

# SUPPLIER GUIDE DOCUMENT

## Purchasing Objective

Our purchasing objective is to purchase high quality materials, supplies, equipment and services in the proper amount, at the proper time, from the proper source of supply. Within Seminole Electric Cooperative, Inc.'s Supply Management Department, the following three sections strive to uphold this objective:

## Materials Management

The Materials Management section establishes and monitors inventory control procedures and systems for Seminole inventories. This section also administers the Cooperative's investment recovery program and freight/logistics program. In addition, Materials Management coordinates the resolution of all delivery problems, including overages, shortages, damage claims, and non-conforming material. Furthermore, Materials Management follows-up on purchase orders, expediting deliveries as necessary, and monitors supplier performance. At the Tampa headquarters, they coordinate the receiving process.

## Contracts & Purchasing

The Contracts & Purchasing section purchases materials, supplies, fuels, equipment and services for Seminole's headquarters and generating stations. This section develops and maintains bid listings, obtains competitive pricing, places purchase orders, coordinates the pre-qualification process, and helps to prepare purchase specifications, contract awards, and supplier performance evaluations for those commodities we use. Receipt and custody of all quotation and proposal information is located within this section.

Contracts & Purchasing also formats, administers and maintains all contracts. Working directly with the Rural Utilities Service (RUS), the Contracts and Purchasing section is the legal liaison between the Cooperative's needs and the general counsel for all contracting issues. Purchasing functions are also performed in this section for service contracts and any construction-related commodities. Contracts and Purchasing also prepares and issues competitive sealed bids, proposals and addendums; conducts pre-bid and post-bid conferences on those bids and evaluates and prepares award packages for service and construction contracts. Any disputes pertaining to the Commercial terms of a contract claim are resolved within this section. Seminole's Supply Management Department processes all pricing information which remains under lock and key during the award process.

## Contracts & Purchasing

## Director's Welcome

Dear Prospective Seminole Supplier,

It is a pleasure to invite you to become a member of the Seminole supplier community. We are interested in expanding and improving our supplier base with good, quality suppliers, particularly in construction and construction services – two areas of importance in the electric utility industry. To that end, our purchasing, technical and materials management personnel have upgraded the methods used to identify, classify and track supplier performance. This updated supplier Guide is part of this process.

Quality suppliers will be given every opportunity to do business with Seminole. Please take some time to read through this material. Then take the time to pre-qualify with us in accordance with the information in this Supplier Guide. Our goal is to maintain a mutually long-term and beneficial relationship, creating situations that provide rewards for both of our companies.

In the changing world of business, both domestically and internationally, we all need to cooperate with one another. We hope this Guide provides the mechanism for you to begin working with Seminole Electric Cooperative, Inc. We are implementing better methods of communication with suppliers, and to that end, would appreciate your feedback on Seminole's purchasing processes. We want to help you be competitive. We want you to help us learn how. Our new website referenced in this supplier Guide is for that purpose. Please do not hesitate to use it.

Good suppliers are a vital component of our success. We look forward to hearing from you.

Robert S. D'Orazio  
Director of Supply Management

The Supply section at the Seminole generating stations is in charge of parts availability, logistics and security of inventory at the site. Such activities include receiving the expedited items and reordering items in the materials management system. This section also handles non conforming materials. The Supply section coordinates the expediting and emergency purchasing process and the investment recovery program. Finally, this section interfaces with suppliers, on a day-to-day basis, dealing with the receiving of parts and materials at Seminole's generating stations. This section is *not* responsible for chemical or fuel deliveries (e.g. diesel, coal, limestone). The Seminole internal using department is responsible for these deliveries.

The bulk of small dollar purchases, including inventory and non-inventory items, are done in this department. All priority purchases for the Seminole Generating Station are also expedited from that site.

## **When Do I Need To Be Qualified To Bid?**

### **How Do I Get On The Bid List?**

### **When Do I Bid?**

If you want to bid on any Seminole's contracts, it is necessary for you to be pre-qualified as a vendor, supplier, service provider or contractor. Any questions on pre-qualification should be directed to the Contracts and Purchasing Supervisor.

If your company would like the opportunity to be placed on a Seminole Electric Cooperative, Inc. bid list please visit our website at [www.seminole-electric.com](http://www.seminole-electric.com) and click on the supplier Information link. Download the Bidder Qualification Questionnaire (BQQ) and complete and return it electronically to [SupplierInfo@seminole-electric.com](mailto:SupplierInfo@seminole-electric.com) for evaluation. If your BQQ is missing any required information, it will be returned to you to remedy the deficiency.

We generally issue an *invitation for bid* or *competitive sealed proposal* for purchases exceeding \$20,000.

