



Engineering & Construction Workshop

April 25, 2012



JEA Engineering and Contractor Workshop - Agenda

Welcome /Safety Briefing

Greg Perrine, VP Facilities & Logistics Services

Procurement Update

John McCarthy, Director Procurement Services

JEA Ethics Policy

Walette Stanford, Director of Emerging
Workforce Strategies and JEA Ethics Officer

Update on Infrastructure Projects

Ed Dendor, Director Projects



Procurement Update

John McCarthy, Director Procurement Services

Procurement Update Agenda

- Review mid-year presentation (7/2011)
- Review >\$35K work
- Review <\$35K work
- QPL category utilization
- QPL vendor survey results
- Conclusions / Proposed Changes

JEA's Evaluation Process

Water & Sewer Engineering Services

- During FY11, JEA introduced a new process that involved issuing individual RFPs for each project >\$35K
- JEA's previous process selected Firms from a pool of Firms having General Services Agreements with JEA
- New Process also provided ability to directly assign work <\$35K per project to Pre-Qualified Firms

Procurement Update

Mid-Year Assessment

- Is JEA meeting its program goals?
 - Spread Work among Qualified Engineering Firms
 - Select most Qualified Firm for specific projects
 - Stronger local preference for Firms with offices located in Jacksonville
 - Faster Cycle Times
 - Increased Transparency

Mid-Year Assessment Takeaways

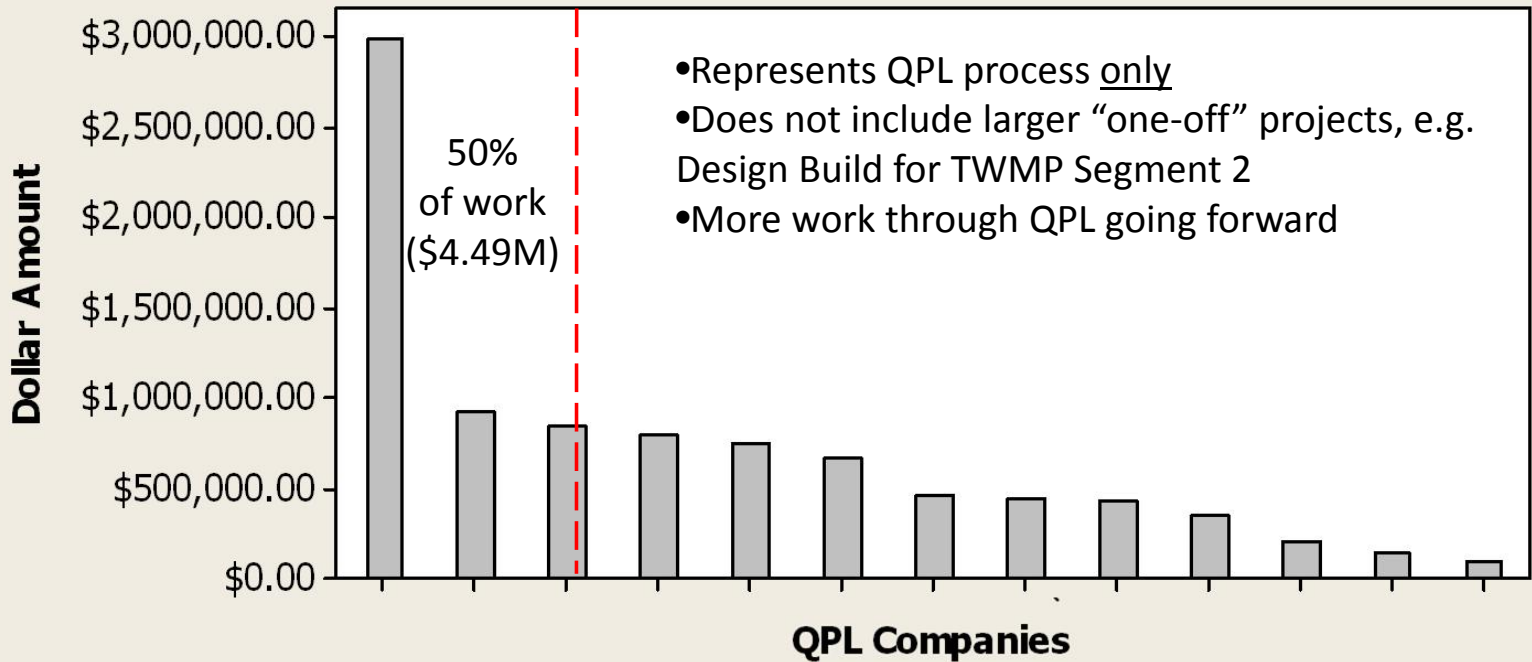
- JEA's process is working effectively in achieving its process goals
- JEA will review the < \$35K work that is directly assigned to determine if there is an opportunity to assign more of this work to local companies
- JEA will conduct an End -Year Assessment to determine if changes are needed at that time

