

# FLORIDA KEYS ELECTRIC COOPERATIVE

## PROCUREMENT POLICY AND PROCEDURES



### OBJECTIVES

1. To establish and maintain Procurement Policies and Procedures created by Florida Keys Electric Cooperative Assn. Inc. (FKEC) which reflect applicable state and local laws and regulations, and the standards of the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)*. The Policy applies to procurement with and without federal financial assistance. Accordingly, FKEC shall make an independent estimate prior to receiving bids or proposals, including a cost or price analysis. FKEC will negotiate profit as a separate element of the price for each contract in which there is no price competition and, in all cases, where cost analysis is performed. FKEC recognizes that “cost plus a percentage of cost” or “percentage of construction cost” contract is prohibited under the Federal procurement standards and is ineligible for FEMA reimbursement.
2. To ensure that no Director, Officer, or Employee of Florida Keys Electric Cooperative Assn. Inc. shall participate in the selection, award, or administration of a contract if he or she has a real or apparent Conflict of Interest with respect to any procurement or contract administration situation. Please refer to FKEC Policy #203.7 in its entirety in the FKEC Board Policy Manual.

### POLICY

1. FKEC must conduct procurement transactions in a manner providing “full and open competition”.
2. Contractors, Suppliers, Vendors, Consultants (the “Offerors”) that develop or draft specifications, requirements, statements of work, or invitations for bids or requests for proposals must be **excluded** from participating for such procurements.
3. FKEC may use pre-qualified lists of persons, firms, or products, subject to certain conditions:
  - A. Sufficient competition amongst the Offerors on the list for full and open competition; and
  - B. May not preclude potential Offerors from qualifying during the solicitation period.
4. FKEC may award and use a pre-positioned contract, if:
  - A. All FKEC standards have been met; and
    - a. The contract is awarded in compliance with all federal procurement standards.
  - B. The scope of work is adequate to encompass the anticipated work
    - a. The scope of work does not exceed what could be expected during a future declaration.
    - b. The work performed falls within the scope of the contract.

5. FKEC may not create situations considered to be restrictive of competition by:
  - A. Placing unreasonable requirements in order for Offerors to qualify;
  - B. Requiring unnecessary experience and excessive bonding;
  - C. Noncompetitive pricing practices between Offerors or between affiliated companies;
  - D. Noncompetitive contracts to Offerors that are on retainer contracts;
  - E. Organizational Conflict of Interest;
  - F. Specifying on a “brand name” product; and
  - G. Any arbitrary action in the procurement process.
6. FKEC must have written procedures for procurement transactions, which must ensure solicitations provide for at least the following:
  - A. Incorporate a clear and accurate description of the technical requirements for the material products or services to be procured to the Procurement Department for inclusion into a FKEC-approved Request for Proposal (RFP) or Request for Quote (RFQ) template; and
  - B. Identify all requirements which the Offerors must fulfill and all other factors to be used in evaluating bids or proposals.
7. Sealed bids are publicly solicited and a firm fixed price contract (lump sum or unit price) will be awarded to the responsible bidder whose bid, conforming to all the material terms and conditions of the invitation for bids, is lowest in price. Sealed bidding will be the preferred method for procuring construction contracts. Sealed bidding will include:
  - A. A complete, adequate, and realistic specification or purchase description; and
  - B. Two or more responsible bidders who are willing and able to compete effectively for business; and
  - C. The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally because of price; and
  - D. If sealed bids are used, the following requirements will apply:
    - a. The solicitation was publicly advertised; and
    - b. Bids were solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening bids; and
    - c. The invitation for bids includes any specifications and pertinent attachments and defines the items or services for the bidder to properly respond.
8. Micro-Purchase Procedures not exceeding \$3,500.00:
  - E. The acquisition of supplies or services, to the extent practical, must be distributed equitably among qualified suppliers; and
  - F. May be awarded without soliciting competitive quotations if FKEC considers the price to be reasonable.
9. Small Purchase Procedures:
  - A. Relatively simple and informal procurement methods for securing services, supplies or other property that does not cost more than the simplified acquisition threshold of \$150,000.00; and
  - B. Price or rate quotations are to be obtained from no less than three (3) qualified sources, at least annually.
10. Competitive Proposal Procedures: FKEC may use competitive proposal procedures for qualifications-based procurement of A/E professional services whereby competitors’ qualifications are evaluated, and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. If price is not used as a selection factor, this method can only be used in procurement of A/E professional services.

- A. This is the appropriate method when more than one source is expected to submit an offer for a Time and Equipment (T&E) contract, and a “Not to Exceed” contract is awarded;
  - B. FKEC may prioritize factors other than price, and prioritize them more highly;
  - C. RFP’s must be publicized and identify all evaluation factors and their relative importance;
  - D. Proposals must be solicited from an adequate number of qualified sources;
  - E. FKEC must have a written method for conducting technical evaluations of the proposals received and for the selection of the Offeror;
  - F. FKEC awards will be made to the Offeror whose proposal is most advantageous to its program, with price and other factors considered; and
  - G. Price or rate proposals are to be obtained from no less than three (3) qualified sources.
11. Non-Competitive Proposals:
- A. Procurement by noncompetitive proposals may be used under certain circumstances, where response to a solicitation of a proposal occurs from only one source or a limited number of sources. This includes situations where:
    - a. The item is available only from a single source;
    - b. A public exigency or emergency for the requirement will not permit a delay resulting from a competitive solicitation; and
    - c. The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request; and
    - d. After the solicitation of a number of sources, competition is determined inadequate; and
    - e. For any contract with an estimated value of more than the Simplified Acquisition Threshold of \$150,000.00, FKEC formally deemed the described non-competitive proposals method to be appropriate.
12. FKEC has subscribed to the U.S. Department of Commerce-approved external bid websites of DemandStar and VendorLink. In addition to ensuring “full and open competition”, these sites take all necessary steps to assure that small, women, and minority-owned businesses, are available on solicitation lists as potential Offerors. Further, solicitations will be sent directly to the Small Business Administration (SBA) South Florida District-Miami and the Minority Business Development Agency of the U.S. Department of Commerce to insure inclusion of small, women, and minority-owned businesses on existing FKEC solicitation lists.
13. Procurement Team is responsible for:
- A. Ensuring all RFP’s and RFQ’s are using the FKEC-approved template, and posted to the external bid websites of DemandStar and VendorLink, links posted on the FKEC website.
  - B. Ensure that a minimum of two (2) weeks from the date of posting is afforded for Offerors to submit a response.
  - C. Schedule and hold a Bid Review Committee meeting post bid due date to review all bids received. This Committee shall consist of the Director of Procurement, the RFP/RFQ stakeholder(s), and at least one other employee. The Committee shall be responsible for comparing each proposal or quote based on the scoring criteria listed in each RFP or RFQ, as well as using the FEMA Procurement Checklist for every procurement that could involve federal grant reimbursement.
  - D. Minutes of each Bid Review Committee and the FEMA Procurement Checklist (if used) shall be recorded and archived for future reference.
  - E. Verifying via [www.sam.gov](http://www.sam.gov) that the winning Offeror is a responsible bidder.

- F. Notifying the winning Offeror as well as posting the Bid Award Notice to the external bid websites.
  - G. Ensuring contractual obligations between the Offeror and FKEC are in compliance with FKEC policies and procurement practices.
  - H. Ensuring the Bid Proposal Acceptance or Master Service Agreement forms are fully executed by both the Offeror and FKEC, and the paper and electronic storage of these original forms is completed.
14. FKEC published Purchasing Guidelines are to be followed:
- A. All purchases for material, equipment, supplies, and services require a Requisition to be completed and approved via the requisition approval hierarchy that is set up in IVUE.
  - B. Once a Purchase Requisition has received the final Officer approval, it is routed to General Accounting for proper general ledger account coding and then to the respective Stakeholder who is issued a Purchase Order for the specified item or service.
  - C. The Material & Warehouse Supervisor will be the primary Buyer for electrical material, electrical equipment, and office equipment and supplies. The Fleet & Building Maintenance Supervisor will be the primary Buyer for all fleet, building maintenance, and generation inventory.
  - D. Emergency purchases are to be made only in the situation where a manager or supervisor determines the purchase is critical to the ongoing operation of the department and cannot wait to go through normal approval channels. Emergency purchases will be reviewed by the CEO, COO or CFO on an on-going basis.