Joint Procurement Discussion

9.23.2022 9-11 AM ET via Zoom

Mike Bjorklund – opening

1. Managing expectations, ppl expect prepositioning of assets and 72 hr restoration for most part
2. Dorian in 2019, Florida in the– 3 day cone for nearly a week, left a few co-ops on the hook for $1-10M for prestaging assets for a storm that didn’t hit.
3. Led to the question, is there a better way to pool resources and reduce cost
4. Purpose
   1. Economy, efficiency & cost-effective use of contractors prior to, during and after an event.

By jointly procuring, might be able to ask for less crews and share with neighboring co-ops

* 1. Does not include mutual aid.

This is just an additional tool in the toolbox, FECA will continue to assist with mutual aid

1. Scope
   1. Distribution line repair
   2. Transmission line repair
   3. Tree removal, cut & toss, line clearing

Does not limit just to the 3 above, could lead to materials, PowerSouth assists their co-ops with this

1. Administration
   1. Who?

They will only work to facilitate, will not work with FEMA or FDEM, will not work on funds, will strictly be the facilitator and will not have much to do once storm hits

* 1. Develop model solicitation

FKEC has a really good solicitation forms that they worked on a lot after Irma; just need to make sure documents properly outline all the co-ops that participate in the JPA

* 1. Solicitation process

You outline what services need, what contractors you need, are not limited (didn’t catch?)

* 1. Master service agreements
  2. Cost analysis

FEMA is rigorous, FKEC has a good model they can offer up

* 1. Resource request process

Most critical area to work on, basically a legal document once co-ops request resources under the JPA

Sign a document indicating want \_\_# crews and sign, you are legally required to pay for those crews, vs the co-ops that did not request

* 1. Cost allocation

Co-op orders 25 crews, but sends 10 to another co-op, new co-op assumes cost of those 10 (would need to work on this); how do you work on how these contractors get assigned – need to work this out

* 1. Dispute resolution

This is an area we would need to get nailed down, if we decide to move forward

? Charlie (SECI) – do we have an outline of Administrator/Facilitators job duties, Scott has rough draft that he can send out to group

? Master Service Agreement, would Administrator do this? Scott suggests use his guy and they do have one worked up that Baker Donaldson reviews each year. If anyone on group has one they like, the group could discuss

1. Master Service Agreements
   1. Term – 1 year, 2 years?

FKEC does 3 year and goes back each year that their rates/terms are the same

We can do this, think it will take some work off the administrator

* 1. FEMA compliant language and requirements

FKEC has language

1. No No’s
   1. No piggybacking

If not in JPA, can’t after the fact request any of the JPA crews

* 1. No expansion of scope of services without additional procurement.
  2. All JPA participants must have a written procurement policy that accounts for disaster funding situations.

Everyone should have this, FKEC did not have firm language before Irma and it hurt them; JPA would prefer that you have one

1. Advantages
   1. Spreads risk
   2. Individual participants can request fewer resources knowing that resources can be shared
   3. JPA makes individual co-ops look like one large utility, increasing probability that contractors will be willing to commit resources.

Hopefully will grab in some larger contractors and hopefully get better rates

1. Developing the Mechanics for Joint Procurement
   1. The proposed mechanics are a draft and may be improved upon.

This will be a living, breathing document that we can improve upon as things are discovered and develop

* 1. No other state has developed Joint Procurement Agreements.
  2. Experience will improve the administration of the JPA

Key thing is to get something in place, use it and learn from it

We are looking for geographical diversity

With current TD 9, Tri-County down to FKEC is looking what they would need if they get a direct hit; look at how bad is storm and what co-ops would need; most likely not all will receive a direct hit, allows to order smaller amount of crews and allocate to where actually needed once storm hits; as looking at storm path, what do you want to actually commit to for this storm

1. Developing and executing a “JPA Storm Plan”
   1. A JPA Storm Plan will be developed for every storm that incorporates joint procurement.
   2. Participation in a JPA Storm Plan is voluntary. No Participation - no risk – no reward – no cost.

If you don’t participate in a specific JPA Storm Plan, you are not on the hook

* 1. Pre-Storm Contractor Resource Request
  2. Post-Storm Contractor Resource Request

See what co-ops actually need vs what they requested; co-op has a right to what they requested, but can allocate to another co-op if not hit as bad, if no storm – co-ops are on hook for what they requested

* 1. Allocation of Contractor Resources
  2. Allocation of Cost

Run thru traditional mutual aid first and then move to JPA

If resources moved to a co-op outside the JPA, prestaging cost, etc might not be eligible via FEMA (piggybacking), there are possible issues

If you move crews to another co-op after they worked your lines, you are on the hook for the prestaging costs since you are first co-op they worked

1. Dispute Resolution and Termination Rights
   1. Disputes Resolution Committee
   2. Appeals Process
   3. Termination Rights

Hope we can all get along, but always good to have a process in place. Have an adhoc of co-op people that would hear and handle disputes; have an appeal process that has binding arbitration. Will have termination rights to get out of it, as long as you pay your bills. Overall JPA agreement.

1. Hurricane Conference – November 9, 2022
   1. 2 Tabletop exercises
   2. We will simulate the prepositioning and staging of contract crews with and without the JPA.
   3. Allocation of crews and allocation of the cost will be compared for each approach.
   4. The purpose of the tabletop is to measure the cost/benefit of the JPA, identify improvements to the JPA mechanics, and provide “blue sky” experience executing the JPA.

We encourage roll playing to work out how this would work and the benefits of the process

Denny suggests keeping this in the back of our minds with TD 9 and use it as a trial; Scott would already be looking at JPA crews due to current track and co-ops closest by would not be available to assist

Charlie (SECI) – Seminole is evaluating the process and how administrative fees would be cared for and made whole. Randy – costs should flow thru to distribution costs, the administrative costs are reimbursable by FEMA.

Scott – any co-op in state can participate in JPA, even if they are in a different JPA

1. Questions, Comments, and Concerns