Summary for > \$35,000 Work (RFPs)

December 2010 - present

- 16 RFPs
- 168 proposals were submitted and evaluated
- 45 different companies submitted proposals
- 13 different companies were awarded work
- 22 contract awards
- Total of \$8,975,918.37 awarded as of March 12, 2012

QPL >35K

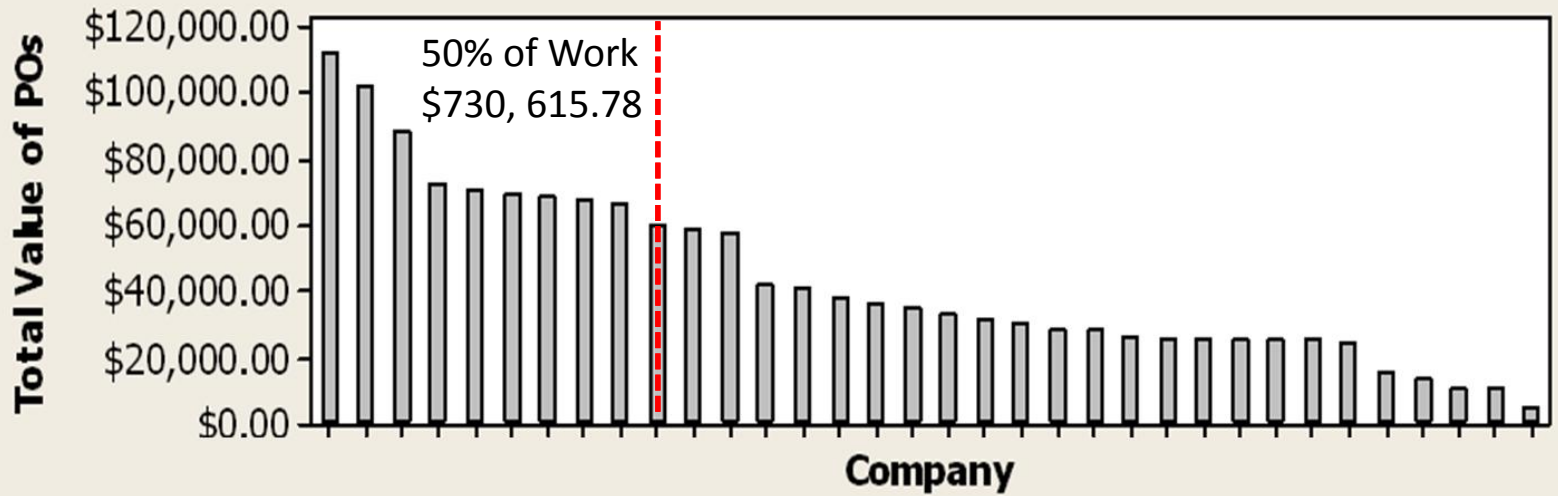


Summary for <\$35,000 Work (POs)