We also usually call for *competitive sealed proposals* when an award is based on criteria other than price, when a price analysis will not yield an "apples to apples" comparison, or when the requirement cannot be defined in a clear and concise specification.

We may issues a *request for quotation* when the cost of materials, supplies or services exceeds \$10,000 but falls under the dollar threshold for an invitation for bid or competitive sealed proposal document, as noted above.

We use *telephone solicitation* or faxed quotes for materials, supplies, equipment and services up to \$10,000.

*Small dollar* purchases are used for materials, supplies and equipment or services for which the estimated cost is up to \$5,000. Most orders are placed over the telephone and confirmed with a written purchase order. The Supply Management Department has the responsibility for supplier selection in this dollar amount in all situations.

Purchases of up to \$10,000 may be made with a corporate credit card.

## **How are Emergency Purchases Handled?**

Any competitive purchase procedures can be waived in lieu of an emergency or sole source justified purchase.

## **Is Negotiation Allowed?**

Yes. Negotiation can be used in certain circumstances and will be described in the bid document. In these situations, requests for sealed proposals will be used to identify the potential supplier(s) with which we will negotiate. Negotiation may also be used in emergency and sole source situations. Even though a supplier is in a proprietary situation, it may be in Seminole's best interest not to purchase at an excessive cost. This may hold true for emergency situations as well. In such instances, Seminole may make a decision not to purchase even though no other source exists.

## **How Can I Receive Notice Of Bid Opening Results?**

Suppliers are notified of the successful bidder after the evaluation of the bids has been completed. All bids and proposals sent out to bidders will reference a specific time and date of the bid or proposal opening. Bid openings may be delayed in the best interest of Seminole and as approved by the Director of Supply Management. Additionally, late bids may be accepted with the authority of the General Manager. All documents will be opened in the Supply Management Department unless otherwise authorized by the Director of Supply Management.

## **Where Are The Documents Stored?**

All bids, proposals and quotation forms submitted by suppliers competing for awards of contracts or purchase orders should be sent to the Seminole Supply Management Department. All such documents will be logged by date of receipt and held under lock and key in the department. Seminole will *NOT* divulge any bid or proposal information to any supplier during the award process of after.

## **What Are Pre-Bid Conferences And How Am I Notified?**

Pre-bid conferences are used for the purpose of clarifying bid proposals and specifications that may be unclear or highly technical in nature. They are used to ensure bidders understand all the requirements of a bid, prior to its submission. Pre-bid conferences are announced in the bids or proposals or they are announced with letters to all prospective bidders. Any questions regarding pre-bid conferences should be directed to the purchasing representative referenced in the bid or proposal document.

## **When Can I Attend A Bid Opening?**

Seminole's bid and proposal openings as a rule are not public. In very rare instances bid openings may be public when required by RUS regulations. Questions concerning RUS regulations should be directed to the supervisor of Contracts and Purchasing. The bid invitation or request for proposal will indicate the status of the opening.

## **When Can I Visit Seminole's Headquarters and the Generating Stations?**

Suppliers may visit Seminole headquarters in Tampa or Seminole's generating stations after making the necessary appointment arrangements.

|                                       |                                     |
|---------------------------------------|-------------------------------------|
| Headquarters Visiting Hours:          | Monday-Friday 8:00 a.m. – 4:30 p.m. |
| All Generating Station Visiting Hours | Monday-Friday 7:30 a.m. – 1:00 p.m. |

Suppliers interested in visiting Tampa headquarters should make an appointment with a Seminole Contract Administrator. Contact the Plant Buyer when making arrangements to visit a generating station. No contact should be made to any other employees unless requested by those employees.

Unscheduled visits are discouraged, especially at the Seminole generating stations. Generating station security is instructed to turn away any supplier not invited to the site or those without an appointment. Visitors must have hard hats, safety glasses, and safety shoes to be admitted. The Plant Buyer is instructed not to give information pertaining to generating station operations unless specifically instructed by generating station personnel to do so. Additionally, generating station personnel may request visits with suppliers.

Unscheduled visits to headquarters in Tampa are also discouraged. Suppliers without appointments may be turned away. As at the generating stations, other headquarters personnel may schedule appointments with a supplier which is an acceptable practice.

## **How do I Bid On Contracts?**

Suppliers on bid lists will electronically receive a bid invitation when the need for their product or services arises. Each bid document contains the specifications, general terms and conditions, general provisions and price proposal for the commodity or service being purchased. Any addenda will be sent electronically to each bidder. After you have completed the document, return it to Seminole's Supply Management Department within the time frame allotted. Any requests or questions concerning a bid document, during the bid process, should be directed to either the commercial or technical representatives identified in the bid document.

Any contact with Seminole personnel other than these two designated Seminole representatives during the bidding process is prohibited and could result in your company's bid being disqualified.

## **Addenda Process**

Seminole may change a bid document in writing or by e-mail through the use of bid addenda, when changes are needed for additions, deletions or clarifications to the bid document or proposal.

## **What Forms of the Contract Are Used?**

Seminole uses the following forms of contract:

- 1) Purchase Order (P.O.):** This order form is used for one-time purchases only, in which once delivery is made and the invoice is then paid, the transaction is completed. If acceptable to the supplier the purchase order may be paperless with no hard copy sent to the supplier.
- 2) Contract:** Various contract types may be used. Generally, the aggregate dollar amount of the contract is equal to or exceeds \$50,000 and /or insurance and/or bonding is required. Contract forms include Purchase of Goods, Construction Services, General Services and Engineering Services.
- 3) Purchase Order Contract (POC):** This contract is issued when the purchase is repetitive over a year or multiple year period, such as with an Inventory Supply Contract.

## **General Information on Contracts**

## **Coal Procurement**

Approximately 4 million tons of coals are purchased by Seminole annually, under long-term contract and on the spot market. All coal purchases are made through supplier pre-qualification. Any coal supplier desiring to sell coal to Seminole has an opportunity to go through the pre-qualifications process. Criteria for the pre-qualification process include technical responsiveness, fiscal responsibility, past performance record, coal specifications and ability to supply. After being pre-qualified, suppliers are sent bid invitations as needs arise.

Suppliers desiring to pre-qualify for coal purchases need to visit our website at [www.seminole-electric.com](http://www.seminole-electric.com) and click on the Supplier Information link to download the Bidder Qualification Questionnaire. Potential suppliers may submit an unsolicited proposal for market surplus coal only if they have been pre-qualified. An unsolicited proposer is reviewed against the pre-qualified bid list. Proposers not pre-qualified are invited to become pre-qualified and will be used in subsequent bids. If the qualified proposal is rejected, the proposer is notified in writing. If it is accepted, the qualified proposer is awarded an appropriate form of contract.

If an award of a contract is made through the bidding process, all bidders will be notified of the award. All spot coal purchases are awarded by action of the Seminole Board of Trustees or by the Seminole General Manager under special authority.

## **Samples of Supplier Products**

Samples of supplier products that are requested in a bid document will be outlined in the document specifications and must be presented to Seminole without cost or obligation. Samples will be kept in the Supply Management Department until the bid is awarded. The samples will be returned upon request of the supplier after the award of the contract. Note: No samples may be shipped to, or brought on to, SECI's generating station sites that contain any matter of chemical compounds without prior approval. Examples of these would include paints, lubricants, lab chemicals, glues, etc that have Material Safety Data Sheets (MSDS) associated with them. Any product used on SECI's sites, including samples, requires review of the MSDS by the Plant Environmental and Safety Offices. Any sample sent in without prior approval will be held until the MSDS can be provided and reviewed.

## **Gifts/Conflicts of Interest**

It is the strict policy of Seminole Electric Cooperative, Inc. to provide an equal opportunity for all its contractors and suppliers to bid for Seminole's business. In furtherance of that policy, Supply Management Department employees may not conduct business with suppliers from whom they may personally benefit, and they must not become obligated to any supplier. Gifts that may be perceived to be a conflict of interest are prohibited. This does not prohibit nominal value or casual entertainment which meets all standards of ethical business conduct and involves no element of concealment. Lunches and dinners for the purpose of business discussions are allowed with suppliers that are contracted to do business with Seminole.

In any bid document, any of the proposer's employees signing that bid document attest that they have never had, do not presently have, nor contemplate any future interest in Seminole. Additionally, the proposer's employees attest they have no relatives currently employed by Seminole or involved in any other interest which might influence their action. This interest would be construed as affecting the judgment of the proposing bidder or as causing the proposal to be submitted in such a manner giving the bidder unfair advantage.

## **Errors in Bidding**

A bid that is in the possession of the Supply Management Department may be altered by letter bearing the signature of the bidder's employee authorized to bind the proposer during the bidding process, provided it is received prior to the time and date of the bid opening. Telephone or verbal alterations of a bid will not be accepted. In case of error in the extension of prices in the bid, the unit prices will govern.

## **How Are Awards Made?**

### **Evaluation Process**

All bids and proposals received are reviewed and analyzed by the internal Seminole user and the Supply Management Department. The user analyzes the offering according to compliance with the bid specification. The Supply Management Department reviews commercial terms and conditions compliance. Following these reviews, the user and the Supply Management Department recommend for award, the lowest priced responsive bidder. The recommendation for award is then reviewed and approved by; the appropriate Seminole level of management,, Approval by the Seminole Board of Trustees is required for awards of \$400,000 or more.

## **After Awards**

### **Bid Rejection**

The Director of Supply Management reserves the right to reject any and all bids and to waive any irregularities or technicalities, in the best interest of Seminole.

### **Delivery**

The supplier awarded is expected to perform in accordance with the terms and conditions of the purchase order or contract. Contract delivery and performance are tracked closely through the Seminole automated purchasing system. Suppliers should be cognizant of good performance related to deliveries, since that has a possible impact upon future contract awards.

All documentation accompanying each delivery must reference the Seminole purchase order number and purchase order line item. Failure to do so may result in delays in payment.

### **Delivery Locations**

Any deliveries destined for Seminole Electric Cooperative, Inc. headquarters, in Tampa, should be sent to the following address:

Seminole Electric Cooperative, Inc.  
16313 N. Dale Mabry Highway  
Tampa, FL 33618

Any deliveries destined for the Seminole generating Station in Palatka, Florida should be sent to the following address:

Seminole Electric Cooperative, Inc. – Seminole Generating Station  
5 Miles North of Palatka  
890 U.S. Highway 17 North  
Palatka, FL 32177

Any deliveries destined for the Midulla Generating Station in Bowling Green, Florida should be sent to the following address:

Seminole Electric Cooperative, Inc. – Midulla Generating Station  
3 Miles North of SR 62  
6697 North CR 663  
Bowling Green, FL 33834  
ATTN: Warehouse Supervisor

Deliveries will be accepted at the Tampa headquarters Monday through Friday between the hours of 9:00 a.m. – 12:00 p.m. and 1:00 p.m. – 4:00 p.m. Deliveries at Seminole’s generating stations are accepted between the hours of 7:00 a.m. -12:00 p.m. and 12:30 p.m. to 3:15 p.m. Deliveries outside of these hours are discouraged but, in the event of an emergency or special circumstance, it can be arranged by contacting the Warehouse Supervisor or the supply Superintendent of the generating station for which delivery is intended. For maps to these locations please refer to [www.mapquest.com](http://www.mapquest.com).

## **Change Orders**

Seminole reserves the right to make any written changes, including additions or deletions to the quantities ordered, or to the specifications of a purchase order or purchase order contract. If any such change affects the amount due or performance schedule, an equitable adjustment will be made. No adjustments will be made in favor of the seller with respect to any goods that are the seller’s standard stock. Any claim for adjustments must be asserted within thirty (30) days from the date when the change is made or terminated.

## **How Will My Invoices Be Processed?**

Invoices covering the delivery or deliveries of equipment, materials, supplies or services relating to a contract or purchase order should be sent *IN DUPLICATE* to:

Seminole Electric Cooperative, Inc.  
Accounts Payable  
P.O. Box 273000  
Tampa, FL 33688-3000  
ATTN: Supervisor of Disbursements

**TO ENSURE YOUR COMPANY RECEIVES PROMPT PAYMENT**, each invoice must reference the contract number or purchase order number and the purchase order line item. On most commodities, the state tax will not be included on the invoice because Seminole has a direct pay certificate and pays the tax directly to the state. Invoices will only be paid up to the amount of the purchase order. In contract release situations, the invoice must reference the purchase order, contract number and the release number. All billing information, including terms and conditions, will be forwarded to the Accounting Department. Please be sure that your billing department is informed of the invoice requirements and sales tax direct pay authority outlined above, so you will receive prompt payment.

## **Termination of Contract**

A contract may be terminated immediately for cause in the case of serious supplier/contractor error, or if a Seminole project must terminate out of necessity. A contract may also be terminated for Seminole’s convenience, usually with 30 days notice. In any case, the supplier will receive a written notice giving a specific termination time period. These contract termination dates may, at Seminole’s discretion, be negotiated.

## **Supplier Quality Improvement Proposals**

One of the main criteria in judging the quality and qualifications of a supplier is price. Price continues to be an important factor in the purchase of goods and services, but the Contract Administrator and the end user also decide on additional criteria important in judging the best supplier. These criteria include supplier delivery systems, quality improvement, service response time, supplier stocking and packaging. These components, along with other criteria, are then ranked in order of importance, with the highest ranked factors receiving the greatest percentage of importance in the evaluation process.

The goal of this process is to select quality suppliers at the optimum price. A supplier quality improvement proposal will include the criteria and assigned values in the bid document, alerting suppliers to their importance. Any questions regarding this procedure should be directed to the Contracts and Purchasing Supervisor or the Director of Supply Management.

## **Who Do I Contact**

To obtain a Bidder Qualification Questionnaire and begin the evaluation of your company, please

1. Visit our webpage at:  
[www.seminole-electric.com](http://www.seminole-electric.com) and click on the Supplier Information link

OR

2. Call the Seminole Electric Cooperative Purchasing Specialist (813) 739-1486