



Grand Bahama Power Company
An Emera Company



AGENDA

- **GBPC Vendor Pre-qualification Process**
- **GBPC Bidding Process**
- **Vendor Price Determination**
- **GBPC Terms & Conditions**
- **Emergency Purchases**
- **Environment, Safety & Security**
- **Vendor Performance Evaluation**
- **GBPC Payment Process**
- **Q & A**

VENDOR PRE-QUALIFICATION PROCESS

- Creation of Bidders List (which will include repeat suppliers information).
- Creation of Service Directory (which will include key services used by GBPC and the suppliers that provide them).

VENDOR REQUIREMENTS (Deadline: May 31, 2012)

- Complete **Supplier Declaration form**
- Complete **Supplier Qualification Statement**
- Provide evidence of at least \$1,000,000 Employers Liability AND Public Liability Insurance, if offering On-Site services.
- Provide evidence of prior experience and/or qualification in the sale of goods and/or services offered (website, brochure, Client List, etc.)
- Provide evidence of GBPA Licensure if operating locally.





VENDOR PRE-QUALIFICATION PROCESS

- **Supplier Declaration Form**: GBPC form completed by Vendors and Suppliers identifying owners and declaring absence of solicitations or attempts at bribery.
- **Supplier Qualification Statement**: GBPC questionnaire providing details on Supplier capability, environmental, safety and security (ESS) programs and compliance to GBPC ethical standards.



VENDOR PRE-QUALIFICATION PROCESS

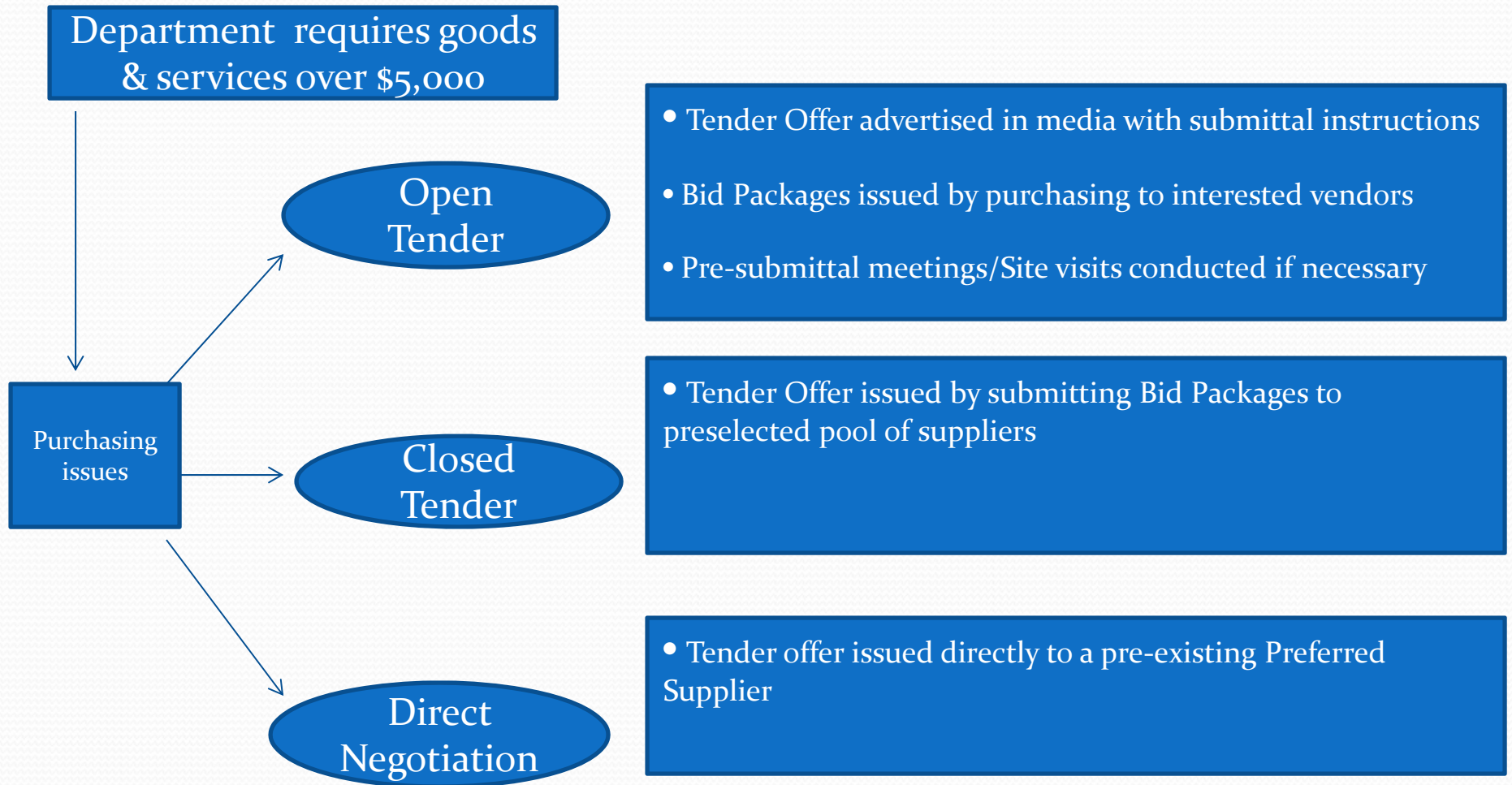
- **Preferred Supplier:** Supplier who consistently delivers quality goods and services, on time and at reasonable prices. There are no more than two (2) preferred Suppliers for each category of Goods and Services.
- **Master Service Agreement (MSA):** Contract issued to preferred suppliers pre-defining roles, responsibilities, scope, performance criteria, terms and conditions for a goods and/or services that are either critical or frequently used by GBPC. The MSA replaces the need for a Purchase Order.



BIDDING PROCESS

- Process used for goods or services expected to exceed \$5,000 where a Preferred Supplier Agreement is not in place.
- The requisitioning department will provide necessary particulars to the Purchasing Department and a RFQ/RFP will be created.
- The purchasing department will determine whether to issue an open tender, closed tender or enter into direct negotiations.

BIDDING PROCESS





BIDDING PROCESS

- **Open tender** –for commodity goods or low risk, relatively simple services for which preferred Supplier agreements are not in place and is open to all qualified vendors.
- **Closed tender** –for specialty goods or moderately risky or complex services for which Pre-Qualified Vendors exist which will be limited to a pre-selected pool of vendors.
- **Direct negotiation** - for goods or services limited to a single vendor. Also referred to as a Sole Sourced contract or agreement.

BIDDING PROCESS

- The **bid package** will include the requirements from department/requisitioner, deadline for submittals, pre-bid meetings, location of tender box(es), and other terms or guidelines.
- Each **tender** (quote, bid, offer document) should be submitted under seal to purchasing and should contain the following:-
 - Detailed information on price
 - Requirements and terms for either sale of goods and/or service
- **Tender Box(es)** are locked containers for which purchasing will keep the key.




BIDDING PROCESS

- Tender s will be opened in the presence of two or more persons, at least one of whom must not be the Requisitioner or Originator of the **RFQ**.
- Selection will be made based on the vendor offering the best quality of goods or services for the best price based on the necessary requirements.
- Once a vendor has been selected this will be communicated, regret letters will be sent out and the bidding process will end.

VENDOR PRICE DETERMINATION



- **PROPERLY PRICING**  **BUSINESS SUCCESS**
- **PROPERLY MANAGING YOUR CASH FLOW IS KEY!!!!**
- **PRICING SERVICES/PRODUCTS**
 - Know your customer (listen to your customer)
 - Know your costs (factor in all overhead costs)
 - Know your profit target (how much profit you would like)
 - Know your competition (keep an eye on competitors)
 - Know the market (changes in the industry)

**UNDER OR OVER PRICING IS NOT GOOD
FOR YOU OR US!!**



TERMS & CONDITIONS

- Purchase Orders or Contracts serve as full Agreements between GBPC & Seller.
- The Seller should be an independent contractor.
- Goods/Services should be delivered/performed as specified in the PO and failure to do so may result in termination of the PO.
- Goods are subject to inspection by GBPC.
- Title to the goods and risk of loss shall pass from the Seller to GBPC upon delivery to and acceptance by GBPC.
- Seller shall receive the compensation and payments described in the PO.
- All invoices properly submitted by the Seller shall be paid by GBPC within thirty (30) days of receipt provided the invoices are due.

TERMS & CONDITIONS

- Seller warrants that all Goods are of good, sufficient and merchantable quality and will promptly replace or repair at the Seller's expense any defective or damaged goods.
- This PO may be terminated by GBPC, in whole or in part, by thirty (30) days prior written notice to the Seller for any reason.
- Seller is required to have the following insurances:-
 - Employers' Liability**
 - Public Liability**
- All information disclosed/received in relation to the PO shall be deemed confidential.
- The Seller shall comply with all statutory and legal requirements within The Commonwealth of the Bahamas and all safety programs and practices initiated by GBPC.



EMERGENCY PURCHASES

- **Emergency Purchases** are defined as purchases that have an immediate and likely [material] impact on Environmental, Safety or Security or on the reliability and quality of the GBPC Power Supply.
- **Only a Director or a VP of GBPC can authorize via email to a Contractor to begin work without a Purchase Order.**
- **If a Contractor begins work without a PO, the contractor will be placed “ON HOLD” for six (6) months before being once again considered to be placed on the Bidder’s List.**

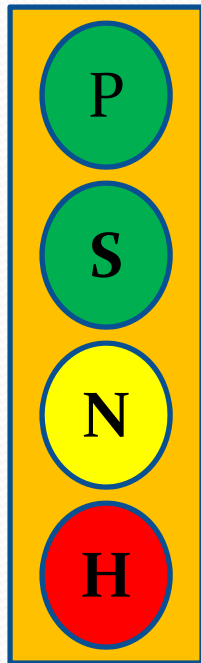


ENVIRONMENT, SAFETY & SECURITY

- Effective June 4th, 2012, all Contractors must wear clear or amber safety glasses. **NO DARK TINTED Safety Glasses are permitted.**
- Names of Vendor Personnel, once a Purchase Order has been received, are to be emailed/faxed to C. Nesbitt or E. Missick no later than Thursday of the week before work commences. This will ensure that the personnel are admitted to work in the various areas.
- Spills of any kind must be reported as soon as it is seen.

VENDOR PERFORMANCE EVALUATION

- **Vendor Qualification:** The process by which Vendors and Suppliers are identified and evaluated.
- **Supplier Ratings** are categories into which Vendors are classified based on past years performance. Categories are as follows:



- **“Preferred”** Vendors who consistently deliver in terms of quality, price and schedule AND have requisite internal systems to assure quality and ESS compliance.
- **“Satisfactory”** New Vendors or Vendors that need improvement in one or more non-critical contractual term AND has requisite internal systems to assure ESS compliance.
- **“Needs Improvement”** Vendors that need improvement in one or more critical contractual term.
- **“Hold”** Vendors that are suspended or prohibited from doing Business with GBPC.



VENDOR PERFORMANCE EVALUATION

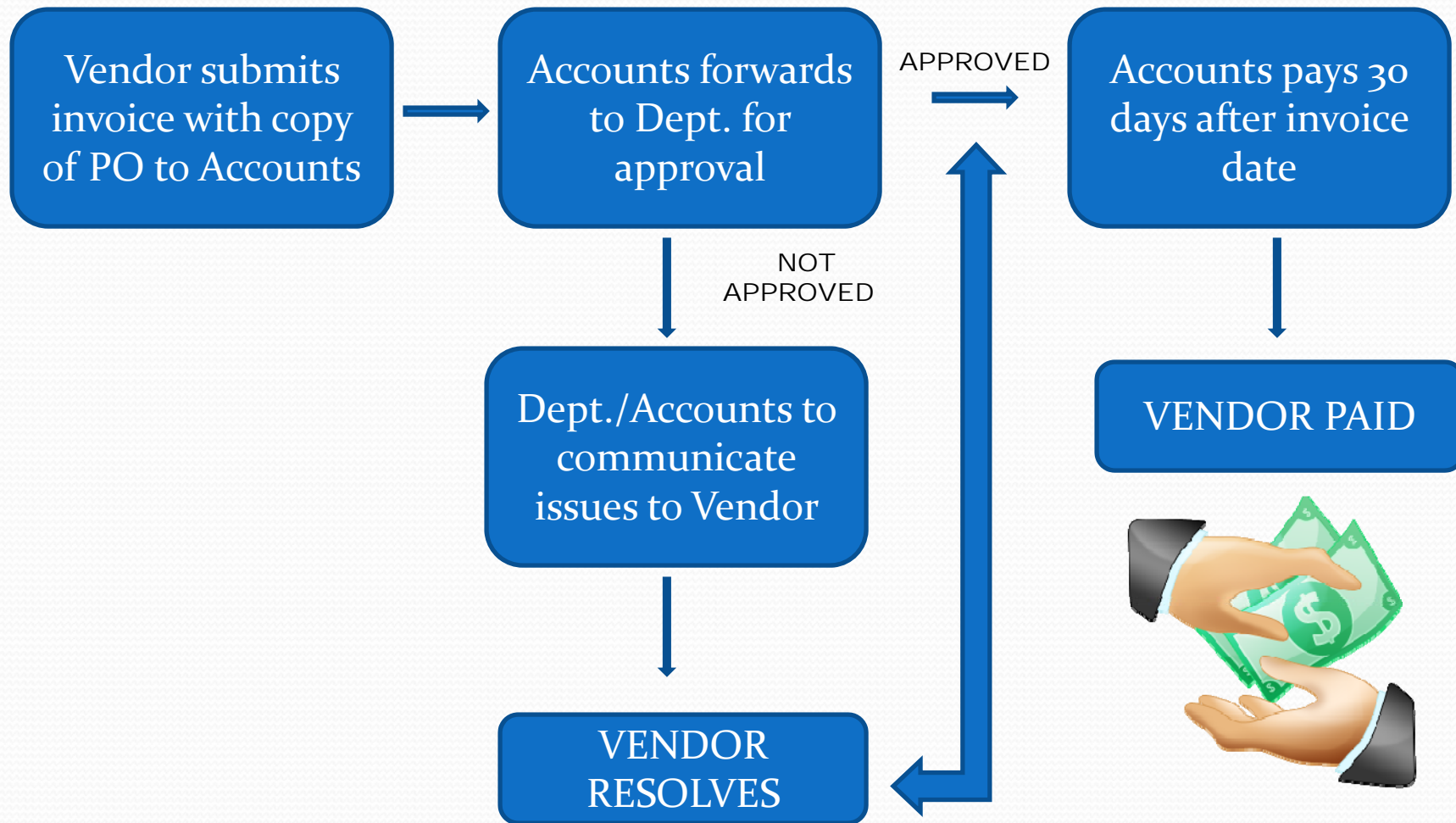
- Vendor ratings may be changed to “**Hold**” on the written recommendation to the Director of Shared Services by another Director or Vice President.
- While the Vendor is on “**Hold**”, no Purchase Orders or Contracts are issued to that Vendor.
- The “**Hold**” can only be removed in writing by the recommending Director or Vice President or the Director of Shared Services.
- Reasons for placing a Vendor on Hold include (but are not limited to)
 - significant or repeated breaches in GBPC Environmental, Safety or Security policies and procedures,
 - attempts to bribe or to enter into “quid-pro-quo” relationships with GBPC Employees,
 - Theft, Violence or Substance Abuse by Vendor Employees while on GBPC Property.



VENDOR PERFORMANCE EVALUATION

- Vendor ratings may be changed to “**Needs Improvement**” based on failure to perform in one or more key procurement metric such as repeated slippage in forecast ship date or non-compliance with shipping requirements.
- Vendor ratings may be changed to “**Preferred**” based on favorable long term performance or with the negotiation of a more favorable contract to an existing relationship. **Preferred Suppliers** are automatically eligible for **Sole Source contracts** and **Master Service Agreements** and have greater access to GBPC business data.
- Vendor Ratings remain in place if no review or action is taken.

GBPC PAYMENT PROCESS





GBPC PAYMENT PROCESS

- Invoices should be submitted monthly to the Accounts Payable Department, P. O. Box F-40888, Freeport, Grand Bahama, Bahamas, by Hand Delivery to the GBPC Downtown Headquarters or via e-mail to the Department Head.
- Payment terms are net 30 days after submittal of invoice. Invoices will require the approval of the Department Head or Contract Administrator prior to payment.
- To avoid delays please ensure invoice is accurate and a copy of the approved Purchase Order is attached.



Q & A