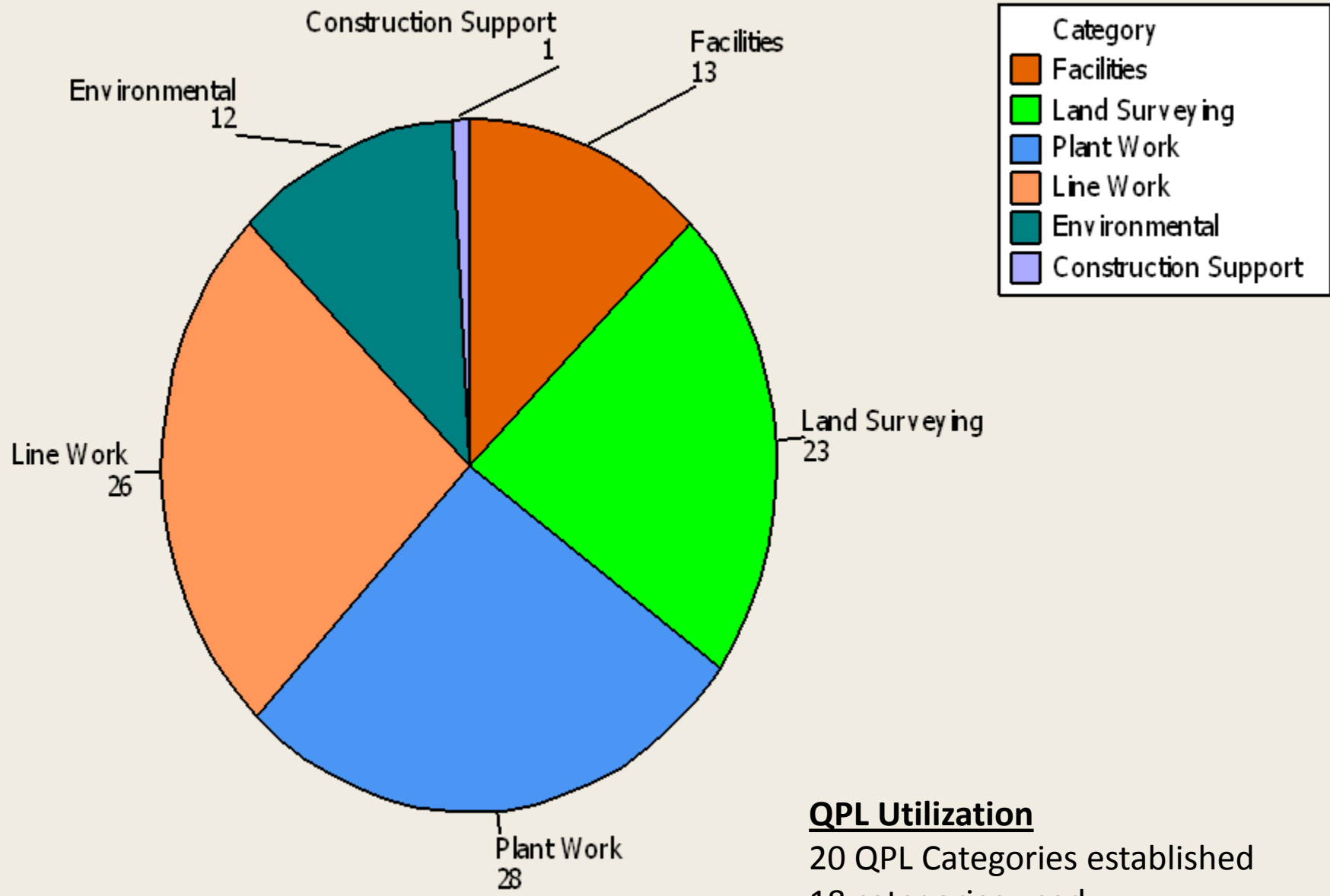
January 2011 to present

- JEA's QPL used to directly issue work
 - 92 companies total are on list
- 34 Companies issued work, 81 POs Total
 - 16 locally headquartered
 - 7 JSEB firms
- Total of \$1,461,231.56 issued out in POs <\$35K as of March 12, 2012
- 15 of the 20 QPL categories utilized

Total Value of PO's for < \$35,000



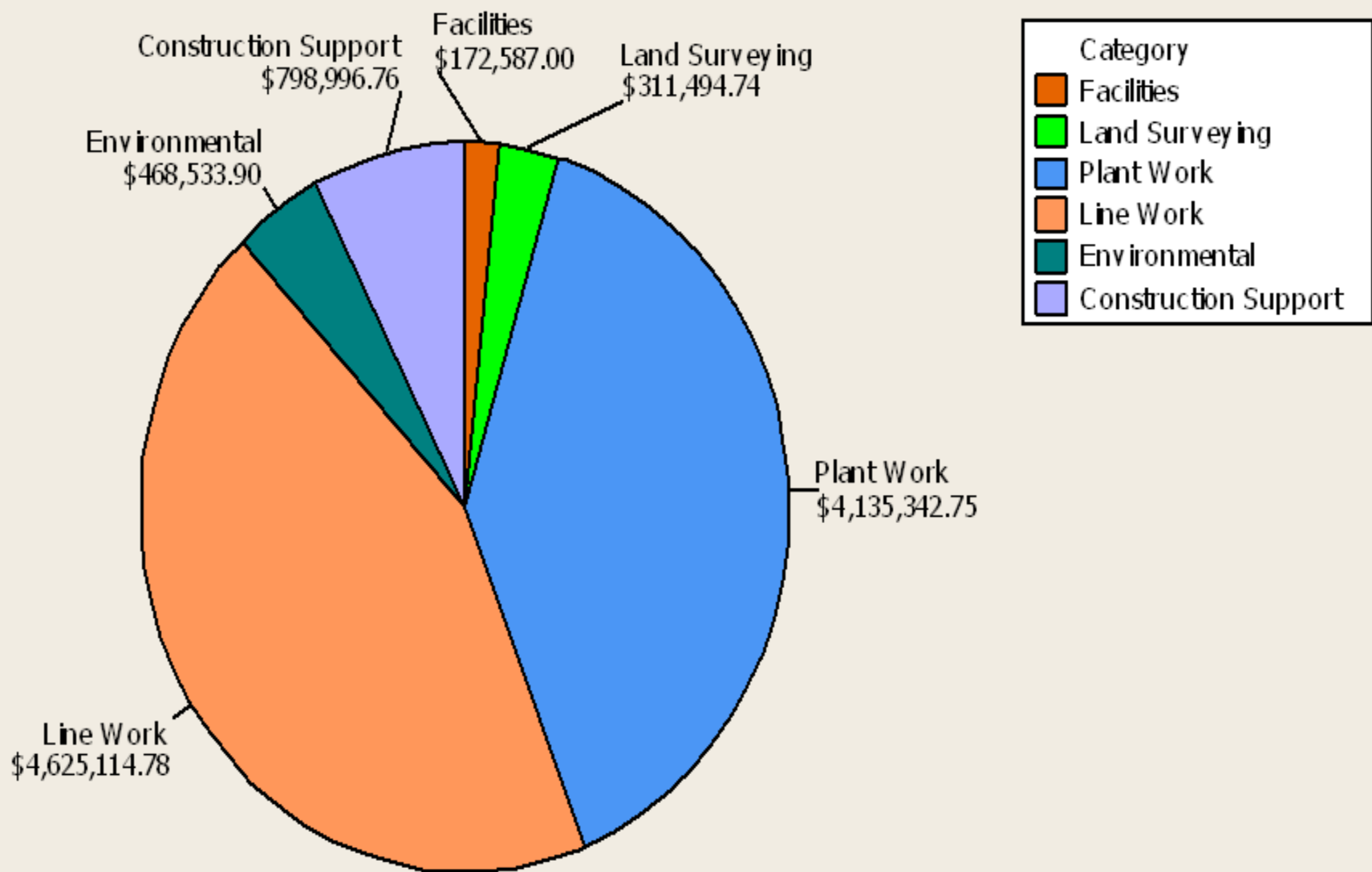
QPL Groups by Number of Purchase Orders



QPL Utilization

20 QPL Categories established
18 categories used

QPL Groups by Dollar Amount Issued

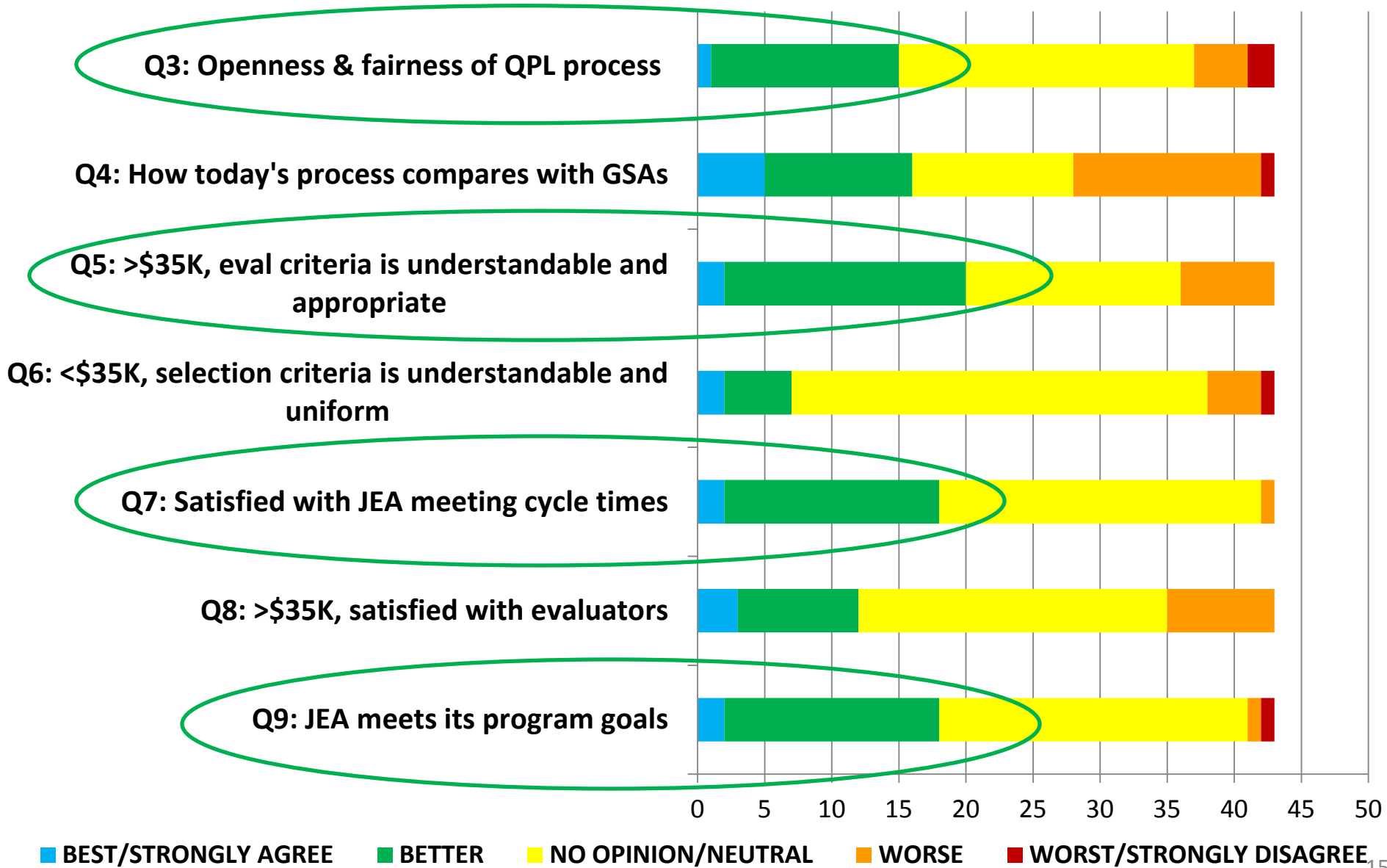


Vendor Survey

- All 92 QPL vendors were sent a 10 question survey.
- 43 companies or 47% replied to the survey.
 - Over \$35K Work responses
 - 11 received work (one as a subcontractor)
 - 13 didn't submit proposals
 - 19 submitted proposals, but didn't receive work
 - Under \$35K Work responses
 - 15 received a PO for work <\$35K
 - 28 did not receive work for <\$35K
- 21 companies provided comments.

Vendor Survey Results

Questions with more positive responses



Survey Feedback Takeaways

- Training needed for evaluators
- Most qualified firm not always selected
- JSEB opportunities limited
- Process creates additional costs for consultants
- Unclear of <\$35K selection criteria
- Overall process is fair, but could use some improvement

Conclusions

- 50% of work awarded to 3 Firms for work > \$35k
- 50% of work awarded to 10 Firms for work < \$35K
- 90% of QPL Categories being utilized
- Vendor survey scores overall slightly positive
- Vendor survey general comments focused on costs, JSEB, evaluator training, evaluation criteria, and < \$35K work opportunities

Proposed Changes from End-Year Assessment

- > \$35K Work
 - Minor Changes to Evaluation Criteria
 - Increase Volume from 5 to 10 points
 - Score Proximity of Project Manager only and increase to 10 points
 - Implement Evaluator Training Program
 - Prescriptive requirements in RFPs to reduce process costs
 - Project Bundling to select multiple firms from Solicitation
- < \$35K Work
 - Increased communications and transparency – continue to increase Awards to Local HQ and JSEBs



JEA Ethics Policy

Walette Stanford, Director of Emerging Workforce Strategies and JEA Ethics Officer

The highest standards of ethical business conduct are required of JEA employees in the performance of their company responsibilities. Employees will not engage in conduct or activities that may bring into question the company's honesty, impartiality, and reputation; nor will they otherwise cause embarrassment to the company.

Core Values and Code of Conduct

- JEA's Core Values

Trustworthiness (Personal Integrity): Say what you mean and do what you say. Act with high integrity through trustworthy behavior and by demonstrating trust for others.

Results for our customers (Operational Excellence): Get the job done! Achieve operational excellence through continual process improvement and personal commitment.

Unbiased decision-making (Personal Integrity/Cultural Competence): Value everybody's contributions. Proactively gather input from all sources and make decisions based on the business merit of the input, not on the source of the input.

Safety, health & development (Personal Safety, Well-Being & Development): Value and care for each other. Promote a corporate culture that embraces personal safety, wellness and personal growth.

Take responsibility (Doing the Right Thing): YOU make a difference. Be personally accountable and expect the very best from each other. YOU make our community a better place to live, work and do business.

- JEA'S Code of Conduct

JEA will conduct its business fairly, impartially, in an ethical and proper manner, and in full compliance with all applicable laws and regulations.

In conducting its business, integrity must underlie all company relationships, including those with customers, vendors, communities and among employees.

The highest standards of ethical business conduct are required of JEA employees in the performance of their company responsibilities.



When an ethical issue arises and uncertainty sets in, contact your Supervisor, Manager ,Ethics Representative or Ethics Officer.

Ethical Behavior requires honesty, integrity and a commitment to report or dispose of questionable gifts and/or services.

JEA Ethical Behavior

- **Don't** engage in an activity that might create a conflict of interest for the company or for you as an individual.
- **Do not** take advantage of your JEA position to seek personal gain through the inappropriate use of JEA information or by abuse of your position.
- **Protect** all company, customer and vendor assets; use them only for appropriate company approved activities.
- **Protect** all customer and employee confidential information.
- **Seek guidance** from Ethics Representatives **prior** to performing an action if you are unsure an action is ethical.
- Without exception, **comply** with all applicable laws, rules, regulations, policies/procedures, and the JEA Charter.

Business Courtesies

- Definition - A business courtesy is a gift, hospitality, or favor from persons or firms with which JEA may do business.
- **Employees may not ask for a business courtesy.** All business courtesies offered to and accepted by JEA employees are gifts belonging to JEA. Employees should not assume they may keep a business gift for personal use. Generally, an employee may keep a business courtesy only when:
 - Acceptance of the courtesy promotes successful working relationships and goodwill for JEA interests plus conforms to the reasonable and ethical practices of the marketplace.
 - Acceptance does not create a conflict of interest or appearance of improper influence.
 - Courtesy is not valued at more than \$100.
 - Accumulated gifts from the same vendor must not exceed \$250 per calendar year.
- Every employee is responsible for tracking the gifts they receive each calendar year and must comply with this requirement.
- For the purpose of the \$250 annual accumulation, gifts of food and beverage under \$25 on any given day shall not be included.

Accepting Business Courtesies

Employees may not accept business courtesies from a donor when:

- There is an actual or perceived expectation that the donor may want something in return.
- The donor may be attempting to gain an unfair advantage.
- They may attempt to influence an employee to violate laws or company policies or procedures.

In deciding whether to accept a gift, employees are expected to use good business judgment; always ask questions of your supervisor, manager, Ethics Officer or an ethics Representatives member when in doubt.

Employees should not accept a gift if they would be uncomfortable discussing it with their manager, coworkers, or a news reporter.

Improper Gifts

- Improper gifts valuing more than \$100 that have been sent to a JEA representative, and gifts that exceed the \$250 annual calendar limit from one donor, should be disposed of in the following manner:
 - Return the gift to the original sender. If this requires expenses to the JEA representative, they should notify their manager and the gift should be taken to Ethics Officer. The gift then will be donated to a charitable organization.
 - If the gift is perishable, (i.e. flowers, food, etc) it should be donated to a local charitable organization, if possible. If a donation is not possible, the receipt of the gift should be reported to the JEA representative's manager in a timely manner.

Ethical Dilemma

- In every business decision we have to choose between alternatives. Sometimes the choice is clear; there is a right answer and a wrong answer. In many of these cases the choice is made difficult by what we call an ethical dilemma, where no matter which alternative we select, we will be subordinating one or more of our values. Ethics Resource Center
- A dilemma arises when we have a decision to reach that involves competing obligations, duties, or interest to choose from. An example is: Choosing a new vendor to provide services over the current vendor that you have had a long term business relationship. The new vendor provides a greater array of services at a lower cost, but the current vendor has always provided dependable high quality services. The choice becomes:

New vendor (greater array of services at a lower cost)

Vs.

Current Vendor (dependable high quality services)

Summary

The purpose of the Ethics Training Program is to help employees obtain guidance, resolve questions, express concerns, and report suspected violations of the Code of conduct.

- The JEA Core Values are the organizational values that establishes the ethical culture and the Code of Conduct focuses on the expected employee behaviors.
- The Ethics Program applies to all employees of JEA. An employee is defined as anyone who receives a JEA paycheck/direct deposit, or is an Officer of the Organization.
- Working together we can mitigate the risk of fraud. If you suspect an employee, vendor or customer of fraud, you must report it.
- When faced with a situation which that may be a violation, use the resources available for help.

JEA Ethics Officer, Walette Stanford – (904) 665-4282

JEA Ethics Hotline Number: 1-800-805-3569

(If requested, the confidentiality of the caller will be protected.)



Update on ECS Infrastructure Projects

Ed Dendor, Director Projects

ECS Project Work Review

- Bid Activity Last Six Months
- Future Bid Activity, next 12 months
 - Second Half of FY 2012 (April '12 to September '12)
 - Engineering
 - Construction
 - First Half of FY 2013 (October '12 to March '13)
 - Engineering
 - Construction



Bid Activity Last Six Months

Bid Activity Last Six Months –

Engineering:

- Plant (Electric, Water & Wastewater) –
 - Arlington WTP – Fill Line and Booster Station - \$243K, CDM Smith
- Substation/Transmission –
 - None
- Grid (Water & Wastewater) –
 - San Jose FM Phase-out – Tie to Royal Lakes outfall - \$118K, Gannett Fleming

Bid Activity Last Six Months –

Construction:

- Plant (Electric, Water & Wastewater) –
 - Kennedy Generating Station Diesel Fuel Oil Re-route - \$497K, W.W. Gay Mechanical Contractors
 - Kennedy Generating Station Chemical Waste Treatment System demolition - \$167K, NCM Demolition and Remediation
 - Kennedy Generating Station #6 Fuel Oil System demolition - \$194K, Kimmins Contracting Corp.
- Substation/Transmission –
 - Duval to Jax Heights 230kV Circuit Addition - \$3.2M, C&C Powerline

Bid Activity Last Six Months –

Construction *continued*:

- Grid (Water & Wastewater) –
 - Royal Lakes WWTF Phase Out Booster Pump Station– \$1.046M, TB Landmark
 - Normandy Blvd – LaMarche Dr to Verna Blvd - \$326K, JB Coxwell
 - JTB East Ramp to Gate Parkway - \$717K, JB Coxwell
 - District Energy Services chilled water pipe to JEA Plaza - \$774K, Grimes Utility
 - TWMP Segment #1 - \$2.169M, JB Coxwell



Future Bid Activity

What's planned for the next 6 months?

(April '12 to September '12)

Future Bid Activity

4/01/12 – 9/30/12

Engineering:

- Plant (Electric, Water & Wastewater) –
 - Fairfax WTP Reservoir Rehabilitation - \$150K
 - Greenland WTP - \$560K
 - General Power Engineering Service Contract - \$5M
- Substation/Transmission -
 - Kennedy Substation - T14 Addition & T12 Upgrade Protection and Control - \$225K
- Grid (Water & Wastewater) –
 - Key Haven Force Main Replacement - \$70K
 - Barnes Road Force Main Replacement - \$70K
 - Clark Road to District II Force Main Replacement- \$160K
 - Arlington East Regional Booster Pump Station (Sewer) Upgrades - \$200K

Future Bid Activity

4/01/12 – 9/30/12

Construction:

- Plant (Electric, Water & Wastewater) –
 - Brandy Branch Administration Building - \$634K
 - Kennedy Generating Station Waterfront Rehabilitation - \$900K
 - Service Area Monitoring Wells - \$1.8M
 - Arlington East UV Conversion - \$6.6M
 - Buckman Digesters 1 & 2: Cover Replacement - \$3.7M
 - Arlington WTP: Fill Line & Booster Pump Station – \$1.6M
 - Fairfax WTP Reservoir Rehab - \$1.1M
- Substation/Transmission –
 - Jax Heights 230kV Circuit 954 Intercon & Termination Bay - \$500K
 - Firestone 230kV to 69kV Autotransformer Addition - \$450K

Future Bid Activity

4/01/12 – 9/30/12

Construction *continued*:

- Grid (Water & Wastewater) –
 - Septic Tank Phase Out, Lincoln Villas Service Area 2 - \$1.5M
 - University Blvd, Stetson Rd to St Augustine Rd - \$385K
 - North Jax FM, Pulaski to Main Street - \$1.1M
 - San Jose Blvd, St Augustine to Miruelo Circle N - \$750K
 - Riverside Avenue, San Juan to Edison Avenue - \$2.5M
 - San Jose Phase Out, Tie to Royal Lakes Outfall - \$872K
 - TWMP:
 - Segment 4, Arlington WTP to Arlington Expressway - \$2.1M
 - Segment 5, Arlington Expressway to Southside Blvd - \$2.98M
 - Segment 6, Bradley Rd form SS to Cortez Rd - \$2.52M



Future Bid Activity

**What's in the queue for
first half of FY2013?**

(October '12 to March '13)

Future Bid Activity 10/01/12 – 03/31/13

Engineering:

- Plant (Electric, Water & Wastewater) –
 - Ponce de Leon WTP High Service Pump Bldg Replacement - \$ 56K
 - Mandarin WRF Bio-Filter Bed Replacement - \$174K
- Substation/Transmission –
 - Point Meadows Substation-Site Design - \$250K
- Grid (Water & Wastewater) –
 - None

Future Bid Activity

10/01/12 – 03/31/13

Construction:

- Plant (Electric, Water & Wastewater) –
 - Greenland WTP - \$5.3M
 - Ponce de Leon High Service Pump Bldg Replacement - \$700K
 - Mandarin WRF Bio-Filter Bed Replacement - \$1.7M
 - Abandonment of 25 Offline Production Wells - \$1.55M
- Substation/Transmission -
 - Kennedy T-14 Addition & T2 Upgrade - \$200K
- Grid (Water & Wastewater) –
 - Key Haven Force Main Replacements - \$800K
 - Barnes Road Force Main Replacements - \$300K
 - Clark Road to District II Force Main Replacements - \$2.5M
 - Arlington East Regional Booster Pump Station (Sewer) Upgrade - \$1.7M

Summary of Next 12 months work for Plant, Substation/Transmission & Grid - Electric, Water & Wastewater

- April 2012 to September 2012:
 - Engineering: \$ 6,435,000
 - Construction: \$ 31,991,000
 - Total 1st half: \$ 38,626,000
- October 2012 to March 2013 :
 - Engineering: \$ 480,000
 - Construction: \$ 14,750,000
 - Total 2nd half: \$ 15,230,000

**Next 12 months total work is estimated at:
\$53,856,000**

Thank you for your continued interest and for calling the area directors and managers directly for the most current information. Their contact numbers are:

NAME	Position	Phone Number (all have 904-665 prefix)	Email Address (end in @JEA.com)
Edwin Dendor	Director of Plant & Facility Projects	6079	DENDEH
Margaret Limbaugh	Manager of Power Plant Projects	7334	LIMBMZ
Hai Vu	Manager of Water, Wastewater & Facility Projects	4028	VUHX
Don Cheatham	Manager of Greenland Energy Center Projects	8914	CHEADG
Vijay Burbure	Director of Substation & Transmission Projects	6782	BURBVA
Vijay Burbure -TBD	Manager of Substation & Transmission Projects	6782	BURBVA
John Norse	Manager of Electric Grid Project Design	6074	NORSJW
Ken Talley	Manager of Electric Grid Project Construction	6092	TALLKM
Richard Rukab -TBD	Manager of Electric Protection Systems & Controls	4082-5782	RUKARD BURBVA
Robert Kermitz	Dir of Water & WW Grid, Joint & Development Projects	6318	KERMJR
Chuck Bond	Manager of TWMP Projects	6196	BONDCH
Carole Smith	Manager of Development Projects	4461	SMITCF
Bradley Collier	Manager of Water & Sewer Grid Projects	6493	COLLBW2
Jim Connolly	Manager of Construction Support Services	6313	CONNJM
Pete Sheridan	Manager of Joint projects (COJ, FDOT, JTA, JPA, Adjacent Counties)	7409	SHERPJ
Ann Freudenthal	Manager of Project Support and Controls	7655	FREUCA
Charles Bayless	Manager of Project Support and Controls	6304	BAYLCB