securities lending arrangements under JEA's Investment Management Policy, or entering into agreements with professional investment managers to manage JEA's assets.</p> <p><b>Financial Transaction Support Services</b> - Including services directly related to a financial transaction including, but not limited to escrow verification services, accounting services, and financial printing services.</p> <p><b>Financial Instruments and Arrangements</b> - Including financial instruments and arrangements primarily used as risk management strategies (including but not limited to swaps, caps, floors, collars, options, forward supply agreements, float contracts, and Guaranteed Investment Contracts), credit support (including but not limited to bond insurance, surety policies, letters of credit, and other credit enhancement facilities), and liquidity support (including but not limited to continuing covenant agreements, standby bond purchase agreements, and lines of credit).</p> <p><b>Agency Services for the Sale of Financial Assets</b> - Including, but not limited to, procuring the services of an agent to sell tax credits or other financial assets.</p> <p><b>Investor Relations Services</b> - Including services related to the research of or direct communication with the investors, either electronically or in person.</p> <p><b>Financial Compliance Services</b> - Including services necessary to meet compliance requirements of bond covenants and regulators.</p>			
	Agreement Amount	Contract Signatory Authority	
Contracts for the Procurement of Financial Instruments and Services	> \$25,000,000	JEA Board	
	\$10,000,000 to \$25,000,000	Chief Executive Officer	
	\$1,000,000 to \$10,000,000	Chief Financial Officer	
	\$100,000 to \$1,000,000	VP Financial Services	
	< \$100,000	Treasurer	
All enabling agreements should be reviewed and approved by the Office of General Counsel prior to signature.			
Documentation			
	Amount	Term	Responsible Party
Responsible for Retaining Procurement and Contract	Any	Any	Treasurer
Procurement Methodology			
Type of Procurement	Amount	Approving Entity	Procurement Guidelines
Accelerated Bids	Any Amount	Treasurer	If a short procurement timeframe is required, the JEA business unit may use an accelerated bid process to sell or procure supplies or services covered by this procurement exemption by issuing a solicitation via email through JEA's Financial Advisor or directly to prospective bidders. Under this procurement method, JEA's Financial Advisor or staff of the VP Financial Services or will receive bids directly from the bidders for quick evaluation by JEA staff and award of a contract.
Unsolicited Offers	Any Amount	Treasurer	JEA may enter into contracts based on unsolicited offers for supplies or services covered by this procurement exemption without using a competitive bidding process. JEA staff or JEA's Financial Advisor may engage in negotiations with the party that provided the unsolicited offer to improve the terms, conditions and/or pricing. JEA 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.

I hereby delegate contract signature authority to the JEA personnel as provided herein.

Approved:

\_\_\_\_\_  
Jay Stowe  
Managing Director, CEO  
Date:

Accepted:

\_\_\_\_\_  
Ted Phillips  
Chief Financial Officer  
Date: