Procurement Policy

Eversource is committed to consistently procuring the best available products and services, for the best value, that are required to equip, maintain, and support operations across the company. Eversource's procurement practices reflect and promote the company's high standards of quality, continuity of service, fairness and integrity.

Guidelines

The Procurement Department systematically secures all required equipment, tools, materials, supplies, and services at the best evaluated cost, consistent with economic conditions.

Requests for equipment, tools, materials, supplies, and services will be directed in a timely manner to Procurement for soliciting the marketplace, negotiating as necessary, and placing purchase orders or contracts with suppliers to meet all planned requirements.

Eversource is committed to the practice of affording opportunities to small and diverse businesses, including women and minority owned, veteran-owned, service disabled veteran-owned, and HubZone businesses. To better accomplish this, Eversource maintains and administers a Supplier Diversity Program, which is focused on developing, making accessible, and continuously improving the company's portfolio of small and diverse suppliers.

The standard set of objectives, compliance plans, procedures, and guidelines that govern the procurement process are outlined in the Eversource Procurement Manual and include the following requirements:

- A competitive bid process for transactions valued over $50,000 with certain limited exceptions.
- Justifications for sole-sourced transactions valued over $50,000.
- Properly authorized Purchase Order issued by the Procurement Department prior to instructing a supplier to start any work, including the delivery of material, for Eversource.

During emergency situations response time and availability are critical. While there may not be enough time for competitive bidding and evaluation process, valid contracts must be in place prior to commencement of work.

Eversource is committed to procurement practices that comply with all applicable state and federal antitrust and fair competition laws and avoids pricing discrimination and unfair trade practices.

Process

Creation and Maintenance of Bidders Lists
Procurement develops a bidders list for soliciting products and services based on:

- Defining requirements with the end user.
- Identifying new and existing suppliers, including diversity suppliers.
- Verifying suppliers' ability to deliver, technical capabilities, and financial stability.
- Approving the final bidders list.

The Bidding Process
Eversource subscribes to the use of competitive bidding among an appropriate number of pre-qualified suppliers. Before a supplier can bid on a commodity or service, the supplier must agree to comply with Eversource's Supplier Code of Conduct and be pre-qualified as an approved supplier and be listed on the bidders list administered by the Procurement Department.

With limited exception, Eversource does not make any public announcement or public advertisement of its proposed purchases or hold public bid openings. The company contacts prospective suppliers in writing, by telephone, or electronically.

Eversource recognizes the desirability of using products and/or services from suppliers within Eversource's service territory to the extent they are suitable to the end users' needs, and are sold and serviced competitively.

Supplier contacts within Eversource departments must be coordinated with the Procurement Department.

The Supplier Selection Process
Equipment, tools, materials, supplies, and services will be procured at the best evaluated bid, taking into account quality, electric and gas system requirements, reliability, service, availability, and cost. Whenever possible, supplier selection is the result of the competitive bid process. For situations in which there is only one reliable source, the Vice President of the procuring department's business area must complete and sign a sole source justification form, and be approved by the Director of Procurement. Supplier selection, as the result of the competitive bid process, is made by:

The criteria for determining the "best evaluated bid" shall be established by the responsible Procurement Agent with the business procuring manager prior to opening the bids.

- Treating bidders' responses, especially pricing, as confidential information and in compliance with the Records and Information Management Policy, including the Vendor/Contractor Storage of Non-Public Personal Information and New Projects provisions.
- Providing technical responses to the end user for evaluation and ranking.
- Evaluating commercial responses and ranking responses by the Procurement Department.
- Confirming price and verifying scope with the two best evaluated bidders by the Procurement Department.
- Meeting with the end user to review technical rankings and confirm award recommendation.

Contract Administration
The Procurement Department will administer the processes and activities related to the following commercial aspects of a purchase or contract:

- Contracts and/or purchase orders are properly filed and maintained for legal purposes.
- Supporting agreements/documents are fully executed in compliance with the Delegation of Authority Policy and on file.
- Performance bonds and/or letters of credit or other security, if applicable, are received and on file.
- Insurance certificates for active suppliers are current and on file.
- Contracts and purchase orders are properly funded for timely payment to suppliers.

The procuring department's business area is responsible for ensuring that contracts and purchase orders are closed out upon final acceptance of goods or services.

Selling of Surplus Material
The Procurement Department is responsible for disposal of all surplus or salvage material in the most cost advantageous manner. The departments with surplus or salvage material will provide the Procurement Department with the following information: description; quantity; quality; location; inspection; bidding instructions; loading; shipping; payment; invoicing instructions; original cost; and estimated present value.

Procuring Hazardous Material
Prior to procuring hazardous materials, the Procurement Department is responsible for:

- Contacting Eversource's Environmental Department to ensure the hazardous materials can be procured, transported, stored and/or disposed appropriately.
- Verifying that the warehouse or other approved storage location can properly store the hazardous material.
- Confirming that the supplier has agreed to and signed off on terms and conditions specific to handling hazardous materials.

Revision History

0	Consolidation of legacy NU and NSTAR Corporate Policies	11/13/2013
1	Eversource rebranding; revisions to Guideline and Selection Process sections	12/21/2015

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Revision History

0	Consolidation of legacy NU and NSTAR Corporate Policies	11/13/2013
1	Eversource rebranding; revisions to Guideline and Selection Process sections	12/21/2015
2	Added language for Selling of Surplus Material	03/18/2019